



Towns & Communities OSSC - Review of Cabinet Report

Review of Cabinet Report (Rainham and Beam Park Housing Zone Bid proposal)

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Policy context:

SUMMARY

Following the submission of LBH's Housing Zone proposal in Sept 2014, a number of discussions have been had with GLA officers. These have centred on form of funding requested, whether non recoverable or recoverable grant. Some elements of social infrastructure asks, funding for leisure provision and for a new primary school were not deemed to be eligible as was a request for funding support for Programme Management costs. However, the core asks of funding for site assembly, remediation, A1306 improvements, Beam Park station and social housing grant remain and these were approved by the GLA Housing Zone Challenge Panel on 5th Feb 2015.

The agreed HZ proposal is for a total ask of £29.06m comprised of £14.84m grant, £14.22m repayable grant. LBH will contribute £18.66m (not including the New Plymouth and Napier houses investment). Table below outlines activities.

- This will deliver 3,457 new homes (941 affordable)
- A1306 transformed into a boulevard
- Transport: the new Beam Park Station and bus extensions
- Programme of site assembly for housing development.
- Social and physical infrastructure – health, leisure, education and energy network

- Access to open spaces
- Robust Planning Framework and Masterplan design guide.

The Rainham and Beam Park Housing Zone submission has been formally approved by the GLA's Housing Investment Group on the 13th May and a public announcement from the Mayor confirming Housing Zone status will be made on 25th June.

The GLA held a launch event on the 9th June for the disposal of Beam Park, this included an announcement of the Housing Zone and of the £8.6 TfL Growth Funding for Beam Park Station.

Following the formal announcement of Housing Zone status on the 25th June it is expected that the Rainham and Beam Park Housing Zone will be the subject of a further Cabinet report.

RECOMMENDATIONS

That Members note this report

REPORT DETAIL

1. Programme.

The overall Housing Zone programme is comprised of 11 areas of activity, funded by a combination of LBH funding and GLA direct and recoverable grant and external funding:



No	Transaction type	Site	Intervention	GLA & LBH Amount	Status
1	Recoverable Grant	Zone wide	A1306 Masterplan, Planning Framework and Technical Studies. Series of assessments undertaken to accelerate planning and give prospective development partners certainty of likely level of additional costs Including air quality, flood risk, ground contamination, waste management and gas mains assessments. Commissioned and facilitated by LBH to identify obstacles to development, establish mitigation strategies and associated costs of remediation.	£0.19m £0.005m LBH	A1306 Masterplan, Planning Framework and technical studies underway. Completion June/July
2	Recoverable Grant	Zone wide	Health Centre. Land assembly within developments for multi GP practices to support new communities LBH purchasing land, attracting in commercial partner to undertake development. (which may be Council Housing Company)	£0.5m	
3	Grant. Recoverable Grant	Zone wide	A1306 Improvements. The A1306 will be configured as a boulevard, undergoing a major upgrade and place making to complete its transition from a dual carriageway industrial arterial road to an attractive street with active frontages. New residential and mixed use development will be matched by an upgraded pedestrian environment, improved crossings	£2.5m (grant) £0.25m (loan)	TfL have indicated proposals would be viewed favourably as a Major Scheme submission for part funding £3.8m.

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			and junctions, cycle improvements, street trees and an innovative linear park, a landscaped green corridor connecting new communities. Major junction revisions and accesses into key development sites are planned. Its transformation will reprofile the carriageway allocating defined space for cyclists, pedestrians and vehicles		Work is underway to prepare a Step 1. Major Scheme submission in September
4	Grant. Recoverable Grant	Zone wide	<p>Linear Park. Acting as the centre piece to the Beam Park and Rainham Housing Zone. It will connect Rainham Town Centre with the new Beam Park train station, linking those who live, work, learn, travel and relax within this new Garden Suburb with a high quality walking and cycling route set within landscaped surroundings. This will be punctuated with public amenities, such as children's play facilities, seating, cycle storage, drinking water fountains, wildlife habitats and community food growing areas. It will also include extensive tree planting, SUDS, bus stop facilities and on-street parking while maintaining appropriate vehicle access.</p>	£0.76m (Grant) £1m (Recoverable grant)	

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			This investment is justified through improved viabilities through major place shaping uplift of the area and ensuring the scheme is delivered as a whole and values rise across the development sites rather than piecemeal as developer contributions become available.		
5	Recoverable Grant	Beam Park and Somerfield	New Road Access for Buses. A new station at Beam Park is the key catalyst for the successful delivery of high quality residential development at Beam Park, Somerfield and the adjacent residential and employment sites. Opening of the station is planned for 2019/ 20, however, planned residential redevelopment on Beam Park and Somerfield is anticipated to commence before the new station is operational. To give the new community reasonable access to the regional transport network, without reliance on the car, it is proposed to provide an interim bus service linking the developments with the Rainham Station Interchange. This is best practice in a number of large development schemes as it ensures that residents have access to community facilities and employment spaces. It also ensures residents become use to public transport modes, therefore allowing higher density housing delivery.	£0.75m	May add to transport consultants commission for A1306

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6	Grant. Recoverable Grant	A1306 Site Assemb ly Phase 1	A1306 Site assembly Phase 1. LBH have identified a number of priority sites to acquire, most of which are either vacant or in bad neighbour uses that would either deliver new housing directly or whose acquisition will enable comprehensive development on adjoining sites. Together their redevelopment will significantly uplift the urban environment and hence improve viability. The site assembly process will be led by the London Borough of Havering with an additional resource of a dedicated Development Manager, employing external specialist support where necessary. Funding will be utilised to support fees for professional planning and legal teams to facilitate business relocations and site preparations. Surveyors will also be appointed to assist with transactional sales, at which point the recoverable grant will be paid back to the GLA from the land disposal proceeds. A second phase initiated 5 years later, would then acquire additional sites if the market has not brought them forward for redevelopment. Intended that Housing Company would bring forward majority of these sites.	£3.65m (grant) £5.42m £1.2m LBH	Development Manager appointed
No .	Transaction type	Site	Intervention	GLA & LBH Amount	Status

7	Grant	Dovers Corner	<p>Sewer and gas main diversion.</p> <p>The Dovers Corner site currently has marginal viability that may preclude the provision of affordable housing (submission for grant to support affordable housing is included on another transaction sheet). In addition, due to high abnormal costs caused by the presence of a sewer and high pressure gas main along the northern frontage, the site cannot be developed to its full potential capacity. Diverting the sewer and gas main will release 0.25ha additional developable land and allow for the delivery of at least an additional 11 houses.</p>	£1.5m	Still some uncertainty if prospective developer will co-operate on this.
8	Grant	Dovers Corner	<p>Affordable Housing Grant.</p> <p>Grant funding to support a RP purchase of affordable housing units on Dovers Corner a private sector owned site. Will accelerate housing delivery directly as secures much needed affordable housing units that would not be otherwise secured without this funding. In addition will assist a private sector housing company to bring forward a large housing site of 400+ units. 36 units – 24 affordable rent and 12 first steps (LCHO)</p>	£1.62m	Still some uncertainty if prospective developer will co-operate on this.
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9	Grant Recoverable Grant	Beam Park Station Circ. £17m	<p>Beam Park Station A new station at Beam Park will act as the catalyst for the delivery of a major proportion of this development. Without a new station development viabilities are marginal which would potentially result in low development densities, poor design and quality and isolated estates. Development interest would remain low with a commensurate effect on both the prospective residential and commercial investment in the large residential brownfield sites at Beam Park, Somerfield and north of the A1306, Courier Road and Beam Reach 5 employment sites. It will improve access for the large and relatively deprived existing communities between Dagenham Dock and Rainham that currently have poor access to public transport of any kind.</p>	£0.8m (grant) £8.8m (loan) £8.8m TfL £0.3m LBH	Network Rail commissioned to complete GRIP 3+ and 4 stages. TfL Growth Fund contribution of £8.8m confirmed – Station fully funded on current costs. Looking at Housing Zone constructing platforms and GLA development partner delivering station building as an integrated development.
10	Grant	HRA infill sites	<p>Affordable housing grant. Traditional grant/gap funding to aid the delivery of 42 no. affordable units on three HRA owned `infill` sites. Sites to be delivered directly by LBH's in-house development team. These HRA sites require grant funding to be delivered for much needed affordable housing. Without this support the sites will remain in their current use. The intention is for the Housing Zone to provide this</p>	£1.32m £8.61m LBH	

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			grant support and thus accelerate housing delivery. 36 no. affordable rent and 6 no. shared ownership units (First Steps) Delivery programmed for 2015/16 – 2016/17.		
11	LBH Funding	To be identified	One 3FE primary school	£8.5m LBH	
			TOTAL GLA Funding Total LBH Funding	£29.06m £18.6m	



2. Supporting Infrastructure.

The original submission requested grant funding for a new 3FE Primary School and a contribution to improving the leisure facilities at Chafford School. Both those requests were deemed ineligible by the GLA. However, the scale of housing development planned makes the provision of social infrastructure an imperative and work is continuing to secure capital funding for education and leisure provision. The Group Director, Communities and Resources has indicated that funding would be found for one 3FE Primary School, the GLA have in compensation, agreed to increase the funding available for the A1306 project.

Leisure provision is currently unfunded however, options are being explored through the current procurement of a leisure operator.

IMPLICATIONS AND RISKS

Financial implications and risks:

Legal implications and risks:

Human Resources implications and risks:

Equalities implications and risks:

BACKGROUND PAPERS