

Background Paper

Report subject	Maintaining the momentum- CNHAS responds to market volatility through re- profiling & re-focusing its 5 programmes.
Meeting date	08 March 2023
Status	Public
	<p>When CNHAS was originally endorsed at Cabinet and approved by full council in November 2021, one of its unique attributes was the programme approach it adopted, its inherent flexibility towards achieving the delivery of 1000+ new homes & 250 Acquisitions of Street Properties – nearly 1300 in total, did not rely on one model/method alone.</p> <p>This decision has been of great benefit over the last 6 months as it has enabled the following 5 ‘step changes’ to be employed & considered: -</p> <ul style="list-style-type: none"> • Acceleration of ‘off the shelf’/shovel ready’ opportunities • Increasing the procurement BCP offer to the marketplace. • Expanding tenfold the external capital funding potential. • Progressing sites ‘in parallel’ through the development pipeline • ‘swapping’ budgets from delayed projects to more certain ones. <p>Consequently 1400+ new homes are now possible in the next 5 years through Direct delivery (by BCP council). Highlighted in the body of this report are real examples of CNHAS’s ‘step change’ strategy.</p>

Recommendations	It is RECOMMENDED that: Cabinet and Council note this Paper for Information.
Reason for recommendations	Maintain the significant contribution to both the 15,000 homes BCP wide target within the Big Plan and 1000+ homes in the Dynamic places Corporate Strategy through a direct delivery route led by BCP Council.

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Wards	Council wide
Classification	For noting

1.0 Background

The original CNHAS presented to Cabinet in Sept 2021 had 24 sites identified and a potential further 9 were placed in the harder to reach (programme 5) category.

CNHAS when launched, was stated as the mechanism by which *The Council's Corporate Plan Dynamic places aim of building at least 1,000 homes on council owned land across a 5-year period of a mix of tenure types*, would be realised.

Importantly, CNHAS contains 5 programmes, involving new builds and property acquisitions, remodelling of existing and sourcing appropriate opportunities to address the diverse needs of BCP residents and those wanting to live here. It aims to create homes fit for the 21st Century and generates a positive financial outturn for the Council and an MTFP contribution.

This positive revenue income helps support other spending priorities for the council. The new homes also provide cost avoidance by providing good quality alternative housing to people who would otherwise be accommodated in bed and breakfast homeless provision. For an average family placed in bed and breakfast, the cost incurred by BCP Council can be approximately £30k / year, via specialist & homelessness housing and residential care via extra care housing.

The in-house Housing Delivery team have had to adapt and re-prioritise over the last few months into 2023, to ensure momentum is maintained to ensure the BCP Council approved CNHAS objectives are realised in this volatile marketplace and appropriate homes are built.

2.0 Summary of development pipeline status of 5 CNHAS programmes!

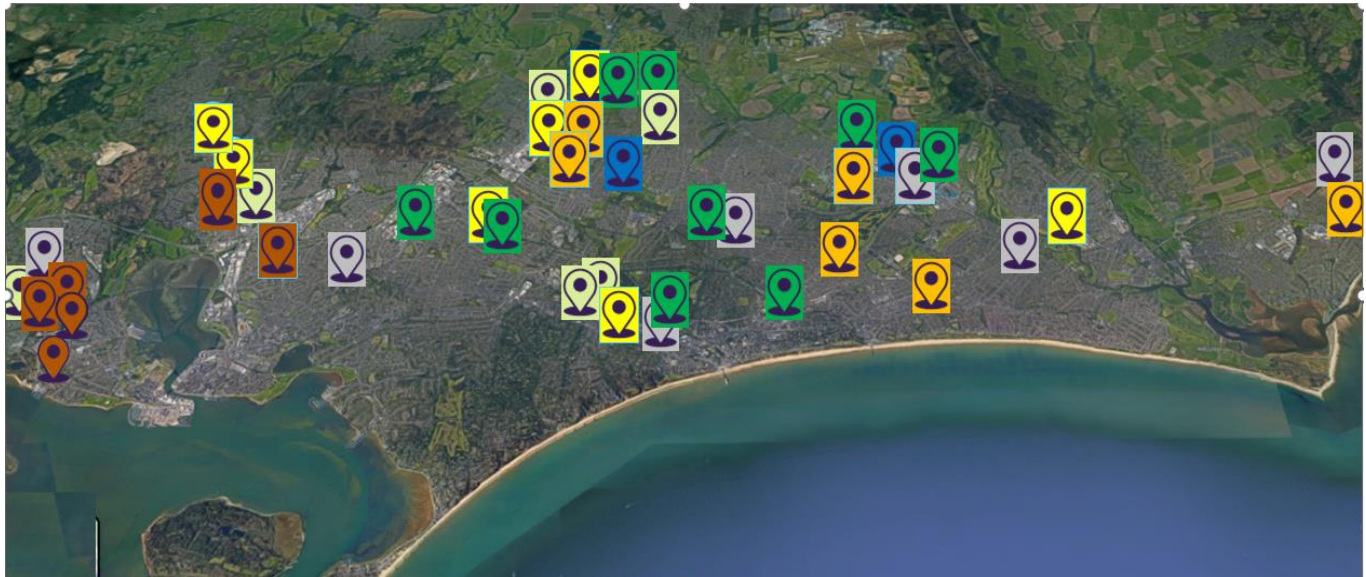
Today 43 sites/projects are being "worked on" at some stage along the development pipeline by BCP Councils small Housing Delivery team – these sites exclude the individual street property acquisitions within programme 4a, with 1 non BCP site under programme 4b being evaluated also, therefore 44 sites/properties in total- 7 of which are 'harder to reach'.

2.1 These 44 BCP council sites represent 1120 potential homes in **programmes 1, 2, 3 & 5** of CNHAS development pipeline,- these are split into 4 stages:-

1. **Feasibility** – when a property/site is in the 'control' of housing, and we are ascertaining how feasible it is to get both planning permission for a proposed scheme and the financial viability of doing so. Budgets are required for this activity if you need to get to the pre-app stage of the planning process. Only nominal feasibility work can be progressed without an adequate budget.
2. **Planning application/submission** – when a positive feasibility position is established and a sufficient budget allocated, a planning application will be made to get "consent".
3. **Targeting start on site** occurs when receipt of planning consent enables completion of the procurement /tendering process with a contractor or developer.
4. **Construction gets underway** after a successful tendering/negotiation, a start on site can occur if adequate budgets/approvals have been secured at relevant Governance levels.

The successful navigation of these 4 stages enables the Completion and Handover to occur and the homes Delivered to the end client- BCP Homes, Childrens services, Adult Services, Seascape etc.

There is a broad geographic spread across Bournemouth Christchurch & Poole of these sites, as is shown in the map below, it is essential that they continue to progress along the development pipeline, if we are to address the needs of local people and those wanting to re-locate here.



- Dark blue- **completed**- Mountbatten gardens and Moorside Avenue, 16 units in total.
- Green sites – **construction underway** – Cynthia/Alice, Herbert, Northbourne, Cabbage, Wilkinson and Craven, Bingham, Godshill, Summer – 9 sites in total representing 110 units.
- Light green sites – **with planning permission &/or proposed start on site in 2023/24**- Princess, Duck, Templeman, Hillbourne, Surrey & Egmont – 6 sites in total with 305 units.
- Brown- **to be submitted for planning in 2023/24**, Oakdale, Junction, Lake, Cavan, Dale & Redhorn- 6 sites and 87 units.
- Orange - **feasibility stage (Per-app & viability)** – Grants, Rochester, Craigmoor, W.Howe, Darracot & Lymington – 6 sites generating a potential 71 units
- Yellow sites – **unbudgeted feasibility stage -potential extra care/specialist sites-** excluding Oakdale, 7 sites 361 units.
- Grey – on hold or no longer proceeding or being taken forward by others.
- **Unbudgeted feasibility stage on Harder to Reach sites** – 7sites, 105 units- **not plotted!**

2.2 Programme 4a's (street acquisitions & Off the shelf blocks) progress has been good compared to previous purchase programmes of street acquisitions, the September 2021 target was 250 homes within 5 years, 77 of these are to complete by the end of this financial year, with agreed terms on a further 11.

The most significant change, is the acceleration of the Rough Sleepers Approved Programme (RSAP) – sponsored by DLUHC and administered by Homes England -with its predecessor - NSAP delivering 12 units, compared to nearly 40 that are to be delivered through RSAP by April 23- 2 RSAP homes may role over into next year's SHAP programme!.

Similarly, street acquisitions & turnkey 'bulk purchases'/off the shelf PRS schemes to help cross subsidise other programmes is going from strength to strength with 40 secured to date, 5 last year and 35 delivered in this year alone. *CNHAS 4a is on target to reach 250 by 2026.*

The Table below summarises the homes that programme 4a aims to deliver. The green highlighted rows represent additional DLUHC sponsored initiatives that **are being added to this programme**, representing 75 more homes at least that BCP are proposing to bid for!

CHNAS	indicative acquisition / new build plan							Actual
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	total	
	no	no	no	no	no	no	no	
RSAP	7	33	0	0	0	0	40	40
SHAPs			20	30	0	0	50	
CYEP	2	4	4	4	6	0	20	3
TA	0	1	10	17	9	0	37	0
PRS	5	35	42	69	9	0	160	36
HMO	1					0		0
LAHF			25				25	0
Total	15	73	101	120	24	0	332	79

SHAP's is the next 2 year DLUHC fund (Single Homeless Approved Programme) to replace the aforementioned RSAP but is a more targeted endeavour focussing on:-

- those with the longest histories of rough sleeping or the most complex needs (including those known to Councils as the Target Priority Group), to help them recover from rough sleeping and its associated traumas;
- vulnerable young people (age 18-25) who are experiencing or are at risk of homelessness or rough sleeping.

SHAP is backed by over £200 million, including revenue funding across both London and outside of London. BCP council need to bid for grant over a timetabled period, with the grant levels (% of acquisition costs) and number of units **not** predetermined or region restricted.

LAHF's is a 5 Quarter programme (to April 2024) £500m DLUHC initiative (Local Authority Housing Fund) aimed at Ukrainian and Afghan refugee families - 2,3 & 4 bed houses- and BCP council have already had the number of units and grant levels predetermined, at 25 and £4m respectively.

3.0 More step changes for CNHAS programmes 1-3

3.1 The 'pooling potential' through gathering a variety of procurement opportunities across BCP Council capital projects is being explored by economic development, housing and future places activities and the cross-cutting procurement/commissioning function.

3.2 Successful discussions have been ongoing with Homes England and BCP Council and we have now entered into a 5-year framework type agreement which will enable other projects under what is known as Continuous Market Engagement (CMA) to be utilised. Currently the development grant allocation is for Princess Rd for shared ownership, but it is envisaged its grant sum will increase 10-fold distributed across other projects during 2023, with not only general needs but extra care housing and specialist housing benefitting also.

These projects are to utilise external grant for a wide variety of needs and projects will include units for BCP Homes, Housing Options- Adult and Children's services to help ensure we are optimising the use of internal right to buy receipts & section 106 funds that BCP Council have.

3.3 CNHAS Maintaining its Momentum is considered an achievement in our volatile building climate, the majority of those identified projects that have not yet been 'contracted' though will need their budgets re-considered by Cabinet & Council at the appropriate time in the development pipeline - refer paragraph 2.1, if Members wish to sustain the momentum.

4.0 Financial statements

4.1 The £221m of funding targeted towards CNHAS over the next 3 years (General fund and HRA budgets) does not include budget estimates for building the additional (except the budgeted Oakdale AEC scheme) extra care/ specialist housing across 7 identified sites.

4.2 The General fund Budget for all of CNHAS projects in the Budget and Medium-Term Financial Plan 2023/24 is below.

Capital Project	Planned Programme 2023/24 £'000	Planned Programme 2024/25 £'000	Planned Programme 2025/26 £'000	Planned Programme 2026/27 £'000	Planned Programme 2027/28 £'000	MTFP Total 2023 to 2028 £'000
CNHAS Residential Property & Acquisitions	22,235	21,550	10,555	0	0	54,340
CNHAS Alma Road (former GP surgery)	2,090	1,710	0	0	0	3,800
CNHAS Oakdale	350	1,400	2,620	0	0	4,370
CNHAS Roeshot Hill	6,095	0	0	0	0	6,095
CNHAS Crescent Road	1,622	0	0	0	0	1,622
CNHAS Surrey road	1,750	541	0	0	0	2,291
Princess road - Hostel and Private Rented Sector	0	8,500	5,074	0	0	13,574
Total Major Housing Schemes	34,142	33,701	18,249	0	0	86,092

4.4 The £86m represents spend allocated going forward (not previously spent) and some projects will be swapped with others during the financial year if they are significantly delayed and others that are more certain and appropriate.

4.5 The CNHAS HRA Budget is projected at £135m, of which £70m requires no further approval, but the balance will be presented for approval through appropriate Governance channels.

Housing Revenue Account								
Major Project Capital Programme								
	Budget	Estimate	Estimate	Estimate	Estimate	Council Approval Category		
	2023/24	2024/25	2025/26	2026/27	2027/28	No further approval	Conditional Approval	Further approval required
Major Projects - Bournemouth								
Moorside Road	365	-	-	-	-	365	-	-
Templeman House	2,600	1,997	-	-	-	4,597	-	-
Craven Court	3,000	1,331	100	-	-	4,431	-	-
Duck Lane Phase 2	850	2,234	-	-	-	2,212	-	872
Wilkinson Drive	1,358	-	-	-	-	1,358	-	-
Cabbage Patch car park	305	-	-	-	-	110	-	195
Godshill Close	300	-	-	-	-	300	-	-
Princess Road (HRA element)	1,000	12,000	11,870	-	-	21,736	-	3,134
Constitution Hill	66	-	-	-	-	66	-	-
43 Bingham Road	1,310	-	-	-	-	1,310	-	-
Summers Avenue	489	-	-	-	-	489	-	-
CNHAS programme 3	4,795	-	-	-	-	4,795	-	-
CNHAS programme 3b	150	1,280	462	-	-	-	-	1,892
CNHAS programme 4b	325	16,800	5,753	-	-	-	-	22,878
CNHAS programme 5a (brown lower)	140	-	2,000	8,640	-	-	-	10,780
Major Projects Expenditure - B'mouth	17,053	35,642	20,185	8,640	-	41,769	-	39,751
Major Projects - Poole								
Cynthia House	620	-	-	-	-	620	-	-
Herbert Avenue	1,583	-	-	-	-	1,583	-	-
Hillbourne School site	3,572	13,000	10,714	-	-	24,325	-	2,961
Sopers Lane / Cavan Crescent	140	1,200	255	-	-	1,595	-	-
Oakdale	490	6,420	7,182	-	-	-	-	14,092
Egmont Road infill	836	1,364	-	-	-	-	-	2,200
Redhorn Close infill	200	1,700	500	-	-	-	-	2,400
Dale Close infill	-	650	130	-	-	-	-	780
Lake Avenue infill	-	750	400	-	-	-	-	1,150
Junction Road infill	200	1,200	200	-	-	-	-	1,600
Feasibility Works	200	200	200	200	200	-	-	1,000
Major Projects Expenditure - Poole	7,841	26,484	19,581	200	200	28,123	-	26,183
Total Major Project Expenditure - BCP HRA	24,894	62,126	39,766	8,840	200	69,892	-	65,934

5.0 Summary of legal implications (For overall CNHAS Strategy)

No Change from 29 September 2022 CNHAS Cabinet Paper, details of Surrey Rd legals in annex 1

6.0 Summary of human resources implications (For overall CNHAS Strategy)

No Change from September 2021, details of Surrey Rd Human resources in annex 1

7.0 Summary of DIA impact (For overall CNHAS Strategy)

No Change from September 2021, details of Surrey Rd DIA in annex 1

8.0 Summary of public health implications

No Change from September 2021, details of Surrey Rd Public health in annex 1

9.0 Summary of equality implications

No Change from September 2021, details of Surrey Rd equality implications in annex 1

10.0 Summary of risk assessment

No Change from 29 September 2022 CNHAS Cabinet Paper, details of Surrey Rd risk assessment in annex 1