

Item

**PURCHASE OF ADDITIONAL AFFORDABLE HOUSING,
THE MEWS, HISTON ROAD**



To:

Councillor Mike Todd-Jones, Executive Councillor for Housing

Report by: Claire Flowers, Head of Housing Development

Housing Scrutiny Committee 22/06/2020

Tel: 01223 – 457515 Email: claire.flowers@cambridge.gov.uk

Wards affected:

Arbury

Key Decision

1. Executive Summary

- 1.1 In September 2020 Approval was given for the purchase of 7 new Council homes at the Mews, Histon Road and Authority delegated to the Strategic Director to approve contract terms with Laragh Homes/LLP in respect of this transaction.
- 1.2 The Council has now been approached as a potential buyer of 3 additional Affordable homes at this development which were formerly earmarked for the Combined Authorities 100k homes programme.
- 1.3 This report seeks approval for a revised capital budget to purchase these additional affordable units from Laragh Homes, for rent as Council homes. These will consist of the following:
 - 3 x 1 bed 2 person Flats
- 1.4 The purchase of these homes will be included within an overall purchase for 10 homes.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Approve the purchase of 3 additional new Council rented homes at the Mews, Histon Road and delegate Authority to the Strategic Director to approve contract terms with Laragh Homes/LLP in respect of this transaction.
- 2.2 Approve a revised combined total budget of **£1,978,300** to enable the development of 10 homes at the Mews, Histon Road.

3. Background

- 3.1 The Council has approved the purchase of 7 affordable homes for Council rent at this site. There is an opportunity to purchase a further 3 homes which were previously planned to be part of the Combined Authorities £100K home programme. The purchase by the Council has the benefit of having all of the homes in Council ownership in the flatted block and would meet housing need for 1- bedroom homes.
- 3.5 The Council's ability to purchase the three 3 additional 1 bed 2 person units is subject to final outcome of negotiations between Laragh Homes and the Combined Authority. It will also require variation to the Section 106 planning agreement.

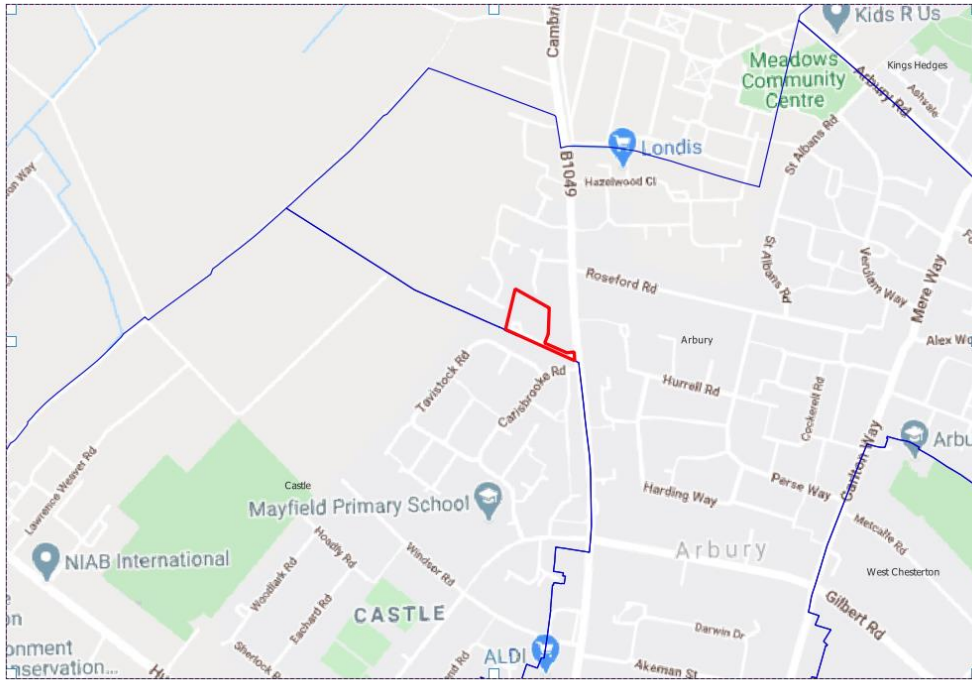
3.3 Local Housing Need

There is a recognised need for more affordable housing across the city. The table below demonstrates the number of households on the Housing Needs Register as of March 21. There are currently 445 households in need of a 1- bed 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
	445	195	109	31

4. Site Details

- 4.1 The Mews development is located on the former Scotsdale Laundry and Nursery Site, Histon Road, Arbury. The site was formerly allocated for development in the 2006 Local Plan. A location plan of the site is at Appendix 1. More recently, the site accommodated the Cambridge Squash and Fitness Club.



5. Scheme

5.1 The Development will deliver 27 new properties, 17 private and 10 affordable. It has full planning permission and works have started.

5.2 As well as the homes the scheme will deliver:

- Associated amenity space including 2 no. public green spaces,
- Adapted vehicular and pedestrian access onto Histon Road, part of which will be adopted, extent subject to negotiation with Highways as part of the Planning process,
- New vehicular and pedestrian road layout to allow circulation around site,
- Improved pedestrian/cycle connection to Darwin Green site to the west.

The proposed scheme layout is included as Appendix 1

5.3 Laragh homes have agreed to deliver the scheme to meet the Councils Employers Requirements. The Council would employ an Employers Agent and Clerk of Works to ensure quality is monitored throughout.

6. Programme

The indicative start on Site for this affordable component of the development is May 2021, with a completion date set for December 2022.

7. Financial Implications

- 7.1 The total indicative capital cost of the Mews affordable housing approved in September 2021 was estimated at **£1,513,000 for the purchase of 7x Affordable units**. This included the purchase price of the dwellings and all associated internal and external fees.
- 7.2 Purchase of 3 additional 1-bedroom units will require an increase to a total cost to a total of **£1,978,300**. This is made up of a purchase value of £1,870,000 for 10 homes, and associated costs of £108,300.00
- 7.3 Provisionally it is expected that 10% of the investment be funded through Right to Buy receipts, with the remaining investment met from HRA resources for the purchase of the affordable homes on the site.
- 7.4 This will result in the following initial mix of funding:

Right to Buy receipts:	£197,830
Devolution Grant:	£0
HRA resources:	£1,780,470
General Fund	£0
Total:	£1,978,300

- 7.5 The housing capital budget will be **£1,978,300**

8. Implications

(a) Staffing Implications

The development scheme will be managed by the Housing Development Agency.

(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

A Renewable Energy Assessment informed the Development proposal by Laragh Homes as approved. PV panels were the preferred option, and these are required through a Planning Condition.

(d) Procurement Implications

n/a. Laragh homes have selected the Council as its affordable housing provider as required by the S106.

(e) Community Safety Implications

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

11. Risks

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

Description of risk	Likelihood	Impact	Mitigation
Cost Risk – Construction works	Low – the council aims to enter into a fixed-price work contract.- with payment on completion of the homes	Increased build cost.	Fixed work costs agreed on signing of contract mitigate this risk.
Construction - Delivery	Med- Market led development therefore may be affected by market factors. However work has already started on site, Planning Approval is in place and underlying demand in Cambridge remains strong.	Failure to deliver the additional 10-council rented homes. A risk of some delay to the programme but risk of non-delivery is low.	Confirmation planning approvals are in place. Due diligence before contract and payment structure to ensure Council payment is on certificates of actual work.
Construction -Quality	Med- risk of CCC design & spec requirements not being met, and Risk of poor quality control on site during construction. The Council have not worked with this developer before due diligence will be	Med- will impact potentially on quality standards of completed buildings; increased defects.	CCC have appointed EA and Clerk of Works to oversee scheme. Contract will include agreed specification and drawings for the units.

	undertaken prior to contracting as well as quality control.		
Developer insolvency	Med- the construction and development industry may be impacted on further by changes to the economy.	Med- would delay delivery and potentially increase costs whilst administrators managed process.	Financial checks have been undertaken and the contract set up with payment on completion protects the Councils position.
Resources	Low- Allocation of resource is within CCC control	Low	Project management of scheme can be contained within current H DA resourcing
Another provider being selected	Med	High	As the council has not yet exchanged on these homes if the purchase of the additional 3 is not agreed the developer may review its affordable housing partner and move to an RP willing to take all 10 homes.

Background papers

Further detail on the proposed development may be accessed through the Greater Cambridge Planning portal using reference 19/0718.

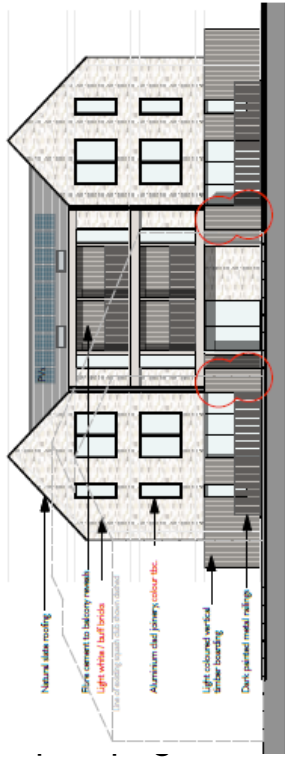
20/39/HSC- Purchase of 7 homes at the Mews Histon Road.

12. Appendices

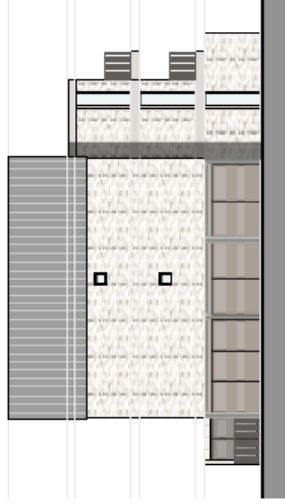
Appendix 1 – The proposed scheme layout

13. Inspection of papers

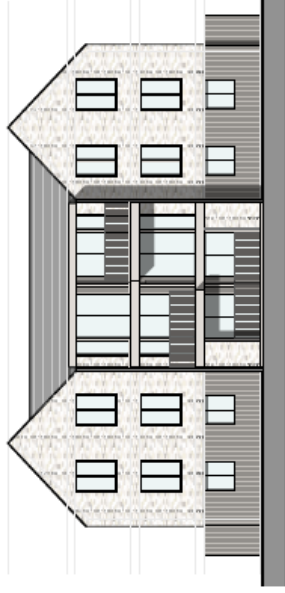
To inspect the background papers or if you have a query on the report please contact Jaques van der Vyver, Housing Development Agency, tel: 01223 457515, email: Jaques.vandervyver@cambridge.gov.uk



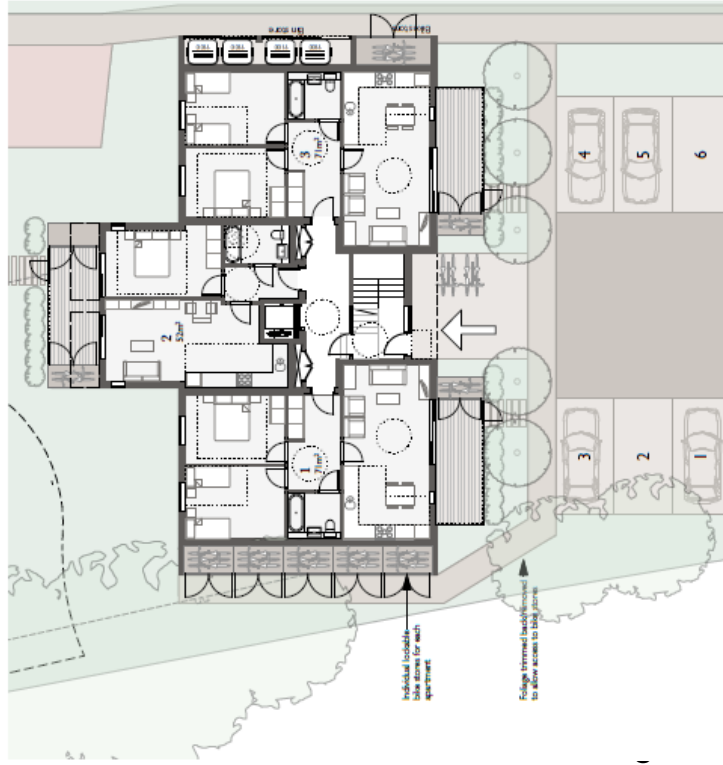
Front Elevation



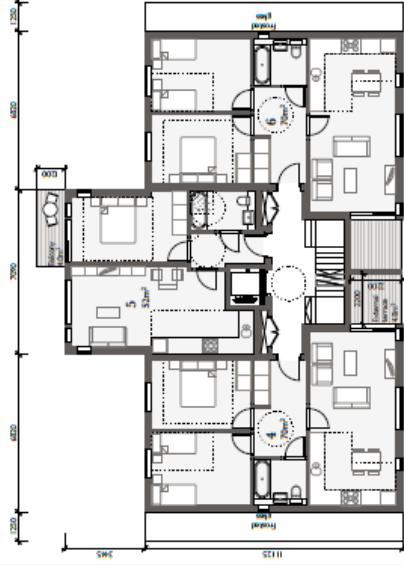
Side Elevation



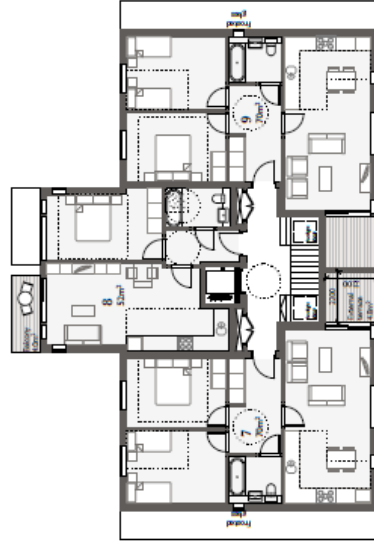
Rear Elevation



Ground Floor Plan



First Floor Plan



Second Floor Plan

Notes

1. This drawing must not be scaled - work only to figure dimensions
2. Dimensions must be verified on site by the contractor before
3. This drawing is for information only and is not to be used for construction
4. This drawing applies only to this job and site
5. This information on this drawing is copyright protected

- Date drawn: 16/06/2019 - Draw added to create lobby
 ANI: BBE1 C: 24/06/19 - For Reserved Matters Application
 ANI: BBE1 D: 13/07/19 - For Reserved Matters Application
 ANI: BBE1 E: 08/07/20 - Amendments from discussion with Lough
 ANI: BBE1 F: 30/07/20 - Amendments from discussion with Lough
 ANI: BBE1 G: 08/03/20 - Amendments from discussion with Lough



HaysomWardMiller Architects

7 Downing Place Cambridge CB2 3EL
 T: 01223 578545
 email: info@haysomwardmiller.co.uk

APARTMENT PLANS AND ELEVATIONS

Project	295-301 Hinton Road, Cambridge	Job no.	18.630
For	LARA-GH	Drawing no.	P20
Scale	1:100 @ A1, 1:200 @ A3	Revision no.	G