

Report to: **Hub Committee**

Date: **20th October 2020**

Title: **Project Update: 1-2 Spring Hill, Tavistock, PL19 8LD. Redevelopment of homeless provision**

Portfolio Area: **Homes, Cllr Debo Sellis**

Wards Affected: **Tavistock (ALL Wards)**

Urgent Decision: **N** Approval and clearance obtained: **Y**

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Recommendations:

Hub Committee RECOMMEND that Council:

1. Note the project aims and objectives as detailed in Section 3 of this report.
2. Support the current design direction, as detailed in Section 4 of this report, recognising the opportunities for external funding.
3. Note the draft business case in Exempt Appendix B.

1. Executive summary

- 1.1 The purpose of this report is to provide a project update and to seek support for the stated recommendations.
- 1.2 In 2019 West Devon Borough Council (WDBC) took back possession of 1-2 Spring Hill, Tavistock, following the termination of a long term lease.
- 1.3 The property had been leased to Westward Housing since 1989 to continue to provide accommodation for homeless households nominated by the Council. This was following transfer of the Councils Housing stock to West Devon Homes and the lack of any housing management staff retained in house by the Council.
- 1.4 The property title includes a covenant, benefitting land owned by the NHS, which states that WDBC are not to use or allow to be used any buildings erected on the property for any purpose other than as accommodation for homeless persons.
- 1.5 The properties are deemed not fit for purpose and due to their respective conditions are not fully occupied.
- 1.6 WDBC's vision is for the redevelopment of the site to better align with the councils temporary housing needs.
- 1.7 In December 2019 WDBC appointed Bailey Partnership, following a competitive tendering exercise, to lead the project through the design and planning stages.
- 1.8 The preferred option, subject to securing planning consent, comprises of the existing building being demolished and rebuilt on a larger footprint to provide increased accommodation provision, that better meets the needs of the occupants and environmental standards.
- 1.9 Design development is currently progressing with a planning application programmed for submission during November 2020.

2. Background (1-2 Spring Hill, Tavistock, PL19 8LD)

- 2.1 A site location plan and copy of the title plan and register DN706203 are included within **Appendix A**.



- 2.2 No.1 and 2 Spring Hill are situated towards the southwestern quarter of Tavistock, within the boundaries of the World Heritage Site and Conservation Area, and are a 5 minute walk from the town centre.
- 2.3 The properties form the eastern end of a terrace of residential properties which extend up the western side of the steeply sloping Spring Hill road. Vehicle access is off a sharp bend at the southern end of the site.
- 2.4 The access road is owned by the NHS and leads to the old Tavistock Maternity Hospital. This facility is occupied by Livewell and has most recently been used as training base. There are strategic plans for this facility to be turned into a clinical practise and it is currently facilitating Tavistocks Covid Response.
- 2.5 The properties currently comprise 9 self-contained flats. No 1 Spring Hill (end-terrace) is divided into three one-bedroom flats which are currently occupied on a sub-lease to Young Devon. No 2 Spring Hill (terrace) is divided into two two-bedroom flats and four one-bedroom flats. There is parking for approximately 6 cars within a rear courtyard.
- 2.6 The title register DN706203 includes the following covenant:
- not to use or allow to be used any buildings erected on the property for any purpose other than as accommodation for homeless persons comprising no more than fifteen accommodation units in total.
- 2.7 The covenant benefits land owned by the NHS from whom consent will be sought for any new development. Discussions are

ongoing with NHS representatives who have indicated there will be no objection, subject to final design reviews.

- 2.8 The property is suffering from significant structural defects to the rear elevation and internally the fixtures and fittings are showing wear and tear.
- 2.9 WDBC require the accommodation meets as many needs as possible and can be used flexibly to support as many households as possible. The accommodation size and layout needs to be suitable for this use, particularly the individual needs of homeless families, people fleeing domestic violence, former rough sleepers and people with a physical or mental disability.
- 2.10 The current layout is operationally inefficient to support the facilities intended function. This has been exacerbated through historical building alterations.
- 2.11 With consideration of the structural, dilapidation and condition surveys the standard of living that can currently be provided is not acceptable without significant investment.
- 2.12 For this reason the current project is taking place to review the existing asset and identify a preferred approach that best satisfies the aims and objectives detailed further within Section 3.
- 2.13 Since the original business case was brought to the Hub Committee in January 2019 the project team has undertaken a significant amount of work, including:
 - a. Feasibility Study (2019): undertaken by AECOM to inform the next project stages.
 - b. Condition survey (2019): formed part of the 2019 Feasibility Study.
 - c. Structural, valuation and dilapidation surveys undertaken as part of lease termination.
 - d. Appointment of Bailey Partnership, following a competitive tendering exercise, to lead the project through the design and planning stages.
 - e. Ecological surveys: Two soprano pipistrelles bats were identified during preliminary emergence surveys, undertaken in 2019. As a result further surveys completed in July 2020 to inform the required mitigation works.
 - f. Ground Investigations: site wide boreholes to locate rock levels and inform construction options.
 - g. Intrusive inspections: internal and external to better understand the structural relationship with the adjacent residential property and highway.

- h. Party Wall: appointed Croft Surveyors to carry out Schedule of Condition on adjacent property and to support WDBC through the subsequent Party Wall Act Process.
- i. Consultation, including:
 - a. Planning pre application (2570/19/PRM): Commenced 23rd July 2019 and remains ongoing
 - b. NHS Property Services: important for ensuring covenant amendments
 - c. No.3 Springill
 - d. Homes England: to promote project and identify potential funding streams
 - e. Police Designing out Crime Officer –

- j. Design Development: with works too date focusing on:

- a. Stage 1: Planning and Brief

Develop Project Objectives, including Quality Objectives and Project Outcomes, Sustainability Aspirations, Project Budget, other parameters or constraints and develop Initial Project Brief. Undertake Feasibility Studies and review of Site Information.

- b. Stage 2: Concept Design

Prepare Concept Design, including outline proposals for structural design, building services systems, outline specifications and preliminary Cost Information along with relevant Project Strategies in accordance with Design Programme. Agree alterations to brief and issue Final Project Brief.

- 2.14 Further details regarding the latest project programme are detailed in Section 4 of this report.
- 2.15 Further details concerning the current project expenditure and forecast construction costs are shown in Section 4 of this report.

3. Outcomes/outputs

- 3.1 The Council has a statutory duty to provide temporary accommodation under the Housing Act 1996 (as amended) to households who are, or are at risk of becoming homeless.
- 3.2 Locally our Homeless Strategy seeks to make accommodation available and having good self-contained provision within the borough for households in crisis would assist with the objectives of this strategy.
- 3.3 This function is currently provided through Bed and Breakfast provision, often out of borough, at a considerable expense to the Council. It is also unlawful for families to be accommodated in Bed & Breakfast provision for longer than 6 weeks (other than in an emergency)
- 3.4 Improving the quality of our temporary accommodation provision will positively impact on health & wellbeing and demonstrates the commitment WDBC makes to this priority theme and to homeless people of the borough.
- 3.5 This facility would meet the housing needs of the borough, not just Tavistock.
- 3.6 With consideration of the Council policies and priorities the project vision is to:
 - re-develop the existing site through the design and construction of a modern, safe, purpose built building which provides a flexible layout to accommodate the needs of a range of potential users.
 - significantly improve the quality of the accommodation that they can provide to vulnerable and homeless people.
 - increase the amount of accommodation that can be provided and effectively managed.
 - have energy and healthy living at the design forefront.
 - ensure due consideration is given to Climate Change and Biodiversity aspirations.
- 3.7 To realise this vision WDBC appointed Bailey Partnership in December 2019 to lead the project through the respective design and planning stages, in preparation for a construction tender to be issued.
- 3.8 The preferred option, at this stage, consists of the demolition of the existing facility and construction of a new building, on larger footprint.
- 3.9 The current programme is for a planning application to be submitted in November 2020.

- 3.10 Subject to receipt of planning consent and approval of updated business case, it is anticipated construction could commence towards the middle of 2021.
- 3.11 Success will be measured by a reduction in Bed & Breakfast use; which is unlawful other than in an emergency for families for longer than 6 weeks. Associated cost savings can be focused on homeless prevention work. Furthermore, better quality accommodation will enhance the occupants health and wellbeing and a linked reduction in anti-social behaviour that can be associated with these types of properties.

4. Project Update

A: Project Team

- 4.1 The project is being led by the asset team in close partnership with the housing team who will ultimately be responsible for the management of any new facility.

B: Design Development

- 4.2 Bailey Partnership's Scope of Services is to lead the design and take it through the following recognised Royal Institute of British Architects (RIBA) design stages:
- Stage 1: Planning and Brief
 - Stage 2: Concept Design
 - Stage 3: Developed Design (including planning)
 - Stage 4: Technical Design (including procurement of main Contractor)
- 4.3 The project is currently moving towards completion of Stage 2.
- 4.4 Design development has been supported by the following site assessments:
- **Ground Investigation:** site wide boreholes to locate rock levels and inform construction options.
 - **Ecology:** Two soprano pipistrelles bats were identified during preliminary emergence surveys, undertaken in 2019. As a result further surveys completed in July 2020 to inform the required mitigation works.
 - **Intrusive inspections:** internal and external to better understand the structural relationship with the adjacent residential property and highway.
- 4.5 Design development has evaluated a number of options ranging from retain and restore to total rebuild.
- 4.6 To ensure that any issues are identified and addressed as early as possible Bailey Partnership are currently engaged in the planning pre application process. A pre-application submission, reference 2570/19/PRM, was made on the 23rd July 2020.

C: Preferred Option

- 4.7 The preferred option, subject to planning consent, comprises of the existing building being demolished and rebuilt on a larger footprint to provide increased accommodation provision.
- 4.8 The new building would extend into the rear courtyard resulting in the creation of 12 units, comprising of 1 and 2 beds apartments.
- 4.9 All accommodation would meet the requirements of the nationally described space standards.

- 4.10 The preferred option is currently being refined to ensure that it adequately addresses heritage, parking and waste collection requirements.
- 4.11 There is a possibility that this refinement may result the need to reduce the overall provision from 12 to 11 units.
- 4.12 The preferred layout needs to be signed off by the Project lead before the project can begin to consider external elevations and material finishes.
- 4.13 The preferred layout will impact on the business case, closely related to the number of units to be provided. A draft business case for 12 units is included in **Exempt Appendix B**.

D: Heritage

- 4.14 The property is situated within the boundaries of the World Heritage Site and Conservation Area.
- 4.15 Whilst the building is not listed, applications for the demolition of any 'positive' building in a conservation area need to be assessed in a similar way to applications to demolish a listed building.
- 4.16 A heritage statement has been produced and issued for review as part of pre application process.
- 4.17 Further work will be required to robustly demonstrate that the heritage hierarchy has been followed in reaching the decision that the building is beyond economic repair.
- 4.18 Any design will need to carefully consider options surrounding façade retainment as well as material consideration and betterment.
- 4.19 This will become clearer once the footprint has been signed off and work has commenced on external elevations and material finishes.

E: BREEAM

- 4.20 With consideration of the Council's Climate Change and Biodiversity Emergency the decision has been taken to adopt the principles of BREEAM.
- 4.21 BREEAM is the world's leading sustainability assessment method for master planning projects, infrastructure and buildings. It recognises and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment.
- 4.22 BREEAM does this through third party certification of the assessment of an asset's environmental, social and economic sustainability performance, using standards developed by BREEAM.

F: Consultation

- 4.23 Across Stages 1 and Stage 2 design work has been led by the project team to ensure that the preferred solution best represents operational requirements.
- 4.24 General updates have been provided to provided to Tavistock members, which included a site visit undertaken in October 2019.
- 4.25 Consultation has also taken place with:
- NHS property services
 - immediate neighbours
 - Homes England
 - Police Designing out Crime Officer.
- 4.26 It is envisaged, and accepted, that most project interest is unlikely to surface until work has been completed on developing external elevations and proposed material finishes.
- 4.27 It is therefore proposed, through liaison with portfolio holder, that once this information is available we undertake consultation with the town council, prior to the submission of any planning application.
- 4.28 There are no plans or instructions to undertake a formal public consultation.

G: Project Expenditure and Construction Cost Forecast

- 4.29 Project Capital Expenditure approval is £1,200,000, as detailed within the January 2019 Hub Report, which comprises of:
- £592,300 Public Work Loan Board Borrowing
 - £468,700 S106 Affordable Housing Receipts
 - £139,000 Affordable Housing Budget
- 4.30 The Professional Services Contract with Bailey Partnership (20/21) totals £119,370.
- 4.31 Project expenditure to date is detailed below:

| | | Approved Budget | Expenditure 19/20 | Expenditure 20/21 to date | Total Expenditure to date |
|-------|-----------------------|-----------------|-------------------|---------------------------|---------------------------|
| W8414 | Springhill, Tavistock | 1,200,000 | 29,931 | 13,995 | 43,926 |
| | Total | 1,200,000 | 29,931 | 13,995 | 43,926 |

- 4.32 The most likely business case at this stage, is one based upon 12 new units.
- 4.33 Preliminary construction cost estimates have been produced for a range of scenarios. These cost estimates indicate that the

existing approved expenditure is not sufficient to deliver the preferred option.

- 4.34 A summary of the various preliminary construction cost estimates along with an indicative business case for the preferred option, at this time, is included in **Exempt Appendix B**.
- 4.35 This draft business case will be refined to take into account of the pre-app and other considerations, before being brought back to Council for consideration for approval.
- 4.36 It can be seen from **Exempt Appendix B** that the commercial viability of the scheme remains strong, based on a combination of S106 funding (previously agreed) and borrowing from the Public Works Loan Board (PWLB).

H: Programme

- 4.37 A copy of the latest project programme, as produced by Bailey Partnership is included in **Appendix C**.
- 4.38 The current programme is for a planning application to be submitted in November 2020, which subject to receipt of a successful planning application and approval of business case by Council, could enable construction to commence towards the middle of 2021.

5. Options available and consideration of risk

- 5.1 With the properties deemed unfit for purpose any alternative option will likely require investment beyond the existing capital budget.
- 5.2 The recommendation remains to continue to aim to deliver the preferred option comprising the current building being demolished and replaced with a new building on a larger footprint.
- 5.3 With consideration of the potential financial shortfalls, as outlined within **Exempt Appendix B**, the project team is already actively championing the project for external funding through Homes England.
- 5.4 Whilst it is firmly believed this project will be able to gain an external funding contribution this cannot be guaranteed. Therefore, a revised business case will be finalised for consideration by Hub and Council.

6. Proposed Way Forward

- 6.1 The recommendation remains for the Hub to support the project team working to secure delivery of the preferred scheme, and for the associated pre application process to be continued.
- 6.2 The preferred option is deemed to provide the best whole life cycle cost and alignment with project objectives and council priorities.

7. Implications

| Implications | Relevant to proposals Y/N | Details and proposed measures to address |
|--|---------------------------|--|
| Legal/Governance | Y | <p>Whilst not a direct impact of this report the project as a whole will support the Council's statutory duty to provide temporary accommodation under the Housing Act 1996 (as amended) to households who are, or are at risk of becoming homeless.</p> <p>Appendix B is exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972 because it contains details of prospective construction costs and potential income. Such information is therefore information relating to the financial affairs of the Council which in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p> |
| Financial implications to include reference to value for money | Y | Whilst not a direct impact of this report the project cost estimates, as provided within Exempt Appendix B, demonstrate the need for further funding (grant or borrowing) to support delivery of the preferred option. |
| Risk | Y | Risks continue to be managed as part of ongoing Project Management role |
| Supporting Corporate Strategy | Y | Homes and Wellbeing Themes |
| Climate Change - Carbon / Biodiversity Impact | Y | The project vision includes requirement to have energy and healthy living at the design forefront and to address the Climate Change and Biodiversity aspirations. |
| Comprehensive Impact Assessment Implications | | |
| Equality and Diversity | Y | <p>Improving the quality of our temporary accommodation provision will positively impact on health & wellbeing and demonstrates the commitment WDBC makes to this priority theme and to homeless people of the borough.</p> <p>It is also envisaged that better quality accommodation will result in less anti-social behaviour and the energy efficiency of the new provision will also contribute to health and wellbeing.</p> |
| Safeguarding | Y | |
| Community Safety, Crime and Disorder | Y | |
| Health, Safety and Wellbeing | Y | |

| | | |
|--------------------|---|-----|
| Other implications | N | N/A |
|--------------------|---|-----|

Supporting Information

Appendices:

Appendix A – Site Location Plan and copy of the title plan and register

Exempt Appendix B – Construction Cost Estimates and Draft Business Case

Appendix C - Programme

Background Papers:

January 2019 Hub Report

Approval and clearance of report

| Process checklist | Completed |
|---|------------------|
| Portfolio Holder briefed/sign off | Yes/No |
| SLT Rep briefed/sign off | Yes/No |
| Relevant Heads of Practice sign off (draft) | Yes/No |
| Data protection issues considered | Yes |
| Accessibility checked | Yes |