

Record of Decisions

Business Case for the redevelopment of the site known as St. Kilda's, Brixham

Decision Taker

Cabinet on 13 February 2024.

Decision

That Council be recommended to:

1. Approve the inclusion of the full St. Kilda's scheme (including the addition of demolition of the former Care Home and the construction of 23 no. new age-restricted flats for social housing) in Torbay Council's Capital Programme.
2. Increase the capital programme for the St Kilda's scheme to a total sum of £5,683,164 to include costs already incurred and the costs of demolition and construction as set out in Exempt Appendix 1.
3. Approve up to £2,667,058 of prudential borrowing funded from rent receipts, net of the costs of maintenance and management of the completed scheme.

That subject to 1 to 3 above the Cabinet:

4. In accordance with Financial Regulations, the Director of Finance be instructed to bid for (and accept) any applicable affordable housing grant from Homes England to support the scheme, subject to securing at least the Minimum Grant Level as set out in Exempt Appendix 1 for the scheme to proceed.
5. Delegate authority to the Director of Pride in Place to award a suitable contract for construction to Bidder A for the Total Contract Sum(s) identified in Exempt Appendix 1 (including any Stage 1 contract for demolition/site clearance and Stage 2 contract for main works, as necessary), along with all necessary external support services required for successful delivery of the scheme following completion of successful procurement exercises (and associated due diligence). Subject to any Stage 2 contract/contract for main Works not to be signed until Homes England have confirmed that the Minimum Grant Level set out in Exempt Appendix 1 has been secured, and a Grant Agreement signed accordingly.
6. Delegate authority to the Director of Pride in Place, in consultation with the Head of Legal Services, to enter a Building License with TorVista Homes, to enable demolition to take place prior to formal transfer of the asset back to the Council (if necessary).
7. Authorise the Director of Pride in Place to enable all management provisions required for successful operation of the scheme, in accordance with the planning consent and requirements of the Regulator or Social Housing.

Reason for the Decision

The Council has committed to delivering homes that meet the priority need of specific often-disenfranchised groups within our communities that both struggle to access suitable accommodation and have a disproportionate effect on both Council revenue outlay and capital

expenditure. As such, development of St. Kilda's is a key priority for the Council – it will help older people live independently in our communities for the long-term, in a home that is genuinely suitable to meet their needs.

Implementation

Recommendations one to three of the Cabinet will be considered at the Council meeting on 22 February 2024.

Decisions four to seven will come into force and may be implemented on 26 February 2024 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

The site known as St. Kilda's is a former care home that has been identified for redevelopment for some time. Plans for its regeneration were worked up by Torbay Development Agency (TDA) and Tor Vista Homes (TVH), which proposed the demolition of existing structures and the construction of 23 flats, specifically for clients aged 55+, all for social rent. The scheme includes areas of communal space, lifts, and parking in a landscaped setting, within a wider attractive residential area.

A business case has been developed for St. Kilda's, based on the planning approved scheme. The business case includes a comprehensive appraisal of all key scheme elements, and considers the long-term financial implications for the Authority, in respect of its borrowing and the need for Homes England grant support.

At the meeting Councillor Tyerman proposed and Councillor Chris Lewis seconded a motion that was agreed unanimously by the Cabinet, as set out above.

Alternative Options considered and rejected at the time of the decision

The following options were considered:

- 1) Do not proceed – cease all work, and either mothball the site or dispose on the open market;
- 2) Adopt Financial Model A, and:
 - a) Award a contract to Bidder A (subject to completion of necessary due diligence); or,
 - b) Re-tender for an alternative form of procurement;
- 3) Adopt the Financial Model B, and:
 - a) Award a contract to Bidder A (subject to completion of necessary due diligence); or,
 - b) Re-tender for an alternative form of procurement.

Is this a Key Decision?

Yes

Does the call-in procedure apply?

Yes

Declarations of interest (including details of any relevant dispensations issued by the Standards Committee)

None.

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16 February 2024

Signed: _____ Date: _____
Leader of Torbay Council on behalf of the Cabinet