

**EXECUTIVE BOARD – 22 APRIL 2014**

<b>Subject:</b>	Redevelopment of Cranwell Road, and Meadows Sites		
<b>Corporate Director(s)/ Director(s):</b>	David Bishop, Corporate Director for Development and Growth		
<b>Portfolio Holder(s):</b>	Councillor Dave Liversidge, Portfolio Holder for Commissioning and Voluntary Sector		
<b>Report author and contact details:</b>	Matthew Neal, Head of Major Programmes 0115 876 3403 <a href="mailto:matthew.neal@nottinghamcity.gov.uk">matthew.neal@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 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> £10.30 million			
<b>Wards affected:</b> Bilborough and Bridge	<b>Date of consultation with Portfolio Holder(s):</b> 24 January 2013		
<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 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 type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>This report supports the Council's policy to continue to build council houses and to bring all social housing up to the Decent Homes Standard. It also provides the detail of the current phase of the Council's ambitious plan to rebuild high quality new council homes via Nottingham City Homes (NCH).</p> <p>As part of the changes in the Housing Revenue Account (HRA) system, the Council have had the opportunity to remove from use a number of council homes that are in the worst condition and the least popular in the city. In addition to the chance to replace these life expired homes, there is an opportunity to build back a mix of new homes that will support the Council's ambition to provide high quality family housing across the city. In this instance the new developments are in Strelley and the West Meadows (Q Block) area.</p>			
<b>Exempt information:</b>			
None			
<b>Recommendation(s):</b>			
<p>1. To approve the procurement of a contract for the design and build of the Cranwell Road site, to deliver 46 new build homes, subject to tenders being returned within the funding envelope of £4.385 million, and to delegate authority to the Portfolio Holder of Commissioning and Voluntary Sector in consultation with the Corporate Director for Development and Growth and the Director of Legal and Democratic Services, to agree the master plan and to sign the</p>			

contract following the tender process.

2. To approve the procurement of a contract for the design and build of the Meadows site, to deliver 55 new build homes, subject to tenders being returned within the funding envelope of £5.915 million, and delegate authority to the Portfolio Holder of Commissioning and Voluntary Sector, Regeneration and the Community Sector in consultation with the Corporate Director for Development and Growth and the Director of Legal and Democratic Services, to agree the master plan and to sign the contract following the tender process.

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 There is an opportunity on these sites for the Council to realise its ambition to provide high quality housing and actively regenerate the neighbourhood.
- 1.2 The design and build of the Cranwell Road site is presently being tendered, and the tender for the Meadows site is due to go out in May 2014. Approval of the recommendations in this report will allow both the contractor and the designer to be appointed and the preferred options to be worked up in order to be submitted for planning.

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

- 2.1 The Executive Board report "HRA Self Financing Programme-future implications for council housing stock" dated 20 September 2011, outlined the Government proposals for the existing HRA subsidy system and replacing it with a new system that allows councils to keep the rent they collect in return for taking a share of the historic national housing debt.
- 2.2 In response to the Government proposals, NCH undertook a stock assessment of approximately 29,000 homes which took account of a number of criteria and then consulted on the list of properties identified for demolition. The September 2011 report approved by Executive Board set out the proposals for the decommissioning and demolition of the identified housing stock and highlighted the opportunity to build back new council housing.
- 2.3 The report also identified that this was an opportunity to realise the Council's ambition for regenerating these sites. Since September 2011 the Council, in partnership with NCH, has been working to develop plans for the sites (to be delivered by the Council, by a Registered Provider (RP) partner or by a private sector partner). These plans are being developed on a site by site basis to reflect need and demand, the local market, the local housing type and tenure mix, and opportunities to attract investment.
- 2.4 The HRA programme of new council housing is part of a much wider programme of (both affordable and market) housing delivery being actively brought forward through council interventions and support. The Council is working with RPs and private sector development partners on a range of sites to bring forward additional housing, both open market and affordable.
- 2.5 It is the ambition of the HRA new build programme to deliver new council homes in the city. Demolition is now complete at the Radford site and is underway at Lenton. These sites will provide 194 new homes, including 62 NCH owned properties, as approved by the Executive Board on 19 February 2013.

The development of four infill sites (Keverne Close, Wendling Gardens, Windmill Close, Henning Gardens) approved by Executive Board on 17 July 2012 has provided an additional 26 homes.

- 2.6 This report updates the council on the work undertaken to develop two critical sites, these are; the Cranwell Road site, and the Meadows West site (Q Blocks). A number of options appraisals have been undertaken to develop the most appropriate and effective housing mixes for these sites. The final plans are attached (Appendix A) for the Cranwell Road site and the proposals for the Meadows Q Blocks are currently at the development stage. These have been developed in collaboration with NCH and the council's development management team and will provide a total of 101 new homes. The developments will be phased so that the new build follows the programme of the decommissioning and demolition of the existing properties.
- 2.7 The new council homes delivered through the HRA build programme will all be designed to meet the 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 Homes and Community Agencies quality standards for internal size to ensure that there is adequate space for families to live. The majority will also be built to meet lifetime home standards, providing adequate space for wheelchairs and other adaptations that may be needed as tenants get older.
- 2.8 The layout of the new developments will, as a minimum, meet building for life Diamond standard, creating attractive, well designed places where people will want to live. This will transform some run down areas of the city, replacing poor quality and badly designed estates with vibrant and attractive neighbourhoods.
- 2.9 At the Cranwell Road site there will be 46 new family homes. Based on market rates, these have an estimated cost of £4.385 million. These properties will be a mix of one, two and three storey and one, two and three bedroom to suit the site constraints. The phasing will mean that the scheme will be complete in December 2015.
- 2.10 At the Meadows site, there will be 55 new homes comprising of family homes and bungalows. Based on market rates, these have an estimated cost of £5.915 million.
- 2.11 The costs will be financed from the HRA capital programme which includes provision for these works.
- 2.12 There was extensive consultation with local councillors and the residents in each of these areas in relation to the decommissioning and demolition prior to the Executive Board report in September 2011. Since that approval there has been further consultation with the councillors and local community regarding the proposals as detailed with this report. This has included a number of drop in sessions and presentations.
- 2.13 The developments have been influenced by 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.

2.14 The total cost of the schemes has been calculated on the basis of market rates and benchmarking costs against similar developments. These costs will be adjusted when the tenders are returned and the contract let if it is within the approved funding envelopes. NCH is managing the new build on behalf of the Council to deliver the scheme.

2.15 The estimated total cost is £10.30 million for 101 units and this is broken down as follows:

<b>Site</b>	<b>Number</b>	<b>Type</b>	<b>Rate £m/unit</b>	<b>Total £m</b>
Cranwell	17	Houses	0.110	1.87
	12	Flats	0.075	0.90
	17	Bungalows	0.095	1.615
Meadows	46	Houses	0.110	5.060
	9	Bungalows	0.095	0.855
<b>TOTAL</b>	<b>101</b>	-	-	<b>10.30m</b>

2.16 The costs are estimated at this stage and will be confirmed upon receipt of tenders. The costs will be financed from the Housing Revenue Account capital programme which includes provision for these works.

### **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 the sites to an RP partner for a reduced receipt in order for them to provide new affordable housing was rejected as, whilst the Council will provide some sites for RP's within this programme, it was not considered the best solution for delivering the required outcomes on the Cranwell Road or Meadows sites.

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

- 4.1 This report requests approval to enter into design and build contracts for 55 units in the Meadows and 46 units at the Cranwell Road, Strelley site. The estimated cost and phasing of these works is set out below:

Site	Number of properties	Estimated Total Cost £m	2014/15 £m	2015/16 £m
West Meadows (Q Blocks)	55	5.915	1.140	4.775
Cranwell Road	46	4.385	0.75	3.635
TOTAL	101	10.30	1.89	8.41

4.2 The costs are estimates at this stage and will be firmed up on receipt of tenders. The costs can be financed from the HRA capital programme which includes provision for these works.

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

5.1 The form of contract to be used for the schemes is the NEC3 Design and Build form of contract. This is a standard and widely used form of construction contract and sets out the work to be completed for the cost agreed.

5.2 Third Party issues have been identified by the Council and NCH and will either be mitigated through the planning and tender process or managed through a risk register.

5.3 This report represents the Council's vision for developing new build council housing on both the Meadows and the Strelley sites. Although decommissioning work is ongoing to provide these tenants with alternative accommodation this may not be achievable in the timescales set out in this report. As such this remains an ongoing risk to the overall deliverability of the programme.

5.4 In all other regards the proposals raise no significant legal issues.

5.5 The developments will create better connected and safer neighbourhoods by improving the quality of the built environment and through the Secure by Design framework. This will help to both reduce crime and the fear of crime.

## **6 SOCIAL VALUE CONSIDERATIONS**

6.1 None

## **7 REGARD TO THE NHS CONSTITUTION**

7.1 Not applicable

## **8 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)



- (b) No  
(c) Yes – Equality Impact Assessment attached

  

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

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

9.1 None

**10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

- 10.1 Executive Board report and minutes, 20 September 2011, “Housing Revenue Account Self Financing Programme – future implications for council housing stock”
- 10.2 Executive Board report and minutes, 19 February 2013, “Redevelopment of Lenton and Radford sites”

**11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

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