

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the council's definition and has been included in the relevant Forward Plan.

Report of the Executive
Director of PLACE

Royston Bungalow Development

1. Purpose of Report

- 1.1 The purpose of this report is to seek approval for the development of 14 bungalows across four sites on the Meadstead Estate, Royston as part of the Council's Housing Capital Programme.

2. Recommendations

It is recommended that:

- 2.1 Cabinet approves the proposal for the Council to build 13 x 2-Bed bungalows and 1x 3-bed bungalow on four sites on the Meadstead Estate in Royston (see Appendix B). The homes will be HRA properties, managed by Berneslai Homes and let to applicants on the Council's Housing Waiting List.
- 2.2 Cabinet approves the proposal for the Council to appoint R.J.Cadman Construction Limited. The scheme will be funded from the HRA Capital Programme at a total project cost of £1,654,967 including all associated fees.

3. Background:

- 3.1 The Council's Housing Strategy 2014 – 2033 identifies a need for more new homes of different types. The strategy also confirms the need for homes to be affordable and to include a mixture of private and social rented homes. There is a specifically identified demand for bungalows suitable for people who have limited mobility.
- 3.2 A budget of £3.2m has been earmarked to provide new HRA bungalows across the Borough and Berneslai Homes were asked to develop schemes. The Royston Bungalow Scheme provides fourteen bungalows across four in-fill sites on the Meadstead Estate in Royston. The sites include two under-used garage sites and a demolition site. Consultation has been carried out with residents living near the proposed development sites and with local Councillors who support the provision of additional social housing in the area.
- 3.3 The sites identified in Royston are within a stable, sustainable residential area which includes a number of council owned bungalows and an Extra Care Scheme provided by a Registered Provider (Housing Association). There is significant demand in the area for housing suitable for older people and those with mobility difficulties. The sites are well served in terms of local amenities including a Health Centre, chemist, shops, Post office, library and transport routes into Barnsley town centre.

4. Current Situation

- 4.1 Planning Approval has been secured for the following sites:
- Meadstead Drive 7 x 2 bed bungalows
 - Manor Grove 4 x 2 bed bungalows

- West End Avenue 2 x 2 bed bungalows
- Doles Crescent 1 x 3 bed bungalow

4.2 A procurement process has been conducted by NPS Barnsley via YORtender and in accordance with Berneslai Homes and BMBC procedures. Following the evaluation of the tender submissions, including the appropriate financial checks, NPS Barnsley have recommended the appointment of R.J.Cadman Construction Limited.

4.3 The scheme will be project managed by officers from Housing Growth with technical support provided by NPS Barnsley.

5. Justification

5.1 The Meadstead Estate has previously been the subject of significant investment and regeneration works including demolition of low demand housing, the provision of new build housing for sale and extra-care provision for older people. There are a number of sites across the area, however, that have not been developed and are unsightly and affect the general appearance of the area.

5.2 Investment in new council housing to meet the needs of older and/or disabled persons will contribute to the social and environmental wellbeing of the area. The bungalows will be built to “Secured by Design” standards and will be highly insulated to reduce running costs and assist tenants with reducing fuel poverty.

6. Consideration of alternative approaches

6.1 **Do Nothing** – This is not recommended as there are under-used areas of council land throughout the estate and a need for bungalow accommodation in the area. The sites to be developed are unlikely to be attractive to private house builders and will not raise large sums if sold.

6.2 **Recommended Option: Approve the award of the contract to R J Cadman Construction Ltd.** This option will deliver a Value for Money redevelopment which meets the needs of the local community.

7. Implications for local people / service users

7.1 The re-development will have a positive impact in the area. The new bungalows will include off-road parking and will be built to a sympathetic scale and design to surrounding properties and will increase the availability of affordable, local authority accommodation to meet the needs of older and/or disabled people.

The properties will be made available for rent via Berneslai Homes’ Choice Based Lettings process in line with the council’s Allocations Policy, which fully complies with the Equalities Act 2010.

7.2 The project will be managed by officers from Housing Growth who will ensure that local people receive information and updates as the building work progresses.

8. Financial implications

8.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).

8.2 This project is part of the previously agreed New Build Bungalows strategy which will see the 14 properties form part of the housing stock upon completion.

- 8.3 The total estimated cost of the project is £1.655M inclusive of fees.
- 8.4 The scheme will be financed from 30% applicable 1-4-1 receipts, totalling £0.496M and the remaining 70% from HRA reserves totalling £1.159M. The HRA Reserves relating to New Build Bungalows were set aside as part of the 2018/19 budget setting process.
- 8.5 The impact to the Housing Revenue Account in respect of rental income is approximately £0.070M p.a. from 2019/20, based on a typical rents for similar sized properties of £88.89 p.w. (for 2 bed property) and £102.64 p.w. (for a 3 bed property) respectively. This does not include an allowance for voids or bad debt provision.
- 8.6 There are also additional costs to the Housing Revenue Account relating to additional repairs and maintenance and management of the new stock. The repairs and maintenance element relating to the new properties is estimated to total £0.011M p.a. from 2019/20, which is based on an assumed average cost per dwelling.
- The impact on the management of the new stock is expected to total £0.007M p.a. which again, is based on an assumed average cost of stock management.
- 8.7 Furthermore to the direct impact to the Housing Revenue Account outlined in the paragraphs above, there are implications in respect of the corporate funding streams of the Council. The level of Council Tax that is expected to be generated as a result of this scheme is estimated to total £0.014M p.a. based on the 15 bungalows falling into the Council Tax Band A. The level of New Homes Bonus expected totals £0.027M p.a. for six years which is based on £1,770 p.a. per bungalow.
- 8.8 It should be noted that the expected Council Tax and New Homes Bonus generated from this proposal has already been considered in the Council Medium Term Financial Strategy.
- 8.9 The financial implications are summarised in the attached Appendix A.

9. Employee implications

- 9.1 There are no employee implications arising from this report.

10. Communications implications

- 10.1 The re-development works are positive news for the residents and business owners in the area. The project officer will provide regular scheme updates to local Councillors and resident groups.
- 10.2 As part of the build contract, the contractors will be expected to keep local residents up to date on development activity and will be required to hold a 'meet the contractor' event prior to scheme start on site. The largest site on Meadstead Drive is close to the local primary school, so the project officer and the contractor will liaise with the school regarding site safety.

11. Consultations

- 11.1 Local Ward Members have been consulted and support the proposal.
- 11.2 Consultation has been undertaken with officers within BMBC and Berneslai Homes, who are supportive of the planned proposals.

12. The Corporate Plan and the Council's Performance Management Framework

12.1 Building new Affordable Homes will help to achieve the following priority within the Council's Corporate Plan:

- Create more and better housing

New Affordable Homes meet housing need and contribute to growth targets.

12.2 The Council's Performance Management Framework contains the following performance indicator:

- EC29 – Number of NEW Affordable Homes
- EC28 Number of New Home Completions

13. Tackling Health Inequalities

13.1 The bungalows have been designed to accommodate tenants with disabilities including level access for wheelchair users and wet-rooms. The new properties will be suitable for older and/or disabled people in need of affordable accommodation.

14. Climate Change & Sustainability Energy Act 2006

14.1 None arising directly from this report.

15. Risk Management Issues

15.1 There are risks involved in the delivery of any building schemes including, inclement weather delaying completion, site security and vandalism issues, spiralling costs associated with unaccounted for site 'abnormals' and contractor performance. These are all considered at project inception stage with mitigations in place to manage potential issues.

15.2 The fixed price tender and use of a Design and Build Contract should significantly limit any variation to cost. There will be prompt and close scrutiny of claims for additional work through the robust project management framework.

16. Compatibility with European Convention on Human Rights

16.1 None arising directly from this report.

17. Appendices

Appendix A – Financial Implications
Appendix 1 – Site Maps

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