

ARUN DISTRICT COUNCIL

REPORT TO HOUSING & WELLBEING COMMITTEE ON 21 JULY 2022

PART A: REPORT

SUBJECT:	Pre-Construction Services Request – Development of New Council Housing
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REPORT AUTHOR:	Moh Hussein , Interim Head of Housing Services Gillian Taylor , Interim Development Manager
DATE:	1 June 2022
EXTN:	37718
SERVICE AREA:	Residential Services

EXECUTIVE SUMMARY:

Following the adoption of the Housing Revenue Account Business Plan (HRA) in July 2017, a programme to develop or acquire up to 250 new affordable homes over a ten-year period was agreed.

This report seeks authority to enter into a Pre-Construction Service Agreement with Beard Construction, to enable Arun to evaluate the best use of the three sites, at Canada Road and Ellis Close, Arundel and Westloats Lane, Bognor Regis.

RECOMMENDATIONS:

Housing & Wellbeing Committee is recommended to approve:

1. The award of the Pre-Construction Services Agreement contract to Beard Construction for £122,470 (exclusive of VAT). Note: A fully costed report to be presented to a future committee detailing the various options to develop the sites.

1.0 BACKGROUND

1.1 Following the adoption of the HRA Business Plan in July 2017, a programme to develop or acquire up to 250 (subsequently increased to 350 in 2019) new affordable homes over a ten-year period was agreed.

1.2 Since 2017, 81 new affordable homes have been successfully developed/acquired and added to the Council's housing stock via the HRA

and a further 40 new homes due for completion over the next 10 months. Please see Appendix 1.

1.3 The Council now intends to evaluate its options to facilitate additional housing at Canada Road and Ellis Close, Arundel and Westloats Lane, Bognor Regis. As a consequence of the work already carried out by Beard Construction planning permission was granted for Ellis Close on 2 March 2022, Canada Road on 27 April with Westloats to follow, shortly.

1.4 The PCSA minimises the risk to Arun by limiting the costs to the actual works that Beard Construction complete should planning permission not be granted. These works are mostly investigations, surveys as required (as part of any planning pre-start condition) and the submission of planning applications for all 3 sites.

2.0 PROPOSAL(S):

2.1 That £122,470 (plus vat) is paid to Beard Construction for the pre-construction works they have completed. The work carried out by Beard Construction will enable a complete evaluation of the options available to Arun. See Appendix 5 - Schedule of costs incurred.

2.2 Following completion of the works by Beard Construction we will conduct an options appraisal to assess the different ways of gaining best value from the three sites. This appraisal will prefer options that result in extra social or temporary housing units but will also include disposal for private development.

2.3 The current market pressures and volatility have created uncertainty relating to build costs. Shortage of building materials and labour skills are problematic along with inflation. Development in general is delayed and subject to large variations in costing. These uncertainties are causing extreme pricing issues.

2.4 The advice of Arun’s property estates and facilities management team is to put on hold any negotiations for six months to allow the market to stabilise. Based on this advice we anticipate bringing a report to you on the options by the end of the financial year.

3.0 CONSULTATION:

	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons		✓
Members of the Housing and Customer Services Working Group		

4.0 ANY IMPLICATIONS TO THE FOLLOWING COUNCIL POLICIES:		
Financial	✓	
Legal	✓	
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability		✓
Asset Management/Property/Land	✓	
Technology		✓
Safeguarding		✓

5.0 IMPLICATIONS:

- 5.1 **Legal:** To enable ADC to progress the opportunities to provide housing on each of the sites, Beard Construction were asked to conduct pre-construction surveys/planning related works valued at £122,470 (ex-vat) this sum is due and has to be paid in accordance the terms of the agreed contract.
- 5.2 **Financial:** The amount of £122,470 has been set aside within the HRA capital budget to fund the pre-construction works carried out by Beard Construction. These works, irrespective of the option chosen for redevelopment in the future, will reduce the unknowns relating to site conditions and the planning situation. This will reduce the risks for anyone developing the sites and the costs associated therein.
- 5.3 **Asset Management:** Each of the sites is presently unused, requires maintenance and is unsightly. The proposals to be submitted for consideration will offer options for enhancing the sites in the longer term.

6.0 REASON FOR THE DECISION:

- 6.1 To work towards meeting housing need in the district.

7.0 BACKGROUND PAPERS

- 7.1 Appendix 1 – List of properties delivered and immediate pipeline
- 7.2 Appendix 2 – Canada Road Map
- 7.3 Appendix 3 – Ellis Close Map
- 7.4 Appendix 4 – Westloats Lane Map
- 7.5 Appendix 5 – Schedule of costs incurred

