

4 December 2017

Community, Health & Housing Committee

Housing Garage Sites – Modular Housing

Report of: Angela Abbott, Interim Head of Housing

Wards Affected: All

This report is: Public

1. Executive Summary

1.1 At the 18th October 2017 Ordinary Council, the following Motion was moved by Cllr Hossack, seconded by Cllr Poppy and was carried unanimously.

‘That this Council investigates the opportunity that the use of modular construction homes, in conjunction with the utilisation of our multiple garage site assets, could present in addressing the need to meet our housing supply needs quickly and efficiently whilst at the same time addressing the need for affordability.

That the council also considers as part of this project, the opportunity for social return by of having a local assembly plant within the Borough that would provide the opportunity for employment, skills and apprenticeships and the support of local supply businesses whilst at the same time, meeting the housing need at source.’

1.2 This report sets out the initial issues and options regarding the future provision of the housing garage sites.

2. Recommendation(s)

2.1 That the Committee authorises Officers to investigate in more detail the following:

- i. Options in relation to the development of the Council’s Housing Garage sites including modular housing.**
- ii. Options in relation to developing a local assembly plant within the Borough to provide modular housing.**

2.2 That a further report on the options as set out above is provided to the next Community, Health & Housing Committee.

3. Introduction and Background

- 3.1 A total of 83 Garage sites were reviewed as part of the Pilot Housing Scheme. The sites supplied for the study were identified by the Housing Department as garage buildings together with a limited number of parking spaces, these were understood to be a true reflection of the current ownership by the Council. The Desktop Study was suggested to become a 'live database' to be added to and progressed into a Site Register, ultimately creating a continuously current database of assessed capacity sites to meet the growing housing need.
- 3.2 In December 2015 a report was presented to committee, Min 267 refers, which set out the stages involved in the Study to support the preparation of a Site Register for the Housing Department. The Study set out a Three Stage Process to review all garage sites on the database in more detail.
- 3.3 Stage 1 was conducted as a Desktop Study of garage sites currently under council ownership and the identification of their potential for conversion to accommodate residential development as part of the Pilot Housing Scheme.
- 3.4 Stage 2 was conducted as a series of contextual site appraisals for a quantity of sites immediately identified following the Stage 1 Desktop Study.
- 3.5 A total of 83 sites were reviewed within Stage 1; using desk based information only these were sorted into a 'traffic light' system signalling sites with no potential at this stage for further study, these were coded 'RED' which was a total of 37 sites. Sites with potential for further contextual appraisal and study but which had with constraints were coded 'AMBER' which was a total of 36 sites. Sites for immediate Stage 2 contextual appraisal were coded as 'GREEN' which were 10 in total.
- 3.6 Stage 2 study concluded that out of the 10 'GREEN' sites 6 had the potential to be transferred to Stage 3, whereby detailed Architectural and Planning Feasibility could be undertaken. Stage 3 is proposed to be outsourced given the specialist analysis and design information necessary to produce an informed approach to the Pilot Housing Scheme.
- 3.7 The typologies of units can be varied within the Pilot Housing scheme, there is potential for flatted development in a sustainable location as well as futureproof homes designed for those aged 65plus within appropriate contexts. These typologies can be tailored further when consideration of Planning Policy and need are applied in the process of Stage 3.

- 3.8 The overall number of garages that we have in the Borough are 1158 of which 371 have been void during 2017 attracting a loss of potential rental income totalling £161,220.30.
- 3.9 A number of the garage sites are in a poor state of repair and are not fit for purpose to store a modern car. The majority would be used for storage purposes.
- 3.10 A costing exercise was recently carried out to provide an average cost to either replace or rebuild existing garages and it was determined that it would not be economically viable to build new garages. Although the refurbishment of the garages would be a reduced cost, either option would result in the requirement to significantly increase rental charges.

To build new garages (per garage)	Cost	Weekly amount based on 5-year plan	Total weekly rent for Council Tenants until 31st March 2018	Total weekly rent for non-Council Tenants until 31st March 2018
Cost to build new	14400			
Provisional Cost Sum for demolition and site preparation	4000			
Total	18400	£71	£79.23	£82.07
Refurbishment of existing garages (per garage)				
Asbestos survey & removal	2600			
Provisional Cost sum for concrete repairs	750			
Drainage	500			
New roof	1530			
PC sum for Surface/Boundary treatment	1500			
Total	6880	£26	£34.23	£37.07

- 3.11 We would need to firstly need to commission a report to allow us to strategically review the garage sites, which would include, Conservation areas, Listed building Adjacency, Article 4 directions, Planning review, Parking Standards, Nationally prescribed space standards, Sustainable Communities Policies and flood risk
- 3.12 Site specific reports would then be commissioned to allow us to focus on individual sites and set our priorities for the next 5 years. This would include, desktop review from google earth, Site capacity/Unit proposals – Single option per site, Flood risk, Green belt review, parking requirement and planning risk.
- 3.13 As at the 10th November 2017, we have 596 applicants requiring accommodation, of which 273 require a 1-bedroom property, 206 require a 2-bedroom property and 91 require a 3-bedroom property.
- 3.14 As at the 10th November we have 186 existing tenants requesting a transfer to alternative accommodation, of which 68 are already in accommodation that is too small for their needs.

4 Issues and Options

- 4.1 It is evident some of the garage sites would not be transferrable to the construction of dwellings but could be utilised for designated parking bays. In terms of the remaining sites which could be developed further to housing a variety of construction methods could be applied, Modular Housing (where contextually appropriate) can be tested along with input from Development Management. As the most recent surveys were undertaken in 2015 then as set out above it will be necessary to undertake a review of the sites.
- 4.2 Modular housing is one modern method of construction (MMC), which involves the modular construction of a dwelling off-site, under controlled plant or factory conditions, using the same material and designing to the same planning and building standards as conventionally built houses. Buildings are produced in 'modules', which are then transported and assembled on site, often resembling serviced 'building blocks'. The individual modular units may be room sized or parts of larger spaces which are combined together to form complete buildings.
- 4.3 It can be noted that there is a wide range of non-traditional construction techniques in use. A number of companies offer both modular and prefabricated structures to develop commercial and domestic buildings. Figure includes a sample of some businesses involved in the MMC, but it is not an exhaustive list, with continental Europe, Japan and the USA being current hotspots for enterprise and innovation.

4.4 Modular construction is not a new technology and has been used extensively in commercial buildings since the late 1960s, particularly in America and parts of Europe. In the UK companies like Yorkon have been producing commercial modular units for a number of years, including schools and retail / restaurant units. The market for MMC housing is growing with an increasing range of smaller 'niche' businesses entering the market in the UK to produce modular and prefabricated houses. They vary from ultra-luxury dwellings to extremely cost-effective timber-framed self-build modules. A number of housing associations also utilise MMC for housing contracts to deliver lean costs effective affordable housing projects.

4.5 Officers have recently met with a company that specialises in MMC. The meeting was very informative and provided background to how modular housing is manufactured, materials, design and building approach.

4.6 MMC of construction may not be appropriate to all projects and locations, but modular / prefabricated construction has been identified as possessing a number of key advantages over traditional construction methods. These include:

- procurement – centralises resources and provides a single point of contact for projects;
- build schedules – reduces construction time by up to 50%;
- design, technology and quality – puts design at the centre of the project and leads to technological innovation and repeated high-quality outputs;
- cost control – minimises construction risks and provides certain delivery timeframes, and
- local amenity and construction – quick build assembly reduces costs on site and neighbour impacts / disturbance.

4.7 Visits to manufactures can be undertaken after a short list has been scoped, this can also link in with other Asset work e.g. the review of accelerated delivery at DHGV. The L&G site at Sherburn in Elmet is circa 500,000 sqft and with jobs forecasts of about 400-500. There is probably an extensive project lead in time – 3-4 years at an established warehouse site before one housing unit is produced.

4.8 At the Policy, Projects and Resources Committee in September 2017, Min 116 refers, it was agreed that a consultation was undertaken with the market to test the appetite for asset projects including defining the scope of the approach the Council may wish to take forward, and how it can be released/procured. This would inform how the Council might engage with partners or indeed procure a Joint Venture development partner or investment partner. It would also inform how the Council may take forward self-development projects.

4.9 Any decisions made will be subject to the Council's Procurement Policy and procedures.

5 Reasons for Recommendation

5.1 To enable BBC to maintain its responsibilities and fulfil its obligations as a landlord.

5.2 A review of all the Council's garage sites will be required to ensure asset management decisions are based on sound information.

5.3 It is vital that the Council has up to date information about condition of the HRA stock in order to support its investment decisions each year. The risks in not having this information include the failure to provide adequate resources to tackle repairs and maintenance that subsequently leads to the need for replacement at a much higher cost.

6 Consultation

6.1 None at this stage.

7 References to Corporate Plan

7.1 This project directly supports delivery of the Councils Corporate Strategy - Vision for Brentwood 2016-2019 and the following sections:

"We are exploring ways of generating income by maximising returns from our property assets" - paragraph 2 of the introduction.

"Our Borough is a great place to live, work and visit; with strong, healthy and vibrant communities along with a beautiful green environment to enjoy. We want to keep it that way and are working hard to produce a new Local Plan which both protects the essential qualities of the Borough, while at the same time delivering the right mix of housing, jobs, open space and other infrastructure that will be required in the future" - paragraph 3 of the introduction.

"Broaden the range of housing in the Borough to meet the needs of our population now and in the future" – Planning & Licensing

"Consider how Council assets can be utilised to promote sustainable development in the Borough" – Economic Development

8 Implications

Financial Implications

Name & Title: Jacqueline Van Mellaerts, Deputy 151 Officer

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8.1 There are no direct financial implications arising from this report.

Legal Implications

Name & Title: Daniel Toohey, Monitoring Officer & Head of Legal Services

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8.2 There are no direct legal implications arising directly from this report.

9 Background Papers

9.1 None

10 Appendices to this report

None

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