
Decision Maker: EXECUTIVE

For pre-decision scrutiny at the Renewal, Recreation and Housing Policy Development and Scrutiny Committee 16 JUNE 2021

Date: 30 JUNE 2021

Decision Type: Non-Urgent Executive Key

Title: BUILDING COUNCIL HOUSING PROGRAMME

Contact Officer: Alicia Munday, Interim Assistant Director of Culture & Regeneration

Chief Officer: Sara Bowrey, Director of Housing, Planning and Regeneration

Ward: Multiple

1. Reason for report

1.1 This report provides an update on the Phase One sites within the Council's housing delivery programme (these are 'live' sites that have already obtained planning consent and/or are under construction), including a supplementary capital estimate request.

1.2 The report provides a high-level update on three sites that have been identified for feasibility works to test their suitability for being included within Phase Two of the Council's housing delivery programme.

1.3 The report also provides an update of housing units being purchased

2. **RECOMMENDATION(S)**

The Renewal, Recreation and Housing PDS Committee are asked to:

2.1 Review and note the content of this report.

The Executive are asked to:

- 2.2 Review and note the contents of this report in relation to the update on Housing Delivery Programme's Phase 1 sites which have planning consent and/or are under construction (as set out in Section 4 of this report).
- 2.3 Review and note the contents of this report in relation to the updates provided for West Wickham Library & Car Park site and Beckenham Car Park site which are identified as potential Phase 2 sites for the Housing Development Fund (as set out in Sections 6.1 and 6.2 of this report). Noting that Officers will provide Members of the Executive with a comprehensive update report on these September 2021 (as set out in Section 7 of this report).
- 2.4 Approve the use of £130k S106 funds for additional costs relating to Anerley and Bushell Way developments as set out in paragraph 4.2.
- 2.5 Approve the allocation of £620k from the Housing Investment Fund for the estimated costs to proceed to planning for the three sites as set out in paragraph 7.1.
- 2.6 See Part 2 Report, for further recommendations

Impact on Vulnerable Adults and Children

1. Summary of Impact:
-

Corporate Policy

1. Policy Status: Not Applicable Existing Policy New Policy: Further Details
 2. BBB Priority: Children and Young People Excellent Council Quality Environment Safe Bromley Supporting Independence Vibrant, Thriving Town Centres Healthy Bromley Regeneration Not Applicable: Further Details
-

Financial

1. Cost of proposal: Estimated Cost: £130k (Anerley and Bushell Way) and £620k (West Wickham Library & Car Park, Beckenham Car Park and Bromley North)
 2. Ongoing costs: Not applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £1,948k (Anerley); £4,299k (Bushell Way); £560k for feasibility works
 5. Source of funding: Section 106 contributions, GLA Grant and internal loan from the General Fund
-

Personnel

1. Number of staff (current and additional):
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
-

Procurement

1. Summary of Procurement Implications: N/A
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: West Wickham Ward Cllrs were positive about the scheme on the understanding that the library could be provided offsite during construction.

3. Beckenham Car Park Ward Cllrs were receptive to the schemes design development. Officers will continue to update Ward Cllrs on the development approach and engagement as the scheme progresses.
4. Bromley North Ward Cllrs were positive about the schemes development and will continuously remain updated.

3. BACKGROUND

- 3.1. There remains approximately 1,800 households in Temporary Accommodation (TA) this is a net increase of 21 per month and approximately 1,100 households are in costly forms of nightly paid TA, putting a continued strain on the Council's revenue budget, as well as proving unsecure homes for residents and the many complexities this brings for individuals wellbeing and general prosperity.
- 3.2. The borough faces other housing pressures. Since the adoption of the London Plan, as this sets a higher annual housing target and all sites are expected to deliver 50% affordable housing, a target only previously set for Council owned land.
- 3.3. To support the need for affordable housing and as part of the Transformation Agenda, the Executive agreed to reopen to Housing Revenue Account (HRA) and has commenced developing its housing stock.
- 3.4. This report provides an update on Phase One of the HRA's developments which comprises the three 'live schemes' where planning permission has been granted and/or construction is underway.
- 3.5. The report also provides an analysis of housing units which will be delivered through property transactions, which Strategic Property have been progressing.
- 3.6. The following section of this report sets out the recommended methodology that the Executive Committee is asked to approve in order for the identification of sites for future phases, and provides an update on the feasibility work already underway on a number of sites that have previously been identified as potential Phase Two sites.

4. PHASE ONE: UPDATE ON LIVE SCHEMES

- 4.1. The three lives schemes are at a mature stage in development and are either under construction or construction will commence imminently. The list of schemes are either Council-led developments working in partnership with building contractors and architects to deliver these schemes, or through the purchase of existing properties through alternative delivery methods.
- 4.2. Burnt Ash Lane, now known as Kevin Fenton Mews and Bushell Way, now known as Chris Whitty Place and Anerley (George Grove) housing sites have made good progress and being developed in the approved timescales as set out below. Since approval of the schemes, there have been additional costs identified totalling an estimated £130k due to the rise in material costs, additional legal fees incurred due to compensation as a result of right to light and the cost of a build over agreement required with Thames Water and costs arisen from UKPN upgrades required.
- 4.3. The table below, outlines the status of Phase 1 and acquisitions:

Site	Status	Key Dates	No. of Units
Kevin Fenton Mews	Construction under way and on time for agreed completion dates.	Completion September 2021.	25 (10x one bed, 12x two bed, 3x two bed wheelchair units)
(Burnt Ash Lane Car Park)	First payment of the GLA Affordable Housing grant received May 2021.		

Site	Status	Key Dates	No. of Units
Chris Whitty Place (Bushell Way)	Construction under way. First payment of the GLA Affordable Housing grant received June 2021.	Completion September 2021.	25 (7x one bed, 15x two bed, 3x two bed wheelchair units).
Anerley Town Hall Overflow Car Park, all with planning approval.	Construction due to commence June 2021. First payment of the GLA Affordable Housing grant expected July 2021.	Completion October 2021.	10 (3x one bed, 6x two bed including 1x one bed wheelchair unit).
York Rise, Orpington	Planning application submitted. See report ref for contract award.	May 2021 – submit Planning Application to LBB Planning. August 2021 – Planning determination September – December 2021 – RIBA Stage 4 and contract mobilisation January 2022 – December 2022 construction.	35
Various – individual street properties within and outside of the Borough.	Joint Venture with Orchard & Shipman – acquisition scheme: securing properties on the open market and which can be utilised in discharge of the Council’s statutory duty in respect of Housing.	Expected to commence July 2021	240-280 units
Various – individual street properties within and outside of the Borough.	Beehive purchase / lease scheme: securing former Housing Association properties that were due for open market private sale and which can be utilised in discharge of the Council’s statutory duty in respect of Housing.	Phase 1 completed Phase 2 expected to complete in June 2021	50 Units 30 Units
Total no. of units =			510-550

5. PHASE TWO: UPDATE ON PHASE 2 IDENTIFIED SITES

- 5.1 Officers have previously reported progress on the Housing Delivery Programme to Members (Report ref: HPR2020/024) and in this report funding was agreed to develop a number of sites further to assess their feasibility and suitability as housing projects.
- 5.2 In the above mentioned report, three sites were identified for early stage feasibility works to ascertain the suitability of each site in being included in the Phase Two development programme of the HRA.
- 5.3 These three sites are:

- West Wickham Library & Car Park
 - Beckenham Car Park
 - Bromley North
- 5.4 RIBA stage 0-1 assessments have been undertaken for all three sites and further Market Appraisal and feasibility works are currently ongoing. As required for best consideration, this early appraisal has included consideration of whether the site could be disposed of, value of the site, current use/potential as well as potential for Council Housing. As with previous sites being bought forward for the Council Housing Programme, the viability includes the Temporary Accommodation savings made from the provision of housing. This report details the appraisals completed on these sites and recommends the next steps for each site.

6 WEST WICKHAM LIBRARY & CAR PARK

- 6.1.1 As identified in Appendix 1, the site is a linear piece of land fronted by the West Wickham library along Glebe Way and the car park to the rear accessed via Crofton Avenue with an access road serving the rear of the properties along Station Road. The Council owns both the library and the car park; in between are two separate land holdings – a private car park (identified in the site plan, Appendix 1 as “C”) and a small office building (“D” in the site plan, Appendix 1).
- 6.1.2 The site is located in a prime town centre location where a mixed-use scheme would make a positive contribution to the regeneration and Covid-19 town centre recovery and to the Council’s library services and housing supply. The library forms part of the Conservation Area and the design must be of a high quality; the car park runs parallel to businesses and residential properties; the service road to the rear of the properties along Station Road requires improvement and inclusion to make the site feasible – this road would also need to be adopted; land assembly may be required to use the entire piece of land.
- 6.1.3 In November 2019, following Executive approval (Report no. **DRR19/053**) Officers procured a full multi-disciplinary team to undertake a detailed feasibility study from RIBA Stages 0-3, including a full planning application submission should the site have been considered viable. The project is currently at RIBA stage 2.
- 6.1.4 The brief included the whole site with options for purchasing and not purchasing Site D to ensure that a feasible design and layout could be brought forward regardless. Initial enquiries have been made to the landowners, however, there has been little interest in selling the property at Site D.
- 6.1.5 The feasibility work to date has progressed a mixed-use scheme across the entire site consisting of new improved library facilities that retains the current building façade because of its architectural merit, greater sustainability and being more cost effective. The library also includes new community facilities, a ground floor café, maker space, staffing facilities and 26 homes on the car park. The proposed design is of a high quality, with a civic style that references the history of the site. A number of design options have been developed, have been tested at pre-app and have had a high-level viability assessment based on costings provided by a Quantity Surveyor.
- 6.1.6 The high-level viability assessment to date has considered various options to ensure the site could be viable for HRA development. The costs include the library, improvement and adoption of the service road, housing development, landscaping, and general improvements. The approach of officers is to ensure that the overall development costs are met without additional Council funding – to do this officers are taking account of the following:
- GLA housing grant for the affordable elements.

- Partial private housing to facilitate the wider community facilities and benefits.
- Working with GLL to target Arts Council funding for the library proposals. This will be a bid for £250k.
- An income from the café and the community facilities proposed as part of the new library facilities.

6.1.7 Whilst early work considers this site as viable based on the content of para 6.1.6, further viability work will be needed including securing planning permission on the site, which then in turn can secure grant funding. The high level financial appraisal for this site is included in Part 2 report of the same name.

6.1.8 It is therefore recommended that funding is drawn down from the Housing Invest Fund to develop the proposal with a view to developing a planning application for this site. If this recommendation is approved, following this work, a report will be brought back to the Executive in November with the detailed capital costs of developing the scheme. Part 2 of this report includes high level costs for Members consideration at this stage.

6.2 BECKENHAM CAR PARK

6.2.1 As identified in Appendix 2, the site consists of a car park located between commercial and community buildings in Beckenham. The site is kite-shaped in plan and sits adjacent to the leisure centre. The site is also bounded by railway lines and is accessed from Turners Meadow Way across Council-owned land. The site is owned by the Council, with a thin strip of landscaping wrapping around the car park forming part of the MyTime lease,. On the other side of the leisure centre is a much larger car park for the public and staff to also use. Lewis House is leased to Bromley Experts By Experience CIC. Officers have started to engage with adult services regarding Lewis House and the potential to relocate the facility on site or offsite.

6.2.2 In order to progress the site, the Council would need to serve the appropriate notices in accordance with the MyTime lease to obtain vacant possession.

6.2.3 The site is located off Beckenham Road, in Beckenham and benefits from good public transport connections and is set back from the Elm Road Conservation Area. In proximity to this site is the Beckenham Public Hall, the library and leisure centre – all Council owned facilities which would benefit from wider regeneration in the area and additional housing.

6.2.4 Following a feasibility exercise (RIBA stage 0-1), 3 design options have been prepared and tested with the Local Planning Authority. Designs were tested via a pre-app meeting with LBB Planners to assess the site and the design suitability on the early options, Network Rail as the site is in proximity to the railway line to understand potential cost and engagement necessary, and a meeting with Ward Cllrs.

6.2.5 The design for the site is at an early stage, however, the early feasibility report considers this site to be appropriate for a mixed use scheme – community/commercial facilities on the ground floor with residential above with up to 26 residential units on the car park.

6.2.6 It is therefore recommended that funding is drawn down from the Housing Invest Fund to develop the proposal with a view to developing a planning application for this site. If this recommendation is approved, following this work, a report will be brought back to the Executive in November with the detailed capital costs of developing the scheme. Part 2 of this report includes high level costs for Members consideration at this stage.

6.3 BROMLEY NORTH SITE

- 6.3.1 The Bromley North Site is identified in the Council's Local Plan as a site allocation called 'Site 2'. Site 2 is 3 hectares in size and is owned by multiple separate landowners including, The Council, Network Rail and Be Living. The Council's site as identified in the Appendix 3 is a linear site adjacent to properties along Station Road; the Network Rail site runs parallel but is approximately 1.5m below the ground level of the Council's site, thus creating a complex development site.
- 6.3.2 In addition to the landowners noted above, there are other landed interests which are in the process of being evaluated.
- 6.3.3 The site is one of the largest site allocations in the Local Plan and has an important role in place making, regeneration and housing delivery. The site is allocated to deliver 525 residential units, 2,000 sq. m of commercial space, 230 sq. m of retail/café space, a transport interchange and car park. The site is also located at one of Bromley's key gateways into the Town Centre, adjacent to a Grade II listed building, Bromley North Station, and set between a residential area of mostly 2-3 storey residences and the more densely developed Bromley North area.
- 6.3.4 The Local Planning Authority require any planning application relating to Site 2 to demonstrate a holistic approach to avoid any proposals being bought forwards by individual landowners that constrain the potential of neighbouring sites. Officers are working with the other landowners to ensure that this is achieved.
- 6.3.5 The relationship between the separate landholdings is not only important due to the requirement for a holistic approach, but also due to the change in site levels, between the neighbouring landowners and the extensive shared boundary, requiring engagement on party wall and rights of light matters
- 6.3.6 A holistic approach can be achieved even with separate developments, and the Council have been advancing its own feasibility study that assessing the development potential of the Council owned land.
- 6.3.7 To date, early feasibility has been undertaken; officers procured architects to develop proposals up to RIBA stages 0-2 to assess design options, cost analysis, site surveys and to support officers working with the neighbouring landowners. As part of this feasibility, a high-level viability assessment and a pre-app with Planners has been undertaken. Ward and town councillor member engagement has also taken place.
- 6.3.8 The proposed design is for a mixed used scheme with commercial/community on the ground floor and 75 homes (mixture of 1, 2, and 3 bed apartments) above. The site is in an area with high land values and in an attractive area for housing. The proximity of the site to the Grade II listed Bromley North Station building, its importance as a key regeneration site and gateway into the town centre and the relationship with neighbouring properties means that high quality design is very important.
- 6.3.9 As the scheme progresses, further cost analysis will be undertaken. In order to make this scheme viable officers will consider all routes including applying for GLA Affordable Housing grant, inclusion of private sale to facilitate affordable housing, and commercial ground floor uses that will maximise income streams to ensure the site is viable and regenerate the site for optimal public benefit. Officers have already submitted the Phase 2 sites to the GLA's Open Project System as the first step towards consideration for grant funding.
- 6.3.10 It is therefore recommended that Officers procure the other consultancy disciplines required to take the project through to a full planning application submission, i.e. RIBA Stage 3. If this

recommendation is approved, following this work, a report will be brought back to the Executive in November with the full capital costs of developing the scheme.

7 RECOMMENDATIONS

- 7.1 As set out in Section 6, it is recommended that there is a further drawn down of £620k from the Housing Investment Fund to progress all 3 sites to a planning application stage, based on the high level work undertaken to date. This includes contributions towards consultancy fees, staffing, legal costs, as well as public engagement. Further reports will be brought forward in 2021 to determine the detailed viability and benefits of developing each site for affordable housing and wider regeneration.

8 IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 8.1 The recommendations support children and vulnerable people through the provision of housing supply.

9. POLICY IMPLICATIONS

- 9.1 This work supports the Council's Housing and Homelessness strategies and the proposed Regeneration strategy, this includes the increase of local housing.

10 FINANCIAL IMPLICATIONS

- 10.1 This report requests a supplementary capital estimate of £130k for the Anerley Town Hall car park and Bushell Way schemes as set out in paragraph 4.2, funded from Section 106 contributions. As this therefore does not increase the internal borrowing in the HRA, there is no impact on the previously reported revenue implications for these schemes.
- 10.2 In September 2020 the Leader approved the allocation of £560k from the Housing Investment Fund earmarked reserve for feasibility works for a number of sites, of which around £347k has been spent or committed to date.
- 10.3 The report also requests a further allocation of £620k from the Housing Investment Fund for the estimated costs to proceed to planning for the West Wickham Library & Car Park, Beckenham Car Park and Bromley North sites.
- 10.4 Officers in Strategic Property have conducted indicative open market appraisals for Beckenham Car Park and West Wickham Library and Car Park sites for the potential capital receipt that would be generated by disposal on the open market. For both sites the estimated value is £1.27m. An initial estimation of the Bromley North site as it stands i.e. based on the Council's interest only would indicate a potential disposal receipt of between £3-3.25m. This has been assessed by reference to other land development transactions and appraisals. Further evaluation and appraisal work will be required to clarify this initial estimate.
- 10.5 See Part 2 report for the indicative build costs and revenue implications and revenue implications for affordable housing development in the Housing Revenue Account (HRA).
- 10.6 Further reports will be brought back to Members in due course providing fully detailed options appraisals for individual sites which will include full financial implications and any capital financing requirements.

11 PROPERTY IMPLICATIONS

- 11.1 Adopting an approach that considers disposal of sites, together with maintenance costs of maintaining sites together with feasibility for sites to be developed for the HRA, will ensure that

the Council's assets are appropriately managed and that the needs of social housing provision via the HRA are balanced against the need to generate capital, which is a fundamental objective of the Council's Corporate Landlord approach.

- 11.2 Outputs from all three sites will be evaluated at the Officer Corporate Landlord Board to ensure that Members are presented with a detailed option appraisal for their consideration.

12 PERSONNEL IMPLICATIONS

- 12.1 N/A

13 LEGAL IMPLICATIONS

- 13.1 The Council's Legal Services will be involved at the point of investigating legal title to the sites to ensure that title is satisfactory in each case.
- 13.2 Section 9 of the Housing Act 1985 gives power to a local authority amongst other things to provide housing accommodation by erecting houses, or converting buildings into houses, on Council acquired land.
- 13.3 The report seeks authority to approve further funding in dealing with the proposed programme.
- 13.4 Section 111 of The Local Government Act 1972 gives power to a Council to do anything calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.
- 13.5 Furthermore under Section 1 of The Localism Act 2011 a local authority has a general power of competence to do anything that individuals generally may do.

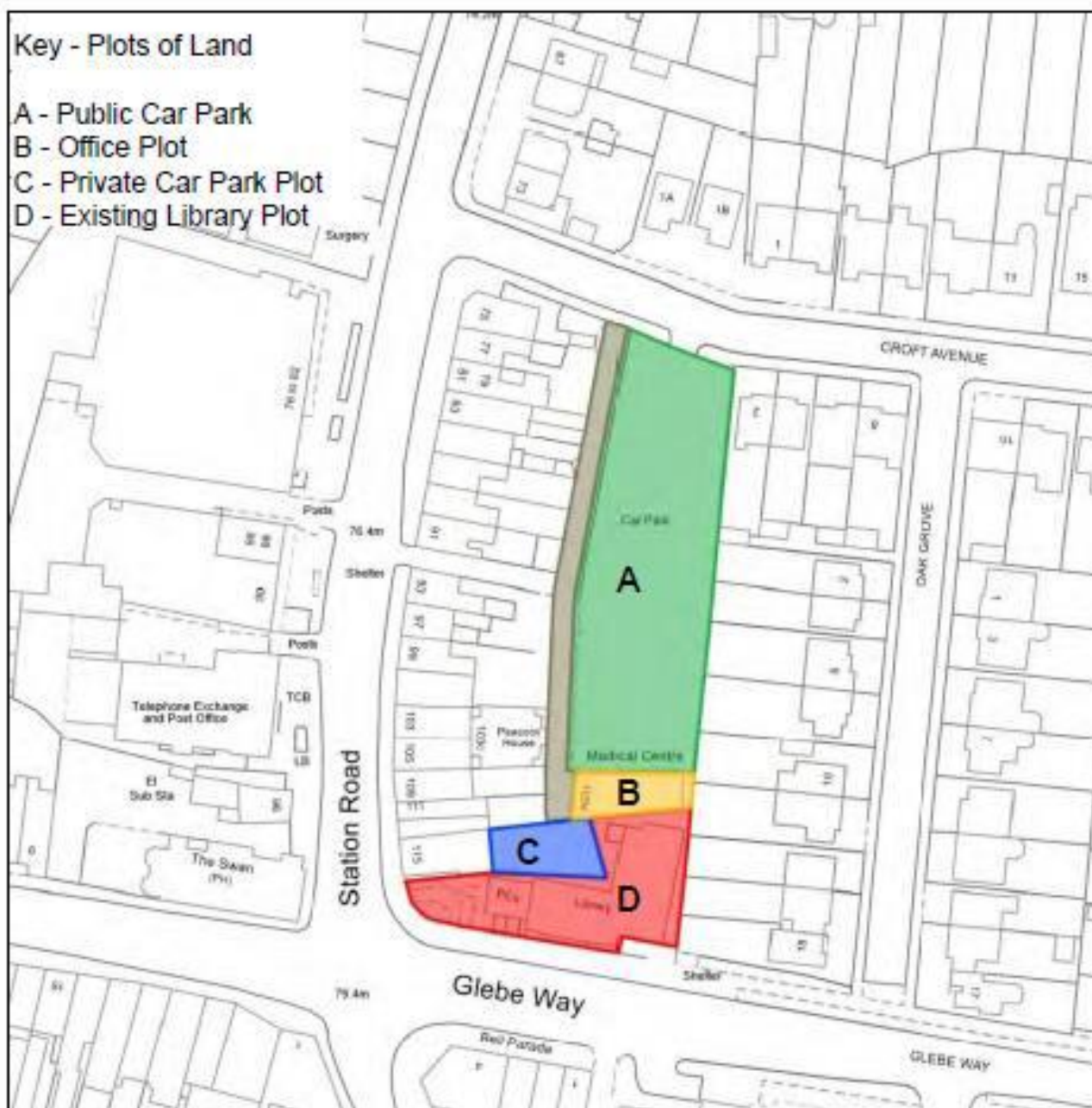
14 PROCUREMENT IMPLICATIONS

- 14.1 All recommendations and advancements of any scheme, should Members agree to progress, will be in accordance with the Council's Contract Procedure Rules and the Public Contract Regulations 2015 if the value is above the thresholds set out in Part 2 of these regulations.

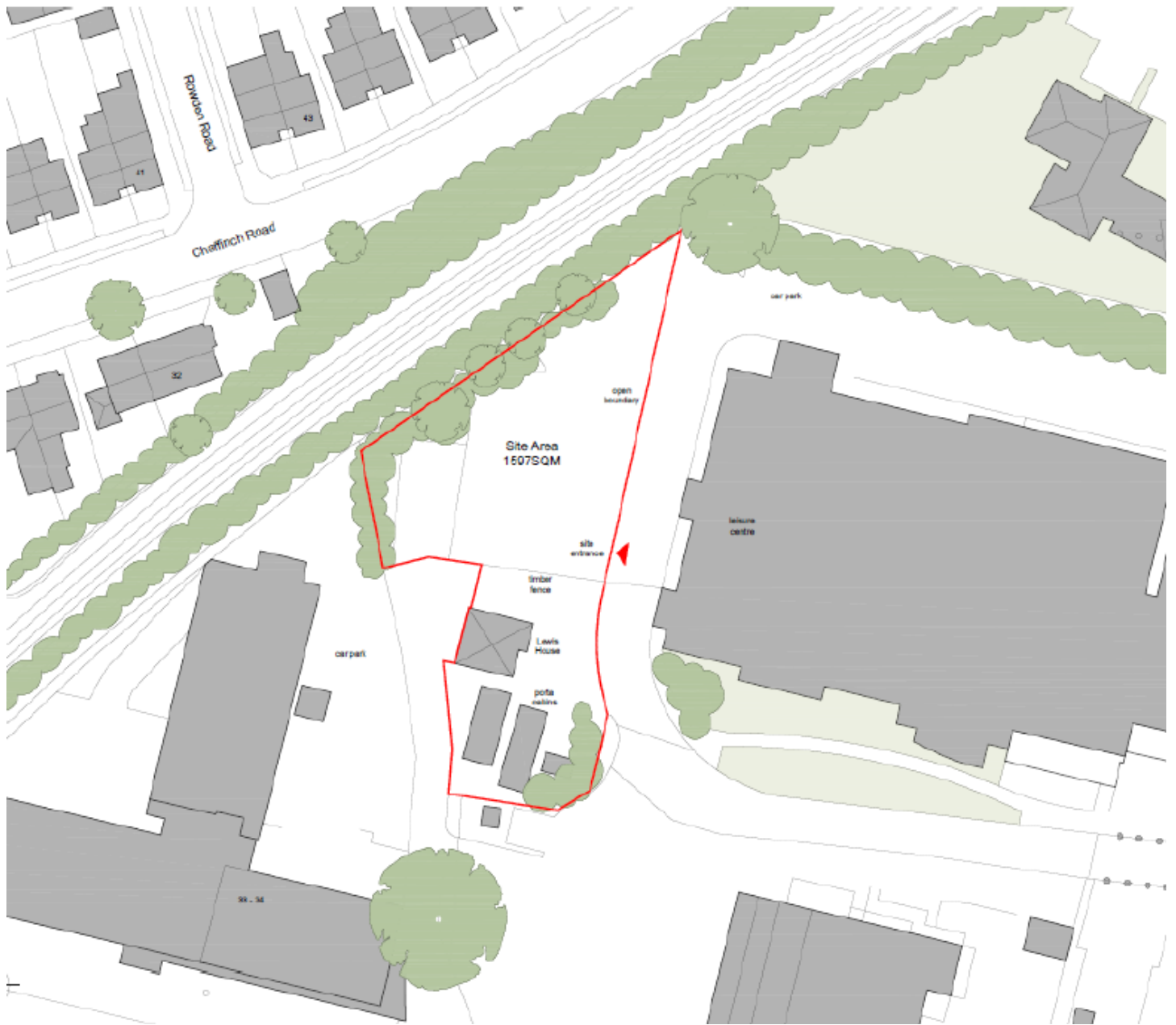
Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	HPR2021/008 – Transforming Bromley: Approach to Building Homes in Bromley Update. HPR2020/024 – Transforming Bromley: Approach to Building Homes in Bromley. Appendix 1 – West Wickham Library & Car Park Appendix 2 – Beckenham Car Park Appendix 3 – Bromley North Station Road Car Park

15 APPENDICES

15.1 Appendix 1 – West Wickham Library & Car Park



15.2 Appendix 2 – Beckenham Car Park



15.3 Appendix 3 – Bromley North Station Road Car Park

