

Committee:	Cabinet	Date: Tuesday,
Title:	Mulberry Homes S106 site, St Edmunds Lane/Braintree Road, Gt Dunmow	16 December
Portfolio Holder:	Cllr Arthur Coote, Portfolio Holder for Housing	
Report Author:	Peter Lock, Housing Enabling & Development Officer plock@uttlesford.gov.uk	Key decision: Yes

1. Summary

1.1 This report requests approval from Cabinet following approval at CMT on 1/10/25 to acquire 14 Affordable Rented homes upon the Mulberry Homes site East of St Edmunds Lane North of Braintree Road, Gt Dunmow for a sum of £3 million plus an additional £25,000 in total for Employers Agent fees and carpeting of the four maisonettes using retained RTB receipts.

1.2 Recommendations

For UDC to acquire the Affordable Rented homes upon the Mulberry Homes site in Gt Dunmow to prevent the loss of these Affordable Rented homes to the district.

2. Financial Implications

2.1 There are the financial implications as outlined below:

- The Open Market Value (OMV) of the 14 Affordable Rented properties is £5.18 million.
- The Council's conditional offer for the 14 Affordable Rented homes is £3 million which equates to 57.9% of OMV. The offer is subject to contract and governance approval.
- Allowance should be made for an extra circa £3k in total for carpeting the 4 maisonettes as this is an addition to the standard Mulberry Homes specification and a further £22,000 for Employers Agent fees.
- This equates to a purchase price of £216,071 per property (including the £25k additional sum compared to the OMV per property of £370,000.
- UDC currently has £5.6 million of retained RTB receipts
- The payment profile is as follows: -
 - 5% on exchange of contracts
 - 30% on golden brick
 - Remainder paid through stage payments

3. Background Papers

- [Housing - Mulberry HA Specification New Part L Regs - 05.11.24 \(Rev E\).pdf - All Documents](#)
- [Housing - UTT 24 0213_FUL-LOCATION_PLAN-4214841.pdf - All Documents](#)

4. Background

- 4.1 The site, as shown on the attached location plan, received planning approval in May 2025 for 51 homes including 20 Affordable consisting of 14 Affordable Rented and 6 Shared Ownership via planning reference UTT/24/0213/FUL.
- 4.2 Mulberry purchased the site based on an offer from Eastlight which enabled the required affordable units and tenure to be provided. However, this offer subsequently dropped by circa £500k which then made the scheme unviable.
- 4.3 Mulberry therefore sought offers for the 20 affordable homes from other Registered Providers with an active development programme within the district but received the following responses: -

English Rural	Not seeking Section 106 opportunities and focussing all resources on delivery of 5-6 units on rural exception sites only.
Hastoe	No schemes on in settlements which have a population greater than 3000 (Dunmow is 10,000) and absolutely no schemes over 15 homes, phased or otherwise.
Sage	Verbally confirmed no schemes under 40-50 units minimum.
B3 Living	Just about in patch, but no capacity for at least 2-3 years.
Accent	No S106 at the moment. Potentially 12-18 months at present before they consider again.
Estuary	Merging with CHP, and are not active at present.
Clarion	Site too small.
Flagship	Price point too high for them to consider.
CHP	Only looking for schemes of 40 and above.
Home Group	They cannot commit to anything before April 26.
Moat	Overnight directive only to look at homes that are substantially built and will complete 2025/26 at the latest.
Thrive	Scheme too small.
HSPG	Seeking payment terms of 10% at exchange and 90% at completion

- 4.4 To prevent the loss of the 20 affordable homes to the district discussions were held with Mulberry and it was agreed that they would consider an offer by UDC for the 14 Affordable Rented homes and it was further agreed that Mulberry would submit a Deed of Variation to replace the 6 Shared Ownership homes

with 6 Discounted Market Sale homes as no Registered Provider has submitted an offer for them.

4.5 The 14 Affordable Rented homes consist of the following mix:-

Affordable Rent					
Unit Type	Beds	Height	Sqm	No of Units	Open Market Value
Maisonette	1	1 Storey	51.5	4	£240,000
Bungalow	2	1 Storey	62	2	£360,000
Bembridge	2	2 Storey	79	3	£390,000
Arlington	3	2 Storey	95	4	£445,000
Lyme	4	2 Storey	120	1	£550,000
Total				14	£5,180,000

4.6 The site programme is as follows based upon Cabinet approval being obtained in December 2025:-

Stages		Dates
Start on Site		January 2026
Golden Brick		August-2026
Practical Completion		August-2027

4.7 There are currently 150 households upon the council's Housing Register seeking Affordable/Social Rented housing in Gt Dunmow and their calculated bedroom need is shown in the table below:-

Gt Dunmow-households assessed as being in housing need (bands A to D) :calculated bedroom need	Number of households
1 bed	68
2 bed	30

3 bed	31
4 bed or more	12
To be assessed	9
Total	150

4.8 Acquiring 14 new rented homes in Gt Dunmow will therefore assist towards meeting this identified need.

5. Recommended rent

5.1 The S106 agreement for the site allows rents to be charged of up to 80% of the market rent. The payback period for the £3,025,000 sum is 37.2 years at a Social Rent level based upon the scheme being funded from retained RTB receipts without any borrowing.

5.2 As the payback period is less than 40 years when funded by RTB receipts without borrowing it is recommended that the scheme is funded by RTB receipts without borrowing with the rent set at Social Rent level.

6. Impact

Communication/Consultation	
Community Safety	There are no impacts in relation to community safety.
Equalities	Properties will be advertised via Choice Based Lettings and available to those with a local connection to Uttlesford.
Health and Safety	There are no direct impacts in relation to health and safety.
Human Rights/Legal Implications	None
Sustainability	The Mulberry Homes site is in a sustainable location
Ward-specific impacts	None
Workforce/Workplace	No resource implications

7. Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Loss of 14 Affordable Rented homes for applicants upon the Housing Register if UDC do not acquire the homes	5	2	Acquire the 14 Affordable Rented homes using retained RTB receipts/ commuted sums for £3 million plus an additional £25,000.