

Brief

Three sites available to lease from Brighton & Hove City Council for offsite construction of affordable rented, permanent new homes



Brighton & Hove
City Council

1. Overview

Brighton & Hove City Council is seeking proposals from potential development partners to deliver new, permanent, homes for affordable rent using offsite construction on three sites to be leased from the council.

Through these system and modular build pilot schemes, the council wants to explore the capacity of modern offsite construction methods to deliver high quality, permanent, affordable homes more quickly, at lower overall development cost and with less disturbance to neighbouring residents than more traditional methods of construction, with a view to understanding their potential should we explore competitively larger estate regeneration initiatives with potential providers. The council also aims to bring forward development of much needed new homes on these sites without recourse to its own budget.

A lease and nomination rights are envisaged. Leaseback arrangements would also be considered.

2. The Sites

The sites are underused council owned garage sites at:

1. **Buckley Close, Hangleton**, Hove, BN3 8EU, comprising 51 garages
2. The northernmost car parking site at **Patchdean, Patcham**, Brighton BN1 8LZ ('Site A') comprising 10 garages
3. The southernmost car parking site at **Patchdean, Patcham**, Brighton BN1 8LZ ('Site B') comprising 10 garages.

Details of the sites are in the Appendices. All sites are currently in the ownership of the council's Housing Revenue Account, licences can be terminated with one week's notice and licensees using a garage for storage of a vehicle can be offered alternative garages for decanting.

Initial design and viability studies were carried out in 2014, with pre-application planning advice, which indicated a total of 17 new homes could be developed on the three sites. These studies, however, pre-dated the new [Nationally Described Space Standard](#) and standards in Part M4 [Building Regulations 2010, 215 edition](#), which are being adopted by the council in its updated [Affordable Housing Brief 2015](#).

3. Context

The council is developing new council homes for rent on land that it owns under its [New Homes for Neighbourhoods](#) programme. Eleven homes have been completed on two sites, seven schemes comprising 125 units are currently on site and many more are in the pipeline. The programme is testing various delivery routes for their value for money, quality and speed of delivery.

The council's Housing & New Homes Committee has agreed to a system and modular build pilot to assess the potential of offsite manufacture, modular and system build as a means to achieve economic and viable development on small, challenging sites, in order to help meet the council's target of 500 new homes on council land by 2020. It will enable the council to understand and test out claims for offsite manufactured homes for their:

- more speedy construction
- ability to minimise disruption for neighbouring residents
- robustness of materials and finishes
- sustainability standards
- training and employment opportunities
- lower overall development cost.

The council's Housing Revenue Account has limited resources and therefore seeks development options for these sites which minimise its direct costs and borrowing requirements. This pilot will also enable the council to test the deliverability and economic benefits of developing new affordable rented homes that the city needs through leasing land to development partners.

4. Development requirements

The council is seeking proposals that will deliver design, manufacture, supply, installation and construction of dwellings to the standards as set out in section 5 Quality and Standards below, which are ready for letting and occupation. Offsite manufactured, system and modular methods of construction including volumetric and panelised building systems will be considered, provided the developer/lessee undertakes all development of the sites, including surveys, demolition of garages, ground and preparatory works and landscaping as well as completion of the new dwellings.

The council would be happy to see partnership working with local Registered Providers of social housing. Leaseback arrangements would also be considered.

Effective engagement with local residents and ward councillors will be very important.

The leases will be subject to the approval of the council's Housing & New Homes and Policy & Resources Committees.

The council will agree a timetable and work programme with the successful bidder(s) which will ensure a planning application is submitted within six months of the council's agreement for a lease, and that the new homes are all completed and ready for occupation by the end of March 2019 at the very latest (the longstop date). Progress against this timetable will be monitored and reported to the council's Estate Regeneration Programme and Member Boards and its Housing & New Homes Committee.

5. Quality and Standards

Although using offsite manufacture, the new homes should aspire to comply with the council's usual requirements for permanent, affordable rented housing as set out in its [Affordable Housing Brief 2015](#). In particular, the Affordable Housing Brief asks that:

- Homes should meet the government's new [Nationally Described Space Standard](#).
- They should be built to the new standard relating to 'accessible and adaptable' housing (Part M4(2) [Building Regulations 2010, 2015 edition](#)) and, where the site allows, 10% to the 'wheelchair user' standard (Part M4(3) [Building Regulations 2010, 2015 edition](#)).
- For the city as a whole the preferred affordable housing mix in terms of unit size and type to be achieved is:
 - 30% one bedroom units
 - 45% two bedroom units
 - 25% three + bedrooms.

However the council welcomes proposals that include higher proportions of family sized homes and recognises that the bedroom size of homes will be largely determined by the capacity of the particular sites.

- The council will expect high standards of design, layout and landscaping for all developments which reflect the character of the area and reflect local distinctiveness.

In addition, the new homes should meet the following or equivalent standards (the council will run our own due diligence to ensure their equivalence):

- The homes should be designed and constructed so as to provide a minimum 60 year lifespan.
- Full planning consent will be required. The successful bidder(s) and/or their project team will be responsible for the planning application and fees.
- The council will require copies of a National House Building Council (NHBC) or equivalent new build warranty for a minimum of 10 years for each home.
- Homes should achieve energy and water efficiency standards equivalent to the former Code for Sustainable Homes Level 4 or above. An Energy Statement should be produced by a qualified assessor to demonstrate that these efficiency standards are satisfied.
- Homes should meet latest editions of the Building Regulations and Housing Quality Index requirements.
- Homes should comply with the [Secured by Design](#) award scheme criteria, where possible.
- All timber and wood-derived products for supply or use in construction should be from independently verifiable legal and sustainable or FLEGT licensed or equivalent sources or recycled timber or wood derived products and regard should be had to the council's [Sustainability Policy](#).
- All aspects of design, installation and construction should be carried out by appropriately trained, qualified and insured personnel.
- The council is seeking a complete development solution under which the development partner will deliver fully completed dwellings which are ready for letting and occupation. The developer/lessee will undertake all development of the sites, including (but not limited to) surveys, demolition of garages, ground and preparatory works and landscaping as well as completion of the new dwellings.
- The developer/lessee will ensure that local ward councillors and local residents are consulted and informed of the development proposals before a planning application is submitted, and are updated on progress as the schemes develop.
- The developer/lessee will follow the principles of the Considerate Constructors scheme in managing the construction and development of the site(s) and minimise noise and disruption to local residents.
- The council will expect 100% nomination rights to the properties.
- The tenure is to be affordable rented with rents at the lower of 80% market rent or the Local Housing Allowance for that property size, in accordance with the Brighton & Hove Tenancy Strategy 2013 (subject to any changes in legislation). Current Local Housing Allowance rates for Brighton & Hove can be viewed [here](#).

As the aim of the pilot is for the council to understand and test the value for money, quality and speed of delivery of offsite manufactured new homes, the council wishes to work with the successful bidder(s) in an open and co-operative manner. The Estate Regeneration Project Manager will wish to develop a strong working relationship with the developer/lessee(s) and keep track of progress with the schemes in order to report back to the council and highlight the projects'

success to members and for the future. The successful bidder(s) will supply monthly written reports on progress to the council's Estate Regeneration Project Manager to enable the council to monitor design, construction and delivery of the new homes, their quality, standards and costings and facilitate meetings and site visits.

The prior written approval of the council's Estate Regeneration Project Manager will be required for:

- The appointment of the architect
- Sign off of design prior to submission for pre-application planning advice and planning consent
- Sign off of final design prior to construction
- Arrangements for engagement and consultation with local residents, ward councillors and other local stakeholders
- Demolition of existing garages
- Site preparation and ground works
- Appointment of the main contractor and the manufacturer of the homes
- Arrangements for management and maintenance of completed homes
- If applicable, acceptance of completed homes into council management.

Council officers and councillors will also wish to visit and inspect the new homes on completion and prior to occupation. Press releases will be agreed by both parties. If the properties are to be managed by the council, the council may ask first tenants to complete a questionnaire on their satisfaction with all elements of the new homes, the results of which will be reported to the developer.

6. Content of proposals

Bidders may submit proposals for one, two or all three sites. For Patchdean, preference will be given to bids for both sites.

Proposals should set out proposed:

- Heads of terms for lease with the council including any lease premium, ground rent and/or other financial benefits to the council
- Nominations arrangements with the council
- Heads of terms of development agreement and any other legal agreements with the council
- Number, type and size of homes
- Construction method and timescale
- Budget for development of the site(s)
- Funding arrangements with an outline financial plan
- Rent levels including any service charges for the completed properties
- Arrangements for the following, with details of any third parties it is proposed would be involved:
 - Appointment of architect and sign off of final design prior to construction
 - Seeking of pre-application planning advice and planning permission
 - Engagement and consultation with local residents, ward councillors and other local stakeholders
 - Site set up and welfare facilities
 - Demolition of existing garages
 - Site preparation and ground works
 - Construction and erection of new homes
 - Management and maintenance of completed homes.

APPENDICES

1. Buckley Close site information and planning scoping guidance
2. Buckley Close housing study
3. Patchdean sites information and planning scoping guidance
4. Patchdean Site A housing study
5. Patchdean Site B housing study