



Northumberland

County Council

CABINET

7 JUNE 2022

Summary of New Capital Proposals considered by Officer Capital Strategy Group

Report of: Jan Willis, Interim Executive Director of Finance and Section 151 Officer

Cabinet Member: Councillor Richard Wearmouth, Portfolio Holder for Corporate Services

1. Purpose of Report

The following report summarises proposed amendments to the Capital Programme considered by the officer Capital Strategy Group (CSG) via email on 6 May 2022.

2. Recommendations

Cabinet is recommended to:

2.1 Felton HUSK Bungalow Scheme:

Approve a scheme to deliver affordable housing in Felton by redeveloping an NCC garage site into 5 new 2 bedroom bungalow units using the HUSK construction method at a cost of £695,090 with the funding as shown in paragraph 5.6 and to note that this is subject to a successful funding application to Homes England.

3. Links to Corporate Plan

The Council's Capital Programme is consistent with the priorities in the Corporate Plan in particular the 'Living', 'Enjoying' and 'Thriving' priorities.

4. Background

This paper summarises reports considered by the officer Capital Strategy Group on the allocation of funding within the Medium Term Plan to specific projects.

SUMMARY OF NEW CAPITAL PROPOSALS CONSIDERED BY OFFICER CAPITAL STRATEGY GROUP VIA EMAIL ON 6 MAY 2022

5. Felton HUSK Bungalow Scheme

5.1 CSG were asked to consider a scheme to deliver affordable housing in Felton by redeveloping an NCC garage site into 5 new 2 bedroom bungalow units.

Proposal

5.2 The proposal is for NCC to redevelop 2 rows of NCC garages into 5 x 2 bed bungalows using the HUSK concept with a turnkey package of design, enabling works and off site construction.

5.3 The HUSK concept uses the brick skin of the existing garage blocks to redevelop 2 bedroom bungalows for affordable rent. This modern method of construction is a unique way of utilising the existing garage walls and mitigates the need for full demolition. The homes are manufactured off site and inserted into the husk of the garage block with new roofs then installed to form new homes. Zero carbon technologies will be proposed to power the new homes. HUSK homes have been delivered across the country including Newcastle, County Durham and North Tyneside.

5.4 The site is a current garage block site in a good central residential location accessed off Mouldshaugh Lane in Felton. This rural village has limited opportunities for further development of such accessible accommodation in central locations, which will become an issue for the ageing population.

5.5 This garage site is the first of 8 sites that have been identified as potentially suitable for redevelopment via the HUSK concept. The re-use of underutilised garage sites is seen by the NCC Housing Delivery team as an obvious route to delivering accessible bungalow accommodation within the heart of NCC managed residential areas.

5.6 The estimated capital cost for this scheme is £695,090 which will be funded as shown in the table below.

Total Build cost @ £139,018 per property	£695,090
Funded by:	
Homes England Grant @ £45,000 per property	£225,000
Section 106 Housing Developer funding	£273,500
HRA Investment Reserve	£98,295
HRA Borrowing	£98,295
Total Funding Package	£695,090

- 5.7 Due to the significant level of external funding, the site is forecast to make a positive return in Year 1 and will generate a net contribution of £287,000 to the Housing Revenue Account over a 30 year term.
- 5.8 This proposal also meets the objectives of the recently adopted Local Plan, the NCC Housing Strategy, the findings of the Strategic Housing Market Assessment (SHMA) 2018 refresh and the emerging NCC Housing Delivery Strategy. It would contribute towards NCC's plans to provide additional accessible affordable homes in locations where there is identified housing and where NCC already has a management presence.
- 5.9 This opportunity is a development opportunity, yet to achieve planning permission but in a good central location, which will suit the future requirements of the ageing population in this rural village. Schemes of this limited scale, just 5 units, in already populated residential locations, meet the need for gradual additional housing provision by the council. This new supply of accessible accommodation for tenants who are currently under occupying should release much needed family accommodation.
- 5.10 A key driver for looking at these garages is that they are costly to maintain and bring in little revenue to the HRA. This model offers a delivery solution that aligns with NCC's zero carbon objectives and can be realised within a very quick build time as compared to demolition and traditional construction.
- 5.11 This proposal is the only housing scheme eligible to use Section 106 Housing Developer funding that was made available by a development in the neighbouring parish of Longframlington by providing affordable housing in the Felton parish.
- 5.12 In terms of identification of local housing need this site is located at the heart of local NCC family houses where it has been identified that there are 9 tenants currently under occupying, who if they wish to move, could benefit from this new accessible accommodation. Based on Homefinder application and bidding data, there are currently 5 applicants who would meet the criteria for bungalows in Felton itself and who are also in genuine housing need. Looking at wider parish data there are a further 4 applicants who would meet the criteria for bungalows and who are in genuine housing need. The units will be advertised on Homefinder and allocated in line with a Local Lettings Plan giving priority to applicants with a local connection.
- 5.13 The 2 bedroom bungalows will provide accommodation that can meet the changing needs of tenants if they require an extra bedroom for a spouse or carer or the space to house mobility equipment to enable them to live independently in this accommodation for as long as possible and maybe even to end of life.

Implications

Policy	The capital programme is part of the Medium-Term Financial Plan 2022-26. The plan supports the Corporate Plan.
Finance and value for money	The report outlines proposed project allocations and amendments to the approved Capital programme. The financial implications of these proposals are outlined in the main body of the report. The projects will be funded from the existing capital programme and external funding.
Legal	There are no direct legal implications.
Procurement	In line with all other capital expenditure, the additional spend will be subject to the Council's recognised procurement procedures.
Human Resources	Not applicable.
Property	The properties affected by the proposals are identified in the main body of the report.
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Not applicable.
Risk Assessment	The risks associated with the proposals are regarded as acceptable but these risks will continue to be reviewed up to and during implementation of the proposals.
Crime & Disorder	There are no Crime and Disorder implications.
Customer Consideration	There are no Customer Considerations.
Carbon reduction	Carbon Reduction measures have been considered within each project.
Health & Wellbeing	There are no Health and Wellbeing implications.
Wards	All wards.

Background Papers:

Medium Term Financial Plan 2022-26

Report sign off:

Authors must ensure that officers and members have agreed the content of the report:

	Name
Monitoring Officer/Legal	Suki Binjal
Executive Director of Finance and S151 Officer	Jan Willis
Chief Executive	Daljit Lally
Portfolio Holder	Richard Wearmouth

Author and Contact Details

Mike Turner, Head of Property Services and Capital Programming
(01670) 622905
Mike.Turner@northumberland.gov.uk