



To: Executive Councillor for Housing: Councillor Kevin Price

Report by: Alan Carter – Head of Strategic Housing

Relevant scrutiny committee: Housing Scrutiny Committee 13 January 2016

Wards affected: Arbury

EQIA Undertaken Yes

Council New Build Redevelopment 74-82 Akeman Street - Scheme Approval

Key Decision

1. Executive summary

This report provides details of the proposal to redevelop the shops and flats at 74-82 Akeman Street to provide 10 new homes. The area currently consists of 5 No. commercial units with flats above and associated land to the rear. Of the five commercial units, 3 No. are occupied with expired leases and all are holding over on these leases; 1 No. unit is void (previously occupied by a bakery) and 1 No. units is used as a community facility by the Community Development team.

Two of the flats are managed by City Homes for council tenants, the remaining 3 flats are included in the lease with the shop unit beneath.

The proposed redevelopment has indicative plans to deliver a minimum of 10 No. new homes on the existing site, providing 2, 3 and 4 bedroom accommodation. There will be ongoing work to decide whether it is viable to replace any of the commercial units. It is proposed to temporarily replace the community facility should the redevelopment proceed and to consider how, in longer term, the communities needs are met as part of a wider review of community facilities.

The report requests approval to a capital budget for the scheme based on the outlined appraisal assuming the mix stated above.

The appraisal suggests that all of the new properties can be delivered as part of the Council's social rent housing programme.

2. Recommendations

The Executive Councillor is recommended to:

- Note the indicative mix of the proposed scheme.
- Approve the scheme capital budget of £2,085,510 detailed in the report to cover the construction cost of the scheme and professional fees and other costs, also noting that a final scheme will be brought back to committee for scrutiny and approval.
- Approve that delegated authority be given to the Director of Customer and Community Services following consultation with the Head of Legal Services to seal a contract with the chosen contractor following procurement in accordance with Council regulations.

3. Background

The scheme in this report is the redevelopment of shops units with flats above and rear garden area on Akeman Street.

The potential to redevelop this site was first highlighted by colleagues in Property Services who noted that the leases for the occupied commercial units had expired and negotiations would be required if new leases were considered. As one of the units was already void and with significant works required to the block and the garden areas it is deemed more economic to redevelop the site to increase the housing provision in the area. The parade of shops suffers from a lack of footfall and there has been difficulties letting vacant shops in the past. There have also been ongoing issues with managing the gardens and store areas at the rear of the shops. There is currently an access route to the perimeter that provides access to an electricity sub-station and therefore any proposals will need to consider this in the design and layout.

Further discussions have taken place with housing officers and local Members who confirmed that the area did experience some anti-social behaviour issues and that a redevelopment of the site would enhance the environment locally. There was some concern regarding the community facility that is well used by local groups throughout the week.

In conclusion, it is deemed that both the commercial units and the flats are no longer fit for purpose and would be costly to bring up to a suitable standard for future letting.

The indicative scheme shows the following property type mix – all are houses;

7 No. 2 bed 4 person @ 79m²
2 No. 3 bed 5 person @93m²
1 No. 4 bed 1 person @120m²

Appendix 1 shows the indicative layout of the scheme.

Further research into the long term viability of re-providing commercial units on the site will be undertaken before a final scheme is concluded. Also, the community rooms will be re-provided should the scheme proceed and longer term provision considered as part of a wider review of community facilities.

4. Implications

(a) Financial Implications

The capital budget required for the scheme is £1,985,510

The scheme can be funded by

RTB Receipts	£ 476,522
HRA Reserves	£ 1,508,988

The financial appraisal shows a pay-back period of 29 years (the benchmark is for schemes to pay-back up to 35 year).

The rents used in the financial appraisal are;

2 bed @ LHA	£140.74
3 bed @ LHA	£168.45
4 bed @ LHA	£218.16

Further details of the financial implications of the scheme are shown in Appendix 2.

As the scheme is still at the outline stage and will be subject to planning, the costs are indicative.

The Housing Revenue Account (HRA) Business Plan already allows for the spending of Right to Buy Receipts and match funding from reserves, therefore this scheme be funded despite the current major national housing policy and legislative and changes.

As with all new build schemes as schemes are finalised they will only proceed if they can be funded within borrowing and capital funding parameters in the HRA 30 Business Plan. 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.

(b) Staffing Implications

The project will be managed by the Housing Development Agency on behalf of Cambridge City Council. Liaison will be made with Property Services; City Homes; the Estates and Facilities Service and the Legal Services Team.

There are no other significant staff implications.

(c) Equal Opportunities Implications

A series of EQIAs have been undertaken for the Council's new build programme, the Housing Development Service and for individual schemes. The EQIAs mainly highlight the benefits of the Council retaining direct control of new housing development itself to ensure a focus on the delivery of housing that meets a diverse range of housing needs. Part of the assessment underlines the need for social housing to help those most likely to suffer poverty as well as ways in which new social housing will directly save money for tenants, such as energy saving measures.

An EQIA for this scheme is available for Members of the Committee on request. It is a confidential document as it is possible to identify individual residents due to the small numbers involved.

(d) Environmental Implications

The social housing will be built to an equivalent of Level 4 of the Code for Sustainable Homes, or other agreed sustainability standard as is determined by Cambridge City Council.

(e) Procurement

The development of this scheme will require a new procurement as the current framework agreement with Keepmoat expires in March 2016.

(f) **Consultation and communication**

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 residents and communities benefit from redevelopment and can be fully involved in the process.

The 3 commercial tenants have been informed of the proposal by the Property Services section. The 2 flat tenants have been contacted and on the process by colleagues at City Homes to discuss the proposals and provide indicative timescales and detail the support available. Initial feedback from the residential and commercial tenant will be provided at the meeting.

Under the Council's Home Loss policy any residents required to move will be given priority to return to suitable alternative accommodation on the redeveloped scheme provided there is sufficient new accommodation of the type required available.

With regards the commercial tenants, there will be compensation payable that is governed by the Landlord and Tenant Act, and is determined on the length of tenancy and current lease terms.

(g) **Community Safety**

There are no particular Community Safety implications as a consequence of this scheme.

5. Background papers

None

6. Appendices

Appendix 1 Indicative Scheme Layout
Appendix 2 - Project Appraisal Akeman Street Scheme

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name: Alan Carter – Head of Strategic Housing
Author's Phone Number: 01223 – 457948
Author's Email: Alan.carter@cambridge.gov.uk

