

---

**GYPSY AND TRAVELLER SITE EXTENSION AT NEASHAM ROAD**

---

**Responsible Cabinet Member -  
Councillor Chris McEwan, Economy and Regeneration Portfolio**

**Responsible Director – Richard Alty, Director of Place**

---

**SUMMARY REPORT**

**Purpose of the Report**

1. The purpose of this report is to present the outcome of the feasibility study that researched the options for providing a new Gypsy and Traveller site providing up to 20 permanent pitches.

**Summary**

2. The Council's evidence base for the Local Plan suggests there a need to provide between 35 and 65 new pitches in the plan period up to 2026. Work is on-going to refine this evidence in advance of the Public Examination into the land allocation document Making and Growing Places.
3. In July 2010, Darlington Borough Council bid, and, were successful in being allocated £1.5M of Traveller Pitch Funding (TPF) grant as part of the Homes and Communities Agency's 2011-2015 programme to deliver 20 new Gypsy and Traveller pitches. The allocation was for year 3 or 4 of the programme (2013-15). The bid was based on assumptions of creating additional pitches at either Honeypot Lane or Neasham Road utilising the existing lease arrangements and draw down of the funding in 2014/2015.
4. Work on the allocation of Gypsy and Traveller sites within the Local Plan was reaching an advanced stage and on 12<sup>th</sup> June 2012, Cabinet approved the release of £50k of feasibility funding to identify the requirements and costs of delivering 20 new Gypsy and Traveller pitches. On 10<sup>th</sup> July 2012, Cabinet were advised of the outcome of the consultation in respect of meeting the identified and emerging needs of the Gypsy and Traveller community as part of the Local Plan process up to 2026. The conclusion of the Local Plan consultation confirmed that Honeypot Lane and Neasham Road sites should be allocated as strategic sites to meet future housing needs for the Gypsy and Traveller community. This recommendation was endorsed by Members at Cabinet on 10 July 2012.

5. In July 2012 the HCA confirmed their grant conditions did not make it possible to work within the existing lease arrangements as different management and monitoring standards were required. Consequently, focus turned to the Neasham Road site rather than Honeypot Lane as it offered the only opportunity to either construct a new site and or negotiate a new lease arrangement for the existing and proposed new pitches to satisfy the HCA grant conditions.
6. The HCA grant conditions assumes sites would be managed by Council's in a similar way to Council Housing or housing provided by a Registered Social Landlord where allocation processes and individual lease arrangements would be put in place for each family. This not a model that the Council has operated since the 1970's. A period of protracted negotiations with the HCA has resulted in the development of a new model lease but the current lease holder at Neasham Road has concerns and is not willing to apply it wholly to the current site.
7. This has determined that the only way forward with some certainty of meeting the HCA grant conditions is the construction of a separate and independent site immediately adjoining the existing Neasham Road site. The feasibility study estimates the cost of delivering 20 pitches in this form to require a budget envelope of £1.8M. The HCA has subsequently increased their grant offer to £1.8M.
8. The new management arrangements will have revenue impacts as a result of enhanced management and monitoring requirements. It is estimated that this could be in the order of up to £50,000 per annum; however officers will report further on the conclusion of work to refine these overall costs which may be offset by rent income.

## **Recommendation**

9. It is recommended that :-
  - (a) Members agree to draw down the revised HCA grant of £1.8M to enable the Council to proceed with the provision of 20 new pitches.
  - (b) Members agree to deliver 20 new Gypsy and Traveller pitches by developing an adjacent site to the existing Neasham Road settlement.
  - (c) Members note the position relating to the operation and management of the new site and instruct officers to report to a further meeting of Cabinet to determine the preferred management arrangements
  - (d) Members approve the award of the contract for the investment works in connection with the proposed site extension and refurbishment work, to the internal Design and Building Services Departments.

## **Reasons**

10. The recommendations are supported by the following reasons :-
  - (a) The recommendations provide the most cost effective way and certainty of delivery to provide 20 new Gypsy and Traveller pitches to meet the housing

needs of this community and the HCA grant conditions.

- (b) Delivery of 20 new Gypsy and Traveller pitches will contribute towards the Local Plan commitment of 35 new Gypsy and Traveller pitches by 2016.
- (c) The Homes and Communities Agency (HCA) grant funding allocation of £1.8M will be secured by delivering the 20 new Gypsy and Traveller pitches by March 2015.
- (d) To deliver the proposed investment works to a high quality and competitively, by awarding the works to the internal Design and Building Services Departments, utilising their skills and experience, closely monitoring and managing the investment work.

**Richard Alty, Director of Place**

**Background Papers**

- 1. Cabinet 12 June 2012 – Gypsy and Traveller feasibility study funding.
- 2. Cabinet 10 July 2012 – Gypsy and Traveller Local Plan consultation and site allocation.
- 3. 23 September 2013 - Gypsy and Traveller site extension feasibility report.

Alan Glew : Extension 2202

S17 Crime and Disorder	Adopting the Homes and Communities Agency’s (HCA’s) site management good practices and meeting the HCA’s grant funding obligations will provide robust management arrangements to manage out crime and anti-social behaviour.
Health and Well Being	The project will provide essential and modern infrastructure, and facilities on site which will contribute towards, improved public health, reduced energy costs, a reduction in the likelihood of site flooding, improved roads and sustainable travel routes to reduce the likelihood of accidents and encourage sustainable travel, improved site safety by the introduction of robust fire prevention policies, and warm and dry amenity blocks free of damp.
Carbon Impact	The project is examining opportunities to reduce the carbon footprint of the site and provide an opportunity for on site energy generation through the Warm Up North programme to provide an income to sustain the site in the longer term. Only Chalet provision is eligible for Warm Up North assistance.
Diversity	The implementation of essential infrastructure improvements at Neasham Road and the extension of the existing site will provide improved accommodation choices for the community.  The project will not have any direct impact on the improvement of amenities on the existing site other than an

	<p>enhanced electricity sub-station which will have the capacity to accommodate future site improvements, and, an improved shared access road. Other essential improvements to the existing site are outside of the scope of this project and will need to be considered separately.</p> <p>The Council offer and promote safeguarding policies to allow any members of the community anonymous reporting of any incidents of discrimination, harassment, victimisation and any other conduct that is prohibited. Through the implementation of this project the Council will be training the new Leaseholder with the skills and training to provide support and advice in respect of any reported incidents.</p>
Wards Affected	Eastbourne ward.
Groups Affected	The Gypsy and Traveller community both on existing Gypsy and Traveller sites and currently residing in “bricks and mortar” in the Borough. The community immediately adjacent to the existing Gypsy and Traveller site at Neasham Road because of existing cultural differences.
Budget and Policy Framework	This request is outside of the current scope of MTFP spending approvals.
Key Decision	<p>This is a key decision as the level of capital and revenue funding sought from the Council is significant, to deliver the Gypsy and Traveller project.</p> <p>This is a key decision as it has significant implications for the planning and approval of any future Gypsy and Traveller sites across the Borough as part of the Local Plan.</p>
Urgent Decision	Yes
One Darlington: Perfectly Placed	The project is intended to both provide improved accommodation conditions for the Gypsy and Traveller Community and begins to address inequalities in accommodation choices.
Efficiency	<p>The delivery of the construction element of the project through the in house Design and Building Services Departments are expected to deliver efficiencies to the project, provide continuity of work for the Design and Building Services Departments and provide an effective project management control for the project.</p> <p>The proposed investment in the Neasham Road Gypsy and Traveller site will deliver new high quality pitches for the Gypsy and Traveller community and potentially an opportunity to generate additional income on site through renewable technology and / or reduce individual pitch holder energy costs improving the long term sustainability of the new site.</p>

## MAIN REPORT

## Information and Analysis

### Background

11. In July 2010 the Homes and Communities Agency (HCA) allocated Darlington Borough Council £1.5M from their Traveller Pitch Funding (TPF) grant programme for the period 2011-2015. At the time of the grant funding application to the HCA, the bid was made in respect of years 3 / 4 of the 2011-2015 (i.e. 2013-2015) programme, and, was not site specific, but, did commit the Council to deliver 20 additional Gypsy and Traveller pitches by March 2015. The bid was based on assumptions of creating additional pitches at either Honeypot Lane or Neasham Road utilising the existing lease arrangements and draw down of the funding in 2014/2015. A cost effective and attractive bid submission was presented to the Homes and Communities Agency based on some existing transit pitches at Honeypot Lane being converted to permanent pitches at low pro rata cost and also creating some new enhanced pitches (higher pro rata cost) at Neasham Road.
12. Work on the allocation of Gypsy and Traveller sites within the Local Plan was reaching an advanced stage and on 12 June 2012. Cabinet approved the release of £50k of feasibility funding to identify the requirements and costs of delivering 20 new Gypsy and Traveller pitches. The land value is also considered to be match by the HCA. On 10 July 2012, Cabinet were advised of the outcome of the consultation in respect of meeting the identified and emerging needs of the Gypsy and Traveller community as part of the Local Plan process up to 2026. The conclusion of the Local Plan consultation confirmed that Honeypot Lane and Neasham Road sites should be allocated as strategic sites to meet future housing needs for the Gypsy and Traveller community. This recommendation was endorsed by Members at Cabinet on 10<sup>th</sup> July 2012. This project is an important milestone in meeting that accommodation need.
13. In July 2012 the HCA confirmed their grant conditions did not make it possible to work within the existing lease arrangements as different management and monitoring standards were required. The leaseholder for the Honeypot Lane site was not prepared to consider amending the existing lease to meet the grant conditions. This resulted in significant risks to delivering additional pitches with HCA funding at Honeypot Lane, which would have been the most cost effective construction solution as it would have involved the adaption of transit pitches to permanent pitches.
14. The Leaseholder at Neasham Road indicated a willingness to explore a new Lease for the existing site in conjunction with creating new pitches and improving existing pitches and facilities. Consequently, focus turned to the Neasham Road site rather than Honeypot Lane as it offered the only opportunity to either construct a new site and or negotiate a new lease arrangement for the existing and proposed new pitches to satisfy the HCA grant conditions.
15. The HCA grant conditions assumes sites would be managed by Council's in a similar way to Council Housing or housing provided by a Registered Social Landlord where allocation processes and individual lease arrangements would be put in place for each family. This not a model that the Council has operated since

the 1970's. Since that time the Council owned sites have been managed by the Gypsy and Traveller community themselves through the awarding of commercial leases for both the Neasham Road and Honeypot Lane sites.

16. A period of protracted negotiations with the HCA has resulted in the development of a new model lease but the current lease holder at Neasham Road has concerns and is not willing to apply it wholly to the current Neasham Road site.
17. The conclusions of this work has resulted in the narrowing down of options to only one build solution and that is to construct a new site adjoining the existing Neasham Road site. At this time it has not been possible to reach agreement to refurbish the existing site in combination with new pitches and a new management arrangement to cover both sites. Given the time constraints on the HCA grant offer the Council has no choice but to proceed with a new site adjoin the Neasham Road site under different management arrangements.

### **The Proposed Scheme**

18. The proposed scheme is illustrated on the attached plan 2013\_007\_(20)P3 Rev A (**Appendix 1**). The final proposal will be dependent upon planning permission and further detailed design work.
19. The feasibility work suggests that 20 new pitches can be provided in accordance with recommended national standards and guidance and takes into account input from the Gypsy and Traveller community.
20. Essential works are required to the access road and pedestrian access, utilities and drainage to serve the new site and existing site. These will be of a specification to accommodate future improvements to the existing site when that opportunity arises.
21. Sixteen of the pitches will have hard surfacing sufficient to accommodate two caravans and parking, together with amenity blocks that provide washing, kitchen and toilet facilities.
22. Four of the pitches will be hard surfaced and serviced to accept chalet style accommodation.
23. A small office and store is provided in accordance with best practice for use by the Site Manager or Leaseholder.
24. The proposals include options to connect the existing site and new site allowing for improved space and amenity facilities on the existing site at a future date.

## **Procurement of a Site Operator**

25. Negotiations with regard to a new Lease have been protracted and difficult as this is unique in the experience of the HCA. Other authorities manage sites themselves employing wardens on site and a support structure of supervision and management, including accommodation allocation and rent collection. This is a model that Darlington has not had since the 1970's with it choosing to lease sites to the Gypsy and Traveller community for them to self-manage. The HCA grant conditions mirrors the management arrangements of Council housing or Housing Association stock with resources for allocations and referrals, on-site management, systems for maintenance, repairs and investments. Officers have been reluctant to abandon the lease arrangements, due to significant revenue costs and have sought to negotiate a lease position that includes appropriate management standards to reflect the HCA expectations required to release the grant.
26. A revised Lease that meets HCA requirements has now been agreed, however, this still remains unacceptable to the existing Leaseholder of the Neasham Road site in terms of the existing site. However, he remains interested in managing the new site under the new model lease. In these circumstances the Council's contract procurement procedures would require a new lease to be tested through the open market.
27. Furthermore Durham County Council, who manages their own sites through a warden system, has indicated an interest to discuss managing the new Neasham Road site. Discussions are not sufficiently advanced for officers to make recommendations on the management arrangements. It is estimated that increased revenue costs may be in the order of £50,000 per annum but would be offset by income from rents. The models for rent levels and management arrangements are continued to be explored with Durham County Council and the HCA for options ranging from a Council managed site to the new model lease. Officers will bring a further report to Cabinet on those options on conclusion of that work. In the meantime officers continue to discuss with the existing leaseholder the longer term implications for the existing site and its refurbishment.

## **Financial Implications**

28. Should the Council proceed the grant funding is available on the basis of 50% on commencement of work on site and 50% on completion for all elements of the work that comply with the HCA's grant funding conditions.
29. Following the recommended and proposed delivery model for the new 20 pitch site will not allow any of the £1.8M of HCA grant to be utilised to improve and invest in the existing Neasham Road site. However, the existing Neasham Road site will benefit from any required shared infrastructure investment necessary to service the new site such as the shared single access road, and, the new electricity sub-station which are essential common elements to both sites.
30. The feasibility study suggests that the project to deliver 20 additional Gypsy and Traveller pitches can be delivered by the revised grant allocation from the HCA of £1.8M, subject planning permission and further design work. The Council's project management processes will be important in managing this budget envelope.

31. Officers are exploring the potential to lever in Warm Up North funding through the regionally procured British Gas contract. Early indications from Warm Up North have confirmed that this would only be possible towards the costs of the 4 Chalet pitches (park homes) and this would be the only basis on which the new site would be eligible to attract ECO or Green Deal funding.
32. The Homes and Communities Agency have advised the Council that the £1.8M of allocated grant funding is allocated on a proportional basis, so, if for any reason the Council are unable to deliver 20 new Gypsy and Traveller pitches the grant funding allocation would be reduced proportionately to the revised pitch numbers.
33. By commissioning the construction element of this project via the Council's in house Design and Building Services Department, this will deliver efficiencies and savings for the project and also ensure continuity of work for the in house team. All of the costs presented can be assessed against the recognised BCIS cost index to demonstrate value for money and this will be important in justifying this decision to the HCA without having undertaken a full open tendering process.
34. The Council are able to claim New Homes Bonus on any additional net Gypsy and Traveller pitches provided as a result of this investment. Based on the options being considered, the investment is expected to generate 20 net additional Gypsy and Traveller pitches. Over a six year period each additional pitch will attract in the region of £8,000 New Homes Bonus and will also generate approx. £5,200 additional Council Tax giving the Council approx. £264,000 in additional revenue although new Government rules mean that some of this will be top-sliced and re-distributed to the Tees Valley Local Enterprise Partnership (LEP).

## Risks

35. The main risks associated with the recommend course of action are.

<b>Risk</b>	<b>Mitigation.</b>
Budget exceeded.	The estimated costs have appropriate contingency allowances. Alternative funding sources like Warm Up North are still being pursued. Project Management processes in place. Arrangements will need to be put in place to secure access to the new site during construction and on implementation.
Demand for pitches not realised.	Would need to revisit management arrangements, rent levels or lease arrangements to ensure attractiveness to Gypsy and Traveller Community.  Would support refusal of inappropriate planning applications elsewhere.
Demand for pitches realised but results in vacancies on existing site.	Revisit options for existing site including surrender of Lease, refurbishment of site or marketing of pitches for sale.



<b>Risk</b>	<b>Mitigation.</b>
Delay in meeting HCA timetable.	Proposed option provides most certain path to managing timetable. Project management processes in place.
Social cohesion between adjoining sites breaks down.	Continue to work with both sites with the aim of improving the amenity standards at the existing site.

### **Legal Implications**

36. Legal services have produced the draft revised Lease to comply with the Homes and Communities Agency’s grant funding conditions to remove the potential risk of “clawback” of grant funding allocated. Legal Services will ensure that this project complies with all statutory obligations under the Equalities Act 2010.

### **HR Implications**

37. The project has implications for increased management resources from the Council whichever management model is adopted. Work is on-going to define this and a further report will be made to Cabinet on this matter.
38. The award of this investment contract to the in house Design and Building Services Department will help protect employment within the Design and Building Services Department and ensure continuity of work and protect employment for the local economy.

### **Corporate Landlord Advice**

39. The Corporate Landlord team have confirmed the value of the match funding value of the land proposed for the extension of the Neasham Road site as £91,500. The maximum term of any revised Lease cannot exceed 7 years in term to conform to the Homes and Communities Agency grant funding conditions.

### **Procurement Advice**

40. The Corporate Procurement Unit has been consulted in drafting the proposals and recommendations of this report. The award of the investment works to the internal Design and Building Services Departments is allowable under the public sector procurement rules. Any sub-contracted investment work would need to be separately tendered or delivered through existing procured Framework Partners.

## **Equalities Considerations**

41. The Council will be required through their training programme of the new appointed Leaseholder to make them aware of the obligations of the “Statutory Code of Practice on Racial Equality in Housing” and to meet all of the Council’s statutory obligations under the Equalities Act 2010.
42. The new model lease arrangements are fully compliant with the Council’s equality duties and consideration.

## **Consultation**

43. The strategic allocation of further pitches at Neasham Road has been the subject of extensive consultations through the Local Plan process.
44. The specification for the project has been informed by the existing site Leaseholder and input from representatives of the Gypsy and Traveller Community.
45. The existing Neasham Road Leaseholder has welcomed and supported the proposed new design of amenity blocks (sheds) and the proposed pitch layout plan.