

Chichester District Council

CABINET

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Increasing the Provision of the Council's Temporary Accommodation At Freeland Close Chichester

1. Contacts

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2. Recommendations

- 2.1 That an order is placed with Southern Gas Network (SGN) for the relocation of the gas pipeline, shown in Appendix 1.**
- 2.2 That Cabinet approves the allocation of up to £120,000 from the Housing Investment Reserve to meet the cost of this work, subject to the urgency procedure (see para 5.2 below).**
- 2.3 That delegated authority is given to the Director of Housing and Communities to make changes to the Project Initiation Document (PID), in consultation with the Cabinet Member for Housing, to accommodate approval of a final design and submission of a planning application.**
- 2.4 That members note the delay in the programme as set out in 5.4.**

3. Background

- 3.1 Over the last 3 years the Council's temporary accommodation at Westward House has been operating at full capacity, subject to turn around voids. The Council has become increasingly reliant on bed and breakfast (primarily out of the district) for temporary accommodation. This is far from ideal for the households involved and incurs significant costs to the public purse. Furthermore it is considered unlawful by MHCLG, to accommodate families in bed and breakfast except in an emergency and for a maximum of 6 weeks.**
- 3.2 In late 2016 a single storey building, 22 Freeland Close, was offered to the Council for purchase. The purchase was approved by Cabinet in March 2017. Since then the property has been bought back into use to provide four one bedroom flats as temporary accommodation. A full options appraisal was also undertaken to maximise the full development potential of the property to meet the Council's priority homeless accommodation needs, whilst ensuring that any development of the site was economically viable in terms of build cost and achievable rental income.**

- 3.3 In December 2018 Cabinet approved the Project Initiation Document (PID) for redevelopment of the site to expand the accommodation. The Director of Housing and Communities was authorised to proceed with the project to planning stage, to conduct the procurement, invite tenders and take all steps up to, but not including, the award of the construction contract which will be brought back to Cabinet.
- 3.2 Cabinet also approved the allocation of £102,000 from the Housing Investment Reserve to enable the scheme design to be finalised and submitted for planning approval.
- 3.3 In order to progress the development it will be necessary to move a gas main that currently runs through the site, shown in Appendix 1. An estimate of £116k has been received from Southern Gas Network (SGN) for the cost of this work. Payment is due on placement of an order and there is a lead-in period of 16 weeks before any work can be commenced.
- 3.4 Positive pre-application planning advice has been received in respect of the proposed development, a planning application is currently being prepared by the consultant architects and is expected to be submitted within the next month. Following planning approval, the detailed design of the scheme will be completed and tenders invited. If the Council waits to commission SGN to move the gas main until planning has been approved this could introduce a significant delay to the project. An updated estimate will have to be sought and the cost of moving the gas main may increase.

4 Outcomes to be achieved

- 4.1 That the project is delivered as far as possible in line with the timescales set out in the PID and without undue delay.

5. Proposal

- 5.1 That an order is placed with SGN for the relocation of the gas main, so that the lead-in time of 16 weeks will run concurrently to the planning application and the detailed design and procurement of the main contract and any delay to the project caused by the relocation of the gas main will be minimalised.
- 5.2 This recommendation would normally be referred onto full Council, however, as Council does not sit until 26th November, it is proposed that following Cabinet the urgent decisions procedure is used to expedite the order being placed.
- 5.3 Since the PID was taken to Cabinet in December 2018, a number of queries have arisen in respect of the design of the scheme including the difficulty of managing shared accommodation and the potential for conflict amongst clients. In addition a review of recent and current demand for temporary accommodation has been undertaken which indicated that the biggest growing client group is single people. It was identified that larger households could be adequately accommodated within the existing facilities at Westward House, subject to some reconfiguration work.
- 5.4 Due to pressures on staffing resources, the loss of key staff on the project team and reconsideration of the design, the project programme has slipped. It is now expected that a planning application will be made in the next month. A further report will be

presented to Cabinet following the receipt and analysis of tenders for award of contract in spring 2020.

- 5.5 It is proposed that the Director of Housing and Communities be given delegated authority to make changes to the PID, in consultation with the Cabinet Member for Housing, to accommodate approval of a final design and submission of a planning application.

6. Alternatives Considered

- 6.1 If the relocation of the gas main was commissioned following the grant of a planning approval there is likely to be a considerable delay to the project as the build out of the development will not be able to commence until the order has been placed and removal of the gas main completed. Contractor bids may also be inflated due to the uncertainty as to completion of these works.

7. Resource and Legal Implications

- 7.1 The most recent estimate provided by SGN for the relocation of the gas main is for £115, 615. This is valid for 90 days and SGN reserve the right to charge for a re-estimate. The original estimate of £119,000 supplied by SGN was included in the options appraisal carried out for the PID.
- 7.3 The Council currently holds a Housing Investment Reserve of £765,000 of which £102,000 has already been committed to enable the scheme design ready for invitation of tender. The use of these funds already has approval of Council and meets key objectives of the Corporate Plan. The £120K being requested in this report is an additional allocation from the reserve for the relocation of the gas pipe.

8. Consultation

- 8.1 Pre-application planning advice has been received from Development Management in Planning Services. No major concerns regarding the redevelopment of the premise were raised.
- 8.2 Regular meetings are held with the Council's internal project team for this project including representatives from housing, legal, finance and estates.
- 8.3 The Senior Leadership Team has been briefed on these matters.

9. Community Impact and Corporate Risks

- 9.1 There is a risk that the development is not granted planning permission. If this was the case and the Council decided not to progress further with the development, SGN have advised that if their order were cancelled they would only charge the Council for work actually undertaken. For example, should they require trial holes within the 16 week lead in period, this would be chargeable to CDC, however if no work is undertaken a full refund would be issued.
- 9.3 Relocating the gas main maximises the development potential of the site and will increase the potential value of the site. Should the Council decide not to progress the

development, the relocation of the gas main will have added equivalent value to the site for disposal.

- 9.4 Proceeding with the relocation of the gas main ahead of the main contract will help to de-risk further slippage in the development programme and will ensure that tenders have greater certainty in costing the works.
- 9.5 An equalities impact assessment has been undertaken and concludes that this development will have a positive impact. The proposals will increase the supply of, and access to suitable temporary accommodation for homeless households.
- 9.6 Further risks and mitigation measures were identified in section 13 of the PID attached to the report to Cabinet in December 2018.

10. Other Implications

	Yes	No
Crime and Disorder		x
Climate Change and Biodiversity		x
Human Rights and Equality Impact		x
Safeguarding and Early Help		x
General Data Protection Regulations (GDPR)		x
Health and Wellbeing		x
Other (please specify)		No

11. Appendices

- 11.1 Plan showing position of gas main and proposed development.

12. Background Papers - None