

Notice of:	EXECUTIVE
Relevant Officer:	Andrew Foot, Head of Housing
Relevant Cabinet Member:	Councillor Mrs Christine Wright, Cabinet Member for Housing
Date of Meeting:	18 June 2018

COUNCIL HOUSING DEVELOPMENT ON THE FORMER HOYLE HOUSE SITE

1.0 Purpose of the report:

- 1.1 To seek approval for the Council to develop housing on the former Hoyle House site, including 7 specialist supported housing flats for residents with learning disabilities and a further 11 general needs homes for rent. Grant funding awarded by the Department of Health of £645,000 will be used to fund the supported housing units, with further grant funding sought from Homes England to assist with the development of the remaining homes.

2.0 Recommendation(s):

- 2.1 That delegated authority is granted to the Head of Legal to enter into a design and build construction contract to build the new homes at the site of the former Hoyle House and any other legal documentation required for the implementation of the scheme.
- 2.2 That the Director of Strategy be authorized to bid for grant funding to Homes England and the Head of Legal Services has delegated authority to enter into a funding agreement with Homes England to develop 11no. general needs homes for affordable rent as part of the development on the Hoyle House site.
- 2.3 That a management agreement is drawn up between the Council and Blackpool Coastal Housing Limited for the management of the new properties and that the Head of Legal has delegated authority to enter into that agreement on behalf of the Council.

3.0 Reasons for recommendation(s):

3.1 To deliver specialist new homes with assistive technology for residents with learning disabilities, and encourage greater independence, in accordance with the terms of funding awarded by the Department of Health. The rest of the site will be used to meet local needs for affordable family homes for rent.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

To pass on the Department of Health funding to Progress Housing Group to enable them to complete the housing development.

4.0 Council Priority:

4.1 The relevant Council priority is: "Communities: Creating stronger communities and increasing resilience"

5.0 Background Information

5.1 The Council was successful in bidding for capital funding to deliver new independent accommodation for people with learning disabilities. £645,000 has been secured from the Department of Health's Housing and Technology Fund to build flats with assistive technology and associated communal accommodation. The bid reflected emerging local needs, and an expectation that building flats with assistive technology would reduce the care costs that the local authority would need to meet.

5.2 The Council intended to work with Progress Housing Group because of their background in developing housing with support for residents with learning disabilities. After looking at a number of alternatives it was agreed to build the new homes on the site of the former Hoyle House, and planning approval was obtained for these flats and further general needs affordable homes in December 2017. But it has taken longer than expected to agree the terms of the land sale and funding agreement with Progress, delaying the scheme starting on site.

5.3 The Department of Health has confirmed that the funding is still available, but that the specialist accommodation for people with learning disabilities must be completed

by the end of March 2019. It is proposed that to ensure that the scheme moves forward quickly the Council develops the new homes itself rather than passing on the funding and selling the land to Progress Housing Group.

5.4 As with other Council homes, the new accommodation will be managed by Blackpool Coastal Housing. While BCH have not previously managed specialist homes for people with learning disabilities, they will work closely with the Council's LD Team and benefit from the experience of managing the Hoyle at Mansfield Road facility that has recently been redesigned for residents with learning disabilities.

5.5 The planning approval for the Hoyle House site granted in December 2017 also includes 11 no. general needs affordable homes for rent on the remainder of the site. It is proposed that the Council bids to Homes England for new capital funding to develop these homes as Council properties. Homes England has indicated that funding is likely to be available at similar rates to the funding currently being used to develop the last new homes at Queens Park.

5.6 Following approval of this report, work will begin immediately to engage a building contractor to commence the housing development, with priority given to completing the supported housing units. At the same time, the Council will seek to source capital grant funding from Homes England to help finance the development of the general needs accommodation.

5.7 Is the Corporate Delivery Unit aware of this report? Yes

The Corporate Delivery Unit has no comments to raise.

5.8 Does the information submitted include any exempt information? No

5.9 **List of Appendices:**

None.

6.0 **Legal considerations:**

6.1 It is not considered that the Council has any legal obligations to Progress Housing Group to continue with the negotiation of the sale of the land and provision of funding to them, but agreement will be sought to reimburse Progress for the costs that they have already expended in gaining planning approval for the scheme and tendering the building works.

6.2 Progress Housing is a body governed by public law and as such there is a legal duty to ensure that value for money is achieved. Progress has undertaken a procurement process and the winning tender was submitted by R.P. Tyson Limited in respect of the

Hoyle House development.

Progress Housing's policies require that they tender and undertake tender evaluation consistently, without bias and objectively. Tenders are evaluated against a pre-determined set of criteria stated in the original tender. The award criteria vary depending on the type of contract. It may consist of:

- Low total cost
- Quality
- Adherence to policies and procedures
- Communication
- Added social value

An evaluation team of stakeholders, which may contain tenants, examine each tender and make recommendations as to which tender is the most economically advantageous.

Taking this into account it is the Council's intention to honour Progress Housing's tendering process and to undertake the construction works with R.P. Tyson Limited.

7.0 Human Resources considerations:

- 7.1 The scheme will be delivered within existing Council and Blackpool Coastal Housing staff capacity, with project management by the development team at Blackpool Housing Company. The existing external Employer's Agent responsible for contract management and quantity surveying will be used by the Council to maintain continuity in the on-going procurement and contract management process.

8.0 Equalities considerations:

- 8.1 None

9.0 Financial considerations:

- 9.1 Grant funding awarded by the Department of Health of £645,000 will meet most of the development costs for the supported housing units. The Council will apply for capital grant funding from Homes England to contribute towards the cost of developing the general needs housing units, with an expectation that around £330,000 in grant funding will be made available. The total cost of constructing the whole scheme is expected to be just under £2 million, plus the Council's design and project management costs. An allowance has been made in the development budget to make a further capital contribution to the Council's General Fund of £150,000 as was anticipated from the sale of the land to Progress Housing Group. The total development cost of around £2.350 million will be offset by a total of £0.975 million.

- 9.2 The remaining development costs of £1.375 million that are not grant funded will be met from the Council's Housing Revenue Account where there is sufficient borrowing capacity to meet the costs of this development alongside other commitments.
- 9.3 The rents for the learning disabilities units will be set at a level that can be funded through Housing Benefit, and care costs will be met from existing care budgets. By building in assistive technology, tenants will be able to lead more independent lives and require less care input than if they were not in specially designed accommodation. The rents for the general needs homes will be set at Affordable Rent levels which are 80% of market rents as required by Homes England. This will pay for on-going management and maintenance and pay off the borrowing in around 30 years.

10.0 Risk management considerations:

- 10.1 The intervention of the Council in directly constructing these homes seeks to minimise the risk of losing Department of Health grant and failing to build the housing that residents need. But this takes on the usual risks of undertaking new construction. The risk of increased costs will be minimised by using the project management team and arrangements used successfully at Queens Park, by using a design and build contract and seeking to make use of existing tender documents and an existing tender price. Timescales will be managed by negotiating to get on site by August 2018, using the existing planning approval.

11.0 Ethical considerations:

- 11.1 Progress Housing Group had expected to develop the scheme. The Council will reimburse Progress Housing Group for the costs incurred to date in taking the scheme to this stage.

12.0 Internal/ External Consultation undertaken:

- 12.1 The development is a result of the identification of needs for specialist housing for people with learning disabilities or autism by Adult Services Commissioning Team, working with the Housing Strategy team to develop a funding bid. The usual consultation processes were followed prior to the bid being submitted.
- 12.2 A public consultation was held at the local community centre as part of the Planning process, allowing neighbouring residents an opportunity to ask further questions. There were no objections to the proposal received.
- 12.3 The proposal for the Council to take on the development has been brought forward following advice from the Council's Legal, Procurement, and Capital Projects teams.

13.0 Background papers:

13.1 None.

14.0 Key decision information:

- 14.1 Is this a key decision? Yes
- 14.2 If so, Forward Plan reference number: Not Included on the Forward Plan
- 14.3 If a key decision, is the decision required in less than five days? No
- 14.4 If **yes**, please describe the reason for urgency:

15.0 Call-in information:

- 15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No
- 15.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 8 June 2018 Date approved: 8 June 2018

17.0 Declarations of interest (if applicable):

17.1

18.0 Executive decision:

18.1

18.2 Date of Decision:

19.0 Reason(s) for decision:

19.1 Date Decision published:

20.0 Executive Members in attendance:

20.1

21.0 Call-in:

21.1

22.0 Notes:

22.1