

Redevelopment of 9 to 28 Anstey Way (including underutilised amenity area)

Project Appraisal

1. Summary

This scheme currently consists of 23 social rent properties and 5 leasehold flats. The scheme also includes an underutilised amenity area adjacent to the properties.

The existing housing is made up as follows

- A block of flats consisting of 9 No. three bedroom units, 3 No. bedsits/studios.
- 16 No. one bedroom one person bungalows.

2. Reason for Investigation:

The underutilised amenity area to the rear of the flats was first highlighted by housing officers and local Ward Members as an area that required investigation for potential re-use. It was noted that if this underutilised area could be coupled with the adjacent flats and bungalows, then the parcelling of the sites together would offer better value for a new scheme.

Further discussions with housing officers and local Members confirmed that the flats were not popular either in terms of the local community and/or when relets became available. The three bedroom flats are of an age and layout that mean that they do not meet current day expectations for family housing. The bungalows are also of an age, type and layout that have become increasingly unpopular across the city and have also proved hard to let, with one property being refused by 17 applicants. This is largely because they do not meet current day expectations. For example, similarly to the bungalows being redeveloped at Colville Road, the single person bedrooms are only accessible via a double internal door opening directly into the living room. Due to this fall in demand by elderly residents, the bungalows are now being let to a 'non-elderly' client group.

Both flats and bungalows are therefore deemed no longer fit for purpose.

The wider scheme was therefore included in the Council's three year rolling programme of sites to investigate further the feasibility and viability of redevelopment in June 2011.

3. Engagement with Existing Residents

The Council's housing service is developing a Community Charter which will lay out new principles for how we approach redevelopment sites to ensure that resident communities benefit from redevelopment and can be fully involved in the process and decision making, a draft charter will be considered at the next Housing Scrutiny Committee

Officers and the Executive Councillor for housing were keen to involve Anstey Way residents as much as possible in the proposals in this report. To date, correspondence and meetings have taken place:

- Letters informing residents of the proposal to look at the possibility of redevelopment were sent in June 2012 with further correspondence in September 2013, July 2014 and April 2015
- Three meetings were held in March 2015

Two sessions on the 11th March at 11am and 1pm for the residents of the bungalows. 10 of the 14 household were able to attend this meeting (2 of the bungalows were unoccupied).

A further opportunity to meet officers was arranged for 17th March between 6pm – 8pm inviting the residents of the apartments, of which 4 households attended.

At the meetings it was discussed what the council was planning with an indication of key dates and approximate timescales. Plans of similar schemes were tabled for residents to view. Officers from City Homes were also present to address any concerns in relation to re-housing affected residents. One to one meetings were

arranged for those who wanted to discuss their housing needs with their housing officer in private.

A summary letter was sent noting the key points raised so those who could not attend were informed of the plans. Within these letters it was also noted that one to one sessions were available for people to discuss their ongoing needs.

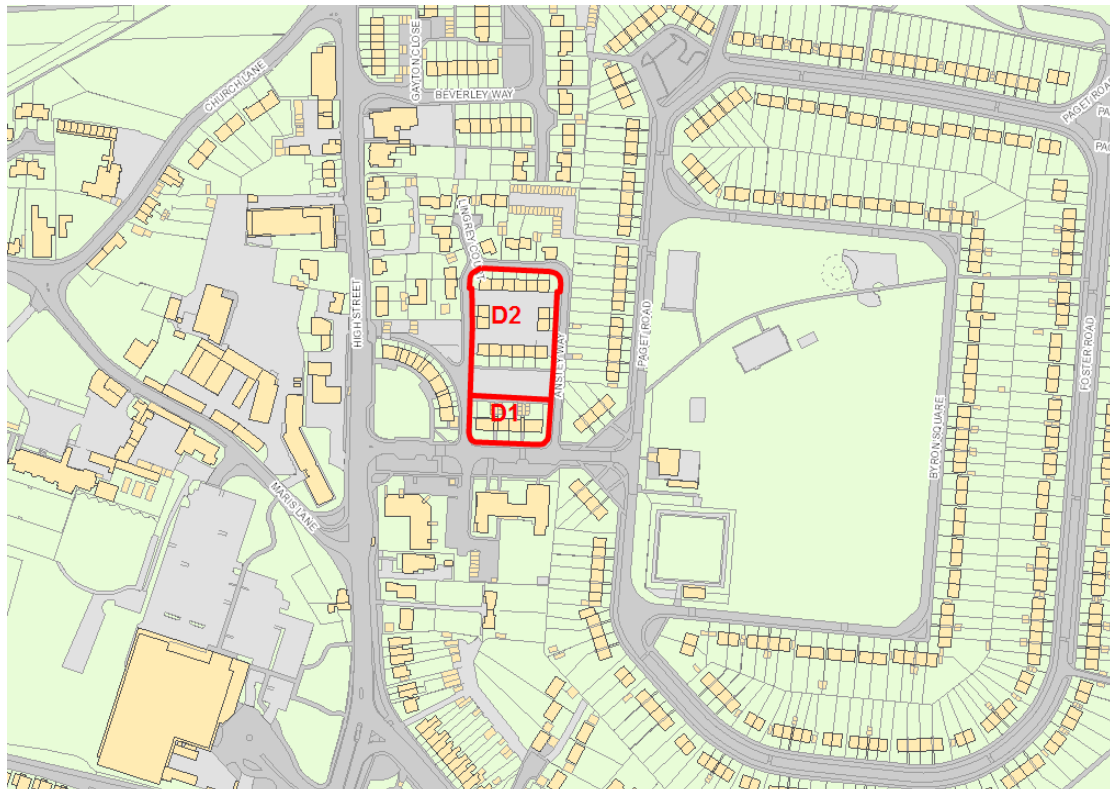
Verbal feedback from residents at the meetings was positive to the proposals and they understood the need to redevelop the area to improve the housing supply and standard. The advice offered by the housing team in relation to re-housing was also received in a positive light.

An EQIA has been appended to this report.

4. Feasibility:

The Site

The below plan shows the schemes broken down into two sites labelled D1 and D2.



The table below shows the size of the current dwellings and the areas of new homes if the site it developed. The floor areas proposed are greater than the minimum space standards required by the Homes and Communities Agency (HCA).

Existing	Area (m ²)	Proposed	Area(m ²)
Bedsit	27	1 bed flat	50
1 bed bungalow	42	2 bed flat	70
3 bed flat	77.5	2 bed house	77
		3 bed house	93

The table shows that sizes of the current units fall well below the minimum government guidelines and are much smaller than the proposed new units (all of which would be wheelchair accessible as Housing for Older People).

Site Constraints

Advice was sought from the Council's Urban Design team to receive guidance on the potential density, scale and massing of any redevelopment bearing in mind the close proximity of the local Trumpington Centre and the mixed height of the current housing.

The conclusion to this report is in full below:

The redevelopment of Site D would achieve much higher unit numbers (between 60-70dph or 31 or more units) subject to detailed design. Units should be orientated so as to address and provide increased surveillance of Anstey Way surrounding the site, and the local centre service road to the east.

The width of the Site (approximately 50.5m) would be too narrow to support two perimeter blocks of development adjacent to one another, as such it is recommend the use of a range of unit types including 2 and 3 bedroom houses and flats. New routes through the Site will need to be introduced in order to maximise development on the Site. The mature trees which border the rear open space for the flat block should be retained where possible

and feasible to do so, as such it may be more realistic to develop the Site in two parts.

The highest densities within Site D should be reserved for the main road frontage of Anstey Way to the south, the existing flats have an important relationship with the flats in Crossways Gardens to the south and the Local Centre crescent to the east, as such redevelopment of these flats should reinforce this scale and massing relationship.

The full Urban Design report is available on request.

Local Housing Need

There is a lack of social housing for older people in Trumpington. This has been exacerbated recently by the closure of the CHS scheme at Crossway Gardens. It is proposed that some specific provision for older people therefore be included in any redevelopment.

The table below shows figures taken from the Home-Link Register in April 2015, indicating the demand in Trumpington from eligible applicants with a local connection.

	1bed	2 bed	3 bed
Trumpington	240	142	41

5. Proposed scheme

An indicative redevelopment scheme has been produced for the site as follows:

Parcel D1: 12 No. 2B4P flats

Parcel D2: 12 No. 3B5P House
10 No. 2B4P House

Although the Housing Needs Register identifies a need for 1 bed properties, it is considered that family accommodation would be better suited to this location due to the proximity to facilities locally.

Smaller sized units are being provided at the new Quad development currently under construction.

Taking account of current land uses and the advice received from the Urban Design team, a phased redevelopment would be an attractive proposition as follows;

Phase 1(D1) – Redevelop the flats with a high quality development aimed at older people. The type of flats envisaged would be similar to those developed at Jane’s Court, Colville Road and Water Lane.

Phase 2 (D2) – Propose to rehouse older residents currently living in the bungalows in the new housing for older people built as Phase 1, should they wish. Redevelop the bungalow site for more general needs housing. Include the redevelopment of the underutilised amenity area in this phase.

The advice from the Urban Design team suggests there will be the opportunity for a net gain of housing on the site, currently 28 homes (of which 5 are leasehold flats) with a proposal to redevelop 34 larger homes for Social Rent and Intermediate rent.

All units will meet Lifetime Homes Standard.
All units will achieve a minimum of Level 4 of the Code for Sustainable Housing or equivalent.

6. Costs, Funding and Viability

Using the recent build costs at Colville Road and Aylesborough Close as a benchmark a 34 unit redevelopment at Anstey Way could cost approximately £6.2m, inclusive of all fees and on-costs. A number of appraisals have been prepared to consider a variety of scenarios and options. All of these appraisals have made using the same assumptions including the exclusion of the rental revenue loss from the existing properties.

Option	No. of Social Rent (60%) Units	No. of Intermediate Rent (80%) Units	No. of Market Sale Units	Amount of RTB Receipt (£54,200 per unit)	Payback Year
1	34	0	0	£0	45
1A	34	0	0	£596,200	43
2	29	0	5	£0	35

2A	29	0	5	£325,200	33
3	29	5	0	£0	35
3A	29	5	0	£325,200	32

The preferred option is 3A which would deliver 29 No. homes as part of the Cambridge Social Rent Programme and 5 No. homes as Intermediate Housing (80% of market rent). The options for funding the 5 Intermediate Homes are currently being analysed.

Capital Costs

Construction Costs	£ 4,552,050
Leasehold Repurchase	£ 1,150,000
Home Loss Costs	£ 130,000
Quantity Surveyor	£ 113,801
Internal Development Fee (2%)	£ 91,041
Architect and Planning Fees	£ 130,000
 Total	 £ 6,166,892

Funding

Borrowing	£ 6,166,892
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Assumed no grant funding on this development.

Viability – A benchmark used by Registered Providers whether a new scheme is viable is 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 inclusive of Home Loss costs.

To ensure viability of the scheme it has been necessary to cross subsidise the development by including some properties let at a rental level of 80% of the open market. This would be for no more than 5 properties which matches the current number of leasehold properties on the site. The site would still generate a net gain in social housing units (Subject to planning).

Pay-back period – 32 years

Break-even – Year 3

Rent Levels (net of Service Charge) –

2 bed @ 60% - £151.20 per week

3 bed @ 60% - £172.80 per week

2 bed @ 80% - £201.60 per week

3 bed @ 80% - £230.40 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

To follow

Key Risks

- Entering into contract will be conditional on the Director of Customer and Community Services 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 Customer and Community Services.
- A planning application will need to be developed, submitted and approved.
- Subject to the approval of the Committee of the scheme presented, an agreed method of procurement will need to be undertaken to appoint a contractor before entering into contract for the works.
- Residents living at the Anstey Way flats will need to secure alternative housing. The Council is discussing the redevelopment of the flats with both tenants and leaseholders and the Home Loss Policy will apply.

- Potential need to undertake Compulsory Purchase Orders on properties where agreement for purchase cannot be reached.

Other implications

An Employers Agent/Quantity Surveyor will be appointed as part of the Delivery Team to support the Housing Development Team.