

Subject:	New Homes for Neighbourhoods - Small Site Strategy		
Date of Meeting:	23 September 2015		
Report of:	Acting Executive Director Environment, Development & Housing		
Contact Officer:	Name:	Carol Jenkins	Tel: 29-3832
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 On 5 March 2014 Housing Committee agreed to three pilots to deliver much needed new homes on small, challenging council owned sites under a small site strategy for the New Homes for Neighbourhoods programme. This followed a lack of interest shown by traditional development partners in developing some smaller former or underused council housing garage sites that often have specific issues to overcome in addition to their small size, such as very narrow access.
- 1.2 This report seeks approval for a fourth pilot under the small site strategy: to test whether system and modular build can achieve economic and viable development on other small, challenging sites, in order to help meet the target of 500 new homes on Housing Revenue Account (HRA) land. It also updates the new Housing & New Homes Committee on the first three small site strategy pilots.
- 1.3 All proposed schemes coming out of these four pilots will be reported back to Housing & New Homes Committee for approval before they proceed.

2. RECOMMENDATIONS:

- 2.1 That Housing & New Homes Committee note the progress with Pilots 1-3: the RIBA design competition, co-operative housing and Passivhaus pilots to develop new rented homes on small, challenging sites under the New Homes for Neighbourhoods small site strategy.
- 2.2 That Housing & New Homes Committee approve the proposed Pilot 4 proposal set out in paragraphs 3.9 to 3.15 of the report to invite proposals from potential development partners for modular or system built new homes on small, challenging council housing land sites; such proposals may involve leasing of Housing Revenue Account (HRA) land but any scheme would be subject to prior Housing & New Homes Committee approval and any lease to Policy & Resources Committee approval as set out in paragraph 3.11.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The small site strategy reported to Housing Committee in March 2014 evolved due to difficulties encountered in the procurement of a delivery partner (including Registered Providers, developers and large construction firms) to take forward final feasibility, design and development of new council homes on four small former or underused council housing garage sites, as previously approved by Housing Committee in September 2012. More innovative solutions were required to develop smaller, challenging sites and meet the target of 500 homes on HRA land. Housing Committee approved three pilot proposals as follows.

Pilot 1: RIBA design competition

- 3.2 The first pilot was for a Royal Institute of British Architects (RIBA) supported design competition. Launched in March 2015, the competition invited initial designs for the following former or underused HRA garage sites:

- Rotherfield Crescent, Hollingbury, Brighton
- Hinton Close, Hollingdean, Brighton
- Natal Road, off Lewes Road, Brighton.

A fourth car parking site owned by the council's General Fund at:

- Frederick Street, Brighton

was also included after Policy & Resources Committee agreed on 4 December 2014 to the Estate Regeneration Team exploring options for new housing with a view to seeking agreement to appropriate this land for housing purposes if suitable housing development is subsequently agreed. These sites may deliver one to up to five homes each, subject to planning.

- 3.3 Response to the design competition was outstanding, with 140 initial designs submitted, roughly equally spread across the four sites. There will be an opportunity for local residents to comment on the shortlisted designs before they are considered by a multi-disciplinary judging panel including representatives from external organisations. The winning designs are expected to be announced in January and will be brought back to Housing & New Homes Committee before any projects go ahead.

Pilot 2: Housing co-operative pilot

- 3.4 The second pilot agreed by Housing Committee was for development of a small site by a housing co-operative represented by Co-operative Housing in Brighton & Hove (CHIBAH), in keeping with the commitments in the council's Housing Strategy 2015 to support community housing development.
- 3.5 Following meetings and site visits, in March 2015 CHIBAH nominated a small self build co-op to develop a proposal for the former garage site at Plumpton Road. This small, overgrown site has been empty for many years and a focus for flytipping. However it is very challenging for development, not only due to its size, but also because of a long, very narrow and angular access, which rules out most construction methods. Self build appears the most viable approach to bring the land into use to deliver a pair of new homes, subject to planning.

- 3.6 The co-op has the full backing and support of CHIBAH, including project management support. Co-op members are preparing a feasibility study for development of two family houses on the site and, if they work up a sound and deliverable business case which also meets the council's requirements, Policy and Resources Committee will be recommended to approve a lease to enable the scheme to proceed. This project would also enable the council to monitor the costs, timescale and quality of a self build pilot on a small site.

Pilot 3: Passivhaus pilot

- 3.7 The third pilot proposal was for the design and build of housing on small site(s) using Passivhaus principles. Such homes are super insulated with a high level of air tightness, requiring up to 75% less energy for space heating than standard practice for UK new build. This reduces energy use and therefore results in lower energy bills for residents and lower carbon emissions.
- 3.8 Rather than undertake a separate procurement exercise, the design competition brief specifically welcomed Passivhaus proposals as some competition sites have been identified as having potential for Passivhaus development. Accordingly a Passivhaus pilot may be delivered through the design competition route.

Proposed Pilot 4: System and modular build pilot

- 3.9 System and modular build methods and prototypes which have potential to offer lower capital and development costs have been developed recently, so a fourth pilot is now proposed to test these construction methods for small, challenging sites on which initial assessment indicates that traditional forms of construction would not achieve viable development of affordable new homes. System and modular builds typically need less foundations and use elements manufactured off site, so may be able to bring into use small, challenging sites that are too confined, constrained or contaminated to viably support traditional residential development.
- 3.10 This pilot would entail inviting and assessing proposals from developers and manufacturers of system and modular build for specific small sites. It would enable the council to test out claims of low cost and speedy forms of construction that allow them to build for low or affordable rent without the need to subsidise construction costs, and to understand the costings should we explore competitively larger estate regeneration initiatives with potential providers. Many system and modular build options claim a design life up to 60 years; a pilot would help identify any issues with robustness of materials and finishes. System and modular build also has the potential to improve sustainability standards (including building to Passivhaus standards), provide training and employment opportunities and to minimise disruption for neighbouring residents; a pilot would test the deliverability of those added benefits.
- 3.11 System and modular build options available may involve leasing of council housing land. For example, the KSD project undertaken by Lewes DC involved the council supplying the land at no cost, leasing it to KSD for 25 years once the two homes were completed by KSD, in return for 100% nomination rights over the lease term. However, Housing & New Homes Committee would be asked for

approval before any scheme goes ahead. In addition, Policy & Resources Committee would be asked to approve any proposal involving a lease of more than 25 years or conveyance of freehold HRA land above the value of £25,000.

- 3.12 Sites handed over to the Estate Regeneration Team which have already been identified as potential Pilot 4 sites are detailed below.

Patchdean, Patcham

- 3.13 Following initial design and viability modelling, Housing Committee agreed in April 2014 that the Estate Regeneration Team in conjunction with the council's Sustainable Futures strategic construction partnership undertake final feasibility studies, design and development of four new two and three bedroom homes on two of the four garage sites at the Patchdean estate. Only around half of the 40 garages are let, of which only five are let to Patchdean residents.
- 3.14 Further assessment by the strategic construction partnership indicated that these small sites would be relatively challenging to develop due to the need for significant ground works and a shortage of space for site set up. An offsite construction method requiring less foundations works might be the most economic option for viable development of these two small, constrained sites.

Eastergate Road, Moulsecoomb

- 3.15 This largely cleared, small HRA garage site is next to the suppliers' entrance to the council's Housing Centre, the access to a car park and the rear of commercial properties and is currently mainly used for storage. A sewer runs the length of the site, reducing the developable area. Environmental Health have highlighted that this site is likely to be contaminated and require special measures to deal with noise and land contamination if it is to be developed for new homes. Its location and heavy vehicle traffic on the border of the site make it unsuitable for family housing. However, it may be suitable for a different client group and modular construction methods which can overcome the site constraints.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The HRA sites referred to in this report are all small former or underused garage sites. When soft-market testing was undertaken for procurement of a delivery partner, the sites since identified for the design competition and the co-operative pilot did not attract interest from potential partners. The Pilots 1 to 3 were identified as methods of exploring alternative options.
- 4.2 Feasibility assessments for the potential sites for the proposed Pilot 4: System and modular build indicate that these sites would be relatively challenging and costly for the council to develop using traditional construction methods; hence the option of exploring modular and system build alternatives is recommended in order to seek a more economic and viable way to develop new homes on them and to make best use of challenging potential sites that are too small, constrained or contaminated to viably support traditional residential development.

- 4.3 All the pilots will enable the council to test alternative methods of delivering homes for the design and build of housing on small sites in order to maximise value for money and delivery of much needed new homes on HRA land.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The Estate Regeneration Team prioritise engagement and consultation with local ward councillors, council tenant and resident associations and local residents in the neighbourhood of each site handed over to the team for development under the New Homes for Neighbourhoods programme. We involve tenant and resident associations throughout the process and will not start any development without consulting ward councillors and wider local residents.
- 5.2 Local ward councillors have been consulted and updated in the areas of each of the four design competition sites, the proposed site for a co-operative pilot and the sites already identified as potential sites for a system and modular build pilot. Their feedback and local knowledge is greatly valued.
- 5.3 Residents in the areas of the design competition sites have been informed about the competition and will be consulted on the shortlisted designs this autumn. The response of residents bordering the Plumpton Road site to a letter informing them of the possible co-operative pilot and a meeting held at the local community centre has been generally positive. Their concerns about possible wildlife on the site have been allayed by an ecologist's survey.
- 5.4 Residents in the locality of other sites agreed for development will be consulted before any final development proposals are presented to Housing & New Homes Committee for approval.

6. CONCLUSION

- 6.1 The New Homes for Neighbourhoods programme is testing the value for money, speed and quality of a variety of routes in developing the affordable new homes that the city needs on council owned land. As part of its small site strategy, the programme is seeking economic ways to bring forward delivery of new homes on small, constrained sites. This report seeks agreement for a fourth pilot to explore system and modular build options for small, challenging sites which initial viability assessments indicate would be less economic for the council to develop through traditional construction methods.
- 6.2 Inviting modular and system build proposals from potential delivery partners for such small sites would enable the council to understand and test these methods for value for money, speed, quality, deliverability and added benefits.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The progress with the RIBA design competition, co-operative housing and Passivhaus pilots to develop new rented is for noting, the financial implications of

progressing these schemes to development will be included in future reports to this committee.

- 7.2 Costs associated with the recommendation for Pilot 4, to invite proposals from potential development partners for modular or system built new homes will be minimal, mainly officer time and can be met within existing Housing Revenue Account budgets. The financial implications and viability of the proposals received will be included in future reports to the Housing & New Homes Committee.

Finance Officer Consulted: Name Susie Allen

Date: 01/09/2015

Legal Implications:

- 7.3 If the Council receives proposals which may include a works or services contract of any nature then officers should have due regard to procurement implications and Contract Standing Orders and potentially (depending on the likely value) the procurement regulations. If the Council receives proposals which include a land deal the Council should be mindful of constitutional constraints on disposal of council owned property. In either scenario the council should seek to follow good practice when procuring.

Lawyer Consulted:

Name Oliver Asha

Date: 28/08/15

Equalities Implications:

- 7.4 An Equalities Impact Assessment has been carried out for the New Homes for Neighbourhood programme and actions are built into the Estate Regeneration Team's procedures. Additional Equalities Impact Assessments are carried out for each development site.

Sustainability Implications:

- 7.5 All new homes will be required to meet sustainability standards, be energy efficient and encourage a sustainable lifestyle.

Crime & Disorder Implications:

- 7.6 Small unused or underused council garage sites and land can attract fly tipping and anti-social behaviour. Development of the sites is an opportunity to provide new, well-designed homes and to help regenerate and improve neighbourhoods, deterring crime and disorder.

Risk and Opportunity Management Implications:

- 7.7 There are a number of risks associated with developing new homes on small, challenging sites, including of relatively higher construction and development costs per home. These pilots seek alternative means and opportunities to viably develop them.

Public Health Implications:

- 7.8 There are strong links between providing new affordable homes and reducing health inequalities. Energy efficient homes which are easier and cheaper to heat will help support the health of households. Making best use of unused or underused council owned garage sites and land supports the council's duty to promote the public health and wellbeing of people in its area.

Corporate / Citywide Implications

- 7.9 The New Homes for Neighbourhoods programme of building new homes on council land supports the council's priorities for the economy, jobs and homes. The development of new housing has a strong economic multiplier impact on the local economy, estimated at over £3 of economic output for every £1 of public investment, creating jobs and supply chain opportunities.
- 7.10 Partners will be asked to work with the Local Employment Scheme to ensure that work, apprenticeship and training opportunities are provided for local people.
- 7.11 Every new home built on small sites helps meet the city's pressing housing needs and deliver the first priority in the council's [Housing Strategy 2015](#) of improving housing supply.

SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms

None

Background Documents

1. [New Homes for Neighbourhoods - Small site strategy report to Housing Committee March 2014](#)

