

**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	Provision of 9 no. affordable dwellings at Station Road, Foxton
Ward(s) Affected	Fowlmere & Foxton
Date Taken	Tuesday, 23 April 2019
Contact Officer	Kirstin Donaldson, Development Officer (Kirstin.Donaldson@scams.gov.uk)
Date Published	Wednesday, 24 April 2019
Call-In Expiry	Wednesday, 1 May 2019
Key Decision?	No
In Forward Plan?	No
Urgent?	No

Purpose / Background
<p>The purpose of this Decision Notice is to give approval for South Cambridgeshire District Council (SCDC) to enter into Heads of Terms followed thereafter into a JCT Design & Build Contract (JCT 2016 – industry standard) to purchase 9 no affordable homes representing the S106 40% affordable housing contribution on a site at Station Road , Foxton.</p> <p>The site has been brought forward by Hill who, as an award winning house builder and developer, SCDC have worked in partnership with providing a number of high quality affordable homes in our district.</p> <p>In its entirety the site totals 22 new homes - with the policy compliant 40% affordable housing of 9 new homes comprising 6 rented homes and 3 shared ownership homes.</p> <p>Hill are due to start on site in May 2019 and have issued draft Heads of Terms to proceed on. This site forms part of a package of sites put forward by Hill previously and formed part of the HRA Borrowing bid made in September 2018..</p> <p>All reserved planning matters have been resolved .</p> <p>It should be noted that the payback is in year 36</p> <p>This site was one of a number included in Appendix L of the HRA Budget setting report approved by council in November 2018 (see attached) . It is therefore one of the development sites that are part of the ‘ Unallocated New Build/Acquisition Budget’ included in the New Build Investment Cashflow (Appedix E) of the MTFs approved in February 2019.</p> <p><u>Enabling/Strategic support</u></p>

Strategic Housing fully support this mix, as it will provide much needed homes in Foxton where SCDC has existing stock and where new affordable housing has not been built for some years. The overall affordable housing mix has previously been agreed by Housing Strategy as meeting the housing needs in Foxton and its environs.

Planning Reference number :

The site has planning (ref: S/2583/18/RM) with all conditions now discharged.

The S106 is signed and completed.

Mix:

Description of Units to be delivered:	No of Units:	Type of Tenure:	Stock Category:	No of Beds:
1 bed flat	4	Rent	Flat	1
2 bed house	1	Rent	House	2
3 bed house	1	Rent	House	3
2 bed house	2	Shared O'p	House	2
3 bed house	1	Shared O'p	House	3

Shared Ownership units will be sold as part of this scheme and their ongoing sale forms part of this decision
Average equity buy-in will be 40%.

Contract type:

The contract will be a JCT 2016 contract. (Joint Contracts Tribunal) Design & Build Contract

Legal Advice : Freeths (Previously provided at Grace Crescent , Hardwick)

“We believe that either ownership or an option constitute such “exclusive rights”. It needs to be said, however, that cases do turn on their facts. We would also have to state that the Council should be able to demonstrate that in the case where it was letting a contract including development, that there is no reasonable alternative or substitute – ie there are not other similar convenient sites which could reasonably be regarded as being available for development, eg in terms of being for sale, zoning, access to services etc.

Foxton is a small village which has not had any development sites commenced of this size for some considerable time. There are no other suitably sized permissioned sites in Foxton that are available for consideration at this time.

Use of Right to Buy Receipt:

This scheme consists of 6 rented homes which allows the use of Right to Buy receipts totalling £346,522

Use of Commuted Sum:

We are using £150,000 of commuted sum monies to assist in bringing these 3 shared ownership homes forward as council new build. This aligns with our standard £50,000 per unit commuted sum spend profile on new build schemes

The scheme is considered to be value for money for the council. The offer and price per sq. m is commensurate with sums paid for recent council new build development schemes. In addition a robust financial appraisal has been carried out and a commercially sensitive financial appendix is attached. The scheme has a Payback year within the business plan parameters.

Declaration(s) of Interest <i>Record below any relevant interest declared by any executive Member consulted or by an officer present in relation to the decision.</i>
None

Dispensation(s) <i>In respect of any conflict(s) of interest declared above, record below any dispensation(s) granted by the Council's Standards Committee.</i>
None

Consultation <i>Record below all parties consulted in relation to the decision.</i>
Hill have consulted as required & demonstrated by the successful planning process.

Other Options Considered and Reasons for Rejection
Option 1: Option 1: The Council decides not to enter into contract with Hill for the purchase of the 9 affordable homes on this site. Reason for Rejection: <ul style="list-style-type: none"> To reject the scheme would require a substitute scheme of similar size and cost to be found in the district to provide new affordable homes. This would be by no means certain and is unlikely to be achieved in the timescales. It would be resource intensive and is unlikely to be possible, with the return of unspent right to buy receipt back to the Treasury with interest if no suitable scheme could be sourced.

Final decision	Reason(s)
To approve South Cambridgeshire District Council entering into Heads of Terms followed thereafter by a contract to purchase 9 no affordable homes on a site at Station Road , Foxton	<ul style="list-style-type: none"> This scheme will provide 9 affordable homes - and affordability is a huge issue for the District in terms of housing. These homes will also add additional affordable homes to the Councils housing stock and will be managed by the in house SCDC Leasehold team. 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