

Report No.
HPR2022/060

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: RENEWAL, RECREATION AND HOUSING PDS COMMITTEE

Date: 16th November 2022

Decision Type: Non-Urgent Non-Executive Non-Key

Title: UPDATE ON HOUSING DELIVERY PART 1 (PUBLIC) REPORT

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Chief Officer: Director of Housing, Planning, Property and Regeneration

Ward: Bromley Town, Clock House, West Wickham, Farnborough and Crofton

1. Reason for report

This report provides an update on the Council owned sites that have been considered for affordable housing development, including an update on the Bromley North and Beckenham Triangle sites that are expected to shortly progress to Planning.

2. RECOMMENDATIONS

- 2.1 The Renewal, Recreation and Housing PDS Committee are asked to note the contents of this report in relation to the updates for the housing sites, particularly that the Bromley North site will shortly be proceeding to Planning.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Vulnerable children and adults will be supported through the provision of affordable housing.
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Corporate Policy

1. Policy Status: Existing Policy: Housing Policy
 2. Making Bromley Even Better (Corporate Strategy):
 - For children and young people to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
 - For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
 - For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.
 - To manage our resources well, providing value for money and efficient and effective services for Bromley's residents.
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Financial

1. Cost of proposal: Estimated Cost: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: N/A
 5. Source of funding: N/A
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Personnel

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours:
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Legal

1. Legal Requirement: Statutory Requirement Non-Statutory - Government Guidance:
 2. Call-in: Not Applicable: No Executive decision.
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Procurement

1. Summary of Procurement Implications: The report includes updates on the progress of three housing schemes of which procurement is in progress for one scheme with suitable procurement routes to be determined for the others, subject to planning.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 1000 homes could benefit about 3000 residents.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 As set out in the Housing Strategy 2019 - 2029, the Council faces severe housing pressures and is considering how to deliver more affordable homes and ensure people are placed in quality stable homes rather than costly temporary accommodation. Provision of good quality, value for money temporary and affordable accommodation in the borough is essential if the Council is to reduce the current pressures on its revenue budget and manage future demand for services.
- 3.2 Within the borough of Bromley, there are approximately 1580 households in Temporary Accommodation, which is set to continually increase at around 21 new households per month. 1,100 of these households are in costly forms of nightly paid accommodation, which has proven to be unsecure, and therefore potentially detrimental to the health and well-being of the individuals residing in these properties.
- 3.3 The Council has committed to delivering affordable homes through direct delivery, acquisitions, and potentially joint ventures. It is expected that this will in turn lead to the opening of the Housing Revenue Account. Two affordable housing sites (Bushell and Anerley) have now been completed with another (Burnt Ash) near completion, one at York Rise is under construction, one at West Wickham is out to construction tender, and another at Bromley North is ready to progress to Planning. Beckenham Triangle is still going through feasibility. Further sites set out in the Operational Property Review are anticipated to move to feasibility in the New Year. In total
- 3.4 The Council set itself a target of delivering 1000 homes through self delivery and acquisitions. In relation to acquisitions, as of 26th October 2022, there were 253 sales agreed through Meadowship Homes, of which 183 exchanged and completed, of which 115 were tenanted. Officers are on track for 255 being completed by March/April 2023 and then fully tenanted by May/June 2023 which means they will have fully completed within the two year loan payment holiday. In relation to self-delivery 35 units (Bushell and Anerley) are tenanted, 25 units (Burnt Ash) will shortly be ready for tenants, 35 units (York Rise) are in construction, and 14 units (West Wickham) will be ready for construction on site following tender process. This is a total of 109 affordable units.

Phase 1 of the house building programme

- 3.5 Officers reported progress on the Phase 1 House Building Programme to Members (Report ref: HPR2022/005) in February 2022. All of these Phase 1 sites are either complete or in construction. Anerley and Bushell are occupied, however Burnt Ash hasn't yet achieved Practical Completion due to a number of issues. Weekly assurances are being received that the site is almost complete and a verbal update will be provided at committee.
- 3.6 The York Rise scheme is currently under construction. The 35-unit scheme comprises a mixture of one, two and three bed dwellings, along with private amenity and shared communal play space. Initial site investigations and groundworks commenced on site in February 2022 and the off-site manufacturing process is now complete. The modules have been scheduled for delivery in mid-November over a period of approximately two weeks, with the current programme indicating project completion by May 2023. The official addresses for Platinum Jubilee Close have now been issued.

Phase 2 of the house building programme

- 3.7 Officers have previously reported progress on the Phase 2 of the Housing Delivery Programme to Members (Report ref: HPR2020/024) and in this report funding was agreed to progress feasibility studies for a number of sites further to assess their feasibility and suitability as housing projects. Phase 2 includes the Bromley North Station Road Car Park, Beckenham Triangle, and West Wickham Library and Housing project were identified, along with other sites, for early-stage feasibility works.

- 3.8 In June 2021 (Report ref: HPR2021/037), Members approved the allocation of £620k from the Housing Investment Fund, for the estimated costs to proceed to planning for the three sites identified in Report No. HPR2020/024. This approval included Bromley North Station Road Car Park, Beckenham Car Park Triangle and West Wickham Library and Housing project. Authority was also delegated to the Director of Housing, Planning and Regeneration with agreement of the Renewal, Recreation and Housing Portfolio Holder to submit planning applications for these sites. Subject to further Cllr and public engagement, it is envisaged that a Planning Application will be submitted for the Bromley North site in early 2023.

West Wickham housing and library

- 3.9 Located in West Wickham town centre the development site consists of West Wickham Library on Glebe Way and Station Road Car Park, accessed off Croft Avenue, along with the unadopted road running parallel to the car park. The proposals for the site are to deliver 26 homes, improved library provision, public realm improvements and the adoption of the access road. The Council approved funding for this capital scheme (Report No HPR2021/059) in November 2021, and in April 2022, secured Planning permission for the development.
- 3.10 Following the planning approval being granted the technical design for the scheme has been progressed and submissions have been made to discharge the pre-commencement planning conditions. In parallel to this the Highways team have progressed the adoption process for the road. Following a failed closed tender process, a revised open tender for the construction works was published on the 25th October 2022 and it is due to close on the 6th December 2022. Officers intend to bring an award report to the RRH PDS on the 23rd January 2023 and the Executive on the 8th February 2023. Once there is certainty about the construction tender outcome Officers will finalise the arrangements for the temporary library provision

Bromley North Station Road Car Park

- 3.11 This scheme will shortly be consulted on and submitted for planning permission. The site is located at the Station Road Car Park, Station Road, Bromley, BR1 3LP, and forms part of the 'Site 2' Bromley North allocation site as outlined within the Local Plan. The policy for 'Site 2' as a whole proposes 525 residential units, 2000 sqm of office space, space for community use, 230 sqm café/retail, a transport interchange and parking. A larger part of 'Site 2', which is not owned by the Council, is also being brought forwards for development by Willmott Dixon (Be Living) and Network Rail. The leaseholder for Northside House and the freeholder of 10a Sherman Road are not part of this neighbouring development agreement.
- 3.12 The Council's section of site 2 is a linear parcel of land adjacent to low-rise residential 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 area for development. A whole site development is not considered viable given its complexities hence the Council progressing its land parcel for housing independently. However to ensure a holistic design for the site the team is working closely with the other developers and is using the same landscape architect. A design workshop was held the Council's Planning Department, the Bromley North Project Team and Willmott Dixon (Be Living) to better understand the shared principles across the two schemes.
- 3.13 Station Road Car Park (development site) is approximately 0.283 hectares and is currently used as a public car park, providing 83 parking spaces. It is expected that parking on this site will be absorbed by other underused car parks locally. The site has a PTAL rating of 6a which indicates that it has very good public transport connectivity. The site also includes an MOT garage and storage unit at the south end, both of which are on short leases. An existing UKPN sub station is also situated on site, adjacent to the MOT garage. At the edges of the site, there are some self-seeded trees and shrubs, however, the majority of the site is hard standing which is in poor condition.

- 3.14 In June 2021, Executive resolved to approve the drawdown of funding from the Housing

Investment Fund to develop the site to RIBA Stage 3, including submission of a full Planning Application subject to Chief Officer and Portfolio Holder approval. Therefore, in October 2021, Officers utilised the Notting Hill Genesis Framework to directly award the architectural services contract for RIBA Stages 2-3 to Mae Architects Ltd. Two pre apps have been held with planners and there have been meetings with TfL due to the location of a 24-hour bus stand. Additionally engagement with colleagues in Housing and Occupational Therapy has led to an increase in the number of 2 and 3-bed units, alongside redesigning all accessible units within the affordable block to ensure they are compliant with the SELHP guidelines. The project team have also initiated discussions with the Designing Out Crime Officer (DOCO) and a meeting was held in May 2022 to review the proposal. The DOCO advised that the current scheme was acceptable in principle and has the potential to achieve gold Secured by Design Accreditation.

3.15 The scheme is now ready for consultation and planning submission. In summary the scheme consists of two-blocks comprising a total of 75 units. The buildings are arranged as two separate blocks of similar scale and massing. Both blocks establish a four-storey datum along Station Road, rising up to six storeys in total with setbacks on the fourth and fifth levels.

3.16 Block one comprises 38 affordable units, whilst block two comprises 37 units for market sale. This design was based on further discussions with colleagues in Housing to include additional larger units, to help meet current housing need. The proposed tenure mix is as follows:

	Block 1 - Affordable Tenure	Block 2 - Private Tenure
1-bed, two-person	16	18
2-bed, four-person	12	17
3-bed, five-person	10	2
Total no. homes	38	37
Commercial Units	1	2

3.17 Both blocks include commercial units to replace current provision, comprising a total of 249 square meters. It is expected that rental from these commercial units will bring in an income of about £50k per annum. If commercial provision is not required, the inclusion of the space is likely to be used for amenity provision given the scale of developments. The design and treatment of both blocks is comparable to provide a tenure blind approach to the scheme. Block one includes four wheelchair accessible units, all of which are compliant with the South East London Housing Partnership (SELHP) standards. Block two also includes a total of four accessible units, all of which meet either the Part M4(2) Accessible and Adaptable Dwellings or Part M4(3) Wheelchair User Dwellings.

3.18 The buildings are articulated with expressive bays along Station Road that take reference from the existing bays that are found in the local terrace housing stock. The building geometry allows for the majority of flats (74%) to be dual aspect, with no North facing single aspect dwellings. Living spaces are arranged in a way that allows them to be directly connected to the external private amenity, ensuring the space functions as an extension of the living area. Every resident of the development will enjoy both shared and private amenity space. Such provision will encourage well-being and promote social interactions between residents. The amenity provision includes extensive landscaping and play space at ground floor, and either a private garden, roof terrace, or balcony for every home.

3.19 Due to the site's high PTAL and proximity to public transport, the proposed development will be car-light, i.e. providing the necessary minimum blue badge parking required. The proposed development will provide three wheelchair accessible parking spaces for residential use in accordance with the requirements of the London Plan (2019) to ensure that at least one designated accessible parking space per dwelling for three per cent of dwellings is available from the outset. In addition to this, an additional 4 parking spaces can be provided if required, as future designated accessible parking spaces. Electric vehicle charging points have been provided for all

three initial wheelchair spaces, and cabling will be installed for the four additional spaces. Cycle storage provision is based on the New London Plan Requirement and provides a total of 135 long stay and 4 short stay residential spaces across the two blocks.

- 3.20 At the current time this scheme is not financially viable to deliver; however it is anticipated that this scheme could become viable as the GLA has indicated that they are likely to be able to offer higher grant levels in the future, subject to what those grant levels are. The current capital breakdown for the entire scheme is estimated as follows:

<u>Item</u>	<u>Cost</u>
Total Construction Costs (inc. including 5% Construction Contingency, Main Contractor's Preliminaries, OHP & Risk)	£23,240,000
Additional 15% Contingency	£3,486,000
Professional Fees, LBB Fees, Planning Fees and Surveys	£2,338,000
Indicative S106 Allowance	£100,000
CIL Mayoral	£223,260
CIL Borough	£348,400
Land Appropriation Estimate:	£0
Total Development Costs (Exc. CIL and Land Appropriation):	£29,164,000
Total Development Costs (Inc. CIL and Land Appropriation):	£29,735,660

Beckenham Triangle

- 3.21 The site is located to the rear of Beckenham Spa Leisure Centre, between the railway tracks and Bourne House (a former office block which has been converted to residential). The current site usage is predominantly public parking. However, the South of the site has a Council-owned building, Lewis House, along with two cabins, which are leased to Bromley Experts by Experience (X by X), which provides services for deaf and disabled people, as well as carers, across the borough.
- 3.22 The site has good public transport connections, with a PTAL 4 rating and it is in close proximity to Clock House Railway Station. It is also close to amenities such as Beckenham Library, Clock House Shopping Parade, Venue 28 and the Spa Leisure Centre. However, it is not an allocation site in the Local Plan. There are also some policy challenges as the site is immediately adjacent to the Elm Road Conservation Area and in close proximity to a Grade II listed building, Venue 28. The site is also considered to be a 'backland site' in planning terms as it is not immediately adjacent to an adopted highway.
- 3.23 Due to the proximity to the railway tracks and the acoustic impact this presents there are no residential units proposed on the ground floor of the scheme. The Council has engaged with Network Rail through a Basic Asset Protection Agreement and incorporated the initial feedback, such as meeting the minimum offset distance for the proposed scheme. Should the development progress further the Council will have to pay an additional fee to Network Rail to monitor in-person certain elements of the construction works and to sign off on certain aspects of the scheme in order to protect the safety of the railway.
- 3.24 The current proposal is ground floor plus six storeys. The ground floor consists of the community space and the ancillary spaces for the residential above. The affordable and private sale homes will be on different floors with separate access control.

3.25 In total the community area is 210sqm, with 40 homes on the 6 storeys above. The tenure split is 21 affordable homes and 19 private sale homes. The proposed tenure mix is as follows (please see overleaf):

	Affordable Tenure	Private Tenure	Community/ Commercial
1-bed, two-person	3	2	-
2-bed, three-person	0	1	-
2-bed, four-person	15	12	-
3-bed, five-person	3	4	-
Total no. homes	21	19	-
Non-residential	-	-	1

3.26 The development includes four wheelchair accessible units, all of which are compliant with the South East London Housing Partnership (SELHP) standards. SELHP 'Wheelchair Homes Design Guidelines'. All of these wheelchair homes are 2-bed, 4 person units, of which 3 are affordable tenure and 1 is private tenure.

3.27 The sale of private residential units would result in a capital receipt of approximately £6.84m, based on an initial estimate of £360k per unit. Further work needs to be done to confirm the financial viability of the Beckenham scheme and therefore it is not ready to go to Planning for a decision. However it is anticipated that under the delegated authority previously agreed by the Executive that the scheme will be progressed to Planning next year if the scheme can be demonstrated to be financially viable. The current capital breakdown for the entire scheme is estimated as follows:

<u>Item</u>	<u>Cost</u>
Total Construction Costs (inc. including 5% Construction Contingency, Main Contractor's Preliminaries, OHP & Risk)	£12,800,000
Additional 15% Contingency	£1,920,000
Professional Fees, LBB Fees, Planning Fees and Surveys	£1,480,000
Indicative S106 Allowance	£70,000
CIL Mayoral	£134,970
CIL Borough	£224,950
Land Appropriation Estimate:	£0
Total Development Costs (Exc. CIL and Land Appropriation):	£16,270,000
Total Development Costs (Inc. CIL and Land Appropriation):	£16,629,920

Additional housing sites for progression

3.28 The Operational Property Review has identified a number of other Council owned sites that could be suitable for self-delivery housing development. Feasibility works will be undertaken on all these sites and the outcome reported to the Executive.

4. STAKEHOLDER ENGAGEMENT

4.1 Ward members were briefed about the Bromley North and Beckenham proposals prior to the May

2022 local elections and Council Officers will continue the engagement process throughout the subsequent stages of each project. Feedback will be sought from Ward Members before public engagement commences.

- 4.2 Local residents will also be kept informed about any housing proposals that progress through to planning submission and construction. For the Bromley North project, the project team are in the process of arranging two drop-in sessions at Bromley Central Library, in addition to letter drops and the creation of a dedicated webpage detailing the scheme.

5. POLICY CONSIDERATIONS

- 5.1 In the Housing Strategy 2019 – 2029, the Council set itself a goal to bring forward 1,000 new affordable homes either on Council-owned land or through acquisitions. The new London Plan sets a target of 7,740 for net housing completions (2019/20 -2028/29) in the borough.
- 5.2 The adopted Regeneration Strategy 2020 – 2030 sets priorities for the following areas which the proposals contribute towards:
- Bring forward housing and public realm improvements fit for the 21st Century
 - Supporting new and existing communities.
 - Strengthening our town centres and local economy.
- 5.3 The Local Plan 2019 includes the following allocation sites owned by the Council which have been progressed as part of the Council's house building programme:
- Banbury House, Bushell Way, 'Site 13I – Council-led affordable housing scheme complete and fully occupied.
 - Small Halls, York Rise, 'Site 12' – Council-led affordable housing scheme under construction.
 - Bromley North, 'Site 2' – Detailed feasibility study undertaken with proposals ready for public consultation.

6. PROPERTY AND ESTATES CONSIDERATIONS

- 6.1 Property continues to work with Housing, Finance and Regeneration colleagues to develop these various schemes and provide advice as to viability assumption modelling and the construction of business cases where existing Council assets are being utilised.

7. IMPACT ON VULNERABLE CHILDREN AND ADULTS

- 7.1 Vulnerable children and adults will be supported through the provision of high-quality affordable housing that is suitable for individuals and families.

8. PROCUREMENT RULES

- 8.1 The report sets out the status of three housing delivery schemes. Procurement is in progress for one of the schemes with the outcome to be determined in due course, with a Contract Award decision (or alternative action as required) subject to Executive approval.
- 8.2 Procurement is intended to commence for the other schemes, subject to planning consent. Both remaining schemes are above threshold Works contracts and so a procurement route compliant with the Public Contracts Regulations 2015 will need to be determined in consultation with Corporate Procurement and Legal Services, and subject to the governance requirements of the Councils Contract Procedure Rules for proceeding to procurement.

9. FINANCIAL CONSIDERATIONS

- 9.1 As set out in paragraph 3.19, the Bromley North scheme is not currently financially viable based on current estimated scheme costs, GLA grant levels and Public Works Loan Board (PWLB) borrowing rates (which is the rate that would also be used for any internal borrowing). At the time of the report in June 2021, 40 year PWLB rates were at 2.16%; as at 4th November 2022 they were at 4.58%.
- 9.2 Similarly, initial estimates indicate the Beckenham scheme may not be financially viable; however as set out in paragraph 3.26 there is more work to be done on this scheme. In the event that this or other changes mean that either scheme becomes viable then a report including full financial details of the proposed schemes will be brought back in due course with any proposals to proceed with the schemes and to commence any procurement exercises.
- 9.3 Based on the estimated numbers of affordable homes that could be delivered on the Bromley North and Beckenham sites, the schemes would result in savings on temporary accommodation of around £270k and £149k per annum respectively, although this would result in foregoing potential capital receipts from disposing of the sites estimated at £5.6m and £1.3m respectively.
- 9.4 Following completion of the procurement exercise for the West Wickham scheme a report will be brought for Member consideration which will include full financial details.

10. LEGAL CONSIDERATIONS

- 10.1 The Council has various statutory powers to provide, maintain and improve housing in particular under the Housing Act 1985), In addition, the council has the general power of competence to do anything an individual could do under section 1 of the Localism Act 2011 which is underpinned by the councils local Regeneration and Housing policies. All projects must be looked at separately and at all times kept under review to ensure the legal compliance. Consideration here should be given to the council's land ownership issues, appropriation duties/powers, CPO's, best value ,subsidy control, planning powers ,tax and the benefits or otherwise of using the Housing Revenue Account.
- 10.2 It is apparent from this report that projects will require that certain building works will be undertaken to develop sites. Such public building works would appear to involve the provision of homes (affordable and non-affordable) and other civic facilities on council land,
- 10.3 The Public Contracts Regulations 2015 (Regulations) apply to the acquisition of works above a threshold (currently £4,269,550 excluding vat) and professional service (170,782 excluding vat). As to whether works and/or services fall within the Regulations is a matter which will require further detailed analysis.
- 10.4 In order to reach implementation, each project will need to ensure it complies with the Councils Contract Procedure Rules and internal decision-making approval under the Councils' Constitution and all external funding requirements such as grant funding together with stakeholder engagement/consultation. Officers should seek specific legal advice any issue as may be appropriate.

Non-Applicable Sections:	Personnel considerations; IT and GDPR considerations
Background Documents: (Access via Contact Officer)	HPR2020/024, HPR2021/037, HPR2021/059, HPR2022/003 Regeneration Strategy 2020 – 2030 Housing Strategy 2019 – 2029