

Committee(s): Environment, Enforcement and Housing	Date: 5 July 2021
Subject: Strategic Housing Delivery Plan	Wards Affected: All
Report of: Tracey Lilley, Corporate Director (Housing & Enforcement)	Public
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Summary

This report summarises progress since the last report to Committee on 16 March 2021 on the development of a pipeline of new affordable homes through the development and regeneration of various Housing Revenue Account (HRA) owned sites. As a reminder, this Strategic Housing Delivery Programme (SHDP) is currently made up of two elements, 1) the regeneration of Brookfield Close and Courage Court, Hutton resulting in a planned 62 zero carbon homes and 2) the development of a range of smaller HRA sites to deliver new homes. All of these new homes will contribute to and be managed within the Council's HRA.

The Council's Corporate Strategy 'Brentwood 2025' commits to Introducing "innovative Carbon reduction and absorption schemes", "identify opportunities for low emission and green developments" and using 'brownfield' sites efficiently, such as council owned garage sites, to provide affordable homes....".

Recommendation(s)

Members are requested to:

- R1. **Subject to planning permission being granted, proceed with the next technical stages of design for Brookfield Close and Courage Court regeneration, with a final costed assessment to be reported to this Committee before any final approval to proceed.**
- R2. **Approve the 'Regeneration Offer' to residents affected by the Council's housing regeneration activity attached as Appendix B to this report.**
- R3. **Commence the process of the decanting of residents at Brookfield Close and Courage Court under the terms specified in the 'Regeneration Offer' including the buyback of privately owned property.**
- R4. **Approve the 'New Affordable Homes Strategy 2021-2028' attached as Appendix A to this report.**

Introduction and Background

- 1. Key Activities undertaken since the last report on 16 March 2021**
2. In the last three months, since the last report, the following has been undertaken. Each is expanded upon later in this report.
 - A comprehensive procurement process has been completed to appoint Pellings as the Council's technical advisors to support the delivery 'from design to handover' of the small sites' new homes programme.
 - A new 'Affordable Homes Delivery Strategy' has been developed for adoption and support delivery on the programme.
 - The 'Regeneration Offer' presented in draft to this committee at its last meeting has been considered by the Council's legal advisors and updated for approval.
3. Other work streams that have been completed in the past 3 months
 - Consideration of two planning applications by the Planning and Licencing Committee for new 64 new affordable homes scheduled for 29th June. An update to be given at this meeting.
 - A Branding and Communications workshop which will lead to a programme brand to be launched in July 2021. This Branding will link the entire new homes programme with the 'Brentwood 2025' branding collateral, its design and style.
4. **Appointment of Pellings as technical advisors for the small sites programme of new affordable homes Phase 1.**
5. An Invitation to Tender pack for the procurement of technical support went live in March, closed in early April and following the required period of 'standstill' Pellings were appointed on 25th May 2021. An inception meeting took place on 10th June with the Council's delivery team.
6. The specification that was tendered highlighted the Council's requirement to engage a suitably qualified and experienced technical consultancy practice to support it in its delivery of the next stages of its Phase 1 Small Sites Programme of an estimated 89 'Zero Carbon in use' homes through to handover. In summary, the following stages were included in the specification.
 - To undertake design concepts, viability modelling and necessary validation requirements across small sites resulting in a planning submission.
 - Given the Zero Carbon nature of the project, the appointed team is expected to work alongside the Council's procurement team in running the tender for a construction contractor to suitably prequalify the shortlist of experienced tenderers.
 - To provide retained, client-side support with the provision of Employers Agent, Quantity Surveyor and design Technical Advisors specifying in Architecture, Landscaping, Structural and M&E, to project completion

7. In addition, the following key project deliverables are expected for the sites:

- The provision of Net Operational Zero Carbon Emissions across each of the sites where practical once developed.
- Developments that are informed by place making, garden, green and communal spaces encouraging pedestrians and sustainable transport use.
- Where housing already exists, the replacement of obsolete stock to provide greater affordability in housing provision than is current on site.

6. In total there were 8 tender submissions which were scored by the appointments panel on the basis of 60% quality/40% price. The outcome of the various tender submissions is as follows.

7.

Ranking	Company	Quality Technical Merit Scores	Pricing Scores	Final Score
1	Pellings LLP	34%	39.69%	73.69%
2	Tender B	48%	20.93%	68.93%
3	Tender C	30%	38.18%	68.18%
4	Tender E	30%	26.70%	56.70%
5	Tender F	16%	40.00%	56.00%
6	Tender G	32%	15.08%	47.08%
7	Tender H	32%	13.51%	45.51%

8. **Affordable Homes Development Strategy 2021-28** – Following the approval of the Council's Housing Strategy at the last meeting of this Committee, a further strategy has been developed which focusses on the development of new affordable homes directly by the Council over the next 7 years. This is attached as **Appendix A** to this report.
9. This strategy lays out the vision, principles, governance, delivery mechanisms, and viability assumptions that will support the delivery of new homes both on sites already in the pipeline but also future phases.
10. The first of the homes being delivered through this strategy are 62 at Brookfield Close/Courage Court and 2 at Crescent Road. These are to be considered by the Planning and Licencing Committee at the end of June and an update on the outcome will be given at this meeting.
11. The Committee is requested to consider this new strategy and to approve it for use subject to any amendments.
12. **'Regeneration Offer' for residents affected by the Council's regeneration activity.**

13. Formally known as the ‘Landlord Offer’ when presented to this Committee in draft form at the last meeting, this document lays out the formal offer to those residents affected by the Council’s housing regeneration activity and is attached to this report at **Appendix B**.
14. Initially, this offer will be made to those affected by the Council’s first regeneration scheme at Brookfield Close and Courage Court but as regeneration activity widens over time this will be the offer, subject to any required updates, that will be presented to residents during the consultation process. The document should be read in conjunction with the Brookfield Close/Courage Court ‘Lettings Plan’ to be found elsewhere on the agenda.
15. This offer, aside from the statutory requirements relating to Home Loss and Disturbance payments, was developed through one-to-one consultation conversations with all households (except one) at Brookfield Close and Courage Court. The offer has been scrutinised by the Council’s legal advisors since the last meeting of this Committee, and Members are now requested to consider this draft text for final formatting, publication, approval and use.

Resident Consultation, Aims, Methodology and Outcomes.

16. The Council has a duty to consult its tenants when considering redevelopment of its housing under Sec 105 of the Housing Act 1985 and more widely than its own tenants under the Equality Act 2010. A full ‘pack’ of information has been made available at the Council’s offices for scrutiny by the public which contains all the information that was supplied either by post or electronically to residents last year prior to the planning application being submitted. The pack contains the ‘Statement of Community Involvement’ (SCI) for Brookfield Close/Courage Court, and lays out in a single comprehensive document the consultation aims, methodology, process, and outcomes. This document is attached to this report at **Appendix C**.
17. Since the planning submission, individual 1:1 conversations have also taken place since and, subject to Members’ approval of the ‘Regeneration Offer’ further 1:1 consultation will take place with residents at Brookfield Close and Courage Court on this offer, their individual needs, and commence the process of relocation.
18. The Council has undertaken an Equality Impact Assessment, and this has been submitted to the equalities team.

Reasons for Recommendation

18. The report updates Members on progress on what is a key strategic priority, the delivery of new affordable homes and requests approval for critical next steps towards regeneration.

Consultation

19. Consultation has taken place with the Leader of the Council, and the Chair and Vice Chair of E, E and H Committee. Extensive community consultation and one to one discussions with residents have been undertaken as required under the

Housing Act 1985 and the Council's Public Sector Equality Duty (Section 149, Equality Act 2010) relating to the proposed regeneration and Brookfield Close and Courage Court.

References to Corporate Plan

20. The Council's Corporate Strategy 'Brentwood 2025' commits to Introducing "innovative Carbon reduction and absorption schemes", "identify opportunities for low emission and green developments" and using 'brownfield sites efficiently, such as council owned garage sites, to provide affordable homes...". The SHDP and specific proposals in this report contribute to all of these strategic objectives.

Implications

Financial Implications

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21. The HRA has undergone modelling to develop a revised Business plan that was approved at Ordinary Council 24th February 2021. This Business Plan captures a development programme of £60 million that is funded by borrowing. This programme is to be delivered over a 6-year period from 2021/22. Brookfield Close and Courage Court is a site allocated within this £60 million programme along with the Small Site Program.

The work required on Crescent Road can be financed through the existing capital programme for 2020/21 and will be brought forward as slippage as part of the Outturn report. This will be approved at Policy, Resources and Economic Development Committee in the new municipal year.

Sheltered Housing Asset Review will be funded from the Housing Revenue Account. Currently it is deemed existing budgets can fund this review. However, following the study any development opportunities will be subject to a viability assessment and business case to inform future increase to the HRA capital program and borrowing requirement, all which needs to be captured in the Council's Budget Setting timetable.

The offer as set out in Appendix A, has a financial cost. It is deemed that the decant offer as detailed within Appendix A can be capitalised as these costs are relevant in preparing the site in its existing condition for the new development. The HRA Business Plan model will be refined through the Council's budget timetable to ensure all costs are aligned to deliver the projects, ensuring the delivery remains affordable for the HRA.

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Brookfield Close and Courage Court is a site allocated within this £60 million programme along with the Small Site Program.

The Regeneration Offer has a financial cost to the HRA. However the cost of these offers can be capitalised as these costs are relevant in preparing the site in its existing condition for the new development. Each site appraisal will need to account for these costs in the total project cost per site. In addition, any buy back costs of properties within the development site can also be capitalised and must be captured as a cost of development when appraising a scheme.

The HRA Business Plan will continue to be remodelled to ensure the delivery of the program remains affordable to the HRA. Aspirations are to deliver the scheme by 2028, the business plan will aim to support this delivery. However, if the program becomes unaffordable to the HRA the delivery time frame may have to be extended to ensure the HRA remains a going concern and continues to deliver a program of building new housing within the borough.

The proposed New Affordable Homes Strategy 2021-2028 is inline with the HRA Business Plan. The financial assumptions are driven by the Business Plan. Therefore, an annual review will be carried out to ensure the strategy continues to stay aligned with the HRA Business Plan.

Legal Implications

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22. There are no direct legal implications from this report.

Economic Implications

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23. This report provides an update to the project. The Strategic Housing Delivery Programme provides a range of economic benefits to local areas and the borough's economy, both in terms of short-term construction related benefits and longer-term revitalisation of sites. Delivering new homes of high quality and improving existing housing stock, underpins the programme. Housing delivery plays a vital role in the local economy.

Background Papers

None

Appendices to this report

Appendix A: Draft 'Affordable Homes Development Strategy 2021-28'

Appendix B: Draft 'Regeneration Offer' to residents

Appendix C: Brookfield Close/Courage Court – Statement of Community Involvement