

Southend-on-Sea Borough Council

Report of Deputy Chief Executive & Executive Director
Growth & Housing

To

Cabinet

On

23rd February 2021

**Agenda
Item No.**

Report prepared by:

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Modern Methods of Construction (MMC) Foundation 200 Project

Relevant Scrutiny Committee: Policy and Resources Scrutiny Committee

Cabinet Member: The Leader of the Council, Councillor Ian Gilbert

Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To present the Modern Methods of Construction (MMC) Foundation 200 and seek approval to progress the redevelopment of the Juniper Road garage site.

2. Recommendations

- 2.1 To agree to proceed with the MMC Foundation 200 Project which will see a maximum of 8 single unit homes developed on the Juniper Road garage site for this purpose.
- 2.2 To delegate authority to the Director of Property and Commercial for the formal approval of the land transaction for the Juniper Road garage site.

3. Background

- 3.1 The need for affordable homes within the borough is greater than ever and the Council's commitment to addressing this housing need is well documented with the Council's Southend 2050 Outcomes & the Housing, Homelessness and Rough Sleeping Strategy both reflecting this.
- 3.2 In order to address this need, the Council is undertaking a range of development and acquisitions programmes with the intention to increase the supply of Council Housing. We are also increasingly looking to work with partners to assist the Council in meeting our housing need and through this partnership working with the housebuilder Hill, the Council been made aware

of the Foundation 200 project which has the potential to increase housing supply in the borough in the short term.

- 3.3 Hill has set up a pledge, known as Foundation 200, which will provide 200 modular homes to partnerships of Councils and charities. Following initial scoping discussions, the Council has now been selected by the Hill Foundation as a potential partner for inclusion in the first stage of the project alongside the Salvation Army.
- 3.4 The Hill Foundation 200's MMC units are off site built, 24sqm one-bedroom properties, designed to house only one person. The units include a fully fitted kitchen, living/dining area, a bathroom with shower and a bedroom with storage. The units are also designed to meet the Future Homes Standards and the anticipated new Part L regulations and feature blue roof system, energy efficient heating power thus have low carbon emissions and low running costs.
- 3.5 In order to facilitate this potential partnership project, the Council's Housing teams have undertaken initial feasibility discussions with the Hill Foundation 200, Salvation Army and Citizens UK to explore the potential providing a suitable site for a small number of MMC single occupancy units designed specifically for people moving on from homelessness and rough sleeping.

4. Modern Methods of Construction Foundation 200 Proposal

- 4.1 The Strategic Housing team has undertaken an assessment of Council owned garage sites which are currently not earmarked for Council housing development due to the site constraints or not being in proximity of other sites. Following this assessment, a range of sites were proposed and the Juniper Road garage site was selected from as a suitable location for project due to its size, location and ease of access.



- 4.2 The Juniper Road garage site is located in the Blenheim ward and is c1145m² in size. The site is currently underutilised with only 3 of 31 garages occupied and has high levels of disrepair. The site is also subject of antisocial behaviour with fly tipping and vandalism regularly reported. There is an electrical substation on site and in terms of local architecture it is predominately two-storey dwellings.

- 4.3 The site is near local transport, with bus stops within 0.2 miles on Bridgewater Drive and Mountdale Gardens. The Kent Elms health centre is within 0.5 miles and Southend Hospital is 1.2 miles from the site.
- 4.4 Following site investigation works and initial feasibility work, it has been proposed that a development of 8 units, built to a single storey would be achievable on the site. However the nature of product allows for units to be converted for other needs if required, For example, the site could accommodate 7 units of housing and one unit for the provision of professional and volunteer-provided support.
- 4.5 Due to the nature of the opportunity with the Hill Foundation 200, disposal of the Juniper Road garage site to the Salvation Army on a 10-year lease for a peppercorn rent. The lease to be entered in on the proviso that The Hill Foundation 200 gift 8 units to be utilised as move-on accommodation to be managed by the Salvation Army subject to the Hill Foundation 200 securing planning permission.
- 4.6 As part of the lease, the Salvation Army will give the Council 100% nomination rights to the accommodation on the understanding that this would be a 'sensitive let'.
- 4.7 At the end of the lease the Salvation Army, who will own the units, will move to another site, or there is potential to renew the lease and continue, depending on the situation both parties find themselves in at the time.
- 4.8 Formal approval will be required from the Director of Property & Commercial regarding the land transaction, which has been agreed in principle. The assets team will be responsible for managing the leasehold process in conjunction with the Salvation Army's estates team.

Support

- 4.9 The Salvation Army model has been designed to support people with low-medium support needs, not high or complex needs. Nationally Salvation Army are a lead player within the housing sector, accommodating over 3000 people. The addition of their expertise in supporting people to independence will bring significant additional value to the proposed project.
- 4.10 The Salvation Army will have a group of volunteer support workers and each resident will receive up to four hours of support each week. This support will be tailor-made to meet their particular needs, i.e. if they need help with budgeting or learning how to cook/etc. these are the sorts of things that the support worker would be able to help with. If all 8 of the residents needed the same kind of support, then the Salvation Army may decide to do that as a group at their church building and give classes in the specific areas that they need help with. An out of hours number will be available should an emergency arise.

- 4.11 The Salvation Army have advised they are liaising with Employment Plus regarding the project and they are keen to be involved in the project and provide any support relating to assisting clients into employment. They are also able to assist with housing legislation law/benefit law. The Council and Southend Adult Community College are also exploring how bespoke education and vocational support for the residents might be made available to further enhance the offer.

Timescales

- 4.12 The Hill Foundation 200 have provided indicative timescales for the project which states the following milestones:
- Prepare planning application/local consultation – 6 to 8 weeks (12 April earliest)
 - Planning application – 8 weeks (1 June)
 - Planning permission/Committee
 - Planning conditions/removal – 3 weeks (3 June – 25 June)
 - Start on site/demo/services – 3 weeks – start 19 July
 - Delivery – 2 weeks – 2 August
 - Landscaping – 2 weeks – mid Sept

5. Other Options

- 5.1 The alternate options available to the Council have been evaluated and are detailed overleaf:
- 5.2 Do nothing - This option considered leaving the existing garage areas in their current underused state. This option would not increase community safety and reduce antisocial behaviour and its associated costs. It also would not contribute to the Council's priority of increasing the supply of affordable housing in the borough nor meet the Council's Southend 2050 ambitions.
- 5.3 Sell the land on the open market – This option considered selling the land on the market in order for it to be privately developed. This option was not considered as it was felt that the site would not be attractive to developers due to the noted site constraints, would not increase the supply of affordable housing in the borough and would therefore not meet the Council's Southend 2050 ambitions.
- 5.4 Develop the land for Council housing – This option considered the Council developing the site itself for Council Housing. Given the constraints of the site and that it is not in proximity to any other suitable housing sites, the site would be unviable as it would not achieve economies of scale nor would be attractive to potential contractors.

6. Reasons for Recommendations

- 6.1 Further to the Council's successful Council housing developments and acquisitions programme, it is recommended that pursuing a further a partnership project with Hill and the Salvation Army to develop MMC homes is

an appropriate course of action. It is anticipated that this option will have wider community benefits and will meet the Council's ambition for increasing the supply of affordable housing in the borough.

- 6.2 The opportunity represents nominal cost to the council with legal costs and site investigation not expected to exceed £5000.

7. Corporate Implications

Contribution to Southend 2050 Outcomes

- 7.1 Reducing levels of homelessness and developing affordable homes contributes to the Southend 2050 Safe and Well outcomes of "*We are well on our way to ensuring that everyone has a home that meets their needs*", Developing energy efficient MMC homes also contributes to the Safe & Well Outcome of "*We act as a Green City with examples of energy efficient and carbon neutral buildings, streets, transport and recycling*".
- 7.2 Southend's Housing, Homelessness & Rough Sleeping Strategy aims to provide 'decent high quality, affordable and secure homes for the people of Southend' and the development of affordable homes via modern methods of construction helps to contribute to this aim.

Financial Implications

- 7.3 The MMC units will be gifted to There are legal costs associated with setting up the lease with the Salvation Army, which the assets department have advised should not exceed £3000 and will be met from existing Housing Supply budgets.
- 7.4 The loss of garage revenue will have to be considered. The current site has three occupied garages which bring in nominal revenue which is outweighed by the cost of maintenance, management and addressing antisocial behaviour on the site.

Legal Implications

- 8.1 The Council's Legal team and Essex Legal Services have been fully consulted on the project and have provided the necessary advice in regards to the site investigation works. Further Legal consultation will be received in regards to the lease of the garage site.

Property Implications

- 8.2 Underutilised garage sites often have detrimental impacts on the local area such as anti-social behaviour. Redevelopment of these garage sites for housing can therefore be seen to have a positive impact on the area.

Consultation

- 8.3 The consultation with local residents will be carried out between all parties; the Council, The Hill Foundation 200 & the Salvation Army. A communication plan will be prepared and agreed by the Director for Housing Development. Ongoing consultation will be undertaken with Blenheim ward members in regards to the project.

Equality and Diversity Implications

- 8.4 No equality and diversity implications have been identified as yet but will be monitored throughout the project.

Risk Assessment

- 8.5 The necessary risk assessments have been undertaken in regards to initial feasibility of the housing development. Risk will continue to be monitored throughout the process with the relevant risk logs being carried out.
- 8.6 The project has the risk of failing to secure planning permission. The planning application, drawings and associated work is to be carried out by the Hill Foundation 200 at their risk.

Value for Money

- 8.7 The total cost to the Council (including site investigation carried out to date) should not exceed £5000. The accommodation will aim to free up bed spaces of our TA. The cost of accommodating 8 persons in temporary accommodation is circa £80,000 per year.

Community Safety Implications

- 8.8 Regenerating underutilised garage sites will look to improve community safety and reduce anti-social behaviour in the local area.

Environmental Impact

- 8.9 The proposed housing units gifted to the Salvation Army from the Hill Foundation 200 include energy efficiency measures including a blue roof system, energy efficient heating and power thus have low carbon emissions and low running costs.