



Redevelopment of Britannia Court site to provide new affordable homes

SUMMARY

- 1.1 Britannia Court is a vacant Council owned site situated between Duke Street and the River Derwent. It is within Phase 1 of the Our City Our River (OCOR) masterplan which has required a flood defence wall to be constructed across the site.
- 1.2 A residential development of 26 2 bedroom affordable apartments has been designed to accommodate a free standing flood defence in accordance with Environmental Agency and Our City Our River (OCOR) requirements.
- 1.3 It is proposed that these apartments be used as affordable homes owned by the Council and managed by our ALMO, Derby Homes. It has yet to be determined whether these homes will be for affordable rent or shared ownership.

RECOMMENDATION

- 2.1 To note the report.

REASONS FOR RECOMMENDATION

- 3.1 To ensure that the Regeneration and Housing Scrutiny Board can consider the report and comment on the proposals.

SUPPORTING INFORMATION

- 4.1 Britannia Court was a 64 unit flatted/bedsit scheme over 4 floors. Over the years Britannia Court became a magnet for anti-social behaviour and developed such a reputation that it became difficult to let in a sustainable manner. As a result Britannia Court was de-commissioned in 2007/8.
- 4.2 Cabinet approved the demolition of Britannia Court in 2011 and demolition was completed in 2012. The site was laid out as an open area, but is nonetheless still designated as land developable for residential purposes. For ease of reference, the site is now referred to as "the Britannia Court site".

- 4.3 The Our City Our River (OCOR) flood defence masterplan has identified the position of the new flood defence required on this site, which will roughly dissect the site in half longitudinally. The Britannia Court site sits within Package 1 of the OCOR proposals, known as the River Derwent Corridor and includes sites from Darley Abbey, Little Chester, Chester Green, North Riverside, Bass Rec, Pride Park to Alvaston Park.
- 4.4 The new flood defence wall was originally going to be incorporated within the structure of the new apartment block. However, it has subsequently been necessary to accelerate the OCOR timescales and as a result, the construction of the flood wall has been separated from the Britannia Court redevelopment, to ensure it is delivered within the necessary timescales agreed for Package 1. This has resulted in amended planning drawings being produced and a re-consultation.
- 4.5 As part of the planning consultation process the Environment Agency requested a revised Flood Risk Assessment (FRA) to demonstrate the resilience of the building if there was a breach to the new flood defence wall or over topping occurred.
- 4.6 The revised FRA indicates the building would be classed as a refuge during a flood as the residents can choose to remain within the building against the advice to evacuate. As such it recommends that services are protected up to first floor level.

This could be in the form of:

- Relocating electric meters from the ground floor to each landing level by the apartments front door – this will increase cost and may require a re-design due to restricted landing sizes
- Protecting electrical plant - this could be through the relocation of the plant from ground level to the roof (which will require a re-design), tank and protect existing plant room with a flood defence door, which will increase cost and potentially restrict the size of plant that can be located in the room.

There are 3 plant rooms that would require protection – gas, electric and sprinklers. Rather than protect the gas plant room and to ensure the flues extract above any flood level, an option would be to omit gas and for the building to be electric supply only.

- 4.7 The FRA indicates that the level of risk for overtopping is low, but it does not quantify the risk of breach.
- 4.8 The current estimated cost plan, is understandably higher than a conventional build of this size. A competitive tender and value engineering should reduce the cost. However, it is likely that given the abnormal costs associated with the flood mitigation works, the development would be economically unviable if offered to the private sector to deliver. Any alterations or delays which will increase the cost will further impact on this viability.

- 4.9 Value engineering may result in recommendations to omit the provision of sprinklers and gas to the development as these are costly items which will offer a significant reduction in cost. The relative benefit of these items will clearly need to be considered against the affordability of the scheme.
- 4.10 Funding options are currently being considered and will be refined as greater cost certainty is achieved in advance of subsequent recommendations to Members.
- 4.11 At this stage, it is considered most likely that the apartments will be developed through the HRA and offered for social or affordable rent with an option to include affordable Shared Ownership sale homes. This potentially is the most economically viable solution, particularly if supported by grant from Homes England. Subject to the costings it may prove possible for some of the rental apartments to be supported by Right to Buy receipts.

OTHER OPTIONS CONSIDERED

- 5.1 To accept the risk to the plant and progress the design as it stands.
- 5.2 To not develop the site once the flood defence wall is in place. This does not maximise the use of an existing Council owned asset. This option will need to be considered once a firm construction cost is available.
- 5.3 To undertake the redesign work and modify the building to suit all comments within the FRA. This will impact on viability and will further extend the design period and timescale before any delivery on site.
- 5.4 To dispose of the site. This option may need to be considered but site viability and constraints are unlikely to make this site desirable to the open market.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Ian Fullagar, Head of Strategic Housing.
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IMPLICATIONS

Financial and Value for Money

- 1.1 The redevelopment of the site is likely to be funded from the HRA, and if so, Right to Buy receipts can be used at 30%. Alternatively grant funding from Homes England could be sort.
- 1.2 The redevelopment will provide 26 dwellings which will generate New Homes Bonus at the affordable housing rate.

Legal

- 2.1 The procurement of a development partner will be subject to the usual due diligence through a compliant process.

Personnel

- 3.1 None directly arising from this report.

IT

- 4.1 None directly arising from this report.

Equalities Impact

- 5.1 The new homes, if let for affordable rent or sold on a shared ownership basis, will provide appropriate accommodation for people who are in housing need.

Health and Safety

- 6.1 None directly arising from this report.

Environmental Sustainability

- 7.1 The provision of the flood defence wall will contribute towards the protection of the city against potential future flooding

Property and Asset Management

- 8.1 The redevelopment, if retained by the Council, will increase the properties within the

Council stock.

Risk Management and Safeguarding

- 9.1 There is a risk that the financial investment required to redevelop the site will not be recouped within the standard 30 year repayment period. This risk will be mitigated by ensuring the best value for money is obtained at all times.
- 9.2 There is a risk that a resident exercises their Right to Buy once they are living in the development. The discount for apartments is higher than for houses increasing the risk to the financial investment.

Corporate objectives and priorities for change

- 10.1 This redevelopment achieves the priority outcome to improve housing with in the city allowing us to deliver new homes and promote sustainable and balanced communities ensuring more people have access to a safe and secure home of an appropriate size and type.
- 10.2 This redevelopment achieves the priority outcome of making the most of our assets. This site is currently vacant but will be used to contribute towards the new flood defence as well as providing new homes.