

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 15 May 2023

Portfolio:	Housing
Subject:	Crossfell Walk Development Update
Report of:	Deputy Chief Executive Officer
Corporate Priorities:	Providing Housing Choices

Purpose:

To provide an update in relation to the Crossfell Walk project; in light of rising project costs and complexities this development will no longer be pursued.

To seek approval for the funding mechanisms originally outlined for the development to be allocated to affordable housing elsewhere in the borough.

Executive summary:

This report updates the Executive on the decision to no longer pursue the redevelopment at Crossfell Walk. This project involved the demolition of the two flyover flats at Nos. 15 and 17 Crossfell Walk, replacing them with 1 No. 3 bed home.

The redevelopment was originally presented to the Executive Member for Housing for approval in June 2020. Approval was sought to use the Capital Receipt from the sale of two HRA properties for this project. This report seeks approval for the Capital Funding to now be allocated towards other affordable housing developments in the borough.

Recommendation/Recommended Option:

It is recommended that the Executive approves the use of the Capital Receipt to fund capital improvements to, or further delivery of, affordable housing in the borough

Reason:

To ensure the funding mechanisms previously designated for the Crossfell Walk project can continue to be allocated towards Council owned affordable housing in the borough.

Cost of proposals:

None.

Appendices: None

Background papers: None.

Reference papers: 11 June 2020 Report to the Executive Member for Housing
for Decision

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	15 May 2023
Subject:	Crossfell Walk Development Update
Briefing by:	Deputy Chief Executive Officer
Portfolio:	Housing

INTRODUCTION

1. At the June 2020 Executive Member meeting approval was given to dispose of two HRA properties. These homes were in need of extensive repairs and rather than incur the high costs to remedy them, it was agreed that they would be sold. The Capital Receipt would be put towards the demolition of 2no. flyover flats and the development of a 3-bedroom home in Crossfell Walk.
2. The two flats are currently suspended over a pathway and reflect a common design in the area. The properties require renovation and at the time, as the funding would come from Capital Receipts, it was considered more practical to demolish the two flats and provide a new 3-bedroom home.

PROJECT CONSTRAINTS

3. The limited access on the site was identified and accepted at inception. The flyover flats are situated over a pathway, cars park several metres away in two service areas to the north-east and south-west. Although not an obstacle to the project, considerable planning would have been required due to the limited access for the demolition and construction vehicles. Further checks found that it would have likely increased tender prices.
4. The original report advised that ground investigations would need to be undertaken to ensure the feasibility of the project. Following site surveys and consultancy with utilities providers, confirmation was given that a dwelling could be built over the underground services. However, the additional costs would be a barrier to development.
5. In tandem with Covid restrictions, these investigations added a considerable delay to the project. During this time building costs rose 11.2% in December 2021 to December 2022¹, and further increases were seen throughout 2022 to 2023.

¹Monthly Statistics of Building Materials and Components (2023). Office of National Statistics. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1134673/23-cs2-Construction_Building_Materials_-_Commentary_January_2023.pdf (Accessed: March 31, 2023).

6. During the investigations, an increase in the price of building supplies in other schemes was identified. Therefore, once all inquiries had concluded, a revised costings exercise was undertaken. It was found that the escalation in prices have made the project unfeasible.

RENOVATION

7. The two fly-over flats currently sit empty. The Housing department are very conscious of empty homes and would like to bring these back into use as soon as possible. Therefore, these flats are being rolled into a wider energy efficiency project.
8. As explained previously, the build type of the fly-over flats is not unusual in the Bishopsfield Road area. A project to provide external insulation to all Council owned flats of this kind is planned in the short term. Nos. 15 and 17 Crossfell Walk will be targeted early on, with the necessary internal works also undertaken to bring the properties back into use.
9. Once the Executive decision has been made, the external insulation and void works can move forward. Tenancy Services have been advised of the proposals so an appropriate match for the two flats can be found from the housing register. This will help expedite the process, ensuring the dwellings are filled as soon as possible.

FUNDING

10. The costs for the proposed redevelopment were to be met through the sale of two HRA properties. The properties have since been sold and the Capital Receipt received. To align with the previous Executive decision, the capital costs of the renovation will be met from this same receipt. The remaining receipts will be retained to fund further capital improvements to the Council's housing stock and/or new affordable dwellings.

Enquiries:

For further information on this report please contact Fleur Allaway 01329 82430