

CARE SERVICES PDS COMMITTEE
9th January 2018

MEMBER COMMENTS

Item 9c: Update on Service Proposals and Procurement Strategy for Modular Home Provision

Councillor Charles Joel's Comments with Responses from Director: Housing (in blue)

I have the following observations to make on this project.

RECOMMENDATIONS (Page 183 - Executive Agenda; Page 105 - Care Services Agenda)

Item 2.1:

(1) Why only fifteen years?

Based upon market testing/existing schemes, 15 years would be the minimum period of contract required to enable the scheme to operate on a self-financing basis with management & maintenance costs covered by the rental stream. Many modular units on the market have a lifespan of in excess of 60 years, therefore consideration could be given to a longer term or the option to extend depending upon needs at that time.

(iv) Surely Capital funding will be required, not may.

Paragraph 11.4 of the report confirms that there will be capital costs incurred in relation to planning permission and set-up of scheme. These costs cannot be fully assessed until the full scheme design has been approved. Models can also operate in slightly different ways in terms of the split between capital and revenue costs. This will be considered during the tender evaluation process to ensure that best value is achieved.

FINANCIAL (Page 185 - Executive Agenda; Page 107 - Care Services Agenda)

Item 4

(4) A breakdown of the budget of £3,783.370 should be given to justify this amount.

This budget relates to the current net budget for the statutory provision of temporary accommodation, it is not the budget for this project.

CUSTOMER IMPACT(Page 185 - Executive Agenda; Page 107 - Care Services Agenda)

Page 185

Can it be explained and justified the initial assessment of the site where it suggests that between 30 and 36 units could be provided.

An initial assessment of the land available at York Rise against an average plot size required for modular constructed units was used to assess the potential number of units that could be achieved. This assessment was supported by feedback from the suppliers' day. However it was also noted that there may be capacity to achieve a slightly higher number of units but this will be subject to final design and planning permission.

WARD COUNCILLORS VIEWS (Page 185 - Executive Agenda; Page 107 - Care Services Agenda)

Item 1: Comments not applicable, why not?

Item 2: I have made a few comments regarding my views at this stage but has any preliminary consultations taken place with the planning, highways and environmental departments at the Council?

The Portfolio Holder for Care Services has asked that full consultation be undertaken if approval is given to progress to formal viability and invitation to tender. It is the intention to consult extensively prior to progressing with the project. Once a supplier has been appointed, constructive consultation will be able to take place regarding potential design, unit numbers, infrastructure and so forth. Particular emphasis has been placed in the specification on high quality design that is adaptable to reflect the local street scene and the need to ensure full consultation is undertaken. Arrangements will also be made to enable visits to take place to similar schemes operating in other boroughs.

COMMENTARY (Page 186 - Executive Agenda; Page 108 - Care Services Agenda)

Item 3.4

It states that in a previous report to the Executive Meeting held on 24th May 2017 that the executive agreed for officers to proceed with a further analysis. I feel that the report that is before you should have contained more detailed information and not just a two line statement as addressed in Item 3.5.

The Executive Report of 24th May 2017 in principle approved the use of York Rise for modular constructed units, subject to assessing the suitability of the site, (particularly in light of the air raid shelters) and market engagement. Paragraphs 3.6–3.10, 3.11-3.14 and 5.1-5.8 relate to the findings from the analysis and market engagement undertaken to establish that the site can be used for modular constructed units and to inform the final proposals in relation to the specification and tender process for a provider.

Overall this work included:

- Site survey/assessment (including consideration of any potential impact arising from the air raid shelters)
- Initial discussions planning etc.
- Learning from good practice schemes/benchmarking including site visits to existing schemes.
- Supplier's day and market engagement on potential suppliers/models
- Example specifications

THE PROPOSAL (Page 186 - Executive Agenda; Page 108 - Care Services Agenda)

I have already queried the period of fifteen years but I will reserve my rights to make further comments as I consider the comments made in Items 3.7 and 3.8 to be again a loose statement.

Paragraphs 3.7-3.8 set out the key areas to be covered within the specification and contract from inception, installation through to full management and maintenance and the type of units required. The specification developed sets out full details on each requirement which will be fully explored and tested through the tender process to ensure they provide a full solution and meet all required regulatory standards.

CUSTOMER PROFILE (Page 187 - Executive Agenda; Page 109 - Care Services Agenda)

What about the provisions for disabled persons units?

10% wheelchair accessible provision is normally requested and will be pursued on all sites where this is achievable. However, the York Rise site is likely to present limitations on wheelchair accessible units due to the incline of the access route and elevation of the plot. As such we have requested that consideration is given for wheelchair provision but not essential if the topography is too prohibitive. The overall portfolio of accommodation will seek to ensure that the 10% provision is secured across the range of schemes.

OUTLINE STRATEGY AND CONTRACTING PROPOSALS (Page 189 - Executive Agenda; Page 111 - Care Services Agenda)

Item 8.2

From the schedule it would seem the earliest an appointed developer could make a start on the project would be early 2019. Then no provision has been made in the period time needed to prepare and submit formal applications under Town & Country Planning Acts and Building Regulation Acts, see item 11.5

The timescale set out in Paragraph 8.2 relates to the tender and procurement process for a supplier. As set out in Paragraph 3.7, a turn-key solution is sought meaning that the supplier would be expected to undertake the full planning application once they have been appointed. The project timescale will therefore include provision to undertake full consultation and planning process prior to start on site.

FINANCIAL IMPLICATIONS (Page 190 - Executive Agenda; Page 112 - Care Services Agenda)

Item 11.4

I do not like the statement made contained in the second paragraph

There will be capital costs incurred in relation to planning permission and preparation of the site. These cannot be fully assessed until the tender process has been completed and planning acquired to inform the necessary works.

The scheme is subject to successful planning permission being granted. As set out in Paragraph 3.7 the supplier, once appointed would be required to undertake the formal planning process. As the scheme is subject to achieving successful planning permission a supplier would essentially be undertaking the planning process at risk and suppliers would therefore not tender for such a project unless the risk of an unsuccessful planning application is underwritten. In the event that planning is successful, then this initial fee will be incorporated into the overall project cost. This initial fee would only cover any costs incurred by the supplier in seeking planning permission.

CONCLUSION:

- 1) Has the Council considered selling off the site to a private developer?

Previous reports have considered the options for this site, with the Executive report in May 2017 giving in principle approval to retain the site for the provision of modular constructed units.

If the site had already obtained planning consent for residential development then the estimated value for York Rise would be up to £3m. Assuming the £3m then the rate of return from investing this sum would still be significantly less than the savings that can be achieved through the use of the site for modular constructed units to reduce the current reliance on costly forms of nightly paid temporary accommodation.

- 2) It has been mentioned in the past that the area of land in question was an underground operational shelter that was built during the early period of WW2.

Yes, this is known and a site survey was undertaken to ensure that the site would be able to accommodate modular constructed units. Modular constructed units do not require the same depth of foundation as traditional build. This was also tested through the suppliers' day.

3) With the proposal that is before the committee has any consideration been given to the following:-

- i) Will car parking spaces be needed
- ii) Refuse/cycle storage areas
- iii) Awkward site access
- iv) If residential management should be in place
- v) Problems for children to attend local schools and if local GPs can take on additional patients
- vi) With the development this would need to comply with the current Building Regulation Acts. In fifteen years' time the structure/elements could be out of date hence some of the fabric could not be reused, also wear and tear of the materials

The specification makes specific reference to the requirement for car parking, refuse and cycle storage in line with planning requirements.

The specification also sets out clear expectations for providers to submit designs for an accessible site (noting the potential limitations on wheelchair accessibility) and to meet the management standards to ensure a well-designed and managed site in line with the provisions required on other such schemes.

As with any residential development assessment regarding capacity for local schooling and GPs will be fully considered. The scheme proposes much needed local accommodation. As such this would predominantly enable families to remain with their existing GP/schooling rather than placing increased need in the area.

As with any development it will need to comply with the relevant current standards. The specification and contract will require on-going maintenance of the site. Any future changes would have to be assessed at that time in order to ensure that the Council maintains compliance with any regulatory changes.

4) I can conclude that in the past I have made representations regarding this site and that it would be ideal as the land is in the ownership of the Council to enter into a joint venture with a developer and mortgage company to build affordable starter homes for first time buyers.

Site options have previously considered this. Regular reports have highlighted the pressing need for accommodation that is affordable to meet the statutory rehousing duties in relation to homelessness. The provision on site offers affordable accommodation in Borough to enable residents to maintain education, employment opportunities and family support networks. For many this may offer a key stepping stone to enter into private rented or owner occupation in the future. Modular constructed units offer flexibility of use. Should the current level of need reduce then these units could be used for alternative purposes including private rent.

5) I am still of the opinion that local residents mainly living in York Rise should be consulted that the Council are contemplating building homeless family dwellings on this site.

Full consultation will be undertaken and will include all local residents.

Regards,

Councillor Charles Joel
Member for Farnborough & Crofton Ward

Councillor Tim Steven's Comments

Firstly I agree with pretty much everything that Cllr Joel has said. It is extraordinary that Ward Members have not been consulted to date and this is not acceptable

I also query why we are agreeing a fifteen year contract. This makes this a permanent site and not a temporary one. It was agreed at the Executive and Resources PDS Committee that the York Rise, which is in a prime location next to the station, could be sold off and I would agree with this and should be for first time buyers like the rest of the estate which was built in 1985 which I bought my first house in. Studio flats or one and two bed houses would be a good use for this site

As a Ward Member I would like a full breakdown of the financial position for this project

I am also concerned at the number of Modular units proposed for this site: 30-36 seems excessive especially if they are going to be multi-level and I would ask for a full consultation with residents from York Rise, Yeovil Close whose residents overlook this site and Crofton Road, as well as local residents associations who will all have huge concerns.

No mention is made of parking provision for these modular homes or traffic on what is already a very busy road please can this be considered

In conclusion, I believe this to be the wrong place for such building and think this site should be used for first time buyers instead. There are many unanswered questions at this time both financial and if there will be disabled provision provided if this scheme goes ahead

Please can I ask Committee that this matter is deferred tonight to allow proper consultation and discussion

Kind regards

Councillor Tim Stevens