

Report to Cabinet
10 September 2014
Report of Head of city development
Subject Bowthorpe Threescore Phase 2

Item

13

KEY DECISION

Purpose

To approve plans to form the basis of public consultation on phase 2 of the Threescore development.

Recommendation:

To agree:

1. To proceed to Stage 2 of the development of phase 2 at Threescore;
2. To approve the concept plans to form the basis of pre-planning public consultation on the basis of the strategy outlined in para 13 and 14;
3. To agree to investigate further the option of a community trust to manage the open space and community facilities included on the Threescore development as a whole; and,
4. That further reports be presented to Cabinet to seek approval to submit a planning application, to determine the precise mix of size type tenure and environmental standards of the housing and the procurement method for this phase of the development

Financial Implications:

The current approved budget for 2014/5 stands at £548K. There is sufficient budget provision in 2014/5 to cover the cost of this stage of work on phase 2 of the development.

Ward/s: Bowthorpe

Cabinet member: Councillor Arthur- Leader.

Contact officers

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Background documents

None

Report

Background

Norwich and HCA Strategic Partnership

1. In September 2009 the council entered into a collaboration and investment agreement with the Homes and Communities Agency (HCA). This established a long term partnership between the council and HCA and brought a total of £8m investment from HCA to Norwich.
2. The partnership is based on a “self- financing” model, whereby the proceeds from development of the Threescore site at Bowthorpe will be reinvested into regeneration and housing schemes in Norwich. £2.5m of the total £8m HCA investment was earmarked as “Bowthorpe funding” in order to cover the cost of the professional fees and enabling infrastructure for the Threescore site.
3. The site at Threescore is the last remaining land parcel to be developed as part of the Bowthorpe area. The area of approximately 32 ha (79 acres) is owned by the council and outline planning permission was secured (in June 2013) for 1,000 homes (33% affordable), community facilities, a care home, together with open space.
4. In February 2014, cabinet resolved that :
 - a) blocks 2, 6 and 7 and the western part of block 4 be taken forward as the next phase of development at Bowthorpe Threescore;
 - b) this phase should be taken forward by the council as developer for a mix of private homes for sale and rent plus social housing (with the precise mix to be determined)
 - c) a recommendation is made to council to include a total of £13.2m in the capital plan and capital programme to finance designing and constructing this development;
 - d) the city council commission detailed design work, market testing, and financial modelling for the development; and
 - e) a full business case is presented to cabinet in due course before moving to the next stage of work.

Council subsequently made the necessary budgetary provision in the capital plan and programme

5. A phasing plan has now been approved through the planning process which includes the blocks, listed above, as phase 2 (see plan 1). Phase 1 is the 172 housing with care and dementia care scheme being taken forward by Norsecare. Work has already started on site on this scheme. The council is shortly due to let a contract for the construction of the road/ infrastructure to serve the whole development which is programmed to be complete by Autumn 2015.

Progress to date

6. A brief for the work on Phase 2 was produced, breaking down the work into three stages. This work has been commissioned via NPS Norwich:

Stage 1

- a) Market analysis including housing demand, number size type and tenure of units (and complying with planning policy for 33% social housing)
- b) Development appraisal and feasibility - assessing scenarios for achieving code 4, code 4+ lifetime homes and Passivhaus..
- c) Initial architectural and design services
- d) Development of a community engagement strategy
- e) Advice on the future management and maintenance of communal facilities and open space for the first phase and future phases.
- f) Programming and project management

Stage 2

- a) Carrying out public engagement (based on the community engagement strategy),
- b) Development of detailed design and supporting information for submission of reserved matters planning applications,
- c) Construction contract procurement- recommending the best method of procuring a contractor to build the units;

Stage 3

- a) Leading the agreed procurement process to appoint a contractor to deliver phase 2.
- b) Ensure construction contractor signs-up to the Building Futures in Norwich Supply Side Training Package
- c) Managing the construction contract on site
- d) Marketing of the private units
- e) Sale / rent- legal/ contractual aspects
- f) Ensuring mechanisms are in place for the on-going maintenance and management of the development e.g. establishing a community trust
- g) Ensuring adequate transfer of units to the housing revenue account (HRA)/ private rent company as appropriate

7. This report outlines the results of work on Stage 1, which is now complete and seeks approval to proceed to Stage 2. The report deals with each of the elements of stage 1 in turn.

Selection of this area as phase 2 and market analysis

8. The work carried out to date confirms that the selection of this part of the Threescore site is appropriate. The estate road access and main area of open space for this phase will have already been provided as part of the Norsecare development and there are very few other planning obligations. Most infrastructure connections may be made directly from Clover Hill Road and the area is not affected by the undergrounding of the 132kv overhead electricity line. In addition the development of this area will help to prevent the housing with care scheme and its occupants being isolated from the rest of the community. It relates well to the existing parts of Bowthorpe and avoids having an isolated phase of development by completing the development of a self-contained area to the North of the tree belt. It also allows the retention of the more valuable parts of the site for future development when values may have increased.
9. The market analysis sales values in the range of £110K for a 1 bed flat, £165K for a 2 bed house to £245K for a 4 bed house (new build). There appears to be a strong demand for flats in the area due to a lack of flats in close proximity. An analysis of housing needs would suggest a need for 1 bedroom flats and 2 bedroom houses. There is also a need for larger properties (4 + bed) but not in such large numbers as the smaller units. (The housing need will be reviewed in the light of the updated strategic housing market assessment which is due to be completed shortly) .

Development appraisal and feasibility

10. The development appraisal considers the financial return from the development based on the mix of units proposed in the concept design developed to date. This is based on a "tenure-blind" scheme which contains 176 units:

26 x 1 bed flats

16 x 2 bed flats

60 x 2 bed houses

47 x 3 bed houses

21 x 4 bed houses

6 x 5 bed houses

11. The appraisal demonstrates that there is a positive return to the Council, which would justify proceeding with the next Stage of work on the development. The detailed appraisal is included in Appendix 1.

Initial architectural and design services

- a) A concept design (Appendix 2) has been developed for the site based on the following principles:
- b) A network of streets connected to existing landmarks within the site and beyond
- c) Street blocks with active frontages
- d) A walkable traffic calmed environment
- e) Provision of green corridors and other areas of open space
- f) A 'tenure- blind' mix of 1-5 bed units of varying sizes and types
- g) A mix of code 4 + lifetime homes and passivhaus standards based on the type and orientation of units
- h) A concept of private gardens and some semi private open space
- i) Parking on street, within curtilages and in well located, overlooked courtyards

Community engagement strategy

12. A community engagement strategy has been produced by NPS Norwich in consultation with the Council's neighbourhood team. This sets out the approach to consulting with local people in the pre-planning stage which is due to start in Autumn 2014. The consultation is proposed in 2 stages:

- (i) Initial Proposals:- September '14 – Concept plans/ initial sketches/ options
 - Letters to City/County ward councillors, Local MP, member of Norfolk Youth Parliament;
 - Advance notice of exhibition/brief details of proposal publicised through Bowthorpe News (local news leaflet delivered free to local area);
 - Advance notice of exhibition/brief details of proposal publicised through letter to approx. 200/250 nearby residents/businesses;
 - Open public meeting with display boards/representatives from NPS at Bowthorpe Church Centre ;
 - Unattended exhibition boards or smaller set to be left in Roy's store (one/two week period) with feedback forms/questionnaires);
 - Plans/details being advertised on website with comments/feedback through online questionnaire/survey monkey;
 - Details of exhibition advertised via posters/leaflets to be distributed throughout local area;

- Details to be forwarded by local community engagement officer to Bowthorpe Forum members and other local groups and agencies that are operating/in the area.
- Liaison with community engagement officer to include possible talk to September walkabout (held at the local shopping centre).

(ii) November/early December '14 –

- Feedback will be provided on the changes made to the designs as a result of public consultation and to present the current proposals with a view to submission of a reserved matters planning application at end of January 2015

13. During above two stages, pre-application consultation will take place with the Council as local planning authority and statutory consultees through the preparation of supporting planning application documentation.

Advice on the future management and maintenance of communal facilities and open space.

14. NPS Norwich has carried out some investigations into the establishment of a community trust to manage the open space and other communal facilities within the development as a whole. This option is being explored as an alternative to the management responsibility being taken on by the Council and as a means of engendering a sense of community and ownership of the facilities. The approach would work through the establishment of a trust or local company which would invest in assets within the development which would generate high returns on investment, to ensure long term capital growth, far exceeding the rate of inflation. This ensures that the trust/ company have sufficient funding to fulfil its maintenance obligations in perpetuity. The way this might operate in practice in Threescore phase 2 with the Council acting as developer, would be for the Council to gift property to the trust. This could involve a house which is available for private rent. The rental income would therefore be used to pay for the ongoing maintenance of the public open space and other facilities. This would be an alternative to the Council extracting the commuted maintenance provision through the value of the development.

15. In order to take this approach forward some detailed modelling work would need to be carried out to determine the cost of maintenance of all the open space etc to be provided within the development which would dictate the level of income required to cover these costs. From this the value of assets needed to generate this income could be established. There would also be a cost involved of establishing a bespoke company/ trust or working through an existing organisation. This is estimated to be £5-15K. It is considered that this approach should be pursued in more detail and information included in a future report to Cabinet in due course.

Programming and project management

16. A programme for taking forward phase 2 of the development has been produced as follows:

- Pre-planning consultation- September- December 2014;
- Development of detailed design and preparation of supporting planning documentation;
- Approval of detailed development proposals to be submitted as a reserved matters planning application-
 - Norwich and HCA Strategic Partnership strategic board- December 2014
 - Norwich City Council Cabinet- January 2015
- Submission of reserved matters planning application- end of January 2015
- Determination of planning application- end of April 2015
- Selection of contractor summer 2015
- Start on site- late summer 2015
- Completion of phase 2- end of 2017/8 (based on a 2-3 year build programme)

Next Steps

17. The key next step is to start the public consultation on the draft concept designs and to develop supporting documentation required to form the basis of the reserved matters planning application for phase 2. A report will be brought back to Cabinet in January 2015 to seek approval to submit the planning application. This will allow further consideration of the mix and size of house types and the environmental standards proposed in the development.

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 completing the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Cabinet
Committee date:	10 September 2014
Head of service:	Andy Watt
Report subject:	Bowthorpe Phase 2
Date assessed:	15 August 2014
Description:	To approve plans to form the basis of public consultation on phase 2 of the Threescore and agree to recommend that council include the necessary financing for the development within the capital plan and programme.

	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 proposal will generate a return to recover the cost of investing in the road/ infrastructure to serve the whole development and for future reinvestment for the Norwich and HCA strategic partnership.
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The project will create construction jobs through the contracts which will be linked to Building Futures in Norwich project.
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Provision of affordable housing
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"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Through the provision of high quality new homes with good quality open space and well connected pedestrian/ cycle routes.
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Phase 2 will help with integration with HWC facility
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Bowthorpe development provides effective pedestrian and cycle and public transport facilities.
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Whilst loss of a greenfield site to development, Bowthorpe development will enhance the built and natural environment
Waste minimisation & resource use	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Bowthorpe development will use resources and contribute to waste although this will be dealt with in a resource efficient manner
Pollution	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Development will contribute to pollution
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Energy and climate change	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Bowthorpe development will impact on climate change however renewable sources of energy will be used in line with planning policy.
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Developing the site will reduce the cost risk relating to financing infrastructure.

Recommendations from impact assessment

Positive

The development of the Threescore site will have a positive impact providing new homes and jobs and minimising the risk associated with financing the road and infrastructure

Negative

There will inevitably be environmental consequences associated with any development but the design standard of development will attempt to minimise this

Neutral

Issues