

STROUD DISTRICT COUNCIL

**AGENDA
ITEM NO**

HOUSING COMMITTEE

11 JUNE 2019

7

Report Title	STROUD DISTRICT COUNCIL'S NEW HOMES AND REGENERATION PROGRAMME AND DISTRICT WIDE AFFORDABLE HOUSING DELIVERY.
Purpose of Report	To provide the Committee with an update on the original five year New Homes Programme and the details of the new schemes that are planned to be delivered over the next 3 years. The report also provides an update of affordable housing delivery across the District.
Decisions	<p>The Committee RESOLVES to:</p> <p>1) Note the outcome of the delivery of the original New Homes Programme and the current position with regard to the schemes at Southbank, Woodchester and the former Ship Inn Site, Stonehouse.</p> <p>2) Approve the programme of new council homes, with budget already approved in the MTFP, for delivery during 2019/20 to 2022/23 as follows:</p> <ul style="list-style-type: none"> • Summersfield Road, Minchinhampton • Broadfield Road, Eastington • Orchard Road, Ebley • Ringfield Close, Nailsworth • Queens Drive, Cashes Green • Gloucester Street/Bradley Street, Wotton-Under-Edge • Glebelands, Cam
Consultation and Feedback	Consultation with stakeholders is undertaken at the relevant stages of a project. Consultation has taken place with the majority of Ward Councillors and Town/Parish Councils on schemes which have reached the relevant stage. Those Ward Councillors who have been consulted are supportive of the programme and the response from Town/Parish Councils is mainly positive.
Financial Implications and Risk Assessment	<p>These schemes are already included within the Capital Programme, the Medium Term Financial Plan (MTFP) and 30 year position of the HRA.</p> <p>The approved budgets are based on estimated costs at the current design standard. As detailed in the report, they are in the preliminary stages, and so some schemes may yet need to be amended. Should schemes change, or the SDC design standard be amended, for example to take into account the Carbon Neutral 2030 motion, this would impact on the cost of the</p>

	<p>project, and so could mean that schemes become unviable or require greater subsidy from the HRA.</p> <p>Lucy Clothier, Principal Accountant Direct Line: 01453 754343 E-mail: lucy.clothier@stroud.gov.uk</p> <p>A risk register is maintained for the programme, the most significant risk is that of increasing building costs, which could lead to schemes being unviable. Paragraph 6.0 sets out the other key risks to timescales and delivery.</p>
Legal Implications	<p>The report reviews the status of the 2013-2018 programme and sets out some general proposals for the development of sites in the future. To that extent there are no material legal implications arising from the report. As regards a possible disposal of the Ship Inn site (Stonehouse) the usual legal requirements on disposal in respect of price and other terms will apply and an assessment of the legal position will need to be undertaken when detailed proposals come forward.</p> <p>Alan Carr - Solicitor Direct Line: 01453 754357 Email alan.carr@stroud.gov.uk</p>
Report Author (s)	<p>Kimberley Read – Project Manager Direct Line: 01453 754175 E-mail: kimberley.read@stroud.gov.uk</p> <p>Leonie Lockwood – New Homes & Regeneration Manager Direct Line: 01453 754153 E-mail: leonie.lockwood@stroud.gov.uk</p> <p>Pippa Stroud – Policy Implementation Manager (Section 9.0) Direct Line: 01453 754099 E-mail: pippa.stroud@stroud.gov.uk</p>
Options	To not borrow further funding in the HRA to deliver new homes and stop the programme.
Performance Management Follow Up	Regular updates to Housing Committee on the delivery of this programme of new council homes.
Background Papers/ Appendices	<p>Appendix A – Site Location Plans Appendix B – Key Programme Milestones & Proposed Unit Mix Appendix C – Stroud District Affordable Housing ‘On Site’ Appendix D – Stroud District Affordable Housing ‘Not Yet Started’</p>

1.0. Introduction

- 1.1 Stroud District Council has an excellent track record of delivering good quality affordable housing within the district, having delivered 228 new affordable homes through its five year New Homes Programme up to March 2018.

This report provides an update on the delivery of new homes through the original programme and seeks approval to the next group of schemes to be delivered during 2019/20 and 2022/23.

- 1.2 It is proposed that further schemes are added into the programme as opportunities arise and subject to approval to further borrowing.
- 1.3 This report also outlines the district wide need for affordable housing and provides an update on delivery of new homes across all affordable housing providers.
- 1.4 Previously the New Homes Programme and new homes delivered through the Sheltered Modernisation Programme have been reported separately. In this report and in the future, new homes delivery for these two programmes will be combined.

2.0 Previous Programme

- 2.1 The target for the original five year programme was to provide 236 new homes. As stated above, the majority of these new homes have been completed; however, there are two schemes within this programme, Southbank and the former Ship Inn site which have been delayed. The delivery of these two schemes would exceed the original new homes target and deliver 242 new homes. In addition to this, by the end of June we will have completed 11 new homes at Tanners Piece which formed part of the Sheltered Modernisation Programme. The total delivery by end of June will be 239. A brief update on these three schemes is provided below.

2.2 Tanners Piece, Nailsworth (Independent Living Scheme)

The development at Tanners Piece has replaced 8 non-traditional bungalows with 11 new apartments specifically designed for older people. The homes provide a mix of 1 and 2 bedroom flats and have been designed to be wheelchair accessible, with a dedicated mobility scooter store and lift. This forms part of SDC's Older People's Housing Strategy and is the first newly built Independent Living accommodation which has been developed as part the Council's commitment to providing accommodation which meets the needs of an ageing population. The new homes will be warm with improved levels of energy efficiency, as well as being spacious with plenty of natural light. The project is due to complete on 21st June. The contractor E.G. Carter have performed very well throughout the project.

2.3 Southbank, Woodchester

Southbank is on site and will provide 5 new homes (3 for affordable rent and 2 for shared ownership), with a mix of 2, 3 and 4 bedroom homes. There have been a number of challenges to overcome on this site, which have resulted in a number of delays to the programme. SDC are in contract with Speller Metcalfe who are

performing well and are proactively resolving issues to ensure the current programme is delivered by July 2020. This scheme is in receipt of Government funding for the shared ownership units; Homes England is aware of the revised timescales for delivery and is supportive of the scheme.

2.4 The Former Ship Inn, Stonehouse

2.5 The former Ship Inn site was included within the programme as a substitute for the original scheme at Wharfdale Way, as it was proving difficult to produce a layout and design that everyone was happy with due to the constraints of the site. Part of the Wharfdale site was disposed of and has been developed for private housing with an area along the canal edge retained by the Council for community use.

2.6 This site has been one of the most challenging to deliver as it lies within the Industrial heritage Conservation Area. A scheme has been designed which planning officers recommended for approval, however, at Development Control Committee (DCC) in November last year, the local community and Town Council objected to the proposals and local residents requested the application was deferred until April 2019 'to allow for a feasibility study for the purchase of the Ship Inn site through local Community and Business funding' as they wish to see it used for community uses. Development Control Committee accepted the principle of developing some affordable homes on the site during its debate but refused the application, which was then withdrawn. There is, therefore, no formal refusal notice on the site.

2.7 Meetings have been held with the Town Council, ward members and the subsequently formed community group to try to find a way forward. We have suggested options could be a land swap with the Town Council or for the Town Council to purchase the site from SDC, although this would mean that we would be unlikely to deliver any new council homes in Stonehouse over and above on land that we already own (i.e. garage sites).

2.8 We have not had a formal response from the Town Council as yet, but it is supporting the community group in developing proposals for the former Ship Inn site. Officers requested that the group confirms its proposals for the site and a timescale for developing a more detailed business case for these. The group has undertaken a survey of the 'Stonehouse community' and has produced a feasibility study which concludes that;

2.9 *'ShIPS concept is to create a centre combining the following:*

- *Small cafe*
- *Small craft slip/wooden dock*
- *Wildlife haven/park and picnic area/tourist information*

Timescales proposed for this are:

Stage 1

Year 1

Within the next year Plan 'pop-up' events to engage the community and see how the space is best used. Many of these events can be tied into other local area events and/or promote local businesses.

Stage 2 Years 2-4

This stage relates to the end of Phase 1a/beginning of Phase 1b of the canal redevelopment. It consists of obtaining planning approval to create basic sustainable amenities on the site with buildings/dock constructed in an aesthetic sensitive to the heritage of the area that does not infringe on wildlife and ecology of the site. These constructions will create local employment opportunities and begin directing tourists into Stonehouse and further along into Stroud and the five valleys.'

- 2.10 The feasibility study does not recognise the Council's position as landowner, the value of the site and contribution it has made in financial terms to the canal project, nor does it accept the need to deliver affordable homes as a priority. It also doesn't include the opportunities that are presented by this council's decision to gift land on the opposite side of the canal; at Wharfdale Way and the work that both Council's have been doing to bring this site and the HRA owned play area close by into greater public use, including grant funding and partnership working with Gloucestershire Wildlife Trust's 'Wild Towns Project'. These sites along with the cycle path, woodland and boat house owned by Wycliffe adjacent to the former Ship Inn site, all present a considerable and exciting opportunity to link Stonehouse to the canal and the canal to Stonehouse, with canal boat moorings along this stretch of the canal.
- 2.11 Officers will aim to progress discussions with Stonehouse Town Council over the coming months, noting that a 6 month period is the period given to community groups to pull together a bid for a registered asset of community vale (this site does not qualify to be registered as such) and whilst recognising the work that ShiPs has put in, that 7 months have already passed since a deferment was requested from DCC and there is no clear scheme or bid for the site.
- 2.12 Further updates will be brought to committee, but the budget will remain in the MTFP for this scheme until a final decision is made.

3.0 Proposed New Homes & Regeneration Programme

- 3.1 The New Homes and Regeneration team seek to deliver a programme of new affordable rent and shared ownership homes by 2023. The site location plans for each new development scheme are contained within **Appendix A** and below is a brief summary of each scheme and the housing mix proposed on the site.

3.2 Summersfield Road, Minchinhampton

Summersfield Road is a former garage site owned by SDC. The garages have been demolished and the site is fenced off and being managed ready for development. Ward Councillors have been consulted and are supportive of the proposals.

3.3 Broadfield Road, Eastington

Broadfield Road is an existing sheltered housing scheme owned by SDC. On part of the site there is an existing detached building which provides communal facilities for the site, including communal lounge/kitchen, laundry and former Scheme Manager's accommodation above. The communal facilities are under-utilised and the scheme manager's accommodation no longer required. An opportunity has been identified to demolish the communal building and replace it with new affordable Independent Living bungalows specifically for older people, essentially infilling the site. A number of consultation events have been undertaken with existing tenants who live at the scheme who welcome the proposals. Each tenant will be provided with a washing machine to account for the loss of the laundry facility and the service charges will be amended accordingly. A final consultation will be undertaken with tenants prior to planning submission.

3.4 Orchard Road, Ebley

Orchard Road is a former garage site owned by SDC. The garages have been demolished; however the site has not been fenced off due to rights of access to surrounding properties which need to be retained. Ward Councillors are aware of the site, and they will be consulted further as the plans develop. SDC plan to undertake consultation with surrounding neighbours before the scheme is progressed further.

3.5 Ringfield Close, Nailsworth

Ringfield Close is an empty former sheltered housing scheme owned by SDC. The site was closed as part of the Sheltered Modernisation Programme, and has been used as a site compound by the contractor developing the Tanners Piece site. Now that the new flats at Tanners Piece are complete, SDC plan to submit a planning application for a new affordable housing development.

3.6 Queens Drive, Cashes Green

Queens Drive is a former garage site owned by SDC. The site is fenced off ready for development. There are some access issues which need to be resolved before the scheme can be progressed further. Ward Councillors are aware of the proposals and will be consulted further as the plans progress.

3.7 Gloucester Street/Bradley Street, Wotton-Under-Edge

This site includes 2 empty properties on Gloucester Street and 2 tenanted properties on Bradley Street. The homes require significant investment to improve the standard of accommodation and during the exploration of options for the homes; an opportunity arose to provide additional new affordable housing on the site. The proposal is to redevelop the site and provide 8 new energy efficient, affordable homes (providing four additional homes). This project has been submitted to planning and subject to obtaining satisfactory planning approval, it will be presented for a final decision by Housing Committee later this year. SDC have

been working closely with the tenants affected by these proposals, and have consulted heavily with Ward Councillors who are supportive of the plans.

3.8 Glebelands, Cam

Glebelands is an existing sheltered housing scheme which is currently being decanted as part of the Sheltered Modernisation Programme. During the Ark review some initial feasibility assessments and a draft layout were produced. These were undertaken some time ago and the team plan to commission a new architect to look at the site again because it is felt that the initial 28 units which were proposed is not achievable due to an amended site boundary and site constraints. It is likely that the scheme will deliver some older person's flats (similar to Tanners Piece) as well as a mix of general needs accommodation for affordable rent and shared ownership. The figures detailed in section 5.0 and Appendix B have been taken from the initial feasibility undertaken during the Ark review and are subject to change.

3.9 A summary of the key milestones and the proposed unit mix for each site is presented in **Appendix B**.

4.0 Pipeline Programme

4.1 The New Homes & Regeneration team is keen to actively progress a number of pipeline projects to increase the delivery of more new council homes beyond the existing schemes outlined in sections 2 & 3. The Council has limited land opportunities remaining; however some of the opportunities being explored include a garage site behind the Park Road flats in Stonehouse, May Lane, Dursley and other opportunities identified through the Sheltered Modernisation Programme.

4.2 In addition to the above, the Council has committed £3 million towards the acquisition of new development land beyond the existing programme to assist with future delivery.

4.3 The team work closely with the Housing Strategy team to identify opportunities for the delivery of new homes across the district.

4.4 The production of a Development Strategy over the next year will set out the Council's clear ambitions for the number, type, tenure and design of council homes to be developed beyond this programme of schemes, as well as the location of any sites identified through the new land opportunities fund.

5.0 Financial Overview

5.1 The budgets for the New Homes Programme have already been approved by Council and are included within the MTFP. The table below provides a summary of these costs, although it is important to note that they do not reflect recent policy changes such as the Carbon Neutral 2030 motion.

	No Of Units			Costs	NPV £000s
	Rented	Shared Ownership	Total	Total Scheme Costs £000s	
Summersfield Road, Minchinhampton	7	0	7	920	77
Broadfield Road, Eastington (SMP)	9	0	9	1,115	-37
Ringfield Close, Nailsworth	15	5	20	3,213	365
Orchard Road, Ebley	5	0	5	715	24
Queens Drive, Cashes Green	7	0	7	1,040	39
Gloucester Street/Bradley Street, WuE	8	0	8	1,276	61
Glebelands, Cam (SMP)	23	5	28	3,277	251
Totals	74	10	84	11,556	780

Net Present Value (NPV) is the difference between the present value of income and expenditure over a period of time, in this case 30 years.

6.0 Key Risks to Delivery of the Programme

6.1 New build sites generally have a large number of associated risks which differ from site to site. The key risks to delivering the programme within the timescales are:

- 6.1.1 Failure to obtain planning permission;
- 6.1.2 Unknown ground conditions which affect the drainage strategy/costs to deliver the site;
- 6.1.3 Re-housing any tenants in existing properties which need to be demolished as part of the proposals;
- 6.1.4 Increasing build costs and supply of materials;
- 6.1.5 Legal agreements and statutory authorities such as utility suppliers;
- 6.1.6 Ecology (including surveys which are time specific, and any associated licences which may be required from Natural England).

6.2 The team are aware of these risks and seek to actively manage them throughout the duration of the project, though sometimes they can be beyond the Council's control.

7.0 New Homes Specification – Employer's Requirements

7.1 The New Homes 'Employer's Requirements' specification is due to be reviewed thoroughly over the next few months. This piece of work is being done as a result of the recent Council motion and commitment to being Carbon Neutral by 2030.

This also links closely with the potential 'Future Homes 2025 Standard' which is likely to be implemented within the next year, which sets a high standard for the energy efficiency of new homes. During this review, the alignment with the Council's specification for its existing stock will also be checked to ensure they are inline.

- 7.2 The changes to the specification will have an impact on the indicative build costs detailed in section 5.0. When the brief has been updated a cost analysis can be undertaken to understand the likely impact on budgets.

8.0 Procurement

- 8.1 The Council is part of the Westworks Framework which enables the Council to utilise the Dynamic Purchasing System (DPS). The DPS allows the Council to tender a package of new schemes which can be awarded to the same contractor subject to satisfactory performance. The performance is measured through specific KPI's and project reviews at key points during the contract.

- 8.2 The benefits of being part of the DPS are:

- 8.2.1 Reduced procurement timeframes and quicker delivery of new homes;
- 8.2.2 Greater certainty of cost;
- 8.2.3 The ability to build up a relationship with a contractor and site team which would enable the Council to get early input into new sites to assist with the design and value engineering to reduce costs at an early stage and to identify key risks and programme delivery constraints.

9.0 Affordable Housing Need & Supply – Stroud District

- 9.1 In addition to the Council's New Homes & Regeneration Programme, a brief summary of affordable housing need and delivery by other providers across the district is detailed below.

- 9.2 The most recent research regarding housing need is the Gloucestershire Strategic Housing Market Assessment (SHMA) of 2015. This updates existing survey data to give a picture of the current and future need for affordable housing in the district, and an affordable housing needs figure is calculated according to Government guidelines. This tells us that we need 446 new affordable homes per annum in the Stroud district.

The SHMA document can be found on the Council website www.stroud.gov.uk.

- 9.3 Affordable housing delivery over the last 5 years:

Year	Total
14/15	121
15/16	117
16/17	101
17/18	139
18/19	118

For further details on affordable housing currently on site across the district, please see **Appendix C**. For details of affordable housing commitments not yet started across the district, please see **Appendix D**.

10.0 Recommendation

- 10.1 It is recommended that Committee approves this programme of new council homes, with budget already approved in the MTFP, for delivery during 2019/20 to 2022/23.