

Name of meeting: Cabinet Date: 17 October 2023

Title of report: Update on Proposals for the redevelopment of Sycamore Grange, Golcar, Huddersfield

Purpose of report: The report updates Cabinet on the progress of proposals for the redevelopment of Sycamore Grange a retirement living scheme in Golcar, Huddersfield.

The report seeks the approval of a scheme budget envelope, and delegated authority to submit a planning application, issue tenders and enter into contracts for the demolition of the existing building, and a design and build contract for a new retirement living scheme of apartments and bungalows.

Key Decision - Is it likely to result in spending or saving £500k or more, per annum, or to have a significant positive or negative affect on communities living or working in an area comprising two or more electoral wards.	Yes If yes give the reason why It will result in spending or savings of £500k or more.
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)?</u>	Key Decision – Yes. A Key Decision Notice was published on 13/09/2023. Private Report/Private Appendix – No
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> Is it also signed off by the Service Director for Finance? Is it also signed off by the Service Director for Legal Governance and Commissioning?	David Shepherd, 2 October 2023. Isabel Brittain, 6 October 2023 Julie Muscroft, 6 October 2023
Cabinet member, Housing and Democracy	Cllr Masood Ahmed 3/10/2023

Electoral wards affected: Golcar.

Ward councillors Consulted: Cllr Graham Turner, Cllr Elizabeth Reynolds, Cllr Andrew Marchington

Has GDPR been considered? Yes. GDPR was a key consideration in the application of the Decant and Engagement Plans previously considered at cabinet on 21 December 2022.

1. Summary

- 1.1. This report updates Cabinet on the progress made on actions approved at Cabinet on 21 December 2022. Cabinet considered compliance and risk issues affecting the Sycamore Grange Retirement Living Scheme, Golcar, and endorsed proposals to demolish and redevelop the existing building for a new Retirement Living Scheme. Cabinet also endorsed the decanting of the building and the engagement with tenants and residents in and around the existing scheme, in respect of decanting, and future proposals. The site is shown in **Appendix 1**.
- 1.2. An Integrated Impact Assessment was undertaken to support the Cabinet decision, and GDPR issues were considered in the Decant and Engagement Plans tabled.
- 1.3. The proposals brought to Cabinet have been shaped by tenant, stakeholder and resident engagement and feedback undertaken in April 2023, and housing management and Adult Services input to the project. The proposals were considered by the Tenant Voice Panel and the Homes and Neighbourhoods improvement Board in August and September 2023.
- 1.4. It is anticipated that vacant possession of the site will be achieved by March 2024, following which it is proposed that the building will be stripped of asbestos and salvageable materials, and demolished to minimise health, site, and management cost risks. The preferred strategy is for the Council to secure a detailed planning approval for the proposed scheme and to appoint a Design and Build contractor, to construct the approved scheme.
- 1.5. The report seeks approval for a budget envelope of £11.937m and to delegate authority to the Strategic Director of Growth and Regeneration, in consultation with the Portfolio Holder and Service Director for Legal, Governance and Commissioning to submit a planning application, and to issue tenders and enter into contracts to demolish the existing buildings and design and build the new development.

2. Information required to make a decision.

Background

- 2.1. On the 21st of December 2022, Cabinet authorised the demolition and redevelopment of the existing Sycamore Grange Retirement Living Scheme, and for work to continue to draw up plans and to decant residents from the site, pending its redevelopment. This began officially in April 2023, although tenants began to move from the scheme in January 2023 following tenant engagement on the proposals and their housing options.
- 2.2. Tenants and residents were visited and consulted during the week commencing 24th of April 2023 to capture their views on the scheme. The consultation material showed a scheme of 41 bed Retirement Living Scheme flats and 19 bungalows, houses and one bed flats. Ward Members were also consulted, and Cllr Turner made a written representation supporting the plans.
- 2.3. 40 responses were received: 10 from existing tenants, and 30 from residents in surrounding streets. Responses are summarised in **Appendix 2**. Overall, the scheme was well received, and 80% of the tenants responding said that they would be interested in returning to the new development.
- 2.4. Residents on adjacent streets were pleased with the neighbourhood and the proposed scheme, and how it broadly met local needs. However, the provision of more bungalows was suggested, and reference was made to issues arising with different housing needs

being accommodated on the site. It is proposed that the entire scheme is designated as an older persons' scheme, and Adult Services are supportive of the proposals, and the inclusion of bungalows.

2.5. Following tenant and stakeholder engagement, the proposed scheme now comprises of:

- 41 retirement living apartments, 90% of which will be one bedroom.
- 9 one-bedroom bungalows
- 5 two-bedroom bungalows
- 4 one-bedroom cottage flats.

The draft proposed scheme plan and dwelling types are shown in **Appendix 3**.

2.6. The proposals respond to the current allocations policy and demand profile for the area, allowing sufficient flexibility to accommodate carers in the two-bedroom homes. The scheme will be designed to meet the requirements of the Dementia Design Guide and all the bungalows and ground floor flats in the Retirement Living scheme will meet Building Regulations M4(3) requirements to accommodate wheelchair access.

2.7. The proposed retirement living block comprises 2 wings: one 2-storey, and one 3-storey block, with a lift. One bed units are typically 58 sqm in area; 2 beds will be 82 sqm. In view of the climate emergency, low carbon heating and energy approaches are being proposed instead of gas, such as electric boilers, photo-voltaic panels, and a fabric first approach. This will reduce heat loss and reduce energy usage costs for tenants.

Rehousing of existing tenants and proposed demolition of existing buildings.

2.8. Continued progress is being made to support residents to find a suitable alternative home. Occupancy is expected to reduce further in the coming weeks, and it is estimated that vacant possession will be achieved before the end of March 2024, and potentially earlier.

2.9. In view of health risks, site management costs and the potential for break-ins/vandalism once the scheme becomes vacant, it is proposed to let a contract to remove asbestos, cabling and pipework and to demolish the building as soon as is practicable.

2.10. It is also recommended that this work includes the removal of foundations to reduce later abnormal cost escalation and foundation design in the subsequent redevelopment scheme. This process will require the submission of a Prior Notification of demolition application to the Council as Local Planning Authority, and Notice under the Building Acts, and this process can be started prior to vacant possession being achieved.

Scheme progress and next steps

2.11. The draft scheme shown in Appendix 3 has been through the pre-application planning process, involving consultation with the Cabinet Portfolio Holder and Ward Members.

2.12 Subject to Cabinet approval the next steps for the project will be:

- The submission of a detailed planning application for the proposed scheme (November 2023)
- The procurement of a contractor to demolish the existing Retirement Living Scheme and adjacent buildings on the site and cap off services (anticipated start of contract April 2024, subject to the rehousing of existing tenants)

- The procurement of a Design and Build contractor to construct the new scheme (anticipated start on site in September 2024)

The proposed scheme is expected to take 24 months to complete.

2.13 Cabinet also asked to approve a budget envelope, and to delegate authority to the Strategic Director for Growth and Regeneration to issue tenders, assess bids and enter into contracts to:

- Submit Prior Notification and building Notice of demolition.
- Submit a full planning application.
- Remove contaminants, terminate services and demolish the existing building.
- Tender for, assess bids and award contracts for the design and construction of the new development.

Financial Implications

Statutory Home Loss Payments and Rent/Council Tax revenue loss.

- 2.14. Each household is entitled to Statutory Home Loss Payments upon moving permanently. This was set by Government at £7,800 from October 2022 and increased in October 2023 to £8,100. The costs of furniture removals, discretionary payments for blinds, flooring and help with packing and unpacking has been offered, based on individual circumstances.
- 2.15. The total estimated cost of moving, per property, is estimated between £9,000 - £12,000 depending on adaptation requirements and support needs. Based on the number of tenants remaining at the scheme in December 2022, the maximum total relocation cost for this scheme is projected at £300,000.
- 2.16. Decanting tenants from the current scheme will also result in rental income and council tax income being lost. This loss, estimated at £142,000 [April 2023 to the end of March 2024] is in addition to the Home Loss and removal costs outlined above. This estimate has been refined in consultation with the Head of Finance. BTP's fees for designing the scheme up to RIBA Stage 2 and acting as client advisor to the Council through to RIBA Stage 7 are estimated at £190,000.

Scheme costs

- 2.17 The Council's appointed external Architect and Quantity Surveyor have advised that the estimated cost of constructing the new scheme will be £11,495,000 (including fees and contingency sum), based on an anticipated start on site in Quarter 2 of 2024 and the scheme being constructed to Part L Building Control standards, but utilising electric boilers and solar panels to heat the homes.
- 2.18. Cabinet is requested to approve an overall **£11,937,000** budget envelope for the scheme. This budget envelope is comprised of development and additional costs:
- £11,495,000 development costs, made up of:
 - Demolition of the existing building, and new build.
 - Professional and statutory fees.
 - Contingency.
 - £300,000 Home Loss and removal/relocation expenses.

- £142,000 Lost rental income and council tax burden costs.

£11,937,000 Total

- 2.18 The scheme will be financed from the HRA Capital Programme and potential grant funding available from Homes England.

Next Steps

Support Services and Agencies involved.

- 2.19 Given the age profile and potential degrees of tenants' vulnerability, the Council set out from the outset to handle decanting sensitively. Collaboration with colleagues in Adults including Occupational Therapy services and Aids and Adaptations is key to this process.
- 2.20 To help to fund the development, officers have been scoping the availability of Homes England funding which is accessible to the Council as a Registered Provider, and discussions are progressing to explore how the scheme can be part funded using grant from the Affordable Homes Programme. This will reduce the burden on the HRA.

3. Implications for the Council

Working with people

- 3.1. Putting tenants at the heart of the decisions affecting them remains central to this project. The redevelopment of the site at Sycamore Grange offers an improved response to building safety, meeting housing need, addressing affordability and reducing energy usage. The proposals have been shaped by the opinions of tenants and residents which are fundamental to achieving successful outcomes.
- 3.2. Due consideration has also been given to the way proposals will contribute to the council's strategic priorities and the anticipated impact the outcomes arising from the implementation of this report will have in the following areas:

Working With partners

- 3.3. A collaborative approach has informed the response to the building safety issues and the design of the proposed scheme and will continue as the proposals are progressed. Supporting older tenants over 60 and working with relevant council services, partners, tenants' family and/or carers has played a vital part in shaping this scheme and helping tenants to move into new accommodation. This has included the input and guidance from Adult Services in shaping the current proposals, and this will continue.

Place Based Working

- 3.4. The engagement of tenants and residents has been informed by intelligence and evidence gathered from previous successful place-based engagement programmes delivered by Homes and Neighbourhoods and other partner services. This has been informed by practice learned and used at the high-rise blocks at Berry Brow and Harold Wilson Court to inform regeneration and fire safety improvement programmes, working with ward members and tailored to the needs of the place and needs of its communities.

Climate Change and Air Quality

- 3.5. Redeveloping Sycamore Grange will remove the existing building heated by fossil fuel gas boilers, built to the building standards of the early 1970s. Removing the existing building, focussing on fabric first and combining new heat and power technologies, the future scheme is likely to deliver a net reduction in carbon emissions over its lifetime.

Improving outcomes for children

- 3.6. The opportunity to increase the council's supply of family homes has been carefully considered. Following stakeholder feedback, the scheme focusses on provision for older people. Increasing the offer of suitable accommodation for older people will help to release family homes which may be under-occupied by older people.

4 Financial Implications for the people living or working in Kirklees

Cost of Living

- 4.1. The cost-of-living crisis refers to the fall in 'real' disposable incomes (adjusted for inflation and after taxes and benefits) that the UK has experienced since late 2021. It has been caused by high inflation outstripping wage and benefit increases and was further exacerbated by tax increases.
- 4.2. The new development will provide affordable homes and address the cost of living. This will be achieved through fabric first design, and modern heating technologies and energy efficiencies will be designed or incorporated to minimise heating and running costs. Good practice and learning on this scheme will inform future developments.

5. Other (E.g., Integrated Impact Assessment/Legal/Financial or Human Resources)

Integrated Impact Assessment ('IIA')

- 5.1 This report updates on the progress made against actions which were previously authorised by Cabinet and supported by a stage 1 and stage 2 Integrated Impact Assessment. The report acknowledged the scheme impact on tenants, and mitigation was put in place through a Decant Plan and support for tenants, working with family members and carers. It is intended to obtain tenant feedback to establish how successful this has been against the mitigation plans. Eligible tenants who have lived in Sycamore Grange will be able to bid to return to the new scheme.

Legal: Demolition notice

- 5.2 Cabinet previously authorised the service of a Demolition Notice at the appropriate time, to suspend any Right to Buy applications and to secure vacant possession. The council has been working with and supporting residents to move to suitable accommodation consensually. With few remaining tenants and with continued support to secure suitable accommodation, the risk of applications being received is considered to be very low.
- 5.3 It is proposed that a Demolition Notice is issued as previously authorised by Cabinet, to ensure that the Vacant Possession of the existing stock is obtained, and that the demolition of the stock can be accounted for in the Housing Revenue Account. This will also support the progression of utility terminations and remove the burden on the HRA in paying council tax on empty properties once work renders the flats uninhabitable.

Financial

- 5.4 The development cost estimate has been undertaken by the Council's appointed architect and Quantity Surveyor and the budget estimates inform the proposed budget envelope. The budget envelope proposed for approval by Cabinet to project to Quarter 2 of 2024 is a total figure of £11,937,000. (Eleven million and nine hundred and thirty-seven thousand pounds). This includes the net development cost and professional and statutory fees, contingency, Home Loss and Council tax costs. A detailed financial appraisal will be presented to the S151 Officer (Service Director of Finance) for approval following planning permission and procurement, but before award of any contract and commencement of works.
- 5.5 Homes and Neighbourhoods Improvement Board ['HNIB'], recommend that no increase to this budget should be agreed under delegated powers and the issue would be reported to HNIB for consideration and Cabinet for approval if that occurred. It is considered that appropriate contingency has been factored into the scheme to minimise this risk, bearing in mind development and labour cost increase and fluctuation.

HRA and Homes England funding

- 5.6 The HRA 30-year business plan has made a prudent financial provision for the works and associated costs. This is expected to be supported by grant funding from Homes England and engagement has already taken place with Homes England. As a Registered Provider, the Council can access funding from the Homes England Affordable Homes Programme for 2021-2026. This will reduce the burden on the Council's HRA business plan. This figure is expected to be in the region of £4.6m.

6. Consultation

- 6.1 Ward Councillors: Comments received from Ward Councillors:

Cllr Graham Turner supports the proposals in providing much needed affordable housing in the ward.

Cllr Andrew Marchington requests that consideration is given to minimising the disruption caused to local residents from demolition and construction traffic. Cllr Marchington also suggests that there should be a plan to rectify any construction traffic damage to roads. He also advises that Sycamore Avenue is a key bus route.

7. Engagement

- 7.1 Engagement with tenants and residents is detailed in section 2 of the report and is central to shaping the proposals. This included home visits and one-to-one discussions about tenants' housing options and the emerging proposals. Tenants have been asked for their views and aspirations for the scheme, and their lived experience. Engagement has also included residents living adjacent to Sycamore Grange, and with the Tenant Voice Panel.
- 7.2 Collaborative engagement has also taken place with Adult Services to ensure that the proposed scheme will be effective in meeting a range of older peoples' needs.

Tenant Voice Panel – 30 August 2023

- 7.3 The Panel endorsed the scheme, commenting on ensuring tenants' ease of accessibility around the building, and ensuring that new heating technologies are easy to use and can offer cost of living savings. The panel wish to visit the scheme as it progresses.

7.4 The progress following the previous Cabinet approval on 21 December 2022 and subsequent consideration by governance meetings, Tenant Voice Panel and endorsement by Cllr Scott as previous Portfolio Holder were noted.

7.5 The Board endorsed the progression of the report to Cabinet, subject to Board observations to include feedback regarding the importance of renewable energy and high-level performance from the properties.

8. Next steps and Timelines

8.1 Subject to Cabinet approval of the proposals and a budget envelope, it is proposed to submit a full planning application for the proposed scheme in November 2023. Obtaining Planning Permission will inform the design and build procurement process in setting out the Council's requirements in tandem with Employer's Requirements and specifications.

8.2 It is intended that Prior Notification and Demolition Notices will be submitted under the Planning and Buildings Acts in advance of Vacant Possession. This will enable the demolition of the building, reduce site risk, and assist the removal of the building from the Housing Revenue Account, and manage the Council tax liabilities for empty homes.

8.3 It is proposed to issue tenders for the removal of asbestos, pipework, cabling and heating equipment and terminate services and the demolition of the building in November 2023.

8.4 It is expected that the preparation of tender documents for the subsequent design and build contract will be prepared and issued in November/December 2023, and that after assessment, the successful contractor will be appointed before the end of March 2024.

8.5 It is anticipated that development will be started during autumn 2024, and that development will be completed between 18 to 24 months following commencement.

8.6 The contractor will be required to support further resident engagement and briefing material for housing management and assets colleagues, and tenants.

8.7 It is expected that an allocations strategy and age designation shall have been agreed and in place as the scheme nears completion, for designation to older people.

9. Officer recommendations and reasons

That Cabinet:

9.1 Notes the re-development plans presented and endorse the approach to constructing the scheme outlined in the report.

9.2 Approve a maximum budget envelope of £11,937,000 to procure the demolition of the existing Sycamore Grange scheme, the construction of the new retirement living scheme, bungalows, and apartments, and fund the management of rehousing and revenue costs on the basis that a detailed financial appraisal is signed off by the S151 Officer (Service Director of Finance) following planning permission and procurement, but before award of any contract and commencement of works.

- 9.3 Authorise the submission of Prior Approval notification and Notices under the Planning and Building Acts for the demolition of Sycamore Grange, and the submission of a planning application for the new development.
- 9.4 Authorise the Strategic Director of Growth in consultation with the Service Director for Legal, Governance & Commissioning, and Portfolio Holder to invite and assess tender submissions and enter into contract for the demolition of existing buildings on the site once Vacant Possession is achieved.
- 9.5 Authorise the Strategic Director of Growth in consultation with the Service Director for Governance & Commissioning and the Portfolio Holder to invite and assess tender submissions and draft and award contracts for the Design and Build of the new scheme within the agreed budget envelope.
- 9.6 Agree that the appointed contractor shall be responsible for finalising the design and costs and obtaining all approvals required to construct the scheme.
- 9.7 The reasons for these recommendations are to ensure that a budget is allocated for this scheme, and to manage project and financial risk, and ensure that procurement is undertaken in accordance with Financial Procedure, and Contract Procedure Rules.

10. Cabinet Portfolio Holder's Recommendations

- 10.1 The Cabinet Portfolio Holder recommends that Cabinet accepts and endorses the officer recommendations and reasons.

11. Contact officer

James Hinchliffe
General Manager, Development.
Homes and Neighbourhoods
Tel. 01484 221000 ext. 74695
Email: james.hinchliffe@kirklees.gov.uk

12. Background Papers and History of Decisions

Appendix 1 - Sycamore Grange Location Plan
Appendix 3 - Tenants and Residents' Feedback Summary
Appendix 3 - Revised Scheme Plan and draft dwelling types 3 August 2023

Link to 21 December 2022 Cabinet papers and agreed resolutions:

<https://democracy.kirklees.gov.uk/ieListDocuments.aspx?CId=139&MId=7065>

(See agenda item 16 and record of Decision)

13 Service Director responsible

Naz Parkar
Service Director of Homes and Neighbourhoods Tel:
01484 221000 ext. 75312.
Email: naz.parkar@kirklees.gov.uk