

EXECUTIVE BOARD – 22 JULY 2014

Subject:	Redevelopment of the former Morley School Site		
Corporate Director(s)/ Director(s):	David Bishop – Corporate Director for Development and Growth		
Portfolio Holder(s):	Councillor David Liversidge– Portfolio Holder for Community Safety, Housing and Voluntary Sector		
Report author and contact details:	Helen Wallace –Major Programmes Tel 0115 876 4965		
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 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: £4.100m			
Wards affected: St Anns.	Date of consultation with Portfolio Holder(s): 16 June 2014		
Relevant Council Plan Strategic Priority:			
Cutting unemployment by a quarter			<input 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 pledge 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 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 HRA system, the Council have had the opportunity to identify sites in need of decommissioning and demolition and 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 development is the former Morley School site in St Anns.</p>			
Exempt information:			
None			
Recommendation(s):			
<p>1. Subject to the approval of the Homes and Communities Agency (HCA) to the award of funding of £0.600m towards this project, to approve the procurement for around 30 new build homes on the former Morley School Site within the funding envelope of £3.800m, as set out in the Decommissioning and Regeneration Business Case.</p>			
<p>2. To delegate authority for the awarding of the design and build tender and the signing of the contract, subject to tenders being returned within the funding envelope in this report, to the Portfolio Holder for Community Safety, Housing and Voluntary Sector in consultation with the</p>			

Corporate Director for Development and Growth and the Director of Legal and Democratic Services.

3. To approve the procurement for the demolition of the existing buildings on the former Morley School Site within the funding envelope of £0.200m, as set out in the Decommissioning and Regeneration Business Case.

4. To approve the procurement for the contractor for the removal of asbestos in the existing buildings on the former Morley School Site within the funding envelope of £0.100m, as set out in the Decommissioning and Regeneration Business Case.

5. To delegate authority for the awarding of the demolition tender and the signing of the contract, subject to tenders being returned within(?) the funding envelope in this report, to the Portfolio Holder of Community Safety, Housing and Voluntary Sector in consultation with the Corporate Director for Development and Growth and the Director of Legal and Democratic Services.

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 and actively regenerate the neighbourhood.
- 1.2 The demolition contract for the former Morley School site is due to go out in October 2014. Approval of the recommendations in this report will allow both the contracts to be tendered out.
- 1.3 The design and build of the former Morley School site is to be due to go out in September 2014. Approval of the recommendations in this report will allow both the contractor and the designer to be appointed and the preferred option to be worked up in order to be submitted for planning.

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.
- 2.3 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.
- 2.4 This scheme is predicated on a successful award of affordable homes funding from the Homes and Communities Agency (HCA).
- 2.5 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 area of the City, by building vibrant, accessible and attractive new homes.

- 2.6 The outcome of the proposals will result in the demolition of the former Morley School and the new build of around 30 units, which will comprise of both family type accommodation and bungalows.
- 2.7 The costs will be financed from the HRA capital programme which includes provision for these works.
- 2.8 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.
- 2.9 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 envelope.
- 2.10 This report updates the council on the work undertaken to develop the former Morley School site. A number of options appraisals have been undertaken to develop the most appropriate and effective housing mixes for these sites. The final plans continue to be developed in conjunction with Nottingham City Council Planning Department in line with the attached design guidance (Appendix A). These are being developed in collaboration with NCH and the council's development management team and will provide around 30 new homes. The developments will be phased so that the new build follows the programme of demolition of the existing properties on this site.
- 2.11 The estimated total cost is currently £4.100 million and is broken down as follows. These estimates and will be confirmed upon receipt of tenders. The net costs of £3.500 m (after £0.600m HCA grant) will be financed from the Housing Revenue Account capital programme which includes provision for these works

Estimated Costs	Amount £m
Demolition and service disconnection	0.200
Construction	3.800
Asbestos removal	0.100
Total	£4.100

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 (explain what this is) 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 former Morley School site.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

- 4.1 The total cost of the scheme proposed in this report is estimated to be £4.100m as set out in paragraph 2.11 above. An application for £0.600m affordable homes funding has been made to the HCA for this scheme and approval of the scheme should be subject to the successful award of that funding. In addition the City Council General Fund is contributing the land valued at £0.530m into the development.
- 4.2 The costs are estimates at this stage and will be firmed up on receipt of tenders. Subject to the approval of HCA affordable homes funding, the costs can be financed as set out in the table:

Source of Funding	£m
Housing Revenue Account (HRA) capital programme	3.500
HCA affordable homes funding	0.600
Total	4.100

The HRA capital programme includes provision to meet these costs.

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 Steps will also need to be taken to ensure that the Council have vacant possession of the site before entering into any contractual obligations for the demolition or the subsequent redevelopment.
- 5.3 Any additional 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.

6 STRATEGIC ASSET AND PROPERTY

- 6.1 Following closure of the former school, the buildings and site have been occupied on a temporary basis during the recession pending redevelopment.
- 6.2 The one remaining occupier is aware of the Council's intentions to demolish and redevelop the site and has been permitted to remain in occupation pending confirmation of demolition. Following approval, actions will need to be programmed to secure vacant possession in order to meet the target date for demolition.

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 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.
- 7.2 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 NCC 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.

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

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)

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

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

Appendix A – Design Guidance

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

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