

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

19 JUNE 2013

REPORT OF HEAD OF COMMUNITIES & NEIGHBOURHOODS

HAMP UPDATE- AFFORDABLE HOUSING NEW BUILD

1.0 PURPOSE OF REPORT

- 1.1 To submit a business case for approval, seeking resources to fund the Council led new build of 10 affordable housing units.

2.0 RECOMMENDATIONS

2.1 It is recommended that:

Members approve to recommend to the Policy, Finance & Administration Committee the Business Case attached at Appendix A in order to progress the Council led new build of 10 affordable housing units and to include them into the 2013/14 capital programme, to be funded by HRA Development & Regeneration Reserve.

3.0 KEY ISSUES

- 3.1 At their meeting of 20th March members approved the following recommendation:

'Members instruct officers to commence with the tendering exercise for the 10 affordable housing units as detailed in the New Build Affordable Housing Project Plan (Appendix C), with a view of bringing back a report back to this committee meeting in June 2013.

- 3.2. Members will be pleased to note that Full Planning permission has been granted for the 3 garage sites. This report seeks to update members on the procurement exercise and also seeks member's approval of the project Business case (Appendix A) to enable the scheme to progress to the 'Build' stage.

- 3.3 In discussions with the Welland Procurement Unit, it was agreed that for this type of [new housing build] project, being a single 'medium size, build contract rather than an on-going contract and that the council should seek to take advantage of the Scape framework that enables the council to 'call down' from a framework, for not only the build contract but also the employer's agent (project managers) and any other professional support the project will require. The advantages of this are that the contractors have already previously proven to be competitive, deliver quality services and works, demonstrated by being on the framework and the project team can be mobilised fairly quickly.

- 3.4 Members are asked to note that through the [Scape] framework officers will select the employer's agent, build contract and the CDM –coordinator. Masefield's will be retained as the project Architects in line with previous decisions made by this committee during initial progress.

- 3.5 Officers have obtained a total project cost for this new build programme; this includes the build cost, and also the full professional support, additional surveys and contingencies. Members are asked to note that the figure is a total project figure, contained in the business case, which will not be exceeded, unless in exceptional circumstances and a formal report will be made to members should that occur.

3.6 Members will note from previous reports and the presentation of the Housing Asset Management Plan (HAMP) that the affordable housing project will deliver 10 affordable homes, built on 3 garage sites, specifically:

- Greaves Avenue- 4 units
- Saxelby Road- 3 units
- Tudor Hill- 3 units

Members have been previously advised of the design and type of housing units, and designs for the homes are attached as Appendix B. The timeline provided to members at their meeting on 20th March 2013, is being refreshed (attached at appendix C), with a retained intention to complete by spring 2014.

3.7 To assist in the funding of this project, officers have applied to Leicestershire County Council seeking contributions from the LCC Extra Care Homes and New Homes Bonus funding pots. The schemes have been put forward for potential funding and will be discussed by the LCC cabinet at their meeting of 12 June 2013. Officers have been advised that following the LCC cabinet meeting, LCC have committed £250,000 to this project, from their Extra Care and New Homes Bonus monies.

4.0 **POLICY AND CORPORATE IMPLICATIONS**

4.1 This project directly relates to the following corporate priorities:

- Improving the well-being of vulnerable people
- Providing decent and affordable housing
- Improve quality of life for people living in the most disadvantaged neighbourhoods
- To provide high performing services that are efficient and meet customers' needs

5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

5.1 As noted in the attached business plan the final costs are expected to be up to £1.3m with funding sought from Leicestershire County Council (LCC) as noted in paragraph 3.7. The remaining funding for the project would be taken from the HRA Development & Regeneration Reserve, which was set up to enable self financing for such projects.

6.0 **LEGAL IMPLICATIONS/POWERS**

6.1 The solicitor to the Council has developed the appropriate Access Agreement which enables this council to take advantage of the Scape Framework; this has been approved and signed by Scape.

6.2 There will a requirement to formalise the contractual agreements with the build contract and professional support in this project, this will be undertaken in consultation with the solicitor to the Council and the Head of Central Services

7.0 **COMMUNITY SAFETY**

7.1 There are no direct links to community safety arising from this report

8.0 **EQUALITIES**

8.1 Equalities issues were addressed in developing the HAMP, which contains this project. There are no further equalities issues arising from this report.

9.0 **RISKS**

9.1 The risks are considered in the table below:

Probability
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Very High A				
High B				
Significant C				
Low D			1,2	
Very Low E				
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic

→
Impact

Risk No.	Description
1	Project exceeds budget
2	Project exceeds timescales

10.0 CLIMATE CHANGE

10.1 The proposal for this project will seek to deliver energy efficient homes with a view to meet the sustainable code level 3.

11.0 CONSULTATION

11.1 The tenant's forum has been updated on the development of the HAMP and previously TFEC were consulted on the HRA Business Plan and Asset Management Strategy, to which the HAMP is based on and this project is part of.

12.0 WARDS AFFECTED

12.1 The Town Centre and Asfordby Wards are directly affected.

Contact Officer: Harrinder Rai- head of Communities & Neighbourhoods

Date: 10 June 2013

Appendices: Appendix A – Business Case
Appendix B- Design Illustrations
Appendix C- project timeline

Background Papers: HAMP

Reference: X/C'tees, Council & Sub-C'tees/CSA/2013-14/19-06-13/HR- HAMP Affordable Housing Units