

MEETING TITLE AND DATE:

Cabinet
17th September 2014

REPORT OF:

Director of Health, Housing & Adult Social Care
 Director of Finance, Resources and Customer Services.

Agenda – Part 1:	Item: 13
Subject: Small Housing Sites: Five Year Programme Wards: All Key Decision No: KD 3920	
Cabinet Member consulted: Councillor Oykenner	

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1. EXECUTIVE SUMMARY

- 1.1 The Council has made progress with the Small Housing Sites (Phase 1) project with the developer Kier now progressing site works. This report identifies an opportunity to bring forward the development of a site on Ordnance Road in Enfield and include it as part of this project.
- 1.2 The report seeks authorisation to initiate the Small Housing Sites (Phase 2) project, and a budget to progress design work with the objective of delivering a minimum of 100 new homes.
- 1.3 This report then sets out the Council's approach for developing Council owned sites across the borough for housing as part of a 'Small Housing Sites: rolling programme', and it identifies the resources needed to deliver future phases of the programme.

2. RECOMMENDATIONS

It is recommended that Cabinet;

- 2.1 **authorise** the inclusion of the former Ordnance Public House & Kettering Hall site as part of Small Housing Sites (Phase 1) project and delegate authority to the Director of Health, Housing and Adult Social Care, the Director of Finance, Resources & Customer Services and the Cabinet Member for Housing & Estate Regeneration and the Cabinet Member for Finance, to authorise the development strategy.
- 2.2 **authorise** the initiation of the Small Housing Sites (Phase 2) project, in accordance with the contents of this report.

- 2.3 **note** that a Cabinet report will follow in 2015 with a detailed options appraisal for the Small Housing Sites (Phase 2) project with a recommended development strategy and associated budgetary requirements.
- 2.4 **note** the intention for the Development & Estate Renewal team to undertake pre-design work on additional sites to enable further phases of the Small Housing Sites programme to be brought forward.
- 2.5 **note** the approach to consultation in paragraphs 3.14, and 3.23 to 3.26.

3. BACKGROUND

- 3.1 Enfield Council is committed to delivering new homes through the ambitious housing development and estate renewal programme. The draft Housing Development Strategy (KD3369) sets out the approach that the Council is taking to developing and re-developing land for new housing.
- 3.2 The Council has made considerable progress in the delivery of housing development and estate renewal projects. Construction has been underway on Highmead in Upper Edmonton since 2013, and so far in 2014, Ladderswood in New Southgate and has started on site, and Dujardin Mews in Ponders End and the Small Housing Sites (Phase 1) project will follow.
- 3.3 On both the Small Housing Sites project (Phase 1) and Dujardin Mews, the Council is developing new council homes, following the increased borrowing power as a result of government reforms to the Housing Revenue Account and partly due to the innovative development model using public funding. The Council has also established a new wholly Council owned subsidiary company or 'Special Purpose Vehicle' for new build housing, known as "New Foundations" (KD380 – 'Special Purpose Vehicle for new build Council Homes).
- 3.4 The Council is keen to step up the momentum for housing delivery, and is seeking to pursue opportunities to develop its land for housing to address demand and need. It is noted that there are supply shortage issues with the London housing market, the effects of which are impacting on Enfield. Increasing housing supply is an agenda which has the backing of all the mainstream political parties at the national level, as well as the Greater London Authority and local levels.
- 3.5 This report sets out an approach for developing a number of small sites across the borough for new housing to help increase supply and to provide much needed affordable homes. The strategic objectives for the proposed projects in this report are consistent with the following in the draft Housing Development Strategy (KD3369):

Housing led developments can contribute to the Fairness for All aims by ensuring:

- 1) A balanced mix of housing tenures across the borough which meets the needs of everyone
- 2) The creation of more cohesive neighbourhoods by designing out physical barriers

3) New developments to focus on achieving successful places and be of the highest architectural quality

Housing led developments can contribute to the Growth and Sustainability aims by ensuring:

- 4) New developments can meet environmental challenges and minimise energy bills
- 5) The net supply of new housing is significantly increased
- 6) Local people and businesses are the principal beneficiaries of housing led growth

Housing led developments can contribute to the Strong Communities aims by ensuring:

- 7) Local stakeholders have a real opportunity to guide housing development proposals
- 8) Affected residents have the choice of a new home in the regeneration area
- 9) Opportunities for local people to manage new homes
- 10) New housing and facilities to address the health and wellbeing needs of residents

3.6 The strategic objectives above will inform how the Council delivers its housing development projects. Members will continue to be engaged throughout, and there will be an emphasis on engaging local communities and stakeholders

3.7 This report outlines immediate, medium and longer term opportunities and proposals for managing these opportunities;

1. The opportunity to bring forward the development of a deliverable site on **Ordnance Road** early.
2. The intention to initiate the next project; **“Small Housing Sites (Phase 2)”**.
3. The intention to begin planning for future phases of a **“Small Housing Sites Rolling Programme”**.

ORDNANCE ROAD: FORMER PUB & KETTERING HALL SITE

Background and work undertaken to date

3.8 This Council owned site on Ordnance Road, in the northeast of the borough includes land that used to be occupied by a public house known as “the Ordnance” and land occupied by Kettering Hall community centre (refer to the Plan at Appendix 2). As part of the redevelopment of the library on the corner of Ordnance Road/Hertford Road, for a new Joint Service Centre which will be completed in the autumn, a temporary library is currently being provided on the site. The new Joint Service Centre will provide a new library, GP surgery, dentist and community space when completed. This will enable the site to come forward for a development that will include new homes.

3.9 Design capacity work undertaken by the Council’s Urban Design team, which has been endorsed at a Strategic Applications Review, shows that a scheme of

between 24 and 26 units is deliverable on this site. The opportunity to include community space has also been explored.

Further design and next steps

- 3.10 It was intended initially for this site to form part of the Small Housing Sites (Phase 2) project, however in order to achieve faster delivery of housing it is proposed that this site is brought forward as part of the Small Housing Sites (Phase 1) project. This can be achieved because an option for 'additional sites' was included in the procurement for the Phase 1 project, and as a result a provision for additional sites has been included in the Development Agreement.
- 3.11 This report recommends that the Council agrees a budget with the developer or contractor, in accordance with the procedure set out in the Development Agreement to enable them to contract with the most competitive firm of architects that were recommended by Council officers. The intention is that once architects have been appointed, they will be instructed to design options, in consultation with key stakeholders up to concept design stage. Based on the design proposals, an options appraisal for the Ordnance Road development will consider a range of funding options.
- 3.12 This report seeks delegated authority so that the Director of HHASC, the Director of Finance, Resources and Customer Services and the Cabinet Member for Housing & Estate Regeneration and the Cabinet Member for Finance can authorise the recommendation from the options appraisal which will consider a number of variations of two broad options; either the disposal of the site, or for the Council to borrow the money and develop the site. This options appraisal will consider grant funding options from the GLA, the use of Right to Buy receipts, the inclusion of community space, and whether the new homes should sit in the Housing Revenue Account, or in the new Special Purpose Vehicle. All of these variations have different financial implications and there is an opportunity cost to consider of using Right to Buy receipts within the timescales to meet the deadline set by the Department for Communities and Local Government.
- 3.13 If the options appraisal shows that a Council development is preferable, the appointed architects will progress the detailed design work and submit a planning application on behalf of the Council for the appointed developer to start construction later in 2015. Cabinet authority will be sought to either dispose of the site or to borrow the funds to finance the cost of construction.

Community Consultation

- 3.14 The intention is that consultation on options with key stakeholders will take place to inform the design proposals as a more detailed option is progressed. One of the design options will include a flexible community space. The consultation would be facilitated by the architects and held locally in the form of a 'drop in' event, at a local community building.

SMALL HOUSING SITES (PHASE 2)

Feasibility undertaken to date

- 3.15 A significant number of smaller scale development opportunities have been identified on Council owned land held within the Housing Revenue Account. The sites predominantly include existing or former garages, un-developed land or land that is considered to be underutilised on housing estates. Consideration of opportunities to increase densities by building on top of existing structures will also be explored further as part of the commission for a firm of architects and their sub consultants (including structural engineers). In addition, opportunities for smaller scale estate renewal will be explored, where blocks are of approximately 50 units or less, and are not affected by the forthcoming estate renewal programme.
- 3.16 To date, colleagues in Urban Design have been carrying out capacity analysis work on a number of sites, with the objective to maximise the number of homes with regard to planning policies and design guidance which include but are not limited to;
- the Enfield Core Strategy (2010); particularly with regard to the mix of family units across the site.
 - the draft Enfield Development Management Document (2014); particularly with regard to distancing standards, amenity space and parking provision.
 - the London Plan; with regard to density and unit space standards, amongst other policies.
 - the London Housing Design Guide; particularly with regard to aspect, layout and communal areas.
- 3.17 The feasibility work to date indicates that there are a number of viable housing sites. The design proposals have all been taken through the *Strategic Applications* meetings for feedback from colleagues in Development Management, Planning Policy and Traffic & Transportation.

Architectural design and next steps

- 3.18 The intention for the Small Housing Sites (Phase 2) project is to appoint an architect led team to design schemes, as part of a two stage appointment.
- 3.19 Subject to reviewing results of searches for statutory undertakers and services, the appointed lead architect will be instructed to design concept residential development schemes up to an appropriate level of detail (Stage 2 of the RIBA Plan of Work 2013 or equivalent), before publicly consulting affected residents and stakeholders. RIBA Stage 2 concept designs will be of sufficient detail to articulate proposals effectively for the initial consultation with stakeholders, including the community, members and officers. The consultation can inform any revisions to the design proposals, particularly around landscaping preferences and materials.
- 3.20 Once concept proposals have been informed by the consultation, an options appraisal will be undertaken. The results of the options appraisal along with a recommended development strategy for the project will be presented in a report

to Cabinet in 2015. If Cabinet so decides the architect team can be instructed to work up plans for sites and planning applications submitted. Further statutory consultation will be undertaken with key stakeholders as part of the planning process.

- 3.21 Due to the potentially sensitive nature of the sites, their context and location, it is recognised that a comprehensive approach will be required to ensure that affected communities are supportive of the approach that the Council is taking. This may require a number of environmental interventions; from re-landscaping existing amenity space and public realm, or re-modelling and formalising parking arrangements to the benefit of affected nearby residents. Taking a comprehensive approach with environmental and landscape design improvements will increase the capital cost of the project however it will improve the quality and value of the individual schemes and existing neighbourhoods which will realise the benefits.

Community Consultation

- 3.22 Consultation with stakeholders is critical to the outcome of this project. Some sites could require re-housing existing residents and therefore any consultation will need to be handled sensitively. The majority of other identified sites are adjacent to existing residential properties and will therefore require sensitively handled consultation.
- 3.23 Prior to any consultation with residents, senior officers, the lead member for Housing & Estate Regeneration, and appropriate ward members will be briefed on the concept design proposals so that they are aware of implications for any affected residents.
- 3.24 With the less complicated sites that do not have any re-housing implications, the intention is to progress the concept design work and invite all affected stakeholders including residents from neighbouring properties to consultation events. Where the smaller sites are in geographic proximity, affected stakeholders will be invited to one event that will showcase concept design proposals, and asked to provide feedback which can inform any design revisions.
- 3.25 Where sites have re-housing implications, individual visits or meetings with tenants / leaseholders will be held prior to any public display of any design proposals. The Council would have a statutory duty to re-house any residents displaced by demolition or major works to existing residential blocks.
- 3.26 The Council could also consider devising local lettings plans for new build housing to prioritise existing Council tenants.

Options Appraisal and Recommended Development Strategy

- 3.27 The results of this options appraisal and recommendation will be presented in a report to Cabinet in 2015.
- 3.28 The options appraisal for Small Housing Sites (Phase 2) will consider how best to package the sites for development, and whether the Council will look to fund

the development and procure a build contractor through a design and build contract, or dispose of the land.

3.29 Broadly, the options appraisal will compare the residual value of the sites as a land package (or as different land packages) against the net present value based on borrowing requirements for the Council to pay for construction itself and finance it through rental payments or private for sale units. The options appraisal will evaluate and model a number of variations with consideration of but not limited to the following;

- Disposal of all sites, or some of the sites, or some completed homes
- Council funding the development, with homes being held in the Special Purpose Vehicle, or in the Housing Revenue Account, or variations of both.
- The use of subsidy options such as GLA grant or Right to Buy receipts
- Opportunities for marketing the smaller sites as self-build housing plots
- Different tenures including private rent

3.30 Where sites are considered too small to be economically viable as part of a development package for a larger builder/contractor or developer, they may be considered for SME or self-build development, and marketed accordingly. This could include a straight disposal option or the inclusion of a planning brief and/or conditions. These alternative options for the smallest sites will be explored in the options appraisal.

Programme

3.31 Due to the number of different sites, and given the fact that some sites will have re-housing implications or require acquisition and negotiation, it is anticipated that some issues may take longer to resolve. The Project Manager will constantly review the critical path and if there is a risk that the project could be delayed, and that the remaining sites can make the project viable then a decision can be taken to push a site back into a future phase of the programme.

FUTURE PHASES: SMALL HOUSING SITES 'ROLLING PROGRAMME'

3.32 The intention is to deliver new build Council led housing developments through a Small Housing Sites 'rolling programme'. This could continue on an ongoing basis with each subsequent phase being delivered as a separate project. This approach would require a commitment from the Council to ensure the continuous delivery of new housing.

3.33 A rolling programme will in the short term, require use of external commissions to identify opportunities for developing underutilised land and assets. Existing and additional Council resources and commissions will be identified at a later date when further feasible sites have been identified. He part 2 report lacks authority to commission consultants to identify sites for future phases of the programme.

4. ALTERNATIVE OPTIONS CONSIDERED

Land at former Ordnance Public House & Kettering Hall site

“Do nothing”

- 4.1 With the public house now demolished, and the library facility soon reverting to the new Joint Service Centre, this site will soon be available for development. Given that the site is in the Council’s ownership, it has the ability to bring it quickly back into a use which is important for the vitality and vibrancy of the local area. Doing nothing would be an irresponsible waste of an asset.

“Put in Small Housing Sites Phase 2”

- 4.2 For the same reason as above, bringing this site forward as part of the Phase 1 project would enable the completion of much needed housing sooner, than if it was part of the Phase 2 project.

Small Housing Sites (Phase 2) project

“Do nothing”

- 4.3 The identified sites include Council owned land that is considered to be underutilised, in terms of its potential social, economic and environmental potential. The garage sites in particular, are land assets that are particularly underutilised given the low levels of occupancy.

“Disposal of sites without design/planning”

- 4.4 Identified sites could have been marketed without any indicative design capacity work, or the need for any more concept architectural design work. Design work will enable a more comprehensive options appraisal to be undertaken and this will include an option for disposal which can be considered by Cabinet at a later date.

Small Housing Sites Rolling Programme

“Do nothing”

- 4.5 Enfield is faced with a number of significant housing challenges which relate to the supply of new housing, and given the status of a number of land assets which could be better utilised, to deliver much needed new homes and potentially generate income for the Council in the medium to long term, not identifying future housing development opportunities would go against the Council’s own corporate and strategic objectives.
- 4.6 Grant funding from the GLA usually requires that schemes have been identified to meet the required timescales. Without identifying new schemes, the Council could potentially lose out on grant funding.

5. REASONS FOR RECOMMENDATIONS

Land at former Ordnance Public House & Kettering Hall site

- 5.1 This report recommends a budget to enable architects to progress design work on the Ordnance Road development site and delegated authority to authorise the recommended development strategy from an options appraisal that will be presented in a report early next year.
- 5.2 There are considerable economic, social and environmental incentives for comprehensively redeveloping this site for housing, including but not limited to;
- opportunity to build circa 25 new homes on a brownfield site and in conjunction with the Joint Service Centre, help regenerate a part of North East Enfield and use Council land more efficiently for residential and community use;
 - opportunity to accelerate the delivery of new homes by including this scheme as an 'additional site' in the Development Agreement for the Small Housing Sites Phase 1 project, by approximately 9-12 months ahead of schedule;
 - subject to a full options appraisal in a report to follow, the ability to build a number of Council homes.
 - potential to provide community space

Small Housing Sites (Phase 2) project

- 5.3 This report also recommends that Cabinet authorise the initiation of the Small Housing Sites (Phase 2) project and expenditure of a budget to enable design options to be worked up and consulted on formally with relevant stakeholders. Any decision to go ahead with any physical development or redevelopment for the Small Housing Sites Phase 2 project will be subject to further Cabinet approval.
- 5.4 There are considerable economic, social and environmental incentives for developing and re-developing these sites for housing, including but not limited to;
- opportunity to increase housing supply in Enfield with upwards of 100 new homes, and approximately 60 new homes on the market;
 - opportunity to provide approximately 40 new affordable homes in the borough;
 - opportunity to build new family housing in the borough;
 - opportunity to improve the public realm, amenity and green space with higher quality landscaping;
 - opportunity to bring brownfield sites into more efficient use;
 - opportunity to respond to the decline in Council housing stock due to the Right to Buy by building new Council homes;
 - opportunity to promote the low carbon agenda by exploring storey extension development on existing structures
 - opportunity to include employment and training opportunities

Future Phases: Small Housing Sites 'Rolling Programme'

- 5.5 This report also requests Cabinet to note the intention for future phases of the Small Housing Sites rolling programme and to authorise the appointment of consultants to identify deliverable sites. Future delivery of projects will have further resourcing implications which can be identified at a later date when sites have been identified.
- 5.6 There are considerable economic, social and environmental incentives for developing and re-developing these sites for housing, including but not limited to;
- opportunity to identify deliverable sites that can help the Council meet the objectives as set out in its Housing Development Strategy (KD3369), increase housing supply and increase the provision of affordable housing in the borough
 - opportunity to intensify development on underutilised Council land to assist with its regeneration objectives in Masterplan and Housing Zone areas;
 - opportunity to promote the low carbon agenda by exploring storey extension development on existing structures

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

6.1.1 The Financial implications are included in Part 2 of this report.

6.2 Legal Implications

6.2.1 Section 1 of the Localism Act 2011 provides the Council with the power of general competence, thus giving local authorities power to do anything that individuals may generally do. Section 2 sets out the boundaries of the general power, requiring local authorities to act in accordance with statutory limitations or restrictions.

6.2.2 When dealing with secure tenants the Council must comply with the provisions of the Housing Act 1985 in respect to the service of any demolition notices and any rehousing needed. Consent may be required from the Department for Communities and Local Government in certain cases.

6.2.3 Under the Council's Contract Procedure Rules ("CPR's"), the Council will be required to carry out a formal tender to procure the services of the architect(s) where the contract value exceeds £50,000. The Council should also be mindful of the EU thresholds and compliance with the Public Contracts Regulations 2006.

6.2.4 The award of contract to the architect(s) must be value for money in accordance with the Best Value principles under the Local Government Act 1999.

6.2.5 The legal agreements relating to the appointment of contractors and development of the respective sites) will need to be in a form approved by the Assistant Director (Legal Services).

6.3 Property Implications

6.3.1 This report is seeking authority for the appointment of consultants and associated feasibility studies. These appointments have no property implications.

6.6.2 In order to assist with the feasibility studies Property Services will need to consider the implications of the design proposals on the land being proposed for development. There will be a resource requirement to enable this to happen.

6.6.3 The property implications identified will be detailed in the further Cabinet reports seeking authority to develop the sites identified for development.

6.6.4 All third party occupations will need to be terminated and vacations achieved before the commencement of development.

7. KEY RISKS

Financial Viability – general

A Core Strategy compliant scheme may not be viable for the Council both in terms of achieving the minimum level of affordable housing, or family housing. This will need to be tested from further design capacity work design and through various iterations, shape the outcome of the bedroom mix across the sites. Different funding and procurement methods could improve viability for the Council and any development partners.

Resident and Community – general

There may be opposition to any proposals for the development of these sites from local residents who may be resistant to change. The risk of opposition can be mitigated in a number of ways:

- Comprehensive approach to development as explained in paragraphs 3.17 to 3.18, along with inclusive consultation as explained in paragraphs 3.19 to 3.23.
- The Council could consider a number of social interventions such as devising a local lettings plan for new build housing to prioritise affected estate residents.
- Ensuring that consultation is direct and tables proposals which will be attractive to local communities.

8. IMPACT ON COUNCIL PRIORITIES

Fairness for All

- 8.1 The identified opportunities are evenly distributed across the borough, which could bring new housing and investment across Enfield. The project aims to provide new high quality housing for different tenure and affordability levels.
- 8.2 For some of the sites, there may be re-housing implications for Council tenants. Where existing housing units are redeveloped, the project will seek to provide replacement higher quality accommodation, to tackle inequality.
- 8.3 New development may have an impact on surrounding residents, particularly in the short term with disruption from construction, and potentially changes to car parking provision. There may also be a loss of communal space or amenity space resulting from proposals.
- 8.4 To mitigate any negative effects as far as possible, the Council and the appointed architects will work with affected residents to find effective design solutions. New development proposals will aim to provide higher quality landscaping, public realm and amenity space for existing residents.

Growth and Sustainability

- 8.5 The project aims to increase housing supply, and to maximise affordable and family housing. The proposed developments will, subject to viability, aim to achieve the tenure mix of the Council's Core Strategy which promotes sustainable and balanced, mixed tenure residential development.
- 8.6 The project aims to achieve high quality architectural and landscape design which can positively contribute to the built environment of communities. The new homes will achieve a high level of energy efficiency and sustainability.
- 8.7 Achieving the above will contribute to the Council's regeneration objectives, given the fact many of the sites are already in priority areas, or in other deprived areas which are in need of investment.

Strong Communities

- 8.8 The project will see investment into Enfield communities to provide much needed new housing. Local communities will be involved in the process and consulted on design proposals.

9. EQUALITIES IMPACT IMPLICATIONS

- 9.1 An Equalities Impact Assessment has been undertaken for Small Housing Sites (Phase 1). For the Phase 2 project, and all future phase, a full Equalities Impact Assessment will follow.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

10.1 There are no performance management implications resulting from this report.

11. PUBLIC HEALTH IMPLICATIONS

11.1 Redevelopment of the Councils land to provide new housing accommodation, facilities, public realms and amenity space could have a number of benefits for public health in the borough. The public health implications for the Small Housing Sites (Phase 2) project and future phases will be updated more compressively at a later date when firmer design proposals have been worked up.

12 HR IMPLICATIONS

12.1 The Small Housing Sites rolling programme will require a full time Project Manager post within the Development & Estate Renewal Team as a flexible resource.

12.2 This post will be filled by an existing staff resource within the Development & Estate Renewal Team, which could necessitate a replacement member staff.

12.3 The project manager role will be required from the initiation of the project up until the end of the last likely start on site date, approximately 18 - 24 months from now.

12.4 In addition, a project officer or project manager may be required to liaise with the appointed contractor throughout the construction programme if the Council chooses to develop the land and pursue a Design & Build contract.

Background Papers

None

Appendix 1 – Indicative Timescales for Small Housing Sites Phase 2 and Ordnance Road

Appendix 2 – Red Line Plan for the Land at the former Ordnance Road Public House & Kettering Hall site