

# Affordable Housing Development Programme

**Cabinet**

**Date: 7<sup>th</sup> December 2016**

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Author:	Cabinet Member for Housing and Homelessness
Wards:	All
Locality Affected:	All
Parishes Affected:	All

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## **1. Purpose and Reasons**

- 1.1 The report sets out the current position of the Affordable Housing Development Programme and emerging projects.
- 1.2 Approval is sought to use Housing Revenue Account (HRA) resources to develop sites set out in the report.
- 1.3 This project contributes to Pledge 7 of the Council's Vision: to build new affordable homes and Pledge 9 to develop brownfield sites as they become available.

## **2. Recommendations**

Cabinet is recommended to authorise:

- 2.1 The Head of Housing and Community Safety to proceed with the consultation, design and development of the proposed sites.
- 2.2 The use of Right to Buy receipts for the 4-bed houses at Sussex Place.
- 2.3 The proposed development of Penhill United Reform Church.
- 2.4 The proposed developments on the Queens Drive renewal programme and note the phasing set out in the report for the demolition of George Gay Gardens, the "T" Blocks and St Ives Court, Nythe.

## **3. Detail**

Affordable Housing Development Programme 2015 - 2018

- 3.1 The current Affordable Housing Development programme is proceeding broadly as planned to meet the funding requirements of the Affordable Housing Programme 2015 – 2018.
- 3.2 Sussex Place is under budget and ahead of schedule, and is likely to complete in early 2017. 10 of the properties will be sold at 80% of market value with restrictive covenants ensuring they will be discounted in perpetuity.
- 3.3 Townsend House is under budget but behind schedule, due to a number of issues with the building itself and coordinating utility companies. The project will complete in November 2016, and the flats have been allocated.

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Further information on the subject of this report can be obtained from James Graham, 01793 464474, [jgraham@swindon.gov.uk](mailto:jgraham@swindon.gov.uk).

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- 3.4 Brookfield in Highworth is behind schedule due to challenges arising from the Planning application. The Construction is scheduled to begin in January 2017 and will take 32 weeks.
- 3.5 Delivering new homes that allow those with Learning Disabilities to live independent lives remains a key feature of the programme. The developments will also provide much needed savings for the Adult Social care budget. The new development at The Hawthorns is a great example of this. On this 24 bungalow site tenders have been received bids are being assessed and start on site is expected late November/early December and will take 32 weeks. The design has been significantly updated from previous proposals at Cabinet to accommodate more bungalows.
- 3.6 The table below summarises the programme to date and identifies the type, purpose and size of the accommodation.

Scheme Name	Progress	House type	Need group	Budget
Sussex Place	Completion due early 2017	8 1-bed flats 6 2-bed flats 16 2-bed houses 15 3-bed houses 4 4-bed houses	38 units General needs rented housing  10 units for low cost home ownership	£9,678,365  Small surplus expected
Townsend House	Completion November 2016	7 1-bed flats 8 2-bed flats	Keyworker housing	£1,967,000  Small surplus expected
Brookfield	Construction starts November 2016	1 2-bed bungalow  2 2-bed houses	People with mobility or care needs  General needs rented housing	£637,000
Royal British Legion	Planning permission November 2016	10 2-bed houses 4 3-bed houses	General needs rented housing	£2,525,000

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Cranmore Avenue	Planning permission November 2016	14 1-bed flats	General needs rented housing	£1,500,000
Hawthorns	Start on site November 2016	22 2-bed bungalows 2 3-bed bungalows	People with care needs or mobility issues	£4,101,000

- 3.7 The Planning Applications for Cranmore Avenue, Park South and the former Royal British Legion site in Penhill, have been submitted, with approval scheduled in November and construction is forecast to begin in February 2017.

## Use of Right to Buy receipts

- 3.8 The Council has permission to retain a proportion of Right to Buy receipts, which must be spent on building new homes. This money needs to be spent within 3 years of receipt.
- 3.9 In order to spend some this receipt, the Housing Development Team enabled the procurement of the former Penhill United Reform Church site for £100,000. This site includes a 3-bed manse house, as well as sufficient land for further homes once the existing hall is demolished.
- 3.10 The planning application is being prepared for the site to be developed as scheme of 12 2-bed houses, and the refurbishment of the existing 3 bed manse house. The estimated cost of this is £2,066,000.
- 3.11 The Council has secured the country's first Local Development Order for residential development, at Bembridge Close and Linden Avenue. The contractor is finalising plans with Building Control, and construction will start in November 2016, and will take 26 weeks.
- 3.12 Sussex Place has 4 4-bed houses that were excluded from the bid for Affordable Homes. However, in order to ensure the Council does not have to return any Right to Buy receipts it is proposed that the said money is used to fund the 4-bed units. This means that the rent will be £158.49 per week or £686.79 per month, which compares extremely favourably to the market rate for a 4-bed which is approximately £1,000 per month. All applicants will be assessed to ensure that the property is affordable to them. This investment will also reduce the payback period for the project by 2 years, and thus strengthen the HRA business plan.

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- 3.13 Officers are completing an assessment of all of the Council's land holdings, and will identify further sites for development to spend Right to Buy receipts as they are received. The current proposals ensure that the Council will not have to return any receipts until at least December 2017, and proposals will be brought forward to take us through to 2019.

## The Queens Drive Regeneration Project

- 3.14 The reconstruction of Sussex Place is proceeding ahead of schedule, and provides a positive example of the benefit of physically regenerating a neighbourhood. The public realm has been significantly improved, and asset values have increased substantially ahead of the general market growth in Swindon.
- 3.15 There are opportunities to continue this improvement further along Queens Drive, by demolishing expensive to maintain, outdated buildings and replacing them with better quality housing built at higher density.
- 3.16 The regeneration scheme represents a major investment in the Borough. The budget for the development is estimated to be £23 million, this involves the demolition of 122 non-traditionally built council homes (and leaseholders) built in the late 1950's that now require significant investment. The proposal is to replace these with a development of 160 new homes. The Housing Revenue Account would replace rented units as close as possible to one for one. Central government currently does not provide grant for the development of affordable housing for rent. Therefore, this project would propose to offer a proportion of homes for open market sale, with the additional income from those sales helping to fund the construction of homes to rent with the remainder of the costs coming from borrowing against the future income from those rented homes. Discussions with the Homes and Communities Agency have led them to offer a loan to assist the development. This loan would be at commercial rates and worse than the Council could secure itself, so this option has been discounted.
- 3.17 The Head of Housing and Community Safety proposes three phases to continue with the much-needed regeneration. The following phases are draft proposals only, and will necessarily be shaped by the consultation responses, and subsequently with more detail following survey, design and contracting stages, as well as marketing and financial considerations.
- 3.18 The proposed sites for regeneration are George Gay Gardens, which is north of Wolsely Road on Queens Drive in Park South, the T-Blocks south of Wolsely Road on Queens Drive in Park South, and St Ives Court on Tyneham Road in Nythe.
- 3.19 Phase 1 is proposed to be the demolition of George Gay Gardens, which has been identified as a sheltered housing scheme that is no longer fit for purpose and excess to need. This has been the subject of extensive discussions with

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tenant groups over the last 5 years. The building is an Easi-form non-traditional construction type, which would require significant investment to make it fit for an additional 30 years. The proposed demolition of the 50 flats on this site would provide an opportunity to for a new extra-care facility for approximately 50 households, and a dementia care facility for 20 people. Feasibility work is being carried out on this option. Alternatively the site could be brought forward as mixed tenure residential housing scheme.

- 3.20 Phase 2 would be the relocation and reconstruction of St Ives Court. St Ives Court is a former sheltered housing scheme that was converted into temporary accommodation for the homeless. The demand for housing for the homeless is such that the current provision would have to be re-provided elsewhere. The building is outdated, requires significant investment, and is too large for its current purpose. The approach would be to transfer residents to Baileys Farm Gardens, and an as yet unidentified sheltered housing scheme. Baileys Farm was originally built as a supported housing project, and this proposal returns it to this use. Once the residents have moved out of St Ives Court the site would be demolished and rebuilt as 10 homes for sale at full open market sale in order to fund Phase 3 of the regeneration scheme.
- 3.21 Phase 3 would see the demolition of the T-Blocks that face onto Queens Drive, south of Wolsely Road. These flats are built at low density, with four blocks each of 9 x 2-bed flats, four of which have been sold under the Right to Buy. The flats are of non-traditional construction, being Easi-form flats which will require significant investment to be maintained to the Decent Homes Standard. The demolition of these 36 flats would clear a site suitable for the construction of approximately 90 new homes.
- 3.22 The phases could be run independently or even simultaneously if resources allow. One of the constraining factors will be on the time required to decant large numbers of residents to suitable housing elsewhere.
- 3.23 The construction phase would be likely to last from late 2017 to 2020. The redevelopment would provide employment opportunities, and ultimately an improved public realm on a major gateway into Swindon, better housing for tenants, a new care facility for people with dementia, and good quality market housing in a popular location between Junction 15 of the M4 and the town centre.

## The Consultation

- 3.24 The Council has a legal duty to consult tenants on matters of housing management that may affect them as set out in the Housing Act 1985.
- 3.25 The phased regeneration programme has broad timelines set out, and the consultation timeline will need to support that.

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- 3.26 Where individual schemes are affected consultation will take place on the premises. People who do not wish to attend or who are unable to attend will be able to make representations by phone, email or post. Within Sheltered Housing, Officers are aware that this is an extremely sensitive matter given the age, health and length of tenancy of some residents. Family members and carers are invited to all consultations. Officers will discuss alternative housing at other Sheltered housing schemes with de-canted residents directly matched to vacancies as they arise. In addition, tenants will receive support during this time as well as statutory home loss compensation of £5,300 and discretionary disturbance payments.
- 3.27 Due to the high number of empty properties held at George Gay Gardens and the greater awareness of residents that this particular scheme is under review a consultation has already commenced in line with details set out in a Cabinet Member Briefing Note. Overall residents accept that the building is far from ideal and understand the reasons for demolition. However, understandably moving home will be stressful and officers will fully support residents in their move to a new home. Residents at the as yet unidentified sheltered housing scheme will be consulted in early 2017. Residents at St Ives will be consulted in early 2017. This is a complex project, so there is likely to be some variation in the proposed dates.
- 3.28 This means that all residents of affected schemes would be consulted prior to beginning the process to move people to new homes. Timings would be scheduled to avoid unnecessary distress to affected tenants. Family members and affected neighbours would also be invited to comment on proposals.
- 3.29 A report on the proposals has been presented to the Tenants' Association Sheltered Housing (TASH), and the Housing Advisory Forum (HAF). Overall the regeneration proposal is supported but concerns remain over the rehousing of many elderly residents.

## **4. Alternative Options**

- 4.1 The Council could choose not to proceed with the Affordable Housing Developments, but this would mean returning the grant to central Government. The Council could also choose not to proceed with developments funded by Right to Buy receipts, but this money would have to be returned to central Government along with an interest charge.
- 4.2 The Council could choose to retain and refurbish George Gay Gardens, but due to its inherent design flaws the building is unlikely to meet the needs of other groups. The building needs large investment to make it decent, and does not represent a good investment.

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## 5. Implications, Diversity Impact Assessment and Risk Management

### Financial and Procurement Implications

- 5.1 The development has been assessed at an early stage, it is estimated to cost £23 million and can be delivered within the existing HRA business plan.
- 5.2 The development will require a procurement process, and the Council's Contract Standing Orders will be complied with.

### Legal and Human Rights Implications

- 5.3 The Council has a legal requirement to consult, so will be meeting its legal obligations as a result of the consultation. There is no statutory guidance that specifies the way that a consultation should be carried out but the process will be guided by the Council's own consultation policy (Cabinet Minute 89, 2013/14 refers).
- 5.4 There will be human rights implications once tenants are asked to leave their homes, the Housing Service will comply with the legal framework for decanting tenants, and providing statutory compensation for the loss of their homes.
- 5.5 All other legal and human rights implications were taken into account in preparing this Briefing Note. It is considered that the recommendations are compatible with Convention Rights.

### All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.6 None.

### Diversity Impact Assessment

- 5.7 A Diversity Impact Assessment (DIA) has been carried out on the Housing Development Programme, and there are no adverse implications for consideration that are not addressed in the body of the report. A copy of the DIA is available from the report author.

### Risk Management

- 5.8 A risk register has been done for each project, and forms part of the standard project management approach.

## 6. Consultees

- 6.1 The Board Director, Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.



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**7. Background Papers**

7.1 None.

**8. Appendices**

8.1 None.

**9. Key Decision/Decision in Cabinet Work Programme and Forward Plan**

9.1 This is a Key Decision and is included in the Cabinet Work Programme and Forward Plan for July 2016.