

**Forward Plan reference number: FP/530/09/19**

<b>Report title:</b> Land for Housing Development in Colchester	
<b>Report to:</b> Councillor Tony Ball, Cabinet Member for Economic Development	
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<b>Date:</b> 06/01/21	<b>For:</b> Decision
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<b>County Divisions affected:</b> Colchester, West	

**1. Purpose of report**

- 1.1. This paper seeks approval to draw down funding from the Essex Housing Capital Programme and the Transformation Reserve to progress an Independent Living Scheme for Older People at the former Lexden Spring School, Halstead Road, Colchester (the Site) to outline planning (the Project).
- 1.2. This paper seeks approval to secure outline planning permission for an Independent Living scheme for Older People (ILOP) comprising of 60 affordable units.
- 1.3. A further report will be presented to seek permission to go to the market to procure a developer/provider once outline planning permission has been secured.

**2. Recommendations**

- 2.1. To approve expenditure of £337,375 capital to cover external costs to cover due diligence, detailed design, and planning.
- 2.2. To approve the capital expenditure above (2.1) being profiled as:
  - (i) £82,648 in 2020/21;
  - (ii) £228,972 in 2021/22;
  - (iii) £11,038 in 2022/23,
  - (iv) £11,038 in 2023/24; and
  - (v) £3,679 in 2024/25

all to be fully funded from the existing Essex Housing capital programme.
- 2.3. To approve revenue expenditure of £10,500 to cover Essex County Council's internal costs being profiled as:
  - (i) £1,864 in 2020/21;
  - (ii) £5,886 in 2021/22;
  - (iii) £1,179 in 2022/23;

- (iv) £1,179 in 2023/24; and
- (v) £393 in 2024/25

and all to be drawn down from the Transformation Reserve.

- 2.4. To note that £22,996 of this capital and £2,456 of this revenue is for development management and oversight of the construction phase led by the developer/provider. Therefore, this funding will only be committed in the event that the decision is taken to appoint a developer/provider to build out and operate the scheme.
- 2.5. To authorise the Development Operations Manager of Essex Housing to undertake the appropriate procurement exercise (in accordance with the Council's Procurement Policies and Scheme of Financial Delegation) to appoint external experts to achieve outline planning permission; including detailed design works.

### **3. Background and proposal**

- 3.1. The Site is 1.398 hectares in size, is located in Colchester and was previously the site of a school which moved to a new site in September 2019. The site is therefore surplus to requirements.
- 3.2. The Council has been considering development opportunities for the Site. The proposal is for the Site to be used for 60 affordable ILOP units which are much needed in the area. The Council's Organisation Strategy 2017-2021 commits the Council to enable more vulnerable adults to live independently of social care and to make sure there are high quality solutions available.
- 3.3. The following activities have taken place to date:
  - (i) Stanley Bragg Architects have given professional advice and guidance including undertaking capacity studies of the Site;
  - (ii) Potter Raper have provided build costs;
  - (iii) Strutt and Parker have provided a planning appraisal; and
  - (iv) A range of other due diligence work has also already been undertaken.
- 3.4. This initial feasibility work has been undertaken through external funding secured by Essex Housing via the Government's One Public Estate programme.
- 3.5. Additional due diligence and site preparation activity will now be undertaken including more detailed design work and preparing the outline planning application. The procurement of external expertise will be undertaken in accordance with ECC's Procurement Policy. Appointments will be made by the Development Operations Manager allocated to the scheme or equivalent in accordance with ECC's Financial Delegations.
- 3.6. Following the approval of planning permission, the Council will undertake procurement process in accordance with the Public Contracts Regulation 2015

and the Council's internal procurement policies to appoint an independent living developer/provider to develop the Site, based on the planning consent secured by Essex Housing. The decision to go out to the market to procure a developer/provider, is out of scope of this decision and will be subject to a further decision from the relevant Cabinet Member.

- 3.8 The Council's Essex Housing team will manage the Project. The key milestones are as follows:

Milestone Description	Target Date
Design team appointed/design work commences	February 2021
Design complete and outline planning application submitted	August 2021
Planning permission secured (including s106 negotiations)	January 2022

#### 4. Options

- 4.1. The following options have been considered in detail:
- 4.2. **Option 1 (recommended option)** – Essex Housing to secure outline planning permission for 60 affordable ILOP units to help meet local need. This option is recommended as it supports ECC strategic aims, addresses demand and historic market failure.
- 4.3. **Option 2** – Essex Housing to secure full planning permission for 60 affordable ILOP units to help meet local need and for the Council to procure a developer/provider to develop and run the scheme. This is not recommended as it results in greater costs for no greater return.
- 4.4. **Option 3** – Essex Housing to secure planning permission for 31 general needs units (24 private and 7 affordable), to be developed by Essex Housing and sold to generate capital receipts. This is not recommended as this site is ideal for an ILOP scheme and building this site out for general needs housing would mean the Council misses the opportunity to help address specialist housing need in this area.
- 4.5. **Option 4** – to dispose of the site. This is not recommended as it would mean that specialist housing needs are not met in the area and the opportunity to generate greater capital receipts by developing out the site (Option 3) are also lost.

#### 5. Next Steps

- 5.1 Essex Housing will continue to work on the Site and progress the design to the point of submitting an outline planning application to Colchester Borough Council. Once planning has been obtained, a further report will be presented at the relevant decision making level to seek authority to procure a developer/provider to develop and operate the scheme. This procurement will seek a contribution towards the land value for the site (capital receipt to ECC).

#### 6. Consideration of Implications

## **6.1. Financial Implications**

- 6.1.1. £337,375 of capital will be drawn down from the existing Essex Housing capital programme allocation and £10,500 revenue will be drawn down from the Transformation Reserve to cover Essex County Council (ECC) internal costs as outlined in section 2 of this report.
- 6.1.2. ECC will retain nomination rights into the units, following completion by the developer/provider, resulting in revenue benefits to Adult Social Care.
- 6.1.3. ECC would also seek to secure a capital receipt for the land from the appointed developer/provider through the procurement process. This procurement process is expected to complete in March 2022.

## **6.2 Legal Implications**

- 6.2.1 ECC has the power under the Local Government Act 1972 to acquire land and power under the Local Authorities (Land) Act 1963 to develop land for the improvement or development of its area. The aim of this scheme relate principally to ensuring that housing is available to meet the needs of Essex residents.
- 6.2.2 Any future building, management or care services contract will need to be procured in accordance with the Public Contracts Regulations 2015, and will be part of a future decision by the Cabinet Member once planning approval has been obtained.

## **7. Equality and Diversity implications**

- 7.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when ECC makes decisions it must have regard to the need to:
  - (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 7.3 An initial equality impact assessment carried out on 18/11/19, indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic and a section 2 Equality Impact Assessment is not considered necessary.

**8. List of Appendices**

8.1 Equality Impact Assessment

**9. List of background papers**

9.1 None

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>	<b>Date</b>
<b>Councillor Tony Ball, Cabinet Member for Economic Development</b>	06/01/21

**In consultation with:**

<b>Role</b>	<b>Date</b>
<b>Executive Director for Corporate and Customer Services (S151 Officer)</b> <b>Stephanie Mitchener</b> on behalf of <b>Nicole Wood</b>	21/12/2020
<b>Monitoring Officer</b> <b>Laura Edwards</b> on behalf of <b>Paul Turner</b>	04/12/2019