

HAMPSHIRE COUNTY COUNCIL

Committee/ Panel:	Buildings, Land and Procurement Panel
Date of Decision:	13 March 2012
Decision Title:	Major Projects Update
Decision Reference:	3164
Report From:	Director of Culture, Communities and Business Services

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1. Executive Summary

1.1 This report provides an update on the major projects currently being progressed relating to:

- Adult Services Transformation - Learning Disability Services
- Havant Schools
 - Barncroft Community Primary School
 - Havant Academy
 - Park Community School
- Merton Rise, Basingstoke
- Project 500 – Affordable Housing.

2. Adult Services Transformation – Learning Disability Services

2.1 Members will be aware that Property Services officers have recently begun providing asset related support to Adult Services for the transformation of their Learning Disability Services. Accordingly, the asset implications and business case for the transformation of the Adult Services Learning Disability Services was approved at the Executive Member for Policy and Resources Decision Day on 27 October 2011.

2.2 Over the next 3 to 4 years, this programme of transformation will see the provision of up to 13 Community Links, 2 Keystone Services, 2 Residential Respite Units and a residential unit to support clients who need short-term accommodation as a result of an unexpected change

in their circumstances. In support of this, a number of existing Learning Disability related property assets will be disposed of to provide capital finance to help fund the provision of the new transformed services.

- 2.3 Work continues to progress on the Community Link for Basingstoke, with a location now identified. Further work is also being progressed in Eastleigh to identify suitable opportunities to provide a Community Link, although negotiations to secure the original preferred site have been put on hold by the freeholder owner of the site, which has caused a delay in the early implementation programme. Despite this setback, it is intended that the services will be operational by mid to late 2012.
- 2.4 Two partnership arrangements are being progressed to supplement the proposed Community Link in Andover, which would provide flexible spaces within buildings used by partners from which to deliver services. Initial design work has also commenced on the adaptations required to provide a crisis service from an existing residential site in West Street, Havant.
- 2.5 In addition, the two residential respite units and the Keystone Services are progressing through the early stage of project briefing with feasibility focusing on potential sites identified for the northern respite unit, with opportunities in the Totton area for provision of the Keystone Service.

3. Havant Schools – Barncroft Community Primary School

- 3.1 Barncroft Primary School, which was created through the amalgamation of Barncroft Infant and Junior School, moved in February 2012 from the temporary accommodation in the former infant school building to the newly completed accommodation in time for the start of the second half of the spring term.
- 3.2 The construction period was longer than originally planned, due to additional works on site that arose from unforeseen issues with the existing building structure and fabric. The design team and contractor were in regular contact with the school, Governors and Children's Services to keep them informed of progress.
- 3.3 The total investment of £6.4 million has included extensive expansion, refurbishment and remodelling of the existing junior school building and site. The new two form entry school accommodation includes specialist provision of a reading recovery teaching facility, e-learning facility and nurture spaces.

4. Havant Schools - Havant Academy

- 4.1 The construction and refurbishment works at Havant Academy are ongoing and three of the eight sections of the building works have now been completed and are already handed over to the school. Whilst the project is currently six weeks behind the target programme due to unforeseen problems discovered in opening up the existing buildings, the contractor has reprogrammed the later sections and is predicting final completion of all eight sections on programme by October 2012. The Property Services design team's relationship with the Academy remains consistently positive.

5. Havant Schools – Park Community School

- 5.1 The project appraisal for this project was considered at the last meeting of the Panel and approved at the Executive Member for Policy and Resources Decision Day meeting on 19 January 2012.
- 5.2 The project proposals have been progressed to detailed design work alongside the contractor who was appointed for pre-construction services. Detailed briefing discussions on the interior design are ongoing with the school and Children's Services.
- 5.3 A process of value engineering has also been undertaken to continue to manage the costs of the works to within the available funding and a planning application submitted.
- 5.4 A start on site date for the main contract of October 2012 is still being targeted with an enabling works contract planned to start in July 2012 to clear the site ready for the main contract works to commence in the autumn.

6. Merton Rise, Basingstoke

- 6.1 Following a report on the outcome of marketing of the site to the Executive Member for Policy Resources on 21 July 2011, negotiations have progressed with the selected purchaser, who Members will recall are to purchase the whole site subject to the grant of the outline planning consent.
- 6.2 Basingstoke and Deane Borough Council, as Local Planning Authority, resolved to grant Outline Planning Permission in December 2010 and negotiations on the Section 106 legal agreement have also progressed, with the agreement finally completed in December 2011. This in turn enabled the Planning Permission Decision Notice to be issued in early January 2012.
- 6.3 The process of granting planning consent has triggered, as expected,

an overage clause on a small part of the site that was acquired from the Highways Agency in 2008. This is expected to result in a small financial payment to the Highways Agency, and this needs to be agreed before the purchaser will exchange contracts.

- 6.4 As expected on a land disposal of this scale, the contract negotiations and the 'due diligence' process undertaken by the purchaser are extensive and time-consuming, meaning that an exchange of contracts is likely to occur in the first quarter of 2012/13. This creates the prospect of legal completion on the whole site and a single payment capital receipt early in 2012/13.

7. Project 500 – Affordable Housing

- 7.1 Members will recall that a County-wide "sieve exercise" was undertaken to identify potential County Council owned sites that could come forward for development as part of the Project 500 Affordable Housing initiative - this process resulted in 103 sites being identified with some potential. Following a review of the identified sites with the relevant Local Planning Authority (Hampshire Districts and Boroughs), around 35 of these sites have since been the subject of more detailed feasibility assessments by the project team, resulting in 'readiness to progress' status being applied to each site. This assesses the likelihood of them coming forward, their development capacity and potential timescales. As a consequence of this approach, three phases of development have been identified:
- 7.2 Phase 1 - sites where there is a prospect of delivery (or "start") by the end of 2012/13. This phase included the former railway station site at Braemore in the New Forest; the Old River site, Denmead; and Grove Road, Basingstoke and York Road, Aldershot. This group of sites is anticipated to deliver up to 25 units.
- 7.3 Phase 2 – this phase included mostly rural exception sites where the discussions with the Local Planning Authority and outcome of the feasibility work proved more positive. This group of sites is anticipated to deliver around 40-50 units between 2013 – 2015, subject to satisfactory progress on discussions with the relevant Parish Council and Planning Authority.
- 7.4 Phase 3 - included longer term development prospects, with a probable delivery post 2015.
- 7.5 In respect of Phase 1, following the sale to Hyde Martlett Housing Association (HMHA) of the site at Braemore, five units are currently under construction. On the Denmead site, following the selection of HMHA as the development partner for the site, discussions with Denmead Parish Council (who jointly own the site) have been progressed with regard to share of site value, and form and tenure of

the proposed development. It is hoped that a collaboration agreement will be finalised with the Parish Council shortly.

- 7.6 Meanwhile, Hyde are evolving their 13 unit scheme for the Denmead site with a view to undertaking a community pre-application consultation event Spring 2012 and to submit a detailed planning application early Autumn 2012. It is anticipated therefore that first occupations could be available on this scheme late 2013.
- 7.7 On York Road and Grove Road the latest position is unfortunately less positive. Since Executive Member approval to the sale of the York Road site in April 2010, the revisions to the scheme proposed for this site by the selected Registered Social Landlord partner (RSL) were considered unacceptable. The site has now been withdrawn from sale pending the outcome of a schools' reorganisation involving the adjoining Infant School site. However, it is likely to come forward again as part of a wider scheme of development, probably with a greater number of affordable units. It has therefore been rescheduled to Phase 2 in terms of delivery.
- 7.8 On the Grove Road site, significant progress has been made by the selected RSL in undertaking the necessary preparatory surveys to support a detailed planning application for 16 units. A formal pre-application submission was made to the planning authority Autumn 2011, the response to which has been largely positive. The selected developer is keen to submit their planning application shortly and the necessary legal work, which has been progressing in tandem, is reaching an agreed position. However, as part of discussion on the latter, the developer has recently confirmed that their original bid to acquire the site had been predicated on a level of grant support from the Homes and Community Agency (HCA).
- 7.9 With the change in the level of grant available and also the basis on which grant can be secured, it appears that the Grove site was excluded from their bid to the HCA last April, such that the scheme now has a negative land value. The way forward on this site is therefore subject to review and may involve securing some "bridging" capacity funding from the HCA, or certainly at least accepting that only a nominal land value may now come from this sale. It is anticipated that a revised authority from the Executive Member for Policy and Resources will be required to take this site forward.
- 7.10 As part of Phase 2, there are a further 10 sites that are now subject of a further level of feasibility work, including discussion with HARAH colleagues, Hyde Martlett and the respective Parish Council as to their suitability, specific local demand and likely timing of delivery. Once sites are identified as having particular potential, these then transition to the selected RSL to progress, freeing up the project team to bring forward the next tranche of sites.

- 7.11 Finally, as noted above, and also evidenced by the Breamore and Denmead projects, many of the sites identified through the sieve exercise are in a rural location, and as such are likely to be delivered through the Hampshire Alliance for Rural Affordable Housing (HARAH) development partner Hyde Martlett where the site falls within one of the 6 designated partner Districts. Though none of the prospective Project 500 sites were included in the 2011-2014 bid for funding from the HCA made by Hyde, as at the time of the bid submission the sites were considered to be too uncertain. Agreement has now been reached with Hyde that sites will be supported with grant using capacity funding. This approach has the full support of the HCA.

8. Recommendation

8.1 That the Panel advises the Executive Member for Policy and Resources that:

- a) Progress on each of the projects be noted.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	No
Corporate Business plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Business plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1 An equalities impact assessment has not been considered appropriate in the development of this report.

2. Impact on Crime and Disorder:

- 2.1 The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime.

3. Climate Change:

- 3.1 Positive impacts on climate change will be considered at the time each of the projects are reported for approval. This report generally gives an update on progress and it is not appropriate to set out the specific impacts on climate change.