

**To the Mayor and Members of  
CABINET**

**Disposal of Housing Revenue Account (HRA) Land at Goodison Boulevard,  
Cantley, and the Acquisition of Gattison House and Plantation View.**

<b>Relevant Cabinet Member(s)</b>	<b>Wards Affected</b>	<b>Key Decision</b>
Councillor Jane Nightingale (Housing Portfolio Holder)  Councillor Glyn Jones (Adults Portfolio Holder)	Finningley  Rossington & Bawtry	Yes

**EXECUTIVE SUMMARY**

1. In September 2015, following a full EU procurement process, the Council completed the transfer (via long lease) of the seven residential care homes for older people to Runwood Care Homes.
2. In January 2016, Runwood approached the Council proposing to invest approximately £5m in the construction of a new, modern care home in Doncaster, to replace two of the existing homes. This was due to the take up of beds in both Gattison House and Plantation View being lower than predicted; and so placing them in a challenging financial position. The aim of the Runwood project is to deliver modern care facilities that are more attractive to residents, will meet care needs and expected accommodation standards in the future, and ensure the home is financially sustainable moving forward. Residents would be supported to relocate from the existing homes into the new care home.
3. In response a suitable site was identified at Goodison Blvd, Cantley to enable further consultation and consideration of the proposal to take place. The site is Housing Revenue Account (HRA) land, c.2.2 acres in size. **Appendix A – Goodison Blvd/Plantation Site Plan.**
4. Residents and resident’s relatives at both Gattison and Plantation have expressed their strong support for this proposal. Additionally, results from the community consultation carried out as part of the planning process indicated approx. 2/3rds of residents in Cantley who responded were in favour of the Runwood proposal.

5. The Runwood proposal presents no cost to the Council and would deliver improvements in the quality of residential care accommodation in the area, when compared to the current offer at Gattison and Plantation. As such, it is proposed that Goodison Blvd is disposed via a long lease (125years) at a peppercorn rent (£1) to Runwood Homes, in line with the original transfer agreement lease terms; to enable the development of a new c.70 bed residential care home on the site. The Council own the freehold of Gattison and Plantation, as they were leased to Runwood when the Council transferred them in 2015. Once Gattison and Plantation are demolished and cleared, Runwood will surrender the old leases on Gattison and Plantation back to the Council.
6. Disposal of Goodison Blvd will open up the potential for two new housing development sites, Plantation View, and the more strategically significant, Gattison House. The clearance of Gattison House allows the creation of a larger combined development site when included with the DMBC owned land to the rear, which is more attractive to developers. The intended proposal for this larger site is a mixed tenure development of flexible older people's housing together with general needs accommodation, to help meet the varied needs of residents in Rossington. **Appendix B – Gattison/Larger site.**

#### **EXEMPT REPORT**

7. Not Exempt.

#### **RECOMMENDATIONS**

8. It is recommended that the Mayor and Cabinet:
  - i) Approve the disposal by long lease of land at Goodison Blvd to Runwood Homes as detailed in the body of this report,
  - ii) Approve the acquisition of Gattison House and Plantation View,
  - iii) Approve the granting of a development licence to Runwood Homes to enable them to progress the new development on land at Goodison Blvd,
  - iv) Approve the related surrender of the leases to the sites of Plantation View and Gattison House once the existing buildings have been demolished,
  - v) Approval to forego the final year of transitional payments for Gattison and Plantation,
  - vi) Approve the allocation of £30,000 Section 106 funding for the enhancement of the remaining 0.6acres of public open space at Goodison Blvd, and inclusion of the project into the Housing Capital Programme.

#### **WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

9. Disposing of the land will facilitate the provision of a more cost effective, modern residential care home facility, which will provide suitable

accommodation with appropriate support and care for older people currently living in and around Cantley, Bessacarr and Rossington; as well as the wider area of Doncaster.

10. Good quality, modern accommodation designed to meet the needs and aspirations of older people is a key Mayoral priority.

## **BACKGROUND**

11. As part of the original transfer arrangement in 2015, Runwood indicated their intentions to significantly invest in care home provision in Doncaster in the future. Runwood have pledged new investment into the homes and there are plans to improve the living environment via a modernisation programme over the five years (from 2015).

12. The Council was approached by Runwood in January 2016 with a request to consider a proposal that would allow them to initiate the design, planning and construction of a new care home in Doncaster. They had brought this proposal forward, as the take up of beds in both Gattison and Plantation has been lower than predicted by their business model. This has adversely affected their financial forecasts, placing them in a challenging financial position, should they continue to provide services within the current care homes.

13. The suggested new build proposal would offer a modern solution for senior living and would allow them to reduce their costs of the current seven homes (by reducing the number of homes to six). Runwood's proposal is to construct a new c.70 bed care home; c.£5m build cost. Once built the intention would be to close and relocate two of the existing care homes, supporting those residents affected to move to the new facility. In doing this Runwood indicated they would prefer a new site in order to enable the construction to take place, while the residents continued to be cared for in their current residence. Extensive consultation has been undertaken by Runwood resulting the residents and residents relatives at both Gattison and Plantation expressing their strong support for the proposal. Similarly, results from the community consultation carried out as part of the planning process indicated approx. 2/3rds of residents in Cantley who responded were in favour of the Runwood proposal.

14. From the Council's perspective the care of residents is paramount, so assurance of consultation with both residents and their families and their support to this proposal was required before further consideration could be given. Evidence of consultation events at both homes affected, demonstrated significant support from residents and families to the proposal. Runwood have assured the Council that all planned moves of residents will be undertaken in a safe, caring and sensitive manner and allowing sufficient time to ensure that undue pressure is not placed on residents or their family. The closures and relocation would be undertaken in line with national best practice and guidance in line with the Doncaster Adult Care Protocol "Moving Residents Safely when a Care Home Closes".

15. In response the Council indicated their willingness to consider the proposal and subsequently worked with Runwood to understand their requirements for the site and consider the alternative options that may be available. A suitable site was identified close to Planation View, Cantley, that would accommodate the new build (Goodison Blvd site). The new development will provide c.70 units of new accommodation, designed specifically to meet the needs of older people including those with dementia.
16. Subject to this approval and Planning approval it is anticipated that the development will commence late January 2017 allowing for a 12month build programme to complete approx. January 2018. Runwood are to hand back both Gattison and Plantation as cleared sites, of which demolition and clearance costs will be borne by Runwood. The cost to Runwood Homes in demolishing the existing buildings on the two sites in Cantley and Rossington has been incorporated into the overall assessment of value.
17. The Council's seven residential care homes were transferred to Runwood Homes on the 1<sup>st</sup> September 2015, on a 125yr lease on a peppercorn rent basis, with transitional funding paid by the Council for three years totalling £1.862m. The re-acquisition of Gattison and Plantation is approximately two years into the three year transition period. The final year of transition funding for both Gattison and Plantation equals £37,000.
18. Upon completion of the new care home on Goodison Blvd and successful registration with the Care Quality Commission (CQC), Runwood will surrender the old leases on Plantation and Gattison and receive a new lease agreement for Goodison Blvd, in line with the original transfer agreement lease terms.
19. Land valuations carried out by DMBC Assets and Property are as follows:
  - Goodison Blvd - **£900,000** (2.6acre site), however Runwood have expressed that they only want to use 2acres of the available 2.6acres so therefore on a pro-rata basis the value is **£692,000**.
  - Plantation and Gattison (combined) - **£870,000**Independent verification of these valuations have been received from the District Valuer.
20. Individually, Plantation is valued at £425,000, and Gattison £445,000. These are cleared site values. As stated in Para.16, Runwood Homes are to undertake demolition at their own cost.
21. It is anticipated upon completion of this project and the terms of the land transfer would see the two cleared sites being returned to the Council for consideration as to their future use (Housing delivery). The combined larger site of Gattison, incorporating General Fund and Education land totals approx. 8.64acres with an approx. value of **£2,531,000**. This site has the potential capacity for approx. 150-200units (estimated).
22. The intended proposal for the larger site is a mixed tenure development of flexible older peoples housing together with general needs accommodation. From a commercial perspective opening up the land to the rear of Gattison, whilst potentially large enough for a development of a new facility, could only be developed on the rear land area. In doing so would prevent a road

frontage position, which is advised as essential for presenting an attractive location for residents. Without a road frontage any new development would be commercially less attractive, which would subsequently impact upon viability. Currently it is proposed that the site at Plantation is to be used for housing development.

23. Runwood intends to use 2 acres of the available 2.6 acre site at Goodison Blvd for the new development. The remaining 0.6 acre is to remain as open space and will be enhanced, via planting, new pathway (designed and procured by the Council). To facilitate this open space enhancement, approx. £30k s.106 is proposed to be used. Ownership of the open space would remain within the HRA.
24. Runwood will require further approval from the Council to demolish Plantation and Gattison.

## **OPTIONS CONSIDERED**

25. **Option 1 – Dispose of Goodison Blvd via long lease to Runwood Homes.**

This is the preferred option, which will offer residents of Doncaster requiring residential care, purpose built accommodation, and an improved quality of life. New developments are more cost effective than older traditional style residential accommodation

### **Option 2 – Develop the Site via the Housing Delivery Model.**

Utilising this process would more than likely result in the land at Goodison Blvd being sold to a private housing developer. The disposal of the site via long lease would result in the loss of a £900k capital receipt, which could be utilised to fund the construction of nine new council house dwellings

### **Option 3 – Do Nothing.**

Not supporting this project would result in the Council providing out of date, poor quality residential care accommodation, which would fail in meeting the future needs of older people.

## **REASONS FOR RECOMMENDED OPTION**

26. The current care homes do not offer the quality of environment that is found in modern care homes, nor would they meet the changing demand in the future. To meet the future needs and aspirations of older people, many with complex care requirements, they would require significant investment if retained.
27. Runwood will still be providing what the Council originally tendered for – just a different model of delivery (2 homes into 1). The wider benefit to the proposed arrangement of leasing Goodison Blvd in exchange for the leases on Gattison and Plantation will be the Council's ability to deliver a more comprehensive housing scheme on land to the rear of Gattison.

28. The value to the Council from the opening up of the wider site is significantly better value than keeping Plantation and Gattison in situ, i.e. opening up a potential c.£2.5m value site for future housing development. This will ultimately benefit the residents of Rossington and the surrounding areas in terms of the provision of new housing availability and choice.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

29.

	<b>Outcomes</b>	<b>Implications</b>
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Be a strong voice for our veterans</i></li> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	<p>A new care home will provide modern, cost effective, accommodation using modern design and construction techniques/ materials.</p> <p>Will enable people to remain independent and continue to live in their home as long as possible, with support where necessary.</p>
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	<p>Doncaster Council has a duty to make sure that older people and others with adult social care needs are able to access the services they require to help them continue to live full, satisfying and independent lives.</p>
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	<p>Construction process will provide jobs and will benefit local trades and suppliers. Local business will benefit from the new development.</p> <p>Cost effective accommodation thus reducing household bills other living costs.</p> <p>Safe and secure accommodation utilising secure by design principles.</p>
	<p>All families thrive.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	<p>Provision of residential care, a choice some residents prefer.</p>
	<p>Council services are modern and value for money.</p>	<p>Modern older peoples accommodation support older people to live more independent lives. New developments are more cost effective than older traditional style residential accommodation.</p>

	Working with our partners we will provide strong leadership and governance.	The preferred option is the preferred one for all stakeholders.
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## RISKS AND ASSUMPTIONS

30. Aside from the usual development risks, if left unused, the site at Goodison Blvd will continue to require regular maintenance and could potentially attract periodic anti-social behavior; causing a nuisance to the surrounding residents, which in turn would increase costs to St Leger Homes (SLHD) maintenance programme.

## LEGAL IMPLICATIONS

31. Under s.123 of the Local Government Act 1972 the Secretary of State's consent is required for the disposal of land for less than the best consideration reasonably obtainable. Under Circular 06/03 the Secretary of State has given their consent to the disposal of non-housing/HRA land by local authorities for less than the best consideration reasonably obtainable provided that
- (i) The difference between the consideration being received and full open market value does not exceed £2 Million,

And

- (ii) The Council is satisfied that the purpose of the disposal will contribute to the promotion or improvement of the economic, environmental or social well-being of the area.

If the land is currently used for the purposes of public recreation and therefore classed as open space for the purposes of s.123 of the Local Government Act 1972 then before it could be sold or leased the Council would be obliged by s.123 to place notification of the proposed disposal in two consecutive editions of a local newspaper and to consider any objections or comments received within 21 days of the date of first publication of the notification.

The Business Transfer Agreements made between Doncaster Borough Council and Runwood Homes Limited and dated 27 March 2015 incorporated terms that Runwood would continue to run the care homes for a period of not less than 3 years from the date of the agreement. These agreements will need to be varied to allow the early termination of the provision at Gattison House and Plantation View on the condition that Runwood provide the same services at the new building.

The Council has granted 125 year leases of both Gattison House and Plantation view to Runwood Homes. An agreement will need to be drafted to allow for the leases of these premises to be surrendered once the new building is complete, the residents transferred and the old buildings demolished.

In respect of the new site there will need to be an agreement of lease placing an obligation on Runwood to build the new care home and once complete to take a new lease of the premises

## **FINANCIAL IMPLICATIONS**

### **32. S106 / Public Open Space**

Planning reference 05/01558/FULM relating to a development off Goodison Boulevard has an uncommitted s106 balance of £30k specifically for the purpose of enhancing public open space on the site in question. This money is time limited and should have been spent by 2010/11 financial year, so is therefore at risk of claw-back by the developer (the delay in use arises from the ring-fencing to an HRA site which has led to difficulties in identifying an appropriate use). To date no developer has initiated claw back on any overdue s106 monies so the risk of this happening is low. However, should a claw back event occur the Council may be required to find replacement funding if it is not possible to withdraw from any commitments made from those monies. The enhancement of the open space is not expected to take place until October 2017 so there is still some time before the money will be drawn down and spent. The total unspent balance of monies on this s106 agreement is currently £63k with £33k committed to another project; if this proposal is approved then all the remaining monies will be formally committed.

The open space project will be capital in nature, so if this report is approved the scheme will be added as a budget to the Housing element of the Council's capital programme. Once the detailed scheme has been developed an ODR will be required to draw down that budget. The value must be contained within the £30k unless other funds are identified.

The resulting open space will incur an annual maintenance cost, the value of which is unknown at this time but not expected to be significant. Any such costs will be met from the HRA.

### **Asset Disposal**

There will be no material impact to asset values from the part disposal of Goodison Boulevard and acquisition of Plantation and Gattison.

Goodison is not currently on the Council's asset register so will need to be revalued this year. This will create a revaluation reserve which will mean there is no charge to revenue when it is disposed of.

Any potential capital receipts that could be generated from the sale of Goodison would be foregone, current value is stated at £900k earlier in the report. Goodison is not currently included within the disposal programme so the loss of this capital receipt would not impact upon current capital projects but would impact upon future projects.

### **Capital Programme**

The acquisition of the two sites at Gattison House and Plantation view be added to the Regeneration and Environment Capital Programme.



## **Adults Health and Wellbeing**

Doncaster's seven Residential Care Homes for Older People were transferred from Doncaster Council to Runwood Homes on the 1st September, 2015 on a 125 year lease on a peppercorn rent basis, with transition funding paid by the Council for 3 years totaling £1.862m.

Transition funding of £1.862m was paid in respect of seven homes for the three year period, September 2015 to September 2018. The re-acquisition of the two sites at Gattison House and Planation View will be approximately two years into this transition period, with transition funding in the final year on these two homes £0.037m. The repayment will be waived as part of the overall settlement, and funding applied to the new care home on the Goodison Boulevard site.

## **HUMAN RESOURCES IMPLICATIONS**

33. There are no direct HR implications in relation to this report and its proposals, provided Runwood continue to deliver the agreement that the Council originally tendered for.

## **TECHNOLOGY IMPLICATIONS**

34. None.

## **EQUALITY IMPLICATIONS**

35. The Public Sector Equality Duty (PSED) Due Regard Statement was created by the Equality Act 2010. The duty came into force in April 2011 and places a duty on public bodies and others carrying out public functions. The aim of the PSED is to embed equality considerations into the day to day work of public authorities, so that they tackle discrimination and inequality and contribute to making society fairer. 'Due regard' is a legal term that requires proportionality and relevance. The weight given to the general duty will depend on how that area of work affects discrimination, equality of opportunity and good relations.

All housing developments supported by DMBC will be accessible depending on individual need. Such assessments will not discriminate against any applicant in any way and particularly due to any of the protected characteristics of the Equality Act 2010.

All DMBC partners must maintain a commitment to The Act.

## **CONSULTATION**

36. Consultation has been undertaken with Elected Members, Housing Portfolio Holder, Adult and Communities, DMBC Assets and Property, residents of Gattison House and Plantation View, and residents in Cantley.

## **BACKGROUND PAPERS**

37. None

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