

# Building for the future

Dacorum Borough Council's  
strategy for new council homes



2013 - 2020

# Foreword

“Dacorum is one of the most desirable places to live in the South East of England, with excellent transport links and several areas of outstanding natural beauty. As a result, homes are in high demand and expensive. In order for people to continue to be given an opportunity to live here, the Council has given very high priority to increasing the supply of affordable homes, backed up by significant resources.

This Housing Development Strategy sets out the Council’s ambitious plans to build new Council housing for the first time in over 25 years. A variety of homes will be built over the lifetime of this strategy, including a hostel for the homeless and a landmark eco-exemplar ‘Passivhaus’ scheme.

We are proud to welcome this Housing Development Strategy for Dacorum which highlights the Council’s commitment to high quality affordable housing.”

*Councillor Andrew Williams*  
**Leader of the Council**

*Councillor Margaret Griffiths*  
**Deputy Leader of the Council**



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# Introduction

1.1 Our vision is to:

**Make a direct contribution to meeting the demand and need for affordable homes within the borough.**

1.2 As a stock-retaining local authority the Council owns around 10,500 homes and we take pride in our strong landlord management service. Alongside plans to invest in our existing homes, this strategy -- **building for the future** -- sets out our long-term investment plans for new-build development.

1.3 We are very proud of our position as a local landlord and take our responsibility as a local provider of affordable homes very seriously. We are committed to a successful building programme that will provide a legacy of homes that are attractive, useable, durable, and that will contribute to local communities and the environment.

1.4 In April 2012 central government ended the Housing Revenue Account subsidy system for council housing. The Localism Act 2011 introduced new powers for councils to keep their rental income and thereby generate growth capital to fund investment in their housing stock (called 'self-financing'). One-off payments to or from each council were used to adjust housing debt to reflect the value of a council's stock using a 30-year cash flow model. Dacorum Borough Council's settlement meant that we took on a debt of £354m. We have made long term investment assumptions to establish the detail of a borrowing portfolio, which will see the debt repaid by the end of year 30.



- 1.5 The Housing Revenue Account (HRA) Business Plan is our 30-year plan that sets out the investment requirements for the housing stock and the finances that we will have available to commit to our new-build programme. This is the first time that we have built new homes in over 25 years.
- 1.6 This new strategy sets out our vision and objectives for the delivery of new-build council homes and the approach that we will take to ensure that these homes contribute to successful communities and growth in the local economy.
- 1.7 This strategy forms part of the Housing Service framework, containing the strategies and policies that take forward housing provision and services within the borough. It builds on our Corporate Plan and Housing Strategy 2013 - 2018, specifically in relation to the delivery of affordable housing.
- 1.8 This new strategy has an important role to play in taking forward three of the strategic objectives from the Housing Strategy 2013 - 2018:

- Plan and deliver a good supply and mix of housing
  - Improve the quality of housing in Dacorum
  - Maximise the delivery of affordable housing

- 1.9 In the Housing Strategy 2013 - 2018 we committed to a first phase of development that would deliver 71 new council-owned homes for social rent by March 2015. This new strategy will now meet the 2013/14 Housing Service Plan commitment to:

- Develop phase two and three of the Council New Build Programme including purchasing land, developing the standard of the new homes and confirming the required budgets for the whole programme.



1.10 In developing this strategy we have made sure that we will meet the commitments in the Housing Strategy 2013 - 2018 to:

Plan and deliver new housing designed to have a long life and adaptable internal layout where possible, considering accessibility at the design stage.

Plan and deliver new housing to achieve successful and sustainable neighbourhoods where possible, considering the layout of neighbourhoods at the design stage.

Explore high quality sustainable development within the Council's own New Build Programme.

1.11 This strategy reconfirms our commitment to the actions set out in the Housing Strategy 2013 - 2018 to make sure those objectives will be met:

Use the Housing Needs and Market Assessment (HMNA) and other market and site-specific considerations to make decisions on the appropriate type and mix of homes within development proposals.

Make use of building standards for quality and energy efficiency in planning and delivering a new supply of housing.

Deliver the Council's own new build affordable homes to a high energy efficiency standard, including at least one development to an eco-exemplar standard known as Passivhaus, by 2018.



Research and develop a new Older Persons Housing Strategy for adoption in 2014 to set out the long term vision for older persons' housing in Dacorum and provide timescales for real change to be delivered.

- 1.12 The Housing Strategy 2013 - 2018 identified social homes for rent as the priority for the new-build programme over other tenures.
- 1.13 This new strategy will give regard to the Older Persons Housing Strategy being drafted in 2013/14 when considering the product delivered by its new-build programme in phases two and three and beyond. The Older Persons Housing Strategy will be informed by an over-50s Housing Needs Survey, being carried out in 2013, and which will be analysed with previous findings of the HMNA.
- 1.14 To drive forward the Council's objectives, this Housing Development Strategy 2013- 2018 sets out four key strategic objectives.



## 1.15 Strategic objectives

The Council will:

Embark on an ambitious programme of development underpinned by strong risk management and financial viability principles.

Take a planned approach to development opportunities that provides value for money while maximising supply.

Develop a lasting and positive legacy of distinctive and well thought of homes.

Build homes that contribute to successful communities and growth in the local economy.





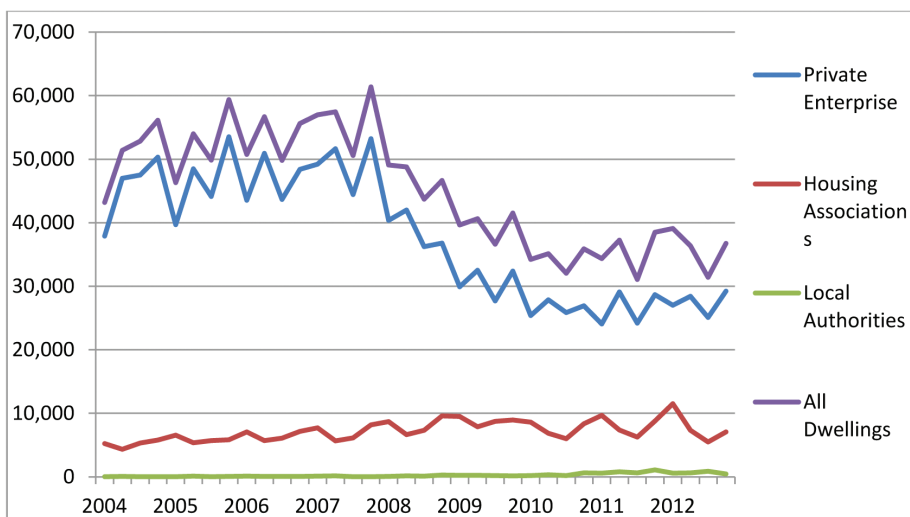
# National Context

## Housing need

- 2.1 The 2012 Housing Needs and Market Assessment (HMNA) highlighted the chronic shortage of affordable housing in Dacorum. The study was undertaken by David Couttie Associates (DCA) and built on previously commissioned housing needs studies.
- 2.2 The Council has a current target to enable 150 homes a year through its partnerships with housing associations. The Council's new-build programme will then add to the total affordable homes provided in the Borough.
- 2.3 According to the HMNA, 93% of concealed households forming will not be able to afford a deposit for a one bedroom flat without significant parental assistance, with only 25-40% of households being able to afford to purchase a shared ownership property. This has served to increase the demand for affordable rented housing in the local area.
- 2.4 The HMNA 2012 identified an overwhelming need for all types and tenures of affordable housing in Dacorum. The Council has recognised this and is acting to invest significantly in new council homes and enable housing association development.

## House building

- 2.5 The national house building industry was heavily affected by the 2008 global credit crunch, which prevented lending and therefore restricted building and buying. A slow recovery out of recession and economic austerity has limited the sector's ability to respond. The chart below sets out the number of new homes completed per quarter by tenure type over the past ten years.



Permanent dwellings completed by tenure, United Kingdom quarterly  
Source: [www.gov.uk](http://www.gov.uk)

- 2.6 The number of new homes completed in the UK has declined considerably from a peak of over 225,000 homes per annum in 2007 to under 145,000 homes per annum in 2012.
- 2.7 From 2009 to 2010, only 115,000 new-builds were completed in England, fewer than any year in peace-time since the 1920s. Housing building needs to increase to meet the needs of a growing and ageing population.
- 2.8 There are signs that with self-financing local authorities have started to build more homes, with the number of starts of new homes by local authorities increasing from 30 in quarter 3 of 2008, to 1,050 in quarter 1 of 2011.

### **Right to Buy**

- 2.9 The Government has increased its discounts available to tenants who want to take up the Right to Buy. This has resulted in a significant increase in the numbers of tenants choosing to purchase their council home.
- 2.10 The valuations used to calculate the self-financing payments between local authorities and central government had to include a forecast of lost surplus-income arising from future Right to Buy sales.
- 2.11 Local authorities are able to retain the receipts from Right to Buy sales for replacement housing, provided that they sign an agreement to limit the use of the net Right to Buy receipts to 30% of the cost of new homes.
- 2.12 Dacorum Borough Council received 174 Right to Buy applications in 2012/13, and 62 transactions were completed. Right to Buy receipts will provide significant one-off sources of funding, additional to the rental surplus-income calculated in the Housing Revenue Account Business Plan.
- 2.13 The Council's new-build programme will take account of these additional receipts to make sure that maximum use of the receipts can be made for new housing, while keeping the use of the net receipts to below 30% of spending on new homes.

### **Local authority new-build**

- 2.14 New funding from self-financing, available to stock-retaining local authorities, has allowed councils to plan much needed investment in existing stock, and to start their own development programmes to build new council housing for the first time in over 25 years.
- 2.15 Dacorum Borough Council is currently ahead of many other local authorities with its current development programme which will see 71 council homes delivered on or before March 2015.
- 2.16 Government policy for building new affordable housing is that the capital cost should largely be met from rental income. Capital grants available to support new building have been significantly reduced and a benchmark for 'affordable rent' has been set at 80% of local market rent.
- 2.17 Dacorum Borough Council recognises the high local market rent values and is therefore committed to affordable rents below 80%.

## **Borrowing cap**

- 2.18 As part of the HRA self-financing reforms the Government imposed a borrowing cap for the HRA. The Council's HRA borrowing cap is currently set at £354m in line with the initial self-financing settlement with the Treasury.
- 2.19 It is unlikely that the borrowing cap will be lifted prior to 2015. The Council is therefore unable borrow against future income to generate short term capital required to significantly increase the development of council housing in the short term. This will be revisited if the borrowing cap is lifted.

## **Central government grant funding**

- 2.20 The Homes and Communities Agency (HCA) provide grant funding from central government to registered providers of social housing to deliver new affordable homes. The Council was successful in obtaining £841,500 in central government funding from the 2011-2015 funding programme, to go towards the development of a new 41 bed homeless hostel (additional to the 71 council homes in phases one and two).
- 2.21 Future funding for affordable housing is uncertain, due to the current austerity measures that have been put in place by the Coalition Government. The Council maintains an active relationship with the Homes and Communities Agency (HCA) and is committed to working with the HCA to deliver affordable homes, with or without grant funding.

# The Objectives

## **KEY OBJECTIVE 1**

To embark on an ambitious programme of development underpinned by strong risk management, resourcing and procurement principles

### **To meet Key Objective 1 this strategy commits to:**

#### **1) Rigorous business planning**

The core funding to support this new build strategy will come from the HRA. £15M has been budgeted for capital spending in phase one. A total of £45M is agreed for all phases up to and including phase three.

There are a numerous priorities within the HRA business plan, which have been set and agreed with tenants, and which include investment in the existing stock and older persons' housing.

In the case that the assumptions within the HRA have to be to in any way altered, the Council will need to ensure that all priorities within the HRA are considered proportionately. There is a clear distinction to be made between financial viability and the impact on the HRA business plan.

To ensure that the HRA business plan can continue to fund the development of new build council housing it is important that each scheme is properly assessed.

It is not necessary to pre-determine that each scheme must meet particular criteria. It is necessary to ensure that the impact of each scheme on the business plan is calculated and properly understood and that the cumulative effect of the programme is affordable in the context of the wider HRA business plan. The Council will allow a 10% contingency in all scheme appraisals.

The HRA is also restricted in the sums it can borrow by the HRA debt cap.

#### **2) Full benefits and risk assessment for each scheme**

The Council's Cabinet will take decisions necessary to implement the new build programme. Cabinet will review the development programme on an annual basis. Cabinet will approve perimeters for scheme budgets on a scheme-by- scheme basis with devolved responsibility to the Housing Development Team and New Build Project Board to project manage the delivery process.

Each project will need to be assessed to ensure that:

- It meets the aims of this Housing Development Strategy, and
- The benefits and risks of the scheme are fully assessed using the checklist appending this strategy.

It will rarely be possible to eliminate risk, although it can be assessed and managed. At a high level the risk management of developments will be carried out by ensuring that proposals have a strategic fit with this Housing Development Strategy.

The Council's corporate risk management processes will be used to mitigate detailed risk and ensure that projects are progressed in a logical sequence to ensure that the Council is not overexposed to risk.

### **3) Adopting strong principles of value for money**

While maintaining the high quality and design standards that the Council is committed to delivering, the new build programme will aim to minimise the net cost of new developments.

As the Council progresses with its development programme it will continue to add to and strengthen its internal skills and knowledge base. Investing in and developing the in-house Housing Development Team will provide the Council with officers able to manage large-scale projects while achieving value for money.

External industry expertise will be necessary to provide verified benchmarks and quality standards for use by the Council. The Council is committed to commissioning a study to determine best value indicators for cost per square metre build and land values.

### **4) Giving high importance to procurement and legal procedures**

The Council will ensure that procurement takes place in accordance with the contracts and financial procedure rules contained in its constitution, and with European Union procurement regulations under the Public Contracts Regulations.

It is important that companies employed by the Council, either directly, or indirectly, for example through lead consultants, comply with the Council's policies on data protection and equality and diversity.

The Council has developed a robust set of contracts within input from Counsel, legal services, procurement, and housing. These will be used across all projects where appropriate.

The Council's approach to procurement will be kept under review.

### **5) Exploring innovative ways of funding new developments**

In addition to the planned investment from the HRA business plan, and the income from Right to Buy receipts, the Council is committed to seeking opportunities, within a risk management framework, to obtain additional sources of funding.

This could be, for example, leasing surplus council-owned land, or funding through cross-subsidy by building for sale, or other models of affordable housing including shared ownership. Other opportunities through joint venture approaches may present themselves over the lifespan of this strategy.

Seeking opportunities for funding is considered as sound activity to future-proof the Council's plans within the HRA, in the case that any of the assumptions in that business plan have to be amended due to external factors such as rent- setting by central government. Such activity will be carefully monitored and where additional development models may be explored, these will be considered on a site-by-site basis.

## KEY OBJECTIVE 2

Take a planned approach to development opportunities that provides value for money while maximising supply

### To meet Key Objective 2 this strategy commits to:

#### 1) **Being forward looking in obtaining planning permissions**

The Council's housing service is proud of its close working partnership with both its future success of this strategy.

In order to build new homes the Council must first obtain planning permission in the same way as any other developer. Obtaining planning permission requires site investigation, community consultation, design work and cost appraisal. The Council's Housing Development Team will do this.

To be successful in achieving targets for delivery the Council will maintain a phased plan of realistic development opportunities that will be actively pursued.

The Council will identify a pipeline of sites looking forward three years at least. This will include undertaking strategic reviews of areas where there are significant Council land holdings as well as the acquisition of land on the open market.

#### 2) **Taking a pro-active approach to acquiring land**

The Housing Strategy 2013-2018 commits the Council to:

*Deliver growth in accordance with the Core Strategy. This will focus on Hemel Hempstead due to its status as the principal town of the Borough and as it offers the most development opportunities. Development in other towns and larger villages will focus on meeting locally generated needs. There will be limited opportunities in smaller villages, although rural exception sites will be encouraged.*

The Council will maximise opportunities to make use of land which is already held for housing purposes. To allow the Council to meet its targets for delivery in its Core Strategy and Housing Strategy 2013 - 2018 it will also be important to explore the potential of acquiring other land.

The Council will also acquire land on the open market or by negotiation, in order to ensure that homes can be provided where they are needed, accepting that this will be within the limits of the distribution of available development opportunities.

This Housing Development Strategy commits the Council to have regard to the Older Persons' Housing Strategy being developed in 2013/14, where it may identify location as crucial to provide a suitable and attractive housing option for older people.

#### 3) **Working in partnerships**

Dacorum Borough Council has strong established links with a number of housing associations that make a significant contribution to housing supply in the Borough. It is important that this continues and it is not the Council's intention to compete with housing associations.

The Council intends to work alongside our partners and envisages a complimentary approach to the delivery of affordable homes.

Housing associations will continue to provide a vital role in delivering the affordable homes via Section 106 planning obligations and other opportunities brought to, and identified by them. In addition, they will supply intermediate tenure schemes, such as shared ownership, and in some cases market properties where this supports other affordable housing provision.

Where a developer has an obligation to provide affordable homes under a Section 106 planning obligation the Council will always encourage them to work with a housing association. Only in exceptional circumstances will the Council consider acquiring units from a developer, for instance where no housing association has expressed a wish to acquire them.

Rural exception sites will be managed by the Community Development Agency (CDA) for Hertfordshire.

The Council will pursue opportunities to acquire public land as a priority from other public bodies such as the County Council, Ministry of Defence or the Homes and Communities Agency.

#### **4) Ensuring site-appropriate tenure mix**

The Council is committed to developing new affordable homes at social rent as the main priority. The high number of households on the housing register highlights the high demand for this tenure.

Intermediate rent and shared ownership will in some cases make developments more financially viable, and meet the varying housing need in the Borough. Therefore these tenures will be considered on a site-by-site basis.

The HNMA 2012 recommended the provision of an element of new homes for households whose income would make it difficult for them to access the private market but have aspirations of home ownership. The inclusion of additional tenures within the development programme will provide housing that meets the needs of this growing number of households.

Private rent, shared equity and private sale may be appropriate on larger sites where the inclusion of some of these units may make a scheme financially viable.

### **KEY OBJECTIVE 3**

Develop a lasting and positive legacy of distinctive and well thought of homes

#### **To meet Key Objective 3 this strategy commits to:**

**1) Working in close partnership with a liaison group of the Tenants and Leaseholders Committee to set standards**

The Council recognises the very important role of its existing tenants and their contribution to setting the standards for future homes.

This strategy commits to setting up a liaison group with the Tenants and Leaseholders Committee to consider future new build design standards and how they will be applied on a site-by-site basis.

**2) Being ambitious in meeting standards in energy efficiency**

The Council recognises that fuel poverty and rising energy prices affect the affordability of running a household. New homes will be built to the highest value- for-money energy efficient standards in order to mitigate the likely rises in energy prices over the lifetime of new homes.

The Council will prioritise design solutions that incorporate new energy efficient technology to minimise heat loss and provide efficient heat and light systems in all our new developments.

**3) Ensuring high quality design and durability standards are met**

The Council commits to meeting the Homes and Communities Agency minimum design and quality standards and to exceeding this standard where possible within the finances available on a site-by-site basis.

Each scheme will meet the standards set out in our Employers Requirements to ensure we minimise on-going life-cycle costs through the use of new technology and quality materials.

**4) Developing homes that meet the needs of households**

The availability and price of land in the Borough means that the development of apartments is the most efficient and financially viable form of development. This form of housing will also meet the needs of the Borough's ageing population looking for attractive downsizing options, which in turn frees up existing larger family homes.

This strategy gives regard to the Older Persons' Housing Strategy being developed in 2013/14 and the Council will recognise standards for new-build sheltered accommodation set out in that strategy.

The Council remains committed to the delivery of houses and will ensure that a proportion of its new homes include houses for social rent.



The Council commits to developing all of new general needs homes at ground floor level to a standard that can be converted to fully wheelchair accessible accommodation.

**5) Being sensitive to local context**

Dacorum is varied in its character. New homes should embody a sense of place that is derived from local context and in terms of layout, scale, form, and materials.

New developments will be designed to create safe, attractive, accessible environments. Where appropriate they should look for opportunities to enhance the public realm.

## **KEY OBJECTIVE 4**

Build homes that contribute to successful communities and growth in the local economy

### **To meet Key Objective 4 this strategy commits to:**

#### **1) Communication and tenant involvement**

The majority of the projects being considered will be close to existing housing stock both privately owned and owned by the Council. The Council is very aware that building more homes will bring changes but if done in a sensitive way and to a high standard there is no reason why this should be unacceptable.

Where our tenants are directly affected we will discuss proposals early in the process, outline their housing options and support them in making a choice. We will also signpost them to independent advice and provide written guidance for them that sets out statement of principles. The aim will be enable households to stay within their community if they wish. Households will be given priority to move, either permanently or temporarily, to suitable housing in an area of their choice. In many cases they will be offered the opportunity of returning to one of the new properties. In most cases tenants who have to move will be entitled to compensation.

Where garages and parking bays are to be removed we will talk to those affected and where possible offer an alternative vacant garage nearby. Where sites are large enough we may seek to provide additional residents parking spaces where necessary.

#### **2) Making meaningful use of customer feedback**

The Council will develop a standard post-occupancy satisfaction survey and benchmark this data appropriately.

Residents of the new homes will have the opportunity to feedback after living in homes for 12 months. This will enable the Council to consider any improvements in subsequent projects.

#### **3) Sensitive lettings that give priority to local connection**

New lettings will be open to those registered on the Council's housing register and will be advertised through Moving with Dacorum:

[www.movingwithdacorum.org.uk](http://www.movingwithdacorum.org.uk)

The Council may also develop a local lettings plan to make sure that allocations to new build properties create balanced and sustainable communities.

#### **4) Equality and diversity**

We have real experience and commitment to equality, diversity and community cohesion. We will work closely with local stakeholders and local partners to identify key priorities locally and ensure the new homes we develop meet the needs and aspirations of the diverse communities in which we work.

# Standards for Dacorum Borough Council Homes

## **Energy and sustainability**

- 4.1 The Government is currently undertaking a review of standards in housing, known as the “Technical Standards in Housing Review”. The Council is committed to meeting and exceeding the minimum energy and efficiency standards for affordable housing. This commitment will be kept throughout the lifespan of this strategy, irrespective of changing minimum standards set by central government.
- 4.2 The Council is committed to meeting energy and sustainability standards by adopting a “Fabric First” approach. This approach focuses on the thermal efficiency of buildings, by providing considerable insulation and elements such as triple glazed windows. This approach reduces the amount of energy required to run a home, and therefore provides households with security against future energy price rises and fuel poverty.
- 4.3 Renewable energy will be incorporated into future developments, including rainwater harvesting, photovoltaic and solar thermal technology. The requirement for renewables will be lower on the Council’s developments as the increased building fabric of new buildings will require less energy (including renewables) to run. Whilst renewables provide energy for minimal cost, they do require on-going maintenance which can be expensive.
- 4.4 The Council is a member of the Association for Energy Conscious Builders, highlighting the commitment to high energy and sustainability standards.

[www.aecb.net](http://www.aecb.net)

## **Space and safety**

- 4.5 The Homes and Communities Agency (HCA) Housing Quality Indicators (HQI) are the current recognised size standards for new affordable homes. The HQI standards include measures that ensure the average household’s average-sized furniture can fit into new homes. The Council will exceed the minimum HQI standards across all of its future development.
- 4.6 In order to develop new homes that are safe and secure, the Council will consult with the Hertfordshire Fire Service and the Hertfordshire Police Service throughout the duration of the development. This will ensure that completed homes meet the requirements of the Building Regulations and the Police Service’s Secure by Design standards.

## **Design**

- 4.7 The Council's new Core Strategy was adopted in September 2013. This document sets the planning policy for the Borough. New developments will adhere to the requirements of the Core Strategy and associated Supplementary Planning Documents. The Core Strategy sets out design standards and considerations. (Reference 'Design policies' CS10 – CS13 in chapter 10 of the Core Strategy).
- 4.8 New homes built by the Council will be of good design. Early consultation with the Council's Conservation and Design Planning Team is key to ensuring that proposals meet the Planning department's high standards. New homes will be designed to complement and enhance their immediate surroundings.
- 4.9 New developments will be designed to create safe, attractive, accessible environments. Where appropriate they should look for opportunities to enhance the public realm.

## **Quality**

- 4.10 The Council directly employs a Clerk of Works to control and monitor the quality of on-going construction work. The Clerk of Works attends the Council's sites regularly to ensure that any potential problems are identified and resolved quickly.
- 4.11 Each development contract is accompanied by a robust set of Employers Requirements, which are developed specifically for each development site by the Council's Employers Agents. These requirements set the quality expected and required by the Council on its new developments.
- 4.12 All new homes will include fitted kitchens (excluding appliances) and bathrooms, and a floor finish that enables a household to move in immediately.

# Standards in business

## **New business**

- 5.1 The Council is working to identify and acquire an active land bank on which it can develop up to 200 homes. This strategy commits the Council to maintaining a pipeline of developable sites that can accommodate at least 50 homes. This puts the Council in a strong position to bid for any future funding that may be available for the development of new homes.
- 5.2 Land acquisitions will always be accompanied by a valuation or statement of good value by a chartered surveyor to certify that public money is being used to acquire land at the right price. The Council will acquire land from a combination of sources including from its own assets, the private market and potentially via s106 opportunities.
- 5.3 The Council aims to spread development over the major settlements in the Borough. While the Core Strategy principally focuses development on Hemel Hempstead, the Council is committed to exploring development opportunities in Berkhamsted, Tring, Markyate, Bovingdon, Kings Langley and other smaller settlements in Dacorum.

## **Procurement and legal**

- 5.4 The Council has a Procurement Standing Orders policy which set out the rules and procedures that the Council will use when purchasing services, supplies and works. High value contracts are required in order to develop new Council homes. These contracts will always be procured in line with the Council's adopted Procurement Standing Orders.
- 5.5 'Under EU legislation all contracts from the public sector which are valued above a certain threshold must be published in the Official Journal of the European Union (OJEU, formerly the OJEC). The legislation covers organisations and projects which receive public money.' As a member of the European Union, the United Kingdom is bound by these regulations. This applies to build contracts that are valued over €5m and design contracts that are valued over €200k.
- 5.6 The Council has developed a robust set of contracts with input from legal services, external legal support, procurement, and housing. These will be used across all projects where appropriate. Companies employed by the Council are required to comply with the Council's various corporate policies, including on data protection and equality and diversity.
- 5.7 The Council has and will procure specialist legal advice in order to challenge and defend any claims against or from contractors. The risk of legal challenges on construction contracts given the level of variables involved in constructing new homes.

## **Governance**

- 5.8 The Council's Cabinet is ultimately responsible for the New Build programme, and will approve the major parts of the programme, principally the decision to acquire and develop on sites, and the approval of scheme budgets. The Portfolio Holder for Housing will approve contract awards.
- 5.9 The New Build Project Board will take responsibility for the operation of the new build programme. The role of the group is defined in the terms of reference provided in Appendix 1. The board acts as a sub-group of the Corporate Regeneration Group. The project board will comprise the following 15 members:
- Portfolio Holder for Housing
  - Corporate Director for Housing & Regeneration
  - Assistant Director for Housing (Chair)
  - Assistant Director for Finance
  - Group Manager – Strategic Housing
  - Group Manager – Legal Services
  - Group Manager – Commercial Assets & Property Development
  - Group Manager – Procurement, Commissioning and Compliance
  - Group Manager – Housing Tenants & Leaseholders
  - Group Manager – Environmental Services
  - Housing Development Manager (Project Lead)
  - Team Leader – Assets
  - Lead Officer – Housing Development
  - HRA Accountant
  - Clerk of Works

## **Development**

- 5.10 The Council follows the Chartered Institute of Building (CIOB) Code of Practice for Project Management for Construction and Development. The templates and methods recommended by the CIOB are employed by the Council in the operation of its development service.
- 5.11 Shelton Development Solutions (SDS) has worked with the Council to develop the Housing Development Procedure Manual. This is used in conjunction with the CIOB practices to deliver a high quality development service.

## **Customer Service**

- 5.12 All main contractors working for the Council in the development of new homes will be expected to be signed up to the Considerate Constructors Scheme (CCS). Each development will be benchmarked against national scores so that experiences can be used to improve the Council's scores in the future.
- 5.13 As part of the CCS, all contractors will be required to have a customer representative to act as a contact point for the general public when reporting any site issues. This will serve to minimise the impact of future development on local people.

- 5.14 The Council will develop a standard post-occupancy satisfaction survey and benchmark this data appropriately. Residents of the new homes will have the opportunity to feedback after living in homes for 12 months. This will enable the Council to consider any improvements in subsequent projects.
- 5.15 The Council has an in-house Clerk of Works and Development Team, who will undertake a rigorous “snagging” process upon the practical completion of all developments. This will be used to remedy the majority of defects that could arise.
- 5.16 All future developments will be under warranty for a minimum of 10 years via a mainstream insurance provider (NHBC, Zurich, LABC etc.). Defects that arise outside the initial snagging period will be handled via this insurance policy. Contractors will provide the Council with a collateral warranty, which can be used for any major defects that may arise on future developments.
- 5.17 Questions regarding defects will be included on the Council’s post-occupancy surveys, and results will be used to improve the service for residents of future developments (in addition to remedying any defects raised by current residents).
- 5.18 The Council will work with Housemark (or similar) to benchmark the overall performance of developments against national scores. This will take account of energy performance and customer satisfaction in addition to other factors.

# Resources

- 6.1 The HRA Business Plan allocates significant resource towards the development of new council homes over the next thirty years. The Council plans to complete 300 new council homes between 2014 and 2020. Further homes will be considered for development where development could be made viable by including other tenure models to cross-subsidise the development of homes at social rent. In this way the Council could further add to the overall numbers of affordable homes in the borough without impacting on the HRA business plan.
- 6.2 The HRA Business Plan contains further detail regarding the availability of capital financial resource to fund the delivery of the homes. This information is not included in this document as it could jeopardise the competitiveness of future contract tenders.



# Action Plan

The action plan below will be monitored and reported bi-annually to Cabinet and the Housing and Communities Overview and Scrutiny Committee alongside regular programme update reports.

Action	Resources	Target	Reporting Frequency	Tolerance	Notes
<b>112 council homes completed by 2015</b>	HRA Capital	Complete 112 Council Homes by 2015	Annual	0% - number of homes 3 months – time	-
<b>278 council homes completed from 2016 - 2020</b>	HRA Capital	Complete 278 Council Homes during 2016-2020	Annual	0% - number of homes 3 months - time	-
<b>Ensure all developments meet the design and quality standards set out in this policy</b>	HRA Capital	Design & Quality standards met/exceeded	Ongoing	0%	-

## **New Build Project Board – Terms of Reference**

The New Build Project Board comprises Council Officers and the Portfolio Holder for Housing. The Board is responsible for monitoring and overseeing the progress of the Council New Build programme. The purpose of the Group is to ensure the successful delivery of the New Build Programme. The group will act as a subgroup of the Corporate Regeneration Group. To this end the following critical success factors will need to be achieved:

- The new homes are delivered within the agreed timeframe
- Quality expectations are met
- Budgetary control is exercised
- Risks are identified and appropriate mitigation strategies are implemented

The project board will oversee the development of 400 new council homes by 2020.

The Council's Cabinet will approve the acquisition and allocation of sites for the new build programme. Cabinet will also approve budgets for individual developments. Contracts will be awarded by the Portfolio Holder for Housing.

The Terms of Reference below set out the remit of the New Build Project Board:

- Overall decision-making as appropriate in line with the Council's scheme of delegation
- Members of the New Build Project Board will assist in the evaluation of tenders for design consultant services and contractors
- The New Build Project Board has the authority to approve budgetary allocations to schemes – providing these do not exceed the original scheme budget approved by Cabinet
- The Board will meet quarterly
- The New Build Project Board has the authority to approve all design submissions and changes for new Council homes (subject to Development Control Committee approval where required). This will be done in consultation with Cabinet.
- The New Build Project Board has the authority to commit expenditure (as approved by Cabinet/Council) related to feasibility studies and investigatory works for the purpose converting development opportunities into potential schemes