

Report to: **Hub Committee**

Date: **8th June 2021**

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

Portfolio Area: **Housing**

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

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

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RECOMMENDATION:

That the Hub Committee:

- 1. note the Planning Pre-Application advice (2570/19/PRM) in Appendix D;**
- 2. note the project finances set out in Section 6 and that the business case, as presented at Hub Committee on 20th October 2020 (Minute Reference HC29), will be finalised following the granting of a planning consent. The business case will be presented to both the Hub Committee and Council for financial approval at an appropriate time; and**
- 3. authorise the Head of Assets to submit a full planning application for the preferred design as follows:**
 - Demolition of existing building & rebuild on larger footprint.**
 - Creation of 11 self-contained apartments with a mix of range of 1 and 2 bedroom units to maximise flexibility for users.**
 - Inclusion of a ground floor staff office and bin store to provide more effective management options.**
 - Generation of a rear courtyard to provide safe outdoor space for residents**

1. Executive summary

- 1.1 Further to the Springhill – Redevelopment of Homelessness Provision Report presented on Tuesday 20th October 2020 (Minute Reference HC29), this report provides a project update to West Devon Borough Council (WDBC) Hub Committee and seeks support for the stated recommendations.
- 1.2 The use of the Springhill building is restricted by a covenant which requires use for the housing of homeless persons.
- 1.3 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. Section 2 of this report details the housing need that will be addressed by this development.
- 1.4 With consideration of the Council policies and corporate priorities, the project vision is to redevelop the existing site through the design and construction of a modern, safe, purpose built building with a flexible layout to accommodate the needs of a range of potential users.
- 1.5 The project and the recommended approach, represents the Councils ambition and commitment to providing the highest quality homeless accommodation provision possible at this site for the district.
- 1.6 In December 2019, following a competitive tendering exercise, WDBC appointed Bailey Partnership to assist in realising this vision and leading the project through the various stages.
- 1.7 Following extensive feasibility studies and engagement with both the planning authority and WDBC's Housing team, the preferred and recommended option is to demolish the existing building, with a partial reuse of the existing material in the construction of a new building on a larger footprint.
- 1.8 The proposed building will create 11 self-contained apartments, in a mix of 1 and 2 bedroom units, for the accommodation of homeless persons, families, young people entering the care system and those with additional support needs.
- 1.9 Planning pre application advice, entered 23rd July 2019 (2570/19/PRM), has indicated that the principle of demolition and reconstruction is considered acceptable.
- 1.10 The adjacent building, No.3 Springhill, was acquired in April 2021 in accordance with the decision of the West Devon Borough Council's Invest To Earn committee meeting held 2nd October 2020.
- 1.11 Subject to the Hub Committee supporting the recommendations, the project delivery team are now in a position to submit a formal planning application and thereafter, continue the detailed design.

2. Temporary Accommodation Housing Need

This section outlines the current challenges faced by the Council in providing high quality homeless accommodation in accordance with its statutory duty and the opportunity to address this through the provision of the highest quality homeless accommodation possible at the Spring Hill site.

- 2.1 Members in both the adopted Housing Strategy & Homeless Strategy have already committed to *“redevelop the existing housing provision in West Devon to ensure good quality accommodation for people when they need it most”*
- 2.2 Local Housing Authorities in England have a statutory duty to secure accommodation for all households considered to be in priority need and unintentionally homeless under part 7 of the Housing Act 1996 (as amended). The length of stay in emergency housing will depend upon the outcome of the inquiries made into the application.
- 2.3 The range of housing need the authority encounters is broad and includes the need for provision for families, young people leaving the care system and single homeless persons with additional support needs; as well as those requiring adaptations to meet their physical requirements.
- 2.4 The current Springhill building does not lend itself to this mixed use. It is essential that we are able to access a range of accommodation options to ensure the health and wellbeing of homeless households is safeguarded.
- 2.5 The temporary accommodation function is currently provided through Bed and Breakfasts, hotels and holiday accommodation, often out of borough, causing much disruption to people’s lives and at a considerable expense to the public purse.
- 2.6 The demand for temporary accommodation is currently on the rise, a trend likely to continue. The housing team report an increase of presentations at the point of crisis, a stage when it is very difficult to then prevent the need for temporary accommodation.
- 2.7 As a result of the Covid-19 pandemic, there has been a rise in demand for private rental properties due to reduced supply, as landlords sell rental properties to take advantage of the stamp duty holiday and subsequent high demand and increased house prices. Higher rents in excess of the Local Housing Allowance in the private sector also further restrict the numbers of properties available to people on lower incomes.

April snapshot of temporary accommodation in West Devon

	April 20	April 21	Difference
Average households in accom across the month	6.7	11.5	71.6% increase
Households placed into temp during the month	1	9	900% increase
Total nights in temp in month	201	345	71.6% increase
Snapshot at end of month	4	13	225% increase

- 2.8 Improving the quality of our temporary accommodation provision with a purpose built facility specifically to meet the needs of homeless people, will positively impact on health and wellbeing and contribute positively to the Councils corporate priorities.
- 2.9 Any new development needs to maximise the space available whilst providing high quality, affordable and therapeutic housing to three key groups of households;
- Single homeless with additional support needs;
 - Young people and care leavers requiring safe supported move on accommodation and
 - Families.
- 2.10 These needs are not met by the existing provision and rarely able to be met in alternative temporary accommodation in the local area, often necessitating the need to move far away from a person's support network at the time they need it the most.
- 2.11 Each of these household types have their own unique needs and vulnerabilities which need to be taken into account when considering provision.

Temporary Housing Statistics and Future Trends

- 2.12 The importance of this scheme and the significant public benefits that it will bring can be seen by the statistics presented below:

Year	No. of singles placed	Average length of stay	No. of Families placed	Average Length of stay
2018 - 19	12	52 days	12	94 days
2019 - 20	33	59 days	20	65 days
2020 - 21	40	41 days	15	66 days

- 2.13 The data above demonstrates the clear need for the proposed new facility at Springhill, which notwithstanding the unpredictability of homelessness (and any peaks we may need to manage), could support the majority of required placements throughout the year. This significantly addresses the reliance on other less appropriate forms of accommodation ensuring WDBC serves its communities in need when they need it the most.

3. Project Background

- 3.1 No 1 & 2 Spring Hill are situated towards the south western quarter of Tavistock, within the World Heritage Site and Conservation Area boundaries, a 5 minute walk from the town centre.
- 3.2 A site location plan is included in **Appendix A** of this report.



- 3.3 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.
- 3.4 The access road is owned by the NHS and leads to the old Tavistock Maternity Hospital. This facility is currently occupied by Livewell and has most recently been used as training base. WDBC understand the NHS have strategic plans for this facility to be a clinical practise, which has been facilitating Tavistock's Covid Response.
- 3.5 The use of the Springhill building is restricted by a covenant which requires use for the housing of homeless persons only.
- 3.6 The title register DN706203, a copy of which is included in **Appendix B** of this report, notes 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.
- 3.7 The covenant benefits land owned by the NHS from whom consent will be sought for any new development.
- 3.8 In 2019, WDBC took back possession of 1-2 Spring Hill, Tavistock following the termination of the long lease.

- 3.9 The property had been let to Westward Housing since 1989 for the provision of 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.
- 3.10 Currently, the properties comprise 9 self-contained flats. No 1 Spring Hill (end terrace) is divided into three one-bedroom flats occupied on a sublease to Young Devon providing move-on accommodation for homeless young people and care leavers. 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.
- 3.11 The current layout is operationally inefficient to support the housing needs identified in Section 2 of this report. This inability has been exacerbated through historic building alterations.
- 3.12 Following extensive investigations, including structural, dilapidation and condition surveys, the standard of living currently provided is not fit for purpose. As a direct consequence of its condition, 7 of the 9 units have remained unoccupied since 2018.
- 3.13 The property is costing the Council £22,600 a year in council tax as well as additional expenditure to address issues such as fly tipping and site security.
- 3.14 With consideration of the Council policies and priorities the project vision has been to:
- Redevelop 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 the Council can provide to vulnerable and homeless people.
 - Increase the amount of accommodation to be provided and effectively managed
 - Have greener energy and healthy living at the design forefront.
 - Ensure due consideration is given to Climate Change and Biodiversity aspirations.

4. Project Development Update

This section provides details of the project development which has taken place since the project was presented to the West Devon Borough Council (WDBC) Hub Committee on Tuesday 20th October 2020 (Minute Reference HC29). Details of proceeding works activities can be found in Section 4 of the previous Hub report.

A: Planning

- 4.1 Formal Pre Application process commenced on 23rd July 2019 (2570/19/PRM)
- 4.2 Engagement in the pre application process has continued throughout the project development.
- 4.3 A copy of the Pre Application advice, as received on 12th May 2021, is included in **Appendix D** of this report.
- 4.4 From the advice it can be seen that:
 - The principle of demolition and reconstruction, with material salvage is considered acceptable.
 - Options concerning retention, refurbishment, adaption, total and partial demolition and materials reuse have been adequately explored and presented and the work undertaken to demonstrate compliance with the Heritage Hierarchy has satisfied planning and heritage specialists.
 - Positive responses have been received from stakeholders, highways and ecology.
 - Any outstanding comments are deemed either resolvable prior to planning or can be dealt with via an appropriate planning condition.
- 4.5 This advice further supports proceeding with the stated recommendations.

B: Design Development

- 4.6 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)
- 4.7 The recommendation to proceed with the preferred design which requires demolition of the existing building is made as it delivers

the highest quality homeless accommodation provision for the district.

- 4.8 The design development has been an iterative process with a number of different approaches and layouts evaluated. The current design represents the development option with the best outcome against the Council's Policies and Visions as well as the specific Objectives set by WDBC's housing team who will be responsible for managing and operating the new facility.
- 4.9 With consideration of the Council's Climate Change and Biodiversity Emergency the decision has been taken to adopt the principles of BREEAM. Refer to Section E of this section for further information.
- 4.10 Design development has progressed towards the completion of RIBA Stage 3, with the exception of the final planning submission which this report seeks approval for proceeding with.

C: Heritage

- 4.11 The existing property is not a designated heritage asset but is located within the Conservation Area and World Heritage Site.
- 4.12 A Heritage Statement and Options Development have been submitted and reviewed as part of the planning pre application, as acknowledged with the associated feedback (Appendix D).
- 4.13 The recommendation to demolish the existing is not to reduce construction costs but instead to enable WDBC to deliver a vital service to a standard which adequately considers the health and wellbeing and security of its ends users. These project outcomes cannot be delivered by the existing facility if remediation work only is undertaken.
- 4.14 Heritage consideration have remained at the design forefront. Proposals seek to sustain the local character without having an unacceptable detrimental impact on the Conservation Area and World Heritage Site.
- 4.15 The preferred design is considered to be in keeping with the local architecture and surroundings.
- 4.16 Any outstanding comments will be reviewed and addressed appropriately prior to planning submission.
- 4.17 Liaison with the Heritage officer will continue to take place as details are further developed.

D: BREEAM

- 4.18 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.

- 4.19 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.
- 4.20 The BREEAM process is being managed by a sustainability consultant who is an integral member of the project team. This enables WDBC to manage and mitigate risk through demonstrating sustainability performance during planning, design, construction, operation or refurbishment, helping to lower running costs, maximise returns through market value and attract and retain tenants with desirable places to live and work.
- 4.21 A copy of the current BREEAM credit tracker is included in **Appendix E** of this report.
- 4.22 The credit tracker provides an insight into the types of items which need to be addressed and the points that we have been advised are achievable for this type of scheme.
- 4.23 It can be seen that at present our aspiration is to try and obtain an "Excellent" rating which would be a great achievement.
- 4.24 This adoption of BREEAM will enable us to review its suitability and effectiveness throughout the project and enable lessons learned to be applied across the project delivery programme.

E: Consultation

- 4.25 The primary objectives of design development during RIBA Stages 1 (Planning and Brief) and 2 (Concept Design) has been to better understand the existing site and planning constraints. This has enabled the identification of a the preferred design solution which provides the best operational position, aligns with the Councils policies, vision and also satisfies the specific objectives of the housing team in terms of housing needs, asset management and operation.
- 4.26 General updates have been provided to Tavistock members, with a site visit also being undertaken in October 2019.
- 4.27 Since the last reporting period the design development has progressed in accordance with the recommendations made as part of the October 2020 Hub Committee report, namely proceeding without a formal public consultation through this part of project development.
- 4.28 However, as part of this design stage the project team has continued engagement with a number of the parties referenced within the October 2020 Hub Committee report, including:
- Planning Authority (pre application)
 - NHS Property Services (covenant beneficiary)
 - Devon County Council (highways)

- Homes England (surrounding any external funding opportunities)
- 4.29 Consultation with these parties has been crucial in being able to identify an operationally acceptable and viable scheme.
- 4.30 The planning process will provide an opportunity for the community and wider stakeholder groups to comment on the proposals.
- 4.31 Further consultation may include:
- Providing a further project update to Tavistock Town Council and other interested stakeholders
 - Delivering letters to the residential properties and businesses in the immediate vicinity advising them of the project and the proposed planning application date

G: Purchase of No.3 Spring Hill

- 4.32 On 2nd October 2020 the WDBC Invest To Earn Committee resolved to purchase No.3 Spring Hill for £157,000 plus costs.
- 4.33 No.3 Spring Hill forms part of the terrace of residential properties which extend up the western side of Spring Hill road and adjoins No.2 Spring Hill



- 4.34 The purchase was completed on 8th April 2021.

4.35 In both the short and long term the property will help to further deliver against the councils adopted Housing strategy. In future the Council can utilise this accommodation for people with a specific need or if required additional homeless provision.

H: Procurement

4.36 The next project stage will be identifying the most appropriate procurement strategy.

4.37 The preferred strategy, at this time, is to procure the works as a traditional construction tender rather than using an existing framework.

4.38 This approach acknowledges the level of design already undertaken by adopting the RIBA stages and the level of knowledge already acquired by the project team.

4.39 This approach would enable WDBC to retain the design risk pot and manage the contract accordingly.

4.40 To ensure design continuity, the proposal would be to retain the services of the current Principal Designer, subject to fee proposal.

4.41 This would consist of a two part process, firstly to consider quality elements to identify a suitable contractor shortlist, followed by a competitive cost tender process.

4.42 The quality assessment will take place in tandem with any planning submission.

4.43 The competitive cost tender will take place following receipt of a planning consent.

I: Construction Mitigation

4.44 It is envisaged, that any concerns raised during the planning consultation process are likely to focus upon heritage and construction disruption.

4.45 Whilst it is acknowledged the construction will result in some short term disruption, detailed discussions surrounding potential mitigation measures cannot take place until a contractor has been appointed.

4.46 Concerns around noise, dust and traffic management are often addressed through the planning process through a required Construction and Environmental Management Plan.

5. Preferred Design

- 5.1 A selection of plans and elevations are included in **Appendix C** of this report.
- 5.2 The preferred and recommended scheme, which remains subject to gaining planning consent, will comprise:
- Demolition of existing building to be rebuilt on a larger footprint.
 - Creation of 11 self contained apartments with a mix of range of 1 and 2 bedroom units to maximise flexibility.
 - a. 2 No.1 bedroom 1 person (36m²): In location of current Young Devon
 - b. 3 No. 1 bedroom 2/3 person (50m²): All contained within rear tenement.
 - c. 3 No. 2 bedroom 3 / 4 person units (65m²)
 - d. 3 No. 2 bedroom 4/5 person units (70m²)
 - Inclusion of a ground floor staff office and bin store to provide more effective management options.
 - Generation of a rear courtyard to provide safe outdoor space for residents.
- 5.3 All accommodation will meet the requirements of the nationally described space standards.
- 5.4 The preferred design option encompasses the needs of all three customer groups identified within the housing need analysis (Section 2).
- 5.5 The design specifically addresses the need for appropriate separation of household to minimise Anti-Social Behaviour and safeguarding concerns. By creating three distinct blocks, each with a separate entrance and accommodation type, it is possible to provide safe, secure accommodation which meets the needs of each customer group.
- 5.6 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.
- 5.7 The facility will be managed and operated directly by WDBC's housing team.
- 5.8 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.
- 5.9 Associated cost savings can be focused on homeless prevention work.

6. Project Finances and Programme

- 6.1 The project business case was presented at Hub Committee on 20th October 2020 (Minute Reference HC29).
- 6.2 The construction cost estimates, presented within Exempt Appendix B of the October 2020 Hub report, indicated that the existing approved expenditure is not sufficient to deliver the preferred option.
- 6.3 The construction costs estimates, as presented within Exempt Appendix B of the October 2020 Hub report, have not changed significantly.
- 6.4 Project expenditure of £139,873 has been spent to date. This expenditure has been funded by the S106 Affordable Housing Receipts and has comprised external consultancy support (Bailey Partnership) and site investigations to support the design development.
- 6.5 The project viability remains strong with project returns determined based upon consideration of the following elements:
 - **Income Rental West Devon Managed:** The housing benefit that we are able to claim is limited to the Local Housing Allowance Rates.
 - **Cost Avoidance:** The difference between the total payment the Local Authority must pay to the B&B provider and the maximum that can be reclaimed through the Local Housing Allowance Rate.
 - **Income Rental income leased properties (Young Devon units):** Three flats in Springhill are leased to Young Devon and it is envisaged this arrangement will be retained for any new facility.
- 6.6 As per the recommendations, it is proposed the business case is developed following the granting of planning consent, which remains subject to the normal planning process.
- 6.7 This project milestone will enable the construction estimates to be reviewed and a full business case developed, with consideration of:
 - Procurement strategy
 - Required external delivery support & internal project management resource.
 - Risk; to acknowledge any project abnormal's and provide the project team with the ability to appropriately manage the contract and to ultimately deliver the works on programme, construction price and expected quality.

- The challenging times that we are currently in, specifically surrounding BREXIT and COVID both of which are difficult to quantify at this time.
 - Financial strategy; with ongoing consideration of external funding opportunities and variations in the Public Work Loan Board rates (PWLB).
- 6.8 The full business case will be brought to both Hub Committee and Council for financial approval following receipt of tender submissions.
- 6.9 Development of a robust business case, brought for consideration at the most appropriate time, will help to increase cost certainty and therefore mitigate the risk of having to return to Hub and Council during the build for more money.
- 6.10 The key project milestones are as follows:

Milestone	Date
Hub Committee	8 th June 2021
Planning Application (Submission)	2 nd July 2021
WD DM Committee (Target)	12 th October 2021
Tender Issue	22 nd October 2022
Contract Award	7 th January 2022
Construction Period (Provisional)	15 – 18 months

- 6.11 An indicative project programme is included in **Appendix F** of this report.
- 6.12 It can be seen that this programme is based upon the planning application being submitted on 2nd July 2021 which is subject to Recommendation No.3 being agreed.

7. Options available and consideration of risk

7.1 With consideration of the information presented within this report and the options available to the Hub Committee are as follows:

Option 1: Do Not Proceed (NOT RECOMMENDED)

7.2 The decision could be taken by the Hub Committee not to support the submission of a full planning application.

7.3 This decision would need take into account the following:

- The significant work that has been undertaken over the last few years to try and identify the best option to address the housing needs.
- That the preferred design is deemed to represent the development option that will provide the best outcome against the Councils policies and visions and the specific objectives set by members in both the Housing Strategy and the Homeless Strategy.
- This option would leave the Council with the liability of a building that was not fit for purpose, with a restrictive covenant prohibiting alternative use and the requirement to use other less appropriate means of temporary accommodation for our homeless residents.

7.4 With the properties deemed unfit for purpose any alternative option will likely require significant investment and below standard accommodation provision.

Option 2: Proceed with Planning Application for Preferred Option (RECOMMENDED OPTION)

7.5 The decision could be taken by the Hub Committee to support the submission of a full planning application.

7.6 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.

8. Proposed Way Forward

- 8.1 Subject to Hub Committee support to the recommendations, the project delivery team will proceed with the detailed design, submission of necessary planning application and preparation of tender documents.
- 8.2 Further to satisfactory completion of these activities, the full business case will be brought to both Hub Committee and Council for financial approval following receipt of tender submissions. This will detail project viability and confirmed borrowing mechanisms.

9. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	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 to households who are, or are at risk of becoming homeless.
Financial implications to include reference to value for money	Y	<p>The project business case was presented at Hub Committee on 20th October 2020 (Minute Reference HC29).</p> <p>Project expenditure of £139,873 has been spent to date. This expenditure has been funded by the S106 Affordable Housing and has comprised external consultancy support (Bailey Partnership) and site investigations to support the design development.</p> <p>The full business case will be brought to both Hub Committee and Council for financial approval following receipt of tender submissions.</p>
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</p>
Safeguarding	Y	
Community Safety, Crime and Disorder	Y	
Health, Safety and Wellbeing	Y	

		provision will also contribute to health and wellbeing.
Other implications	N	N/A

Supporting Information

Appendices:

- Appendix A** – Site Location Plan
- Appendix B** – Title plan and register
- Appendix C** – Preferred Scheme Plans and Elevations
- Appendix D** – Planning Pre Application Advice
- Appendix E** – BREEAM Credit Tracker
- Appendix F** – Project Programme

Background Papers:

January 2019 Hub Report

October 2020 Hub Report