

<b>Classification:</b> Open	<b>Decision Type:</b> Key
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<b>Report to:</b>	Cabinet	<b>Date:</b> 11 January 2023
<b>Subject:</b>	Proposed Disposal of Townfield’s Close for the delivery of Older Persons Affordable Housing Scheme– Pyramid Park Phase 1	
<b>Report of</b>	Cabinet Member for Housing Services Cabinet Member for Strategic Growth and Skills	

**1.0 Summary**

- 1.1 Townfield’s Close is a disused council owned brownfield site. Located within the Bury East ward, it is less than 500 metres from Bury College. The site is located close to Six Town Housing (STH) and Irwell Valley Housing Association (IVHA) social housing properties. A council owned sheltered housing scheme is located a short walk away. The site is within the Pyramid Park site and is currently vacant. A site map is provided in section 5.3.
  
- 1.2 Whilst Townfield’s Close is currently used informally by residents as an ‘urban park’, the site was transferred as a working public park to the Council’s Property Services team in 2010/11 as part of the wider plans to develop Pyramid Park. The site has recently been added to the Council’s Accelerated Land Disposal Programme (ALDP) and deemed surplus to requirement. In March 2020 Cabinet approved the Townfield’s Close site as part of a suite of ‘First Phase Housing sites’. This is the last remaining site undeveloped from the original programme. Since this time the site has remained undeveloped, is unmaintained and subject to some low level anti-social behaviour. The loss of public open space will be considered at the appropriate time and referenced in Section 12.
  
- 1.3 In line with the Bury Town Centre Masterplan 2021, the area is identified for mix community/intergenerational use and with this in mind, the proposed new development will take access from Townfield’s Close.
  
- 1.4 If approved the development will see pedestrian/cycle/secondary access into the wider Pyramid Park, thus ensuring access to the proposed Interchange and tram/train plans for new and existing residents. The proposed development at Townfield’s Close will be phase 1 of a wider opportunity to enhance biodiversity across the area and create a corridor of green spaces. The development is expected to complement a further phase of family housing (open market and affordable) and aspirational apartment scheme on the wider site, subject to future capital funding.

- 1.5 Bury's Housing Strategy 2021 identified a growing need for suitable housing bespoke for older people. The strategy refers to the need to cater for Bury's active older people aged 60-74 who may be looking to downsize to more manageable homes within reach of a 'sheltered village'. Similarly in the importance of meeting the needs of Bury's more frail older people (75 and over) is referenced including the need for extra care provision within a 'natural community' which the Bury Town Centre Masterplan identifies Pyramid Park as a suitable location for this.
- 1.6 In June 2022, Cabinet approved the Bury Adult Social Care for those with additional needs Vision, Strategy and Market Position Statement for sharing with stakeholders. This vision along with the Let's Do it Strategy advocates the need for people of Bury to be supported to live as independently as possible and when required receive support in the right way, at the right time, in the right place. The ASC vision also identifies this area as a suitable location to deliver the social care outcomes for this customer group.
- 1.7 Townfield's Close is allocated for development in Bury's Unitary Development Plan (UDP) for business / office use, however the proposal for residential development at Pyramid Park comes from the Bury Town Centre Masterplan – Zone H: Southern Gateway.
- 1.8 The proposed use of the site for 100% affordable housing has been directed through a review of housing need, in line with the Council's Housing Strategy, Bury Town Centre Masterplan and overall Corporate Strategy. Given this specific use type, a route to market must be chosen to ensure the Council receives best value for the asset, whilst ensuring a competent party is chosen with capacity, track record and skillset to deliver the housing effectively.
- 1.9 The Council developed a Registered Provider Framework in 2022. Participants within this framework were selected based on a wide range of detailed criteria, covering experience, financial standing, environmental and social value criteria. Use of the framework provides an efficient and statutory compliant route to market for the site, ensuring that competitive tension is maintained in the process and that only pre-approved providers bid for the site. This route to market reduces the risk that a sub-standard development will come forward and that the development will progress in line with the Council's aspirations and housing need/demand in this specific locality.
- 1.10 A RICS red book valuation will be sought at the appropriate time to benchmark bids received via the Registered Provider (RP) framework. The pressing need for older people's housing in the town centre has dictated a need to prioritise the site for 100% affordable use. The council will devise an appropriate disposal methodology to balance the specific needs of the local population against the requirement to deliver a moderate capital receipt for the site.

1.11 It is expected that c.35 properties can be provided on the land subject to site investigations and capacity proving. Given the proposed use as 100% affordable housing scheme, it is not expected to generate a significant capital receipt. However, the proposed procurement exercise will include a requirement to provide a satisfactory receipt to the council.

## **2.0 Overview**

2.1 In November 2022 the council's housing strategy identified Townfield's Close site as a location for a 100% affordable housing scheme for older people, owing to the shortage of high quality town centre provision. The approval sought takes into account the sheltered housing review, which prioritises a nearby sheltered housing scheme within the vicinity of Townfield's Close.

2.2 There is potential for eligible residents of the council's sheltered housing schemes to become direct beneficiaries of the proposed redevelopment, releasing existing sheltered housing sites for further development. This proposal is expected to maximise the wider master-planning opportunities in and around Market Street and the council's car parking strategy.

2.3 A review of the Council's sheltered housing schemes has taken place previously and a proposal will be brought back to Cabinet considering the options for these buildings / sites in due course.

2.4 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 has been competitively tendered and alongside the valuation this will ensure the Council achieves best value for the land, in accordance with the requirements of s123 of the Local Government Act 1972.

2.5 Six registered providers 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

2.6 It is advised that an RP is procured via the above framework to ensure a variety of bids come forwards. A procurement exercise is expected to take up to 6 weeks. The incoming RP would potentially benefit from Homes England grant (subject to need/viability assessment) and this would also determine the tenure mix.

2.7 Prior to the sale of the land taking place, Brownfield Land Release Funding is being sourced to help remediate and unlock access to the wider Pyramid Park and will include Townfield's Close given the interdependency. If this bid is successful the funding will prepare the land for the phase 1 of housing on

Townfields and unlock the wider site for future development. The full terms and conditions of the grant will be reviewed as part of the application process during February/March 2023.

- 2.8 This report seeks approval to dispose of Townfield's Close to a registered provider on the framework, for the delivery of a low carbon, affordable housing scheme for older people (65+), subject to procurement regulations. If approved the development will help facilitate delivery of identified priorities within the Housing Strategy, Housing Vision for social care and assist in progressing a key strategic site in the Town Centre Masterplan.

### **3.0 Recommendation(s)**

That Cabinet;

- 3.1 Approve the proposals for the disposal and redevelopment of Townfield's Close as set out within this report, to expedite delivery of the priorities within the Housing Strategy, Adult Social Care vision for housing and Town Centre Masterplan.
- 3.2 Delegate the finalised terms of this disposal to the Council's Section 151 Officer, Director of Law & Democratic Services and Executive Director of Place in consultation with the Director of Housing and Cabinet Member for Housing Services.

### **Reasons for recommendation(s)**

- 3.3 Facilitate the Councils 'brownfield first' approach to housing delivery and reduce revenue costs for holding, maintaining and securing long-term disused sites.
- 3.4 To facilitate delivery of the Housing Strategy 2021, 'Let's Do It' strategy and Bury's housing vision for ASC, which puts the spotlight on making every decision about care, a decision about housing.
- 3.5 Delivery of much needed, low carbon affordable homes for older people to relieve pressures on housing waiting lists and address shortages of accommodation in the town centre for this demographic group.
- 3.6 Prioritise residents of existing sheltered housing schemes are prioritised as the first beneficiaries (following consultation) and offered the opportunity of improved housing at Townfield's Close.
- 3.7 Unlock nearby underutilised sites for wider integration within master planning activity within the Market St area for further redevelopment.
- 3.8 Support a Phase 1 of a wider Pyramid Park multi-generational living development.

- 3.9 Promote innovation and ensure that the Council meets the obligations of the best value requirements of s123 of the Local Government Act 1972.
- 3.10 Create wider social, environmental and financial benefits including additional council tax revenue.

#### **4.0 Alternative options considered and rejected**

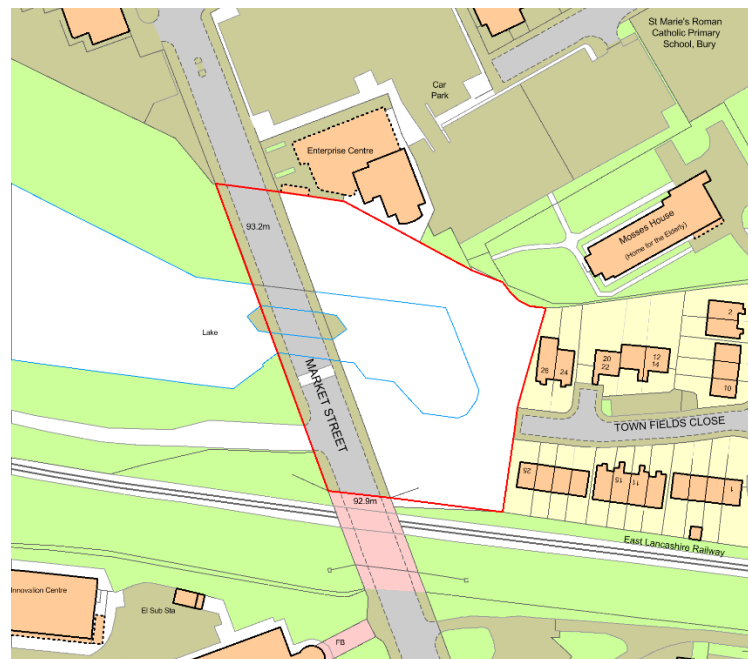
- 4.1 Do nothing: Bury has high levels of need for affordable housing in general and older people specifically and supply is required in the marketplace immediately. This is a brownfield site suitable for housing in an area of high demand, to do nothing would not be an option.
- 4.2 Market the site on the open market: This option has been discounted. Given its location and future use of Pyramid Park, the site has been identified as an appropriate location as an affordable housing scheme for older people, and this model would not be delivered by a private developer in the current housebuilding marketplace.
- 4.3 Direct development of the site in partnership with a Registered Provider (RP). This scenario would require the site to continue to be owned by the Council and managed by the RP. This option would require capital funding from the HRA and would generate revenue income back to the HRA from rents and service charges. This option has been rejected on the basis that it would require the council to contribute capital, take on ongoing maintenance liabilities for the site and provide development management resources.
- 4.4 Develop the site as part of the wider Pyramid Park development. This option was discounted, as the wider site is subject to TfGM interchange and tram/train proposal due to come forward in 2026/27. Whilst Townfield's Close and Pyramid Park can be jointly remediated (in the interim), the housing scheme on Townfields section can be brought forward sooner as the site is unaffected by the interchange and tram/train proposal.

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#### **5.0 Background**

- 5.1 Townfield's Close is a 1.013 -acre, long-term disused Council owned site within the Bury East ward. It is situated close to the college and designated Cultural Zone (Bury Masterplan Zone E) in Bury Town Centre. The scheme will form part of the initial phase of the larger Pyramid Park programme.
- 5.2 The site is situated close to existing social / affordable rented housing managed by Six Town Housing and Irwell Valley, forming a natural conduit between the two and the future development of multigenerational housing at Pyramid Park.
- 5.3 Please see Figure 1 for map of location.

Figure 1



## 6.0 Proposed Development

- 6.1 Based on previous assessments, the site has capacity for circa 35 homes depending on the mix of house types. The new development would offer a range of affordable tenures including social rent, affordable rent/shared ownership in accordance with any applicable Homes England funding which the incoming RP may/may not attract to the scheme. The percentage mix of tenure will be agreed during the procurement stage. It should be noted, the Council's preference is for social rent where possible. The proposed scheme is expected to include single level accommodation to help re-balance the housing stock. Grant subsidy would be required from Homes England to support development costs, subject to a satisfactory development appraisal.
- 6.2 The new homes would be built to 'Future Homes Standards', incorporating low carbon technologies, 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.
- 6.3 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.
- 6.4 The proposal will help to mitigate the risks associated with existing deteriorating sheltered housing stock and improve the living standards and health outcomes of existing eligible residents over the age of 65.

## **7.0 Housing Need & 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.
- 7.2 The Housing Needs and Demand Assessment (HN&DA) for Bury reveals that its population is increasing; from 191,841 in 2020 to 198,241 in 2030; representing a 5.6% increase.
- 7.3 There is estimated to be a marked increase in the number and proportion of older residents in the borough. The number of 65+ residents stood at 35,225 in 2020 but will increase by 5,126 by 2030 (up by 14.6%) and by 8,410 by 2037 (up by 23.9%).
- 7.4 A Housing Market Position Statement undertaken in 2021 suggests that Bury collectively needs an additional 114 units of accommodation for older people. On a more localised level the HN&DA Bury township profile identifies a need of the following types of affordable dwellings:
- one bedroom flats
  - two or three bedroom flats
  - one or two bedroom bungalows
- 7.5 Bury's Let's Do It 2030 Strategy identifies a key housing priority as "Building houses that are homes" with a focus on additional support that enables people to live a healthy / later life.
- 7.6 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.
- 7.7 The proposed disposal at Townfield's Close to develop older peoples housing would deliver a significant element of the identified shortfall and provide a catalyst to housing within the wider Pyramid Park scheme.

## **8.0 Next Steps**

- 8.1 If approved, the council's RP framework will be used as a route to market for the development. Senior officers and key stakeholders will develop a procurement brief, setting out the Council's requirements and desired outcomes for the disposal of Townfield's Close, including future housing mix and tenure. Site investigations will also be undertaken to determine extent of remediation works and suitability of the proposed housing scheme.

- 8.2 The disposal will be managed in a way that;
- enables an increased and improved housing offer for older people (over 65).
  - unlock a further nearby Brownfield site for development as part of a wider master planning exercise in the Market Street area.
  - delivers outcomes in Bury Town Centre Masterplan.
  - Takes into account Brownfield Land Release Funding helping to remediate the land and unlock the wider Pyramid Park site.
- 8.3 Members of the Registered Provider Partnership Framework will be invited to submit bids through The Chest.
- 8.4 Applications will be assessed against a range of performance criteria and quantitative and qualitative assessments, including previous experience and expertise of developing and delivering Older Peoples accommodation. The successful provider will work with the Council to deliver the proposed scheme.
- 8.5 Brownfield Land Release funding will be pursued in tandem to lever in funding to remediate the land and that of the wider pyramid park scheme, subject to a successful funding bid in Spring. Should this be unsuccessful the remediation costs will fall to the incoming RP and thus the development is not dependent on this funding.
- 8.6 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.
- 8.7 Subject to approval, it is anticipated the successful registered provider will commence delivery in 2024 (subject to planning permission being approved).
- 8.8 Consultation will be undertaken with residents at specific sheltered housing schemes, who are expected to be the first tranche of tenants.

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## **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 affordable housing to meet the current and future housing needs of older people.
- 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.

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## **10. 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 and seeks to ensure an affordable rental tenure 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 key location in the town centre, 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.

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## 11. 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.

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### Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
The scheme doesn't attract any bids via the RP Framework.	If there is no interest from members of the framework the Council may, at its discretion, offer the land to other registered providers and house builders who are not members of the framework.
The Council fails to achieve best value for the land in accordance with s123 of the Local Government Act 1972	Disposal of the land in the manner set out in the report would ensure that best value is achieved.

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## 12. Legal Implications:

- 12.1 A full site due diligence exercise is currently being undertaken, the results of which will be fed into the tender exercise.
- 12.2 A public open space notice process will need to be undertaken prior to disposal. The notice pursuant to s123 (2A) of the Local Government Act 1972 will allow Members of the public to object to the disposal of the open land. The Council will give consideration to any objection received to the proposed disposal within 28 days of the publication of the notice.
- 12.3 Approval to dispose of this land has not previously been agreed for this purpose. The Council must ensure that it meets the obligations of the best value requirements of s123 of the Local Government Act 1972 a RCIS Red book valuation will be commissioned to ensure that the Council obtains best

value for the land as set out in the body of the report. Detailed legal advice will be provided at all stages.

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### **13.0 Financial Implications:**

- 13.1 This scheme will enable the construction of affordable homes for older people. The new homes may generate some 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.
- 13.2 The development proposals when complete would generate additional council tax revenue and contribute towards housing growth targets. 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.
- 13.3 The disposal of the land will also generate a capital receipt for the Council. A RICS red book valuation will be sought as part of the procurement exercise to ensure bids from parties on the RP framework are compliant with best value principles.
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### **Appendices:**

*Please list any appended documents.*

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### **Background papers:**

*Please list any background documents to this report and include a hyperlink where possible.*

Progression of five Council owned sites for housing development 25/3/2020 - <https://councildecisions.bury.gov.uk/documents/s20900/First%20Phase%20Housing%20Sites%2025th%20March%202020FINALPart%20A.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 (RP)	Also known as a housing association.
Housing Needs and Demand Assessment (HN&DA)	Data available on Bury's townships
STH	Six Town Housing
IVHA	Irwell Valley Housing Association
UDP	Unitary Development Plan