

Committee: Cabinet

Agenda Item

Date: 20 November 2012

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Title: **The principle of local authority new build scheme for the redevelopment of Mead Court, Stansted**

Portfolio Holder: Cllr J Redfern

Key decision: No

Summary

1. This report addresses a recommendation from the Mead Court Task Group and the Housing Board.

Recommendations

2. The principle of local authority new build scheme for the redevelopment of Mead Court, Stansted be approved.

Financial Implications

3. The estimated cost of implementing the project in-house is £2.6m. This figure includes a sum of approximately £300,000 for consultants' fees. The total cost of the project is based on current building costs and optimum housing mix for the site and is subject to change depending on scheme changes. Subject to approval the project will follow due tender process to select a suitable contractor. Once the project is tendered the Council may wish to consider fixing the contract price to avoid any uncertainty with costs. The estimated cost of the project has been allowed for within the HRA Business Plan 2012 – 2042 and capital budget as follows: £600,000 in year 13/14 (prelims and demolition) and £2m in year 14/15. It should be noted that the Council will still have headroom for other potential projects as the cost of this project has already been included in the business plan and does not draw on uncommitted funds.

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

None

Impact

- 5.

Communication/Consultation	Consultation with residents and Stansted Parish Council has been maintained. The Mead Court Task Group has been steering
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	this process. Continuing communication is key during the process of finalising designs for a planning application and during construction.
Community Safety	
Equalities	The existing tenants have particular needs requiring support.
Health and Safety	
Human Rights/Legal Implications	
Sustainability	
Ward-specific impacts	Site is located in Stansted South but is an opportunity to meet the housing needs of the district
Workforce/Workplace	Options appraisal has been carried out by consultants

Situation

6. Cabinet has agreed to the principle that this existing sheltered accommodation should be redeveloped. A number of options had been identified, all of which would bring forward some affordable homes. The initial options considered included:
 - Transferring or selling the site to a housing association.
 - Selling the site on the open market and using the capital receipts to fund affordable housing provision elsewhere.
 - Selling part of the site and developing part of the site as a local authority new build project.
7. The Housing Board recommends that the council proceeds with a local authority new build scheme be taken forward as the preferred option for the site.
8. A local authority scheme is preferred for the following reasons:
9. The funding necessary for this project has been identified through the HRA business plan
10. The architect appointed by the council to draw up proposals for the site to advise the task group has assessed the estimated costs of a new build

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scheme and believes that there is adequate provision in the HRA Business Plan to build the scheme in current market conditions.

11. The council has a successful track record of delivering a new build scheme.
12. Officers will maintain regular communication with those affected by the development. This will be easier to manage if there are fewer parties involved in the development.
13. Demand for affordable housing remains high.
14. A local authority new build scheme will maximise the delivery of affordable housing across the district. Using its own assets will also place the council in a stronger position to ensure the development is implemented as programmed.
15. Frameworks are available to support the council with a development of this scale. Initial meetings have taken place with a potential supplier.
16. A council new build scheme will replace homes sold under Right To Buy schemes, which is a priority for both the council and national government
17. There is overwhelming support from tenants for the council to build its own affordable homes.
18. There is no reason why the council cannot deliver the project, and therefore no need for it to sell the site to a housing association or developer.

Risk	Likelihood	Impact	Mitigating actions
Insufficient staff capacity to take forward a local authority lead scheme	1 Recruitment of additional capacity to implement HRA business plan is under way	3 Could result in delays to programme and start of new rental income stream	

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.