



*Castle House  
Great North Road  
Newark  
NG24 1BY*

*Tel: 01636 650000*  
[www.newark-sherwooddc.gov.uk](http://www.newark-sherwooddc.gov.uk)

Dear Councillor

**HOMES & COMMUNITIES COMMITTEE - MONDAY, 18TH JANUARY, 2021**

I now enclose, for consideration the following reports that were unavailable when the agenda was published.

**Agenda No    Item**

- a)    HRA New Build Development Potential Site (Pages 2 - 6)

**RELEASED INTO PUBLIC DOMAIN BY**  
**HOMES & COMMUNITIES COMMITTEE – 14.03.21**

**HOMES & COMMUNITIES COMMITTEE**  
**18 JANUARY 2021**

**HRA NEW BUILD DEVELOPMENT POTENTIAL SITE DEVON ROAD REPORT**

**1.0 Purpose of Report**

- 1.1 This report provides the Homes & Communities Committee with information on a development opportunity to build out a former garage site at Devon Road, Hawtonville as part of the HRA (Housing Revenue Account) development programme.
- 1.2 The report seeks support to decant four tenants and demolish a block of four flats, two of which have recently been damaged by a fire to enable the site to be developed. This proposal has the support of the Senior Leadership Team.

**2.0 Background Information**

- 2.1 A piece of land has been identified with potential for housing as part of the HRA development programme. The land at Devon Road, Hawtonville is owned by NSDC and is a former garage site; the garages were demolished over 10 years ago. The site is made up of an old tarmac access road and approximately 30 old concrete garage bases.
- 2.2 The access road to the site is very long at approximately 40mtrs in length and very narrow being only approximately 2.6 mtrs wide. The land has a re-occurring problem of fly tipping, drug taking and other anti-social behaviour.
- 2.3 An outline site feasibility was carried out in June 2020. The initial site sketch identified that the site could be accessed by the demolition of a block of flats on Devon Road which backs on to the site.
- 2.4 The outline feasibility identified that the land subject to H&CC approval could provide a net gain of five additional properties. To achieve this involves the demolition of the existing 4 x 2 bed flats.
- 2.5 Below is the initial outline feasibility sketch of the site.



- 2.6 In September 2020, a fire occurred in the block of flats containing 140 & 142 Devon road. These flats are next to the proposed development site.
- 2.7 The fire started in the ground floor flat and caused extensive damage with repairing costs around £30k. The fire also caused damage to the upper floor flat (no.142). Both tenants affected by the fire have been temporarily re-housed. The two flats are currently awaiting insurance repairs for the damage caused by the fire. The tenants in the remaining two flats in the block were unaffected by the fire and both remain in residence.

**3.0 Proposals**

**3.1 Proposed new build development following fire**

- 3.2 Following the fire incident, there was an opportunity to look at the site again and the initial outline feasibility sketch was revised taking in to account the demolition of the fire-damaged flats instead of the originally proposed adjacent block of flats.
- 3.3 Revised feasibility sketch of the site.



- 3.4 The revised feasibility plan indicates that subject to SLT approval, the site could be developed to provide the following accommodation.  
 New Build 3 x 2 bed bungalows  
 New Build 2 x 1 bed bungalows

New Build 2 x 2 bed houses  
 New Build 2 x 1 bed flats  
 Net gain on the site of 5 new build bungalows.

- 3.5 The development of the site could be funded from the HRA Development Programme, which has sufficient funds for the development as a phase 4 site. Construction could be started Spring 2021 and completed March 2022.
- 3.6 The tenancy and estates manager supports the proposed development and would welcome the additional types of accommodation proposed, which are in high demand in the area.

Applications in the area for properties of this type.

2 Bedroomed Property	205 Applications
3 bedroomed Property	77 Applications

- 3.7 Consultations have been carried out with the local members who have visited the proposed site and have stated that they would support the proposed development for the site. In particular, to build bungalows as there is a lack of level access accommodation in the area.
- 3.8 Consultation has also been carried out with the four tenants that would be directly affected by the demolition of the flats. Mixed reaction.

The feedback received from the affected tenants.

Flat Consulted with	Current Position	Feedback
No 140	In Temporary Accommodation	Wish to remain in local area
No 142	In Temporary Accommodation	Supportive of proposals
No 144	In residency at property	Supportive of proposals
No 146	In residency at property	Wish to remain in property

- 3.9 The Planned Works Investment Manager has advised that the existing flats are energy performance rated type D & C properties that were constructed in the 1930s. The properties would need considerable capital investment to bring them up to an energy performance rating of A or B. As part of this development, we will consider how renewable energy could be applied to reduce running costs on these homes and contribute to reducing our carbon footprint from our housing stock.
- 3.10 Minimal remedial works have been undertaken in the upper floor flat to enable the tenant to occupy. The significantly fire damaged property remains empty whilst we deal with loss adjusters and bring this report.

#### **4.0 Equalities Implications**

- 4.1 The proposed development would contribute to the council's equalities commitments by providing level access to all ground floor new build properties on the proposed site. In addition, all ground floor accommodation on the development would benefit from level access bathing facilities as standard specification for the new build programme.

#### **5.0 Digital Implications**

- 5.1 No digital implications identified.

## 6.0 Financial Implications (FIN20-21/5249)

### 6.1 Capital Implications

The demolition and construction of the properties would be carried out as part of the phase four of the Development Programme, which has a current approved budget of £8.563m split over 2020/21 and 2021/22.

6.2 The estimated costs for the development are in line with the current average development costs per unit. However, there would be additional costs in relation to the rehousing and demolition in relation to the four existing flats. This cost is estimated at £1,382,400

6.3 Due to the fire damaged property, it is anticipated that the HRA would receive in the region of £30,000 upon settlement of the Insurance claim, which could finance some of the expenditure.

### 6.4 Revenue Budget Implications of the Development

6.5 There are three areas which will have a revenue cost implication to the HRA; these are detailed in the following paragraphs. These costs will be offset within the first 14 months of the development becoming operational, through additional rent income from the scheme.

6.6 The estimated annual rent income from the new build properties would be as follows:-

New Build 3 x 2 bed bungalows at £ 109.00p per week = £15,696

New Build 2 x 1 bed bungalows at £ 92.00p per week = £8,832

New Build 2 x 2 bed houses at £ 108.00p per week = £10,368

New Build 2 x 1 bed flats at £ 82.00p per week = £7,872

Total annual rent income for the 9 new build properties = £42,768

6.7 With regard to the costs of decanting, the additional one-off costs set out below are estimated in line with those currently being used on the Yorke Drive regeneration scheme.

Costs	£
Disturbance payments for rehousing 4 Tenants @£2,000 each	£8,000
Homeloss payments £6,400 each	£25,600
<b>Sub Total</b>	<b>£33,600</b>
Loss of Income for 12 months @ £73.23 per week whilst new homes are built	£14,444
<b>Total additional costs to realise development</b>	<b>£48,044</b>
Annual rent for new properties (see above para 5.6)	£42,768
<b>Net Rental increase on this site</b>	<b>£28,324</b>

6.8 Once built, the additional annual rent from occupancy would be **£28,324** higher than that currently obtained from the four flats on the site. Over a 10-year period with inflation, this would generate estimated additional rent of approximately **£300,000**.

6.9 In addition, costs of maintaining, inspecting and monitoring the former garage site will be removed which is an additional cost saving to the HRA.

## **7.0 Community Plan – Alignment to Objectives**

7.1 This proposal will help to accelerate the supply of new homes including associated facilities; reduce levels of deprivation in target areas and remove barriers to social mobility across the district by providing much needed level access accommodation as well as improve the health and wellbeing of local residents, with a particular focus on narrowing the gap in healthy life expectancy and other health outcomes through building new warm, energy efficient homes.

## **8.0 Comments of Director(s)**

8.1 This is a rare opportunity to remodel an area and eradicate a “grot spot” to produce additional housing to meet local need. Whilst this will displace four households, we will be able to accommodate their needs in our existing stock to facilitate this development.

## **9.0 RECOMMENDATION(S)**

- a. The committee is asked to approve the decanting of existing tenants to facilitate the development.
- b. The committee approves the demolition of the four existing flats to facilitate the development of a total of nine dwellings.
- c. That committee note the financial implications and offsetting of costs.

## **Reason for Recommendation(s)**

To make best use of HRA owned land and property to create more social housing,

## **Background Papers**

“Nil”.

For further information, please contact (report Kevin Shutt Development Manager) on Ext 5670

Suzanne Shead  
Director of Housing Health and Wellbeing