

# CABINET

Thursday, 8 December 2022

## COMMUNITY INVESTMENT PROGRAMME SCHEME APPROVAL

### Report of the Chief Financial Officer

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#### Recommendation

**It is recommended that Cabinet approve expenditure of up to £100,000 for feasibility and pre-planning studies and design work for housing proposals on Council-owned land, to be funded from the development of future schemes in the Strategic Housing Programme.**

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#### Summary

Council approved the Capital Strategy on 24th February 2022. This report seeks a revision to the Strategy to include additional expenditure to support the feasibility and pre-planning activity required to develop residential proposals for Council-owned land.

#### Statutory Powers

Local Government Act 1972, sections 111 and 151

#### Strategic Implications

1. The Asset Management Strategy (2020-25) identifies a key role the Council has in reviewing its own land and buildings to support housing delivery. In December 2020, Cabinet endorsed the Eastleigh Homes Delivery Strategy which confirms the Council's approach to supporting capital projects which meet corporate objectives; and that future schemes will include those directly delivered on land owned by the Council.

#### Introduction

2. The purpose of this report is to seek approval to fund feasibility and pre-planning work for Council-owned sites as part of the Housing Programme during 2022-23.
3. The Council's strategic housing programme includes residential construction projects delivered in partnership or directly by the Council via contractors. The pipeline of schemes includes investigating land in Council ownership, often for brownfield regeneration and redevelopment projects. In accordance with national planning policy, local planning authorities should make effective

use of land and support proposals to use retail and employment land for homes in areas of high housing demand, provided this does not undermine key economic sectors or sites.

## **Housing Programme projects- Scheme Feasibility**

4. Prior to seeking budget approval, often a range of feasibility studies and pre-planning assessments are required to support a business case (i.e. to understand the site development capacity and associated build costs). In order to obtain meaningful technical feedback on the deliverability of a development in principle, it is necessary to understand the site opportunities and constraints, alongside layout and design options.
5. For some housing programme schemes it is appropriate to seek full budget approval for scheme delivery at the outset, for example where a significant amount of investigative and feasibility work has already been undertaken to support appraisals (e.g. by a third party). For other sites it is advisable to work up proposals in detail to support deliverability, prior to seeking full scheme budget approval.
6. For current schemes in development, it is estimated that the cost of procuring the necessary surveys, reports, design team and consultancy services required to support a planning application, would be approximately £85,000. This is inclusive of Architect and Employers Agent Fees up to stage 3 of the RIBA (Royal Institute of British Architects) Plan or Work. To allow for some contingency and cost increases or additional services, approval is therefore sought for a total of £100,000 for community investment project expenditure.

## **Financial Implications**

7. Financing of the Community Investment Programme Schemes is dependent on available resources arising from capital receipts, developers' contributions, external grant, reserves and borrowing. All procurement opportunities will be made in accordance with the Council's Contract Standing Orders. The financing of the feasibility and pre-planning spend for the housing programme will be from the income of development of future housing programme schemes.
8. Like all Housing Programme activity, the progress with projects is subject to necessary budget approvals, community engagement and regulatory approval. If studies show a project is feasible and affordable for the Council, scheme proposals will be submitted to Local Planning Authority. In the event that the scheme does not proceed the costs will be charged to revenue and funded from the housing reserve.

## **Risk Assessment**

9. Identifying deliverable and viable development proposals on Council-owned land helps to support the corporate objective of meeting housing needs and delivering the Housing Programme. The risk of not continuing to assess and appraise these assets for housing delivery potential, is that opportunities are

lost. It is recognised however that investing resources in proposals which are subject to a viable business case; planning and other approvals, means that costs might be abortive. To mitigate this risk, project managers are assigned at the earliest possible stage to manage project budgets; ensure procurement is compliant and identify project gateways to seek approval to proceed or not with schemes. Pre-application advice is sought continually as proposals develop.

## **Equality and Diversity Implications**

10. The Equality Act is not relevant to the decision in this report because the expenditure does not in itself relate to eliminating discrimination, advancing equality of opportunity, or fostering good relations between different people. The decision to proceed with housing programme projects following the feasibility work, will include a consideration of equality impacts at the appropriate stage. The redevelopment of sites for housing (including affordable housing) will affect members of the public (future tenants and neighbours) however, although at this stage which groups of people affected is currently unknown. Where necessary a full Equality Impact Assessment (EIA) will be carried out for projects at the proposal stage.

## **Climate Change and Environmental Implications**

11. An important element of the pre-planning and design work necessary for housing programme projects is developing the sustainability strategy. For example, the RIBA Plan of Work (2020) requires preparation of sustainability outcomes at the initial briefing and concept stages. In accordance with the Council's approach to housing delivery (see [Eastleigh Homes Delivery Strategy](#)), proposals will seek to lead by example and be futureproofed through design. This means that an element of the additional funding sought is to procure project-specific sustainable buildings advice.

## **Conclusion**

12. As part of the Council's Strategic Housing Programme, a number of Council-owned assets have been identified for potential redevelopment to meet housing needs.
13. This report seeks approval for up to £100,000 expenditure for feasibility and pre-planning activity to develop scheme options. This expenditure is to be funded from the development of future schemes in the Housing Programme or charged to revenue from the housing reserve if required.

TOM ANDREWS  
CHIEF ACCOUNTANT

Date: 29 November  
Contact Officer: Harry Lee  
Tel No:

e-mail:                                   harry.lee@eastleigh.gov.uk  
Appendices Attached:                0

**LOCAL GOVERNMENT ACT 1972 - SECTION 100D**

The following is a list of documents which disclose 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. This list does not include any published works or documents which would disclose exempt or confidential information.

None.