

<b>DECISION-MAKER:</b>	<b>CABINET</b>		
<b>SUBJECT:</b>	<b>ESTATE REGENERATION IN MILLBROOK AND MAYBUSH</b>		
<b>DATE OF DECISION:</b>	<b>16 AUGUST 2016</b>		
<b>REPORT OF:</b>	<b>THE LEADER OF THE COUNCIL</b>		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>	
<b>Not applicable</b>	
<b>BRIEF SUMMARY</b>	
<p>This report seeks formal approval in accordance with Financial Procedure Rules for further expenditure to progress a new housing with care scheme at Woodside Lodge, Wimpson Lane, together with a new block of age-restricted general needs flats (over the age of 55). The redevelopment of this as an extra care housing scheme will contribute to the Council's strategic housing objectives by providing new affordable housing, including the Council's wider public health and adult social care priorities around the provision of housing and care for older people.</p> <p>The proposals are consistent with the principles set out in the Housing Revenue Account (HRA) Business Plan approved by Council on 10/02/16 but would require an addition to the Capital Programme under the HRA self-financing regime that was agreed at Council in February 2013.</p>	
<b>RECOMMENDATION:</b>	
<b>CABINET:</b>	
(i)	To approve, in accordance with Financial Procedure Rules, additional expenditure of £850,000 to carry out the necessary design development to submit a detailed planning application for a new build scheme and tender the works contract for Woodside Lodge and 536-550 Wimpson Lane. Provision for this exists within the Estate Regeneration & New Build section of the HRA Capital Programme.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	On 18 <sup>th</sup> November 2015, Cabinet approved, in principle, to develop both Woodside Lodge and the adjacent site at 536 – 550 Wimpson Lane. All buildings (other than the slab) have since been demolished.
2.	It was noted that the Integrated Commissioning Unit had identified that demand for specialist and older persons housing will continue to grow due to demographic factors and a modern scheme where care and support can be efficiently provided to a larger number of residents with multiple care and

	support needs will help provide a cost effective alternative to high cost residential care provision, support independence and help to deliver improved health and social care outcomes.
3.	It was also noted that there is also a continued need for smaller general needs accommodation which combined with specialist and older person's accommodation would create a greater mix of community feel and allow for general needs housing to be able to flex its support locally as needed. These sites provide an ideal opportunity to develop homes to meet these varied housing needs.
4.	An initial budget of £500,000 was approved in order to commence feasibility work on the scheme. Approximately £350,000 of this budget has already been spent on site security and demolition. This early spend on demolition was desirable in order to retain Right to Buy (RTB) monies.
5.	It is now necessary to commission a variety of site surveys, specialist advice and consultancy services in order to work the scheme up for planning. The value of these commitments has been estimated at up to £850,000 beyond the previously approved budget.
6.	Much of the work arising from these commissions is necessary to collate a well-informed cost estimate and scheme delivery timetable. It will also allow formulation of a forward thinking approach to a design, heating and ventilation solution for replication on future large flatted schemes to be developed by the Council.
7.	An up-to-date revised project cost estimate has been calculated (July 2016) putting the current build cost at just under £19m. Allowing for on costs assumed at 15%, this means a total capital budget of £21.85m should be put aside in order to deliver the project. However, the budget allocation recommended for approval in this report will enable a more accurate estimate to be formulated and presented for approval.
8.	If agreed, a further report will come to Cabinet during the last quarter this financial year setting out the full capital budget and timescale for the project, by which time it is anticipated that tenders will have been returned so accurate project costs and timings can be presented.

#### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

9.	At this stage, the previous accommodation on the site has been decanted and the buildings demolished. Without the additional expenditure sought in this report, the scheme design and specification cannot be worked up in sufficient detail to produce an accurate and reliable project cost and timescale. It is intended that the mechanical and electrical elements of this scheme be designed as a forerunner to other large flatted blocks to be delivered in the City, so it is important that the appropriate investment of time and expertise is made in the design development.
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<b>DETAIL (Including consultation carried out)</b>	
10.	A public consultation exercise took place on the proposed scheme in January 2016. Overall, the feedback was positive, with general concerns regarding the traffic management and parking within the area as a whole rather than this specific scheme. The idea of individual apartments within a housing with care scheme was supported and residents recognised the need for this type of scheme. The layout and appearance of the general needs apartments was supported as they remain within the original site footprint and provide on-site parking.
11.	Since the public consultation, the balance of one and two bedroom flats within the Housing with Care block has been adjusted to better suit local needs and welfare benefit reform concerns. However, the proposed scheme is not substantially different to the previous version so no further public consultation is considered necessary beyond what will be part of the statutory planning application process.
12.	A Project Brief was developed at scheme inception. This document has developed in line with the evolution of the project and is in the process of being expanded to include more detail.
13.	The Council is using the Development Agency services of First Wessex (a member of the Wayfarer Consortium) and is accessing their OJEU compliant framework for the procurement of services.
14.	Hyde Housing has recently carried out an OJEU tender for construction services which offers the opportunity for the Council to join and carry out a mini-tender selection process for a fee. After due consideration of a number of options this is the intended route for contractor selection.
15.	Current designs indicate that the General Needs block will consist of 15 apartments, whilst the Housing With Care block will offer between 80 and 85 apartments with associated communal facilities.
16.	Pre-application discussions have already taken place and the Planning Service has confirmed that the principle of the development meets local and national planning policy. Further discussions with Planning are ongoing in relation to more detailed design development and adjustments to the unit mix.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
17.	The 2016/17 HRA Budget Report and Business Plan, agreed by Council on 10 February 2016, added a £16M scheme split between 2016/17, 2017/18 and 2018/19 to the HRA Capital Programme for the development of the Woodside / Wimpson site. This budget allocation represented the utilisation of the majority of the retained RTB capital receipts (30%) for those financial years plus the associated borrowing (70%). Further RTB receipts are expected to be available for use in future years for the provision of housing. Approval of a further £850,000 of this budget allocation is sought in this report to cover the costs of architects, surveys, development agents' fees and specialist technical advice.
18.	For clarity, the £850k requested is in addition to the £500k previously approved, making a total demolition and feasibility budget allocation of £1,350,000. If for any reason the scheme did not go ahead, the feasibility costs would become abortive. However, it may be possible to recoup some of these costs by selling the site with the benefit of survey work and possibly

	planning consent.
19.	Some of the RTB receipts originally allocated to this scheme have been reallocated to be spent on other projects to reflect the revised programme. If the RTB receipts are not used on this scheme then there is a risk that they may not be spent within the timescales set by the Government and would have to be repaid to the CLG with additional financial penalties for the council.
<b><u>Property/Other</u></b>	
20.	A Deed of Variation had previously been sought from Scottish and Southern Energy relating to the lease of an electricity sub-station impinging upon one part of the site. This Deed has proved to be extremely slow in negotiation therefore the scheme design has been adjusted to avoid the need for this strip of land.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
21.	Section 11(6) of the Local Government Act 2003 relates to the council's ability to retain and use Right to Buy receipts to fund affordable housing.
<b><u>Other Legal Implications:</u></b>	
22.	Part of the land is subject to an old restrictive covenant, imposed in 1939, which requires approval of any development scheme, plans and specification by the owner. Legal Services have confirmed that this covenant is no longer enforceable and therefore presents no impediment to the proposed redevelopment.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
23.	These proposals are aligned to the following priorities set out in the Council Strategy 2014-17:- <ul style="list-style-type: none"> <li>• Prevention &amp; early intervention;</li> <li>• Protecting Vulnerable People;</li> <li>• Good Quality &amp; Affordable Housing; and</li> <li>• A sustainable council.</li> </ul>

<b>KEY DECISION?</b>	<b>Yes</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	<b>Millbrook &amp; Maybush</b>
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
<b>1.</b>	Indicative site layout
<b>2.</b>	Consultation report

1.	None	
<b>Equality Impact Assessment</b>		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		No
<b>Privacy Impact Assessment</b>		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		No
Other Background Documents N/A		
Other Background documents available for inspection at: N/A		
<b>Title of Background Paper(s)</b>		<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>
1.	None	