

EXTRACT
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.

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)

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