

**HOUSING COMMITTEE
INFORMATION SHEET (NO.7)
NOVEMBER 2020**

New Homes and Regeneration Programme and Sheltered Modernisation Update

Introduction

- 1.1 The purpose of this briefing paper is to provide an update for members on the New Homes and Regeneration Programme, in particular the changes to the budgets for schemes and the need to reprofile the spend between financial years, and progress on the Sheltered Modernisation Programme.
- 1.2 Despite the various issues that have impacted on the new build programme during the last 9 months, much progress has been made with the completion of the scheme at Southbank, North Woodchester and contracts let for our next three schemes, with an improved specification to deliver to high energy efficiency levels (a minimum SAP of 86 and an EPC rating of B).
- 1.3 The programme overall remains within the original agreed budgets with 41 new homes programmed to complete and 43 additional homes starting on site in 2021/22. There have, however, been delays and those are detailed below together with their impact on the profiling of spend between years.
- 1.4 The sheltered modernisation programme has continued well with agreed risk assessments carried out to enable the works at George Pearce House, Minchinhampton to complete in April and Willow Road, Stonehouse programmed to complete in December.

New Homes and Regeneration Scheme

- 1.5 The current budgets for the New Homes and Regeneration Programme were all approved as part of the budget setting process a year ago with figures being put together in November 2019, presented to members of this Committee in December 2019 and final approval being granted by Council in February 2020.
- 1.6 As members will appreciate, much has impacted on the programming of schemes since these budgets were set, which has included significant delays with planning decisions due to hold ups with responses from third party consultees, which in turn delayed our tendering process. There have also been further impacts due to Covid-19 as external consultants and statutory authorities' ability to respond effectively has been severely affected, with all parties working from home.
- 1.7 The New Homes and Regeneration team has worked hard to limit those delays and despite these difficulties has successfully tendered the next three schemes at **Broadfield Road, Eastington, Ringfield Close, Nailsworth** and **Summersfield Road, Minchinhampton** through the Westworks Dynamic Purchasing System (DPS) and has now awarded a £5.3 million contract, well within the overall budget for the construction payments of £6.3 million for these three schemes. The DPS arrangement enables us to have one team working across a number of schemes with the ability to add in further schemes, over a five-year period, based on performance using KPI data. This negates the need to tender each scheme individually, saving time on the programme. There can be learning across the sites that can be taken into each scheme and having the team on board at the inception enables value engineering to be done at the early design stage. Taking the time to set the contract up right in the first place, with a detailed price and quality evaluation process, will save time as the programme proceeds.

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- 1.8 As is required for a design and build contract, the successful contractor has included within their tender a lead in period to deal with stopping up orders of highways, disconnections, the detailed design, pre commencement planning conditions etc. This means that whilst the contract has been awarded with a fixed programme and an agreed contract sum, the physical start on site will not take place until early in the New Year.
- 1.9 As the original budget had envisaged a start in July this year, this delayed start has impacted on the forecast spend for 2020/21. All three schemes are still due to complete in 2021/22 as planned but in the latter part of the financial year rather than at the beginning. The slippage therefore relates to the fact that the majority of the spend is now due to take place after the 31 March 2020. However, £5.3 million of the new homes budget is already contractually committed.
- 1.10 The successful tender for these three schemes is overall under budget which has enabled the inclusion of air source heat pumps into the contract, which will deliver a minimum SAP rating of 86 and aligns with our Carbon 2030 commitments. Two of the schemes are under the predicted budget and one of them is marginally above resulting in the total scheme costs compared to budget for each scheme as detailed in the table below.

Scheme Name	No of Homes	Total Scheme Costs (Inc. prof fees, planning, surveys etc. as well as contract sum)	Budget
Ringfield	20	3,379,831	4,120,000
Summersfield	7	1,095,576	1,114,000
Broadfield	9	1,540,692	1,439,000
Totals	36	6,016,099	6,673,000

- 1.11 Therefore, whilst the schemes overall are within budget, a sum of £101,692 will need to be vired from the Ringfield Close budget to the Broadfield Road budget and this will be presented, for the approval of members, as part of budget setting.
- 1.12 The scheme at **Southbank, North Woodchester** is due to be completed on the 25 November and, whilst the contractor had to pause the project for 9 weeks earlier in the year due to the lockdown and the closure of all sites, time has been made up and their completion date is only a few weeks beyond the original programme. The rented units have already been allocated and the shared ownership properties have been reserved and are progressing through the legal process with solicitors.
- 1.13 For **Orchard Drive, Ebley** a planning application was submitted in May this year and a decision has not yet been made due to the requirement from GCC for a further archaeological investigation after findings discovered at the adjacent site during the development of Renard Rise. Once planning permission has been secured this will then be the next scheme to include into the DPS arrangement but it is not now anticipated that any spend on the contract will take place in 2020/21.
- 1.14 At **Queens Drive, Cashes Green** legal access issues have delayed this scheme and until these are resolved a planning application cannot be submitted. This will impact on the programming of this scheme.

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- 1.15 For the schemes at **Glebelands, Cam and Cambridge House, Dursley** the budgets were estimated prior to any design work being commenced, to secure a budget in the MTFP, with a view to firming up the budget in subsequent budget setting rounds as the scheme develops. The residents were rehoused significantly ahead of programme, taking approximately 12 months for each scheme rather than the forecast programme of 2 years. The planning applications for these two schemes are being prepared, with CCTV and topographical surveys completed and a ground investigation instructed to inform the drainage strategy, with a view to these being submitted next month. The financial appraisals have been updated and the budget amended accordingly to reflect the mix and number of units. This revised budgets will be put forward as part of the budget setting process.
- 1.16 As members are aware, the Strategy for New Council Homes was adopted at Housing Committee on 22 September 2020. This sets out the type, tenure and standards of new homes and sets a framework for the purchase of land as suitable opportunities arise.
- 1.17 The impact of the above has been fed into the cashflows for each scheme and the impact on the forecast outturn for 2020/21 and the budget setting for 2021/22 is detailed in the HRA budget setting paper being presented to Housing Committee in December 2020.
- 1.18 Below is a table summarising the programme with the number of new homes, the proposed revised budgets and the target start dates.

Scheme Name	No of Homes	Budget (Inc. spend in 2019/20)	Current projected start dates
Broadfield Road	9	1,540,692	Mar-21
Cambridge House	13	2,808,041	Oct-21
Glebelands	23	4,578,000	Oct-21
Gloucester Street/Bradley Street	8	1,832,313	Mar-22
Orchard Road	5	880,287	Apr-21
Queens Drive	7	1,245,811	Dec-21
Ringfield Close	20	3,379,831	Jan-21
The Ship Inn	9	1,892,485	Mar-22
Southbank	5	1,206,743	Completed
Summersfield Road	7	1,095,576	Mar-21
Totals	106	20,459,780	

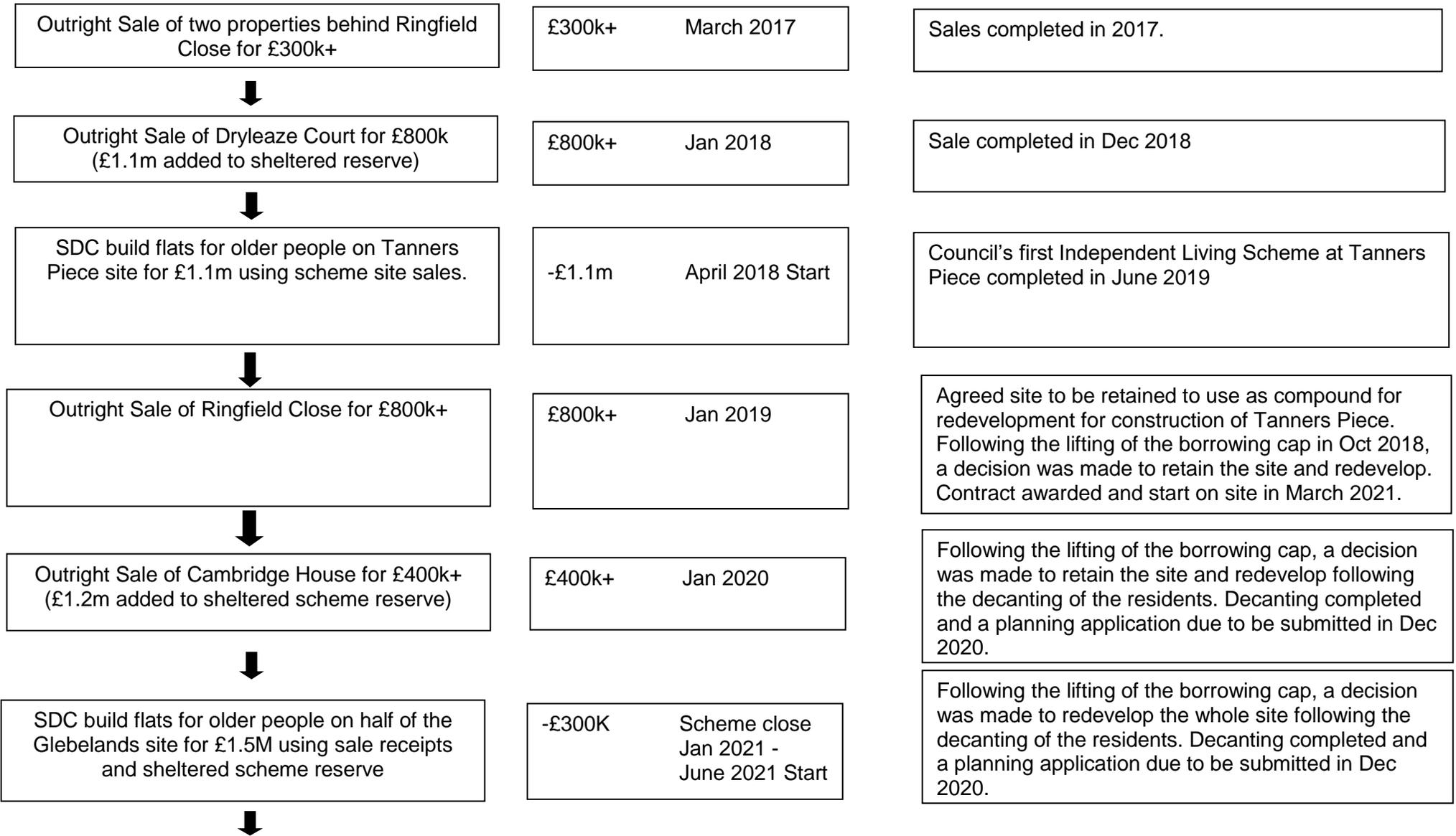
The programme is the best estimate at this time and will be subject to various factors including planning, statutory authorities, legal issues etc. Members will continue to be kept informed on progress through regular updates of the programme.

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Sheltered Modernisation Programme

- 1.19 With regard to the 'red' schemes, the progress on these is detailed above, i.e. Ringfield Close, Cambridge House and Glebelands. To provide a timeline of progress on these schemes, attached at Appendix A is the flow chart that was included within the June 2016 Housing Committee report, setting out the sequence of events, and a column has been added to detail the progress against each item.
- 1.20 Good progress has made in all areas with the added benefit of now being able to develop out the sites at Ringfield, Cambridge House and Glebelands, rather than dispose of them, due to the lifting of the borrowing cap in Oct 2018.
- 1.21 All of the red schemes will have been addressed, schemes designed and properties completed by 2022/23, which is on target with the programme agreed in 2016 albeit with a change in direction from disposal to redevelopment for a number of schemes.
- 1.22 With regard to the amber and green schemes, after a 3-month suspension of work between March and June due to Covid-19 restrictions, the modernisation programme restarted in order to deliver the modernisation works at the two schemes approved at Housing Committee in December 2019.
- 1.23 **Willow Road, Stonehouse**, is the first of the Independent+ schemes to be modernised. Works have included the refurbishment and remodelling of the lounge and kitchen area, renovation of laundry and corridors, the creation of disabled access toilet, fob access entry throughout and an upgraded fire alarm.
- 1.24 Consultation with the residents was initially via scheme meetings (pre-Covid) and was concluded via letter drops and socially distanced 1-2-1 meetings with residents.
- 1.25 The contractor was appointed in September 2020 as a 'direct award', utilising the DPS procurement system and following good performance at the previous scheme. The value of the contract is £282,000.
- 1.26 The work started on-site in September and is progressing on schedule and on budget, with all the work due for completion in December 2020.
- 1.27 **Springfields Court, Cam**, is the fourth Hub to be modernised. The scope of works following consultation is expected to include such things as, refurbishment and remodelling of the lounge / kitchen area, renovation of laundry and health & well-being room, creation of disabled access toilet, fob access entry throughout with automatic main entrance and provision of scooter stores.
- 1.28 Consultation with residents is being undertaken via a phone questionnaire with further information and the opportunity for feedback via letter drops.
- 1.29 The contractor will be appointed in December 2020 and it is anticipated that this will be another 'direct award' utilising the DPS procurement system, dependent upon the continuing high performance levels at previous schemes. The value of the contract will be approximately £350,000.
- 1.30 Works are expected to start on-site early in January 2021 with an anticipated programme of approximately 14 weeks.
- 1.31 The proposed schemes to be delivered in the next financial year will be presented to Housing Committee in the New Year.

Flow diagram from June 2016 Housing Committee Report – Sheltered Red Schemes - Updated with Progress



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