



COUNCIL: 17 July 2024

Report of: Director of Housing & Environment

Relevant Portfolio Holder: Councillor Pryce-Roberts

**Contact for further information: Marc Taylor (Tel: 01695 585092)
(E-mail: marc.taylor@westlancs.gov.uk)**

SUBJECT: DIGMOOR REVIVAL SCHEME PHASE 1

Wards affected: Digmoor;

1.0 PURPOSE OF THE REPORT

- 1.1 To seek approval to commence phase 1 of a new housing scheme at Blythewood and Banksbarn.

2.0 RECOMMENDATION

- 2.1 That the proposed new Blythewood & Banksbarn phase 1 housing scheme as set out in this report be given approval to be delivered.

3.0 BACKGROUND

- 3.1 Cabinet and Council considered a report for the Demolition of Flat Blocks in Blythewood & Banksbarn in February 2024, and gave approval to demolish 36 old, low quality flats to facilitate the development of 45 new, high quality, energy efficient affordable homes called the Digmoor Revival project. The project was to be funded from the £9m HRA budget which has previously been set aside for this purpose, subject to planning permission being obtained and standard due diligence processes including confirming the contract sums required to deliver the scheme.
- 3.2 It is proposed to develop the Blythewood & Banksbarn site in two phases. Phase 1 involves building a new block of 12 apartments on the clear land at the entrance to Blythewood. Phase 2 would involve building the remaining flats and houses. The scheme was split into two phases for two reasons, firstly to commence delivery of phase 1 more quickly and secondly to attract Homes England funding to the phase

1 scheme only, although following ongoing dialogue with Homes England there is potential for an improved position with a possibility of funding for phase 2 also if the whole scheme can be delivered by the end of March 2026.

- 3.3 The Council will use its wholly owned development company, Tawd Valley Developments Limited (TVDL) to deliver the scheme. The 45 unit scheme was originally approved for inclusion in the TVDL Business Plan at Council in July 2023. At its meeting in June 2024 the newly established TVDL & Estates Regeneration Working Group endorsed this scheme for submission to Council.

4.0 SCHEME DETAILS

- 4.1 The proposed Phase 1 scheme at Blythewood & Banksbarn is located on a greenfield site in Digmoor, already in Council ownership. The site has full planning permission approved by Planning Committee in February 2024, to deliver twelve new one and two bedroom apartments with internal and external communal areas.
- 4.2 The specification is to meet current building regulations (which were enhanced in 2022), and the new homes will include air source heat pumps, electric radiators, solar panels to provide power to the communal areas, EV car charging points and some triple glazed windows to those facing Ormskirk Road.
- 4.3 Cycling is also promoted with a cycle storage unit included within the development. The apartment block will be surrounded by well-lit communal gardens with the existing tree lined boundary remaining in situ.
- 4.4 Bird and bat boxes are to be installed around the development to encourage habitat creation and to mitigate the loss of a small number of trees, these are to be re-provided as part of the Phase 2 development. New hedgerows are also to be planted around the boundary to encourage wildlife within the new development once established.
- 4.5 As the land is already in Council ownership the proposal involves the Council entering into a scheme instruction with TVDL to build the new homes. The new apartments on completion would then be allocated on a social rent to those on the Council's housing register.
- 4.6 A project synopsis for the scheme in the standard TVDL format is included in Appendix 1 to this report.
- 4.7 The scheme would deliver 12 new homes at a total cost of £2.294m. It has been assessed in accordance with the TVDL Development Approval Process and is considered viable and feasible.
- 4.8 The scheme is now ready to proceed with TVDL having engaged a credible building contractor who has provided an acceptable build cost. TVDL will enter into a fixed price JCT Design and Build contract with the building contractor following Council approval of the scheme allowing a forecast start on site of August 2024. The build period is expected to be 12 months.

- 4.9 Work on phase 2 of the scheme continues to take place and a further report will be brought back to Council when all of the necessary conditions have been met to enable this phase to commence.

5.0 RESOURCE AND FINANCIAL IMPLICATIONS

- 5.1 The overall project cost to build the twelve apartments and associated infrastructure for phase 1 is £2.294m. It is anticipated that Homes England will provide subsidy for the project at a level of £94,000 per unit, or £1.128m for the whole development. Homes England are aware of this scheme and are supportive of its progression.
- 5.2 After allowing for the Homes England grant, the balance of the scheme costs of £1.166m would need to be covered by the £9m HRA budget ringfenced for the Digmaor Revival project. This would then leave a budget of £7.834m to fund phase 2 of the Revival project. It has been reviewed and confirmed to ensure there is sufficient capacity within the HRA business plan to fund this amount.

6.0 SUSTAINABILITY IMPLICATIONS

- 6.1 The development of new quality homes will support the Council's vision of being a place of choice to live, work, visit and invest and will contribute to the Council's priorities. It will bring economic activity into the local area including employment and training opportunities, and will have a positive impact on the wider community by helping to regenerate the area.

7.0 RISK ASSESSMENT

- 7.1 An updated financial appraisal has now been prepared for the project taking account of the latest available information and this confirms that it is within acceptable financial parameters including a positive Net Present Value and a payback period for the borrowing within 40 years. Entering into a fixed price JCT Design and Build contract provides certainty on building costs and the appraisal also allows for a contingency for unforeseen and unexpected items.
- 7.2 The scheme assumes a significant level of Homes England grant funding that is higher than that received on previous housing schemes. Homes England are aware of this site and are supportive of it coming forward on a social rent basis. The tenure of social rent is a priority tenure for Homes England as stated in their Capital Funding Guide and the grant rate is in line with other housing providers previously approved bids. The timing of the bid has been discussed with Homes England and they are expecting receipt in July following Council approval.

8.0 HEALTH AND WELLBEING IMPLICATIONS

- 8.1 The quality of an individual's housing can be a major factor in their health and wellbeing. The Council will build quality new homes with modern facilities that will provide the necessary environment to promote and support good health and wellbeing.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this report.

Equality Impact Assessment

There is a direct impact on members of the public, employees, elected members and / or stakeholders, and an Equality Impact Assessment has previously been reported to Cabinet and Council.

Appendices

Appendix 1 - Project synopsis