

**SALE OF 35 & 37 RUSSELL STREET, CAMBRIDGE TO CAMBRIDGESHIRE  
HOUSING & INVESTMENT COMPANY**

**To:** Commercial and Investment Committee

**Meeting Date:** 15<sup>th</sup> September 2017

**From:** Chris Malyon, Deputy Chief Executive

**Electoral division(s):** Petersfield

**Forward Plan ref:** 2017/049      **Key decision:** Yes

**Purpose:** To declare 35 and 37 Russell St surplus and agree the sale to Cambridgeshire Housing & Investment Company.

**Recommendation:** It is recommended that:-

- (1) The Committee approve the disposal of land and property at 35 & 37 Russell Street, Cambridge to CHIC at 'best consideration'
- (2) The final terms of the disposal be delegated to the Deputy Chief Executive in consultation with the Chair of the Committee
- (3) The Committee receive feedback on the effectiveness of the disposal process at the next meeting.

To ratify the disposal of land and property at 35 & 37 Russell St to CHIC at 'best consideration' following the grant of planning consent for six flats.

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## 1. BACKGROUND

- 1.1 35 & 37 Russell Street are two semi-detached 4-bed houses with parking and gardens. The site is shown edged red below.



- 1.2 The houses are in average condition and are of a poor layout. Both would require refurbishment before re-letting at market rents but the present housing does not make best use of the site and thus redevelopment at significantly higher density is to be preferred.
- 1.3 No 37 is vacant and No 35 is let to King Street Housing who had indicated that they wished to give up the tenancy. They have served notices on their sub tenant who had been informed of the Council's plans earlier in the year.
- 1.4 The houses were considered by Assets & Investment Committee in June 2016 for use as Looked after Children accommodation but development was preferred as this is a prime central Cambridge site.
- 1.5 Carter Jonas were appointed to submit a planning application and positive discussions have taken place with City Council planning officers. An earlier planning application was submitted in April 2017 but was withdrawn to allow modifications to the design. A revised application has now been submitted for the demolition of the two semi-detached dwellings and their replacement with six 2-bed flats over three floors. The determination date is 27<sup>th</sup>

October 2017. Full details are available on the City Council planning portal reference 17/1483/FUL.

- 1.6 CHIC has been set up as an investment company to generate revenue for CCC through its borrowing arrangement as well as capital receipts and all its profits benefit the CCC as its only shareholder.

## **2. MAIN ISSUES**

- 2.1 The redevelopment of this site by CHIC at higher density offers significant gains for the County and the Company in a highly sustainable location close to Cambridge railway station. Carter Jonas have confirmed that the new apartments will be highly desirable either for rent or sale.
- 2.3 CHIC will acquire the land at 'best consideration' as previously agreed at the C&I meeting on 30<sup>th</sup> June 2017. A Registered Valuer has been appointed and they will carry out an inspection on the 11th September 2017.
- 2.4 CHIC are well placed to take on the redevelopment of this central Cambridge asset and if planning consent is granted they will be acquiring the land at 'best consideration' - achieved through an independent valuation by a Registered Valuer.
- 2.5 The best consideration purchase price to be agreed with CHIC will be based on the independent valuation.
- 2.6 LGSS Legal have been appointed to handle the sale with work on the draft contracts progressing with the aim to move to exchange and completion within a set time after planning consent.
- 2.7 The scale of the development does not meet the City Council's threshold for affordable housing which is 10.

## **3. ALIGNMENT WITH CORPORATE PRIORITIES**

### **3.1 Developing the local economy for the benefit of all**

The following points set out details of the positive implications identified by officers in the development of this site for six flats:

- The 6 apartments will help meet demand for housing in central Cambridge.
- Redevelopment of this prime central site will generate construction jobs for the duration of the demolition and build.
- More residents will be living in the area spending money at local shops, bars, restaurants etc.

## **2 Helping people live healthy and independent lives**

The site is in a highly sustainable location close to the station, university, and all daily needs and it is likely that some of the purchasers will rely solely on public transport, walking or bike.

### **3.3 Supporting and protecting vulnerable people**

There are no identified implications.

## **4. SIGNIFICANT IMPLICATIONS**

### **4.1 Resource Implications**

The sales to CHIC are important in generating important revenue to support County Council services and have been built into the Council's budget plans.

### **4.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

There are no significant implications within this category.

### **4.3 Statutory, Legal and Risk Implications**

The following bullet point sets out details of significant implications identified by officers:

Refer to the Disposal Process of Property Assets that was agreed at the Committee's meeting on 30th June this document sets out all the legal considerations for disposing of council land to the CHIC.

### **4.4 Equality and Diversity Implications**

None identified.

### **4.5 Engagement and Communications Implications**

The planning application has been subject to full consultation.

### **4.6 Localism and Local Member Involvement**

The local member is Linda Jones who is a member of the Commercial & Investment Committee and has been asked for comments in advance.

### **4.7 Public Health Implications**

No comments received to date.

<b>Implications</b>	<b>Officer Clearance</b>
<b>Have the resource implications been cleared by Finance?</b>	Yes Name of Financial Officer: Chris Malyon
<b>Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?</b>	Yes No implications raised. Name of Officer: Paul White
<b>Has the impact on statutory, legal and risk implications been cleared by LGSS Law?</b>	Yes Reference made to the Disposal Process of Property Assets that was agreed at the Committee's meeting on 30th June Name of Legal Officer: Fiona Macmillan
<b>Have the equality and diversity implications been cleared by your Service Contact?</b>	Yes Name of Officer: John Macmillan
<b>Have any engagement and communication implications been cleared by Communications?</b>	Yes Name of Officer: Christine Birchall Head of Communications and Information
<b>Have any localism and Local Member involvement issues been cleared by your Service Contact?</b>	Yes Name of Officer: John Macmillan
<b>Have any Public Health implications been cleared by Public Health</b>	No response yet received Name of Officer: Tessa Campbell