

COMMUNITY AND ENTERPRISE OVERVIEW & SCRUTINY COMMITTEE

Date of Meeting	Monday 9 TH May 2016
Report Subject	SHARP - The Walks, Flint Council Housing Development
Cabinet Member	Cabinet Member for Housing
Report Author	Chief Officer (Community & Enterprise)
Type of Report	Strategic

EXECUTIVE SUMMARY

This report seeks Scrutiny support to develop council housing on The Walks, Flint as part of the Council's Strategic Housing And Regeneration Programme (SHARP).

The proposed housing scheme will see the development of 30 new Council homes on the former maisonettes site which will maximize the housing opportunities available to local people living in Flint. The housing will be managed within the Housing Revenue Account (HRA).

This report provides an update on the mobilisation works undertaken to date in readiness to commence the construction of the scheme in September 2016.

The report details standard scheme development assumptions which will be utilised to assess the viability of individual schemes against costs.

RECOMMENDATIONS

1	Scrutiny support the development of 30 new Council homes on The Walks, Flint House for a total cost of £3.95M.
2	Scrutiny approves the development of joint Marketing and Estate Management Strategies (including Local Lettings Policy) with NEW Homes for The Walks.

REPORT DETAILS

1.00	Background
1.01	Following Cabinet approval in June 2012, Flintshire County Council has been implementing the Flint Master Plan which now forms part of a wider housing and regeneration programme for the town. The Flint Strategy and Master Plan sets out a route map for the transformation of Flint, building upon its many assets. It has been prepared by Flintshire County Council in partnership with local residents, local businesses and other key stakeholders.
1.02	A priority of the Master Plan has been the redevelopment of The Leas and The Walks maisonettes sites in Flint town centre. The Leas comprised 62 units in total and are located adjacent to the Pavilion Leisure Centre, whilst The Walks comprised 152 units and covered the site around the Castle Heights high rise flats.
1.03	The condition of the precast concrete structure of the maisonettes had deteriorated markedly and had become a blight on the town. Their poor condition also incurred significant and on-going maintenance costs for the Council's Housing Management service. Whilst the maisonettes were capable of being improved to meet the Welsh Housing Quality Standard (WHQS), the design was dated, with limited defensible space, shared upper walkways, and no provision for vehicle parking adjacent to or near to homes. The physical condition of the homes were poor with significant concrete deterioration, resulting in regular inspection and removal of loose pieces and deterioration (due to age) of walkway coverings resulting in water penetration and dampness. The communal heating systems in place, unfortunately, suffered regular breakdowns despite significant investment.
1.04	In addition to their poor condition, low thermal values which made them expensive for low-income households to heat. The maisonettes had also become unpopular with potential tenants and growing issues of anti-social behaviour across the scheme had become increasingly prevalent during recent years.
1.05	Tenant Consultation
1.06	Within the context of these issues, the Council undertook a major consultation event with tenants living on both The Walks and Leas site to receive their views and aspirations for the future of the site and inform options which the Council would further investigate. Two consultation events were held with residents- the first on 18 th May and the second on 15 th September 2011. At the first meeting approximately 50 tenants were in attendance and following presentation of key information and an open question and answer session, an informal show of hands was taken which was almost wholly in favour of supporting a proposal to demolish the maisonettes.
1.07	During the consultation events with residents, reference was made to the impending Housing Ballot Project and reference made to the "Choices

	<i>Document</i> ” which made explicit the Council’s intention that irrespective of the outcome of the ballot the proposal was to empty and then demolish the Flint maisonettes.
1.08	A report recommending a phased programme to empty and demolish the Flint maisonettes complex in preparation for a housing and regeneration scheme was approved on 13 th December 2011. All of the tenants living on the Walks sites have been re-housed and the demolition programme undertaken by the Council was completed in September 2015.
1.09	In order to facilitate the redevelopment of The Walks, Flint (and subsequently other sites across Flintshire), Cabinet approval was given in September 2014 to undertake a major procurement process to appoint a development partner, with the aim of developing 500 new homes (200 council housing and 300 affordable housing) at a range of sites across the county, alongside commissioning a range of linked regeneration initiatives and community benefits. In June 2015 following an extensive procurement exercise, Wates Living Space were appointed as the Council’s preferred Development partner for the next five years. The Strategic Housing And Regeneration Programme (SHARP) will have an initial period of 5 years. The Programme is overseen by the SHARP Partnership Board whose decisions are subject to approval by Cabinet.
1.10	Considerations
1.11	The proposed re-development of The Walks will bring to the town a significantly improved housing offer for Flint town centre, utilizing traditional construction methodology which will provide thermally efficient, well planned and secure properties for the current and future residents of Flint to reside in. The priority when developing the scheme is that the new homes constructed will provide a successful legacy with regard to the individual homes and the immediate neighbourhoods where they are located as well as providing a connected relationship with other town centre residential properties and commercial and retail facilities. It is widely recognised that the re-development of The Walks is a once in a generation opportunity to re-plan this key town centre site
1.12	Appendix 1 shows the overall layout of the proposed scheme for The Walks, Flint. In preparing the overall design, the primary consideration has been to address the proximity of the Flint Conservation Area and also deliver the objectives of the Flint 2012 Master Plan in reinforcing the linkages between Flint Castle and the town centre. The proposed new road pattern and estate layout reflects the historic urban grid and suggests a recreation of John Speed’s original town map and town perimeter.
1.13	As Flint was originally constructed as a planned town based around a cruciform of streets, the design intent of the architectural proposals seeks to recreate this street pattern. The proposed design fully reflects the important connectivity to the Town Centre Conservation Area and brings together a design that corresponds and relates well to the storey height, mass and palette of materials already featured within the Conservation Area. Clwyd-Powys Archaeology Trust (CPAT) have a long-standing interest in Flint with excavation works already being undertaken to the neighbouring Leas Site. Further work is planned to be undertaken on the

	site of The Walks to learn more about the original grid pattern of the original settlements.												
1.14	The design and layout of the scheme has also been informed by the panel of the Design Commission for Wales (DCW). The Design Review Service allows development plans and proposals throughout Wales to be considered by the Design Commission for Wales' independent, expert multi-disciplinary team. The Design Review Service aims to assist Local Planning Authorities, public authorities' developers, designers and others to support aspiration and ambition for good, sustainable design quality, to strengthen their own design guidance, and review procurement approach and development practices. The service aims to help identify early opportunities for good design quality in development proposals in the planning system and assist Local Authorities to secure public value through design excellence. A positive report was received from the DCW on the proposed scheme design and layout.												
1.15	Council Property Mix												
1.16	The table below shows the proposed mix of Council properties. <table border="1" data-bbox="616 943 1059 1234"> <thead> <tr> <th></th> <th>Council</th> </tr> </thead> <tbody> <tr> <td>1 Bed Apartment</td> <td>4</td> </tr> <tr> <td>2 Bed Apartment</td> <td>2</td> </tr> <tr> <td>2 Bed House</td> <td>18</td> </tr> <tr> <td>3 Bed House</td> <td>6</td> </tr> <tr> <td>Sub Total</td> <td>30</td> </tr> </tbody> </table>		Council	1 Bed Apartment	4	2 Bed Apartment	2	2 Bed House	18	3 Bed House	6	Sub Total	30
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1.17	Management of The Walks												
1.18	The 30 Council properties will be managed within the Housing Revenue Account (HRA), whilst the 62 affordable properties will be managed by NEW Homes. A joint Local Lettings Plan will be developed to ensure good management of the stock for the sensitive allocation of properties to local Flint residents. Joint working arrangements will also be developed around tenancy management and repairs services to all residents living on the scheme moving forward – regardless of who their landlord will be.												
1.19	Marketing of the Scheme												
1.20	The overall vision for marketing The Walks will be to create a united marketing strategy that supports all tenures in the needs and aspirations for the potential residents and reinforces the presence of the partnership between the Council and NEW Homes. The marketing of The Walks will encompass developing a single brand that is easily recognised by local people and reflects the dynamism of an effective public / private partnership. This will be designed and agreed with the Council and Wates Living Space.												
1.21	Key Design Features												

1.22	<p>All of the properties proposed have been designed in strict accordance and compliance with the NEW Homes approved Flintshire Housing Standard as follows:</p> <ul style="list-style-type: none"> • All properties proposed, including apartments and houses, are elevated, designed and positioned to be tenure blind and are designed and architecturally detailed in an identical manner irrespective of the form of tenure proposed. • The scheme fully complies with the space standards and room layouts outlined and in many instances the properties are provided and proposed at the upper level of the anticipated and required square metre age • All properties proposed in ‘The Walks’ development contain an element of internal storage in order to comply with the requirements of modern day living. • External storage is proposed to the houses • To all houses on the development gardens have been designed to be private, secure and to have minimal overlooking from adjacent properties. In all instances private amenity garden spaces are in excess of 30 sq. m, with the house type layouts providing immediate and direct access to the garden spaces from the property. Most rear gardens are accessible from the rear of the properties through private and secure footpaths featuring lockable gates to the garden entrances in order to fully comply with the requirements of Secured by Design. • The design approach to the car parking solution is to ensure that each dwelling is provided with ‘within curtilage’ car parking with the overall development providing 153 car spaces, giving an overall ratio in excess of 150%. In most instances car parking to individual dwellings is clearly overlooked from primary habitable rooms within the dwelling in order to provide secure and controlled car parking facilities for the residents. The car parking spaces provided for the apartment block and Castle Heights are also visually controlled from the proposed and existing dwellings in order to provide safe and secure car parking facilities.
1.23	<p>Following planning approval on the 22th February 2016, it is proposed that the build for the scheme will commence September 2016. The handover of the properties will be phased over an 18 month build period, with a projected completion in March 2018. Appendix 2 shows the proposed phasing for The Walks.</p>
1.24	<p>Standard Development Scheme Assumptions</p>
1.25	<p>The following Standard Development scheme assumptions have been applied to the scheme.</p> <p>Management costs - £400 per annum</p> <p>Maintenance Costs - Year 1 - £100 (defects liability should cover anything apart from gas servicing)</p>

	<p>Years 2/3 -£200 Year 4+ - £400</p> <p>Major repairs - 0.7%, deferred to 5 year</p> <p>Voids/bad debts - 2.5%</p> <p>Year of payback - 50</p>
1.26	It is proposed to review the Development Scheme Assumptions periodically to ensure these remain prudent. For major regeneration schemes or schemes on difficult brownfield sites, some additional scheme investment may be needed to support full scheme cost recovery in 40 years. This could be in the form of commuted sums, deferred land receipts or additional investment from the Council.
1.27	Scheme Costs
1.28	Appendix 3 provides detail on scheme costs and financial assumptions. The current anticipated scheme cost for the Council element of the scheme is £3.95M. These have been subject to on-going value engineering and challenge.
1.29	Funding of The Walks, Flint
1.30	For public-finance routes, the Council's position is strong given the voluntary agreement for Housing Revenue Account (HRA) self-financing. This option offers routes to long-term debt which remain good value for money for the Council. Alongside completion of the Welsh Housing Quality Standard (WHQS) for the existing stock, the Council has been successful in securing an additional allocation of borrowing headroom for a HRA new build programme (£14,757m) and the HRA is likely to generate further revenue and borrowing headroom during the life of this programme.
1.31	With this in mind, it is considered appropriate for prudential borrowing to be utilised by the Council (as the preferred option) for the provision of new Council Housing within the Programme. Whilst this approach will be reviewed on a site by site basis, this option is cost effective and considered appropriate for The Walks scheme as the Council properties will remain in the ownership of the Council and the anticipated level of expenditure is sustainable within the context of HRA self-financing.
1.32	Now that Council's across Wales are starting to develop proposals to start their own housebuilding programmes, it would be beneficial (and appropriate) for them to have access to grant and loan funding to support new development in the same way that Housing Associations do. Work is underway with Welsh Government to consider and develop proposals for this through the Housing Finance Grant (HFG) II. The exact details for the scheme are currently being developed with the view of Council's being eligible to bid for funding from 2017/18 onwards.
1.33	Future SHARP Schemes
1.34	Moving forward, SHARP Council housing schemes including at Maes y Meilion and Heol y Goron, Leeswood and Redhall, Connah's Quay will be

	presented to Cabinet in June 2016 for approval to prepare a planning application following planned public consultation events.
1.35	Community Benefits
1.36	It is envisaged that the construction of The Walks will deliver a number of positive community benefits to the town including increased trade to local contractors and local supply chain and during the construction period, the use of local labour and training opportunities for local residents, including an estimated 14 apprenticeships being created to work on The Walks and other SHARP housing schemes.

2.00	RESOURCE IMPLICATIONS																																			
2.01	£14.757M borrowing headroom was made available to the HRA for a House building programme via Self-financing Each scheme will require individual cabinet approval and each scheme will be assessed against the scheme development criteria identified in 1.27 of this report. The process for doing this will provide for total scheme costs plus financing costs and management costs to be offset against rental income over 50 years.																																			
2.02	Scheme costs and financial analysis are attached at Appendix 3. This shows total scheme costs of £3.95M and how the scheme performs against scheme development assumptions identified in paragraph 1.27. The scheme achieves pay back within 50 years these are inclusive of additional costs required due to the nature of the site, the Council's quality standard and changes to CDM regulations.																																			
2.03	In addition to 92 much needed Council and Affordable properties being provided and a broad range of community benefits delivered, the Council will also receive an annual revenue stream of £95,483.73 from Council Tax payable on the site. This is broken down as follows:																																			
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3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	There has been significant community consultation through Flintshire County Council for the site prior to this application. The proposed scheme was subject to a further community consultation on Friday 9th October at Flint Church from 2pm till 7pm. For the event Halliday Clark provided 12 information boards on the proposal. The consultation was attended by staff from Flintshire County Council Halliday Clark Architects and Wates Living Space. A register was taken with 73 names signed.
3.02	Consultation has also been undertaken with Design Commission Wales (DCW) on the proposed design and layout of The Walks.
3.03	A Business Consultation Event was held on Tuesday 22 March at St Mary's and St David's Church, Flint for businesses based in Flint.

4.00	RISK MANAGEMENT
4.01	An overall Strategic Risk Register has been established for the SHARP Housing Programme. This is in addition to the scheme specific Risk Register for The Walks which is regularly updated in relation to emerging and changing risks.
4.02	The SHARP team continues to develop a framework for managing risk and opportunities the programme generates. Further work is on-going in order to improve the robustness in risk identification and management as part of the new CAMMS system which will contain Development Framework procedures.

5.00	APPENDICES
5.01	Appendix 1 - Site Layout Plan The Walks, Flint
5.02	Appendix 2 - Proposed Phasing of Properties The Walks, Flint
5.03	Appendix 3 – Financial Analysis for The Walks

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None.</p> <p>Contact Office: Melville Evans Job Title: Service Manager - Housing Programmes Community and Enterprise</p> <p>Telephone: 01352 701436 E-mail: melville.evans@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Housing Ballot Choices Document - Document used by Flintshire County Council during the 2012 Housing Ballot which set out both the proposal to transfer and the choice of staying with the Council as the other options. Following the “No Vote2 by tenants, the document has been used to inform the Housing Revenue Account (HRA) Business Plan to improve the Housing Service through stock investment, service development and new build programme.</p> <p>Strategic Housing And Regeneration Programme (SHARP) – Flintshire County Council House Building Programme which will build 500 new homes (200 Council) and 300 (affordable).</p> <p>North East Wales Homes, (NEW Homes) - is a Housing company based in Flintshire and owned by Flintshire County Council. NEW Homes owns, leases and manages properties across Flintshire. The company was established to increase the quantity and quality of affordable housing available across the county; increasing housing choice for those who may not qualify for social housing but for whom market housing is unaffordable or difficult to access.</p> <p>Welsh Housing Quality Standard (WHQS) - Flintshire County Council will be spending £111 million over six years on a major refurbishment and maintenance programme of works bring its 7,200 Council homes up to the Welsh Government’s Welsh Housing Quality Standard (WHQS) new properties across the Council during the next five years.</p> <p>Flintshire House Standard - The Standard will form a benchmark to ensure consistent, good quality of internal layout, and fixtures and fittings, high standards of energy efficiency and external appearance in keeping with local circumstance, low maintenance product specifications, adequate parking and a public realm designed to promote cohesive and inclusive communities.</p> <p>Standard Development Scheme Assumptions - agreed allowances for voids; maintenance costs; rental income levels (including CPI etc.) and will be used to assess all potential future development schemes to determine scheme feasibility and viability.</p> <p>Community Benefits – the SHARP has contractualised Community Benefits which must be delivered as part of the programme. The Council sees an important outcome of the programme is the promotion of quality of life for Flintshire residents through improved employment, training and education opportunities.</p> <p>Meet the Buyer – Event organised by the Council and Wates Living Space to engage with local SMEs to maximize local supply chain opportunities with Flintshire.</p> <p>Flintshire Future Works - Training Academy established by Flintshire County Council to ensure that sustainable and meaningful apprenticeship opportunities are created for young people to not only work on the SHARP, but also other major Council construction programmes including the 21st Century Schools Programme and the Welsh Housing Quality Standard (WHQS).</p>