



AGENDA ITEM: 16
SUMMARY

Report for:	Cabinet
Date of meeting:	17 September 2013
PART:	I & II
If Part II, reason:	The report appendices contain information relating to the financial or business affairs of any particular person (including the authority holding that information) Local Government Act 1972, Schedule 12A, Part 1, paragraph 3

Title of report:	Council New Build Programme
Contact:	Councillor Margaret Griffiths, Portfolio Holder for Housing Jack Burnham, Housing Development Manager
Purpose of report:	To update Cabinet on the progress of the current New Build Programme (Phase I) To seek delegated approval to award the main contracts in respect of the development sites, Farm Place and the Elms. To seek approval to develop four sites as part of next phase (Phase II) of the New Build Programme
Recommendations	It is recommended that Cabinet: <ol style="list-style-type: none"> 1. approve the final specification of 41 bedrooms (including 3 bedrooms for disabled users) for The Elms homeless hostel, and note that the increased cost, detailed in Appendix 1, will be funded from previously approved budgets; 2. approve the award of the main contract in connection with the construction of the 41 bedroom homeless hostel at The Elms (further details of the tender evaluation will be provided prior to the Cabinet meeting) 3. delegate authority to the Portfolio Holder for Housing, in consultation with the Corporate Director (Housing & Regeneration) and the Corporate Director (Finance &

	<p>Governance) to award all further contracts in relation to New Build Project Phases 1 and 2, up to a maximum individual contract value of £4.5m (and within the total budget for the project previously approved by Council);</p> <ol style="list-style-type: none"> 4. To delegate authority to the Corporate Director (Housing & Regeneration), in consultation with the Corporate Director (Finance & Governance) and the Portfolio Holder for Housing, to appoint consultants and sub-contractors to undertake work related to Phases 1 and 2 of the New Build project, providing the total cumulative costs do not exceed the budget previously approved by Council; 5. approve the indicative development plans for the site at Queen Street, Tring, and recommend to Council the appropriation of the site to the HRA from the General Fund for £290,000; under s122 Local Government Act 1972. 6. approve the indicative development plans for the site at Able House, Hemel Hempstead, and recommend to Council the acquisition of the site by the HRA for a maximum of the amount shown in Appendix 3; 7. approve the indicative development plans for the shared ownership dwelling at the White House, Wigginton, and recommend to Council acquisition of the site by the HRA for a maximum of the amount shown in Appendix 3; 8. approve the indicative development plans for the land at the Papermill, Apsley, and recommend to Council acquisition of the site by the HRA for a maximum of the amount shown in Appendix 3; 9. recommend to Council the establishment of a consultancy budget of £50,000 to fund work on a planning application for development of the land at the Papermill, Apsley; 10. set aside procurement standing orders to revise Chambers Goodwin & Partners' appointment as Architects and Employers Agents for the development of 9 Passivhaus homes at Galley Hill to include detailed design to RIBA stage L for £55k.
Corporate Objective:	Affordable Housing
Implications:	<p><u>Financial</u></p> <p>The financial budget for phase one was agreed at the 23rd October 2012 Cabinet meeting. The additional costs for the hostel are set out in the appendix, and will be funded from</p>

<p>'Value For Money Implications'</p>	<p>existing capital funding from within the Affordable Housing Development Fund. The additional capital outlay will be partly offset by the increased revenue generated from the additional bedrooms (+8) within the building.</p> <p>The financial budget for the Strategic Land Acquisition Reserve was approved as part of the New Build Business Plan at the 30th April 2013 Cabinet meeting. This report seeks authority to spend this capital for its originally intended purpose of acquiring land for future development.</p> <p><u>Value for Money</u></p> <p>The financial budget for phase one was agreed at the 23rd October 2012 Cabinet meeting. Farm Place, London Road and Galley Hill are all still within budget. The hostel will cost more than originally estimated, but this is due abnormal drainage costs, in addition to the development of an expanded building which now has 41 bedrooms rather than 33 bedrooms.</p>
<p>Risk Implications</p>	<p>Risk Assessment completed within the New Build PID</p>
<p>Equalities Implications</p>	<p>Equality Impact Assessment completed within the New Build PID/Housing Strategy</p>
<p>Health And Safety Implications</p>	<p>All development sites have been registered with the Health and Safety Executive (HSE) in line with the CDM 2007 (Construction Design and Management Regulations) as required by statute, by the Council's appointed CDM Coordinator.</p>
<p>Monitoring Officer/S.151 Officer Comments</p>	<p>Deputy Monitoring Officer:</p> <p>Recommendation 5 requires the appropriation of land from the General Fund to the Housing Revenue Account. Section 122 of the Local Government Act 1972 permits the Council to appropriate land held for one purpose for use for any other purpose for which the Council is authorised to acquire land by agreement, where the appropriated land is no longer required for the purpose for which it is held immediately before the appropriation. The land appropriated remains subject to any pre-existing rights of other persons in the land. The land in both cases is no longer required for its present purposes and is required to facilitate the proposed housing developments.</p> <p>The report recommends the acquisition of four further development sites and officers must ensure, prior to contract completion, that full due diligence checks are carried out in terms of title, planning and ground condition surveys to ensure that there are no impediments to the planned housing developments.</p>

Deputy S.151 Officer

Background

The development costs associated with the recommended new acquisitions are outlined in Appendix 3 to this report. At this stage they are indicative and are included within the report to inform Cabinet's decision on the initial purchase of the sites. Further reports will be brought to Cabinet for approval to proceed with the developments once more detailed work has been undertaken.

The following comments on the various sites covered in this report relate to the financial implications and risks associated with the immediate decisions Cabinet are being asked to approve.

The Elms

The additional 8 bedrooms incorporated into the final specification for The Elms hostel is anticipated to lift the cost of the project by £1.15m over the budget previously approved by Council, in November 2012.

In February 2013, Council approved General Fund capital budget of £2.7m to financial year 2014/15 for the Affordable Housing Development Fund. This budget was not allocated to specific projects, it was instead intended to support affordable housing projects as they arose. The additional costs of The Elms project can be funded from this budget and as such will not require further approval from Council.

The key risk to the affordability of this project remains the HCA grant stipulation that various milestones must be achieved by certain dates or risk losing some or all of the £841k grant. The first milestone date is 30 September 2013 and Housing Officers are confident that the Council is currently on course to achieve this. Officers will continue to closely monitor the project throughout.

Queen Street, Tring

Subject to Council approval, the appropriation of this site from the General Fund to the HRA will be carried out as an arm's length transaction in accordance with the accounting regulations governing the operation of the HRA.

The HRA Strategic Acquisition reserve, approved by Council in July 2013, is sufficient to fund the transaction.

Papermill Site, Apsley

The Council's current offer to the vendor, outlined in Appendix 3 to this report, reflects Housing Officers' expertise and knowledge of the current market conditions. A Red Book valuation of the site is currently underway by an external contractor, and this will be compared to the Officers' valuation before the transaction is completed. Assuming the valuations are similar, the HRA Strategic Acquisition reserve, approved by

	<p>Council in July 2013, is sufficient to fund the purchase.</p> <p>Members should note that this report recommends that the Council makes an unconditional purchase of the site, i.e. completion of the sale will not be subject to the granting of planning permission. There is inherent risk in this strategy that planning permission for the development may not be granted. However, Housing Development officers have sought to mitigate this risk through the measures on pages 16 and 17 of this report.</p> <p>Able House, Hemel Hempstead The site will be subject to a Red Book valuation by an external contractor prior to completion of the purchase. The HRA Strategic Acquisition reserve, approved by Council in July 2013, is sufficient to fund the transaction.</p> <p>White House, Tring & Consultancy Budget of £50k There is sufficient funding within the Housing Business Plan to support these costs.</p>
<p>Consultees:</p>	<p>New Build Project Group, including:</p> <ul style="list-style-type: none"> Corporate Director – Housing & Regeneration Assistant Director – Finance & Resources Assistant Director – Housing Group Manager – Strategic Housing Group Manager – Commissioning Procurement & Compliance Group Manager – Commercial Assets & Property Group Manager – Estates Team Leader – Commissioning Procurement & Compliance Lead Officer – Housing Development & Delivery HRA Accountant
<p>Background papers:</p>	<p>Cabinet Report – 23 October 2012 “Update on Council Home New Build Programme – Phase 1”</p> <p>Cabinet Report – 30 April 2013 “Housing Revenue Account Business Plan Update”</p>
<p>Glossary of acronyms and any other abbreviations used in this report:</p>	<p><i>HSE – Health and Safety Executive</i></p> <p><i>CDM – Construction Design and Management Regulations</i></p> <p><i>JCT – Joint Contracts Tribunal</i></p> <p><i>HCA – Homes and Communities Agency</i></p> <p><i>NAHP – National Affordable Housing Programme</i></p> <p><i>HRA – Housing Revenue Account</i></p>

1. BACKGROUND

In April 2012 the Council agreed its 30 year Housing Revenue Account (HRA) Business Plan. It was a requirement following the introduction of Self Financing (replacing the HRA Housing Subsidy System) for Local Authorities with housing stock to have such a plan.

The resources available following the move to Self Financing in April 2012 created the opportunity for the Council to be strategic in its approach to its housing stock for the first time. It was possible, and essential, to not only consider the existing housing stock, but also wider issues such as community development, improving the environment and the potential to build new Council homes to address the increasing demand for affordable housing.

Following the first year of Self Financing, the Business Plan was reviewed in consultation with tenants and members of the Council's Cabinet before being approved at the Council's Cabinet meeting in May 2013.

The Council's first New Build programme in over 20 years is a core element of the Business Plan:

Phase 1

71 new homes

Delivery March 2015

Phase 2

100 new homes

Development Phase 2013/14 – 2015/16

Delivery 2016/17 – 2017/18

Phase 3

100 new homes

Development Phase 2018/19 – 2019/20

Delivery 2020/21 – 2021/22

(For Business Planning purposes the new build assumptions then revert to 30 per year for the remainder of the Business Plan until further review.)

It should be noted that the phased approach to delivery allows the Council to respond relatively quickly to changed circumstances and, should it be required, the 'tap' could be turned off if financial pressures occur elsewhere in the business plan.

This report details the progress of the Council's new build programme and seeks approval for the acquisition and subsequent development of four development sites; Able House, Tring Depot, the White House and the Paper Trail which form part of 'Phase II' of the New Build Programme. In addition this report recommends the award of contracts in connection with two sites from phase one of the programmes.

A new webpage has been created to update the public on the progress of the New Build Programme. This is located at www.dacorum.gov.uk/newbuild

2. PHASE ONE UPDATE

THE ELMS HOMELESS HOSTEL 41 Rooms & Ancillary Facilities



Pre-application planning advice was sought on the 9th May 2013, and a public consultation event took place on the 28th May 2013 at the Maylands Business Centre. A full planning application was submitted in June 2013 and is likely to be determined by the Development Control Committee in September 2013.

The procurement process to appoint a main contractor commenced in May 2013, with the first pre-qualification questionnaire stage closing in June 2013. The invitation to tender was sent to shortlisted bidders in July 2013, with tenders returned in September 2013. This report seeks to delegate authority to award the contract to the winning bidder following a full procurement evaluation.

Proposed 41 Bed Homeless Hostel

In October 2012 Cabinet approved the following recommendation:

“To approve the development proposals for building a new homeless hostel (minimum 33 bed spaces) at The Elms, Redbourn Road, Hemel Hempstead, part funded by £841k HCA grant”

Following the appointment of the project architects in January 2013, the hostel design concept was further developed and it was considered to be acceptable in principle to develop a four storey building (as opposed to a three storey building as originally proposed as part of the initial feasibility exercise).

A Proposal for a hostel with 41 bedrooms comprising four storeys and a basement were presented to the planning case officer as part of the pre-application planning advice application (REF – 4/00722/13/PRE). The planning case officer returned the following comments as part of their initial advice and guidance:

“The proposed development, although tall is considered to be acceptable in terms of height for several reasons. Firstly, it is noted that the four-storey maximum height is not repeated across the development. Rather there are two staggers in height with the southernmost section limited to single / one

and a half storeys in height and the easternmost section of the northern main building three storeys in height. This staggers are critical in breaking up the bulk and mass of the building.

Secondly, it is noted that the site is set slightly below the road and that the ground floor of the building has been dug below the existing levels. These factors would help to reduce the perceived height of the building.

Thirdly, it is noted that there a considerable number of semi-mature or mature trees along Redbourn Road and this would provide a softening and a screening of the development. Finally, it is recognised that there are equally tall buildings within the adjacent Industrial Estate, such as Viking House.”

Following these comments, and consultation with the New Build Project Group, Corporate Regeneration Group, the Leader and Portfolio Holders for Housing/Finance, it was decided that the hostel should proceed on the basis of 41 bedrooms.

A revised cost plan was prepared by the Council’s cost consultants, BPM Project Management Ltd, to take account of the revised floor area in the building. In addition to the increased costs above, the site chosen for development does not currently have mains drainage. The site currently comprises a single storey bungalow and ancillary outbuildings. The proposed homeless hostel will have over 150 sanitary appliances and therefore adequate drainage will need to be provided to meet the increased the demand on the foul water outlet from the site. This abnormality will add an additional cost to the development of new hostel.

Information on the revised cost for the hostel is included in Appendix 1, which is a part 2 item. There are currently sufficient allocated funds within the Affordable Housing Development Fund that have not been allocated to alternative schemes which can be used to finance this additional budget. Whilst the increased cost of the larger hostel will increase the initial capital outlay, the General Fund will benefit from the additional revenue from the 8 additional rooms.

This report recommends that Cabinet formally approves the revised size and increased budget (from the Affordable Housing Development Fund) for the development of a new 41 bed homeless hostel at the Elms.

Key dates:

- **SEPTEMBER 2013** – Tender process concluded
- **SEPTEMBER 2013** – Start on Site
- **BY MARCH 2015** – Completion of the development

FARM PLACE, BERKHAMSTED

12 x 1 Bedroom Flats, 8 x 2 Bedroom Flats, 6 x 3 Bedroom Houses



The planning permission and intellectual rights were purchased from Aldwyck in January 2013. The Council has appointed an Employers Agent (Robinson Lowe Francis) to assist in transposing the technical work to date into a format, which has now been put to tender. The site has full planning permission and a new sign board has been erected to state that 26 new Council homes will be completed in 2015.

Full tenders were returned to the Council in August 2013. This report seeks authority to award the contract to contractor who provided the most economically advantageous tender to the Council.

The site has been hoarded to match the other Council developments, with sufficient hoarding to last the duration of the redevelopment. Contractors have provided a price for this development to be built to the Code for Sustainable Homes Level 4 standard, which would make the new homes amongst the highest environmentally efficient in the Borough. This will be discussed with the contractor in more detail and considered further after the contract has been awarded

Key dates:

- **SEPTEMBER 2013** – Start on Site
- **BY MARCH 2015** – Completion of the development

GALLEY HILL, GADEBRIDGE

9 x 2 Bedroom Flats to 'Passivhaus' standard



Planning permission was obtained in January 2013 for the development of 9 Passivhaus flats at Galley Hill, Gadebridge. Architects and Engineers have been appointed to complete the further design work, and undertake detailed studies regarding the site, such as the ground condition (which is favourable for development).

This development is being built to the Passivhaus standard, providing very high levels of thermal efficiency to keep gas heating bills to around £100 per annum per property. Further information on Passivhaus is available at www.passivhaus.org.uk

Tender Process

The original tender process for the procurement of the main contractor to construct the new dwellings began in February 2013. Five contractors were shortlisted following evaluation of their skills, experience and qualifications to deliver the proposed Passivhaus homes. The second stage of the tender process started in July 2013 with the issue of more detailed documents. Within three weeks of the issue of documents, four of the five contractors withdrew from the process. It would not have been possible to demonstrate value for money or competitiveness with only one prospective bidder, and therefore the tender process was aborted on the 13th August 2013

The affordable housing construction market is currently experiencing a heightened level of demand. This is due to the lack of supply in the construction industry, which shrank rapidly as a result of the economic downturn of 2008. There is currently a considerable increase in the supply of work which contractors are able to choose from, as a result of the HCA's grant funding deadline of March 2015 for the completion of affordable housing development. Schemes which complete after March 2015 will not be eligible for grant funding from the HCA.

Galley Hill is a relatively small scheme of a highly complicated technical nature, which carries considerable risk for contractors who (under the proposed tender route) would have taken all responsibility for design under a JCT Design and Build contract.

Revised Tender Process

Officers have worked closely with the design team at Galley Hill to come up a revised proposal for the tender of the main contract. The revised tender process will use the JCT Standard Form of Contract as opposed to Design and Build. Both forms of contract are briefly explained below:

Design & Build Approach

The Design & Build approach for construction projects consists of the appointment of a designer & a contractor on the one side who take responsibility for all design and construction works and risk.

Traditional Approach

The traditional approach for construction projects consists of the appointment of a designer on one side, and the appointment of a contractor on the other side.

Using the traditional approach, the Council employs its own designers for the scheme, who will carry insurance for negligence. The Council then works with the contractor to sign off each stage of the development, maintaining complete control over all aspects of the build.

Feedback from contractors in the market has shown that there is considerable interest in this development using this method. Demolition will be arranged and carried out by the Council in September/October 2013 to make a start on site and not lose time on the completion of the scheme. This would slightly change the procurement timetable, but not affect the key completion date of March 2015:

	Previous Date	New Date
Contract Award	Sep 2013	Nov 2013
Demolition	Oct 2013	Oct 2013
Complete Detailed Design	Dec 2013	Oct 2013
Site Preliminaries	Dec 2013	Dec 2013
Foundation Works	Jan 2014	Jan 2014
Completion	by Mar 2015	by Mar 2015

The use of this procurement route will mean that the Council pays an increased fee to its design team, rather than pay the main contractor to undertake the detailed design.

This report recommends that the traditional route is used for the development of new homes at Galley Hill and that the existing design team appointment is extended to include the detailed design work.

Key dates:

- **JANUARY 2014** – Start on Site
- **BY MARCH 2015** – Completion of the development

LONDON ROAD, APSLEY

13 x 1 Bedroom Flats, 23 x 2 Bedroom Flats



The whole site has been acquired by the Council, and has been secured with hoarding and gates. The land is currently owned by the General Fund and the site will be appropriated as a whole to the Housing Revenue Account's ownership.

Several site investigations have been concluded and an ecology report has confirmed that there are no habitat/ecology concerns with regard to developing homes on this site. A full planning application was heard by the 8th August 2013 Development Control Committee who gave a resolution to grant the scheme planning consent subject to s106 agreement.

The tender for a main contractor began in June 2013. The first stage of the tender (the Pre-Qualification Questionnaire) has concluded, and the second stage of the tender (Invitation to Tender) began in September 2013. The total procurement process (including selection, interview and authorisation to appoint) will take 3-5 months.

The substation relocation will be undertaken outside of the main contract, to ensure the scheme is completed by March 2015. Work on relocating the substation has already begun.

Key Dates:

- **AUGUST 2013** – Planning consent granted
- **DECEMBER 2013** – Start on site
- **MARCH 2015** – Practical Completion

3. MAIN CONTRACT AWARDS

The Council commenced the tender process for The Elms & Farm Place in spring 2013. The tender route followed was a two stage restricted tender in line with the Council's Procurement Standing Orders.

The Pre-Qualification Questionnaire (PQQ) stage was completed before July 2013. Six shortlisted bidders received an Invitation to Tender (ITT) pack in July 2013, to be returned in August/September.

The Elms Homeless Hostel

The Main Contract for The Elms was opened to tender in June using a two stage restricted tender process. The Council shortlisted 6 contractors as a result of the pre-qualification tender process.

Further information on the content of the tenders received is available in the part II appendix.

Each ITT return has been scored in line with the scoring methodology set out in the ITT documentation. The scoring was completed by the Housing Development Team, the Council's Employers Agent (BPM Project Management Ltd) and the Group Manager for Commissioning, Procurement and Compliance.

The form of contract for this appointment will be an amended JCT 2011 Design & Build Contract, as provided by Eversheds in their capacity as legal advisers for the council new build programme. A draft copy of this contract was included in the ITT documentation that was sent to shortlisted bidders in July 2013.

A timetable for the development of the new hostel at The Elms has been provided. The development will be completed by March 2015 in line with the timeframe agreed by Cabinet in October 2012 and required by the HCA.

To delegate authority to the Corporate Director for Housing & Regeneration or the Assistant Director for Housing to award the main contract in connection with the construction of a 41 bedroom homeless hostel at The Elms.

The report recommends that Cabinet approve the award of the main contract in connection with the construction of a 41 bedroom homeless hostel at The Elms.

4. NEW ACQUISITIONS

Background

Cabinet established phase two of the Council House New Build Programme on the 30th April 2013. The report also established a Strategic Land Acquisition Fund of £5m to be financed from HRA reserves to be created as part of the 12/13 year-end process.

The Strategic Land Acquisitions Fund was created in order to enable the Council to acquire land for future development when suitable development land becomes available. Further detail on the Strategic Land Acquisitions Fund is made in the HRA Business Plan.

The Council's development team have identified four development sites that are suitable for the development of new Council Homes. One of these sites is in the Council's ownership, and three would be acquired from private vendors.

This report recommends that Cabinet approve the development of up to 78 new Council homes for rent or shared ownership (depending on the scale of development that is acceptable to planning) across the four sites set out below.

TRING DEPOT, TRING – £290,000



The Council's current main depot in Tring is located on Queen Street, within the Tring triangle conservation area. The site is surrounded by residential use, and is an unlikely and unsustainable location for a Council Depot.

The Group Manager for Commercial Assets and Property Development has obtained an alternative site from Hertfordshire County Council. This site will be ready for occupation from late 2013, leaving the existing site on Queens Street available for residential development.

This site has been valued by Allied Surveyors at £290,000 and includes an allowance for the removal of the contaminated soil at the site that needs to be removed to facilitate development.

The development team have been working with Vincent and Gorbing as Architects to design a scheme that can be developed at the site. Officers have expressed the need for sensitive design based on the surrounding conservation area. The initial feasibility study has shown that 7 units can be developed at the site.

There is currently sufficient budget within the new build general expenditure code that can be used to progress the planning application and tender process.

It is recommended the land at Tring Depot is appropriated from the General Fund to the Housing Revenue Account for £290k, using funds from the HRA's Strategic Land Acquisitions Reserve.

It is recommended that Cabinet approve the development (subject to planning approval) of up to 7 affordable homes at the Tring Depot site.

PAPERMILL SITE, APSLEY – [FINANCIAL INFORMATION IN APPENDIX 3]



The Paper Trail currently owns a piece of land approximately 2.2km south of Hemel Hempstead town centre. The site is bounded by the Grand Union Canal on the north eastern boundary, a Homebase retail centre to the west, to the east a public house and residential properties, to the south residential properties.

The site is currently a semi-vacant tarmacked car-parking area. The site occupies an area of approximately 0.38ha.

The site has some complex development issues, however the following surveys have been undertaken by the Council to minimise the potential risks in developing the site:

- Architectural Feasibility Study
- Ecology Survey
- Geotechnical Survey Phase I & Phase II
- Legal due diligence
- Radar Survey
- Topographical Survey
- Flood Risk Assessment
- Planning Pre-Application Advice

The Paper Trail have previously designed schemes with up to 60 units on this site, however this is viewed as unlikely to be acceptable in planning terms. The development team have come up with a scheme of 25 apartments on the southern part of the site, where the least technical development issues lie.

The Papermill site does not currently have planning consent for residential development, but does have a long planning history. The close vicinity of residential dwellings means that there would be no objection from the Local Planning Authority in principle to development. Formal comments received in response to the pre-application planning application have suggested that development of 25 units at this site would be acceptable, pending further details that would be provided as part of a formal planning application. St Peters Church in Gadebridge was acquired on similar terms without planning.

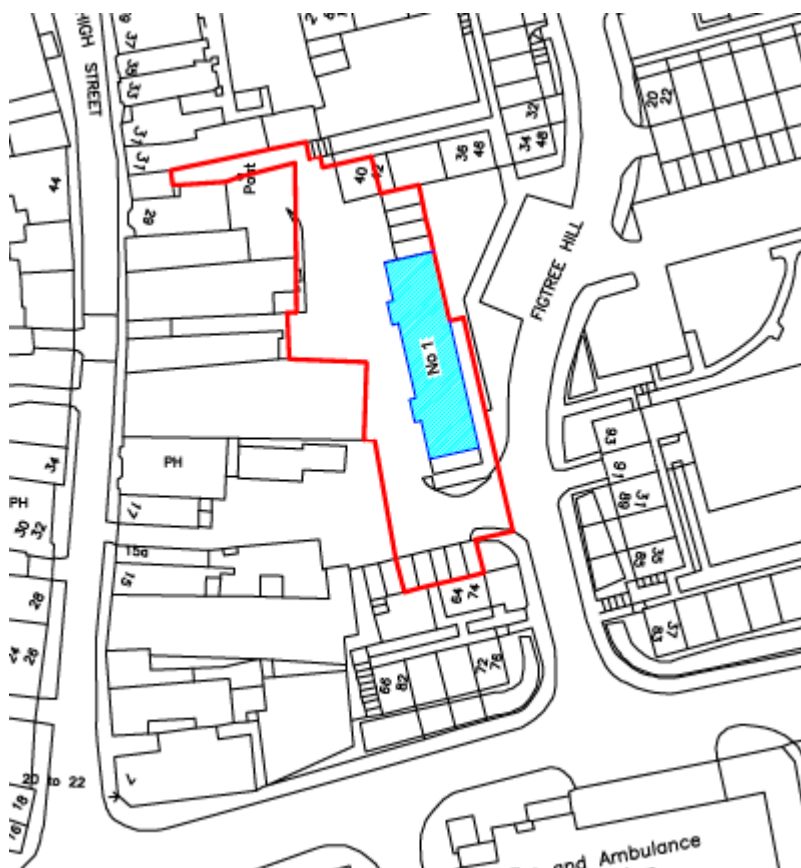
This is a deliverable site within a popular area for applicants on the waiting list, and it is therefore recommended that this land is acquired for future new build development as value as set out in Appendix 3.

It is recommended that the Council acquires the land at the Papermill, Apsley from the Apsley Paper Trail using funds from the HRA's Strategic Land Acquisitions Reserve.

It is recommended that a capital budget of £50,000 be established to work up a detailed planning application for this site to obtain permission for development.

It is recommended that Cabinet approve the development of a minimum 25 homes (up to 50; subject to planning approval) at the Papermill site.

ABLE HOUSE, HEMEL HEMPSTEAD - [FINANCIAL INFORMATION IN APPENDIX 3]



Able House currently comprises ground, first and second floor office accommodation. It has a site area of approximately 0.13ha and is located on Figtree Hill, at the southern entrance to Hemel Hempstead Old Town.

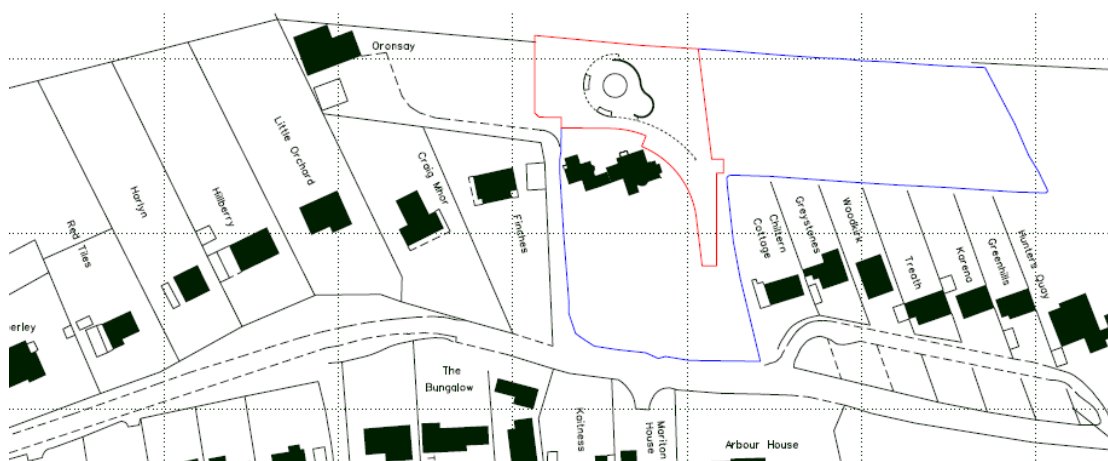
The site currently has outline planning permission for 11 residential apartments under planning reference 4/00142/13/MOA. The apartments have been designed to a very large private housing standard, and with just internal rearrangement, officers are of the opinion that 15-20 apartments could be reasonably accommodated on this site.

The offices are currently semi-occupied by local businesses and generate £25,590 in revenue per annum, which the Council will collect until April 2014 at the earliest. Officers will then work closely with these firms (who are all on short licences) to help them find other suitable office accommodation in the vicinity of the development, as is currently being done with 39 The Marlowes.

It is recommended that the Council acquires Able House, using funds from the HRA's Strategic Land Acquisitions Reserve.

It is recommended that Cabinet approve the development of up to 20 affordable homes at Able House (subject to planning approval).

WHITE HOUSE, TRING - [FINANCIAL INFORMATION IN APPENDIX 3]



The White House in Wigginton is an existing large detached dwelling in the village of Wigginton. The current owner of the White House has permission to develop a large detached dwelling. As part of the planning permission, the current owner must also provide one affordable housing dwelling as part of the development.

The planning permission includes a detached two bedroomed bungalow which is a part refurbishment, part new build. The entire development cannot commence until a Registered Provider has agreed to acquire the affordable housing unit.

Information on the financial details of this acquisition is provided in Appendix 3 of this report.

It is proposed that the Council acquire this dwelling with a view to disposing of it on a Shared Ownership basis. The illustrative example below shows the estimated repayments for a buyer purchasing 25% of the property:

Purchase of 25% initial share for £60,000:

Buyers 10% Deposit	-	£6,000
5% APR 25yr Mortgage	-	£54,000
Mortgage Repayments	-	£320pcm
Rent on unsold equity (2% of £180k)	-	£300pcm
Total Monthly Outgoings	-	£645pcm

This form of affordable housing represents a good opportunity for a first time buyer, or a household who is downsizing to acquire a high quality property with a small deposit and with lower monthly repayments than a 90/95% mortgage, and more security of tenure than with privately renting. The future owner will be responsible for all the maintenance and upkeep of the property once sold.

This acquisition would be similar to the acquisition of the apartment at 7 Wick Road, which was acquired by the Council and was recently sold to a local first time buyer.

It is recommended that the Council acquires the two bedroom bungalow at the White House, Wigginton to be sold on a shared ownership basis, using funds from phase two of the Council New Build Programme.