

**Report to:** Cabinet

**Date:** 14 July 2021

**Title:** Housing Development Update – Southfields Road Car Park

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

**Cabinet member:** Councillor Alan Shuttleworth. Lead Member for Direct Assistance Services

**Ward(s):** Upperton

**Purpose of report:** To provide an update on the Southfields Road Car Park redevelopment project and to progress all matters, including matters of contract, towards the construction and delivery phase.

**Decision type:** Key

**Officer recommendation(s):**

- (1) To note the progress of the project including the appropriation of the proposed development site from the General Fund into the Housing Revenue Account (HRA) on 31<sup>st</sup> March 2021. Appendix 1 (Exempt).**
- (2) To authorise entering into a construction contract to bring forward the development of the Southfields Road Car Park site, including formalising the appointments of the project professional team, in accordance with the Contract Procedure Rules, subject to ensuring a sound and financially viable business case and to let the homes to new tenants.**
- (3) To authorise the Director of Regeneration and Planning, in consultation with the Portfolio Holder for Housing, to carry out all necessary actions to deliver the project and these recommendations including determining the terms of, and authorising the execution of, all necessary documentation, subject to further legal, finance, and market advice.**
- (4) To delegate authority to the Director of Regeneration and Planning, in consultation with the Lead Member for Finance and Chief Finance Officer, to make an allocation within the Capital Programme of up to £6m and within the tolerances of the HRA Business Plan.**

**Reasons for recommendations:** To enable the progress and development of the Southfields Road Car Park site to provide 19 new affordable homes.

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## **1 Background**

- 1.1 This report follows the reports tabled at the Cabinet meetings of 11<sup>th</sup> September 2019 and 16<sup>th</sup> March 2020, which included redevelopment options for town centre sites held within the General Fund, which included Southfields Road Car Park.
- 1.2 At 16<sup>th</sup> March 2020 meeting, Cabinet delegated authority to the Director of Regeneration & Planning, in consultation with the Portfolio Holder for Housing and the Chief Finance Officer, to appropriate all of the land at Southfields Road Car Park, in accordance with further financial and legal advice to be taken, from the General Fund to the Housing Revenue Account (HRA). In-line with this decision, the site was appropriated on 31<sup>st</sup> March 2021.
- 1.3 The Council has owned the Southfields Road Car Park site for many years. In recent times it has been found to be generally under-used and, given its proximity to the town centre and access to amenities, has been highlighted as having good residential development potential. This is in-line with the Council's Corporate Plan 2020-2024 to increase the number of new homes in the borough, providing new, quality, and affordable homes to help meet the immediate housing need and reduce homelessness.
- 1.4 The project has been taken through the feasibility, due diligence, and design stages, utilising the approved housing feasibility budget. The scheme has been considered in some detail since 2019/20, with various options considered and design iterations explored. After a period of discussion with the Local Planning Authority and on the appointment of an architect, the scheme was eventually developed to the final design, which responded positively to planning feedback and better complemented the surrounding properties.
- 1.5 The scheme was taken to planning committee on 20<sup>th</sup> October 2020 and approval was granted with full support of the committee. Competitive tenders have been sought via the Council's Employers Agent (EA) for the detailed design and construction phase from a Design and Build (D&B) contractor. Further details of the commercial terms are in Appendix 1 (exempt).

- 1.6 The procurement was undertaken using the Council's updated Employers Requirements, which places greater emphasis on sustainability, with high performing building fabric ("fabric first") and requests specific sustainable technology in the form of a green living roof, solar panels and an all-electric hot water and heating system.
- 1.7 The tender returns were assessed in accordance with the Council's new social value charter. The charter requires tenderers to submit information demonstrating how the contractor supports local businesses through local procurement, local training/apprenticeships and engages with local community groups.

## **2 Proposal**

- 2.1 The Council is being asked, subject to a viable business case approved by the Chief Finance Officer, to now enter into a building contract with the preferred D&B contractor Trinity Homes (UK) Ltd, subject to legal advice, to construct 19 x new build fully affordable apartments, in excess of planning policy requirements. The building is 5 storeys and relates to the surrounding buildings. The modern design includes integrated balconies to provide private external space to each unit. The 3 ground floor units have private gardens and are designed to meet Building Regulation standards to M4(3), which will provide disabled-ready units. Once a contractor is appointed and individuals allocated to these 3 units, specific design requirements would be incorporated to meet their individual needs. The ability to incorporate adapted homes within new housing developments ensures the Council continues to meet the needs of disabled people within the borough, especially where retrofitting adaptations in the existing stock can be challenging.
- 2.2 As per the approved planning scheme, the development will look to provide the above-mentioned apartments, with high levels of sustainability incorporated as part of the Council's pledge for a carbon neutral 2030, using:
- High insulation levels ("fabric first")
  - 100% electric
  - Solar PV
  - Green living roof
  - Large cycle store to promote sustainable travel

The inclusion of sustainability within the design will, not only reduce future maintenance costs, but will also support individual household affordability making homes both cheaper to run and live in for our residents.

Planning conditions, relating to the inclusion of the green roof and a transport report to include for sustainable transport measures, will need to be discharged prior to occupation

- 2.3 As part of the planning approval and through a Section 106 agreement, the chosen main contractor will be expected to support the local economy through local procurement and employment, as included in an Employment and Training plan which will secure 2 apprenticeships, 5 work experience placements, 4 NVQ training places and other targets to support local employment.

Contributions as part of the Section 106 will also be made to support the set-up of a Car Club in Eastbourne. The provision of the vehicle is to offset the demand of residents of the site without access to their own vehicle whilst also being available for the wider community use as a pay as you go Car Club, providing members with access to cars via an online booking system. The proposal also provides a large cycle store in excess of the local requirements (38 spaces) and if requested, each first resident can request a £100 cycle voucher, as contained within the s106 agreement. These measures will result in fewer cars within the town centre and promote sustainable travel

### **3 Outcome expected and performance management**

3.1 Subject to a viable business case, which may include securing additional grant funding, the indicative programme for the project is as detailed below:

Enter in to building contract	August 2021
Start on site	November 2021
Final completion	April 2023

### **4 Consultation**

4.1 Public consultation has been carried as part of the planning application process. As required, the surrounding residents will be updated on progress and council will support the contractor to resolve any issues which may arise.

### **5 Corporate plan and council policies**

5.1 The development of this site meets the Council's objectives in the Corporate Plan 2020-2024 to:

- deliver more overall new, quality, and well-managed homes for the town
- increase the number of affordable homes to meet local housing need
- address homelessness and reduce the number of households in emergency accommodation
- incorporate sustainability within the design and construction of new homes towards a carbon neutral 2030
- support the local economy through new and diverse thriving communities

5.2 The affordable housing will be compliant with the Council's Affordable Housing requirements and rent levels set in accordance with national guidance. The assets will become part of the HRA housing stock and available for long-term use to support the demands of the growing Housing Waiting List. The properties will be set at affordable rents (80% of the market rent) but capped in accordance with Local Housing Allowance (LHA) levels to ensure they are truly affordable within the context of housing benefit.

## **6 Business case and alternative option(s) considered**

- 6.1 In the Cabinet meeting of 11<sup>th</sup> September 2019, it was noted that a number of assets held within the General Fund were being underutilised. The purpose of appropriating the land into the HRA was to allow these sites, including Southfields Car park, to be redeveloped for affordable housing within the HRA. As the car park was primarily used by Council Staff, the recent change in working patterns and reassessment of how council offices are used, has further strengthened the case to redevelop the site for another use.

## **7 Financial appraisal**

- 7.1 The project will form part of the Council's HRA Capital Programme. Prior to entering into a construction contract, a sound and viable business case will be made available for financial due diligence, pending confirmation by the Chief Finance Officer that the project is in accordance with the HRA Business Plan.
- 7.2 The scheme will be funded by a combination of borrowing, receipts, and grant (internal and external) supporting the delivery of 100% affordable housing.
- 7.3 A full outline on the current financial position and commercial terms are included at Appendix 1 (exempt), as it contains commercially sensitive information.

## **8 Legal implications**

- 8.1 The Council can rely on section 9 of the Housing Act 1985 (HA 1985) to undertake housing development
- 8.2 The Council may rely on the March 2013 General Consent (the 2013 General Consent) to permit the disposal of unoccupied dwellings to individuals for use as their only or principal home
- 8.3 The Council will take full advice on any title issues associated with the developments and in respect of appropriate ways to address any issues revealed
- [10214-EBC-KS 14 June 2021]

## **9 Risk management implications**

- 9.1 The key risks and mitigations are set out in the following table:

	<b>Risk</b>	<b>Mitigations</b>
1	Build costs overrun (including the added risk of rising costs in the market for materials etc. as a result of BREXIT and COVID-19)	<ul style="list-style-type: none"> <li>The Build costs include a 5% contingency. Building contract will be based on a fixed price.</li> </ul>
2	Quality not delivered	<ul style="list-style-type: none"> <li>The scheme has been tendered for using the Councils standard Employers Requirements, which set the expected level of finish/compliance.</li> <li>The Council will be employing an Employers Agent and Clerk of Works to monitor progress and quality on site.</li> </ul>
3	Long term viability	<ul style="list-style-type: none"> <li>The affordable rent is in high demand with limited new supply in the town.</li> </ul>

## **10 Equality analysis**

10.1 Following the completion of the Equalities and Fairness Screening assessment, an Equality Analysis is not required in this instance. The summary of the screening assessment states:

- Redevelopment of redundant land for 19x affordable rent units.
- Includes Disabled ready ground floor flats (3) being designed for individual end users.
- Design proposed is for high quality/specification and sustainably units, to reduce running costs for the end user.

## **11 Environmental sustainability implications**

11.1 The scheme is being constructed to a high level of sustainability and will support the Councils sustainability agenda towards a Carbon Neutral Eastbourne 2030, with features as outlined above.

11.2 As the existing site is a tarmac car park, there is little/no biodiversity. The scheme will incorporate small gardens for the ground floor apartments and the roof has been designed and tendered for as a green living roof with solar panels. The green roof will increase habitat for insects and wildlife, whilst acting as attenuation for rainwater, reducing the amount of water run-off.

## 12 Appendices

- Appendix 1 (exempt) – Southfields Road Car Park

## 13 Background papers

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

- 16 March 2020 - [Housing Revenue Account Capital Budget Allocation – Bedfordwell Road and appropriation of other development sites from the General Fund to the Housing Revenue Account](#)
- 22 March 2021 - [New housing development update](#)