

Executive Committee

12 September 2023

HRA Development - Loxley Close, Churchill, Redditch

Relevant Portfolio Holder	Councillor Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis
Report Author Matthew Bough	Job Title: Strategic Housing Services Manager Contact email: matthew.bough@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252 ext. 3120
Wards Affected	Church Hill
Ward Councillor(s) consulted	
Relevant Strategic Purpose(s)	Finding somewhere to live
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. RECOMMENDATIONS

The Executive Committee **RECOMMEND** to Council that:-

- 1) The HRA capital budget be updated as described in exempt appendix 2 to undertake all development works for the proposal at Loxley Close.

Subject to the Council agreeing recommendation 1 above, the Committee is asked to **RESOLVE** that: -

- 2) Authority is delegated to the Head of Community & Housing Services and Head of Finance & Customer Services to spend the approved budget;
- 3) Authority is delegated to the Head of Community & Housing Services to submit the development proposal for planning permission;
- 4) Subject to planning permission authority be delegated to the Head of Community & Housing Services to tender for the construction of the site through a design & build contract and other specialist consultants and surveyors to act for, or advise the Council and the commissioning of necessary reports all subject to the Council's Standing Orders and Financial Regulations.;
- 5) The properties to be let as affordable rent capped to local housing allowance (LHA) levels for Redditch.

2. BACKGROUND

- 2.1 The Executive Committee approved a Housing Growth programme and this proposal brings forward the next site agreed for development.
- 2.2 Proposed development is for 6 x 2 Bedroom, 4 Person houses on land owned by Redditch Borough Council at the end of Loxley Close, Redditch and additional parking (Appendix 2 – Proposed Site Plan).
- 2.3 Investigating the housing register has shown that there are 365 applications on the Council Housing Register waiting list for two-bedroom houses.

Banding	2 Bed Need
Band 1	27
Band 2	55
Band 3	81
Band 4	22
Band 5	171
Band 6	9
Total	365

- 2.4 The development will result in the loss of land being used for parking of approximately four vehicles at the end of Loxley Close, which has been raised as a concern by residents. To mitigate this loss, the proposed scheme identifies eight visitor parking spaces at the site entrance and the allocation of two parking spaces per plot.
- 2.5 Due to the location of the site, Churchill Brook sits approximately 20m east of the site boundary and part of the whole site area is within a flood zone 3 which is described in the National Planning Policy Framework (NPPF) as land having a 1 in 100 annual probability of river flooding reducing the developable area.
- 2.6 The Flood Risk Report confirms that the proposed development is appropriate for the flood zone.
- 2.7 In order to afford a level of protection the Environmental Agency has recommend finished floor levels are set no lower than 0.3m above the modelled design flood level and implement a sustainable drainage system (SuDS) which should integrate surface water risk management within the site and provide water quality improvements to people and wildlife.

- 2.8 All properties will be designed and built to obtain EPC A rating using green technologies such as solar PV and battery storage and built to fulfil Secure by Design requirements.
- 2.9 All properties will be designed to include, photovoltaic (PV) Panels, Air Source Heat Pumps, Electrical Vehicle Charging Points, Mechanical Ventilation Heat Recovery Systems (MVHR) and improved installation.
- 2.10 Officers are proposing to tender the development under a design and build contract, with a construction period of 10-12 months, subject to obtaining planning permission.

3. OPERATIONAL ISSUES

- 3.1 Project management/employers agent and architectural services are being undertaken by Baily Garner and the Strategic Housing Services Manager will oversee the project on behalf of the Council.
- 3.2 The allocation of the properties will follow the Council's Allocations Policy.

4. FINANCIAL IMPLICATIONS

- 4.1 Proposed development has been costed by Jorel Donaldson, Quantity Surveyor at Baily Garner.
- 4.2 The retained receipts from the Right to Buy will fund 40% of the development costs and are considered as a government grant.
- 4.3 Officers propose to set the affordable rent levels at local housing allowance rates for Redditch, to ensure affordability, whilst maintaining financial viability for the development.
- 4.4 The payback period, the time taken for the future rental income to repay the initial investment, net of RTB receipts is estimated to be 31 years.
- 4.5 The financial appraisal is shown at confidential Appendix 3

5. LEGAL IMPLICATIONS

- 5.1 The Housing Act 1985 Part II section 9 permits a local authority to build/acquire new housing.

6. OTHER - IMPLICATIONS

Relevant Strategic Purpose

- 6.1 The proposed development of new houses supports the Council's strategic purpose of "Finding Somewhere to Live" covering Housing Services delivery and development.

Climate Change Implications

- 6.2 The proposed development of new houses aims to achieve homes with an EPC rating of A. An A rating indicates the highest level of efficiency which will ensure residents have lower energy costs than average, and the impact on the environment is reduced.

Equalities and Diversity Implications

- 6.3 Allocation of properties will be in line with Councils' Allocation Policy.

7. RISK MANAGEMENT

- 7.1 There are many risks that can occur in the development of new houses, but these can be reduced considerably by Officers mitigating actions in advance.

- 7.2 Some of the main risks identified are:

- Compliance and Regulatory Risk – Introduction of new rules or legislation.
- Failure to obtain Planning Permission.
- Operational Risks and Time Delays – Availability of resources and materials. Operational risks will be mitigated by good forward planning and comprehensive programme of works.
- Unforeseen Risks - Pre-construction reports and surveys are carried out to mitigate environmental risks, such as contaminated land and flood risk etc. Risk and method statements will be compiled during the construction stage.
- Unreliable Contractors – A detailed due Diligence will be undertaken to mitigate risk. Selection of contractors through frameworks
- Cost overrun and unforeseen Costs – Financial viability studies have been carried out by officers and a contingency has been included in the overall cost to allow for unforeseen costs. The risk of cost over run will be mitigated by a comprehensive programme of works to establish early detection of the programme over

Executive Committee

12 September 2023

running. The contract agreement will include Liquidated Ascertained Damages (LADs), should the contractor not be entitled to an extension of time.

8. APPENDICES and BACKGROUND PAPERS

- Appendix 1 – Site Plan
- Appendix 2 – Exempt Appendix
- Appendix 3 – Exempt Appendix

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Craig Warhurst Portfolio Holder for Housing	25 August 23
Lead Director / Head of Service	Judith Willis Head of Community & Housing Services	24 August 23
Financial Services	Pete Carpenter Interim Director of Resources	24 August 23
Legal Services	Claire Felton Head of Legal & Property Services	24 August 23
Climate Change Team (if climate change implications apply)	Matthew Bough, Strategic Housing Manager	22 August 23