

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

---

**REPORT TO:** Leader and Cabinet 12 May 2005  
**AUTHOR/S:** Housing and Environmental Services Director and Development Services Director

---

### WINDMILL ESTATE, FULBOURN

#### Purpose

1. To consider options to provide a long term housing solution for the Windmill Estate, Fulbourn and the recommendation of the Windmill Estate Project Steering Group.

#### Effect on Corporate Objectives

2. Quality, Accessible Services	Improvements to the estate could address issues around housing standards and community safety concerns that would provide better services and quality of accommodation for existing and future residents.
Village Life	A long term housing solution for the Windmill Estate will build on the existing sense of community on the estate. A redevelopment scheme could also provide an opportunity to look at integration of design and community issues that can enhance village life.
Sustainability	To achieve good quality sustainable homes and living environment for existing and future residents of the Windmill Estate that will also address the needs of the wider community of Fulbourn and contribute to meeting identified housing needs in the district of South Cambridgeshire.
Partnership	This project has closely involved local representatives eg Local Members, Parish Council and residents as well as a Housing Association partner and community based organisations working in Fulbourn. There is also an opportunity with a redevelopment scheme to investigate the provision of new and improved joint health and community facilities in partnership with the County Council and the South Cambs PCT.

#### Background

3. The Windmill estate comprises 164 homes constructed during the 1960's using the Bison Wall Frame system of pre-cast reinforced concrete panels with concrete flat roofs. The estate layout is typical of the period; with open plan front gardens, large communal parking areas and a network of footpaths providing rear access to the predominantly terraced properties.
4. Whilst the properties are structurally sound they suffer many of the problems associated with older system built housing. The flat roofs often leak, homes suffer from condensation and are difficult and expensive to heat, car parking is not always close to homes and the communal external space does not cater for the needs of today's communities and is difficult to manage and maintain. Many residents are

concerned about the quality of their physical environment, car parking areas, problems with crime, security and anti-social behaviour.

5. The majority of the homes are tenanted although 39 (23.4%) have been sold under Right To Buy provisions.
6. Council Officers have been working with Local Members, Resident's Group Representatives, the Housing Portfolio Holder and the Leader of the Council to consider options that could provide a sustainable housing solution for the Windmill Estate. For this purpose a Working Group was first convened in early 2002 to look at potential options including refurbishment by the Council and/or partial or wholesale redevelopment of the estate.
7. Following discussions held at meetings of the Working Group it was agreed to invite bids from partner Registered Social Landlords who were interested in working with the Council to investigate available options. At the Working Group meeting held on 24<sup>th</sup> April 2003 3 bids were short-listed from a total of 7 expressions of interest received.
8. To ensure that the local community on the Windmill Estate could be fully involved in the process a consultation event was held with residents (owner occupiers as well as Council tenants) of the estate on 23<sup>rd</sup> July 2003. This involved presentations by short-listed Registered Social Landlords on available options to improve and redevelop the existing non-traditionally constructed housing. The event was well attended and the feedback was overall very positive.
9. The residents were asked to express their preferences and as a result Nene Housing Society were chosen to put together full and partial redevelopment options for the estate for consideration by residents as well as the Council. Further the majority of residents at that time expressed a preference for the wholesale redevelopment option.
10. Since the summer of 2003 Nene have therefore been working with residents on the estate to try to put together more detailed proposals that aim to meet the aspirations of both existing tenants and owner-occupiers. This includes a package that would be acceptable to owner-occupiers who wish to relocate elsewhere as well as those who would like to be able to live in a new home on the same estate following any redevelopment.
11. The needs of individual tenants on the estate are also being taken into account by Shire Homes and those who have expressed an interest in moving either on a temporary or permanent basis have been considered for suitable properties that have become available. In many cases residents have expressed a preference to remain in the village, with many also wishing to stay on the estate in the event of its redevelopment.
12. Once properties have been vacated no new tenants have been selected pending a decision on the redevelopment and refurbishment options in order to avoid having to move people again within a relatively short period of time.
13. However, to minimise the number of empty homes a short term lettings strategy has been agreed with Nene Housing Society whereby vacant properties are leased to Nene at a peppercorn rent and they are then re-let as temporary accommodation for households nominated by this Council or to Key Workers or as open market rental properties.

14. To enable the re-letting of properties Nene are meeting any costs associated with bringing properties up to a lettable standard. It should be stressed that it is part of the adopted strategy that any surplus income achieved by Nene will be used to invest in the Windmill Estate on priorities discussed and agreed with residents.
15. At present 23 Council-owned properties have become available on the estate and the majority if not all of these have or will be leased to Nene. In addition Nene have acquired 6 properties on the estate which will, provided it is financially viable to do so, be made available on short term lets.
16. Should either a redevelopment scheme for the estate not be the preferred option then the leased properties will be returned to the Council on expiry of the current leases and can then be let to households from the Fulbourn housing waiting list in accordance with the Council's Lettings Policy.

### **Considerations**

17. A more formal Project Steering Group comprising the key Members and Officers has been overseeing the Windmill Estate Project and this Group has been meeting on a regular basis since August 2004. The membership of the Group is as follows:
  - Leader of the Council
  - Housing Portfolio Holder
  - Local Members for Fulbourn
  - Residents Group Representatives
  - Fulbourn Parish Council Representative
  - Housing & Environmental Services Director
  - Head of Shire Homes
  - Head of Housing Strategic Services
  - Principal Accountant (Housing)
  - Community Development Manager
  - Development Manager
18. A Project Team was also put in place involving officers from this Council and Nene Housing Society and they have been co-ordinating the information requirements that have assisted the decision-making process eg costing of options and also responsible for ensuring effective communications and consultation arrangements were maintained with residents.
19. The aims of the project have been to work with partner agencies and community representatives to investigate and evaluate available options and recommend to Full Council a preferred approach to achieve:
 

*“good quality sustainable homes and living environment for existing and future residents of the Windmill Estate that will address the needs of the wider community of Fulbourn and contribute to meeting identified housing needs in the district of South Cambridgeshire”.*
20. This project has potential implications for and links to the Housing Options Appraisal which is an ongoing corporate project, which in turn has implications for the services, finances and organisation of the Council as a whole. It is set in the context of what the Council is trying to achieve for local communities, residents and customers through its own corporate objectives and through its contribution to the Local Strategic Partnership's Community Strategy for South Cambridgeshire.

- a. The Council's corporate objectives are :
- High quality accessible value for money service;
  - Quality of village life;
  - A sustainable future for South Cambridgeshire;
  - A better future through partnership.

Amongst the nine corporate priorities that the Council has identified for 2004-2007 are:

- Northstowe and other major developments (priority for 2004/05);
- Affordable Homes (priority for 2004/05);
- Meeting the Decent Homes standard.

The Council's Best Value Performance Plan includes a service improvement target to complete investigations on options for the Windmill Estate and develop a way forward in consultation with tenants by March 2005.

- b. The Community Strategy's aims include a commitment to 'Quality homes for all', with new affordable homes meeting local needs and with assistance for those needing help.

21. The project objectives were as follows:

- A. To assess the investment needs of the Council's housing stock on the Windmill Estate into the medium/long term and to project the resources available to meet those needs with particular reference to the Council's ability to achieve the Decent Homes Standard for its homes by 2010 and to maintain that standard in the medium term.
- B. To gather information about tenants' views on the current housing service and their priorities for future investment/development.
- C. To set out the implications of each of the three identified options in delivering against corporate and housing priorities.
- D. To consider how the available options can contribute to environmental improvements and enhanced community facilities.
- E. To improve design and quality of life.
- F. To provide affordable housing to meet current and future needs and ensure an appropriate mix of tenures to provide a sustainable community.
- G. To ensure that all residents of the Windmill Estate have the opportunity to be able to express their views on the options available and to become involved in the development and implementation of proposals.
- H. To ensure that all internal and external stakeholders are well informed on the Windmill project and able to answer questions or signpost people to appropriate sources of information.
- I. To present to Cabinet/Full Council a sound and robust evaluation of the options with an appropriate recommendation.

## Options

22. The three options that were evaluated as part of the project were as follows:

**1) Stock Retention:** The Council would retain the housing on the Windmill Estate and financial resources available to achieve property and service improvements would remain the Housing Revenue Account (HRA), Major Repairs Allowance, (MRA) and Capital Receipts. Tenants would keep their secure tenancies, existing rights and responsibilities. However, stock retention does not mean no change and this will be explained as part of the Housing Stock Options Appraisal process which is running alongside this specific project.

Within this option consideration also needed to be given to the standard of refurbishment of the estate that could be achieved as follows:

- a) Decent Homes Standard only
- b) Enhanced programme of works eg environmental/estate improvements

**2) Wholesale Redevelopment:** The ownership of the existing properties that are currently owned by the Council would be transferred to a partner Registered Social Landlord (RSL) as and when they become vacant to facilitate redevelopment. Existing tenants and owner-occupiers would be consulted on their preferred options for relocation either on a temporary or permanent basis to create vacancies for this purpose. The Council would seek to meet expressed aspirations of residents in partnership with the RSL in order to provide mutually acceptable housing options for those affected should wholesale redevelopment be the preferred option.

Tenants wishing to be re-housed elsewhere in the village or the district could remain tenants of the Council. However, tenants wishing to be re-housed in a new property on the estate following redevelopment would become tenants of the RSL and would have the rights attached to assured tenancies offered by the RSL. The new RSL landlord would be required to ensure the new housing meets the needs of existing residents and those in housing need. The RSL would also be required to achieve a balanced and sustainable community and to provide locally based housing and community development services in accordance with standards identified by residents and the wider local community

**3) Partial Redevelopment:** The ownership of those properties within the two maisonette/bedsit blocks in Swifts Corner and Dunmowe Way that are currently owned by the Council would be redeveloped and the remaining stock would be improved to provide

- c) Decent Homes Standard only or,
- d) Enhanced programme of works eg environmental/estate improvements

This could be achieved in whole or in part through:

- a) the Council and/or,
- b) a Registered Social Landlord

In the event that working in partnership with an RSL should be preferred then transfer of the maisonette/bedsit blocks as and when they become vacant to a preferred RSL would be required to facilitate redevelopment

Existing tenants and owner-occupiers would be consulted on their preferred options for relocation either on a temporary or permanent basis to create vacancies for this purpose.

The Council would seek to meet expressed aspirations of residents (in partnership with the RSL if preferred) in order to provide mutually acceptable housing options for those affected should redevelopment of the identified areas on the estate be the agreed option.

It should be noted that in the event of a partnering arrangement with an RSL tenants wishing to be re-housed elsewhere in the village or the district can remain tenants of the Council. However, those tenants who wish to move to a new property on the estate following redevelopment would become tenants of the RSL and would have the rights attached to assured tenancies offered by the RSL. The new RSL landlord would be required to ensure the new housing meets the needs of existing residents and those in housing need.

In the event of the Council retaining ownership of the remainder of the properties on the estate the RSL will also be required to consider the impact of any new housing on the rest of the estate and take into account any planned maintenance/improvement works that may /may not be carried out by the Council.

The RSL will also need to consider how the redevelopment will help achieve a balanced and sustainable community and be required to provide locally based housing and community development services in accordance with standards identified by residents and the wider local community.

Should any partnership arrangement with an RSL include refurbishment of the remainder of the stock existing tenants would have to be willing to agree to a transfer of the Council's housing stock on the Windmill Estate to that RSL who will become the new landlord. In these circumstances tenants would then become Assured Tenants of the RSL but with protected terms and conditions consistent with their current Secure Tenancy with the Council including the Right to Buy.

23. In respect of the redevelopment options Nene Housing Society have presented a proposal that includes indicative mixes for new affordable and market homes on the estate as summarised in the following table.

Tenure	Partial Redevelopment		Wholesale Redevelopment	
	Existing Units	Proposed Indicative Units	Existing Units	Proposed Indicative Units
<b>Social rented</b>	31	22	125	135
<b>Shared Ownership</b>	0	10	0	46
<b>Market housing</b>	1	0	39	69
<b>TOTALS</b>	<b>32</b>	<b>32</b>	<b>164</b>	<b>250</b>

24. The Group having considered all the options and the views of residents have agreed to recommend to Cabinet/Full Council that 'in principle' a redevelopment scheme should be the option taken forward to improve the Windmill Estate. A copy of the evaluation matrix is provided for information as **Appendix 1** to this report.

25. However, it is also recommended that any redevelopment scheme should be subject to:
- a. the exclusion of any provisions relating to compulsory purchase of privately owned properties
  - b. best endeavours being made to accommodate those residents who wish to remain as Council tenants in their current homes, if this is possible without compromising the wishes of others on the Windmill Estate.
26. The perceived benefits of a redevelopment scheme over stock retention include the following:
- i. The majority of residents are in favour of a redevelopment option
  - ii. An opportunity to increase the number, type and mix of affordable housing so as to offer more choice for existing tenants and other local people in housing need
  - iii. Involving the residents in the selection of consultants and contractors and the detailed design of the estate will sustain and develop the strong community spirit that exists and will increase local ownership and the future sustainability of the project
  - iv. The proposed scheme will provide homes with a significantly longer life span, reducing maintenance expenditure by the District Council
  - v. The scheme could be a model of best practice in terms of regeneration
  - vi. Work on the project to date has enabled a multitude of agencies operating in Fulbourn to come together as partners. This is not only cost effective but through joint funding enables wider issues to be addressed and mutual benefit achieved
  - vii. A redevelopment solution will be able to effectively design out current problems on the estate, such as crime and anti-social behaviour. The partial redevelopment option is unable to address these issues without significant additional resource
  - viii. The homes will be designed to meet the existing space standards. They will be more energy efficient, which will be cheaper to run and warmer in the colder months
  - ix. A redevelopment option allows real opportunities to find the potential of the residents on the estate to add value to the project through the design, construction and long term. Training and employment opportunities will be central to the works to maximise local benefit from large-scale investment
  - x. The shared ownership homes could be targeted at local people and or local key workers
  - xi. Working with agencies such as the County Council, Parish Council and the South Cambs Primary Care Trust an opportunity exists to bring forward a joint proposal for the development of a new resource/health centre for the benefit of Fulbourn residents
  - xii. The Council is unlikely to be able to afford the enhanced improvements to existing homes and the environmental works requested by residents through a stock retention option
27. However, there are issues that would need to be addressed in order to ensure that a redevelopment scheme could be achieved which are:
- a) the need to identify appropriate funding solutions to facilitate the redevelopment
  - b) the need to ensure that a range of options are made available for both owner-occupiers and tenants

## Financial Implications

28. As part of the evaluation of the options a financial assessment of the implications of stock retention, stock transfer and also redevelopment were undertaken.
29. In respect of stock retention and stock transfer an independent appraisal was carried out by Tribal HCH as part of their role as the lead consultants for the wider Housing Options Appraisal Project. They were asked to verify the financial assessment of the retention of the Windmill Estate through a projection of the Councils' housing finances for the next 30 years based on anticipated income and planned expenditure
30. Unlike whole stock transfer, where the HRA will be closed and the implications of transfer fall on the General Fund, the main impact of a partial transfer is on the HRA. It is assumed that such a small change in HRA activity as represented by the loss of 120 dwellings would have no impact on corporate recharges to the HRA at all.
31. The Tribal HCH final report of March 2005 advises that the size of the estate may be considered too small for a PFI contract. However, if accepted as part of a PFI programme with the necessary "PFI credit", the impact on the Council HRA is anticipated to be neutral. There would be a requirement for a "PFI Credit" of £5.4m to support a scheme for managing and maintaining the estate.
32. Partial stock transfer to an RSL partner would in their analysis have a positive impact on the transferred stock and tenants (in terms of meeting the investment requirements) and would also have a positive future impact on the Council's HRA.
33. For a partial transfer it is anticipated that a partnering arrangement with a local RSL could generate a receipt of £543,000 (less levy and set up costs) and could provide a benefit to the HRA of £23,000 over the first three years following transfer, after a cost in the first year.
34. The valuation basis produces a much lower unit valuation than the "Open Market Value (OMV)" which is reflected in the local Housing market for Owner Occupied dwellings. This is because Open Market Value is for vacant possession, with no restrictions on the purchaser.
35. In respect of redevelopment Nene Housing Society presented their financial appraisal in respect of partial and wholesale redevelopment. In summary an indicative financial position for these options is as detailed below. **However, it should be noted that this information was provided in August 2004 and therefore reflect's the construction costs and housing market forecasts at that time. These figures should therefore be considered in this context and are provided as a guide for information only.**

<b>Partial Redevelopment Option</b>	<b>£</b>
Purchase of leasehold flat	100,000
Demolition	96,000
Home loss, etc	160,000
Construction	2,039,200
On costs	351,568



<b>TOTAL COSTS</b>	<b>SCHEME</b>	<b>2,746,768</b>
--------------------	---------------	------------------

Funded by:-

Market Sales	825,000
Private loan	950,000
<b>**Nene HS</b>	<b>320,000</b>
S/O Sales	163,080
*Grant for S/O units	200,000
<b>TOTAL</b>	<b>2,458,080</b>

**Funding Shortfall** **288,688**

\* There is no guarantee of grant from the Housing Corporation for the shared ownership units.

\*\* This represents Nene Housing Society's financial contribution towards the project funded from within their own resources.

<b>Full Redevelopment Option</b>	£
Land	Nil
Demolition	1,000,000
Construction	18,624,000
Sub Total	<u>19, 624,000</u>

On costs 2,551,120

**TOTAL SCHEME COST** **22,175,120**

Funded by:-

Capital receipts	
- outright sales	6,050,000
- shared ownership	2,995,004
*Grant for S/O units	910,984
<b>**Nene HS</b>	<b>1,350,000</b>
Residual Loan	10,869,132
<b>TOTAL INCOME</b>	<b>20,175,120</b>

**Funding Shortfall** **2,000,000**

\* There is no guarantee of grant from the Housing Corporation for the shared ownership units.

\*\* This represents Nene Housing Society's financial contribution towards the project funded from within their own resources.

36 It should be noted that the specified funding requirement in both scenario assumes a land transfer at nil cost. However, such a transfer could potentially be made on the basis of a 125 year leasehold rather than freehold interest in respect of those properties to be re-provided on a social rented or shared ownership basis. The

freehold interest would, however, be a requirement for the open market dwellings to be provided on the site.

37. For information the assumptions made and, the results arising from these, within the financial model used by Nene Housing Society was independently tested by Tribal HCH who advised in an interim report in November 2004 that overall Nene's potential £2m funding requirement for the wider redevelopment option is not unreasonable.
38. However, the consultants also stated in the interim report that the rents assumed appear a little low. In the following table is set out Nene's assumed 2005/6 rent, the Existing Use Valuation (January 1999) which would produce a rent at that level, and the equivalent valuation and target rent for the existing dwellings of that bed size on the estate provided by the Council.

	Nene Proposal		Existing	
	EUV Jan 99*	Rent April 2005	EUV Jan 99*	Rent April 2005
	£	£	£	£
1 Bed	34,223	55.00	58,000	59.48
2 Bed	45,548	64.00	61,562	65.50
3 Bed	44,701	66.00	79,000	79.17
4 Bed	49,061	70.00	91,250	86.20

39. However, it should be remembered that if a redevelopment scheme is agreed in principle Nene Housing Society will have to work up a detailed and costed scheme that addresses the requirements of the rent restructuring regime and is considered to represent value for money in order to attract external funding eg from the Housing Corporations' Approved Development Programme.
40. Whilst there is no guarantee that a funding allocation would be made for this scheme by the Housing Corporation the announcement by the Office of the Deputy Prime Minister (ODPM) on 22 March that the East of England will receive £431m for housing in the years 2006-08 which represents a 44% increase in its funding allocation is generally good news for the region as a whole and hopefully for the Cambridge Sub-region in particular given its growth area status.
41. Nene Housing Society have already approached external funding agencies about the Windmill project and will continue negotiations as the project progresses. However, it will not be until a detailed and fully costed scheme has been approved that the actual funding requirement will be known and a formal bid can be submitted.
42. Also as a member of the Accent Group Nene Housing Society will have access to additional resources which could be channelled into this project. Their membership of the Accent Group will also improve their chances of achieving preferred partner

status with the Housing Corporation when the existing pilot partner programme is reviewed this year. The majority of the allocations made to RSLs in future bidding rounds for Approved Development Programme (ADP) funding are expected to be to those relatively few RSLs who have preferred partner status.

### **Legal Implications**

43. In the event that a redevelopment scheme for the Windmill Estate is approved it is suggested that the basis of disposal is transfer of vacant units as and when they become available. This would mean that the rules relating to mini-stock transfers would not be applicable.
44. For information the transfer of occupied units would, however, be subject to the mini-stock transfer provisions and require Secretary of State consent. This would include the need to demonstrate that a majority of the affected tenants/leaseholders were not against the proposal. Whilst this means a formal ballot would not be specific requirement as is the case with a Large Scale Voluntary Transfer (LSVT) a ballot or survey is the most straightforward way of demonstrating the level of support for any proposal. It is considered likely that the residents survey conducted by the Council in February and March would probably be sufficient for this purpose should the transfer of existing tenanted properties be preferred.
45. It should also be noted that if the disposal of vacant units/land is agreed at less than best consideration ie at nil cost then Secretary of State consent would be required. This is because the available general housing consents would not enable land/property to be transferred to an RSL for less than open market value (OMV) unless it is to be used solely for the provision of affordable housing. As there is a need to provide an element of market housing as part of any redevelopment proposal this would not satisfy this criteria.

### **Staffing Implications**

46. Should a redevelopment scheme for the Windmill Estate be approved then a project management framework will need to be put in place to ensure appropriate both strategic and operational level decisions can be made and implemented successfully within an agreed timeframe.
47. It is suggested that the project management arrangements reflect those that have worked successfully elsewhere. This would involve a structure not dissimilar in many respects to the project framework that has been adopted to date as described in paragraphs 17 and 18 of this report.
48. For example a Project Board could oversee the project at a strategic level with representation to include key Members and senior Officers from within the Council and Nene Housing society as well as local representatives eg from the Parish Council, Residents Panel.
49. A Project Group could also be set up to carry out the operational functions required to take forward the project and this will comprise Officers from Nene Housing Society as well as this Council and the Residents Panel.
50. A Residents Panel would also be formed and comprise of a small group eg 6 people who will be focussed, trained and resourced individuals representing both tenants and owner-occupiers/leaseholders.

51. Overall project management will be provided by Nene Housing Society who will have dedicated staff and will organise and service meetings of the proposed Project Board, Project Group and Residents Panel. However, the project will have implications for the Council Officer's and Member's concerned in terms of the input they would need to provide into the project eg attendance at meetings and provision of information, liaison with residents, press, other agencies, etc. The membership is likely to be as follows:

#### Project Board

Head of Shire Homes  
Head of Housing Strategic Services  
Community Development Manager  
Housing Portfolio Holder  
Local Members  
Parish Council  
Development Director Nene HS  
Fulbourn Parish Council  
Residents Panel representative  
\* County Council and South Cambs PCT representatives

#### Project Group

Development Manager  
Housing Manager  
Neighbourhood Manager (Fulbourn)  
Tenant Participation Manager  
Community Development Officer  
\* County Council and South Cambs PCT representatives

\* Should the project encompass the provision of a new joint health centre/community facility.

52. However, Shire Homes will also need to identify appropriate staffing resources to manage communications with residents, at least in the short term, although the project could take up to 5 years to complete. It is, therefore, suggested that if this cannot be managed within existing staffing levels/budgets that Nene Housing Society be asked to contribute towards the cost of any additional resources required within Shire Homes in order to ensure a cost neutral position in terms of staffing costs for the redevelopment option.

#### **Risk Management Implications**

53. There is an expectation amongst residents of the estate and the wider community that redevelopment will be the preferred option.
54. The redevelopment option will not be deliverable unless funding can be secured from central Government and in order to attract funding the scheme will need to demonstrate its contribution to regional housing objectives.
55. If the redevelopment option is not preferred and/or is not viable then the Council will need to identify appropriate funding within the housing capital programme to be able to provide additional improvements including environmental works to improve the estate. At present available resources are being prioritised for works needed to achieve the Decent Homes standard only.

56. The redevelopment option is key to the success of community projects in Fulbourn that are being developed in partnership with other agencies eg LPSA for Young People and have the support of the South Cambs Strategic Partnership because of the contributions that can be made to the delivering priorities within the Community Strategy.
57. Other linked potential partnership projects such as the provision of new/improved joint health centre/community facilities can only be further investigated as part of a redevelopment scheme.

### Consultations

58. Attached as **Appendix 2** is a summary of consultation that has been carried out to date.
59. For information the Parish Council also conducted its own independent survey of residents of the Windmill Estate to ascertain their views in June 2004. In January 2005 the Parish Council wrote to the Council to express their support for a redevelopment scheme subject to the fulfilment of certain conditions which have been taken into account by the Project Steering Group.
60. The full results of the most recent survey conducted by the Council to ascertain residents' current views on all 3 possible options are attached as **Appendix 3** to this report.
61. A summary in relation to the response to the redevelopment option is provided in the following table:

*Question 1: Redevelopment of the whole estate by the preferred partner Nene Housing Society to provide new housing to meet the needs of existing residents and increase the supply of affordable housing in the village. Do you support this option?*

Tenure Type	Yes	No	Not Sure	Not Answered
Tenant	38	25	4	2
Owner Occupier/ Leaseholder	17	7	4	0
<b>Overall Total</b>	<b>55</b>	<b>32</b>	<b>8</b>	<b>2</b>
<b>Overall %</b>	<b>57%</b>	<b>33%</b>	<b>8%</b>	<b>2%</b>

*Number of Questionnaires Sent	136
Numbers Returned	97
Response Rate	71.3%

\* This represents the number of properties on the estate (164) less those that had become vacant (22) and those purchased by Nene (6) as at February 2005.

62. As replies were not received from a total of 39 properties on the estate (2 of these are leased by Granta Housing Society who have subsequently given notice of their intention to surrender one of these leases) follow up visits have been carried out by Shire Homes and of the 21 households that have been contacted to date 14 have expressed support for the redevelopment option, 2 are opposed to this option and 5 were undecided. This leaves only 18 properties where the views of the current occupiers are still unknown at this time.
63. If the results of the follow-up visits are added to those from the original survey in February there are 69 (58%) of respondents in favour of redevelopment, 34 (29%) against and 15 (13%) who are undecided or who have not expressed an opinion on this option from a total of 118 (87%) respondents.
64. Further consultation events are planned with residents to update them on the Cabinet/Full Council decision, expected implementation timetable and a redevelopment strategy should this be the preferred option.
65. In addition a Communications Strategy has been drafted by Nene Housing Society which sets out how residents will be able to influence and be involved in the project a copy of which is attached as **Appendix 4** to this report.

### **Conclusions/Summary**

66. Whilst the properties on the Windmill Estate are structurally sound they suffer many of the problems associated with older system built housing and many residents are concerned about the quality of their physical environment. The majority of the homes are tenanted although 39 (23.4%) have been sold under Right To Buy provisions.
67. Since 2002 Council Officers have been working with Local Members, residents, the Housing Portfolio Holder and the Leader of the Council to consider options that could provide a sustainable housing solution for the Windmill Estate.
68. Nene Housing Society were chosen in 2003 by residents to put together full and partial redevelopment options for the estate. Further the majority of residents at that time expressed a preference for the wholesale redevelopment option.
69. Since the summer of 2003 Nene have therefore been working with residents on the estate to try to put together more detailed proposals that aim to meet the aspirations of both existing tenants and owner-occupiers.
70. To minimise the number of empty homes a short term lettings strategy has been agreed with Nene Housing Society whereby vacant properties are leased to Nene at a peppercorn rent and they are then re-let as temporary accommodation for households nominated by this Council or to Key Workers or as open market rental properties.
71. However, should a redevelopment scheme for the estate not be the preferred option then the leased properties will be returned to the Council on expiry of the current leases and can then be let to households from the Fulbourn housing waiting list in accordance with the Council's Lettings Policy.
72. A Project Steering Group comprising the key Members and Officers has been overseeing the Windmill Estate Project and this Group has been meeting on a regular basis since August 2004.

73. The aims and objectives of the Windmill project are outlined in paragraphs 19 to 21 of this report. This project also has potential implications for and links to the Housing Options Appraisal which is an ongoing corporate project, which in turn has implications on the services, finances and organisation of the Council as a whole.
74. The three options that were evaluated as part of the project were as follows:
- 1) Stock Retention
  - 2) Wholesale Redevelopment
  - 3) Partial Redevelopment
75. In respect of the redevelopment options Nene Housing Society have presented a proposal that includes indicative mixes for new affordable and market homes on the estate as summarised in the table shown at paragraph 23 of this report. The scheme could provide up to 181 affordable homes (135 social rented and 46 shared ownership) which represents a 45% increase on the existing 125 social rented units.
76. The other perceived benefits of a redevelopment scheme over stock retention are set out in paragraph 26 of this report.
77. However, there are issues that would need to be addressed in order to ensure that a redevelopment scheme could be achieved which primarily relate to funding and a satisfactory package of options for existing residents.
78. An independent appraisal of the options was carried out by Tribal HCH as part of their role as the lead consultants for the wider Housing Options Appraisal Project.
79. For a partial transfer it is anticipated that a partnering arrangement with a local RSL could generate a receipt of £543,000 (less levy and set up costs) and could provide a benefit to the HRA of £23,000 over the first three years following transfer, after a cost in the first year.
80. The valuation basis produces a much lower unit valuation than the "Open Market Value (OMV)" which is reflected in the local Housing market for Owner Occupied dwellings. This is because Open Market Value is for vacant possession, with no restrictions on the purchaser.
81. A redevelopment proposal put forward by Nene Housing identifies a funding requirement of around £2m to achieve a redevelopment scheme for the Windmill Estate. This already takes into account:
- an assumption in respect of the availability of grant for the shared ownership units and,
  - that land would be provided at nil cost and,
  - Nene would provide a financial contribution of approximately £1.4m to help subsidise the scheme
82. However, a detailed and fully costed scheme will need to be drawn up in consultation with residents that will identify the actual funding requirements. Any devised scheme will need to demonstrate value for money in order to secure a funding allocation.
83. In the event that a redevelopment scheme for the Windmill Estate is approved it is suggested that the basis of disposal is transfer of vacant units as and when they become available. This would mean that the rules relating to mini-stock transfers would not be applicable.

84. If the disposal of vacant units/land is agreed at less than best consideration ie at nil cost then Secretary of State consent would be required.
85. A summary of consultation work carried out to date together with the full results of the most recent survey conducted by the Council to ascertain residents' current views on all 3 possible options are attached as Appendices to this report. Of those residents from whom a response has so far been received 69 (58%) are in favour of redevelopment, 34 (29%) against and 15 (13%) are undecided or who have not expressed an opinion on this option.
86. The Windmill Project Steering Group having considered all the options and the views of residents have agreed to recommend to Cabinet/Full Council that 'in principle' a redevelopment scheme should be the option taken forward to improve the Windmill Estate.
87. However, it is also recommended that any redevelopment scheme should be subject to:
- a) the exclusion of any provisions relating to compulsory purchase of privately owned properties
  - b) best endeavours being made to accommodate those residents who wish to remain as Council tenants in their current homes, if this is possible without compromising the wishes of others on the Windmill Estate.

### **Recommendations**

88. Cabinet is recommended:
- (a) To endorse the policy that Council-owned properties on the Windmill Estate continue to be leased to Nene Housing Society in the short term as they become available following relocation of current tenants (on a temporary or permanent basis) until such time as a redevelopment scheme can be implemented. Any surplus income over expenditure in respect of any Council owned properties are to be reinvested in the estate.
  - (b) **TO RECOMMEND TO FULL COUNCIL**

That once a redevelopment scheme has been approved and planning consent obtained that the properties held on a short term lease, together with any other Council properties that become vacant thereafter and any other land in the Council's ownership within the estate boundary ( to be agreed), be disposed of to Nene Housing Society for redevelopment purposes subject to the following conditions:

    - (i) that redevelopment will maximise the number of affordable homes to be provided with no more than 30% to be open market housing and,
    - (ii) that the Council will only transfer the freehold interest in the land required for the open market dwellings at nil cost and,
    - (iii) that the land on which any new affordable dwellings are provided (social rented and shared ownership units) will be leased under a 125 year term to Nene Housing Society at nil cost with the Council retaining the freehold interest. However, an option within the lease will enable Nene Housing Society to acquire the freehold interest at an independent open market valuation that reflects the use of the land ie for affordable housing and,



- (iv) that Nene Housing Society will meet any legal costs and home loss/disturbance payments incurred by the Council in respect of the Windmill estate in 2004/05 and future years and,
- (v) that a value for money scheme can be developed to enable appropriate funding from external sources to be secured,
- (vi) that any new affordable housing is tailored to meet identified housing needs as agreed by the Council,
- (vii) that the Council will be entitled to receive nomination rights of 100% of initial lets and 75% of subsequent lettings of all social rented units provided through refurbished and new build affordable housing on the sites and,
- (viii) that the Council will receive 100% nomination rights in perpetuity to any shared ownership and/or other intermediate tenures provided through refurbished and new build affordable housing on the sites and,
- (ix) that the Council will not seek to use compulsory purchase powers to facilitate the redevelopment and,
- (x) that as far as possible the wishes of all residents ( tenants, owner-occupiers and leaseholders) should be accommodated without compromising the wishes of others on the Windmill Estate and,
- (xi) that Nene Housing Society will contribute towards the cost of any additional staffing resources that may need to be identified within Shire Homes to manage the redevelopment scheme.

**Background Papers:** the following background papers were used in the preparation of this report:

*The General Consents for Local Authority Assistance for Privately Let Housing including the General Consents Under Section 25 of the Local Government Act 1988 for the Disposal of Land and Disposal of Dwelling-Houses to Registered Social Landlords 1999*  
(ODPM Publications)

**Contact Officer:** Denise Lewis Head of Housing Strategic Services  
Telephone: (01954) 713351