

Taunton Deane Borough Council

Executive - 3 December 2014

Regeneration of Weavers Arms, Rockwell Green

Report of the Housing Development and Enabling Manager

(This matter is the responsibility of Executive Councillor Jean Adkins)

1. Executive Summary

This report outlines proposals to demolish and redevelop the recently acquired site 'Weavers Arms' the adjacent public toilet block and ten woolaway properties in Rockwell Green, Wellington, where it is proposed to build new council homes.

The scheme is currently being designed with an estimated delivery of approximately 26 new build homes.

Deane Housing Development seeks permission and budget approval to progress this scheme to provide additional affordable housing in Rockwell Green.

The development contributes to the Council's overall stock providing increased housing options to those in housing need.

2. Background

The Site

The Weavers Arms a redundant public house in Rockwell Green has been vacant for three years and is in a prominent position fronting the highway. The community are keen for the pub site to be improved and fear it may attract anti-social behaviour. Therefore TDBC chose to purchase the pub at a reasonable cost with a view to develop it and improve the area.

A primary deciding factor in purchasing the pub was the proximity of this site to the redundant public toilets jointly owned by TDBC general fund (GF) and Housing Revenue Account (HRA), and a row of ten semi-detached Woolaway houses. Together these three areas provide an opportunity to regenerate an area of underutilised land and buildings, to provide much needed additional affordable housing.

Within the local area of Rockwell Green there is predominantly a need for one and two bedroom properties, this is possibly due to households wishing to downsize as an outcome from the Welfare Reform. We are seeking to facilitate a sustainable community by providing a mix of properties 1,2,3 & 4 to meet the housing need for the area, with the majority being 1 bed flats and 2 bed houses, with some wheelchair suitable properties.

3. Investigations

3.1 The Area - Oaken Ground

The site is located one mile west of Wellington town centre in Rockwell Green. The Weavers Arms site is situated on the corner of Rockwell Green and Oaken Ground, with access to the pub car park from Oaken Ground. The site is well located in terms of access to the highway network and bus routes. Local services, amenities and a primary school are within walking distance. Wellington town centre is less than a mile away.

Oaken Ground comprises a mix of property types, Woolaway, Cornish and traditional build. Much of TDBC stock in Oaken Ground is non-traditional construction, predominantly three bedroomed houses.

3.2 Weavers Arms

The pub currently comprises of the main pub building, a detached single storey skittle alley and car park area. The internal layout and construction of the pub did not lend itself to conversion into residential use for affordable housing.

3.3 Toilet Block

The toilet block fronts onto the highway, and was built in the 1980's. The block currently is in a state of disrepair and has been closed to the public for two years. The land under the toilet block is currently owned by the GF. The land has been valued by the Asset Holdings Manager and the HRA would purchase the land from GF for £10,000.

3.4 1-10 Oaken Ground – Woolaway Houses

Adjacent to the Weavers Arms site are ten Council owned Woolaway properties which are being included within the regeneration scheme. Following invasive structural surveys by a specialist surveyor it has been ascertained that the non-traditional Woolaway properties are deteriorating and have a limited life span.

There is a substation adjacent to the rear garden of No.1 Oaken Ground. The site is leased to Western Power Distribution which will be due for renewal in 2017, there is potential for relocating the substation to enable a more attractive road frontage and increase housing density. This would cost in the region of £65,000. Careful scheme design may enable the sub-station to remain in-situ.

3.5 Proposed Scheme

The indicative mix of units is as follows:-

| Dwelling Type | Size m2 | Occupancy | Number of Units | Tenure |
|----------------------|----------------|------------------|------------------------|---------------|
| 1 bed flat | 49 | 2 person | 10 | Social Rent |
| 2 bedroom house | 76 | 4 person | 9 | Social Rent |
| 3 bedroom house | 86 | 5 person | 6 | Social Rent |
| 4 bedroom house | 115 | 7 person | 1 | Social Rent |

The above shows an indicative scheme mix proposal which has taken into account the housing need for Rockwell Green. The architect has now been appointed and producing a plan for this area shown, within the area outlined in red below which forms the site.

An ecology and asbestos survey has already been undertaken for the pub site.

Positive informal discussions with Development Management at TDBC have taken place and engagement with the planning department will continue. The intention is to submit a planning application early 2015.

3.6 Project progress plan

The Development Team are working closely with Procurement to appoint the appropriate consultants. It is proposed that Deane Housing Development oversee the pre-planning process and work with the appointed architects, Boon Brown Architects to arrive at a suitable scheme proposal. Knightstone Housing Association will be appointed as a Development Agent, thereby giving TDBC access to their Framework Agreements for consultants and Contracts Management services during the build process.

Other external consultants will be appointed imminently and surveys, ground investigations and plans will be produced for a planning application.

Once the site investigations and surveys are completed a community consultation event will be held at the beginning of 2015 to show local residents the proposed plans prior to a planning application being submitted. In conjunction with these activities the construction works will be tendered to contractors.

3.7 Design Standards

It is recognised there are ongoing consultations regarding changes to build and space standards, however it is unlikely owing to the timescales that the legislation dictating revised building standards will affect the development. Therefore we will design these properties to the Code for Sustainable Homes Level 4.

This means the properties will be considerably more energy efficient than current Building Regulations. The Code for Sustainable Homes also requires features such as low water use bathrooms and sinks, cycle storage, dedicated recycling storage in kitchens, A* rated

combination boilers and highly insulated building fabric. Therefore these properties will be cheaper to heat than the existing Woolaways houses.

Unfortunately the North/North West orientation of the development is not favorable for photovoltaic panels as they are best suited to an orientation within 45 degrees of South if they are to achieve optimum electricity generation.

Lifetime Homes is a design standard that would be used to achieve long term flexibility to the new homes, it based on sixteen principle design criteria the architect would incorporate.

Similarly Secured by Design would also apply to the scheme. By following the design principles there are proven environmental, health and well-being benefits as well as significant crime reduction.

3.8 Tenant Consultation

Initial consultation has been carried out with tenants living in the ten Woolaway properties at No.1-9 Oaken Ground who will be directly affected by the development. Number 10 is vacant.

The feedback received following the initial home visit indicates over half of the residents would like to stay within Rockwell Green, some of whom would like to return to the development when it is completed. A number of tenants had anticipated the plans after hearing we had purchased the Weavers Arms.

The tenants currently living within the affected Woolaway properties will be given the opportunity to speak to other tenants who have already been through the process at the Creechbarrow Road development site in Taunton. It is hoped this will reduce any fears and provide the tenants with first hand experience of the decanting process.

An appointed decant officer will assist the families throughout the process from this point forward and assist them with either relocating or returning to the development when it is completed.

A TDBC decant policy is currently being formed between departments. Tenants being decanted as part of a development scheme will not be made any worse off in terms of the property they currently reside in. However where possible, and/or appropriate, they will be encouraged to downsize based on the tenants individual circumstances.

3.9 Other Consultation

The properties immediately around the development and the wider community will have an opportunity to comment on the scheme proposals at a publicised community event which is scheduled to be in early 2015 prior to planning submission.

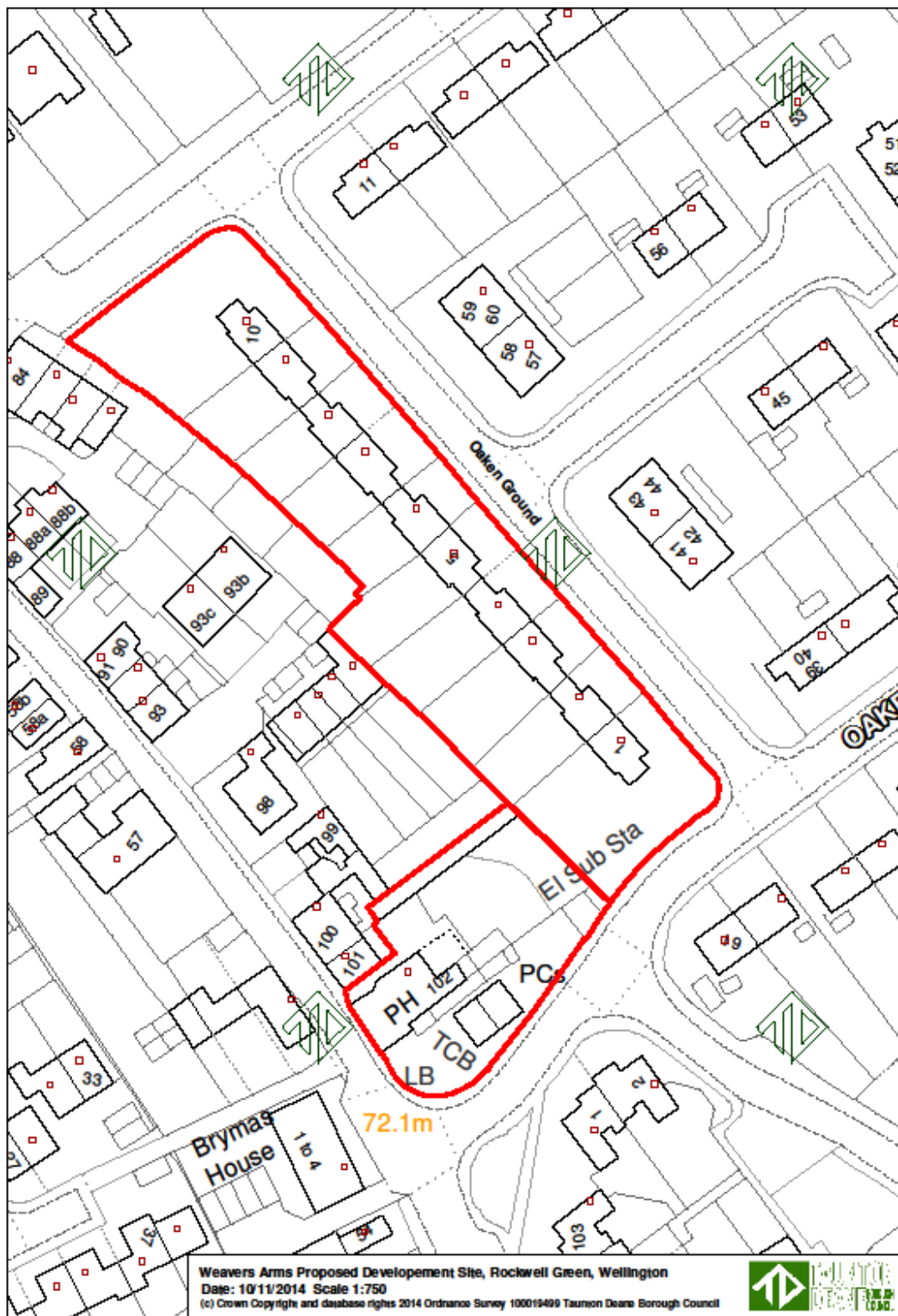
Initial discussions have been undertaken with Housing Management and a Local Lettings Plan will be produced. The Ward Councillors for Rockwell Green have been notified of the council's plans for the development area to be extended and feedback received was positive.

Tenants Services Management Board were consulted on Monday 17 November and were supportive of the proposal. We will also be consulting with Tenants Forum and Stakeholders when a sketch scheme is produced.

The report will be presented to Community Scrutiny Committee on Tuesday 2 December.

Redeveloping the site to form new homes would help to address the local housing need for the area and would also provide high quality homes that are energy efficient, therefore decreasing living costs for our tenants who live currently in the 'hard to heat' non-traditional properties. These non-traditional Woolaway properties have a limited life span and this will be the first scheme that addresses the regeneration of these properties.

Below is a plan illustrating the proposed development site :



4. Finance Comments

The total cost of the Weavers Arms regeneration project as presented in this report is £3,500k. This is an indicative cost and is subject to planning consent and tendering of the contract. Any subsequent changes in cost will be included in a later report to members.

This total scheme cost includes the transfer of the closed public conveniences from the General Fund to the HRA at the current market valuation of £10k.

The rental income generated by this project over 30 years is expected to be £2,879k. This would be offset by additional maintenance costs of £453k and would leave net income of £2,426k from the project over 30 years.

The indicative scheme would also allow funding from Right to Buy receipts of up to £488k to support the increase in dwelling numbers. This is in line with the current Right to Buy policy.

The overall summary of the project is as follows:

| | Present Value |
|---------------------------|---------------|
| Income From Rents | £2,879k |
| Expenditure (Maintenance) | (£453k) |
| Net Income Over 30 Years | £2,426k |
| Right to Buy Receipts | £488k |
| Subsidy Needed | £586k |
| Total Scheme Cost | £3,500k |

The net income of £2,426k would be available to support the repayment of borrowing relating to the project without impacting on the Business Plan. Revenue budgets would need to be updated to recognise the increased income and maintenance associated with the additional dwellings (and reductions relating to the demolition of the existing dwellings). The interest payments on the loans and an allowance for repayment of the capital would also need to be included for the length of the borrowing.

The cost of the repayment of the principle borrowing and associated interest costs can be funded from the net income received over 30 years. This means that there is no significant impact on the existing overall revenue budget.

This leaves an overall shortfall in funding of £586k. The Business Plan allows for a revenue contribution of £1,000k to the Social Housing Development Fund (SHDF) in 2015/16 and it is proposed that the subsidy needed is covered from this amount. This would leave revenue funding of £414k in the SHDF in 2015/16.

Although subsidy is needed over the 30 year Business Plan, it is reasonable to conclude that the investment is affordable over the long term as the properties should have a useful life well in excess of 30 years if maintained as planned.

An indicative financing proposal based on the project costs in this report is shown in the below table:

| | Scheme Total |
|------------------------|---------------|
| Right to Buy Receipts | £488k |
| Revenue Funding (SHDF) | £586k |
| Borrowing | £2,426k |
| <hr/> Scheme Cost | <hr/> £3,500k |

The HRA borrowing position including this amount will remain comfortably within the HRA capital debt cap imposed by government. The current net headroom (the borrowing available within the debt cap after approved borrowing such as Creechbarrow Road and the Phase 1 redevelopment sites) is £14.0m. The borrowing could be executed through 'internal borrowing' – which is essentially using available HRA and/or General Fund cash balances – or through 'external borrowing' such as taking out a loan from the Public Works Loan Board (PWLB) or another financial institution.

The eventual financing arrangement will be handled through the Council's treasury operations, in line with the Treasury Management Strategy and Policies. Arlingclose, the Council's treasury advisors, would be consulted on appropriate borrowing arrangements.

The financial appraisal has assumed a borrowing rate of 3.52% for financial modelling purposes. This is based on the external rate of borrowing over 30 years

5. Legal Comments

The redundant public house is now in the ownership of TDBC.

The decanting of tenants in the Woolaway houses will require due process to be followed pursuant to the Housing Act 1985 (as amended), including (but not limited to) the publication of a demolition notice under the Act.

The site is vacant and secure, no tenancies are in existence on the pub site and No.10 Oaken Ground.

Full council approval for the demolition of ten non-traditional properties as part of the Phase Two development and the service of demolition notices in respect of those properties under the Housing Act 1985 (as amended).

The proposed 'purchase' of the land comprising the toilet block by the HRA will require the appropriation of such land in accordance with Section 122 of the Local Government Act 1972.

Should the council want to relocate the substation, the acquisition of the land comprising the substation will require the surrender of the leasehold interest currently held by Western Power Distribution and the grant of a new lease or freehold transfer in respect of the proposed relocated site of the substation.

6. Links to Corporate Aims

The scheme;

- Supports the Councils Business Plan Aim 1 – Quality and Sustainable Growth and Development and is identified under the ‘affordable housing’ key activity
- Support objective three within the Housing Action Plan; Investment in our housing stock, regeneration and affordable housing, the scheme would support the specific regeneration aspect in an area where the housing stock needs to be addressed in the next twenty five years.

7. Environmental Implications

The new homes would be much cheaper to run for the occupants in that they are 25% more energy efficient than current building regulations. The Code for Sustainable Homes (CfSH) sets standards over and above the existing Building Regulations, through mandatory and tradable credits assessed pre and post construction, which includes as a key aspect the reduction in CO2 emissions as well as improving the fabric of the building. In addition, CfSH aims to:

- reduce potable water consumption per person
- encourage good waste management and recycling, both during construction and the occupation of the building
- encourage the use of sustainable and/or recycled building materials
- encourage the use of low or zero carbon technologies
- increase the health and wellbeing of the occupants
- protect and enhance the ecology

8. Community Safety Implications (if appropriate, such as measures to combat anti-social behaviour)

Consideration will be given to local authority responsibilities in relation to crime and disorder, in particular the application of relevant design standards for new developments.

The properties will be designed and built to Secure by Design standards i.e. the Police will comment on the design to ensure safety.

In the new development as with all our existing estates Housing Management will take a proactive and robust approach to dealing with anti-social behaviour and other estate management issues.

9. Equalities Impact

An initial Equality Impact Assessment (EIA) has been undertaken. Copy attached in appendix 1.

Resident consultation is ongoing and will influence how the scheme might affect the protected groups and subsequently how to mitigate any negative effects that may be determined during this engagement process.

The proposed scheme mix would incorporate wheelchair accessible properties.

10. Risk Management

A risk and issues register which has been produced for this scheme. The primary risks associated with the scheme both directly and indirectly are the following;

- Significant unforeseen local opposition to the proposals creating operational difficulties
- Site not receiving planning consent abortive expenditure of at risk costs
- Planning permission not approved resulting in vacant depreciating council asset
- Squatters on site delaying site handover to contractor and works programme
- Reduced unit density
- Ecology issues affecting development timescales
- Decanting of residents to suitable homes

11. Partnership Implications (if any)

Knightstone Housing Association are a main partner within the TDBC Affordable Housing Development Partnership and it is proposed they act as Development Agent post planning application.

12. Recommendations

To approve the following recommendations:-

1. A supplementary budget of £3,500,000 within the HRA Capital Programme for the Weavers Arms Regeneration Scheme.
2. The Council approves in principle the proposed funding of the scheme with allocations of £488,000 capital receipts; £586,000 Social Housing Development Fund contribution; and £2,426,000 through borrowing. Council delegates the final funding arrangement to be determined by the S151 Officer in line with the Council's capital and treasury strategies.

3. Transfer the Rockwell Green public convenience land from General Fund to the HRA at the market valuation of £10,000, in compliance with Section 122 of the Local Government Act 1972.
4. The HRA Revenue budget and 30 Year Business Plan is updated to reflect the additional income and expenditure arising from this investment.
5. Approval to serve Initial and Final Demolition notices, and for the demolition of 1-10 Oaken Ground, the Weavers Arms buildings and public toilets and site clearance to facilitate new development.

Contacts:

| | |
|-----------------------|--|
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Appendix 1 - Equalities Impact Assessment

Appendix 2 - Photos of Oaken Ground and the Weavers Arms

Appendix 3 – Photos of Oaken Ground Woolaways and defects

Equality Impact Assessment – pro-forma

| | | |
|--|--|--|
| Responsible person | <i>Jo Humble / Caroline White</i> | Job Title Housing Development and Enabling Manager / Housing Development Project Lead |
| Why are you completing the Equality Impact Assessment? (Please mark as appropriate) | Proposed new policy/service | X |
| | Change to Policy/service | |
| | Budget/Financial decision – MTFP | |
| | Part of timetable | |
| What are you completing the Equality Impact Assessment on (which, service, MTFP proposal) | Taunton Deane Borough Council (TDBC) Housing Services Rockwell Green Regeneration - Oaken Ground Wellington | |
| Section One – Scope of the assessment | | |
| What are the main purposes/aims of the policy/decision/service? | <p>The main purposes of the project are:</p> <ul style="list-style-type: none"> • To provide housing where there is a ‘need’ within the borough • Regenerate the existing dilapidated pub site to improve & enhance the immediate area next to existing housing stock • Support the second phase of the development to provide a vacant site • Provide housing that is sustainable environmentally • Replace housing stock which decreases annually through Right To Buys | |
| Which protected groups are targeted by the policy/decision/service? | The housing scheme proposal would facilitate the delivery of affordable housing in the Borough to those identified in housing need. It is not specific to a ‘protected group’. | |
| What evidence has been used in the assessment - data, engagement | Data: | |

| | |
|---|--|
| <p>undertaken – please list each source that has been used</p> <p>The information can be found on....</p> | <p>Homefinder Somerset Equality Impact Assessment</p> <p>http://www.homefindersomerset.co.uk/NovaWeb/Infrastructure/ViewLibraryDocument.aspx?ObjectID=555</p> <p>Engagement To Date:</p> <ul style="list-style-type: none"> • Informal feedback from the estate officer • Informal feedback from the lettings manager • Initial discussion with Ward and parish councillors • Initial consultation with tenants residing within affected properties. <p>Scheduled Engagement:</p> <ul style="list-style-type: none"> • Local residents –through a community event • Tenant Services Management Board • Community Scrutiny • Executive • Full Council |
| <p>Section two – Conclusion drawn about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality</p> | |
| <p>Lettings will be taken from the choice based lettings system ‘Homefinder Somerset’ which has an equality and diversity policies in place to ensure protected groups are not disadvantaged. Affordable homes should be built to the Homes and Communities Agency Design and Quality standards which gives consideration to equality.</p> <p>Age – Provision is made within affordable housing development for all age groups.</p> | |

Gender – no specific policy or mention in the text because no general inequalities were identified or known about to show disadvantage.

Sexual orientation - no specific policy or mention in the text because no general inequalities were identified or known about to show disadvantage.

Gender reassignment - no specific policy or mention in the text because no general inequalities were identified or known about to show disadvantage.

Pregnancy and maternity - no specific policy or mention in the text because no general inequalities were identified or known about to show disadvantage.

Religion /Belief - no specific policy or mention in the text because no general inequalities were identified or known about to show disadvantage.

Disability – Provision for disabled accommodation is part of the developments design criteria.

Race – no specific policy or mention in the text because no general inequalities were identified or known about to show disadvantage.

I have concluded that there is/should be:

| | |
|---|--|
| No major change - no adverse equality impact identified | Evidence taken shows no potential for discrimination specific to protected groups. |
| Adjust the policy/decision/service | |
| Continue with the policy/decision/service | |
| Stop and remove the policy/decision/service | |

Reasons and documentation to support conclusions

Section four – Implementation – timescale for implementation

Section Five – Sign off

Responsible officer

Management Team

| | |
|---|-------------------------|
| Date | Date |
| Section six – Publication and monitoring | |
| Published on | |
| Next review date | Date logged on Covalent |

Action Planning

The table should be completed with all actions identified to mitigate the effects concluded.

| Actions table | | | | | | |
|--|----------------|---------------------|----------|-----------------------------|---|--|
| Service area | | | | Date | | |
| Identified issue drawn from your conclusions | Actions needed | Who is responsible? | By when? | How will this be monitored? | Expected outcomes from carrying out actions | |
| | | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|

Photographs of Oaken Ground

















Photographs



R1 – Typical Front Elevation



R2 – Typical Side Elevation



R3 – Typical Rear Elevation



R4 – Detached house (ex SDH)



R5 – No insulation between windows
original render spalled off



R6 – Original render cracked & spalled, damage
to PRC beneath



R7 – Perished membrane



R8 – Cracking above front door



R9 – Cracking detail



R10 – Perished membrane at un-sleeved vent



R11 – Cracking RHS front door



R12 – Perished membrane at un-sleeved vent



R13 – Bolt head at fixing between panel and column



R14 – Re-rendering to column (right hand side)



Door threshold

Base track EWI

R15 – EWI base track above PRC base units



R16 – First floor rear external wall (left) & party wall with adjoining property (right) after inner lining removed



R17 – Panel fixing bolt



R18 – External wall PRC after dismantling for refurbishment works