

**To the Chair and Members of the
CABINET**

Construction of Willow Estate, Thorne Phase 3

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Portfolio Holder for Housing (Cllr Jane Nightingale)	Thorne & Moorends	Yes

EXECUTIVE SUMMARY

1. This report seeks Cabinet approval for the development of 35 affordable houses at the Willow Estate, Thorne. Please see Appendix 2.
2. The Willow Estate site has been developed in phases. Phases 1 and 2 have been completed by Stonewater Housing Association. This report relates to Phase 3, and proposes a development project led by Doncaster Council for Council Housing.
3. This proposed project may benefit from Homes and Community Agency grant funding, if the build is completed before April 2018. The grant rate expected to be £12.5k per unit. 35 units x 12.5k will result in £438k

EXEMPT REPORT

4. Financial Information to be presented in Appendix 1 refers to information which is exempt under paragraph 3 for information relating to the financial and business affairs or any particular person (including the authority holding that information)

RECOMMENDATIONS

5. The Mayor and the members of the Cabinet are requested to:
6. Approve the build of 35 affordable houses on the Willow Estate, Thorne. These units will form part of Doncaster Council's affordable housing stock, and they will be allocated and managed by St Leger Homes of Doncaster (SLHD). The appointment of the construction contractors will be via the SCAPE framework

7. To approve the drawdown of financial resources for this development from the funding earmarked in the capital as detailed in Appendix 1.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

8. Residents of Doncaster will benefit from more affordable homes being built in the borough. These homes will be incorporated into the Housing Revenue Account (HRA) and will be allocated to those on the Housing Register via the Choice Based Lettings (CBL) scheme.

BACKGROUND

9. Redeveloping the Willow Estate, Thorne to produce new affordable housing was identified as a key priority in the Council's previous Housing Strategy (2011 -2014). In 2011, Cabinet approved the disposal of an area land at the Willow Estate to the Council's preferred partner Housing Association, Stonewater (formerly Jephson HA), to facilitate the delivery of 108 units (K0993).
10. The re-development of the site was divided into three phases. Phases 1 and 2 are now complete. On 26th January 2015 Stonewater housing association were granted Planning permission (14/01019/4FULM) to erect 35 homes for the third phase on the development scheme.
11. However, following the Government's budget of July 2015 which imposed on social housing providers a 1% rent reduction year on year for the next 4 years has had a drastic effect on the viability of the project resulting in a £350k shortfall. Due to the financial challenges this caused, Stonewater HA approached DMBC seeking financial support to bridge the development funding gap.
12. A capital grant contribution was agreed that will mitigate the £350k shortfall and this was reflected in the Capital Programme agreed March 2016 by Council, however Stonewater still pulled out of the scheme.
13. As a result of this, and following discussions with the HCA and SLHD as well as the Housing Portfolio Holder, work commenced on new plans to develop the scheme for Council Housing. This necessitated submitting new designs for the houses to Planning (16/02013/4FULM) as the original house designs were not owned by DMBC.
14. The Capital Programme 2016/17 – 2019/20 agreed by Council in March 2016, sets out a budget for Council House Build Phase 3 to accommodate new unspecified sites for development and the £4.2m cost of this scheme will be funded through this budget. The proposal was made to take this site forward given the site benefits from having planning permission to build therefore providing the council with an unexpected windfall Council House development. This scheme will provide much needed affordable modern energy efficient homes to help meet the housing needs of Doncaster residents in this popular market town.
15. The proposed scheme includes a mix of house types ranging from 1 to 4 bed

units. Should Cabinet approval be granted, it is expected work on site will commence around 5th December 2016.

16. This proposal meets all the key DMBC objectives for the provision and development of affordable housing. It also meets the Council's ambition to create safe and sustainable places to live. Several different House types are proposed for this site, these satisfy the 'Lifetime Home' requirements and all will have common architectural features that tie them together.
17. The proposed design keeps the internal layouts similar, ensuring each house-type meets the following criteria:
 - i. New Spatial Standards for overall sizes and room sizes,
 - ii. New Nationally Described Space Standards (NDSS) internal storage requirements,
 - iii. Building Regulations optional standard for mobility for the bathrooms and ground floor WCs,
 - iv. Straight staircases for the later addition of stair lifts if needed
 - v. St Leger Homes' preferences for future adaptation, and
 - vi. Enhanced external wall thickness for improved thermal insulation
18. The construction of the project will be conducted by Willmott Partnership Homes Limited. The contract was agreed through a Scape framework and involved Doncaster Councils Procurement team.
19. The Scape suite of national frameworks enables Authorities to access EU compliant agreements covering a multitude of construction orientated services, such as residential construction projects.
20. The Major Works framework is designed to deliver such construction projects with a value of over £2m, which following competitive tendering process is led by a single award contractor in Willmott Dixon and has been configured to deliver projects utilising local supply chains, training schemes and inclusive school projects throughout the life of each project.
21. The use of the Major Works framework will enable the delivery of this project without the need for a lengthy procurement process which a more traditional open tender route would require. It also ensures that through a principal contractor arrangement project management and delivery can be maximised.

OPTIONS CONSIDERED

Option 1 (Recommended option)

22. Build 35 affordable homes on the site known as Willow Estate Phase 3. The Scheme will be funded through the Council House Build phase 3 budget that was agreed in the Capital Programme 2016/17 to 2019/20.
23. The scheme will provide much needed affordable homes in the area. The scheme will provide a mix of 1/2/3 and 4 bed homes which will form part of Doncaster Housing stock that will be managed by SLHD. It will also finish off

the build programme that was agreed in 2011. Completing this scheme on time would also allow us to benefit from HCA funding as well as continuing to uphold the Council's hard-won reputation as a 'Delivering Council'.

Option 2 (not recommended)

24. Do nothing. This option would leave the site unfinished and untidy. It would undoubtedly lead to fly tipping and other forms of anti-social behaviour. This would put extra pressure of the local neighbourhood teams.

REASONS FOR RECOMMENDED OPTION

25. The proposal would provide much needed modern energy efficient new homes to help meet the housing needs of Doncaster Residents in this popular market town.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

26. The report has the following impact

	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>Increasing 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>Providing quality homes for the residents of Doncaster.</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>Providing quality homes for families. The delivery of these units will provide quality housing and improvements to the local area.</p>
	<p>All families thrive.</p>	<p>Providing quality homes for</p>

	<ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	families.
	Council services are modern and value for money.	The Council will procure the delivery of the new build programme through the delivery frameworks available to them.
	Working with our partners we will provide strong leadership and governance.	The programme will be managed by the Council in accordance with its governance arrangements.

RISKS AND ASSUMPTIONS

27. If the HCA grant is secured under the grant conditions units the grant applies to must be completed by April 2018. This would result in serious reputational damage with the HCA and may impact on future bids.
28. The recovering housing market could lead to a greater demand on the construction sector which could result in delays to the programme.
29. From previous experience delays have occurred on other projects due to connection of main utility services, by the utility companies.
30. If the build phase is not approved the site could attract severe ASB and fly tipping causing a drain on Council resource.

LEGAL IMPLICATIONS

31. S9 Housing Act 1985 provides Councils with the power to erect houses in order to provide housing accommodation.
32. S1 Localism Act 2011 provides Councils with the power to do anything which an individual may generally do.
33. S 111 Local Government Act 1972 provides Councils with the power to purchase goods and services.
34. The report author has advised that Homes and Communities Agencies (HCA) monies may be available to the Council. It is important that the terms and conditions attached to the HCA monies are strictly adhered to avoid claw back.
35. The report author has advised that the appointment will be made using the SCAPE Framework. Frameworks are arrangements set up in accordance with EU procurement rules, which will allow the Council to purchase the works without the need to run a separate tender.
36. The Council must adhere to strict compliance with the rules of the SCAPE Framework if this procurement is to be compliant with EU Regulations.

Furthermore diligence work may be required to ensure that the SCAPE Framework operates within the strict interpretation of the Public Contracts Regulations. The decision maker should be comfortable that the benefits of utilising the framework are consistent with any risks inherent within the process.

37. Following contract signature, the project manager should be completely familiar with the contractual terms in order to protect the interests of the Council and enforce any terms as and when necessary.

FINANCIAL IMPLICATIONS

38. The total cost of delivering 35 units on the Willow Estate development is estimated to be £4.2m. A detailed breakdown is included at Appendix 1.
39. The Council was invited by the Homes and Communities Agency to bid for additional grant funding as part of the 2015-2018 Affordable Homes Programme. In order to qualify for this grant, the units need to be completed by the end of March 2018. The delivery of this development has been profiled to coincide with this opportunity.
40. Once constructed, the properties will become part of the HRA housing stock, managed by St Leger Homes Ltd. Assuming full occupancy, the estimated income based on charging social rents would be £149k per annum. All income will be credited to the HRA.

HUMAN RESOURCES IMPLICATIONS

41. There are no HR implications specific to this decision.

TECHNOLOGY IMPLICATIONS

42. There are no specific technology implications in relation to this report.

EQUALITY IMPLICATIONS

43. All of Doncaster affordable Housing Stock managed by St Leger Homes, will be allocated in line with their allocations policy to meet individual need.

CONSULTATION

44. A thorough consultation was carried out by Stonewater Housing Association in 2011. This consultation involved local residents as well as Elected Members. The consultation found that 90% of local resident thought that there was a need for energy efficient Housing on the estate.
45. Consultation is currently underway on the proposed changes to the planning 'Minor amendments' application submitted recently. Planning are currently inviting the public to comment on the changes to the design of the houses as outlined earlier in the report.

46. Consultation with the Housing Portfolio Holder and St Leger Homes of Doncaster has been ongoing throughout this process.

BACKGROUND PAPERS

47. Key Decision Reference - K0993 – Report to Cabinet on 23 March, 2011 - Disposal of HRA land at Willow Estate Thorne.

REPORT AUTHOR & CONTRIBUTORS

David Szlamp **Programme Manager**
01302 552834 david.szlamp@doncaster.gov.uk

Adam Goldsmith **Head of Service Strategic Housing**
01302 736683 adam.goldsmith@doncaster.gov.uk

Peter Dale
Director of Regeneration and Environment