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ECONOMY, RESIDENTS, COMMUNITIES AND GOVERNANCE SCRUTINY COMMITTEE

Monday, 24th June, 2019

Mae croeso i chi siarad yn Gymraeg neu yn Saesneg yn y cyfarfod. Rhowch wybod pa iaith rydych am ei defnyddio erbyn hanner dydd, ddau ddiwrnod gwaith cyn y cyfarfod.

You are welcome to speak Welsh or English in the meeting. Please inform us of which language you wish to use by noon, two working days before the meeting.

SUPPLEMENTARY PACK

1.	HRA NEW BUILD PROGRAMME
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To receive and consider for pre-scrutiny the report of the Portfolio Holder for Corporate Governance, Housing and Public Protection.

(Pages 3 - 10)

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CYNGOR SIR POWYS COUNTY COUNCIL.**HEALTH, CARE AND HOUSING SCRUTINY COMMITTEE
July 2019****REPORT AUTHOR: Affordable Housing Team Lead****SUBJECT: Update on the New Development Programme.**

REPORT FOR: Committee Briefing

1. Summary

- 1.1 The need for affordable housing of all tenures is acknowledged and agreed at all levels of Government. Welsh Government (WG) has its target of 20,000 new affordable homes in its current term and Powys has its own target of at least 250 new affordable homes by 2023 as stated in Vision 2025 and the Housing Service's own Service Improvement Plan.
- 1.2 Following the target being announcement Welsh Government agreed to end the right to buy scheme across Wales.
- 1.3 All the stock retaining local authorities were encouraged to develop more social housing to add to their existing stock. Several grant funding streams were created by WG including - Affordable Housing Grant (AHG), Innovative Housing Project (IHP), Health and Housing (HH), Rent to Own (RTO) and the latest Self Build (SB) fund to be launched during the autumn 2019.
- 1.4 In 2018 the current Powys County Council cabinet set the housing department a target to build a minimum of 250 new homes by the end of 2023. The new build programme would be the first of its kind in 30 years.
- 1.5 The new development programme is an exciting opportunity to deliver much needed high quality, energy efficient, secure new homes to improve the communities where our tenants live. In the majority of all areas throughout Powys, the Council remains the major landlord and property owner and is therefore able to deploy the resources of the Housing Revenue Account (HRA) in pursuit of improving the lives and neighbourhoods of its tenants. While the Council will be clear about not transgressing the regulatory boundaries between HRA and General Fund (GF) activity. Proposals for investment in the new build programme and the progress being made will be presented as part of the annual budget setting process for the Council, reported to Cabinet each year.

2. Funding Levels

1.1 In the Housing Revenue Account business plan we have allocated the following amounts for new Council house building also shown below is the allocated Affordable Housing Grant for the next 2 years, this grant was first introduced during 2018/19 and is split into Capital and Revenue as shown below.

Year	HRA	AHG Capital	AHG Revenue	Total (£ Million)
2019/20	£6.694	£2,293	£120,000	£9,107
2020/21	£11.730	£1,495	£80,000	£13,305
2021/22	£12,254			
2022/23	£6,093			
2023/24	£6.3			
2024/25	£8,152			

3. 5 year build programme

The new affordable housing development team was created within the current housing structure to deliver the 5 year programme.

Since the formation of the team the areas of work completed and ongoing is as follows;

- Collecting evidence to support areas with the highest housing need throughout the county this is the main factor when considering the build programme.
- To assess and evaluate all available council owned land that is declared surplus through the Strategic Asset Board.
- To liaise with all internal departments to consider all land in Powys County Council ownership which included – Leisure and Recreation, Highways, Education, Farms and Estates, Powys Teaching Health Board, local town and community councils including our own housing land.
- To develop a clear understanding of the Welsh Government funding streams available for us to deliver the correct housing.
- Meet with local members, local town and community councils, schools and other organisations to confirm housing need figures.
- Organise and attend meet the buyer events to encourage local builders, architects, surveyors, employers agents, planning consultants to tender for future works.
- Working closely with our in house legal team to purchase, transfer and acquire land.

- Working closely with our internal property team to determine all valuations and value for money on land we are interested in to purchase.
- Working closely with the procurement team to ensure we are achieving value for money, also providing opportunities for local contractors to develop their businesses and to encourage them to see the programme as an opportunity.
- Working closely with the communications team to ensure we are publicising the work we are doing and to encourage community involvement going forward on schemes.
- Working closely with all local estate agents to make sure we take every opportunity to purchase land in the areas of highest need at the most competitive price to achieve value for money.
- We as a team have assessed and evaluated over 110 potential sites, this extensive piece of work has been commended and recognised by WG officers and a similar process assessing their surplus land is being considered.
- The team are currently finalising the 5 new build programme. (Please see attached appendix 1 for the latest confirmed projects and appendix 2 for the extensive process involved when considering sites)

4. Corporate Improvement Plan

The new build programme will make a substantial contribution to 'Powys 2025':

- Economy and Learning and Skills: 'there is significant investment in the development of affordable and sustainable housing'.
- Health & Care: 'there is an increasing supply of housing with care'.
- Residents and Communities: 'communities have access to a choice of both affordable and market housing'

In the recent Council Restructure Housing has been aligned with Economic Development, a fact which reflects the high potential impact of housing on the local economy. Alongside this the Corporate improvement objective (included in the Housing Service Improvement Plan) regarding the Home Grown Homes project and timber promotion drives, currently underway, will stimulate economic growth and encourage job creation in the building related timber industry in Powys and Wales as a whole.

5. Local Member(s)

5.1 All local members we have engaged with are very encouraging and helpful when we are considering land in the areas they represent.

Prepared by Mark Davies - Affordable Housing Team Leader

Background Papers used to prepare Report:

- Powys 2025: Our Vision for the Future – Powys County Council, 2018

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New 5 Year Housing Development Plan

Project Name	PO	Status (purchased / transferred)	No of units	House Types	Spend to date	Pre-planning app	Full planning	Approximate start date.	Approximate completion date	Additional information
Bowling Club, Newtown	JK	Purchased	26	1 BF	£695,010.00	Yes	Sep-18	Jun-19	Sep-20	Jistcourt Ltd appointed as main contractor, site compound set up on car park 15/5/19. Site start delayed to w/c 17/6/19. Turf cutting ceremony happened 20/5/19, BBC TV were present. 22/5/19 Jistcourt informed PCC that their bank could not provide Performance Bond due to exceeding their limit. Awaiting Jistcourt to advise if a PB can be provided from an alternative source, still awaiting advice as of 11/6/19. Consequently, Site start and first valuation delayed. Meeting with Pontrilas Sawmills, 22/5/19 successful; Welsh grown timber supply for the timber frame, and accreditation procedure with regard to sourcing of the timber can be achieved without cost implications. Marc James in discussion with Jistcourt regarding community benefits and training opportunities package required under the Employers Requirements. Time lapse video covering the 15 month build of the scheme commissioned. Jistcourt have confirmed groundworks, timber frame and M&E subcontracts being entered into with local contractors. (JK 11/6/19)
Sarn	JK	To be transferred from Farms & Estates	7	2BB, 2BH, 3BH	£16,375.00	No	Mar-19	Oct-19	Oct-20	All reserved matters now approved other than landscaping (Conditions 14 and 15), application submitted, other than those to be passed on to main contractor to discharge (e.g. design for widening highway). Specification delays experience due to complications with Passivhaus design. Issues raised regarding elevations by Passivhaus Trust, who are not supportive. Amends discussed with Architect, amendments made, but not acceptable, meeting with architect arranged for 17/6/19. Further planning submission will be required. Specification revised and sent out for comment 31/5/19, awaiting feedback from Bowens. Tender docs to be based on current consent, but may require amends to fit with revised elevations / external works. AHG application stage one and two approved. (JK 13/05/19). Awaiting final drainage design layout from EDS.
Cradoc Close, Brecon	SH	HRA owned	32	4BH, 3BH, 2BH, 1 BWUF	£93,228.00	Yes	Jul-19	Jan-20	Nov-21	PIN notice went out but most companies are not suitable but there are a couple. Tender docs being finalised with TS seeking some legal contractual advise. To be out end of May No comments from highways or drainage on the portal yet. A few small design changes needed on floor plans which MD, Neal P and SH agreed It is agreed with Gareth Price and SK that EDS will take on the contract to construct the highway (bus link) as a separate contract prior to the main contract. This will be constructed as soon as planning granted and to be complete before the contractors start date. (02/05) BBNPA re- consulted, due to there being changes to plans and additional information needed for NRW. New committee date 30th July 19. Presenting to DCFW on 26th June for IHP. Elements for innovation being Place making/ wellbeing, Active travel and raising awareness of the benefits of local timber and the skills shortage. PQQ going out 18/6/19. (SH 11/6)
Clyro	SH	HRA owned	10	TBC	£4,027 Spend £93,047 commitment	Partial	Sep-19	Jan-20	Feb-21	EA appointed (Expedite), Planning consultant appointed on price (Abri), Architect (George & Tomos) M&E consultant (Hydrock) Leisure and rec services been to community council and they have concerns over the safety of the play. The relocation of public space and play area will go in as a separate planning application. Have consulted with CPAT and CADW along with a landscape design and a Heritage impact assessment, which includes a geophysical survey. Ground Investigation for contamination commencing 13/May for 8 days and reporting takes 13 weeks. Hopefully planning can be granted if we have some early indications.

Former Livestock Market Site, Llanidloes	CG	HRA owned	22	8 x 2BB, 14 x 2/3/4BH	£103,159.92	Submitted	Oct-19	Apr-20	Oct-21	Architect design agreed in principle and pre-planning application submitted. Consultation event to be held in mid-June as part of PAC. All necessary surveys have been undertaken and meeting with Planning Dept to be arranged to discuss proposed design. Full planning expected Sept/Oct. Start date on site expected to be April 2020 and demolition of Old School to be done by main contractor in April (however contingency plan to be put in place to ensure demolition is completed during this period). Discussions ongoing with Tony Jones (Glandwr) in regard to transfer of small parcel of land to him and party wall agreement. Highways to commence clearing waste/rubble from site w/c 13/5/19. Waste and Recycling Dept are still seeking alternative site for recycling banks. (CG 13/5/19)
Red Dragon/Youth Centre	KC	HRA owned	20	TBC	£331,718.74	No	Oct-19	May-20	Sep-21	Architect appointed - Pentan. Employers agent appointed - RPA. Planning consultant appointed - LRM. Design stage has progressed to design option 5 which will be used for pre app. Pre app in preparation with LRM. Works by PCC to highways to incorporate the bus stop adjacent to the youth centre into the site has been completed. Consultation with Graham Astley and EDS has taken place and SUDs mitigation discussed. Number of units on the site is 18. This is less than originally anticipated due to the housing need demands. There has been a request for a 5 bedroom house to accommodate a large family and a request for a 3 bedroomed adapted bungalow for a specific family. Both units are excluded from the criteria of standard AHG grant funding however having met with WG and discussed this, WG are willing to bespoke a notional floor area costing. Hopefully if this is agreeable with WG we will avoid the need for HRA funding. There are highway constraints in terms of access and egress/school and parking requirements, highway constraints plan has been agreed. Highways have identified a requirement for speed cushions (4 sets = 8 cushions) this is proving to be expensive works circa 17k. Regular project meetings taking place. Consideration being given to EPC rating A as suggested by WG as what they are aiming for as future minimum standard. (KC 11/06/2019)
Phase 2 of Upper House Farm, Blackhowell	MH	Farms & Estates	60	TBC	£0.00	No	Sep-20	Apr-21	Apr-23	Phase 2 of Upper House farm has been included in the 5 year build plan. DV has valued the 6.9 acre site in January 2019 at £2,000,000. Good location and the site presents opportunities to work with the Housing Association, Melin, who successfully developed the adjoining first phase. Also interest from a developer who would like to work in partnership with PCC.
Bronllys former school site	SH/MH	Education	19	TBC	£9,395 Spend £750 commitment	Yes	Jan-20	Sep-20	Sep-21	Bat survey needed so no outline planning can be gained at this stage. Pre app suggests the plan to include the greenspace would not achieve enough density. Further meeting with Green group and community council successful and agreed the indicative layout. Group agreed, as outline would take a significant time due to the bat survey and they agree with the layout, it makes sense to apply for full. MHA still interested in working with us. Seeking for Commercial services and Clive to work out how we can achieve a legal solution. EDT and porosity test identified the neighbouring development is needed for a drainage solution as it cannot be achieved without an easement. No further work can be done until we have an answer to the option of combining sites with MHA as would not wish to apply for full if the site can be shared. (SH 09/05) No decision on the above and issues with the local member, further work on hold apart
Total			196		£1,239,491.66					

The process each project officer follows when assessing potential sites.

The initial study would be to establish the following areas to consider;

1. Establish boundaries - This information will be supplied by our legal team to establish the type of boundaries that currently exist and where they are.
2. Highways access point/s - risks to creating access e.g. vision splays, proximity of other junctions
3. Any planning history associated with the site.
4. If the site is within the development boundary.
5. Obvious development abnormalities (i.e anything above ground and from flood assessment information provided by PCC) that will impact on the developable area or restrict development.
6. From desktop assessment any topographic considerations - e.g. excessive slope impacting on cost to develop.
7. What developments surround the site and the scale of development including heights. This will help identify the risk of any restrictions to single storey or two storey.
8. Proximity of site to facilities and infrastructure such as schools, shops etc.
9. Liaise with housing management officers to establish the housing need for the area.

Process when land is in our ownership (may be some additional work if not in our ownership)

Stage 1

Site Investigation

- Walk site and surrounding area – consider suitability of site for development before moving on to next stages.

Key things to consider: location, access, ecology, heritage, water courses, flood risk, previous use of site/surrounding area, possible contamination, planning status. Undertake further investigation as required.

- Legal – need clean title - check for easements and covenants which may restrict development.
- Concept – based on housing need (not only common housing register data but consider other factors including self-build options).
- Topographical survey – this is an accurate representation of the area of interest showing all natural and manmade features with levels. Need to ensure the survey also extends away from the boundaries.
- Services – check all utilities.
- Desktop survey – particularly if buying land, a judgement is needed to decide whether to have desktop survey or get a full site ground investigation. Be aware that the scope of services given is critical and ensure what is asked for is done.
- Detailed Ground Investigation – need a concept layout so that the right areas are investigated. Otherwise, for robust investigation ensure trial pits are carried out using a mapped grid for reference.

Existing buildings on Site

- Complete asbestos survey
- Check status (listed/built heritage)
- Consider ecological issues
- Abnormals – water, services (electric/gas disconnections)
- Demolition (and removal of waste)
- Establish whether planning permission required to demolish.
- Consider impact of demolition (eg dust, noise etc).
- Ensure reputable demolition contractor (Can check NFDC and explore any outstanding issues with HSE). Check method statement is followed.
- Party wall issues (note: under the Party Wall etc Act 1996, the person affected has right to appoint own Party Wall Surveyor and we would be liable for costs).

IMPORTANT: As land/property owner we have a responsibility for ensuring sites are consistently safe for everyone (including trespassers).