



Officer Decision Record

1. Subject and details of the matter (to include reasons for the decision)

Convamore Road Development

This ODR is to provide an update in relation to the development of a 15 x one bed apartment scheme, plus facilities, for residents in need of support from Adult Services (predominately for those with learning and physical disabilities) at Convamore Road, Grimsby. The developer of the Property is JC Pomfret Construction Limited.

On 28th September 2016 Cabinet approved £1.2 million Capital Funding to be released to purchase the property from the developer, at a reduced price, and to cover build costs. A speculative bid from NELC was submitted and which, was successful, in securing a £650,000 grant from the Department of Health to provide enhanced technology within the building to enable more independence for people with learning disabilities, autism and physical disabilities. This additional funding assisted in overall viability. Cabinet approved acceptance of this grant and the development of a construction scheme on 21st December 2016. The development costs were reviewed by Engie in July 2019 and a further £300,000 was allocated to the scheme to cover an increase in the development costs of the project caused by unforeseen ground works becoming necessary and a rise in the cost of materials.

The Council entered into a conditional contract with JC Pomfret Construction Ltd, on 29th March 2018 for the acquisition of the built property.

The conditional contract confirms the company will deliver the development and that the Council will buy this facility on completion of the construction. Engie have been

overseeing the construction of the property on behalf of the Council. The overall cost of the Project has now been confirmed to be £2,074,195.99.

The development is due to be completed in October 2020 (although with the continuing effects of Covid-19 this date may be delayed) and, in accordance, with the contract the Council will become the freehold owners of the property once the development has been completed.

The Council's intention is to market the Property to be leased to a Private Registered Provider of Social Housing (Registered Provider) on a full repairing and insuring basis for a 20-year term, including a 5 yearly break clause, allowing either party to withdraw from the agreement. This would allow for the option of the Council managing the property themselves in the future: when the resources required for property and tenancy management have been put in place. The draft heads of terms are attached. The intention is for the building to be provided as accommodation for the use of NEL CCG Adult Service clients with the individual tenancies being managed by the Registered Provider on a day-to-day basis. Tenancies for this type of scheme are mainly offered through the CCG/FOCUS Panel based on the tenant's support and care needs. There will be a Nominations Agreement between the CCG and the Registered Provider to facilitate the allocation and management of tenancies. The CCG have commissioned Living Ambitions, a specialist service provider, to provide Care and Support for the residents, with a night-time sleep-in presence to provide 24-hour cover. Living Ambitions will sublease an office/sleep in space from the Registered Provider to provide this service.

The development will potentially deliver significant savings for the public purse.

Full time residential care costs are approximately £800 per week per resident within NEL so for 15 residents this will be costing Adult Services £624,000 a year to fund.

The equivalent cost for providing appropriate support to residents within the new development would be c. £325 a week, which includes c.£126 of service charge fees, generating a total annual gross rental income in the region of £246,400 (this includes possible void times). This represents a potential saving of up to approximately £378,000 a year against residential care costs: dependent upon specific care/support packages for residents. (these figures have been updated from those provided in the Cabinet Report: in line with cost changes.)

2. Is it a Key Decision as defined in the Constitution?

No

3. Details of Decision

1. To acknowledge the updated purchase price of £2,074,195.99 of the development.
2. To support the acquisition of the property on a freehold basis.
3. To approve the marketing and leasing of the Property to a Private Registered Provider on the terms described herein.
4. To delegate to the Assistant Director of Housing in consultation with the Portfolio Holder for Regeneration, Skills and Housing authority to settle all heads of terms and ensure that all necessary actions are carried out in order to complete the lease disposal and all onward actions.
5. To authorise the Chief Legal and Monitoring Officer to complete and execute all requisite legal documents arising from the matters outlined above.

4. Is it an Urgent Decision? If yes, specify the reasons for urgency Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.

No

5. Anticipated outcome(s)

The delivery of a quality, sustainable development with high social value, on a prominent brownfield site enabling regeneration of the East Marsh. This will enable the delivery of homes for local vulnerable people in need of accommodation with support and care which will enable independent living.

The potential saving of up to approximately £378,000 a year against current residential care costs.

6. Details of any alternative options considered and rejected by the officer when making the decision

N/A

7. Background documents considered

Cabinet report of 28th September 2016 and 21st December 2016

8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

No

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

None

10. Monitoring Officer Comments (Monitoring Officer or Deputy Monitoring Officer)

The construction and acquisition of the development is in line with the Cabinet decisions of 28th September 2016 and 21st December 2016. The Council has the power, under section 120 of the Local Government Act 1972 (LGA) to acquire property for the benefit of carrying out its functions. This applies whether the functions are carried out directly or through, for example, a delivery partner. The LGA also empowers the Council to acquire property for the improvement or development of the Borough as does section 227 of the Town and Country Planning Act 1990.

The Council have the power under s123 Local Government Act 1972 to dispose of land in any manner it sees fit subject to the constraint that (except in the case of leases of less than 7 years) disposal must be for the best consideration reasonable obtainable. Valuation advice has been received confirming the level of rent set out in the proposed heads of terms satisfies this criteria.

Legal Services will support with the transfer of the property to Council ownership and the lease to a Specialist Registered Provider.

11. Section 151 Officer Comments (Deputy S151 Officer or nominee)

The cost of the building construction and subsequent freehold transfer is covered though an approved capital program budget and also includes £650k external grant funding.

12. Human Resource Comments (Strategic Workforce Lead or nominee)

There are no direct HR implications.

13. Risk Assessment (in accordance with the Report Writing Guide)

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14. Decision Maker(s):

Name: Mark Nearney

Title: Assistant Director of Housing

Signed: Approved via email

Dated: 27th August 2020

15. Consultation carried out with Portfolio Holder(s):

Name: Councillor John Fenty

Title: Portfolio Holder for
Regeneration, Skills and Housing

Signed: Approved via email

Dated: 27th August 2020

16. If the decision is urgent then consultation should be carried out with the relevant Scrutiny Chair/Mayor/Deputy Mayor

Name: N/A

Title: N/A

Signed: N/A

Dated: N/A

APPENDIX 1 – Email Approval

From: Cllr John Fenty (NELC) <John.Fenty@nelincs.gov.uk>
Sent: 27 August 2020 21:07
To: Mark Nearney (NELC) <Mark.Nearney@nelincs.gov.uk>
Subject: Re: Officer Decision Notice Convamore Road site 21.08.2020 (HD amends)
Legal and Finance HR done

Hi Mark and happy to sign off the ODR thank you

Regards Cllr John Fenty
07712398656

On 27 Aug 2020, at 17:27, Mark Nearney (NELC) <Mark.Nearney@nelincs.gov.uk>
wrote:

Dear Cllr,

I would be grateful if you can please review and sign off the ODR via email back to myself.

I am supportive of the ODR.

We did discuss this matter earlier this week and there has been no change, since then.

Legal have had to remove the finances from the document so the ODR can remain an 'open' and public document.

Thanks

Mark