

Title of meeting: Housing Cabinet

Date of meeting: 20th July 2020

Subject: Development of Affordable Housing - Highgrove Site

Report by: James Hill - Director of Housing, Neighbourhood and Building Services

Wards affected: Drayton & Farlington

Key decision: Yes

Full Council decision: No

1. Purpose of report

- 1.1 To seek approval from Cabinet Member for Housing to instruct Housing, Neighbourhood and Building's Design Team to deliver a new supported housing development of four, 4 bed flats and two, 4 bed bungalows on the redundant Highgrove Lodge site.
- 1.2 To seek approval of the financial appraisal delivering 6 new properties, this in turn delivers new homes for 24 adults with either learning disabilities and/or physical disabilities within the Supported Housing Portfolio.

2. Recommendations

- 2.1 **That the Cabinet Member for Housing approves Capital Expenditure of £5.1m, to deliver 6 new properties housing 24 adults with Learning disabilities and/or physical disabilities comprising of four, 4 bed shared flats and two, 4 bed shared bungalows to be held in the Supported Housing Portfolio within the Housing Revenue Account.**
- 2.2 **That the Cabinet Member for Housing delegates authority to the Director Housing, Neighbourhood and Building Services in consultation with the Director of Finance and Resources & S151 Officer to amend the composition and spending profile of the proposed schemes in order to meet planning and design requirements and also to agree the use of either Grant funding or 141 receipts whilst ensuring that the schemes remain financially viable following any necessary changes.**
- 2.3 **That the Cabinet Member for Housing delegates the Director of Housing, Neighbourhood and Building to apply for any grant funding to support the scheme.**

3. Background

- 3.1 The was a desire in 2016 to deliver a general needs housing scheme on this site, outlining plans and a cost estimate of £2,585,000 were completed and the scheme was detailed in the capital budget from 1st April 2017.
- 3.2 This site then stalled due to it being within flood zone 3 and the original proposal was shelved. The Environment agency have since redrawn their maps and the flood zone has reduced, this alongside the development on the old dairy site gives confidence to a new development going forward. The scheme was reappraised in late 2018 and was identified as an ideal location for a supported housing development.
- 3.3 The location and site are ideally suited to a supported housing development and following the completion of the feasibility study, permission is sought to progress the scheme to deliver supported housing for adults with learning disabilities and/or physical disabilities. As this build delivers new homes across both PCC and the Clinical Commissioning Group (CCG), a working group has been set up comprising of Housing, Neighbourhood and Building Services and colleagues from Adult Social Care and the Clinical Commissioning Group (CCG).
- 3.4 Consultation with ward councillors and portfolio members was completed in March 2020 prior to the Covid-19 pandemic, at this briefing all parties were made aware of the scheme and all expressed support.
- 3.5 A financial appraisal has been completed showing the scheme will deliver savings to the general fund of £96,256 per annum, plus £412,000 to the CCG. The savings are estimated to deliver at 80% in 2023/24 as the supported housing business partner allows a six month building occupation, as it is not viable to move 24 adults simultaneously, therefore the full savings being realised in 2024/25. The building also generates a yearly rental yield of £144,000 to the Housing Revenue Account, based on current rent charges. The savings are generated through reduced care costs, these can be from no longer paying hotel charges by moving to supported living or from the economies of providing care to a number of people within the same home.
- 3.6 In December 2018, Cabinet approved a Housing and Social Care Scrutiny report supporting the delivery of alternative models of accommodation beyond the initial learning and disability group, working with the Director of Adult Services and other Directors as appropriate.
- 3.7 The demand for high quality, bespoke housing which is suitable for 24/7 wheelchair users and bariatric bed users including those with the additional need arising from having a learning disability is high. Some of the current provision, which ASC and CCG use, is high cost, out of city residential care homes. The ability to repatriate people back into the city and provide homes to meet needs is a key priority for ASC.

3.8 The housing business partner will seek to secure grant funding from Homes England to support the scheme. It should be noted that this funding cannot be used alongside 141 receipts.

4. Reasons for recommendations

4.1 These homes will provide much needed homes for residents and support Portsmouth City Councils corporate priority 1 " Make Portsmouth a city that works together, enabling communities to thrive and people to live healthy, safe and independent lives".

4.2 The schemes will increase the overall number of homes in the HRA and will improve its viability to allow for continued maintenance and tenant services to residents.

4.3 The scheme will improve the living environment for residents moving in.

4.4 The scheme will allow both Adult Social Care and CCG to move adults into better quality and more suitable homes, designed rather than adapted to meet need, but also for these homes to within the Portsmouth City Council boundary.

5. Integrated Impact Assessment

5.1 An Integrated Impact Assessment has been completed, this report seeks to obtain permission to develop new additional housing situated in Farlington. No adverse integrated implications were identified.

6. Legal implications

6.1 The recommendations are within the power of the Cabinet Member for Housing to adopt, and for the City Council to approve, and raise no immediate notable legal implications. The delegations recommended in the report are supportable and focus upon the scheme delivery within the HRA.

7. Director of Finance's comments

7.1 Highgrove Lodge is already included in the HRA approved Capital Programme. The Council have to date spent around £50,000 of the approved budget. There remains a budget of £2.24m of the current approved budget. This report asks to increase this budget by a further £2.91m. Bringing the total budget to £5,150,000. The increased amount is due to the fact that the original appraisal was based on a general needs type of development where, as referenced in the main body of the report, the new development is designed to meet tenants with much higher needs and space requirements.

7.2 A financial appraisal has been carried out that demonstrates that the Council

could build these properties within the Housing Revenue Account using unsupported borrowing and that it would be financially viable to rent the at affordable rent levels after taking account of borrowing costs and maintenance. The development will be funded from a combination of unsupported borrowing and, either 141 receipts or other external grant funding the exact combination will be decided once the true cost of the development is known.

- 7.3 As well as being financially viable in the Housing Revenue Account as stated in the main body of the report this is likely to reduce costs in Adult Social Care and the CCG by over £500,000 per annum.
- 7.4 The costs included in this report were estimated before the Covid-19 crisis so may change and will be dependent on how the market reacts in the aftermath of the crisis. If this causes the project to breach the approved expenditure limit within the recommendation of this report, a further report will be bought back to the Portfolio holder prior to awarding any contract.

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Signed by:
James Hill - Director of Housing, Neighbourhood & Building Services

Appendices:

- A - Integrated Impact Assessment
- B - Design drawings
- C - Supporting sustainability detail

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: