

Subject:	Moulsecoomb Neighbourhood Hub & Housing Schemes: Update Report		
Date of Meeting:	18 March 2021 17 March 2021 – Housing Committee		
Report of:	Executive Director: Housing, Neighbourhoods & Communities Executive Director: Economy, Environment & Culture		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The report provides an update on the Moulsecoomb Neighbourhood Hub and Housing Schemes initially presented to Housing committee on 29th April 2020 and Policy & Resources committee on 30th April 2020.
- 1.2 The report seeks approval to proceed with the development of the Former Portslade Sixth Form site, which is a key dependency for the scheme, releasing the existing Moulsecoomb social work site for housing development.
- 1.3 The report shows how the masterplan has developed following feedback from local residents and community groups through a series of Planning for Real sessions, as well as review by the Design: South East panel.
- 1.4 The report also provides an update on the high-level financial position of the programme, accounting for changes to the masterplan. Progress is set out against the original timeline, with consideration for the impact of the coronavirus pandemic.

2. RECOMMENDATIONS:

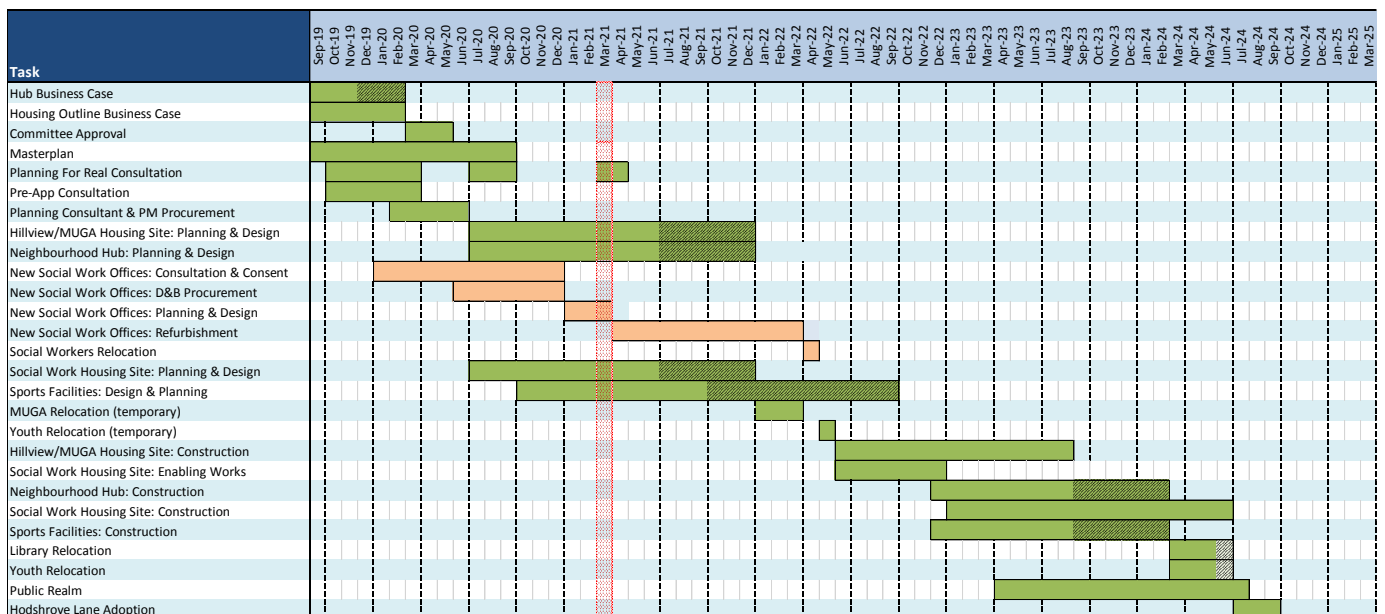
- 2.1 That the Housing Committee recommends to Policy & Resource Committee that Policy & Resources Committee:-
 - 2.1.1 Notes the progress made on the Moulsecoomb Neighbourhood Hub & Housing Scheme and the rationale for high-level design changes to the masterplan.
 - 2.1.2 Notes the impact that the coronavirus pandemic has had on the programme's delivery timeline.

- 2.1.3 Notes the current financial position of the project and the governance arrangements in place to monitor delivery.
- 2.1.4 Authorises officers to progress the conditions on the change of use consent for the former Portslade Sixth Form site development as set out in paragraph 3.26.

3. CONTEXT/ BACKGROUND INFORMATION

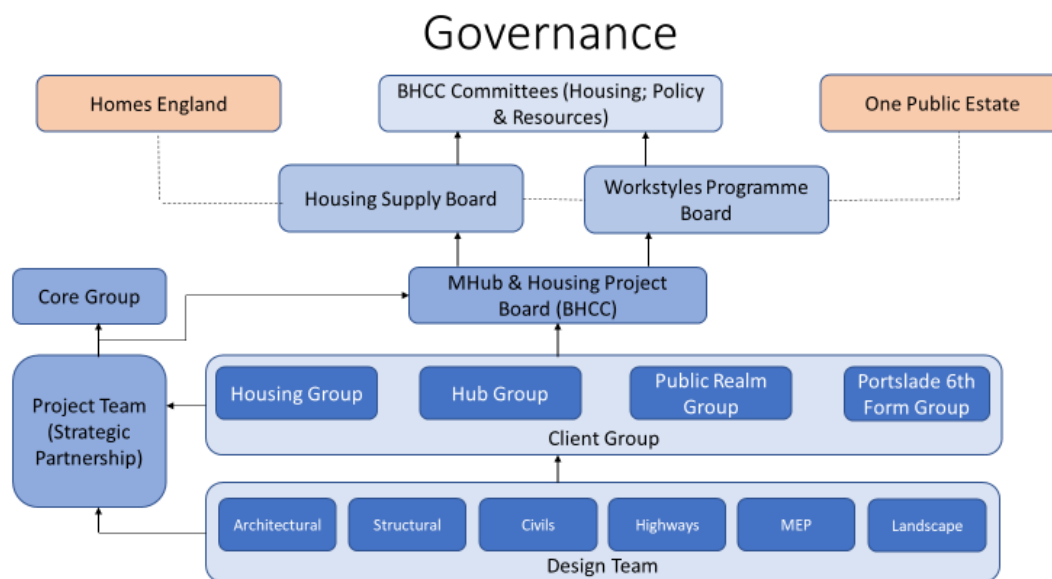
Programme Overview

- 3.1 Since the last committee report, the project has focussed on developing a masterplan, incorporating feedback received from residents, planning and the Design: South East panel. Feedback from these consultations have resulted in changes to all three elements of the scheme: Housing, Neighbourhood Hub, and the Public Realm (including Sports Facilities).
- 3.2 The updated masterplan is included as an appendix to the report. Subsequent sections of this report set out the changes within each element, and the rationale for those changes.
- 3.3 The diagram below shows the high-level timeline for the scheme. The detail of which activities take place when is still under review to identify the most efficient approach, but the overall timescales are unlikely to change significantly.



- 3.4 The project will be delivered in two phases which reflects the dependencies of decanting existing buildings (the orange bars in the timeline above) and ensuring existing services can be maintained throughout the build. Construction Phase 1 of the scheme is scheduled to start on site in Summer 2022, and the scheme is scheduled for completion in the Summer of 2024.
- 3.5 It is the intention to submit a hybrid planning application which will also reflect the phasing of the scheme. A hybrid planning application seeks outline planning permission for one part and full planning permission for another part of the same site. Moulsecomb is well-suited to this because Phase 1 is being developed in advance of, but not in isolation to, Phase 2.

3.6 The Moulsecomb Hub and Housing scheme is a complex project, requiring a governance structure that ensures a co-ordinated approach to delivery, is aligned with the priorities of multiple stakeholders, and manages the various dependencies of the construction project. An overview of the governance structure is provided below.



3.7 The table below provides a summary of the strategic risks being managed by the programme governance, and an outline of the mitigation measures in place.

Risk Description	Potential Consequences	Likelihood	Impact	Mitigating Controls & Actions
Covid pandemic is ongoing	A prolonged recovery may impact delivery timescale. Stricter controls on risk assessments may increase logistics complexity and cost. Limits the capacity of key stakeholders (particularly health) and compounds the complexity of additional risks described below	4	3	The strategic construction partnership comprises of organisations with a significant amount of experience delivering construction projects safely during the pandemic
Housing scheme viability is uncertain at LHA/social rents	Unable to deliver scheme at 100% LHA/social rents. Homes England funding levels may be reduced.	4	4	Continuing discussions with Homes England regarding development and rent levels. Review scheme costs and potential savings.
Health partnership business case is still in development	Health partners decide not to relocate into the new hub, impacting the hub's financial viability due to loss of rental income. The overall aim of an integrated hub will also not be achieved.	2	4	Council support being provided to develop and inform the health partnership business case. Letter of commitment in principle issued by SCFT's Director of Finance.
67 Centre decant during construction phase	Youth services temporarily relocated during construction phase may temporarily impact level of support available to local young people	5	2	Alternative accommodation identified and agreed as suitable in principle by youth service. Project plan in place to manage risk and dependency.

Housing

3.8 Considerable changes have been made to the housing layout following feedback from residents, the planning authority and Design: South East.

3.9 Based on initial comments the design team have made several amendments to the housing scheme:

- Broken up the massing on blocks F, H, J to improve the visual appearance and outlook for neighbours.
- Inclusion of ground source heat pumps, electric car charging points, sustainable urban drainage strategy and full landscaping strategy.
- Play areas and private gardens introduced to housing elements where possible.
- A retail unit is located within block D along Hodshrove Lane
- Traffic calming measures included, and parking bays more clearly allocated to blocks.
- An increase in the number of wheelchair accessible homes is under design review

3.10 The revised schedule of accommodation for both phases of housing is below and subject to change:

Summary	
Type	Total
1 bedroom for 2 people	77
1 bedroom for 2 people (wheelchair accessible)	5
2 bedrooms for 3 people	7
2 bedrooms for 4 people	94
2 bedrooms for 4 people (wheelchair accessible)	2
3 bedrooms for 5 people	25
3 bedrooms for 6 people	11
4 bedrooms for 7 people	10
Total Units	231
Phase 1 Total	96
Phase 2 Total	135

3.11 There is high demand for all sizes and types of affordable rented homes in the city. The highest level of need on the city's Housing Register is for one and two bed homes and this project will help to meet that need. There is also pressure on larger family homes and local residents asked that larger family homes be included at the Planning for Real consultations, particularly as a large number of larger former family homes are now used for student accommodation in the area. The percentage of accessible homes is slightly lower than in the Affordable Housing Brief which is primarily due to site constraints, however the team will look to balance this across the programme that has historically overdelivered on accessible homes. The unit mix broadly reflects that defined in the council's

Affordable Housing Brief with a slightly higher percentage (35% compared to 30% in the Brief) of one bed homes, however these have most people waiting for them on the Housing Register.

- 3.12 The relocation of the Neighbourhood Hub has impacted upon the density of the housing proposals as the amount of land available for housing has now reduced. This has resulted in an increase in storey height for block K to seven storeys and block L with a stepped increase from five to six storeys. These buildings are located at the lowest point within the site to reduce their impact as much as possible. These change in heights are supported by the Design South East Panel.
- 3.13 The council are continuing to discuss the project with Homes England in order to apply for grant under the newly announced Affordable Homes Programme 2021 to 2026. Initial indications suggest Homes England may be only willing to provide grant for projects that are at either affordable or social rent levels which will exclude living wage rent options. This may cause viability concerns dependent upon the capital costs of the housing element which links with the rent levels that could be charged. However, Homes England have emphasised support for the project and are willing to engage positively with the Council as the details are developed further. An update on progress with the grant application, project costs, viability modelling and proposed rent levels will be reported to the Housing Supply Member Board and included in the September Committee report.
- 3.14 A review of the construction costs will be undertaken by the Design Team and Potter Raper who are the quantity surveyors for the strategic construction partnership once further design detail is worked up. The designs are now entering RIBA stage 2, known as concept design, and significant items such as the building frame will be decided.
- 3.15 The housing proposal responds strongly to Planning for Real feedback, as well as, developing the previous business case presented to Housing Committee. Detailed designs are being undertaken and further cost analysis will take place before the housing schemes are presented for full approval.

Neighbourhood Hub

- 3.16 The Neighbourhood Hub will accommodate a new youth centre (relocated from the 67 Centre on Hodshrove Lane), a public library (relocated from the its existing site adjacent to Selsfield Drive), community space for the Trust for Developing Communities, and an integrated health offer including a GP Surgery, space for the Sussex Partnership Foundation Trust (NHS) and a Pharmacy. The design of space inside the hub is being led by representatives from each service area to ensure their needs are met, and this process is being facilitated by Property & Design.
- 3.17 The main change to the Neighbourhood Hub is its location. Under previous proposals, the hub was to be located on land adjacent to the existing community leisure centre. Feedback from residents, community groups and Design: South East suggested that the Hub should be central to the new development, and the previous location was deemed too isolated from the housing scheme.

- 3.18 The new proposed location of the Hub, shown as Block M on the masterplan (appendix 1), has been positioned more centrally to the housing development, and is adjacent to the existing Children’s Centre, proving new opportunities for collaboration, particularly between Health partners. The site allows for a more regular building structure and design, offering construction economies and improving access to natural light throughout the building.
- 3.19 The relocation of the hub allows for an increased and strengthened Health presence in the hub. The new Hub site means more internal space can be provided, presenting an opportunity to accommodate health services provided by the Sussex Community NHS Foundation Trust (SCFT), in addition to a new GP practice and pharmacy. The re-inclusion of SCFT strengthens the wider community benefits of the hub and supports the viability of the Hub’s business case through increased rental income. Despite the coronavirus pandemic understandably having an impact on Health partners’ capacity to engage with the Moulseccomb Hub project, we have been able to positively progress discussions with these partners.
- 3.20 The relocation of the Hub has resulted in a reduction in the size of the land being appropriated. This will reduce the market value of the land but has no overall effect on the opportunity cost of the project, as reported previously. The market value and opportunity cost are similar, and this does not have an impact on the overall viability of the Hub project.
- 3.21 Other changes to the Hub based on consultation and engagement feedback include:
- A dedicated street-level entrance to Youth Facilities located on the ‘Active’ side of the building, where the new sports facilities and skate park will be located;
 - A café located on the ‘Quiet’ side of the hub, with street level access and shared public realm space with the neighbouring Children’s Centre.
 - Shared and bespoke reception and facilities to support a range of services with differing access and security requirements.
- 3.22 Floorplans showing service locations in the building are included as an appendix to this report. These are not detailed designs at this stage and are to show where services will be based in relation to each other.
- 3.23 The financial position of the hub’s business case is largely unchanged, and it remains a viable project. As previously reported, the hub will be funded through a combination of existing capital budgets, capital receipts associated with the appropriation of land from the General Fund to the HRA, and borrowing against the hub’s income. The table below shows the level of funding from each source.

Funding Source	Funding Amount
Existing Capital Budgets	£3,600,000
Appropriation Value (Opportunity Cost)	£7,320,000
Borrowing	£5,880,000
Total	£16,800,000

The existing Capital budgets are made up of £1.5m previously allocated to the project and three annual contributions of £0.7m (totalling £2.1m) from the Asset Management Fund over the next three financial years. The appropriation value is unchanged from the previous report and represents the opportunity cost of the project. Borrowing will be funded against new income from the hub.

- 3.24 The table below shows the initial high-level costs presented in the previous committee report, alongside the costs associated with the new masterplan.

Description	April '20 Cost	Current Cost	Difference	Variation
Neighbourhood Hub	£7,500,000	£7,750,000	£250,000	3%
Public Realm	£200,000	£200,000	£0	0%
Sports Facilities	£750,000	£750,000	£0	0%
Skate Park	£0	£430,000	£430,000	N/A
Portslade 6th Form	£4,000,000	£3,800,000	£-200,000	-5%
Professional Fees & Surveys	£1,500,000	£1,500,000	£0	0%
Relocation Costs	£400,000	£400,000	£0	0%
Risk Allowance (10%)	£1,500,000	£1,500,000	£0	0%
Project Management	£470,000	£470,000	£0	0%
Total	£16,320,000	£16,800,000	£480,000	3%

- 3.25 The difference of £0.480m results mainly from the inclusion of a skatepark adjacent to the Neighbourhood Hub, The skatepark emerged as a clear priority through the Planning For Real sessions, and is viewed as a key benefit to the local community as well as supporting council priorities to encourage active lifestyles and healthy living.

Former Portslade Sixth Form Redevelopment

- 3.26 On 28th January 2021 the Council received consent from the Department for Education's Secretary of State for a change of use of the former Portslade Sixth Form site. This allows for the redevelopment of the site into council offices to accommodate the social workers currently based in Moulsecoomb, releasing the land for housing development. This has removed a significant risk and dependency from the project and is a positive outcome.
- 3.27 Consent included two conditions with financial implications for the scheme. These conditions are to provide a new play area for children in the local area, and a financial contribution to local schools. The cost of meeting these conditions were budgeted for in the original business case and do not create a financial pressure for the project.
- 3.28 The development of the former Portslade Sixth Form site will be considered as part of the wider office accommodation strategy being developed by the Ways of Working group, which supports the council's recovery from the coronavirus pandemic, creating opportunities that provide staff with more flexibility and choice over how and where they work.

Public Realm & Sports Facilities

- 3.29 A range of ideas were put forward by residents and community groups as part of the consultation process in terms of public realm facilities surrounding the new Hub and Housing scheme. New 3G pitches, a gymnastics facility, a skatepark, children's play areas, and community gardens were the most popular suggestions. These suggestions have been incorporated into the masterplan (appendix 1).
- 3.30 The Public Realm working group, shown as part of the wider client group in the governance structure above, are working with an Urban Design consultant to finalise the scheme and ensure it aligns with the Hub & Housing developments, enhancing the overall area, and can be delivered within budget.
- 3.31 The proposed gymnastics facility forms a part of the Brighton & Hove Sports Facilities Investment Plan and will be developed independently of the wider scheme subject to a separate approval process and committee agreement.
- 3.32 The public realm will emphasise biodiversity and landscape enhancements which will create a variety of external spaces for use by the residents and users of the new hub building. Early design concepts include pocket parks, children's play areas, and green parking.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The previous iteration of the masterplan has been superseded following consultation and engagement with community groups, residents and the Design: South East panel. The options considered during the scoping phase of the project were set out in the previous committee report and have not changed.
- 4.2 The housing element of the scheme could be funded through Right to Buy receipts, however, these are currently allocated to other projects within the housing supply programme. Due to the construction value of the Moulsecomb project it is unlikely enough would be available to fully subsidise the scheme as proposed, and the council is not able to use them on a project in receipt of Homes England funding.
- 4.3 Potential bids for infrastructure funding to support the initial site preparation works and abnormal works to de-risk the site are also being reviewed.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Changes to the masterplan were made following an extensive consultation and engagement exercise with residents and community groups. Consultation was based on the Planning for Real model, and a series of workshops facilitated by Design: South East.
- 5.2 The Planning for Real and Design: South East recommendations are included as appendixes to this report, providing further commentary and rationale for the changes.

- 5.3 Officers are currently developing content for a project website, which will provide access to the masterplan, the engagement reports and recommendations, and provide further opportunity for local residents to engage with the process. The website will incorporate learning from the recent successful Whole Estate Plan consultation process, as well as look to similar schemes such as Preston Barracks.

6. CONCLUSION

- 6.1 This report provides an update to members a year after approval was provided to proceed with the Moulsecomb Neighbourhood Hub & Housing scheme. Changes to proposals are based on the feedback received from local residents through a series of engagement sessions, as well as a series of workshops facilitated by Design: South East.
- 6.2 The updated timeline reflects the need to re-programme changes to the new masterplan, and accounts for delays caused by the coronavirus pandemic.
- 6.3 Receiving consent for change of use of the Former Portslade Sixth Form site has removed a significant dependency risk from the project.
- 6.4 Further and separate reports detailing the individual housing schemes will be presented at a future committee.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 As approved by Policy & resources Committee in April 2020 the land appropriation between the General Fund and the HRA is based on the funding gap for the General Fund. This is currently estimated to be £7.320m, which has been tested and validated by an external valuer.
- 7.2 The appropriation of the land will be carried out over three phases. The first appropriation will be for £3.000m with the remaining amount reviewed in line with the latest funding arrangements and appropriated in line with the programme delivery timeline.
- 7.3 The appropriation of land is to be funded from HRA borrowing, the cost of borrowing will be funded from existing resources as outlined in the committee paper from April 2020. The financing expenditure has been included in the HRA's 30 year business plan, which was noted by Housing Committee on 13 January 2021 as part of the 2021/22 HRA budget paper.
- 7.4 Housing financial appraisals are being kept under review to ensure value for money is being achieved and that a viable project can be presented. Detailed financial appraisals including budget requests will be made in September 2021 when the schemes are due to be presented to Housing Committee and P&R for phases 1 and 2. These appraisals will consider the latest position with Homes

England following the discussion around a grant available to subsidise the project.

- 7.5 The cost to the General Fund, estimated at £16.8m, for the Neighbourhood Hub, refurbishment of Portslade 6th form, sports facilities and the skatepark, will be met from a combination of corporate capital funding, borrowing and the capital receipts value associated with the appropriation of the land from the HRA. The corporate capital funding will be met from annual contributions from the Asset Management Fund already approved at previous P&R Committees. The cost of borrowing will be met from new income generated at the Hub from rental of office and commercial space. Negotiations are ongoing with potential occupants of the new space.
- 7.6 The change of use consent for the former Portslade Sixth Form site development requires the provision of a new play area for children in the local area, and a financial contribution to local schools based on pupil numbers within the radius of the site. This cost has been factored into the £16.8m cost for the General Fund.
- 7.7 The annual premises running costs for the Neighbourhood Hub and the former Portslade sixth form site will be met from existing revenue budgets associated with the sites that will be vacated and appropriated to the HRA.

Finance Officer Consulted: Rob Allen / Craig Garoghan Date: 04/02/21

Legal Implications:

- 7.8 There are no legal implications arising from this report which notes progress of the scheme. Department for Education consent for a change of use of the former Portslade Sixth Form site is conditional upon the actions set out in paragraph 3.24 of the report and therefore these conditions must be complied with in order for the change of use to be effective.

Lawyer Consulted: Elizabeth Culbert

Date: 31/01/21

Equalities Implications:

- 7.9 Equalities Impact Assessments will be completed for all elements of this project as part of the design and planning stage of proposals. Feedback from communities and residents gathered through the Planning For Real sessions that relates to Equalities issues has been incorporated into proposals
- 7.10 The housing scheme currently delivers 7 wheelchair accessible homes. This is under review to increase the numbers further as the scheme develops. Each fully wheelchair accessible home will have their own allocated parking space.
- 7.11 The new hub and the surrounding public realm spaces will all be fully accessible and designed for people with disabilities. Careful consideration is being given to colour and material selection for people with visual impairments both inside the building and in the design of external spaces, for example in providing raised beds for growing vegetables for people in wheelchairs.

Sustainability Implications:

- 7.12 This project supports corporate sustainability priorities by investing in sustainable construction methods and low carbon energy supply such as solar panels, and ground source heat pumps avoiding the use of gas for heating. Opportunities to promote bio-diversity are also being considered by the Design Team for example using recycled materials from the buildings which are being demolished in gabion walls to create 'insect hotels'. It is also proposed to use timber from the demolished buildings to create benches or other features in the new public realm areas.
- 7.13 A Whole Life Carbon Assessor is being appointed to the project so a full understanding of the carbon impacts of the project will be understood and strategies developed for meeting the council's draft Zero Carbon New Homes Policy. A carbon design calculator is also being used during the design process which will inform a more sustainable choice of building materials. Further examples are the aim to reduce the amount of concrete used in the scheme and if steel is used to ensure that it is sourced from suppliers using low carbon electric arc furnaces rather than traditional high carbon coal fired furnaces
- 7.14 Sustainable and low carbon elements of the existing infrastructure will be reused or repurposed. For example, the project is currently exploring the feasibility of relocating the solar panels on the roof of Moulsecoomb Hub north & South to the refurbished former Portslade Sixth Form site.

Brexit Implications:

- 7.15 Construction and labour costs may be affected by Brexit depending on the clarification of details of recent trade negotiations. This consideration is mitigated through a budget risk allowance detailed in the business case summaries of this report

Crime & Disorder Implications:

- 7.5 Providing dedicated Community and Youth space in the new neighbourhood hub supports the local agenda to reduce antisocial behaviour.

Risk and Opportunity Management Implications:

- 7.6 The project follows corporate guidance and practice in terms of risk and opportunity management. Risk registers are in place for all elements of the project, and project/programme governance is in place to oversee mitigation and escalation as required.

Public Health Implications:

- 7.7 Issues relating to Public Health are aligned to priorities in the Moulsecoomb Bevendean Neighbourhood Action Plan and data from the Local Insight report relating to Moulsecoomb & Bevendean. Additional risk assessments are in place where relevant and in relation to the coronavirus pandemic.

The project is incorporating public realm spaces which will encourage exercise and promote a healthy lifestyle, for example the all weather 3g pitches, a skate park, children play area and various spaces for walking and cycling.

All relevant elements of the scheme are subject to full risk assessments to ensure covid-safe working environments for council staff, residents and contractors.

The design of the Health element of the new Neighbourhood hub accommodates the space required to support recovery from the current pandemic and safeguard against any potential future pandemics.

Corporate / Citywide Implications:

- 7.8 These proposals support corporate and citywide priorities relating to Housing, Carbon Neutral targets, and Community Wealth building as described in the body of the report.

SUPPORTING DOCUMENTATION

Appendices:

1. Masterplan: Moulsecoomb Neighbourhood Hub & Housing Scheme
2. Neighbourhood Hub: Room Adjacencies
3. Planning For Real Summary Report