

**Wiltshire Council**

**Cabinet Capital Assets Committee**

**14 September 2011**

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**Subject: Preferred Developer Framework and Burnham House, Malmesbury**

**Cabinet Member: Councillor John Thomson  
Adult Care, Communities and Housing**

**Key Decision: Yes**

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**Executive Summary**

This report provides information on the outcome of the joint extra care preferred developer framework tender with Devon County Council and requests approval to progress with the use of the vacant Burnham House site in Malmesbury for the development of a 50 unit extra care scheme as identified through the Older People Accommodation Development Strategy.

Tenders for the extra care preferred developer framework have now been evaluated and the developers selected from the tenders submitted. Once the framework is in place, developers will be asked to bid against each individual opportunities or groups of schemes through a mini-competition process to ensure best value and quality for each scheme.

The Burnham House site has been vacant since 2008 following the completion of Athelstan House nursing home. Since then a community working group formed under the area board has considered the options for this site and concluded that extra care provision would be their preferred option due to the benefits that it would deliver to the surrounding community through the provision of additional housing and community facilities.

The community working group will be engaged at each stage of the process and will assist with detailing the design of the scheme, the facilities to be provided and the appointment of the developer / provider.

**Proposals**

Members are asked to:

- a. note the outcome of the extra care joint preferred developer framework tender with Devon County Council;
- b. approve the use of the vacant Burnham House site for the development of a 50 unit extra care scheme predominantly for older people;

- c. authorise officers to undertake any associated procurement activities required to select a developer for these facilities and
- d. delegate authority to the Corporate Director for Community Services, in consultation with the Cabinet Member for Adult Care, Communities and Housing, to authorise the transference of the Burnham House site to the developer at a negotiated value.

### **Reasons for Proposal**

The Burnham House site will provide the necessary land for delivery of the extra care facilities outlined in the Older People Accommodation Development Strategy.

Through the development of the site, the Council would benefit from the provision of a new extra care housing to meet the needs of the growing elderly population in Malmesbury. Additionally, this development would improve choice and control for older people and provide a vital community resource.

**Sue Redmond**  
**Corporate Director of Community Services**

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#### **Purpose of Report**

1. Note the outcome of the extra care joint preferred developer framework tender with Devon County Council.
2. Approve the use of the vacant Burnham House site for the development of a 50 unit extra care scheme predominantly for older people.
3. Authorise officers to undertake any associated procurement activities required to select a developer for these facilities.
4. Delegate authority to the Corporate Director for Community Services, in consultation with the Cabinet Member for Adult Care, Communities and Housing, to authorise the transference of the Burnham House site to the developer at a negotiated value.

#### **Background**

5. Nationally, statistics illustrate that the number of older people will rise dramatically in future years. Following a comprehensive study into older people's accommodation, the Council has identified that between 2007 and 2026, the older population within Wiltshire will increase by 57.9% which is higher than the average for England and is the second highest growth projected for the South West region. Within Malmesbury, the older population will increase by 64% over the next 15 years.
6. The older population within Malmesbury with dementia is also projected to increase by 73.8% over the next 15 years, which is higher than the Wiltshire projected increase of 59%.
7. The most recent population projections indicate that the older population will increase by 26% higher than the anticipated growth rate indicated above.
8. The Accommodation Strategy for Older People identified that there was a significant under-provision of extra care housing across all tenures within

Wiltshire. There was also an under supply of nursing care homes and specialist care homes for people with dementia.

9. In order to address the shortage of appropriate facilities for older people, an Older People Accommodation Development Strategy was produced and approved by Members in January 2011. One of the mechanisms for the delivery of this strategy was the procurement of an innovative preferred developer framework agreement, which is being jointly procured with Devon County Council, to facilitate the development of extra care housing with little or no requirement for public subsidy i.e. Social Housing Grant, due to the potential cross subsidisation of facilities through the inclusion of Council owned land.
10. The framework has been tendered and the following preferred developers have been appointed:
  - Aster
  - Housing 21
  - Leadbitter
  - The Orders of St John Care Trust
  - Vinci
11. Each extra care development or group of extra care developments delivered through the framework will be subject to a mini-competition between the preferred developers.

#### **Main Considerations for the Council**

12. The Older People Development Strategy, which was approved by Cabinet on 25<sup>th</sup> January 2011, identified the requirement for a 50 unit extra care scheme in the Malmesbury area.
13. The preferred site for this development is the Burnham House site which has been vacant since 2008 following the completion of Athelstan House nursing home.
14. The community working group under the area board have assessed the options for the site and has concluded that extra care is the most suitable development option and will provide vital community resources to the area.
15. The scheme will be tendered through the mini-competition process between the developers appointed to the joint extra care framework.
16. The successful developer will work with the Council and the community working group under the area board to develop the designs for the scheme prior to submitting planning permission on the site.
17. The tenure mix of the scheme will be decided during the design phase, however, it is expected that there will be a mix of affordable rent and shared ownership units.

18. There are routes within the joint extra care framework for developers to submit tenders to provide the care on the site; however, this could also be delivered through the new Help to Live at Home service.
19. Until the mini-competition process has been undertaken, it is unknown whether this site would be able to be developed without public subsidy if a capital receipt for the land was to be received or the land leased to the developer on a peppercorn rent basis. Therefore, approval is sought to delegate authority to the Corporate Director for Community Services, in consultation with the Cabinet Member for Community Services, to transfer the site at a negotiated value.
20. It is anticipated that if approval is given work could begin on site in April 2012 and the scheme could be completed in October 2013.

### **Environmental and Climate Change Considerations**

21. As extra care developments consist of self contained properties for residents, these developments would not be included in the Council's carbon footprint. However, they will contribute towards the county's footprint. If the chosen 3<sup>rd</sup> party operator is required to participate in the CRC, to reduce liability consideration should be given to who pays the utility bills for the properties. If the cost is recharged to individual residents, then the 3<sup>rd</sup> party operating the site may be able to avoid liability. Emissions from energy consumption in communal areas would still require the 3<sup>rd</sup> party operator to purchase CRC allowances. In order to ensure that energy consumption and carbon emissions from these buildings do not increase, as well as to ensure appropriate environmental management takes place, new stock will be built to Code Level 4 of Sustainable Homes and Lifetimes Homes standards increasing to Code Level 6 by 2016. Low carbon and renewable fuel energy supplies will be considered for all new buildings.
22. In order to ensure the necessary transport-emissions for running the facilities do not increase, the location of these facilities is crucial. The Burnham House site has access to good public transport links already and a transport strategy for the site would be prepared.
23. It is acknowledged that the very old, chronically ill and poor are amongst the groups most vulnerable to predicted climate change and risk of "fuel poverty". The provision of accommodation for older people will take this into account by ensuring that buildings are not only built to the required Code Level 4 / Code Level 6, but they will also include relevant climate change adaptation features.

### **Equalities Impact of the Proposal**

24. The development of these facilities would promote independence, choice and control for older people and would offer opportunities for greater community engagement, involvement and inclusion in purpose built accommodation.

25. The development of these facilities would also have a positive impact for people who will develop care needs in the future as it will enhance choice for people when choosing their care provision.

### **Risk Assessment**

26. A number of key risks have been identified in relation to this site and associated proposed development.
27. If the proposals are rejected there is a risk that the needs of the community of Malmesbury will not be met.
28. As no further sites have been identified for this development this would significantly delay the delivery of the extra care units against the timescales set out in the Older People Accommodation Development Strategy.
29. There is a risk that none of the preferred developers will submit a tender during the mini-competition phase which would delay the development timescales; however, as this is the first development through the framework agreement for Wiltshire this situation is unlikely to occur.

### **Financial Implications**

30. The Burnham House site is owned by the Council and is currently a vacant site. As such it is a maintenance and security liability for the Council and is incurring costs against which there is no income stream to offset those costs.
31. Due to the lack of external public subsidy to facilitate the development of affordable housing developments, it may be necessary to transfer the land to the developer on a negotiated value basis to ensure that the facilities can be delivered. This will not be known until the mini-competition for the appointment of a developer has been concluded.
32. Members are asked to delegate authority to the Corporate Director for Community Services, in consultation with the Cabinet Member for Adult Care, Communities and Housing, to agree the potential inclusion of the land on this basis if required following the outcome of the mini-competition.

### **Legal Implications**

33. As the extra care units are to be tendered through the joint preferred developer framework contracts would need to be set up with the successful developer.
34. If the successful developer for the extra care units does not submit within the mini-competition a quotation for the provision of care services this will need to be arranged through the Help to Live at Home arrangements.

## Options Considered

35. Do Nothing  
With the projected increases in the number of older people within the Malmesbury area over the coming years and the Council's strategic direction to keep people independent in their own homes for as long as possible, the need for the provision of an extra care facility in Malmesbury was identified. In the long term the need to have access to appropriate housing and care services generated by the increasingly elderly population will need to be met. Additionally, this option would not address the maintenance and security implications associated with retaining the vacant site, therefore this option is not recommended.
36. Develop on Another Site in Malmesbury  
At the present time no other suitable sites have been identified in the Malmesbury area for this development apart from the vacant Burnham House site. Land in the Council's ownership is scarce and the timescales for finding and assessing suitable alternative sites for delivering the extra care units are undetermined, therefore, this option is not recommended.
37. Develop the Burnham House Site  
As the Council is reviewing the assets currently within its portfolio and the site is currently vacant there is a need to develop or sell the site. Under the Area Board, the community working group have assessed the options and consider extra care housing the most suitable option for the use of the Burnham House site. Not only will this deliver additional housing but will provide vital services to the surrounding community. Therefore, this is the recommended option.

## Conclusions

38. Through the associated development of the site, the Council would benefit from the provision of new units of extra care housing to meet the needs of the growing elderly population in Malmesbury. Additionally, this development would improve choice and control for older people and provide a vital community resource.

## Sue Redmond Corporate Director of Community Services

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Report Author: James Cawley  
Service Director, Strategy & Commissioning  
Adult Care, Department of Community Services

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## Background Papers

The following unpublished documents have been relied on in the preparation of this report: NONE

**Appendices** NONE