



ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
30 March 2021  
Agenda Item 9

Key Decision Yes

Ward(s) Affected: Eastbrook Ward

## **Supporting our Communities to Thrive: The Southwick Estate, Whiterock Place**

### **Report by the Director for the Economy**

#### **Executive Summary**

An essential part of supporting communities to thrive is the supply of a good mix of safe and secure housing. Adur District Council recognises this and has made great strides in improving the quality and quantity of stock in the area in recent years.

Crucial to the Council's role of supporting local individuals and families is the role of Adur Homes, the Adur District Council's social housing arm which owns and manages over 2,500 properties. Work to improve its accommodation stock is underway, through an ambitious capital works programme (£20m over three years) and the creation of more than 200 new high-quality sustainable homes (Cecil Norris, Albion Street, garage sites)

One area recognised as in need of investment is the Southwick estate, which is located adjacent to Southwick Train station and Shoreham Port. The site consists of 248 homes (70% tenants / 30% leaseholders) across 15 blocks (13 of which are owned and managed by Adur Homes, 2 are commercial properties owned by others).

A series of capital improvements were scheduled to take place on the estate last year, but were halted due to Covid-19. This has provided Adur Homes with the ideal opportunity to review the estate as a whole and undertake a high level cost analysis of the impact of the works required across the estate.

The Council recognises any investment will take time and will impact on those who live on the area. So before taking any detailed decisions, Adur Homes is committed to engaging with residents, so they are empowered to input into how their home and community looks in future years.

## **1. Purpose**

- 1.1. To update members on a proposed project to work closely with residents on the Southwick Estate in South Southwick to improve housing standards in the area.
- 1.2. To set out the current issues with the properties and how these impact on tenants and leaseholders.
- 1.3. To seek agreement from Councillors to engage with local residents to explore further the various options to improve housing standards in the area and to work with local residents on developing the options set out below for the future of the Southwick Estate

## **2. Recommendations**

- 2.1. Undertake essential and health and safety works to blocks at the site
- 2.2. Approve funding of £140,000 to conduct a procurement exercise to carry out phase 1 of the engagement and options development work on the future of the estate funded from the new development and acquisition reserve and authorise the Director for Communities to enter into any contract for delivery within the approved budget .
- 2.3. Note that following phase 1, a further report will be presented to members to consider project progress and release further funding if necessary.
- 2.4. To approve the acquisition of the land as set out in the exempt appendix 1 which will be funded from the Hidden Homes budget subject to approval by the Executive Member of Customer Services following the submission of a business case report.

### **3. Context**

#### **3.1 Overview of the Estate**

- 3.1.1 The Southwick estate is located adjacent to Southwick train station and comprises of 13 blocks, owned and managed by Adur Homes, across 3 parcels of land as well as 2 commercial properties owned by third parties.
- 3.1.2 Whilst the north of the site and the site itself is predominantly residential, directly to the south lies Shoreham Port, an active commercial port, and Lady Bee Marina which offers contemporary office and retail space.
- 3.1.3 There are currently 248 homes across the estate with c.70% residents and 30% leaseholders.

#### **3.2 Policy and Commitments**

- 3.2.1 Recently adopted documents such as 'Platforms for Places: Going Further' and 'Housing Strategy 2020-2023' both put local residents and their communities at the forefront of the Councils plans.
- 3.2.2 The Council has set out a clear ambition to create thriving people and communities. The core aspect of this is to provide and foster the necessary infrastructure and conversations for residents to shape their communities.
- 3.2.3 The Housing Strategy in particular compliments this ambition by stating that the Council will enable the right conditions for people to have 'a secure and safe home, not just somewhere to sleep, and for people to thrive in their community'.
- 3.2.4 The housing strategy also commits to developing a resident engagement strategy and to work more closely with residents 'promoting involvement and feedback to Adur District Council as Landlord'.
- 3.2.5 Adur Homes owns and manages over 2,500 homes. The vast majority of this stock is in need of significant investment, improvement or redevelopment in the coming years to meet modern standards and to meet local and national Government targets and policy in fire safety and carbon reduction.
- 3.2.6 In recognition of the above Adur Homes have recently reviewed its planned works and committed to spending nearly £20 million over the next three years so that those most in need receive priority work.

- 3.2.7 As part of the above Adur Homes are also committing to a more transparent and open engagement process with residents on the works being undertaken to their homes.
- 3.2.8 The site sits as part of the Shoreham Harbour Joint Action plan (SHJAP). The SHJAP is a strategy for the regeneration of Shoreham Harbour and surrounding areas. The SHJAP was adopted in 2019 and includes proposals and policies for new housing and employment generating floor-space; and for upgraded flood defences, recreational and community facilities, sustainable travel, environmental and green infrastructure improvements.

#### **4. Issues for consideration**

##### **4.1 Current stock condition**

- 4.1.1 The Southwick estate was originally surveyed by external consultants Faithorn, Farrell and Timms as part of Adur Homes' stock condition surveys undertaken between 2016-9. This work noted that significant repair and maintenance work would be required to all blocks on the estate. Works included (but were not limited to) window replacement, fire door replacement, fire safety improvements, flat roof covering replacement, removal and replacement of concrete balconies, structural repairs and repointing of brickwork and refurbishment of internal communal areas.
- 4.1.2 Since the above, fire safety condition reports have been undertaken across Adur Homes' stock which have identified a number of properties which have inner rooms. A programme is currently being devised to prioritise those high risk properties with a view to remodelling those flats that are affected, a number of which are situated on the Southwick Estate.
- 4.1.3 In January 2020 Adur Homes undertook a tender to complete external and communal works at Rock Close and Lock Court. Tenders were received, however the award of the contracts was put on hold in March 2020 due to Covid-19 and the national lockdown.
- 4.1.4 Following tenders being put on hold, Adur Homes commissioned the Technical Services team to review the cost of delivering all of the necessary upgrade works to all blocks on the estate. The brief included the

requirement to upgrade tenanted homes to decent homes standard along with any necessary fire safety works.

- 4.1.5 The Council also commissioned viability consultants, Quod, to undertake an analysis of the costs to ascertain the financial impact on the Council and leaseholders and to ascertain if redevelopment may be a viable alternative to refurbishment.
- 4.1.6 The analysis shows that the total cost for full refurbishment would be substantial and initial estimates indicate that this could be in the region of £23m over the next 5 - 10 years. Some of this cost will be recoverable through leaseholder contributions however this will have a significant impact on leaseholders in terms of costs of the works depending on the block and amount of works required.
- 4.1.7 This substantial outlay would also only ensure properties are brought up to decent homes standards. Whilst there has been some allowance to increase thermal insulation, due to the location and age of the blocks there is no guarantee that these works will be technically possible. In addition, current cost analysis is only based on like-for-like replacement of components and does not allow for improvements for sustainable space heating provision, which will be necessary to meet the Council's net zero target (and to reduce residents' heating bills).
- 4.1.8 Items not currently considered in the refurbishment programme such as electrical works, asbestos management and some roofing elements will require further work to derive a cost estimate.
- 4.1.9. As part of the high level stock review at the Southwick Estate some immediate health and safety work has been identified. Regardless of the next steps in terms of consultation Adur Homes will look to undertake rectification works relating to these identified issues. The need for any Health and Safety works will be kept under review throughout the consultation process.

## 4.2 **Redevelopment as a viable alternative**

- 4.2.1 Due to the possibly prohibitive costs to both the Council and leaseholders and the impact on residents the Council have also commissioned Quod to review an alternative option of redevelopment of the site to ascertain the viability of such option. The outcome of this demonstrates that redevelopment could offer a viable alternative to refurbishment at a cost of around £12.4m (plus the cost of emergency works) however further work

would be required with residents and a wider consultant team to ascertain if a viable and workable solution could be achieved.

- 4.2.2 Further consultation with residents is important to identify the form that any redevelopment option would take and how this could best meet residents' needs. Other options may also exist, such as partial redevelopment, infill development or modification and extension of existing blocks. A consultation exercise will allow residents to understand all viable options and for these to be compared against refurbishment.

## **5. Working with Residents at the Southwick Estate**

- 5.1 Adur Homes have, in the past, been accused of not sufficiently engaging with residents on the capital works being undertaken to their properties. Having crystallised the possible significant and long term impacts to both tenants and leaseholders it is felt that a positive step forward needs to be made in how residents are consulted and engaged with.
- 5.2 The process below sets out a genuine commitment to better engagement and looks to provide residents with the opportunity to help shape the future of where they live.
- 5.3 **Overview of consultation process**
- 5.3.1 It is proposed that the consultation process be split into 3 stages as set out below. It is envisaged that after each stage Officers will report back to members on findings ahead of moving to the next stage. Consultation and engagement on options for the site will look at a range of options from 'do nothing' through to full redevelopment
- 5.3.2 The information below gives an overview of the stages and possible engagement methods. Adur Homes will look to work with the Adur Homes' Management Board to design the consultation process prior to engagement with residents

Stage 1	Introducing the process and the reasons for pausing other major works, understanding general views on the estate, recruiting interested residents for a steering group (supported by an Independent Resident Advisor), setting out Council's guarantees / commitments, sharing a summary of the major works / stock condition challenges with the estate.
Stage 2	In depth options modelling for redevelopment, refurbishment or a hybrid of refurbishment/redevelopment with residents. Technical review of barriers/opportunities of each option and in depth legal review of the site.
Stage 3	Agree a preferred option and submit a formal business case for approval

5.3.3 Consultation will be undertaken using a variety of methods such as:

- Working with a local residents as part of a steering group
- Appointment of an independent resident advisor to help guide residents through the process
- Presentations and Q&A
- Online presence for news and views
- Face to face consultations (where possible)

5.3.4 As part of the process Adur Homes will work with leaseholders to review costs and affordability of the options reviewed.

5.3.5 It is noted that there is some ambiguity on the name of the estate with it often being referred to as different names. As part of the consultation officers will work with residents to ensure that the estate has an agreed identity/name.

5.3.6 The budget requirement for stage 1 is £140,0000. This includes for the appointment of an architect, viability consultant, community engagement consultant and a resident advisor. Staff time is also included in the above.

## 6. Financial Implications

6.1 The costs of refurbishing the estate are substantial at a minimum of £16.4m over the next 5 - 10 years. The initially tested option to redevelop the neighbourhood at a cost of £12.4m potentially has the benefit of both reducing the overall cost to the HRA whilst improving the quality of homes for both tenants and leaseholders; and increasing the overall supply of

housing in the area. However if the redevelopment option is pursued the Council will still have to fund emergency works of £3.7m on the estate.

- 6.2 Prior to deciding on the most appropriate course of action, additional work will be required to further develop and consult on the options for addressing the level of maintenance required on the properties as set out above at paragraph 5.3.6 at a cost of £140,000.
- 6.3 The initial stage of the project will not be capital expenditure and will require funding as there are no budgets with the Housing Revenue Account to fund this expenditure. However the Council created a Housing development and acquisition reserve to support housing development initiatives. Currently there is £890,000 unallocated in the reserve which can be used to support this project.
- 6.4 Following the outcome of phase 1 of the project, a further report will be presented to members detailing the financial implications of the emerging preferred option.
- 6.5 Contained within the exempt appendix are details of a land acquisition which will either be suitable for redevelopment in it's own right or will be complementary to the redevelopment of the estate if this is chosen. It is proposed that this site be acquired subject to consideration of a detailed business case by the Executive Member for Customer Services. The HRA will need to fund the revenue consequences associated with the acquisition of this site until the site is redeveloped.



	£
Annual debt charges	29,990
Less:	
Rental income	-6,750
Commercial rent income	-5,400
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Net cost to the HRA	17,840
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This is not currently budgeted for within the HRA and will need to be funded from the New Development and Acquisition reserve in the first year, thereafter financial capacity will need to be built into the HRA to fund this cost.

## **7. Legal Implications**

- 7.1 Under Section 111 of The Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 7.2 Section 1 of The Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.
- 7.3 Section 3(1) of The Local Government Act 1999 contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised having a regard to a combination of economy, efficiency and effectiveness.
- 7.4 Section 1 of The Local Government (Contracts) Act 1997 confers power on the Local Authority to enter into a contract for the provision of making available assets or services for the purposes of, or in connection with, the discharge of the function by the Local Authority.
- 7.5 Section 9 of The Housing Act 1985 confers power on the Local Authority to provide, repair and maintain houses for rent.
- 7.6 At Appendix 1 there is an additional document which is exempt under the Local Government (Access to Information) Act 1985 as the information relates to the financial or business affairs of Adur District Council. This

information must be given due consideration and taken into account prior to members reaching a decision.

- 7.7 When entering into a public contract, the authority is required to comply with the Councils' Contract Standing Orders found at Part 4 of the Councils' constitution.

## **Background Papers**

Adur District Council - Housing Revenue Account (HRA) Capital Programme  
2021-2023 (March 2021)

Housing Strategy 2020-2023 (March 2020)

Platforms for Places: Going Further (2020-2022)

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## **Sustainability & Risk Assessment**

### **1. Economic**

This proposal assists the council in meeting its stated strategic goal of increasing the supply of housing and enabling residents to live and work, at affordable prices in the district.

### **2. Social**

#### **2.1 Social Value**

This proposal is the start of a process which it is hoped will provide social value for those living in the area.

#### **2.2 Equality Issues**

Under Section 149 of the Equality Act 2010 the Council has a Public Sector Equality Duty. This requires the Council to have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Adur Homes, as part of the Council, is also subject to this duty. Potential equality related impacts are taken into consideration throughout the Consultation and engagement with residents on options.

Should the scheme progress to the next stage of in-depth consultation (stage 2 onwards) then a full equalities Impact assessment will be undertaken to ensure that this scheme does not unlawfully discriminate against any protected characteristic.

#### **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 a home for life by providing people with a decent affordable home.

### **3. Environmental**

There are not currently any known environmental impacts however these will be considered as part of the consultation work.

#### **4. Governance**

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

A delivery Board will be set up to manage and monitor progress of the phase 1 consultation.