

Decision maker:	Cabinet member commissioning, procurement and assets
Decision date:	Monday, 10 August 2020
Title of report:	Capital spend on the development of Gypsy and Traveller sites within the County
Report by:	Senior Project Manager

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

Arrow; Bircher; Bromyard Bringsty; Bromyard West; Hope End; Saxon Gate; Wormside;

Purpose

Project 1

To seek approval to begin works to modernise and upgrade traveller sites owned/managed by the council. The six sites and 53 pitches require works of further improvements. The proposed works include, improvements to fencing, doors, electric meter and supply upgrade, improved security on sites, play areas and general site repairs identified in the stock condition survey. The six traveller sites are detailed in Appendix 1.

To seek approval to begin works to develop three additional traveller pitches. The pitches consist of two at the Bromyard Site and one at the Grafton Site. Both sites are owned and managed by the

council. The development of the new pitches will attract an annual income of £11,700 and there is a waiting list of potential residents to take up tenancies for all these pitches.

Project 2

To seek approval to begin the design stage of the four proposed pitches and entrance works on a new site adjacent to the already existing site at Pembridge, complete a tender process and award a contract for the works and then carry out the construction works required to complete the project.

Recommendation(s)

That:

- (a) expenditure up to the value of £911,000 is approved for the development of two traveller site pitches at Bromyard and one at the Grafton site and the modernisation of 6 traveller sites across the county as detailed in Appendix 1 (Project 1)**
- (b) an NEC 3 contract is awarded to SC Joseph Limited up to the value of £752,000 (inclusive of contingency) (Project 1)**
- (c) expenditure up to the value of £30,000 for professional fees is approved**
- (d) expenditure up to the value of £937,000 to commence and complete four pitches at the Pembridge Site (Project 2) is approved; and**
- (e) the Assistant Director for Regulatory, Environment and Waste be authorised to take all operational decisions to complete project 1 and project 2.**

Alternative options

1. Approval is not given for project 1 or project 2;

This option is not recommended as the council could fail in its duty contained in the Mobile Homes Act 1983. Site owners (the council) are required to ensure that their sites are kept in a good condition by maintaining pitch bases, utilities, amenity blocks and shared amenities. This option is not recommended as without a planned schedule of improvement works the sites could fall into disrepair.

The council will not fulfil its obligations with regard to its obligations under the Gypsy Traveller Accommodation Assessment (GTAA) and the mandate to spend this by Full Council will not be fulfilled.

Key considerations

New Pitch Development – Bromyard, Grafton and Pembridge

2. A capital bid was necessary in order to comply with the requirements of the council's Core Strategy (Local Plan) 2011 – 2031, as it sought to ensure compliance with the Council's duty in relation to the Travellers Sites Development Plan, which forms part of the Local Plan.
3. The project was originally planned and set out under the previous administration but is still relevant and in line with the County Plan 2020-2024 objectives as set out in the following

document, https://www.herefordshire.gov.uk/directory_record/3131/county_plan_2020-2024

4. Results of the Gypsy Traveller Accommodation Assessment (GTAA) indicated that there would be a requirement to provide nine additional pitches. The latest review from the Inspector recommends that a further five pitches will be required in the county before 2022/23 and a further eleven pitches between 2023 and 2031, these are in addition to the previously identified nine.
5. The increase in pitch numbers would assist to reduce the pressure on the availability of pitches within the Gypsy Traveller community.
6. Developing the two pitches at Bromyard will reduce further opportunity for the residents to accumulate waste materials, as this vacant land is often subjected to the storage of waste. The proposed pitches will be located at the rear of the site where previous problems have occurred. The shell of a brick building containing two potential units was left undeveloped during the re-instatement of Bromyard as a Traveller Site, and was left boarded up. The units require fitting out with windows, doors, kitchen and bathroom facilities, utility services re-instated to allow them to be used as lettable units. This area of the site will also benefit from refurbishment to prevent open areas which can attract accumulations of rubbish.
7. The Grafton site will benefit from the conversion of the old manager's office to a residential pitch. The brick unit which is on site but not used as a residential pitch will be converted to include a bathroom, kitchen, new windows and both internal and external doors. This building currently houses the main electricity supply for the site, so this supply will need to be relocated.
8. A new site at Pembridge has been identified adjacent to the current site. It is anticipated that four pitches could be developed on the site but development of this site will require a planning application. There will be a separate site entrance to the proposed new site. Procurement of any services to develop this project will be procured through a competitive tendering process following the council's contract procedure rules.
9. SC Joseph Limited have been appointed through a competitive tendering process which was undertaken in line with the council's contract procedure rules.
10. In the original business case, attached as Appendix 1, CCTV was included as one of the improvements to communal areas. It is proposed to risk assess each site and determine the urgency of CCTV installation, and install CCTV on as many sites as the present budget allows. It is proposed to install two cameras at each site, at or near the entrance barrier, one further into the site to cover communal areas where accumulation or burning of rubbish has been evident. The cameras will be adjusted to exclude any private accommodation and/or pitches on the sites and will have full night time quality cameras. The cameras will be of the same quality and operating standard as the council's CCTV system which is standard throughout the County.

Modernisation of 6 county sites

11. The required modernisation will ensure that the council continues to offer good quality accommodation and attract new applications for vacant pitches.
12. The improvements to the electrical supply on all sites will result in fewer call outs caused by electrical trip out. New meters will enable residents to purchase electric credit from local shops and supermarkets rather than relying on officers visiting the sites to sell electric cards.

13. The site improvements will enhance the aesthetics of the sites and ensure that they do not cause detriment to the local communities where they are sited.
14. The improvements to the pitches were requested by residents, in particular improvements to the doors. The current doors are warped and require constant repair.
15. The works have been prioritised with information provided by residents, property services and the gypsy and traveller officers who visit the sites. By collating this information, it is hoped that the best use can be made of the money to satisfy residents and reduce the maintenance costs for property services. The replacement of doors and electric meter upgrade works will be undertaken via the council's maintenance contract with BBLP and the refurbishment works will be procured in line with the council's contract procedure rules; this is likely to be through a suitable framework or an open procurement process. The specific route will be determined in consultation with the commercial services team.

Community impact

16. This project supports residents of council owned sites to live safe, healthy and independent lives, and supports the choices available for persons not wishing to live in 'bricks and mortar'.
17. Better provision of improved accommodation and an increase in plots available will enhance traveller children's lives. Stability in accommodation enables facilities to be accessed more easily.
18. Development of good quality accommodation supports the 'secure better services, quality of life and value for money' element within the County Plan 2020 – 2024.
19. If the council were to seek alternative management/ownership arrangements for the traveller sites in the future, improving the sites, would make such a transition more feasible.

Environmental Impact

20. This decision seeks to deliver the council's [environmental policy commitments](#) and aligns to the following success measures in the County Plan.
 - Reduce the council's carbon emissions
 - Improve energy efficiency of homes and build standards for new housing
21. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.

This project will seek to achieve the following greener construction methods to ensure that the project is contributing towards the objectives in the County plan and to create sustainable buildings that reduce running costs in the future. Techniques that reduce loss of energy and reduce the need for carbon emissions will also be created.

Modernisation of units at Grafton and Bromyard include:

- Under slab insulation
- Cavity insulation
- Foil wrapped phenolic foam pipe insulation
- Water tank insulation

- Roof void insulation
- Double glazed windows
- Insulated steel external doors
- LED lighting and controls
- Bat friendly roof coverings

Existing units

- Replacement insulated steel external doors
- Replacement LED external lighting to service units

There will also be new electricity meters installed which will enable the Council to measure the use effectively and provide a sinking fund of any savings achieved relating to this usage through a more greener renewable source.

The environmental impact of this proposal has been considered through the service specification and includes appropriate requirements on the contractor/delivery partner to minimise waste, reduce energy and carbon emissions and to consider opportunities to enhance biodiversity. This will be managed and reported through the ongoing contract management.

The development of this project has sought to minimise any adverse environmental impact and will actively seek opportunities to improve and enhance environmental performance through the bat friendly roof coverings and through the use of CCTV to minimise fly tipping over time and start to generate the right relationship to avoid this happening in the future.

Equality duty

22. This decision provides additional opportunity for persons from the gypsy traveller community to have more accommodation choice

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
23. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.
24. Within our equality policy we have stated The Council is committed to a rolling programme of improvement to the six Traveller sites which it manages. Council owned sites are audited regularly, and stock condition surveys are carried out to identify areas for improvement. This

decision demonstrates that the council takes its Equality duty seriously and demonstrates commitment to supporting the Gypsy Traveller community by these actions.

Resource implications

25. A decision was taken to combine the modernisation elements of the six county sites with the new pitch development at Bromyard and Grafton which is now known as project 1. This enabled the project to realise the best value for the council in terms of procurement. The procurement of services to deliver project 1, the contingency and professional fees for the project are set out below:

Item	Budget
Construction Costs	£719,000 (Includes spend/commitments to date)
Contingency	£33,000
PM Costs	£10,000
Property Costs	£20,000
Total	£782,000

The Council in February 2019 approved a budget for project 1 of £911,000 so the project will realise an underspend of £129,000 on the construction costs. Once the council is satisfied that the objectives in the business case have been realised, the underspend will be reallocated to invest in CCTV on the sites, prioritising the Bromyard site to avoid future unnecessary waste collections having to be made by the council where fly tipping will occur. Should there be a requirement for additional funding to secure CCTV on all of the sites then the service will make a further capital bid to full council in February 2021. The benefits of having CCTV across all the sites will enhance security and ease public perception of Gypsy and Traveller Sites.

26. The Council in February 2019 also approved the budget allocation of £937,000 to build four pitches at the Pembridge site known as project 2. By authorising the spend allocation for the project the council will be able to begin the design stage of the project which will accelerate the timescales mapped out in the business case and allow the objectives to be realised sooner than expected.

Capital cost of project	2019/20	2020/21	2021/22	Future Years	Total
	£000	£000	£000	£000	£000
<i>Project 1 – 3 pitches at Bromyard and Grafton and modernisation of 6 county sites</i>	22	850	39		911
<i>Project 2 – 4 pitches at Pembridge</i>		237	700		937

TOTAL	22	1,087	739		1,848

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2019/20	2020/21	2021/22	Future Years	Total
	£000	£000	£000	£000	£000
<i>PWLB – ROI</i>			545		545
<i>PWLB – HC Funded</i>	22	1,087	194		1,303
TOTAL	22	1,087	739		1,848

Revenue budget implications	2021/22	2022/23	2023/24	Future Years	Total
<i>Income from increased pitches x 7 @ 100% occupancy for 40 years to repay loan and interest</i>	21.8	21.8	21.8	21.8	545
TOTAL	21.8	21.8	21.8	21.8	545

27. A business case was completed which was approved by Council in February 2019. This clearly sets out the objectives for investment in Gypsy and Traveller sites across the county and this request for authorisation sets out how the objectives will be achieved. The business case can be seen in Appendix 1.
28. Of the £1,848k budget it is forecast that there will be a return on investment of £545k over the estimated 25 year life of the pitches, to repay this element of the borrowing costs. Further estimated revenue surpluses from additional income will be retained to manage the ongoing running costs.

Legal implications

29. The council has a statutory duty under section 22 (c) and (d) of the Mobile Homes Act 1983 to ensure that the council's gypsy and traveller sites are maintained in good repair this duty includes maintaining pitch bases, utilities, amenity blocks and shared amenities. Maintaining sites to a high standard will ensure that existing sites remain viable.
30. Section 22 (e) and (f) of the Mobile Homes Act 1983 requires the council to consult with pitch occupiers and/or residents groups about any proposed improvements to a site before works are undertaken.

31. Under section.24 Caravan Sites and Control of Development Act 1960 as amended by section 80 Criminal Justice and Public Order Act 1994 the council has the power to provide sites for use by gypsies and travellers and to provide for the use of those occupying the site any services or facilities for their health or convenience.
32. Legal Services have been involved in the drafting of the construction contract that S C Joseph and will be providing support in relation to any legal agreements required in relation to the new pitch developments.

Risk management

33. The following risks have been identified against project 1 & 2.

Risk / opportunity	Mitigation
Non compliance with the Travellers Sites Development Plan	To work with property services to plan and develop traveller sites as per the development plan
Reduction in income from rent from the three pitches if they are not developed	To work with property services to develop the pitches and plan for the revenue income with the council's finance
Increased pressure on the maintenance budget	Work with finance and property to establish the modernisation of the pitches to reduce the back log maintenance and future costs for the running of the sites.
Continued challenge from the traveller community regarding the condition and availability of the sites	Experienced officers from the council to work with the traveller community and provide regular updates and information around the investments being made
Project overspend	Adopt the council's corporate project management structure and manage the budget within that structure

34. The risks identified will be managed through the council's corporate capital project management structures, reporting through the project and programme boards set up to manage the project.

Consultees

35. Consultation has taken place through the drafting and extensive consultation for the Traveller Sites Development Plan Document (DPD), which forms part of the Local Plan over a two-year period. The works proposed by this report were therefore selected from the results of that process which took on board the views of the traveller community. Part of the consultation process also involved direct consultation with the residents from the sites and this report supports many of these proposals as well.
36. Ward members have been consulted. The ward member for Bircher expressed support for the proposals and there were no other comments or objections.

37. Consultation has taken place during the Travellers Sites Development Plan over a two year period. The location of these sites for pitch development was selected from the results of that process. Ward Members where the sites are being located have been consulted as part of this process and no objections have been received.
38. Consultation has taken place with the cabinet member for Assets and Procurement and she is satisfied that the project meets the County Plan 2020 – 2024 objectives and is a project that is fully supported by herself.

Appendices

Appendix 1 – February 2019 Full Council Business Case

Background papers

None Identified