

Report to: Leader of the Council

Date: 2 April 2020

Title: Housing Development at 20 Fort Road, Newhaven

Report of: Ian Fitzpatrick, Deputy Chief Executive and Director of Regeneration and Planning

Cabinet member: Councillor William Meyer, Cabinet member for housing

Ward(s): Newhaven North and Newhaven South

Purpose of report: To report recommendations from the Scrutiny Committee, following their assessment of the Council's housing development at 20 Fort Road, Newhaven.

Decision type: Key

Officer recommendations:

- 1 To accept the recommendations of the Scrutiny Committee laid out in paragraph. 2.2 of this report.
- 2 To agree to appropriate the property from the General Fund to the Housing Revenue Account

Reasons for recommendations:

The committee resolved to support the development of the scheme and would like Cabinet and Scrutiny members to gain a better understanding of the build costs of affordable housing to inform decision making on future housing schemes.

The advice of Homes First is that the scheme at 20 Fort Road would better meet housing needs as Council housing, and flexible temporary accommodation will be allocated in Council stock to meet the specific needs of households.

There are other sites within Fort Road with development potential and the Council will continue to seek opportunities to further increase the supply of housing for local residents.

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1 Introduction

- 1.1 In February 2018 Full Council agreed a budget of £2.2m to progress the development of a residential scheme with the aim of reducing the number of households in temporary accommodation. In October 2018 Cabinet agreed an outline scheme for 12 units in a development at the Former Housing Offices at Fort Road, Newhaven. The project was progressed with a design and planning consent for demolition of the offices and construction a block of 13 flats.

Following the full assessment of the construction costs and it was necessary to seek agreement from Cabinet to increase the £2.9 million, which was approved in July 2019.

2 Proposals

Scrutiny Review of Fort Road Development

At Scrutiny Committee in September 2019, the committee reviewed the project to demolish the offices at Fort Road, Newhaven and construct affordable housing to be used for temporary accommodation, as outlined in the Cabinet Report July 2019. The review included:

2.1 Alternative site options considered for the project

Officer Response: Five sites had been considered, but all others had planning restrictions

2.2 The specifics of the scheme costs and the reasons for the increase.

Officer Response: The increase in costs was due to the inclusion of an additional flat, retaining wall structures because of the steep gradient of the site, and increased specifications to meet the Council's sustainability and fire safety requirements.

2.3 The merits of using the residential units as temporary accommodation

Officer Response: The Homes First teams have reviewed the scheme and have advised that temporary accommodation is required to be flexible, to be provided at different sizes depending on the emerging needs, which one and two bedroom flats do not always meet. Therefore the preference is for the new block to be instead additional general needs Council housing, and 13 alternative homes will be sourced from voids in the Council stock.

2.4 Scrutiny Committee Recommendation

RESOLVED by a majority to recommend that:

1. The scheme be supported;
2. It is recommended that the units be made available for permanent

accommodation, through the Council's Housing Service; and to those with a local need.

3. The adjoining sites be monitored and the Council explore opportunities for development if and when they become available; and
4. The costs of the development (and similar schemes) are reviewed as part of the Committee's work programme.

3 Outcome expected and performance management

- 3.1 The main operational outcome of the recommendation is to change the tenure of the development scheme from temporary accommodation. The expected outcome will be improved allocation of temporary accommodation. This will be monitored by Homes First management teams and can be formally reviewed 12 months after completion of construction, approximately July 2021.

4 Consultation

- 4.1 Homes First teams have been consulted and their preference is for additional general needs Council housing within a new housing scheme. Homes First can then use up to 13 Council homes that become void as temporary accommodation, which are flexible to be provided at different sizes depending on the emerging needs.

5 Corporate plan and council policies

- 5.1 The overall outcomes of these projects support the Cabinet's Corporate Policies to address:
 - "Affordable Housing" – The project is delivering additional affordable rented homes that will be directly managed by the Council for local people in need.

6 Business case and alternative option(s) considered

- 6.1 The two options for the Cabinet to consider for the tenure of the affordable housing scheme are:
 - a) Temporary accommodation
 - b) Affordable rented housing

The appraisals show the overall financial appraisals to be broadly similar, with affordable rented housing having a £31,000 improved net present value over temporary accommodation.

7 Financial appraisal

- 7.1 The Cabinet at its July 2019 meeting agreed to increase the budget to £2.9 million to progress the development of a residential scheme with the aim of providing additional rented homes for households in housing need or homeless within the District. The costs associated with the increase in supply of residential housing scheme will continue to be assessed for each project and detailed financial implications will inform member decisions on a scheme by scheme basis.
- 7.2 In general, the business/viability modelling for new affordable housing assesses each scheme to show the cost of any borrowing required, the costs of future management and maintenance and whether or not this is offset by the potential new rental stream.

8 Legal implications

- 8.1 Land can be appropriated from the General Fund to the Housing Revenue Account (HRA) pursuant to section 122 (1) of the Local Government Act 1972 for an alternative purpose for which the Council is authorised to acquire land and where the land is no longer required for the purpose for which it is held immediately before the appropriation.

The Council is satisfied that the public need in the area is best served through appropriating the land to the HRA for general needs accommodation. As outlined elsewhere in this report there is preference for additional general needs accommodation rather than 13 units of temporary accommodation provided in one block, as originally proposed. As outlined in the Cabinet report of 1st July 2019, the site's former use as a Council housing office was redundant due to the housing team moving to a new shared office space at Saxon House, Newhaven.

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9 Risk management implications

- 9.1 The following risks associated with the change to this project have been identified:

- If the new development remains as temporary accommodation there is a risk that larger families will not have their temporary housing needs met.

Mitigation: The scheme will therefore be changed to general needs council housing.

- If the new development is changed from temporary accommodation housing to secure council housing tenancies, there is a risk that insufficient void properties could become available to use as alternative temporary accommodation.

Mitigation: There is no specific mitigation against this risk; however there has been a regular supply of 10 void properties per month for a significant

period with no reason to suggest this will decrease.

10 Equality analysis

- 10.1 An equality impact assessment has been undertaken and has not identified any equality impacts.

11 Sustainability implications

- 11.1 The sustainable design and features of the homes are already being built, however it is expected that long term residents will make better use of the benefits that the homes have to offer.

12 Background papers

The background papers used in compiling this report were as follows:

- July 2019 Cabinet Report – Housing Finance for Short Term Lettings Development