

APPENDIX 4 - 2011-15 AFFORDABLE HOMES PROGRAMME - BID BY CAMBRIDGE CITY COUNCIL

The bid is to complete 146 new homes at a grant rate of £17,500 per unit.

The Council's bid is in two parts;

Seymour Court – This is a scheme specific bid for £400,000 grant at £19,050 per unit.

It is noted that in the CLG/HCA document '2011-15 Affordable Homes Programme – Framework' (the Framework document) that offers on schemes that start before April 2012 will be "exceptional". However, this scheme was the subject of a grant bid in 2010 and a planning approval is forecast for August 2011. The scheme was also identified as a Priority 1 scheme in the Cambridgeshire Local Investment Plan.

Seymour Court is a former sheltered housing scheme for older people that no longer met expected standards, for example, the Cambridgeshire Best Value Review of Sheltered Housing identified it as one that they would stop allocating revenue funding against because of its design and space standards.

The City Council has procured a house-builder/developer partner, Kier, to work with to redevelop the site. The new scheme will consist of

21 Affordable Housing
15 Market Houses

In effect, the market houses will cross-subsidise the delivery of the Affordable Housing.

The scheme is programmed to start in September 2011 with completion in December 2012. Planning approval is programmed for August 2011.

The Affordable Housing will provide 21 apartments for older people over 55 years old. The mix is 2 one bedroom and nineteen two bedroom (including two that are fully wheelchair accessible). The scheme will meet Code 4 of the Code for Sustainable Homes and is anticipated to achieve 'Silver' for the Build for Life standard.

As well as increasing the housing options of the growing ageing population in general, as an excellent standard, new scheme it will be attractive to people who are under-occupying family housing.

The estimated total scheme cost is £1,900,000

This would be funded by

Cross-subsidy from market housing	£1,500,000
-----------------------------------	------------

HCA grant

£400,000

The cross-subsidy, in effect, represents the value of the land that the market housing will be built on. Also the land for the provision of the affordable housing apartments will be at nil value.

Note, the Council does not intend to prudentially borrow to fund this scheme.

The Council has also committed £650,000 of its own resources to achieve vacant possession of the site. This has been funded from capital reserves.

Indicative Bid

The second part of the Bid is made up of a profile of schemes and new affordable homes that the Council would want to deliver on a range of other sites in its ownership.

These sites have been identified as Priority 2 schemes in the Local Investment Plan.

The Council is well advanced in considering its position in respect of the reforms to the Housing Revenue Account from April 2012. Indicative financial appraisal and modelling of the above sites has been carried out assuming a mix of 60% Affordable Housing and 40% Market Housing to cross-subsidise the new Affordable Housing.

This modelling is suggesting that the Council will need to borrow approximately £6.2m to deliver the Programme which is within the 'headroom' for borrowing that we will anticipate will be available following the reforms to the Housing Revenue Account.