 <p>Brent</p>	<p>Cabinet 23 May 2016</p> <p>Strategic Director of Resources</p>
<p style="text-align: right;">Kenton</p>	
<p>Clock Cottage, Kenton Road, Kenton, HA3 0YG – investment & redevelopment proposals</p>	

1.0 SUMMARY

- 1.1 The Cabinet approved, Strategic Property Plan 2015-19 sets out a presumption for Brent to retain its limited property assets, utilising them to support regeneration, generating revenue savings, and capital investment for new income generation.
- 1.2 This report proposes that capital investment be approved to enable Brent Council to redevelop Clock Cottage, Kenton Road, London, HA3 0YG (the subject site) delivering 17 homes of “New Accommodation Independent Living” (NAIL) to house at least 19 people with care and support needs. The anticipated 19 residents would pay affordable rents with specialist support packages provided by Adult Social Care.

2.0 RECOMMENDATIONS

- 2.1 That Cabinet agree to capital investment of £4.123m, to bring forward the proposed 17 New Accommodation Independent Living (NAIL) homes at Clock Cottage.
- 2.2 That Cabinet delegate authority to the Strategic Director for Resources in consultation with the Chief Legal Officer and the Chief Finance Officer to oversee the Clock Cottage redevelopment scheme progression through further viability testing, local consultation, and planning consent.
- 2.3 That Cabinet delegate authority to the Strategic Director for Resources in consultation with the Chief Legal Officer and the Chief Finance Officer in respect to a works contract for the Clock Cottage redevelopment to agree pre-tender considerations, invite tenders and thereafter award the contract.

3.0 DETAIL

Background

3.1 The overall Kenton Grange opportunity site comprises 0.4129 Ha (1.02 Acre) site area. Kenton Grange was initially established as a retirement home and was sold by Brent on 1st October 1993 to St Luke's Hospice to provide terminal care i.e. a hospice service.

3.2 The remaining land in Council ownership has an area of 0.343 hectares, which comprises of Clock Cottage and a scout hut with adjoining grounds currently occupied by Kingsbury Scouts.

- Appendix 1 – Is a location plan showing where Clock Cottage is.
- Appendix 2 – Is a site plan highlighting the total Clock Cottage area that is to be redeveloped as part of this project.
- Appendix 3 – Is a plan that shows Clock Cottage and further development opportunities likely to come forward in a few years' time.

Existing use

3.4 Clock Cottage is currently unoccupied and has laid empty for a number of years. The building was previously used as a Council depot and is now being utilised as an impromptu waste bin store by St. Luke's Hospice.

3.5 The existing building is in poor condition and beyond cost effective repair. However, the front elevation is locally listed and the proposal is to retain this frontage within the overall development.

Business Case

3.6 The New Accommodation Independent Living (NAIL) Programme is a council cross-departmental programme set to deliver, 529 new homes of 'accommodation plus' for people who are assessed as having social care needs and who can no longer be supported to manage in their own home, by March 2018. NAIL accommodation is being created with individualised person centred on-site care and support to enable Brent residents, who would otherwise need to be placed in a care home setting, to be supported in the community, and to maintain their health, wellbeing, and independence in a home of their own.

3.7 While the primary driver of the NAIL programme is to maximise choice, control and independence of Brent residents with high care and support needs; it will also deliver significant efficiency savings from the Adult Social Care (ASC) care home budget, which accounts for the largest area of ASC spend. This will be achieved through ASC being responsible only for meeting the cost of people's care and support needs, as opposed to care home provision, where ASC is also responsible for all accommodation costs.

3.8 The proposed redevelopment of Clock Cottage will essentially deliver new supported living accommodation in line with the NAIL programme. This will be owned by the council, as Landlord, with ASC providing specialised support to the residents. The residents will have long-term tenancies for properties let at affordable rents.

Proposals

3.9 An architect and separate heritage consultant have been appointed to develop detailed design proposals for the site, based on specialist structural surveys, measured drawings and asbestos surveys. The pre-planning application process is underway and design proposals have been refined following discussion with Planning. It is anticipated that the planning application will be submitted by the end of May 2016.

Clock Cottage – Accommodation Schedule
<ul style="list-style-type: none">• 11 x 1 bed x 2 person 55 square metre self- contained units (compliant units to GLA standards)• 5 x en-suite studios of minimum 37 square metres (compliant with the latest national standards for dementia care)• 1 x 3 bed approximately 90 square metre self -contained unit with communal lounge and catering facilities on the first floor for high needs Learning Disability clients.

3.10 All 17 homes highlighted in the above accommodation schedule have been designed to achieve minimum housing space standards in order to apply for the joint Greater London Authority (GLA)/Department of Health (DoH) Care and Support Specialised Housing (CASSH) fund. In total up to £35m is available in this Phase 2 of the CASSH fund which encourages the development of new, specialised housing for London's older people and disabled adults.

3.11 An application has been made to the CASSH fund for a sum of £728k (14 units to GLA standard at £52k grant per unit.) However as the scheme has now been revised to 17 grant eligible flats, a new grant application will be made as soon as there is firm planning support for the latest proposals to increase this to £897k. In order to secure the grant the scheme has to be completed and occupied by the end of March 2018 under Brent's Funding Delivery Agreement with the GLA for which Cabinet Approval was given in February 2015.

Next steps

3.12 As next steps are undertaken, unknowns may result in dates changing. An early best case programme is outlined below:

- Professional construction consultants have already been appointed for the project. The number of professional advisors may increase as the project achieves different milestones. A pre-construction cost plan will be developed further by cost consultants as soon as the final scheme proposals are agreed in principle to progress by the planning officers. All consultants' appointments

are classed as Low or Medium Value Contracts under the council's Contract Standing Orders and will be made using powers delegated under Part 4 of the Constitution.

- Most of the planning pre application surveys have now been completed and a Heritage advisor has been appointed to support the architect team to consider and advise on any heritage and conservation elements of the existing structures, in collaboration with Brent's Heritage Conservation Officer, Mark Price.
- A planning pre application was submitted in January 2016 for consideration, and this has been developed further through pre application discussions with planning officer. The current programme is to now submit a formal planning application as soon as possible following and subject to Cabinet approval.
- Formal public consultation will take place during the statutory planning period , however as the scheme is relatively secluded within St Luke's grounds the key neighbour stakeholder will be St Luke's Hospice, who we are already in contact with.
- The programme is to achieve a planning consent by October 2016 in order to allow a start on site by February 2017. Given there is limited time in which to procure, award and mobilise for a start on site in January 2017, approval is sought to delegate powers to the Strategic Director of Resources in consultation with the Chief Legal Officer and the Chief Finance Officer to agree pre-tender considerations, invite tenders and thereafter award the works contract.
- This will allow a 13 month construction period, which is challenging but achievable to deliver the completed scheme by March 2018 in accordance with the grant funding conditions.

Risks

3.13 Planning – If planning approval for the development is refused or the number of units reduced then this will delay the project and prevent the Council from achieving the required revenue savings from the ASC budget.

3.14 Finance – If the project is not progressed in line with the timetable set out in the next steps and complete by March 2018 then we will not secure the time-limited GLA Grant support of £728k (expectation to increase to £897k). This could potentially create the need to require greater corporate capital resource borrowing and impact on the scheme viability significantly.

4. FINANCIAL IMPLICATIONS

4.1 The scheme costs for delivery of the preferred option are forecast to be £4.123m as per the financial appraisal summary in Appendix 5.

4.2 In order to fund the costs of the preferred option for delivery it will be necessary for the Council to undertake additional borrowing of £3.2m. The rest of the scheme costs will be made up from the Care and Support Specialised Housing (CASSH) fund. This grant is expected to be paid in two tranches at start on site

and upon completion and would therefore reduce the borrowing required in those years in 2016/17 and 2017/18.

- 4.3 The scheme is forecast to achieve £334.9k revenue saving per annum from April 2018 from residential care (based on a £338 per tenant per week and based on 19 tenants.) £338 is the average saving achieved so far per placement when Brent has moved people out of Learning Disabilities residential care into Supported Living.
- 4.4 A residential placement includes ASC covering all accommodation, utilities, food and care costs. A Supported Living Placement means that ASC only cover the care costs. Therefore the future savings to ASC will be on the reduced costs for placing clients in Support Living Placements such as Clock Cottage rather than residential care.

5.0 LEGAL IMPLICATIONS

- 5.1 It is intended for the 17 self-contained units to be let on secure or assured tenancies and for the shared accommodation to be let on licences.
- 5.2 As indicated at paragraph 3.12, the proposed redevelopment of Clock Cottage may require a number of additional consultancy contracts to be procured. These contracts will all be Low or Medium Value Contracts under the Council's Contract Standing Orders and as such will be procured using either a quote process for Low Value Contracts or a tender process for Medium Value Contracts. Any Medium Value Contracts will be subject to the Public Contracts Regulations 2015 ("EU Regulations") and must be procured in accordance with EU Regulations. Low and Medium Value Contracts may be procured by Officers using powers delegated under Part 4 of the Constitution.
- 5.3 The proposed redevelopment of Clock Cottage will require a works contract to be let. As outlined in Appendix 5, the total estimated value of such contract is £3.2m and is thus below the works threshold for full application of the EU Regulations. The works contract is classed as a High Value Contract under the Council's Contract Standing Orders and as such Cabinet approval is required to the pre-tender considerations, approval to tender and award of such contract. For the reasons detailed in paragraph 3.11, approval is sought to delegate powers to the Strategic Director of Resources to agree pre-tender considerations, invite tenders and award the works contract.

6.0 EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 A screening analysis of the likely impact of the proposals in this report has been undertaken and concludes that, in line with the deliverables and outcomes set out in the business case, the impact for protected groups will be positive. A copy of the Screening Analysis is available at Appendix 6.

7.0 STAFFING/ACCOMMODATION IMPLICATIONS

- 7.1 There are no staffing or accommodation implications for Council employees.

8.0 Public Services (Social Value) Act 2012

- 8.1 The contract being procured has a primary aim of improving the social wellbeing of people assessed as having social care needs and who can no longer be supported to manage in their own home. Whilst the Public Services (Social Value) Act 2012 (the “Social Value Act”) does not apply to works contracts, Officers will have regard to considerations relevant to the Social Value Act in the procurement of the works contract, namely the how the contract might improve the economic, social and environmental well-being of its area and how, in conducting the procurement process the Council might act with a view to securing that improvement and whether the Council should undertake consultation. Regard will be had to these same considerations if making further consultant’s appointments.

9.0 Background Papers

Appendix

1. Location Plan
2. Site Plan
3. Site Element Plan
4. Latest Scheme Plans
5. Proval Financial Assessment
6. Screening Equality Analysis

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Appendix 1: Location Plan

**Clock Cottage Location Plan.
Premises Shown Circled Red.**



06 April 2018

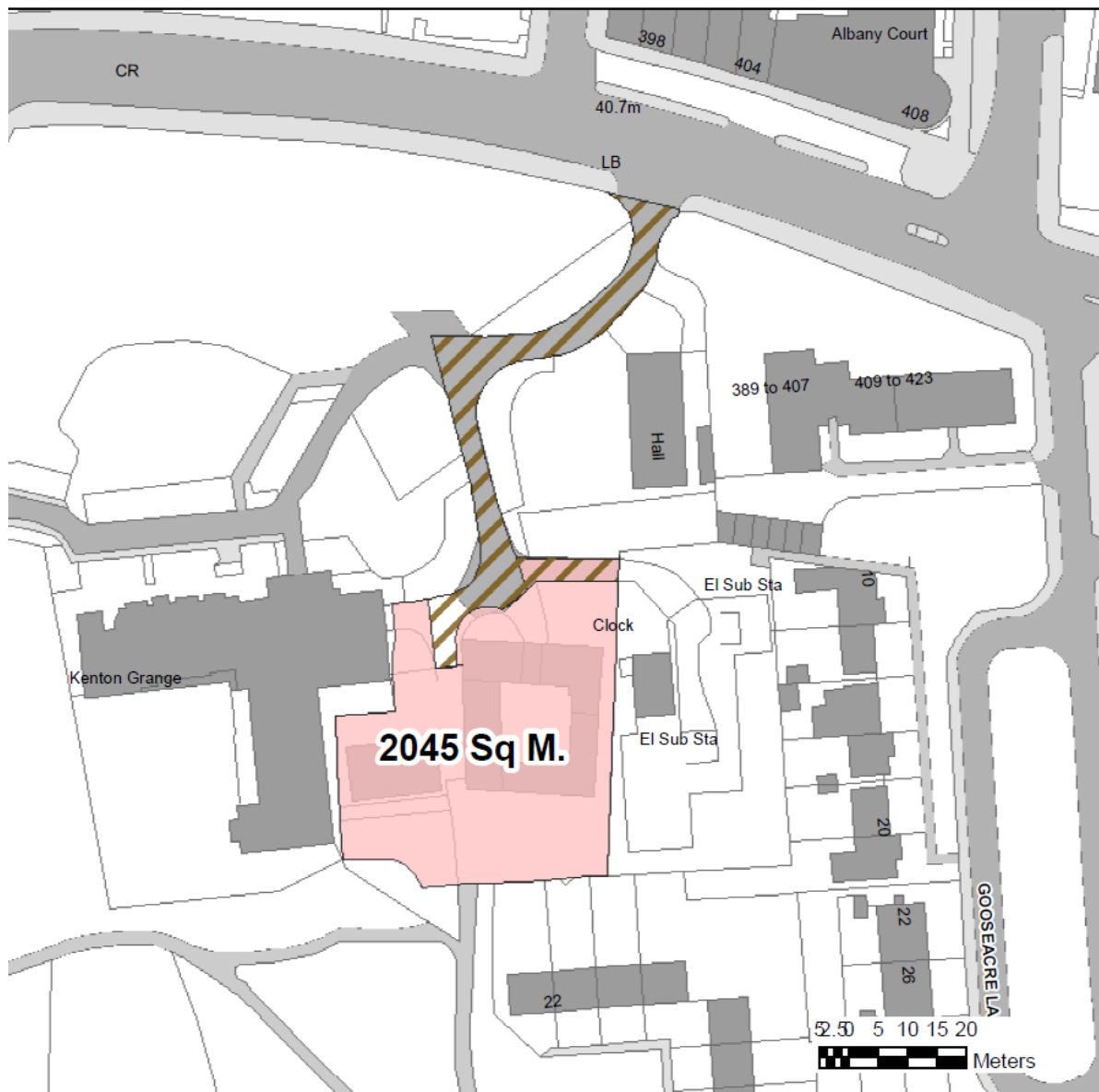
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Appendix 2: Site Plan

Clock Cottage and Adjoining Land, Kenton Grange, Kenton Road, Harrow, HA3 0YG - Phase 1.



Phase 1 Development



Access



Brent

1:1,000

Plan to stated scale if printed at A4.

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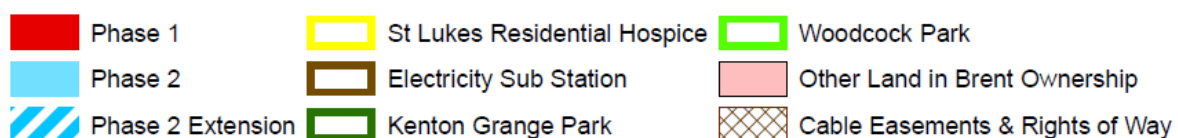
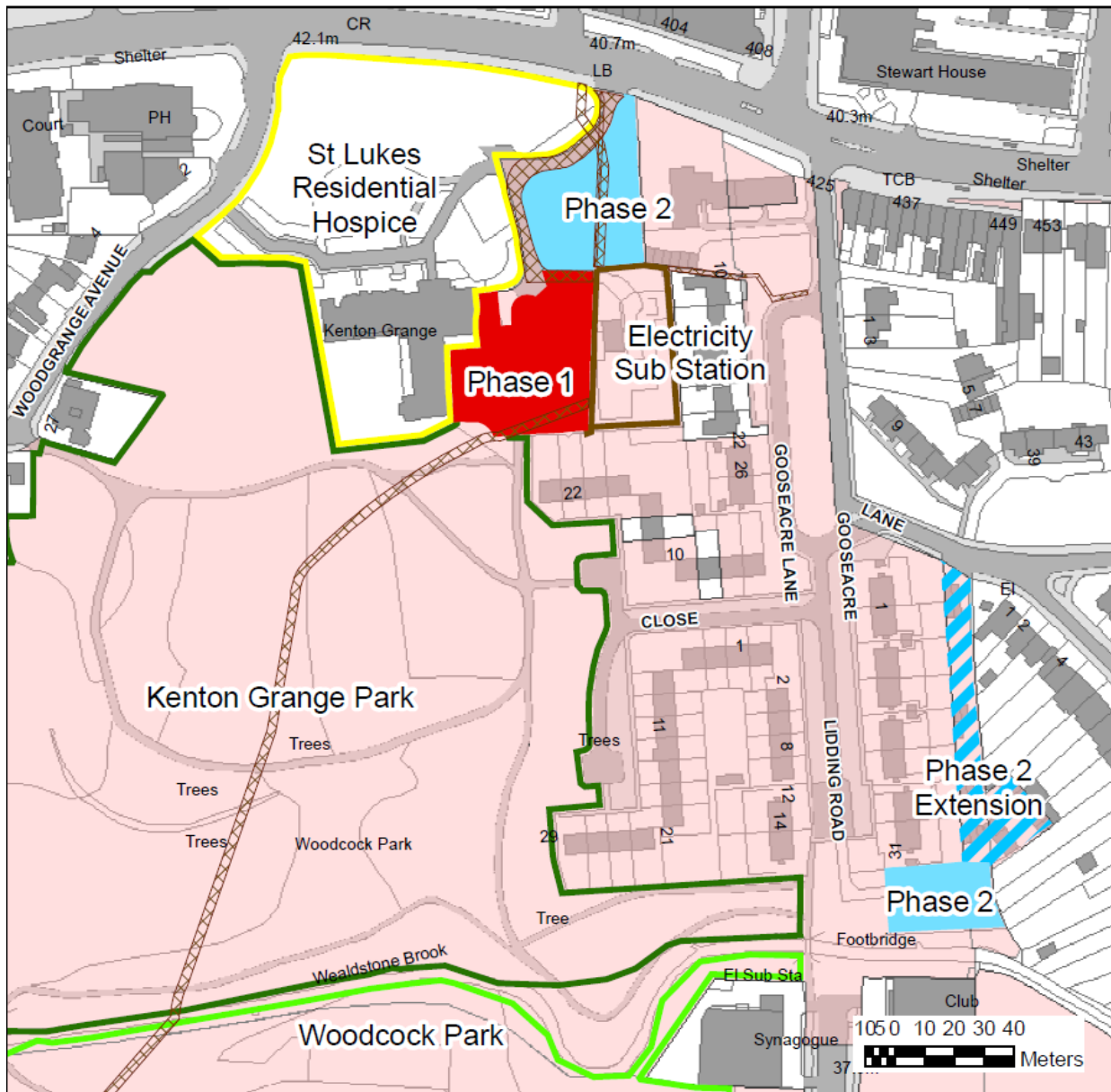
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NORTH



Clock Cottage and Adjoining Land, Site Elements



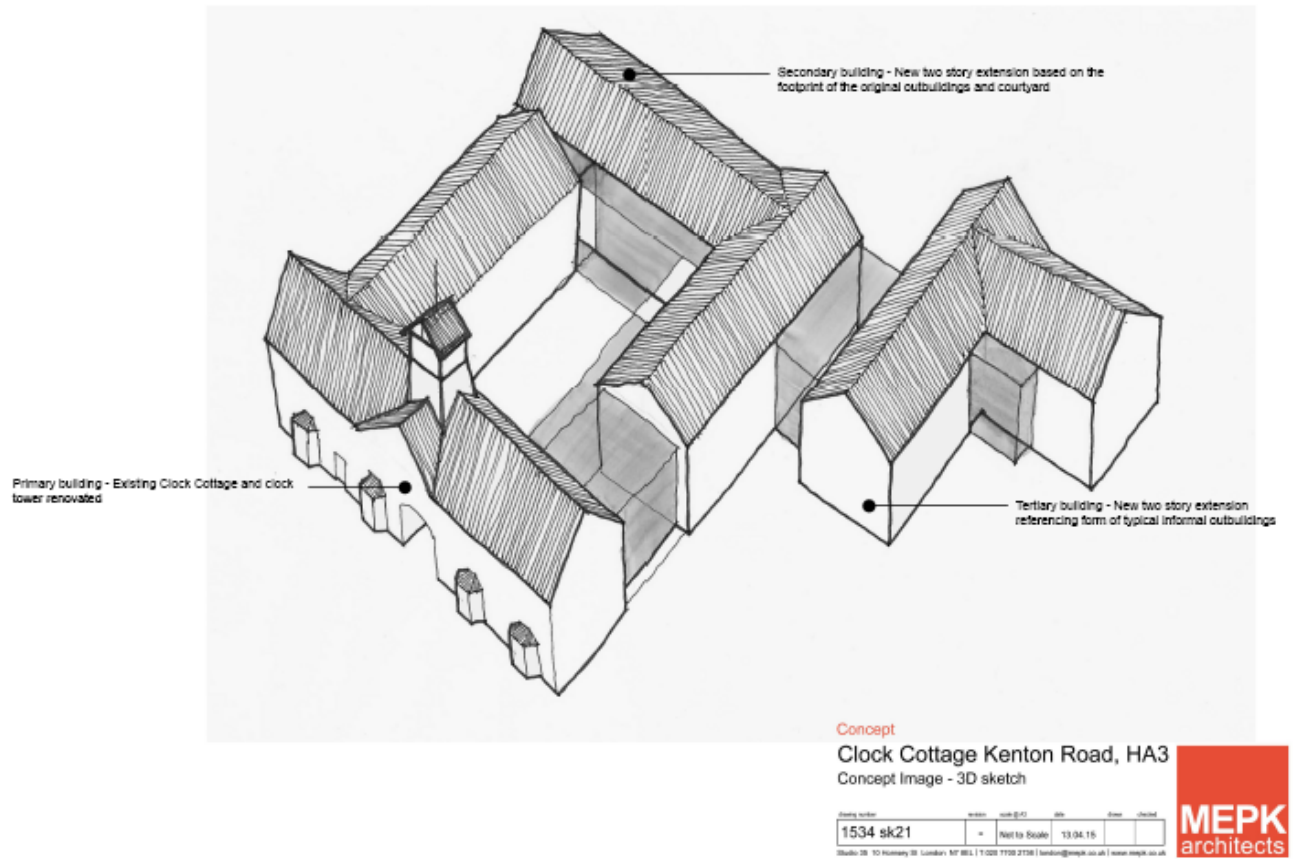
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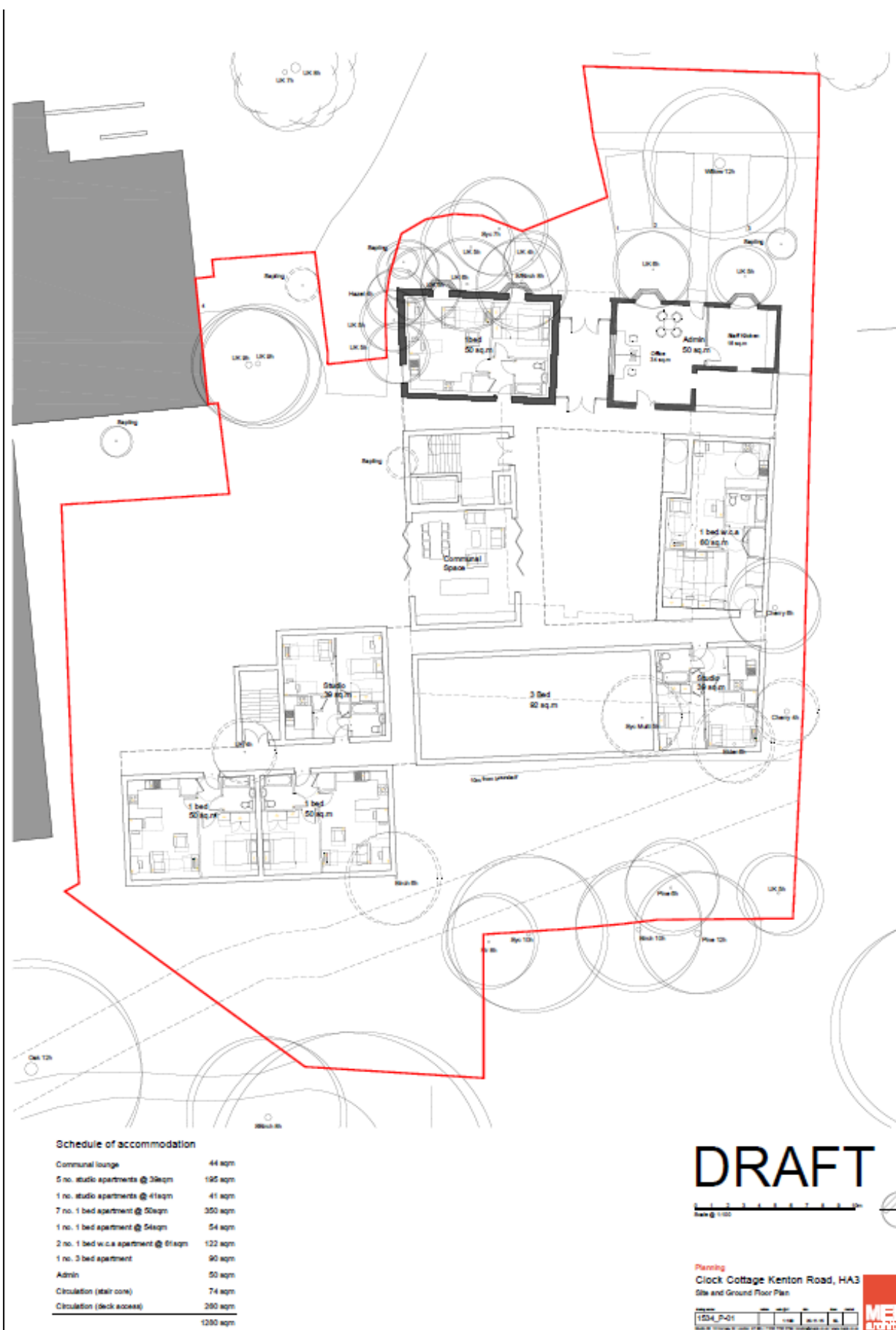
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Appendix 4: Clock Cottage Scheme Plans – 3D Sketch



Appendix 4: Clock Cottage Scheme Plans – Ground Floor



Appendix 4: Clock Cottage Scheme Plans – First Floor



DRAFT

Scale 1:100



Planning
Clock Cottage Kenton Road, HA3
First Floor Plan

1004_P-02

MEPK
Architects

Appendix 5: Proval Financial Assessment

Summary

Section Map

Appraisal Summary

Total Units

17

Persons

29

NPV at First Handover

-£179,643

IRR

3.09 %

TSC / MSV

91.64 %

Loan Repaid Year

35

Products Summary

Affordable Rent

Total Units

17

Total Persons

29

NPV at First Handover

-£179,643

Avg. IRR

2.86 %

TSC / MSV

91.64 %

Loan Repaid Year

35

Appraisal

	Total	Per Unit (17)	Avg. Per Person (29)	Per m ² (1280)	% MSV	% TSC
Acquisition	£250,000	£14,706	£8,621	£195	5.6 %	6.1 %
Works	£3,200,005	£188,236	£110,345	£2,500	71.1 %	77.6 %
Acq & Wks	£3,450,005	£202,941	£118,966	£2,695	76.7 %	83.7 %
Fees	£274,800	£16,165	£9,476	£215	6.1 %	6.7 %
Interest Cost	£78,909	£4,642	£2,721	£62	1.8 %	1.9 %
Fees & Interest	£353,709	£20,806	£12,197	£276	7.9 %	8.6 %
Other Costs	£320,000	£18,824	£11,034	£250	7.1 %	7.8 %
Total	£4,123,714	£242,571	£142,197	£3,222	91.6 %	100%
Subsidy	£897,000	£52,765	£30,931	£701	19.9 %	21.8 %
MSV	£4,500,000	£264,706	£155,172	£3,516	100%	109.1 %
Month 1 Sales	£0	£0	£0	£0	0.0 %	0.0 %
Opening Loan	£3,226,714	£189,807	£111,266	£2,521	71.7 %	78.2 %
Offset Sales	£0	£0	£0	£0	0.0 %	0.0 %

Appendix 6: Equality Analysis

Stage 1 Screening Data

What are the objectives and expected outcomes of your proposal? Why is it needed?

The proposal will deliver supported housing in line with the NAIL programme. NAIL accommodation is being created with individualised, person centred on-site care and support to enable Brent residents, who would otherwise need to be placed in a care home setting, to be supported in the community and to maintain their health, wellbeing and independence in a home of their own.

The development aims to provide good quality housing for vulnerable households, while generating revenue savings related to use of care homes through the ability to rehouse existing care home users or accommodate new households needing support in a more appropriate setting.

Who is affected by the proposal?

The proposal affects those in need of supported housing, in particular people currently living in a care home setting.

Could the proposal impact on people in different ways because of their equality characteristics?

The main relevant group affected by this proposal and the NAIL programme in general is older people, although there is potential for the programme to assist younger people with physical or learning disabilities. Outside this group, for whom the impact will be positive, no disproportionate impact is identified.

Could the proposal have a disproportionate impact on some equality groups? If yes, indicate which equality characteristic(s) are impacted

Yes, although the impact will be positive, through provision of appropriate accommodation to meet the needs of the groups noted above.

Would the proposal change or remove services used by vulnerable groups of people?

The proposal will change services used by vulnerable groups but, as noted above, the change is expected to result in improved services.

Does the proposal relate to an area with known inequalities?

Yes.

Is the proposal likely to be sensitive or important for some people because of their equality characteristics?

Yes – see above.

Does the proposal relate to one of Brent's equality objectives?

The proposal relates to the following objectives:

- To know and understand all our communities
- To ensure that local public services are responsive to different needs and treat users with dignity and respect

Recommend this EA for Full Analysis?

No.