

APPENDIX 1

Background

To consider the proposal for the Council to acquire 26 rented and shared ownership homes at the allocated housing site off Field Farm, Stapleford. The acquisition of these units will assist the Council in meeting its housing targets set out in the approved Housing Delivery Plan.

Affordable Housing Proposal and the acquisition by the Council of 26 homes

Phase two of the Field Farm site is currently being built. The developer has asked Broxtowe to acquire the 22 homes for affordable rent and 4 homes for shared ownership that are being built as part of phase 2. This mix meets the housing needs of the Council as set out in the 2018 GL Hearn report (Social and affordable housing need study for Broxtowe Borough Council) and has been agreed by officers as part of the signed section 106 agreement. The affordable homes will be built in 3 phases between 2023 and 2026.

Table 1: Rented Homes

Unit type	Number	Size
2 Bed house	14	63 sq.m
3 Bed House	8	83 sq.m
Total	22	

Table 2: Shared Ownership Homes

Unit type	Number	Size
2 Bed house	2	63 sq.m
3 Bed House	2	83 sq.m
Total	4	

A detailed financial appraisal of the scheme is currently being undertaken by the Council's financial advisors to ensure that the scheme is both financially viable and can be accommodated within the HRA business plan. For further details, see Appendix 2.

Rented Homes

The base purchase price for the rented homes has been secured at a significant discount due to their provision as affordable housing through a section 106 agreement. These rented homes will be held by the Housing Revenue Account and let on standard Council tenancies.

Officers have been in discussion with the developer to agree the provision of additional items to ensure that certain key elements of the Council's new build specification are incorporated. However, as the properties have full planning and building control approval it has not been possible to incorporate the Council's extra requirements for air source heat pumps and photovoltaic panels into this scheme.

Shared Ownership Homes

Broxtowe will purchase the four shared ownership houses being provided on the site at a significant discount. These will be amongst the first shared ownership homes directly provided by the Council through the Housing Revenue Account.

Shared ownership aims to help households on low to moderate incomes purchase a property. Through shared ownership a household would purchase a share (between 25% and 75%) in a home owned by the Council and pay a subsidised rent on the unsold equity.

Timetable

The homes will be built in three phases as per table 3 below;

Table 3: Timetable

Phase	Rented	SO
1 – December 2023	14	0
2 – June 2024	0	4
3 - March 2026	8	0
Total	22	4

Procurement

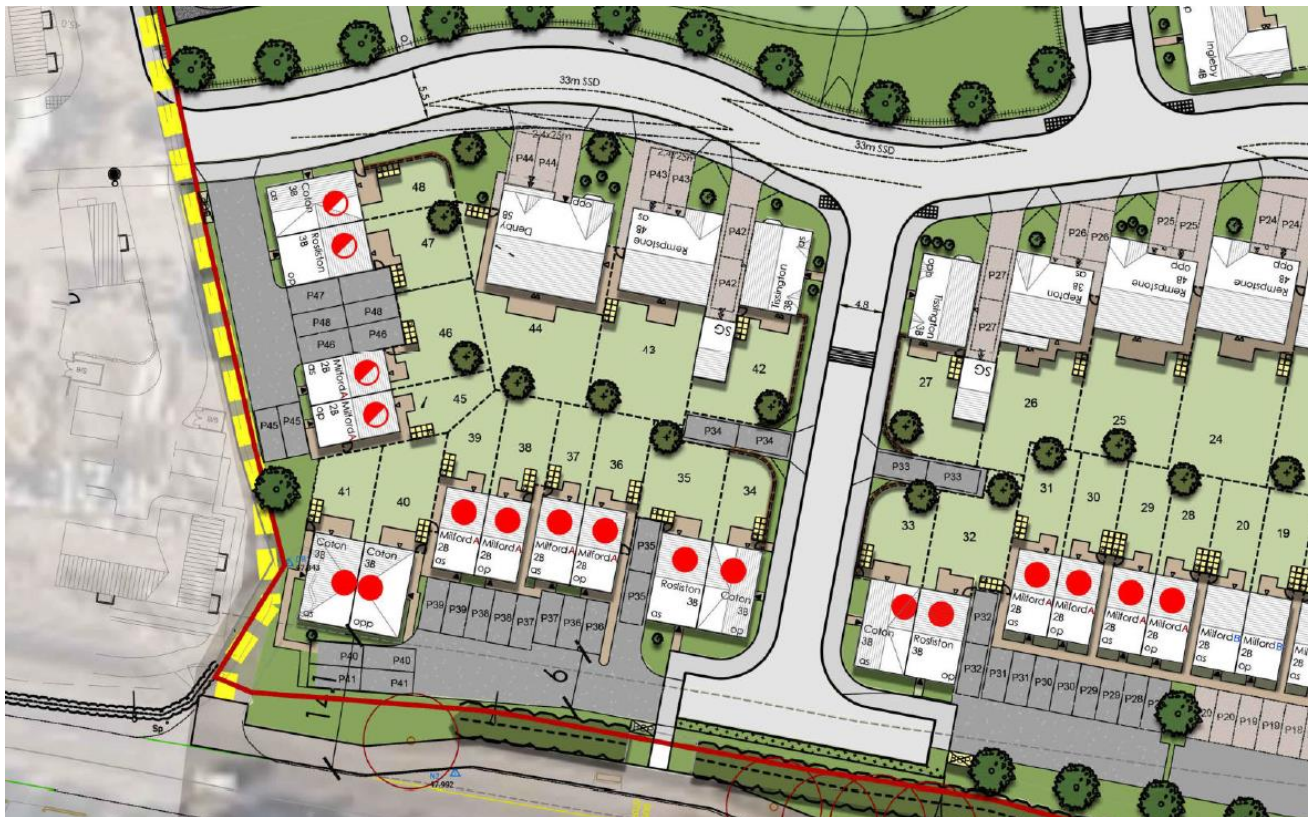
The proposed procurement route is for the Council to buy the land from the developer and then immediately enter into a building contract with the developer for the construction of the 26 homes. The proposed building contract cannot be traditionally tendered as the developer is only willing to sell the land on condition they are awarded the contract to carry out the development. Public Contracts Regulations (2015), would apply to a 'Works contract' if it is over £5.3m. As the proposed contract is well below this figure Public Contracts Regulations (2015) is not applicable. In addition, a key part of this development requires the purchase of land, which falls outside the scope of the Regulations.

The Council can therefore enter into contract without a competitive procurement exercise, subject to the granting of an exemption by Cabinet to the Council's financial standing orders.

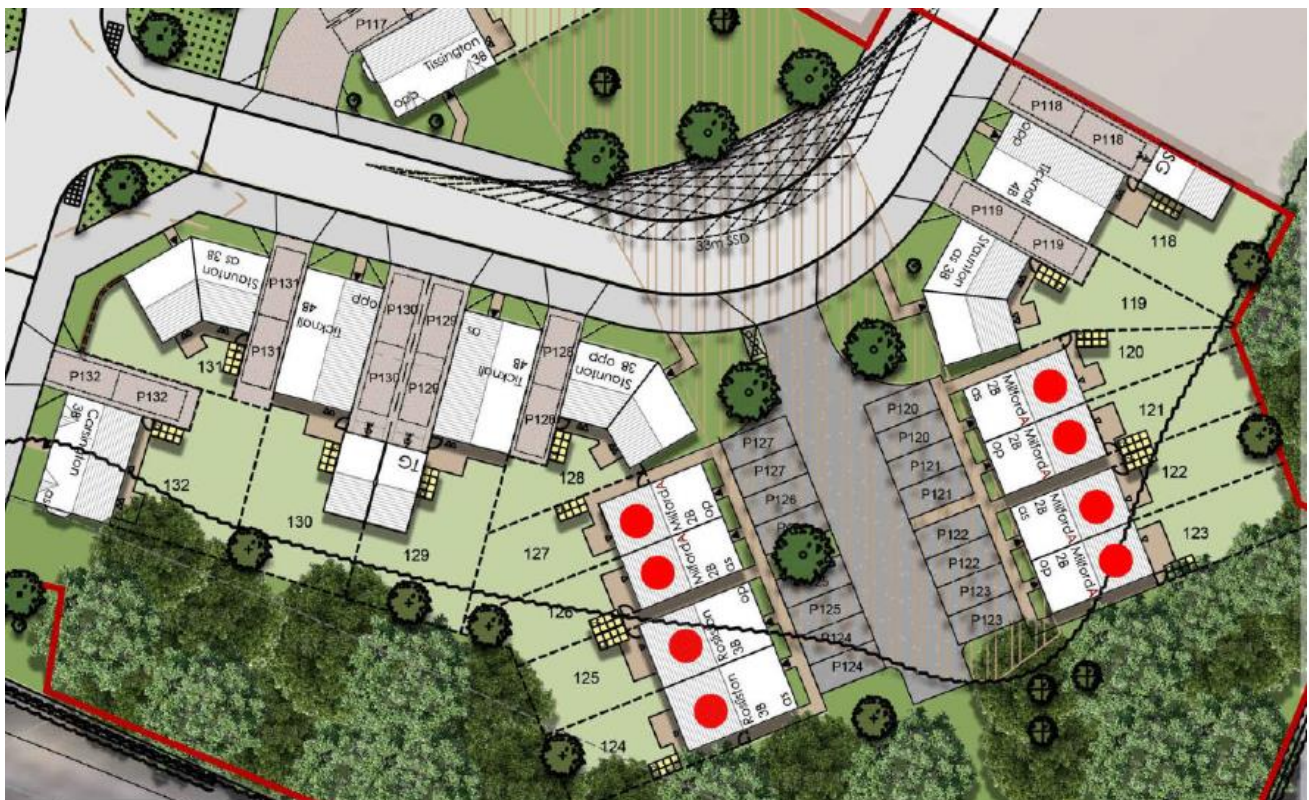
Plan 1 - Site Layout



Plan 2 Affordable housing units Phase 1/2 (red dot/half dot are the affordable housing units)



Plan 3 Affordable housing units Phase 3 (red dots are the affordable housing units)



Typical Elevations

