

EXECUTIVE BOARD – 17 June 2014

Subject:	Redevelopment of Stepney Court Independent Living Scheme and Strelley Road Neighbourhood Joint Service Centre (JSC)		
Corporate Director(s)/ Director(s):	David Bishop, Corporate Director for Development and Growth John Kelly, Corporate Director for Community Services		
Portfolio Holder(s):	Councillor Dave Liversidge, Portfolio Holder for Community Safety, Housing and Voluntary Sector Councillor Nicola Heaton, Portfolio Holder for Community Services		
Report author and contact details:	Helen Wallace, Project Manager, Major Programmes 0115 876 4965 helen.wallace@nottinghamcity.gov.uk		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<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 checked="" 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
Total value of the decision: £4.991 million			
Wards affected: Bilborough and Aspley	Date of consultation with Portfolio Holder(s): 21 January 2014 and 16 May 2014		
Relevant Council Plan Strategic Priority:			
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 checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
<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, through the demolition and rebuild of the independent living accommodation at Stepney Court.</p> <p>In addition to the chance to replace the life expired homes at Stepney Court, there is also an opportunity to provide a new Neighbourhood Joint Service Centre (JSC) to replace the existing Housing Office and Library. The JSC will be conveniently located and will offer high quality front line services and support for citizens, and its design will ensure that the facility is able to make a measurable difference to communities and citizens in the Aspley and Bilborough areas.</p> <p>The Neighbourhood JSC builds upon the success of other JSC's within the City and forms part of the wider Citizen Programmes including the Customer Access Programme, Strategic Asset Management Programme and Citizen First.</p>			

Exempt information: None
Recommendation(s):
1. To approve the development of Stepney Court Independent Living Scheme and Strelley Road Neighbourhood Joint Service Centre redevelopment at a cost of £4.991m.
2. To commence the decommissioning and rehousing process for tenants, noting that the funding for Homeloss payments and security of the building is to come from the Housing Revenue Account.
3. To approve the procurement of a contractor for the demolition of 29 independent living units at Stepney Court, the Strelley Road Library and Housing Office, subject to tenders being returned within the funding envelope of £0.200 million to delegate authority to the Portfolio Holder for Community Safety, Housing and Voluntary Sector and the Portfolio Holder for Community Services, in consultation with the Corporate Director for Development and Growth and the Director of Legal and Democratic Services, to let the contract following the tender process.
4. To approve the procurement of a contractor for the design and rebuild of 31 independent living units at Stepney Court and Strelley Road JSC, subject to tenders being returned within the funding envelope of £4.535 million to delegate authority to the Portfolio Holder for Community Safety, Housing and Voluntary Sector and the Portfolio Holder for Community Services, in consultation with the Corporate Director for Development and Growth and the Director of Legal and Democratic Services to let the contract following the tender process and agree the whole site master plan.
5. To approve the procurement of goods and services for the purpose of the supply and fitting of furniture and equipment at the JSC and subject to tenders being returned within the funding envelope of £0.100m delegate authority to the Portfolio Holder for Community Safety, Housing and Voluntary Sector and the Portfolio Holder for Community Services, in consultation with the Corporate Director for Development and Growth and the Director of Legal and Democratic Services to sign the relevant contracts following the tender processes.
6. To grant delegated authority to the Portfolio Holder for Community Services in consultation with the Corporate Director for Community Services and the Director of Legal and Democratic Services to approve the Nottingham City Council Business Case for the Strelley Road Neighbourhood JSC.
7. To grant delegated authority to the Portfolio Holder for Community Services in consultation with the Corporate Director for Community Services and the Director of Legal and Democratic Services to approve partnership agreements such as service level agreements and leases.

1 REASONS FOR RECOMMENDATIONS

- 1.1 There is an opportunity on this site for the Council to realise its ambition to provide high quality housing together with a Neighbourhood JSC, which will actively regenerate the neighbourhood.
- 1.2 The Neighbourhood JSC will provide benefits to citizens and services by delivering the right services, from the right place, in an integrated manner, enabling services to make a measurable difference to communities.
- 1.3 Approval of the recommendations will allow the contractor and the designer to be appointed and the preferred options to be developed for submission to planning.

- 1.4 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 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The Housing Revenue Account (HRA) programme of new council housing, being delivered by Nottingham City Homes, 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 registered providers and private sector development partners on a range of sites to bring forward additional housing, both open market and affordable.
- 2.2 Contractors from the Efficiency East Midlands framework, of which Nottingham City Homes (NCH) is a member, will be invited to tender for the design and build of these proposals in September 2014 and the demolition tender is expected to go out in October 2014. Should this framework, which has been predominantly used for residential build, not be deemed suitable for this purpose, the scheme will be tendered on the open market.
- 2.3 The Neighbourhood JSC model is continuing to be developed with stakeholders, who are currently undertaking an options appraisal for the purpose of relocating their service into the JSC. This piece of work will result in the development of a business case for a more ambitious scheme by July 2014.
- 2.4 The layout of the new development will, as a minimum, meet Building for Life Diamond standard, creating attractive, well designed places where people will want to live. This will transform this run down areas of the City, replacing poor quality and badly designed properties with vibrant, accessible and attractive ones.
- 2.5 The Neighbourhood JSC proposal is based upon the successful model adopted across the four City operational JSC's. The JSC proposal has been developed to provide a "Neighbourhood focused" model of service provision within a busy Local Centre in comparison to the larger JSC District Hubs.
- 2.6 The initial specification for the JSC, for which an Outline Business Case (OBC) was produced, was constrained by the existing building footprint within the larger Stepney Court complex. However, the proposal to demolish and rebuild the existing site provided an opportunity to revisit the Business Case and explore partnering opportunities with stakeholders. This was in line with the sheltered review in 2008/2009 which identified the sheltered accommodation as being in an excellent location but in poor condition and with no lift access. The outcome of the review was the proposed demolition of 29 existing units. The new build will replace these units with 31 new independent living units.
- 2.7 It has been agreed by the Decommissioning and Regeneration Steering Group that is monitoring the new build housing programme that this scheme will form part of and be managed by this programme.

- 2.8 A delegated decision – 1168 (December 2013) approved £100,000 for the purpose of the development of the design and cost plan in support of Neighbourhood JSC at a cost of £1.9m financed from the HRA and General Fund. This funding is now being used to develop the scope of the revised scheme that includes the demolition and rebuild of Stepney Court.
- 2.9 Discussions with partners relating to dedicated space within the JSC, continue to progress. A firm commitment to any proposals will be obtained from the partners prior to the development of the detailed design. The outcome of which, will also feed in to the Full Business Case (FBC) and will inform any legal agreements.
- 2.10 Consultation regarding the proposals for the JSC took place with local citizens in January 2013, with 50% considering the proposals as a good idea and 27% considering the proposals a fairly good idea. There has been extensive consultation with local councillors and the residents at Stepney Court and proposals are in place to include drop in sessions and presentations as the proposals progress.
- 2.11 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 will manage the new build on behalf of the Council, excluding the procurement of the furniture and equipment for the JSC, which will be procured and managed by Nottingham City Council (NCC). Procurement will proceed subject to the approval of the FBC and, if eligible, a Project Health Check as determined by the Project Health Board will be undertaken.
- 2.12 The estimated total cost is currently £4.991 million and this is broken down as follows:

Estimated Costs	Amount £
Rehousing of tenants	0.156m
Demolition and service disconnection	0.200m
Construction (including Project Management and fit out)	4.635m
Total	£4.991m

- 2.13 The costs will be financed from the HRA capital programme and the General Fund. NCC has reprioritised their existing HRA capital programme to use funding identified for DDA accessible works, originally for Stepney Court, and an unallocated HRA capital resource and funding streams to fund this programme. The details of which are included in the table in section 4.
- 2.14 Services are currently developing plans for rehousing of tenants and alternative provision for existing library and housing related services during closure. These plans will be considered within the FBC. The cost of decanting will be met by the schemes funding envelope with the cost of alternative provision being met by the ring fencing of the existing premises budgets.
- 2.15 The revenue costs associated with the new Neighbourhood JSC are expected to exceed current revenue budgets due to the anticipated increase in Business Rates associated with a new build and extended opening hours. These costs will be

reviewed during the development of the FBC that will include, life cycle modelling, with the intention that the shortfall is met by contributions from additional partners and remodelling of opening hours.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Reconfiguration and refurbishment of the existing Housing Office and Library, together with improvement works to the properties in Stepney Court was rejected as it was not considered to be value for money.
- 3.2 Doing nothing was rejected because of the Council's ambition to provide high quality housing and actively regenerate Nottingham's neighbourhoods.
- 3.3 There have been previous options considered for the site which were not considered to be value for money. One of which was to proceed with two separate schemes. These were to undertake Disability Discrimination Act works and fire prevention works at Stepney Court and to separately refurbish and reconfigure the housing office and library to create a neighbourhood JSC.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

- 4.1 The estimated cost of this scheme is £4.991m as set out in paragraph 2.11 above. Funding for the scheme has been identified as follows:

	£m
Estimated Total scheme cost	4.991
Financed by	
NCC General Fund capital programme	0.990
DDA funding – Executive Board February 2014	0.750
HRA funding – Executive Board February 2014	0.912
HRA – Decommissioning & Regeneration	0.156
HRA – Fire alarms/sprinklers	0.127
HRA – Prudential borrowing supported by the scheme	0.200
HRA – Capital resource - unallocated	1.770
HRA – Decent Home Budget 2014/2015	0.086
Total	4.991

- 4.2 It is likely that the increased accommodation charges will result in further pressures on both the General Fund and the HRA as set out in the table below. The minimum annual costs relate to the premises costs for the new building, whilst retaining the existing opening hours. The maximum annual costs relate to the premises costs for the new JSC building with extended opening hours. The lifecycle costs will be developed and included within the FBC.

Category	Existing Annual Running Cost £m	Estimated Annual Running Cost at Completion (Minimum) £m	Estimated Annual Running Cost At Completion (Maximum) £m
Premises	0.043	0.095	0.102
Staffing	0.039	0.039	0.118
Total	0.082	0.134	0.220

4.3 It will be necessary to identify savings in service budgets to enable these additional costs to be contained within existing budgets. Alternatively there is opportunity for the costs to be reduced through the remodelling of opening hours or partner contributions. The current business case assumes partners entering the scheme to be cost neutral.

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

5.1 The tender documentation will need to identify the appropriate form of contract to be used for each element of the scheme. This should also include any special conditions required by the Council.

5.2 Any third party issues will need to be identified and mitigated through the planning and tender process or managed through a risk register.

5.4 In all other regards the proposals raise no significant legal issues but Legal Services will be available throughout the scheme to provide detailed advice and assistance as and when required.

5.5 The development 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.

5.6 It is likely that the increased accommodation charges will result in further pressures on the both the General Fund and the HRA as a result of increased revenue costs and life cycle costs. These will be developed and included within the FBC. It will be necessary to identify savings in service budgets or other additional partner contributions to enable these additional costs to be contained within existing budgets. Alternatively the opening hours of the Neighbourhood JSC will be remodelled to address the shortfall.

5.7 It is likely that there will be costs associated with the decanting of services and providing alternative provision that will need to be identified. These will be developed and included within the FBC but it is assumed that existing premises budgets will ring fenced for alternative provision.

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. Providing opportunities to utilise "BESTbuild" to support the delivery of the scheme, where appropriate, will provide training to locally recruited staff.

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 Delegated decision - 1168, 4 December 2013 "Strelley Road – Joint Service Centre"

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

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