

Report to: Housing Review Board
Date of Meeting: 6 March 2014
Public Document: No
Exemption: Para 3 Schedule 12A Information relating to the finance or business affairs of any particular person



Agenda item: 16

Subject: **Potential development of three Council Houses at Normandy Close, Exmouth**

Purpose of report: This report seeks support to change a previous decision made by the Housing Review Board on the 21 June 2012 to dispose of 24 & 26 Normandy Close, Exmouth on the open market and use the receipts to construct or secure housing in Exmouth. Instead it is recommended that the Council appoint suitable contractor(s) to construct an additional house, demolish and rebuild and refurbish no's. 24 & 26 Normandy Close so that they can be added to the Council's housing stock.

Recommendation: To approve the request to change a previous decision that enables Officers to proceed to construct, refurbish and demolish and rebuild the identified properties at Normandy Close Exmouth.

Reason for recommendation: To add much needed homes to the Council's housing stock.

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Financial implications: The financial implications are included in the report.

Legal implications: To be completed by Legal.

Equalities impact: Low Impact

Risk: Medium Risk

Links to background information:

- Click here to enter links to background information; appendices online; and previous reports. These must link to an electronic document. Do not include any confidential or exempt information.

Link to Council Plan: Living in / working in this outstanding place.

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Report in full

1. Background

- 1.1 A report was presented to the Housing Review Board (HRB) on the 21 June 2012, **see Annex 1**. HRB agreed to support the recommendation, namely 'To dispose of 24 & 26 Normandy Close on the open market and use the receipts to enable further council housing to be constructed in Exmouth'.
- 1.2 Planning permission was sought for a scheme of eight units, this was withdrawn due to local objection.
- 1.3 A new planning application for a much reduced scheme has now secured planning permission (13/2003/MFUL). This comprises a new 3 bedroom council house, the demolition of an existing council property and rebuilding a 2 bedroom house, and the refurbishment of a further adjoining council house.
- 1.4 Since the HRB decision in June 2012, it has become clear that the Housing Review Account has generated a sufficient surplus that enables the council to consider building its own council houses, as well as purchasing from the open market or directly from developers.
- 1.5 It is now considered that as we have wider options available we review the earlier decision and recommend that the council should not sell no's. 24 & 26 Normandy Close with planning permission, but instead develop the site ourselves.
- 1.6 Whilst securing planning permission, we were able to secure additional information about the likely costs that this proposal might incur. Based on two other council houses we constructed a couple of years ago the initial budget estimates suggests that we would need to budget for circa £285,000, plus other specialist technical advice in the region of £15/20,000, plus a contingency amount for unknowns circa £25,000/30,000.
- 1.7 Subject to actual scheme costs we will consider constructing the two new build properties to Code Level 3 for Sustainable Homes, or if possible to Passive Haus standards, this would be a first for the Council. If we construct to Passive Haus standards we will need to consider a 'handover guide' to incoming tenants. This would enable tenants to maximise the efficiencies expected when living in a Passive Haus.
- 1.8 It is our intention to use the Senior Technical Officer – Asset Management to progress the proposed development. However, due to current commitment to other Housing projects namely the Shared House in Exmouth and a number of Garages sites in addition to other Housing related works, it is considered unlikely that the Normandy Close work would commence for at least six / eight weeks.
- 1.9 Six Right to Buy properties were sold in Exmouth last year. Combine the Normandy Close proposal with the shared house (6 bedrooms) and the proposed four flats we intend purchasing in Exmouth, this provides a total of 21 bedrooms.

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2. Funding

- 2.1 This development / property refurbishment opportunity is dependent on securing the necessary funding from the Housing Revenue Account and using Right to Buy Receipts. An approximate figure sought from the HRA is in the region of £210,000. We would also look to maximise the amount of Right to Buy receipts, this is estimated at circa. £88,000.

3. Conclusion

- 3.1 Since the HRA became self funding in April 2012 it's generated a sufficient surplus that now enables it to consider appointing contractors to build council homes on council owned land. This will help to provide much needed affordable homes, and in particular increase the Council's housing stock.
- 3.2 To enable this development opportunity to proceed will require funding from the Housing Revenue Account, as well as using Right to Buy receipts.
- 3.3 If the Housing Review Board is supportive of the proposal, then the Senior Technical Officer Asset Management will progress this scheme at the earliest opportunity.