

Report subject	Housing scheme at Craven Court, Knyveton Road, Bournemouth
Meeting date	14 April 2021
Status	Public Report
Executive summary	<p>The BCP owned site is currently a 2-3 storey residential building with 18 flats.</p> <p>The current proposal presents a new build scheme of 24 apartments and associated parking to be provided on the site.</p> <p>These homes will help towards imminent new Local Plan housing targets and will also contribute significantly to unmet housing need.</p> <p>All of the homes are to be for Affordable Rent and will be designed to high energy standards meeting Passivhaus standards.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <ol style="list-style-type: none"> 1. Council Approve the proposed £5.3m housing scheme for progression to Council for subsequent approval request: <ol style="list-style-type: none"> a. Approval to tender, commencement and completion of build subject to the conditions set out in the Financial Strategy 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. Approve the financial strategy for the scheme as set out in paragraphs 24 to 56 with specific approval for: <ol style="list-style-type: none"> i) £3.67m of prudential borrowing to be repaid over 50 years used to finance the Housing Revenue Account (HRA). ii) The capping of rental income to Affordable Rent levels and Local Housing Allowance. c. Authorise the Section 151 Officer in consultation with the Portfolio Holder for Finance to determine the detailed funding arrangements.

Reason for recommendations	To enable the proposed housing scheme to progress with the agreed funding arrangements through to construction and subsequent completion in order to deliver the wide range of benefits to the Council and local communities.
Portfolio Holder(s):	Cllr Robert Lawton, Portfolio Holder for Housing
Corporate Director	Kate Ryan, Corporate Director of Environment and Community
Contributors	Lorraine Mealings, Director of Housing Nigel Ingram, Head of Housing Delivery Jonathan Thornton, Housing Development Manager Peter Friend, Project Manager Claire Lynch, Housing Development Officer
Wards	East Cliff & Springbourne: Councillor Anne Filer, Councillor David Kelsey and Councillor Roberto Rocca
Classification	For Decision

Background

Housing Market Context

1. Levels of 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 2500 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 'affordable housing' at sub-market rates is very high. There are circa 5650 households on the Housing Register for the BCP area waiting for 'affordable 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. Craven Court is a potential development scheme for Council housing within the conurbation that could be developed directly by the Council for affordable rent, for those in housing need.
6. This proposed scheme will follow many others which have been successfully delivered over previous years and there is a pipeline of many additional sites going forwards to help address our housing needs locally.

Site background information

7. The site is owned by BCP within the Housing Revenue Account (HRA) and is a 2-3 storey residential building comprising 18 flats, currently let on Social Rent. The building was originally a pair of semi-detached Victorian buildings that have been substantially altered and extended over the years. The building has since been used as a hotel, nursing home and individual flats.
8. The existing building is in a poor condition and requires considerable work to bring it up to modern residential standards. It is considered that the site represents an opportunity to create a new high-quality purpose-built block of affordable housing units.
9. A planning application for the housing scheme was submitted and validated on 27 August 2020.

Proposed scheme

10. The proposed development includes the demolition of the existing building and to provide a total of 24 apartments over four floors. This development would be capable of housing 24 households, circa 65 persons. Subject to consents, the proposed commencement date is August 2021 with the scheme ideally due to be completed in January 2023.
11. It is recommended that the site is developed directly by the Council to provide a residential scheme comprising the following: -
 - Affordable Rent (24 homes)Plans for the proposed scheme are included in Appendix 5.
12. 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's Neighbourhood Management team and the Housing Options and Partnerships 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.
13. As noted earlier, the need for Council housing, including affordable rented housing, is high across BCP.
14. The scheme will provide self-contained homes with a mix of one bed and two bed apartments.

15. The proposed layout is determined by the shape of the site, location of trees, access and the existing character of the surrounding area. The proposed building has been set back slightly behind the building line of the existing building. This reflects the slight variation of building line along the street, reduces the prominence of the proposed building and enables a better landscaping of the front courtyard. Unlike the existing scheme, all parking is proposed to be in the front courtyard area, thus enabling some landscaped amenity space to the rear of the building. Consideration has also been given to allow vehicular access to the rear of the property for maintenance purposes.
16. The scheme will provide 9 car parking spaces, which is considered appropriate given the nature of the housing units to be provided, the unallocated provision, the proximity to the town centre and excellent transport links. To note, there are currently 8 car parking spaces serving the existing 18 flats. The proposal represents a lower ratio of car parking spaces to unit numbers however this level of car parking proposed is in accordance with the newly adopted BCP Car Parking SPD (2021). Internal cycle parking is to be provided with one space per apartment in line with current planning policy.
17. The scheme is expected to go to Planning Committee in April 2021.

Environmental build standards

18. The development will provide a highly energy efficient scheme. It will help address the 2019 BCP Council declared Climate and Ecological Emergency and future proof the new homes against the 2025 Future Homes Standard for housing. The development will contribute to the Council's commitment to achieving a net zero carbon emission target.
19. We intend to build the scheme to the principles of the Passivhaus standards. This standard offers the benefit of very low carbon heating requirements and world leading levels of energy efficiency by not relying on fossil fuel heating systems. Passivhaus Principles will be followed rather than full accreditation, which will help generate carbon savings.
20. The fabric first approach which the Passivhaus standard follows for construction, minimises the need for expensive space heating systems. Our residents will not have to budget for expensive heating bills. A saving of up to 75% on energy bills is possible, (From the Passivhaus Trust). This will help address fuel poverty for those on low incomes. The cost of enhanced building is £225 per home per year, which is expected to be less than the saving in fuel bills by the tenant. This will assist in tenants not entering a state of fuel poverty (which could increase the likelihood of a tenant defaulting rent payments).
21. The minimal heating requirements and use of photovoltaic panels on the building's roof to supplement power demand means that expensive retrofitting, or replacement of fossil fuel heating systems can be avoided in the future.
22. The scheme will be measured in terms of sustainability through carbon savings - full details of the carbon reduction figures are shown in appendix nine.
23. The lifetime cost of the proposed development is £304 per tCO₂. This fits well below the BEIS guidance of under £500/tCO₂

Summary of key benefits

24. 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 24 self-contained homes to help address the challenging Local Plan housing targets and help meet local housing demands.
- Provide 24 new Council homes at affordable rent levels to meet housing need, which comprises 100% of the total homes on the proposed site and is significantly higher than the 40% required within the Affordable Housing Planning Policy.
- Utilisation of £1.59m 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.
- The scheme will bring improvements to the area with the provision of good quality and well managed homes and wider environmental improvements.
- It will deliver high levels of sustainability in terms of design.
- It will generate employment during the construction phase to help grow the local economy.

Development Feasibility Work already undertaken

25. During 2019 and 2020, consultants have been appointed and several surveys completed to develop a scheme design to planning submission stage. Surveys completed to date include: Condition of the existing property, Arboricultural, Topographical, Ecological, Ground investigation, Services locations, Legal Report on Title and Valuations.

26. The financial commitment to date (including design, surveys and planning) is £89k. This is included within total project outlay of £5.309M below. Of the £89k financial commitment, £74.7k has been spent to date (including design surveys and planning).

**Appendix 1 - Craven Court Housing Development:
and Expenditure**

HRA Income

		Housing Revenue Account
<i>Homes</i>		24
<i>Prudential Borrowing Period</i>		50
		Affordable Rented £000s
Scheme Costs		
Works budget cost (including demolition & 5% contingency)	inc contingency of £228k @ 5%	4,062
e/o for Passivhaus standard	10%	406
PV roof panels, EV charge points, bike store, removal of contamination		105
Build and oncost contingency	5%	241
Fees & Other Costs		410
Interest (during Build Phase)		85
Land Acquisition costs		0
Total Scheme Cost		5,309
Scheme Funding		
Homes England Grant - TBC Affordable Housing Grant		
Homes England Grant - Accelerated Construction		
Affordable Housing s106 Contributions		
Sales - Shared Ownership		
Housing Revenue Account		
- Capital Funding - 1 for 1 Right to Buy Receipts		1,593
- S106 Contributions		50
Prudential Borrowing - additional borrowing		3,666
Total Scheme Funding		5,309
Net Cost		0

27. A planning application for the housing development scheme was submitted on 27 August 2020 and validated on 02 September 2020. The scheme is expected to go before the March 18th Planning Committee.

Financial overview

28. Appendix One, sets out the proposed financial profile of the scheme for the Housing Revenue Account (HRA).

29. **Build costs** of £4.06 million are based on estimates from our appointed employer's agent (Quantity Surveyors). The employer's agent included a 5% contingency (equivalent to £228k) and demolition costs in these build estimates. There is also an additional Contingency of 5%, circa £228k, with an on-cost contingency of £500 per unit (equating to £12k overall). In addition to this, we have included an additional 10% of Build Costs, to ensure that the scheme can be built to Passivhaus Standards. These total costs equate to £2,337 per sqm. The base build cost excluding contingency, demolition and Passiv Haus uplift is £2,121/m².
30. **Fees and other costs** of £410k include £192k disturbance payments – to facilitate the relocation of existing tenants from the property. This payment is a statutory requirement and includes all costs associated with tenant relocation (including removal fees and storage costs if required).
31. The total scheme costs are estimated to be £5.3m profiled over the next 2-year period as the construction phase moves ahead. Interest on borrowing required during this phase of £85k is included within capital outlay above.
32. £1.59m of the capital outlay will be funded from Right to Buy (RTB) receipts. At 30%, this is the maximum level of RTB that can be applied as funding. An additional £50k will be funded by Section 106 Contributions. The remaining £3.66m of capital outlay is proposed to be funded from Prudential borrowing through the HRA.
33. Estimated long term cash flows presented in Appendix Two forecast net annual cash surplus from first year of completion. 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. Over the 50-year scheme life, cumulative cash surpluses of £2.46m are forecast.
34. Appendix Three sets out the financial appraisal assumptions supporting the capital outlay and 50-year cashflow forecast. The Council is also in the process of completing a wider benchmarking exercise, with the assistance of comparable local authorities, to ensure ongoing relevance and appropriateness of core assumptions applied.

Financial Strategy

35. The 24 new housing units will be designated as affordable housing. As there is ongoing demand for affordable housing, the Council has reasonable assurance over rental income streams for the next 50 years. Forecast cashflows assume modest annual increases in rental income of 3% in years 1-2 (in line with Government guidance of RPI +1%), reducing to 2% per annum from year 3 (inflationary RPI increase only). Additional provision is made for voids at 2% of gross residential rent per annum.

36. Ongoing operational spend (property listing and management, service costs and general repairs and maintenance spend) are allowed for within the model on a standard £/unit basis. The £/unit values used are based on historic financial data and are therefore considered to be accurate. Annual inflation at 2% is applied to reflect increases in these costs over the 50-year period. In addition, allowance is made for major repairs across the housing development. This is an annual allowance, from year 10 onwards, at 0.8% of housing development value (based on original capital outlay with annual inflationary increases).
37. Under s11(6) of the Local Government Act 2003, local authorities are required to spend retained Right to Buy (RTB) receipts within three years. This is limited, however, to no more than 30% of the cost of a replacement home (whether through acquisition or new build). Where a local authority is unable to spend receipts within three years they are to be returned to the Ministry of Housing, Communities and Local Government (MHCLG), together with interest of 4% above base rate. The financial risk to the Council of having to return unspent RTB receipts is reduced by applying £1.59m (30% of £5.3m capital outlay) of RTB receipts received as funding for this scheme.
38. 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.

Prudential Borrowing

39. The Council can 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 £3.66m of prudential borrowing repaid over 50 years at an annual cost (including interest) of £85k. The use of 50 years reflects the estimated useful economic life of the asset.
40. The financial modelling assumes the use of flexible short-term funding (at an interest rate of 3%) during the construction period before entering into a long-term arrangement (at an interest rate of 3%). The 3% interest rate has been used as a matter of prudence for the financial modelling. It has the benefit of creating additional risk premium to mitigate the risk of potential fluctuations in long term cashflow projections.
41. In March 2020, HM Treasury announced a new Public Works Loan Board (PWLB) HRA lending rate for 100 basis points below standard PWLB rate (0.92% at today's rate (12 Feb 21)). The difference between 3% Invest to Save rate and 0.92% PWLB HRA lending rate is £3.66m risk premium allowance. Risk Premium that is budgeted but ultimately not required will increase availability of HRA Reserves used for future housing developments.
42. Furthermore, any borrowing will only be drawn down when required and not in advance of need.

Taxation

43. A tax evaluation has not been undertaken as this is a newbuild housing scheme and will be zero rated.
44. Stamp Duty Land Tax (SDLT) will not apply.
45. VAT – Any VAT incurred on construction cost will be fully reclaimable as the spend will relate to the statutory function of the Council.

Public Sector Subsidy (State Aid)

46. State Aid has been considered and assessed as low risk, as we are not passing on funding to a third party.

Value for Money

47. The financial appraisals set out in Appendix One, Two and Three show that the scheme is viable in the short, medium and long term for the Council. The Total scheme cost of £5.3m is slightly more than the Gross Development Value (Market value of the completed properties) of £5m.
48. The scheme provides a surplus in the long term cumulative cashflow from year 1 to Year 50 when the loan is repaid. Beyond year 50 the surplus will be in excess of £125k per annum to the HRA.
49. The development at Craven Court will produce around 22% less CO₂ emissions than the same building if it were built to basic housing standards (Basic Spec). Findings show that using the Fabric-First Passivhaus approach would achieve savings of 7.87 Tonnes of CO₂ per year over the Base Spec adopting Passivhaus design principles, and a saving of 19.31 Tonnes of CO₂ per year over a building built to the basic housing standards.

The financial appraisals set out in Appendix One, Two and Three show that the scheme is viable in the short, medium and long term for the Council. The construction costs are based on an estimated build cost which has been provided by David Richards Partnership Ltd (DRP). They have confirmed that given the scope of works, the total construction costs (including contingency and an additional 10% to meet Passivhaus Standards) represent value for money.

50. The use of Passivhaus principles for design and construction allows for high reductions in energy costs for our residents. It also negates the need for expensive fossil fuel heating systems and their subsequent replacement in the future, thus helping the Council to meet the 2025 Future Homes Standard. This highly energy efficient and environmentally sympathetic fabric first construction method represents good value for money for the Council by helping to reduce its future maintenance liability.

Consultation

51. The development was subject to a public consultation exercise by the Council. A consultation exhibition event scheduled for March 2020 had to be cancelled due to the Covid – 19 pandemic and instead a postal consultation exercise was undertaken in July 2020. The proposed plans with a covering letter of explanation were delivered to neighbouring properties.
52. Only two local residents responded to the consultation both from residential properties Frances Road (to the rear of the proposed scheme on Knyveton Road) related to privacy, cladding, the boundary wall and with the levels of car parking. The issues were considered by the development team and the architect, and we addressed these concerns as follows:
- a. **The potential impact on privacy from the top floor rear balconies (one respondent):** The building had been designed to sit on the existing building's footprint. The height of the new building is lower than the existing ridge height. This, in addition to, the natural screening provided by the trees at the rear of the property, should allow a good degree of privacy to be retained by neighbouring properties. It is also worth noting, that the new building's location is approximately 35m away from those in Frances Road, which is 10m further than required by current planning guidance.
 - b. **The suitability of the upper floor grey cladding (one respondent):** As part of the planning application, we showed through a visual (ECGI) what the building may look like. However, materials and the like are typically dealt with by the planning department at a later date. New drawings show that this proposed cladding has been changed. It is now vertical cladding and will comprise composite or timber material to comply with current standards post Grenfell.
 - c. **Suggesting that less parking is provided in favour of more outdoor space (one respondent):** Our car parking provision was subsequently reduced. To note, the proposed car parking provision is also in line with the new BCP Car Parking SPD (2021). It is also likely that the existing tenants will move back into this property, so we need to ensure that there is adequate parking on site.
 - d. **The retaining wall:** The retaining wall will be repaired where practicable. In other locations hedgerows will be used as a boundary for this site.
53. It is also worth noting that should planning permission be approved, issues such as materials (including cladding), boundaries and landscaping are conditions to a planning application. This means that the treatments and materials used for cladding, boundaries and landscaping will need to be approved separately by the planning department at a later date. This is considered normal procedure by the planning department. The Housing Development Team did respond to those that made representations.
54. Neighbours who are likely to be affected by the scheme have been written to and will be kept up to date.
55. The Housing Development Team undertook consultation with housing teams and input was gained from the Neighbourhood Management, Housing Delivery Enabling and Housing Options and Partnerships teams.

56. Ward Councillor consultation was carried out in March 2019, and they were further updated with scheme progress in July and August 2020. Feedback from the Housing Options and Partnerships team and that we should provide the greatest need, which was and remain for rented accommodation. This scheme is to provide rented homes to people on the housing waiting list, let at affordable rent levels.

57. During the planning application process, one public comment was received.

Approval Conditions

58. Should the build cost increase across the scheme, the RTB 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.

59. Should costs reduce, typically the funding will reduce proportionately.

60. It is therefore suggested that approval is sought 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.

Options Appraisal

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

Option 1: Market disposal of site

62. One option would be to dispose of the site for development. The valuation made by Thornes Valuers for the existing site in its existing condition is £1.36m. This site would need to be appropriated from the HRA to the Council's General Fund in order of it to be sold. 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, as well as long term surpluses into the HRA.

63. 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 and subsequently delivered by the developer.

64. The disposal of this site would take 12-18 months for tender and sale to be completed.
65. 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 £79k including professional costs and site surveys. This has been and will continue to be funded through the HRA Housing development budget.

Option 2: Alternative tenure provision (to Social Rent)

66. If the 24 Affordable Rented homes were alternatively delivered based on lower Social Rent levels, this would decrease the surpluses that this scheme would achieve after 50 years from £3.62million to £1.55m. The Social Rented alternative scheme would also require additional reserves (or s106 contributions) at a level of £1.375m.
67. To help mitigate the impact of affordable rent levels on tenants' ability to pay, rents will be capped at Local Housing Allowance (LHA) rates rather than the higher 80% of average private market rent levels. The Housing Development Team is currently delivering other sites with homes at Social Rent levels.
68. Work is currently underway to help shape the future housing delivery strategy for how the Council builds on its own land and factors such as tenure type, delivery model and sustainability standards will form part of these considerations.

Option 3: Repair of existing building

69. The condition of the existing building is no longer fit for purpose and will require significant investment to address the outstanding issues. A 2018 condition survey of the building highlighted issues that require attention.
 - Mansard roof. Roof coverings have reached the end of their life cycle and need to be replaced.
 - Flat roofs. Roof coverings have reached the end of their life cycle and need to be replaced.
 - Windows. All windows need to be replaced.
 - Internal communal doors. All internal doors need to be replaced.
 - Lift. The lift has had several fault repairs carried out and now needs to be replaced.

These are the larger more expensive items. There are numerous other items including soffits, external masonry and render, chimneys, staircases etc that also require repair or replacement. The estimated cost of these in 2018 was circa £400,000. Current advice is that this will require a 30 – 40% uplift in costs due to market conditions.

The conclusion is the building has reached the end of its life cycle and the cost of refurbishing it outweighs the benefit that would be provided. If all the repairs were attended to, the property would still not meet the high standards required for senior living accommodation of this type.

Summary of financial implications

70. Provided within the body of the report.

Summary of legal implications

71. The Housing Act 1985, section 9, empowers the Council to build and provide housing accommodation (including houses, flats and ancillary facilities such as open space). Credits and debits in respect of such accommodation must be accounted for within the Housing Revenue Account (HRA) – section 74(1) of the Local Government and Housing Act 1989.

72. The Council also has the General Power of Competence pursuant to the Localism Act 2011, and therefore the power to borrow for the purposes set out within this Report.

73. The Council will need to comply with all relevant procurement requirements in undertaking the proposals contained within this Report and the Council will undertake the work in accordance with ongoing legal advice.

Summary of human resources implications

74. 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

75. The site is within a sustainable location and the high-quality building on this site could make a positive contribution to the quality of the environment.

76. 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. The scheme will be built using a fabric first approach following Passivhaus design principles.

77. A copy of the Environment Impact Assessment is included in Appendix Seven.

Summary of public health implications

78. 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 and provides private amenity space for prospective residents to help create an attractive area which improves the local community.

Summary of equality implications

79. The housing scheme will provide accommodation for those who are on the Housing Register and in housing need, being designed for families, couples and single people of all ages. As such, many households will have protected characteristics and have vulnerabilities. Admission for new residents to the scheme will be by objective eligibility criteria, which will be operated by the Housing Solutions team who, undertake property allocations for the Council. The existing Allocation Policy for the BCP area will help manage allocations to the scheme for those most in need, although a new BCP Allocations Policy is being developed which may be live at the point this scheme is completed.

80. Properties will be available for all eligible applicants on the housing register. No issues regarding Sex/ Gender Reassignment/ Pregnancy and Maternity/ Marriage and Civil/ Race/ Religion or Belief/ Sexual Orientation/ Armed Forces Community and any other factors/ groups characteristics have been identified but these factors will be considered along with any service user identified needs.
81. Properties will be constructed to Building Control Approved Document Part M category1 (Access to and use of buildings- also to be referred to in future reports as the bronze standard.). This means that the new flats designed will meet wheelchair accessible standards.
82. The Councils standing specification requires the architect to implement the requirements of Lifetime Homes where it is practical to do so.
83. The constrained nature of the site prohibits achieving Lifetime Homes or any alternative Part M category. However, the Council actively considers the provision of Category 2 & 3 dwellings on other schemes in the conurbation.
84. A copy of the EINA is included in Appendix Four.

Summary of risk assessment

85. 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. The Build cost budget is an inclusive Design & Build cost provided by the Construction Works Team and a 10% contingency for the build is included.
Scheme not gaining a satisfactory planning consent	Low	Pre-planning advice has been taken on previous version of this scheme and measures proposed by the planning team have been fully considered with regard to appropriateness for the client group and scheme feasibility. Where practical, they have been incorporated.
Fall in housing need for accommodation tenure provided caused by changes to the housing market or economy	Low	Monitor through construction period the requirement for affordable rent with Strategic Housing Options team. If required, 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.

Overall Project Risk Rating		
Key Project Risks	Gross Risk Rating	Mitigating Actions
Increased fire risk during construction phase	Low	Design and construction will be closely monitored by Housing Development Team, Employers Agent and the Construction Team.

86. 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

- a) Refreshed Bournemouth Housing Strategy 2017 - 2020 - <https://www.bournemouth.gov.uk/Housing/help-with-housing/Documents/bournemouth-refreshed-housing-strategy-2017-2020.pdf>
- b) 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

- 200_I_ Site Location and Block Plans
- 201_H_Proposed Floor Plans
- 202_F_Proposed Elevations
- 203_C_Street Elevations
- 206_F_SUDS and Roof Plan

Appendix Six : Health and Safety Assessment Tool (HASAT)

Appendix Seven : Environmental Impact Assessment

Appendix Eight : Project Plan

Appendix Nine : Carbon Reduction Statement