
FORMER MOD SITE, ELY

Committee: Extraordinary Council

Date: 19 June 2019

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[U23]

1.0 **ISSUE**

1.1 Consideration of the options for the redevelopment of the MOD site, Ely arising from the agreed motion (ref: 30 May 2019, Agenda Item 11).

2.0 **RECOMMENDATION**

2.1 Members are requested to consider the options detailed in paragraph 4.2 to deliver 50% affordable housing at Phase 1 of the MOD site development.

2.2 Subject to the agreement of a scheme under 2.1, it is requested that:

- (i) the Chief Executive submits the revised scheme to CPCA for consideration on 26 June 2019;
- (ii) the ECTC Board be convened to consider the revised scheme as soon as practically possible, by 28 June 2019 at the very latest.

3.0 **BACKGROUND**

3.1 The Council on 30 May 2019 agreed a motion in relation to the MOD site, Ely (ref: Agenda Item 11).

3.2 Following the agreement of the motion, the following actions were implemented by Council specifically:

- Director, Commercial has advised the MOD of the current position and requested an extension for the exchange and completion on or before 31 July 2019;
- Director, Commercial has advised the CPCA of the current position and requested to extend the date for the drawdown of the loan;
- ECTC has postponed its meeting planned for 3 June 2019 to agree the loan facility with the CPCA, final business case and acquisition of the site to enable the Council to consider the scheme options.

3.3 In order to expedite matters and minimise the risk of delay, the Chairman of Council and the Chief Executive have agreed to hold an extraordinary meeting of Council to consider its options moving forward. This will enable the Council to resubmit a revised scheme (if agreed) to CPCA Board on 26 June 2019.

4.0 **OPTIONS**

4.1 The motion agreed by Council generates a significant number of options. In order to present to members a viable number of options for consideration, officers have made a number of assumptions, specifically:

- scenarios based on providing 50% affordable housing (46 units) in Phase 1;
- scenarios based on Affordable Rent (80% of open market rent);
- retention of the profit/contingency assumption for the CPCA and ECTC as envisaged in the original scheme.

4.2 These assumptions have been utilised to generate three illustrative options for members' consideration as outlined below:

Option	Tenure Split	Dwellings	%	Per Unit Subsidy (£)	Total Subsidy (£)
1.	Affordable Rent Shared Ownership	37 9	80 20	103,733	4,771,810
2.	Affordable Rent Shared Ownership	23 23	50 50	89,670	4,124,812
3.	Affordable Rent Shared Ownership	9 37	20 80	75,605	3,477,814

4.3 These options are provided for illustrative purposes to facilitate member discussion either within or outside the assumptions set out in 4.1. All scenarios will require a subsidy per unit to increase the level of affordable housing units.

4.4 In the event of any revised scheme not securing approval of the Council, the motion agreed on 30 May 2019 can be rescinded in accordance with the Constitution (ref: 4 (13) para 20); if members are minded to revert to the original scheme.

5.0 **ARGUMENT/CONCLUSIONS**

5.1 Members will be required to consider a range of issues and risks in the formulation and agreement of a revised scheme for submission, specifically:

- level and tenure of affordable housing above the statutory requirements and the assumptions in the original scheme;
- likelihood of the funder (CPCA) agreeing grant subsidy at the level to deliver the above, in addition to the provision of the loan facility;
- the financial viability of the scheme given the open market valuation of the site and the assumptions inherent in the original business plan;
- the potential loss of the site, as the MOD may choose to dispose of the site on the open market.

6.0 **FINANCIAL IMPLICATIONS**

6.1 The financial implications will be dependent on the scheme adopted by Council.

7.0 **APPENDICES**

7.1 None

Background Documents

Council- 30 May 2019- Agenda
Item 11

Location

Room 103
The Grange
Ely

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