

# CABINET



Report subject	<b>Housing Scheme at Templeman House, Leedham Road, Bournemouth</b>
Meeting date	24 June 2020
Status	Public
Executive summary	<p>The BCP owned site contains a care home of 41 bedrooms, which was managed by Care South, who have surrendered the lease and vacated the property. The property is currently secured pending redevelopment.</p> <p>The current proposal presents a new build Council Housing scheme of 27 x one and two bed apartments and associated parking to be provided on the site. These homes will help towards imminent new Local Plan housing targets and will also contribute significantly to unmet housing need by delivering Council homes at social rents.</p>
Recommendations	<ol style="list-style-type: none"> <li>1. Approve the proposed £6.467m housing scheme for progression to Cabinet for subsequent approval request: <ol style="list-style-type: none"> <li>a. Approval to tender, commencement and completion of build subject to the conditions set out in the Financial Strategy <b>and authorises the Corporate Director for Environment and Community to approve necessary appropriations and contractual and legal agreements in consultation with the Monitoring Officer and Chief Finance Officer.</b></li> <li>b. Approve the financial strategy for the scheme as set out in paragraphs 30 to 45 with specific approval for: <ol style="list-style-type: none"> <li>i) The appropriation of land from the General Fund to the Housing Revenue Account (HRA) to enable the development of the Council housing valued at £900k.</li> <li>ii) £1.330m of prudential borrowing to be repaid over 25 years used to finance the Housing Revenue Account (HRA) social rented homes.</li> </ol> </li> </ol> </li> </ol>

	<p>iii) The capping of rental income to Social Rent levels.</p> <p>c. Authorise the Section 151 Officer in consultation with the Portfolio Holder for Finance to determine the detailed funding arrangements.</p> <p>d. Authorise the Corporate Property Officer in consultation with the Monitoring Officer to agree the detailed contract provisions.</p>
Reason for recommendations	To enable the proposed Council Housing scheme to progress with the agreed funding arrangements through to planning, construction and subsequent completion in order to deliver the wide range of benefits to the Council and local communities.
Portfolio Holder	Cllr Kieron Wilson, Portfolio Holder for Housing
Corporate Director	Kate Ryan, Corporate Director of Environment and Community
Contributors	Lorraine Mealings, Director of Housing Jon Thornton, Housing Development Manager
Wards	Redhill and Northbourne
Classification	For Decision

## Background

### Housing Market Context

1. Levels of unmet housing demand in Bournemouth, Christchurch and Poole (BCP) are very high, with housing demand exceeding supply. Providing more housing is a key priority of the council.
2. The government has set out a new methodology for calculating Local Plan housing targets and as a result the BCP Council area will need to increase its housing delivery significantly to approximately 2,600 new homes to be built every year. This will need a step change from current delivery levels and is one of the key housing challenges locally, as well as nationally.
3. There is a need for additional homes across all tenures and in particular, the demand for Council Housing at sub-market rates is very high. There are 3,827 households on the Housing Register for Bournemouth within the Bournemouth, Poole and Christchurch area waiting for housing in the form of either Council Housing or Housing Association properties.

## **Council's direct delivery of new homes**

4. BCP Council now has a well-established Housing Development Team who are well placed to help deliver the future pipeline of in-house residential new-build developments.
5. Templeman House is a potential development scheme for Council Housing within the conurbation that could be developed directly by the Council for Social rent, for those in housing need on the Housing Register.

## **Site background information**

6. The site is owned by BCP within the General Fund and contains a care home of 41 bedrooms. This was managed by Care South, who vacated the building on 25/3/2019 after exercising a break clause in the lease. The property is currently secured pending redevelopment.
7. The care home was built in the 1960's. It is a 3-storey building of unframed masonry construction with a pitched and tiled roof to the main block. The kitchens, lounges, boiler room and stores are single storey with flat or pitched roofs and are finished in felt. The existing care home includes an electricity sub-station within the structure.
8. Care South have been operating Templeman House below acceptable margins, with a circa 50% void rate. The building would require an extensive refurbishment, including electricity infrastructure, windows, lift, heating etc as well as the property being below required modern standards for its use as a Care home – for example the rooms do not have en-suite facilities. Investigations into creating en-suite rooms was carried out, but this would have resulted in losing too many rooms overall. The layout of the existing care home did also not suit the operator for staffing, as it required a greater number of staff. Existing residents moved to other Care South homes and other homes outside the area (where closer to family). Care South are still operating in the area, such as at Castle Dene, where the lease has recently been extended.
9. The Care Home was boarded up and demolition permission was granted by BCP planning (17<sup>th</sup> July 2019). The application was submitted by BCP Estates considering the impending redevelopment and if required, allow for demolition to avoid any anti-social behaviour or squatting issues (If they occur).
10. The site is very highly constrained by trees which are subject to a blanket Tree Protection Order (TPO), as well as an electrical substation and associated high voltage and low voltage cables running through the site.
11. Adult and Social Care Services are currently carrying out a review of accommodation requirements across the BCP geographical area. Should this identify the need for additional extra care development then BCP owns two other vacant sites within approximately 1 mile of the Templeman site. These sites fall within the 400m Heath Mitigation zone and so cannot be developed for family or other general needs housing but, subject to planning could be developed to

provide one or more new care homes to modern standards. The Templeman site falls outside of the 400m Heathland Mitigation zone and so a residential scheme should be permitted subject to planning.

### **Proposed scheme**

12. The proposed development will provide a total of 27 apartments. Subject to consents the proposed commencement date is November 2020 with the scheme ideally due to be completed in March 2022.

13. It is recommended that the site is developed directly by the Council to provide a residential scheme comprising the following: -

- Social Rent (27 homes)

Plans for the proposed scheme are included in Appendix 5.

14. This tenure mix has been developed after consideration of numerous factors including the need for financial viability and return, housing demands, site specifics and the need to ensure a sustainable community. The Council Housing team and the Housing Options team have been closely involved in the development of this scheme to help ensure that it adequately meets housing needs and is designed in such a way to be sustainable and to enable good quality housing management.

15. As noted earlier, the need for Council housing, including social rented housing, is high.

16. The scheme is designed in one block, principally following the same footprint of the existing Care Home. The proposed block has access and stair cores to each end of the building. The building will provide self-contained homes with a mix of one bed and two bed apartments.

17. The scheme would provide 27 parking spaces in line with the existing parking policy.

### **Environmental build standards**

18. The development will provide a highly energy efficient scheme which will help address the Climate and Ecological Emergency.

19. We intend to build the scheme to Passiv Haus standard, if site constraints do not allow full accreditation, Passiv Principles will be followed. The proposed scheme will use ground source heat pumps to provide heating to all apartments to improve energy efficiency. The scheme aims to have Photovoltaic panels on the roof to provide power to the hot water system and communal lighting. The building will be fully Building Regulation compliant whereby energy usage and insulation standards are higher than the historical Code for Sustainable Homes Level 3.

## **Summary of key benefits**

20. The following summarises the key benefits of the proposed scheme:-

- Maximise the Council's land assets to bring about financial gains, as well as delivering the Council's housing aspirations.
- Provide much needed additional homes to meet unmet housing demands and housing needs within the BCP area.
- Provision of 27 self-contained homes to help address the challenging Local Plan housing targets and help meet local housing demands.
- Provides 27 new Council homes at low social rent levels to meet housing need and make sure they remain very affordable for tenants.
- It provides 100% of the total homes on the proposed site as affordable which is significantly higher than the 40% required within the Affordable Housing Planning Policy.
- Utilisation of £1.607m Right to Buy receipts to help fund the scheme. If these are not spent within 3 years of receipt, they cannot be used locally and need to be returned to central government.
- Use of £430k Section 106 monies to help fund much needed Council housing provision on the site.
- The scheme will bring improvements to the area with the provision of good quality and well managed homes.
- It will deliver high levels of sustainability in terms of design to address the Climate and Ecological Emergency and should bring low energy bills for tenants.
- It will generate employment during the construction phase to help grow the local economy.

## **Development Feasibility Work already undertaken**

21. Initial investigations looked at remodelling the existing structure to convert it to self-contained apartments. This was discounted for the following reasons:

- a. The existing layout would allow for 19 apartments, the majority being 1-beds. A new build solution would offer more homes and an increase in 2-bed homes.
- b. A proportion of the existing built form is single storey, which is not the best use of the land.
- c. The cost of remodelling and refurbishing the existing property to current Building Regulation standards would be almost as costly as new build without the benefits.
- d. Refurbishment is subject to VAT (unlike new build which is zero rated), all VAT incurred will be fully reclaimable by the authority.
- e. The layout of the homes from a conversion scheme would be compromised by the layout of the existing masonry structure.

22. In 2019, feasibility commenced following confirmation from Estates that the site would soon become available. Preliminary work has included the following appointments:

- a. Architects and Principle Designer up to and including planning submission £16.2k
- b. Valuation £1.5k
- c. Ground investigation £3.2k
- d. Tree and bat survey £1.2k
- e. Topographical survey £1.2k
- f. Ecological report £0.5k
- g. Employers Agent £10k up to and including commencement of build works on site (and an additional £10k for the construction phase)
- h. Pre-application planning submission and Design review Panel £2k
- i. Boarding up of the building and new boundary fencing £17k

The above appointed consultants and surveys are required to develop a scheme design to planning submission stage. Total committed work up to planning is approximately £59k; total spend to date is £24.4k.

23. We submitted a planning pre-application for 27 apartments on the site. Key planning comments from the pre-application submission include:

- a. 3-4 storey block of residential is accepted
- b. End elevation stair cores require pitched roofs and meaningful fenestration
- c. Entrances to be more defined
- d. Elevations to be simplified such as one brick colour
- e. Add planters between parking and building/windows
- f. Patios to be added to ground floor homes
- g. The tree constraints plan to be extended to the trees to the South West of the site
- h. Existing footpath within the site is to be widened to 3.0m to allow pedestrian and cycle traffic through the site
- i. Bin store and doorway to be enlarged, bin collection point to be added

The above comments have been incorporated into the updates plans included within Appendix 5.

24. The public consultation was held on 17<sup>th</sup> January 2020. The main comments from the consultation were as follows:

- a. Overwhelming concern over the proposed footpath/cycle link from Leedam Road to Hill View Road. We have removed the link.

- b. Overlooking from balconies on the North East Elevation into gardens of bungalows on Western Avenue. We have removed the Balconies to this elevation and introduced obscure panels to balconies on adjacent elevations.
- c. Insufficient parking on site for the proposed homes. We have increased parking up to 27 spaces (in excess of planning requirements).
- d. Increase in illegal activity (drug dealing in the area).
- e. Lack of maintenance of trees/hedges to alley adjacent to site. As the trees are covered by TPO, a planning application is required to undertake maintenance work. It is anticipated that these works will be undertaken once an Arboriculturalist is employed to undertake an inspection and schedule of works is compiled, prior to a planning submission.
- f. Lack of maintenance to boundary fencing to particular properties on Western Avenue. The entire boundary fence to the North East of the site has now been replaced.

25. Planning permission was submitted on 10<sup>th</sup> March 2020.

### **Financial overview**

- 26. Appendix One, sets out the proposed financial profile of the scheme for the Housing Revenue Account (HRA).
- 27. The total scheme costs are estimated to be £6.467m profiled over the next 2-year period as the construction phase moves ahead.
- 28. Around 80% of this total scheme cost will be funded through capital receipts, HRA reserves and s106 contributions; whilst £1.330m of Prudential borrowing is required within the HRA.
- 29. Appendix Two shows the long-term cashflow for the scheme. Appendix Three sets out the financial appraisal assumptions.

### **Financial Strategy**

- 30. The tenure mix of the properties (and associated rental stream) provides a balance in terms of financial returns required by the Council and ensuring low rents. This has been considered in the context of the whole HRA development pipeline identified to date.
- 31. Estimated long term cash flows presented in Appendix Two indicates the positive contribution in terms of cashflow to the HRA from the first year after completion (Year 3), once constructed and fully occupied. The forecast demonstrates that Prudential Borrowing will be repaid over 25 years, subject to a small deficit of £9k at the end of the 25 year period. From Year 26 cashflows are expected to return to positive annual contributions of around £80k.

### **Land appropriation**

32. The land on which the homes will be developed needs to be appropriated (transferred) to the HRA from the General Fund because of the legislation around where affordable housing needs to be accounted for within the Council. The RICS Valuer from Property Services has valued the parcel of land containing the affordable homes at £900k which is proposed to form the appropriation value paid from the HRA to the General Fund.
33. The land value for the appropriation of the HRA element of the site is set at market value, £900k and works by reducing the historical General Fund debt position and increasing the historical HRA debt position. This reduction enables the General Fund to then take on an additional £900k of debt without changing its base budgeted position. Summary of financial implications across both the General Fund and HRA is provided in table below:

	HRA	General Fund
<b>Capital Implications</b>		
Capital Financing Requirement before transfer (as at 1 April 2019)	139,687,000	271,140,000
Market Value of Land funded transferred	900,000	(900,000)
<b>Adjusted Capital Financing Requirement after transfer</b>	<b>140,587,000</b>	<b>270,240,000</b>
<b>Revenue Implications</b>		
Minimum Revenue Provision (HRA nil)	0	(36,000)
Interest on borrowing (Item 8)	9,000	(9,000)
<b>Net revenue impact</b>	<b>9,000</b>	<b>(45,000)</b>

34. The funding for this HRA scheme of £6.2m is already allocated within the Bournemouth Neighbourhood 2020/21-2021/22 HRA Major Project Capital Programme as part of the recognised Housing Development programme which was approved by the BCP Cabinet (agenda Item 8, Appendix F) and Council in February 2020. There is sufficient budget to cover the £267k within the same programme from 'New build and Acquisition TBC'.

### **Grants and 3<sup>rd</sup> party funding**

35. A total of £430k Section 106 monies will be used to part fund the 27 social rented homes. Due diligence will be undertaken to establish that this sum has actually been received and is available to be used in support of this scheme.
36. Contact with Homes England has been made regarding bidding for Grant at a level of £79k per home, which would total £2.133m. The relatively high grant levels help to support the social rent levels proposed. If this funding is achieved, it would be in place of Right to Buy receipts (as they cannot be used together) and a saving could be made on HRA Reserves in the region of £526k, which



could then be put towards other development schemes. The Appendix attached are based on use of Right to buy receipts and a maximum amount of HRA reserves.

### **Capital funding**

37. Due diligence has been undertaken around the Right to Buy funding stream to ensure that this is achievable. £1.607m of Right to Buy funds will be used to part fund the 27 social rented homes scheme.
38. £3.1m of HRA capital reserves have yet to be allocated to the scheme but are shown within the overall housing development programme.

### **Taxation**

39. A tax evaluation has not been undertaken as this is a newbuild housing scheme and will be zero rated.
40. Stamp Duty Land Tax (SDLT) has also been considered but discounted as a land transfer between the General Fund and HRA will not constitute a chargeable consideration for SDLT purposes.
41. VAT – Both the HRA and General Fund are part of the Council, the land transfer between the two ‘funds’ is treated as a non-business transaction.

Any VAT incurred on construction cost will be fully reclaimable as the spend will relate to the statutory function of the Council.

### **State Aid**

42. State Aid has been considered and assessed as a low risk, as we are not passing on funding to a third party. If Homes England Grant is utilised, a further check for State Aid conformity will be undertaken.

### **Prudential Borrowing**

43. The Council is able to borrow under the Prudential Code as long as it is affordable and can be repaid over the life of the asset. The proposed scheme is predicated on £1.33m of prudential borrowing repaid over 25 years at an annual cost (including interest) of £79k.
44. Appendix Two demonstrates a positive contribution to the HRA up to and including year 18. Year 19 to year 25 show a small deficit, which is cleared by Year 26 as the loan is repaid. This is after provision has been made for both capital and interest repayments as well as management, maintenance and major repair costs, and an adjustment to the rental income to cover void costs. Any potential capital growth has been ignored for the purposes of this modelling. The financial modelling assumes the use of flexible short-term funding (at an interest rate of 3.5%) during the construction period before entering into a long-term arrangement (at an interest rate of 3.5%). The 3.5% interest rate reflects the relatively low risk associated with delivery of this scheme, as is in accordance with the Council’s Invest to Save Framework.

45. Furthermore, any funding will only be drawn down when required and not in advance of need.

### **Value for Money**

46. The total construction costs are higher than the Gross Development Value (GDV) which is estimated at £4.57m – the total estimated value of the completed homes. Relatively high build values allow for the enhanced sustainable performance of the development (Ground source heat pumps and Passiv Haus principles) which is a local priority.

47. Despite this, the financial appraisals set out in Appendix One, Two and Three show that the scheme is still very viable in the short, medium and long term for the Council. The high proportion of affordable homes on the site influences the GDV and the construction costs are based on a relatively high build value of £2390m<sup>2</sup> which we would expect not to exceed. The cost per m<sup>2</sup> has been estimated by the appointed Employers Agent/Quantity Surveyor due to the complexity of the site and the high build standard of Passiv Haus. At this level, the scheme remains viable in terms of costs but this includes a 7.5% contingency budget and conditions have been set to revisit the scheme through Cabinet/Council should costs further exceed this as set out below.

### **Approval Conditions**

48. The proposals to date are indicative prior to submitting a planning application. It is therefore inevitable that the final details in terms of unit numbers, total cost etc. will vary from the estimates presented here. Whilst the proposals presented here are based on the professional judgements of the Housing Development Team, our contracted professionals such as architects, planning colleagues, the planning process and tendering process will establish the final costs and design.

49. The scheme design is likely to develop during the planning application stage. It is unlikely that the scheme will increase in the number of apartments, so the financial modelling is based on the maximum number of homes to be built. Should the number of homes reduce, the borrowing and other funding will reduce accordingly. For example, with Right to Buy Receipts (RTBr): the use of this funding is limited to a maximum of 30% of total scheme cost (for Social Rented homes), so if the number of homes decreases, the build cost reduces and so the amount of RTBr that can be used also reduces.

50. Should the build cost increase across the scheme, the RTBr can be increased accordingly, and to pay the balance, the Prudential Borrowing would need to be increased to maintain a near steady state for the long-term cash flow.

51. Should costs reduce, for example if the number of apartments is reduced, typically the funding will reduce proportionately.

52. It is therefore suggested that approval is sought here subject to some conditions as follows whereby deviation from these will require further Cabinet or Council approval: -

- a. **Changes to approved budget** - Any changes to the scheme budget resulting in a reduction to costs or additional costs greater than £1m will require the scheme to be reapproved by *Council*.
- b. **Changes to approved budget** - Any changes to the scheme budget resulting in a reduction to costs or additional costs of greater than £500k will require the scheme to be reapproved by *Cabinet*.
- c. Any changes to the scheme causing the positive cumulative cashflow to be achieved later than currently modelled (Year 1) shall require approval by Council.
- d. **Changes to funding strategy** - Any changes to the current approved funding strategy that result in a greater utilisation of combined BCP resource (e.g. earmarked capital reserves, capital receipts, prudential borrowing) than as outlined in this paper will be reported to Cabinet or Council, depending on value of change.

## **Consultation**

- 53. Internal consultation within BCP Council teams has commenced, with further consultation required prior to Cabinet and Council. This has included colleagues from Estates, Planning, Highways and Finance. Further detailed consultation will include Finance and Legal.
- 54. Consultation undertaken by the Housing Development Team within other housing teams has similarly been undertaken with input gained from the Housing Landlord, Enabling and Housing Options teams.
- 55. On the 17<sup>th</sup> September, the scheme was discussed by the area's Design Review Panel, which is a team of independent development professionals who provide design advice for new schemes. The Panel is set up by (and shadowed by) BCP planning urban design team.
- 56. Ward Councillors are aware of the site and its closure as a care home. They are also aware that we are proposing a new build Council housing scheme.
- 57. Public consultation took place on 17<sup>th</sup> January 2020. Revised plans were emailed out to residents and Ward Councillors on 4<sup>th</sup> March 2020.

## **Alternative Options**

- 58. The following options have been considered but discounted: -

### ***Option 1 : Market disposal of site***

- 59. One option would be to dispose of the site for development. The valuation made by BCP Estates colleagues for the site is £900k and would be a potential capital receipt to the Council's General Fund. If planning permission was gained on this site prior to disposal then the value could be higher. This option however would not deliver the wider corporate aims around housing need and homelessness.

60. Whilst the site would need to comply with the affordable housing planning policy requiring up to 40% affordable housing subject to viability, there would be no certainty about the scale of affordable housing that would subsequently be agreed by the developer.
61. The disposal of this site would take 12-18 months for tender and sale to be completed.
62. Having already worked the scheme up prior to seeking planning, a decision to dispose of the land will incur abortive costs for the Council although some of the costs would be partially recouped through the sale price. Costs incurred and committed so far total approximately £24.4k including professional costs and site surveys. This has been funded through the HRA Housing development budget.
63. Members are reminded that the BCP Budget 2020/21 report (as approved by Council in February 2020) acknowledged potential availability of capital receipt from disposal of Templeman House land with respect to funding its Transformation Agenda.

***Option 2 : Retain as a care home***

64. Discussions were previously undertaken with the Head of Joint Commissioning & Partnerships, who has confirmed the position with Care South as noted earlier in this report. It is noted that the existing property is not suitable for a care home. This decision could be revisited but would significantly stall site progress

***Option 3 : Refurbishment/conversion of the existing care home***

As noted in paragraphs 6-8 (earlier in this report) the option to convert the existing property to self-contained apartments has been discounted. A further option of converting the property to temporary accommodation has also been investigated. This option included providing temporary accommodation for single people or families as a temporary solution prior to alternative hostel provision becoming available in the conurbation. This would require a change of use planning application which would take several months, with the majority of the property remaining void after conversion works are undertaken. In addition, temporary homeless schemes need to be carefully configured to help achieve a sustainable housing environment which would be difficult to achieve in a cost effective way within the existing building. The high estimated cost of required works has been established and evaluated by Strategic Housing Options team, eliminating this as an option.

***Option 4 : Alternative tenure provision (to Affordable Rent)***

65. If the 27 Social rented homes were alternatively delivered based on higher Affordable rent levels, this would reduce the amount of HRA Reserves used in the current scheme, from £3.1m down to £1.8m. A mix of affordable rented and social rented homes is not recommended because there would be no logical basis for distinguishing homes as one or the other and would create an inequitable charging policy between neighbouring tenants.

## **Summary of financial implications**

66. Provided within the body of the report.

## **Summary of legal implications**

67. The site is currently held in the General Fund (pursuant to the Council's power to acquire and hold land set out in Section 120 of the Local Government Act 1972 ("**LGA1972**")) and will therefore need to be appropriated into the Housing Revenue Account (HRA) to enable the development.
68. As the land is no longer required as a care home it is surplus to requirements and Section 122 of the LGA 1972 means that it can be put to another use provided that the Council have a power to acquire land for the same purpose.
69. Sections 9 and 19 of the Housing Act 1985, Part II, provide the power for the Council to acquire and therefore to appropriate land for the purpose of providing affordable housing and a corresponding power to build and provide affordable housing accounted for within the Housing Revenue Account (HRA).
70. Section 1 of the Local Government Act 2003 gives the Council power to borrow for any purpose relevant to its functions.
71. An electricity sub-station, associated access rights and electricity cables fall within and run through the site. It is understood that the lease will need to be surrendered or varied so that the substation, access route and cables can be relocated.
72. The site is subject to a Tree Preservation Order (TPO). The development will need to accommodate the trees covered by the TPO.
73. A planning application was submitted on 10<sup>th</sup> March 2020 and the Council is currently awaiting grant of planning permission.
74. The Council will need to comply with all relevant procurement requirements, including the Public Contracts Regulations 2015 (if applicable) in undertaking the proposals contained within this Report and further legal advice should be sought in this regard.
75. Any grant funding terms will need to be reviewed. Further legal advice should be sought to confirm the proposed use of the funding will be compliant with State aid rules.

## **Summary of human resources implications**

76. The existing Housing Development Team will oversee the delivery of this scheme alongside the other new build schemes in the pipeline. The construction works will be tendered and other professionals have also been procured e.g. architects to bring this scheme forward.

## Summary of environmental impact

77. Whilst the site is increased in housing density, it is providing much more energy efficient dwellings, with greater thermal insulation and more efficient heating systems.

78. As set out in the report, the scheme will have a ground source heat pump, photovoltaics panels and be built to Passivhaus principles.

79. A copy of the Environment Impact Assessment is included in Appendix Six.

## Summary of public health implications

80. The housing scheme will create a sustainable good quality housing development and bring many benefits to the residents and the wider community. The proposed scheme gives careful consideration to the wider issues such as trees/amenity space to help create an attractive area which improves the well being of the community.

## Summary of equality implications

81. The housing scheme will provide accommodation for those who are on the Housing Register and in housing need. As such, many households will have protected characteristics and have vulnerabilities. The existing Allocation Policy for the Bournemouth area will help manage allocations to the scheme for those most in need.

82. A copy of the EINA is included in Appendix Four.

## Summary of risk assessment

83. The following key risks have been identified alongside mitigating actions :

Overall Project Risk Rating		
Key Project Risks	Gross Risk Rating	Mitigating Actions
Rising construction costs render the project unaffordable	Low	Good project management will enable the close monitoring of progress and any issues that may arise to be dealt with promptly. Build cost budget set at £2,390m2 is an inclusive Design & Build cost provided by our Employers Agent and includes 5% contingency for the build and a further £131k contingency is included in our financial appraisals.
Scheme not gaining a satisfactory planning consent	Low	Housing Development Team have completed pre-application discussions with the Planning Team and shared the designs with the Design Review Panel; we have amended the designs in line with most of the comments.

Overall Project Risk Rating		
Key Project Risks	Gross Risk Rating	Mitigating Actions
Fall in housing need for accommodation tenure provided caused by changes to the housing market or economy	Low	Monitor through construction period requirement for each tenure with the Strategic Housing Options team. Should a particular need reduce (such as shared ownership), the Housing Development Team can appraise and suggest changes to tenure to suit need and financial viability as required.
Insufficient funding available, such as failure to secure funding from s106 Contributions or RTB receipts	Low	Monitor and review spend of such funding on other schemes within the development programme. Should insufficient funding be available, schemes will be prioritised and potentially some schemes put on hold until sufficient funding is available. Alternative tenure such as Shared Ownership would attract different funding, such as grant from Homes England, which could be used to ensure the scheme is brought forward,
Increased fire risk during construction phase	Low	Timber frame will not be permitted. External cladding of the building is to be majority brick. Design and construction will be closely monitored by Housing Development Team, Employers Agent and the Surveying Team.

84. Property development activity involves inherent risks but a cautious approach has been adopted here to minimise these risks as much as possible. Financial contingencies have been included and significant consultation has been undertaken to date to help ensure a sustainable scheme.

### Background papers

85. Refreshed Bournemouth Housing Strategy 2017 - 2020 -

<https://www.bournemouth.gov.uk/Housing/help-with-housing/Documents/bournemouth-refreshed-housing-strategy-2017-2020.pdf>

86. Housing Strategy Refresh 2018-2020 Borough of Poole

<https://www.poole.gov.uk/council-and-democracy/strategies-plans-and-policies/housing-strategy-refresh-2018-2020/>

## **Appendices**

**Appendix One : Income and Expenditure Summary General Fund and HRA**

**Appendix Two : Financial Appraisal Long-term Cash flow**

**Appendix Three : Summary of Funding Assumptions**

**Appendix Four : Equality Impact Needs Assessment (EINA)**

**Appendix Five : Development proposal plans**

- 28077-PD099 Site Location Plan
- 28077-PD102M Proposed site plan
- 28077-PD103F Ground and first floor plan
- 28077-PD104F Second floor plan
- 28077-PD105D Elevation
- 28077-PD107A Existing and Proposed site section – Sheet One
- 28077-PD108A Existing and Proposed site section – Sheet Two
- 3D visuals of Templeman House Artist's impression of the new Templeman House from the entrance to the site.
- 3D visuals of Templeman House Artist's impression of the new Templeman House from green amenity on the southern part of the site.

**Appendix Six : Health and Safety Assessment Tool (HASAT)**

**Appendix Seven : Environmental Impact Assessment**

**Appendix Eight : Project Plan**