

**North East Derbyshire District Council**

**Cabinet**

**27 June 2018**

**Proposed Regeneration of Pine View, Danesmoor**

**Report of the Councillor E A Hill, Deputy Leader and Portfolio Holder for Housing Strategy**

This report is public

**Purpose of the Report**

- To update Cabinet regarding the progress of Capital works at Pine View, Danesmoor and to seek approval to progress the wider regeneration of the estate and associated borrowing.
- To update Cabinet regarding the External Wall Insulation (EWI) programme at Grassmoor.

**1 Report Details**

- 1.1 Cabinet have previously received reports setting out the details of the Capital works projects at both Pine View and Grassmoor. Further detailed work has been undertaken on both schemes and this report sets out the updated position on both projects
- 1.2 **Pine View, Danesmoor:** Pine View is a small estate of 45 Council owned bungalows. Some of these properties have experienced significant structural defects and have been held void whilst options for dealing with this problem have been investigated. A number of options to regenerate the estate have been considered and two consultation sessions have been held with residents and local ward members in the area.
- 1.3 Detailed structural surveys have been undertaken, where required, by the Council's engineering team. The outcomes of the surveys and the feedback from consultation have been used to development a firm proposal to regenerate the estate.
- 1.4 The proposal consists of the following key elements: -
  - Construction of eight new Council bungalows to replace eight existing structurally defective bungalows.
  - Comprehensive structural repairs to nine bungalows.
  - Works to ensure the void properties being retained are brought to the current lettable standard.
  - Replacement of windows and roofs

- Estate improvements to provide off street parking, fencing to create individual gardens for each home, landscaping and security improvements including the reduction in the number of pedestrian access points to the estate.
- 1.5 The proposed estate improvements are as a result of feedback from consultation and seeks to address both the lack of parking and security concerns of the existing residents of the estate.
  - 1.6 Void works to existing homes that do not require major structural works have already begun. The replacement of windows to homes being retained is already complete. These elements are being funded from the existing HRA capital programme.
  - 1.7 The cost of the proposed future work including the development of new homes, major structural works and estate improvements is approximately £1.5M split over 2 financial years 2018/19 and 2019/20. The Council's finance team have advised that this can be met from the HRA headroom, £900K in 2018/19 and £600K in 2019/20.
  - 1.8 The final design of the new bungalows will be discussed with ward members and will include the provision of two homes with increased provision for access and facilities to support customers with additional needs. The final layout of the new homes and the estate improvements will be shared with local residents as a final part of the consultation for this project. Pre-planning discussions will be undertaken with the planning team to ensure that the proposals are compatible with the Council's policies, ahead of an application being submitted. The final details of the new build aspect of the project will be subject to securing planning permission.
  - 1.9 Work has already commenced on the elements being funded from the existing capital programme, and work on the design, planning process and structural works will commence in September 2018 subject to approval of the proposals in this report. It is anticipated that the project will be completed in Jan 2020.

#### **1.10 Grassmoor – EWI programme**

- 1.11 Working in partnership with the Council, Rykneld Homes has been delivering an annual programme of External Wall Insulation (EWI) across the district to the Council's non-traditional construction homes. The current programme consists of the replacement of windows, roofs and the installation EWI to 169 Remma concrete panels houses and bungalows at Broom Drive, Grassmoor.
- 1.12 The replacement roofs and windows and any required concrete repairs were completed within the HRA capital programme in 2017/18. The EWI will commence on the 18 June 2018, funded from the HRA capital programme for 2018/19 and 2019/20. The programme has been allocated over two financial years due to budget constraints within the HRA capital programme. External funding to support the EWI works has also been secured from the current Energy Company Obligation (ECO) programme. The future of ECO is currently being consulted on nationally and there are concerns that the level of funding for hard to treat social housing units may be reduced, if not removed all together from ECO funding criteria.

- 1.13 To mitigate the risk of the ECO funding being amended, which could lead to extra costs being incurred to complete the EWI at Grassmoor in 2019/20, negotiations have been undertaken with the appointed EWI contractor to consider the possibility of completing all the EWI works in the current financial year.
- 1.14 A draft programme and budget to complete the scheduled EWI works in the current financial have been established. A saving of approximately £20k would be generated by the contractor retaining the site facilities rather than having to re-establish them in 2019/20 as originally planned. An increase in the capital programme of £395K (taking account of the saving) would be required to complete the programme in 2018/19, with the works being completed by January 2019.

## **2 Conclusions and Reasons for Recommendation**

- 2.1 The proposals for Pine View have been developed over a period of time, taking into account the views of the community, officers and local members. The scheme deals with a range of problems associated with housing stock at this location and will provide an enhanced stock mix, improved facilities and increase the number of Council homes available to rent.
- 2.2 The EWI programme at Grassmoor is on schedule, however the additional budget for 2018/19 will ensure completion of the works ahead of original plan and mitigate any risk of ECO funding being reduced.
- 2.3 Both proposals support the ongoing investment in the Council's housing stock and will improve the quality and range of housing available in the district.

## **3 Consultation and Equality Impact**

- 3.1 The proposal for Pine View includes the construction of two enhanced bungalows to provide accommodation for customers with additional needs. This will improve the range of accommodation types available to rent and help to reduce inequality in the provision of housing in the district.
- 3.2 Consultation meetings for both projects have been held on a number of occasions with local residents and ward members.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 A number of alternatives proposals for Pine View have been evaluated and rejected as they were not viable. The current proposal provides a mixed new build and refurbishment solution, the alternative to this would be to continue to hold defective properties void and undertake further consultation and options appraisal. This should be rejected as the current proposal is both affordable and meets the needs and aspirations of the community and ward members.
- 4.2 The alternative option for the Grassmoor EWI is to deliver the works over two financial years 2018/19 and 2019/20. This should be rejected due to the risk of increased costs from a possible loss of ECO funding.

## **5 Implications**

### **5.1 Finance and Risk Implications**

- 5.1.1 All regeneration projects incur some risks, due to the complex nature of the work being undertaken. These risks are managed through operational risk registers and close monitoring of each project.
- 5.1.2 The Pine View scheme proposal requests a total budget allocation from the HRA of £1.5m split over two financial years – 2018/19 £0.9m, 2019/20 £0.6m, funded from additional HRA borrowing, subject to Council approval.
- 5.1.3 It should be noted that a significant amount of work to bring many of the properties up to the lettable standard ready for letting is being undertaken through the existing HRA capital programme by Rykneld Homes.
- 5.1.4 The Grassmoor EWI scheme proposal requests an additional £0.395m budget allocation in 2018/19 to complete the scheme within one financial year, funded from additional HRA borrowing, subject to Council approval.

### **5.2 Legal Implications including Data Protection**

- 5.2.1 There are no legal or data protection issues arising from this report

### **5.3 Human Resources Implications**

- 5.3.1 The proposals set out in this report can be delivered by existing resources available at both Rykneld Homes and the Council. There are therefore no human resource implications to consider as part of this report.

## **6 Recommendations**

- 6.1 That Cabinet approve the proposal for the continued regeneration of the Pine View Estate in Danesmoor, which includes eight new build bungalows.
- 6.2 That Cabinet recommend to Council the approval of additional HRA borrowing of £1.5M to fund the Pine View regeneration proposal over two financial years (2018/19 and 2019/20).
- 6.3 That Cabinet recommend to Council the approval of additional HRA borrowing of £395k in the 2018/19 HRA capital programme funded to complete the External Wall Insulation (EWI) works in the current financial year.

**7 Decision Information**

<p><b>Is the decision a Key Decision?</b>          A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:          BDC: Revenue - £75,000 <input type="checkbox"/>                    Capital - £150,000 <input type="checkbox"/>          NEDDC: Revenue - £100,000 <input type="checkbox"/>                    Capital - £250,000 <input checked="" type="checkbox"/>  <input checked="" type="checkbox"/> Please indicate which threshold applies</p>	No
<p><b>Is the decision subject to Call-In?</b>          (Only Key Decisions are subject to Call-In)</p>	No
<p><b>District Wards Affected</b></p>	Grassmoor and Danesmoor
<p><b>Links to Corporate Plan priorities or Policy Framework</b></p>	All

**8 Document Information**

Appendix No	Title
<p><b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)</p>	
N/A	
<b>Report Author</b>	<b>Contact Number</b>
Niall Clark, Director of Property Services and Development	01246 217399