

**TO: EXECUTIVE MEMBER ADULT SERVICES, HEALTH & HOUSING
EXECUTIVE MEMBER TRANSFORMATION AND FINANCE
11TH SEPTEMBER 2017**

**DISPOSAL OF THE LODGE TO PROVIDE ACCOMODATION FOR PEOPLE WITH
LEARNING DISABILITIES**

Director of Adult Social Care, Health & Housing

1 PURPOSE OF REPORT

- 1.1 The purpose of the report is to seek consideration of disposal of the Lodge to a registered provider(RP) to provide accommodation for people with learning disabilities following the results of a recent tender exercise.

2 RECOMMENDATION

- 2.1 **That the Executive Member Transformation and Finance is asked to agree:**

Disposal of the Lodge to Places for People based on their submission but subject to satisfactory planning permission.

- 2.2. **That the Executive member Adult social care health and Housing is asked to agree**

To enter into a nominations agreement with Places for People subject to provision of accommodation for people with learning disabilities on the Lodge site.

3 REASONS FOR RECOMMENDATION

- 3.1 The Executive at its meeting on the 9th May 2017 agreed to go to tender to seek proposals from Registered Providers (RP) to develop the Council owned site the Lodge to provide accommodation for people with learning disabilities. The development of accommodation will generate significant revenue savings in support costs for people with learning disabilities as set out in the previous report to Executive. This reports sets you the responses received and recommends the winning tender response.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Council could decide not to accept the proposals to develop the Lodge site to provide accommodation for people with learning disabilities. However, that would mean the loss of specialist accommodation for people with learning disabilities developed on a cost effective basis and such is not recommended.

5 SUPPORTING INFORMATION

5.1. The Lodge, Stoney Road, Priestwood is a council-owned detached house currently used to house homeless households. It was purchased from Bracknell Forest Homes in 2015 for £300,000.

5.2. The Executive on 9 May considered a report on the redevelopment of the site and agreed:

- (i) To develop the Lodge site to provide bespoke new build accommodation for a minimum of 10 residents with a learning disability in accordance with the specified accommodation needs;
- (ii) To seek offers from registered social landlords to undertake the development and provide nominations agreement;
- (iii) To exchange contracts and complete sale of the site subject to grant of detailed planning permission;
- (iv) Details of the terms of disposal to be delegated to the Chief Officer: Property, Chief Officer: Housing, and Executive Members for Transformation and Finance and Adult Social care health and housing.

5.3. Marketing details about the land disposal, proposed redevelopment and accommodation specification were sent to 7 RPs. It was made clear that the care and support tender relating to the LD residents would be a separate and subsequent process but that any RP offering on the land/build tender would also be permitted to make offer on the care and support tender if it so wished. 2 offers were received from Places for People (P4P) and Look Ahead summarised as follows:

RP	Land offer	BFC Grant Required	Build cost/m2	Proposal
Places for People	200,000	0	2512	11 bedrooms/flats for LD + 2 for carers. 3 parking spaces.
Look Ahead	0	1,330,000	2257	14 bedrooms/flats for LD + 2 for carers. 6 parking spaces.

The proposal from Places for People has clear financial advantages over Look Ahead and their proposal addresses each of the 15 points listed in the marketing details.

5.4. The Places for People offer although competitive does not represent the market value for the Lodge site. The open market value for the Lodge site is assessed to be on the region of £ and thus the Council is in effect providing x subsidy to Places for people to develop the accommodation for people with

learning disabilities. The Council has General Consent to dispose of property below market value to RP via Section 25 of the Local Government Act 1988 as long as the aggregate annual value does not exceed £ 10 million. The previous report to Executive identified the minimum annual revenue savings in support costs by provision of accommodation for people with learning disabilities would be £ 147,000.

- 5.5. The proposal from Places for people complies with the brief the Council set. However, there are issues around proposed parking provision and also clarification of door widths and turning circles for wheelchair users. The Places for people proposal complies with requirement for rents to be within local housing allowance levels but service charges to be outside and will need to be confirmed .If the parking provision cannot be resolved within the site boundary it may be necessary for the Council to make available land that it owns adjoining the site at best consideration.
- 5.6. It is recommended that the Council enters into a conditional sale contract with Places for people subject them achieving satisfactory planning permission and agreeing to a nomination agreement for all the available units that will be developed. Places for people have included a 3% void rate within their proposal and negotiation will need to take place concerning the Council's void liability above that rate if the Council is unable to provide a suitable nomination.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 There are no specific legal implications arising from the recommendations in the report. As set out in paragraph 5.4 the Council will be applying its powers under Section 25 of the Local Government Act 1988 to dispose of the property below market value.

Borough Treasurer (subject to Borough Treasurer approval)

- 6.2 The relevant financial considerations are set out in the main body of the report.

CO: Property Services

- 6.3 The details of the property transaction are set out in the body of the paper with the purchase at £300k in 2015 and the sale for redevelopment at £200k, but with nomination rights as illustrated producing a revenue saving per annum of £147k.

Usually, council property cannot be sold below best consideration under s123 of the Local Government Finance Act (subject to some exceptions), but in this instance there has been a marketing exercise conducted which could prove best consideration notwithstanding the price difference between purchase and sale (and the sale is for development of course).

The Council also has powers, as set out in the paper to provide financial assistance to RP's as in this case. The annual revenue savings in one year also combined with the sale price do exceed the original purchase price.

Unrestricted

The Council will need to be protected so that scheme as being sold as is the proposed development and not sold on

Strategic Risk Management Issues

- 6.4 Development risk is passed to Places for People. As a Registered Provider places for people operation is regulated by the Homes and Communities agency.

7 CONSULTATION

Principal Groups Consulted

- 7.1 .Not applicable

Background Papers

Contact for further information

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