

Ship Street
Redevelopment
Overview & Scrutiny Committee
6th September 2022

Ship Street Site



- Long term empty Gas works site
- Derelict since early 1960s
- No Market Intervention
- Site area 1.54 hectares
- FHDC purchased the freehold in 2021 - £400,000 (70% GF / 30% HRA)
- Housing led, redevelopment in line with the Local Plan
- Creative Folkestone / Triennial

Constraints/Risks

- Cost of remediation
- Topography challenges, different ground levels within the site
- Existing service media
- Retaining walls – stabilisation & improvement
- Concrete obstructions underground
- Gas governors sub station and confirming boundaries
- Funding availability
- Feasibility; Cost vs Income
- Lack of interest from the market



Work To Date

- ✓ Capacity studies investigating density / layout / public realm
- ✓ Market engagement showed interest but also a clear need to de-risk site to secure a delivery partner
- ✓ Site maintenance to minimise future ecological risks
- ✓ Positive discussions & bids made relating to gap / Infrastructure funding with HE and One Public Estate
- ✓ Very well attended public engagement event undertaken
- ✓ Structural condition survey of retaining walls completed
- ✓ Extensive soil and site investigation works done and costed
- ✓ Market Intelligence report on future homes completed
- ✓ Early & continued engagement with Key stakeholders

Site Investigations

- Previous remedial work aimed to alleviate National Grid of their statutory responsibilities
- There are still some elements of contamination plus obstructions in the ground
- RSK proposed different remediation strategies and costs depending on the amount of excavation needed & ground level required

Remediation

- Remediation will involve the following:
 - Clean cover in areas of soft landscaping
 - Vapour protection measures in buildings
 - Upgraded water pipes
 - The use of impermeable surfaces (including below landscaping)
- Exact costs will be known once we understand the scheme design
- Estimated budget of £3m - £4M depending on the chosen approach

Retaining Walls

- Structural Engineers reviewed the 2015 wall condition report and completed a new survey
- The general conclusion is the walls are 'generally performing satisfactorily'
- Defects like filling collapsed arches, vegetation, weathering and pointing are estimated at a cost of £800,000
- This doesn't include having any major alterations to the walls
- We'll prioritise works to walls areas that are clearly seen once the scheme design is understood
- Network Rail have confirmed ownership of the walls adjacent to the railway line

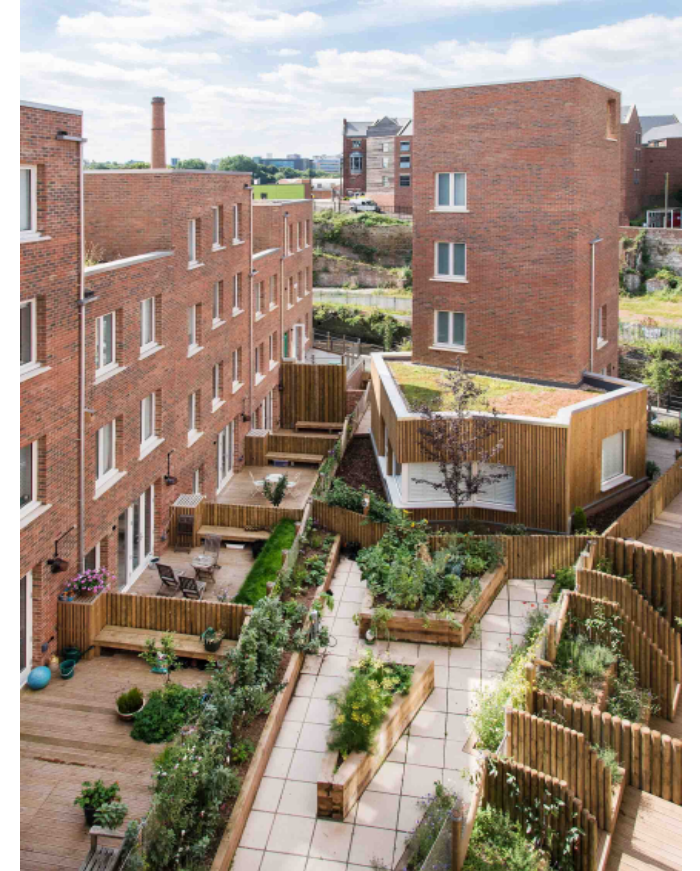


Draft Project Brief

- Circa 150 - 200 homes (Subject to capacity testing, consultation and brief evolution)
- Urban typology family housing, court yard gardens and sun terraces
- Apartments for newly forming households
- Possible Commercial requirement - Café/food/beverage possible live work units
- Design led scheme with community space, minimising the need for cars promoting walking routes and cycle use
- Incorporation of public realm and creative / cultural space

Housing Standards

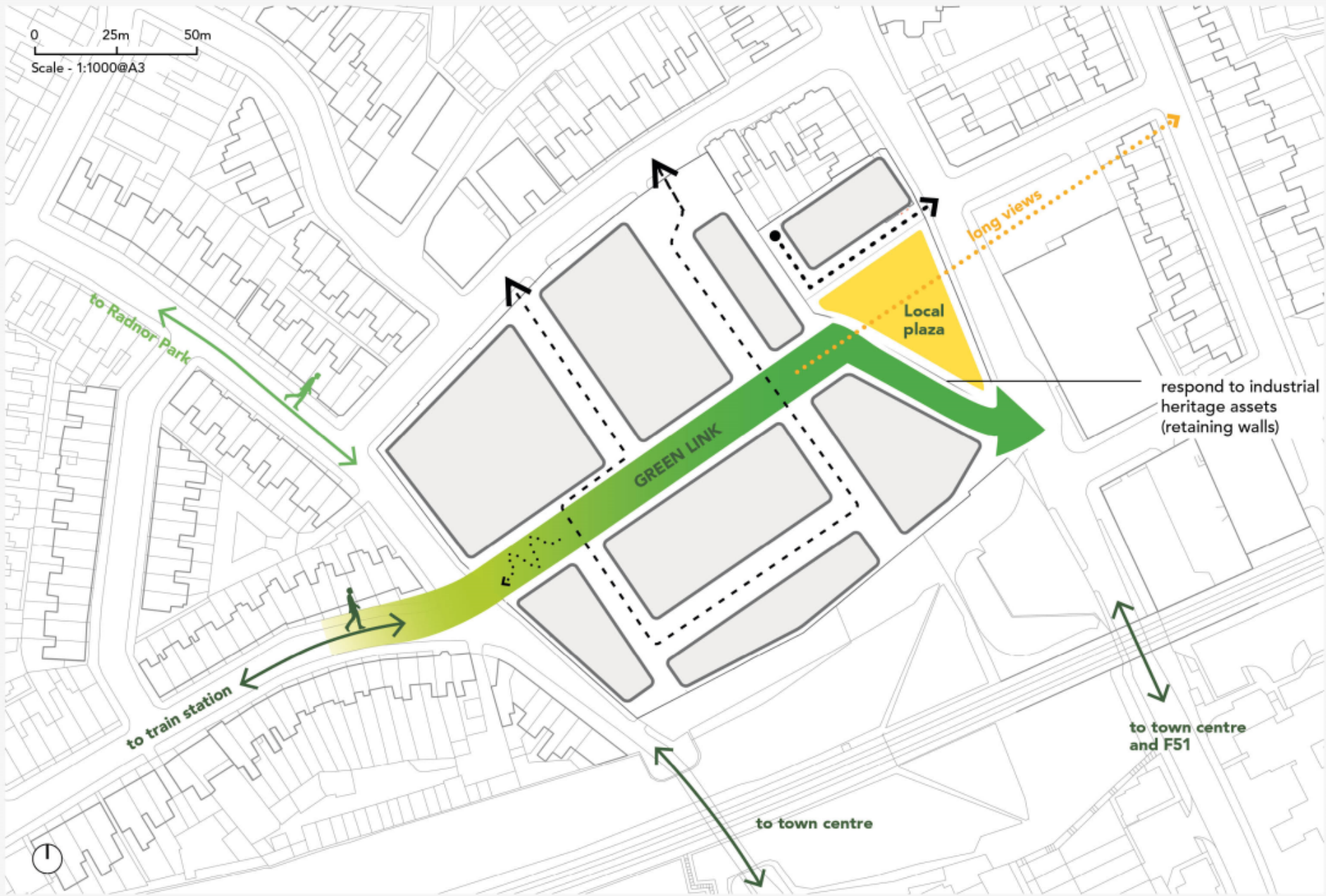
- A sustainable mix of housing meeting modern ways of living and working
- Homes to meet National Design Space Standards and the Local Plan
- Private market led development with aspiration to exceed affordable housing policy
- High performing energy efficient homes



Tenure Mix Appraisals

Ship Street tenure scenarios	Affordable Rent (LHA)	Shared Ownership	Market Rent	Market Sale	Total
One	30%	50%	20%	0	100%
Two	30%	20%	0	50%	100%
Three	40%	60%	0	0	100%
Four	15%	7%	18%	60%	100%

Scenario 2 performs best financially, meets FHDC aspirations and the requirements for Homes England and Brownfield Land Remediation funding



Emerging Design

- Green walk way
- Open space
- Improved access
- Minimal traffic flow



Initial Cost Assessment

- The Total Scheme Cost estimate is **£41 - £43M** including abnormal land and remediation costs
- Increasing the wall budget to £800k & soil remediation to £2m means an estimated abnormal and public realm cost of **c£3.8m**
- The expected income we could generate from selling 150 finished homes and 4 commercial units is between **£36 - £40m**
- Various financial modelling has been carried out to assess the most commercially viable options.



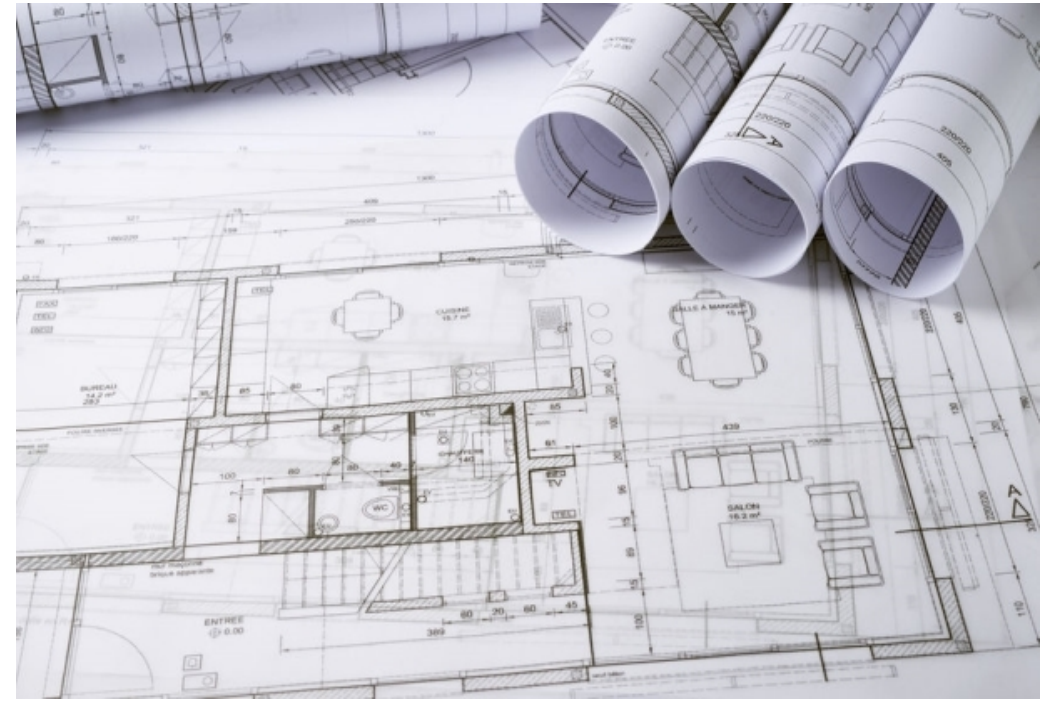
Committed Spend

- Cabinet approved a budget on the 16th October 2019 of £230,000
- Actual and committed spend to date covering site investigation works, site management, consultants, initial capacity studies and resident engagement equates to £120,000
- FHDC propose to develop the scheme design with architects whilst we await the funding outcomes



Design Work

- FHDC to undertake the design work directly prior to seeking a delivery partner
- FHDC control scheme layout and set design parameters that suit planning requirements and needs of local people
- Architectural design work cost is based on the RIBA Stages, we're seeking budget to get to the stage of submitting a planning application – RIBA Stage 3
- Estimated costs total £500K



Funding Secured

Homes England Design Funding

- FHDC have secured £60,000 resource funding towards the design of the scheme. Condition of Homes England funding is that work must be complete by 31st March 2023
- Homes England have a strong preference that their multi disciplinary framework is used to select designers
- We'll appoint a Lead Designer as well as associated design team to design the scheme up to submission of Planning Application at the end of RIBA stage 3
- FHDC would need to provide additional budget (approved by Full Council / built into next year capital programme) – in the region of £350K

Funding Bid Progress

Brown Field Land Remediation Funding 2

- Bid for £3,550,000 submitted 19th August 2022
- Decision due between Sep – December 2022
- Conditions of funding:
 - FHDC must be in the contract for the land remediation by 31st March 2023
 - Land must be released for housing development by 31st March 2026
- If we're successful it will be the highest ever allocation of funding secured via this funding stream

Other Possible Funding

Other funding options currently being investigated

- Homes England Infrastructure Grant
- Homes England Affordable Homes Programme 2021 -2026 – bid can only take place once planning has been secured



Indicative Timeframe

- OSC 6th September 2022
- Report to Cabinet on design brief and next steps 21st September 2022
- Architect procurement / appointment September – November 2022
- BLR Fund outcome December 2022
- Outline scheme design and further engagement October 2022 – May 2023
- Planning Submission June 2023
- Resolution to Grant Planning September 2023
- Prepare Tender Invitation Documentation July 2023-September 2023
- Tender Period/market engagement September - November 2023
- Cabinet approve deal structure & partner selection 25th January 2024
- Start on Site Spring 2024

Questions?