

Item

S106 Council Housing purchase, Clerk Maxwell Road



To:

Councillor Richard Johnson, Executive Councillor for Housing

Report by: Jim Pollard, Housing Development Manager, Housing Development Agency

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Wards affected:

Newnham

Key Decision

1. Executive Summary

- 1.1 The City Council has agreed a devolution deal with government to deliver 500 new Council homes over 5 years. These will be delivered as rented housing, let in accordance with the Council rent policy (where rent and service charges together do not exceed Local Housing Allowance levels). Homes will be owned and managed by Cambridge City Council and let on Cambridge City Council tenancies.
- 1.2 Clerk Maxwell Road is a scheme of 35 units being brought forward by Hill in conjunction with Trinity College Cambridge and has been identified as a potential S106 opportunity with Hill. The proposed scheme will provide 14 new Council rented dwellings (40%).

- 1.3 The report seeks approval for a capital budget for the acquisition of the 14 affordable units as Council rented units based on an initial appraisal of the scheme and approval for the delivery route to be adopted.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Note the indicative mix of the proposed scheme to include 10 no. one bedroom flats and 4 no. two bedroom flats to meet minimum Council space standards requirements (NDSS) and provision of through floor lifts.
- 2.2 Approve the scheme is brought forward with an indicative capital budget for the scheme of **£2,837,760** to cover all of the purchase and construction costs, legal and professional fees and associated other fees to deliver a scheme that meets an identified housing need in Cambridge City.
- 2.3 Note that the scheme is indicative and authorise the Strategic Director in consultation with the Executive Councillor to approve variations to the scheme including the number of units and mix of property types and sizes outlined in this report.
- 2.4 Approve that the site is progressed subject to agreement of terms and a value for money assessment to be carried out on behalf of the Council prior to entering into a build contract with Hill.

3. Background

- 3.1. There are a number of the Council's key Corporate Objectives that this development opportunity addresses:

Tackling the City's housing crisis.

- 3.1.1 Delivering the 500 new Council rented homes which are part of the Cambridgeshire and Peterborough Combined Authority devolution deal.
- 3.1.2 Delivering sustainable prosperity for Cambridge and fair shares for all.

3.1.3 Protecting essential services and transforming council delivery.

3.1.4 Tackling climate change and making Cambridge cleaner and greener.

3.2 Local Housing Need

There is a recognised need for more Council rented housing across the city. The table below demonstrates the number of households on the Housing Needs Register as of December 2018. There are currently 2313 households in need of a 1 or 2 bedroom property across the city; progressing this scheme will help in meeting the needs of those on the waiting list.

Cambridge City	1bed	2 bed	3 bed	4+ bed
	1513	568	181	51

Located in an area of existing housing stock, the development would bring some smaller units to the area to support sustainable communities.

4. Site Details

4.1 Site Constraints and Opportunities

- The site is located on Clerk Maxwell Road and is former Trinity College tennis courts.

Appendix 1 provides a location plan of the site

- The site is surrounded by existing residential dwellings with the University of Cambridge West site located opposite.

4.2 Heads of Terms

Draft Heads of Terms for the purchase have been provisionally agreed with Hill. Headlines are as follows:

- Contract to be a Development Agreement/JCT for the freehold sale of the land and delivery of the Council rented housing.
- Contract to be conditional on planning, valuation and satisfactory report on title
- Works to be carried out to agreed drawings and specification in accordance with planning permission, building regulations and NHBC standards
- 12 months defects period

4.3 Planning

A detailed planning application is being worked up by Hill for 35 units on the site.

Appendix 2 provides the latest proposed layout plan with the affordable units marked as plots 1-14.

The Planning application is due to be submitted in December 2018.

4.4 Design and Sustainability

A Council rented housing scheme would be based on the Council's adopted design standards and the Cambridge Sustainability Housing Design Guide.

4.5 Programme

The indicative programme for the development is as follows:

Submission of Planning Application:	January 2019
Planning Permission Granted:	September 2019
Start on Site:	July 2020
Completion:	October 2021

5. Financial Implications

5.1 Budget / Funding

5.1.1 The total indicative cost of the Council rented housing is currently estimated at **£2,837,760**. (In addition to the acquisition and construction costs this includes legal fees, professional consultant fees and HDA fees).

5.1.2 It is proposed that the investment will be met from a combination of Right to Buy receipts and Devolution Grant.

5.1.3 This will result in the following mix of funding:

Right to Buy receipts:	£ 851,328
Devolution Grant:	<u>£1,986,432</u>
Total:	<u>£2,837,760</u>

The indicative capital budget of **£2,837,760** was included in the rolling programme presented to the Housing Scrutiny Committee in September 2018.

6. Implications

(a) Staffing Implications

The development scheme will be managed by the Housing Development Agency from within existing resources.

(b) Equality and Poverty Implications

A series of EQIAs have been undertaken for the Council House 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 Affordable Housing to help those most likely to suffer poverty as well as ways in which new Affordable Housing will directly save money for tenants, such as energy saving measures and reducing the impact of fuel poverty.

(c) Environmental Implications

The Council housing will be built in accordance with the Cambridge Sustainable Housing Design Guide, which equates to the equivalent of code Level 4 for sustainable homes as a minimum.

(d) Procurement Implications

The site is being offered as an opportunity to acquire S106 units being provided on a larger scheme by the developer.

(e) Community Safety Implications

There are no recognised implications on Community Safety with the proposed developments. The scheme will be built in accordance to Secured by Design guidelines as set out within the City Councils Design Brief

7. Consultation and communication considerations

The HDA continues to liaise closely with colleagues in City Homes, to ensure timely and accurate information is made available to all affected by the proposals.

8. Risks

8.1 Below is a table setting out key risks associated with the project:

Description of risk	Likelihood	Impact	Mitigation
Not achieving the 500 homes target:	Low- Current program has identified 535	Med- impact would be delivery of a lower number of much needed homes and reputational risk in the Councils ability to deliver and therefore attract grant in the future.	The H DA is developing the capacity and processes to deliver the projects to meet the targets. It is working with CIP on this and a number of other projects.

Cost:	Low- indicative costs have been set out in the report and provisionally agreed with Hill	Low- commercial risk lies with Hill. Purchase price for the units will be agreed prior to entering contracts	Fixed price contract with Hill to be negotiated.
Quality:	Med- risk of CCC design & spec requirements not being met, and Risk of poor quality control on site during construction	Med- will impact potentially on quality standards of completed buildings; increased defects.	CCC to employ EA and Clerk of Works to oversee scheme. Contract will include agreed specification and drawings for the units.
Time:	Low- Planning: The planning application will be subject to the observations of consultees, the assessment of planning officers, and ultimately the decision of the Planning Committee.	Med- Potential change in unit mix and reduction in numbers as a result of the planning process	Hill are carrying out all of the usual pre-application checks and processes, so risk will be mitigated.
Resources:	Low- Allocation of resource is within CCC control	Low	Project management of scheme can be contained within current H DA resourcing

9. Background papers

None

10. Appendices

Appendix 1 – Site Location plan

Appendix 2 – Proposed site layout plan

11. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Jerry Harkness, Housing Development Agency, tel: 07506 140512, email: jerry.harkness@cambridge.gov.uk

Appendix 1 – Site location

1. SITE LOCATION Maps and Images



Appendix 2 – Proposed layout plan

