



## HOUSING SCRUTINY COMMITTEE

**To: Scrutiny Committee Members:** Councillors Todd-Jones (Chair), Bird (Vice-Chair), Gawthrope, Holland, Page-Croft, Sheil, Baigent and Cantrill

**Alternates:** Councillors Barnett, Abbott and T. Moore

**Tenants and Leaseholders:** Lulu Agate (Tenant Representative) Diane Best (Leaseholder Representative), Kay Harris (Tenant Representative), John Marais (Tenant Representative), Diana Minns (Vice Chair /Tenant Representative), and Mandy Powell-Hardy (Tenant Representative).

**Executive Councillor for Housing:** Councillor Price

*Despatched: Friday, 9 June 2017*

**Date:** Tuesday, 20 June 2017

**Time:** 5.30 pm

**Venue:** Committee Room 1 & 2, The Guildhall, Market Square, Cambridge, CB2 3QJ

**Contact:** Toni Birkin

**Direct Dial:** 01223 457013

### AGENDA

#### 1 Apologies

To receive any apologies for absence.

#### 2 Appointment of Vice-Chair (Tenant/Leaseholder Rep) for 2017/18

#### 3 Declarations of Interest

Members are asked to declare at this stage any interests that they may have in an item shown on this agenda. If any member of the Committee is unsure whether or not they should declare an interest on a particular matter, they should seek advice from the Monitoring Officer **before** the meeting.

#### 4 Minutes (Pages 7 - 20)

To approve the minutes of the meetings of 7<sup>th</sup> March 2017.

## **5 Public Questions**

Please see information at the end of the agenda.

### **Items for Decision by the Executive Councillor for Housing, Without Debate**

These Items will already have received approval in principle from the Executive Councillor. The Executive Councillor will be asked to approve the recommendations as set out in the officer's report.

There will be no debate on these items, but members of the Scrutiny Committee and members of the public may ask questions or comment on the items if they comply with the Council's rules on Public Speaking set out below.

### **Items for Debate by the Committee and then Decision by the Executive Councillor for Housing**

These items will require the Executive Councillor to make a decision after hearing the views of the Scrutiny Committee.

There will be a full debate on these items, and members of the public may ask questions or comment on the items if they comply with the Council's rules on Public Speaking set out below.

<b>Part 1: To be chaired by Vice Chair (Tenant/Leaseholder Representative)</b>
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## **6 Record of Urgent Decisions taken by the Executive Councillor for Housing**

To note decisions taken by the Executive Councillor for Housing since the last meeting of the Housing Scrutiny Committee.

### **6a 2017/18 HOUSING REVENUE ACCOUNT AFFORDABLE RENTS (*Pages 21 - 28*)**

### **Exclusion of Press and Public**

The following report contains an exempt appendix (enclosed separately) during which the public is likely to be excluded from the meeting by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972: Information relating to the financial or business affairs of any particular person (including the authority holding that information) subject to determination by members.

- 6b DISPOSAL OF COUNCIL PROPERTY IN GWYDIR STREET (*Pages 29 - 30*)

**Exclusion of Press and Public**

The following report contains an exempt appendix (enclosed separately) during which the public is likely to be excluded from the meeting by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972: Information relating to the financial or business affairs of any particular person (including the authority holding that information) subject to determination by members.

- 6c Appointing a contractor to carry out the heating and hot water refurbishment works at the School Court Sheltered Housing property (*Pages 31 - 32*)

**Items for Debate by the Committee and then Decision by the Executive Councillor for Housing**

- 7 2016/17 Revenue and Capital Outturn, Carry Forwards and Significant Variances - Housing Revenue Account (*Pages 33 - 46*)

<b>Part 2: To be Chaired by the Chair of the Committee</b>
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**Items for Debate by the Committee and then Decision by the Executive Councillor for Housing**

- 8 2016/17 Revenue and Capital Outturn, Carry Forwards and Significant Variances - Housing General Fund (*Pages 47 - 54*)
- 9 Appointment of Cost Consultant (*Pages 55 - 58*)
- 10 New Build Housing Programme (*Pages 59 - 72*)
- 11 Development Options for Land at Hills Avenue (*Pages 73 - 84*)
- 12 Development Options for Land at Queens Meadow (*Pages 85 - 96*)

## Information for the Public

### Location

The meeting is in the Guildhall on the Market Square (CB2 3QJ).

Between 9 a.m. and 5 p.m. the building is accessible via Peas Hill, Guildhall Street and the Market Square entrances.

After 5 p.m. access is via the Peas Hill entrance.

All the meeting rooms (Committee Room 1, Committee 2 and the Council Chamber) are on the first floor, and are accessible via lifts or stairs.

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Most meetings have an opportunity for members of the public to ask questions or make statements.

To ask a question or make a statement please notify the Committee Manager (details listed on the front of the agenda) prior to the deadline.

- For questions and/or statements regarding items on the published agenda, the deadline is the start of the meeting.
- For questions and/or statements regarding items NOT on the published agenda, the deadline is 10 a.m. the day before the meeting.

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A loop system is available in Committee Room 1, Committee Room 2 and the Council Chamber.

Accessible toilets are available on the ground and first floor.

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## HOUSING SCRUTINY COMMITTEE

7 March 2017

5.30 - 7.45 pm

**Present:** Councillors Todd-Jones (Chair), Bird (Vice-Chair), Avery, Gawthrope, Holland, R. Moore, Page-Croft and Smart

Executive Councillors: Price (Executive Councillor for Housing)

**Tenant/Leaseholder Representatives:** Diane Best, Lulu Agate, Kay Harris, John Marais and Mandy Powell-Hardy

### Officers:

Strategic Director: Suzanne McBride

Strategic Advisor - Housing and Welfare Reform: Liz Bisset

Head of Housing Services: Tom Bremner

Head of Estates & Facilities: Trevor Burdon

Resident involvement Officer: James Bull

Housing Strategy Manager: Helen Reed

Managing Director, Housing Development Agency Alan Carter

Empty Homes Officer: Danae Evans

Environmental Health Officer: Claire Adelizzi

Committee Manager: Toni Birkin

## FOR THE INFORMATION OF THE COUNCIL

### 17/11/HSC Apologies

Apologies were received from Tenant representative Diana Minns.

### 17/12/HSC Declarations of Interest

Name	Item	Interest
Councillor Gawthrope	17/17/HSC	Personal: parents live in an area where new housing may be built.
Leaseholder	17/21/HSC	Personal: As a leaseholder she

representative: Diane Best		would be subject to the new policy.
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### **17/13/HSC Minutes**

The minutes of the meeting held on 18 January 2017 were agreed as a correct record subject to minor corrections and will be signed by the Chair outside the meeting.

### **17/14/HSC Public Questions**

There were no public questions.

### **Change to published agenda order**

Under paragraph 4.2.1 of the Council Procedure Rules, the Chair used his discretion to alter the order of the agenda items. However, for ease of the reader, these minutes will follow the order of the agenda.

Agenda Item 10 (Sale of Roof Voids to Leaseholders) was moved to Part One of the Agenda.

### **17/15/HSC Resident Involvement Strategy: 2017-2020**

This Item was chaired by Councillor Todd-Jones in the absence of the Tenant/Leaseholder Vice Chair

### **Matter for Decision**

The Resident Involvement Strategy offered a clear outcome-based method of ensuring that Resident Involvement continues to provide an effective, value-for-money service that answers the needs of today's social housing climate.

### **Decision of Executive Councillor for Housing**

- i. Approved the Resident Involvement Strategy 2017-2020

### **Reason for the Decision**

With scarcer resources in the housing service, Resident Involvement must provide a targeted service that responds to the needs of tenants, the priorities



of the housing service and satisfies regulatory requirements. As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee received a report from the Resident Involvement Officer.

John Marais stated that tenants prioritised the building of new council housing. He stated that those representing Tenants and Leaseholders at this meeting should be allowed to vote on recommendations regarding future council house building.

Councillor Moore stated that elected members also represented tenants.

The Chair stated that the Executive Councillor worked with Officers to ensure that, whenever possible, report were split to allow the tenant and leaseholders to vote on a many matter as possible. Where voting was not appropriate, the Committee still valued their comments and suggestions.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendation.

**Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

**17/16/HSC Interim Housing Strategy Statement 2017**

This Item was chaired by Councillor Todd-Jones

**Matter for Decision**

The report sought approval for an Interim Housing Strategy Statement for Cambridge, prior to development of a proposed joint Housing Strategy for Cambridge City and South Cambridgeshire District Councils. In particular it sought approval for a vision for housing in the City, and a set of strategic aims to help achieve the proposed vision.

**Decision of Executive Councillor for Housing**

- i. Approved the aspirational vision laid out in the draft Interim Housing Strategy Statement 2017 (attached as Appendix A to the Officer's report), for Cambridge to be a City where:
  - a) The housing market functions effectively, providing homes which are as affordable as possible; to meet the needs of residents and support the local economy;
  - b) There is a wide and varied choice of good quality, sustainable homes of different sizes, types and tenures, to meet the needs of a wide range of different households;
  - c) Homes are located in high quality sustainable environments, served by jobs and neighbourhood facilities, appropriate green space, effective transport links and other necessary infrastructure;
  - d) Everyone has access to a suitable home, and residents are able to live as healthily, safely, independently as possible;
  - e) People from all walks of life live in harmony, within mixed and balanced communities; and homes and communities continue to meet the needs of residents into the future;
  - f) We have strong relationships with residents, developers and partners that enable us to deliver housing and services effectively, and to innovate where appropriate.
- ii. Approved the strategic aims laid out in the draft Interim Housing Strategy Statement 2017 (attached as Appendix A to the Officer's report) as follows:
  - a) Work with stakeholders to accelerate the delivery of housing and infrastructure in and around Cambridge as set out in the Greater Cambridge City Deal and Cambridgeshire & Peterborough Devolution Deal;
  - b) Provide, and promote provision of, good quality, energy and water efficient homes, in high quality, sustainable environments, alongside appropriate infrastructure;

- c) Ensure that new homes: are as affordable as possible; are available in a range of sizes, types and tenures, to meet a range of needs; and can support mixed, balanced and sustainable communities;
  - d) Make the best use of council land to maximise the supply of housing for those who cannot afford to access the private market;
  - e) Make and promote the best use of existing homes;
  - f) Enable people to live settled lives, within safe and healthy homes and communities;
  - g) Manage and maintain the council's homes and estates in a cost-effective way, protecting core services, balancing the budget, and operating within our means;
  - h) Promote a well-regulated, fair, good quality private rented sector, and support the provision of longer and more settled tenancies;
  - i) Recognise links between health, social care & housing, and work positively with partner organisations to promote and improve quality of life and health and well-being for those most in need;
  - j) Prevent homelessness and rough sleeping;
  - k) Minimise use of temporary accommodation and maximise access to longer term housing solutions;
  - l) Enable people to make informed choices about their housing;
  - m) Promote sustained and settled lifestyles and minimise social exclusion.
- iii. Noted the ongoing and emerging actions being pursued with partners to achieve the vision and strategic aims proposed in the Interim Housing Strategy Statement, attached as Appendix A to the Officer's report.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

### Scrutiny Considerations

The Committee received a report from the Housing Strategy Manager.

The Committee made the following comments in response to the report:

- i. Suggested that the report was aspirational but lacked tangible targets.
- ii. Welcomed the vision within the documents.

The Strategic Director and the Housing Strategy Manager stated the following in response to Members' questions:

- i. The report was intentionally an aspirational framework pulling together various work strands. Subsequent reports would provide the measurable detail.
- ii. Any significant changes would be brought back to this committee for discussion.
- iii. The Strategy was an interim measure prior to more detail emerging around government policy, and Cambridge City & South Cambridgeshire District Councils developing a joint Housing Strategy. Confirmed that other social housing providers also offered intermediate and other, below market price, housing products.
- iv. Both the needs of older people, and those of younger people with disabilities, were included in the recommendations.
- v. Expressed support for the continued delivery of support for the vulnerable to allowed them to live as independently as possible.

Diane Best requested a correction as following, struck through replaced with bold:

In terms of issues relating to council housing, tenant and leasehold representatives scrutinise both services and key decisions: as service inspectors; ~~through a Housing Regulation Panel; and as members of the council's Housing Management Board~~ **through a Housing Regulation Panel; and as representatives on the council's Housing Scrutiny Committee.**

This was agreed *nem com*.

Councillor Holland sought clarification on the provision of housing for older people. She asked if recommendations from a recent Local Government Association paper on housing had been addressed by this report.

Alan Carter responded and stated that the City Council was delivering housing for the over 50s within general needs housing stock with the aim of offering an attractive alternative that would tempt downsizing from family housing. This approach was recommended by the Housing our Ageing Population: Panel for Innovation (HAPPI) report.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendation.

### **Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

### **Exclusion of the Press and Public**

The Scrutiny Committee resolved to exclude members of the public from the meeting on the grounds that, if they were present, there would be disclosure to them of information defined as exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

### **17/17/HSC New Housing by the Council**

This Item was chaired by Councillor Todd-Jones

### **Matter for Decision**

The advent of the Devolution Agreement means that the Council could consider building new Council housing again. The report sought endorsement of the housing dimension of the Devolution Agreement and set out the development framework within which the Council would provide new housing itself. It also provided details of the current delivery programme for using Devolution Housing Grant over the following two years. The Council's approach to the involvement of residents in the process was refreshed as was the Council's Home Loss Policy.

### **Decision of Executive Councillor for Housing**

- i. Noted the Cambridgeshire and Peterborough Devolution New Homes Business Case 20.1.17 Draft Version 10 at Appendix 1 of the Officer's report.
- ii. Approved the Council's approach to the development of new Council housing as shown in the paper at Appendix 2 of the Officer's report.
- iii. Approved the 'Commitment to Resident Involvement'.
- iv. Noted the current delivery programme for using Devolution Housing Grant in Cambridge over the next two years as shown in Appendix 3 of the Officer's report.
- v. Re-approved the Home Loss Policy at Appendix 5 of the Officer's report.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee received a report from the Managing Director, Housing Development Agency.

A correction to the text of the confidential document was tabled and noted.

Councillor Todd-Jones proposed an amendment to the recommendations recommendation A. as follows (struck through replaced with bold):

- A. ~~Endorse~~ **Note** the Cambridgeshire and Peterborough Devolution New Homes Business Case 20.1.17 Draft Version 10 at Appendix 1.

The Committee unanimously approved amendment to the recommendations.

The Committee resolved unanimously to endorse the recommendations as amended.

The Executive Councillor approved the recommendations.

**Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

## **17/18/HSC Council Newbuild Redevelopment - 9-10A Ventress Close Scheme Approval**

This Item was chaired by Councillor Todd-Jones

### **Matter for Decision**

- i. The report provided details of the proposal to redevelop the existing flats at 9-10a Ventress Close to provide up to 19 new homes.
- ii. The proposed redevelopment had indicative plans to deliver up to 19 No. new homes on the existing site, providing 1 and 2 bedroom apartments and 3 bedroom houses.
- iii. The report requested approval to a capital budget for the scheme based on the outlined appraisal assuming the mix stated above.
- iv. The appraisal suggests that all of the new properties can be delivered as part of the Council's social rent programme.

### **Decision of Executive Councillor for Housing**

- i. Noted the indicative mix of the proposed scheme.
- ii. Approved the scheme capital budget of £4,153,000 detailed in the report to cover the construction cost of the scheme and professional fees and other costs.
- iii. Approved the commencement of Compulsory Purchase Order (CPO) proceedings on the remaining 2 Leaseholders at 9 and 9a Ventress Close should they be required.

### **Reason for the Decision**

As set out in the Officer's report.

### **Any Alternative Options Considered and Rejected**

Not applicable.

### **Scrutiny Considerations**

The Committee received a report from the Housing Development Officer.

The Committee made the following comments in response to the report:

- i. Expressed concern regarding a potential compulsory purchase and hoped that this could be resolved amicably.
- ii. Noted that there were a number of infill projects appearing around Cambridge.
- iii. Such development inevitably changed neighbourhoods and the committee hoped that neighbours were being treated sympathetically.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendation.

### **Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

### **17/19/HSC Council Newbuild Redevelopment - 9-28 Anstey Way Scheme Approval**

This Item was chaired by Councillor Todd-Jones

#### **Matter for Decision**

- i. This report provided details of the proposed redevelopment of Anstey Way Bungalows and Flats. Originally presented to Housing Scrutiny Committee in June 2015 the proposal then was for 34 No. new units. The report presented a new scheme that could accommodate up to 54 No. new council properties.
- ii. The report requested approval for a capital budget for the scheme based on the outlined appraisal assuming the mix of mainly 1, 2 and 3 bed properties.

#### **Decision of Executive Councillor for Housing**

- i. Noted the indicative mix of the proposed scheme.
- ii. Noted the total scheme capital budget of £10,197,000 detailed in the report to cover the construction cost of the scheme and professional fees and all other associated land assembly and decant costs.
- iii. Approved virement of the additional £3,667,000 from the unallocated new build budget, to the budget for this scheme of £6,530,000 previously



approved, recognising that this increase was expected to be funded from a mix of devolution grant and retained right to buy receipts.

- iv. Approved commencement of Compulsory Purchase Order (CPO) proceedings on the one remaining leaseholder at 12b Anstey Way.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee received a report from the Housing Development Officer.

The Committee made the following comments in response to the report:

- i. Welcomed this long awaited project.
- ii. Expressed some concerns regarding the addition of a fourth floor but acknowledged that additional units were desirable.
- iii. Welcomed the inclusion of 12 units for over 55's.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendation.

**Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

**17/20/HSC Introduction of an Empty Homes Loan Scheme**

This Item was chaired by Councillor Todd-Jones

**Matter for Decision**

The introduction of an Empty Homes Loan was needed to help combat the on-going problem with Empty Homes in Cambridge City. The City had in the region of 328 properties that are recorded to have been empty for over 6 Months. The Empty Homes Officer was currently investigating in the region of 70 of these properties that have been empty for longer than two years. Empty

homes were a wasted resource in terms of housing available for people to live in and they can also have a negative impact on their surrounding communities, as well as being a financial burden for many owners. Cambridge was in an area of high demand for affordable housing.

### **Decision of Executive Councillor for Housing**

- i. Approved the Introduction of an interest free Empty Homes Loan Policy, with loans of up to £25,000 secured against each property, (attached as Appendix A to the Officer's report).
- ii. Approved conditions being attached to the loan meaning that the property has to be let at an affordable rent level for the minimum of two years.
- iii. Approved for the property to be let through Town Hall Lettings or another not for profit provider.

### **Reason for the Decision**

As set out in the Officer's report.

### **Any Alternative Options Considered and Rejected**

Not applicable.

### **Scrutiny Considerations**

The Committee received a report from the Empty Homes Officer and the Environmental Health Officer.

The Committee made the following comments in response to the report:

- i. Suggested that whilst this was a good idea, the legal requirements would need careful consideration to avoid future problems such as loss of income capital.
- ii. Expressed some doubts about the level of take up.

The Empty Homes Officer and the Environmental Health Officer said the following in response to Members' questions:

- i. Property owners would pay a management fee to Town Hall Lettings.
- ii. There would be separate legal agreements with the tenant and the property owner.
- iii. Should a property require more than the maximum loan amount (£25,000), a top up from the applicant was permitted.

- iv. The budget would be recycled to provide more loans as the first round of loans was repaid.
- v. It was hoped that owners would retain the management agreement with Town Hall Lettings once the initial two year period had elapsed.
- vi. A charge would be placed against the property to protect the repayment of the loan.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendation.

### **Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

### **17/21/HSC Sale of Roof Voids (and Other Property) to Leaseholders**

This Item was chaired by Councillor Todd-Jones in the absence of the Tenant/Leaseholder Vice Chair

#### **Matter for Decision**

This update report looked at the issues that had arisen following the decision in March 2011 by the Housing Management Board to agree to the potential sale of roof voids to leaseholders. The report proposed reversing the decision to prevent the future sale of roof voids.

#### **Decision of Executive Councillor for Housing**

- i. Approved the continued exclusion of the roof void from the Right to Buy sale of leasehold flats.
- ii. Approved the recommendation to no longer agree to the sale of roof voids to leaseholders.

#### **Reason for the Decision**

As set out in the Officer's report.

#### **Any Alternative Options Considered and Rejected**

Not applicable.

#### **Scrutiny Considerations**

The Committee received a report from the Head of Estates & Facilities.

The Committee welcomed the report.

The Head of Estates & Facilities stated the following in response to Members' questions:

- i. Very few roof voids had been sold.
- ii. No voids had been sold at the time of the right to buy purchase and therefore it was not possible to access the impact on property values.
- iii. There was no information available regarding conversions of roof spaces into living spaces. Such issues would be covered by planning and building regulations.
- iv. It was not possible to monitor any conversion of a roof void that had taken place without permission.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendation.

**Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)**

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 7.45 pm

**CHAIR**

**2017/18 HOUSING REVENUE ACCOUNT AFFORDABLE RENTS  
SPECIAL URGENCY DECISION**

**Decision of:** Councillor Price, Executive Councillor for Housing

**Reference:** 17/URGENCY/HS/1

**Date of decision:** 20 February 2017      **Recorded on:**

**Decision Type:** Key Decision

**Matter for Decision:** Approve that affordable rents are reviewed in line with rent legislation, to ensure that the rents charged are no more than 80% of market rent, with this figure then reduced by 1%, as with social housing. Local policy is to cap affordable rents at the Local Housing Allowance level, which will result in a rent freeze from 3<sup>rd</sup> April 2017 for 1 and 3 bedroom properties, and a 3% increase in combined rents and charges for 2 and 4 bedroom properties.

**Why the decision had to be made (and any alternative options):** The national review of Local Housing Allowance levels for the Cambridge area, has resulted in an increase in the Local Housing Allowance for both 2 and 4 bedroom properties. The rates for single rooms, 1 and 3 bedroom properties have been frozen as expected. The increase in rates for 2 and 4 bedroom properties is in recognition of the above average increase in market rental values for this size of dwelling in this area specifically.

As a direct result of this announcement, an urgent decision is sought, to allow the authority to reflect the increase in combined rents and charges for 2 and 4 bedroom affordable rented homes with effect from 3<sup>rd</sup> April 2017, to ensure that they continue to be capped at the Local Housing Allowance level in line with local policy.

**The Executive Councillor's decision(s):** Approved that affordable rents are reviewed in line with rent legislation, to ensure that the rents charged are no more than 80% of market rent, with this figure then reduced by 1%, as with social housing. Local policy is to cap affordable rents at the Local Housing Allowance level, which will result in a rent freeze from 3<sup>rd</sup> April

2017 for 1 and 3 bedroom properties, and a 3% increase in combined rents and charges for 2 and 4 bedroom properties

**Reasons for the decision:**

As detailed in the Officer's report

**Scrutiny consideration:**

As required by the Councils Constitution under the urgent decisions and special urgency procedure rules (Para 9 of Part 4B), the agreement of the Chair and Vice Chair of the Housing Scrutiny Committee has been obtained.

**Report:**

A report detailing the background and financial considerations is attached.

**Conflicts of interest:**

n/a

**Comments:**

This urgent decision under special urgency will be reported back to Full Council on 20 April 2017 and the Housing Scrutiny Committee on 20 June 2017.



To: Executive Councillor for Housing: Councillor Kevin Price  
Report by: Julia Hovells, Business Manager / Principal Accountant (Housing)  
Relevant scrutiny committee: Housing Scrutiny Committee 20/2/2017  
Wards affected: All Wards

## **2017/18 HOUSING REVENUE ACCOUNT AFFORDABLE RENTS URGENT DECISION**

### **Key Decision**

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#### **1. Executive summary**

- 1.1 As part of the 2017/18 budget process, the Executive Councillor for Housing approved that rents and charges for affordable rented homes would continue to be capped, in line with local policy, at the prevailing rate of the Local Housing Allowance, which is well below the 80% market rent which affordable rented homes can be introduced at.
- 1.2 For 2017/18, this was expected to result in a freeze in rent, with anticipated freezes in Local Housing Allowance levels for 3 years from April 2017.
- 1.3 It has since been announced that the national review of Local Housing Allowance levels for the Cambridge area, has resulted in an increase in the Local Housing Allowance for both 2 and 4 bedroom properties. The rates for single rooms, 1 and 3 bedroom properties have been frozen as expected. The increase in rates for 2 and 4 bedroom properties is in recognition of the above average increase in market rental values for this size of dwelling in this area specifically.
- 1.4 As a direct result of this announcement, an urgent decision is sought, to allow the authority to reflect the increase in combined rents and charges for 2 and 4 bedroom affordable rented homes with effect from 3<sup>rd</sup> April 2017, to ensure that they continue to be capped at the Local Housing Allowance level in line with local policy.

- 1.5 This increase will impact 112 properties, not all of which are currently let. 110 of them are 2 bedroom properties and 2 are 4 bedroom properties.
- 1.6 The charge for a 2 bedroom property will change by £4.57 per week, on a 48 week rent basis (£4.22 on a 52 week basis) and the charge for a 4 bedroom property will change by £7.09 per week, on a 48 week rent basis (£6.54 on a 52 week basis)

## **2. Recommendations**

The Executive Councillor, is recommended, under urgency, to:

### **Review of Rents and Charges**

- a) Approve that affordable rents are reviewed in line with rent legislation, to ensure that the rents charged are no more than 80% of market rent, with this figure then reduced by 1%, as with social housing. Local policy is to cap affordable rents at the Local Housing Allowance level, which will result in a rent freeze from 3<sup>rd</sup> April 2017 for 1 and 3 bedroom properties, and a 3% increase in combined rents and charges for 2 and 4 bedroom properties.

## **3. Implications**

### **(a) Financial Implications**

The financial implications associated with the urgent decision to reflect the announcements of an increase in Local Housing Allowance levels for 2 and 4 bedroom properties will be incorporated into budgets and financial forecasts as part of the Medium Term Financial Strategy.

### **(b) Staffing Implications**

There are no direct staffing implications associated with this urgent decision.

### **(c) Equality and Poverty Implications**

An Equalities Impact Assessment was undertaken in respect of the HRA Budget Setting Report. This change will impact up to 112 households, but the increase in rents and charges will be fully eligible for housing benefit.

### **(d) Environmental Implications**

There are no direct environmental implications associated with this urgent decision.



(e) **Procurement**

There are no direct procurement implications associated with this urgent decision.

(f) **Consultation and communication**

Consultation with tenant and leaseholder representatives is an integral part of the Housing Scrutiny Committee process.

(g) **Community Safety**

Any community safety implications are outlined in the HRA Budget Setting Report 2017/18, appended to this report.

#### **4. Background papers**

These background papers were used in the preparation of this report:

Housing Revenue Account Budget Setting Report 2017/18  
LHA 2017/18 Tables (as published by Communities and Local Government)

#### **5. Appendices**

Table 5 of the LHA 2017/18 Tables, as published by Communities and Local Government.

#### **6. Inspection of Papers**

To inspect the background papers or if you have a query on the report please contact:

Author's Name:	Julia Hovells
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	LHA April 2017				Calendar Monthly Equivalent						
	BRMA	Room	1 Bed	2 Bed	3 Bed	4 Bed	Room	1 Bed	2 Bed	3 Bed	4 Bed
Ashford		£57.10	£119.09	£145.43	£168.00	£223.63	£291.57	£517.47	£631.93	£730.00	£971.73
Aylesbury		£72.76	£127.29	£157.61	£198.43	£291.34	£316.16	£553.11	£684.85	£862.23	£1,265.94
Barnesley		£58.08	£72.72	£97.47	£136.79	£136.93	£252.37	£315.99	£379.82	£433.61	£594.90
Barrow-in-Furness		£65.15	£79.00	£92.05	£110.47	£136.93	£263.09	£338.93	£399.06	£480.02	£594.99
Basingstoke		£68.17	£134.02	£161.98	£192.28	£266.65	£296.21	£582.35	£703.84	£835.50	£1,158.66
Bath		£72.49	£135.74	£167.23	£189.86	£291.90	£314.99	£589.82	£726.65	£824.99	£1,268.38
Bedford		£62.18	£103.02	£133.32	£161.07	£200.07	£270.19	£447.65	£579.31	£699.89	£906.46
Birmingham		£57.34	£98.87	£120.29	£132.00	£173.41	£249.16	£429.61	£522.69	£573.57	£753.51
Black Country		£60.00	£86.30	£104.89	£120.29	£151.50	£260.71	£374.99	£485.77	£522.69	£658.30
Blackwater Valley		£79.92	£141.24	£176.56	£210.70	£312.00	£347.27	£613.72	£767.20	£915.54	£1,355.71
Boton and Bury		£50.13	£84.00	£98.96	£114.84	£143.84	£217.83	£365.00	£430.00	£499.01	£625.02
Bournemouth		£65.48	£123.58	£153.02	£188.79	£253.15	£284.53	£536.98	£664.91	£820.34	£1,100.00
Bradford & South Dales		£56.26	£90.55	£97.81	£111.83	£123.58	£253.15	£350.01	£425.01	£485.93	£536.98
Brighton and Hove		£82.66	£153.02	£192.48	£230.28	£339.36	£359.18	£664.91	£836.37	£1,006.62	£1,474.60
Bristol		£67.37	£124.83	£151.50	£181.01	£242.33	£292.74	£542.42	£658.30	£786.53	£1,052.98
Bury St Edmunds		£66.06	£102.25	£126.31	£150.36	£216.00	£287.05	£444.30	£548.85	£653.35	£938.57
Cambridge		£80.52	£126.05	£144.96	£168.45	£224.70	£349.88	£547.72	£629.89	£731.96	£976.38
Canterbury		£74.62	£123.86	£154.82	£180.45	£280.60	£324.24	£538.20	£672.73	£784.10	£1,219.27
Central Greater Manchester		£67.20	£101.98	£119.98	£133.32	£186.47	£292.00	£443.13	£521.34	£579.31	£810.26
Central Lancs		£53.67	£89.46	£109.32	£126.58	£161.10	£233.21	£388.73	£475.02	£550.02	£700.02
Central London		£140.62	£260.64	£302.33	£354.46	£417.02	£611.03	£1,132.54	£1,313.70	£1,540.21	£1,812.05
Central Norfolk & Norwich		£63.29	£92.98	£116.92	£135.36	£184.11	£275.01	£404.02	£506.31	£588.17	£800.00
Chelmsford		£69.08	£126.00	£151.50	£186.29	£231.92	£300.17	£547.50	£658.30	£805.13	£1,007.75
Cheltenham		£68.35	£111.83	£143.34	£174.43	£240.59	£297.00	£485.93	£622.85	£757.94	£1,045.42
Cherwell Valley		£73.53	£126.27	£157.36	£187.87	£246.35	£319.51	£546.67	£684.64	£816.34	£1,079.14
Chesterfield		£50.94	£80.55	£97.81	£113.92	£149.69	£221.35	£350.01	£425.01	£485.91	£650.00
Chichester		£73.58	£134.02	£168.00	£198.11	£268.03	£319.72	£582.35	£730.00	£860.84	£1,164.65
Chilterns		£73.64	£145.43	£187.92	£236.34	£344.05	£319.98	£631.83	£816.56	£1,026.95	£1,494.98
Colchester		£64.78	£103.86	£132.32	£161.10	£201.49	£281.48	£449.99	£574.96	£700.02	£888.56
Coventry		£65.65	£92.05	£111.48	£128.19	£170.67	£285.26	£399.98	£484.41	£557.02	£741.60
Crawley & Reigate		£79.55	£151.50	£185.81	£222.54	£300.67	£345.66	£658.30	£807.39	£966.99	£1,345.59
Darlington		£56.26	£75.00	£90.30	£107.11	£145.17	£257.59	£325.89	£394.08	£465.47	£646.18
Derby		£58.82	£84.76	£103.56	£117.70	£155.34	£255.59	£368.26	£449.99	£511.43	£674.99
Dorchester		£55.12	£78.08	£93.23	£103.56	£143.84	£239.51	£339.28	£405.11	£449.99	£625.02
Douac-Shephway		£52.09	£86.30	£115.07	£143.84	£185.01	£256.78	£374.96	£500.01	£625.02	£730.00
Durham		£65.00	£74.79	£86.30	£97.81	£138.08	£282.44	£324.98	£374.99	£425.01	£599.99
East Cheshire		£70.90	£103.56	£130.03	£168.00	£240.60	£308.08	£449.99	£565.01	£730.00	£1,084.57
East Lancs		£53.50	£80.03	£90.30	£104.00	£142.80	£232.47	£347.75	£394.98	£451.90	£620.50
East Thames Valley		£76.27	£151.50	£193.92	£244.89	£334.43	£331.41	£658.30	£842.63	£1,064.11	£1,453.18
Eastbourne		£67.00	£116.53	£151.50	£182.45	£235.34	£291.13	£506.35	£658.30	£792.74	£1,022.61
Eastern Staffordshire		£60.04	£91.58	£103.56	£123.58	£162.40	£260.89	£354.46	£449.99	£536.98	£755.67
Exeter		£74.34	£116.52	£141.24	£164.79	£218.63	£323.03	£506.31	£613.72	£716.05	£950.00
Fylde Coast		£61.50	£85.00	£113.92	£130.00	£150.00	£267.23	£369.35	£495.01	£564.88	£651.79
Gloucester		£68.18	£102.05	£122.36	£147.13	£187.14	£296.28	£399.98	£531.68	£639.31	£813.17
Grantham & Newark		£59.04	£75.78	£99.06	£110.72	£156.00	£256.54	£329.28	£430.44	£481.10	£677.86
Greater Liverpool		£57.77	£90.90	£104.89	£120.82	£155.34	£251.02	£394.98	£455.77	£524.99	£674.99
Grimsby		£52.50	£75.00	£92.05	£99.04	£129.47	£228.13	£325.89	£399.98	£430.35	£562.58
Guilford		£84.04	£170.67	£222.96	£268.03	£345.21	£385.17	£741.60	£968.51	£1,164.65	£1,500.00
Halifax		£64.64	£80.55	£97.81	£115.07	£149.59	£280.88	£350.01	£425.01	£500.01	£650.00
Harrow & Stortford		£70.12	£133.32	£164.79	£198.11	£279.69	£304.69	£579.31	£716.05	£860.84	£1,215.32
Harrogate		£68.35	£110.72	£138.93	£161.10	£219.52	£297.00	£481.10	£594.99	£700.02	£940.83
Herefordshire		£56.50	£92.05	£117.37	£135.19	£163.18	£245.51	£399.98	£510.00	£587.43	£708.97
High Weald		£77.39	£135.36	£176.56	£223.19	£338.82	£336.28	£588.17	£767.20	£969.81	£1,463.56
Hull & East Riding		£60.80	£89.73	£86.30	£103.56	£133.33	£264.19	£392.99	£374.99	£449.99	£575.01
Huntingdon		£63.50	£104.89	£126.00	£150.40	£198.11	£275.92	£455.77	£647.50	£853.52	£860.84
Inner East London		£102.09	£257.39	£302.33	£354.46	£417.02	£443.61	£1,118.25	£1,313.70	£1,540.21	£1,812.05
Inner North London		£100.76	£280.64	£302.33	£354.46	£417.02	£437.83	£1,132.54	£1,313.70	£1,540.21	£1,812.05
Inner South East London		£95.18	£204.06	£265.29	£330.72	£417.02	£413.58	£886.78	£1,152.75	£1,437.06	£1,812.05
Inner West London		£94.38	£253.82	£302.33	£354.46	£417.02	£410.10	£1,102.91	£1,313.70	£1,540.21	£1,812.05
Inner West London		£110.54	£243.18	£302.33	£354.46	£417.02	£480.32	£1,056.68	£1,313.70	£1,540.21	£1,812.05
Ipswich		£57.34	£90.64	£111.83	£129.47	£174.43	£249.16	£493.85	£485.93	£562.58	£757.94
Isle of Wight		£68.50	£93.13	£121.97	£149.59	£184.11	£297.65	£404.67	£526.99	£650.00	£800.00
Kendal		£62.50	£96.91	£123.58	£145.67	£174.81	£271.58	£421.10	£536.98	£632.87	£759.59
Kernow West		£67.09	£104.89	£132.32	£151.50	£185.29	£291.52	£455.77	£574.96	£658.30	£805.13
Kings Lynn		£55.28	£90.64	£112.21	£129.47	£163.16	£240.20	£393.85	£487.58	£562.58	£708.97
Kirkcaldy		£55.00	£80.55	£96.91	£113.92	£149.59	£238.99	£350.01	£421.10	£495.01	£650.00
Lancaster		£57.48	£90.90	£115.07	£132.32	£145.43	£249.76	£394.98	£500.01	£574.96	£631.93
Leeds		£62.48	£100.05	£122.36	£149.59	£195.62	£271.49	£434.74	£531.68	£650.00	£850.02
Leicester		£59.59	£86.30	£109.32	£126.58	£163.16	£256.93	£374.99	£475.02	£550.02	£708.97
Lincoln		£68.90	£81.58	£100.22	£115.07	£148.01	£255.93	£354.46	£435.46	£500.01	£643.14
Lincolnshire Fens		£58.38	£88.28	£110.67	£129.47	£153.02	£253.68	£383.60	£480.89	£562.58	£664.91
Lowestoft & Great Yarmouth		£64.50	£86.23	£104.89	£117.70	£149.17	£280.27	£374.69	£455.77	£511.43	£646.18
Luton		£62.44	£115.18	£146.71	£174.77	£210.62	£271.32	£500.48	£637.49	£759.42	£915.15
Maidstone		£68.28	£123.58	£157.56	£180.45	£235.41	£296.69	£536.98	£684.64	£784.10	£1,022.91
Midway & Swale		£65.66	£110.67	£138.08	£153.02	£198.11	£285.31	£480.89	£599.99	£664.91	£860.84
Mendip		£69.08	£93.23	£123.58	£153.02	£184.11	£300.17	£405.11	£536.98	£664.91	£800.00
Mid & East Devon		£66.70	£96.96	£126.31	£151.50	£192.28	£289.83	£421.31	£548.85	£658.30	£835.50
Mid & West Dorset		£66.70	£105.94	£136.93	£161.10	£200.09	£289.83	£460.33	£594.99	£700.02	£869.44
Mid Staffs		£66.70	£90.90	£113.92	£129.47	£170.67	£289.83	£394.98	£495.01	£562.58	£741.60
Milton Keynes		£69.81	£121.19	£151.50	£180.05	£230.34	£303.34	£526.60	£658.30	£782.36	£1,000.88
Newbury		£73.67	£123.58	£156.38	£188.33	£264.00	£320.11	£536.98	£679.51	£818.34	£1,147.14
North Cheshire		£48.67	£82.05	£109.32	£126.58	£174.81	£212.35	£399.98	£475.02	£550.00	£705.59
North Cornwall & Devon Borders		£66.70	£93.23	£120.06	£139.84	£168.00	£289.83	£405.11	£521.69	£607.64	£730.00
North Cumbria		£58.90	£80.55	£94.39	£112.77	£141.24	£255.93	£350.01	£410.15	£490.01	£613.72
North Devon		£57.25	£92.05	£115.07	£138.08	£163.16	£274.84	£399.98	£500.01	£599.99	£712.02
North Nottingham		£58.41	£72.72	£92.98	£103.56	£145.43	£253.81	£315.99	£404.02	£449.99	£631.93
North West Kent		£70.84	£124.69	£153.02	£174.43	£249.67	£307.82	£541.81	£664.91	£757.94	£1,084.88
North West London		£97.40	£191.38	£242.33	£303.00	£374.40	£378.77	£831.59	£1,052.98	£1,316.61	£1,626.96
Northampton		£66.32	£100.05	£126.31	£139.84	£187.14	£286.18	£434.74	£548.85	£607.64	£813.17
Northants Central		£52.24	£82.40	£105.94	£123.58	£164.79					

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**DISPOSAL OF COUNCIL PROPERTY IN GWYDIR STREET**

<b>Decision of:</b>	<b>Councillor Price</b> , Executive Councillor for Housing		
<b>Reference:</b>	17/URGENCY/HS/2		
<b>Date of decision:</b>	02 June 2017	<b>Recorded on:</b>	02 June 2017
<b>Decision Type:</b>	Key/Non Key Decision		
<b>Matter for Decision:</b>	The Executive Councillor for Housing was asked to agree the disposal on the open market of the HRA asset, property on Gwydir St, in the Petersfield Ward.		
<b>Why the decision had to be made (and any alternative options):</b>	The property falls within a group of properties owned by the Council at 99-103 Gwydir Street. This property is a single story bedsit that was the former store room for a public house that was converted into dwellings. The property was constructed in 1899. The property does not meet the Decent Homes standard and does not meet current living standards.		
<b>The Executive Councillor's decision(s):</b>	Agreed the disposal on the open market of the HRA asset, property on Gwydir St, in the Petersfield Ward.		
<b>Reasons for the decision:</b>	As detailed in the Officer's report.		
<b>Scrutiny consideration:</b>	The Chair and Spokesperson and tenant Vice Chair, of the Housing Scrutiny Committee were consulted prior to the action being authorised.  Comments in objection, from Councillor Holland were noted.		
<b>Report:</b>	<b>NOT FOR PUBLICATION:</b> The appendix to the report relates to an item during which the public is likely to be excluded from the meeting by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972: Information relating to the financial or business affairs of any particular person (including the authority holding that information)		

**Conflicts of interest:**

No conflicts were reported.

**Comments:**

This decision would be reported to the Housing Scrutiny Committee of 20 June 2017.



Appoint a contractor to carry out the heating and hot water refurbishment works at the School Court Sheltered Housing property

<b>Decision of:</b>	<b>Councillor Price</b> , Executive Councillor for Housing		
<b>Reference:</b>	17/URGENCY/HS/3		
<b>Date of decision:</b>	7 <sup>th</sup> June 2017	<b>Recorded on:</b>	7 <sup>th</sup> June 2017
<b>Decision Type:</b>	Key Decision		
<b>Matter for Decision:</b>	The Executive Councillor for Housing was asked to agree the tender as detailed in the confidential report		
<b>Why the decision had to be made (and any alternative options):</b>	<p>Cambridge City Council has carried out a procurement process to appoint a contractor to carry out the heating and hot water refurbishment works at the School Court Sheltered Housing property. The contract award date is estimated as early June 2017. The contract allows for an implementation period between the contract award and the starting date. The planned contract starting date is the 10<sup>th</sup> July 2017.</p> <p>A delay result in a risk that the work is not completed before the colder months of the year.</p>		
<b>The Executive Councillor's decision(s):</b>	<p>Agreed that award the contract as detailed in confidential report.</p> <p><b>NOT FOR PUBLICATION:</b> The report relates to an item during which the public is likely to be excluded from the meeting by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.</p>		
<b>Reasons for the decision:</b>	As detailed in the Officer's report.		
<b>Scrutiny consideration:</b>	The Chair and Spokesperson and tenant Vice Chair, of the Housing Scrutiny Committee were consulted prior to the action being authorised.		
<b>Report:</b>	A report detailing the background and financial considerations is attached.		

**Conflicts of interest:**

No conflicts were reported.

**Comments:**

This decision would be reported to the Housing Scrutiny Committee of 20 June 2017.





To Executive Councillor for Housing  
Report by Business Manager / Principal Accountant (Housing)  
Relevant Scrutiny Committee Housing Scrutiny Committee 20 June 2017

### **2016/17 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Housing Revenue Account**

#### **Key Decision**

#### **1. Executive summary**

1.1 This report presents, for the Housing Revenue Account :

- a) A summary of actual income and expenditure compared to the final budget for 2016/17 (outturn position)
- b) Revenue and capital budget variances with explanations
- c) Specific requests to carry forward funding available from budget underspends into 2017/18.
- d) A summary of housing debt which was written off during 2016/17.

#### **2. Recommendations**

Under Part 1 of the Housing Scrutiny Committee Agenda, the Executive Councillor, is recommended, following scrutiny and debate at Housing Scrutiny Committee:

- a) To approve carry forward requests totalling £544,550 in revenue funding from 2016/17 to 2017/18, as detailed in **Appendix C**

Under Part 2 of the Housing Scrutiny Committee Agenda, the Executive Councillor for Housing is asked to recommend to Council (following scrutiny and debate at Housing Scrutiny Committee):

- b) Approval of carry forward requests of £2,896,000 in HRA and General Fund Housing capital resources from 2016/17 to 2017/18 to fund rephased net capital spending, as detailed in **Appendix D** and the associated notes to the appendix.

#### **3. Background**

##### **Revenue Outturn**

3.1 The overall revenue budget outturn position for the Housing Revenue Account is given in the table below.

2015/16 £'000	Housing Revenue Account Summary	2016/17 £'000	% Final Budget
990	Original Budget (HRA Use of Reserves)	1,751	115%
9,272	Adjustment – Prior Year Carry Forwards	191	13%
270	Adjustment – Service Restructure Costs	0	0%
(97)	Adjustment – Increased Interest Receipts – Reduced Interest Paid	(74)	(5%)
0	Adjustment – Reduced Rent Income	100	7%
0	Adjustment – Reduced Bad Debt Provision	(207)	(14%)
0	Adjustment – Reduced Depreciation	(211)	(14%)
0	Other Adjustments	(28)	(2%)
10,435	Final Budget	1,522	100%
5,497	Outturn	(388)	(25%)
<b>(4,938)</b>	<b>(Under) / Overspend for the year</b>	<b>(1,910)</b>	<b>(125%)</b>
1,987	Carry Forward Requests	545	36%
<b>(2,951)</b>	<b>Resulting Variation for the HRA</b>	<b>(1,365)</b>	<b>(90%)</b>
0	Other variances	0	0%
<b>(2,951)</b>	<b>Variance and reduced use of HRA Reserves</b>	<b>(1,365)</b>	<b>(90%)</b>

- 3.1 **Appendix A** shows original and final budgets for the year (with the movements summarised in the above table) and compares the final budget with the outturn position for the HRA for 2016/17. The original revenue budget for 2016/17 was approved by the Executive Councillor for Housing on 13 January 2016.
- 3.2 **Appendix B** provides explanations of the main variance.
- 3.3 **Appendix C** lists revenue carry forward requests.
- 3.4 The net underspend across the Housing Revenue Account of £1,909,546 incorporates a number of key areas of underspending.
- 3.5 Slippage and savings in the Housing Capital Investment Plan result in a reduced use of revenue financing of capital expenditure of £188,694. Repairs expenditure was £694,578 less than budgeted due in part to, non-delivery of some of the 2016/17 revenue planned maintenance programme (£395,152), a reduction in void activity in 2016/17 (£167,621 and savings in gas servicing costs (£225,045), partially offset by overspending in response repairs of £252,697.

- 3.6 General HRA Services were underspent by £455,339 due predominantly to unrealised costs of corporate change (£301,020), Universal Credit and Pay to Stay (£120,000), with Pay to Stay having now been abolished at a national level.
- 3.7 Special HRA Services were underspent by £138,361 due to reduced temporary housing demand (£71,448); lower than anticipated estate management costs (£33,126) and a vacancy held in the Independent Living Service pending restructure (£35,017).
- 3.8 Interest received in the HRA was greater than anticipated (£136,682) and income that hadn't been budgeted for, in the form of liquidated and ascertained damages for rent lost due to delays in the new build (£340,586).

### Capital Outturn

- 3.9 The overall capital budget outturn position for the Housing Capital Investment Plan (HRA and Housing General Fund) is provided in the table below. **Appendix D** shows the outturn position by programme with the associated notes providing explanations of variances.

2015/16 £'000	HRA Capital Summary	2016/17 £'000	% Final Budget
29,946	Original Budget	37,271	142%
13,758	Adjustments (Re-phasing from prior year)	2,171	8%
(6,830)	Other Adjustments	(13,159)	(50%)
36,874	Final Budget	26,283	100%
33,355	Outturn	23,373	89%
<b>(3,519)</b>	<b>(Under)/Overspend for the year</b>	<b>(2,910)</b>	<b>(11%)</b>
2,171	Re-phasing Requests	2,896	11%
<b>(1,348)</b>	<b>(Under ) / Overspend</b>	<b>(14)</b>	<b>(0.1%)</b>

- 3.10 Spending in the Housing Capital Investment Plan in 2016/17 was below that originally anticipated, with significant reduction in the budget for new build expenditure as part of the Medium Term Financial Strategy in September / October 2016.
- 3.11 At outturn, against the latest capital budget approved, underspending of £1,271,000 was evident in new build investment, with slippage of £1,186,000 identified. This related predominantly to delays at Anstey Way, Akeman Street and the 2015/16 garage sites, where obtaining vacant possession and planning permissions has introduced some delays.
- 3.12 Investment in the housing stock, in respect of decent homes and other capital activity was underspent by £1,125,000, but taking into consideration income of £245,000 from leaseholders which is reported separately, the need to defer £1,162,000 of investment into future years has been identified.

- 3.13 Some slippage in the programme is in respect of the refurbishment scheme at Ditchburn Place (£341,000), where work on site has now begun, but where costs did not begin to be incurred until the latter part of 2016/17.
- 3.14 Permission is sought to re-phase the use of £189,000 direct revenue financing of capital expenditure from the Housing Revenue Account into 2017/18, and to recognise deferred receipt of £1,164,000 of capital receipts for the sale of shared ownership properties, using these to finance re-phased capital expenditure identified.
- 3.15 Recognition also needs to be given to an increased use of major repairs reserve as a funding source in 2016/17, which meant a reduction in the use of capital balances in the year. The impact of this will be a mitigating reduction in the anticipated use of major repairs reserve funding in 2017/18, with an increased call upon capital balances instead. Using major repairs reserve funding first ensures that the resource with the greatest flexibility is retained for the longest, providing greater alternative options for its use if capital schemes underspend.

### **HRA Write Offs**

- 3.16 In line with the revised process for the writing off of HRA debt, considered by Housing Scrutiny Committee in March 2015, this report also provides an appendix detailing write off of HRA debt during the financial year 2016/17. **Appendix E** includes a summary of debt written off by both category of write off and also value banding.

## **4. Implications**

- 4.1 The variance from the final revenue budget (see above), would result in a decreased use of Housing Revenue Account of £1,909,546. After rephasing resource for capital projects financed from revenue, and carry forward of revenue resource to fund deferred revenue expenditure, the overall variance and decreased use of Housing Revenue Account Reserves is £1,364,996.
- 4.2 A decision not to approve a carry forward request may impact on officers' ability to deliver the service or scheme in question and this could have staffing, equality and poverty, environmental, procurement, consultation and communication and/or community safety implications.

## **5. Background Papers**

- Directors Variance Explanations – March 2017
- Budgetary Control Reports to 31 March 2017

## **6. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact:

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## Housing Committee - Housing Revenue Account

## Revenue Budget 2016/17 - Final Outturn

Service Grouping	Original Budget £'s	Final Budget £'s	Outturn £'s	Variation Increase/ (Decrease) £'s	Carry Forward Requests - see Appendix C £'s	Net Variance £'s
<b>INCOME</b>						
Dwelling Rents	(36,900,310)	(36,799,670)	(36,730,708)	68,962	0	68,962
Rental Income (Other)	(1,086,020)	(1,086,020)	(1,132,706)	(46,686)	0	(46,686)
Service Charges	(2,573,880)	(2,520,840)	(2,610,877)	(90,037)	0	(90,037)
Contributions towards Expenditure	(3,270)	(3,270)	(8,265)	(4,995)	0	(4,995)
Other Income (Incl. RTB Capitalisation)	(443,400)	(471,750)	(812,336)	(340,586)	0	(340,586)
<b>Total Income</b>	<b>(41,006,880)</b>	<b>(40,881,550)</b>	<b>(41,294,892)</b>	<b>(413,342)</b>	<b>0</b>	<b>(413,342)</b>
<b>EXPENDITURE</b>						
Supervision & Management (General)	3,571,980	3,039,970	2,584,631	(455,339)	125,000	(330,339)
Supervision & Management (Special)	2,566,540	2,405,850	2,267,489	(138,361)	0	(138,361)
Repairs & Maintenance	6,287,430	7,038,190	6,343,612	(694,578)	230,860	(463,718)
Depreciation	11,626,690	9,694,970	9,283,652	(411,318)	0	(411,318)
Debt Management Expenditure	0	0	0	0	0	0
Other Expenditure	3,400,820	3,755,040	3,723,367	(31,673)	0	(31,673)
<b>Total Expenditure</b>	<b>27,453,460</b>	<b>25,934,020</b>	<b>24,202,751</b>	<b>(1,731,269)</b>	<b>355,860</b>	<b>(1,375,409)</b>
<b>Net Cost of HRA Services</b>	<b>(13,553,420)</b>	<b>(14,947,530)</b>	<b>(17,092,141)</b>	<b>(2,144,611)</b>	<b>355,860</b>	<b>(1,788,751)</b>
Interest Receivable (Interest on Balances)	(298,530)	(353,600)	(490,282)	(136,682)	0	(136,682)
<b>(Surplus) / Deficit on the HRA for the Year</b>	<b>(13,851,950)</b>	<b>(15,301,130)</b>	<b>(17,582,423)</b>	<b>(2,281,293)</b>	<b>355,860</b>	<b>(1,925,433)</b>
<b>Appropriations / Other Movement in the HRA Balance</b>						
Loan Interest	7,541,290	7,522,470	7,503,146	(19,324)	0	(19,324)
Housing Set-Aside	0	0	0	0	0	0
Depreciation Adjustment (MRA)	(3,177,620)	(1,457,280)	(1,012,691)	444,589	0	444,589
Impairment	0	0	135,176	135,176	0	135,176
Direct Revenue Financing of Capital	11,238,900	10,757,900	10,569,206	(188,694)	188,690	(4)
<b>(Surplus) / Deficit for year</b>	<b>1,750,620</b>	<b>1,521,960</b>	<b>(387,586)</b>	<b>(1,909,546)</b>	<b>544,550</b>	<b>(1,364,996)</b>
<b>(Surplus) / Deficit b/f</b>	<b>(9,790,558)</b>	<b>(9,790,558)</b>	<b>(9,790,558)</b>			
<b>Transfer to / from Ear-Marked Reserves</b>	<b>(13,200)</b>	<b>0</b>	<b>0</b>			
<b>Balance Carried Forward</b>	<b>(8,053,138)</b>	<b>(8,268,598)</b>	<b>(10,178,144)</b>	<b>0</b>	<b>0</b>	<b>0</b>

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted

and are detailed and approved:

- in the January committee cycle (as part of the Budget-Setting Report)
- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Financial Strategy - MTFS)
- via technical adjustments/virements throughout the year

## Housing Committee - Housing Revenue Account

### Revenue Budget 2016/17 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
<b>Supervision and Management (General)</b>		
HRA Departmental Overheads	Budgets set aside to meet the HRA share of corporate change, including corporate restructures, shared services and office accommodation changes were not utilised in 2016/17. Some of this expenditure was accounted for at the end of 2015/16 and the office accommodation costs are expected to be realised in 2017/18.	(301,020)
City Homes	Staff underspend due to vacancies held pending restructure and budget held for Universal Credit vired to meet the anticipated up-front costs of Pay to Stay that did not materialise when the policy was abolished. Under-occupation scheme not fully subscribed in 2016/17.	(161,682)
Strategic Advisor - Housing and Welfare Reforms	Following issue of the implementation paper for the second phase of the Housing Services Restructure, and the subsequent staff selection process, it was necessary to account for likely redundancy and capitalised pension costs in 2016/17, based upon the staff at risk at 31/3/2017, despite the costs not actually being incurred until final decisions had been made in April / May 2017.	46,690
Area Office Costs	The budget identified for closure of the south area office and re-location of staff to the north area office was not needed in full.	(19,775)
Departmental Overheads (HRA)	Funds set-aside in the HRA to meet any costs of maternity cover that the services were unable to meet, were not required in 2016/17, and provision made for the redundancy costs from the first phase of the Housing Services Restructure was not utilised in full. These savings were partially offset by the HRA being required to meet costs of the Housing Development Agency, where set up and management costs were incurred that were not recoverable as fees through capital new build projects.	(12,223)
	Minor Variations	(7,329)
	<b>Total</b>	<b>(455,339)</b>
<b>Supervision and Management (Special)</b>		
Temporary Accommodation	Underspending due to a significant reduction in the number of temporary housing units required during 2016/17, coupled with utility costs being lower than anticipated due to contract renegotiations.	(71,448)
Estate Management	Underspending in estate based services, particularly in the cost of bulky refuse removal on housing estates and in communal electricity costs, where the latest contract resulted in lower expenditure in 2016/17.	(33,126)

## Housing Committee - Housing Revenue Account

### Revenue Budget 2016/17 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Independent Living Service	Underspending in employee costs due to a staff vacancy held pending the outcome of the Housing Services restructure, where the post was ultimately deleted as part of the implementation process.	(35,017)
	Minor Variations	1,230
	<b>Total</b>	<b>(138,361)</b>
<b>Repairs and Maintenance</b>		
Planned Repairs	Under spend due to delays in surveying for external repairs and re-painting by contractor resulted in delay in Section 20 consultation and therefore the commencement of work.	(395,152)
Response Repairs	Unanticipated replacement of felt to flat roofing, adverse weather conditions, under-recovery of direct works team and costs of covering long term absence all contribute to an overspend in 2016/17.	252,697
Void Repairs	Underspend due to lower than anticipated number of voids in the year, partially offset by higher average void cost than predicted.	(167,621)
Gas Servicing	Savings were realised in 2016/17 as a result of re-procurement of the gas servicing contract. The budget for this work going forward was reduced as part of the 2017/18 budget process.	(255,045)
Technical Services	Underspending primarily in employee costs, (due to staff vacancies being held pending the outcome of the Housing Transformation Programme), although full extent mitigated by additional costs incurred in employment of agency support staff in the short term . Significant underspend in training budget although this has been addressed for 2017/18 as full training plan agreed, as derived from Performance Reviews. Some underspending in specialist consultants, as the requirement is variable and in IT and general procurement costs, with the latter due to enhanced skills within existing workforce.	(95,960)
Energy Rating	Budget for ad-hoc energy initiatives was not fully utilised during 2016/17 as a direct result of staff changes which meant that capacity to invest this resource was reduced. This budget has been reduced for future years.	(23,345)
	Minor Variations	(10,152)
	<b>Total</b>	<b>(694,578)</b>

## Housing Committee - Housing Revenue Account

### Revenue Budget 2016/17 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
<b>Other HRA Expenditure</b>		
Depreciation	The level of depreciation charged to the HRA for 2016/17 was lower than anticipated. This was predominantly due to delays in the new build delivery programme, where fewer assets required depreciating in 2016/17 than anticipated.	(411,318)
Bad Debt Provision	The contribution to the bad debt provision for 2016/17 was lower than budgeted based upon the opening fund balance, call on the fund in the year and the incidence of both current and former tenant arrears at 31st March 2017.	(67,412)
Council Tax on Voids	The cost of Council Tax in void properties was higher than anticipated, predominantly due to the need to pay Council Tax for new build dwellings well in advance of them being ready for occupation.	41,369
	Minor Variations	(5,630)
	<b>Total</b>	<b>(442,991)</b>
<b>HRA Income and Other</b>		
Dwelling Rents	Rent income was under-achieved by 0.19% due predominantly to delays in the delivery of some of the new build housing programme in 2016/17.	68,962
Rental Income (Other)	Rental income from commercial property was higher than anticipated due to favourable rent reviews coupled with delays in securing vacant possession for the units at Akeman Street, where rents are still being received whilst commercial tenants are in occupation.	(46,686)
Service Charges	Service Charge income was over-achieved due to a combination of the continued use of empty units at Ditchburn Place for emergency move-on accommodation and changes in the way in which leasehold income is accounted for when actuals are calculated after the end of each financial year.	(90,037)
Other Income	Liquidated and ascertained damages (LAD's) were received from Keepmoat for a number of new build schemes, where delays in delivery have meant loss of rental income to the HRA. Revenue income received as a direct result of capitalising the costs associated with RTB's was higher than anticipated due to the number of homes sold in 2016/17.	(340,586)
	Minor Variations	(4,995)



**Housing Committee - Housing Revenue Account****Revenue Budget 2016/17 - Major Variances from Final Revenue Budgets**

<b>Service Grouping</b>	<b>Reason for Variance</b>	<b>Amount £</b>
	<b>Total</b>	<b>(413,342)</b>

## Housing Committee - Housing Revenue Account

### Revenue Budget 2016/17 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
<b><i>HRA Interest, Premiums and Appropriations</i></b>		
Direct Revenue Funding of Capital Expenditure (DRF)	A reduced demand on the use of revenue funding of capital was realised in 2016/17, due to slippage in the Housing Capital Investment Programme. This included the impact of delays in the major refurbishment project at Ditchburn Place, coupled with some slippage in new build, decent homes investment, other spend on the housing stock and estate investment. This resource will instead be required in 2017/18.	(188,694)
Depreciation Adjustment	Transfer of funding into the Major Repairs Reserve (the equivalent of depreciation for HRA dwelling assets) can be adjusted under transitional arrangements for a five year period, after which full depreciation will be applicable. The transitional income adjustment for 2016/17 was lower than budgeted as a direct result of the changes in the level of depreciation charged in 2016/17 as described above.	444,589
Interest Received	Interest is received in the HRA based upon both revenue and capital balances held. Interest received in respect of HRA balances during 2016/17 was significantly higher than anticipated due to a combination of the level of underspending across the HRA as a whole and the levels of retained right to buy receipts and other capital receipts held. The resulting higher cash balances at 31st March 2017 mean that interest earned was greater than budgeted.	(136,682)
Impairment	This year-end adjustment, following receipt of asset valuations, relates to revaluation losses on non-dwelling assets, particularly garages, which unlike dwelling revaluation movements, are not permitted to be reversed elsewhere in the accounts.	135,176
	Minor Variations	(19,324)
	<b>Total</b>	<b>235,065</b>
<b>Total for Housing Revenue Account</b>		<b>(1,909,546)</b>

## Housing Committee - Housing Revenue Account

### Revenue Budget 2016/17 - Carry Forward Requests

**Request to Carry Forward Housing Revenue Account Budgets from 2016/17 into 2017/18 and future years**

Item		Request £
	<p><b>Director - S Hemingway</b></p> <p><b>Supervision and Management General</b></p> <p>Resource identified for the HRA contribution to accommodation changes was not called upon in 2016/17, but is instead expected to be utilised in 2017/18 when many of the changes will now take place.</p> <p><b>Supervision and Management Special</b></p> <p>No carry forward requests from 2016/17 into 2017/18</p> <p><b>Repairs and Maintenance</b></p> <p>A budget was established in 2016/17 to pay for costs associated with the implementation of the new planned maintenance contract. The procurement has been delayed and the implementation will take place May - September 2017. Carried forward budget, if approved, will cover joint NEC3 contract training sessions with new contractor, facilitated implementation workshop, set up of CEMAR contract management system. other implementation costs / licences.</p> <p><b>1</b></p> <p>A carry forward of budget is requested to complete the 2016/17 hard wire testing programme as awarded to TSG.</p> <p><b>2</b></p> <p>A carry forward of budget is requested to complete the 2015/16 and 2016/17 external repair and paint programmes due to delays in surveys and Section 20 consultation processes (£197,500) and also £5,490 to complete the 2016/17 smoke detector installation and replacement programme with TSG.</p> <p><b>3</b></p> <p><b>Appropriations</b></p> <p>A marginally lower than anticipated use of revenue funding of capital was evident in 2016/17 as a direct result of underspending in the Housing Capital Investment Plan, predominantly relating to a delay in the delivery of the new build schemes and the major refurbishment project at Ditchburn Place . This resource, in addition to resource for decent homes and other planned works to the housing stock, estate investment and other HRA capital spend, will instead be required in 2017/18 to fund the deferred expenditure.</p> <p><b>4</b></p>	<p>125,000</p> <p>20,000</p> <p>7,870</p> <p>202,990</p> <p>188,690</p>
	<b>Total Carry Forward Requests for Housing Revenue Account / Housing Scrutiny Committee</b>	<b>544,550</b>

## 2016/17 Housing Capital Investment Plan - HRA &amp; General Fund Housing

	Original Budget £000's	Current Budget £000's	Outturn £000's	Variance £000's	Re-phase Spend £000's	Notes	Re-Phasing Year				Budget
							2017/18 £000's	2018/19 £000's	2019/20 £000's	Post 2019/20 £000's	2017/18 £000's
<b>General Fund Housing Capital Spend</b>											
Investment in Non-HRA Affordable Housing	0	0	0	0			0	0	0	0	0
Other General Fund Housing	745	796	755	(41)		1	0	0	0	0	797
<b>Total General Fund Housing Capital Spend</b>	<b>745</b>	<b>796</b>	<b>755</b>	<b>(41)</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>797</b>
<b>HRA Capital Spend</b>											
Decent Homes Programme	5,350	4,771	4,457	(314)	715	2	487	123	80	25	6,657
Other Spend on HRA Stock	3,296	3,150	2,339	(811)	447	3	447	0	0	0	2,489
HRA New Build & Acquisition	22,905	16,452	15,181	(1,271)	1,186	4	1,186	0	0	0	35,643
City Homes Estate Improvement Programme	0	52	20	(32)	21	5	21	0	0	0	21
Sheltered Housing Capital Investment	2,408	528	187	(341)	341	6	341	0	0	0	2,137
Other HRA Capital Spend	344	534	434	(100)	186	7	186	0	0	0	1,016
Inflation Allowance	2,223	0	0	0			0	0	0	0	1,171
<b>Total HRA Capital Spend</b>	<b>36,526</b>	<b>25,487</b>	<b>22,618</b>	<b>(2,869)</b>	<b>2,896</b>		<b>2,668</b>	<b>123</b>	<b>80</b>	<b>25</b>	<b>49,134</b>
<b>Total Housing Capital Spend</b>	<b>37,271</b>	<b>26,283</b>	<b>23,373</b>	<b>(2,910)</b>	<b>2,896</b>		<b>2,668</b>	<b>123</b>	<b>80</b>	<b>25</b>	<b>49,931</b>
<b>Housing Capital Resources</b>											
Right to Buy Receipts (General Use)	(522)	(302)	(519)	(217)	0	8	0	0	0	0	(305)
Right to Buy Receipts (Retained for New Build / Acquisition)	(5,242)	(3,116)	(6,745)	(3,629)	0	8	0	0	0	0	(8,464)
Right to Buy Receipts (Debt Set-Aside)	0	0	(1,798)	(1,798)	0	8	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	(1,532)	(1,612)	(80)	0	9	0	0	0	0	0
MRA / MRR	(10,292)	(923)	(5,990)	(5,067)	5,067	10	5,067	0	0	0	(13,484)
Client Contributions	0	0	(297)	(297)	0	11	0	0	0	0	0
Direct Revenue Financing of Capital	(11,239)	(10,758)	(10,569)	189	(189)	12	(189)	0	0	0	(1,115)
Other Capital Resources (Grants / Shared Ownership / Loan Repayments / BSR)	(2,755)	(2,890)	(1,665)	1,225	(1,164)	13	(1,164)	0	0	0	(19,309)
Prudential Borrowing	0	0	0	0	0		0	0	0	0	0
<b>Total Housing Capital Resources</b>	<b>(30,050)</b>	<b>(19,521)</b>	<b>(29,195)</b>	<b>(9,674)</b>	<b>3,714</b>		<b>3,714</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(42,677)</b>
<b>Net (Surplus) / Deficit of Resources</b>	<b>7,221</b>	<b>6,762</b>	<b>(5,822)</b>	<b>(12,584)</b>			<b>6,382</b>	<b>123</b>	<b>80</b>	<b>25</b>	<b>7,254</b>
<b>Capital Balances b/f</b>	<b>(23,794)</b>	<b>(23,794)</b>	<b>(23,794)</b>								<b>(10,203)</b>
<b>Use of / (Contribution to) Balances in Year</b>	<b>7,221</b>	<b>6,762</b>	<b>(5,822)</b>				<b>6,382</b>	<b>123</b>	<b>80</b>	<b>25</b>	<b>7,254</b>
Set-aside for future Debt Redemption	5,079	5,079	6,877			8					
Ear-marked for specific Retained Right to Buy Receipts 1-4-1 Investment	9,047	9,047	12,536			8					
<b>Residual capital resources remaining to fund future Housing Investment Programme</b>	<b>(2,447)</b>	<b>(2,906)</b>	<b>(10,203)</b>								<b>(2,949)</b>

Changes between original and final budgets may be made to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Financial Strategy - MTFS)
- in the January committee cycle (as part of the Budget-Setting Report, BSR)
- via technical adjustments/virements throughout the year

## Notes to the Housing Capital Investment Plan

Note	Reason for Variance
1	Overspending of £75,000 in respect of Disabled Facilities Grants, is more than offset by underspending in Private Sector Grants of £119,000. A small overspend of £3,000 in respect of the choice based lettings IT implementation was evident at the end of the project.
2	A net underspend of £314,000 in decent homes expenditure during 2016/17 is a combination of under and overspending against the specific decent homes elements. Overspending in wall structure (£110,000), HHSRS (£110,000), re-roofing (£15,000) and entrance doors (£6,000), is more than offset by underspending in kitchens (£84,000), bathrooms (£80,000), other health and safety works (£52,000), roof structure works (£19,000), re-wiring (£346,000), energy and insulation works (£105,000), central heating (£39,000), major voids (£59,000), sulphate (£25,000), chimneys (£15,000) and internal officer fees (£50,000). These variances are before accounting for leaseholder income, which is reported separately. Contractor overheads shows an apparent overspend of £316,000 against decent homes works, but is offset by an underspend in overheads against other HRA works of £375,000. Re-phasing of underspending in 2016/17 into 2017/18 is requested in respect of energy improvements (£94,000), major voids (£59,000), Re-wiring (£220,000), re-roofing (£27,000), other health and safety works (£62,000) and roof structure works (£25,000). Re-phasing into 2018/19 is requested in respect of kitchens (£84,000) and central heating (£39,000), and into 2019/20 in respect of bathrooms (£80,000). £25,000 in respect of sulphate remedial works is to be re-phased to the end of the sulphate programme.
3	A net underspend of £811,000 was evident in 2016/17, combining underspending in a number of areas where work is still required and funds will need to be re-phased into 2017/18, including; disabled adaptations (£49,000), communal area works (£136,000, with £182,000 to be re-phased after recognition of leasehold income), asbestos (£50,000, all to be re-phased), internal officer fees (£18,000), garages (£23,000, all to be re-phased), hard-surfacing works (£59,000, all to be re-phased), communal floor coverings (£58,000, with £28,000 to be re-phased), fire works (£71,000, with £46,000 to be re-phased) and contractor overheads (£375,000, with £59,000 to be re-phased after offset against the overspend in decent homes overheads). Overspending in lifts and door entry systems of £29,000 was reported at year end, before recognition of leasehold income.
4	The net underspend in the new build programme in 2016/17 relates to a combination of delays in delivery in some areas of the programme, coupled with spending ahead of profile in respect other schemes. Negative re-phasing of £247,000 is required, recognising earlier than budgeted use of resource for the Water Lane (£100,000), Hawkins Road (£39,000) and Fulbourn Road (£108,000) sites in 2016/17. Slippage of resource for Clay Farm (£142,000), Anstey Way (£465,000), Akeman Street (£129,000) and the 2015/16 garage sites (£697,000) is requested into 2017/18. The profile of spending on all of these schemes will be reviewed again as part of the HRA Medium Term Financial Strategy, in the light of resources held and the timeframes in which expenditure must be incurred within.
5	Some of the projects identified as part of the last phase of the City Homes Estate Improvement Programme are yet to be completed and resources of £21,000, for the underspend of £32,000, are requested to be carried forward into 2017/18 to allow these projects to take place.
6	Underspending of £341,000 in respect of the budget for work to re-develop Ditchburn Place is requested to be re-phased into 2017/18 to allow this scheme, which is now on site, to progress in phases across a 30 month build programme, which will result in the re-provision of flats for the purpose extra care housing for a minimum of 30 residents, but with the capacity for utilising all 50 units for this purpose in the future if required.

7	A net underspend of £100,000 in this area of the programme comprises a higher level of activity in respect of shared ownership re-purchase in 2016/17 (£112,000 over budget), more than offset by delays in the project to re-locate Stores to Cowley Road (£130,000). Funding to upgrade aspects of housing IT system has not been utilised in 2016/17, due to the decision to re-procure the entire system, with a request to re-phase the underspend of £23,000 into 2017/18 to meet any required preliminary investment. The balance of funding for projects to introduce the Cambridge Public Sector IT Network (£23,000) will not now be required, whilst funding to complete works to HRA commercial premises (£33,000) is requested as a carry forward into 2017/18 to allow completion of all ongoing projects.
8	58 properties were sold in total during 2016/17. £519,000 of the capital receipt is available for general use (after all costs have been deducted from each receipt), while £1,798,000 of the overall capital receipt is identified as set-aside to be offset against the debt associated with the unit no longer owned. A further £6,745,000 of right to buy receipts have been retained by the local authority in 2016/17, but must be re-invested in financing up to 30% of additional social housing units, provided this is done within a 3 year time frame. The authority is required to invest a significant sum during 2017/18 to ensure that it meets its responsibilities under the retention agreement, and this is likely to mean the acquisition of further dwellings on the open market, as insufficient new build schemes are expected to deliver in the required timeframes, otherwise putting the receipts at risk of being returned.
9	Capital receipts totalling £1,612,000 in respect of the sale of property on the open market coupled with the value of land transfer for the market housing at some of the new build / re-development sites, were accounted for in 2016/17. The receipts have been, or will be, used to 70% match fund retained right to buy receipts in 2016/17 and beyond. The over-achievement in receipts of £80,000 was in respect of an adjustment to the recognised notional land value for the Wadloes Road scheme.
10	The major repairs reserve was used to finance decent homes and other investment in the housing stock expenditure in 2016/17 as opposed to utilising capital balances. The effect of this will be to reduce the use of capital receipts in 2016/17, leaving them available for wider investment purposes in 2017/18 and to reduce the use of the major repairs reserve in 2017/18, where use of this resource is more limited.
11	Income was recovered from leaseholders in 2016/17 in relation to their share of the cost of major improvements undertaken as part of the decent homes programme (£246,000) and was also received from private residents in relation to contributions towards DFG's or private sector housing repair grants (£51,000).
12	Due to marginal slippage in the housing capital plan in 2016/17, the use of revenue funding for capital purposes was less than anticipated. A request to adjust the use of revenue funding of capital expenditure in 2017/18, resulting in the deferred use of £189,000, will ensure that there is sufficient funding to meet the re-phased expenditure requested above.
13	Receipts from the re-sale of shared ownership dwellings in 2016/17 were less than estimated, but this was partially offset by the receipt of repair assistance loan repayments, which are not budgeted for as they can't be anticipated. Anticipated capital receipts for the sale of the shared ownership units on the Homerton site (£795,000) and for a sale at Water Lane (£369,000) were not realised in 2016/17, and the expected benefit of this resource has been deferred until 2017/18.



To Executive Councillor for Housing  
Report by Chief Executive, Strategic Directors and Head of Finance  
Relevant Scrutiny Committee Housing Scrutiny Committee 20 June 2017

### **2016/17 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Housing Portfolio**

#### **Key Decision**

#### **1. Executive summary**

1.1 This report presents, for the General Fund Housing Portfolio :

- a) A summary of actual income and expenditure compared to the final budget for 2016/17 (outturn position)
- b) Revenue and capital budget variances with explanations
- c) Specific requests to carry forward funding available from budget underspends into 2017/18.

#### **2. Recommendations**

Members of the Scrutiny Committee are asked to consider and make known their views on the following proposals for consideration by the Executive Councillor for Finance and Resources at the Strategy and Resources Scrutiny Committee on 3 July 2017:

- a) Carry forward requests totalling £57,060 revenue funding from 2016/17 to 2017/18, as detailed in **Appendix C**, noting that none are proposed for this portfolio on this occasion.
- b) Carry forward requests of £3,091,000 in capital resources from 2016/17 to 2017/18 to fund rephased net capital spending, as detailed in **Appendix D**.

#### **3. Background**

##### **Revenue Outturn**

3.1 The overall revenue budget outturn position for the General Fund Housing Portfolio is given in the table below. Detail, by service grouping, is presented in **Appendix A**.

2015/16 £'000	General Fund Housing Portfolio Revenue Summary	2016/17 £'000	% Final Budget
3,330	Original Budget	3,438	102.7
67	Adjustment – Prior Year Carry Forwards	0	-
(2)	Adjustment – Service Restructure Costs	(89)	(2.7)
(13)	Adjustment – Earmarked Reserves	(1)	(0.0)
9	Adjustment – Capital Charges	0	-
1	Adjustment – Central & Support reallocations	0	-
0	Other Adjustments	0	-
3,392	Final Budget	3,348	100.0
3,310	Outturn	3,196	95.5
<b>(82)</b>	<b>Variation - (Under)/Overspend for the year</b>	<b>(152)</b>	<b>(4.5)</b>
0	Carry Forward Requests	57	1.7
<b>(82)</b>	<b>Resulting Variance</b>	<b>(95)</b>	<b>(2.8)</b>

- 3.1 **Appendix A** shows original and final budgets for the year (with the movements summarised in the above table) and compares the final budget with the outturn position for this portfolio for 2016/17. The original revenue budget for 2016/17 was considered by the Executive Councillor for Housing on 13 January 2016.
- 3.2 **Appendix B** provides brief explanations of the main variances.
- 3.3 **Appendix C** lists any revenue carry forward requests, with none requested on this occasion.
- 3.4 Net underspending of £152,087 was predominantly due to underspending in Housing Strategy as a direct result of vacant or partially vacant posts, coupled with receipt of Community Housing Fund Grant of £52,000, which will not be spent until 2017/18. Homelessness costs and the costs of choice based lettings were also underspent in 2016/17, whilst the Housing Advice was overspent due to the need to account for the Housing General Fund aspects of the costs of wider housing restructuring.

### Capital Outturn

- 3.5 The overall capital budget outturn position for the General Fund Housing Portfolio is given in the table below. **Appendix D** shows the outturn position by scheme and programme with explanations of variances.



<b>2015/16 £'000</b>	<b>General Fund Housing Portfolio Capital Summary</b>	<b>2016/17 £'000</b>	<b>% Final Budget</b>
316	Final Budget	5,992	100.0
49	Outturn	2,900	48.4
<b>(267)</b>	<b>Variation - (Under)/Overspend for the year</b>	<b>(3,092)</b>	<b>(51.6)</b>
210	Re-phasing Requests	3,091	51.6
<b>(57)</b>	<b>Variance</b>	<b>(1)</b>	<b>(0.0)</b>

- 3.6 Resource of £200,000 to create an Empty Homes Loans Fund was not utilised in 2016/17. Due to the nature of the scheme, which intends to recycle the £200,000 in the form of loans awarded and later repaid, the budget is requested as a carry forward into 2017/18 to allow progression of the scheme.
- 3.7 The project to deliver a new community centre on the Clay Farm site has been delayed during 2016/17 due to construction issues. Now resolved, work on site has re-commenced, with completion now anticipated to be in mid-July 2017.

#### 4. Implications

- 4.1 The net variance from the final budget (see above), would result in a decreased use of General Fund reserves of £95,027, after allowing for carry forwards.
- 4.2 A decision not to approve a carry forward request may impact on officers' ability to deliver the service or scheme in question and this could have staffing, equality and poverty, environmental, procurement, consultation and communication and/or community safety implications.

#### 5. Background papers

- Closedown Working Files 2016/17
- Directors' Variance Explanations – March 2017
- Capital Monitoring Reports – March 2017
- Budgetary Control Reports to 31 March 2017

#### 6. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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## General Fund Housing Portfolio / Housing Committee

## Revenue Budget - 2016/17 Outturn

Service Grouping	Original Budget £	Final Budget £	Outturn	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
<b>Housing General Fund</b>						
<b>Housing Strategy, Home Aid, Housing Aid / Needs</b>						
Housing Advice Service	878,740	880,240	924,504	44,264	0	44,264
Town Hall Lettings	36,400	36,400	36,400	0	0	0
Housing Strategy	158,880	161,880	37,279	(124,601)	52,340	(72,261)
Home Aid / Home Improvement Grants	53,320	53,320	46,828	(6,492)	0	(6,492)
Shared Home Improvement Agency	0	0	0	0	0	0
	<b>1,127,340</b>	<b>1,131,840</b>	<b>1,045,011</b>	<b>(86,829)</b>	<b>52,340</b>	<b>(34,489)</b>
<b>Housing General Fund, Other</b>						
Homelessness Costs	196,960	196,960	181,695	(15,265)	0	(15,265)
Choice Based Lettings (Revenue Running Costs)	35,260	35,260	18,007	(17,253)	0	(17,253)
Grants to Housing Agencies	752,190	752,190	746,431	(5,759)	0	(5,759)
Bermuda Road Garages	(7,830)	(7,830)	(6,321)	1,509	0	1,509
Racial Harassment	37,580	37,580	38,976	1,396	0	1,396
Supporting People	22,460	7,480	0	(7,480)	0	(7,480)
Growth - Community Services	60,140	60,140	63,595	3,455	0	3,455
Strategic Housing Direct Overheads	102,470	0	0	0	0	0
Strategic Housing and City Homes GF Recharges	(17,200)	(17,200)	(17,200)	0	0	0
Housing Development Agency (H.D.A)	0	0	0	0	0	0
125 / 451 Newmarket Road - Revenue costs	(12,060)	(12,160)	(2,065)	10,095	0	10,095
Anti Social Behaviour	66,160	0	0	0	0	0
Contribution to / from HRA	360,250	441,390	427,787	(13,603)	0	(13,603)
Syrian Re-Settlement	0	0	0	0	0	0
Ditchburn Place Care Contract Deficit	0	0	0	0	0	0
	<b>1,596,380</b>	<b>1,493,810</b>	<b>1,450,905</b>	<b>(42,905)</b>	<b>0</b>	<b>(42,905)</b>
<b>Total Housing General Fund</b>	<b>2,723,720</b>	<b>2,625,650</b>	<b>2,495,916</b>	<b>(129,734)</b>	<b>52,340</b>	<b>(77,394)</b>
<b>Environment - Environmental Health</b>						
Housing Standards	508,720	508,720	512,526	3,806	0	3,806
Property Accreditation	65,790	65,790	66,633	843	0	843
Energy Officer	148,340	147,580	120,578	(27,002)	4,720	(22,282)
Housing Standards - Income Generation	(8,250)	0	0	0	0	0
<b>Total Environment</b>	<b>714,600</b>	<b>722,090</b>	<b>699,737</b>	<b>(22,353)</b>	<b>4,720</b>	<b>(17,633)</b>
<b>Total Net Budget</b>	<b>3,438,320</b>	<b>3,347,740</b>	<b>3,195,653</b>	<b>(152,087)</b>	<b>57,060</b>	<b>(95,027)</b>

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted

and are detailed and approved:

- in the January committee cycle (as part of the Budget-Setting Report)
- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium-Term Financial Strategy, MTFS)
- via technical adjustments/virements throughout the year

## General Fund Housing Portfolio / Housing Scrutiny Committee

### Revenue Budget 2016/17 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
<b>Housing Strategy, Home Aid, Housing Advice, General Fund and Other Housing</b>			
Housing Advice Service	Expenditure in the Housing Advice Service for 2016/17 exceeded the budget due to a combination of the need to account for the housing general fund share of the potential exit costs anticipated to arise from the Housing Service Restructure (£23,000), coupled with additional staff costs to address workload arising from the implementation of the new choice based lettings system (£33,000). This was partially offset by the receipt of additional income in this service area.	44,264	David Greening
Housing Strategy	Housing Strategy underspent by £59,000 due to the vacant Growth Development Office post and 7 hours of the vacant Housing Strategy Manager post, coupled with associated underspending in operational costs as a direct result of the vacancies. Community Housing Fund grant income of £52,000 was also received in the latter part of the year, to be spent in partnership with South Cambridgeshire District Council in 2017/18. The Sub-Regional Housing Service shows an underspend of £13,000, as all of the costs, including the Council's overheads associated with this service were funded by contributions from local authority partners and registered providers or from reserves available from prior years.	(124,601)	Helen Reed
Choice Based Lettings (Revenue Running Costs)	The implementation of a new IT system for choice based lettings has resulted in a reduction in IT costs for 2016/17. In the first year, this saving was more than offset by the need to deploy additional staff in the Housing Advice Service (see above) to deal with issues arising from the project.	(17,253)	David Greening
Homelessness Costs	Lower than anticipated spending in respect of the placement of homeless households in bed and breakfast in 2016/17, resulted in underspending in this service area.	(15,265)	David Greening
Other		(16,879)	
<b>Total</b>		<b>(129,734)</b>	
<b>Environment - Environmental Health</b>			
Energy Officer	Carry forward request for £4,720 to promote Collective Energy Switch Scheme. Underspends relating to staffing budgets and (£4,500) transferred from holding code relating to CAN East	(27,002)	Jo Dicks

## General Fund Housing Portfolio / Housing Scrutiny Committee

### Revenue Budget 2016/17 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Other		4,649	
<b>Total</b>		<b>(22,353)</b>	
<b>Total for Housing Portfolio / Housing Scrutiny Committee</b>		<b>(152,087)</b>	

## General Fund Housing Portfolio / Housing Committee

### Revenue Budget 2016/17 - Carry Forward Requests

Request to Carry Forward Budgets from 2016/17 into 2017/18 and future years

Item		Request £	Contact
1	<p><b>Housing General Fund</b></p> <p>Community Housing Fund Grant awarded for promoting / developing community-led housing. A carry forward is requested to allow work with South Cambridgeshire District Council (also awarded grant) on how to make best use of the grant for the benefit of both districts.</p>	52,340	Helen Reed
2	<p><b>Environment - Environmental Health</b></p> <p>Carry forward request relates to the Cambridgeshire Collective Switching Scheme - the carry forward will allow for effective promotion of the scheme with three campaigns planned for 2017/18</p>	4,720	Jo Dicks
	<b>Total Carry Forward Requests for General Fund Housing Portfolio / Housing Scrutiny Committee</b>	<b>57,060</b>	

General Fund Housing Portfolio / Housing Committee

Capital Budget 2016/17 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC597	Empty Homes Loans Fund	Y O'Donnell	200	200	0	(200)	200	0	The nature of this scheme is to recycle funds, so a variance is likely to exist on an ongoing basis. Rephase of budget into 2017/18 is requested.
PV529	Upgrade facilities at 125 Newmarket Road	D Greening	10	10	9	(1)	0	(1)	Work to upgrade the facilities at 125 Newmarket Road, with the re-phased budget in 2016/17 to meet residual retention costs. Scheme now finalised.
PV526 / PV564	Clay Farm Community Centre (Phase I - Section 106) and (Phase 2 - Construction)	A Carter	5,782	5,782	2,891	(2,891)	2,891	0	Completion has been delayed due to construction issues. Works have now re-commenced and are due to complete mid July 2017. The projected capital spend remains within budget.
<b>Total Provisions</b>			<b>5,992</b>	<b>5,992</b>	<b>2,900</b>	<b>(3,092)</b>	<b>3,091</b>	<b>(1)</b>	
<b>Total for Housing</b>			<b>5,992</b>	<b>5,992</b>	<b>2,900</b>	<b>(3,092)</b>	<b>3,091</b>	<b>(1)</b>	

Changes between original and final budgets may be made to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium-Term Financial Strategy, MTFS)
- in the January committee cycle (as part of the Budget-Setting Report, BSR)
- via technical adjustments/virements throughout the year



To: Executive Councillor for Housing  
Report by: Alan Carter  
Relevant scrutiny committee: Housing 20 June 2017  
Wards affected: All

### **Appointment of Cost Consultant**

### **Non Key Decision**

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#### **1. Executive summary**

This report is about securing the services of a cost consultant to independently verify that schemes in the Council's New Build Housing Programme represent value for money and to provide ancillary services in respect of compliance with health and safety regulations.

#### **2. Recommendations**

The Executive Councillor is recommended to agree delegated authority to a Strategic Director to procure the services of a cost consultant to independently verify that schemes in the Council's New Build Housing Programme represent value for money and to provide ancillary services in respect of compliance with health and safety regulations.

#### **3. Background**

At the March 2017 Housing Committee, the Executive Councillor for Housing approved a development framework within which new housing by the Council would be delivered. The development framework was approved in the context of the Council's opportunity to fund new social rented housing using Devolution Housing Grant and to use the Council's new development partnership, Cambridge Investment Partnership (CIP), as the prime investment and delivery vehicle.

Irrespective of the partnership philosophy behind CIP, it is recommended that the Council commission the services of an independent cost consultant

to verify that the costs on new housing schemes delivered through CIP represent value for money in the housing market. In a more traditional contractual relationship the Council would commission the services of a quantity surveyor or an employer's agent to undertake this role and for example, AECOM have been fulfilling this function in recent years following a procurement exercise.

In addition to verifying costs it is the intention that the cost consultant will be also act on behalf of the Council to ensure certain health and safety requirements for new housing schemes are met.

#### **4. Implications**

##### **(a) Financial Implications**

The cost of the consultant will be charged to the capital budget for each scheme.

##### **(b) Staffing Implications**

The Housing Development Agency will manage the cost consultant on behalf of the Council as part of their project management role to deliver new housing schemes.

##### **(c) Equality and Poverty Implications**

There are no specific equality and poverty implications of this report. The development framework for new housing by the Council, approved at the March 2017 Housing Scrutiny Committee was informed by an EQIA. Each scheme specific approval will be informed by an EQIA if current residents are required to move.

##### **(d) Environmental Implications**

There are no environmental implications of this report. Each scheme specific approval will cover any environmental implications.

##### **(e) Procurement**

The Housing Development Agency will procure the cost consultant on behalf of the Council in line with the Council's procurement rules.

##### **(f) Consultation and communication**



There are no consultation and communication implications of this report. The development framework for new housing by the Council, approved at the March 2017 Housing Scrutiny Committee sets out the Council's commitment to involve residents in new housing schemes.

**(g) Community Safety**

There are no community safety of this report.

**5. Background papers**

None

**6. Appendices**

None

**7. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact:

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To: Executive Councillor for Housing  
Report by: Alan Carter  
Relevant scrutiny committee: Housing 20 June 2017  
Wards affected: All

### **New Build Housing Programme**

### **Non Key Decision**

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#### **1. Executive summary**

This report provides an up-date on the sites in the Council's New Build Housing Programme – whether recently completed; under construction or being assessed in terms of feasibility and viability for development. The latter is known as the Rolling Programme.

#### **2. Recommendations**

The Executive Councillor is recommended to :

- a. Note the up-dated position of schemes including those on the current Rolling Programme (see Appendix 1)
- b. Approve the new Rolling Programme (see Appendix 2)

#### **3. Background**

At the March 2017 Housing Committee, the Executive Councillor for Housing approved a development framework within which new housing by the Council would be delivered. The framework included a commitment to bring a report to the Housing Committee every year to demonstrate progress of schemes on the Rolling Programme.

One notable change agreed as part of the framework was to accept that new sites can be added to the Rolling Programme 'in-year' subject to consultation with the Executive Councillor for Housing; the Chair of the Housing Scrutiny Committee; and Opposition Spokespersons.

The principle behind the Rolling Programme is that it allows transparency on which sites are being assessed for new housing. Each site will require scheme specific approval by the Executive Councillor for Housing following Housing Committee scrutiny.

Appendix 1 provides a summary of the schemes that were completed in 2016/17 and those that are currently under construction.

Appendix 2 provides an up-date on the position of schemes in the Rolling Programme.

Appendix 3 provides confirms the current Rolling Programme for approval.

Subject to a decision at the Community Services Scrutiny Committee meeting on 29 June 2017 regarding the Community Centres Review, the Meadows Centre and Buchan Street Community Centre will be added to the Rolling Programme to assess the feasibility of optimising the sites for housing and community facilities.

## **4. Implications**

### **(a) Financial Implications**

It is likely that the Devolution Housing Grant will be the main source of funding for schemes in the Rolling Programme that progress into development. However, scheme funding will be confirmed should a scheme be brought to the Committee for scheme specific approval.

### **(b) Staffing Implications**

The scheme on the Rolling Programme will be project managed by the Greater Cambridge Housing Development Agency (the shared housing development agency between the City Council, South Cambridgeshire District Council and Cambridgeshire County Council) in liaison with City Homes; Estates and Facilities; and the Council's corporate support teams. Additional resource will be available through the Cambridge Investment Partnership.

### **(c) Equality and Poverty Implications**

The development framework for new housing by the Council, approved at the March 2017 Housing Scrutiny Committee was informed by an EQIA. Each scheme specific approval will be informed by an EQIA if current residents are required to move.

**(d) Environmental Implications**

There are no environmental implications of this report. Each scheme specific approval will cover any environmental implications.

**(e) Procurement**

There are no procurement implications of this report. Each scheme specific approval will cover any procurement implications, although it anticipated that the majority of schemes will be delivered through the Cambridge Investment Partnership.

**(f) Consultation and communication**

There are no consultation and communication implications of this report. The development framework for new housing by the Council, approved at the March 2017 Housing Scrutiny Committee sets out the Council's commitment to involve residents in new housing schemes.

**(g) Community Safety**

There are no community safety of this report. Each scheme specific approval will cover any community safety implications.

**5. Background papers**

None

**6. Appendices**

Appendix 1 – Schemes completed in 2016.17 or currently under construction

Appendix 2 - Up-date on the Rolling Programme.

Appendix 3 - Rolling Programme at June 2017

**7. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact:

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## Appendix 1 Recently completed schemes and schemes under construction

Scheme	Total Social Housing	
Water Lane	14	Completed at turn of financial year. Completion delayed from June 2017 due to ongoing issue with contractor (Keepmoat) regarding construction of walkway to flats for older people. 9 additional properties have also been acquired by the Cambridge Housing Company.
Aylesborough Close	20	Complete October 2016. 15 additional properties have also been acquired by the Cambridge Housing Company.
Hawkins	9	Delayed from June 2016 due to ongoing issue regarding utility company service connections. Completion expected June 2017.
Fulbourn	8	Programme delayed due to need to realign sewer previously not detected. Completion estimated June 2017.
Ekin Road	6	Construction complete but delayed handover due to failure of contractor to discharge some planning conditions. Completion estimated May 2017.
Clay Farm	104	Phased completion from December 2016 to March 2018.
Homerton	39	Completion from December 2016 to March 2017.
Uphall Road	2	Pilot scheme. Council as contractor. Started on site.
18 Unit Garage and Infill	16	Loss of two units in pre-planning process - now 16. Planning approved for 3 sites and 7 units. 9 units at pre-application stage.
Ditchburn Place Refurbishment		Planning permission granted. Start on site December 2016. Two year refurbishment.
Anstey Way	54	Has been on hold pending HRA funding issues. Now to proceed using Devolution Grant and Cambridge Investment Partnership (CIP). Scheme reapproved committee March 2017.
<b>Total Committed</b>	<b>272</b>	

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## Appendix 2 – Up-date on the Rolling Programme

	Ward	City Homes	Existing AH Units	Indicative New AH Units	Progress
<b>9 to 10a Ventress Close and adjacent Garages</b>	Queen Ediths	South	3	19	Scheme approved for development at the March 2017 Housing Committee. <b>To be moved from Rolling Programme to the active programme.</b>
<b>Colville Rd Ph 2 (flats 66-80b)</b>	Cherry Hinton	South	20	55	Site includes a public car park with recycling facilities. In addition to the 20 Affordable Housing units there are 4 leasehold flats. Feasibility and viability work is under way via the H DA and CIP.
<b>Aylesborough close Ph 2 (65-75 Verulam Way and 15-34 Aylesborough Close and 2-24 Fordwith Close)</b>	Arbury	North	40	Not known	The existing flats include 4 leaseholders in addition to the 40 Affordable Housing. The design and layout and condition of the properties is poor and they make poor use of the land. Scheme was to be prioritised to submit to Housing Scrutiny Committee by January 2016 at the latest but due to changes in funding progression of this scheme was put on hold. Scheme continues to be assessed.
<b>Land to rear 55 Wulfstan Way</b>	Queen Edith's	South	0	2	This site came forward following discussions with the neighbouring chapel about development of Council owned land. The site could accommodate a minimum of 2 no. 2 bedroom units but further work is underway via the H DA and CIP to investigate land assembly to allow more new homes to be provided. Scheme potentially to be brought to Housing Scrutiny Committee on 21

## Appendix 2 – Up-date on the Rolling Programme

					September 2017.
<b>Lichfield Road Infill Sites</b>	Coleridge	South	0	Not known	Feasibility work not yet started. .
<b>Davey Road Garages</b>	Coleridge	South	0	6	Feasibility work not yet started.
<b>131 Ditton Fields</b>	Abbey	South	1	6	3 bed house with very large back garden. House currently let as Temporary Housing to facilitate investigation of development potential. Feasibility work underway but a second priority scheme for the H DA and CIP
<b>1 Queensmeadow</b>	Cherry Hinton	South	0	2	Large garden site cordoned off on re-let. Planning approval for two new homes. <b>To be moved from the Rolling Programme to the active programme if approved to be taken forward.</b>
<b>39 Hills Avenue</b>	Queen Ediths	South	0	1	Large garden site cordoned off on re-let. Planning approval for one new home. Started on site. <b>To be moved from the Rolling Programme to then active programme if approved to be taken forward.</b>
<b>Akeman Street</b>	Arbury	North	2	16	5 commercial units and 5 flats on site at present, 3 of flats are leased with a commercial unit. Site approved at Housing Scrutiny Committee in January 2016. This scheme is planned to be brought back to Committee for final approval 21 September 2017.

## Appendix 2 – Up-date on the Rolling Programme

<b>Colville Road Garages</b>	Cherry Hinton	South	0	3	Currently a garage site. Feasibility work has now started via the H DA and CIP.
<b>1-20 and 81-91 Hawkins Road garages</b>	Arbury	North	0	6	The existing flats at Campkin Road have been removed from the 3 Year Rolling Programme. However there is considered to be some merit in continuing to review the potential of the redevelopment of any garage area. Feasibility work not yet started and has been allocated a low priority for H DA and the CIP.
<b>Northfield Avenue Garages</b>	Kings Hedges	North	0	2	Currently a garage site. Feasibility work not yet started.
<b>Bridewell Road</b>	Cherry Hinton	South	0	1	Back-land development. Land assembly constraints but the Council has recently acquired a house that will allow feasibility work to progress.
<b>Tillyard Way Garages</b>	Queens Ediths	South	0	2	Land assembly constraints may make site problematic.
<b>Howard Way</b>	Abbey	South	0	1	Back-land development. Access constraints.
<b>Flamsteed Road Garages</b>	Coleridge	South	0	Not known	Currently a garage site. Feasibility work not yet started.
<b>Walpole Road land (rear of 35-53 Walpole Road)</b>	Cherry Hinton	South	0	12	Assessment in the last twelve months suggests that up to 12 units could be provided on the site but as there are a number of constraints to redevelopment, the site has not be prioritised for further investigation.

## Appendix 2 – Up-date on the Rolling Programme

<b>Markham Close Garages</b>	Kings Hedges	North	0	2	Initial investigations suggest that up to 2 units could be provided on the site but as there are a number of constraints to redevelopment. Feasibility continues to be assessed via the H DA and CIP.
<b>Woodhouse Way Garages</b>	Kings Hedges	North	0	2	Multiple access rights may constrain development and the site has not be prioritised for further investigation. .

# Appendix 3 – Rolling Programme at June 2017

	Ward	City Homes	Existing AH Units	Indicative New AH Units	Progress
<b>Colville Rd Ph 2 (flats 66-80b)</b>	Cherry Hinton	South	20	55	Site includes a public car park with recycling facilities. In addition to the 20 Affordable Housing units there are 4 leasehold flats. Feasibility and viability work is under way via the H DA and CIP.
<b>Aylesborough close Ph 2 (65-75 Verulum Way and 15-34 Aylesborough Close and 2-24 Fiddwith Close)</b>	Arbury	North	40	Not known	The existing flats include 4 leaseholders in addition to the 40 Affordable Housing. The design and layout and condition of the properties is poor and they make poor use of the land. Scheme was to be prioritised to submit to Housing Scrutiny Committee by January 2016 at the latest but due to changes in funding progression of this scheme was put on hold. Scheme continues to be assessed.
<b>Land to rear 55 Wulfstan Way</b>	Queen Edith's	South	0	2	This site came forward following discussions with the neighbouring chapel about development of Council owned land. The site could accommodate a minimum of 2 no. 2 bedroom units but further work is underway via the H DA and CIP to investigate land assembly to allow more new homes to be provided. Scheme potentially to be brought to Housing Scrutiny Committee on 21 September 2017.
<b>Lichfield Road Infill Sites</b>	Coleridge	South	0	Not known	Feasibility work not yet started. .

# Appendix 3 – Rolling Programme at June 2017

<b>Davey Road Garages</b>	Coleridge	South	0	6	Feasibility work not yet started.
<b>131 Ditton Fields</b>	Abbey	South	1	6	3 bed house with very large back garden. House currently let as Temporary Housing to facilitate investigation of development potential. Feasibility work underway but a second priority scheme for the H DA and CIP
<b>Akeman Street</b>	Arbury	North	2	16	5 commercial units and 5 flats on site at present, 3 of flats are leased with a commercial unit. Site approved at Housing Scrutiny Committee in January 2016. This scheme is planned to be brought back to Committee for final approval 21 September 2017.
<b>Conville Road Garages</b>	Cherry Hinton	South	0	3	Currently a garage site. Feasibility work has now started via the H DA and CIP.
<b>1-20 and 81-91 Hawkins Road garages</b>	Arbury	North	0	6	The existing flats at Campkin Road have been removed from the 3 Year Rolling Programme. However there is considered to be some merit in continuing to review the potential of the redevelopment of any garage area. Feasibility work not yet started and has been allocated a low priority for H DA and the CIP.
<b>Northfield Avenue Garages</b>	Kings Hedges	North	0	2	Currently a garage site. Feasibility work not yet started.
<b>Bridewell Road</b>	Cherry Hinton	South	0	1	Back-land development. Land assembly constraints but the Council has recently acquired a house that will allow feasibility work to progress.

# Appendix 3 – Rolling Programme at June 2017

<b>Tillyard Way Garages</b>	Queens Ediths	South	0	2	Land assembly constraints may make site problematic.
<b>Howard Way</b>	Abbey	South	0	1	Back-land development. Access constraints.
<b>Flamsteed Road Garages</b>	Coleridge	South	0	Not known	Currently a garage site. Feasibility work not yet started.
<b>Walpole Road land (rear of 35-53 Walpole Road)</b>	Cherry Hinton	South	0	12	Assessment in the last twelve months suggests that up to 12 units could be provided on the site but as there are a number of constraints to redevelopment, the site has not be prioritised for further investigation.
<b>Markham Close Garages</b>	Kings Hedges	North	0	2	Initial investigations suggest that up to 2 units could be provided on the site but as there are a number of constraints to redevelopment. Feasibility continues to be assessed via the H DA and CIP.
<b>Woodhouse Way Garages</b>	Kings Hedges	North	0	2	Multiple access rights may constrain development and the site has not be prioritised for further investigation. .

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To: Executive Councillor for Housing: Councillor Kevin Price  
 Report by: Amelia Norman  
 Relevant scrutiny committee: Housing Scrutiny Committee 20/6/2017  
 Wards affected: Queen Edith

## **New Social Housing on Housing Revenue Account Infill Site at Hills Avenue**

### **Key Decision**

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#### **1. Executive summary**

This report provides an update relating to an infill site which was granted scheme specific approval as part of a group of small infill sites at Housing Scrutiny Committee in June 2016. The site is to be brought forward in the Council's social housing programme, to be included in the Housing Revenue Account (HRA) garage and small in-fill sites development.

The report requests approval to an updated capital budget for the HRA in relation to the site at Hills Avenue, Queen Edith

#### **2. Recommendations**

The Executive Councillor is recommended:

- Approve the site to continue to be investigated to be developed for housing.
- Allocate the capital budget of £249,216 from existing new build budget.
- approve that delegated authority be given to the Strategic Director to enable the site to be developed through Cambridge Investment Partnership (CIP)

#### **3. Background**

As the main provider of housing in Cambridge, the reasons why the Council has its own new build housing programme are as follows;

1. Provide additional social housing to meet the shortfall in Cambridge and to replace the loss of social housing through the Right to Buy.
2. Replace some of the Council's existing social housing that no longer meets current day standards and is becoming less popular with residents.
3. Build new house types that will better meet the overall mix of Affordable Housing needed in the future.
4. Improve the energy efficiency of the Council's housing.

The Council has completed 213 new council homes so far with a further 141 to be completed in the coming year. This includes those homes that are significantly progressed on the Quad scheme on the Southern Fringe that will deliver a total of 104 homes.

Officers have identified sites to provide more social housing and have categorised new schemes opportunities in terms of land ownership as follows;

- a. Housing Revenue Account (HRA) land with existing housing
- b. HRA garage and small in-fill sites
- c. General Fund sites
- d. Sites owned by other public sector bodies
- e. Sites in private ownership

As part of the devolution deal Cambridge City Council have committed to providing 500 new homes over 5 years and sites such as this enable progression towards reaching this target.

This report provides details of one small additional site identified by staff which was approved to be incorporated into the already approved development of HRA garage and small in-fill sites. The site was given approval on a programme basis rather than individually. Updated approval is therefore requested for £249,216 budget to deliver this site.

The proposed project is a site previously identified in the 3 Year Rolling Programme. The site does not require the redevelopment of existing housing. The new social housing has been assessed as being for rent at Affordable Rents set at Local Housing Allowance levels.

The site at Hills Avenue has been separated from the large garden of existing stock when the property was recently re-let and the incoming tenant informed of the development proposals.

Appendix 1 provides location plan for this site.

## 4. Implications

### (a) Financial Implications

The capital budget required for the Hills Avenue Site is **£249,216**

As schemes are subject to planning, the costs are indicative, however have been based on recently received budgets on other infill sites.

Based on these indicative viability assessments the budget for the sites is broken down as follows;

Site	Proposed House Type	Number	Indicative Budget	Payback Year
Hills Avenue	3 bed house	1	£249,216	1

The indicative budgets provided above are fully inclusive of works costs and all associated professional fees.

The Housing Revenue Account Mid-Term Financial Review captures the funding available for the ongoing social housing programme. The budget for this scheme will utilise funding of £74,765 (30% of the total indicative scheme costs) from Right to Buy receipts, that must be expended to prevent them from being lost . It is then proposed to utilise devolution grant to fund the remaining 70% of the total indicative scheme costs.

It is possible to bring forward this small site for development, before previously identified schemes that are currently on hold, due to the relatively small financial resource required for delivery. This small site also has the benefit that it does not require any decanting of existing residents or purchase of leasehold properties that impact on the financial costs of the scheme and the timescales for delivery. It is hoped that by including this site in a package of works with other small infill sites that savings can be made to deliver at costs less than those identified above.

As with all new build schemes as schemes are finalised they will only proceed if they can be funded within borrowing and capital funding parameters in the HRA 30 Business Plan.

### (b) Staffing Implications (if not covered in Consultations Section)

The schemes will be managed by the Housing Development Agency following liaison with City Homes; the Estates and Facilities Service and the Legal Services Team.

There are no other significant staff implications.

**(c) Equality and Poverty Implications**

A series of EQIAs have been undertaken for the Council House Programme, the Housing Development Service and for individual schemes. The EQIAs mainly highlight the benefits of the Council retaining direct control of new housing development itself to ensure a focus on the delivery of housing that meets a diverse range of housing needs. Part of the assessment underlines the need for Affordable Housing to help those most likely to suffer poverty as well as ways in which new Affordable Housing will directly save money for tenants, such as energy saving measures.

**(d) Environmental Implications**

The social housing will be built in accordance with the Cambridge Sustainable Housing Design Guide, which equates to the equivalent of code Level 4 for sustainable homes.

**(e) Procurement**

The site will be brought forward through the Cambridge Investment Partnership to maximise value for money and to ensure delivery of the scheme is brought forward in a timely manner.

**(f) Consultation and communication**

This scheme does not involve the redevelopment of existing residential accommodation. However, neighbouring residents whose homes adjoin the site have been made aware that we are considering the site for redevelopment. No further correspondence has taken place between residents and the Council, but we propose to work closely with neighbouring residents to ensure they are well informed on our development proposals going forward.

Internal communication will be structured around the established groups that meet every Committee cycle and oversee the Council's social housing programme, namely; an officer group; a residents consultative group; and the Members Steering Group.

**(g) Community Safety**

There are no recognised implications on Community Safety with the proposed developments.

**5. Background papers**

None

**6. Appendices**

Appendix 1 provides location plans for the site.

**7. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact:

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## **Development of Vacant Land Adjacent to 39 Hills Avenue**

### **Project Appraisal**

#### **1. Summary**

This scheme includes an area of vacant land that was separated from the existing garden when the property at 39 Hills Avenue was re-let, having been identified as a potential development site by City Homes Staff.

There are no existing properties on this site.

#### **2. Reason for Investigation:**

When properties become void and are re let, City Homes assess gardens associated with the property, and its potential for redevelopment if sufficiently size. This land at Hills Avenue was deemed to have suitable amenity space for the existing house whilst allowing potential development of the remaining separated land.

As the Council looks to provide more affordable housing across the City, it is small infill sites such as this that present good potential opportunities for development.

This scheme was included in the Council's three year rolling programme of sites to investigate further the feasibility and viability of development following committee approval in June 2016.

#### **3. Engagement with Existing Residents**

This development does not include the replacement of existing housing.

However, due to the proximity to existing properties, we have written to the neighbouring residents at 38 and 39 Hills Avenue and 11 and 12 Baldock Way to notify them that the Council is investigating the potential of the land for development of affordable housing. Minimal response was received from residents in relation to the letter.

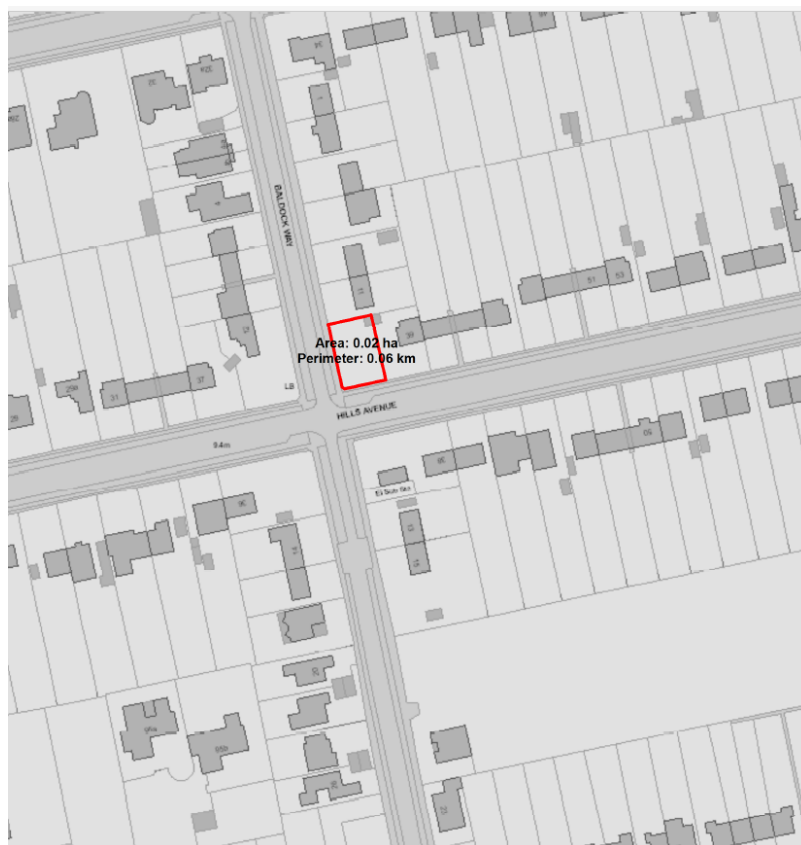
A further letter was sent informing residents that the Council would be erecting hoarding to the site boundary to minimise the risk of fly tipping occurring. There was no further correspondence following the issue of this letter.

Should this scheme receive approval to proceed at committee, then the Housing Development Agency (HDA) will continue to work closely with neighbouring residents to ensure they are involved and informed on the development of the vacant land.

#### **4. Feasibility:**

##### **The Site**

The below plan shows the area for the proposed scheme:



The table below shows the proposed mix approved of new homes for the site.



Option	Scheme Proposal
1	1 x 3B5P Flat

## Site Constraints

Advice was sought from planning consultants in relation to the planning opportunities and constraints on this site including, but not limited to flood risk, highways, residential amenity and heritage considerations.

Some conclusions to the planning appraisal undertaken are noted below:

- Site is within close proximity to neighbouring property at 39 Hills Avenue.
- Protected trees located on site frontage

Therefore proposed design will need to minimise impact on the protected trees and the neighbouring property from an overlooking perspective and the proposed layout plan included in the appendix of this document is indicative only, of what could be accommodated on the site.

## Local Housing Need

There is a recognised need for more affordable housing across the city. The table below demonstrates the number of households on the Housing Needs Register. There are currently 235 households in need of a 3 bedroom property, and the progression of this scheme would help in meeting the needs of those on the list.

Cambridge City	1bed	2 bed	3 bed	4 bed
	1746	734	235	51

## 5. Proposed scheme

The indicative redevelopment scheme proposed for this site is as follows:

1no. 3 bed 5 person house

## **6. Costs, Funding and Viability**

The Housing Revenue Account (HRA) Business Plan already allows for the spending of Right to Buy Receipts and funding the balance of costs to be met by Devolution grant.

As with all new build developments as details are progressed they will only proceed if they can be funded within borrowing and capital funding parameters in the HRA 30 Business Plan. If a final scheme cannot be delivered within the budget requested then a revised approval will need to be brought back to Committee for scrutiny.

### **Capital Costs**

The total capital budget required to deliver this scheme is approximately £249,216. This fee includes for planning and architect and all other associated on costs, broken down as follows.

Works costs	£211,200
On costs including professional fees	£31,680

**Viability** – A benchmark used by Registered Providers whether a new scheme is viable is when the scheme breaks even in revenue terms (typically 12 years) and when the total capital used is paid back (typically 30 years). This benchmark relates particularly to vacant sites.

Pay-back period –

Year 1

**Rent Levels (net of Service Charge) –**  
3 bed £168.45

### **VAT implications**

VAT is not payable on new build construction costs. However, advice will be sought from the Council's VAT specialist to ensure that there are no adverse VAT issues affecting the project.

### **The Procurement**

This scheme is being progressed through the Cambridge Investment Partnership.

### **Key Risks**

- A planning application will need to be developed, submitted and approved.

### **Other implications**

An Employers Agent/Quantity Surveyor will be appointed as part of the Delivery Team to support the Housing Development Agency.

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To: Executive Councillor for Housing: Councillor Kevin Price  
 Report by: Amelia Norman  
 Relevant scrutiny committee: Housing Scrutiny Committee 20/6/2017  
 Wards affected: Cherry Hinton

## **New Social Housing on Housing Revenue Account Infill Site at Queens Meadow**

### **Key Decision**

---

#### **1. Executive summary**

This report provides an update relating to an infill site which was granted scheme specific approval as part of a group of small infill sites at Housing Scrutiny Committee in June 2016. The site is to be brought forward in the Council's social housing programme, to be included in the Housing Revenue Account (HRA) garage and small in-fill sites development.

The report requests approval to an updated capital budget for the HRA in relation to the site at Queens Meadow, Cherry Hinton.

#### **2. Recommendations**

The Executive Councillor is recommended:

- approve the site to continue to be investigated to be developed for housing.
- allocate the capital budget of a maximum of £447,809 for the development from existing newbuild budget.
- note the proposed indicative unit type and approve that this be progressed for planning approval. Planning consultants have highlighted that option 1 may present minor challenges from a planning perspective, and so the executive Councillor is recommended to approve option 2 as well, in the event that option 1, though slightly more financially viable, is not suitable in planning terms.

- approve that delegated authority be given to the Strategic Director to enable the site to be developed through Cambridge Investment Partnership (CIP)

### **3. Background**

As the main provider of housing in Cambridge, the reasons why the Council has its own new build housing programme are as follows;

1. Provide additional social housing to meet the shortfall in Cambridge and to replace the loss of social housing through the Right to Buy.
2. Replace some of the Council's existing social housing that no longer meets current day standards and is becoming less popular with residents.
3. Build new house types that will better meet the overall mix of Affordable Housing needed in the future.
4. Improve the energy efficiency of the Council's housing.

The Council has completed 213 new council homes so far with a further 141 to be completed in the coming year. This includes those homes that are significantly progressed on the Quad scheme on the Southern Fringe that will deliver a total of 104 homes.

Officers have identified sites to provide more social housing and have categorised new schemes opportunities in terms of land ownership as follows;

- a. Housing Revenue Account (HRA) land with existing housing
- b. HRA garage and small in-fill sites
- c. General Fund sites
- d. Sites owned by other public sector bodies
- e. Sites in private ownership

As part of the devolution deal Cambridge City Council have committed to providing 500 new homes over 5 years and sites such as this enable progression towards reaching this target.

This report provides details of one small additional site identified by staff which was approved to be incorporated into the already approved development of HRA garage and small in-fill sites. The site was given

approval on a programme basis rather than individually. Updated approval is therefore requested a maximum of £447,809 budget to deliver this site.

The proposed project is a site previously identified in the 3 Year Rolling Programme. The site does not require the redevelopment of existing housing. The new social housing has been assessed as being for rent at Affordable Rents set at Local Housing Allowance levels.

The site at Queens Meadow was separated from a large garden plot of existing stock when the property was re-let and the incoming tenant informed of the development proposals.

Appendix 1 provides location plan for this site.

## 4. Implications

### (a) Financial Implications

The capital budget required for the Queens Meadow Site is a maximum of **£447,809**

As schemes are subject to planning, the costs are indicative, however have been based on recently received budgets on other infill sites.

Based on these indicative viability assessments the budget for the sites is broken down as follows;

Site	Proposed House Type	Number	Indicative Budget	Payback Year
Queens Meadow (Option 1)	1 bed flat	3	£447,809	1
Queens Meadow (option 2)	2 bed houses	2	£430,936	1

The indicative budgets provided above are fully inclusive of works costs and all associated professional fees.

The Housing Revenue Account Mid-Term Financial Review captures the funding available for the ongoing social housing programme. The budget for this scheme will utilise funding of up to £134,343 (30% of the total indicative scheme costs) from Right to Buy receipts, that must be expended to prevent them from being lost . It is then proposed to utilise devolution grant to fund the remaining 70% of the total indicative scheme costs.

It is possible to bring forward this small site for development, before previously identified schemes that are currently on hold, due to the relatively small financial resource required for delivery. This small site also has the benefit that it does not require any decanting of existing residents or purchase of leasehold properties that impact on the financial costs of the scheme and the timescales for delivery.

As with all new build schemes as schemes are finalised they will only proceed if they can be funded within borrowing and capital funding parameters in the HRA 30 Business Plan.

**(b) Staffing Implications** (if not covered in Consultations Section)

The schemes will be managed by the Housing Development Agency following liaison with City Homes; the Estates and Facilities Service and the Legal Services Team.

There are no other significant staff implications.

**(c) Equality and Poverty Implications**

A series of EQIAs have been undertaken for the Council House Programme, the Housing Development Service and for individual schemes. The EQIAs mainly highlight the benefits of the Council retaining direct control of new housing development itself to ensure a focus on the delivery of housing that meets a diverse range of housing needs. Part of the assessment underlines the need for Affordable Housing to help those most likely to suffer poverty as well as ways in which new Affordable Housing will directly save money for tenants, such as energy saving measures.

**(d) Environmental Implications**

The social housing will be built in accordance with the Cambridge Sustainable Housing Design Guide, which equates to the equivalent of code Level 4 for sustainable homes.

**(e) Procurement**

The site will be brought forward through the Cambridge Investment Partnership to maximise value for money and to ensure delivery of the scheme is brought forward in a timely manner.

**(f) Consultation and communication**



This scheme does not involve the redevelopment of existing residential accommodation. However, neighbouring residents whose homes adjoin the site have been made aware that we are considering the site for redevelopment.

The site is currently hoarded and neighbours updated on progress and proposed timescales.

Internal communication will be continued with the City Homes staff.

**(g) Community Safety**

There are no recognised implications on Community Safety with the proposed developments.

**5. Background papers**

None

**6. Appendices**

Appendix 1 provides location plans for the site.

**7. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact:

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## **Development of Land Adjacent to 1 Queens Meadow**

### **Project Appraisal**

#### **1. Summary**

This scheme includes an area of previous garden land that was separated from the tenancy when the property at 1 Queens Meadow was re-let, having been identified as a potential opportunity by City Homes staff.

There are no existing properties on this site.

#### **2. Reason for Investigation:**

When properties become void and are re let, City Homes assess garden land associated with the property, and it's potential for redevelopment if sufficiently sized. This garden at Queens Meadow was deemed to have suitable amenity space for the existing house whilst allowing potential development of the remaining separated land.

As the Council looks to provide more affordable housing across the City, it is similar infill sites such as this that present good potential opportunities for development.

This scheme was included in the Council's three year rolling programme of sites to investigate further the feasibility and viability of development following committee approval in June 2016.

#### **3. Engagement with Existing Residents**

This development does not include the replacement of existing housing.

However, due to the proximity to existing properties, we have written to the neighbouring residents at 1 Queens Meadow and 3 Queens Meadow to notify them that the Council is investigating the potential of the land for development of affordable housing. No response from residents was received in relation to the letter.

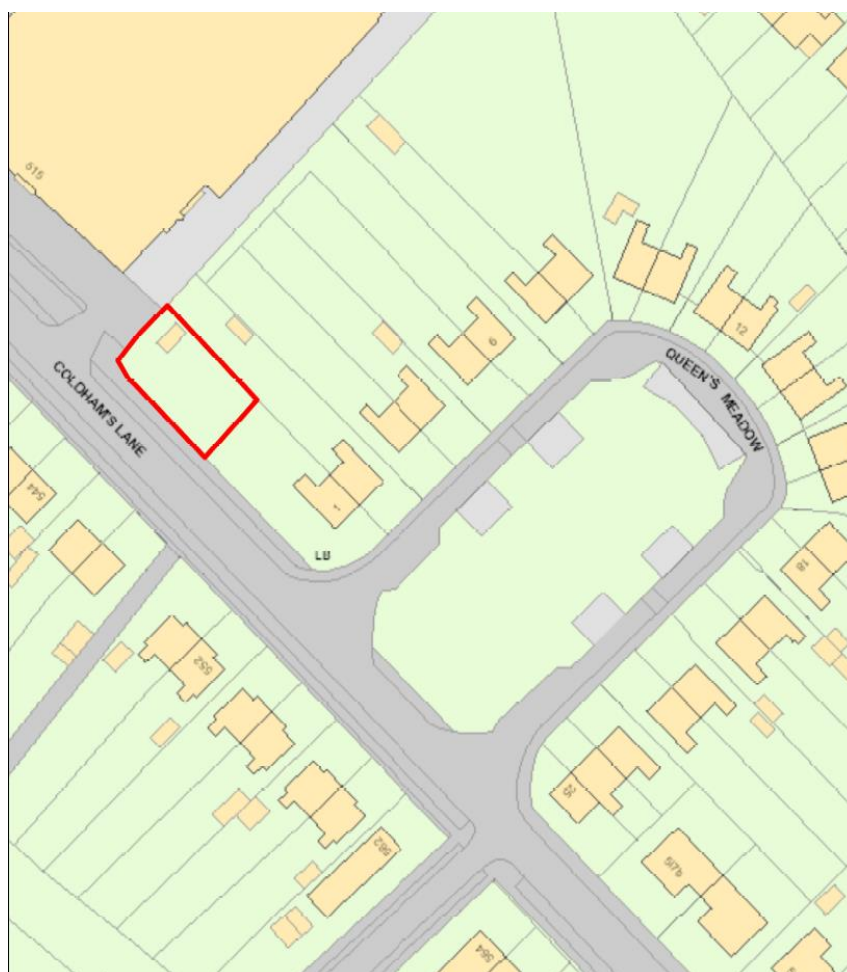
A further letter was sent informing residents that the Council would be erecting hoarding to the site boundary to minimise the risk of fly tipping occurring. Again, there has been no communications received from neighbours following the issue of this letter.

Should this scheme receive approval to proceed at committee, then the Housing Development Agency (HDA) will continue to work closely with neighbouring residents to ensure they are involved and informed on the development of the vacant land.

#### **4. Feasibility:**

##### **The Site**

The below plan shows the area for the proposed scheme:



The table below shows the proposed mix approved and the floor areas of new homes of the two site options proposed.

Option	Scheme Proposal
1	3 x 1B2P Flat
2	2 x 2B4P Houses

## Site Constraints

Advice was sought from planning consultants in relation to the planning opportunities and constraints on this site including, but not limited to flood risk, highways, residential amenity and heritage considerations.

Some conclusions to the planning appraisal undertaken are noted below:

- Site option 1, which is inclusive of 3 nr 1B2P properties does not include much residential amenity space for the proposed occupants
- Site option 2, no specific issues identified

Therefore, as we have been made aware of potential planning constraints in relation to site option 1, we have included for site option 2 within this report as well. Option 1 is more financially viable as it includes for 1 extra unit which will provided increased rental income. However, the proposed total scheme cost for Option 2 is lower and no specific planning issues have been raised on this site layout option.

## Local Housing Need

There is a recognised need for more affordable housing across the city, and in particular one and two bedroom homes. Both scheme options would be acceptable in terms of addressing these needs.

The table below shows the number of households on the Housing Needs Register, with preference for a property located within Cherry Hinton.

Cherry Hinton	1bed	2 bed	3 bed	4 bed	5 bed
	502	235	90	11	4

The second table below demonstrates the number of households on the Housing Needs Register who are in need of 1 bed and 2 bed properties in total across Cambridge City, which is inclusive of Cherry Hinton Ward

Cambridge City	1bed	2 bed
	1746	734

## **5. Proposed scheme**

Two indicative redevelopment schemes have been produced for the site as follows:

### **Option 1**

3No. 1 Bed 2 Person Flats

### **Option 2**

2No. 2 Bed 4 Person Houses

## **6. Costs, Funding and Viability**

The Housing Revenue Account (HRA) Business Plan already allows for the spending of Right to Buy Receipts and funding the balance of costs to be met by Devolution grant.

As with all new build developments as details are progressed they will only proceed if they can be funded within borrowing and capital funding parameters in the HRA 30 Business Plan. If a final scheme cannot be delivered within the budget requested then a revised approval will need to be brought back to Committee for scrutiny.

## Capital Costs

The total capital budget required to deliver this scheme is up to £447,809, dependent on whether scheme option 1 or scheme option 2 is progressed.

### Option 1

Works costs	£379,500
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On costs including professional fees	£56,925
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### Option 2

Works costs	£365,300
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On costs including professional fees	£54,780
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**Viability** – A benchmark used by Registered Providers whether a new scheme is viable is when the scheme breaks even in revenue terms (typically 12 years) and when the total capital used is paid back (typically 30 years). This benchmark relates particularly to vacant sites.

Pay-back period –

**Option 1: Year 1**

**Option 2: Year 1**

Due to the use of RTB funding and Devolution Grant these schemes can be delivered with no borrowing required and therefore payback in year 1.

### **Rent Levels (net of Service Charge) –**

1 bed £126.05 per week

2 bed £144.96 per week (awaiting final confirmation)

## **VAT implications**

VAT is not payable on new build construction costs. However, advice will be sought from the Council's VAT specialist to ensure that there are no adverse VAT issues affecting the project.

## **The Procurement**

This scheme is being progressed through the Cambridge Investment Partnership.

## **Key Risks**

- A planning application will need to be developed, submitted and approved.

## **Other implications**

An Employers Agent/Quantity Surveyor will be appointed as part of the Delivery Team to support the Housing Development Agency.