



**AGENDA ITEM: X**  
**Council House Building Programme and  
 Homeless Hostel Report**

<b>Report for:</b>	<b>Housing &amp; Community Overview &amp; Scrutiny</b>
<b>Date of meeting:</b>	<b>19 June 2013</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>New Build Update Report</b>
Contact:	Margaret Griffiths, Portfolio Holder for Housing  Jack Burnham, Housing Development Manager Camelia Smith, Lead Officer – Housing Development
Purpose of report:	1. To update the Housing & Community Overview and Scrutiny Committee on the progress of the Council New Build Programme phase one.  2. To update the committee on the progress of the Homeless Change Programme.
Recommendations	1. That the committee notes the progress of the phase one of the New Build Programme and with the Homeless Change Programme.
Corporate objectives:	Affordable Housing
Implications:	<u>Financial</u>  The programme is currently on schedule to deliver new homes within the prescribed timeframe of March 2015 and to the original budget of £14m.
'Value For Money Implications'	<u>Value for Money</u>  The programme is currently on schedule to deliver new homes within the prescribed timeframe (March 2015) and to the original budget (£14m). The October 2012 Cabinet report set these objectives as value for money targets.

Risk Implications	Risk Assessments reviewed in June 2013.
Equalities Implications	An Equality Impact Assessment was carried out October 2012. There are no implications arising from the Assessment.
Health And Safety Implications	All development sites have been registered with the Health and Safety Executive (HSE) in line with the CDM 2007 (Construction Design and Management Regulations) as required by statute, by the Council's appointed CDM Coordinator.
Consultees:	Elliott Brooks, Assistant Director – Housing Julia Hedger, Group Manager – Strategic Housing Ben Hosier, Group Manager – Procurement Mark Brookes, Group Manager – Legal Services James Deane, Assistant Director – Finance Aaron Keyte, HRA Accountant
Background papers:	Cabinet Report – 23 October 2012 " <a href="#">Update on Council Home New Build Programme – Phase 1</a> "
Glossary of acronyms and any other abbreviations used in this report:	HSE – Health and Safety Executive CDM – Construction Design and Management Regulations JCT – Joint Contracts Tribunal HCA – Homes and Communities Agency NAHP – National Affordable Housing Programme

## 1. Programme Overview

- 1.1 At the Cabinet meeting on October 23rd 2012 approval was given to begin a new Council programme to build new council homes for the first time in over 25 years. Phase one consists of 71 New Homes over three sites, with a mixture of one and two bedroom flats and some three bedroom houses. The Housing Revenue Account will fund the 71 new homes.
- 1.2 At this meeting, Cabinet also gave approval to develop a 33 bedroom homeless hostel for single people. This will be funded by the General Fund and the Homes and Communities Agency's Homeless Change Programme grant funding.

## 2. Grant funding changes

- 2.1 The Council was successful with the bid to build 45 new homes using £15k of HCA grant per property, linked with the requirement to convert 45 existing Council homes to the new affordable rent. (Total grant for the 45 new homes was £675,000.) As the phase one New Build programme developed, the HCA and the Council entered into a contract which confirmed the intent of delivering 45 new homes with “up to” 80% of market rents.
- 2.2 During the latter part of 2012 the HCA confirmed any new homes delivered using grant needed to have rent levels set at 80% of market rents (not ‘up to’). To illustrate, rents on a three bed house at 80% of market rent would be approximately £800 per calendar month in Hemel Hempstead and £880 in Berkhamsted, with current Council rents at around £465 for a similar property.
- 2.3 When the Council bid for grant in early 2011 from the NAHP 11-15 programme certain assumptions were made, and the HCA had certain criteria which the Council had to commit to at that point in time. One key point included within the NAHP prospectus was the level of rents which the Council were expected to charge for any new properties which was set at “up to” 80% of market rents – this would then be known as a new tenure “Affordable Rent”. There was also a requirement to convert a certain number of existing stock rents to the new affordable rent levels.
- 2.4 Following discussions with Cabinet members and tenant representatives it was clear that 80% of market rent in the Dacorum area was considered far from affordable, and therefore the Business Plan was looked at in detail to determine the impact of lower rents, and building the new homes without the HCA grant. Whilst there was an impact financially, this was considered favourable to the alternative of charging a rent deemed not to be affordable in the Borough. The HRA Business Plan was remodelled to assume that new homes will be delivered at ‘target social rent’ which is considered far more affordable for new tenants in the Dacorum area.
- 2.5 The Council is receiving £841,500 in grant funding from the HCA for the development of the hostel, which would be unaffected by the decision not to accept the £675k HCA grant for the development of the Phase one residential programme.

### **3. Site Updates**

#### **THE ELMS HOMELESS HOSTEL**

Up to 41 rooms



- 3.1 Chambers Goodwin & Partners have been appointed as the Architects for the development. The Ground Investigation Report identified the low risk issue of slightly elevated lead levels on part of the site which can be mitigated by isolating the contamination under hard cover. The other site investigations have concluded, with no sufficient barriers to development identified.
- 3.2 The development team architects have undertaken several visits to exemplar hostels across London & the Eastern region as part of the information gathering process. Pre-application planning advice was sought on the 9<sup>th</sup> May 2013, and a public consultation event took place on the 28<sup>th</sup> May 2013 at the Maylands Business Centre. A full planning application will be submitted in June 2013, once feedback from the planning officer, building control and appointed engineers has been fed into the design.
- 3.3 The procurement process to appoint a main contractor commenced in May 2013, with the first pre-qualification questionnaire stage closing in June 2013. It is expected that the tender process will conclude in October 2013, and that works on site will begin in November 2013.

Key dates:

- **MAY 2013** – Planning pre-application advice application submitted
- **JUNE 2013** – Planning application submitted
- **OCTOBER 2013** – Tender process concluded
- **NOVEMBER 2013** – Start on Site
- **MARCH 2015** – Completion of the development

#### **FARM PLACE, BERKHAMSTED**

12 x 1 Bedroom Flats, 8 x 2 Bedroom Flats, 6 x 3 Bedroom Houses



- 3.4 The planning permission and intellectual rights were purchased from Aldwyck in January 2013. The Council has appointed an Employers Agent (Robinson Lowe Francis) to assist in transposing the technical work to date into a format, which has now been put to tender. The site has full planning permission and a new sign board has been erected to state that 26 new Council homes will be completed in 2015.
- 3.5 The tender process to select a main contractor has started, and an appointment is expected to be made in August 2013. The site will shortly be re-hoarded with sufficient hoarding to last the duration of the redevelopment. Contractors will provide a price for this development to be built to the Code for Sustainable Homes Level 4 standard, which would make the new homes amongst the highest environmentally efficient in the Borough.

Key dates:

- **AUGUST 2013** – Start on Site (Hoarding to commence in June 2013)
- **JANUARY 2015** – Completion of the development

### **GALLEY HILL, GADEBRIDGE**

9 x 2 Bedroom Flats to 'Passivhaus' standard



- 3.6 Planning permission was obtained in January 2013 for the development of 9 Passivhaus flats at Galley Hill, Gadebridge. Architects and Engineers have been appointed to complete the further design work, and undertake detailed studies regarding the site, such as the ground condition (which is favourable for development).
- 3.7 The first stage of the procurement process (Pre-Qualification) has completed for the main contractor, with the second stage closing in August 2013. This development is being built to the Passivhaus standard, providing very high levels of thermal efficiency to keep gas heating bills to around £100 per annum per property. Further information on Passivhaus is available at [www.passivhaus.org.uk](http://www.passivhaus.org.uk)

Key dates:

- **SEPTEMBER 2013** – Start on Site
- **JANUARY 2015** – Completion of the development

#### **LONDON ROAD, APSLEY**

13 x 1 Bedroom Flats, 23 x 2 Bedroom Flats



- 3.8 The whole site has been acquired by the Council, and has been secured with hoarding and gates. The land is currently owned by the General Fund and the site will be appropriated as a whole to the Housing Revenue Account's ownership.
- 3.9 Several site investigations have been concluded and an ecology report has confirmed that there are no habitat/ecology concerns with regard to developing homes on this site. A planning application was submitted to the Local Planning Authority in May 2013 (4/ and will take approximately 13 weeks to determine.
- 3.10 The tender for a main contractor will begin in June 2013. The first stage of the tender (the Pre-Qualification Questionnaire) will take around 6-8 weeks to complete, and the total procurement process (including selection, interview and authorisation to appoint) will take 3-5 months.
- 3.11 The substation relocation will be undertaken outside of the main contract, to ensure the scheme is completed by March 2015. Works on relocating the substation will start in the summer.

Key Dates:

- **APRIL 2013** – Planning application
- **DECEMBER 2013** – Start on site
- **MARCH 2015** – Practical Completion