

Redevelopment of 9 to 10a Ventress Close to include Garden Land

Project Appraisal

1. Summary

This site currently consists of 2 social rent and 2 leasehold maisonettes. The proposal also includes garden space to the rear of the properties.

The existing housing is made up as follows

- 2 No. two bed council owned Maisonettes
- 2 No. two bed leaseholder Maisonettes.

2. Reason for Investigation:

The area currently consists of 4 No. 2 bedroom maisonettes and associated garden land to the rear. The proposal also includes some garden land from properties located on Godwin Way. Of the existing 4 No. maisonettes, two are occupied by Cambridge City Council tenants and two are leasehold, both currently vacant. Both leaseholders have been consulted on the council's wish to purchase their properties and negotiations are ongoing at this time.

The proposed redevelopment has indicative plans to deliver up to 19 No. new homes on the existing site, providing 1 and 2 bedroom apartments and 3 bedroom houses.

The 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

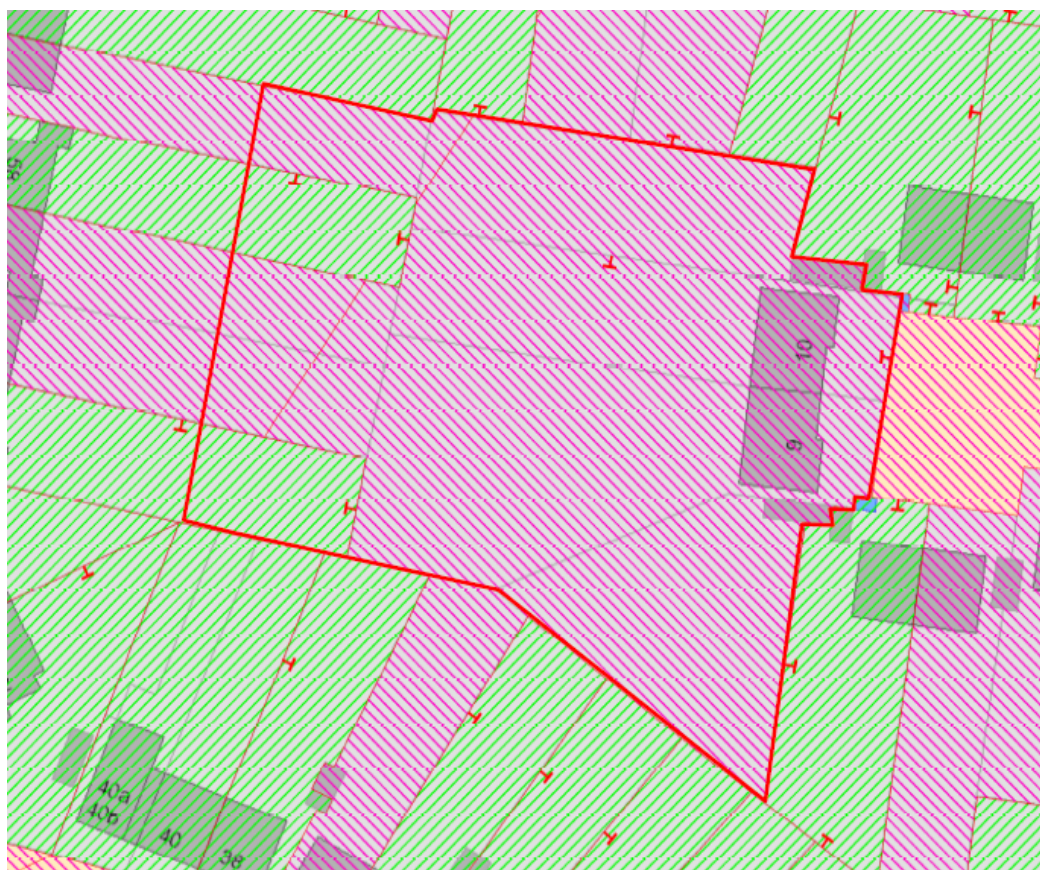
decision making, a draft charter will be considered at the next Housing Scrutiny Committee

Since approval to include into the 3 year rolling program, residents were consulted initially in June 2012 and further letters with updates were sent, in June 2013, June 2016 and Jan 2017. Since consultations the Council have acquired one of the three leasehold properties leaving two leasehold properties which are both currently vacant.

4. Feasibility:

The Site

The below plan shows the area for the proposed scheme to include two private and 3 council resident gardens subject to separate negotiations:



The table below shows the size of the current dwellings and the latest site proposed. The floor areas proposed are greater than the nationally described space standards as set out by the Department for Communities and Local Government.

Existing	Area (m ²)	New Scheme	Area (m)
2 Bed Maisonette	64	1B2P Flat	50
2 Bed Maisonette	76	2B4P Flat	70
		3B5P House	102

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.

Site Constraints

None identified at this stage.

Local Housing Need

There is a demonstrative housing need for Cambridge City, full details are available in the Strategic Housing Key Facts report. This report shows in excess of 2100 applicants registered for housing as at December 2016

5. Proposed scheme

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

6No.1 Bed 2 Person Flats

6No. 2 Bed 4 Person Flats

7No. 3 Bed 5 Person Houses

6. Costs, Funding and Viability

The Housing Revenue Account (HRA) Business Plan already allows for the spending of Right to Buy Receipts and funding the balance of costs to be met by Devolution grant. Both RTB receipts and Devolution grant are restricted to only being used on the net gain of units.

As with all new build developments as details are progressed 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.

Capital Costs

The total capital budget required to deliver this scheme is
£4,153,000

Acquisition of leaseholder properties, decant costs	£675,000
Works costs	£2,861,400
On costs including professional fees	£616,306

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 inclusive of Home Loss costs.

Pay-back period – 7 years

Rent Levels (net of Service Charge) –

1 bed £126.05 per week
2 bed £144.96 per week
3 bed £168.45 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

This scheme is being progressed through the Cambridge Investment Partnership.

Key Risks

- A planning application will need to be developed, submitted and approved.
- Obtaining vacant possession of the 2 leasehold properties Lease holder flat are vacant and approval is sought to commence CPO proceedings should they be required.

Other implications

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