

HOMES PDG

DATE: 15 MARCH 2021

TO PROVIDE A PROGRESS REPORT ON THE DEVELOPMENT OF PLANS FOR 70 HOMES AT POST HILL, TIVERTON

Cabinet Member: Cllr Bob Evans, Cabinet Member for Housing and Property

Responsible Officer: Andrew Busby, Corporate Manager Property, Leisure and Climate Change

Reason for Report: To provide an update to Homes PDG on the progress with the development of land at Post Hill, Tiverton.

RECOMMENDATION: To note the update on the progress made to date on the development of land at Post Hill, Tiverton for 70 Council owned properties.

Relationship to Corporate Plan: Homes: Deliver more affordable housing and greater numbers of social rented homes.

Financial Implications: Financial modelling continues to be carried out, as the design of the development progresses. Please refer to the modelling work on Option 4a that was reported to Cabinet on 3 December 2020 with a Part 2 Annex A and section 6 of this report.

<https://democracy.middevon.gov.uk/documents/g1262/Public%20reports%20pack%2003rd-Dec-2020%2018.00%20Cabinet.pdf?T=10>

Budget and Policy Framework: The construction of the new homes has been identified on the Capital Medium Term Financial Plan. The cost for the on-going maintenance of the asset(s) will be met from the Housing Revenue Account.

Legal Implications: Please refer to para 1.0.

Risk Assessment: This land has development value. The risks to the Council of retaining the asset are the repair, maintenance and other ongoing costs including insurance.

Equality Impact Assessment: Any design will consider the needs of all and will be controlled via the planning application process. Our Housing Need has been considered.

Impact on Climate Change: The new homes are being designed to a Passive House standard, which will result in ultra-low energy homes for our Tenants.

1.0 Background

- 1.1 Members' attention is drawn to previous report on this matter to Cabinet (link above) by way of detailed background. Currently, the Council which owns the freehold land at Post Hill Tiverton, is now progressing its development proposals for the delivery of 70 new affordable dwellings on the site, putting together a planning application and tender documents for the construction of the residential units.
- 1.2 The purchase of the land was subject to various conditions including limiting the residential development to 70 dwellings, which the development proposals reflect.

2.0 Proposed Development (Annex A)

- 2.1 Annex A comprises the current site plan for the Council's proposed affordable housing development. It includes an accommodation schedule as set out below for a total of 70 affordable homes which comprise:
 - Retained Council property at social rent:
 - 8 x 1 bedroom flats
 - Retained Council property at affordable rent:
 - 12 x 1 bedroom houses
 - 22 x 2 bedroom houses
 - 20 x 3 bedroom houses
 - 8 x 4 bedroom houses
- 2.2. A large underground water main is shown on the land, which is controlled by the utility provider. There is a requirement that the water main must be kept accessible in the event of an escape of water, therefore a 6-meter easement is required.
- 2.3 The requirements for surface water attenuation have also had to be captured within the design and is shown on the plan as 'Basin' on the site plan.
- 2.4 In addition to creating links to the two access roads into the development, the working group (which has been set up to oversee the development project) has introduced an additional access road from Uplowman Road.
- 2.5 An independent design review panel meeting will also take place in early March 2022, where our project team will obtain views on the design from independent experts.
- 2.6 The Council project team's intention is to construct the affordable units to 'Passive House' standards to achieve low carbon homes for our future tenants that will result in low energy usage.
- 2.7 The plan considers landscaping and tree lines to complement the adjoining development.

3.0 Local and National Affordable Housing Requirements

- 3.1 The proposed development by the Council will be for affordable units only, some social rent and some affordable recent. This section outlines the relevant requirements for each type of rented unit.
- 3.2 The requirement to provide affordable housing is explicit in the local plan policy and this is consistent with National Policy. The Council is in a position to meet the affordable housing requirement of 21.5% (approximately 70 dwellings) affordable across the wider development area, on its land (being part of the wider development area).
- 3.3 As Members will be aware there are a number of different ways of providing affordable homes, which include rented units which may be at social rent or affordable rent levels, to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.
- 3.4 Social rented housing provides for lower rent levels than affordable rented units. They are usually owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. They may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.
- 3.5 Since 2001, rents for properties let on 'social rent' have been based on a formula set by Government. This creates a 'formula rent' for each property, which is calculated based on the relative value of the property, relative local income levels, and the size of the property. Annual rent changes were limited and landlords were expected to move from the actual rent of the property to the formula rent. This approach was designed to ensure that similar rents were charged for similar social rent properties.
- 3.6 In October 2017, government announced its intention to set a long-term rent deal for social housing property owners in England. This new policy will permit annual rent increases on both social rent and affordable rent properties of up to consumer price index (CPI) plus one percentage point from 2020, for a period of at least five years.
- 3.7 In February 2019, government published its response to its consultation on the proposed Rents for Social Housing policy for 2020-21. This confirmed the government would proceed with the new policy and directed the Regulator of Social Housing to issue a Rent Standard in respect of 2020-21. This Rent Standard has been set for all registered providers of social housing; in other words, local authority (LA) registered providers as well as private registered providers.
- 3.8 The Rent Standard will apply to all registered providers in England and will come into effect from 1 April 2020 for next five years.

3.9 Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

4.0 Design Stage

4.1 In order to provide Cabinet with the costs of the development, the Council continues to work with an Employers Agent who is following the Royal Institute of British Architects (RIBA) design stages. There will be other related professional fees and we are currently at RIBA Stage 3. The cost for professional fees will be met from the existing budget from the Capital programme.

4.2 Employers Requirements and other documentation are being prepared in order to enable a tender exercise.

4.3 As the design will progress for Passive House, the construction contract will be tendered based on a Design and Build Contract.

5.0 Financial Analysis

5.1 The established Project Team engaged with an Employers Agent to calculate estimated costs for various options of construction. The costs of the scheme will be subject to final design and planning conditions.

5.2 A full procurement exercise will be taken prior to Contract Award, value engineering will also take place and a project contingency sum will be a minimum of 5%.

5.3 The HRA budget for 22/23 has a revenue budget of £3.83m repairs/maintenance and a further £2.8m in the capital programme with £12.1 allocated overall to 26/27 (major repairs). It is essential that funds are kept available for this programme.

5.4 The cost of the development will be analysed as part of the procurement process and the Design and Build contract will enable value engineering.

5.5 The Capital Medium Term Financial Plan identifies expenditure to bring this development forward.

6.0 Community Engagement

6.1 Our webpage for Housing Services will have a copy of the plan shown as Annex A to start sharing the Council's plan with key stakeholders. The Council has also engaged external support to assist with Community engagement.

6.2 A public engagement event is planned to be held at Tiverton Golf Club on three consecutive evenings during April 2022. Local residents and other stakeholders will receive a letter from the Council inviting them to the event.

7.0 Project Milestones

7.1 Table 1 lists the key project milestones that are currently completed (as at 2 March 2022) and pending although may be subject to some change. The project is being progressed with a view to the planning application being determined by the Autumn 2022.

Commence Technical design RIBA Stage 3	January 2022 -completed
Confirm type of Construction Contract	February 2022 -completed
Formal Pre Planning Application	28 February 2022 -completed
Independent Design Review Panel	3 March 2022 -completed
Prepare Tender documents including Employers Requirements	March to April 2022
Produce Mid Devon Homes web page information	March 2022
Planning for Public Engagement incl letter drop	March 2022
Member Information / WIS	March to April 2022
Public Engagement Event -3 consecutive evenings	April to May 2022
Planning Application Submission	May 2022
Issue tender documentation via SW portal	29 of April 2022
Tender verification	September 2022
Value engineering meetings	September 2022
Cabinet Contract Award	October -November 2022

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Circulation of the Report: Cabinet, Leadership Team.

Background Papers: None