

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CABINET – 21 OCTOBER 2014**

Title of report	<b>REDEVELOPMENT OF COALVILLE STRATEGIC SITE – THE PICK AND SHOVEL PUBLIC HOUSE</b>
Key Decision	a) Financial Yes b) Community Yes
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Purpose of report	To seek Cabinet approval to support the redevelopment of the Pick and Shovel Public House, Coalville, through providing financial support to emh homes to provide additional units of affordable housing.
Reason for Decision	To formally provide one-off funding, allocated to supporting affordable housing by Cabinet on 29 July 2014, to emh homes to support affordable housing delivery on a strategic gateway site to Coalville town centre.
Council Priorities	Value for Money Business and Jobs Homes and Communities Green Footprints Challenge
Implications:  Financial/Staff  Link to relevant CAT  Risk Management  Equalities Impact Screening	Cabinet approved the allocation of up to £1,000,000 for affordable housing schemes to be funded from the 2013-14 year end revenue budget underspending at its meeting on 29 July 2014.  None  None  No implications

Human Rights	No implications
Transformational Government	An example of transformational government, showing how the Council's successful partnership work is securing significant inward investment to assist in achieving its priority outcomes.
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Monitoring Officer	The report is satisfactory
Consultees	None
Background papers	<u>Cabinet report 29 July 2014</u> , <u>Cabinet minutes 29 July 2014</u>
Recommendations	<p><b>IT IS RECOMMENDED THAT CABINET:</b></p> <ol style="list-style-type: none"> <li><b>1) NOTES THE AFFORDABLE HOUSING CONTRIBUTIONS MADE TO WATERLOO HOUSING GROUP, NOTTINGHAM COMMUNITY HOUSING ASSOCIATION AND EMH HOMES; AND</b></li> <li><b>2) AGREES TO PROVIDE UP TO £500,000 TO EMH HOMES TO SUPPORT THE REDEVELOPMENT OF THE PICK AND SHOVEL PUBLIC HOUSE, COALVILLE FROM MONEY PROVISIONALLY ALLOCATED TO AFFORDABLE HOUSING SCHEMES AT CABINET'S MEETING ON 29 JULY 2014</b></li> <li><b>3) DELEGATES TO THE DIRECTOR OF HOUSING AUTHORITY TO NEGOTIATE AND SIGN A GRANT AGREEMENT WITH EMH HOMES IN CONSULTATION WITH THE PORTFOLIO HOLDER</b></li> </ol>

## 1.0 BACKGROUND

- 1.1 The Pick and Shovel, a former public house, is in a very prominent location, opposite Memorial Square, where its derelict state blights Coalville Town Centre. It was acquired by the current owner for redevelopment following its closure over 8 years ago when values were relatively high. In 2006, Planning Committee refused an application for the redevelopment of shop/restaurant on the ground floor with 18 flats above because of concerns over height and design.

- 1.2 Memorial Square, as identified by the Princes Foundation in the Coalville Regeneration Strategy, is regarded by many as the centre of Coalville and an important “place” and “gateway” into the town.
- 1.3 The Council has attempted to improve the Pick and Shovel by initially introducing potential end users to refurbish the property and more recently by seeking the owner’s approval to access the building to undertake facelift improvements. Both approaches have been unsuccessful.

## **2.0 CURRENT PROPOSAL TO REDEVELOP THE SITE**

- 2.1 Senior officers of the Council approached emh homes (emh) in March 2014 to help the Council regenerate Coalville town centre by putting affordable housing on the Pick and Shovel site.
- 2.2 emh responded positively with a proposal to redevelop the site that would entail the demolition of the current building and its replacement with a dwelling scheme (current proposals are for 14 dwellings, although this is subject to planning approvals). The final number will depend on the design, planning and construction demands.
- 2.3 Although planning was refused in 2006 for 18 residential units over retail units on the ground floor, Planning Officers were of the opinion that the site could accommodate a three and a half storey development comprising up to 14 flats, or 12 flats with retail on the ground floor.
- 2.4 Being a ‘gateway’ site into the town, the quality of design would have to meet the Council’s Urban Design expectations, and this was reflected in the estimated construction costs. In order to bring forward the proposal, emh advised that a funding gap would need to be filled, in part by the Homes and Communities Agency (HCA) affordable homes grant programme, and in part by the Council.
- 2.5 Latest housing register figures show that current demand is highest for smaller 1 and 2 bedroom homes. The 14 x 1 bed, 2 person flats proposed for this redevelopment would therefore provide much needed one bedroom homes for couples or single person households currently on our waiting list. Should the scheme go ahead, all homes will be advertised through the Choice Based Lettings scheme when they are ready for occupation.

## **3.0 BID TO HOMES AND COMMUNITIES AGENCY**

- 3.1 Bids for grant funding from the HCA’s National Affordable Housing Programme (NAHP) 2015-2018, had to be submitted by an April 2014 deadline. emh advised that based on the estimated scheme costs, the amount of input needed from the Council was projected to be between £365,200 and £435,200 with the final figure to be confirmed following the conclusion of the design/planning process and confirmation of construction costs, as the site is difficult to access due to its location.
- 3.2 Subject to Cabinet approval, the Chief Executive gave emh an in principle indication of support for bidding purposes in mid April 2014 and the HCA subsequently announced in July 2014 that the bid had been successful.

#### 4.0 GAP FUNDING

- 4.1 The HCA has now confirmed that emh's bid for funding to redevelop the Pick and Shovel has been successful with a grant award of £420,000 for the scheme. At the time of submitting this report, the total scheme costs are estimated to be £2m.
- 4.2 Members will recall that at a meeting of Cabinet on 29 July 2014, they considered a report on the "Provisional financial outturn position for 2013/14". The recommendations approved by Cabinet at that meeting included £1 million for supporting affordable housing on the following basis:
- Contributions to three Housing Associations to improve the viability of schemes and allow them to qualify for funding (£500k).
  - Other Affordable Housing Schemes (up to £500k).
- 4.3 £500,000 has been allocated to three Housing Associations – Waterloo Housing Group, emh homes and Nottingham Community Housing Association – all of whom have been successful in attracting HCA funding in the latest NAHP bid round to provide 263 homes across the district by April 2018. Using a combination of their own funding, the Government grant and gap funding from North West Leicestershire District Council, the three housing associations will bring almost £27 million of inward investment into the district, providing employment opportunities, supporting construction jobs and sustaining local businesses.
- 4.4 It is recommended that a grant agreement be negotiated and completed, including an appropriate nominations agreement, so that remaining monies of up to £500,000 may be used to assist emh to redevelop the Pick and Shovel, following the conclusion of the design and planning processes, when construction costs are confirmed.

#### 5.0 TIMETABLE FOR DELIVERY

DATE	ACTIVITY
OCT 2014	Planning Application submitted
DEC 2014	Planning Consents –reporting to 2 December Planning Committee will enable purchase completion by 31 December.
FEB/MAR 2015	Demolition commences – <b>March 2015</b>
Late APRIL 2015	Building commences
FEB 2016	Building complete