

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 16 November 2022
Subject:	Proposed Redevelopment of Fletcher Fold for the Delivery of Specialist Accommodation for Older People Including Those with Long Term Conditions	
Report of	Cabinet Member for Housing Services	

1.0 Summary

- 1.1 Fletcher Fold is a long-term disused Council owned brownfield site, located within a well-established residential area in the Redvales Ward, Bury. The site was previously occupied by Millwood Special School which has since relocated to Radcliffe. The former school buildings were demolished in 2018 and the site is suitable for housing development.
- 1.2 In March 2022, Cabinet approved in principle a proposal for Six Town Housing to redevelop this site for general needs affordable housing, a mix of affordable rent and shared ownership. The proposal was based upon the Council raising development capital of circa £4 million through prudential borrowing (outside of the Housing Revenue Account), creating a lending facility to Six Town Housing (report attached for information).
- 1.3 The proposed course has since been reviewed taking into consideration the factors outlined in section 7 of this report. Therefore, we are presenting to Cabinet a revised proposal for this site which will meet the Council's broader aims.
- 1.4 In August 2022, the Council procured a Registered Provider Partnership Framework, to maximise the delivery of affordable housing including specialist accommodation on Council owned land. The new framework ensures the Council achieves best value for the land, in accordance with the requirements of s123 of the Local Government Act 1972. Six registered providers, including Six Town Housing have been appointed to the framework:
- Six Town Housing
 - Great Places Housing Group
 - Mosscafe St Vincent's
 - Onward Homes
 - Irwell Valley Homes
 - Bolton at Home
- 1.4.1 These providers have a vast amount of experience in developing and delivering high-quality affordable housing in the Borough across a range of tenures, including specialist and supported accommodation.

- 1.5 This report seeks approval to dispose of Fletcher Fold to a registered provider on the framework, for the delivery of a low carbon, specialist affordable housing scheme for older people including those with long term conditions such as a learning disability, subject to procurement regulations, to facilitate delivery of the Housing Strategy and generate savings to the adult social care budget.

2.0 Recommendation(s)

That Cabinet:

- 2.1 Approve the proposals for the disposal and redevelopment of Fletcher Fold as set out within this report, to expedite delivery of the priorities within the Housing Strategy.
- 2.2 Delegate the finalised terms of this disposal to the Council's Section 151 Officer, Head of Legal Services and the Director of Housing, in consultation with the Cabinet Member for Housing Services.

3.0 Reason for recommendation(s)

- 3.1 Facilitate the Councils 'brownfield first' approach to housing delivery and reduce revenue costs for holding, maintaining and securing long-term disused sites.
- 3.2 Delivery of much needed, low carbon affordable homes for older people including those with long-term conditions, to reduce the need for more costly interventions and relieve pressures on housing waiting lists.
- 3.3 Considerable benefits in health and community care with substantial savings on out of Borough placements and the Council's adult social care budget.
- 3.4 Promote innovation and ensure that the Council meets the obligations of the best value requirements of s123 of the Local Government Act 1972.
- 3.5 Retain Brownfield Housing Funding Grant allocated to this site.
- 3.6 Create wider social, environmental and financial benefits including additional council tax revenue and the potential to generate a capital receipt.

4.0 Alternative options considered and rejected

- 4.1 Do nothing: Bury has high levels of need for specialist affordable housing and supply is required in the marketplace immediately. This is a brownfield site suitable for specialist housing in an area of high demand, to do nothing would not be an option.
- 4.2 Market the site: This option has been discounted as an affordable housing scheme for older people would not be delivered by a private developer in the current housebuilding marketplace.
- 4.3 Permit STH to redevelop this site for affordable housing, as per the original proposal set out within the Cabinet report dated 9 March 2022: This option

has been rejected taking account of the factors outlined in section 7. In addition, it would preclude other registered providers on the new framework from having the opportunity to bid to redevelop this site and, prevent the Council from obtaining best value for the land in accordance with the requirements of s123 of the Local Government Act 1972.

5.0 Background

5.1 Fletcher Fold is a 1.8-acre, long-term disused Council owned brownfield site off Fletcher Fold Road/Goshen Road, located within the Redvales Ward in Bury. It was approved by Cabinet for disposal as part of the Council's Accelerated Land Disposal Programme in March 2021. The site is the former location of Millwood Special School which has since re-located to Radcliffe. The original school buildings were demolished in 2018.

5.2 Based on previous assessments, the site has capacity for circa 30 homes depending on the mix of house types.

5.3 GMCA Brownfield Funding Grant

5.3.1 Fletcher Fold was included in a funding application to the Greater Manchester Combined Authority (GMCA) in 2020, to help address viability issues and unlock the site for housing development. The bid was successful and circa



Figure 1: Fletcher Fold Red Edge Plan

£147k Brownfield Housing Grant has been received and expended on the site which is now suitable for redevelopment.

5.3.2 In accordance with the provisions of the funding agreement, the grant must be repaid if the site is not redeveloped by the 31 March 2025. Disposal to a registered provider could mitigate the risk of repaying the grant and reputational damage, providing redevelopment is completed within the agreed timescales. This proposal has the potential to generate a capital receipt, which could be used to offset the grant if redevelopment cannot be achieved within the agreed timescales (4% of any capital receipt would be retained by the Council's Land and Property Service to cover costs, thus enabling future sites to come forward for redevelopment).

6.0 Proposed development

6.1 The Council's integrated commissioners for adult social care consider this site to be suitable for a mixed tenure affordable housing development for older people, including those with additional needs such as a learning disability. Some of these people are currently placed out of the Borough at a high cost to the Council, owing to a lack of suitable accommodation and/or support facilities for them in the Borough.

6.2 The new development would offer a range of modern house types for social/affordable rent (the Council's preference is for social rent where possible) and shared ownership, including bungalows specifically designed for those with mobility issues, to help re-balance the housing stock. Grant subsidy from Homes England would be required to support development costs. Applications are assessed on their ability to contribute towards meeting the Government's ambition to increase home ownership.

6.3 All homes would be multifunctional to accommodate hoists where necessary, wider door frames/space for wheelchair users and walk in shower rooms, all of which can be adapted to suit need at any given time.

6.4 The new homes would be built to 'Future Homes Standards', incorporating low carbon technologies such as solar panels where possible, energy efficient heating systems to reduce fuel bills, natural sustainable drainage and nesting bricks to side elevations to encourage wildlife, offering significant benefits to residents, the Council and the environment.

6.5 This development would help set a standard for which future homes can be built, balancing cost benefits and lifestyles for residents. It would be developed in conjunction with the Council's integrated commissioners for adult social care, to ensure it meets the needs of the client group.

6.6 All properties would be owned and managed by a registered provider but the Council would retain 100% nomination rights to all social/affordable rent homes in perpetuity. Generally, the Council would only be entitled to 100% nomination rights on all first lets and 50% thereafter.

6.7 This proposal has the potential to generate significant savings to the adult social care budget, a minimum of £5k per unit of accommodation for out of Borough placements, plus additional avoidance costs for every year that an

older person continues to live independently in one of the new homes. It will also help prevent older people including those with a learning disability from being placed out of the Borough in the future.

7.0 Housing need and intelligence

- 7.1 The Council is currently facing significant financial challenge alongside an increased demand for services. At present, around £22 million of the adult social care budget is spent on a range of services and support for older people and those with cognitive, physical or sensory care needs (*Cabinet report: Bury Adult Social Care Housing for Adults with Additional Needs 1.06.22*).
- 7.2 There is an increasing shortage of specialist housing for older people in Bury and the number of older people (aged 65 and over) is set to increase significantly by 2030. Approximately one quarter of all households currently living in the Borough are older person households.
- 7.3 A Housing Market Position Statement undertaken in 2021 suggests that Bury needs an additional 114 units of accommodation for older people, together with 39 units for older people with a learning disability between now and 2025.
- 7.4 A key focus of the Housing Strategy is to address the shortfall in housing provision for older people and increase options for specialist groups, to drive better quality outcomes for individuals and enable more people to live independently in the Borough for as long as possible. The proposed development at Fletcher Fold seeks to deliver on this.

8.0 Next steps

- 8.1 A Red Book valuation is being obtained to determine the value of the land.
- 8.2 Senior officers from Housing and the Council's integrated commissioners for adult social care will generate a procurement brief, setting out the Council's requirements and desired outcomes for the redevelopment of Fletcher Fold. Members of the Registered Provider Partnership Framework will be invited to submit bids through The Chest.
- 8.3 Applications from providers will be assessed against a range of performance criteria and quantitative and qualitative assessments, including previous experience and expertise of developing and delivering specialist accommodation. The successful provider will work with the Council to deliver the proposed scheme.
- 8.4 A project plan with risk register, key milestones and timelines will be established to monitor progress, enabling the Council to take control and accelerate delivery.

9.0 Links with the Corporate Priorities:

- 9.1 This proposal contributes towards meeting the Council's priorities across a range of policy areas including increasing the supply of specialist affordable

housing to meet the current and future housing needs of older people including those with a long-term disability.

- 9.2 It sets out plans for the delivery of a housing development on brownfield land and an opportunity to create successful and inclusive neighbourhoods in conjunction with the ambitions of the Bury 2030 Let's do it Strategy.

10.0 Equality Impact and Considerations:

- 10.1 This proposal demonstrates a positive impact on people with protected characteristics. It recognises the specific housing needs of older people including those with long-term conditions and seeks to ensure that there is a mix of tenures and house types across the site to meet the needs of residents.
- 10.2 The redevelopment of this site will result in the regeneration of a run-down area, which will help improve the local environment by reducing opportunity for anti-social behaviour including fly-tipping. The development will also provide much needed affordable homes for the Borough's older generation.

11.0 Environmental Impact and Considerations:

- 11.1 The new homes would be highly sustainable, including the installation of energy efficiency measures to reduce fuel bills and cut carbon emissions.
- 11.2 Nesting bricks to side elevations in shaded areas will encourage wildlife and provide nesting opportunities.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
The scheme doesn't get delivered.	This is unlikely as there is a lot of interest in this site from registered providers that are entitled to grant subsidy from Homes England to support development costs.
The Council fails to achieve best value for the land in accordance with s123 of the Local Government Act 1972	Disposal of the land through the Registered Provider Partnership Framework would ensure that best value is achieved.
The timescales within the brownfield funding agreement are not achieved.	Disposal to a registered provider would mitigate the risk. The recommended option has the potential to generate a capital receipt, which could be used to offset the grant if required.

	The Council will develop a project plan with key milestones and timelines, enabling it to take control and facilitate delivery.
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12.0 Legal Implications:

- 12.1 Approval to dispose of this land was agreed by Cabinet in March 2021. The Council must ensure that it meets the obligations of the best value requirements of s123 of the Local Government Act 1972. Detailed information is set out within this report.
- 12.2 Detailed legal advice will be provided at all stages.

13.0 Financial Implications:

- 13.1 Provision of £4m for the previously agreed scheme was approved as part of the Capital Programme approved by the Council on 23rd February 2022. If the scheme now progresses as proposed this £4m can be released from the capital programme and there is potential for a capital receipt instead.
 - 13.2 This scheme will enable the construction of affordable homes for older people including those with a long-term conditions. The new homes should generate savings to the adult social care budget, a number of savings associated with housing and care are already built into the closing the financial gap work from 2023/24 financial year as part of the medium term financial strategy refresh which was reported to Cabinet in October. There is also a saving from reduced revenue costs for maintaining and securing long-term disused sites.
 - 13.3 Disposal of land usually necessitates the expenditure of fees to support technical due diligence, marketing costs and legal fees. As this proposal will be a direct transaction, cost savings can be assumed with exception to in-house legal fees.
 - 13.4 The development proposals when complete would generate additional council tax revenue and contribute towards housing growth targets.
 - 13.5 The Council would have 100% nomination rights to all social rent/affordable rent properties in perpetuity. This means that these properties would constantly be available to applicants on the Council's housing waiting lists.
 - 13.6 On the basis of compliance with the government's programme and dependent upon the wider delivery of housing supply, the development proposals have the potential to generate New Homes Bonus payments. However, this is reliant upon the Council achieving the minimum threshold for new housing developments.
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Background papers:

Cabinet Report: Proposed Redevelopment of Fletcher Fold Bury 9 March 2022 -

<https://councildecisions.bury.gov.uk/documents/s30437/Proposed%20Redevelopment%20of%20Fletcher%20Fold%20Bury%20to%20Deliver%20Affordable%20Low%20Carbon%20Homes.pdf>

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
The Chest	The Northwest e-portal for procurement where local authorities (and some other public bodies) advertise some of their tenders.
Registered provider	Also known as a housing association.