

**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	Lead Cabinet member for Housing
Subject Matter	Demolition of 1 and 3 Pembroke Way Teversham and redevelopment of site to provide 5 new council houses
Ward(s) Affected	Fen Ditton & Fulbourn
Date Taken	Monday, 3 December 2018
Contact Officer	Sarah Lyons, Development Project Officer 01954 713331 (sarah.lyons@scambs.gov.uk)
Date Published	Monday, 3 December 2018
Call-In Expiry	Monday, 10 December 2018
Key Decision?	No
In Forward Plan?	No
Urgent?	No

Purpose / Background
<p>The decision to re-develop this site was given on 9th Feb 2016 and was originally for 3x3 bed houses and 2x2 bed flats all affordable rent (attached). Progress on this scheme stopped as the position of the flats was located on a small section of land that sat within the Green Belt. As time had passed it was agreed at this point with Housing Management colleagues to relook at the Housing Need information. This led the site to be re-designed with a different housing mix of 6 affordable rented properties 4x1 bedroom flats and 2x2 bedroom houses and a re-decision on the scheme was signed by the Lead Cabinet Member for Housing on 13th June 2018.</p> <p>After a change within planning and further consultation with planning we have agreed re-provide as a final mix 5 new affordable rented homes meeting current housing needs of small accommodation.</p> <p>The current decision notice is no longer reflects the decision notice dated 13th June 2018 as the site has been redesigned in layout and property size and Strategic Housing is seeking a follow up decision notice to give approval for South Cambridgeshire District Council to continue with the demolition of 2 non traditional built Council properties and enter into a JCT Design & Build Contract for the re-provision of 5 new council homes at Pembroke Way Teversham.</p> <p>The development appraisal currently confirms that the scheme is for all affordable rented and the build costs are based on market intelligence from Henry Riley our cost consultants. Once we have tendered the project should the costs be higher the tenure will need to be switched to include an element of Shared Ownership otherwise the project will be over budget and the loan payback period will be outside the Councils acceptable payback period. We therefore seek permission to switch no more than 2 properties to shared ownership if needed on financial grounds, and to sell them at best value once complete. Any such variance will remain within the financial parameters set out in the financial appendix at year 34.</p>

The site is currently in for planning and going to Planning Committee on 14th December 2018 (ref : S/2454/18/FL)

Enabling/Strategic support

Strategic Housing fully support this mix, as it will provide much needed affordable homes in Teversham where SCDC has existing stock, but has not added to it for many years.

The mix has previously been agreed by Housing Strategy as meeting the housing needs in Teversham.

The 5 no affordable rented homes comprise:

Description of Units to be delivered:	No of Units:	Type of Tenure:	Stock Category:	Rental Basis:	No of Beds:	Person Size:
1 bed flat	2	Rented	Flat	Affordable	1	2
2 bed house	2	Rented	House	Affordable	2	4
1 bed bungalow	1	Rented	House	Affordable	2	2

Finance and budget

A full viability appraisal has been carried out and approved by Julia Hovells – Principal Accountant (Housing) confirming that the scheme is viable. The scheme has a payback year of 34 because it does not have any shared ownership units to cross subsidise against the cost of the rented units taking into account the LHA cap affordable rent (at approx. 60-65% market rate). A 34 year payback is expected in these circumstances and is considered acceptable.

The scheme will spend £126,283 of Right to Buy Receipt and assist the Council in hitting the spending deadlines for the right to buy receipt and avoid returning monies to Treasury with interest at 4% above base)

The scheme already features on the HRA Business Plan as part of the Medium Term Financial Strategy of South Cambridgeshire District Council. Once the decision notice has been signed it will enable us to start the tender process for a House Builder from the Council's Framework.

Procurement

The current estimated build costs is £689,774. This is under the OJEU threshold and therefore the council is able to enter into a JCT Design & Build fixed price works contract to facilitate the building of the 5 affordable homes under the council's exemption process. This accord with the procurement officer's advice.

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.

Consultation with Teversham parish council started back in 2016 and has continued to date. The three new Cllrs have been bought up to date with the redevelopment project not long after being

elected in May 2018.

Property services and Housing Management have been involved from the beginning and both teams are very supportive of re-development.

Other Options Considered and Reasons for Rejection

Option 1: The Council could decide to sell these two empty houses and the land it sits on to a private house builder or another affordable housing provider.

Reason for Rejection:

- The Council has given an undertaking to provide as many new council homes as possible set at affordable rent levels to help meet its affordable housing demands.

Final decision	Reason(s)
<ul style="list-style-type: none">• To re-approve the decision to demolish 1 to 3 Pembroke Way Teversham and replace with 5 new modern energy efficient homes.• To tender the demolition and new build works and enter into a JCT 2016.• To switch the tenure on no more than 2 properties if tenders are above the financial appraisal.• To market and sell the shared ownership properties seeking best value.	<ul style="list-style-type: none">• This scheme will provide 5 affordable homes and affordability is a huge issue for the District in terms of housing.• The scheme already features on the HRA Business Plan as part of the Medium Term Financial Strategy of South Cambridgeshire District Council.• 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 provision of affordable homes is likely to reduce significantly 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.

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

Further Information

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