

Report to Council
27 November 2018
Report of Director of neighbourhoods
Subject Bullard Road redevelopment project

Item

7

KEY DECISION

Purpose

To consider an increase in the housing revenue account capital programme.

Recommendation

To allocate a total of £1,100,000 in the housing revenue account capital programme for the proposed works, by increasing the 2018/19 housing revenue account capital programme by £300,000 with the remaining £800,000 to be spent in 2019/20.

Corporate and service priorities

The report helps to meet the corporate priority a healthy city with good housing.

And helps to meet the corporate priority value for money services.

Financial implications

The design and construction of seven new council dwellings will require a total projected budget of approximately £1,100,000 from the housing revenue account capital budget. The costs will be apportioned as £300,000 in 2018/19 and £800,000 in 2019/20, subject to approval of the an increase to the 2018/19 housing revenue account capital programme by council on 27 November and the 2019/20 housing revenue account capital programme at budget council in February 2019.

Ward/s: Catton Grove

Cabinet member: Councillor Harris - deputy leader and social housing

Contact officers

Lee Robson, head of neighbourhood housing

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Background documents

None

Report

Background

1. There are over 4000 households on the council's housing waiting list which highlights the considerable demand for council housing.
2. In addition, between 1 April 2014 and 31 March 2018, 662 properties were purchased under right to buy.
3. The most recent strategic housing area assessment (SHMAA) from 2017, which looks at all housing need in Norwich highlighted that an additional 278 'affordable' housing units were required each year. Of particular need are homes with 4 or more bedrooms. In our current stock of almost 15,000 properties only 435 are homes with over 4 bedrooms.
4. This information illustrates the demand for housing in Norwich and the importance of the council looking at all options and opportunities to build new council homes.
5. It has been identified that the Bullard Road neighbourhood office is no longer required as office space and there is an opportunity to refurbish and convert the building and site to housing. This is due to the relocation of council employees into city hall to reduce costs and enhance operational working across teams.
6. Once all employees are relocated, it will be important to ensure that the property is not left vacant for any period of time. Therefore the programme for refurbishment and conversion of these offices to new council homes will be coordinated with these changes.

Proposal

7. The project will include the conversion of numbers 1 to 23 Bullard Road from offices to six residential properties, which will meet 'lifetime homes' principles and the construction of an additional single bungalow which will be adapted for disabled use. This is subject to planning approval and to be specified by housing needs.
8. This project provides the opportunity to deliver additional social housing by converting existing assets and it will showcase how this can be achieved.
9. The projected cost of the works is £1,100,000 which is based upon initial feasibility work and will cover the provision of:
 - 5 x four bed houses (to reflect the need for four bed properties)
 - 1 x two bed house
 - 1 x two bed new build bungalow
10. The costs for the conversion of the existing site and additional new build bungalow are based upon traditional construction methods using Gross Internal Floor Area (GIFA) and Building Cost Information Service (BCIS) rates.

11. It is proposed that the work be undertaken by Norwich Regeneration Limited (NRL).
12. The project will deliver much needed housing provision, and also demonstrate how NRL as a wholly owned company of the council, can deliver projects of this type and maximise returns which will directly benefit the council.
13. As a new area of work for the company the refurbishment will illustrate how the company can co-ordinate a development of this scope and scale, working across the major functions of the council and deliver to quality and time at pace and value for money.
14. With the office soon to become vacant, there is a requirement to progress the refurbishment works quickly as well as the need to accelerate the provision of new housing due to housing need.
15. Funding for the work has not been budgeted for within the housing revenue account (HRA) capital programme and for the works to proceed, cabinet will be required to make a recommendation to council for a budget to be allocated within the 2018/19 and 2019/20 HRA capital programmes.
16. The apportionment of budget for the project over two financial years is shown in the table below.

Bullard Road Redevelopment Project Budget Allocation	
(HRA Capital Programme)	
	£'s
Total Professional Service cost for Planning Permission (RIBA <u>Stage 0-3</u>)	£22,000
Total Professional Service cost for Technical Delivery (RIBA <u>Stage 4-7</u>)	£27,295
Construction costs plus NRL management fee	£996,759
Contingency	£100,000
Total budget allocation.	1,100, 000

Options for procurement

17. There is an imperative to make good progress on the work to ensure issues relating to community safety with regard to securing an empty office space but more importantly to supply homes for rent to people in need.

18. This imperative will require due regard to best value and two options were considered for the award of a design and build contract.
19. NPS Norwich and Norwich Regeneration Ltd (NRL) were considered as potential partners. While contracted sums were of a similar level, it was felt that NRL provided greater confidence to execute the contract within a tighter timescale i.e. a 40 week project thereby providing rental income and much needed council homes.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with the completion of the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Council
Committee date:	27 November 2018
Director / Head of service	Lee Robson
Report subject:	Bullard Road redevelopment project
Date assessed:	5 November 2018
Description:	To consider the redevelopment of the Bullard Road offices for new council housing by Norwich regeneration Limited

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The project is costed on national standards but it is the monitoring and management of the project via the visibility of the Capital Programmes Dashboard that will provide evidence that this is value for money in delivering the project.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This project will provide employment opportunities, opportunities for local contractors and businesses and will generate local spending for the benefit of the wider economy. Providing more housing is important in supporting sustainable economic growth and prosperity.
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Provision of more council homes will improve overall affordability of the housing stock. This represents a prudent use of financial resources to meet corporate priorities
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The improvements carried out from the works to Bullard Road will enhance the community and provide more needed provision (disable adapted) properties for NCC residents.
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There will of course be construction risk due to this being a conversion project and these risks are associated to building performance (occupancy well-being) and ensuring the build is future proofed hence these risks lay in regulation and legislation of Building Control & Planning. This risk will be managed via the Bi-weekly engagement of the client at Bi-weekly meetings.
Recommendations from impact assessment				
Positive				
The work proposed will deliver much needed new homes at a PACE for a well-managed and best value PRICE				
Negative				
Neutral				
Issues				

