

**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL
RECORD OF EXECUTIVE / CHIEF OFFICER DECISION**

This form should be used to record key and other decisions made by individual Portfolio Holders and key decisions made by Chief Officers. The contact officer will ensure that the signed and completed form is given to Democratic Services as soon as reasonably practicable after the decision has been taken.

Unless permission has been obtained from the Chairman of Council and the Chairman of the Scrutiny and Overview Committee that this decision be treated as a matter of urgency under Rule 12.19 of the Scrutiny and Overview Committee Procedure Rules, this decision will come into force, and may then be implemented, on the expiry of five working days after the publication of the decision, unless called in under Rule 7 of the Budget and Policy Framework Procedure Rules or Rule 12 of the Scrutiny and Overview Committee Procedure Rules.

Portfolio	Housing Portfolio Holder
Subject Matter	23 Affordable Council Homes on Larger Site at Bannold Road, Waterbeach
Ward(s) Affected	Waterbeach
Date Taken	Wednesday, 5 July 2017
Contact Officer	Gill Anderton, Head of Housing (New Build) 01954 713377 (gill.anderton@scamb.gov.uk)
Date Published	Wednesday, 5 July 2017
Call-In Expiry	Wednesday, 12 July 2017
Key Decision?	No
In Forward Plan?	No
Urgent?	No

<p>Purpose / Background</p> <p><u>Site and housing</u> The purpose of this decision is to give approval for the South Cambs DC to proceed to contract with Bovis Homes to purchase 23 affordable homes on a larger site at Bannold Road/Bannold Drove, Waterbeach (known as Drovers Way)</p> <p>The scheme is on site and completion is expected within 6- 9 months.</p> <p>The 23 affordable homes represent the 40% affordable housing contribution for the larger site of 57 new homes. The scheme was granted full planning permission on 8th July 2016 (planning ref : S/2588/15/RM) and the financial deal for the 23 affordable homes between SCDC and Bovis was concluded on 30th June 2017.</p> <p>The scheme mix is a policy compliant 70% rent and 30% shared ownership and comprises:</p> <p>6 x 1 bed flats - rent 6 x 2 bed flats - rent 4 x 2 bed houses - rent 7 x 3 bed houses - shared ownership</p> <p><u>Context:</u> Owing to scheme slippage and underspend SCDC has around £2.5m of funds to secure spend on by December 2017 to ensure that the right to buy receipt associated with that spend (representing 30% of the total) is spent before any deadline to return to the Treasury.</p> <p>The Bannold Road site is the only site known to us that is part completed, and was without a registered provider attached to the 40% affordable housing element.</p>
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A number of registered providers made bids on the site, and we were successful in our offer to Bovis Homes in this competitive environment. The offer made included right to buy receipts for rented homes, and commuted sum monies to help support the shared ownership homes to be built.

Proceeding with this site will enable SCDC to get well ahead of our right to buy spend so release pressure on deadlines to return monies to Treasury. In addition it will give better value per property than the purchase of street properties at around £180k per unit rather than purchase existing properties at around £250k each (typical 2 bed in Cambourne).

It is recognised that we need to move swiftly to get into contract for build and land – and during this time we may need to purchase 2 or 3 street properties to ensure spend ahead of initial valuation and payment on this site. This is being investigated currently; but is likely to be a prudent belt and braces approach.

Enabling/Strategic support

Strategic Housing fully support this mix, as it will provide much needed smaller rented homes in Waterbeach where SCDC has existing stock, but has not added to it for some time.

Finance and budget

A viability appraisal has been carried out and approved by Julia Hovells – Principal Accountant Housing (in Appendix attached) confirming that the scheme is viable and pays back within the terms of the Councils Business Plan of 30 years.

The build costs are circa £4.31 million and funds have been set aside within the new build budget to cover the costs.

The scheme will spend around £827,000 of Right to Buy Receipt ensuring that we spend it before Treasury deadlines to return to central Government. It also enables spend of £350,000 commuted sum funds (money received in lieu of affordable housing on other planning applications), which has been approved by Head of Strategy Julie Fletcher (see Appendix) and is in line with our target commuted sum spending of £500k per annum.

Declaration(s) of Interest

Record below any relevant interest declared by any executive Member consulted or by an officer present in relation to the decision.

None

Dispensation(s)

In respect of any conflict(s) of interest declared above, record below any dispensation(s) granted by the Council's Standards Committee.

None

Consultation

Record below all parties consulted in relation to the decision.

Due to the speed with which the deal needed to be brokered and the fact that Planning permission was granted in 2016 and the scheme is on site with completed dwellings being marketed by Bovis this is not applicable. Internal teams have been advised of our aspirations on this site.

Other Options Considered and Reasons for Rejection

Option 1: The Council decides not to pursue this opportunity and deal with Bovis Homes.

Reason for Rejection: The deal represents value for money and the homes will be of good

quality built by a nationally recognised developer. Housing need across the district for 1 and 2 bed affordable homes is extremely pressing and this scheme delivers 23 new council homes in line with the Council's housing priorities.

Final decision	Reason(s)
<p>To approve the project spend, including the use of £350,000 of commuted sums money, and to finalise the contract terms and legal requirements to achieve actual spend in September 2017 and thereafter until completion of all 23 homes.</p>	<p>This scheme will provide 23 affordable homes and affordability is a huge issue for the District in terms of housing. The provision of affordable homes will significantly reduce due to recent policy changes for housing providers and the lack of HCA funding available. Changes to housing benefit and welfare reform will also mean that the demand for affordable homes will only increase in this area. These homes will also add additional affordable homes to the Councils housing stock. The Affordable rents will be set at Local Housing Allowance cap. The shared ownership homes allow some home ownership options on the scheme contributing to a more sustainable community of residents.</p> <p>Moreover as this scheme is on site now we can commit unspent funds quickly and in a cost effective way in terms of output and ensure that we minimise any risk of not spending existing right to buy receipts.</p>

Signed	Name (CAPITALS)	Signature	Date
Portfolio Holder Chief Officer	Signed copy available upon request from Democratic Services (democratic.services@scambs.gov.uk)		

Further Information