

CABINET

19 April 2016

Title: Council-Owned Infill Sites for Residential and Temporary Residential Development	
Report of the Cabinet Members for Housing and Regeneration	
Open Report	For Decision
Wards Affected: Heath, Village, Thames, Becontree, Mayesbrook, Eastbury & Goresbrook	Key Decision: Yes
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Accountable Divisional Director: Jeremy Grint – Divisional Director of Regeneration	
Accountable Director: John East – Strategic Director of Growth and Homes	
Summary <p>The Council's new build and Reside residential development programmes have successfully provided over 1200 new affordable homes since the first Council New Build schemes in 2010. An additional 550 are either in the planning stages or currently under construction. These schemes have included Estate Renewal sites, off plan purchases from developers and council owned infill sites. These schemes have been built on sites made available from;</p> <ul style="list-style-type: none">• Estate Renewal projects• Developers as off plan purchases• Council owned infill sites. <p>In November 2012 Cabinet gave approval for 18 Council-owned vacant or under-used sites to be brought forward as development sites for new affordable housing delivered by the Council. The sites were a mix of garage sites, car park sites and green sites with low amenity value and not protected in the Local Development Plan.</p> <p>Following further surveys, consultation and design development work, developments on 3 of these sites have now been completed producing 32 homes and a further 3 sites are due to start on site this year producing a further 69 units. The remaining sites in the original report will still remain under review for future development.</p> <p>This report recommends a further 14 sites with a potential for residential development to provide a sites pipeline to enable the borough to meet its Right to Buy One-for-One re provision target and its ambition to grow shared ownership opportunities.</p> <p>The report highlights 5 of these sites that could be suitable, subject to planning, for the provision of modular development to provide temporary housing to address the serious shortfall of Temporary Accommodation in the Borough. Barking and Dagenham is facing</p>	

a significant housing and homelessness challenge. Housing need continues to outstrip supply, particularly affordable housing supply. Additionally benefit reductions are compressing household incomes and making most forms of accommodation inaccessible to many. This position is aggravated by the significant retreat of private sector landlords from the temporary accommodation market triggered by the government's welfare reform programme and rising rents and house prices.

Recommendation(s)

The Cabinet is recommended to:

- (i) Agree the bringing forward of the 14 new infill sites for residential development in addition to the remaining sites agreed by Cabinet under Minute 53 (13 November 2012) as listed in the report, subject to further feasibility and planning work to determine the number of new units and funding arrangements and consultation with relevant Ward Members;
- (ii) Agree that the sites at Sugden Way, Mellish Close, Naseby Road and Woodward Road be used as Temporary Housing sites, subject to further feasibility and planning work to determine the number of units and funding arrangements;
- (iii) Agree to cease the letting of garages on the infill sites listed in the report with immediate effect;
- (iv) Delegate authority to the Strategic Director for Growth and Homes, in consultation with the Strategic Director for Finance and Investment, the Director of Law and Governance and the Cabinet Members for Finance and Regeneration, to agree terms and detailed financial cost plans and procure the design, consultancy and related services and works necessary to realise the developments proposed in the report, and to award and enter into all necessary and appropriate contracts and documentation to realise each scheme;
- (v) Delegate authority to the Strategic Director for Growth and Homes, in consultation with the Cabinet Members for Finance and Regeneration, to determine the prioritisation of the 14 sites listed in the report and the remaining sites from the November 2012 report taking into account factors such as the outcome of public consultation, the likely delivery timescales and funding availability;
- (vi) Approve the commencement of further capacity studies and concept design work for the former Weighbridge site adjacent to the Goresbrook Leisure Park and note that a further report will be presented to Cabinet to decide on the final development options;
- (vii) Approve the commencement of further capacity studies and concept design work for the Transport for London owned Gale Street site adjacent to Becontree Station with a view to acquiring the site for residential development and note that a further report will be presented to Cabinet to approve the terms, development parameters, delivery options and funding proposals;
- (viii) Agree, in principle, to the site at 90 Stour Road being included into the Becontree Heath Master plan delivery proposals, subject to advice on procurement and further study on the implications for the adjacent HRA residential units and note

that a further report will be presented to Cabinet for final approval;

- (ix) Approve the commencement of high level concept design development work for the current Royal British Legion site in Rectory Road including a full study of the options for inclusion of the adjacent Council owned car parks and housing sites with a further report being presented to Cabinet for final approval; and
- (x) Agree to funding being included within the HRA Capital budget from 2016/17 onwards for the named HRA sites.

1. Introduction and Background

- 1.1 In November 2012 Cabinet gave approval for 18 Council-owned vacant or under-used sites to be brought forward as development sites for new affordable housing delivered by the Council. The sites were a mix of garage sites, car park sites and green sites with low amenity value and not protected in the Local Development Framework.
- 1.2 Following further surveys, consultation and design development work, developments on 3 of these sites have now been completed producing 32 homes and a further 3 sites are due to start on site this year producing a further 69 units. The table in Appendix 2 sets out the sites in the existing infill programme and an update on development.
- 1.3 In order to continue the Council's track record for the provision of new affordable homes and meet it's One-for-One Right to Buy re-provision requirements we must continue to find sites that can be developed utilising the HRA New Build Capital and other available funding sources.
- 1.4 The approval of the sites listed in this report will enable the Council's New Build programme to maintain momentum whilst bringing forward sustainable development on sites that have often become difficult to manage and maintain due to fly tipping and anti social behaviour.
- 1.5 The report also identifies 3 other sites that are suitable for residential development that are currently owned by the Council, Transport for London and the Royal British Legion. The sites at 90 Stour Road, Gale Street and Rectory Road are not cleared for development currently but may have the potential for larger scale residential development. Further details about these sites are contained in the proposals and issues section below. The scale of these sites makes them suitable for mixed tenure development possibly using the Council's Reside model or disposal to developers. All three sites require further work to refine the delivery proposals and will require separate Cabinet reports to agree these in due course.

2. Proposal and Issues

- 2.1 This report presents a list of 14 sites for high level approval to enable officers to develop schemes for inclusion in the Council New Build programme and development programmes. Further work is required on these sites to assess ground conditions, access and capacity.

- 2.2 The sites will be developed over the next 5 years, until approximately 2021 for affordable housing. The most appropriate mix for each site in terms of size and design will be confirmed once further feasibility work has been undertaken. These more detailed proposals for each site would be discussed with the Cabinet Member for Housing at the relevant Portfolio meeting before consultation with the relevant Ward Members. All the schemes will be subject to planning and detailed consultation with the local community during design development.
- 2.3 The final scheme cost plans for each site will be drawn up alongside the detailed design proposals. The cost of development of these sites will be funded via the HRA Capital unallocated New Build funding or in the case of the larger sites delivery via the Councils Reside Housing Company through appropriate approved general fund borrowing.
- 2.4 The current HRA Business Plan identifies £33.22m for New Build in 2016/17 and a further £65.38m until 2020/21. This level of Capital Programme spending is required to utilise the current level of Right to Buy receipts for One-for-One re-provision. The schemes would require a small feasibility budget for survey, concept design and capacity works and would then be presented for inclusion in the New Build programme via the relevant Portfolio Member and Officer meetings and Capital Programme Cabinet reports.
- 2.5 The table below details the site addresses, size, existing use, local issues and context and Appendix 1 provides a series of maps showing the locations of the sites

Map Ref	Site Address	Existing Use/ Planning comments	Size	Ward	Capacity	Notes
1	Ellen Wilkinson House Naseby Road, Dagenham	HRA garage site and amenity green	0.07HA	Heath	To be confirmed – HRA delivery	Small site adjacent to 3 storey blocks – new access road will be required to maintain rear access to dwellings in Naseby Road – possible use for Temporary Housing to review future Estate Renewal potential
2	Exeter Road, Dagenham	HRA amenity land	0.146HA	Village	3 Bungalows – HRA Delivery	Small difficult shape site – possible additional bungalow development
3	Former Weighbridge site adjacent to Goresbrook Leisure Park	General Fund site Old public Weighbridge	0.641HA	Thames	TBC but in the region of 15 – 20 units – Possible Reside /General Fund Delivery or disposal	Large site – emerging proposals for the adjacent sites will need to be considered, mixed tenure development may be more appropriate due to the size of the site. Richard Ryan Place could be extended to give access.
4	Land to the rear of 134 Becontree Avenue, Dagenham	HRA disused remote gardens Housing have confirmed none are in use as gardens or have been sold via RTB	0.03HA	Becontree	4 Houses –HRA Delivery	Site would suit terrace infill and would require off street parking provision
5	Roosevelt Road, Dagenham	HRA vacant Garage Site – some additional amenity greens could also be included	0.08HA	Village	4 units - HRA Delivery	Long access road will need consideration for emergency vehicles, would suit Bungalow type development.
6	Land to the rear 296 Lodge Avenue, Dagenham	HRA Car park and part amenity land for adjacent flats	0.12HA	Mayesbrook	TBC following more detailed site review – Delivery method will be dependant on the final scale of the scheme	Adjacent to Mayesbrook Park, possible bungalow development or consideration for Estate Renewal programme to provide a larger number of homes.
7	Wivenhoe Road, Barking	HRA cleared site formerly garages	TBC	Thames	9 Houses – HRA Delivery	Large open former garage site with easy access. Close to railway so BAPA would be applicable and conditions will be made for planning due to the location near High Speed 1.
8	Sugden Way, Barking	HRA vacant garage site	0.12HA	Thames	TBC following the completion of Modular housing research	Potential site for Temporary/flexible housing

9	Mellish Close, Barking	HRA vacant garage site Allocated in the adopted Local Plan as a minor housing site.	0.097HA	Eastbury	TBC following the completion of Modular housing research	Potential site for Temporary/flexible housing
10	Woodward Road – Garage site behind the Julia Engwell Clinic	HRA vacant garage site	TBC	Mayesbrook	TBC following the completion of Modular housing research	Potential site for Temporary/flexible housing
11*	Gale Street adjacent to Becontree Station bridge	TfL land - included as the land is adjacent to Council sites and TfL are proposing to sell the site to deliver residential development	TBC	Mayesbrook	TBC following more detailed site analysis but in the region of 20 – 30 flat units	Site is adjacent to a District Line station so may be appropriate for mixed tenure apartments.
12	Land adjacent to 186 Goresbrook Road	vacant space in between current housing – not amenity land	TBC	Goresbrook	2 Houses – HRA Delivery	Unused garden land. Currently fenced and overgrown.
13*	Royal British Legion building Rectory Road and car park	The building is currently owned by the Royal British Legion and the adjacent car park by the Council	0.11ha	Village	TBC following more detailed site analysis and design work but in the region of 20 -25 flat units	Issues set out in section 2.8 below
14*	90 Stour Road – former Council Office with upper floor parking	Issues set out in section 2.7 below	TBC	Heath	Circa 70 units – Developer led Delivery with units in lieu for the HRA	Issues set out in section 2.7 below

*more detail for these sites is contained in paragraphs 2.6 – 2.8 below

- 2.6 **Land Adjacent to Becontree Station** - This site is currently in the freehold ownership of Transport for London with a number of leasehold occupiers. TfL have identified this site for disposal to raise money to contribute to improvement works at Becontree Station including step free access. They have approached the Council to enquire if we would be willing to acquire the site for residential development – this report seeks the in-principle agreement to work towards this aim with subsequent report being brought to Cabinet to agree the exact terms and funding arrangements.
- 2.7 **Former Council Office and upper floor car parking at 90 Stour Road** – Cabinet agreed the disposal of the leasehold interest of this site for best consideration in January 2015 (minute No 90 refers). Following further discussion with the Portfolio holder officers were asked to look at the possibility of the inclusion of this site into the wider Becontree Heath Masterplan proposals as the adjacent site at No 2 Stour Road is included in this project.
- A concept design and capacity study has been completed showing that circa 70 units could be provided on this site. A number of other issues will need further consideration including how this is procured and the possible inclusion of the current HRA block that sits between No 90 and No 2 Stour Road. This report therefore only seeks the in principle agreement to this site being brought forward subject to the above and will be brought back to Cabinet for final approval.
- 2.8 **Royal British Legion (RBL) club Rectory Road** – Cabinet approved on 9th March 2016 to lease the former Rectory Road Library building to the RBL on commercial terms and for the Council to commence negotiations to purchase the current RBL site in Rectory Road for residential development, the Council already owns the adjacent car park site. No high level design, feasibility or capacity studies have been undertaken on this site to date but the site area at 0.11ha with clear street frontage and access provides an ideal residential development site with the possibility of a wider comprehensive scheme if the adjacent HRA blocks are included. This report seeks the in principle approval for officers to look at delivery options and present a full report to Cabinet in due course.
- 2.9 All but one of the sites identified have not been allocated for housing in the Council's adopted Local Plan and none have any special designation or protection. Mellish Close (Map ref 9) is allocated in the Site Allocations DPD for housing sites. The development of these sites would therefore not conflict with the Borough's planning or environmental policies.
- 2.10 The borough is facing a serious housing and homelessness challenge – in January 2016 there were 14,000 households on the waiting list and another 1,700 households in some form of temporary accommodation. Footfall and calls to the Housing Advice Service have increased over 100% in the last two years while the total number of homeless decisions in 2014/15 stood at 1,900, dwarfing the 408 recorded in the previous period. Additionally in 2014/15 the service undertook interventions in nearly 2,000 cases thereby preventing a homelessness situation.
- 2.11 The situation is compounded by the fact that the housing supply position is challenging. Due to soaring rents and demand the private rented sector is difficult to access with average borough rents between £1,250 and £1,300 per month. The average house price in Barking and Dagenham at £309,760 (January 2016) is

entirely inaccessible to anyone on a median local salary (£24,400 January 2016). The Council itself has a stock of around 18,500 homes but only an average of 600 a year become available for re-letting. Outstanding planning permission exists for 13,000 homes and while estate renewal and regeneration sites have all contributed to new supply, the net additional gain of affordable homes over the last five years has amounted to 1,976 properties.

- 2.12 The homelessness challenge is expected to worsen with the implementation of further welfare reforms. 1,400 households have already been affected by the cut in the Spare Room Subsidy (aka “Bedroom Tax”) while 1,500 households have received Discretionary Housing Payments with 541 households capped at £26,000 – 86% of which were supervised by the government’s Troubled Families Programme. With the implementation of further reforms our modelling suggests significant further pressures and increased demand on housing advice and homelessness services across at least the next five years.
- 2.13 With this demand forecast to increase and the supply in the private rented sector becoming scarce the use of expensive nightly paid accommodation is likely to rise. Officers have been completing research and have undertaken a number of site visits with the relevant Cabinet Members to look at a number of temporary, off site manufactured housing products that present the opportunity to secure short to medium term cost effective accommodation utilising the sites identified in the list above.
- 2.14 Subject to the normal site feasibility services, the provision of utilities connections and planning of sites could be brought forward quickly (within 4-5 months) to provide housing for a period of up to 5 years. Most of the products available are able to be relocated when the permanent plans come forward for these sites.
- 2.15 Whilst Officers and Members have been carrying out speculative visits to carry out research into the types of products available the Council would have to undertake a fully OJEU compliant Procurement process to appoint a suitable contractor to carry out works to install services, manufacture and install the homes.

3. Options Appraisal

3.1 Options considered for all sites

No	Option	Issues
1	Do nothing – leave sites as they are	Many of these sites have been identified by Ward Members and Officers due to ongoing issues with fly tipping and anti social behaviour. Leaving these sites as they are will have resource implications for management and clearance.
2	Dispose of the sites on the open market	The disposal of these sites on the open market is possible and will generate a land receipt for the HRA. But it is unlikely that any of these sites will then deliver any affordable housing. The resulting schemes will

		only be subject to the statutory planning consultation.
3	Undertake direct delivery of the sites new Council affordable rent homes or temporary flexible housing	This is the recommended option to ensure that the Council has a pipeline of sites that along with Estate Renewal areas bring forward Affordable Housing Development for the next 5 years.

3.2 Options considered for Temporary/Flexible housing proposals

No	Option	Issues
1	Bed and Breakfast accommodation	<ul style="list-style-type: none"> • Very expensive • Limited time for use
2	Nightly let accommodation	<ul style="list-style-type: none"> • Very expensive • Limited time for use • In competition with other users of emergency accommodation
3	Houses in Multiple Occupation (HMOs)	<ul style="list-style-type: none"> • Suitable only for particular client groups • Increasingly difficult to find/access in the current housing market • Increasing rent
4	Private Sector Lets – PSL, rented property licensed to the council	<ul style="list-style-type: none"> • Soaring rents • Increasing demand • Landlords increasingly letting to in-work tenants and not the council, securing a higher rent
5	Use of council stock	<ul style="list-style-type: none"> • Cost effective • Good quality, well managed accommodation • Finite resource and massive competition for resource
6	Use of converted council stock e.g. Butler Court, Riverside House etc	<ul style="list-style-type: none"> • Cost effective • Good quality, well managed accommodation • Finite resource.
7	Provision of Temporary modular Accommodation	<p>Proposed Option</p> <ul style="list-style-type: none"> • Cost effective • Good quality, well managed accommodation • Flexible – can be moved to alternative locations • Quick delivery time (around 4/5 months per site)

4. Consultation

- 4.1 At this stage no consultation has been completed with local residents, however a number of the sites included in this report have been identified by Ward Members and Officers as opportunities for development following complaints from residents about anti social behaviour, fly tipping and the general condition of the sites.
- 4.2 Once the sites have been approved for development Officers would undertake a review of all the stakeholders, local residents groups and adjacent neighbours to seek their views on the proposals for each site. Early consultation and involvement in the design development process has assisted greatly on previous infill site developments reducing the likelihood for objections to the planning applications.

5. Financial Implications

Implications completed by: Richard Tyler, Acting Finance Group Manager

- 5.1 The capacity of the sites is yet to be determined so the overall cost of developing them will be estimated once the full unit numbers and mix are known.
- 5.2 The available new build budget of £98.6m for the five year period between 2016/17 and 2020/21 was agreed by the January 2016 Cabinet as part of the Rent Report. The sum will be allocated across a range of projects including infill sites and the redevelopment of the emerging Estate Renewal sites for the delivery of new affordable rented homes.
- 5.3 The provision of temporary accommodation for the homeless is a Housing General Fund activity and the costs of this lies outside of the Housing Revenue Account. The cost of providing the proposed temporary accommodation units, however, could still be met from HRA funding sources such as unrestricted "Right to Buy" receipts.
- 5.4 There will be a need to consider the internal land ownership of the proposed sites that are taken forward for development, with appropriations and accounting adjustments between the HRA and General Fund as required. Where this is the case, the HRA CFR will be adjusted by the relevant amount and, therefore, may reduce the HRA's borrowing headroom to fund the remaining new build programme.
- 5.5 There will be various revenue implications in terms of the direct services to these properties, such as refuse collection and street lighting; as well as impacts/demands on existing infrastructure such as schools. The construction of these new homes will, however, increase the Council Tax base and the additional revenue generated will contribute towards offsetting the revenue implications. There may also be additional revenue pressures created within Landlord Services but it is expected this can be contained within existing budget provision.
- 5.6 The 2015/16 New Homes Bonus funding was £3.76m and is expected to increase to £5.94m in 2016/17 (based on current estimates). The allocations are calculated on net gains between financial years therefore any additional new homes resulting from the final decisions taken on each of the proposals outlined in 3.1 and 3.2 will generate additional resources. The Council currently receives £7,500 New Homes

Bonus per unit on each new property, and currently there are no indications to suggest this will change.

6. Legal Implications

Implications completed by: Dr. Paul Feild Senior Governance Solicitor

6.1 By virtue of section 2, Local Government Act 2000, local authorities have the power to do anything which they consider is likely to achieve any one or more of the following objects:

(a) the promotion or improvement of the economic well-being of their area,
(b) the promotion or improvement of the social well-being of their area, and
(c) the promotion or improvement of the environmental well-being of their area.

(2) The power under subsection (1) may be exercised in relation to or for the benefit of—

(a) the whole or any part of a local authority's area, or

(b) all or any persons resident or present in a local authority's area.

6.2 Where internal property ownerships are an issue advice will be given regarding Section 32 of the Housing Act 1985 requires that, before housing land within the Housing Revenue Account can be transferred, the Secretary of State's consent must first be obtained. In many cases there will be in existence a consent order to permit the transfer.

6.3 If the changes should impact on any current tenants, S105 Housing Act 1985 provides that a landlord authority shall maintain such arrangements as it considers appropriate to enable those of its secure tenants who are likely to be substantially affected by a matter of housing management to which this section applies: (a) to be informed of the authority's proposals in respect of the matter, and (b) to make their views known to the authority within a specified period; and the authority shall, before making any decision on the matter, consider any representations made to it in accordance with those arrangements.

6.4 It is envisaged that the contracts to be procured under this recommendation, would likely be of a high value, and that the requirements of the Public Contract Regulations would apply. The Council will need to ensure that the procurement processes, in relation to the contracts awarded, comply with this legislation and are conducted in a fair and transparent manner.

6.5 Legal Services will provide advice on land title issues and support for all procurement and contractual arrangements.

7. Other Issues

7.1 **Risk Management** - These proposed schemes will be subject to the Council's internal Capital Programme Management monitoring, this process requires all of the identified project risks to be identified and mitigated via an actively managed risk management plan before approval is given for the scheme to commence. Ongoing risks and issues are managed via regular Project Team meetings and any issues requiring escalation and decision are referred to the New Build Project Monitoring Group that meets every 6 weeks.

- 7.2 **Contractual Issues** - The proposal is to deliver the schemes using the Council's existing Construction and Professional Services Frameworks to ensure compliance with both the Council's Contract Rules and the Public Contracts Regulations 2006 (as amended).
- 7.3 **Staffing Issues** - There are no staffing implications arising from this report, the procurement of a suitably qualified design team, the scheme development to planning application stage, the tender of a main contractor and the project management of the construction period can be dealt with by officers from Regeneration, Development Management and Asset and Capital Delivery in the course of their normal duties.
- 7.4 **Corporate Policy and Customer Impact** – The development of these under utilised sites will contribute to the Council Priorities of 'Encouraging Civic Pride' and 'Growing the Borough'. With reference to the latter the proposals in this report are consistent with the objectives for building new housing and sustainable communities.
- 7.5 **Safeguarding Children & Health Issues** The development of these sites for family housing will improve conditions for those families in housing need who are housed in them. The development of these sites will have a positive impact on residents by providing high quality residential accommodation. In particular, it would have a positive impact on ill health attributed to poor housing conditions and overcrowding due to a lack of housing in the Borough. General health and wellbeing will be improved as a result of improved visual appearance of the garage sites in particular, thereby increasing civic pride. Overall, bringing forward new homes would be expected to result in a benefit upon local wellbeing and an improvement of quality of life.
- 7.6 **Crime and Disorder Issues** - Section 17 of the Crime and Disorder Act 1998 places a responsibility on local authorities to consider the crime and disorder implications of any proposals. Levels of crime and disorder will be taken into consideration at the Planning stage of any new development to address the design of the built environment to improve community safety. Levels of crime and disorder vary between the sites and will need to be taken into consideration. This can be addressed in the design of projects and consultation with Secure by Design Officers early in the design stage.
- 7.7 **Property / Asset Issues** – The sites contained in this report are all with the exception of the one TFL site owned by the Council and held within either the HRA or the General Fund. They are generally run down and under utilised and not realising their full potential . The development of these projects will have a positive impact on their asset value.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- Appendix 1 – site plans
- Appendix 2 – Infill sites approved by Minute 53 (13 November 2012) - Progress and completions