



To: Executive Councillor for Housing: Cllr Catherine Smart
Report by: Alan Carter, Head of Strategic Housing
Relevant scrutiny committee: Community Services Scrutiny Committee
Wards affected: All Wards
EqiA Undertaken: Yes

COUNCIL NEW BUILD PROGRAMME - SCHEME APPROVALS

Key Decision

This report contains exempt annexes which are recommended to be NOT for publication and that press and public are excluded by virtue of paragraph 1 and 2 of Part 1 of Schedule 12A of the Local Government Act 1972.

1. Executive summary

This report provides details of the redevelopment of properties in Aylesborough Close and Water Lane and Green End Road.

In the light of the debate at the last Committee and subsequently at the full Council meeting the Executive Councillor for Housing has requested that this report be submitted to provide further information on why the two schemes have been proposed for redevelopment including information on the equalities impact of the proposal.

2. Recommendations

The Executive Councillor is recommended to

(a)

- approve that Aylesborough Close Phase 1 (1-8a and 39-50 Aylesborough Close and adjacent garages) is redeveloped
- note the first indicative mix, design and layout of the new scheme to be evolved prior to the submission of a planning application

- approve the scheme capital budget highlighted in the project appraisal to cover the Construction Cost of the scheme; Home Loss Payments to tenants and leaseholders and professional quantity surveyor fees.
- approve that delegated authority be given to the Director of Customer and Community Services following consultation with the Director of Resources and the Head of Legal Services to seal a Development Agreement with our preferred house-builder/developer partner.
- note that residents of the current scheme will be supported in line with the Council's Home Loss Policy to secure suitable alternative housing

(b)

- approve that the Water Lane scheme (6-14a Water Lane and 238-246 Green End Road) is redeveloped
- note the first indicative mix, design and layout of the new scheme to be evolved prior to the submission of a planning application
- approve the scheme capital budget highlighted in the project appraisal to cover the Construction Cost of the scheme; Home Loss Payments to tenants and leaseholders and professional quantity surveyor fees.
- approve that delegated authority be given to the Director of Customer and Community Services following consultation with the Director of Resources and the Head of Legal Services to seal a Development Agreement with our preferred house-builder/developer partner.
- note that residents of the current scheme will be supported in line with the Council's Home Loss Policy to secure suitable alternative housing

3. **Background**

At the October 2012 Community Services Scrutiny Committee, the Executive Councillor for Housing was requested to approve that more schemes were taken forward under the Council's Affordable Housing Development Programme.

Although approval was given, there was much debate at the Committee and subsequently at the full Council meeting on the following two schemes.

Aylesborough Close Ph 1 (1-8a and 39-50 Aylesborough Close and adjacent garages)

Water Lane (6-14a Water Lane and 238-246 Green End Road)

Consequently, the Executive Councillor for Housing has requested that this report be submitted to provide further information on why the two schemes have been proposed for redevelopment to ensure the decision remains sound, including information on the equalities impact of the proposal.

The appendices provide details of the two redevelopment schemes in the form of Project Appraisals.

1-8a and 39-50 Aylesborough Close currently consists of 24 units, a mix of one, two and three bedroom (one only) flats and maisonettes. Twenty are rented by City Homes and four have been sold. These flats and maisonettes were approved for consideration for redevelopment as part of the Council's 3 Year Rolling Programme in June 2009.

Aylesborough Close was identified in the Cambridge City Council Housing Land Audit 2005 carried out by Savills as a site having potential to improve the layout of units on the site and increase the density. Housing officers have indicated that the flats are becoming more unpopular due to the size, particularly the one bedroom flats.

The first indicative new scheme that has been drawn up for 1-8a and 39-50 Aylesborough Close will provide a mix of 1,2 and 3 bedroom houses and flats built to modern day standards that better reflects the current and future housing needs for people in Cambridge.

6-14a Water Lane and 238-246 Green End Road currently consists of twenty four dwellings, four one bedroom one person bungalows and twenty one bedroom one person flats. Twenty three are rented by City Homes and one flat has been sold. These flats and bungalows were approved for consideration for redevelopment as part of the Council's 3 Year Rolling Programme in June 2009.

This scheme was identified in the Housing Land Audit 2005 as having the potential to be redeveloped on a similar scale and density as the existing dwellings, although there may be potential to create some three-storey blocks in parts. Housing officers have highlighted the growing difficulty in letting the units, particularly to older people, due to the size, construction and quality of the units. For example, the properties can only accommodate single people. Access to the flats above ground floor present difficulties for people with mobility problems. The space standards and layout of the units mean they are not easy to use for wheelchair users.

The first indicative new scheme that has been drawn up for the Water Lane site focuses on the re-provision of Affordable Housing for older people (as opposed to family or working age single person general housing) as the site is well located in terms of services and access to transport links and amenities. The 14 Affordable Housing flats are planned for people over 55 years of age and will meet Homes and Community Agency standards for older people. They will have much better space standards and will be accessible to people who use wheelchairs and will have lift access to first floor and above. The two bedroom units will allow live in care as needed.

4. Implications :

(a) Financial

The financial implications of each scheme are shown in full in the Appendices. As the schemes are still subject to planning the costs are indicative. As final schemes are worked up they will only proceed if they can be funded within borrowing and capital funding parameters in the new 30 Business Plan that has been established under 'self-financing'. If a final scheme cannot be delivered within the budget requested then a revised approval will need to be brought back to Committee for scrutiny. The risk that the schemes cannot be funded can be mitigated by;

- Adjusting the balance between new Affordable Homes and market housing in the schemes.
- Working with one of the housing association partners on the Council's Affordable Housing Development partnership framework agreement to part or completely fund a scheme
- Reduce the number of schemes in the overall programme.

It should be noted that errors have been identified in the budgets approved at the October 2012 Committee. Previously estimated Home Loss Payments to leaseholders were omitted. These errors have been corrected in section 4 of the Project Appraisal.

(b) Staffing

A Development Officer from the Enabling and Development Team will be allocated to project manage each scheme. Projects will be monitored by the Affordable Housing Development Programme Board, a group of officers that meets quarterly. The Board includes representatives from the Enabling and Development Team, City Homes, Housing Strategy, and Procurement. Internal Audit and Legal are corresponding members.

(c) Equal Opportunities

A revised equalities impact assessment (EQIA) for the Affordable Housing Development Programme is the subject of a separate report to this Committee. EQIAs relating to each of the proposals that are the subject of this report are shown as confidential appendices.

It should be noted that if the Council did not pursue the redevelopment of some existing housing as part of the new Council house building

programme it could result in some of the most vulnerable people in the city being sustained in some of the poorest housing.

In summary, approximately half of the residents at Aylesborough Close scheme are households with children and half are single working age adults.

The redevelopment of the properties at 1-8a and 39-50 Aylesborough Close will have the following equalities impact

Positive Impacts

- The mix of new housing planned will better reflect future housing need
- The new housing planned will improve the balance of housing in the local community
- The mix of new housing planned will increase the provision of much needed family housing
- The new housing planned will be to better space standards than the housing proposed for redevelopment
- The new housing planned will be to improved energy efficiency standards helping to keep utility bills low for the residents
- All residents required to move will be re-housed in better standard accommodation

Negative Impacts

- The disturbance and uncertainty caused by the implementation of the AHDP may be unsettling. It is noted that some residents may choose not to reveal all of their support needs to officers and therefore appropriate support cannot be made available.
- Everyone will be re-housed. However, If residents who are required to move have very particularly requirements it may not be possible to re-house everyone to a new home in the area of their choice.

At 6-14a Water Lane and 238-246 Green End Road ten of the residents are over the age 60 and others are working age adults. All are single person households. Of the 24 residents, the support needs of approximately two thirds are known.

The redevelopment of the properties at 6-14a Water Lane and 238-246 Green End Road has been assessed to have the following equalities impact;

Positive Impacts

- The new housing planned will improve the quality of housing for older people including; better space standards; improved accessibility; and improved energy efficiency standards helping to keep utility bills low for the residents
- All residents required to move will be re-housed in better standard accommodation

Negative Impacts

- The disturbance and uncertainty caused by the redevelopment proposals will be unsettling.
- Everyone will be re-housed. However, if residents who are required to move have very particular requirements it may not be possible to re-house everyone to a new home in the area of their choice.
- Some residents may choose not to reveal all of their support needs to officers and therefore appropriate support cannot be made available.

To mitigate the negative impact of the proposal the following actions have been identified;

- All residents are provided with a named housing officer to contact immediately after the decision has been made to redevelop a scheme.
- All residents will be offered as little or as much support as they feel they need to secure alternative housing and then to move, including the option to return to Water Lane.
- At the request of the resident, any formal or informal carers will be contacted and be liaised with to ensure the resident receives the appropriate support.

In line with the Council's Home Loss Policy, the type of support to be provided to those tenants and leaseholders who need it are as follows

- Assistance with registering on Home-Link
- Assistance to view alternative accommodation
- Assistance with forms relating to change of address
- Assistance with rearranging care support if applicable
- Where no friends or family are available arranging packing and removals
- Clearance of unwanted items
- Arranging lifting and refitting of carpets and curtains refit

(d) **Environmental**

All of the new homes will meet Level 4 of the Code for Sustainable Housing as a minimum.

(e) Procurement

See Appendices 1 and 2 to the report

(f) Consultation and communication

1-8a and 39-50 Aylesborough Close

There has been a mixed reaction, for and against, to the proposals from the residents. Some of the residents with families are keen to move to more appropriate accommodation and have expressed the view that the existing dwellings are unsuitable for families with young children as the garden areas are not secure, and there is a lack of adequate storage for families. The flats are also not always suitable for families with a household member who has a physical impairment due to the size, design and layout of the flats.

All the four leaseholders and the twenty tenants have been contacted by housing staff. The three resident leaseholders would prefer not to move as they have invested in their existing property and are also concerned that they will not be able to afford to buy another property on the open market. Officers will work with leaseholders to look at their options and work is underway to consider the Council developing an 'equity share' model of housing that would provide an option for leaseholders. If feasible, the leaseholder would invest their capital stake in their current flat into another home owned by the Council with the Council retaining the balancing stake.

City Homes officers are offering support as required to a small number of tenants that have requested their help and officers are aware of their support networks. All the tenants will receive top priority Band A status on Home-Link and a Local Lettings Plan is in place giving these residents greater priority to remain in the locality should they choose to do so.

6-14a Water Lane and 238-246 Green End Road

Most individual residents have met with City Homes officers. Officers are aware of those that are most 'vulnerable', their support networks, and requirements for additional support. All the tenants will receive top priority Band A status on Home-Link and a Local Lettings Plan is in place giving these residents greater priority to remain in the locality should they choose to do so.

Of the current residents of 6-14a Water Lane and 238-246 Green End Road, 14 are aged 55 year and over. They therefore could return to the

new scheme if they choose. Following initial meetings with City Homes officers, no resident has expressed a wish to return.

Contact has been made with the leaseholder on the site and this will be developed further.

The diversity of the residents living in 6-14a Water Lane and 238-246 Green End Road (ie ranging from frail older people to working younger single people) makes it difficult to effectively engage with them as a group. A number of individuals are supported by informal advocates who are giving the view that most residents do not want to move. This view was substantiated at a recent residents meeting when the few residents that were able to attend voiced their opposition to the redevelopment. It is also clear that there is a degree of mutual support between some residents. This adds weight to an option to phase the redevelopment of the site to allow some tenants to move within the site if this is feasible and viable.

(g) Community Safety

All new Affordable Housing is assessed against Secure by Design criteria.

5. Background papers

None.

6. Appendices

Appendix 1 - Project Appraisal - Aylesborough Ph 1: 1-81 and 39-50
Aylesborough Close and adjacent garages

Appendix 2 – Project Appraisal - Water Lane: 6-14a Water Lane and 238-246 Green End Road

Existing site layout and new indicative scheme layouts also enclosed.

7. Inspection of papers

There are no background papers but if you have a query on the report please contact:

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Appendix 1 – Aylesborough Close Phase 1 Project Appraisal

1 Summary

1-8a and 39-50 Aylesborough Close currently consists of 24 units, a mix of one, two and three bedroom (one only) flats and maisonettes. Twenty are rented by City Homes and four have been sold. These flats and maisonettes were approved for consideration for redevelopment as part of the Council's 3 Year Rolling Programme in June 2009.

2 Reason for Investigation:

1-8a and 39-50 Aylesborough Close was identified in the Cambridge City Council Housing Land Audit 2005 carried out by Savills as a site having potential to improve the layout of units on the site and increase the density. Housing officers have indicated that the flats are becoming more unpopular due to their size, particularly the one bedroom flats.

3 Feasibility:

Existing Dwellings:

The table below shows the current mix of dwelling types

1-8a Aylesborough	12 flats	2 bedsits	8 x one bedroom flats	2 x two bedroom flats
39-50 Aylesborough	12 flats		-	12 x 2 bedroom maisonettes

Size of Existing Dwellings:

The table below shows the size of the current dwellings compared to both Homes and Communities Agency (HCA) guidance (set out in HCA Housing Quality Indicators v4 (April 2008)) and the size of the proposed new units.

Size shown in sq metres	Bedsits	1bed 2person flat	2bed/ 4person flat	2bed/ 4person maisonette	3bed/ 5person house	4bed/ 7person house
Current scheme	32.6	42.61 (average)	52.68	60.2	-	-
HCA (HQI v4)	30-35	45-50	67-75	67-75	82-85	108-114
Proposed scheme	-	48	71	75 (2bed/ 4person house)	82.8	108

The table shows that sizes of all the current units (except the bedsits) fall below the minimum government guidelines and are much smaller than the proposed new units.

Although all the units are occupied at present, officers in the Housing Advice service confirm that the bedsits and one bedroom flats are refused more, they are small and not suitable for couples.

Homelessness legislation; national housing policy and the Council's Lettings Policy (common with all local housing authority policies) inevitably give least priority for housing to working age single people. Of the single people who are housed it is most often those who have support needs, for whatever reason, whether it be in relation to mental health, a learning difficulty or a vulnerability through substance or alcohol misuse.

There is demand for the two bedroom flats, however they are not as popular as two bedroom houses in other parts of Arbury. Some residents of the flats have expressed the view that the existing dwellings are unsuitable for families with young children as the garden areas are not secure, and there is a lack of adequate

storage for families. The flats are also not always suitable for families with a household member who has a physical impairment due to the size, design and layout of the flats.

The block of nine garages is located some distance from the two flats raising concerns over security and use.

Local Housing Need

The table below shows figures taken from the Home-Link Register in November 2012, indicating the demand in South Arbury/Kings Hedges from applicants with a local connection (North Arbury is not presently recorded).

	1 bed	2 bed	3 bed	4 + bed
S Arbury	1061	314	141	27
Kings H	1057	297	143	25

Maintenance and Value for Money

Figures on past, current and predicted future expenditure on repairs and maintenance are not in themselves conclusive in an analysis of the feasibility and viability of the redevelopment of the properties. However, the question to be asked is, to what extent does this represents value for money for the Council to continue to invest in sustaining housing that no longer meets current day standard and expectations of residents both now and in the future.

Density

As part of the feasibility exercise, planning and urban design officers have provided views on the existing site and the potential for future development. The current dispersed arrangement of the flats and open spaces has resulted in the current density of 31 dwellings per hectare. A higher density of between 40 and 50 dwellings per hectare has been recommended by the urban design officer. The density of the new scheme will need to meet planning requirements and the new design will also remedy the following issues that informal planning advice has raised regarding the existing scheme –

- Concern over the security of the properties that back on to Aylesborough Close.

- The relationship between the blocks of flats, the large open spaces and the surrounding properties means the backs of St Albans Road and Verulum Way houses are less secure.
- The poor distinction between front and backs of the blocks of flats means that both blocks can be freely accessed from wider, public community areas, making them less secure.

Site Constraints

The site has good access to local amenities with Arbury local centre located within ten minutes walking distance. Bus stops linking the site to the city centre are located within three minutes walk on Mere Way and within five minutes walk on Arbury Road. The location is close to schools, medical facilities and recreation areas.

The existing development already has a single access road from St Albans Road and forms a loop road within the centre of the site. Pre application discussions with planning and highways officers will highlight any issues to be resolved. Consideration will need to be given to neighbouring houses that currently access and park within the scheme.

There are significant mature trees on site and the design will take into account advice from the arboriculture officer.

Engagement with Existing Residents

There has been a mixed reaction, for and against, to the proposals from the tenants and leaseholders. As mentioned above, some of the tenants with families are keen to move to more appropriate accommodation.

All the four leaseholders and the twenty tenants have been contacted, and discussions have begun with all but one tenant (this is in hand) about their preferences for alternative housing. The Home-Link details for the majority of tenants have been updated and one tenant has transferred to another property and a second has accepted an offer of a property.

The three resident leaseholders would prefer not to move as they have invested in their existing property and are also concerned that they will not be able to afford to buy another property on the

open market. Officers are working with leaseholders to look at their options and work is underway to consider the Council developing an 'equity share' model of housing that would prove a an option for leaseholders. If feasible, the leaseholder would invest their capital stake in their current flat home into another home owned by the Council with the Council retaining the balancing stake.

City Homes officers are offering support as required to two tenants that are 'vulnerable' and are aware of their support networks.

Further information on the profile and support needs of residents are covered by the confidential EQIA for the project.

4. Proposed scheme:

The **proposed mix** of the new scheme is as follows.

Affordable Housing – Total 16

3 x 1 bed/2person apartments
7 x 2 bed/4person apartments
2 x 2 bed/4person houses
2 x 3 bed/5person houses
2 x 4 bed/7person houses

Market Housing – Total 12

2 x 1 bed apartments
6 x 2 bed apartments
4 x 3 bed house

All of the Affordable Housing will meet Lifetime Homes Standard
All units will meet Level 4 of the Code for Sustainable Housing
The Market Housing will be built and sold at the developer/house-builder partners risk.

Target Start date	April 2014
Target completion date	March 2015

An indicative layout plan of the proposed scheme is attached.

Costs, Funding and Viability

Capital Costs

Construction Costs	£ 1,488,352
Home Loss Costs	£ 775,398
Quantity Surveyor	£ 20,093
Internal Development Fee (2%)	£ 29,767
Total	£ 2,313,610

Funding

Grant	£ 280,000
Borrowing	£ 2,033,610

Viability – A benchmark used by Registered Providers whether new scheme is viable are when the scheme breaks even in revenue terms (typically 12 years) and when the total capital used is paid back (typically 30 years). This benchmark relates particularly to vacant sites. There is no ‘industry’ benchmark for sites where existing housing is required to be redeveloped. The viability against the benchmark is shown below both inclusive and exclusive of Home Loss costs. The relatively high number of leaseholders at Aylesborough Close influences the figures more significantly than on other schemes in the programme.

a. Net of Home Loss costs

Pay-back period – 27 years
Break-even - Year 5

b. Inclusive of Home Loss costs

Pay-back period – 41 years
Break-even – Year 15

Rent Levels –

- 1 bed - £115 per week
- 2 bed - £126 per week
- 3 bed - £149 per week
- 4 bed - £197 per week

VAT implications

VAT is not payable on new build construction costs. However, advice will be sought from the Council's VAT specialist to ensure that there are no adverse VAT issues affecting the project.

The Procurement

At the Community Services Committee on the 25 March 2010 the Executive Councillor for Housing approved that an Affordable Housing Development partnership be procured. This partnership was to enable the redevelopment of City Homes housing considered feasible for redevelopment in the 3 Year Rolling Programme. The 25 March 2010 report stated that two developer partners would be procured; due to procurement regulations it was not possible to procure two partners. Therefore a procurement exercise was undertaken to select one partner, which adhered to procurement rules.

The procurement process was completed in October 2011 and Keepmoat was the successful tenderer.

The principles behind the development model used on other Council schemes already approved is repeated here ie a mixed tenure scheme, developed with the a house-builder/developer partner, providing for the cross-subsidy of the Affordable Housing from the sale of market houses, thereby minimising capital outlay for the Council.

The model involves the disposal of freehold plots to the house-builder/developer partner where Market Housing is proposed and/or disposal under long leases where Market Apartments are involved. The Council will retain the freehold of land upon which the Affordable Housing is provided and the freehold of land should Market Apartments be provided.

It is the intention to control and procure the redevelopment by way of a Development Agreement and a standard form JCT Design and Build contract to cover the building works. The draft agreements have been set up with the Council's legal team.

In summary, the key points of the draft Development Agreement are as follows;

The contractual arrangements with the house-builder/developer are conditional on the achievement of a satisfactory planning permission. The Development Agreement is also conditional on the Council confirming it has secured sufficient funding for the Project, achieved vacant possession and achieved all necessary Executive Councillor approvals. The Council must approve a scheme prior to the house-builder/developer submitting a planning application. The cost of the redevelopment to the Council is capped at 10% above the Construction Cost of a final scheme agreed with the house-builder/developer to allow for any onerous conditions that may be applied through the planning process (this is within the limits allowed by the Council's Contract Procedure Rules).

Key Risks

The Development Agreement will be conditional on the Director of Resources confirming that the Council has the finance in place to fund the scheme. Therefore a key consideration is developing a finance package that is acceptable to the Director of Resources.

A planning application will need to be agreed between the developer / house-builder partner and the Council that is satisfactory to the Strategic Housing division.

Subject to the approval of the Committee of the scheme presented, the Development Agreement will be signed and our house-builder/developer partner will proceed to submit a planning application after vacant possession has been achieved. The Development Agreement will include a clause allowing our house-builder/developer partner to claim back a proportion of the cost of achieving planning permission should the Project not proceed for reasons that are not the fault of our partner. In the unlikely event that the Council does not wish to proceed with the redevelopment, the risk is mitigated by the fact that the land will have a planning permission that will have a value to the Council.

Residents living at the Aylesborough Close flats will need to secure alternative housing. The Council is discussing the redevelopment of the flats Aylesborough Close with both tenants and leaseholders and the new Home Loss Policy will apply. This leads to the possibility that vacant possession will not be achieved.

Should the Project proceed with HCA grant a key risk will be not meeting key deadlines for the HCA grant funding.

Other implications

Davis Langdon has been appointed Quantity Surveyor for the Council 146 Programme and will verify that costs provided by Keepmoat are reasonable in the prevailing market.

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Appendix 2 – Water Lane (6-14a Water Lane and 238-246 Green End Road)

Project Appraisal

1 Summary

6-14a Water Lane and 238-246 Green End Road currently consists of twenty four dwellings, four one bedroom one person bungalows and twenty one bedroom one person flats. Twenty-three are rented by City Homes and one flat has been sold. These flats and bungalows were approved for consideration for redevelopment as part of the Council's 3 Year Rolling Programme in June 2009.

2 Reason for Investigation

This scheme was identified in the Cambridge City Council Housing Land Audit 2005 carried out by Savills as having the potential to be redeveloped on a similar scale and density as the existing dwellings, although there may be potential to create some three-storey blocks in parts. Dwelling numbers would be similar to now, although redevelopment should provide larger units. Savills report also mentions the opportunity to introduce some on-site parking. Housing officers have highlighted the growing difficulty in letting the units, particularly to older people, due to the size, construction and quality of the units. For example, the properties can only accommodate single people. Access to the flats above ground floor present difficulties for people with mobility problems. The space standards and layout of the units mean they are not easy to use for wheelchair users.

3 Feasibility

Existing Dwellings:

The table below shows the current mix of dwelling types and bedspaces

1bed/1person bungalows	1bed/1person flats
4	20

Size of Existing Dwellings:

The table below shows the size of the current dwellings compared to both Homes and Communities Agency guidance (set out in HCA Housing Quality Indicators v4 (April 2008)) and the size of new units proposed on the first draft indicative layout plan.

Size shown in sq metres	1bed /1person bungalows	1bed/1person flat	1bed/2person flat	2bed/3person flat
Water Lane/ Green End Rd	35.12	37.6 - 45.15 with average 41.09sqm	-	-
HCA (HQI v4)	30-35*	30-35*	45-50	57-67
Proposed scheme	-	-	60	71

* The HCA (HQIv4) guidelines do not define type of unit but set minimum unit sizes based on bedspaces/circulation space/ and furniture layouts

Both bungalows and flats are one bedroom units, however the bedrooms are small, and therefore can only be let to single people. The existing accommodation is also not suitable for wheelchair users. The proposed new Affordable Housing will be built to Homes and Communities Agency standards for older people, can be used easily by people who use wheelchairs and will have lift access to the first floor and above. The new designs will accommodate both single people and two person households including single people with live-in carers.

Local Housing Need

The Ward Profile 2008 identified that approximately 25% of the population of the area are over 50 years of age.

Figures taken from the Home-Link Register in November 2012, show the demand in East Chesterton from applicants over 55 with a local connection as follows

	55-59	60-64	65+
Age	59	48	69

Maintenance and Value for Money

Figures on past, current and predicted future expenditure on repairs and maintenance are not in themselves conclusive in an analysis of the feasibility and viability of the redevelopment of the properties. However, the question to be asked is, to what extent is represents value for money for the Council to continue to invest in sustaining housing that no longer meets current day standard and expectations of residents both now and in the future.

Density

As part of the feasibility exercise, planning and urban design officers provided views on the existing site and the potential for future development. The flats and bungalows were built in 1956 and border a large communal garden. Planning officers advise that the current 24 units result in a density of 63 dwelling per hectare (dph) (based on the close location to the High Street and Green End Road local centres and the size of the site). The advice is that the site could accommodate 22-26 units at the higher density of 60 or 70 dph subject to detailed design. A higher density could achieve the most efficient use of land, but may be difficult due to constraints on the site. The planning advice is based on a change of typology – to a mixed scheme with family houses at the Fallowfield end of the site and flats at Green End Road end of the site.

Site Advantages and Constraints

The site is well located for access to local facilities and services with both the Chesterton High Street and Green End Road local centres located within a five minute walking distance. It has good access to recreational space and a regular bus service to the City centre. The close proximity to Whitefriars Sheltered Housing

scheme suggests it is a good location for housing for people over the age of fifty-five housing. This is confirmed by the past historical connection with Whitefriars.

The site includes several mature trees, many of which are considered important in townscape value and the recommendation is that they should be retained.

The site is surrounded on three sides by Green End Road, Water Lane and Fallowfield and development should reflect the varied character of existing development along each of these road.

Existing Residents

In the past both the flats and bungalows housed older people and there were strong links between these units and the Whitefriars sheltered scheme across the road. However due to the size of the units and the lack of lift access, the units are no longer popular with older people and younger people have become tenants. Additionally, in line with the Lettings Policy, as single person accommodation, the properties are increasingly housing younger adults often with support needs to sustain their tenancy.

Of the current Water Lane residents, 14 are aged 55 year and over. They therefore could return to the new scheme if feasible. Although the initial meetings with City Homes officers and each resident are yet to complete, to date no one has indicated they wish to return.

City Homes staff have met with the majority of residents. Officers are aware of the vulnerable tenants, their support networks, and requirements for additional support that they can offer. All the tenants will receive top priority Band A status on Home-Link and a Local Lettings Plan is in place giving these residents first refusal on appropriately sized properties as they become available.

Contact has been made with the leaseholder on the site and this will be developed further.

Further information on the profile and support need of residents are shown in the confidential EQIA for the project.

The diversity of the residents living in 6-14a Water Lane and 238-246 Green End Road (ie ranging from frail older people to working younger single people) makes it difficult to effectively engage with them as a group. A number of individuals are supported by informal advocates who are giving the view that most residents do not want to move. This view was substantiated at a recent residents meeting when the few residents that were able to attend voiced their opposition to the redevelopment. It is also clear that there is a degree of mutual support between some residents. This adds weight to an option to phase the redevelopment of the site to allow some tenants to move within the site if this is feasible and viable.

4 Proposed Scheme

The proposed mix of the new scheme is as follows.

Affordable Housing – Total 14

3 x 1 bedroom/2 person apartments
11 x 2 bedroom /3 person apartments

The 14 apartments planned for people over 55 and will achieve Homes and Community Agency standards for older people. They will be accessible to people who use wheelchairs and will have lift access to first floor and above. The two bedroom units will allow live in care as needed. Early consultation has already suggested that a greater number of Affordable Housing should be considered on the site and more than a total of 23 new properties should be considered, with more one bedroom flats. Should further consultation with existing residents and others suggest that more than three residents would like to return to the scheme and accept one bedroom flats, then this would be considered in any later iteration of the scheme mix.

Market Housing – Total 9

3 x 2 bed houses
6 x 3 bed houses

All of the Affordable Housing will meet Lifetime Homes Standard
All units will meet Level 4 of the Code for Sustainable Housing

The Market Housing will be built and sold at the developer/house-builder partners risk.

An indicative layout plan of the proposed scheme is attached.

Target Start date	Nov 2013
Target completion date	August 2014

Costs, Funding and Viability

Capital Costs

Construction Costs	£ 1,143,486
Home Loss Costs	£ 249,200
Quantity Surveyor	£ 15,437
Internal Development Fee (2%)	£ 22,870
Total	£ 1,430,993

Funding

Grant	£ 245,000
Borrowing	£ 1,185,993

Viability – A benchmark used by Registered Providers whether new scheme is viable are when the scheme breaks even in revenue terms (typically 12 years) and when the total capital used is paid back (typically 30 years). This benchmark relates particularly to vacant sites. There is no 'industry' benchmark for sites where existing housing is required to be redeveloped. The viability against the benchmark is shown below both inclusive and exclusive of Home Loss costs.

Net of Home Loss costs

Pay-back period – 26 years
Break-even - Year 5

b. Inclusive of Home Loss costs

Pay-back period – 33 years
Break-even – Year 10

Rent Levels –

1 bed - £115 per week
2 bed - £126 per week

VAT implications

VAT is not payable on new build construction costs. However, advice will be sought from the Council's VAT specialist to ensure that there are no adverse VAT issues affecting the project.

The Procurement

At the Community Services Committee on the 25 March 2010 the Executive Councillor for Housing approved that an Affordable Housing Development partnership be procured. This partnership was to enable the redevelopment of City Homes housing considered feasible redevelopment in the 3 Year Rolling Programme. The 25 March 2010 report stated that two developer partners would be procured; due to procurement regulations it was not possible to procure two partners. Therefore a procurement exercise was undertaken to select one partner, which adhered to procurement rules.

The procurement process was completed in October 2011 and Keepmoat was the successful tenderer.

The principles behind the development model used on other Council schemes already approved is repeated here ie a mixed tenure scheme, developed with the house-builder/developer partner, providing for the cross-subsidy of the Affordable Housing from the sale of market houses, thereby minimising capital outlay for the Council.

The model involves the disposal of freehold plots to the house-builder/developer partner where Market Housing is proposed and/or disposal under long leases where Market Apartments are involved. The Council will retain the freehold of land upon which

the Affordable Housing is provided and the freehold of land should Market Apartments be provided.

It is the intention to control and procure the redevelopment by way of a Development Agreement and a standard form JCT Design and Build contract to cover the building works. The draft agreements have been set up with the Council's legal team.

In summary, the key points of the draft Development Agreement are as follows;

The contractual arrangements with the house-builder/developer are conditional on the achievement of a satisfactory planning permission. The Development Agreement is also conditional on the Council confirming it has secured sufficient funding for the Project, achieved vacant possession and achieved all necessary Executive Councillor approvals. The Council must approve a scheme prior to the house-builder/developer submitting a planning application. The cost of the redevelopment to the Council is capped at 10% above the Construction Cost of a final scheme agreed with the house-builder/developer to allow for any onerous conditions that may be applied through the planning process (this is within the limits allowed by the Council's Contract Procedure Rules).

Key Risks

The Development Agreement will be conditional on the Director of Resources confirming that the Council has the finance in place to fund the scheme. Therefore a key consideration is developing a finance package that is acceptable to the Director of Resources.

A planning application will need to be agreed between the developer / house-builder partner and the Council that is satisfactory to the Strategic Housing division.

Subject to the approval of the Committee of the scheme presented, the Development Agreement will be signed and our house-builder/developer partner will proceed to submit a planning application after vacant possession has been achieved. The Development Agreement will include a clause allowing our house-builder/developer partner to claim back a proportion of the cost of achieving planning permission should the Project not proceed for

reasons that are not the fault of our partner. In the unlikely event that the Council does not wish to proceed with the redevelopment, the risk is mitigated by the fact that the land will have a planning permission that will have a value to the Council.

Residents living at Water Lane/Green End Road comprise 23 City Homes tenants and one leaseholder. The Council is discussing the potential redevelopment of Water Lane/Green End Road with both tenants and the leaseholder and the new Home Loss Policy will apply. This leads to the possibility that vacant possession will not be achieved.

Should the Project proceed with HCA grant a key risk will be not meeting key deadlines for the HCA grant funding.

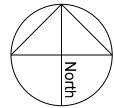
Other implications

Davis Langdon has been appointed Quantity Surveyor for the Council 146 Programme and will verify that costs provided by Keepmoat are reasonable in the prevailing market.

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6. Drawings have not been surveyed and all site locations and other ground drainage runs are indicative.



Key

- Existing Tree
- Proposed Tree
- Private residential units
- Affordable residential units
- Site phase 1

Schedule

Private Residential Units:

2No 1B2P Flat with 1No Parking Space (48 Sq m)
 6No 2B4P Flat with 1No Parking Space (71 Sq m)
 4No 3B5P House with 2 No Parking Spaces (79.6 Sq m)

Total Private Units: 12No

Affordable Residential Units:

3No 1B2P Flat with 1No Parking Space (48 Sq m)
 7No 2B4P Flat with 1No Parking Space (71 Sq m)
 2No 2B4P House with 1No Parking Space (75 Sq m)
 2No 3B5P House (narrow) with 2No Parking Spaces (82.8 Sq m)
 2No 4B7P House with 2No Parking Spaces (108 Sq m)

Total Affordable Units: 16No

Total of all Units: 28No



Chartered 19th Floor
 Architects 25 Parkside
 Cambridge CB2 1TL
 Tel: 01223 307733
 Email: info@saundersboston.co.uk

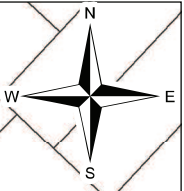
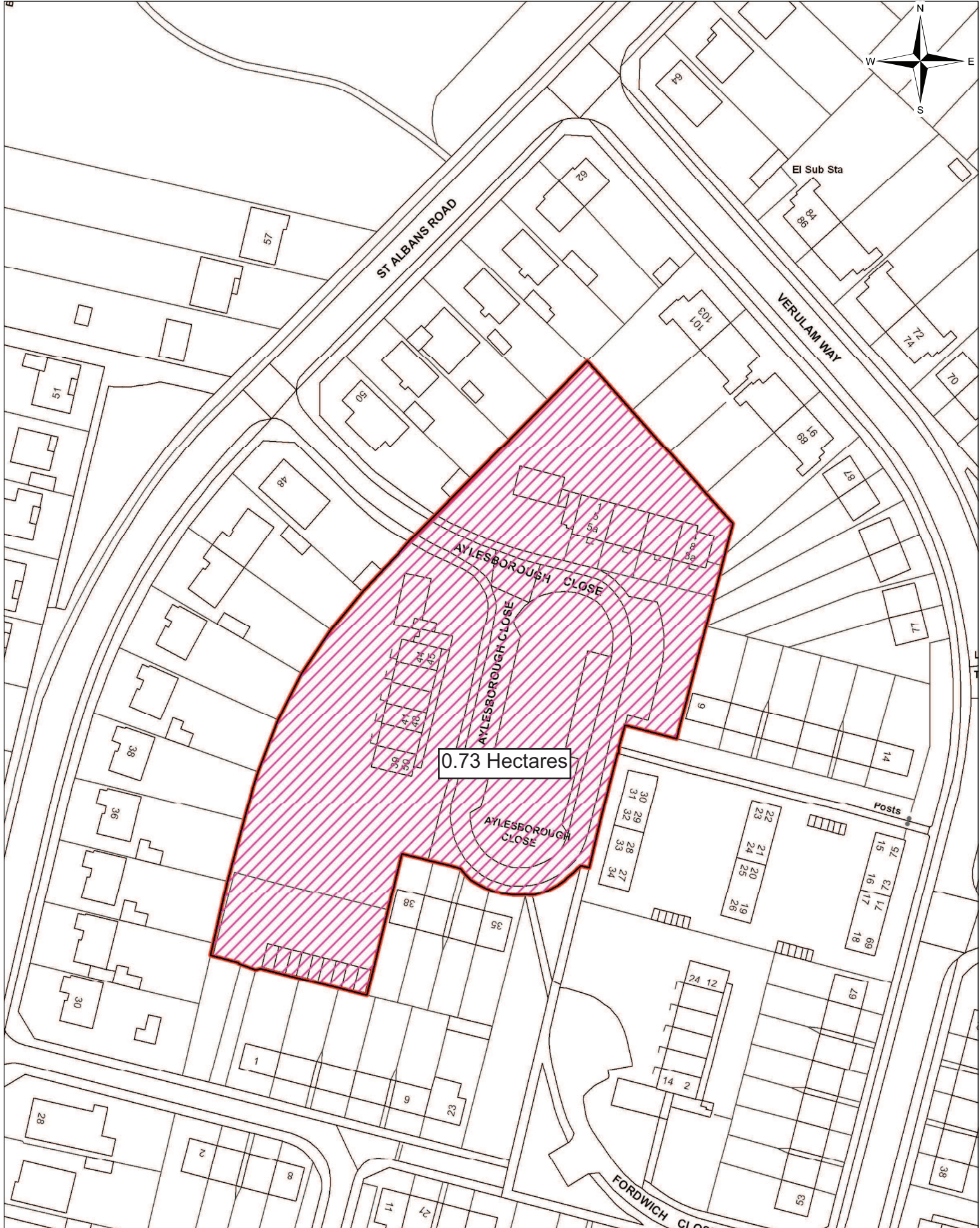
Saunders Boston

Sheet: **Keepmoat**
 400 CCC Affordable Housing Framework

Drawn: [Name]
Proposed Site Plan

Scales: 1:500@A1, 1:1000@A3 Date: 31.08.12
 Number: Aylesborough_SK_004 Drawn: WI
 Checked: [Name]

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0.73 Hectares



Information Systems Team

Aylesborough Close Ph 1

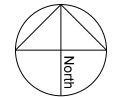
Date:	13/06/12
Produced by:	Steve Udall
Section/Department:	Informations Systems Team
Scale:	1:1,000 @ A4

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 5. This drawing is to be used in conjunction with all other Consultants drawings and specifications. Drainage has not been surveyed and all spot locations are and below ground drainage from the site/lot.



Schedule

Private Residential Units:
 6No 3B5P House with 2 No Parking Spaces (79.6 Sq m)
 3No 2B4P House with 1 No Parking Space (67.4 Sq m)

Total Private Units: 9No

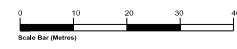
Affordable Residential Units:
 3No 1B2P Flat with 1No Parking Space (60 Sq m)
 11No 2B3P Flat with 1No Parking Space (71 Sq m)

Total Affordable Units: 14No

Total of all Units: 23No

KEY

MS	Motor Scooter
B	Bin Store
C	Cycle Store
● (Purple)	Private
● (Orange)	Affordable



No.	Revision	Date	By	Audit

PRELIMINARY

Chartered 150 Newmarket Road
 Cambridge CB3 9BQ
 Tel: 01223 367733
 Email: info@saundersboston.co.uk

Saunders Boston

Client: **Keepmoat**

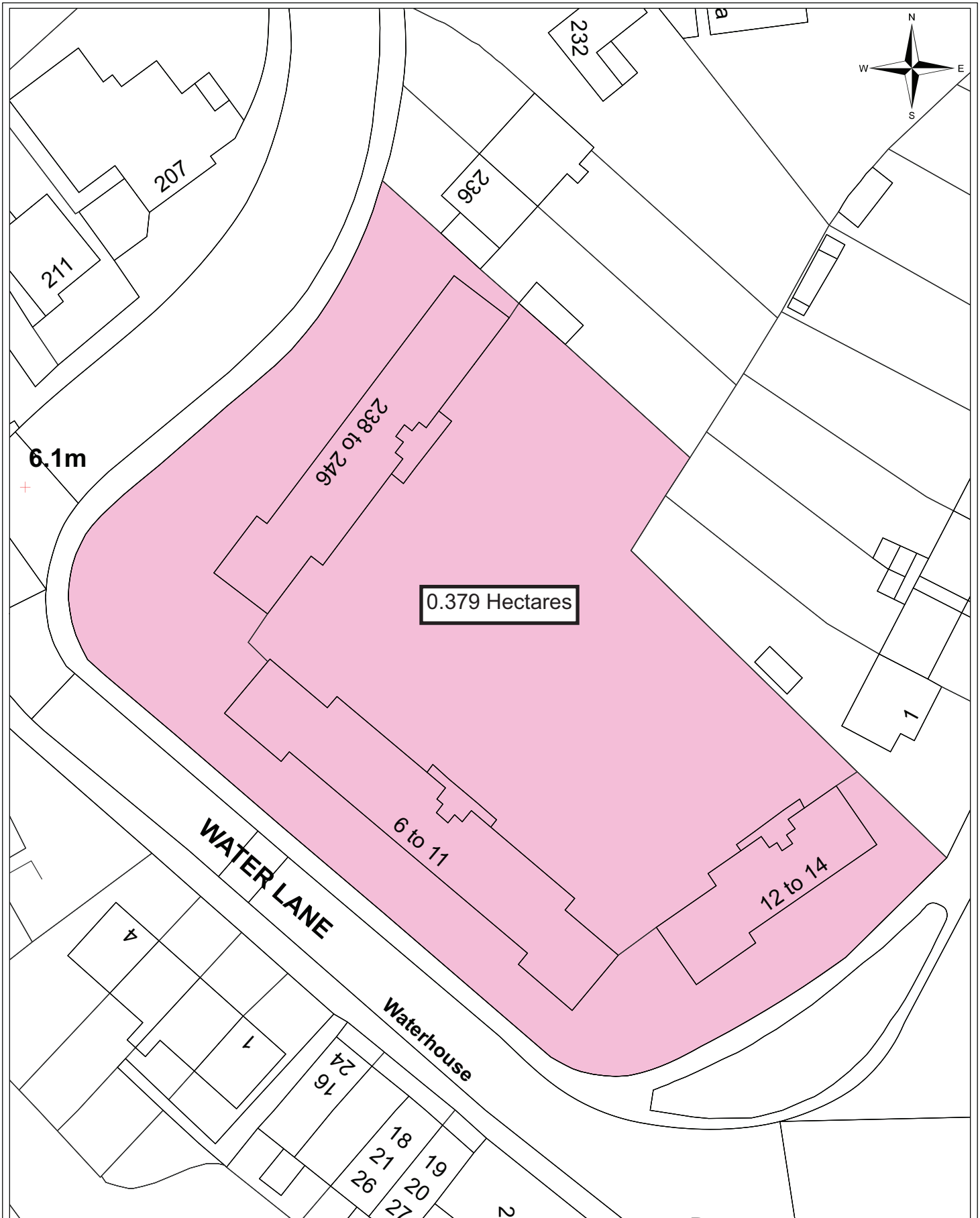
Drawn: **CCC Affordable Housing Framework**


Water Lane proposed site plan

Scales: 1:500@A1, 1:1000@A3 Date: **31.08.12**

Number: **Waterlane_SK_005** Checked: **WI** Approved: **VH**

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 <p>CAMBRIDGE CITY COUNCIL</p>	<p>Property & Building Services</p>	<p>Water Lane - Green End Road</p>	<p>Date: 22/11/11</p> <p>Produced by: Steve Udall</p> <p>Section/Department: Property & Building Services</p> <p>Scale: 1:500 @ A4</p>
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