



Cambridge City Council Housing Scrutiny Committee

Date: Tuesday, 18 June 2019

Time: 5.30 pm

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

Contact: democratic.services@cambridge.gov.uk, tel:01223 457000

Agenda

- 1 Apologies
- 2 Declarations of Interest
- 3 Minutes (Pages 5 - 14)
- 4 Appointment of Vice-Chair (Tenant/Leaseholder Rep) for 2019/20
- 5 Public Questions
- 6 To Note Decision Taken by the Executive Councillor for Housing
To note the decision to the Executive Councillor for Housing since the last meeting of the Housing Scrutiny Committee.
- 6a Testing of Electrical Wiring Installations in Council Houses (Pages 15 - 18)

Decisions for the Executive Councillor for Housing

Part 1: To be chaired by Vice Chair (Tenant/Leaseholder Representative)

- 7 2018/19 Housing Revenue Account Revenue and Capital Outturn, Carry Forwards and Significant Variances (Pages 19 - 38)

Part 2: To be taken by the Chair of the Committee

Decisions for the Executive Councillor for Housing

- 8 2018/19 General Fund Revenue and Capital Outturn, Carry Forwards and Significant Variances (Pages 39 - 48)
- 9 New Build Housing - Campkin Road (Pages 49 - 74)

- 10 The Homelessness Reduction Act – 12 Month Review (Pages 75 - 86)
- 11 Update on the Programme to Build New Council Homes Funded Through the Combined Authority (Pages 87 - 104)

Exclusion of the Press and Public

The following report contains exempt information during which the public is likely to be excluded from the meeting subject to determination by the Scrutiny Committee following consideration of a public interest test. This exclusion would be made under paragraph 2 of Part 1 of Schedule 12A of the Local Government Act 1972.

- 12 Compulsory Purchase of Long-term Empty Property (Pages 105 - 140)

Housing Scrutiny Committee Members: Todd-Jones (Chair), Bird (Vice-Chair), Cantrill, Hadley, Lord, Porrer, Sheil and Thittala

Alternates: Barnett, McGerty and O'Reilly

Tenants and Leaseholders: Lulu Agate (Tenant Representative), Diane Best (Leaseholder Representative), Kay Harris (Tenant Representative), Diana Minns (Tenant Representative), Christabella Amiteye (Tenant Representative) and Jean-Louis Ayivor (Tenant Representative)

Executive Councillors: Johnson (Executive Councillor for Housing)

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Housing Scrutiny Committee	
Terms of Reference	
A.	Overview and scrutiny of the strategic and other housing functions for which the Executive Councillor for Housing is responsible, including responsibility for the development of housing strategies and policies, tackling homelessness, the Council's housing responsibilities with regard to the private rented sector, bringing vacant homes back into use, the development of new homes and partnership working with other housing providers.
B.	Overview and scrutiny of functions relating to the management of the Council's housing stock.
C.	To be the main discussion forum between the Council, its tenants and its leaseholders for all matters relating to the landlord function of Cambridge City Council.

Membership
City Councillors (Such number as shall be decided by the Council from time to time)
Six elected tenants and leaseholders of Cambridge City Council of whom at least five shall be tenants of Cambridge City Council.
Appointment of tenant and leaseholder members
Tenant and leaseholder members shall be co-opted by the Scrutiny Committee following the procedure for election set out in the Overview and Scrutiny Procedure Rules in Part 4E.
Voting
Tenant and leaseholder members are voting members in respect of matters concerning the management of the Council's housing stock (Part 1 of the agenda.) Tenant and leaseholder members may contribute to discussion of other matters (Part 2 of the agenda) but shall not have a vote.
Appointment of Chair
The Chair of the Scrutiny Committee shall be appointed by the Council and be a councillor and shall chair Part 2. The Vice-chair shall be nominated by the elected tenants and leaseholders and shall chair Part 1 if present. If the Chair or Vice-chair is not present, a councillor shall be appointed as the Vice-chair for that meeting.
Other matters relating to elected tenants and leaseholders
These are set out in the Overview and Scrutiny Procedure Rules in Part 4E. They include information about the roles, responsibilities and training of tenant and leaseholder representatives, expenses and allowances, and the circumstances in which they may cease to be members of the Committee.

HOUSING SCRUTINY COMMITTEE

12 March 2019

5.30 - 7.45 pm

Present:

Scrutiny Committee Members: Councillors Todd-Jones (Chair), Bird (Vice-Chair), Massey, McGerty, Payne, Sheil and Thittala

Executive Councillor for Housing: Councillor Johnson

Tenant/Leaseholder Representatives: Diane Best, Lulu Agate, Kay Harris, Diana Minns, Christabella Amiteye and Jean-Louis Ayivor

Officers:

Strategic Director: Suzanne Hemingway

Strategic Director: Fiona Bryant

Head of Housing: David Greening

Head of Housing Strategy: Helen Reed

Head of Housing Development Agency: Claire Flowers

Resident Engagement Officer: Emily Watts

Head of Housing Maintenance and Assets: Lynn Thomas

Committee Manager: Toni Birkin

FOR THE INFORMATION OF THE COUNCIL

19/13/HSC Apologies

Apologies were received from Councillor Cantrill

19/14/HSC Declarations of Interest

No interests were declared.

19/15/HSC Minutes

The minutes of the meeting of the 16th January 2019 were agreed and signed as a correct record.

19/16/HSC Public Questions

There were no public questions.

19/17/HSC Advance Information of Urgent Decision

The Strategic Director (SH) informed the Committee of an urgent decision that needed to be made shortly. Full details had not been available in time for this Committee and therefore, an out of cycle decision would be needed in the next few weeks. An audit of electrical testing had revealed a number of properties with out of date testing certificates and an additional budgetary allocation would be needed to address the issue.

19/18/HSC Estate Improvement Programme

This item was Chaired by Diana Minns (Vice Chair)

Matter for Decision

As part of the Housing Revenue Account (HRA) medium-term financial strategy (MTFS), Housing Scrutiny Committee approved £1 million per annum for 5 years of capital funding for estate improvements. These funds are available from 1st April 2019. An additional revenue resource of £100,000 had been ear-marked in 2019/20 to allow for any revenue investment required to support the programme. The report introduced members and tenant and leaseholder representatives to the approaches officers were taking to deliver those improvements.

Decision of Executive Councillor for Housing

- i. Endorsed the approach taken by officers to establish the Estates Improvement Scheme (EIS) as outlined in the report.
- ii. Agreed that officers would produce a written annual member briefing, outlining the progress made under this programme, to be sent to all members by email at each financial year end for the lifetime of the programme.

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 Housing.

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

- i. The estate walkabouts had been welcomed by residents.
- ii. Councillor Massey suggested Councillors could promote future walkabouts.
- iii. Stated that information to leaseholders needs to be very clear regarding any future maintenance cost of improvements.
- iv. Suggested that hoardings could be used to inform the public when improvement work was being undertaken.
- v. Expressed the hope that improvement work would look at designing out crime.
- vi. Suggested that some works, such as street lights work, might have been delayed in order to transfer the work to the improvements budget.

The Head of Housing said the following in response to Members' questions:

- i. Priorities in the improvement programme would be shaped by safety issues and business decisions. Where possible the improvement work would be completed alongside any planned maintenance work.
- ii. Walkabouts would be advertised in Open Door.
- iii. The service took a holistic approach regarding its community responsibility. Estate improvements should not result in anti-social behaviour being relocated to other areas.

Councillors asked if there was an easy way to identify which street lights belonged to the City Council and which were the responsibility of the County Council. Lynn Thomas (Head of Maintenance and Asset Management) undertook to investigate this matter.

The Committee resolved by 11 votes to 0 to endorse the recommendations.

The Executive Councillor approved the recommendations.

19/19/HSC Resident Engagement Review

This item was Chaired by Diana Minns (Vice Chair)

Matter for Decision

- i. In March 2017 Housing Scrutiny Committee approved a Resident Involvement Strategy 2017-20. Whilst this continues to outline the objectives of the service, there was a need to consider the engagement

activities in more detail to ensure that the opportunities for involvement on offer allow participation from a broad cross section of residents.

- II. The aim of the report was to seek approval for the implementation of the Review proposals.

Decision of Executive Councillor for Housing

- i. Approved the Resident Engagement Review (Appendix 1 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 Resident Engagement Officer.

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

- i. Welcomed the report and expressed support for the range of engagement options being proposed.
- ii. Stated that the current engagement model was excellent and that successes should be celebrated.
- iii. Suggested that the Gardening Competition rules needed to be reviewed to see if there were any conflicts with the Zero Tolerance Policy regarding items on shared balconies and walkways.

The Resident Engagement Officer said the following in response to Members' questions:

- i. Officers and Tenant Representatives had met with other representative from other authorities to share ideas.
- ii. A digital platform was under consideration. It would be simple for tenants to use and similar to Facebook.

The Strategic Director (FB) suggested that existing digital platforms should be fully investigated before alternatives were considered.

The Committee resolved by 11 votes to 0 to endorse the recommendation.

The Executive Councillor approved the recommendation.

19/20/HSC Greater Cambridge Housing Strategy 2019-2022

This item was Chaired by Councillor Todd-Jones (Committee Chair)

Matter for Decision

The report sought approval of a new Housing Strategy for Cambridge City and South Cambridgeshire District Councils. The draft Strategy is at Appendix A of the report.

Decision of Executive Councillor for Housing

- I. Approved the overarching vision statement laid out in the Greater Cambridge Housing Strategy 2019-2023 (attached as Appendix A to this report): 'Healthy, Safe, Affordable: Homes and Communities for All'.
- II. Approved the vision laid out in the Greater Cambridge Housing Strategy 2019-2023 (attached as Appendix A to this report): 'We want Greater Cambridge to be a place where: a) Everyone has access to a suitable home, and residents are able to live as healthily, safely, and independently as possible:
 - a) Everyone has access to a suitable home, and residents are able to live as healthily, safely, and independently as possible;
 - b) The housing market functions effectively, providing homes which are affordable to people on all incomes; to meet the needs of residents and support the local economy;
 - c) There is a wide and varied choice of good quality, sustainable homes of different sizes, types and tenures, including new provision of council homes, to meet the needs of a wide range of different households and age groups;
 - d) Homes are warm, energy and water efficient, with built-in resilience to climate change and fuel poverty;
 - e) Homes are affordable to live in, located in high quality sustainable environments, served by jobs and neighbourhood facilities, appropriate green space, effective and sustainable transport links and other necessary infrastructure.
 - f) People from all walks of life live in harmony, within mixed, balanced and inclusive communities; and homes and communities continue to meet the needs of residents into the future.

g) We have strong relationships with residents, developers and partners that enable housing and services to be delivered effectively, and that support innovation where appropriate.

III. Approved the objectives laid out in the Greater Cambridge Housing Strategy 2019-2023 (attached as Appendix A to this report):

- a) Building the right homes in the right places that people need and can afford to live in;
- b) Enabling people to live settled lives; and
- c) Building strong partnerships.

IV. Approved the priorities laid out in the Greater Cambridge Housing Strategy 2019-2023 (attached as Appendix A to this report):

- a) Increasing the delivery of homes, including affordable housing, along with sustainable transport and infrastructure, to meet housing need;
- b) Diversifying the housing market and accelerating delivery;
- c) Achieving a high standard of design and quality of new homes and communities;
- d) Improving housing conditions and making best use of existing homes;
- e) Promoting health and wellbeing through housing;
- f) Preventing and tackling homelessness & rough sleeping; and
- g) Working with key partners to innovate and maximise resources.

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 Housing Strategy. She confirmed that as this was a joint strategy shared with South Cambs, there could be minor changes to the text at a later date as South Cambs had not yet agreed the Strategy. She assured the Committee that if the changes were anything more than minor textual changes, the report would come back to this Committee for further consideration.

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

- i. Expressed concerns that South Cambs could amend a Strategy that this Committee had already approved.

- ii. Suggested that it could be difficult to synchronise the definitions and delivery of affordable housing, shared ownership and viability assessments across the two authorities with such different land values.
- iii. Questioned why the Executive Councillor was now open to prefabricated options such as 'Pocket Homes', when the previous post holder had rejected this idea when it had been proposed as a Liberal Democrat motion to Council.

The Head of Housing Strategy and the Strategic Director (SH) stated the following in response to Members' questions:

- i. The City does not have a self-build programme but does maintain a self-build register. Demand in the City was low due to land values.
- ii. The City and South Cambs were both working closely with the County Council to maintain housing support and Housing First initiatives. In the long term these offered the best value for money and the best outcomes for service users.
- iii. Agreed that a full report on homelessness initiatives and services would be brought to this Committee later in the year.
- iv. Confirmed that cross authority working was well established following work on the Local Plan and consultations were on-going regarding future priorities.
- v. Confirmed that the Combined Authority had produced a Housing Strategy last year.
- vi. Stated that it was important that the City had a robust strategy that reflected its position.
- vii. Developers would always push against viability assessments and a defensible position was needed.

Councillor Johnson stated that no decision had been made regarding Pocket Homes but confirmed that he was exploring a range of options with an open mind.

The Committee resolved by 5 votes to 0 to endorse the recommendations.

The Executive Councillor approved the recommendations.

19/21/HSC Cambridgeshire Adaptations & Repairs Policy

This item was Chaired by Councillor Todd-Jones (Committee Chair)

Matter for Decision

The proposed Cambridgeshire Repairs and Adaptations Policy was aimed at helping people to live safely and independently at home. It stemmed from requirements for housing, health and social care services to work more closely together to enable people to manage their own health and wellbeing, and live independently in their communities for as long as possible.

It would replace Cambridge City Council's current Grants & Loans Policy. It proposes four categories of financial assistance for eligible residents, together with the option to fund additional partnership projects or other services to meet the objectives of the policy.

Decision of Executive Councillor for Housing

- i. Approved the draft Adaptations & Repairs Policy shown at Appendix A of the report; and
- ii. Delegated authority to the Strategic Director to make decisions - in consultation with the Executive Councillor, Chair & Vice Chair of Housing Scrutiny Committee, and Housing Opposition Spokesperson - around whether to convert capital Disabled Facilities Grant (DFG) to revenue, should the DFG grant conditions allow; to fund partnership projects or other services to meet the objectives of the draft Adaptations & Repairs Policy shown at Appendix A of the 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 welcomed the report.

The Committee resolved by 5 votes to 0 to endorse the recommendations.

The Executive Councillor approved the recommendations.

19/22/HSC Update on the Programme to Build New Council Homes Funded Through the Combined Authority

This item was Chaired by Councillor Todd-Jones (Committee Chair)

Matter for Decision

The report provided an update on the programme to deliver 500 Council homes with funding from the Combined Authority.

Decision of Executive Councillor for Housing

- i. Noted the continued progress on the delivery of the Combined Authority programme.
- ii. Noted the funding structure for the Combined Authority programme.

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 Housing Development Agency.

The Head of Housing Development Agency said the following in response to Members' questions:

- i. Confirmed that the number of fully adapted properties to be delivered exceeds the initial targets. The remaining properties in the programme would be built to lifetime's homes standards and would be adapted at a future date to suit the occupant's needs.
- ii. Hill was a respected and trusted delivery partner who shared the council's high standards.
- iii. The majority of the properties in the pipeline would be 1 and 2 bedroom units as this had previously been identified as the type of properties in highest demand. Larger properties could be delivered on some schemes subject to evidence of demand.

Councillor McGerty questioned why the small site on the corner of Hill's Avenue had not been included in the programme. Office's confirmed that the estimated development cost per unit cost was too high. It was suggested that the site could be used temporarily as a community garden as it was currently an eyesore. The Strategic Director (SH) undertook to investigate this option.

The Committee resolved by 5 votes to 0 to endorse the recommendations.

The Executive Councillor approved the recommendations.

The meeting ended at 7.45 pm

CHAIR

Briefing note – 12th March 2019: Electrical testing in Council houses

Testing of electrical wiring installations in Council houses is currently carried out on a ten year cycle.

The Housing Maintenance service has recently had an audit of electrical testing and compliance. This has involved checking the electrical certificates we hold for every property.

We should have records of electrical inspections for all properties, and our current programme is to test all properties at least once every ten years. Some may be tested more often if the property is vacated and prepared for relet.

In auditing records, we have identified

	Number of Properties
Properties without any details or dates of previous electrical inspections	1295
Properties where an electrical inspection has not been undertaken in the last 10 years	306

Properties where we have records, but they have not been tested in the last ten years, are due to the team having not ordered enough inspections in recent years or changes in contractor and appropriate certificates have not been received.

Where we have no details or dates, we cannot be certain when the property was last inspected, and changes in staff make it very difficult to investigate how this has happened. This does indicate a systems failure in the service, which we need to remedy to ensure records are properly kept in future, in order to assure our tenants of our compliance on this.

It is proposed that the work required to complete the backlog of electrical inspections is carried out in 2019/20. The backlog would be completed by our contractor TSG Building Services. This will ensure all of our properties have had electrical inspections in the last ten years, subject to access to properties.

An additional budget allocation of £208,000 is required to complete this work.

(There are around 1600 properties at cost of around £130 each = £208,000. This estimated cost includes an allowance for urgent repair works that may be identified when the electrical test is completed).

Now that the electrical inspections records have been reviewed we have an accurate database to work from. This will be maintained and kept up to date by dedicated officers. Data will be input into the Asset Management system ready for migration to the new Housing ICT system next year.

Will Barfield, Asset Manager

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CAMBRIDGE CITY COUNCIL
Record of Executive Decision

Testing of Electrical Wiring Installations in Council Houses

Decision of:	Councillor Johnson , Executive Councillor for		
Reference:	19/URGENCY/HSC/3		
Date of decision:	14 March 2019	Published on:	22 March 2019
Decision Type:	Non Key Decision		
Matter for Decision:	Approval of an additional budget allocation of £208,000 required to achieve 100% compliance with electrical wiring installations in Council houses.		
Why the decision had to be made (and any alternative options):	<p>Testing of electrical wiring installations in Council houses is currently carried out on a ten year cycle. A recent audit has shown more gaps than expected, and having identified the properties we recommend taking the opportunity to catch up and seek to achieve 100% compliance in 2019/20 (this will depend on tenants allowing access).</p> <p>In auditing records we have identified:</p> <p>1295 Properties without any details or dates of previous electrical inspections.</p> <p>306 Properties where an electrical inspection has not been undertaken in the last 10 years</p> <p>The reasons for failure are complex dating back over a ten year period. However, the audit will be used to put in place more rigorous systems of checking and updating certificate records to ensure ongoing compliance.</p>		
The Executive Councillor's decision(s):	<ol style="list-style-type: none">i. Agree that the work required to complete the backlog of electrical inspections is carried out in 2019/20ii. Approve an additional budget allocation of £208,000 to complete this work.		
Reasons for the	As detailed in the Officer's briefing note.		

decision:

Scrutiny consideration: The Chair and Spokesperson of Housing Scrutiny Committee were consulted prior to the action being authorised.

Report: A report detailing the background and financial considerations is attached.

Conflicts of interest: None

Comments: No Comments received

Item

2018/19 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Housing Revenue Account

To:

Councillor Richard Johnson, Executive Councillor for Housing

Report by:

Julia Hovells, Principal Accountant

Tel: 01223 - 457248

Email: julia.hovells@cambridge.gov.uk

Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

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 2018/19 (outturn position)
- b) Revenue and capital budget variances with explanations
- c) Specific requests to carry forward funding available from budget underspends into 2019/20.
- d) A summary of housing debt which was written off during 2018/19.

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 £772,500 in revenue funding from 2018/19 into 2019/20, 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 £5,256,000 in HRA and General Fund Housing capital budgets and associated resources from 2018/19 into 2019/20 to fund re-phased 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.

2017/18 £'000	Housing Revenue Account Summary	2018/19 £'000	% Final Budget
2,317	Original Budget (HRA Use of Reserves)	(3,281)	158%
545	Adjustment – Prior Year Carry Forwards	699	(34%)
(179)	Adjustment – Increased Interest Receipts – Reduced Interest Paid	(61)	3%
(143)	Adjustment – Increased Rent Income	(327)	16%
1	Adjustment – Increased Bad Debt Provision	146	(7%)

(93)	Adjustment – Depreciation	636	(31%)
(6)	Other Adjustments	116	(5%)
2,442	Final Budget	(2,072)	100%
1,160	Outturn	(2,521)	122%
(1,282)	(Under) / Overspend for the year	(449)	(22%)
699	Carry Forward Requests	773	37%
(583)	Resulting Variation for the HRA	324	15%
0	Other variances	0	0%
(583)	Variance and (reduced) / increased use of HRA Reserves	324	15%

- 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 2018/19. The original revenue budget for 2018/19 was approved by the Executive Councillor for Housing on 17 January 2018.
- 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 £449,171 incorporates a number of key areas of underspending and overspending.
- 3.5 General HRA Services were £650,679 less than budgeted due in part to deferral of some Housing Transformation activity (£162,221) and in elements of the corporate change programme and contributions to corporate projects (£322,307), particularly the office accommodation strategy, coupled with underspending in City Homes (£112,695) due to vacancies within the team and recruitment to vacant posts at the bottom of pay scales. Underspending in HRA Overheads (£48,721) is due predominantly to there not having been a call on the HRA maternity provision in 2018/19, with services meeting the costs of cover directly, coupled with staff vacancies in the Finance, Business and Application Support Team.

- 3.6 Special HRA Services were overspent by £26,081 due to reduced temporary housing demand (£20,763) and underspending at Ditchburn Place whilst refurbishment is ongoing (£61,783), more than offset by overspending in respect of Virido, Clay Farm (£25,173) where the HRA has had to meet the service charge costs associated with un-sold shared ownership units and Estate Caretaking (£20,064), where grounds maintenance and bulky waste removal costs have increased.
- 3.7 Also displaying in special expenditure as an overspend, is expenditure incurred from Repairs and Renewals (R&R) funds for Temporary Housing, Ditchburn Place and the General Sheltered Schemes (£67,931). These costs are fully funded from ear-marked reserves set aside for this purpose, but budgets are not set for the use of R&R funds as the expenditure fluctuates between years. The existence of the reserve ensures that the impact of these costs is spread out across a period of years, as opposed to tenants experiencing huge swings in the level of service charge for their scheme from year to year.
- 3.8 Repairs expenditure reported a net overspend of £668,309, combining underspending in elements of the revenue planned maintenance programme (£501,032) due to the need to carry out investigative work to some flat blocks for structural issues, with overspending in a number of other areas. Response repairs reported a significant overspend (£582,762), due in part to the need to use sub-contractors to cover both extensive staff training and up-skilling and sickness. This work area requires further detailed review to determine to what extent the base budget is insufficient for future years, and how much of the overspend can be attributed to one-off activity.
- 3.9 Client repairs overspent by £222,918, due to a combination of the cost of major works to property which would otherwise be met from insurance claims if the HRA were to insure the housing stock (£108,000) and the costs of work carried out on behalf of an external organisation (£89,000). The latter is fully offset by an over-achievement in income, which is displayed elsewhere in the HRA.
- 3.10 Technical Services displays an overspend of £142,627 due to a combination of the volume of temporary staff that have been employed during 2018/19 to work on a variety of projects and the need to obtain external expert opinion in respect of a number of structural issues across the housing stock. Less of the staff spend was capitalised in 2018/19, as the nature of the work was focussed on stock condition

surveys and investigations, and not in managing the resulting investment programme.

- 3.11 Cyclical works reported an overspend of £147,612 and void repairs £89,124. The increased cost in cyclical works relates predominantly to the cost of additional electrical inspections in communal areas, where a backlog of works has been identified. The overspend in void repairs is due to a significant rise in the number of empty properties requiring major works in order to attain a lettable standard. In addition the extent of work required has increased resulting in a substantial rise in the average cost of these major repairs.
- 3.12 The contribution to the bad debt provision for 218/19 was significantly lower (£385,361) than anticipated, as a direct result of maintaining the position in respect of rent arrears to date, despite the rollout of Universal Credit
- 3.13 Income received in the HRA was greater than anticipated (£32,271), combining over-achievement in garage and commercial property rents, recharges and contributions received, with an under-achievement in service charges for the year, with this due to a combination of vacant units at Ditchburn Place and the inability to sell all of the shared ownership units at Virido.

Capital Outturn

- 3.14 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.

2017/18 £'000	HRA Capital Summary	2018/19 £'000	% Final Budget
47,263	Original Budget	41,105	111%
2,668	Adjustments (Re-phasing -prior year)	3,099	8%
(25,905)	Other Adjustments	(7,205)	(19%)
24,026	Final Budget	36,999	100%
18,923	Outturn	31,687	86%

(5,103)	(Under)/Overspend for the year	(5,312)	(14%)
3,798	Re-phasing Requests	5,256	14%
(1,305)	(Under) / Overspend	(56)	(0%)

- 3.15 Spending in the Housing Capital Investment Plan in 2018/19 was below that originally anticipated, with reduction in the budget, particularly for new build expenditure as part of the Medium Term Financial Strategy in September / October 2018.
- 3.16 At outturn, against the latest capital budget approved, underspending of £1,366,000 was evident in new build investment, with slippage of £1,466,000 identified. This related predominantly to delays in respect of re-development schemes at Colville Road, which now has approval and is proceeding and Campkin Road, which is subject to a report to this committee cycle. The schemes at Kingsway, Ventress Close and the 2015/16 garage sites have also suffered some delays.
- 3.17 Investment in the housing stock, in respect of decent homes and other capital activity was underspent by £3,396,000, with the need to defer £3,198,000 of investment into future years having been identified.
- 3.18 The capital expenditure relating to the acquisition of dwellings was greater than anticipated in 2018/19, with a delay in acquiring a dwelling from the County Council, the project to replace the Housing Management Information System will span multiple years and the allowance of £243,000 to meet inflation across all aspects of the programme was not allocated, as underspending across the programme meant that this was not necessary. It is requested that the funding for the new IT system and the inflation allowance is re-phased into 2019/20 to allow the authority to proceed and enter into contracts and affordable housing agreements that have been delayed.
- 3.19 Permission is sought to re-phase the use of £72,000 of Disabled Facilities Grant into 2019/20, and to recognise the deferral of assumed receipt of Devolution Grant (£135,000), where these will be used to finance re-phased capital expenditure identified.
- 3.20 Recognition also needs to be given to a reduced use of major repairs reserve as a funding source in 2018/19 (£262,000), with the need to recognise the deferred use of this in 2019/20 to finance re-phased capital expenditure.

HRA Write Offs

- 3.21 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 2018/19. **Appendix E** includes a summary of debt written off by both category of write off and also value banding.

4. Implications

(a) Financial Implications

The variance from the final revenue budget (see above), would result in a decreased use of Housing Revenue Account of £449,171. After carry forward of revenue resource to fund deferred revenue expenditure, the overall variance and resulting increase in the use of Housing Revenue Account Reserves is £323,329.

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.

(b) Staffing Implications

There are no direct staffing implications associated with this report.

(c) Equality and Poverty Implications

There are no new equality or poverty implications associated with this report.

(d) Environmental Implications

There are no new environmental implications arising from this report.

(e) Procurement Implications

There are no new procurement implications arising from this report.

(f) Consultation and Communication

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

(g) Community Safety

There are no community safety implications arising from this report.

6. Background Papers

Background papers used in the preparation of this report:

- T1 Variance Explanations – March 2019
- HRA Finance Report to 31 March 2019

7. Appendices

- Appendix A – HRA Revenue Outturn 2018/19
- Appendix B – HRA Major Revenue Variance Explanations
- Appendix C – HRA Revenue Carry Forward Requests
- Appendix D – Housing Capital Investment Plan Outturn 2018/19
- Appendix D (Notes) – Notes to the Housing Capital Investment Plan
- Appendix E – HRA Write Offs 2018/19

8. Inspection of papers

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

Julia Hovells, Principal Accountant

Telephone: 01223 - 457248 or email: julia.hovells@cambridge.gov.uk.

Housing Committee - Housing Revenue Account

Revenue Budget 2018/19 - 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
INCOME						
Dwelling Rents	(36,661,380)	(36,987,980)	(36,984,268)	3,712	0	3,712
Rental Income (Other)	(1,128,710)	(1,154,720)	(1,214,364)	(59,644)	0	(59,644)
Service Charges	(3,004,310)	(3,500,280)	(3,304,644)	195,636	0	195,636
Contributions towards Expenditure	(3,450)	(53,810)	(119,756)	(65,946)	0	(65,946)
Other Income (Incl. RTB Capitalisation)	(455,500)	(475,800)	(581,829)	(106,029)	0	(106,029)
Total Income	(41,253,350)	(42,172,590)	(42,204,861)	(32,271)	0	(32,271)
EXPENDITURE						
Supervision & Management (General)	3,399,340	3,824,510	3,173,831	(650,679)	385,300	(265,379)
Supervision & Management (Special)	2,584,280	2,864,720	2,890,801	26,081	0	26,081
Repairs & Maintenance	6,571,740	6,975,490	7,643,799	668,309	387,200	1,055,509
Depreciation	10,041,820	10,678,110	10,678,113	3	0	3
Debt Management Expenditure	0	0	0	0	0	0
Other Expenditure	3,615,220	3,671,360	3,375,095	(296,265)	0	(296,265)
Total Expenditure	26,212,400	28,014,190	27,761,639	(252,551)	772,500	519,949
Net Cost of HRA Services	(15,040,950)	(14,158,400)	(14,443,222)	(284,822)	772,500	487,678
Interest Receivable (Interest on Balances)	(718,490)	(788,810)	(873,222)	(84,412)	0	(84,412)
(Surplus) / Deficit on the HRA for the Year	(15,759,440)	(14,947,210)	(15,316,444)	(369,234)	772,500	403,266
Appropriations / Other Movement in the HRA Balance						
Loan Interest	7,503,980	7,513,010	7,514,419	1,409	0	1,409
Housing Set-Aside	4,472,200	4,472,200	4,472,200	0	0	0
Impairment	0	0	0	0	0	0
Direct Revenue Financing of Capital	502,530	597,320	726,940	129,620	0	129,620
Transfer to / from Ear-Marked Reserves	0	292,880	81,914	(210,966)	0	(210,966)
(Surplus) / Deficit for year	(3,280,730)	(2,071,800)	(2,520,971)	(449,171)	772,500	323,329
(Surplus) / Deficit b/f	(9,018,373)	(9,018,373)	(9,018,373)			
Balance Carried Forward	(12,299,103)	(11,090,173)	(11,539,344)	0	0	0

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 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Supervision and Management (General)		
HRA Overheads	Budgets set aside to meet the HRA share of corporate change, including corporate restructures, shared services and office accommodation changes were not utilised fully in 2018/19. Some of this expenditure is expected in 2019/20 and a carry forward request has been incorporated accordingly.	(322,307)
City Homes	Significant staff underspend due to vacancies across the service and recruitment to vacancies at the bottom of pay scales. Under-occupation scheme not fully subscribed in 2018/19, but with renewed interest towards the end of the year, following a campaign by housing benefits and financial inclusion staff .	(112,695)
Housing Transformation	Investment in activity to transform the Housing Service progressed during 2018/19, with the 2018/19 budget invested in staff training and development, up-skilling and employment of staff to improve garage letting and to review policy and process. A carry forward is requested for the remaining funds, to allow further investment in 2019/20 to include completion of the staff training and up-skilling, business process review and change and additional staff input in some areas to tackle performance against desired target levels (particularly in the repairs service).	(162,221)
Departmental Overheads (HRA)	Underspending in employee costs due to staff vacancies was combined with no demand in 2018./19 for the use of the maternity provision in the HRA, with services meeting the costs of cover directly from service budgets. The provision was removed from the budget from April 2019 as part of the 2019/20 budget process.	(48,721)
Resident Involvement	Underspend in employee costs due to a vacancy in the team for part of the year and recruitment at lower points on the pay scale than previously. Underspending in residents grants and IT grants was experienced, prompting a review of this area, with plans in place to reallocate resource and increase investment in resident involvement activity during 2019/20.	(20,193)
Other		15,458
Total		(650,679)
Supervision and Management (Special)		
Temporary Accommodation	Underspending in utilities and other premises related costs, based upon the number of properties utilised for temporary housing during 2018/19.	(20,763)

Housing Committee - Housing Revenue Account

Revenue Budget 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Ditchburn Place	Underspending in utilities, other premises related costs and catering services during 2018/19, as a direct result of the number of vacant units held whilst the scheme is undergoing major refurbishment. The underspend is partially offset by a corresponding under-achievement in income, with service charges being lower than budgeted due to the vacant units.	(61,783)
Virido, Clay Farm	Service charges paid for shared ownership properties which are yet to be sold, with third party services delivered by Encore, and invoiced to the Council if not recoverable from shared ownership lessees.	25,173
Estate Caretaking	Overspending in a variety of estate based activity, including additional costs of grounds maintenance, bulky refuse removal and garden clearances.	20,064
R&R Fund Expenditure	Expenditure on items for communal areas of sheltered schemes, replacement of emergency alarms and furniture, fixtures and fittings in temporary housing units. This expenditure is not budgeted for in year, but is fully fund from an ear-marked reserve set-aside specifically for this purpose.	67,931
Other		(4,541)
Total		26,081
Repairs and Maintenance		
Response Repairs	Attendance at the monthly training course to upskill and provide a multi-trade work force, coupled with significant sickness absence has resulted in considerably more work being delivered through external contractors during 2018/19 in order to maintain the service provision to our tenants.	582,762
Planned Repairs	The external cyclical maintenance works (PTR) programme was not fully delivered due to the need to test flat blocks for concrete corrosion and associated repairs, which results in the need to re-phase parts of the programme into 2019/20. Also two groups of properties weren't completed due to surveys being completed late. To avoid the same problems in 2019/20, we have employed a temporary PTR surveyor. The smoke detector programme was increased during the year in order to catch up with the backlog of replacements. A new programme is being developed to install heat detectors throughout the stock. This commenced during 2018/19 and will be accelerated in future years.	(501,032)
Client Repairs	Insurance overspend of £106,153 was predominantly due to a major fire at Villa Court, along with other more minor works. The overspend also includes the cost of works carried out on behalf of an external customer (£89,742), with these costs offset by the income which was received for carrying out the work. The remaining overspend is due to higher than anticipated number of larger works, which are not typically responsive day-to-day repairs but are more urgent and therefore cannot be added to the planned maintenance programme.	222,918

Housing Committee - Housing Revenue Account

Revenue Budget 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Citywide Schemes	Additional lighting columns have been added to the schedule and an increased number of replacement fittings have been ordered during the year, resulting in an overspend against the budget allocation. An increased number of communal areas requiring hard wire testing had orders placed in order to address a backlog of properties. This also resulted in an overspend against the budget allocation.	147,612
Technical Services	Savings in employee costs due to vacant posts which were being filled via temporary agency staff, with these staffing arrangements being more costly. Where these vacancies were recruited to there was a recruitment cost which was not budgeted for. The vacant positions also contributed to delays in delivering the capital programme which has affected income to this cost centre. The overspend on external consultants was due to the expertise required to write a detailed specification for the rectification of structural defects on balconies and walkways to blocks of flats across the city.	142,627
Voids	The overspend is due to a significant rise in the number of empty properties requiring major works in order to attain a lettable standard. In addition the extent of work required has increased resulting in a substantial rise in the average cost of these major repairs.	89,124
Other		(15,702)
Total		668,309

Housing Committee - Housing Revenue Account

Revenue Budget 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Other HRA Expenditure		
Contribution to the Bad Debt Provision	The contribution to the bad debt provision was significantly lower than budgeted in 2018/19, with the anticipated impact on rent arrears as a result of the introduction of Universal Credit being broadly mitigated thus far. The rollout has been slowly phased, and income management staff are working proactively with the tenants affected.	(385,361)
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 the properties at Ditchburn Place and Tuscan Court whilst refurbishment works were in progress. This was exacerbated by holding shared ownership dwellings in advance of finding suitable purchasers, the impact of which will initially continue into 2019/20.	75,845
Other		13,254
Total		(296,262)
HRA Income and Other		
Rental Income (Other)	Rent for HRA commercial property was over-achieved in 2018/19 (£21,293) due to some of the units at Akeman Street continuing to be occupied, where it was assumed that vacant possession would have been realised by now as a result of the decision to re-develop the site. Income for garage rentals was also marginally higher than budgeted (£38,351) due to a combination of the charging structure in place and the levels of occupancy.	(59,644)
Service Charges	Service charge income was under-achieved due to a combination of holding vacant units at Ditchburn Place whilst major refurbishment works are carried out, the need to pay third party service charges for the unsold shared ownership units at Virido and lower charges for some new build schemes following an initial review of the cost of services being provided on each site.	195,636
Contributions towards Expenditure	Contributions towards expenditure were over-achieved in 2018/19 due to the recovery of rechargeable repair costs, which includes income received from external customers.	(65,946)
Other Income	Other income is over-achieved due predominantly to the recharge to capital for the administrative costs of the right to buy process and the costs recharged to the General Fund for shared amenities both being greater than budgeted.	(106,029)
Other		3,712
Total		(32,271)

Housing Committee - Housing Revenue Account

Revenue Budget 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
<i>HRA Interest, Premiums and Appropriations</i>		
Direct Revenue Funding of Capital Expenditure (DRF)	The use of DRF in 2018/19 included funding of £129,620 in respect of payment of licenses and other project costs for the new Housing Management Information System. This was fully funded from the Repairs and Renewals (R&R) fund set-aside for this purpose and is displayed as part of the additional transfer from an ear-marked reserve below.	129,620
Transfer to or from Ear-Marked Reserves	A transfer from R&R fund reserves for the initial cost of the replacement of the Housing Management Information System (£129,620) was combined with also drawing from the reserve to fund expenditure at both 171 Arbury Road to facilitate the move of staff back from Cambourne and investment in communal areas of sheltered schemes, emergency alarms and temporary housing.	(210,966)
Interest Received	The interest due to the HRA for 2018/19 was greater than anticipated due to the level of average revenue and capital balances which were held in the HRA during the year. Underspending in both revenue and capital budgets results in a greater level of reserves at year end than anticipated.	(84,412)
Other		1,409
Total		(164,349)
Total for Housing Revenue Account		(449,171)

Housing Committee - Housing Revenue Account

Revenue Budget 2018/19 - Carry Forward Requests

Request to Carry Forward Housing Revenue Account Budgets from 2018/19 into 2019/20 and future years

Item		Request £
	<p>Director - S Hemingway</p> <p>Supervision and Management General</p> <p>1 The HRA holds a number of central budgets for contribution to corporate projects, including service transformation, service reviews and the office accommodation review. Some activity has been delayed, and there is still an expectation that the HRA will need to contribute to cost in future years, with a carry forward of £200,800 requested.</p> <p>2 Housing Transformation funding is spent under delegation to the Strategic Director, and funds from previous years are requested as a carry forward to continue and complete ongoing transformation activity. Staff training is ongoing, as is investment in stock condition and compliance work, which will require continued investment during 2019/20.</p> <p>3 The City Homes under-occupation scheme funding was not fully spent during 2018/19, but a campaign carried out by HB and the Financial Inclusion Team has resulted in an increased demand from the latter part of 2018/19. There are a number of people now awaiting funds through this scheme, and as the budget for 2019/20 was reduced as part of the 2019/20 budget process, a carry forward is deemed appropriate to meet these costs.</p> <p>Supervision and Management Special</p> <p>No carry forward requests from 2018/19 into 2019/20.</p> <p>Repairs and Maintenance</p> <p>4 A carry forward of £321,030 is to cover PTR works not completed by Fosters during 2018/19. This was due to a combination of late survey information (it took a while to sort out the programme and then delays in pricing the work by Fosters. The team have a temp surveyor helping with surveys this year and it is estimated that the programme will be fully surveyed by the end June 2019. In addition, staff are confident that the new staffing structure at Fosters will improve the delivery of the programme overall and they should have the capacity to price and deliver both the slippage and the new year's programme in full.</p> <p>5 £66,170 is for heat detector works where the programme was not fully delivered as contractual requirements were not in place when the bid for funding was submitted. The contractor to deliver the works has now been confirmed and a programme is being developed to install these devices alongside the smoke detector programme.</p> <p>Appropriations</p> <p>No carry forward requests from 2018/19 into 2019/20.</p>	<p>200,800</p> <p>162,200</p> <p>22,300</p> <p>321,030</p> <p>66,170</p>
	Total Carry Forward Requests for Housing Revenue Account / Housing Scrutiny Committee	772,500

2018/19 Housing Capital Investment Plan - HRA & General Fund Housing

[illegible]

Notes to the Housing Capital Investment Plan

Note	Reason for Variance
1	Overspending of £27,000 in respect of Disabled Facilities Grants was a combination of an agreement with MHCLG to receive additional grant in the latter part of the year, but to pass it across to Huntingdonshire District Council as we did not have sufficient demand in Cambridge. £86,000 of overspend is therefore related to this, leaving an underspend in our own DFG grant investment of £59,000, which, when grossed up for the income received from clients, will be require £72,000 to be re-phased into 2019/20 to ensure that we can comply with the grant conditions under which we received it. The overspend in DFG's has been more than offset by underspending in Private Sector Grants and Loans of £91,000, where demand has significantly reduced in recent years.
2	A net underspend of £2,089,000 in decent homes expenditure during 2018/19 is a combination of under and overspending against the specific decent homes elements. Overspending in wall structure (£448,000), bathrooms (£90,000) and kitchens (£12,000), is more than offset by underspending in roofing works (£208,000), roof structure (£378,000), re-wiring (£171,000), energy and insulation works (£250,000), central heating (£945,000), sulphate (£102,000), other health and safety (£219,000), decent homes work to new builds (£226,000), HHSRS (£129,000) and external doors (£36,000). These variances are before accounting for leaseholder income, which is reported separately. Contractor overheads shows an apparent overspend of £70,000 against decent homes works, but is more than offset by an underspend in overheads against other HRA works of £226,000. Capitalised officer fees are underspent by £45,000. Re-phasing of underspending in 2018/19 into 2019/20 is requested in respect of energy improvements (£250,000), roofing works (£208,000), roof structure (£98,000), HHSRS (£129,000), other health and safety works (£219,000) and external doors (£36,000) Re-phasing of the budget for sulphate works is requested to be re-allocated to 2027/28 to the end of the existing sulphate programme, whilst re-phasing to the end of the 30 year investment programme is requested in respect of decent homes works to new build homes (£226,000), central heating and boilers (£750,000) and re-wiring (£171,000), when the budget is now expected to be required.
3	A net underspend of £1,307,000 was evident in 2018/19, combining underspending in a number of areas where work is still required and all of the underspent funds will need to be re-phased into 2019/20, including; garage improvement £95,000, lifts £13,000, communal area floor coverings £195,000, fire works £227,000 and hard-surfacing works £283,000. Underspending of £266,000 in respect of contractor overheads combines some slippage with the impact of underspending in other areas and £196,000 is requested to be re-phased. Underspending in Disabled Adaptations (£232,000), asbestos works (£4,000) and capitalised officer fees (£17,000) do not require re-phasing. Overspending in other communal area works of £24,000 was reported at year end.
4	The net underspend of £1,366,000 in the new build programme in 2018/19 relates to a delays in a number of areas of the programme, but particularly in respect of re-development schemes where decisions have been delayed and vacant possession needs to be obtained and those schemes being delivered in-house by Maintenance and Assets, where there have been planning delays and boundary disputes that need to be resolved. Spending ahead of profile has also occurred in respect of a few schemes and costs have also been incurred in respect of schemes that are complete and occupied, but where there are now some quality issues that are being addressed. Net re-phasing of £1,466,000 is required. Re-phasing of budget for 2015/16 Garage Sites (£63,000) Anstey Way (£213,000), Akeman Street (£20,000), Ventress Close (£2,000), Mill Road (£22,000), Kingsway (£182,000), Kendal Way (£34,000), Colville Road (£572,000) and unallocated budget ear-marked for the delayed Campkin Road scheme (£572,000), is partially offset by negative re-phasing where spend is ahead of profile for Queensmeadow (£50,000), Wulfstan Way (£13,000), Colville Garages (£16,000), Gunhild Way (£32,000), Cromwell Road (£73,000), Meadows and Buchan (£18,000), Tedder Way (£2,000) and Markham Close (£53,000). The profile of spending on all of these schemes will be reviewed again as part of the HRA Medium Term Financial Strategy.
5	Under delegated authority, the Strategic Director approved a budget for the acquisition of homes on the open market for use within the HRA to enable utilisation of retained right to buy receipts in a timely manner. In 2018/19 the budget carried forward from 2017/18 to complete the refurbishment works to Tuscan Court which was fully utilised, but final works came in at £28,000 more than anticipated. One property was acquired as a market acquisition from the County Council, and is now being let as affordable housing.

6	Spending in respect of the refurbishment of Ditchburn Place has progressed well during 2018/19, with the need to re-phase only £21,000 into 2019/20. The final phase of the re-development, to include the creation of two new units in the day centre, is expected to be complete by September 2019.
7	A net underspend of £629,000 in this area of the programme comprises no activity in respect of shared ownership re-purchase in 2018/19, giving rise to a £300,000 underspend, and underspending due to delays in the project to finalise the re-location of Stores to Cowley Road (£55,000) and the need to recognise the longer timeframe required to implement the new Housing Management Information System (£243,000), with both underspends requiring re-phasing into 2019/20. The balance of funding for the project to procure and Estate Services van (£1,000) will not now be required, nor will funding for works to HRA commercial premises (£29,000).
8	The allowance in the programme for inflation to costs was not required to be allocated across expenditure heads in 2018/19 as underspending across the decent homes, other investment in the housing stock and new build budgets meant that the additional funding was not required. It is proposed that this budget is re-phased into 2019/20 to ensure that sufficient budget is available in year to meet the costs of any deferred work, particularly in the new build area, where CIP costs under new affordable housing agreements are still to be finalised following procurement by Hill Investment Partnership on a scheme specific basis. A major review of the investment in or existing housing stock may also necessitate additional resource in 2019/20 to ensure that work can be delivered as planned.
9	27 properties were sold in total during 2018/19, far fewer than in the previous year. £334,000 of the capital receipt is available for general use (after all costs have been deducted from each receipt), while £735,000 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 £3,526,000 of right to buy receipts have been retained by the local authority in 2018/19, 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 again required to invest a significant sum during 2019/20 to ensure that it meets its responsibilities under the retention agreement, and this may mean the acquisition of further dwellings on the open market, if new build schemes do not progress as anticipated, to avoid passing the receipts to central government. With the number of schemes on site, or due to go on site, it is anticipated that market acquisitions can be avoided in 2019/20.
10	Capital receipts totalling £521,000 in respect of the sale of land and property on the open market were accounted for in 2018/19. The receipts have been, or will be used to fund future investment in affordable housing.
11	The major repairs reserve was used to finance capital expenditure in the housing stock in 2018/19, including investment in decent homes work, other investment in the housing stock and investment in new homes, particularly where an element of re-provision is required. Where less of this funding was utilised in 2018/19 than anticipated, it will instead be utilised in 2019/20.
12	Income was recovered from leaseholders in 2018/19 in relation to their share of the cost of major improvements undertaken as part of the decent homes programme (£57,000) and was also received from private residents in relation to contributions towards DFG's or private sector housing repair grants (£27,000).
13	The use of revenue funding for capital purposes was more than anticipated, due entirely to the planned use the repairs and renewals (R&R) ear-marked reserve for IT to fund the costs of the Housing Management Information System Project. The use of this reserve is displayed as a revenue funding towards capital expenditure, but with the reserve held specifically for this purpose.
14	Receipts from the sale and re-sale of shared ownership dwellings in 2018/19 were lower than estimated by £456,000, with 10 sales at Virido out of 26 units available for sale and no re-circulation of existing shared ownership at all. The Disabled Facilities Grant was higher than expected due to the award of £86,000 of additional grant which was passed on to Huntingdonshire District Council. Grant of £312,000 was received from Homes England in respect of Ditchburn Place and private sector loan repayments of £15,000 were realised. The Devolution Grant claimed in 2018/19 was marginally less than anticipated, and the additional £135,000 will instead be claimed in 2019/20. The use of £72,000 of the DFG grant will also need to be re-phased into 2019/20 to ensure that grant can be invested appropriately (see note 1).

HRA Debts Written Off in 2018/19Write Off Cases by Category

Write Off Category	No. of Cases	Value Written Off
Bankruptcy / Insolvency	0	0.00
Debt relief order	9	12,127.44
Debtor deceased	85	54,723.70
Debtor is residing outside the UK	4	7,553.43
Debtor untraceable	10	21,562.48
Imprisonment	3	2,707.75
Other special circumstances	13	9,270.04
Statute barred	38	45,331.63
Uneconomical to recover	9	667.76
Recovery procedures exhausted	19	24,610.22
Unable to substantiate debt	0	0.00
Court has refused to make an order	0	0.00
Debt re-instated	9	(14,307.45)
Total Written Off (Net)	199	164,247.00

Write Off Cases by Value Banding

Write Off Value Band	No. of Cases	Value Written Off
Less than £100	14	782.39
£100.00 to £199.99	15	2,130.69
£200.00 to £299.99	18	4,436.81
£300.00 to £399.99	14	5,152.32
£400.00 to £499.99	19	8,449.64
£500.00 to £749.99	29	17,532.20
£750.00 to £999.99	21	17,960.19
£1,000.00 to £1,499.99	28	34,015.11
£1,500.00 to £1,999.99	9	15,413.04
£2,000.00 to £2,999.99	13	30,909.67
£3,000.00 to £3,999.99	5	17,703.20
£4,000.00 to £4,999.99	3	12,849.30
Greater than £5,000.00	2	11,219.89
Debt re-instated	9	(14,307.45)
Total Written Off (Net)	199	164,247.00

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Item

Housing Scrutiny Committee

2018/19 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Housing Portfolio

To:

Councillor Richard Johnson, Executive Councillor for Housing

Report by:

Julia Hovells, Principal Accountant

Tel: 01223 - 457248

Email: julia.hovells@cambridge.gov.uk

Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

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 2018/19 (outturn position)
- b) Revenue and capital budget variances with explanations
- c) Specific requests to carry forward funding available from budget underspends into 2019/20.

1.2 This year will be the last year that individual reports are produced for each portfolio for presentation to the relevant scrutiny committee. In line with the revised budget scrutiny process followed for the 2019/20 budget, one combined 2019/20 General Fund outturn report covering all portfolios will be produced for scrutiny at Strategy and Resources Scrutiny Committee.

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 1 July 2019:

- a) Carry forward requests of revenue funding from 2018/19 to 2019/20, as detailed in **Appendix C**, noting that none are proposed for this portfolio on this occasion.
- b) Carry forward requests of £200,000 in capital resources from 2018/19 to 2019/20 to fund re-phased net capital spending, as detailed in **Appendix D**.

3. Background

Revenue Outturn

3.1 The overall revenue budget outturn position for Housing General Fund Services is given in the table below.

2017/18 £'000	Housing General Fund Summary	2018/19 £'000	% Final Budget
3,462	Original Budget	3,783	99.0
57	Adjustment – Prior Year Carry Forwards	348	9.1
-	Adjustment – Capital Charges	25	0.6
70	Adjustment – Earmarked Reserves	(46)	(1.2)
7	Other Adjustments	(288)	(7.5)
3,596	Final Budget	3,822	100.0
3,193	Outturn	3,673	96.1
(403)	(Under) / Overspend for the year	(149)	(3.9)
348	Carry Forward Requests	0	0.0
(55)	Resulting Variation for the HGF	(149)	(3.9)

0	Other variances	0	0.0
(55)	Variance and reduced use of General Fund Reserves	(149)	(3.9)

- 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 Housing General Fund for 2018/19. The original revenue budget for 2018/19 was considered by the Executive Councillor for Housing on 17 January 2018.
- 3.2 **Appendix B** provides explanations of the main variance.
- 3.3 **Appendix C** lists revenue carry forward requests.
- 3.4 Net underspending of £148,849 was predominantly due to reduced employee costs in both Housing Advice and Housing Strategy due to a number of vacancies throughout the year, coupled with a variance showing in the Energy Officer cost centre that combines the impact of underspending in advertising costs, with a significant over-achievement in miscellaneous housing licensing fees.

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.

2017/18 £'000	General Fund Housing Portfolio Capital Summary	2018/19 £'000	% Final Budget
3,095	Final Budget	17,366	100.0
3,151	Outturn	17,166	98.8
56	Variation - (Under)/Overspend for the year	(200)	(1.2)
200	Re-phasing Requests	200	1.2
256	Variance	0	0.00

- 3.6 Resource of £200,000 to create an Empty Homes Loans Fund was not utilised in 2018/19. 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 2019/20 to allow progression of the scheme.

4. Implications

(a) Financial Implications

The variance from the final revenue budget (see above), would result in a decreased use of General Fund Reserves of £148,849. With no re-phasing of resource for capital projects financed from revenue, or carry forward of revenue resource to fund deferred revenue expenditure, the overall variance and decreased use of General Fund Reserves remains £148,849.

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.

(b) Staffing Implications

There are no direct staffing implications associated with this report..

(c) Equality and Poverty Implications

There are no new equality or poverty implications associated with this report.

(d) Environmental Implications

There are no new environmental implications arising from this report.

(e) Procurement Implications

There are no new procurement implications arising from this report.

(f) Consultation and Communication

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

(g) Community Safety

There are no community safety implications arising from this report.

6. Background papers

Background papers used in the preparation of this report:

- Head of Service Variance Explanations – March 2019
- Budgetary Control Reports to 31 March 2019
- Capital Monitoring Reports – March 2019

7. Appendices

The following items, where applicable, are included for discussion:

Appendix	Proposal Type	Included
A	Revenue Summary for this portfolio	✓
B	Revenue Major Variances for this portfolio	✓
C	Carry Forward Requests for this portfolio	✓
D	Capital Summary for this portfolio	✓

8. Inspection of papers

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

Julia Hovells, Principal Accountant

Telephone: 01223 - 457248 or email: julia.hovells@cambridge.gov.uk.

O:\accounts\Committee Reports & Papers\Housing Scrutiny Committee\2019 June\GF\Draft\Housing (HGF)
- Committee Outturn Report 2018-19.docx

General Fund Housing Portfolio / Housing Committee

Revenue Budget - 2018/19 Outturn

Service Grouping	Original Budget £	Final Budget £	Outturn	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Housing General Fund						
Housing Strategy, Home Aid, Housing Aid / Needs						
Housing Advice Service	1,118,510	1,090,580	1,027,781	(62,799)	0	(62,799)
Town Hall Lettings	134,510	134,510	134,122	(388)	0	(388)
Housing Strategy	162,310	204,230	155,976	(48,254)	0	(48,254)
Home Aid / Home Improvement Grants	56,040	56,040	49,254	(6,786)	0	(6,786)
Shared Home Improvement Agency	0	0	0	0	0	0
	1,471,370	1,485,360	1,367,133	(118,227)	0	(118,227)
Housing General Fund, Other						
Homelessness Costs	188,210	188,200	211,078	22,878	0	22,878
Flexible Homeless Support Grant	3,400	94,700	91,300	(3,400)	0	(3,400)
Choice Based Lettings (Revenue Running Costs)	22,610	26,200	42,569	16,369	0	16,369
Grants to Housing Agencies	721,340	749,270	747,627	(1,643)	0	(1,643)
Bermuda Road Garages	(6,170)	(6,170)	(8,012)	(1,842)	0	(1,842)
Racial Harassment	45,390	(4,610)	(5,192)	(582)	0	(582)
Growth - Community Services	65,050	65,050	65,118	68	0	68
Strategic Housing GF Recharges	(18,210)	(18,210)	(18,210)	0	0	0
Housing Development Agency (H.D.A)	116,800	116,800	116,800	0	0	0
125 / 451 Newmarket Road - Revenue costs	(13,270)	(21,820)	(23,566)	(1,746)	0	(1,746)
Contribution to / from HRA	501,650	501,650	526,299	24,649	0	24,649
Departmental Overheads	990	990	990	0	0	0
Syrian Re-Settlement	(50,000)	0	0	0	0	0
Dual Diagnosis Street Team	0	0	0	0	0	0
Reducing Pensioner Poverty	0	8,090	8,091	1	0	1
Ditchburn Extra Care	0	0	0	0	0	0
	1,577,790	1,700,140	1,754,892	54,752	0	54,752
Total Housing General Fund	3,049,160	3,185,500	3,122,025	(63,475)	0	(63,475)
Environment - Environmental Health						
Housing Standards	531,810	403,830	399,907	(3,923)	0	(3,923)
Property Accreditation	28,940	0	0	0	0	0
Miscellaneous Housing Licensing / Energy Officer	173,580	232,840	151,389	(81,451)	0	(81,451)
Total Environment	734,330	636,670	551,296	(85,374)	0	(85,374)
Total Net Budget	3,783,490	3,822,170	3,673,321	(148,849)	0	(148,849)

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 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Housing Strategy, Home Aid, Housing Advice, General Fund and Other Housing			
Housing Strategy	Underspending in Housing Strategy was due to a vacant Enabling / Development Officer role for a proportion of the year, which once filled, was done so on a shared basis with South Cambridgeshire District Council. A 7 hours per week vacancy in the Housing Strategy Manager post, held for funding research and government grant for community housing projects, was not required to be spent in-year, and has been removed from the base budget from 2019/20.	(48,254)	Helen Reed
Homelessness	Although the costs of bed and breakfast and emergency accommodation were lower than anticipated, this underspend was more than offset by under-recovery in respect of these costs from both housing benefit and the residents themselves.	22,878	James McWilliams
Choice Based Lettings (Revenue Running Costs)	The revenue running costs for the Sub-Regional Choice Based Lettings system were more than budgeted in 2018/19, due predominantly to the need to pay for 2017/18 services provided by South Cambridgeshire District Council, which were invoiced late and where accruals were not made in the accounts in 2017/18.	16,369	James McWilliams
Contributions to / from the HRA	The recharge from the HRA to the General Fund for the cost of upkeep to shared amenities was greater than budgeted in 2018/19, due to the cost of amenity street lighting and removal of fly tipping.	24,649	Julia Hovells
Housing Advice Service	Expenditure in the Housing Advice Service for 2018/19 was less than budgeted, predominantly due to a number of vacancies in the team. Although additional staff resource was employed to respond to the requirements of the new Homeless Reduction Act, which was fully funded using Flexible Homeless Support Grant, the base staffing structure was not fully occupied all year, due to a number of internal promotions and acting up arrangements, all of which left vacant posts between appointments.	(62,799)	James McWilliams
Other		(16,318)	
Total		(63,475)	

General Fund Housing Portfolio / Housing Scrutiny Committee

Revenue Budget 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Environment - Environmental Health			
Energy Officer / Miscellaneous Housing Licensing	There was a £10,000 underspend in advertising costs in respect of energy related activity, coupled with a significant over-achievement in miscellaneous housing licensing fee income in 2018/19.	(81,451)	Jo Dicks
Other		(3,923)	
Total		(85,374)	
Total for Housing Portfolio		(148,849)	

General Fund Housing Portfolio / Housing Committee

Revenue Budget 2018/19 - Carry Forward Requests

Request to Carry Forward Budgets from 2018/19 into 2019/20 and future years

Item		Request £	Contact
1	Housing General Fund		
	No carry forward requests	0	
2	Environment - Environmental Health		
	No carry forward requests	0	
	Total Carry Forward Requests for General Fund Housing Portfolio	0	

General Fund Housing Portfolio / Housing Committee

Capital Budget 2018/19 - 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 - 100048 (38282)	Empty Homes Loans Fund	Y O'Donnell	200	200	0	(200)	200	0	This is a holding account which is recycleable where empty property home owners borrow the loan to bring the property into occupation and then and repay it back. There were no applications to borrow out of this fund in 2018/19.
100225 - SC692	Cromwell Road Redevelopment (GF)	Claire Flowers	17,166	17,166	17,166	0	0	0	Site acquired June 2018. Transferred to CIP March 19 for £27m loan note
Total Provisions			17,366	17,366	17,166	(200)	200	0	
Total for Housing			17,366	17,366	17,166	(200)	200	0	

Item

NEW COUNCIL HOUSING, CAMPKIN ROAD 2



To:

Councillor Richard Johnson, Executive Councillor for Housing

Report by: Jim Pollard, Senior Development Manager Housing
Development Agency

Tel: 01223 – 457924 Email: jim.pollard@cambridge.gov.uk

Wards affected:

Kings Hedges

Key Decision

1. Executive Summary

- 1.1 The City Council has agreed a devolution deal with government to deliver 500 new Council homes over 5 years. These will be delivered as rented housing, let in accordance with the Council rent policy (where rent and service charges together do not exceed Local Housing Allowance levels). Homes will be owned and managed by Cambridge City Council and let on Cambridge City Council tenancies.
- 1.2 Campkin Road Phase 2 (67 – 97a Campkin Road) was added to the rolling program at the 27th September 2018 Housing Scrutiny Committee. The site is occupied by 32 households: 25 tenants and 7 leaseholders. The proposed indicative scheme (see Appendix 2) will provide 75 new Council rented dwellings – a net gain of 50 affordable homes.
- 1.3 This proposal will take the overall number of units approved for development by the Council, subject to planning, to 537 which will

complete the Devolution programme and allow some margin for slippage against the programme should unit numbers not match the current indicative schemes or small schemes fail to deliver.

- 1.4 The report seeks approval for a capital budget for the scheme based on the indicative capacity study which has been undertaken for the site and the outline appraisals referenced in this report and for the delivery route to be adopted. This will require additional funding of £1,953,921 to be approved by Council over and above the current allocation in the Budget Setting Report. This will not be covered by Devolution funding although the scheme is a key element of completing the programme. This has arisen because this is the last scheme to be submitted to the HSC for approval and costs on the schemes overall have exceeded the high level cost estimate of £200,000 per dwelling which was the basis of the agreed programme.
- 1.5 The proposal includes the provision of a community room which is the size of a 2 bedroom flat and could be re-purposed as a flat if required. This will replace the community house at 37 Lawrence Way which will be let as Council housing again. Costs include an estimate for the refurbishment of 37 Lawrence Way for letting and this unit is included in the total of 75 Council rented dwellings to be provided by the scheme.
- 1.6 The scheme is indicative and subject to further review and pre-application planning consultation

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Approve the scheme in principle, recommending to Council, the inclusion of an indicative capital budget for the scheme of £15,964,921 in the Housing Capital Investment Plan, to cover all of the site assembly, construction costs, professional fees and associated other fees to deliver a scheme that meets an identified housing need in Cambridge City.

- 2.2 Approve that, subject to Council approval of the budget, delegated authority be given to the Exec Cllr for Housing in conjunction with the Strategic Director to enable the site to be developed through Cambridge Investment Partnership (CIP) subject to a value for money assessment to be carried out on behalf of the Council.
- 2.3 Authorise, subject to Council approval of the budget, the Strategic Director in consultation with the Executive Councillor for housing to approve variations to the scheme including the number of units and mix of property types and sizes outlined in this report.
- 2.4 Approve the use of the updated Council Home Loss Policy attached as Appendix 3
- 2.5 Delegate authority, subject to Council approval of the budget, to the Strategic Director to commence Compulsory Purchase Order (CPO) proceedings on Leasehold properties to be demolished to enable the development should these be required.
- 2.6 Delegate authority to the Strategic Director to serve initial Demolition Notices under the Housing Act 1985.

3. Background

- 3.1. There are a number of the Council's key Corporate Objectives that this development opportunity addresses:

Tackling the City's housing crisis.

- 3.1.1 Delivering the 500 new Council rented homes which are part of the Cambridgeshire and Peterborough Combined Authority devolution deal.
- 3.1.2 Delivering sustainable prosperity for Cambridge and fair shares for all.
- 3.1.3 Protecting essential services and transforming council delivery.
- 3.1.4 Tackling climate change and making Cambridge cleaner and greener.

3.2 The site at 67 – 97a Campkin Road is identified in the Development Rolling Programme.

3.2.1 The potential to redevelop this site was highlighted in a report taken to the 27th September 2018 Housing Scrutiny Committee. The rationale for redevelopment of the block is based on the information on the existing condition of the block and the opportunity to deliver a significant number of new homes on this land.

3.2.2 Residents were informed of the Councils intentions prior to the addition of the scheme onto the Councils Rolling programme, a decision that was made at the September 2018 Housing Scrutiny Committee. Residents have been written to advising them that this report is in preparation and will be advised that the report is to be presented to the Committee in June 2019. The residents have also been visited by Council officers. The MTFS approved in September 2018 included additional funding to support an officer dedicated to supporting residents through the decanting process. The Council has clear policies and procedures in relation to decanting and what it can offer to those residents directly affected by the redevelopment.

3.3 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 as of end of March 2019. There are currently 2644 households in need of a 1 or 2 bedroom property across the city; progressing this scheme will help in meeting the needs of those on the waiting list.

Cambridge City	1bed	2 bed	3 bed	4+ bed
	1925	719	232	56

Located in an area of existing housing stock, the development would bring some smaller units to the area to support sustainable communities.

4. Site Details

4.1 The site is at 67 – 97a Campkin Road in Kings Hedges Ward. A location plan of the site is at Appendix 1.



- The site is currently occupied by 32 existing homes of which 25 council tenanted and 7 leasehold.
- The site is surrounded by existing dwellings and green open space. The proposed development looks to retain the existing trees, the majority of the green space to the front of the scheme and improve the overall visual appearance. Limiting overlooking has been taken into account on the attached indicative layout.

4.2 The site is approx. 0.95 hectares in size (9500m²)

4.3 The following surveys and investigations have been undertaken or are programmed too, as part of the feasibility work for investigating the viability of the site for development:

- Air Quality
- Arboriculture Impact Assessment
- Level 1 Contamination
- Flood Risk / Drainage Assessment
- Noise
- Preliminary Ecology Survey
- Party Wall
- Rights to light
- Topographical Survey

Utility Mapping

- 4.4 There will be a need for further invasive ground and soil investigations as well as more detailed examination of the existing building for potential asbestos, following vacant possession and prior to any demolition. Following early identification of the issues there are strategies in place to manage and mitigate the impact on timescales and costs.
- 4.5 There services running along the front and North Western corner of the site, which diversions are not viable so a scheme layout has to take these into account.
- 4.6 Planning Feedback: Early advice was sought from planning consultants and pre-application meetings have been held with planning officers. Issues arising are noted below:
- Building heights, scale and density particularly building height on boundaries and overlooking of neighbouring properties
 - Provision of open space within the development
 - Resident car parking numbers and layout
 - Incorporation of serviceable bin stores and bike storage
 - Sustainable drainage requirements may conflict with the standards required for adoption of roads by the Highways Authority. However, the Highways Authority is reluctant to adopt minor estate roads. This has a maintenance cost implication for the Council.

4.7 Site Options

As part of the feasibility study and options analysis work undertaken in assessing the viability of delivering affordable housing on the site, a number of options were considered which are set out below.

4.7.1 Retain as existing

- The layout of the existing flat blocks is poor and there is a considerable amount of underutilised space in the current layout.

- Flats are currently all one bedroomed with an internal floor area of approx. 39sqm in size. Nationally described space standards dictate a minimum of 50sqm for one bedroom flats.
- The current two blocks were built circa 1960's and are of traditional brick construction. The age of these units will lead to the need for further investment and increased on-going maintenance.
- The car park to the rear of the flats is also in very poor condition and attracts fly tipping and other associated anti-social behaviour due partly to the lack of overlooking of this space. This will also form part of the redevelopment

4.7.2 Develop for HRA housing only

- Addresses the housing need identified in an area of existing housing stock, delivering units which will contribute towards the devolution funded new build programme.
- Increases the Council's housing stock and rental receipts provides a financial platform to support future development opportunities for the City Council's HRA stock.
- Devolution money is available to develop at 100% Council rent

4.7.3 Develop as a mixed tenure Scheme

- Addresses the housing need identified in an area of existing housing stock, delivering a net gain of units which will contribute towards the devolution funded new build programme. Incorporated some different forms of affordable housing e.g. Shared Ownership, Intermediate Rent, outright sale to meet a broader housing need

4.7.4 From the options considered in this section, the option to develop for HRA housing only is recommended as the approach that responds directly to the corporate objective of tackling the city's housing crisis and delivering our planning objectives.

4.8 Design and Sustainability

An affordable housing scheme would be based on the Council's adopted design standards and the Cambridge Sustainability Housing

Design Guide. CIP has adopted these design requirements as its minimum standard.

4.9 Programme

4.9.1 The indicative programme for the development is as follows:

Submission of Planning Application: December 2019

Planning Permission Granted: March 2020

Completion of decant: June 2020

Start on Site: August 2020

Completion: June 2022

4.10 Demolition notices

4.10.1 Service of Initial Demolition Notices under the Housing Act 1985 suspends the Right to Buy. Should a tenant make an application to buy their home (a leasehold interest in a flat) they would normally be sold at a discount. To allow the regeneration scheme to progress the council would then have to buy back these properties at market value plus 10% of the owner's interest and disturbance allowance and none of the discount granted would be repayable. Should a large number of additional homes be sold under the Right to Buy this would add significantly to the costs of the scheme and compromise its financial viability.

4.10.2 By serving the Initial Demolition Notice the council sets out its intention to proceed with the regeneration and this removes the obligation to complete Right to Buy sales for a maximum period of 7 years while the notice is in place. At the end of the notice period if the council has not completed the demolition of the property a tenant could ask for compensation arising from not being able to exercise their right to buy.

4.11 Compulsory Purchase Order

4.11.1 There are seven leaseholder properties on the scheme. The Council will need to buy back these properties. This will be done

through negotiations however if these are unsuccessful the only route for the Council would be to instigate a CPO.

5. Financial Implications

5.1 Budget / Funding

5.1.1 The total indicative cost is currently estimated at £15,964,921 (In addition to the demolition and construction costs this includes pre and post statutory planning fees, professional consultant fees, survey and site investigation costs and other associated costs, HDA fees and Land Assembly costs (leaseholder buy-back, home loss and disturbance payments are currently estimated at £1,846,300).

5.1.2 The scheme is in excess of the provision in the Budget Setting Report which ear-marked a budget of £14,011,000 for 73 dwellings in the pipeline, compared to £15,964,921 for 75 dwellings. This is an increase of 13.95% compared to an increase in units of 2.74%. The previous estimate has had to be revised as a result of further analysis of the site and the scheme that can be brought forward. The overall average unit cost of £212,866 is broadly at a mid-point in the range of costs within the devo 500 programme including the cost of decant and leaseholder buy-back.

5.1.3 It is proposed that the investment will be met from a combination of Right to Buy receipts and HRA resources for the additional homes on the site and HRA resources for all of the site assembly costs and the re-provision costs of the existing 25 rented residential units on the site. Although this scheme makes an essential contribution to the delivery of the 500 homes identified in the Devolution Agreement, it is anticipated that the £70,000,000 funding will be exhausted prior to funding this scheme.

5.14 This will result in the following mix of funding:

Right to Buy receipts:	£2,823,724
Devolution Grant:	0
HRA resources:	£13,141,197

Total: £15,964,921

The indicative capital budget is **£15,964,921**

5.1.5 The payback is 46 years taking into account the need to demolish habitable units. If the need to demolish the old units was discounted (a total discount would have to be on the basis that the existing properties are uninhabitable) the payback reduces to 42 years. The reality is between the two as the existing properties are not immediately uninhabitable but would have a higher maintenance cost and a shorter life than the new units. The appraisal assumes that RTB receipts are a free resource as they have to go to MHCLG if the Council fails to use spend them. Funding costs are based on the loss of potential interest on Council resources at 1%

6. Implications

(a) Staffing Implications

The development scheme will be managed by the Housing Development Agency which will also provide the Council's staffing contribution to the development of the scheme by CIP which is a 50-50 partnership.

There is a requirement to resource resident consultation, tenant decant, and leaseholder buy-back. Allowance has been made within the HRA MTFS for an additional member of staff to be employed to support this process, with the new post to work with both the H.D.A and City Homes to ensure that vacant possession is achieved in a timely and consistent manner, with appropriate consultation and communication with affected residents at every stage in the process.

(b) 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 and reducing the impact of fuel poverty. An Equalities Impact assessment has been carried out for this scheme including the impact of these proposals on the existing residents.

(c) Environmental Implications

The Council housing will be built in accordance with the Cambridge Sustainable Housing Design Guide. Included in the Guide is a standard for energy efficiency that is higher than current building regulations: approximately Code Level 4/5 on the former Code for Sustainable Homes. Building Regulations Part L in themselves set a much higher standard than is achieved by the existing buildings.

(d) Procurement Implications

HRA Housing - Development and Delivery Options

The City Council has a number delivery options which it is currently exploring and utilising for the delivery of affordable housing on sites in the City:

- In-house construction by Estates and Facilities
- Procurement of a contractor through a traditional tender process
- Offer the site to CIP for development

In-house construction by Estates and Facilities

Estates and Facilities have recently completed construction of 2 No. 2 bed houses on a site at Uphall Road. Further sites of a similar scale have been identified that can be brought forward by estates and Facilities but the scale of the Campkin Phase 2 development combined with the timescale for delivery preclude this option.

Procurement of a contractor through a traditional tender process

A Design and Build contract could be let following a tender process which could be an open tender or a tender conducted through a public sector procurement compliant framework. The tender would be carried

out following the grant of planning permission. This route is a viable route but is not recommended because of the benefits offered by the CIP route

Offer the site to CIP for development

In July 2016 Strategy and Resources approved the setting up of the Cambridge Investment Partnership (CIP) which was subsequently established in January 2017. The use of the CIP in managing property development enhances the Council's capability for delivery of affordable housing and makes the best use of its community assets to provide for the future of Cambridge and its residents. The principles governing the process of bringing forward developments through CIP were agreed at the Strategy & Resources Scrutiny Committee held on 9th October 2017.

The Committee agreed to delegate a decision to the Exec Cllr for Finance and Resources, Exec Cllr for Housing or Leader (as appropriate) in conjunction with the relevant Strategic Director for the final approval of a Strategic Development Brief and Proposed Land Transfer / Disposal Model to CIP for individual sites. Major sites will be reviewed at a Scrutiny Committee prior to the Executive Councillor decision to transfer the land to CIP.

The Strategic Development Brief will be based on the proposals set out in this report although as noted at 1.6 above the scheme is indicative and subject to further review and pre-application planning consultation.

The proposed Model for developments through CIP for individual sites may take the form of a license and the use of a framework rather than a Land Transfer / Disposal. This will remain subject to approval of the Exec Cllr for Finance and Resources, Exec Cllr for Housing or Leader (as appropriate) in conjunction with the relevant Strategic Director. It will also be subject to an independent value for money assessment.

(e) Community Safety Implications

There are no recognised implications on Community Safety with the proposed developments. The scheme will be built in accordance to

Secure by Design guidelines as set out within the City Councils Design Brief

7. Consultation and communication considerations

- 7.1 Residents were contacted informing them of the Councils intention to investigate the potential redevelopment prior to its recent addition to the Rolling Program 27th September 2018. The most recent consultation took place in February 2019. All tenants and leaseholders were written to offering to meet with them on an individual basis to explain what the Council is planning to do and what their rights and entitlements are as a Tenant or Leaseholder. These meetings were offered at convenient or flexible times for the occupiers and not tied to conventional working hours.
- 7.2 Meetings were held with all the residents who requested them. All residents have been written to advising them that the report is coming forward. Subject to the approval of this report meetings will be held individually with all the residents.
- 7.3 Consultation and communication with existing tenants and leaseholders will continue in accordance with the updated City Council's Home Loss Policy (Appendix 3) – Commitment to Resident Involvement approved at the March 2017 Housing Scrutiny Committee. This policy sets out the Council's commitment to those affected by regeneration and the compensation and support available. The policy refers to tenants and leaseholders being able to return to the new development. This option will be available to tenants but there are no units for sale in the scheme that would be available to leaseholders.
- 7.4 The HDA continues to liaise closely with colleagues in City Homes, to ensure timely and accurate information is made available to all affected by the proposals.
- 7.5 There has been consultation with Ward Councillors about the proposals. The Ward Councillors were supportive of the principle of re-development to provide additional council housing.
- 7.6 There will be a public consultation event in the area prior to submission of a planning application. There will also be formal consultation through the planning process once the application has been submitted.

8. Risks

8.1 Below is a table setting out key risks associated with the project:

Description of risk	Likelihood	Impact	Mitigation
Scheme not starting on site by March 2022 and therefore not contributing to 500 homes target.	Low- Current programme has identified 522 this scheme is anticipated to start in 2020	Med- impact would be delivery of a lower number of much needed homes and reputational risk in the Councils ability to deliver and therefore attract grant in the future. If this scheme was not part of this programme funding would need to be identified from other sources	Programme level monitoring of risk. The HDA is developing the capacity and processes to deliver the projects to meet the targets. It is working with CIP on this and a number of other projects.
Land assembly issues: decant and leaseholder buy-back	Med - There is a limited risk on costs against the assessment that has been made; there is a significant risk of delay.	High – If a CPO is required this cannot be put in place until planning is granted and would take 1 year from receipt of planning.	Recruitment of a dedicated resource to manage the decant process and to liaise between all relative parties. The Council has a policy in place in relation to home loss. There is a statutory process through a CPO should negotiations not be successful
Cost: Indicative costs have been set out in the report; this is an occupied site and further work including intrusive site investigations remains to be carried out and is limited by existing occupation of the site. Market conditions in the construction industry can also impact on estimated costs.	Med- further investigations could uncover unknown issues	Med-. Delays to start on site and contract negotiations leading to the potential increase in costs	Ensure all site surveys are as accurate as they can be taking into account resident occupations. Implement a survey tracker. Efficient decanting will enable earlier site investigation and this will facilitate greater certainty on costs. The HDA will engage an Employers Agent to scrutinise costs and to manage quality assurance processes which have an impact on life-cycle costs.
Planning: The planning application will be subject to the observations of consultees, the assessment of planning officers, and ultimately the decision of the Planning Committee.	Med- current scheme has been through a number of Pre Application discussions with Planning. There is a need to balance planning policy and views of the local people and ward members.	Med- Potential change in unit mix and reduction in numbers	The indicative scheme will continue to be developed in response to the comments received from the pre-application discussions with the LPA which have been carried out. Further discussions will be carried out.

Resources: This report identified the need for additional staff resources.	Low- Allocation of resource is within CCC control; risk attached to timely recruitment of appropriate staff	High- Impact would be a delay in decanting and delays in start on site	Subject to approval of the budget, HDA and City Homes officers will work together to ensure the timely recruitment of appropriate staff to implement the decant programme.
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9. Background papers

None

10. Appendices

Appendix 1 – Site Location plan and red line of proposed transfer

Appendix 2 – The proposed scheme layout

Appendix 3 - Home Loss Policy 02/2019

11. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Jim Pollard, Housing Development Agency, tel: 01223 457924, email: jim.pollard@cambridge.gov.uk

Appendix 1 – Site Location plan



Appendix 2 – Indicative layout further pre-application planning advice is being sought on this layout.



Appendix 3 CAMBRIDGE CITY COUNCIL HOME LOSS POLICY

COMMITMENT TO RESIDENT INVOLVEMENT

The Council is committed to ensuring that there is the least possible disturbance to residents who are required to move from their homes.

For tenants:

- Support will be available for those who need that support to organise the move.
- Tenants required to move will be consulted on the new scheme as it evolves and will be given priority to return to new housing that meets their needs provided there is sufficient new accommodation of the type required available. The Council's Lettings Policy will be used to determine a match between the household and property type and size
- If a tenant does not wish to move back every effort will be made to re-house them in the area of their choice.
- Statutory 'Home Loss Payments' will be made to tenants as will reasonable 'Disturbance Payments' to the expenses involve in moving.

For leaseholders:

- When a leaseholder's property is to be redeveloped, and if they are not able to afford to buy a suitable alternative home on the open market, the Council will offer advice and assistance to secure shared ownership, equity share or another form of intermediate housing option in the city. Where the property is to be refurbished the leaseholder will be able to return to the property.
- Home Loss Payment and Disturbance Payments are also payable to leaseholders however the legislation is different in respect of Home Loss Payment.

1.0 Introduction

- 1.1 This Policy covers situations where City Homes tenants or leaseholders are required to move from their homes due to
- A redevelopment scheme
 - A refurbishment scheme

The Council has a separate Policy in respect of the compulsory purchase of properties not in the Council's ownership.

2.0 The Council's Vision Statement and Strategic Objectives

- 2.1 This Policy fits with the Council's vision and annual statements' extracts of which are set out below.

The Council has a clear vision "to lead a united city, 'One Cambridge - Fair for All', in which economic dynamism and prosperity are combined with social justice and equality".

Housing is prominent feature for "a city which strives to ensure that all local households can secure a suitable, affordable local home, close to jobs and neighbourhood facilities".

Tackling the city's housing crisis and delivering our planning objectives including: working to build new homes with an emphasis on Council rent housing; making the most of council-owned land to provide new housing; continuing to provide council housing and investigating ways of building new council housing

3.0 Outcomes

- 3.1 The Council recognises that the enforced loss of their home is one of the most difficult situations that a tenant or leaseholder can be faced with. With a housing stock of nearly 8500 properties including leasehold accommodation, it is inevitable that from time-to-time schemes will be proposed to redevelop or refurbish older housing that no longer meets current day expectations or is not cost-effective to maintain in a good state of repair. The intention is to strike a balance between mitigating the impact on individuals required to move and securing the longer term benefits from the proposed redevelopment or refurbishment.
- 3.2 The Council aims to ensure that when engaging with tenants and leaseholders who are being required to move from their home, the Council's guiding principles for undertaking consultation of openness; accessibility and inclusiveness; and transparency and accountability will apply.
- 3.3 The Council is committed to ensuring that there is the least possible disturbance to residents who are required to move from their homes.

4.0 Payments to Tenants for Loss of Home

- 4.1 The Council will make two types of payments to tenants who lose their home
- Home Loss Payment
 - Disturbance Payment
- 4.2 Home Loss Payment to Tenants

This is a payment that the Council must pay by law under the Land Compensation Act 1973. To be eligible, the tenant must have occupied the premises as their main and principle home for at least one year. The payment is in recognition of the trauma and disruption of the loss of the

home. It is not a payment that is designed to cover the actual costs of moving.

The amount of Home Loss Payment is reviewed periodically. The current payment is £6,300 but is reviewed annually and can go down as well as up. The payment that you receive will be net of any monies owed to the Council, examples of this would be rent arrears and Council Tax, and this is not an exhaustive list.

4.3 Disturbance Payment to Tenants

Unlike Home Loss Payments, Disturbance Payments are not fixed in law but they are required to be equal to the reasonable expenses of the tenant who is moving. The Council will offer you two options.

Option 1: A lump sum payment of £1250 in lieu of services offered in Option 2. If this option is chosen the Council will not provide any of the services listed in option 2.

Option 2: The Council will pay for or arrange the following

- All removal costs to removal contractors or cost of a van if a tenant moves themselves
- Disconnection and re-connection of cooker
- Lifting and re-fitting curtains and carpets in the new home or the cost of new curtains and carpets if the existing curtains and carpets cannot be re-fitted and the property that you are moving to has no carpets fitted of an equivalent standard to those that you are leaving behind
- Cost of re-direction of mail for 3 months
- Costs associated with moving telephones and Broadband services
- Any costs associated with cancelling a service that a tenant has contracted to pay at their current address

4.4 Home Loss Payments and Disturbance Payments will only become payable once approval has been provided by the Council to proceed with a specific redevelopment or refurbishment scheme. It is at this point too that any Right to Buy application will be halted and any new application declined.

4.5 In a situation where it is possible for a tenant or leaseholder to return to a refurbished or redeveloped scheme and they choose to do so, Home Loss Payment **will not** be payable, but Disturbance Payments will.

4.6 This Policy does not apply to tenants who have a final possession order granted to end their tenancy.

5.0 Payments to Leaseholders for Loss of Home

5.1 Home Loss Payment and Disturbance Payments are also payable to leaseholders however the legislation is different in respect of Home Loss Payment.

5.2 Home Loss Payment to Leaseholders

The amount of payment for leaseholders in law is calculated as 10% of the market value of the owner's interest in the property subject to the maximum amount which is currently £63,000. Again, to be eligible the leaseholder must have occupied the premises for at least one year and be there main residence.

- 5.3 Disturbance Payments to Leaseholders in occupation and there main point of residence for Loss of Home
The Disturbance Payments will be the same as for tenants shown in paragraph 4.3 above.
- 5.4 The points covered in 4.4 and 4.5 above will also apply to leaseholders.
- 5.5 Home Loss Payments and Disturbance Payments are not available for leaseholders who do not occupy the property that is the subject of the redevelopment as their primary place of residence. This can also be referred to as an 'absent Leaseholder'.
- 5.6 The Policy does not apply to any sub-lessees.

6.0 Engagement with Tenants and Leaseholders

- 6.1 In engaging with tenants and leaseholders who are being required to move from their home, the Council's guiding principles for undertaking consultation of openness; accessibility and inclusiveness; and transparency and accountability will apply.
- 6.2 **Stage 1: Rolling Programme** - When a new site that contains existing housing is identified for appraisal for redevelopment the current residents will be advised as soon as possible in the process. It is always difficult to decide when and how best to inform existing residents at this stage. Generally the approach that will be taken is to invite residents to a meet with officers once an indicative scheme has been drawn up that has been assessed as feasible to develop. In this way, any anxieties amongst current residents are not raised unnecessarily before a proposal has been developed that residents have something 'concrete' to comment on. Residents will be invited to a first meeting by letter and the letter will include a named member of the Housing Development Team and Housing Officer with full contact details of those named officers. Letters will be delivered by hand so that there is an opportunity to immediately discuss the redevelopment proposal.
- 6.3 Our aim in involving current residents is not only to explain the reasons why the Council is looking to redevelop their current homes, but also to explore with them their individual circumstances; connections with the local community; and future housing aspirations; and thereby see whether the rehousing needs of residents can best be met elsewhere or by returning to the new scheme, if this is possible.
- 6.4 Local Ward Members will be contacted immediately prior to communication with residents to alert them that they may therefore be approached by local residents and to invite them to the meeting. The Resident Representatives will be contacted in the same way.
- 6.5 **Stage 2: Scheme Approval** - Once a scheme has been appraised for development and any current residents consulted, a report will be submitted to the Housing Scrutiny Committee and approval will be sought from the

Executive Councillor for Housing to an indicative scheme in terms of property number, type and mix that can be progressed for planning approval and a budget for the scheme.

- 6.6 If the site does not have any existing housing immediate neighbours will be written to advise that the site is being considered for new housing in advance of the Committee. The views of existing residents and immediate neighbours will form part of the committee report.
- 6.7 It should be noted that tenants and leaseholders will not be eligible for Home Loss and Disturbance Payments until a specific redevelopment scheme has been approved by Council. The same principle will apply to any proposed refurbishment scheme that will require a tenant or leaseholder to move. A named contact person for further information will be provided to tenants and leaseholders and any comments made will be considered as part of the final report that will be presented to the Council for specific approval to proceed with the scheme.

7.0 Alternative Housing for Tenants

- 7.1 The criteria set out in the Council's Letting Policy will be the basis upon which alternative accommodation is deemed suitable.
- 7.2 Tenants required to move will have to register on HomeLink and will be given a Band A priority to bid under Home-Link or will have the benefit of a direct let.
- 7.3 Every effort will be made to re-house a tenant in the area of their choice.
- 7.4 Tenants required to move will be given priority to return to suitable alternative accommodation on the redeveloped or refurbished scheme provided there is sufficient new accommodation of the type required available.
- 7.5 Should a tenant be interested in types of tenancy other than for social rent then advice and assistance will be offered to help the tenant secure such a move.

8.0 Alternative Housing for Leaseholders

- 8.1 When a leaseholder's property is to be redeveloped, and if they are not able to afford to buy a suitable alternative home on the open market, the Council will offer advice and assistance to secure shared ownership, equity share or another form of intermediate housing option in the city. Where the property is to be refurbished the leaseholder will be able to return to the property. Annex A provides more detail on the difference between shared ownership and equity share and the principles behind how a leaseholder may be able to move to an alternative Council property and occupy it on an equity share basis.

9.0 Support to Move

- 9.1 The Council recognises that individual tenants and leaseholders will require different degrees of support to move. In particular the Council will prioritise its assistance to
- Older people
 - Tenants with physical and/or learning impairment

- Tenants for whom English is not their first language

The support required will be assessed and negotiated on a case by case basis.

- 9.2 The type of support to be provided to those tenants and leaseholders who need it are as follows
- Assistance with registering on Home-Link
 - Assistance to view alternative accommodation
 - Assistance with forms relating to change of address
 - Assistance with rearranging care support if applicable
 - Where no friends or family are available arranging packing and removals
 - Clearance of unwanted items
 - Arranging lifting and refitting of carpets and curtains refit

10.0 What happens if tenants and leaseholders do not want to move?

- 10.1 The Council's aim will be to negotiate alternative accommodation with tenants and leaseholders who are required to move. If it is not possible to agree a move by negotiation the Council has at its disposal legal remedies to require a move. The remedies are different for tenants and leaseholders.
- 10.2 If agreement cannot be reached with a tenant, the Council is able to serve Notice and seek re-possession of the home through the court. However, to be successful the Council will need to be able to demonstrate that suitable alternative accommodation is available for the tenant to move to.
- 10.3 If agreement cannot be reached with a leaseholder the Council is able to pursue a compulsory purchase of the property in line with policy.

Annex A

Definitions

This Annex to the policy document defines and contrasts the difference between Shared Ownership and Equity Share.

Shared Ownership – This is where a leaseholder buys a percentage of equity in the property (a 'share') and pays rent on the share retained by the freeholder (usually a social landlord). Shares can start as low as 25%. Usually leaseholders can buy extra shares to 'staircase' to buy outright although some schemes limit the maximum share that can be purchased and the freeholder has the first option to buy the shares back from the leaseholder should they wish to sell.

Equity Share – This where a leaseholder buys a percentage of equity in the property but is not required to pay rent on the remainder. Here leaseholders often start with a 70% share, and there is limited or no 'staircasing'. Again the freeholder (usually a social landlord) has the first option to buy the share back from the leaseholder should they wish to sell.

Principles

Equity Share will be offered only as a re-housing option for leaseholders who are required to move under the Council's new build programme.

The principles that will apply to the offer of an Equity Share lease are as follows.

- a. Financially, the resident will be no better or no worse off after moving by taking up an Equity Share option. This is in line with the principle of 'equivalence' underpinning the legislation that governs compulsory purchase.
- b. Under Equity Share residents will be offered an alternative property of a similar size by bedroom (not bedspace) to the one that they currently occupy. For example, a single person could be offered a move from a one bedroom flat to a one bedroom two person flat.
- c. If a resident requests to move to a larger property than the one they currently occupy then consideration will be given to this but on a Shared Ownership basis not under Equity Share. Consideration will be on a case-by-case basis. Factors that will be taken into account will be, the reason for requesting a larger property; the financial impact on the Council; the income of the resident and their ability to afford the larger property (the prevailing guidance from the Homes England will be used in this respect – for example, current guidance is that no more than 45% of net household income should be spent on mortgage and rent repayments and that the rent element should be no more than 2.75% of net income).
- d. The resident will be required to reinvest the value of their current property plus 10% in the alternative property under an Equity Share move. This will mean that they have parity with tenants in respect of the financial package under the Council's Home Loss Policy. Residents can choose to invest more of their own capital in an alternative Equity Share property up to 100% of the equity at which point the lease would revert to the form of their current occupation (i.e. a long lease with the Council retaining the freehold).
- e. The Equity Share lease on the alternative property will be offered for the same duration as the outstanding length of lease on the current property and will be valued on this basis. For example, if the current lease has 50 years to run the Equity Share lease will be offered for a 50 year duration and will be valued as such.
- f. Alternative properties to be offered under Equity Share will only be made available on any of the schemes in the Council's new build programme or on properties that become available in the Council's Shared Ownership scheme.
- g. The freehold of the property leased under Equity Share remains with the Council. If a resident chooses to move before the end of the lease, the Council will have the first option to buy back the lease.

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The Homelessness Reduction Act – 12 Month Review

To:

Councillor Richard Johnson, Executive Councillor for Housing
Housing Scrutiny Committee 18/06/2019

Report by:

David Greening, Head of Housing
Tel: 01223 - 457997 Email: david.greening@cambridge.gov.uk

Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

Not A Key Decision

1. Executive Summary

- 1.1 The Homelessness Reduction Act 2017 ('the Act'), came into effect on 3 April 2018. The Act places major new duties on authorities to relieve or prevent homelessness. These changes are summarised in Section 3 below and set out in detail in Section 1 of the appendix accompanying this report.
- 1.2 The appendix accompanying this report goes on to examine how this authority has implemented the Act and how it has applied its new powers to better deal with homelessness.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Note the contents of the report and endorse the approach the Authority has taken as described in the appendix in relation to applying its new powers.

3. Background

- 3.1 The Homelessness Reduction Act 2017, has been described the greatest single change in how authorities are required to deal with homelessness since the broad framework was first set out in 1977.
- 3.2 Key aspects of the new Act are that a homelessness prevention or relief duty is now owed to applicants threatened with homelessness within 56 days, in contrast to the former 28-day duty. Furthermore, authorities now owe this duty to a far wider range of people than formerly, as described in Part 1 of the appendix.
- 3.3 As an accompanying code of guidance makes clear, the Act requires authorities to take a significantly different approach than has been the case hitherto to a broadened concept of statutory homelessness. In a three-stage process, an authority will begin by trying to save the existing home; moving on to assisting households to find a new home should prevention fail (priority need households will be owed an interim duty – temporary accommodation - at the point of homelessness); then on to the full homelessness duty for priority need households should relief fail. Under the former legislation only this latter duty existed.
- 3.4 The Act has now been in force for a little over a year, making this an appropriate time to examine:
 - how successfully our preparations for the introduction of the Act anticipated the organisational and other demands the Act has required;
 - the broad impact of the Act in terms of numbers assisted, workload per officer and the scale of the successful prevention or relief of homelessness;
 - how we have resourced the Act financially; and
 - the impact the Act has made in relation the key objectives the Act was intended realise.

4. Implications

(a) Financial Implications

There are no financial implications as a result of this report.

(b) Staffing Implications

There are no staffing implications arising directly from this report.

(c) Equality and Poverty Implications

An EqIA was carried out regarding the introduction of the Act. There are no equality or poverty implications resulting from this report.

(d) Environmental Implications

Rated +L. All rented properties used by the council to support the schemes detailed in this report will need a valid Energy Performance Certificate (EPC).

(e) Procurement Implications

None

(f) Community Safety Implications

None

5. Consultation and communication considerations

The Council has consulted with external partners via the Homelessness Strategy Implementation Partnership (HSIP) with regard to their perceptions of the impact of the Act locally.

6. Background papers

No background papers

7. Appendices

Appendix 1: "The Homelessness Reduction Act – 12 Month Review

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact David Greening, Head of Housing, tel: 01223 - 457997, email: david.greening@cambridge.gov.uk.

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1. Background

- 1.1 The Homelessness Reduction Act 2017 ('the Act') came into force on 3 April 2018. The Act did not replace existing homelessness law but modified and extended it by:
- requiring housing authorities to improve advice and information provided about homelessness and its prevention;
 - doubling the period a household is considered to be 'threatened with homelessness' from 28 to 56 days (including when a valid section 21 notice has been served and is due to expire within 56 days);
 - introducing new duties to prevent and relieve homelessness regardless of priority need and intentionality, including support to help prevent homelessness for people not locally connected;
 - introducing assessments and personalised housing plans, setting out the actions housing authorities and individuals will take to secure accommodation; and
 - introducing for public bodies¹ a new 'duty to refer' to a housing authority any consenting individual they come across who is homeless or threatened with homelessness.
- 1.2 Ministerial comment and a subsequent code of guidance made clear that the Act was intended to bring about both a procedural and a cultural change in the way authorities approach homelessness, especially for those people who pre-Act were entitled to little by way of assistance.

Against this background, this document reviews the local impact of the Act in the first year since implementation and considers, in particular, how well we have responded to the challenges and opportunities it has presented.

2. Resourcing the Act - Staffing and organisational changes

- 2.1 While it is the case that this authority was already committed pre-Act to doing more to assist non-priority individuals (for example by introducing in 2013 a dedicated service for single homeless people not in priority need), the experience of housing authorities in Wales (which introduced the Act a year earlier than England), and from English pilot authorities, demonstrated that the Act brings with it significant additional burdens in terms of the volume of applications, the time spent on each case and general case administration and reporting.

Accordingly, a further six full-time staff members were recruited as follows:

¹ Including prisons; young offender institutions; secure training centres; secure colleges; youth offending teams; probation; Jobcentres; social services; emergency departments and hospitals.

- **Housing advisors.** Four further housing advisors were employed to deal with the anticipated increase in applications and case complexity.
- **Housing advice service co-ordinator.** A coordinator was employed to assist with the increased administrative requirements of the Act. An equally important part of this role is to take charge of the choice-based lettings administrative function.
- **Accommodation finder.** A second accommodation finder was employed to deal with the anticipated rise in the number of families seeking, or likely to be offered, a homelessness solution in the private rented sector.

In addition to this, a senior housing advisor was designated a specialist role, nominally for half his time, concentrating on private sector tenancies ending as a result of a section 21 notice being issued. (This is the current single largest cause of households presenting as homeless to the Council).

A further change has been the enhancement of the former home visiting officer role (renaming it more accurately as the 'homelessness prevention officer') principally to deal with the duty to refer.

- 2.2 Each of the six additional staff members have been employed on a permanent contract. The decision to do this was based on an analysis that the Act would place a premium on trained advisors and support professionals and that good staff would not be induced to leave permanent employment for a fixed-term position.
- 2.3 Resourcing the Act has also meant restructuring the housing advice service offer to customers. In terms of people presenting to the customer service centre (CSC), this has meant joint training to ensure CSC advisors ask an enhanced range of questions at initial presentation stage to better identify specific and immediate need. It has also meant introducing a new appointment system offering up to 1 hour 45 minutes per customer to allow for the intensive analysis, advice and negotiation necessary to produce with the customer the agreed 'personal housing plan' (PHP). The pre-existing system of two duty officers being available as the second arm of the triage, and to deal with cases of immediate homelessness, remains in place .

In addition, the homelessness pages on the Council's web site have been thoroughly overhauled and rewritten, to include:

- the creation of a 'triage' tool, that identifies eligibility for assistance and the likelihood a household may be found to be homeless (or threatened with homelessness). This is linked from the website and sits in front of the self-referral tool. This ensures applicants are directed to us quickly, if circumstances merit it;
- a new leaflet with comprehensive information for applicants found to be ineligible;

- leaflets for people falling within specific needs groups (i.e. prison leavers; leaving care; domestic abuse; veterans of armed forces and relationship breakdown);
- an updated 'Homeless in Cambridge' leaflet relating to homeless applications, and our duties to prevent or relieve homelessness;
- our procedure in the event of applicants failing to co-operate with their PHP; and
- an updated policy document relating to sourcing accommodation in the private sector.

These web pages were described by Anna Whalen, then the senior adviser at the Ministry of Housing, Communities and Local Government (MHCLG) for the eastern counties, as 'the best she has seen'.

3. The impact of the Act

3.1 It remains early days for the Act and still too soon to judge what may be the long term impact of the changes. The following Table 2 summarises the main trends over the period the Act has been in force relative to 2017-18.

Table 1

	2017-18	2018-19	increase/decrease (%)
No. of approaches (incl. 'advice only')	963	1482	54
Volume of prevention/relief work	613	619	1
'Advice only' cases	350	863	147
Average caseload per officer	74	87	18
Average homelessness cases per officer	47	36	-23
Successful prevention / reliefs	237	261 ² (345) ³	10 (45)
Full S193 duty accepted	103	65	-37
Average statutory case length (days)	61	74	21

3.2 As can be seen, the changes pre and post-Act are considerable. The key differences are:

- **Number of approaches.** As mentioned, it was fully anticipated that the Act would result in more presentations, but it is not clear why there has been such a large increase in recorded approaches from people not yet threatened with homelessness within 56 days ('advice only' cases). Likely reasons include greater public and agency awareness generated by the

² The comparison with the position pre-Act should be treated with caution, however. Please see Table 2.

³ The figures in brackets include effective preventions in cases where a section 21 notice was successfully challenged and homelessness prevented. Under present MHCLG rules these cannot be recorded as statutory preventions. Please see 3.3.

introduction of the Act; the 'duty to refer', and perhaps better recording of pre-statutory presentations.

- **Workload per officer.** As mentioned, despite the increase in the number of housing advisors, the number of cases (including advice only) per officer has increased by approaching one-fifth. Simultaneously, as can be seen from the average case time figure, cases are in general more complex and, with increased administrative and recording burdens, can be time-consuming even when more straightforward. (This observation also holds good for the advice-only cases).
- **Successful homelessness prevention and relief.** 42 per cent of cases opened as a prevention or relief and closed within 2018-19 have had a successful outcome. The comparison in Table 1 between successful recorded prevention and relief outcomes pre and post-Act is not a true one and is provided to be broadly indicative only. Table 2 summarises the differences in counting methodology, of which the third is perhaps the most significant in terms of impact on the figures.

Table 2

Pre-Act	Post-Act
A homelessness prevention can be claimed only if a household was enabled to remain in the existing home	A successful prevention can be any action preventing homelessness, including finding alternative accommodation, providing there is no intervening period of homelessness
A relief outcome can only be claimed if the applicant is homeless and not in priority need.	A successful relief outcome can be counted for priority and non-priority cases alike.
An authority might include any positive action by a partner organisation that demonstrably results in a prevention or relief.	An authority may only include actions it itself carries out under its statutory prevention and relief duties.

- **Fewer 'full duty' cases.** The corollary of better prevention and relief of homelessness is that fewer households will go on to be owed the full homelessness duty and so the 37 per cent reduction in such cases is to be welcomed.

3.3 Section 21 notices. One clear and hugely beneficial element in the advice-only category of our work is the test of the validity of section 21 notices ending an assured shorthold tenancy. While not essentially arising from the HRA, we have taken the opportunity provided by the restructure of the service, and the Act's increased emphasis on homelessness prevention, to put more resources into this area.

In the year there have been 150 presentations from households receiving a section 21 notice, relative to only 23 in 2017-18. Of the 150, only eight notices were found to be valid at first presentation. Of the 142 found to be invalid:

- in 42 cases, negotiation by an officer achieved an agreement that the tenant could remain until they found a new home;
- in 14 cases a new AST was issued by the landlord; and
- in 28 cases the tenancy was allowed to continue on existing terms as a periodic AST.

(Please note these are interim figures as cases received later in the year have yet to be concluded).

As previously indicated, only a handful of these section 21 preventions can formally be recorded as such as the notice needs to be valid in order for the household to be considered at risk of becoming homeless. If these section 21 'preventions' are factored in the number and percentage of households whose homelessness has been prevented changes significantly. (Please see the figures in brackets in Table 2).

3.4 Demand for temporary accommodation. In the run-up to the introduction of the Act it was debated what effect it may have on demand for temporary accommodation (TA). On the one hand it can be seen that better preventative work might have the effect of reducing TA demand. On the other hand, the 56 day relief duty has the potential to extend the period a household may spend in TA, especially in intentional cases where the decision would not become effective until the relief period ends, after which the usual reasonable notice would need to be given.

Differences in recording practice due to changing software provider in the past year make it difficult to compare pre and post-Act TA figures, so a full analysis of the impact the Act on TA will need to await the current year's figures, but on the face of things there has been little change in the numbers of people using TA. There has perhaps been a slight increase in the duration of the average stay in TA, and this may be seen as a positive thing if it is to ensure that a customer leaves TA for a secure home but, again, further research will be required.

4. Financing the Act

4.1 As was set out in the September 2017 report to housing scrutiny committee, the additional staffing cost (estimated then at £235,392 per annum) would initially come from the flexible homelessness support grant (FHSG). However, it should be noted that the FHSG is an annual grant. An award of £457,336 has been made for the current year but there is no indication that awards will continue to be made into the future.

5. Evaluation summary

- 5.1 The Homelessness Reduction Act has been described as ‘the biggest change in housing law since the introduction of the Housing Act 1977’ – the Act which introduced the present-day homelessness framework. As such, it will take a number of years before the true scale and scope of its impact can be evaluated, both nationally and locally. Nevertheless, we can make some early meaningful observations about our local performance and this is the aim of this final section.
- 5.2 **Preparation.** Our preparation for the introduction of the Act was thorough, and was noted as such by senior MHCLG officers who wrote following a visit on 27 February 2018:

“Your progress on all aspects of preparation for the HRA is positive and it was clear to us that you have spent considerable time over the last few months planning in detail for the commencement of the new legislation, including your offer to single people”.

- 5.3 **Preventions and reliefs.** A major aim of the Act is to significantly increase the proportion of people threatened with homelessness who are prevented from actually becoming homeless, and to quickly relieve homelessness when it cannot be prevented or has already happened.

It is difficult to evaluate whether the 42 percent of statutory cases having a successful prevention or relief outcome is a good or disappointing result. (It is, it should be noted, an interim proportion as cases taken on later in the year will not all have been determined). As has been pointed out, comparisons with previous years have little meaning due to changes in counting methodology, and the quality of our performance, and prospects for improvement, will only become clear as national comparisons become possible and as we gather year-on-year comparative information. Nevertheless, in this first year we can consider certain indicators that we may be on the correct track regarding prevention and relief, as follows:

- **Private sector work.** Given the high proportion of people threatened with homelessness who are renting privately, our work in keeping people in their current private homes or finding them a suitable private sector alternative can be seen as an indicator of good practice. Accordingly, our work to challenge section 21 notices (see 3.3 above) should be seen as highly successful preventative work even if not currently recordable in the statutory prevention figures.
- **Assisted into PRS.** Similarly, we have achieved some gains in being able to assist a higher number of households to obtain a private sector home through Town Hall Lettings (our social lettings agency) and the single homelessness service (SHS) using tools like our rent-in-advance / rent deposit scheme and the HB+ top-up scheme. (See Table 4). As can be seen, there has been a welcome increase in the number of families who have been assisted to find a private sector solution, achieved against a background of the family

accommodation finder (FAF) post going unfilled for two months during 2018-19. However, even for people threatened with homelessness who have been living in the PRS, a PRS solution remains for many households an unpopular outcome, especially where affordability determines that the offer is a property outside of Cambridge.

Table 4

People assisted into the PRS ⁴	2017-18	2018-19
Single person households	68	73
Families	19	41
Total	87	114

5.4 Rough sleeping. A second major aim of the Act is to make an impact on rough sleeping, but this is a complex area and it is difficult to disentangle the ordinary fluctuations in reported rough sleeping from the effects of the additional duties imposed on authorities by the Act.

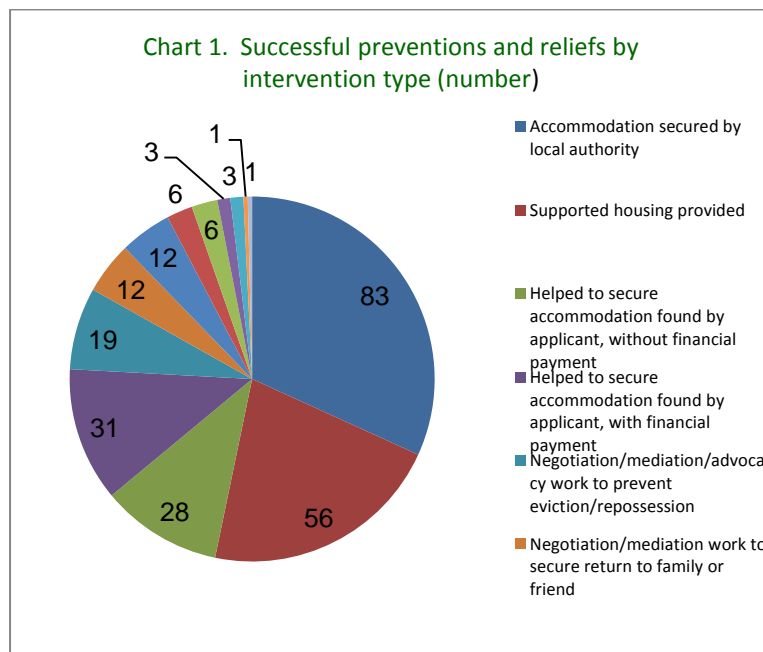
Certainly there has been an increase in the number of rough sleepers presenting (generally with a support worker) and a further increase in the number of people presenting as threatened with homelessness having been issued with notice from a hostel for arrears, anti-social behaviour and other culpable behaviour. Many of these have been found not to be in priority need and so have not been offered temporary accommodation (TA). Of those offered TA, the usual outcome finding is that they are intentionally homeless and the TA offer is ended after 56 days (plus a reasonable period to find alternative accommodation).

But, as mentioned, while not often resulting in a statutory duty offer of permanent accommodation, these short periods of engagement with services will always result in a personal housing plan and, where TA is offered, the respite from the streets has bought time for services to work together, achieving some notable successes in a small number of very difficult cases

5.5 Types of intervention. Chart 1 shows the types of interventions that have led to our reported successful prevention and relief outcomes. As can be seen, the two largest categories (by far) are accommodation secured by the authority (council or housing association housing) and supported housing (largely hostel accommodation). In a sense this is the continuation of 'business as usual' in terms of housing options, but as formerly mentioned, that picture changes if we add in section 21 preventions. Our objective over coming years will be to increase the proportion of successful prevention and relief outcomes achieved outside of these two dominant categories.

⁴ Please note that these totals include non-statutory interventions not included in the prevention / relief figures provided in Table 1.

5.6 **Officer perceptions.** Officers have generally welcome the new Act, but in researching for this review, some have reported being under pressure, and the case per officer figures would tend to bear out an increased intensity of work. Some officers have reported that the administrative requirements of the new service can be burdensome and some report that they do not feel fully able to deliver the cultural changes they rightly see the Act as requiring from a housing advice service. Others, meanwhile, report that they welcome expanded opportunities to deal earlier and more creatively with homelessness and threatened homelessness.





Item

Update on the Programme to Build New Council Homes Funded through the Combined Authority

To:

Councillor Richard Johnson, Executive Councillor for Housing
Housing Scrutiny Committee 18/06/2019

Report by:

Claire Flowers, Head of Housing Development Agency
Tel: 01223 - 457928 Email: claire.flowers@cambridge.gov.uk

Wards affected:

All

Not a Key Decision

1. Executive Summary

- 1.1 This report provides an update on the programme to deliver 500 Council homes with funding from the Combined Authority.
- 1.2 All 500 homes have now been identified and the HDA is focusing its efforts on delivering the schemes in the programme.
- 1.3 The Council now has 147 Council rented homes being built on site and is forecasting a further 296 to start in 2019/20. The first completions are programmed for August 2019.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Note the continued progress on the delivery of the Combined Authority programme.
- 2.2 Note the funding structure for the Combined Authority programme.

3. Background

- 3.1 In March 2019, the Housing Scrutiny Committee was provided with a report showing progress against the Combined Authority target of 500 Council rented homes.
- 3.2 The report confirmed that the 500 home target is now forecast to be met with a total programme outturn of 536 homes.
- 3.3 In the past two months the Housing Development team have progressed the identified schemes as forecast with some minor revisions to the overall programme, raising the current total outturn to 537 homes.

4. Combined Authority

- 4.1 The Council's housing programme is part funded by a £70million grant from the Cambridgeshire & Peterborough Combined Authority.
- 4.2 Quarterly grant claims are made to the Combined Authority in arrears. Cambridge City Council drew down £13,551,727 in financial year 2018/19, slightly short of the forecast drawdown of £13,686,542.
- 4.3 To date Cambridge City Council has drawn down £14,135,901 with the remaining £55,864,098 due to be drawn down by financial year end 2021/22

- 4.4 Provision of a quarterly report from Cambridge City Council against the £70m programme is one condition of the original grant from the Combined Authority. The most recent report to the Combined Authority was made on the 3rd of April 2019 and replicated the information provided to the Housing Scrutiny Committee on the 12th March 2019.

5. Delivery Programme

- 5.1 The delivery programme provided in March 2019 included 536 (net gain) Council homes to be delivered on named sites through the devolution programme. The committee noted some minor alterations to individual scheme outturns but otherwise the programme was on track.
- 5.2 Since March the development of all named housing schemes has been progressed (see items 7 and 8). Further revisions to forthcoming schemes have since been made. The programme outturn is now 537 homes, due to an increase of 5 units on the prospective scheme at Campkin Road. A second feasibility stage scheme delivering 4 units has been removed from the programme. The resources which were intended to be used for this scheme have been re-allocated in the HRA to the Campkin Road scheme pending HSC approval.
- 5.3 The Campkin Road scheme is now the only scheme in the programme which has not received approval for a capital budget from the Housing Scrutiny Committee. The report detailing the Campkin Road scheme and requesting approval for a capital budget has been submitted to the HSC alongside this report.
- 5.4 Appendix 1 shows the current programme, which now shows the total market housing provided as well as the net gain of Council homes. Appendix 2 shows the approved budgets per scheme and the net cost to the Council's Housing Revenue account.

6. Profile of Start on Sites

- 6.1 The start on site profile for the 500 devolution programme is shown in table 1. This is based on all the named schemes being delivered.
- 6.2 The Housing Development team are continuing to over-programme and explore additional sites to allow for slippage of existing schemes and allow others to come forward should additional funding opportunities present themselves.
- 6.3 Since the last update in March 2019, a more detailed scheme at Campkin Road has been drawn up which provides an additional Council rented home on the site.
- 6.4 As below, the overall programme shows an outturn of 537 new homes commencing construction by March 2022.

Table 1: Start on Site Forecast Profile

Year	2017/8 (actual)	2018/19 (actual)	2019/20 (forecast)	2020/21 (forecast)	2021/22 (forecast)
Number of starts	2	132	311	92	0
Cumulative total	2	134	445	537	537

7. Start on Sites Achieved 2019/20

- 7.1 15 homes have started on site since the beginning of financial year 2019/20. This reflects all 5 garage and infill sites being delivered as a single scheme by CIP. In total therefore the number of starts achieved in total at the time of this report stands at 149 including the completed Uphall Road Scheme.
- 7.2 The schemes that have met the start on site requirement since the start of the 500 programme are as follows:
- 7.2.1 Schemes Completed Total 2 homes

- **Uphall Road:** this scheme was completed in January 2018 and was the first project completed by the Cambridge City Council Housing Maintenance & Assets team.

7.2.2 Schemes on Site: Net gain 147 homes.

- **Mill Road:** This is a mixed tenure scheme delivering 91 new Council rented homes. Works are on programme. The first show home is being constructed above ground and the piling for the first blocks of flats is being completed (see pictures below). Pending planning approval, the scheme is planned to be merged with Mill Road Phase 2 into a mixed tenure scheme delivering 118 Council homes. The scheme is being delivered through the Cambridge Investment Partnership (CIP). The programme shows 143 week build programme including demolitions.



General View over the site towards Houses



General View towards Flat Basement excavation

- **Anstey Way:** This regeneration scheme is delivering 56 Council homes in total (a net gain of 29) all for rent. 12 homes here are specifically for the over 55s. The build is on programme with the externals of the new scheme well underway (see picture below)



- **Ditchburn Day Centre / Community Rooms:** Following the purchase of this centre from Cambridgeshire County Council, HSC approved the redevelopment of the site for 2 Council homes in September 2018. The homes are being delivered by Cocksedge, who were already engaged in the refurbishment of Ditchburn Place. Practical completion of the final refurbished homes and the two Combined Authority funded homes is anticipated in September 2019.

- **Nuns Way and Wiles Close:** this scheme is split across two former garage sites delivering 10 new homes for rent. Marfleet Construction commenced work in January 2019, with a forecast build programme of 40 weeks. Construction is on programme with several homes completed to roof plate level.

- **CIP small sites package:** this group of five garage and infill sites have started on site. CIP have taken possession of all five sites and have commenced Start on Site. In total the package will provide 15 units, all for Council rent. They will be delivered by CIP as a single scheme, broken down as follows;
 - **Queens Meadow:** This scheme will deliver two homes.
 - **Markham Close:** this scheme will deliver five homes.

- **Gunhild Way:** this scheme will deliver two homes.
- **Colville Road Garages:** this scheme will deliver three homes.
- **Wulfstan Way:** this scheme will deliver three homes.

8. Update on other approved schemes:

8.1 Schemes target to Start on site in 2019/20 with planning permission

- **Kendal Way:** planning permission was obtained in 2017 for the development of two homes on this site. Housing Maintenance & Assets have recently advised that they will be unable to deliver this scheme and responsibility has been passed back to the Housing Development team. A tender process will be required as well as resolving a neighbour issue therefore the start on site has been provisionally pushed back to early 2020.
- **Ventress Close:** this scheme is being delivered through CIP. The scheme replaces two existing Council homes and will deliver 15 new Council rented homes, for a net gain of 13. Planning permission for this scheme was achieved in March 2019 and start on site is on track to take place in October 2019.
- **Kingsway Medical Centre:** this scheme is being delivered by the Housing Maintenance & Assets team. It will deliver four new Council rented homes through the conversion of a former surgery. Planning permission for this scheme was achieved in April 2019 and start on site is expected in summer 2019.

8.2 Schemes target to start on site in 2019/20, planning submission made:

- **Cromwell Road:** This is a major development with CIP which required a substantial land acquisition in March 2018. It will deliver 118 new Council rented homes as well as market housing on a mixed tenure site. Following a public consultation, a detailed planning

application was submitted in March 2019 with Start on site anticipated before the end of financial year 2019/20, subject to planning.

- **Akeman Street:** This regeneration scheme, which replaces 2 existing Council homes and delivers a net gain of 12 council rented homes, was approved for development in July 2018. A planning application was submitted in April 2019 and starts on site are provisionally forecast for Autumn 2019.
- **Tedder Way:** this scheme comprises two homes for Council rent and was originally planned for delivery by the Council's Housing Maintenance & Assets team. The target to achieve planning permission has been pushed back to June 2019 pending further feedback from the planning team. Housing Maintenance & Assets have recently advised that they will be unable to deliver this scheme and responsibility has been passed back to the Housing Development team. Resources are now being re-allocated to deliver this scheme and the Start on Site has been provisionally pushed back to early 2020.
- **Mill Road phase 2.** This scheme, approved for development in September 2018, will add at least 25 Council rented homes and a community centre to the overall Mill Road delivery programme. Following a public consultation, a planning application was submitted in February 2019. The application, alongside the S73 applications to integrate this scheme with Mill Road Phase 1, is expected to go to committee in June 2019.
- **Clerk Maxwell Road:** This is a private scheme being brought forward by Hill Residential. Committee approval was secured in January 2019 to acquire the 14 S106 affordable homes included in this scheme. Hill submitted a planning application in December 2018 - this is awaiting committee approval.

8.3 Schemes approved by the Executive Councillor. Not submitted for planning.

- **Colville Road phase 2:** this regeneration scheme, delivering a gain of 42 Council rented homes, was approved by the Housing Scrutiny Committee in January 2019. Following a scheme revision in response to pre-application planning advice, a revised planning application has been drawn up by CIP and is scheduled for submission in June 2019.

A public consultation took place in May 2019 and there has been on – going work with those residents who will need to move home as a result of this scheme.

- **Meadows & Buchan:** this scheme, which comprises the regeneration of two community centres and their environs, was approved by HSC in January 2019 and will deliver 106 Council rented homes. A public consultation took place in March 2019, there has been a subsequent meeting regarding the open space proposals. A planning application is targeted to be submitted later in the summer.

8.4 Schemes awaiting committee approval.

- **Campkin Road:** This scheme has had a detailed scheme with a request for capital budget drawn up. The report requesting this additional budget has been submitted to the Housing Scrutiny Committee alongside this report.

9. Delivering Accessible Housing

9.1 Cambridge City Council is committed to providing a range of housing options for residents with limited mobility. The Council adheres to the accessibility standards laid out in the Local Plan 2018.

9.2 The new local plan requires 100% of new build Council homes to be M4(2) (accessible and adaptable dwellings), and 5% of new build affordable homes to be M4(3) (wheelchair user dwellings). We will be delivering this on all relevant new planning applications going forward.

9.3 There are currently 27 wheelchair user dwellings (fully adapted) in the programme. These are spread across the six largest sites (see table 2). This along with meeting the local plan of delivering all homes to be accessible and adaptable will mean the requirement to provide 5% wheelchair user homes will be met.

9.4 Table 2: Wheelchair user homes

	Total Council rented homes (100% M4 (2) wheelchair adaptable)	Total M4 (3) wheelchair user homes in designs
Mill Road phases 1 & 2	118	7
Anstey Way	56	3
Cromwell Road	118	6
Colville Road Ph 2	62	3
Campkin Road	75	3
Meadows & Buchan	106	5

10 Risks

Risk	Likelihood	Impact	Mitigation
Not achieving the 500 homes target	Low- current programme has 537 homes identified	Med- impact would be delivery of a lower number of much needed homes and reputational risk in the Councils ability to deliver and therefore attract future grant funding.	Programme level monitoring of delivery. Strategy is to exceed target.
Land Assembly issues delaying start on sites	Medium - a number of the schemes in the programme require purchase of land/property from 3 rd parties	High- if vacant possession or access not achieved the scheme cannot be developed.	Council putting in place resources to support residents to move. Process also in place to use statutory powers if required.

Cost increases on approved projects	Medium – design revisions requested as part of the planning process may increase the cost of individual housing schemes i.e. tighter air quality requirements will require more sophisticated infrastructure which will lead to higher cost.	Medium - depending on the extent of the additional cost this may be managed within scheme level contingency approved in 2019 Budget Setting Report.	Initial budgets either developed with Hill or Employers Agent. Cost plans are regularly reviewed and updated.
Planning	Medium - on-going resourcing issues within the planning team risk delay to progress of schemes. The Meadows & Buchan scheme is facing public opposition which poses a risk to the 500 programme.	High- if planning is not achieved the scheme cannot be delivered.	Concerns over planning resource have been escalated to Strategic Director level. HDA, senior officers and Councillors continue to engage with public concerns over the Meadows Scheme
Sales risk – exposing Council cash flow forecast	Medium – Housing market fluctuations are beyond Council control but do occur over long periods and affect the entire economy.	Medium – new homes are expensive but retain considerable inherent value and have other uses than market sale.	Commission of private sector sales team and engagement with private sector partners to monitor market fluctuations.

Decanting residents / leaseholders	Low – decanting process has been agreed with City Homes and no evident delays have come up to date	High – regeneration schemes will not be progressed if residents are not decanted.	Close cooperation with City Homes has been agreed; departments liaise and jointly attend interviews with residents.
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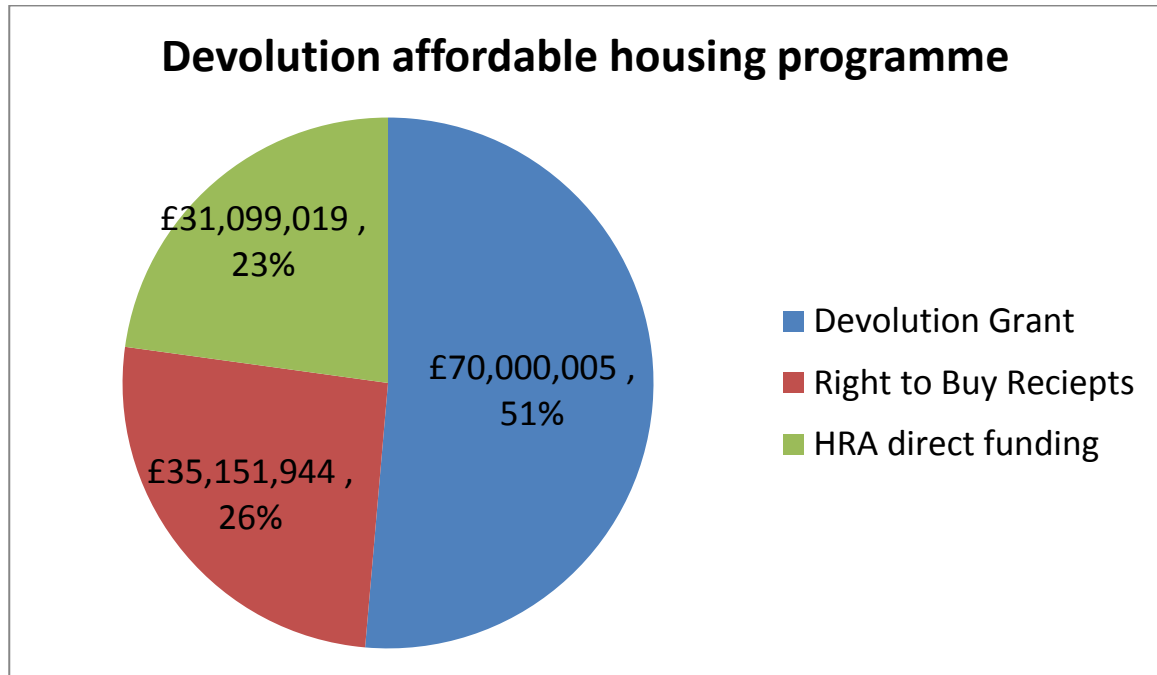
12. Implications

(A) Financial Implications

The Devolution Housing Grant and Right to Buy Receipts 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.

Currently the 500 programme has a total approved HRA budget of £120,218,990. Pending approval of the Campkin Road scheme, this will rise to £136,250,968. This is broken down by:

- Funding provided by the Combined Authority grant
- Funding provided by Right to Buy receipts
- Funding provided direct from HRA Capital



(B) Staffing Implications

The scheme on the Rolling Programme will be project managed by the Cambridge City Council Housing Development Agency in liaison with City Homes; Housing Maintenance & Assets; and the Council's corporate support teams. Some of the schemes are being delivered 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 is 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 Implications

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

(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 implications for this report. Each scheme specific approval will cover any community safety implications.

13. Background papers

Background papers used in the preparation of this report:

- a) 19/03/12 HSC report

14. Appendices

- (a) Appendix 1: Programme milestone summary
- (b) Appendix 2: Programme finance summary

15. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Claire Flowers, Head of Housing Development Agency, tel: 01223 - 457928, email: claire.flowers@cambridge.gov.uk.

HDA Delivery Programme	30/05/2019										
Scheme Name	Ward	Net Affordable	Market homes	Total homes	Delivery	Committee	Approval date	Planning Submitted	Planning Granted	Est. SOS	Practical Completion
BUILD COMPLETE											
Uphall Road	Romsey	2	0	2	E & F	HSC	Mar-15	Aug-16	Dec-16	Jun-17	Jan-18
Sub total		2	0	2							
ON SITE											
Nuns Way & Wiles Close	Kings Hedges	10	0	10	Tender	HSC	Mar-15	Aug-16	Jul-17	Jan-19	Aug-19
Anstey Way	Trumpington	29	0	56	CIP	HSC	Mar-17	Jan-18	Jul-18	Oct-18	Apr-20
Mill Road	Petersfield	91	91	182	CIP	S & R	Nov-17	Dec-17	Jun-18	Aug-18	Sep-21
Colville Garages	Cherry Hinton	3	0	3	CIP	HSC	Sep-17	Sep-18	Nov-18	May-19	Jul-20
Queens Meadow	Cherry Hinton	2	0	2	CIP	HSC	Jun-17	Dec-17	Jul-18	May-19	May-20
Markham Close	Kings Hedges	5	0	5	CIP	HSC	Jan-18	May-18	Oct-18	May-19	Jul-20
Gunhild Way	Queen Ediths	2	0	2	CIP	HSC	Jan-18	Jul-18	Oct-18	May-19	Aug-20
Ditchburn Place Community Rooms	Petersfield	2	0	2	Tender	S & R	Sep-18	Aug-18	Nov-18	Jan-19	Sep-19
Wulfstan Way	Queen Ediths	3	0	3	CIP	HSC	Sep-17	Oct-18	Jan-19	May-19	Jul-20
Sub total		147	91	265							
PLANNING APPROVED											
Ventress Close	Queen Ediths	13	0	15	CIP	HSC	Mar-17	Sep-18	Mar-19	Oct-19	Oct-20
Kendal Way	East Chesterton	2	0	2	TBC	HSC	Mar-15	Aug-16	Feb-17	Jan-20	Jan-21
Kingsway Medical Centre	Arbury	4	0	4	M & A	HSC	Sep-17	Sep-18	Apr-19	Jul-19	Apr-20
Sub total		19	0	21							
SUBMITTED FOR PLANNING											
Cromwell Road	Romsey	118	177	295	CIP	S & R	Mar-18	Mar-19	Jun-19	Jan-20	Sep-22
Akeman Street	Arbury	12	0	14	CIP	HSC	Jun-18	Apr-19	Jul-19	Sep-19	Nov-20
Mill Road Phase 2	Petersfield	25	25	50	CIP	HSC	Sep-18	Feb-19	Jun-19	Sep-19	Jun-21
Tedder Way	Arbury	2	0	2	TBC	HSC	Mar-15	Mar-17	Jun-19	Jan-20	Jan-21
Clerk Maxwell Road	Newnham	14	21	35	S106	HSC	Jan-19	Dec-18	Jul-19	Aug-19	Jan-21
Sub total		171	223	396							
COMMITTEE APPROVED											
Meadows and Buchan	Kings Hedges	106	0	106	CIP	HSC	Jan-19	Aug-19	Jan-20	Feb-20	Jul-21
Colville Phase 2	Cherry Hinton	42	0	62	CIP	HSC	Jan-19	Jun-19	Oct-19	Apr-20	Jan-22
Sub total		148	0	168							
PRE COMMITTEE APPROVAL											
Campkin Road	Kings Hedges	50	0	75	CIP	HSC	Jun-19	Dec-19	Mar-20	Aug-20	Jun-22
Sub total		50	0	75							
GRAND TOTAL		537	314	927							

Progress to 500 Starts on site	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Starts by year	2	132	311	92	0	0
Cumulative total	2	134	445	537	537	537

Progress to 500 completions	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Completions by year	2	0	12	91	264	168
Cumulative total	2	2	14	105	369	537

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HDA Financial programme	28/05/2019								
Scheme Name	Project stage	Net affordable homes	Total affordable homes	Budget approval (Actual where complete / on hold)	Budget RTB receipts (Actual where complete / on hold)	Budget Devo grant funding (Actual where complete / on hold)	Net cost to HRA	Total development cost per unit	Cost to HRA per unit
Uphall Road	Build completed	2	2	£351,099.00	-£105,330.00	-£242,596.00	£3,173.00	£175,549.50	£1,586.50
Nuns Way & Wiles Close	On site	10	10	£2,081,000.00	-£624,300.00	-£1,398,589.00	£58,111.00	£208,100.00	£5,811.10
Anstey Way	On site	29	56	£11,489,640.00	-£1,826,810.00	-£3,574,316.00	£6,088,514.00	£205,172.14	£108,723.46
Mill Road	On site	91	91	£19,296,730.00	-£5,789,020.00	-£13,507,710.00	£0.00	£212,051.98	£0.00
Colville Garages	On site	3	3	£900,460.00	-£270,140.00	-£630,320.00	£0.00	£300,153.33	£0.00
	On hold (Grant to be re-allocated to alternative scheme)	0	0	£35,468.00	-£10,640.00	-£24,828.00	£0.00	N/A	N/A
Hills Avenue	On site	2	2	£619,590.00	-£185,880.00	-£433,710.00	£0.00	£309,795.00	£0.00
Queens Meadow	On site	5	5	£1,063,870.00	-£319,160.00	-£744,710.00	£0.00	£212,774.00	£0.00
Markham Close	On site	2	2	£655,040.00	-£196,510.00	-£458,530.00	£0.00	£327,520.00	£0.00
Gunhild Way	On site	2	2	£332,000.00	-£99,600.00	-£232,400.00	£0.00	£166,000.00	£0.00
Ditchburn Place Community Rooms	On site	3	3	£884,740.00	-£265,420.00	-£619,320.00	£0.00	£294,913.33	£0.00
Wulfstan Way	Planning approved	13	15	£3,665,550.00	-£777,550.00	-£1,814,280.00	£1,073,720.00	£244,370.00	£71,581.33
Ventress Close	Planning approved	2	2	£367,000.00	-£110,100.00	-£256,900.00	£0.00	£183,500.00	£0.00
Kendal Way	Planning approved	4	4	£410,000.00	-£123,000.00	-£287,000.00	£0.00	£102,500.00	£0.00
Kingsway Medical Centre	Submitted for planning	118	118	£25,254,300.00	-£7,576,290.00	-£17,678,010.00	£0.00	£214,019.49	£0.00
Cromwell Road	Submitted for planning	12	14	£4,151,330.00	-£1,051,880.00	-£2,460,406.00	£639,044.00	£296,523.57	£45,646.00
Akeman Street	Submitted for planning	25	25	£5,340,000.00	-£1,602,000.00	-£3,737,000.00	£1,000.00	£213,600.00	£40.00
Mill Road Phase 2	Submitted for planning	2	2	£389,000.00	-£116,700.00	-£272,300.00	£0.00	£194,500.00	£0.00
Tedder Way	Submitted for planning	14	14	£2,837,760.00	-£851,330.00	-£1,986,430.00	£0.00	£202,697.14	£0.00
Clerk Maxwell Road	Committee approved	106	106	£26,379,880.00	-£7,913,960.00	-£13,777,920.00	£4,688,000.00	£248,866.79	£44,226.42
Meadows and Buchan	Committee approved	42	62	£13,781,590.00	-£2,512,600.00	-£5,862,730.00	£5,406,260.00	£222,283.71	£87,197.74
Colville Phase 2	Feasibility Stage (Subject to committee approval)	50	75	£15,964,921.00	-£2,823,724.00	£0.00	£13,141,197.00	£212,865.61	£175,215.96
Campkin Road									
TOTAL		537	613	£136,250,968.00	-£35,151,944.00	-£70,000,005.00	£31,099,019.00	£222,269.12	£50,732.49
								Mean average	

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