

Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING	10th November 2022	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3392
TITLE:	Development Update: Land to rear of 89 – 123, Englishcombe Lane, Southdown, Bath.	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1: Initial Business Case		

1 THE ISSUE

- 1.1 In 2018 the Council submitted a planning application to develop 37 homes, including 14 affordable homes, on land to the rear of 89 – 123, Englishcombe Lane, Southdown, Bath. Planning committee approved the application subject to conditions. Due to concerns, principally around potential risk to the on-site ecology, the administration decided not to pursue the application.
- 1.2 As part of the B&NES Homes development programme officers were tasked with investigating whether a smaller scheme could be developed that provides local community housing whilst being sympathetic and supportive to the existing site ecology. Following concept design, option appraisal and initial business case this report proposes such a scheme for further detailed development work.

2 RECOMMENDATION

The Cabinet is asked to agree to;

- 2.1 Commission further development work to advance the preferred option to planning stage, that is a development of 9 bungalows and 7 apartments for residents with learning difficulties.
- 2.2 Fully approve £320k capital funding from the Provisional Capital Programme for Affordable Housing to support this development work.
- 2.3 Delegate any future decision to submit a planning application to the Cabinet Member for Adult Services & Council House Building in consultation with Cabinet colleagues.

3 THE REPORT

Background

- 3.1 In April 2018 the Council submitted a planning application to develop 37 homes, including 14 affordable homes, on land to the rear of 89 – 123, Englishcombe Lane, Southdown, Bath. Planning committee approved the application subject to conditions including the completion of a s106 agreement. However, due to concerns, principally around potential risk to the on-site ecology, it was decided not to pursue the application.
- 3.2 The site is allocated for residential development and the Council has demonstrably high local housing need and a demanding housing delivery requirement. Doing nothing is therefore not a realistic option. As such officers were tasked with investigating whether a smaller scale alternative and ecologically acceptable development was feasible.
- 3.3 A strategic review of the local care and support market was undertaken by the Specialist Commissioning team last year. It identified a significant under supply of supported living provision in the district which in turn results in an over reliance on meeting people's needs through out of area residential care placements. Indeed, there are currently 130 people in residential care and 82 of these are out of area – the largest cost to the budget. In addition, there are 52 people with learning disabilities and/or autism on the Council's housing demand matrix who need a move or need supported housing.
- 3.4 Following discussions with Adult Services options were developed to target the unmet accommodation needs of residents with Learning Difficulties and/or Autism. The site, which is quiet and spacious, is ideally suited to meeting the needs of this client group who benefit from a calming environment. Such a scheme would allow the Council to provide this vulnerable client group with high-quality accommodation plugging an existing service gap whilst also reducing the need for expensive out of area placements. The latter element also provides the potential for residential placement budget savings.

Development Principles

- 3.5 Five scheme options were investigated. These all included a set of common design principles and constraints which seek to preserve the quality of the site and address the ecological concerns of the previous scheme, including:
 - Sensitive use of the site topography to provide high quality and supportive environment for the identified client group, including use of landscape design guidance for autism.
 - All paving to be permeable to avoid water run-off and use of swale and rain gardens to deal with hard surface run-off.
 - Protection of the ecologically significant Tufa flush including provision of protected 10m buffer zone.
 - Dark corridor (10m) for migrating horseshoe bats on eastern & southern areas of site and protection of badger sets.

- 1m buffer zone along the length of protected hedgerows for reptiles and dormice.
- Very energy efficient low carbon housing (AECB¹ standard or above) with potential for modern methods of construction to be utilised.
- Avoidance of the mud-lobe on south-eastern corner.

Preferred Option & Service Benefits of Proposal

3.6 Preferred option is a form of hub and spoke model providing 9 bungalows and 7 apartments for residents with learning difficulties and/or autism. There is space for additional limited staff facilities if required. Scheme provides Adults Services with different housing types and compared with the other options the impact on site is more modest with only a single block that reaches two storeys.

3.7 The proposal delivers a low density, sensitive and small-scale scheme that uses the ecological value of the site as an asset and opportunity to create a peaceful housing environment for people with specialist housing needs. The scheme would be able to provide supported housing with care to around 16 tenants depending on level of need and staffing required on site at the time. The scheme provides the following headline benefits:

- Realises the aspirations of people with a learning disability and/or autism to live as independently as possible in their own homes but with care and support as needed.
- Provides an opportunity for some of the housing to meet the bespoke needs of individuals especially those with sensory needs and requiring accessible accommodation. The site provides a peaceful and low stimulus environment which will suit many individuals with sensory needs.
- Reduces the necessity for people to move out of area to access housing, care, and support, enabling people to remain in the district, close to family, community and friends and care teams.
- Provides an opportunity for those: inappropriately housed in residential accommodation (often out of area) to return to the district if they wish; ability for clients to step down in more independent living; or those who are living in family or other inappropriate accommodation and ready to move into further independence.
- Opportunity to integrate and test latest assistive technology.
- Provides opportunity for revenue savings from the Councils Specialist Commissioning revenue budget. Revenue savings can be achieved in part by repatriating people from out of area residential care settings back into supported living within their local communities.

¹ Association for Environment Conscious Building – independent not-for profit organisation promoting sustainable building standards.

- The scheme would support some the Council’s most complex individuals who are most at risk of being placed out of area. This will include some of those transitioning into adults from children’s services.

Delivery Mechanism

3.8 Scheme delivery will be kept inhouse as far as practical. The Construction and Projects team will directly appoint the technical design team, including planning adviser and other site appropriate specialists such as hydrologist, ecologist and arboriculturist. Early engagement of a modular contractor through mini tender is also being considered to ensure the benefits of modular construction can effectively leveraged.

Operating Model

3.9 At this stage officers have only sought to establish whether the initial business case would support the proposed scheme development. If the scheme were to be progressed a decision would need to be made at a later stage on the operating model. Broadly the options include direct housing management & support delivery; direct management & commissioned support; commissioned management & support. In all options the Council would retain an ongoing interest in the scheme.

3.10 Whilst commissioned management & support is likely to be the preferred model there are a number of factors that would need to be considered before settling on this option, including client needs; existing skill sets; financial implications, such as implications on housing benefit recovery etc. As such this report offers no recommendations at this stage.

3.11 These homes contribute and support the Council’s housebuilding programme, known as B&NES Homes. The B&NES Homes programme comprises a range of supported housing, shared ownership and general needs social rent homes.

Timescales

3.12 The table below shows high level indicative scheme timescales, albeit the stage timescales may vary depending upon product construction route selected.

Stage	Date
Cabinet agreement to proceed	Oct 22
Procurement & appointment of project team	Dec 22
Prepare scheme, pre-apps, site investigations, planning submission	May 23
Planning determination	Aug 23
Agreement to proceed, tender package & appointment	Nov 23
Initiation and start on site	Jan 24
Completion & handover to Adult Services: (dependent on construction method)	Jan 25

4 STATUTORY CONSIDERATIONS

4.1 The delivery of specialist housing is supported by the following:

- Local Authorities (Land) Act 1963 which allows Councils to develop land for the benefit or improvement of their area.
- Local Government Act 2000 (section 2) which allows Councils to act to promote or improve the economic, social or environmental wellbeing of their area.
- Localism Act 2011 (sections 1) which provides the local authority's general power of competence.
- The Council is registered with the Regulator of Social Housing as a Local Authority Registered Provider of Social Housing.

4.2 There are further statutory considerations in relation to the provision of welfare and support to clients with learning difficulties and/or autism, including:

- The Care Act 2014 (part 1) provides Local Authorities with a general duty to promote an individual's well-being.
- Children and Families Act 2014 (section 25) promoting integration and wellbeing

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 The scheme has the potential to be self-financing, both in repayment of borrowing to support capital outlay and in operation as shown in a summary of the Initial Business Case in Appendix 1.

5.2 To undertake the technical design stage work to support the submission of a planning application we need to approve £320k of capital funding from the Provisional Capital Programme for Affordable Housing.

6 RISK

6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.

6.2 The key risks at this stage include: initial business case assumptions; securing planning permission; market delivery risk (notably around building cost inflation); Homes England funding assumptions; reputational/adverse publicity; and operational viability (staffing, skill sets).

6.3 As the scheme develops comprehensive risk management procedures and project and quality assurance through supervision of the design development and construction phases will seek to reduce risk, particularly around building costs.

7 EQUALITIES

7.1 A formal equalities impact assessment has not been undertaken on the proposal. However, the delivery of high-quality adapted housing for vulnerable client groups has a positive impact on equality. It provides housing options for those residents who would be unable to cope or compete on the open-market and may otherwise be forced to leave the area or reside in unsuitable housing conditions.

8 CLIMATE CHANGE

8.1 Housing is a key contributor to climate change. All housing will be designed to meet the highest practical energy efficiency standards (AECB or above) for energy efficiency, thus contributing to meeting the Council's Climate Emergency targets.

9 OTHER OPTIONS CONSIDERED

9.1 A number of other options were considered and dismissed as detailed below:

Option 1

- Scheme based upon two storey blocks providing 1bed apartments, shared ground floor communal living facility and a designated area for staff sleep in support. Based upon existing learning difficulties scheme models in the district. Schemes provides 28 apartments. This is the highest density option and officers expressed some concerns around scale of scheme; lack of housing variety; and site massing.

Option 2

- Scheme providing 10 bungalows with space for staff facilities. The low-rise nature of the scheme reduces development impact whilst the bungalows provide a positive environment for clients, particularly those with complex needs. It is the lowest density option and consequently the unit costs are high. Significantly there is lack of housing variety for Adult Services clients.

Option 3

- Scheme providing a combination of apartment block (hub) and houses (spoke). This option aims to address the lack of service flexibility provided by the above options. The development provides 6 bungalows and 11 houses. There is space for additional limited staff facilities if required. Whilst this option has merits some issues were expressed with the "house" based accommodation - in client terms similar to bungalows.

Option 4

- Scheme providing 20 multi-functional general needs housing units. However, given the general nature of the accommodation this would only be suitable for low-support learning difficulty clients. Given the general needs nature of this option site utilisation and infrastructure would be greater (eg wider roads, proportionately more car parking etc.) than other options.

Do Nothing

- Not considered feasible given the site is allocated for residential development within the Council's adopted development plan and the Council has demonstrably high local housing need and a demanding housing delivery requirement.

10 CONSULTATION

10.1 Internal officer consultation, including with s151 Officer and Monitoring Officer. In addition, there has been two community engagement events purposed to ensure that neighbouring residents are fully informed of current thinking and progress.

Contact person	Graham Sabourn, 01255 477949.
Background papers	None.
Please contact the report author if you need to access this report in an alternative format	

APPENDIX 1 – INTIAL BUSINESS CASE

Table 1: Capital Business Case Details

Costs:	
Land / Capital receipt replacement	£1,250,000
Build costs	£3,373,000
Prelim, overheads & profits	£610,000
Design & project fees	£340,000
Risk - 10%	£432,000
Total:	£6,005,000

Funded by:	
Service saving supported borrowing	£3,758,000
Rent supported borrowing	£1,204,000
Homes England grant funding	£1,040,000
Corporate supported borrowing (Project Initiation)	£3,000
Total:	£6,005,000

Capital Table Notes:

- All development cost information provided by Atkins's cost engineers.
- Rent supported borrowing calculated using residual of social rent residual following 30% deduction for management, maintenance, void & bad debts (MMVBD) and borrowing rate/term of 3.5%/40years.
- Home England funding uses typical grant rates.
- Work undertaken by the Adults Team has identified a potential annual saving of between 10-12% (£176k - £209k) on package care costs if 16 care packages were to be delivered/commissioned directly. This has potential to support capital borrowing of between £3.8m-£4.5m based on 3.5%/40years.
- The property is part of the capital receipts target which reduce overall borrowing to the capital programme. The budgeted figure for 2022-23 was £1,250K and represents an opportunity cost of progressing with the scheme.
- Service supported borrowing not available until savings/income materialise. For 22/23 will use Affordable Housing Provisional Allocation, with repayment on completion.
- The site has £742k of capital charges set against past development work. These are funded by capital receipts and not included in the above table which focuses on future costs.

Table 2: Revenue Business Case Details

Income:

Rent	£80,544
Current support package costs	£1,756,000
<i>Total:</i>	<i>£1,836,544</i>

Costs:

MMVBD	£24,163
Rent supported borrowing	£56,381
Proposed support packages	£1,580,000
Service saving supported borrowing	£176,000
<i>Total:</i>	<i>£1,836,544</i>

Revenue Table Notes:

- Rent based on social rent
- MMVBD (management, maintenance, voids & bad debts) @30%
- Proposed support package saving shown at 10%