

Public Document Pack

To all Members of the

CABINET

AGENDA

Notice is given that a Meeting of the Cabinet is to be held as follows:

VENUE Room 007a and b, Civic Office, Waterdale, Doncaster, DN1 3BU
DATE: Tuesday, 11th April, 2017
TIME: 10.00 am

ITEMS

1. Apologies for Absence
2. To consider the extent, if any, to which the public and press are to be excluded from the meeting.
3. Public Questions and Statements.

(A period not exceeding 20 minutes for questions and statements from members of the public and Elected Members to the Mayor of Doncaster, Ros Jones. Questions/Statements should relate specifically to an item of business on the agenda and be limited to a maximum of 100 words. As stated within Executive Procedure Rule 3.3 each person will be allowed to submit one question/statement per meeting. A question may only be asked if notice has been given by delivering it in writing or by e-mail to the Governance Team no later than 5.00 p.m. on Thursday, 6th April, 2017. Each question or statement must give the name and address of the person submitting it. Questions/Statements should be sent to the Governance Team, Floor 2, Civic Office, Waterdale, Doncaster, DN1 3BU, or by email to Democratic.Services@doncaster.gov.uk).

4. Declarations of Interest, if any.

Jo Miller
Chief Executive

Issued on: Monday, 3 April 2017

Governance Officer for this meeting: Andrea Hedges
01302 736716

5. Decision Record Forms from the meeting held on 28 March 2017 for noting (previously circulated).

A. Reports where the public and press may not be excluded

Key Decisions

- | | | |
|----|---|---------|
| 6. | Approval to enter into a Funding Agreement with Sheffield City Region to be able to draw down Sheffield City Region Investment Fund (SCRIF) approved funding for the delivery of Enterprise Marketplace Scheme. | 1 - 8 |
| 7. | The Granby Housing Development, Edlington.
<i>(Appendix 1 to the report contains exempt information within paragraph 3 of Schedule 12A of the Local Government Act, 1972, as amended).</i> | 9 - 16 |
| 8. | The Provision of Adult Social Care Housing in Edlington.
<i>(Appendix 1 to the report contains exempt information within paragraph 3 of Schedule 12A of the Local Government Act, 1972, as amended).</i> | 17 - 28 |

Cabinet Members

Cabinet Responsibility For:

Chair – Ros Jones, Mayor of Doncaster

Budget and Policy Framework

Vice-Chair – Deputy Mayor Councillor Glyn Jones

Adult Social Care and Equalities

Councillor Joe Blackham

Regeneration and Transportation

Councillor Tony Corden

Customer, Corporate and Trading Services

Councillor Nuala Fennelly

Children, Young People and Schools

Councillor Pat Knight

Public Health and Wellbeing

Councillor Chris McGuinness

Communities, the Voluntary Sector and Environment

Councillor Bill Mordue

Business, Skills, Tourism and Culture

Councillor Jane Nightingale

Housing

To the Mayor and Cabinet

APPROVAL TO ENTER INTO FUNDING AGREEMENT WITH SHEFFIELD CITY REGION TO BE ABLE TO DRAW DOWN SCRIF APPROVED FUNDING FOR THE DELIVERY OF ENTERPRISE MARKETPLACE SCHEME.

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Joe Blackham – Portfolio Holder for Regeneration and Transport	Town	

1. EXECUTIVE SUMMARY

- 1.1 Doncaster's market is one of the largest in the North of England and continues to play an important role in the vitality and viability of Doncaster centre. It is of paramount importance to the renaissance of both the Town Centre and the Borough. Whilst it provides food and other goods of the highest order, as reflected in the numerous national awards that it has achieved, it has seen a sustained decline in recent years.
- 1.2 Located at a key geographical point for the town centre, the markets not only mark a key arrival point from the ring road, but the market square also represents a key point of connectivity between other parts of the centre including the retail core, the Minster and Riverside, the Waterfront and the evening economy on Silver Street and increasingly Netherhall Road.
- 1.3 A vital component of the future economic vision for Doncaster is the rejuvenation of the markets. A key economic asset for Doncaster, the markets has been identified as one of the main areas of change in the urban centre that has the potential to affect significant economic outcomes.
- 1.4 The Enterprise Marketplace project is intended to increase the role of the markets, particularly as enterprise generators and locations for business opportunities, within the wider Doncaster Urban Centre. The rationale for the project is supported by the Doncaster Urban Centre Masterplan 2016, which puts the markets at the heart of the future of Doncaster and as a manifestation of the new entrepreneurial and connected city vision.
- 1.5 The Full Business Case has received full approval to progress to Funding Agreement by the SCR Infrastructure Executive Board (18th November 2016) and by the SCR Combined Authority (30th January 2017).
- 1.6 **This report is therefore seeking approval to:**
 - *Progress to Funding Agreement (subject to agreement with Corporate Finance and Legal) with Sheffield City Region; and*

- *Accept the Funding Offer (subject to offer being officially made) for the delivery of Enterprise Marketplace project.*

Further approval will be sought once the project has been worked up and the final scheme has been identified.

2.1 EXEMPT REPORT

2.1 N/A.

3. RECOMMENDATIONS

3.1 It is recommended that support is given to:-

- The progression to Funding Agreement and the subsequent acceptance of £3.189m SCRIF funding in relation to the Enterprise Marketplace project;
- Delegation in respect of negotiating and agreeing those terms and conditions to the Director of Regeneration & Environment, in consultation with the Mayor and the Chief Financial Officer & Assistant Director of Finance (Section 151 Officer);
- Final scheme and design brought to Cabinet for approval.

4. WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4.1 The SCRIF funding will enable Doncaster's Urban Centre Schemes, to progress, delivering a number of outputs and stimulating economic growth in key areas of regeneration within the heart of Doncaster. Direct and Indirect benefits of the Enterprise Marketplace scheme include:

- creating new employment opportunities;
- safeguarding existing jobs;
- providing upgraded retail areas;
- enhanced public realm;
- improved physical attractiveness of town centre;
- diversification of the retail, leisure and employment offer;
- refurbishment of two listed buildings;
- securing the long term future for Doncaster's Markets;
- facilitating a radically enhanced gateway to the Doncaster Urban Centre and wider connectivity to key locations such as the Waterfront.

5. BACKGROUND

5.1 There are major opportunities for growth in Doncaster, and our ambitions are rightly high. Meeting the targeted growth for the Borough and its contribution to city region growth will require sustained momentum to grow all sectors of the economy. In particular, Doncaster's urban core has a key role to play in providing the capacity to attract and retain more higher-value jobs that generally have a propensity to seek urban centre locations. The *City* centre has the potential to play a stronger role as a regional business hub given its clear connectivity advantages.

- 5.2 Doncaster has already secured critical investment in a wide range of economic infrastructure but it still has considerable structural barriers to overcome. Its economic base is still comparatively reliant upon consumer-driven sectors and remains vulnerable to economic shocks. The loss of 1,700 retail & wholesale jobs in the town centre between 2009 and 2014 to some extent reflects national trends in town centres but nevertheless highlights the need for a coherent policy response to support diversification of town centre functions. The Council's Economic Growth Plan (2013) recognised that continued economic diversification is needed to make the local economy more resilient.
- 5.3 The transformation of Doncaster's markets is a vital first step in delivering these changes for the benefits of the City Region. Doncaster's market is one of the largest in the North of England and continues to play an important role in the vitality and viability of Doncaster centre. This investment will provide a strong sense of 'place', for a new and diversified offer for retail, day and night time food offer, and employment in the *City* centre. The markets provide a hub for independent trading, and along with the neighbouring Netherhall Road, is already an independent retailer stronghold.
- 5.4 However, despite being recognised for a number of awards in recent years, vacancy rates in Doncaster Markets permanent stalls have risen since 2012, a worsening position of c. 5% per annum. Stalls in the Wool Market and the outer markets area appear to have fared particularly badly during this period.
- 5.5 Without investment the void levels within the market and wider retail area are expected to rise adding further expense to the Council holding the asset. Further a key link between the developing Waterfront and town centre would remain undeveloped and would leave a dis-join between the two key parts of town.
- 5.6 The markets have been a core part of the Doncaster "offer" and should continue to be so. In order for this to be achieved, there is now a need to think more broadly about the role of the markets in the wider urban core and to address the issues that are currently negatively affecting their performance.
- 5.7 The Enterprise Marketplace scheme, when finalised, will be essential in ensuring the property and retail area does not degrade further and become vacant and non-productive; and will contribute to the delivery of the transformative change required to enable the *city* to respond to the vision for Doncaster.
- 5.8 Office locations near to the market will benefit from the potential food and leisure offer, encouraging local spend. Market traders will benefit from a 'gateway' approach from the emerging waterfront development – this gateway approach will channel visitors into the town centre.

6. OPTIONS CONSIDERED

6.1 Option 1 - Do Nothing

This option would see little or no investment in upgrades at the marketplace. The project would be mothballed and the market would continue to operate

under current arrangements. In recent years, there have been notable declines in footfall at the market, and an associated loss of traders and jobs. The take-up of trading units at the market has fallen by 5% each year over the past 5 years, and for the more permanent stalls, vacant rates have risen from 16% to 34% over the period (Q1, 2011/12 – Q1, 2015/16). As such, the position would be that this trend continues over the medium-long term.

6.2 Option 2 - Reduced SCRIF funding

A reduction in funding will directly impact the quality of any scheme with a reduction in the specification which will diminish the potential to attract tenants and increase pedestrian footfall. Reduced investment will support some improvements to the area with lower investment costs but will not produce the desired effects or benefits to the surrounding area. The impact of potentially increased voids due to the lack of improvements to the area could mean the reduced investments deliver the same outcomes as no investment.

6.3 Option 3 – Preferred Option

The preferred option would see the investment from SCRIF utilised to deliver the development of the Markets scheme. It is expected the investment will bring a significant increase in footfall at the marketplace, which will safeguard existing trade at the market overall but will also deliver space for new businesses and new jobs – ensuring the long-term viability of the market overall.

7. REASONS FOR RECOMMENDED OPTION

7.1 The Project supports the long term regeneration and growth of Doncaster’s Urban Centre and the investment will bring benefits to the local economy, the citizens of Doncaster and the wider City Region.

8. IMPACT ON THE COUNCIL’S KEY PRIORITIES

Outcomes	Implications
<p>All people in Doncaster benefit from a thriving resilient economy.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our Veterans</i> • <i>Mayoral Priority: Protecting Doncaster’s vital services</i> 	<p>The SCRIF Funding and investment will safeguard existing jobs and help create new jobs in the Town Centre through the sustainability of existing business and the attraction of new business.</p>
<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>Services will be supported through the income produced and savings from the investment which will support the longer term financial sustainability of the Council.</p>
<p>People in Doncaster benefit from a high</p>	<p>Through the generation of long term</p>

<p>quality built and natural environment.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>sustainable income this will help reduce pressure on budgets and therefore reduce the pressure for increase in areas such as Council Tax.</p>
<p>All families thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>Through the generation of long term sustainable income this will help reduce pressure on budgets and therefore reduce the pressure for increase in areas such as Council Tax.</p>
<p>Council services are modern and value for money.</p>	<p>The SCRIF Funding is in place to support such projects and provide the best value for money across the region.</p>
<p>We will provide strong leadership and governance, working in partnership.</p>	<p>As part of the programme for the scheme there has been and will continue to be engagement with partners / stakeholders as potential occupiers and discussions will be held where needs are identified.</p>

9. RISKS AND ASSUMPTIONS

9.1 At this stage the main risks are:

- Loss of SCRIF funding and reputation should the Council not give approval to accept the funding and progress the development of the scheme.
- Claw-back on outputs should the funding not be spent in line with the purpose for it was awarded i.e. on the refurbishment of the Wool Market.
- The proposed scheme, despite engagement with the market traders, does not receive their full buy in and support.
- Doncaster Markets 2025 Strategy, when completed, may result in further recommendations for the development of the scheme.

10. LEGAL IMPLICATIONS

10.1 S111 Local Government Act 1972 provides a local authority with the power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

10.2 The 2011 Localism Act introduced the so called "general power of

competence” which states that “A local authority has power to do anything that individuals generally may do”.

- 10.3 Legal services will provide support and advice regarding the contents of the Funding Agreement to be entered into to secure the SCRIF monies. The SCRIF Funding Agreement will contain claw-back provisions which will require careful monitoring by the project team.
- 10.4 Further legal advice will be required as the project progresses, particularly in relation to Construction, Procurement and Planning Law and compliance with the term and conditions of the Funding Agreement.

11. FINANCIAL IMPLICATIONS

- 11.1 The SCRIF Urban Centre Doncaster Markets Phase 1 project is already included in the Council’s capital programme. The total value of the project is £5.943m; financed from SCRIF grant £3.189m; other public sector resources £2.554m, which are Council corporate resources proposed for other Markets refurbishment projects as match funding; and private sector contributions £0.200m. The SCRIF grant is dependent on completing sign up of the funding agreement; the corporate resources have been previously approved for the match funding as projects in their own right; and the private sector contributions are still to be secured but may not be required depending on how the project develops.
- 11.2 The capital programme also contains £0.100m corporate resources relating to a precursor Markets SCRIF project and £0.100m relating to the Wool Market Re-wire project that are not included in the revised project financing as submitted to the SCR. These amounts are likely to be required for preparatory costs not covered by the FBC. If the latter monies are used for this purpose the re-wiring works will need to be undertaken as part of the SCRIF project.
- 11.3 The project will have large revenue implications including but not limited to: -
 - Impact on current operations during the development (e.g. loss of rental income due to disruption, including potential for discounted rents as with previous Market’s developments).
 - Impact on future income in relation to rationalisation of stalls and proposed change in operating hours and risk of take up of the new stalls.
 - On-going maintenance and running costs of the new facilities in relation to current budgets – potential additional costs or savings.

No information has been provided to allow for a proper appraisal of revenue implications and will need further consideration. It is understood that this work is currently being undertaken by consultants.

- 11.5 Negotiation of the funding agreement and the subsequent administration of the terms and conditions must be undertaken with reference to Financial Procedure Rules; particularly rule E External Arrangements, which sets out

the Council's minimum requirements in relation to grant funding. Any negotiations must ensure that conditions of claw back are acceptable to the Council. The main issues are in relation to eligible expenditure, limitations on annual profiles and the overall delivery of outputs, i.e. the refurbishment of the Wool Market (project officers must ensure that this a priority for the funding when costing an affordable scheme). These are relatively standard conditions and generally accepted to be within the control of the Council; as opposed to increase in GVA or number of jobs created. The SCR have given confirmation that performance against these latter outcomes will not be subject to claw back.

11.6 There has been significant investment in the Doncaster Market area in recent years including £1.401m Wool Market roof and iron works 2008/09; £1.018m Outer Market public realm and stalls 2014/15 and £0.133m toilet refurbishment 2015/16. Project officers will need to ensure that the current proposals are sympathetic to those works to ensure the value of historic investment is not lost.

11.7 Any further phases of work associated with the SCRIF Urban Centre Doncaster Markets project will need to be considered in separate reports as they come forward.

12. HUMAN RESOURCES IMPLICATIONS

12.1 There are no immediate HR implications arising from this recommendation, however, any future changes that impact on the workforce will require HR engagement and would require separate approval.

13. TECHNOLOGY IMPLICATIONS

13.1 There are no direct technology implications at this stage. However, ICT will need to feed into the design phases for the proposed conversion of the Wool Market and refurbishment of the Corn Exchange and any other Marketplace development to advise in relation to the required infrastructure to support the proposals such as Public Access WiFi, CCTV and provision or changes required to the Councils private fibre optic network (DPON). Any associated ICT costs would need to be met from the overall scheme budget outlined above.

14. EQUALITY IMPLICATIONS

14.1 Decision makers must consider the Council's duties under the Public Sector Equality Duty at s149 of the Equality Act 2010. The duty requires the Council, when exercising its functions, to have "due regard" to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the act, and to advance equality of opportunity and foster good relations between those who share a "protected characteristic" and those who do not share that protected characteristic.

15.1 CONSULTATION

15.1 A Communications Plan will be developed to ensure opportunities for Market Traders and residents to comment on and contribute to the final scheme are afforded.

15.2 Discussion is, and will continue to be, ongoing in respect of the Council's SCRIF projects to include the Mayor, Portfolio Holders, Chief Executive, Director of Regeneration and Environment, Director of Finance and Corporate Services, Assistant Director of Trading Services and Assets, Assets and Property, Town Centre and Markets Management, Market Traders and all other interested stakeholders.

16. BACKGROUND PAPERS

16.1 N/A

REPORT AUTHOR & CONTRIBUTORS

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Peter Dale
Director of Regeneration & Environment

To the Chair and Members of Cabinet

The Granby Housing development in Edlington

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Cllr Jane Nightingale, Portfolio holder for Housing.	Edlington & Warmsworth.	Yes.

1. EXECUTIVE SUMMARY

- 1.1 This report relates to the development on the former Granby Estate, currently being developed by Keepmoat Homes (and called Yew Gardens) and the lack of demand from Registered Providers for general needs affordable housing.
- 1.2 Keepmoat Homes' proposed solution is to switch the remaining general needs affordable housing units to open market sale. This will enhance the prospect of completing the development on programme whilst generating an increased capital receipt for the Council which will support further affordable housing provision in Doncaster, including the development on the former Thompson and Dixon site.
- 1.3 In summary, in return for a 64 unit reduction in affordable housing on the site the Council will receive a significant additional capital receipt.

2. EXEMPT REPORT

- 2.1 This report is not exempt however there are a number of financial and commercial matters contained within exempt appendix 1 which are commercially sensitive information. The appendix is NOT for publication because it contains exempt information protected by Paragraph 3 of Part 1 of Schedule 12 (a) of the Local Government Act 1972 (as amended) information relating to the financial or business affairs of any particular person (including the authority holding that information).

3. RECOMMENDATIONS

It is recommended that the Mayor and Cabinet:

- 3.1 Approve the change of tenure and accept the additional capital receipt offered by Keepmoat Homes for the 10.9 hectare (27 acres) Granby Estate/Yew Gardens site they are currently developing;

4. WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

- 4.1 Value for money is achieved for the land at Granby Estate/Yew Gardens by switching the remaining affordable units to open market sale units and enabling an enhance capital receipt. By recognising the current market and being responsive there is a much better chance the whole development will be completed on programme (by 2021).

5. BACKGROUND

- 5.1 On 22 June 2011, under Key Decision K0996, Cabinet approved the disposal of the former Granby Estate site to Keepmoat Homes for a capital receipt based on the residual land value of the whole site once all Keepmoat's costs had been deducted from their expected revenues. The site required a large amount of abnormal work due to its topography and particularly the need for substantial retaining walls.
- 5.2 The site was originally part of the 'Developers Panel' approach to disposing of sites which had been in receipt of Housing Market Renewal Pathfinder funding to help fund demolitions and prepare for new development. Other sites prepared for disposal through this method included Thompson & Dixon also in Edlington; Kingsway in Stainforth; Willow Estate in Thorne; Kirby Street in Mexborough; and Six Streets in Hyde Park.
- 5.3 Due to the Developers Panel only containing 3 developers (Keepmoat, Lovell and Gleeson's), post the 2008 economic crash, the site was offered to the much larger Homes and Communities Agency (HCA) Panel (containing 17 developers). Keepmoat Homes, who were on both Panel lists, won the bid with an offer to build 272 private sale units and 115 affordable units.
- 5.4 Keepmoat, who were the sole bidder, was recommended as the preferred developer after a scoring and evaluation process. The process was undertaken by the Council's Developer Panel Evaluation Team consisting of a Finance Officer, Property Advisor, Housing Strategic Investment Officer, Housing Regeneration Officers, Architects and an Urban Designer/planner. The scheme was evaluated against the criteria of high standards, deliverability, affordability, partnership working (including training opportunities) and financial return.
- 5.5 The agreement, as set out in the Development Brief, was for Keepmoat to transfer the affordable units at a pre-agreed price to two Registered Provider (RP) Partners, with the capital receipt paid to the Council adjusted to take account of the subsidy within the scheme.

- 5.6 Before the first tranche of affordable housing units were transferred, one of the RP partners confirmed they were not in a position to take the units due to government cuts to their funding. Similarly, the other RP partner could take no more than the first 47 units. The Council purchased 4 units, which are managed by St Leger Homes Doncaster (SLHD). To date 51 affordable housing units out of the intended 115 (44%) have been completed and transferred.
- 5.7 Despite continued attempts by Keepmoat and the Council to find alternative partners there is currently no interest in taking the remaining 64 affordable housing units on Granby/Yew Gardens development from any RP or from St Leger Homes. There are currently (Dec 2016) 155 open market sale units to deliver along with the 64 affordable homes. The site is approximately half way through delivery in terms of units completed, which is at pace with the original programme.
- 5.8 Keepmoat Homes have formally approached the Council and requested that the remaining 64 affordable housing units are switched to open market sale in return for an increased capital receipt. The proposed change would mean that instead of having 30% affordable housing units on the site (115 out of a total of 387) there will be 13% (51 out of 387). Planning have been consulted and confirmed that a new planning application will be required to vary the existing planning consent. This would need to be supported by information relating to the difficulty in delivering the affordable housing in this location however the Planning Authority would be supportive of the proposal if such information was provided.
- 5.9 The figures within the offer have been robustly challenged by Council officers from Strategic Housing, Legal, Finance and Assets. The final position offered by Keepmoat represents a significant uplift in site value and a 9.26% increase on their opening offer.

6. OPTIONS CONSIDERED

6.1 Option 1 – Preferred Option

This is considered to be the most effective way to ensure that the development of Granby Estate/Yew Gardens is completed and provides the Council with an increased capital receipt to invest in additional affordable homes.

6.2 Option 2 – Do Nothing

This is not recommended. If the Council were to insist that Keepmoat develop out the remainder of the site in accordance with the Development Agreement all the evidence suggests they will not be able to find a RP to transfer the affordable units to. This would mean that Keepmoat, at some future point, would be in breach of the Development Agreement and the Council could then trigger a buy-back of land on which building has not yet commenced. In such an event the Council would buy the land back at the same price, pro-rata, which Keepmoat paid for it - less any adjustments for any infrastructure such as roads and drains, where the Council would pay 50% of those costs.

The Council would then need to re-market the site to find a developer prepared to complete a development they had not started, with possibly different designs, financing options and build methodology. An estimate from the Assets team of the value of the land we would be re-marketing compares poorly to the additional capital receipt offered by Keepmoat which is considerably higher.

7. REASONS FOR RECOMMENDED OPTION

7.1 This situation has arisen because the two RPs earmarked for the former Granby site found themselves in a position where they could no longer be part of the scheme. Keepmoat have suggested a solution that works for all parties whilst representing the best option for the Council and citizens of Doncaster, particularly Edlington.

8. IMPACT ON THE COUNCIL'S KEY OUTCOMES

8.1

	Outcomes	Implications
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our veterans</i> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>One of the ways to develop a thriving and resilient economy is to have a flexible policy on housing delivery that responds to the market. By switching the remaining 64 affordable units on Granby Estate/Yew Gardens to open market sale units will help complete the development and generate an increased capital receipt.</p>
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>This decision will allow more people to live safe, healthy, active and independent lives. It will also act as a safeguard for the existing community around the development.</p>
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>This decision will allow the whole development of Granby/Yew Gardens to be completed contributing to Doncaster's and Edlington's high quality built and natural environment.</p>
	<p>All families thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>Providing quality homes for families.</p>
	<p>Council services are modern and value for money.</p>	<p>This recommendation highlights that the Strategic Housing service</p>

		is a modern, responsive, proactive and value for money service.
	Working with our partners we will provide strong leadership and governance.	This approach comes as a result of effective partnership working.

9. RISKS AND ASSUMPTIONS

- 9.1 A risk in not building any more affordable units at Granby Estate/Yew Gardens is that RP or SLHD demand rises for such units resulting in an unmet need. There is no evidence to suggest that will happen in the short to medium term.
- 9.2 In accepting the low demand from RP's/SLHD to take more affordable units on Granby Estate/Yew Gardens there is a theoretical risk in accepting Keepmoat's proposal for switching to open market sale units without testing the market. The Council could re-acquire the site and sell to another developer who may deliver a better scheme but this is considered to be a greater risk when factoring in the time and resources it would require to negotiate the buy-back of the site and then to re-market the site with no evidence to suggest a better scheme could be delivered. Compared to the increased capital receipt offered by Keepmoat the Council's Assets team has estimated an open market value of approximately 75% less for the site in question. This would be after a buy-back of land so the net gain in doing this would in the region of 85% less than what Keepmoat are offering.

10. LEGAL IMPLICATIONS

- 10.1 The Development Agreement dated 21 September 2011 provided for Keepmoat to build 115 units of Social housing as part of the development of the greater site. In order to reduce the number of social housing units being provided there will need to be a variation of the existing agreement.
- 10.2 The variation will reduce the number of social housing units by 64 and increase the purchase price considerably.
- 10.3 S111 Local Government Act allows the Council to enter into any contract which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions
- 10.4 As the original Development Agreement included the disposal of housing land and as such the receipts were subject to pooling under the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. The renegotiated payment relates to this original disposal of land so that the additional capital receipt should be dealt with under these regulations notwithstanding the revised regulations which have been issued since.

11. FINANCIAL IMPLICATIONS

- 11.1 Financial implications are covered in the Exempt Appendix 1.

12. HUMAN RESOURCES IMPLICATIONS

12.1 There are no HR implications associated with this report.

13. TECHNOLOGY IMPLICATIONS

13.1 There are no technology implications associated with this report.

14. EQUALITY IMPLICATIONS

14.1 There are no equality implications associated with this report.

15. ASSET IMPLICATIONS

15.1 The current offer for the former Granby site was, through negotiation, increased by 9.26% from their starting offer. This is based on a predicted sales value of the existing Granby Estate/Yew Gardens estate which is in line with the current market predications for sales in that area.

15.2 Therefore given all the circumstances including the existing deal at Granby Estate/Yew Gardens, the possibility of taking back undeveloped land and trying to re sell, this represents a very good market deal for the Council in all circumstances given the uncertainty of the housing market.

16. CONSULTATION

16.1 In arriving at the current positions consultations have taken place with officers from Strategic Housing and Keepmoat Homes, Housing Portfolio Holder, Mayor, and officers from Finance, Legal, Assets and Planning.

17. BACKGROUND PAPERS

17.1 Cabinet report K0996 dated 22 June 2011.

REPORT AUTHOR & CONTRIBUTORS

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Peter Dale
Director Regeneration and Environment

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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To the Chair and Members of Cabinet

The Provision of Adult Social Care Housing in Edlington

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Cllr Jane Nightingale, Portfolio holder for Housing.	Edlington & Warmsworth.	Yes.

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to consider the future provision of adult social care housing on the former Thompson and Dixon site in Edlington and to obtain approval to proceed with a proposal from Wates Living Space Homes.
- 1.2 The former Thompson and Dixon site was due to be developed by Quality Social Housing (QSH), in partnership with Wates. The proposal was to deliver 106 Rent to Buy housing units however QSH has withdrawn from their original offer. Wates have therefore developed an alternative proposal for the site which would deliver 86 houses for open market sale and 20 bungalows for rent.
- 1.3 The proposed 20 bungalows will complete the Swallowdale Extra Care scheme setting and will be allocated taking into account an applicant's social, family support, or care need to make the best use of the housing stock. This also fits with Adults' requirements and complement the Extra Care facility so those elderly residents with low social care needs are not admitted to Extra Care however they can be accommodated in purpose built older persons accommodation. The bungalows are designed to meet higher quality and space standards, including Lifetime Homes and Lifetime Neighbourhoods, which exceed the specification of standard units and provide extra space and additional flexibility to cater for future care requirements if needed - contributing to the Council's adult social care offer.
- 1.4 This report seeks approval for the Council to the purchase the 20no. 2 bedroomed bungalows from Wates. The purchase price represents good value for money as this provides the Council with the opportunity to purchase housing at a discount from the market value. It is intended that the bungalows will be managed by St Leger Homes and let on a social rent basis to people over the age of 55, however, if the opportunity arises to bid for Homes and Communities Agency (HCA) grant into the scheme then these properties will be let on an affordable rent (up to 80% of market rent). Due to market rent

levels in Edlington this will not be significantly different.

2. EXEMPT REPORT

- 2.1 This report is not exempt however there are a number of financial and commercial matters contained within exempt appendix 1 which are commercially sensitive information. The appendix is NOT for publication because it contains exempt information protected by Paragraph 3 of Part 1 of Schedule 12 (a) of the Local Government Act 1972 (as amended) information relating to the financial or business affairs of any particular person (including the authority holding that information).

3. RECOMMENDATIONS

It is recommended that the Mayor and Cabinet:

- 3.1 Approve the purchase of 20no. 2 Bedroomed Bungalows on the former Thompson and Dixon Estate from Wates Living Space Homes including a contribution towards the direct infrastructure costs associated with the bungalows.
- 3.2 Approve the addition of the former Thompson and Dixon/Wates Living Space Homes project to the Regeneration and Environment Capital Programme and drawdown of the funding without the need for a further Officer Decision Record.

4. WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

- 4.1 Residents of Doncaster will benefit from the delivery of the right type of affordable homes in the right locations. The bungalows on the former Thompson and Dixon site will meet housing need, be incorporated into the Housing Revenue Account (HRA), and will be allocated taking into account an applicant's social, family support, or care need to make the best use of the housing stock. They are specifically aimed at older people over the age of 55 and will contribute to meeting adult social care demand meet higher quality and space standards, including Lifetime Homes and Lifetime Neighbourhoods, which exceed the specification of standard units and provide extra space and additional flexibility to cater for future care requirements if needed.
- 4.2 This proposal, including a small financial contribution from the Council towards infrastructure costs associated with delivering the bungalows, will bring 20no. purpose built older persons bungalows into the Council stock at a discount cost from the market rate within a historically difficult location to make such schemes work.
- 4.3 The purchase price represents good value for money as this provides the Council with the opportunity to purchase housing at a discount from the market value of the properties. This cost also compares favourably with other

new build bungalows meeting the same space and quality standards.

5. BACKGROUND

- 5.1 Members have previously considered a report outlining proposals for the development of the site at the former Thompson/Dixon in Edlington, which was approved under Key Decision K1202. This proposal was for a home ownership (Rent to Buy) product to be delivered by a partnership of Quality Social Housing (QSH) and Wates, with the units being managed by St Leger Homes for the rental period. QSH has recently withdrawn from the original offer that had been agreed.
- 5.2 The Thompson and Dixon Site was previously sold by Doncaster Council to Housing 21 through key decision K0960. This gave the authorisation for Housing 21 to develop an Extra Care housing scheme on part of the site and to sell the remainder of the site to a developer partner for delivery of open market sale housing. Housing 21 sold the remaining land to QSH in 2015. Following the withdrawal of QSH from the scheme, Wates have approached the Council with an alternative, deliverable proposal to complete the development of 106 units as per the existing planning consent.
- 5.3 Swallowdale, the existing Extra Care facility already built on the site by Housing 21, provides 66 units for rent or shared ownership – 64 apartments and 2 bungalows. Wates' will provide 20 bungalows specifically aimed at older people over the age of 55. The units will be developed by Wates and sold directly to Doncaster Council. The financial contribution from the Council towards infrastructure costs associated with delivering the bungalows supports changes to a section of road which will need to be re-laid together with water / utilities required to access the bungalows which are located to the rear of the site.
- 5.4 The proposed 20 bungalows will complete and complement the Extra Care scheme setting which improves the attractiveness of this option for those planning their retirement and for old age. They also fit with Adults requirements and complement the Extra Care facility so those elderly residents with low social care needs are not admitted to Extra Care and can be accommodated in older people's accommodation. The bungalows are designed to meet higher quality and space standards, including Lifetime Homes and Lifetime Neighbourhoods, which exceed the specification of standard units and provide extra space and additional flexibility to cater for future care requirements if needed - contributing to the Council's adult social care offer.
- 5.5 The proposal is for the remainder of the site to be acquired by Wates who will deliver 86 new 1, 2, 3 and 4 bedroom homes for open market sale.
- 5.6 The table below shows the total number of 1 and 2 bed bungalows that have been advertised through CBL during 2015/16. It shows that for every 1 bed and 2 bed bungalow advertised there has been an average of 5 and 4 bids respectively for each property. This is representation of a demand for bungalows in the Edlington area.

Edlington					
Property types	Total	Bids	Dir Match	Ave Bids	Most Bids
1 bed bungalow	15	81	0	5.40	11
2 bed bungalow	5	23	0	4.60	9

5.6 The direct purchase of the 20 units and associated infrastructure will be progressed through the Council House Build Programme using uncommitted housing capital receipts.

6. OPTIONS CONSIDERED

6.1 Option 1 – Preferred Option

To agree to the direct purchase of 20no. 2 bedroom bungalows from Wates. The units will form part of the Councils Housing Stock and be managed by St Leger homes of Doncaster on a social rent basis however if the opportunity arises to bid for grant into the scheme then these properties will be let on an affordable rent.

Advantages

- Provision of new build on the site will increase the size of the housing stock and choice in the area.
- Increased housing rental income for the Council.
- Positive impact on housing waiting list.
- Delivery of a housing scheme on a historically challenging site which will benefit Edlington on a site which it is otherwise unlikely will complete in the near future.
- Financial benefits associated with having 106 additional units in total across the whole site which increases Council Tax returns and generates additional New Homes Bonus.

6.2 Option 2 – Do Nothing

Do not take the opportunity to direct purchase the units. This is not a recommended option as it would leave an area of wasteland which detracts from the street scene and will continue attract fly tipping and other anti-social behaviour.

7. REASONS FOR RECOMMENDED OPTION

7.1 The proposal would provide much needed modern energy efficient new homes, and more affordable homes, to help meet the housing needs of Doncaster Residents. They also fit with Adults requirements and complement the Extra Care facility so those elderly residents with low social care needs are not admitted to Extra Care and can be accommodated in older persons bungalows. The bungalows are designed to meet higher quality and space standards, including Lifetime Homes and Lifetime Neighbourhoods, which exceed the specification of standard units and provide extra space and

additional flexibility to cater for future care requirements if needed - contributing to the Council's adult social care offer.

It would enable the development of a site which has remained undeveloped for a number of years and complete the area around the Swallowdale Extra Care housing scheme. Development of the whole site will financial benefits as having 106 new properties increases Council Tax returns and generates additional New Homes Bonus.

8. IMPACT ON THE COUNCIL'S KEY OUTCOMES

8.1

	Outcomes	Implications
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our veterans</i> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>One of the ways to develop a thriving and resilient economy is to have a flexible policy on housing delivery that responds to the market. The T&D site increases building in Doncaster, enabling growth and contributing to the Councils Assets.</p>
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>This decision will allow more people to live safe, healthy, active and independent lives. It will also act as a safeguard for the existing community around the development.</p>
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>This decision will provide quality homes for sale for families and quality rented properties for older people.</p>
	<p>All families thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>Providing quality homes for families.</p>
	<p>Council services are modern and value for money.</p>	<p>This recommendation highlights that the Strategic Housing service is a modern, responsive, proactive and value for money service. The purchases will be assessed by the</p>

		Councils professional departments.
	Working with our partners we will provide strong leadership and governance.	This approach comes as a result of effective partnership working. The programme will be managed by the Council in accordance with its governance arrangements.

9. RISKS AND ASSUMPTIONS

- 9.1 If the Council does not purchase these units for provision of older persons accommodation, the delivery of the whole scheme of 106 units will potentially be delayed with the Council having little or no control over future delivery or necessitate Wates attempting to find an alternative delivery partner to sell the units to.
- 9.2 As outlined earlier in this report this has been a difficult site to see development. A significant risk therefore in not approving this proposal, including the contribution towards infrastructure costs, is further delayed development in Edlington.

10. LEGAL IMPLICATIONS

- 10.1 S9 Housing Act 1985 gives a Council the power to provide housing accommodation by acquiring houses.
- 10.2 The acquisition of land falls outside the Public Contracts Regulations 2015 and a procurement exercise will not be required for the recommended option to be carried out.

11. FINANCIAL IMPLICATIONS

- 11.1 This report recommends the purchase of 20 bungalows met from uncommitted housing capital receipts.

Once purchased the properties will be added to the Council's Housing Revenue Account (HRA) and will be managed by St Leger Homes. All income and expenditure associated with the properties will be managed within the HRA.

The project will be added to the Regeneration & Environment capital programme and progress will be reported to Directors and Cabinet through the quarterly Finance and Performance monitoring process.

The Council's Financial procedure rule B.11 requires that where a project involves a capital commitment of £1,000,000 or more, a further Officer Decision Record (ODR) must be completed for the approval of the relevant Director and Chief Financial Officer in consultation with the Portfolio Holder (Finance & Corporate Services) before a formal commitment is entered into or a contract signed. As the values involved have been agreed this report recommends conclusion of the deal with Wates without the need for an ODR.

More detailed financial implications are covered in the Exempt Appendix 1.

12. HUMAN RESOURCES IMPLICATIONS

12.1 There are no HR implications associated with this report.

13. TECHNOLOGY IMPLICATIONS

13.1 There are no technology implications associated with this report.

14. EQUALITY IMPLICATIONS

14.1 All of the Council's housing stock, managed by St Leger Homes, will be allocated in line with their allocations policy to meet individual need.

15. ASSET IMPLICATIONS

15.1 There are no asset implications associated with this report.

16. CONSULTATION

16.1 In arriving at the current position consultations have taken place with officers from Strategic Housing and Wates, Housing Portfolio Holder, Mayor, and officers from Finance, Legal, Assets and Planning.

17. BACKGROUND PAPERS

17.1 Key Decision's K0960 (transfer of land to Housing 21) and K1202 (Development Quality Social housing)

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