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**NON-EXEMPT**

# **HAVANT BOROUGH COUNCIL**

Overview & Scrutiny Committee 30<sup>th</sup> November 2022

## **REGENERATION STRATEGY AND HOUSING STRATEGY**

### **FOR NOTING**

#### **1.0 Purpose of Report**

- 1.1 To provide an update to the Overview and Scrutiny Committee on the regeneration strategy and housing strategy.

#### **2.0 Recommendation**

- 2.1 That the Overview and Scrutiny Committee note the content of the report.

#### **3.0 Executive Summary**

- 3.1 At the Cabinet briefing on 21<sup>st</sup> September 2022 and the Overview and Scrutiny Committee on 19<sup>th</sup> October 2022, two papers were presented, the first outlining ongoing work to develop a housing strategy and explore the potential for a property company for the Borough and the second updating on the Levelling Up Fund (LUF) 2, the Shared Prosperity Fund (SPF) and the Brownfield Land Release Fund (BLRF) 2 bid for Bulbeck Road multi-storey car park.

#### **4.0 Regeneration Strategy**

##### **4.1.1 Brownfield Land Release Fund – Bulbeck Rd multi storey car park**

- On Saturday, 19<sup>th</sup> November 22 the government announced the successful bids for the BLRF2. This is the link to the announcement. [Council secures £1.65 million of Government regeneration funding | Havant Borough Council](#)
- Havant's bid for £1,650,000 for the demolition of Bulbeck Road multi-storey car park was successful. The related Havant Borough Council (HBC) press release is in appendix 1.
- The bid outlined the potential development of at least 91 one- and two-bedroom flats on the cleared site. The bid was accompanied by diagrams showing what the design could look like. These are attached in appendix 2.
- Work has been underway to mobilise the project and the first key milestones are:
  - A planning application to demolish Bulbeck Road multi-storey car park.

- The development of a detailed demolition specification to enable HBC to procure a demolition company. This will be achieved through an open competitive procedure and the Council will be inviting 4 suppliers that are in the market to tender.
  - To have in place a contract with a demolition company by 31<sup>st</sup> March 2023 (this is a condition of the funding awarded).
- In spring 2023, the Government will announce another round of BFLR 3, which will be a UK wide fund of a further £60m. HBC will consider other sites which either require demolition or remediation that would be suitable for a new bid for this round of funding.

#### 4.1.2 UK Shared Prosperity Fund (UKSPF) - Investment Plan

- Under the UK Shared Prosperity Fund, Havant BC has been allocated £1m of Government Funding over a 3-year period. This is to support a programme of activity under the three national themes of 1) Communities & Place 2) Support Business 3) People and skills. The available funding is heavily loaded into the latter part of this 3-year window.
- In order to confirm and access the funding available the Council was required to submit an Investment Plan outlining how it would utilise the funding and the outputs / outcomes it would deliver against the key themes. The Council submitted the required Investment Plan ahead of the 1<sup>st</sup> August deadline.
- A decision and confirmation that the Investment Plan was acceptable was expected in October 2022. We now believe it will be by the end of December 2022 although there is currently no information nationally on when the Government intends to make any announcement.

#### 4.1.3 Levelling Up Fund 2 bid – Meridian Place

- The Levelling Up Fund application for the part refurbishment, part redevelopment of the Meridian Centre, along with public realm improvements to Havant Park, was submitted to Government on 28<sup>th</sup> July, ahead of the 2<sup>nd</sup> August deadline. The bid was for £20,000,000 of grant funding with HBC matching this with £7,000,000.
- We had expected a decision on whether HBC has been successful to be made by the Department for Levelling Up, Housing and Communities (DLUHC) in October, although this, like the UKSPF bid, is now not expected until the end of December 2022.

#### 4.1.4 Wider Regeneration Programme

- Regarding other projects identified within the wider regeneration portfolio, these have been prioritised to align with the HBC Corporate Strategy and there have been recent discussions between the Leader and HBC

Executive, these will extend to the Cabinet briefing on 30<sup>th</sup> November and then considered by Full Cabinet in January 2023.

- The intention is to utilise the holding of revenue reserves to 'pump prime' a number of feasibility and development studies and/or Outline Business Cases in order to develop 'shovel ready' priority regeneration and/or housing enabling projects. This will place the Council in a stronger position with regards to further bidding to Government for capital funding. An overview on how we intend to govern, and drawdown, financial reserves will be presented to Cabinet for approval.

## **5.0 Housing Strategy and Operating Model(s)**

In the previous papers, the following steps were outlined and this is an update on their progress.

- Already met with HBC planning to determine the potential suitability of identified sites for housing with a view to them being placed in the Local Plan. 11 sites are deemed suitable. A further 4 sites have subsequently been identified, 3 of which have had a similar high level planning assessment and 1 still needs to be assessed.
- Already started to develop a draft housing strategy which looks at affordable housing, social housing (e.g those currently on the housing waiting list), temporary housing and general housing. This piece of work will be available in early / mid-February 2023
- HBC has launched, via the Proactas procurement portal, a soft market testing to assess opportunities available for solutions to temporary housing. The main objectives will be:
  - a) to identify suppliers and size of market.
  - b) possible design solutions to reflect the type of asset (e.g car park, etc.).

This market testing will now close on Friday, 13<sup>th</sup> January 2023 and the findings will form part of the housing strategy. The link for the Proactas portal is: [Soft Market Test - Modular Homes \(due-north.com\)](https://due-north.com). A full transcript is in Appendix 3.

- Of the 14 HBC owned sites identified and having received initial feedback from the HBC planners, detailed investment appraisals will be undertaken by independent consultants. Appraisals will be available for review and evaluation in early New Year.
- Meetings with individual members of the Cabinet to discuss their thoughts on a suitable operating model to deliver housing have taken place, with one of the options being to set up a property company. This process is almost concluded, with the last one being conducted w/c 28<sup>th</sup> November 2022.
- Officers to evaluate how HBC would deliver the housing requirements, which will include potentially working with a range of partners, e.g. housing associations, Guinness Partnership, Vivid, etc. Meetings with Vivid and the Guinness Partnership are arranged for the first full week of December 22.
- Officers will be:

- Drafting a business plan for priority development over the next 12 months  
These will be completed, once the draft housing strategy is complete, which will be late January / early February 2023 and an independent financial assessment of the investment appraisals has been subsequently undertaken.
- Drafting a business case for the formation of housing delivery options

## **8.0 Additional Budgetary implications**

8.1 None

## **9.0 Financial implications**

There are none associated with this paper.

### **Section 151 Officer comments**

The Council currently holds a number of one-off financial reserves. The intention is to create appropriate governance and delegations to be able to drawdown against specified regeneration and housing reserves. The intention behind this is to maximise the opportunity for leveraging in significant external funding into the Borough, (similar to the recent Brownfield Grant announcement), in order to progress key strategic regeneration and housing projects. Further details will be presented to Cabinet for formal approval.

Date 25<sup>th</sup> November 2022

## **10.0 Legal implications**

See comments in earlier update report

### **Monitoring Officer comments**

These strategies represent two key priorities as part of the wider Corporate Strategy for Havant Borough Council.

Date: 29<sup>th</sup> November 2022

## **11.0 Risks**

11.1

## **12.0 Climate and Environment implications**

12.1 None identified at this stage.

12.2 All the projects aim to lead the market in including environmental measures

### 13.0 Appendices

**Appendix 1** – Communication via HBC website

**Appendix 2** – Draft sketches of proposed development

**Appendix 3** - Modular homes soft market testing (Full transcript)

### 14.0 Background papers

None

Agreed and signed off by:

Cabinet Lead: Leader Alex Rennie  
Exec Head of Service: Claire Hughes  
Monitoring Officer: Mark Watkins  
Section 151 Officer: Malcolm Coe

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## Appendix 1

Communication via HBC website – BFLR2 Bulbeck Road multi storey car park

### Council secures £1.65 million of Government regeneration funding

Monday, 21 November, 2022

#### **Havant Borough Council secures £1.65 million of funding for town centre regeneration through the Government's Brownfield Land Release Fund.**

Following a successful application to The Government's Brownfield Land Release Fund 2 (BLRF2), Havant Borough Council has been awarded funding to develop land in Havant Town Centre.

The BLRF2 programme supports local authorities to bring forward surplus land for housing in addition to creating better places through a more effective and efficient use of public assets.

Havant Borough Council has secured £1.65million to initiate plans to redevelop one of the underused town centre car parks in Bulbeck Road. The funding will provide upfront capital to address viability issues at the site. It is hoped that this funding will assist in plans to deliver a scheme that could see up to 91 residential units built on the site, with allocated parking. The project will address the aspirations of the council by bringing forward more affordable housing whilst also kickstarting regeneration of the town centre. Delivering on the borough's Regeneration and Economy Strategy, the project is also aligned with Havant Borough Council's Corporate Strategy. The next steps include working with partners in the borough to determine the details of the scheme.

Councillor Alex Rennie, Leader of Havant Borough Council, said; "It is fantastic news that Havant has secured this funding as part of the One Public Estate Programme, to allow us to hopefully accelerate the development of this key site."

"This project identifies the opportunities we have in the heart of Havant that will unlock future investment for borough-wide regeneration.

"We know the town centre needs rejuvenating and our goal is to make it somewhere that more people want to live in. It will create the opportunity to deliver on much needed housing, including affordable homes, in an area that provides mainline rail and bus links in an historic town centre.

Minister for Housing Rt Hon Lucy Frazer said: "We are helping local communities transform unwanted, urban eyesores into thriving places that people are proud to call home. Regeneration is at the heart of our levelling up mission and this new brownfield first fund will help communities across the country unlock disused, council-owned sites to build more of the right homes in the right places"

Alex Burghart, Cabinet Office Minister, added "This funding is absolutely crucial for stimulating growth and forms part of a push across the whole of government to get the UK economy moving. Unused land such as this is ripe for investment and I'm thrilled we're opening the door for more than 2,200 new property owners to potentially take their first step onto the property ladder. This funding is great news for businesses, it's great news for industry and it's even better news for local people in these communities who are seeing housing and jobs moving to their area."

This project complements a suite of bids recently submitted by Havant Borough Council and Hampshire County Council, including a Levelling Up Fund Bid focused on supporting the regeneration of Havant Town Centre.



## Appendix 2

### Bulbeck Road development – draft sketches of proposed development





## Appendix 3

### Soft Market Consultation – Briefing Paper for Modular Homes

#### **Introduction**

Havant Borough Council was constituted in 1974 as a Non Metropolitan District under the Local Government Act 1972. It is a unique local authority that manages an area covering approximately 55km<sup>2</sup> and serves 129,000 residents (2023 estimate).

The Borough brings together the coast, countryside and towns of south-east Hampshire bordering Portsmouth, Winchester and Chichester and employing 47,000 people in a wide range of industries. It has excellent transport links with proximity to the ports of Southampton and Portsmouth and easy access to the wider area by road or rail.

Havant Borough has five distinct areas; Waterlooville, Havant and Bedhampton, Hayling Island, Leigh Park and Emsworth. Each area has their own distinct communities and challenges.

#### **Background and Context**

The project is for input to a housing strategy which is looking to assess whether modular homes and / or flats would be more beneficial than traditional construction methods:

- Build and sell or build and rent
- Affordable housing / flats
- Social housing / flats
- Temporary housing / flats
- General housing / flats

This market consultation is to:

1. Understand how many businesses in the UK supply modular homes and / or flats
2. What type of modular homes and / or flats would suite the type of land e.g flat tarmacked car parks and / or green field sites

#### **Proposals**

Subject to the detail provided as part of this market consultation and in accordance with the Council's Standing Orders on Procurements and Contracts the Council may consider undertaking a competitive process, to award a new contract(s).

#### **Current Contracts and Service Information**

None

#### **Request for Provider Views**

We may start a procurement process in late Autumn 2023. Before we start the procurement, we are very interested in hearing honest views and detail from modular homes / flats providers

regarding our plans, so that these can be considered before we formally start the procurement process.

To inform the most effective way of tendering for these services we will review how/whether the services are grouped together or tendered for separately; whether there would be any advantages of a consortium approach

**Next Steps**

Please note this is not the start of a procurement process; a separate contract notice will be published to cover this requirement and start that process.

There is a form in appendix 1 attached to this briefing paper. Could you please complete as many or as few of the questions as you like and submit in a PDF document for review.

If you have any questions or concerns regarding this briefing paper please use the messaging system within this e-Sourcing portal to contact us, Darsej Gjakiu is the Procurement Officer assigned to this consultation and will be your contact in respect of this briefing paper and any future procurement, if you choose to take part.

We need responses to be returned by Friday, 12:00hrs on the 13<sup>th</sup> January 2023.

**Thank you**

We really appreciate your genuine views and thank you for responding to this briefing paper.

We will advise you of the date we publish any future procurement, once this has been agreed.

Kind Regards,

Havant Borough Council

## Appendix 1: Questionnaire

No	Question	Response Type
<b>General</b>		
1	Could you please a rough idea of the number of modular homes and / or flats per 0.25 acre?	Please provide a written response with assumptions clearly listed.
2	If modular flats are an option, could you please specify the number of levels the build go up to?	Please provide a written response outlining the design(s) and any other material e.g video clips.
3	Please provide a rough estimate of manufacturing and installing (build) timescales?	Please provide a Gantt chart detailing 'cradle to grave' process, and other additional elements we should be aware of.
4	Do any of the businesses have development sites already in operation and if so where in the UK?	Please provide a written response outlining any developments and whether Havant Borough Council would be able to visit.
<b>A: Financials</b>		
7	Please provide an indicative cost of each home and / or flat and any other associated costs?	Please provide a financial breakdown listing assumptions.
8	Please provide information regarding the ability of product to secure mortgages.	Could you please provide a written response?
<b>B: Safety</b>		
10	Please provide relevant fire & safety certificates etc.	Written response with detail of fire and safety certification.
11	Please provide a net zero capability at source and any relevant environmental and construction information regarding the homes.	Written response.
12	Does the scope of services also include planning, design and ground preparation (i.e. serviced site) potential to leverage social value in the immediate local area/economy?	Please provide a written response detailing each element and any other relevant information.