

**EXECUTIVE BOARD – 18 NOVEMBER 2014**

<b>Subject:</b>	Acceptance of the Homes and Communities Agency (HCA) Affordable Homes Programme 2015-2018 Grant and approval to proceed with the decommissioning of sites, the tendering of demolition contracts and the tendering of new build contracts.		
<b>Corporate Director(s)/ Director(s):</b>	David Bishop, Deputy Chief Executive/Corporate Director for Development and Growth		
<b>Portfolio Holder(s):</b>	Councillor Dave Liversidge, Portfolio Holder for Community Safety, Housing and Voluntary Sector		
<b>Report author and contact details:</b>	Helen Wallace, Project Manager, Manager Programmes, Development Tel: 0115 876495 <a href="mailto:helen.wallace@nottinghamcity.gov.uk">helen.wallace@nottinghamcity.gov.uk</a>		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Subject to call-in</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b>	<input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital	
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Total value of the decision:</b> £3,405,000			
<b>Wards affected:</b> Basford, Bestwood, Bulwell, Clifton North, Clifton South, Dales, Radford and Park, Aspley and Bridge.	<b>Date of consultation with Portfolio Holder(s):</b> 22 October 2014		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter			<input checked="" type="checkbox"/>
Cut crime and anti-social behaviour			<input checked="" type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input checked="" type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input checked="" type="checkbox"/>
Help keep your energy bills down			<input checked="" type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input checked="" type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
The acceptance of the HCA Affordable Homes Programme 2015-2018 Grant, which will be used to support the delivery of new affordable, rented homes by Nottingham City Council and/or directly by Nottingham City Homes.			
The report supports the Council's pledge to continue to build Council homes and to bring all social housing up to the Decent Homes standard. It also provides details of the 15 regeneration sites, within 10 wards. These sites form part of the overall			
<b>Exempt information:</b>			
None			
<b>Recommendation(s):</b>			
1. Accept the HCA Affordable Homes Programme 2015-2018 Grant of £3.333m towards the new build on the fifteen sites, detailed in Appendix A of this report.			
2. Approve the commencement of payments from the HRA, estimated at £72,000, to extinguish the rights of way at 10 existing properties and 2 private garages, including the purchase of the garages, and delegate authority to the Director of Strategic Asset and Property Management to agree terms with the 10 private property owners and 2 private garage owners			

to allow the vacant sites to be developed.

3. Approve the commencement of the tendering process for both the demolition of existing properties and the new build replacement of residential properties at the 12 sites within this report, noting that a report on the contracts for the demolition and new builds will be submitted to Executive Board for approval and that approvals to develop the Meadows (April 14), Cranwell Road (April 14) and Morley (July 2014) sites have previously been approved by Executive Board.

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 The acceptance of the HCA grant will complement the existing Affordable Homes delivery programme.
- 1.2 There is an opportunity on these sites for the Council to realise its ambition to provide high quality housing and actively regenerate the neighbourhoods within the 10 wards identified within this report.
- 1.3 The commencement of the tendering process will allow the new homes to be delivered within the timescale laid down within the HCA grant conditions.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 The programme of new council house building, being delivered by Nottingham City Homes, is part of a much wider programme of delivery, being actively brought forward through council interventions and support. The Council is working with registered providers and private sector development partners on a range of sites to bring forward additional housing, both open market and affordable.
- 2.2 Nottingham City was advised that their bid, to the HCA Affordable Homes Programme 2015-2018 Grant, was successful in August 2014. This provided the opportunity to develop sites that had been identified as suitable for affordable housing, which would allow the alleviation of anti-social behaviour due to the development of these sites. The details of the sites, including cost estimates for decommissioning, demolition and new build are included within Appendix A.
- 2.3 The costs will be financed either from the HRA capital programme which includes provision for these works, or by NCH Prudential Borrowing. Details of which are within section 4 of this report.
- 2.4 Contractors from the Efficiency East Midlands framework, of which Nottingham City Homes (NCH) is a member, will be invited to tender for demolition and new build in December 2014, on the sites included within this report.
- 2.5 The new council homes delivered through the build programme will meet the energy efficiency equivalent to the former Code for Sustainable Homes level 4, meaning a lower carbon footprint and reduced bills for tenants. This will contribute towards the Nottingham Plan – our Sustainable Community Strategy – 2020. All of the properties will also meet the HCA quality standards for internal size to ensure that there is adequate space for families to live.
- 2.6 The designs will be subject to consultation and input from the local community and will create better connected and safer neighbourhoods by improving the quality of the

built environment and through the Secure by Design framework which will help to both reduce crime and the fear of crime.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 Not redeveloping these sites was rejected because of the Council's ambition to provide high quality housing and actively regenerate Nottingham's neighbourhoods.
- 3.2 Selling the sites for market housing development was rejected as the provision of council homes in these locations will support the Council's aims of regenerating communities.
- 3.3 Disposing of all the sites to a Registered Provider partner, for a reduced receipt in order for them to provide new affordable housing was rejected, because these sites are not marketable. Some of these sites are marginal in terms of development for affordable housing and therefore the HCA funding is critical to the delivery of the housing programme and the regeneration of these neighbourhoods.

### **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

- 4.1 The City Council has been successful in its bid to the HCA Affordable Homes Programme and has been awarded grant totalling £3.333m, details of which are set out in Appendix A.
- 4.2 The report also requests approval to agree terms with 10 private property owners to extinguish existing rights of way, and two private property owners to purchase two private garages as part of the decommissioning of the garage sites at an estimated cost of £72k. This cost can be met from existing HRA resources.
- 4.3 In addition, the report requests approval to commence the tendering process for both the demolition of existing properties and the new build replacement of residential properties at the sites within this report. The estimated cost, for properties which form part of the HRA bid, is £2.9m for demolition and £22.8m for new build (as set out in Appendix A). Actual costs will be reported back once tenders have been received. Provision to meet these costs is included in the HRA capital programme.

### **5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

- 5.1 The proposal to accept the HCA grant as set out in the report raises no significant legal issues. However, the Council will need to satisfy itself that it can comply with any terms and conditions attached to the award.
- 5.2 As regards the proposal to extinguish the rights of way and purchase the two private garage sites this will need the co-operation of the private sector owners of the garages and those entitled to use the private rights. Enquiries should also be made to establish if there are any public rights in existence. Failure to agree terms will lead to inevitable delays which will need to be managed. Equally consideration will need to be given as to what steps can and should be taken in the event that terms cannot be agreed. Commencement of the tendering process will need to have regard to the possibility of delays and their impact (if any).

## **6 SOCIAL VALUE CONSIDERATIONS**

- 6.1 NCH's commitment to being a major player in transforming the quality of life in Nottingham's neighbourhoods by tackling the unemployment and deprivation on our estates through direct employment, apprenticeships and social enterprise initiatives will promote NCH's principle of striving for the best.
- 6.2 Development is part of a wider programme of delivering or enabling quality new social housing either directly by the Council in partnership with NCH or with Registered Provider and other development partners throughout the City. In this way the Council is enabling new quality affordable housing to meet the needs of residents, help to physically regenerate Nottingham's neighbourhoods and create new quality places where people want to live as well as maximising the employment and training benefits.

## **7 STRATEGIC ASSET AND PROPERTY**

- 7.1 A number of the proposed development sites are former garage courts. Over the years some of the sold properties adjoining these garage courts have been granted or have acquired rights of way over the garage courts. In addition two garages have been sold. To facilitate the redevelopment of the garage courts it is necessary to agree terms for the realignment or extinguishment of the rights of way with the owners that benefit from the rights. In addition it is necessary to repurchase the garages that have been sold.

## **8 REGARD TO THE NHS CONSTITUTION**

Not applicable

## **9 EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

(a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)	<input type="checkbox"/>
(b) No	<input type="checkbox"/>
(c) Yes – Equality Impact Assessment attached as Appendix B	<input checked="" type="checkbox"/>

Due regard should be given to the equality implications identified in any attached EIA.

## **10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

None

## **11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

Executive Board report and minutes, 20 September 2011, "Housing Revenue Account Self Financing Programme – future implications for council housing stock.

Executive Board report and minutes, 22<sup>nd</sup> April 2014, "Redevelopment of Cranwell Road and Meadows sites.

**12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

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