

Notice of:	EXECUTIVE
Decision Number:	EX34/2021
Relevant Officer:	Antony Lockley, Director of Strategy and Assistant Chief Executive
Relevant Cabinet Member	Councillor Ivan Taylor, Deputy Leader of the Council and Cabinet Member for Partnerships and Performance
Date of Meeting:	12 July 2021

DEVELOPMENT OF NEW COUNCIL HOMES AT GRANGE PARK, BLACKPOOL

1.0 Purpose of the report:

- 1.1 This report outlines the support and level of investment required in order to deliver the development of no.131 units of affordable housing on two vacant and underused sites within the Grange Park Estate. It seeks to formally seek approval for the project to be delivered through to completion.
- 1.2 The Ward councillors and the relevant Cabinet Members have been briefed in regards to the preferred scheme and made aware of the public consultation and associated feedback.

2.0 Recommendation(s):

- 2.1 That the Council bids to Homes England for capital grant to help fund the construction of new Council homes for Affordable Rent on Sites A and B at Grange Park
- 2.2 That the Council procures a building contractor to construct new Council homes at Grange Park, in-line with the preferred scheme (Appendix 6a to the Executive report), and, subject to grant funding being made available and planning approval being received, grant authority to the Head of Legal to enter into a design and build contract for a cost not exceeding the sum set out in Appendix 6d, to this report.
- 2.3 To grant delegated authority to the Head of Legal to authorise the relevant legal documents to progress the scheme including to the de-designation of the public open space (Site A) and the Stopping Up of a footpath that runs along the eastern boundary of Site A.

3.0 Reasons for recommendation(s):

3.1 To enable the development of new Council homes that deliver on the commitments outlined in the Council House Investment Programme (CHIP) to meet the local demand for a range of affordable units.

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

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

4.0 Other alternative options to be considered:

4.1 The land could potentially be sold for private development, if there was market interest. However soft market testing has demonstrated that there is little private sector interest.

5.0 Council priority:

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

6.0 Background information

6.1 The creation of high quality affordable housing for local residents is a clear priority for the Council, and this proposed development on Grange Park is one of the biggest opportunities we will have in the foreseeable future to deliver on a reasonable scale.

6.2 Opportunities in relation to development at Grange Park have been a long standing ambition for the Council. The current scheme has been developed following on from initial feasibility and concept design work which also included public consultation in 2018. Feedback from this early consultation and feasibility work has helped to identify the most suitable approach to, and form of, development resulting in this preferred scheme. A Design Team was appointed in October 2020 to generate scheme options and take the design process through to submission of a planning application.

6.3 The development relates to two vacant sites within the Grange Park Estate creating a total of 131 new homes. Site A is located to the west of the existing Boundary Primary School, with Gateside Drive bounding the site to the north, Chepstow Road to the west and Sidford Court to the south. Site B is located east of The Grange Community Centre, with the Boundary Primary School located the north, Dingle Avenue to the west and St Mary's Catholic Academy to the south.

6.4 The development proposals comprise the erection of 53 dwellings on Site A, and a further 78 dwellings on Site B. All of the homes will be Council homes managed by Blackpool Coastal Housing and rented at Affordable Rents that are 80% of market rent. The mix of new homes has been designed to meet the greatest needs for affordable homes in the area.

6.5 On site A it is proposed that these new houses will be easily adaptable for people with limited mobility being built to the M4(2) Accessible and Adaptable standard. The 53 units on Site A will be to the following mix:

- 27 x 2 bed houses
- 9 x 3 bed houses
- 9 x 4 bed houses
- 8 x 5 bed houses

6.6 On Site B it is proposed that the housing mix will be:

- 23 x 2 bed houses
- 6 x 3 bed houses
- 7 x 4 bed houses
- 4 x 5 bed houses
- 3 x 6 bed houses
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The houses will all be built to M4(2) Accessible and Adaptable standard.

In addition there will be:

- 30 x 1 bed 2 person sheltered flats

M4(3) accessibility standard (fully wheelchair compliant); and,

- 5 x 2bed 4 person bungalows

M4(3) accessibility standard (fully wheelchair compliant).

6.7 The scheme includes the provision of new green space. Within Site A, an 829sqm area of green space is proposed for sole use by Boundary Primary School along with a 281sqm pocket park plus landscaping. Alongside this, on Site B, a new formal community green and dedicated children's play area (c.2,600sqm in total) and landscaping will be provided for public use.

6.8 In support of the Blackpool Climate Emergency Declaration the project's mechanical and engineering consultants were instructed to undertake an Energy Review which looked at all available technology and fabric upgrades to improve energy efficiency of the homes and reduce carbon. The approach chosen is one of 'test and learn' in the context of all Council new build homes in order to understand the impact and implications of the chosen technology in reality. The Review identified the most appropriate mix of improvements,

balancing capital expenditure, tenant running costs alongside maintenance and associated costs. The expectation – based on current estimates of planned interventions and improvements – is that the energy ratings of the new homes will exceed those prescribed by existing and future (expected release summer 2022) Part L of Building Regulations.

- 6.9 These new homes will compliment existing community facilities. Recent investment in Grange Park has created a community hub @The Grange which incorporates a library, community café and urban farm, retail and a learning hub. The hub has become the focused centre of community activity and is well placed to continue adding value and benefits for residents. @The Grange sits alongside other key community assets which serve residents of the estate, including the Boundary Primary School, Children’s Centre, medical centre and Blackpool Coastal Housing estate office. In 2019/ 20 investment in Gateside Park upgraded the green open space to allow use by residents of all ages. Most recently (December 2020) a bid for funding was made to European Regional Development Fund, securing over a £1million to undertake a range of activities linked to the shift towards a low carbon economy. This is a place-based approach, focused on Grange Park, to increase community resilience to climate change with efforts focused on carbon reduction. Part of this funding is given to this new build housing scheme to part fund the installation of no.30 air source heat pumps as the means to provide low carbon heating and hot water to the properties.
- 6.10 Public consultation on the plans was carried out in April 2021 (online due to Covid19 restrictions) and there was general support for the proposals. The webpage received almost 4,000 views and captured 130 responses. A Planning application for the erection of 131 residential dwellings across two sites on the Grange Park Estate was submitted on 28 May 2021.
- 6.11 A statutory process will also be followed to de-designate part of the public open space on Site A and Stopping Up of the existing footpath to enable the new development.
- 6.12 Subject to approval of the scheme by Executive, it is proposed that a bid is made to Homes England for capital grant funding from the 2021-26 Affordable Housing Programme. Funding is currently available (subject to bidding) at a level that will cover around a quarter of the costs of new affordable housing development, and Government are committed to continuing to provide funding for new affordable housing schemes.
- 6.13 The planned use of grant funding from Homes England’s Affordable Homes Programme and the charging of Affordable Rents at 80% of market rents will enable this development of new Council homes to be financially viable over a 32 year period. The majority of the cost of the development that is not met from grant funding will be funded by borrowing through the Council’s Housing Revenue Account, with the costs of loan interest and repayment met from rents.
- 6.14 It is expected that subject to planning approval being received and grant funding being made available, a contract for the construction of the new homes will be let around September

2021 to enable a start on site with the new construction in late 2021.

6.15 At this stage it is anticipated that the two sites will be developed out in a phased way, thus making the construction process and handover of units more manageable. At this stage it is envisaged that work will commence on Site B followed by Site A, with both development of the 131 homes across both site completed in 2025.

6.16 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 6a - Plan of the proposed new development
Appendix 6b – Artist impression of house types
Appendix 6c – Proposed floor plans
Appendix 6d – Estimated construction costs of the new development

Appendix 6d is not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered on balance that the public interest would be not served by publishing information at this stage

8.0 Financial considerations:

8.1 The estimated total cost of the construction of the new homes is set out in Appendix 6d to the Executive report. It is anticipated that around a quarter of the cost will be made available to the Council by Homes England through the 2021-2026 Affordable Housing Programme.

8.2 The new affordable homes will be let at Affordable Rents that are 80% of market rents. This will enable the costs of the new homes to be met from estimated rental income over 32 years and allow us to access grant funding. In Blackpool affordable rents are still normally within the local housing allowance, and so remain genuinely affordable to people on low incomes.

8.3 It is assumed that rents will rise in line with the Consumer Price Index (CPI). The level of outstanding debt in the Housing Revenue Account will remain at a reasonable and sustainable level as Blackpool's Housing Revenue Account currently has exceptionally low levels of borrowing attributed to it.

9.0 Legal considerations:

9.1 The land for both sites is fully within Council ownership and the Council's Legal Services team has completed a Report on Title.

- 9.2 Planning approval, completion of the Stopping Up, a statutory de-allocation of existing Public Open Space on Site A and securing of grant funding will be achieved prior to any commitment to a building contract to construct the new homes.
- 9.3 The procurement of a contractor to construct the new homes under a design and build contract will follow OJEU compliant procedures.
- 9.4 Approval will be sought from Executive to give delegated authority to the Head of Legal to approve the signing of a construction contract.

10.0 Risk management considerations:

- 10.1 The risk of grant funding not being available from Homes England is minimal because of Government's commitment to funding new affordable homes, but a bid for funding will be made as soon as possible after approval of the scheme by Executive; the Council is experienced in meeting Homes England's funding and audit requirements.
- 10.2 Pre-application discussions have taken place with Planning officers to confirm support for the principle of new homes on the site and minimise the risk of not getting planning approval for the scheme. Similarly, public support for the principle of the scheme shown through public consultation reduces the risk of failing to de-allocate the public open space element of the sites.
- 10.3 There is always a risk of increased development costs, but this has been minimised by using a cautious estimate of construction costs in the financial appraisal, linking the phased development to the nationally recognised BCIS and the proposed use of a design and build construction contract that limits the Council's risk to post-contract increases in cost. Extensive site investigations have been undertaken and these show that the sites should not have any undue difficult ground conditions or services issues.
- 10.4 The scheme has been designed to be sustainable for the long term through the use of high quality design and materials and traditional forms of construction.

11.0 Equalities considerations:

- 11.1 The mix of new homes has been designed to provide the affordable homes that are in most demand in the area.
- 11.2 All of the new homes have been designed to be accessible to people with limited mobility and to be easily adaptable to support the principles of lifetime homes. The scheme includes 5no. true bungalows to help meet the needs of families with physical disabilities and 30no. dedicated flats that will be added to the Council's formal Sheltered Housing stock, both unit types being wheelchair use compliant. The mix of units seeks to fill gaps in the Council's current housing stock, providing a wide range of housing for families of different sizes. The

new homes will be let using the Council's latest allocation policy which has been subject to an equalities impact assessment.

12.0 Sustainability, climate change and environmental considerations:

12.1 In support of the Blackpool Climate Emergency Declaration the project's mechanical and engineering consultants were instructed to undertake an Energy Review which looked at all available technology and fabric upgrades to improve energy efficiency of the homes and reduce carbon. The approach chosen is one of 'test and learn' in the context of all Council new build homes in order to understand the impact and implications of the chosen technology in reality. The Review identified the most appropriate mix of improvements, balancing capital expenditure, tenant running costs alongside maintenance and associated costs. The expectation is that the energy rating of the new homes will exceed those prescribed in the future (expected release summer 2022) Part L of Building Regulations.

12.2 Additionally over a £1million European Regional Development Fund match funding has been secured to undertake a range of activities linked to the shift towards a low carbon economy. This is a place-based approach, focused on Grange Park, to increase community resilience to climate change with efforts focused on carbon reduction. Part of this funding is given to this new build housing scheme to part fund the installation of no.30 air source heat pumps as the means to provide low carbon heating and hot water to the properties.

13.0 Internal/external consultation undertaken:

13.1 Public consultation on the new development plans was undertaken in April 2021.

14.0 Background papers:

14.1 None.

15.0 Key decision information:

15.1 Is this a key decision? Yes

15.2 If so, Forward Plan reference number: 7/2021

15.3 If a key decision, is the decision required in less than five days? No

15.4 If **yes**, please describe the reason for urgency:

16.0 Call-in information:

16.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

16.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 2 July 2021 Date approved:

18.0 Declarations of interest (if applicable):

18.1 Councillor Brookes and Councillor Hobson both declared prejudicial interests. The nature of the interest being that they were both non-Executive directors of Blackpool Housing Company Limited who would manage the construction and development of the scheme and non-Executive directors of Blackpool Coastal Housing Limited who would manage the properties once let on behalf of the Council.

19.0 Executive decision:

19.1 The Executive resolved as follows:

1. That Appendix 6d, financial estimates is not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered on balance that the public interest would be not served by publishing information at this stage.
2. That the Council bids to Homes England for capital grant to help fund the construction of new Council homes for Affordable Rent on Sites A and B at Grange Park
3. That the Council procures a building contractor to construct new Council homes at Grange Park, in-line with the preferred scheme (Appendix 6a), and, subject to grant funding being made available and planning approval being received, grant authority to the Head of Legal to enter into a design and build contract for a cost not exceeding the sum set out in Appendix 6d, to this report.

4. To grant delegated authority to the Head of Legal to authorise the relevant legal documents to progress the scheme including to the de-designation of the public open space (Site A) and the Stopping Up of a footpath that runs along the eastern boundary of Site A.

20.0 Date of Decision:

20.1 12 July 2021

21.0 Reason(s) for decision:

21.1 To enable the development of new Council homes that deliver on the commitments outlined in the Council House Investment Programme (CHIP) to meet the local demand for a range of affordable units.

22.0 Date Decision published:

22.1 13 July 2021

23.0 Executive Members in attendance:

23.1 Councillor L Williams

Councillor Benson and Smith

(Councillor Hobson having declared a prejudicial interest left the meeting during consideration of the report and the decision.)

24.0 Call-in:

24.1

25.0 Notes:

25.1 The following Executive members while not present in the room and not able to vote, joined and participated in the meeting virtually:

Councillors Campbell, Farrell, Hobson, Hugo and I Taylor

(Councillor Brookes having declared a prejudicial interest left the meeting during consideration of the report and the decision.)