



Cambridge City Council Housing Scrutiny Committee

Date: Thursday, 24 September 2020

Time: 5.30 pm

Venue: This is a virtual meeting.

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

Agenda

- 1 Apologies
- 2 Declarations of Interest
- 3 Minutes (Pages 7 - 16)
- 4 Public Questions
- 5 Election of Tenant or Leaseholder Vice Chair
- 6 Introduction of New Representatives

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

Decisions for the Executive Councillor for Housing

- 7 Estates & Facilities Service Review and Compliance Update (Pages 17 - 22)
- 8 Tenancy, Hoarding & Rechargeable Works Policies (Pages 23 - 52)
- 9 Procurement of Energy Efficiency Works to Council Houses 2020 (Pages 53 - 58)
- 10 Housing Revenue Account (HRA) Medium Term Financial Strategy (Pages 59 - 152)

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

Decisions for the Executive Councillor for Housing

- 11 New Council Housing Programme (Pages 153 - 198)
- 12 Update on the Programme to Build new Council Homes Funded Through the Combined Authority (Pages 199 - 218)
- 13 East Barnwell (One Public Estate) (Pages 219 - 288)

- 14 Colville Road Phase 3 (Pages 289 - 310)
- 15 Purchase of Affordable Housing at Histon Road (Pages 311 - 320)
- 16 Orchard Park L2 (Pages 321 - 346)

Appendix 3 to the report contains exempt information during which the public is likely to be excluded from the meeting subject to determination by the Housing Scrutiny Committee following consideration of a public interest test. This exclusion would be made under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

- 17 Disposal of HRA Land (Pages 347 - 354)

The report and appendices contains exempt information during which the public is likely to be excluded from the meeting subject to determination by the Housing Scrutiny Committee following consideration of a public interest test. This exclusion would be made under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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

Alternates: Barnett, Page-Croft and Smart

Tenants and Leaseholders: Lulu Agate (Tenant Representative), Christabella Amiteye (Tenant Representative), Diane Best (Leaseholder Representative), Mandy Powell-Hardy (Tenant Representative), Diana Minns (Tenant Representative) and Colin Stevens (Tenant Representative)

Executive Councillors: Johnson (Executive Councillor for Housing)

Information for the public

Details how to observe the Committee meeting will be published no later than 24 hours before the meeting.

Members of the public are welcome to view the live stream of this meeting, except during the consideration of exempt or confidential items, by following the link to be published on the Council's website.

Any person who participates in the meeting in accordance with the Council's public speaking time, is deemed to have consented to being recorded and to the use of those images (where participating via video conference) and/or sound recordings for webcast purposes. When speaking, members of the public should not disclose any personal information of any individual as this might infringe the rights of that individual and breach the Data Protection Act.

If members of the public wish to address the committee please contact Democratic Services by 12 noon two working days before the meeting.

For full information about committee meetings, committee reports, councillors and the democratic process:

- Website: <http://democracy.cambridge.gov.uk>
- Email: democratic.services@cambridge.gov.uk
- Phone: 01223 457000

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| Housing Scrutiny Committee |
| Terms of Reference |
| A. Overview and scrutiny of the strategic and other housing functions for |

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| <p>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.</p> |
| <p>B. Overview and scrutiny of functions relating to the management of the Council's housing stock.</p> |
| <p>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.</p> |
| <p>Membership</p> |
| <p>City Councillors (Such number as shall be decided by the Council from time to time)</p> |
| <p>Six elected tenants and leaseholders of Cambridge City Council of whom at least five shall be tenants of Cambridge City Council.</p> |
| <p>Appointment of tenant and leaseholder members</p> |
| <p>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.</p> |
| <p>Voting</p> |
| <p>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.</p> |
| <p>Appointment of Chair</p> |
| <p>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.</p> |
| <p>Other matters relating to elected tenants and leaseholders</p> |
| <p>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,</p> |

and the circumstances in which they may cease to be members of the Committee.

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HOUSING SCRUTINY COMMITTEE

23 June 2020

5.30 - 8.45 pm

Present: Councillors Todd-Jones (Chair), Bird (Vice-Chair), Hadley, Sheil, Thittala, McGerty, Martinelli and Porrer

Executive Councillor: Johnson (Executive Councillor for Housing)

Tenant/Leaseholder Representatives: Diane Best (Vice Chair), Lulu Agate, Christabella Amiteye, Kay Harris, Diana Minns

Officers:

Strategic Director: Suzanne Hemingway

Assistant Head of Finance and Business Manager: Julia Hovells

Head of Housing Maintenance and Assets: Lynn Thomas

Project Officer (Private Rented Sector): Philip Winter

Head of Housing Development: Claire Flowers

Committee Manager: Toni Birkin

Others Present:

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| FOR THE INFORMATION OF THE COUNCIL |
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20/15/HSC Apologies

Apologies were received from tenant representative Jean-Louis Ayivor.

20/16/HSC Declarations of Interest

There were no declarations of interest.

20/17/HSC Minutes

The minutes of the meeting of the 15th January 2020 were agreed and signed as a correct record subject to the addition of Lynn Thomas, Head of Housing and Will Barfield, Asset Manager.

Oral Presentation on the role for the Leaseholder and Tenant Representatives role

Diana Minns (Tenant Representative) Vice Chair gave the Committee an overview of the role and responsibility of the Tenant and Leaseholder representatives.

The Chair thanked the representatives for their hard work and commitment to the role.

Kay Harris was retiring from the role and not seeking re-election. The Chair and Senior Officers thanked her for her dedication and involvement with the various iteration of Housing Scrutiny and Tenant Involvement over a period of over 35 years.

Jean-Louis Ayivor, another resident representative, was also standing down. The Chair expressed thanks to Jean-Louis for the experience he had brought to the committee and the contribution he had made to committee discussions.

Thanks were also expressed to Committee Manager Toni Birkin who is retiring from the Council.

20/18/HSC Appointment of Vice-Chair (Tenant/Leaseholder Rep) for 2020/21

The tenants and leaseholders representatives agreed to defer the election of a new Vice Chair until the following meeting when the new tenant representatives were in post.

20/19/HSC Public Questions

There were no public questions.

20/20/HSC Housing Revenue Account Revenue and Capital Outrun, Carry Forwards and Significant Variances

Item chaired by Diana Minns, Vice Chair / Tenant Representative.

Recommendation 2a (decision i) was chaired by Diana Minns (Vice Chair / Tenant Representative) and recommendations 2b (decision ii) was chaired by Councillor Todd-Jones.

Matter for Decision

The report presented, for the Housing Revenue Account:

- i. A summary of actual income and expenditure compared to the final budget for 2019/20 (outturn position)
- ii. Revenue and capital budget variances with explanations
- iii. Specific requests to carry forward funding available from both revenue and capital budget underspends into 2020/21.
- iv. A summary of housing debt which was written off during 2019/20.

Decision of Executive Councillor for Housing

Under Part 1 of the Housing Scrutiny Committee Agenda, the Executive Councillor Housing Scrutiny Committee:

- i. Approved carry forward requests totalling £1,431,300 in revenue funding from 2019/20 into 2020/21, as detailed in Appendix C of the Officer's report.
- ii. Approved a delegation to the Head of Finance to make the necessary changes to the 2020/21 base budgets to remove the impact of inflation in all non-pay and non-contractual revenue budgets.

Under Part 2 of the Housing Scrutiny Committee Agenda, the Executive Councillor for Housing agreed to recommend to Council:

- iii. Approved carry forward requests of £6,560,000 in HRA and General Fund Housing capital budgets and associated resources from 2019/20 into 2020/21 and beyond to fund re-phased net capital spending, as detailed in Appendix D of the Officer's report and the associated notes to the appendix.

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 Assistant Head of Finance and Business Manager.

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

- i. Expressed disappointment at the failure to deliver the Decent Homes Standards to all tenants and the associated underspend.
- ii. Sought clarity on the council tax liable on void properties.

- iii. Suggested that some underspends could be diverted into energy efficiency measures.
- iv. Welcomed the progress made with disabled adaptation.

The Assistant Head of Finance and Business Manager said the following in response to Members' questions:

- i. Explained that tenants had the right to refuse improvement work such as kitchen or bathroom refits. Some had taken good care of existing facilities and did not want the disruption of replacement work.
- ii. Confirmed that the authority is liable for the majority of the Council Tax on void properties, with homes vacated for redevelopment causing the majority of spend. Confirmed that only short-term discounts or exemptions are available (one month in most cases).
- iii. Confirmed that there had been no change in policy of discretionary repairs. However, there had been a change in procedures with council staff no longer undertaking works which were the tenant's responsibility.
- iv. Clarified that carry forward requests this year were higher than last, but that so were the budgets, so that proportionally the capital carry forwards were not hugely different. Highlighted that Covid-19 is delaying repairs and planned works in 2020/21 and may affect the ability to appropriately invest funds carried forward. Further details on the catch up process would be available later in the year.

The Committee resolved by 10 votes to 0 with 3 abstentions to endorse part 1 of the recommendation

The Committee resolved by 5 votes to 0 with 3 abstentions to endorse part 2 of the recommendation.

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

20/21/HSC Estates & Facilities Review and Compliance

This Item was chaired by Diana Minns (Vice Chair / Tenant Representative)

Matter for Decision

The report provides an update on the Estates & Facilities Service Review and information on compliance related work within the service, including a

summary on gas servicing, electrical testing, recent audit actions and fire safety.

Decision of Executive Councillor for Housing

- i. Noted the progress of the service review and compliance related work detailed within the report.
- ii. Agreed that an update report on the progress on the works to be brought to the September Housing Scrutiny Committee.

Reason for the Decision

As set out in the Officer's report. the progress of the service review and compliance related work detailed within the report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Housing Maintenance and Assets.

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

- i. Confirmed that two council properties were non compliant with gas safety certificates. This was a result of the occupants shielding. Those properties would be revisited as a priority as soon as the occupants felt comfortable with other people inside their homes.
- ii. Fire Risk Assessments had been undertaken in respect of a number of maisonettes that are above ground floor level and necessary work identified would be undertaken as soon as possible.

The Committee raised concerns regarding the recent fire at Kingsway Flats. It was suggested that residents had reported problems with communal lighting, lack of internal fire doors, communal alarms not working and blocked stairwells. The Head of Housing Maintenance and Assets responded and stated that the emergency lighting had been tested regularly and no faults had been found. All tenanted flats entrance doors will be replaced with fire doors that meeting current standards and orders have already been placed with contractors. There was no requirement for a communal fire alarm. The fire was under investigation and more information would be available at a future date.

The Asset Manager stated that there was an on-going program to install heat detectors. Additional funding is likely to be required as this three-year programme also requires work to existing smoke detectors in dwellings.

The Committee thanked housing staff for their prompt and caring approach to rehousing victims of the fire.

Councillor Porrer proposed and Diana Minns seconded an additional recommendation as follows:

That an update report on the progress on the works to be brought to the September Housing Scrutiny Committee.

The Committee supported the additional recommendation.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

20/22/HSC Update on the Programme to Build new Council Homes Funded Through the Combined Authority

This item was chaired by Councillor Todd-Jones

Matter for Decision

The report provides 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.
- iii. Noted the risks and impact of the Covid-19 pandemic on 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 Development.

In response to the report the Committee commented that it was disappointing that the Kingswat project was delayed by UK Power Network (UKPN). The Strategic Director (FB) explained that these delays were unavoidable as UKPN were dealing with Covid 19 emergency works. Council staff were currently working on new ways to engage with them to ease the progress of future projects. The Head of Maintenance and Assets explained as this was a refurbishment the issues with the cabling were not known before works started.

In response to a question about the risk ratings in the report the Head of Housing Development explained that these related to the specifics on the projects not the overall programme which even with potential for delays was low risk in terms of achieving the March 2022 SOS target for the funding.

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

- i. Confirmed that the first Housing Pods to ease rough sleeping are to be installed across three sites around Cambridge. Four more Pods were available and would be installed as soon as suitable sites had been identified.
- ii. Suggested that staff would be monitoring how the Pods worked for individual users.

The Committee resolved by 5 votes to 0 and 3 abstentions to endorse the recommendations.

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

20/23/HSC Cambridge City Council's response to homelessness during Covid-19 - an update on progress and next steps

This item was chaired by Councillor Todd-Jones

Matter for Decision

- i. At the end of March 2020, and in line with lockdown measures introduced at the time, the Government asked local authorities to ensure that rough sleepers were provided with emergency accommodation to help reduce the risk of transmission of the Covid-19 virus. The City Council, along with partner organisations, working in the homelessness sector, and the County Council had worked in partnership tackle the significant logistical task of identifying those rough sleeping and at immediate risk and securing accommodation offers for all of them. The Government gave an initial financial commitment (see 8a of the Officer's report) and an invitation to apply for further funding as required.
- ii. The report updated members on progress to date, broadly outlines phase two of the council's plan - to secure longer term housing options for those currently accommodated on a temporary basis – and explains how officers would manage the process. It explained why the Homelessness and Rough Sleeping Strategy, previously due for publication this month, had been delayed and will now be brought before Housing Scrutiny Committee in January 2021.

Decision of Executive Councillor for Housing

- i. Noted the progress the Council has made on rehousing rough sleepers during the Covid-19 pandemic and endorse the proposed principles for delivering the phase two action plan.
- ii. Noted that a new Homelessness and Rough Sleeping Strategy will be brought to Housing Scrutiny Committee in January 2021.
- iii. Agreed that a monthly update report on the progress of the Phase 2 action plan will be circulated to members of the Housing Scrutiny Committee for the critical time period between now and September.

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. Welcomed the report and thanked officers for their hard work in achieving the temporary housing of so many rough sleepers under difficult circumstances.

- ii. Expressed concerns about the stress on staff and sought an assurance that staff were being fully supported.
- iii. Sought assurances that those housed in hotels would not be evicted back onto the streets now that hotels are about to re-open.

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

- i. Confirmed that staff would be attempting to assist all those temporarily housed. Most people had complied with support arrangements and had behaved in an acceptable way. However, assisting those whose behaviour was unacceptable, or criminal was more problematic.
- ii. When the Police were involved an individual's licence could be ended quickly. A multi-agency approach was used, including management of prison release.
- iii. Housing and support had been set up very quickly and lessons would be learnt for the longer term.
- iv. There were some concerns over the longer-term funding for this initiative.
- v. Confirmed the individuals housed had a range of vulnerabilities, including one with a registered disability.
- vi. The new pod housing was currently not in use but might be suitable for some of those in temporary housing.

Councillor Martinelli proposed and Councillor Porrer seconded an additional recommendation as follows:

A monthly update report on the progress of the Phase 2 action plan will be circulated to members of the Housing Scrutiny Committee for the critical time period between now and September.

The Committee supported the additional recommendation.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

20/24/HSC To Note Decision Taken by the Executive Councillor for Housing

10a Confidential Decision: Sale of Shared Ownership Property

This item was chaired by Councillor Todd-Jones

The Committee noted the decision without debate and therefore no exclusion of the press and public was necessary.

10b Confidential Decision: Disposal of Housing Revenue Account Property
This item was chaired by Councillor Todd-Jones

The Committee noted the decision without debate and therefore no exclusion of the press and public was necessary.

The meeting ended at 8.45 pm

CHAIR



Item

Estates & Facilities Service Review and Compliance

Update

To:

Councillor Richard Johnson, Executive Councillor for Housing
Housing Scrutiny Committee 24 September 2020

Report by:

Lynn Thomas, Head of Housing Maintenance and Assets
Tel: 01223 457831 Email: lynn.thomas@cambridge.gov.uk

Wards affected:

All Wards

This report is for information and not for decision.

1. Executive Summary

The report provides an update on the Estates & Facilities Service Review and information on compliance related work within the service, including a summary on gas servicing, electrical testing, recent audit actions and fire safety.

2. Recommendations

The Executive Councillor is recommended to note the progress of the service review and compliance related work detailed within the report.

3. E&F Service Review Update

This is a further to that provided during the last Housing Scrutiny Committee.

The service review has consisted of more than the restructure of staff, we identified 6 themes from a series of consultation and work shop events with the staff within the service, tenants reps, and colleagues across the

organisation that we work closely with, based around the 4 guiding principles of:

- Customers
- Business
- Value
- Risk

These themes were:

- Structure
- Responsibility and Accountability
- Efficiency & Effectiveness
- Performance Management
- Risk Management
- Communication and Engagement

Within these themes we identified action plans to achieve the transformation required within our service delivery and behavioral and cultural change of staff to achieve the improvements within the service in the six identified themes that underpins my mission for the service, “To be a customer focused and business-like Estates & Facilities Service that manages and maintains the Council’s housing stock and other buildings in a safe, efficient and financially sustainable manner.” There have been 74 actions identified, me and the Estates & Facilities Service Managers have been working on these actions during the past year and so far we have completed 52% of them.

The staffing restructure proposed and consulted earlier this year which provided staff with the opportunity to comment and give feedback has received the necessary approvals for implementation and the restructure is now in progress in line with the published implementation paper. We have a phased approach to the recruitment of new and vacant posts and recruitment to several posts are already in progress. Where required the notice of redundancy has been issued to those staff affected and appropriate support is being given.

4. Compliance Progress report

4.1 Gas Servicing

Mears are contracted to complete our gas servicing and maintenance. The table below shows their performance since January 2020 and prior to January they have constantly achieved 100% compliance. From the month of

April includes the change of approach for gaining access in line with the Covid-19 Guidance issued to take in consideration those tenants that were self-isolating and shielding. Now that the shielding has been paused by the Government, we are planning to return to our usual approach in obtaining access for gas servicing and in the process of designing the communication to be issued to tenants with Mears.

| | Jan 20 | | Feb 20 | | Mar 20 | | Apr 20 | | May 20 | | June 20 | | July 20 |
|-----------------------------|-----------|--|-----------|--|-----------|--|-----------|--|-----------|--|------------|--|------------|
| Services completed | 686 | | 803 | | 642 | | 605 | | 625 | | 781 | | 851 |
| service compliance | 100% | | 100% | | 100% | | 99% | | 99% | | 99% | | 99% |
| overdue within month | 0 | | 0 | | 0 | | 2 | | 56 | | 74 | | 56 |

4.2 Electrical Testing

All properties that are planned for electrical testing this financial year have been ordered with our contractor TSG Building Services. Due to Coronavirus the start of work was postponed until 1/8/20. Work has now started on site but it is too early to supply performance figures.

In order to try to improve access to properties revised letters have been implements along with an incentive scheme. If the tenant responds to the contractor and arranges an appointment, they are entered into a prize draw.

4.3 Fire Safety

The following fire safety measures have been ordered with our contractors and are being programmed for delivery in 20/21:

1. Installation of internal fire doors and fire protection to 188 above ground floor maisonettes.

Following a pilot study some additional works to internal walls have been identified and these are currently being priced by the Contractor before the full program starts.

2. Installation of external fire doors to over 300 fire doors at Hanover Court, Princess Court, Kingsway flats and other flats

This work is in progress and will be completed in September 2020. Within Kingsway, Hanover and Princess on the 19th August, 83% of the doors have been either completed or in progress/booked. (69% complete 14% in progress/ booked)

3. Continuation of the program to replace all no-compliant “Manse” fire doors

This work will follow the completion of the work at Kingsway flats, Hanover Court and Princess Court and is programmed for completion by December 2020.

4. Installation of new emergency lighting in blocks of flats in the Hawkins Road estate

This work has been tendered and will be completed as part of the structural works project that is due to start in October 2020.

5. Improvements to vents and glazing facing onto escape routes in 84 locations

These are ordered and scheduled for completion later this year. No work has been completed yet.

6. Continuation of the heat detector installation program to all properties

Due to Coronavirus the start of work was postponed until 1/8/20. Work has now started on site, but it is too early to supply performance figures.

7. Continuation of the smoke detector replacement program

Due to Coronavirus the start of work was postponed until 1/8/20. Work has now started on site, but it is too early to supply performance figures

8. Fire compartmentation works to houses that have been converted into flats

These are ordered and the contractor has written to residents to arrange access. No work has been completed yet.

5. Implications

5.1 Financial Implications

There are no new financial implications directly relating to the content of this report.

5.2 Staffing Implications

There are no new staffing implications directly relating to this report. The service review restructure holds staffing implications that are dealt with through the organisational change policy, formal consultation, and implementation process.

5.3 Equality & Poverty Implications

There are no new equality and poverty implications associated with this report. An EQIA has been developed for the service restructure and is included within the formal implementation papers.

5.4 Environmental Implications

There are no new environmental implications directly relating to the content of this report.

5.5 Procurement Implications

There are no new procurement implications directly relating to the content of this report.

5.6 Consultation and Communication

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

5.7 Community Safety

There are no new community safety implications directly relating to the content of this report.

6. Background Papers

Background papers used to compile this report:

- a) Estates & Facilities Service Review Consultation Paper
- b) Estates & Facilities Service Review Implementation Paper

To inspect the background papers or if you have a query on the report please contact Lynn Thomas, Head of Housing Maintenance and Assets, Tel: 01223 457831, email: lynn.thomas@cambridge.gov.uk.



Item

HOARDING, RECHARGEABLE WORKS & TENANCY POLICIES

To:

Councillor Richard Johnson, Executive Councillor for Housing
Housing Scrutiny Committee 24/09/2020

Report by:

David Greening, Head of Housing
Tel: 01223 - 457997

Email: david.greening@cambridge.gov.uk

Wards affected:

All

Not a Key Decision

1. Executive Summary

1.1 This report presents the following Cambridge City Council (CCC) policies:

- Tenancy Policy (2020-23)
- Rechargeable Works Policy (2020)
- Hoarding Policy (2020)

2. Recommendations

The Executive Councillor is recommended to:

2.1 Approve the policies included in Appendices A, B and C

3. Background

- 3.1 The Hoarding Policy (Appendix A) sets out CCC's position on working with tenants who exhibit hoarding behaviours. The Hoarding Policy demonstrates CCC's commitment to the approaches identified in the ['Cambridgeshire and Peterborough Multi-Agency Protocol for Working with People with Hoarding Behaviours'](#) (2016), of which CCC is a signatory.
- 3.2 The Rechargeable Works Policy (Appendix B) was originally agreed by the Housing Scrutiny Committee (HSC) in January 2019. This review is in response to recent work undertaken by the Finance Team to enhance the link between Capita (the payment system) and Orchard Housing. As an outcome of this work CCC can now accept payments directly into tenant's rechargeable repair sub-accounts. This update to the policy also clarifies tenant and council responsibilities for rechargeable repair works, as well as provide guidance on what constitutes emergency and non-emergency repairs.
- 3.3 Under the Localism Act (2011) and as a Registered Provider (RP) of social housing, CCC is required to publish clear and accessible policies which have regard to the requirements set out in the [CCC Tenancy Strategy \(2020\)](#). The Tenancy Policy (Appendix C) has been reviewed in response to the CCC Tenancy Strategy (2020) agreed by HSC in January 2020.

4. Policy content

4.1 The Hoarding Policy

The key areas to note are:

- All Officers involved in the assessment of hoarding cases will complete 3 'Protocol' risk assessments contained within the Case Assessment Booklet
- Where the tenant has good/fair insight into their behaviour an internal referral to Tenancy Sustainment Service (TSS) will be made

- Where the tenant has no insight into their behaviour and the risk rating is high the Officer will instigate a multi-agency meeting
- The development of an action plan by the tenant to ensure ownership of the behaviour
- A commitment by TSS to support the tenant for 6 months
- Enforced clearance only when specific criteria are satisfied
- All enforced clearances to be recharged to the tenant

4.2 The Rechargeable Works Policy

The changes to note within the revised Rechargeable Works Policy are:

- Tenant to be charged an abortive call-out fee where the tenant has missed a pre-arranged appointment on 2 consecutive occasions. No further non-emergency work to be undertaken until this fee is paid. This fee cannot be applied to tenants retrospectively as it is dependent upon the tenant signing the Non-emergency Rechargeable Repair Form which contains the abortive call-out fee obligation
- List of items showing who is responsible for the repair (tenant or council) included
- Definitions of emergency, urgent, routine and long-term works included
- Schedule of rates removed and reference to annual review in-line with National Schedule of Rates included
- Upon the implementation of requisite internal processes and appropriate legal instruments the tenant will be charged a false-emergency call-out fee (where an emergency call-out is made for a non-emergency repair)

4.3 The Tenancy Policy

The changes to note within the revised Tenancy Policy are:

- CCC's use of positive under-occupation incentives to help tenants move to smaller accommodation
- CCC's application of Local Housing Allowance rates
- CCC's fulfilment of the public sector equality duty when developing new tenancy management policies

- Reference to the support provided by the TSS, Visiting Support Service and Income Team
- Clarity on succession (only one succession per tenancy)
- Summary and link to the Tenancy Management Service Standards

5. Implications

(a) Financial Implications

The review of the Rechargeable Work Policy will not have significant financial implications on customers. The principle of recharging tenants and residents for services that are not the responsibility of the Council has been in place for a number of years. The introduction of the abortive call-out fee is anticipated to help prevent missed appointments, as CCC will withhold non-emergency repair services until the fee is paid. The prevention of multiple missed appointments will have a positive financial impact as it will lead to better use of council resources.

The introduction of the Hoarding Policy will require all enforced clearances to be paid for by the tenant in-full prior to the clearance, but where this is not possible the debt will be added to the tenants sub-account on a recharge basis.

(b) Staffing Implications

To support implementation of the policies, procedures setting out the processes and templates will be developed. These supporting documents will provide clarity to staff by setting out expectations with regard to delivery of the policy requirements.

(c) Equality and Poverty Implications

The potential impact on protected characteristic groups has been considered as part of the Equality Impact Assessment (EQiA). The introduction of these policies will not have equality implications on Council residents.

(d) Environmental Implications

None

(e) Procurement Implications

None

(f) Community Safety Implications

None

6. Consultation and communication considerations

The policies have been shared with Housing Scrutiny Committee (HSC) Resident Representatives, and their feedback considered and included as appropriate.

7. Background papers

No background papers were used in the preparation of this report.

8. Appendices

- A. Hoarding Policy (2020)
- B. Rechargeable Works Policy (2020)
 - a. Appendix A - Categories of repair works by urgency type
 - b. Appendix B - Council and tenant repair responsibilities
- C. Tenancy Policy (2020)

9. Inspection of papers

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HOARDING POLICY

1 PURPOSE

1.1 This Hoarding Policy sets out Cambridge City Council's (CCC) position on working with tenants who exhibit hoarding behaviours. CCC is a signatory of the ['Cambridgeshire and Peterborough Multi-Agency Protocol for Working with People with Hoarding Behaviours'](#) (2016) ('the Protocol') and is committed to upholding its approaches. These include:

- The assessment of hoarding cases in an evidence based, structured, systematic and consistent way so that information about the risks and challenges can be shared and understood with partner agencies
- Establish best practice when working with people who display hoarding behaviour, so that a personalised response is provided and the person's rights, choices and autonomy are respected
- Develop multi-agency solutions, maximising the use of existing services and resources of professional support and monitoring
- Focus on prevention and modification of hoarding behaviours, aiming to reduce the need for formal or compulsory solutions.

1.2 CCC recognises that hoarding is a complex condition which cannot be resolved quickly. Successful management of the behaviour requires significant input from several agencies and cooperation from the tenant. In its capacity as a landlord, CCC does not expect to resolve the hoarding behaviour, but rather, work with the tenant and external partners to source appropriate support, while mitigating any health, safety and environmental risks to the tenant and neighbours, and limiting damage to the property.

2 BACKGROUND

2.1 In 2018 the World Health Organisation (WHO) formally recognised the hoarding disorder through its inclusion in the **International**

Classification of Diseases (ICD). The ICD was presented at the World Health Assembly in May 2019 for adoption by Member States in January 2022. The ICD and the **Diagnostic and Statistical Manual of Mental Disorders (DSM)** (2013) both categorise hoarding under Obsessive-Compulsive and Related Disorders.

2.2 The ICD definition of hoarding is as follows:

“Hoarding disorder is characterised by accumulation of possessions due to excessive acquisition of or difficulty discarding possessions, regardless of their actual value. Excessive acquisition is characterized by repetitive urges or behaviours related to amassing or buying items. Difficulty discarding possessions is characterised by a perceived need to save items and distress associated with discarding them. Accumulation of possessions results in living spaces becoming cluttered to the point that their use or safety is compromised. The symptoms result in significant distress or significant impairment in personal, family, social, educational, occupational or other important areas of functioning.”

2.3 The Care Act (2014) formally recognises hoarding under the category of self-neglect. Self-neglect is defined as an extreme lack of self-care. This can include, refusal or inability to cater for basic needs, including personal hygiene and appropriate clothing, feeding, or tending appropriately to any medical conditions. If, when working with a tenant who exhibits the hoarding behaviour, the CCC Housing Officer considers there to be a care or support need and a risk of self-neglect then the necessary referral to Cambridgeshire County Council will be made in-line with CCC’s Safeguarding Children and Adults at Risk Policy (2016).

3 MULTI-AGENCY WORKING

3.1 CCC is committed to working closely with partner agencies to ensure that high-risk cases of hoarding are assessed in a timely manner. To help inform multi-agency discussions the CCC Housing Officer will complete 3 risk assessments:

- Assessment 1: Premises Risk Assessment
- Assessment 2: Clutter Image Ratio Tool

- Assessment 3: Hoarding Insight Characteristic Assessment

- 3.2 The tenant's insight into their hoarding behaviour (Assessment 3) will be instrumental as to how the case will be managed. If the tenant has **no insight** into their behaviour, then the CCC Housing Officer will instigate a multi-agency meeting with external partners to identify what support can be implemented and next steps. The CCC Housing Officer will also notify the CCC Tenancy Enforcement Panel (TEP) to ensure that appropriate enforcement action can be considered, and any health, safety or environmental risks mitigated.
- 3.3 While CCC are keen to support all residents impacted by hoarding, under current funding arrangements we cannot offer the Tenancy Sustainment Service to leaseholders or residents who have purchased property through affordable home ownership schemes. Instead, we will encourage individuals to contact the Cambridgeshire Fire and Rescue (CFRS) Safe and Well service for guidance on improving fire safety in the home. We will also signpost the individual to support services and charities such as Hoarding UK.
- 3.4 Tenants who have a **good/fair** insight into their behaviour will be referred to the Tenancy Sustainment Service (TSS). The TSS will work with the tenant to agree the actions needed to mitigate the identified risks and improve the hoarding behaviour. Central to this process will be the development of an action plan which the tenant will be required to sign and will be shared with relevant partner agencies. The TSS will maintain regular contact with the tenant over a **6-month period** to help ensure that the agreed actions are completed.
- 3.5 The actions agreed by the tenant as part of the action plan will only be shared with partners directly involved in providing support. This includes, but is not limited to:
- Cambridgeshire Fire and Rescue Service (CFRS)
 - Cambridgeshire and Peterborough NHS Foundation Trust (CPFT)
 - Cambridgeshire County Council
 - Cambridgeshire Safeguarding Adults Board
 - CCC Environmental Health (EH) colleagues

- 3.6 If the hoarding behaviour does not improve with the support of the TSS, and the risks to the household are still apparent, then the CCC Housing Officer, with support from the TSS, will make an internal referral to the Tenancy Enforcement Panel (TEP) and Tenants at Risk (TAR) group. The purpose of which will be to identify appropriate enforcement action and the provision of external support.
- 3.7 Cases which are assessed as **low risk** across all 3 assessment tools will be referred to the Cambridgeshire Fire and Rescue (CFRS) Safe and Well service for guidance on improving fire safety in the home. The tenant will also be encouraged by the CCC Housing Officer to contact support agencies for further assistance.

4 ENFORCEMENT

- 4.1 CCC recognises that hoarding is a complex condition and the act of clearing a property will not always lead to a change in behaviour. Therefore the enforced clearance of items against the will of the tenant with the hoarding behaviour will only be undertaken when the following points are satisfied:
- The agreement of the multi-agency partners identified in the action plan has been obtained
 - Other approaches (such as clearance of the property by the tenant) have been exhausted
 - The clearance is proportionate to the scale of the issue
 - The agreement of the CCC Tenancy Enforcement Panel (TEP) has been obtained
 - A breach of tenancy or leasehold agreement is confirmed and an injunction or a court order for possession of property has been obtained, or possession or forfeiture of the property is confirmed
- 4.2 All enforced clearances will be payable by the tenant. The tenant will be encouraged to satisfy the payment in-full prior to the clearance, but

where this is not possible the debt will be added to the tenants sub-account on a recharge basis.

- 4.3 If individuals exhibiting the hoarding behaviour are found to have stored items in communal areas, then due to fire safety risks, CCC will clear the area in-line with the 'Storage in Communal Areas – Zero Tolerance Policy (2018)'. The cost for the removal and storage of items will be charged in-line with the National Schedule of Rates.

Policy written: August 2020

To be reviewed by: August 2023

Appendix B

RECHARGEABLE WORKS POLICY

Glossary of Terms

'Property' includes dwellings, gardens, garages, outbuildings, decants, access across council land and any equipment provided by the Council.

'Tenant(s)' includes secure tenants, introductory tenants, fixed-term tenants, licensees, unauthorised occupants, garage tenants and joint tenants.

1.0 STATEMENT ON POLICY

- 1.1 A rechargeable repair is a repair that is the result of damage or negligence to the property and/or its fixtures and fittings, internally or externally by a tenant or leaseholder or a member of the tenant's/leaseholder's household or an invited visitor to the property and/or communal areas.
- 1.2 A charge will also be levied against the cost of removing items and clearing gardens when properties are vacated, blocking unauthorised access across council-owned land, and replacing damaged equipment in Council property. This Policy also applies to licences and occupiers.
- 1.3 The tenancy conditions clearly state that the tenant is responsible for the cost of repairing any damage that they cause to council properties. Appendix B lists the repairs for which the tenant or the Council is responsible. The Council cannot assign its statutory duties to repair the items listed in Appendix B to the tenant as per section 11 of the Landlord and Tenant Act (1985).
- 1.4 Where a tenant has carried out alterations or improvements to the property with or without written consent, the Council may ask for the property to be returned to its original condition. If a tenant does not restore the property to its original condition, the council will undertake

the work and charge the cost of the work to the tenant. The tenant will be responsible for the repair of any alterations that have been authorised by the Council. Full details relating to consensual and non-consensual alterations or improvements are laid out in the [Tenants and Leaseholder's Alterations and Improvements Policy](#) (2018).

1.5 The aims of the rechargeable works policy are:

- Reduce the cost of repairs to the Council where tenants are responsible
- Prevent the neglect and damage to council properties by advising tenants of their responsibilities
- Avoid the majority of tenants picking up the bill for the minority
- Protect the repairs budget to deliver only what it is intended for and as laid out in the Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994
- Reduce the costs of empty property works across the city
- Provide clarity on categories of repair work and the associated response times

2.0 KEY ISSUES FOR POLICY IMPLEMENTATION

- 2.1 Tenants are responsible for the property as per the tenancy/licence conditions. The Council will decide whether charges are to be made against occupiers and what action will be taken to attempt to recover any costs deemed as rechargeable works.
- 2.2 The emphasis will be on prevention of rechargeable work at all stages rather than the necessity to recover costs.
- 2.3 If the Council is notified of, or suspects that, works are required because of damage which is as a result of domestic abuse, the Housing Officer responsible for tenancy management will be notified. The Housing Officer will refer to the City Homes/Supported Housing 'Responding to Disclosures of Domestic Abuse Procedure' (2019).

- 2.4 All repair charges, where the Housing Officer agrees that the work required is as a result of damage caused by a perpetrator of domestic abuse, will be waived.

3.0 PRE-VOID INSPECTIONS

- 3.1 Tenants will be recharged for works at the end of the tenancy. The aim will be to keep the charges to a minimum by advising tenants before they leave of their responsibilities. Estimated costs for all re-chargeable repair work will be shared with the tenant(s) following pre vacation inspection and rechecked upon keys being returned to CCC. In situations where a pre vacation inspection is not possible recharges will be identified when the keys are returned and listed accordingly. All rechargeable repairs shall be recorded with photographic evidence and stored electronically at Estates and Facilities.
- 3.2 Tenants will be sent a confirmation of total charges after they move to their forwarding address. The tenant will be expected to pay the charge indicated on the confirmation within 14 days of receiving it, unless the Council agrees terms for repayment.
- 3.3 For other rechargeable costs, tenants will be advised at the earliest opportunity and in line with the requirements of the particular service, as to what costs will be levied.
- 3.4 Where tenants complete the work themselves to avoid a recharge and it is subsequently found that the works have not been carried out to a pre-agreed standard and specification, the Council reserves the right to remove any work undertaken and charge the full cost of replacing the work, plus VAT.

4.0 EMERGENCY RECHARGEABLE REPAIRS

- 4.1 When an emergency rechargeable repair is being reported, the tenant (or whoever is reporting this on the tenants behalf) will be advised that the works will be recharged and whether or not the repair is an

emergency, urgent, routine or long-term works. See Appendix A of this document.

- 4.2 The tenant will be sent confirmation of total charges following completion of the repair and payment will be expected within 14 days, unless the Council agree terms for repayment. Terms for repayment may include the option for the tenant to pay the Council an agreed amount on a regular basis until the debt is cleared.
- 4.3 If, following an emergency call-out, the repair is assessed as a non-emergency repair, then the repair work will not be undertaken and the tenant will be advised to book a non-emergency repair appointment. The cost of the emergency call-out will be recharged to the tenant¹ and this fee will apply to calls made during and outside office hours.

5.0 NON-EMERGENCY (URGENT/ROUTINE/LONG-TERM) RECHARGEABLE REPAIRS

- 5.1 When a non-emergency repair is reported the tenant will be informed of the cost of the repair. If the tenant wishes for the council to undertake the repair work a confirmation of total charges will be issued. Once full payment has been received Estates and Facilities will undertake the works. The tenant will be given the opportunity to complete the works by completing an Alteration Form. Once approval has been given by the Asset Officer the tenant can employ their own contractor however the works need to be completed to an agreed standard with Estates and Facilities.
- 5.2 If when carrying out a non-emergency repair it is deemed that the repair was caused by the tenant then this can be recharged upon completion.

¹ The Council's ability to charge the cost of the emergency call-out is conditional upon the implementation of the required internal processes and supporting legal instruments.

- 5.3 If the tenant misses a pre-arranged repair appointment on two consecutive occasions, no further non-emergency repair appointments will be booked or undertaken by the Council until an abortive call-out fee is paid. This does not include items listed as emergency repairs in Appendix A.
- 5.4 If the tenant chooses to undertake the repair themselves they must complete a Tenant Alterations Form in-line with the [Tenants and Leaseholder's Alterations and Improvements Policy](#) (2018). If the alteration is authorised by the Council then the responsibility for the maintenance of the alteration will pass to the Tenant. The Council will **NOT** repair alterations or extra items that the Tenant has fitted.

6.0 GAS FORCE ENTRIES

- 6.1 The Council is responsible for the servicing of gas appliances in tenants homes on an annual basis. If the Council is unable to gain access to the property despite reasonable notice and written requests to the tenant then the Council is legally entitled to force entry to the property to carry out the service. In such cases the council will immediately re-secure the tenants home and rectify damage caused. The Council will charge the tenant for the additional reasonable costs incurred.

7.0 RECHARGEABLE WORKS CHARGES

- 7.1 The Rechargeable Works Charge List will be based upon the National Schedule of Rates. To ensure fairness and transparency the Rechargeable Works Charge List will be reviewed annually.

8.0 PREVENTION

- 8.1 Tenants will be given advice about their responsibilities as a tenant at the start of their tenancy, and, if applicable, at the pre-transfer visit ('Plus' visit). Tenants will be advised that all housing related debt (including recharges) must be repaid at the end of the tenancy, and that failure to repay this debt may result in CCC taking legal action to

recover the money, and/or the tenant being barred from future entry onto the housing register.

- 8.2 The Council will use personal data held on the Housing Information System to trace former tenants who owe a rechargeable repair debt to the Council , but will keep the data in a form which permits identification of the individual for no longer than is necessary (see Article 5 (c) and (e) of the General Data Protection Regulation Principles).
- 8.3 Properties will be let to new tenants in accordance with the City Council's ***5-Point Promise*** and to meet the requirements of the Decent Homes standard.
- 8.4 The Council will point out clearly to tenants that they are responsible for paying for the work carried out by the Council that is deemed to be "rechargeable". The Council will seek payment in advance for repairs, before we agree to do work which is the tenants' responsibility.
- 8.5 Tenants who have applied for a transfer will be advised that their request may be deferred if there is repair work that they need to carry out. If tenants leave their property and repair work has to be carried out or possessions cleared then they will be recharged.

Policy written: October 2018

Policy reviewed: September 2020

Next review: September 2023

APPENDIX A – CATEGORIES OF REPAIR WORKS BY URGENCY TYPE (EMERGENCY/URGENT/ROUTINE/LONG-TERM)

A repair will fall into one of these categories:

- Emergencies
- Urgent repairs
- Routine repairs
- Long-term planned maintenance

Emergencies

Cambridge City Council will deal with these problems within 24 hours:

- Blocked drains caused by blocked manholes – any other blockage will need to wait until the next working day. Unless the drainage is shared, in which case it is Anglian Water's responsibility
- Serious electrical faults or complete power failure
- Faulty smoke alarms, if they were installed by CCC and the Tenant cannot turn them off
- Burst or leaking supply pipes that cannot be contained, major overflows where water is gushing out, and major roof leaks
- A toilet not flushing – if it is the Tenants only toilet
- Broken heating systems – CCC will provide temporary heating within eight hours if needed
- Broken lifts
- Insecure property – such as a front or back door or ground-floor window that won't lock – upper-floor windows are not an emergency
- A stuck exit, such as a fire door in a flat that cannot be opened
- Smashed windows with both panes broken – CCC will board these up temporarily. Broken glass is the Tenant's responsibility, so the Tenant could be charged for this if unable to provide a crime number
- Lost keys, or access to the property – keys are the Tenants responsibility and there will be a charge

Wherever possible CCC will complete emergency repairs within 24 hours. Sometimes CCC will only be able to make the Tenants home safe and then come back later to finish the work - for example if major work is needed or if parts have to be ordered.

In the event of an emergency that is life-threatening or causing major damage to property then CCC will aim to attend immediately.

If CCC think the house is not fit for living in, we will provide temporary housing to the Tenant.

Urgent repairs

CCC will deal with these repairs within three working days after the job is raised as long as the Tenant provides access to the property:

- emergency repairs that CCC have already made safe
- electrical faults where there is no risk of injury
- problems with the hot-water supply
- Leaking waste pipes
- taps that cannot be turned off completely
- minor roof leaks
- faulty entry phones
- broken heating systems (in summer)

Routine repairs

CCC will repair these within 20 working days:

- Fireplaces
- Roofs
- Gutters and drainpipes
- Noisy ball valves in toilets
- Broken vents and airbricks
- Minor re-pointing and rendering
- Sinks, baths, kitchen units and fittings
- Plastering
- Woodwork and minor fencing work

Long-term planned maintenance work

CCC plan to do work that doesn't fit into the other categories as part of long-term programmes, as this is the most efficient way of working. Examples include:

- servicing gas central heating;
- painting the outside of properties;
- repairing fencing;

- replacing kitchen units and bathrooms;
- fitting plastic windows; and
- roofing work.

APPENDIX B – COUNCIL AND TENANT REPAIR RESPONSIBILITIES

The Council will look after the structure and exterior of the property and any parts, such as walls, which are shared with neighbours. The Council will **NOT** repair alterations or extra items that the Tenant has fitted.

The Council will be responsible for repairs to the following:

- drains, gutters and outdoor pipe work;
- roofing;
- outside walls and chimneys;
- outside doors and windows;
- outside paintwork;
- steps and paths to the front door and around the tenants home to the back door;
- boundary walls and fences;
- outside sheds and stores which the Council has provided;
- inside walls, ceilings, (but excluding plaster) floors, skirting boards, door frames and kitchen units;
- heating and hot water units;
- electric, gas and water services and fittings, including basins, sinks, baths, toilets, pipe work and wiring;
- shared services such as lifts, rotary dryers, play areas, lighting and shared laundry equipment;
- servicing of the 24 hour telephone response service (the pull cord alarm in sheltered housing);
- breakages to window glass unless caused by a breach of paragraph 11.1 of section 6 of the tenancy agreement.

The Tenant will be responsible for repairs to the following:

- replacing fuses, plugs and light bulbs;
- decorating the inside of the home;
- sweeping the chimney (if the tenant uses solid fuel);

- repairing any item that the tenant has fitted or was fitted by a past tenant (the council will tell the tenant what fittings they are responsible for when moving in);
- shelves - unless they are part of the structure;
- cleaning waste - water gullies outside the tenants kitchen ;
- repairing tiles around fire surrounds;
- renewing door handles, hinges and latches on inside doors;
- repairing washing lines, posts and rotary dryers (if the tenant lives in a house) ;
- replacing gate fittings (if the tenant lives in a house) ;
- repairs to back garden paths;
- renewing curtain rails (but not if they were provided as part of the original building or if the tenant lives in a sheltered housing scheme) ;
- replacing a broken toilet seat;
- renewing plugs and chains on sinks and baths;
- replacing tap washers; and
- repairing internal plaster.

Appendix C

TENANCY POLICY

1 PURPOSE

- 1.1 This document identifies and describes the policies that underpin Cambridge City Council's (CCC) approach to the provision of social housing. As a Registered Provider (RP) of social housing, Cambridge City Council (CCC) is required to publish clear and accessible policies which have regard to the requirements set out in the [CCC Tenancy Strategy \(2020\)](#). This includes:
- (a) The type of tenancies CCC will grant
 - (b) Where CCC grant tenancies for a fixed term, the length of those terms; the circumstances in which CCC will grant tenancies of a particular type; any exceptional circumstances in which CCC will grant fixed term tenancies for a term of less than five years in general needs housing following any probationary period
 - (c) The circumstances in which CCC may or may not grant another tenancy on the expiry of the fixed term, in the same property or in a different property
 - (d) The way in which a tenant or prospective tenant may appeal against or complain about the length of fixed term tenancy offered and the type of tenancy offered, and against a decision not to grant another tenancy on the expiry of the fixed term.
 - (e) The advice and assistance CCC will give to tenants on finding alternative accommodation if another tenancy is not granted
 - (f) The CCC policy on granting discretionary succession rights, taking account of the needs of vulnerable household members²
 - (g) CCC's use of positive under-occupation incentives to help tenants move to smaller accommodation³
 - (h) CCC's application of affordable rent and Local Housing Allowance rates
 - (i) CCC's fulfilment of the public sector equality duty when developing new tenancy management policies

² Section 2.2, Tenancy Standard 2015 (Regulator of Social Housing)

³ Section 12, Tenancy Strategy 2020 (Cambridge City Council)

- 1.2 This document takes into account the [CCC Lettings Policy](#) (2020) which sets out how residents can apply for housing; the criteria for acceptance onto the housing register; how priority banding is determined; and the housing allocation process.

2 BACKGROUND

- 2.1 The need for RP's to publish a Tenancy Policy was introduced as part of a wider package of social housing reforms implemented through the Localism Act (2011). Under the Act, local authorities with a strategic housing role are required to publish a Tenancy Strategy which sets out the issues that RP's operating in the local area must consider when deciding the type of tenancies to offer, including the circumstances and length. This Tenancy Policy (2020) document is a refresh of the Tenancy Policy (2017).

3 TYPES OF TENANCIES

INTRODUCTORY TENANCIES

- 3.1 Introductory tenancies are probationary tenancies that normally last for 12 months but can be extended for a further 6 months. Unless a prospective tenant already has a secure tenancy, or an assured tenancy, CCC will grant an introductory tenancy for a trial period. The introductory tenancy will become a secure tenancy after 12 months if the tenancy has been conducted successfully, or at the end of any extension period.
- 3.2 The introductory tenancy is a trial period where tenants can demonstrate that they are able to sustain a tenancy and comply with the terms of the Tenancy Agreement. An introductory tenant can be evicted much more quickly than a secure tenant if the terms of the tenancy agreement are breached. Introductory tenants cannot buy their home or exchange with other tenants.

SECURE TENANCIES

- 3.3 If the introductory tenancy or the introductory extension period is completed successfully then introductory tenancies automatically

become secure tenancies. CCC will grant a secure tenancy if (immediately before the tenancy began) the applicant was:

- A secure tenant; or
- An assured tenant (not an assured shorthold tenant) of social housing where the landlord is a registered social landlord; or
- An introductory tenant who has successfully completed their trial period.

3.4 A secure tenancy gives the tenant security of tenure and the following statutory rights:

- Right to buy (this does not include sheltered or extra care housing)
- Right to repair
- Right to take in lodgers
- Right to sublet part of the property with the CCC's permission
- Right to exchange
- Right to consultation and information.

3.5 Secure tenants within sheltered accommodation will only be able to exchange the property if the exchange does not result in the home being occupied by someone without disabilities, or whose special needs are not met by the provision of the accommodation.⁴

3.6 A person under the age of 18 years cannot hold a legal tenancy. In cases of minors seeking tenancies, CCC will grant the tenancy to a member of the minor's family or to another trusted adult. This person will hold the tenancy in trust for the minor's benefit until they reach 18.

FIXED TERM TENANCIES

3.7 Section 154 of the Localism Act 2011 gives local authorities the power to offer new social tenants flexible tenancies for a certain term (i.e. fixed term tenancies). A fixed term tenancy is a secure tenancy for a period of not less than 2 years.

⁴ Ground 7, Schedule 2 (Housing Act 1985)

3.8 CCC's preference is generally to grant lifetime tenancies, however, due to the high demand and scarcity of certain types of properties, we will grant fixed term tenancies to the following types of properties:

- Properties with 4 or more bedrooms – 5 years
- One-off properties – 5 years

One-off properties will be designated as such by the Housing Services Manager but will only be used in exceptional circumstances. Examples may include properties in potential development areas or major adapted properties. The period of 5 years does not include the first introductory year.

- Supported move-on properties – 2 years

Supported move-on accommodation will only be provided to tenants who cannot live independently and requires additional support.

3.9 The review of the fixed term tenancy will be carried out by CCC between six to twelve months before the fixed term is due to expire.

3.10 CCC will normally propose to renew a fixed term tenancy at the end of the fixed term tenancy period, unless:

- in the case of homes with 4 or more bedrooms the home is now larger than required by the household
- in the case of designated supported move-on accommodation the tenant can (following advice and assistance) find alternative accommodation suitable to their needs
- the tenant does not wish to be granted a new fixed term tenancy

- the home contains significant disabled adaptations which are no longer required by that household, and the adapted home would meet the needs of another household on the housing register

- 3.11 Tenants of fixed term tenancies will be given at least six months' notice if the decision has been made not to grant another fixed term tenancy.
- 3.12 A tenant or prospective tenant may request a review of CCC's decision not to grant another tenancy, (including the length or type of tenancy) by making a request in writing within 21 calendar days⁵ of the Notice being served. The applicant will receive a written response outlining the result of the review.
- 3.13 If the tenant is still unhappy following the review of a decision, they can submit a [complaint to CCC](#) either online, by phone or in person at the CCC Customer Service Centre. If following the internal complaint process the complainant is still unhappy this can be escalated to the Local Housing Ombudsman.
- 3.14 Possession action can be taken at any time during the fixed term if the tenant is in breach of the tenancy agreement or other grounds specified in the Housing Act (1985).
- 3.15 Where a decision is made not to grant a new tenancy CCC will offer advice and support to the tenant in finding suitable alternative accommodation.

4 SUPPORTING TENANTS

- 4.1 All new tenants are informed about their tenancy rights and obligations through the provision of the Tenancy Sign-Up Pack.
- 4.2 In financial matters, particularly where tenants may have trouble with rent payments, CCC will provide support via the City Homes Income Team. This will include assistance with Universal Credit application forms and financial budgeting. CCC will also sign-post to external agencies who can provide additional support e.g. the Citizens Advice Bureau.

⁵ [s.107E Housing Act 1985](#), as inserted by s.154 Localism Act 2011

- 4.3 Where appropriate, CCC will refer tenants to the Council's Tenancy Sustainment Service or Visiting Support Service. The Tenancy Sustainment Service will support **tenants aged 18 or over whose tenancy is at risk due to mental health issues; local antisocial behaviour; a history of homelessness; or other complex support needs**. The Visiting Support Service will support tenants over the age of 65 to remain independent and socially active, this includes help accessing care and support; disability aids; welfare benefits and advice on housing.
- 4.4 CCC will support tenants as much as possible to sustain their tenancies. Eviction of tenants will only be used as a last resort.

5 AFFORDABLE RENTS

- 5.1 Registered Providers (RPs) nationally may charge 'Affordable Rents' at up to 80% of market rents where certain conditions apply. These are generally higher than social rents and are aimed at generating additional funding to help build more new affordable housing. However, in Cambridge, even so-called 'Affordable Rent' is still unaffordable to many residents, and in light of this the CCC Tenancy Strategy currently requires RPs to set Affordable Rents at or below Local Housing Allowance (LHA) rates (the LHA rate is what is used to calculate the amount payable in housing benefit or the housing element of Universal Credit for tenants in the private rented sector). Up until recently this has been seen as a reasonable level to ensure that Affordable Rents (at least on smaller homes) are affordable to households on low incomes.
- 5.2 CCC is committed to ensuring that rents remain as affordable as possible to local people. Following a larger than normal increase in LHA rates by the government for 2020/21 the council will be reviewing its policy on the maximum level at which Affordable Rents should be set locally. Until this decision is made CCC will continue to charge at the 2020/21 rates announced in January 2020 for existing tenants, before the increase applied in late March 2020 in response to the coronavirus pandemic.

6 SUCCESSION RIGHTS

- 6.1 Under the CCC Succession Policy (2019) if there is a **joint secure** tenancy and one of the tenants dies, the surviving tenant will automatically take on the tenancy.
- 6.2 If there is a **sole secure** tenant who has not previously succeeded to the tenancy, then the tenancy can be passed on to a spouse or civil partner, providing that they are living with the tenant when the tenant dies. If the tenant has no spouse or civil partner, then certain close members of the family may be able to succeed to the tenancy if they have been living with the tenant for at least twelve months at the date of the death of the tenant and if there hasn't already been a succession. We may ask a successor to move to another home if the home they have succeeded to is larger than they would be eligible for.
- 6.3 Under the Localism Act (2011) the statutory right of succession to a secure tenancy for family members has been abolished and statutory succession is limited to spouses, civil partners and those in equivalent relationships. However, the Localism Act (2011) does give Council's the ability to make this decision on a case-by-case basis. This discretion allows CCC the ability to make best use of its social housing stock and account for the needs of vulnerable household members.

7 UNDER OCCUPATION INCENTIVES SCHEME

- 7.1 The CCC Tenancy Strategy (2020) supports RP's to take positive action to help tenants to move to smaller accommodation where tenants wish to do so. The CCC Under Occupation Assistance Policy (2019) seeks to incentivise tenants to move to smaller properties if they are under occupying their home. In order to qualify for the under-occupation scheme, applicants must be secure tenants of CCC, and must have held their tenancy of the current property for at least two years.
- 7.2 CCC prioritises those households who are under-occupying by either 2 bedrooms or are looking to give up an adapted property they no longer need. The tenant could be offered, subject to available funding in any year, an Under-Occupation Assistance Payment of £1,000 per bedroom. To help with removals a removal payment of up to £800 (depending upon number of bedrooms) will be paid as part of the lettings process.

- 7.3 The directives set out in the Under Occupation Assistance Policy (2019) and the CCC Lettings Policy (2018) are subject to any future policy changes which CCC may introduce.

8 TENANCY MANAGEMENT POLICIES

- 8.1 CCC has a series of policies and procedures outlining its approach to tenancy management. These include:

- Local Lettings Policy (2020)
- Abandonment and Long-term Absence Policy (2018)
- Access Licence on Housing Land Policy (2018)
- Business Use Policy (2018)
- Short-term Decant Policy (2018)
- Disposal of Possessions and Personal Data Policy (2018)
- Garage Use and Arrears Policy (2018)
- Housing Related Debt Policy (2017-2020)
- Income Management and Rent Arrears Policy (2018)
- Rechargeable Works Policy (2019)
- Tenancy Changes (Sole to Joint/Joint to Sole) Policy (2019)
- Tenants and Leaseholders Alterations and Improvements Policy (2018)

- 8.2 As a public body, CCC is required to have due regard to the public sector equality duty under the Equality Act 2010, this includes the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- Advance equality of opportunity between people who share a protected characteristic and those who do not; and
- Foster good relations between people who share a protected characteristic and those who do not.

When developing new policies or making material changes to existing policies, CCC will carry out Equality Impact Assessments (EqIAs) to ensure that its public sector equality duty is met.

9 TENANCY MANAGEMENT SERVICE STANDARDS

9.1 To help manage expectations it is important that CCC is clear about its obligations to tenants and residents. CCC has implemented a set of [Tenancy Management Service Standards](#) which give clear guidance about a wide variety of housing tenancy related matters.

This includes:

- queries about the Tenancy Agreement
- successions, survivorships and assignment requests
- adding someone to a tenancy
- advice on mutual exchanges
- abandonment
- reports of subletting
- garage and parking space rental
- rent payment and arrears

Further information about CCC's tenancy management service can be found at <https://www.cambridge.gov.uk/housing>

Policy written: September 2020

Next review: September 2023



Item

Energy efficiency improvements to Council dwellings 2020/21

To:

Councillor Richard Johnson, Executive Councillor for Housing
Housing Scrutiny Committee 24th September 2020

Report by:

Lynn Thomas, Head of Housing Maintenance and Assets
Tel: 01223 - 457831

Email: Lynn.thomas@cambridge.gov.uk

Wards affected:

Arbury

Key Decision

1. Executive Summary

As part of a programme of energy efficiency improvements to the Council's housing stock it is planned to install external wall insulation and solar panels to Council properties in the Arbury ward.

2. Recommendations

The Executive Councillor is recommended to:

Approve the use of the EEM solid wall insulation framework to directly call off and award contract(s) to Cornerstone (East Anglia) Limited to carry out energy efficiency improvements to Council dwellings.

- Phase 1 - Seventy properties in 20/21
- Phase 2 - Seventy properties in 21/22

3. Background

The Council's housing asset management strategy sets out objectives to improve the energy efficiency performance of the existing housing stock and to start to investigate costs and ways of achieving this in 2020/21.

Improving energy efficiency ratings

Currently we rely on the results of Energy Performance Certificate (EPC) surveys to assess the energy performance of the housing stock.

In May 2020 we completed a review of our EPC ratings. We have used existing stock data to assume ratings where an actual EPC has not been produced. The results are as follows:

| EPC rating (including assumed ratings) | Number of properties |
|--|----------------------|
| A | 8 |
| B | 396 |
| C | 4761 |
| D | 1897 |
| E | 129 |
| F | 10 |
| G | 2 |

3.1 Solid Wall properties and external wall insulation

The Council has around 1300 properties that were built with solid walls; many of these have an EPC rating of "D."

In 20/21 we are planning to add external wall insulation to around seventy "D"-rated, solid wall houses in the Bateson Road, Akeman Street and Darwin Drive area. Adding external wall insulation is expected to increase the energy rating to a "C." The estimated cost of this work is around £850,000.

Analysis of EPC results has shown that it would be possible to increase the EPC rating of many of these properties to a "B" by adding a up to 2kWp solar photo-voltaic panel installation to the roof of the houses. The estimated cost is £4,500 per property, giving an estimated cost of £313,000.

Further detailed design work is required to verify if all these proposed installations are all feasible due to orientation of the roof and other practical factors.

These measures would increase the energy efficiency of some of our older semi-detached houses built in 1934 to the same energy efficiency band as one of the Council's new build properties.

These properties were re-roofed 30 years ago so the remaining life of the roof will equal the life of any solar panels fitted.

If any other energy efficiency measures are identified (such as loft insulation, draft proofing, replacement external doors) it is proposed that this work will be carried out at the same time.

Subject to the successful delivery of these works in 20/21, a second phase of this work is planned to an additional seventy properties in 2021/22.

3.2 Estimated cost (based on seventy properties)

| | Estimated cost of work |
|--------------------------|-------------------------------|
| External wall insulation | £850,000 |
| Photo-voltaic panels | £315,000 |
| Other measures | £140,000 |
| Total | £1,305,000 |
| Contingency | £150,000 |
| TOTAL | £1,455,000 |

Estimated costs include cost of works, contractor's costs, design costs and contingency up to September 2020.

The actual contract sum will be agreed following the completion of the design process.

4. Implications

a) Financial Implications

A budget for the energy efficiency works is already included in the housing capital investment plan.

b) Staffing Implications

The work will be managed by the Estates and Facilities surveying team.

The Council's legal team will provide contract advice.

c) Equality and Poverty Implications

An Equality Impact Assessment is not required – this project is replacement / installation work only.

The works will improve the energy efficiency of Council houses and should result in lower heating and electricity bills for tenants.

d) Environmental Implications

The Council's climate change rating tool has been completed to assess the environmental implications of this proposal.

The assessment is that there is positive net overall impact.

There is a positive impact from the installation of external wall insulation and PV panels.

e) Procurement Implications

The work will be procured via a framework contract provided by EEM. EEM is a not-for-profit procurement consortium set up to drive cost and efficiency savings in the public sector.

EEM has framework contracts available including a solid wall insulation framework with national coverage. This allows for a direct call off of the appointed contractor, Cornerstone East Anglia Limited.

Rates for external wall insulation work have been tendered when the framework was established. The prices for the solar PV panels and any

other measures will be market tested by the contractor during the design period to ensure value for money.

f) **Community Safety Implications**

N/a

5. Consultation and communication considerations

All residents affected by the work will be contacted and informed about the proposed work and the potential energy and financial savings.

A planning application will be required as the work will result in a rendered finish being applied to existing brick-built houses.

Party Wall notices may be required where Council properties adjoin freehold properties.

6. Background papers

None

7. Appendices

None

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Will Barfield, Asset Manager

Tel: 01223 457843

email: will.barfield@cambridge.gov.uk

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Item

HOUSING REVENUE ACCOUNT MEDIUM TERM FINANCIAL STRATEGY 2020/21

To:

Councillor Richard Johnson, Executive Councillor for Housing

Report by:

Julia Hovells, Assistant Head of Finance and Business Manager

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 The Housing Revenue Account (HRA) Medium Term Financial Strategy, considered and approved in September / October of each year is one of two long-term strategic financial planning documents produced each year for housing landlord services provided by Cambridge City Council.
- 1.2 The HRA Medium Term Financial Strategy provides an opportunity to review the assumptions incorporated as part of the longer-term financial planning process, recommending any changes in response to new legislative requirements, variations in external national and local economic factors and amendments to service delivery methods, allowing incorporation into budgets and financial forecasts at the earliest opportunity.

2. Recommendations

Recommendations to be considered under Part 1 of the Housing Scrutiny Committee Agenda:

The Executive Councillor is recommended to:

- 2.1 Approve the Housing Revenue Account Medium Term Financial Strategy attached, to include all proposals for change in:
- Financial assumptions as detailed in Appendix B of the document.
 - 2020/21 revenue budgets and future year forecasts as introduced in Section 5, resulting from changes in financial assumptions and the financial consequences of change and the need to respond to unavoidable pressures, including the impact of the coronavirus pandemic, as introduced in Section 5, detailed in Appendix D and D (1) of the document and summarised in Appendices G (1) and G (2).
- 2.2 Approve that delegated authority be given to the Strategic Director to be in a position to confirm that the authority can renew its investment partner status with Homes England.

Recommendations to be considered under Part 2 of the Housing Scrutiny Committee Agenda:

The Executive Councillor is asked to recommend to Council:

- 2.3 To approve proposals for changes in existing housing capital budgets, as introduced in Sections 6 and 7 and detailed in Appendix E of the document, with the resulting position summarised in Appendix H, for decision at Council on 22 October 2020.
- 2.4 To approve the revised funding mix for the delivery of the Housing Capital Programme, recognising the latest assumptions for the use of Devolution Grant, Right to Buy Receipts, HRA Resources, Major Repairs Allowance, Section 106 Funding and HRA borrowing.

- 2.5 Extend the existing delegated authority to the Strategic Director in consultation with the Executive Councillor for Housing to approve use of Council land as sites for rough sleeper next steps POD's on an individual basis based on the criteria as set out in the Housing Development Options for Homeless People report to Housing Scrutiny Committee in January 2020.

3. Background

- 3.1. The Housing Revenue Account budget was set for 2020/21 as part of 2020/21 HRA Budget Setting Report, approving a net use of reserves in the year of £3,997,780.
- 3.2 This figure was amended to reflect approvals to carry forward expenditure originally anticipated to be incurred in 2019/20 into 2020/21 as part of the closedown process for 2019/20. Following these changes, the increased sum of £5,429,080 was anticipated to be taken from reserves for the year.
- 3.3 Following approval of the 2019/20 outturn report, and as a direct result of the coronavirus pandemic, delegation was given to the Head of Finance to remove the 2020/21 budgetary inflation in respect of non-pay and non-contractual expenditure across the HRA. This exercise reduced the budgeted call on HRA reserves in 2020/21 by £281,860, resulting in a net call on reserves of £5,147,220 for the year.
- 3.4 The HRA Medium Term Financial Strategy revisits the assumptions made as part of the HRA Budget Setting Report and recommends both changes in these and in some areas of budgeted expenditure and income for 2020/21 and beyond.
- 3.5 The resulting financial impact for the Housing Revenue Account is explained and summarised in the attached document and appendices.
- 3.6 As part of the HRA Medium Term Financial Strategy, the previously earmarked sum of £10,000,000 per annum over the life of the plan has been replaced with the assumption that the sum of £657,580,449 is

incorporated between 2020/21 and 2031/32 to facilitate the delivery of a net 1,000 council rented homes over this period. As described in the report itself, the funding assumes the delivery of 1,933 dwellings, with 1,200 gross council rented homes (200 of which are assumed as re-provision of existing homes), 500 of these being market units and 233 being built out as shared ownership homes to assist in funding the council rented properties.

- 3.7 A separate report is presented as part of this committee cycle, which provides the context surrounding the proposed 1,000 homes programme, which includes a mixture of land acquisition, joint venture / section 106 sites, off the shelf purchases and redevelopment of some existing HRA homes, with the assumption that the authority can secure Homes England grant funding to support the housing delivery.
- 3.8 To be in a position to be able to bid for any funding or additional borrowing capacity provided through Homes England for the provision of social, affordable or intermediate housing, the authority is required to remain an investment partner with Homes England. To remain as an investment partner, as Cambridge City Council is currently, the authority is required to confirm annually that there have been no material changes to its membership status and that there is authority in place for continued membership.
- 3.9 As part of this covering report for the HRA Medium Term Financial Strategy, this is confirmed, and delegated authority is requested to allow the Strategic Director to continue to make this annual confirmation.

4. Implications

(a) Financial Implications

The financial implications associated with the HRA Medium Term Financial Strategy are incorporated as part of the document itself and the associated appendices.

(b) Staffing Implications

There are no direct staffing implications associated with the HRA Medium Term Financial Strategy.

(c) Equality and Poverty Implications

An Equalities Impact Assessment is not considered to be required as part of this report but will be carried out as part of the 2021/22 HRA budget process and preparation of the 2021/22 HRA Budget Setting Report.

(d) Environmental Implications

There are no adverse environmental implications anticipated as a result of changes proposed in this report. The incorporated option for the inclusion of the delivery of 1,000 new affordable rented homes is for the homes to be built to Passivhaus standards, which will positively impact the environment.

(e) Procurement Implications

Any procurement implications arising from the recommendations for additional investment in this report will be addressed by the relevant service areas.

(f) Community Safety Implications

There are no direct community safety implications associated with the HRA Medium Term Financial Strategy.

5. Consultation and communication considerations

Tenant and Leaseholder representatives are being consulted on the proposals in the HRA Medium Term Financial Strategy as part of the Housing Committee scrutiny process.

6. Background papers

Background papers used in the preparation of this report:

- (a) Housing Revenue Account Mid-Year Financial Review (October 2019)
- (b) Housing Revenue Account Budget Setting Report (February 2020)

7. Appendices

Appendix A Housing Revenue Account Medium Term Financial Strategy

8. Inspection of papers

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

Julia Hovells, Assistant Head of Finance and Business Manager

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

Housing Revenue Account Medium Term Financial Strategy (HRA Business Plan Update)

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Section 1

Introduction and Local Context

Foreword by the Executive Councillor

This edition of City Council's Housing Revenue Account (HRA) Medium-Term Financial Strategy (MTFS) is produced in unprecedented circumstances. The coronavirus pandemic has affected the lives of every one of us. It has, therefore, had an inevitable impact on the day-to-day management of the HRA, as well as the financial assumptions which underpinned the budget agreed at the start of the year.

From the outset of the pandemic, we were clear that no council tenant would be at risk of eviction if they had difficulties in paying their rent as a consequence of coronavirus and, prior to the Government legislating for the ban on evictions, made a public statement to that effect. Even if the Government were to rescind the ban, our policy will be unchanged. As anticipated, there has been an increase in the percentage of rent not collected each month compared with previous years. The budget shortfall, resulting from the reduction in anticipated rent revenue, has been filled through use of HRA reserves – not by cutting important services and projects. That is the right and proper thing to do for our tenants, especially those who are presently in financial difficulty.

The council has made significant progress since 2017 in producing a pipeline of new build projects, part funded by the £70 million devolution grant, and remain on track to build a net total of 546 new council homes by 2022 as part of this programme. These 546 (622 in total) net new homes are on top of a total of 291 rented and 24 shared ownership homes completed as part of the previous rolling programme that resulted from the 2012 decision to permit stock holding authorities to self-finance their HRA's. Despite these impressive figures, 1,600 households remain on our housing needs register. We must redouble our efforts in committing to a house building

programme for the long-term that meets the existing and future housing needs of our city. That is why our new objective is to build a further one thousand net new council homes by 2032.

This MTFS provides the blueprint to show how these homes can be financed, allowing the council to take full advantage of the removal of the HRA borrowing cap. The blueprint recognises, too, that the new programme will assist with the construction of other homes of different tenures required to fulfil the city's overall housing need – including shared ownership and market sale options – which, in turn, will cross-subsidise the financing of the new council homes.

The assumed costs of each of the new council homes are based on an assumption they will be built to Passivhaus standards. While it must be stated that, for technical reasons or due to the physical constraints of a site, it might not be possible for every house on every scheme to conform to Passivhaus standards, it is our ambition that as many as possible will be ultra-low carbon. And, with the cost of ultra-low carbon homes falling dramatically over recent years, we aspire to be in a position to construct zero carbon homes well before the target end date of the new programme.

As with previous years, this report accounts for revisions and amendments to the HRA capital and revenue budgets required in-year, ahead of the 2021/22 Budget Setting Report. It also acknowledges the council's bid to the Government's 'Next Steps' fund to assist our important work in supporting former rough sleepers. At the time of writing a decision has not yet been made on the bid. If successful, the funding awarded will allow the HRA to purchase ten one-bed properties from the open market as well as the purchase and placement of an additional ten modular homes. These homes will help turn lives around, breaking the cycle of homelessness which many previously had endured.

Councillor Richard Johnson.

Executive Councillor for Housing

Background and Executive Summary

The Housing Revenue Account (HRA) 30-Year Self-Financing Business Plan, originally approved in February 2012, is reviewed twice each year, with the Housing Revenue Account Medium Term Financial Strategy being the first of these updates.

The report considers any required change in financial strategy, policy or direction of travel for the business, following review of key assumptions and consideration of any material changes, to ensure a long-term financially viable Housing Revenue Account. Both revenue and capital investment is reviewed, with the impact of any proposed changes on the HRA Business Plan clearly identified. A review of strategic risks facing the HRA is presented at **Appendix A**. The HRA Medium Term Financial Strategy reviews and re-states the budget for the 2020/21, highlighting only significant or exceptional in-year changes for approval, reviews and updates financial assumptions and presents updated projections for the following 9 years from 2021/22 to 2029/30, in the context of the 30-year plan.

This report is being prepared in unprecedented times, with the full social and financial impact of the coronavirus pandemic still unclear. This iteration therefore includes a number of assumptions that are based upon less knowledge or historical evidence than would usually be the case. Where assumptions have been made in this regard, it has been made clear that this is the case.

Responding to the initial impact of the coronavirus pandemic has, as expected, had a negative financial impact for the HRA, with financial forecasts for the HRA over the longer-term taking the current situation into consideration. To facilitate additional investment in further new homes, it will be necessary for the HRA to borrow greater resource than previously anticipated, which is possible now that the HRA Borrowing Cap no longer exists. It is critical though that any borrowing can be fully supported, and that it doesn't detriment the financial stability of the longer-term HRA Business Plan.

This iteration of the HRA Business Plan includes the assumption that the HRA will seek to deliver 1,000 additional rented homes over the 10 year period after the Devolution 500 Programme has concluded, recognising the need to deliver an element of shared ownership and market housing alongside the rented homes to ensure financial viability and an appropriate tenure mix on larger sites. The HRA will need to borrow significantly to make this level of investment possible. The earmarking of resource as part of part of this iteration of the business plan is merely indicative at this stage and is included based upon a number of assumptions. In reality the detailed programme,

as it is brought forward for decision may contain a different mix of site types, scheme compositions, build standards, delivery vehicles and grant levels, all of which will necessitate ongoing review of costs and the associated borrowing. As the programme is developed, existing HRA sites, land acquisitions, off the shelf purchase opportunities and joint venture developments will be explored. This detail will allow the authority to determine the build standard which each site can be built to, taking into consideration any site constraints. The success of the authority in obtaining grant to support the delivery of these homes is also key, and failure to obtain grant would necessitate a reduction in build standard or build programme.

Timetable

Committee dates in the financial planning and budget preparation timetable are shown below:

| Date | Task |
|--------------|--|
| 2020 | |
| 24 September | Executive Councillor for Housing considers HRA Medium Term Financial Strategy incorporating Housing Scrutiny Committee views in recommendations to Council |
| 22 October | Council considers HRA Medium Term Financial Strategy |
| 2021 | |
| 19 January | Executive Councillor for Housing considers HRA Budget Setting Report, alternative budget proposals, approves rent levels and sets revenue budgets, considering Housing Scrutiny Committee views, making capital recommendations to Council |
| 25 February | Council approves HRA Budget Setting Report |

Section 2

Housing Stock

Housing and Leasehold Stock

Housing Stock (dwelling stock owned and managed in the HRA)

| Housing Category (Including Shared Ownership) | Actual Stock Numbers as at 1/4/2020 | Estimated Stock Numbers as at 1/4/2021 |
|--|--|---|
| General Housing | 6,464 | 6,437 |
| Sheltered Housing | 512 | 512 |
| Supported Housing | 17 | 17 |
| Temporary Housing (Individual Units) | 70 | 90 |
| Temporary Housing (HMO's / EA) | 24 | 24 |
| Miscellaneous Leased Dwellings | 19 | 19 |
| Shared Ownership Dwellings | 97 | 97 |
| Total Dwellings | 7,203 | 7,196 |

| Property Type (Including Shared Ownership) | Actual Stock Numbers as at 1/4/2020 | Estimated Stock Numbers as at 1/4/2021 |
|---|--|---|
| Bedsits | 94 | 94 |
| 1 Bed | 1,725 | 1,727 |
| 2 Bed | 2,522 | 2,515 |
| 3 Bed | 2,239 | 2,237 |
| 4 Bed | 102 | 102 |
| 5 Bed | 7 | 7 |
| 6 Bed | 2 | 2 |
| Sheltered Housing | 512 | 512 |
| Total Dwellings | 7,203 | 7,196 |

Leasehold Stock

At 1st April 2020, the Council retained the freehold and managed the leases for 1,196 leasehold flats.

Housing Stock Changes

The table below compares reductions in the general housing stock (excluding shared ownership homes) in the last 10 years through right to buy sales, other sales, re-development and conversion, with increases in the number due to new build dwellings and acquisitions.

| Year | Opening Stock | RTB's | Other Disposals / Demolitions | Conversions / Other Changes | Acquisitions / New Builds | Closing Stock |
|---------|---------------|-------|-------------------------------|-----------------------------|---------------------------|---------------|
| 2019/20 | 7,084 | (29) | (14) | 10 | 55 | 7,106 |
| 2018/19 | 7,103 | (27) | (2) | (1) | 11 | 7,084 |
| 2017/18 | 7,049 | (47) | (29) | (1) | 131 | 7,103 |
| 2016/17 | 7,040 | (58) | (7) | (1) | 75 | 7,049 |
| 2015/16 | 7,016 | (42) | (4) | 5 | 65 | 7,040 |
| 2014/15 | 7,164 | (51) | (109) | (7) | 19 | 7,016 |
| 2013/14 | 7,235 | (60) | (45) | 1 | 33 | 7,164 |
| 2012/13 | 7,280 | (41) | 0 | (6) | 2 | 7,235 |
| 2011/12 | 7,290 | (12) | 0 | 0 | 2 | 7,280 |
| 2010/11 | 7,364 | (17) | (62) | 0 | 5 | 7,290 |
| Total | | (384) | (272) | 0 | 398 | |

Section 3

The National Policy Context and External Factors

External Factors

In strategic decision making, it is critical that all financial assumptions are reviewed, including taking account of external factors, outside of the control of the organisation and that the financial projections are adjusted in light of any changes or trends in these. There has been a significant impact on the economy as a result of the coronavirus pandemic, and this results in an enhanced level of uncertainty in the forecast of external factors in this iteration of the HRA Business Plan.

A table detailing all of the revised business planning assumptions is included at **Appendix B**.

Inflation Rates

The base rate of inflation used to drive expenditure assumptions in the HRA financial forecasts is the Consumer Price Index (CPI). The last 12 months has seen a reduction in the rate from the government's target of 2.1% in July 2019 to a low of 0.5% in May 2020, which has not been seen since mid-2016, before a slight recovery to 1% by July 2020.

The Office for Budget Responsibility (OBR) is predicting a return to the Bank of England's target level for CPI of 2% in the medium-term, but with continued low levels in the short-term, before recovery is experienced during 2021. The Bank of England, in their letter to the Chancellor of June 2020, predict a further dip in the inflation rate in the short-term, before recovery is experienced during 2021. They predicted a continuation of rates at around 0.5% into 2020/21, with an increase back to 2% by 2022.

Ongoing uncertainty, as a result of a combination of factors which include exit from the European Union and the coronavirus pandemic, make it difficult to accurately predict in which direction this index may move in the short or medium term.

With this in mind, forecasts for the rate of base inflation have been amended (based upon the Bank of England projections) as part of the Medium-Term Financial Review, from 2.1% to 0.9% for 2021/22, rising to 2% from 2022/23 on an ongoing basis. This will be reviewed again as part of the HRA Budget Setting Report in January 2021.

The assumptions surrounding building maintenance expenditure inflation are derived from a mix of forecast using the RICS (Royal Institution of Chartered Surveyors) Building Cost Information Service (BCIS) all in tender price index and CPI. This recognises that the older planned maintenance contract (TSG) is let as an Option C Target Contract which uses the BCIS as an inflation driver, and those let more recently (Fosters) have been let as lump sum priced contracts, instead adopting CPI as the measure of inflation for contract price increases. Upon re-tender, now due from November 2022 for both contracts, it is anticipated that all contracts will be let using CPI as the measure for inflation.

The latest projections for the BCIS Index over the next 4 years currently predict a lower rate of growth than previously assumed, with a growth rate of 1.2% for 2021/22, increased to 4.2%, 5.1% and 4.9% in the following 3 years. Taking an average of these rates of growth for the forecast three years gives rise to an annual increase of 3.9%. It must be noted, however, that this index is currently impacted by a limited amount of available tender data as a result of the coronavirus pandemic and may be subject to future review in the way in which it is arrived at.

On a similar average basis, the assumptions for CPI over the same period are 1.7%, a difference of 2.2%. As only 50% of the work programme is anticipated to be subject to the BCIS indices, half of the uplift has been applied and a rate of CPI plus 1.1% has been incorporated into the business plan forecasts for the next 2 years, reverting to standard CPI after this, assuming that new contracts will be tendered using CPI as the standard measure of inflation.

Interest Rates

The Housing Revenue Account is entitled to a proportion of interest earned on cash balances invested by the authority. The rate of interest assumed for 2020/21 in the HRA Budget Setting Report was 0.8%, based upon the HRA clawing back interest from the General Fund on investments with minimal risk. This recognises that the General Fund bears the risk, but also benefits from the reward, of the higher risk investments made by the Council.

As a result of the recent coronavirus pandemic, the Bank of England base rate fell from 0.75% to 0.25% on 13 March 2020, and then to 0.1% from 23 March 2020. The next review of the rate is due on 17 September 2020. The reduction in the base rate results in a reduction in the rates that the authority can expect to earn on its investments. The HRA Medium Term Financial Strategy has been constructed on the basis that the HRA claws back interest at a rate of 0.6% from 2020/21 on an ongoing basis. Compared with the previous assumption of 0.8%. The revised interest rate assumptions are included in **Appendix B**.

In respect of HRA borrowing, the self-financing loan portfolio with the Public Works Loans Board remains, with rates of between 3.46% and 3.53%.

With no cap on HRA borrowing, subject to financial viability and the ability to support the borrowing, the authority can borrow to invest in the provision of affordable housing with no external constraint currently.

The only risk to the HRA's ability to borrow resides in the outcome of a government consultation, which ended on 31 July 2020, which proposes that any authority making an investment that is classified as an 'investment asset primarily for yield', will not be able to access loans from the PWLB in the financial year in which it makes this investment. If this is implemented, there is the potential for any investment decisions made by the General Fund to detriment the HRA's ability to borrow from the PWLB in any given year. This would not stop the HRA borrowing but would mean that an alternative lending source would need to be identified, with rates potentially not being as preferential.

Any transfer of land between the General Fund and the HRA to allow development, currently still impacts the HRA Capital Financing Requirement, effectively increasing borrowing. Although there is now no cap on borrowing, such decisions must still be made in the knowledge of the revenue impact of transferring the land. The outcome of a government consultation which sought to allow the transfer of land between funds at nil value is still awaited.

The assumption is made that any additional borrowing is externalised, with updated PWLB maturity loan rates for loans of a 30-year duration used. On 12 March 2020, a concessionary rate for borrowing from the PWLB was announced by Treasury, with a reduction from the standard PWLB rates of 100 basis points (or 1%), subject to Section 151 Officer confirmation that the borrowing will be used to finance HRA capital expenditure. Based upon the rates available at the time of drafting this report, a revised rate of 1.69% (2.69% less 100 basis points) has been incorporated into any borrowing assumptions from 2020/21 onwards. It should be noted that this rate is reviewed and can change twice each day.

Right to Buy Sales

In 2019/20, 64 right to buy applications were received and recorded, compared with 60 in 2018/19. A total of 17 applications have been received in the first 5 months of 2020/21. This demonstrates the anticipated fall in interest over the last 5 months as a direct result of the coronavirus pandemic, but the last financial year's interest overall supports a more stable position.

In 2019/20, 29 of the applications proceeded to completion of the sale of the property, compared with 27 in 2018/19. In the first 5 months of 2020/21, 4 sales have completed, again supporting the view that although overall interest has now stabilised, the pandemic has slowed or halted activity for a short period.

It is difficult to predict future sales, particularly at the current time whilst there is such uncertainty in the economy. It is considered prudent to reduce the assumption for sales in 2020/21 from the 30 previously assumed, to 22, recognising an anticipated 50% reduction in activity for the first six months of the year, but retaining the assumption of 25 sales per annum from 2021/22 onwards, from when the economy and housing market may begin to recover.

Right to Buy Receipts

At 31 March 2020, the authority held £10,634,511 of right to buy receipts under the retention agreement with CLG, to be spent within 3 years of their original receipts date, to fund the delivery of new social housing, with a maximum of 30% of any dwelling being funded via this mechanism. The balance must be funded from the Devolution Grant, the Council's own resources, or through borrowing and not on replacement dwellings or dwellings receiving any other form of public subsidy.

The authority is currently still unable to directly use capital receipts from the sale of land and other housing assets, Section 106 receipts or other forms of public subsidy as a form of match funding for retained right to buy receipts.

With a reduction in the Bank of England base rate to 0.1% from 20 March 2020, any penalty interest payable on receipts not re-invested appropriately is currently at a rate of 4.1%.

The government consultation, which closed on 9 October 2018, considered the following amendments to the regulations surrounding the use and application of retained right to buy receipts:

- Extending the spending deadline from 3 to 5 years for receipts currently held, whilst retaining the 3-year timeframe for any future receipts received.
- Increasing the level of right to buy receipts which can be used to finance a new home from the current cap of 30%, to 50% in respect of social rented homes, where authorities meet the eligibility criteria for the Affordable Homes Programme and can demonstrate a need for social housing over other affordable housing.
- Defer the use of receipts for acquisition of existing market homes by limiting the value of an acquisition to the cost of delivery of a new home as determined by Homes England and the Greater London Authority. This would mean a cap on the value of an acquisition for Cambridge City Council of £167,000.

- Allowing right to buy receipts to be used to fund shared ownership homes as well as rented.
- Allowing land held by the General Fund to be transferred to the HRA for the delivery of affordable homes at zero value, but with some suggestion a time limit may be imposed on how long the General Fund will have had to hold the land prior to transfer.
- Consideration of changes to allow transfer of receipts to a Housing Company or ALMO (Arm's Length Management Organisation), subject to some constraints.
- Allowing a 3 month 'interest free' window after each quarter to allow authorities to make decisions about whether to retain or pay over receipts.

Although the outcome of the consultation is still awaited at the time of writing this report, the authority has entered into a minor variation to the retention agreement, proffered by government as a direct result of the coronavirus pandemic, which removes the quarterly deadlines for reinvestment of receipts for 30 June 2020 and 30 September 2020, and rolls up what needs to be spent in the deadline on 31 December 2020. This offers a small window of opportunity for local authorities to catch up any backlog of investment caused by lockdown in April and May 2020.

Appendix C summarises the latest position in respect of receipts held and appropriately re-invested. The authority has avoided breach of any re-investment deadlines to date, with sufficient resource invested to avoid any penalty until at least September 2020 (December 2020 under the revised retention agreement).

Newly arising receipts will be retained without question at the end of each quarter for the current year and the following 2 years, as the authority requires the receipts to combine with Devolution Grant to deliver over 500 new homes. After this period, the decision to retain or pay over receipts each quarter will revert to the Head of Finance, in consultation with the Strategic Director, taking into consideration any need to borrow to appropriately re-invest the resource and the implications of this on the business plan. The Executive Councillor for Housing

will be informed if the recommendation were to be to pay receipts directly back to Central Government.

The Strategic Director retains a delegation to draw down funds from HRA ear-marked reserves to acquire homes on the open market, if required, to ensure that investment is made well in advance of the prescribed deadlines.

National Housing Policy

National Rent Setting Policy

From April 2020, local authority rents have been regulated by the Regulator of Social Housing, alongside housing associations and other registered providers.

The latest regulations include:

- Rent increases will be limited to an increase of up to CPI plus 1% from April 2020 for 5 years, with properties below target rent levels still waiting until they are vacated to be moved directly to target rent.
- Target rents continue to be set with reference to January 1999 property values
- The 5% flexibility remains, but with the policy wording amended to require a clear rationale for using the flexibility which takes into account local circumstances and affordability.
- Affordable rents increases are also limited to a maximum increase of CPI plus 1% from April 2020, but with the ability to re-set the rent at up to 80% of market rent upon re-let.

The authority has now submitted its first formal data set to the Regulator of Social Housing and awaits feedback.

Housing Green Paper

Consultation on the Ministry of Housing, Communities and Local Government green paper 'A new deal for social housing' concluded on 6 November 2018.

The long-awaited Housing White Paper is now expected later this year. The five key principles in the consultation document were:

- a safe and decent home with a sense of security and ability to get on in life;
- improving and speeding up how complaints are resolved;
- empowering residents, ensuring voices are heard and landlords held to account;
- tackling stigma and celebrating thriving communities, challenging stereotypes
- building much needed social homes ensuring a springboard to home ownership.

The consultation considered a vast number of points, including:

- introduce further safety measures in social housing and reviewing the decent homes standard and engaging residents in how to ensure homes are safe
- improve mediation for residents, ensuring access to advice and support, review process for the handling of complaints.
- review performance reporting, regulation and resident engagement
- Tackle stigma in social housing, provide good neighbourhood management, tackle anti-social behaviour.

Mandatory Disposal of Higher Value Housing Stock

The Housing and Planning Act 2016 allowed Central Government to choose to impose a financial levy on stock owning authorities in respect of the assumed sale of higher value vacant housing stock.

The Housing Green Paper 'A new deal for social housing', indicated a clear commitment from government to revoke the legislation that would allow the levy to be introduced, with the following statement made:

'Therefore to increase councils' confidence to plan ambitious house building programmes, we are confirming in this Green Paper that the Government will not bring the Higher Value Assets provisions of the Housing and Planning Act 2016 into effect. We will look to repeal the legislation when Parliamentary time allows'.

Although the legislation has still not been repealed, our business plan makes the assumption that the legislation will be repealed in due course, and completely removes the expectation that any levy will be payable.

Welfare Reforms

Universal Credit

Universal Credit full service in Cambridge started 17th October 2018. New tenants, and existing tenants who have a change in circumstances, need to apply for Universal Credit. To support existing Housing Benefit claimants (unless temporary or supported accommodation) with the transition to Universal Credit, an additional payment of two weeks Housing Benefit is made.

Tenants in temporary, specified or supported accommodation continue to receive Housing Benefit for their housing costs.

Cambridge City Council continues to work with partners and the local Jobcentre Plus, including the funding of a post in the Jobcentre to provide Personal Budgeting Support (PBS). This arrangement has seen significant increases in the numbers receiving support compared to before the initiative started.

From April 2019, the DWP has been funding Citizens Advice through a national partnership to assist people with applying for Universal Credit. However, this does not include the PBS currently funded by Cambridge City Council.

The coronavirus pandemic has seen an increase in the number of tenants transitioning to Universal Credit as individual's circumstances change, and nationally there has been a steep rise in the number of claims overall as a direct result of the situation.

The authority had 1,437 HRA tenants claiming Universal Credit at the beginning of August 2020, with 912 (63%) of these demonstrating rent arrears at an average arrear of £835.21.

From early 2020 to December 2023, a process of managed migration will move the remaining Housing Benefit claimants to Universal Credit. Details of how and when are still being considered by government.

Benefit Cap

Those impacted by the Benefit Cap continue to be supported by Cambridge Citizens Advice and Cambridge Housing Society, who look at ways to help those affected into work. Others receive short term Discretionary Housing Payments (DHPs) to support them until they are able to improve their circumstances. DHPs are still used extensively to support those affected by welfare reforms and are typically awarded with conditionality, the purpose of which is to assist the tenant in no longer being subject to the Benefit Cap. A big part of this is the work carried out by City Homes, who assist tenants to find solutions that work for them.

Removal of the Spare Room Subsidy

Numbers of customers affected by the removal of the spare room subsidy remains steady. DHPs continue to be also used to support tenants affected by the Removal of the Spare Room Subsidy, with similar conditionality that seeks to assist the tenant in no longer being subject to the Spare Room Subsidy.

Limiting the Child Element to two children

From 1 April 2017, new benefit claims and current benefit claims which increase the family element above two children, do not have additional child elements included in the Housing Benefit calculation. There are some exemptions for multiple births, result of abuse and adoption, or similar. It will not impact on current claimants with more than two children, unless

they have more children, then the child allowances will not increase, subject to the above exemptions.

Support for Vulnerable People

Cambridge City Council remains in contract with the County Council for the delivery of tenure neutral support services to older people across the city as a whole, with a term of up to 4 years from April 2018. The contract sum is fixed at £180,000 per annum.

The authority is no longer contracted to deliver care and support services in the extra care housing at Ditchburn Place. The contract was awarded to Radis from the end of February 2020 and council staff transferred under the TUPE regulations to work for Radis from 24 February 2020. The City Council has worked proactively with Radis to ensure a smooth transition for both residents and staff and continues to work with Radis as landlord for the properties.

Section 4

Revenue Resources – Rent and Other Income

Rent Arrears and Bad Debt Provision

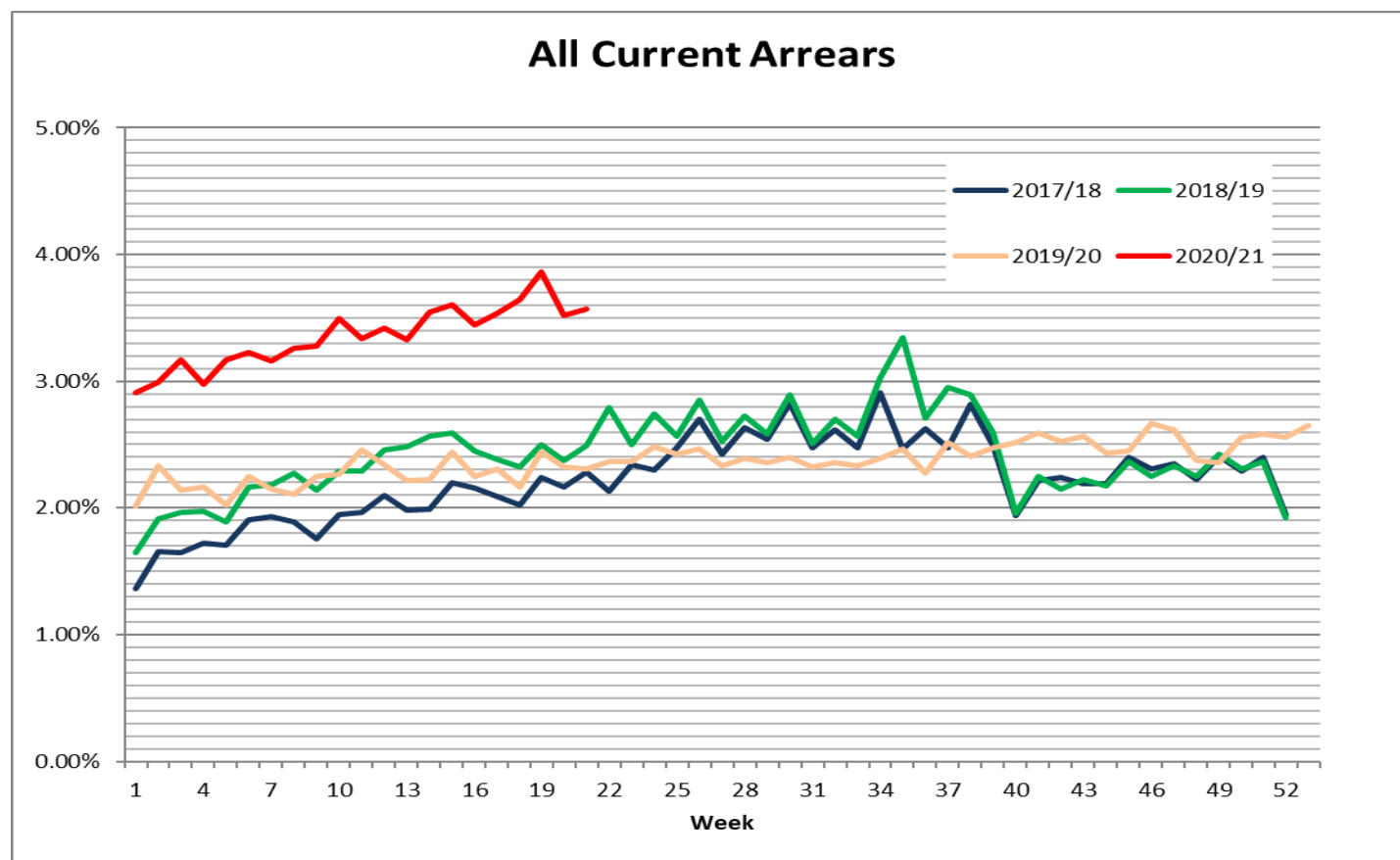
Rent collection performance dipped in 2019/20, with 98.8% of the value of rent due, collected in the year, compared with 99.6% in the previous year.

As a result, the level of arrears at year end increased quite significantly during 2019/20, with arrears of just under £1.1 million at 31 March 2020. The year-end position in respect of rent debt is summarised in the table below:

| Financial Year End | Value of Year End Arrears in Accounts (Current Tenants) | Current Tenant Arrears as a Percentage of Gross Debit Raised in the Year | Value of Year End Arrears in Accounts (Former Tenants) |
|--------------------|---|--|--|
| | | | |
| 31/3/2016 | £598,820 | 1.51% | £735,539 |
| 31/3/2017 | £645,398 | 1.63% | £728,050 |
| 31/3/2018 | £779,904 | 1.96% | £871,620 |
| 31/3/2019 | £776,961 | 1.93% | £932,156 |
| 31/3/2020 | £1,091,161 | 2.7% | £915,885 |

Performance in the collection of current tenant debt dipped by 31 March 2020, in part as a result of the transition from Housing Benefit to Universal Credit for a number of tenants. The impact for residents of direct payment is being actively managed, with Increased staffing in this area, focussed on working with residents to mitigate the ongoing impact on arrears levels.

The position has worsened much further during the early part of 2020/21, anticipated to be as a direct result of the coronavirus pandemic, with arrears increasing to in the region of £1.5 million (3.57% of the annual rent due) by August 2020.



The Income Management Team continue to work proactively with all tenants, but particularly with those affected by the benefit changes or impacted by the coronavirus pandemic

As part of the Orchard Housing Management System Implementation Project, the authority has now gone live with Income Analytics, which is an analysis and rent arrears recovery tool. The tool helps to identify high risk arrears and identify trends at a very early stage, facilitating staff sending bulk texts or e-mails to tenants who fall into particular arrears categories, making chasing arrears more efficient. The system went live at the beginning of June 2020, and officers are monitoring its effectiveness.

The Income Management Team has been expanded in recent years as the rollout of Universal Credit picks up pace. An additional part-time officer is being recruited currently for a fixed term period to provide dedicated additional support to those transitioning from Housing Benefit to Universal Credit. Funding is also retained to meet the additional direct costs of collecting the rent directly, ie; cash collection costs.

Tackling former tenant arrears continues to be challenging, but with the level of former tenant arrears being maintained at similar levels in March 2020, to those experienced in March 2019. Debt that is not realistically collectable is still recommended for write off and provision is currently made in the Housing Revenue Account to write off 88.1% of former tenant debt. Any decision to do this is not taken until all avenues for collection have been exhausted.

The annual contribution to the bad debt provision was 1.5% from 2020/21 when the HRA budget was set in January 2020. The assumption has been reviewed as part of this iteration of the business plan, taking account of the current social and economic situation, with the resulting recommendation to increase the level of contribution to the bad debt provision for 2020/21 to 4.5%, before returning to the previous assumption of 1.5% from 2021/22. The level of provision for the longer term will be reviewed again once the authority has more experience of payment performance locally after the full rollout of Universal Credit.

At 31 March 2020 the total provision for bad debt stood at £1,482,310.47 representing 74% of the total debt outstanding.

Void Levels

The value of rent not collected as a direct result of void dwellings in 2019/20 was £635,949 representing a void loss of 1.68%, compared with £723,954 in 2018/19, representing a void loss of 1.91%.

The value of rent lost through void dwellings during 2019/20 was lower than in 2018/19 but was still higher than the 1% target recognised as part of the 2019/20 HRA Budget Setting Report of January 2020.

Some of the key contributors to the higher void levels in 2019/20 remained the completion of refurbishment works at Ditchburn Place coupled with the transfer of care services to Radis (£83,000), the hard to sell shared ownership housing at Virido, which was later converted to council rented accommodation (£48,000), and vacant homes on redevelopment sites (£62,000), which are held vacant or used on a temporary basis until the entire scheme vacated.

If the impact of the irregular void transactions (detailed above) are removed from the statistics, the void performance in general voids for 2019/20 would have been 1.2%. As a result of this, it is recommended to increase the longer-term assumption of 1% to 1.2% in this iteration of the business plan.

The Repairs Review, with the resulting restructure being implemented during 2020/21 seeks to improve general void performance, and the long-term assumption will be reviewed again in future iterations of the plan when any improvement can be demonstrated.

Rent Setting

Rent levels continue to be set in January of each year, with the Executive Councillor for Housing having authority to make the decision, following pre-scrutiny by Housing Scrutiny Committee. From April 2020, the authority returned to a position where rents can be increased by up to a maximum of inflation plus 1%, using the Consumer Price Index (CPI) at the preceding September as the measure of inflation.

In respect of affordable rented homes, the same inflation plus 1% ruling applies for existing tenants, with the ability to re-set the rent at up to 80% of market rent when a property is vacated, should the authority so choose. Affordable rents at up to 80% of market rent must combine both the rent and service charges levied for any property. However, local policy is to limit affordable rents to the Local Housing Allowance level from the point of introduction.

The Local Housing Allowance is usually reviewed annually with new rates notified to the authority on 31 January each year. As a direct result of the coronavirus pandemic, there was

a second review of the rates for 2020/21, announced in late March 2020, with the charges summarised in the table below:

| Property Size | 2019/20 LHA Rate | 2020/21 LHA rate January 2020 | 2020/21 LHA rate March 2020 |
|---------------|------------------|----------------------------------|--------------------------------|
| Shared Room | 80.52 | 81.89 | 97.00 |
| 1 Bed | 133.72 | 135.99 | 178.36 |
| 2 Bed | 153.79 | 156.40 | 195.62 |
| 3 Bed | 178.71 | 181.75 | 218.63 |
| 4 Bed | 238.38 | 242.43 | 299.18 |

The additional increase in March 2020 saw an average increase of 24% applied to the original 2020/21 rates, bringing rates much closer to market rent levels in an attempt by government to mitigate the impact on private renters and landlords. The increase in rates was intended to ensure that those claiming financial assistance towards their rent could claim at a level nearer to the market rent that they may be paying and was not a lever for landlords to increase the rents that they are charging.

In the HRA, the rents charged for 2020/21 have continued to be based upon the original Local Housing Allowance levels announced in January 2020 to ensure that the rents remain as affordable as possible for those who are not entitled to government financial assistance through Housing Benefit or Universal Credit. Consideration will need to be given to the level that rent and charges are capped at in respect of future new build sites, striking a balance between financial viability for the Council and affordability for tenants.

All local authority rent levels are now governed by the Regulator of Social Housing instead of being controlled by DWP through the limit rent system as they were previously.

Rent Restructuring

Property specific target social rents under the rent restructuring regime still apply.

The authority has the ability to close the gap between target social rent and the actual rent being charged for a dwelling, only when a property becomes void, and actively does this.

The average target 'rent restructured' rent at the start of 2020/21 across the general housing stock was £104.48, with the average actual rent charged being £100.86. By April 2020, 29.5% of the social rented housing stock was being charged at target rent levels, compared with 25% in April of the previous year, so closing the gap remains a slow process.

The gap between actual and target rent levels in the general housing stock now equates to an annual loss of income of approximately £1,271,600 across the HRA, compared with the income assumption in the HRA Self-Financing Debt Settlement of 2012, where convergence was assumed.

There were 351 new build properties charged at the higher 'affordable rent' levels, equivalent to the Local Housing Allowance at 1st April 2020 and 24 affordable shared ownership homes.

Reserves

Housing Revenue Account General Reserves

Reserves are held to help manage risks, including changes in inflation and interest rates, unanticipated service demands, rent and other income shortfalls, and emergencies, such as uninsured damage to the housing stock, unanticipated major repairs or events such as the recent coronavirus pandemic. The coronavirus pandemic has highlighted the forethought in the prudent level of reserves that the HRA holds, allowing the authority time to respond to the crisis, without the need to make impulsive or ill thought through decisions.

Reserves are also used to fund investment which is anticipated to deliver savings in the longer-term. For the Housing Revenue Account, the target level of reserves is £3,000,000, with a minimum level of reserves of £2,000,000. HRA reserves are currently held at levels above target, to allow funding of re-provision of existing homes on development sites, where retained right to buy receipts and devolution funding can't be used for this purpose.

The impact on HRA reserves for 2019/20, and 2020/21 to date is shown in the table below:

| Budgeted or Actual Use of / (Contribution to) HRA Reserves | 2019/20 £'000 | 2020/21 £'000 |
|---|--------------------------|--------------------------|
| Opening General HRA Reserves | (11,620) | (15,083) |
| Budgeted Changes in HRA Reserves | | |
| Original Budget (Approved in February) | (1,404) | 3,998 |
| Carry Forwards (Approved in June) | 772 | 1,431 |
| COVID-19 Inflation Review (Approved in June) | 0 | (282) |
| MTFS Mid-Year Review (Approved in September) | 499 | 836 |
| MTFS Mid-Year – Review of Ear-Marked Reserves | 0 | (396) |
| Budget Setting Report Revised Budget (February) | (146) | - |
| Estimated Closing General HRA Reserves | (11,899) | (9,496) |
| Actual Changes in HRA Reserves | | |
| Opening General HRA Reserves | (11,620) | |
| Actual Outturn variance for the Year (Reported in June and amended during final accounts process) | (3,463) | - |
| Contribution from Ear-Marked Reserves | - | - |
| Actual Closing General HRA Reserves | (15,083) | - |

The original budget for 2020/21 approved a net call on general reserves of £3,997,780, and also incorporated use of £3,905,000 previously set-aside for potential debt repayment or re-investment, to allow a total revenue contribution to fund capital expenditure of £14,182,120 for the year.

The financial projections incorporated into this report include the effects of changes in capital scheme approvals and resources, approved carry forwards from 2019/20, and the anticipated financial impact of the coronavirus for the HRA, with changes either already approved, or proposed as part of this review, in an attempt to help mitigate the impact.

This iteration of the business plan includes changes in estimated rental income for 2020/21, in interest due for the year based upon revised cash balance and interest rate assumptions, in the level of depreciation assumed to be chargeable to the HRA and in the bad debt provision

required for the year, based upon the latest estimates. Changes have also been incorporated to reflect the latest retrospective pay offer for 2020/21 of 2.75%, and to incorporate some changes in response to the coronavirus pandemic. Additional resource has also been incorporated in respect of the repairs service.

The final general HRA reserves position reported at 31 March 2020 was £15,082,981.

The revised projection of the use of general reserves in the current year (2020/21) now indicates that there is expected to be a net call on reserves of £5,983,200, which would leave a balance of £9,495,691 at 31st March 2021 after the transfer of £395,910 of ear-marked reserves into general reserves as highlighted above.

Earmarked Funds

In addition to General Reserves, the Housing Revenue Account maintains a small number of earmarked or specific funds which are held for major expenditure of a non-recurring nature or where the income is received for a specific purpose.

In response to the coronavirus pandemic, these reserves have been reviewed to determine whether there is scope to release any of the reserve to help mitigate the impact on the HRA in 2020/21, without materially affecting services being delivered.

One area where the review has highlighted the potential to return funds to general reserves is in respect of some of the repairs and renewals funds, where items due for replacement from the fund have lasted longer than their estimated life, and as such the fund accumulated is more than may be required to replace the item. See **Appendix D (1)** for the results of the review and **Appendix I** for detail of existing balances held.

Section 5

Detailed Review of Revenue Budgets

COVID-19 Impact and 2020/21 Mid-Year Budget Changes

As part of the HRA Medium Term Financial Strategy, there is not usually any formal mid-year review of service delivery or operational budgets, but there is an opportunity to review the HRA position for the current year from a strategic perspective, allowing incorporation of any unavoidable items, any major in-year changes in expenditure, income or financing arrangements as a direct result of changes in the capital programme.

However, as a direct result of the coronavirus pandemic, it has been necessary to review the HRA revenue budget for 2020/21 to explore ways in which the authority can mitigate the financial impact for the HRA. An increase in rent arrears, and therefore potentially the bad debt that is likely to result from this, is the biggest single factor affecting the HRA. This is of course, coupled with the impact of additional costs in respect of PPE and health and safety equipment and the impact on the business of reduced services delivered within the home, such as repairs.

A small number of staff have been furloughed across the HRA, in respect of both the repairs service, where only emergency repairs were being undertaken during April and May and in respect of the cashiering function at 171 Arbury Road, where the building has been shut to the public. For the period to August 2020, the HRA claimed £115,000 through the government's furlough scheme, with only one member of staff still furloughed at the end of that period.

As part of the 2019/20 HRA Outturn Report, presented to Housing Scrutiny Committee in June 2020, permission was sought to remove inflation from the 2020/21 non-pay and non-

contractual budgets. Following approval, these changes were made, resulting in a reduction in the HRA revenue budgets for 2020/21 of £281,860 on an ongoing basis.

As highlighted in Section 4, a review of all ear-marked reserves was also undertaken, with proposals incorporated as part of this report to return £395,910 of resource to general reserves.

The bids and savings approved as part of the 2020/21 budget process have also been reviewed, with a view to removing or delaying investment in any bids that may not be business critical and challenging whether savings approved are still deliverable considering the pandemic.

A number of changes have been identified, which include:

- Removal of the £52,000 over-provision in pension deficit costs that was verbally identified when the budget was approved in January 2020 once final figures were known, and where a delegation to the Section 151 Officer to make the budgetary amendments was given.
- Delaying the recruitment of the Tenancy Auditor until 2021/22, recognising that access to tenants' homes will be limited for some time, and that the pilot should be undertaken when results can be accurately measured.
- Recognition that increased income in respect of garages (£35,670) and service charges (£18,100) will not be realised in 2020/21 due to difficulties in letting void properties during the pandemic.

Other changes that have been incorporated for 2020/21 as part of the mid-year strategic review include:

- A reduction in depreciation of £324,300 based upon the latest stock projections and depreciable asset values.
- An increase in anticipated rental income of £64,050, recognising the impact of the coronavirus pandemic on both the authority's ability to re-let vacant properties, the delay in taking handover of some of the new build homes anticipated in early 2020/21

and the retention and continued use, of homes ear-marked for vacation and demolition for redevelopment.

- An increase in the value of contribution to the bad debt provision for 2020/21, recognising the anticipated impact of the coronavirus pandemic upon the authority's ability to fully recover rent.
- An increase in the base level of pay assumed for 2020/21, assuming the latest offer by the employer of 2.75% is agreed following consultation with unions, followed by 2.5% for 2021/22, before returning to the previous assumption of 2% per annum.
- A reduction in the anticipated interest received on cash balances for 2020/21, as although the level of balances held is higher due to underspending in 2019/20, the rates of interest available to the authority have fallen and the cashflow impact of rent deemed uncollectable in 2020/21 needs to be factored into the forecasts.
- A reduction in the level of interest payable by the HRA, with internal borrowing from the General Fund reduced until the completion of the scheme at Cromwell Road due to the accounting treatment of the land value and land transfer.
- An increase of £81,800 in the budget from 2020/21 onwards to allow expansion of an annual programme of 5,729 fire door inspections in HRA properties and associated communal areas to confirm that each door is operating as expected. If changes in legislation require these inspections to be undertaken more frequently (quarterly for example) a bid will be made as part of the HRA budget process for 2021/22, assuming the legislation has been passed.
- Inclusion of £360,000 in 2021/22 to expand the programme of heat detector installations, to ensure that they are inter-linked with smoke detectors in all properties. In some instances, this requires the replacement of the smoke detector at the same time to ensure compatibility.

These changes are detailed in **Appendix D** and are incorporated into the HRA Summary Forecasts at **Appendix G (1)** and **Appendix G (2)**.

Section 6

Capital and Planned Revenue - Existing Stock

Stock Condition / Decent Homes

The authority holds validated stock condition data for its housing stock, which is continually being updated. An exercise has been ongoing to increase the breadth and quality of this data to help inform strategic decision making.

The housing service reported achievement of the decent homes standard in the housing stock as at 31 March 2020 at 93%, compared with 89% achieving the desired standard at 31 March 2019. There were 515 properties that were considered to be non-decent (in addition to 1,022 refusals), with another 217 estimated to become non-decent during 2020/21.

Stock Investment

A major review of the investment need in the housing stock was undertaken in 2019/20, culminating in the approval of an updated 5-Year Asset Management Strategy in September / October 2019.

Within the Asset Management Strategy, the authority confirmed a commitment to return to a partial investment standard across the housing stock, as opposed to working towards the previously adopted basic decent homes standard, alongside a commitment to improving the energy efficiency of the stock thus reducing the carbon footprint. A return to a partial investment standard saw the lives of doors to flats reduced from 40 to 30, pitched roof coverings reduced from 60 to 50 and both PVCU and timber windows in flats reduced from 40 to 30 years.

As part of the Asset Management Strategy, a programme of new initiatives and actions was identified, which included aspirations to (subject to funding bids when costs have been quantified in some cases):

- Implement a new rolling programme of stock condition surveys so properties are inspected every five years
- Continue the programme of structural surveys of flats blocks and implement survey programme for older flats and houses with structural concrete elements
- Reduce the electrical inspection cycle to five years in line with best practice
- Implementation of "Orchard Asset" asset management software – including development of the compliance and energy modules
- Develop a methodology which identifies high cost investment properties across the stock and calculates net present values – using new software in Orchard Asset
- Implement a programme of estate investment projects
- Establish a programme of re-inspection of asbestos containing materials and implement a new asbestos register based within Orchard Asset
- Implement an annual programme to inspect fire doors to flats and communal areas (including the replacement of non-compliant fire doors)
- Review maintenance requirements for flat roofs and sheds replacement and repair
- Develop a replacement programmes for lifts, door entry systems, communal entrance doors, fire systems, automatic doors, and communal lighting.
- Review the cyclical decoration programme and reduce the external masonry painting programme to a 7- year cycle to tie in with the painting and repair cycle.

Following updated Fire Risk Assessments and revised fire safety regulations, a number of measures are being implemented to improve fire safety. All dwellings are having heat detectors installed in kitchens and this programme is expected to be completed by March 2022. We are also increasing the level of fire protection in upstairs maisonettes and installing emergency lighting in blocks of flats.

The installation of heat detectors in all properties over a three-year period necessitates additional work to existing fire detection systems in dwellings. This includes replacing and

interlinking existing smoke detectors. Additional revenue resource of £360,000 has been requested as detailed in Section 5 of this report to complete the programme of work by the end of March 2022.

Funding of £450,000 (£200,000 in 2020/21 and £250,000 in 2021/22) has also been incorporated into this iteration of the business plan to allow for enhanced fire alarm systems to be installed at Kingsway, Princess Court and Hanover Court, following the recommendations for the latest fire risk assessments.

Additional capital resource of £3,000,000 (inclusive of contractor overheads) is also requested in 2021/22, as part of this HRA Medium Term Financial Strategy, to undertake remedial structural works to balconies and walkways at blocks of flats at Princess and Hanover Court and a number of blocks of flats in the South Arbury area including Cockerel Road, Rutland Close, Brackley Close, Fordwich Close, and Perse Way. There is the potential for similar investment to be required in other blocks of similar age and construction, but until further specialist surveys have been completed, this can't be confirmed or quantified. Further capital bids will need to be made as part of the 2021/22 budget process to allow further works to be undertaken if they are required.

Further analysis is still required on a property by property basis, to identify individual properties or blocks of flats where there is a significant investment need anticipated over and above that driven by the decent homes standard. For these assets there will be decisions to make about their overall contribution to the business plan, and whether they should be retained and improved, or alternatively disposed of or demolished and re-developed.

From a delivery perspective planned maintenance investment is currently broadly split between two main contractors. Foster Property Maintenance are responsible for the delivery of the majority of external planned works to the housing stock, blocks and estates, whilst TSG Building Services deliver the majority of internal planned investment. The contract with TSG has been extended to November 2022, and the contract with Fosters runs until July 2022, with the potential to extend for a further 3 years. A significant amount of work is procured via one-off contracts and this includes large structural works projects and energy efficiency works.

The Council declared a climate change emergency in February 2019 and has called on government, industry and regulars to make changes to enable Cambridge to reach net zero carbon by 2030. There is a clear commitment to increasing energy efficiency, reducing the carbon footprint and improving sustainability across the asset portfolio, with the HRA stock representing a proportion of the portfolio. Government plans for a Future Homes Standard and other policy changes and initiatives are also likely to impact the housing stock and maintenance of it in the future.

Additional resources were identified in the budget for 2020/21, to accelerate work on our stock and to collect the data required for the development of up a more detailed programme of investment in improving energy efficiency and environmental sustainability of our Council housing stock. This will inform a strategy for the improvement of energy in Council homes and consideration of future policies, for example in relation to heating sources. Although at this stage the financial impact of such a strategy cannot be included in the MTFS, there has been significant work undertaken to start collecting and analysing energy efficiency data across the housing stock.

Across the stock, we have not yet modelled a full programme for all of the existing stock. The scale of the task is very large indeed, and the Council is likely to need to enter into borrowing to be able to deliver on its aspirations in relation to existing Council rented homes. The Asset Management Team have been working closely with the Housing Development Team to analyse the performance and associated maintenance and tenant based costs of the renewable technologies being considered for heating sources within the new build properties to establish what might be viable to replace gas as a heating source in our existing homes.

Work has started to identify and put in place measures to raise Council dwellings with the lowest energy efficiency ratings (EPC rating of E, F and G) to at least a C rating in 2020/21. We are also implementing projects to identify the work and associated costs to improve the energy efficiency of all our older solid wall properties (the majority of these are currently D rated.) A separate report to Housing Scrutiny Committee in this committee cycle identifies a programme of works to 70 homes (1935 build type) to improve them to a B rating by undertaking external wall insulation and solar panels. There are in the region of 1,000 further homes that could

benefit from this investment, subject to proof of concept and approval of resource in future years. Work is underway to better understand the challenges posed by other building types in Cambridge, and what is possible in terms of improving the SAP rating (ideally to B), reducing carbon emissions and tenant bills.

It must be noted though, that upgrading existing homes does not lead to an increase in rental income, unlike the new build programme where the costs of borrowing can be met by new income from the newly constructed homes.

Appendix H provides detail of the revised 10-Year Housing Capital investment Plan, and incorporates the following items in relation to existing stock:

- Expenditure as approved in the HRA Budget Setting Report in February 2020.
- Re-phasing of expenditure anticipated to take place in 2019/20, into 2020/21 and beyond, as approved in June / July 2020.
- Inclusion of £200,000 in 2020/21 (for Kingsway) and £250,000 in 2021/22 (for Princess and Hanover Courts) to install fire alarms in line with the latest fire risk assessment recommendations.
- Inclusion of £3,000,000 (including contractor overheads of £298,000) of resource in 2021/22 to allow remedial structural works to be carried out in identified flat blocks across the city.
- Re-phasing of budget of £1,625,000 for heating and boiler installations between 2020/21 and 2021/22 or 2023/24 in line with revised project delivery timelines.
- Virement between decent homes budgets for heating, doors and HHSRS in 2020/21 in line with works orders raised in year.

These, and other changes, are summarised in **Appendix E** and incorporated into the revised Housing Capital Investment Plan at **Appendix H**.

Section 7

Capital & Asset Management – New Build & Re-Development

Asset Management

Consideration continues to be given to the strategic acquisition or disposal of assets, in line with the current HRA Acquisition and Disposal Policy and the planned development programme.

Receipts from individual asset disposals are currently recognised in the HRA's reserves at the point of receipt and after all relevant costs have been provided for, to ensure prudence and to avoid reliance on a receipt that may not materialise.

During 2019/20, the HRA did not acquire or dispose of any properties on the open market, outside of the HRA redevelopment programme. Three properties were acquired in 2019/20 as part of the redevelopments at Colville Road and Campkin Road, with a further four having completed in 2020/21 to date. There were still four properties left to acquire on these sites at the time of writing this report.

Other disposals or acquisitions in 2020/21 to date, including the acquisition of land for potential future development include:

| Acquisition / Disposal | Comment | Status |
|------------------------|---|-------------|
| | | |
| 2 Bed House | Sale of 2 bedroom property in the south of the city to secure vacant possession of a development site | In progress |
| 1 Bed Flat | Purchase on open market of a 1 bedroom flat in an existing HRA block in the south of the city | Complete |
| Land at Fen Road | Purchase of a plot in the north of the city - 3,000 square metres of land with development potential | Complete |

| Acquisition / Disposal | Comment | Status |
|---|--|---------------------|
| Land at Ditton Fields | Purchase of a property and adjoining land plot in the south of the city with planning permission for a single dwelling on the land plot | Complete |
| Land at Queensmeadow | Purchase of a small land parcel in the south of the city | In progress |
| 10 existing market dwellings and 10 POD's * | Purchase of 10 homes on the open market and the purchase and placement of 10 POD's to house rough sleepers as part of the MHCLG Next Steps Programme, subject to MHCLG Grant approval. | Grant bid submitted |

* At the time of writing this report, a bid had been submitted to MHCLG for the acquisition of 10 existing market dwellings and 10 POD's, at a total capital cost of £4,474,200, with a request for grant of £2,573,700. This leaves the HRA to meet £1,900,500 of the up-front capital cost, which will be repaid over the life of the assets from the net revenue stream. The budget has been incorporated into the capital plan to allow officers to proceed if the grant bid is successful, but expenditure will not be incurred if the grant is not awarded. If the scheme progresses, the units will be let at either social rents, or the higher (post COVID) Local Housing Allowance rates, depending upon what is agreed as part of the grant approval. Once the bid outcome is known, potential sites for the location of the POD's will be considered, in line with the delegation process for the existing POD programme, which allows approval of location by the Strategic Director, subject to Executive Councillor and Ward Councillor consultation.

New Build

General Approach

The Council's approach to building new homes is continually evolving, with consideration being given to the building and energy efficiency standards against which the authority will build going forward.

All new build housing in the HRA is managed by the Housing Development Agency (HDA), with a number of options considered for the delivery of new homes.

The Council has recently commissioned a review of the housing delivery to date and the delivery vehicles adopted to achieve the delivery of new homes. Outcomes of the review will be reported to Housing Scrutiny Committee in January 2021 and will inform recommendations on the delivery of the next New Homes Programme, for the period from 2022 onwards.

The fees charged by the H.D.A have been reviewed as part of this Medium-Term Financial Strategy. The proposed level of H.D.A fees for schemes approved from September 2020 onwards are:

- HRA housing schemes delivered using CIP – 2%
- HRA housing schemes delivered by H.D.A directly – 3%
- Optional 1% can be added to each of the above if scheme includes re-development

Potential new build schemes are identified and strategically considered, with initial communication to potentially affected residents taking place. Once detailed feasibility work has been carried out, schemes are presented to Housing Scrutiny Committee for formal consideration and approval, based upon indicative costs. Schemes are then incorporated into the Housing Capital Investment Plan at the next approval opportunity. As the scheme design progresses and planning approval is sought, revised and more accurate scheme costs are available, culminating ultimately in a build contract value or affordable housing agreement, which along with any fees and costs to secure vacant possession form the final budget for each scheme.

As part of the HRA Budget Setting Report or HRA Medium Term Financial Strategy, the latest scheme appraisal costs available at the time are incorporated into the financial models, and therefore the Housing Capital Investment Plan. These costs will not always be the finally agreed contractual sums that the authority enters into in all cases but ensures that the most up to date data is being utilised.

New Build Schemes Completed – Devolution 500 Programme Onwards

At the time of writing this report 80 new homes had been completed since the beginning of 2018 as part of the Devolution 500 Programme, with a net gain of 53 council rented homes.

The table below details the new build schemes completed as part of this programme to date:

| Scheme | Date Completed | Total Social Housing / SO Units | Gain in Social Housing Units | External Funding Source | Percentage Social Housing on Site |
|-----------------------|-----------------------|--|-------------------------------------|---------------------------------|--|
| Uphall Road | February 2018 | 2 | 2 | RTB Receipts & Devolution Grant | 100% |
| Nuns Way/Cameron Road | September 2019 | 7 | 7 | RTB Receipts & Devolution Grant | 100% |
| Wiles Close | September 2019 | 3 | 3 | RTB Receipts & Devolution Grant | 100% |
| Ditchburn Place | September 2019 | 2 | 2 | RTB Receipts & Devolution Grant | 100% |
| Queensmeadow | June 2020 | 2 | 2 | RTB Receipts & Devolution Grant | 100% |
| Anstey Way | June 2020 | 56 | 29 | RTB Receipts & Devolution Grant | 100% |
| Colville Road Garages | July 2020 | 3 | 3 | RTB Receipts & Devolution Grant | 100% |
| Gunhild Way | July 2020 | 2 | 2 | RTB Receipts & Devolution Grant | 100% |
| Wulfstan Way | September 2020 | 3 | 3 | RTB Receipts & Devolution Grant | 100% |
| Total | | 80 | 53 | | |

New Build Schemes On Site

Sites where work is in progress are summarised in the table below, with details of the anticipated costs and number of units that will be delivered on each site once complete:

| Scheme | Approved Indicative Social Housing Units | Gain in Affordable Housing Units | Latest Budget Approved / for Approval | RTB Receipt / Sales Receipt Funding | Devolution Grant | Net Capital Cost to the HRA |
|----------------|--|----------------------------------|---------------------------------------|-------------------------------------|------------------|-----------------------------|
| Mill Road | 118 | 118 | 24,965,630 | (7,489,690) | (17,475,940) | 0 |
| Markham Close | 5 | 5 | 1,186,650 | (355,990) | (830,660) | 0 |
| Kingsway | 4 | 4 | 410,000 | (123,000) | (287,000) | 0 |
| Akeman Street | 14 | 12 | 4,526,720 | (910,680) | (2,124,920) | 1,491,120 |
| Ventress Close | 15 | 13 | 3,689,920 | (783,910) | (1,828,600) | 1,077,410 |
| Cromwell Road | 118 | 118 | 24,865,800 | (7,459,740) | (17,406,060) | 0 |
| Total | 274 | 270 | | | | |

New Build Schemes in the Pipeline

There are a number of sites which have scheme specific approval, but at the time of writing this report, were not on site. These schemes include HRA sites, General Fund sites and land acquisition or section 106 sites, where the intention is for the HRA to deliver or purchase the affordable housing.

The table below details the latest budget requirements either approved or for approval as part of the HRA Medium Term Financial Strategy and the assumed number of new homes which can be delivered, recognising that this may still be subject to both planning approval and procurement of a contractor or transfer to CIP for some of the sites. The latest budget approvals for sites identified for transfer to CIP are based upon the most recent cost estimates provided by CIP but will not be finalised until the Affordable Housing Agreement or design and build contract is entered into.

| Scheme | Approved Indicative Affordable Housing Units | Gain in Affordable Housing Units | Latest Budget for Approval | RTB Receipt and Sales Receipt Funding | Devolution Grant / Section 106 Funding | Net Capital Cost to the HRA |
|--------------------|--|----------------------------------|----------------------------|---------------------------------------|--|-----------------------------|
| Tedder Way | 2 | 2 | 389,000 | (116,700) | (272,300) | 0 |
| Kendal Way | 2 | 2 | 374,000 | (112,200) | (261,800) | 0 |
| Colville Road II | 69 | 49 | 15,690,580 | (3,040,130) | (7,093,200) | 5,557,250 |
| Meadows and Buchan | 106 | 106 | 27,318,760 | (3,958,930) | (13,141,130) | 10,218,700 |
| Clerk Maxwell Road | 14 | 14 | 2,746,760 | (824,030) | (1,922,730) | 0 |
| Campkin Road | 75 | 50 | 17,421,260 | (3,114,990) | (1,750,000) | 12,556,270 |
| L2 | 30 | 30 | 6,207,000 | 0 | 0 | 6,207,000 |
| Colville Road III | 47 | 29 | 11,103,200 | 0 | 0 | 11,103,200 |
| Histon Road | 7 | 7 | 1,513,000 | 0 | 0 | 1,513,000 |
| Total | 352 | 289 | | | | |

As part of this report, scheme specific budgets have been separately identified for the HRA to acquire the affordable housing on the site at L2, to redevelop the site to be referred to as Colville Road III, and to acquire 7 affordable homes as part of a development in Histon Road, in line with the scheme specific reports being presented to Housing Scrutiny Committee in this committee cycle. These schemes could be counted towards the new programme from 2022 onwards.

The table below confirms the current status for each pipeline scheme:

| Scheme | Site Type | Status | Potential New Build Units |
|------------|-----------|------------------------|---------------------------|
| Tedder Way | In-fill | Awaiting planning date | 2 |
| Kendal Way | In-fill | Planning expired | 2 |

| Scheme | Site Type | Status | Potential New Build Units |
|--------------------|----------------------|---------------------|--|
| Colville Road II | Existing HRA Housing | Planning approved | 69 |
| Meadows and Buchan | Community Facility | Planning resolution | 106 |
| Clerk Maxwell Road | Section 106 Site | Planning approved | 14 |
| Campkin Road | Existing HRA Housing | Planning approved | 75 |
| L2 | CIP Acquisition | Pre-planning | 30 |
| Colville Road III | Existing HRA Housing | Site Feasibility | 47 |
| Histon Road | Section 106 Site | Planning approved | 7 |

Tedder Way

This scheme is under review due to access and boundary issues but will be subject to external tender to allow delivery once a planning decision has been made.

Kendal Way

An unresolved boundary dispute has been ongoing for sufficient time that the planning permission for this site has now lapsed. The scheme is now subject to review.

Colville Road II

To secure vacant possession for the re-development of the site at Colville Road, it is necessary to re-locate a total of 20 tenants, with all of the secure households having moved at the time of writing this report, and to buy back 4 leasehold flats, with 3 of these purchases having completed to date.

The scheme was granted planning by the Planning Committee on 6 November 2019 and start on site is anticipated by October 2020.

Meadows and Buchan Street

This scheme sees the re-development of two General Fund sites at Buchan Street and the Meadows, where both are currently entirely community provision. The scheme proposes new homes on both sites, with the community provision combined and re-provided on the Meadows site, and some new retail space at Buchan Street. The cost of the retail units and community centre re-provision will be met by the General Fund.

Following a second public consultation the revised scheme has now received planning committee approval.

Clerk Maxwell

This scheme would see the HRA acquire the 14 affordable homes on an existing Hill Residential development site. The scheme was re-submitted for planning in December 2019, and planning approval has now been granted.

Campkin Road

To secure vacant possession for the re-development of the site at Campkin Road it is necessary to re-locate a total of 25 tenants, with 21 of the secure households having moved at the time of writing this report, and to buy back 7 leasehold flats, with 4 of these purchases having completed to date.

The scheme was granted planning permission in May 2020. Start o site is anticipated in October 2020, subject to having secured vacant possession.

L2

This site was purchased by the Cambridge Investment Partnership in December 2019, with planning permission for 64 homes. It is anticipated that the scheme can be revised to deliver up to 75 homes, with the HRA acquiring the 30 (40%) affordable homes on the site. Subject to obtaining revived planning consent, it is estimated that start on site could be in April 2021.

Colville Road III

This site currently comprises 15 tenanted HRA properties, 2 leasehold flats, a flat that has already been repurchased by the HRA and is being let on a temporary basis and 4 shops. The proposed development, which is the subject of a separate report in this committee cycle would see the provision of 47 new or replacement homes alongside the reprovision of the commercial space.

It should be noted that the commercial property that currently exists on the site of the Colville Road III development is held in the Council's General Fund, with the benefit of the rental income also being recorded there. Officers are exploring the most appropriate route to both identify the true costs that should be borne by the General Fund and to subsequently account for and finance this expenditure. At this stage the full scheme cost has been incorporated into the HRA Medium Term Financial Strategy and Housing Capital Plan, to allow the scheme to proceed. A delegation to the Section 151 Officer, in consultation with the Executive Councillor for Strategy and Resources and the Executive Councillor for Housing, is requested in the scheme specific report to allow the most appropriate valuation basis, funding route and accounting treatment for the value of the commercial units being provided to be determined.

Histon Road (The Mews)

This site is being developed by Laragh Homes, to deliver 17 private and 10 affordable homes off Histon Road. Cambridge City Council have been offered the opportunity to acquire 7 of the affordable homes, all 2 bedroom properties, with the other 3 affordable homes forming part of the Cambridgeshire and Peterborough Combined Authority £100,000 home programme.

General Fund Sites

Where any General Fund sites are taken forward for development with the potential for the HRA to acquire the affordable homes, there is the need to consider the impact of the transfer of land between the General Fund and the HRA and any resulting impact of the HRA Capital Financing Requirement. Under current legislation, any increase in this results in increased

interest costs to the HRA. The potential for land to be transferred from the General Fund to the HRA at nil value is still awaiting the outcome of a government consultation. If General Fund sites are built out by the Cambridge Investment Partnership, with the intention of the Council being to exercise the break clause in a lease in order to acquire the affordable homes, it is considered necessary for this land to be appropriated between the General Fund and the HRA at existing use value prior to lease to the Cambridge Investment Partnership.

Future New Build

After completion of the Devolution 500 Programme, the authority is committed to continue a programme to deliver new homes. Following the abolition of the HRA Borrowing Cap, it is now possible to increase the supply of new homes that can be delivered, assuming that the authority is content to borrow to achieve this, that the business plan can support the costs of borrowing and that suitable land sites can be identified to achieve this.

Considerable work has been done to begin to develop the new build housing programme which will follow after the completion of the Devolution 500 Programme, with an aspirational target to deliver 1,000 net additional rented homes over the following 10 years.

A number of options are being explored to give an indication of what may be possible, which include a mix of developing HRA or Council owned land, acquiring land on the open market, acquiring the affordable housing on Section 106 sites and working with a development partner or as part of a joint venture to develop larger sites in the city. A number of scenarios are also under consideration to demonstrate how a net 1,000 council rented homes could be delivered, using a mix of market sale, shared ownership and council rented homes to ensure financial viability. Differing levels of energy efficiency have also been explored, with options for building to Passivhaus standards costed into the assumptions currently, so that the impact of the additional up-front investment can be clearly articulated. The scenarios modelled also include assumptions about whether the authority may be able to secure Homes England grant to help finance the delivery of new homes.

A separate report is presented to the committee cycle in respect of the principles for the potential 1,000 New Build Programme, and some high-level assumptions from modelled scenarios have been modelled as part of this iteration of the business plan.

This MTFS includes provision for one new build scenario, whilst recognising that further work needs to be done on exploring options, including in relation to the sites available. As such, this report provides the financial underpinning of a broad strategic commitment to the delivery of a 1,000 homes new-build programme from 2022, and set of key strategic aims, using the assumptions below.

The key assumptions made in respect of the modelling for the purpose of this plan are as follows:

- 1,000 net additional council rented homes are delivered over the 10-year period following the Devolution 500 Programme
- To deliver 1,000 net new council rented homes in mixed communities, we will deliver 1,200 gross rented homes and develop other tenures where required (current assumption is that we will also build and own 233 shared ownership homes and build 500 homes for market sale)
- We will develop using a range of tools with our modelled assumption including a mix of 37% delivered via Joint Venture or Section 106, 21% land led schemes, 33% built on existing HRA sites and 8% of the shelf purchases
- A build cost of £2,950 per square metre, which assumes building to Passivhaus standards, by allowing a £500 uplift per square metre on the standard rate of £2,450
- A land acquisition costs for land led schemes of £75,000 per plot
- New homes are all let at council affordable rent levels using the pre-COVID-19 Local Housing Allowance levels as a cap in line with current policy
- Retained right to buy receipts would continue to be available for re-investment at the rate of £2,800,000 per annum and that they can be used in addition to Homes England Grant. (This will require a positive outcome from the MHCLG RTB Consultation)
- Borrowing has been assumed at 1.7%, based upon the current PWLB HRA Certainty Rate

- Initial modelling by Redloft has been undertaken on the assumption that 1,200 gross council rented homes are built and this assumption has been complimented in the HRA business plan with the assumption that in order to deliver 400 of these new homes on HRA land, there would be a need to demolish 200 existing properties as part of the site regeneration schemes. The loss of 200 existing homes has been built into the HRA financial forecasts, delivering a net gain of 1,000 rented homes
- Investment profile is spread equally across the 10-year programme (bar £3,000,000 incorporated into 2020/21 and 2021/22 for land acquisition and early investment)

Assumptions for the financial modelling for this iteration of the business plan – 1,200 (1,000 net) Council Rented and 233 Shared Ownership homes at Passivhaus Standard, with Homes England Grant of £70,000 per unit for rented and £28,000 per unit for shared ownership homes.

- This would require £335,000,000 of borrowing, against total investment of approximately £658,000,000, to deliver the new homes but would still allow set-aside of resource in line with the current policy over the life of the plan to redeem 25% of the original HRA Self-Financing housing debt.

Work is ongoing to identify and explore potential HRA sites and land acquisition opportunities that could be included within the 1,000 Programme. Sites and schemes will be brought forward for formal consideration and approval individually as opportunities arise.

This iteration of the business plan has incorporated this option, for the purpose of ensuring that resource is ear-marked to provide a framework to allow the 1,000 Programme to be further developed. This does not provide assurance that the programme will be delivered in accordance with the assumptions made initially and will require revision as the programme develops and detailed decisions are taken.

Taking into consideration site constraints and the delivery vehicle adopted for each scheme as it is identified for inclusion in the programme, different recommendations may be made in respect of tenure mix and sustainability standards. The option currently incorporated into the plan assumes new homes will be built to Passivhaus standard wherever possible, but there is an

intention to move towards zero-carbon during the life of the programme, where it is feasible and viable to do so.

This proposal is however dependent upon securing Homes England Grant funding for all of the council rented and shared ownership units, and failure to achieve this will mean that the programme will need to be reviewed to identify alternative sources of funding, to increase the amount of market sale or shared ownership housing provided, to reduce build standards or to reduce the number of council rented homes delivered overall.

Any opportunity to secure additional future funding through the Combined Authority, Homes England or MHCLG is being fully explored, as this will mitigate the amount of resource that the HRA needs to borrow.

The need for the HRA to borrow significant sums of money over the 10-year period requires a review of borrowing options. Currently, the PWLB is offering a preferential rate for lending to the HRA, but this resource may be limited in value or may expire before the end of the 10-year programme. It is prudent for the authority to explore other borrowing routes to ensure that any borrowing decisions are made with the benefit of comprehensive market information.

The initial resource ear-marked in the business plan will be reviewed and re-profiled as the programme develops, with detailed borrowing options being explored and decisions being made as part of the medium term financial strategy or budget setting process for any year in which borrowing is deemed necessary. The first year that borrowing is currently anticipated is 2022/23.

The Housing Capital Investment Plan, an updated version of which is attached at **Appendix H**, incorporates the funding for the net 1,000 new homes and the new build schemes as identified in the tables above, recognising gross spend on each council housing scheme, land values, grant and any right to buy receipts separately, arriving at the net cost to the Council as per the table above. For these purposes the use of retained right to buy receipt is treated as an external funding source, recognising that failure to utilise it as statutorily required, would result in the need to pay the receipt over to Central Government.

Updated expenditure and funding sources, on a cashflow basis, for all new build schemes are detailed at **Appendix F**.

Capital Programme

Appendix H provides detail of the revised 10-Year Housing Capital investment Plan, and incorporates the following items in respect of new build and acquired housing:

- Expenditure as approved in the HRA Budget Setting Report in February 2020.
- Re-phasing of expenditure anticipated to take place in 2019/20 into 2020/21 and beyond, as approved in June / July 2020.
- Re-allocation of new build budget between the unallocated / generic new build budget and individual scheme specific budgets of £6,207,000 for the acquisition of the affordable housing on the site at L2, assuming scheme specific approval is granted at this Housing Scrutiny Committee in September 2020.
- Inclusion of resource to facilitate the new 1,000 New Homes Programme, recognising that significant borrowing will be required to allow this to happen.
- Inclusion of budget of £11,104,000 to facilitate the development of the existing HRA site at Colville Road III, with the scheme to be the first scheme identified as part of the new 1,000 homes programme. The scheme will utilise the last of the 2021/22 £10,000,000 of resource identified for new build homes, with the balance to be funded from resource ear-marked as part of the new programme from 2022/23.
- Inclusion of budget of £1,513,000 to acquire 7 affordable homes on a development site off Histon Road, assuming scheme specific approval is granted at this Housing Scrutiny Committee in September 2020.
- Inclusion of a budget of £4,474,200, with assumed MHCLG grant of £2,573,700 towards this, to allow the acquisition of 10 dwellings and 10 POD's to move rough sleepers on from hotel accommodation.
- As part of this HRA Medium Term Financial Strategy, approval to re-phase budgets in respect of a number of new build sites, as detailed in **Appendix E**, with the

resulting changes incorporated into the Housing Capital investment Plan at **Appendix H**, is also being sought.

- Capital financing has been updated in respect of revised assumptions in right to buy and other capital receipts, grants, revenue funding of capital expenditure, use of Section 106 resources and borrowing requirements.

Section 8

Summary and Conclusions

HRA Budget Strategy

The Budget Process

The HRA budget for 2021/22 will incorporate the changes both agreed and proposed as part of this iteration of the business plan, to help to mitigate the financial impact of the coronavirus pandemic. The budget process itself will remain broadly similar to that for previous years in terms of timing and detailed administration.

Incorporation of savings in both revenue and capital expenditure from 2019/20 at the outturn position improved the base position for the HRA from April 2020. Unfortunately, and as is the case for many businesses, the coronavirus pandemic has negatively impacted the financial projections for 2020/21 and beyond.

Further challenges have been identified, over and above those resulting from the pandemic, with an increased investment need in the existing housing stock in respect of both health and safety and fire safety works. Resource has been incorporated as part of this iteration of the business plan to inspect fire doors, install heat detectors that are linked to smoke detectors and to tackle structural failures in some flat blocks.

For 2020/21 the HRA Medium Term Financial Strategy incorporates changes in the anticipated rental income for the current year, in the contribution to the bad debt provision as a result of an increase in rent arrears, changes in anticipated interest earned in year from a revenue perspective and in depreciation of the housing stock, alongside some changes in operational budgets.

The report also proposes release of some ear-marked reserves back into general reserves and some changes in operational budgets, in mitigation of the impact of the coronavirus pandemic.

Changes in the capital programme in respect of the budget now required for specific new build schemes have been incorporated, with budgets adjusted or re-phased as schemes reach the next milestone in the development process. Budget to create a framework to allow the programme of 1,000 net new council rented homes to be developed further has also been incorporated as part of this iteration of the business plan.

This ensures that the level of investment is more than sufficient for that required to avoid paying any retained right to buy receipts to Central Government, with the associated interest penalty, instead ensuring these receipts can be re-invested in the locality.

The requirement to borrow in future years in order to deliver the 1,000 new council rented homes that the HRA is seeking to provide has been incorporated into the business plan to demonstrate that the HRA can fully support the ongoing costs of borrowing with the initial assumptions made. As borrowing is required, borrowing routes need to be explored and clear assumptions need to be made around whether the existing borrowing should be repaid at maturity or re-financed. These decisions will materially impact the financial forecasts for the HRA and drive the requirement to identify any savings in future iterations of the business plan. The HRA needs to be able to clearly demonstrate that borrowing is undertaken in order to finance a new asset, and not simply to plug a budget gap.

There is an assumption built into this iteration of the business plan, that in order to deliver 1,000 new council rented homes, the authority will be successful in securing significant sums of grant funding from Homes England. Failure to achieve this will require a significant review of both the proposed development programme and the HRA business plan.

In advance of the need to borrow, and to ensure prudence in an uncertain financial climate, this report proposes retention of a budget strategy where efficiency savings are sought to ensure that value for money can be demonstrated and that tenants and leaseholders

continue to receive services at the best price possible, whilst also incorporating a strategic investment fund, which will allow re-direction of resources into key areas of the Housing Service to meet the ongoing challenges that providers of affordable housing continue to face.

The robust approach to financial management for the HRA, where efficiencies are sought wherever possible, enables strategic re-direction of resource into other areas of investment, such as new build housing, if all of the financial pressures are not as originally anticipated.

The detail in terms of individual savings proposals, and the impact of reducing budgets by these values, will be presented as part of the 2021/22 budget bids and savings process, to ensure that these can be weighed up against any strategic re-investment proposed.

Approach to HRA Savings

In line with the budget strategy outlined in the 2019/20 HRA Medium Term Financial Strategy, it is recommended that a savings target is retained, but in the form of an efficiency target. It is also proposed to continue to include a corresponding strategic reinvestment fund.

The continued inclusion of a 4% of general management and repairs administration expenditure (now £136,000 per annum) efficiency target is considered prudent in light of continued uncertainty in both the economy generally and in a number of areas of national housing policy, and allows resource to be identified for strategic reinvestment in other areas of the housing service. Inclusion of an efficiency target, and an associated strategic reinvestment fund ensures that the authority is best placed to respond to any change. The authority will need to review and evaluate its position again for 2022/23 onwards, once the longer-term impacts of the pandemic are clear and there is further clarity at a national level around housing policy.

The assumption that response and planned revenue repairs expenditure is adjusted in line with any stock changes is also retained.

Retention of strategic reinvestment funding, now at £136,000 per annum, funded from any efficiency savings identified, for the next 5 year period, from 2021/22, allows the authority to

either redirect resource into key areas or alternatively to hold off in the event of financial pressure, allowing the efficiency savings identified to contribute to an overall reduction in HRA expenditure in response to any crisis or national policy announcements. There is also the option in any one year, if efficiency savings are not identifiable, to waive any strategic reinvestment, thus negating the need to make savings which may detrimentally impact the delivery of key housing services.

As part of the 2021/22 budget setting process, any areas of new revenue investment, will need to be offset by the identification of savings or increased income generation elsewhere across the HRA.

There is sufficient resource available to match fund retained right to buy receipts with the 70% of additional investment required. A key challenge, exacerbated by the delays caused by the coronavirus pandemic, remains the ability to bring forward enough new build housing in quick enough timeframes to allow the investment of these resources within the currently prescribed timeframes. Failure to invest the retained right to buy receipts within the required 3-year timeframe will still carry the penalty of paying them to central government with interest currently at 4.1%, calculated from the quarter in which they were originally received.

Once the borrowing options have been explored in order to facilitate the delivery of new council homes, the longer-term assumption that the authority attempts to set-aside resource for the repayment at least 25% of the self-financing housing debt by the point at which the loan portfolio begins to reach maturity will be reviewed. The authority will review and reconsider its approach to debt set-aside once the detailed borrowing requirements for the future new build programme have been confirmed, retaining the base assumption in the interim.

The position for the HRA will be reviewed again as part of the January 2021 HRA Budget Setting Report, with a view to continuing to maximise investment in new homes, maintaining service delivery in key statutory areas and protecting services for the most vulnerable, whilst also ensuring that the existing housing stock is maintained to the latest standards.

Base Assumptions

In order to update the Housing Revenue Account Business Plan, the assumptions included in the base plan have been revisited and confirmed or amended as appropriate in the light of any more up-to-date intelligence and information.

In all cases, the revised assumptions included are derived from the best information available at the current time, utilising both historic trend data and the expert advice and opinion of specialists where appropriate.

The base financial assumptions included in the financial model are included at **Appendix B**, with continuing uncertainties for the HRA summarised at **Appendix K**.

Appendix G summarises the revenue budget position for the HRA for the period between 2020/21 and 2029/30, based upon inclusion of the amended financial assumptions that form part of the update to the Self-Financing Business Plan.

Appendix J demonstrates the potential impact on the business plan of changes in some of the base assumptions that have been incorporated as part of this review.

HRA MTFS Conclusions

Updating the base assumptions for the HRA has had a material impact on the future financial projections for the housing business.

The need to react to the negative impact of the coronavirus pandemic has resulted in recognition that there will be an increase in rent arrears and associated bad debt, with budgets having been reviewed and reduced in some areas in an attempt to mitigate the initial impact. The position will need to be reviewed again once any longer-term impact is clear.

Delivery against some of the key assumptions is critical to the success of the housing business plan, with the assumption of continued rent increases at CPI plus 1% for a further 4 years being one of the critical assumptions included.

A key risk remains the still unquantifiable impact of the full rollout of Universal Credit, with the authority still working proactively with affected residents in an attempt to mitigate the impact initially being felt, and the increasing impact anticipated. The transition from Housing Benefit to Universal Credit has been accelerated by the coronavirus pandemic, which has prompted new claims and an increase in changes of circumstance.

Another key risk remains the authority's ability to invest retained right to buy receipts within the required timescales, with the anticipated relaxing of these constraints not yet confirmed. Sufficient schemes are approved in the pipeline to ensure that receipts can be reinvested, but there are still risks if schemes are delayed in any way, with recent events having exacerbated this.

A key uncertainty still exists in respect of the investment need that may arise once the review of the decent homes standard identified as part of the Housing Green Paper, has concluded.

The incorporation of an initial budget to allow the development of a programme to deliver 1,000 new council rented homes identifies the need to ensure that the HRA can borrow as efficiently as possible and demonstrate affordability for the borrowing over the life of the business plan.

Although delivery of significant savings in the short to medium term is not critical to the success of the business plan, the inclusion of an efficiency target, offset by a corresponding strategic reinvestment fund is still considered to be a prudent approach to ensuring that resources are targeted to the areas that most need them, and that flexibility is maintained to allow response to both local demands and national housing policy change.

Appendix A

Key Risk Analysis

| Risk Area & Issue arising | Controls / Mitigation Action |
|--|--|
| Effects of Legislation / Regulation | |
| <p>Implications of new legislation / regulation or changes to existing are not identified</p> | <ul style="list-style-type: none"> • Effective, formal, regular review processes are in place for the HRA to ensure that implications are identified, quantified and highlighted |
| <p>Delays in announcement of detail surrounding housing policy change negatively impacts decisions taken at a local level</p> | <ul style="list-style-type: none"> • Decisions taken in the context of a business plan which recognises the uncertainty. Savings taken have impacts exemplified to ensure impact is mitigated |
| <p>Funding is not identified to meet the costs associated with changes in statutory requirements</p> | <ul style="list-style-type: none"> • Additional / specific funding requirements for new services can be identified through the budget process, to allow effective prioritisation of resources. Minimum reserves are held to allow immediate investment if required |
| <p>Changes in national housing or rent policy impact the ability to support the housing debt or deliver against planned investment programmes</p> | <ul style="list-style-type: none"> • The Council has processes in place ensuring early engagement in any consultation and collective representation through national housing bodies • Impact of any proposed changes to national rent policy is incorporated into financial planning as early as possible |
| <p>Implementation of Fixed Term Tenancies carries administrative cost and would dictate the need for system change at a time when the Housing Management Information System has just been replaced</p> | <ul style="list-style-type: none"> • Project Board for system replacement are aware of the potential need for further changes to IT systems and have discussed this with suppliers as part of the implementation process • Fixed term tenancies may now not be compulsory, depending upon outcome of Housing Green Paper |

| Risk Area & Issue arising | Controls / Mitigation Action |
|--|--|
| Housing Portfolio & Spending Plans | |
| <p>The Council approves plans which are not sustainable into the future, leading to increasing problems in balancing budgets</p> | <ul style="list-style-type: none"> • Council has adopted medium and long-term modelling (up to 30 years) for HRA, ensuring decisions are made in context of long-term impact • The Business Plan includes long-term trend analysis on key cost drivers • Target levels of reserves are set for the HRA to enable uneven pressures to be effectively dealt with, and to provide cover against unforeseen events / pressures |
| Financial planning lacks appropriate levels of prudence | |
| <p>Business Planning assumptions are wildly inaccurate</p> <p>Financial policies, in general, are not sufficiently robust</p> <p>Funding to support the approved Capital Plan is not available</p> <p>The financial impact of the coronavirus pandemic is far greater, and longer lasting, than anticipated in 2020/21</p> | <p>Council has adopted key prudence principles, reflected in:</p> <ul style="list-style-type: none"> • Use of external expert opinion and detailed trend data to inform assumptions • Ongoing revenue funding for capital is reviewed for affordability as part of the 30-year modelling process • Adoption of strict medium / long-term planning • Policy on applying general capital receipts for strategic disposals only at point of receipt • Ongoing monthly review of key parameters whilst the impact of the coronavirus pandemic is uncertain. |

| Risk Area & Issue arising | Controls / Mitigation Action |
|--|---|
| Use of resources is not effectively managed | |
| <p>There is ineffective use of the resources available to the HRA</p> <p>Failure to deliver Major Housing / Development Projects, i.e. return on capital investment, project on time etc.</p> <p>Value for money in terms of investment in new build homes is challenged</p> | <ul style="list-style-type: none"> • Council employs robust business planning processes for the HRA • Council has adopted a standard project management framework • A business case is required for all strategic acquisitions, disposals and one-off areas of significant investment • Performance and contractor management procedures are robust and contracts are enforceable • The Council's accounts are audited on an annual basis, with assurance given that the authority is delivering economy, efficiency and effectiveness in its use of resources • Council adopts a mix of delivery vehicles • Council employs cost consultants to demonstrate price comparability with the local market • Council has procured an independent review of new build delivery |

| Risk Area & Issue arising | Controls / Mitigation Action |
|---|---|
| External income / funding streams | |
| <p>Undue reliance may be placed on external income streams, leading to approval of unsustainable expenditure</p> | <ul style="list-style-type: none"> • Modelling over the medium and long-term is conducted for key income sources, including sensitivity analysis of potential changes • Council seeks to influence national settlements and legislative changes through response to formal consultation |
| <p>Rent and service charge arrears increase, and bad debt rises, as a direct result of the Welfare Benefit Reforms or the Coronavirus pandemic</p> | <ul style="list-style-type: none"> • Increased resources identified for income management. Performance closely monitored to allow further positive action if required. |
| <p>Rent income is under-achieved due to a major incident in the housing stock</p> | <ul style="list-style-type: none"> • Asset Management Plan in place to identify and address key issues in the housing stock to minimise likelihood of widespread incidents |
| <p>Changes in the economic environment cause a significant reduction in the number of right to buy sales, reducing the resource available to finance the capital investment programme</p> | <ul style="list-style-type: none"> • Sensitivities modelled so potential impacts are understood • Business plan is regularly reviewed allowing reallocation of resource or consideration of borrowing if required |
| <p>Changes to the right to buy rules result in an increase in the level of sales, with the associated commitment to deliver replacement units or pay over receipts with interest</p> | <ul style="list-style-type: none"> • Sensitivities modelled so potential impacts are understood • Retained resources are monitored to ensure delivery of required units or return of resource at earliest opportunity |
| <p>Volatility and competition in the property market impacts the ability to fund planned capital investment from the sale of assets</p> | <ul style="list-style-type: none"> • Policy on applying general capital receipts for strategic disposals only at point of receipt • Regular review of mix of new build delivered to ensure that assumptions around shared ownership and market sale are realistic |

Appendix B

Business Planning Assumptions (Highlighting Changes)

| Key Area | Assumption | Comment | Status |
|---------------------------------------|--|--|----------|
| General Inflation (CPI) | 0.9% for 2021/22, then 2% ongoing | General inflation on expenditure included at 0.9% for 2021/22, then 2% ongoing, per Bank of England) forecasts of May 2020. | Amended |
| Capital and Planned Repairs Inflation | CPI plus 1.1% | Based upon the mix of BCIS and CPI forecasts for next 2 years, using averages over this period. Reverts to CPI after 2 years. | Amended |
| Debt Repayment | Set-aside 25% to Repay Self-Financing Debt | Assumes surplus is re-invested in income generating assets, with 25% of resource set-aside to repay debt as loans reach maturity dates, pending review of the set-aside policy in conjunction with any borrowing being considered. | Retained |
| Capital Investment | Partial Investment Standard | Base model assumes a partial investment standard in the housing stock, compared with a basic decent homes standard. | Retained |
| Pay Inflation | 1.5% Pay Progression & Pay Inflation at 2.75% for 2020/21, 2.5% for 2021/22 then 2% from 2022/23 | Assume allowance for increments at 1.5% and cost of living pay inflation at 2.75% for 2020/21, 2.5% for 2021/22, then 2% on an ongoing basis. | Amended |
| Employee Turnover | 3% | Employee budgets assume a 3% turnover, unless service area is a single employee, or is a shared service, externally recharged service or trading account. | Retained |
| Social Rent Review Inflation | CPI plus 1% for 4 years from 2021/22, then CPI plus 0.5% from 2025/26 | Rent increases of up to CPI plus 1% for 4 further years, reverting to inflation plus 0.5% after this. Assume CPI in preceding September is as above. | Retained |
| Affordable Rent Review Inflation | CPI plus 1% for 4 years from 2021/22, then | Affordable rents to be reviewed annually in line with Local Housing Allowance, ensuring that they match the LHA unless | Retained |

| Key Area | Assumption | Comment | Status |
|----------------------------------|---|--|----------------|
| | CPI plus 0.5% from 2025/26 | it rises above CPI plus 1%, in which case the lower will apply. | |
| Rent Convergence | Void Only | Ability to move to target rent achieved only through movement of void properties directly to target rent. | Retained |
| External Lending Interest Rate | 0.6% | Interest rates based on latest market projections, recognising that the HRA will benefit from low risk investments only | Amended |
| Internal Lending Interest Rate | 0.6% | Assume the same rate as anticipated can be earned on cash balances held, so as not to detriment either the HRA or the General Fund longer-term. | Amended |
| External Borrowing Interest Rate | 1.69% | Assumes additional borrowing using PWLB HRA certainty rates. | Amended |
| Internal Borrowing Interest Rate | 1.69% | Assume the same rate as external borrowing to ensure flexibility in choice of borrowing route. | Amended |
| HRA Minimum Balances | £2,000,000 | Maintain HRA minimum balance at £2,000,000, pending a review once the business plan and asset investment strategy has been fully reviewed. | Retained |
| HRA Target Balances | £3,000,000 | Maintain HRA target balance at £3,000,000, pending a review once the business plan and asset investment strategy has been fully reviewed. | Retained |
| Right to Buy Sales | 22, then 25 sales ongoing | The impact of the coronavirus pandemic is expected to result in a decline in activity for 2020/21. Assume 22 in 2020/21 then 25 sales annually ongoing. | Amended |
| Right to Buy Receipts | Settlement right to buy and assumed one-for-one receipts included | Debt settlement receipts included, assuming the receipts utilised partly for general fund housing purposes. Anticipated one-for-one receipts included, and ear-marked for direct new build spend. Debt repayment proportion assumed to be set-aside. | Retained |
| Void Rates | 1.2% ongoing | Assume a higher ongoing void rate of 1.2% from 2020/21, recognising recent standard void performance. | Amended |
| Bad Debts | 4.5% for 2020/21, then 1.5% from | Bad debt provision increased to 4.5% for 2020/21 as a result of the coronavirus pandemic, then 1.5% ongoing reflecting | Amended |

| Key Area | Assumption | Comment | Status |
|--------------------------------|---|--|----------|
| | 2021/22 ongoing | the requirement to collect 100% of rent directly through Universal Credit . | |
| Savings Target | £136,000 (4% of general and repairs administrative expenditure) | Retain an efficiency target of £136,000 from 2021/22 for 5 years. Allows strategic reinvestment or alternatively a response to pressure from national housing policy change. | Retained |
| Responsive Repairs Expenditure | Adjusted pro rata to stock changes | An assumption is made that direct responsive repair expenditure is adjusted annually in line with any change in stock numbers. | Retained |
| Strategic Investment Fund | £136,000 | Housing Strategic Investment Fund included from 2021/22 for 5 years at the same value as the savings target. | Retained |

Appendix C

Retained 1-4-1 Right to Buy Receipts

| Quarter date for Receipt | Retained 1-4-1 Receipt Value (Per Quarter) | Retained 1-4-1 Receipt Value (Cumulative) | Amount of New Build Expenditure Required (Cumulative) | Deadline for Receipt to be spent on New Dwelling | Qualifying Spend by Deadline (Cumulative) | Retained 1-4-1 Receipt Spent (Cumulative) | Balance of Retained 1-4-1 Receipts to be Spent or Paid to CLG (Cumulative) | Further New Build Spend Required by Deadline (Cumulative) |
|--------------------------|--|---|---|--|---|---|--|---|
| 31/03/2016 | 1,591,834.76 | 13,136,139.23 | 43,787,130.78 | 31/03/2019 | 54,012,650.36 | 16,203,795.11 | - | - |
| 30/06/2016 | 2,263,872.93 | 15,400,012.16 | 51,333,373.87 | 30/06/2019 | 57,282,779.08 | 17,184,833.72 | - | - |
| 30/09/2016 | 1,874,821.59 | 17,274,833.75 | 57,582,779.17 | 30/09/2019 | 61,400,261.17 | 18,420,078.35 | - | - |
| 31/12/2016 | 1,320,457.44 | 18,595,291.19 | 61,984,303.97 | 31/12/2019 | 66,415,285.15 | 19,924,585.55 | - | - |
| 31/03/2017 | 1,313,143.16 | 19,908,434.35 | 66,361,447.83 | 31/03/2020 | 76,190,083.40 | 22,857,025.02 | - | - |
| 30/06/2017 | 2,045,445.56 | 21,953,879.91 | 73,179,599.70 | 30/06/2020 | 79,116,964.89 | 23,735,089.47 | - | - |
| 30/09/2017 | 1,779,600.43 | 23,733,480.34 | 79,111,601.13 | 30/09/2020 | | | - | - |
| 31/12/2017 | 2,229,968.03 | 25,963,448.37 | 86,544,827.90 | 31/12/2020 | | | 2,228,358.90 | 7,427,863.01 |
| 31/03/2018 | 646,869.52 | 26,610,317.89 | 88,701,059.63 | 31/03/2021 | | | 2,875,228.42 | 9,584,094.75 |
| 30/06/2018 | 1,556,719.56 | 28,167,037.45 | 93,890,124.83 | 30/06/2021 | | | 4,431,947.98 | 14,773,159.95 |
| 30/09/2018 | 557,803.20 | 28,724,840.65 | 95,749,468.83 | 30/09/2021 | | | 4,989,751.18 | 16,632,503.95 |
| 31/12/2018 | 1,210,892.84 | 29,935,733.49 | 99,785,778.30 | 30/12/2021 | | | 6,200,644.02 | 20,668,813.41 |
| 31/03/2019 | 209,910.09 | 30,145,643.58 | 100,485,478.60 | 31/03/2022 | | | 6,410,554.11 | 21,368,513.71 |
| 30/06/2019 | 1,408,403.81 | 31,554,047.39 | 105,180,157.97 | 30/06/2022 | | | 7,818,957.92 | 26,063,193.08 |
| 30/09/2019 | 711,247.45 | 32,265,294.84 | 107,550,982.80 | 30/09/2022 | | | 8,530,205.37 | 28,434,017.91 |
| 31/12/2019 | 317,598.07 | 32,582,892.91 | 108,609,643.03 | 30/12/2022 | | | 8,847,803.44 | 29,492,678.15 |
| 31/03/2020 | 908,642.82 | 33,491,535.73 | 111,638,452.43 | 31/03/2023 | | | 9,756,446.26 | 32,521,487.55 |
| 30/06/2020 | 544,986.29 | 34,036,522.02 | 113,455,073.40 | 30/06/2023 | | | 10,301,432.55 | 34,338,108.51 |

Appendix D

2020/21 HRA Mid-Year Revenue Budget Adjustments

| Area of Income / Expenditure | Description | Budget Amendment in 2020/21 Budget (£) | Budget Amendment in 2021/22 Budget (£) | Comment |
|--|--|--|--|----------------------------------|
| Budgeted use of / (contribution to) HRA Reserves pre MTFS | | 5,147,220 | | |
| HRA General Management | | | | |
| Tenancy Auditor | Defer appointment of Tenancy Auditor until 2021/22, when access to homes may be easier | (44,300) | 44,300 | One-off funding |
| Pay Review 2020/21 | Funding to allow for 2.75% pay award for 2020/21 as per the latest employer offer | 22,640 | 22,640 | Built into base for future years |
| Pension Deficit Funding | Reduce pension deficit funding in line with contribution levels confirmed by pension provider | (52,000) | (52,000) | Built into base for future years |
| Total HRA General Management | | (73,660) | | |
| HRA Repairs | | | | |
| Fire Door Inspections | Funding to allow for a one-off inspection of fire doors to ensure effective operation | 81,800 | 81,800 | Built into base for future years |
| Heat and Smoke Detectors | Increased funding for smoke detectors to allow linking to the new heat detectors for maximum effectiveness of operation | 0 | 360,000 | One-off funding |
| Total HRA Repairs | | 81,800 | | |
| HRA Summary Account | | | | |
| Bad Debt Provision | Increase in bad debt provision linked to increase in arrears resulting from the coronavirus pandemic | 1,140,930 | 0 | One-off additional contribution |
| Rent Income | Increase in rental income for 2020/21 due to retention and continued temporary re-let of homes identified for demolition and redevelopment | (64,050) | Incorporated into base assumptions | Built into base for future years |
| Dwelling Depreciation | Reduction in the estimated level of depreciation based upon the | (324,300) | | Built into base for future years |

| Area of Income / Expenditure | Description | Budget Amendment in 2020/21 Budget (£) | Budget Amendment in 2021/22 Budget (£) | Comment |
|--|--|--|--|----------------------------------|
| | latest stock numbers and property values | | Incorporated into base assumptions | |
| Interest earned on HRA Balances | The HRA will benefit from a lower rate of interest based upon current market projections | 76,000 | Incorporated into base assumptions | Built into base for future years |
| Interest paid on Borrowing | Reduction in interest used for calculation of interest payable on notional internal borrowing from the General Fund, with borrowing reduced until Cromwell Road is completed | (54,510) | Incorporated into base assumptions | Built into base for future years |
| Service Charges | Reduction in service charges predominantly due to reduced building cleaning services as a result of the coronavirus pandemic | 18,100 | 0 | One-off |
| Garage Rent | Reduction in garage rent due to inability to let vacant garages for a period during lockdown as a result of the coronavirus pandemic | 35,670 | 0 | One-off |
| Total HRA Summary | | 827,840 | | |
| Revised use of / (contribution to) HRA Reserves post MTFS | | 5,983,200 | | |

Appendix D (1)

2020/21 HRA Mid-Year Ear-Marked Reserves Budget Adjustments

| HRA Ear-Marked Reserve | Revenue / Capital Reserve | Description | Balance as at 1/4/2020 | Potential use of reserve | Impact of use of reserve or justification for retention |
|---|---------------------------|--|------------------------|--------------------------|---|
| Repairs & Renewals Funds | Revenue Reserve | Funds set-aside predominantly for the refurbishment of HRA offices, for the replacement of furniture, fixtures and fittings in HRA offices and for the replacement of housing IT. | 2,504,845 | 395,910 | A high-level review of IT and office investment requirements indicates the ability to reduce the reserve balances held. This reduction does assume no reconfiguration of the reception area at 171 Arbury Road is undertaken, with any future changes agreed being subject to a bid as part of the HRA MTFs or HRA BSR. |
| Tenants Survey | Revenue Reserve | Funds accumulated to allow a periodic tenants survey to be conducted, with a survey to be undertaken during 2020/21. | 47,490 | 0 | Survey currently being tendered for 3-year contract, with 2 surveys to be conducted within the 3-year period. Review as part of HRA BSR once final prices are known. |
| Debt Set-Aside or Re-Investment Reserve | Revenue Reserve | Rental surpluses from prior years, set-aside to allow for redemption of debt or re-investment in council housing. | 14,704,510 | | Resource is fully committed to fund the future decent homes and new build investment programmes. |
| Major Repairs Reserve | Capital Reserve | Funds accumulated by virtue of the statutory requirement to depreciate the housing stock, with the fund required to be invested in council housing (existing stock or new supply). | 9,787,889 | 0 | Fund is fully committed to fund the future decent homes and new build investment programmes. |

| | | | | | |
|---|--------------------|---|------------|---------|--|
| Debt Set-Aside or Re-Investment Reserve | Capital Reserve | Element of right to buy receipts that the authority is permitted to retain to allow redemption of the HRA self-financing debt on the dwelling sold. Can be used to redeem debt or re-invest in council housing. | 9,855,562 | 0 | Use of fund is statutorily limited. Current assumption is that the fund is set-aside towards redemption of HRA debt. The resource could alternatively be used to invest in new build homes, reducing the need to borrow, but recognising the need to re-finance existing debt at maturity instead. |
| | | | 36,900,296 | 395,910 | |

Appendix E

2020/21 Mid-Year HRA Capital Budget Amendments

| Area of Expenditure And Change | 2020/21 £'000 | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 |
|---|------------------|------------------|------------------|------------------|------------------|
| Total Housing Capital Plan Expenditure pre HRA MTFS | 66,358 | 61,110 | 41,705 | 30,449 | 31,709 |
| General Fund Housing | | | | | |
| Adjustment to budget for DFG's in line with Better Care Fund Grant received | (31) | 25 | 25 | 25 | 25 |
| Decent Homes and Other HRA Stock Investment | | | | | |
| Re-phase investment in heating and boilers in line with works procured | (1,625) | 950 | 0 | 675 | 0 |
| Vire budget for heating and boilers into other decent homes work elements in line with work orders raised in 2020/21 | (325) | 0 | 0 | 0 | 0 |
| Vire budget to HHSRS from heating and boilers line with work orders raised in 2020/21 | 189 | 0 | 0 | 0 | 0 |
| Vire budget to Doors from heating and boilers line with work orders raised in 2020/21 | 136 | 0 | 0 | 0 | 0 |
| Include budget for additional wall structure and balcony works in flat blocks | 0 | 2,702 | 0 | 0 | 0 |
| Include budget for fire alarms at Kingsway, Princess and Hanover Court | 200 | 250 | 0 | 0 | 0 |
| Adjust funding for Contractor Overheads following re-phasing of heating and boiler budgets and addition of balcony works budget | (178) | 429 | 0 | 74 | 0 |
| Adjustment to allocation for new build decent homes work to recognise delays and additions in the programme | (144) | 178 | (39) | 202 | 331 |
| New Build | | | | | |
| Re-phase budget for Tedder Way | (378) | 378 | 0 | 0 | 0 |
| Re-phase budget for Kendal Way | (300) | 300 | 0 | 0 | 0 |
| Re-phase budget for Akeman Street | 115 | (115) | 0 | 0 | 0 |
| Re-phase budget for Cromwell Road | 46 | (1,088) | 844 | 198 | 0 |
| Re-phase budget for Colville Road | (7,699) | 4,060 | 3,639 | 0 | 0 |
| Re-phase budget for Meadows and Buchan Street | 531 | (541) | (494) | 504 | 0 |
| Re-phase budget for Clerk Maxwell | (1,539) | 1,539 | 0 | 0 | 0 |
| Re-phase budget for Campkin Road | (3,575) | (1,650) | 5,225 | 0 | 0 |
| Include scheme specific budget for L2 | 1,303 | 3,104 | 1,800 | 0 | 0 |

| Area of Expenditure And Change | 2020/21 £'000 | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Include scheme specific budget for Colville Road III | 1,017 | 2,522 | 5,043 | 2,522 | 0 |
| Include scheme specific budget for Histon Road | 151 | 832 | 530 | 0 | 0 |
| Include budget for Rough Sleeper Next Steps Acquisitions | 4,474 | 0 | 0 | 0 | 0 |
| Remove previously ear-marked resource for new build to allow L2, Colville Road III and new 1,000 Programme | 0 | (10,000) | (10,000) | (10,000) | (10,000) |
| Include budget for new 1,000 Programme | 1,000 | 2,000 | 57,715 | 63,236 | 65,758 |
| Sheltered Housing | | | | | |
| No changes | 0 | 0 | 0 | 0 | 0 |
| Other HRA Spend | | | | | |
| No changes | 0 | 0 | 0 | 0 | 0 |
| Inflation Allowance | | | | | |
| Adjust inflation allowed to reflect new base and revised inflation assumptions | 0 | (106) | (336) | (597) | 208 |
| | | | | | |
| Total Housing Capital Plan Expenditure post HRA MTFS | 59,726 | 66,879 | 105,657 | 87,288 | 88,031 |

Appendix F

New Build Investment Cashflow

| New Build / Re-Development Scheme | 2020/21 £'0000 | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 | 2028/29 £'000 | 2029/30 £'000 |
|--|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| New Build / Acquisition / Re-Development Cash Expenditure | | | | | | | | | | |
| Anstey Way | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2015/16 Garage & In-Fill Sites (Nuns & Cameron / Wiles / Teddar) | 10 | 378 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Kendal Way | 45 | 300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Queensmeadow | 28 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wulfstan Way | 289 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Akeman Street | 2,566 | 68 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ventress Close | 1,479 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Colville Road (Garage Site) | 113 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mill Road (Phase I and II) | 8,899 | 2,747 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gunhild Way | 129 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Markham Close | 116 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cromwell Road | 3,503 | 3,791 | 3,263 | 198 | 0 | 0 | 0 | 0 | 0 | 0 |
| Kingsway Clinic Conversion | 331 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Colville Road | 2,940 | 8,000 | 3,639 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meadows and Buchan Street | 3,373 | 11,077 | 10,336 | 1,847 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clerk Maxwell Road | 604 | 2,143 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Campkin Road | 4,560 | 6,995 | 5,225 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hill POD Homes | 140 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| L2 | 1,303 | 3,104 | 1,800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| New Build / Re-Development Scheme | 2020/21 £'0000 | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 | 2028/29 £'000 | 2029/30 £'000 |
|--|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Colville Road III | 1,017 | 2,522 | 5,043 | 2,522 | 0 | 0 | 0 | 0 | 0 | 0 |
| Histon Road | 151 | 832 | 530 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rough Sleeper Acquisitions | 4,474 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Keepmoat Defect Management | 28 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisition or New Build (Unallocated) | 2,482 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1,000 New Build Programme | 1,000 | 2,000 | 57,715 | 63,236 | 65,758 | 65,758 | 65,758 | 65,758 | 65,758 | 65,758 |
| Total New Build/ Re-Development Expenditure | 39,680 | 43,957 | 87,551 | 67,803 | 65,758 | 65,758 | 65,758 | 65,758 | 65,758 | 65,758 |
| New Build Devolution Grant Funding / MHCLG Rough Sleeper Next Steps Grant Funding | | | | | | | | | | |
| Anstey Way | (36) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2015/16 Garage & In-Fill Sites | (7) | (265) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Kendal Way | (31) | (210) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Queensmeadow | (20) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wulfstan Way | (202) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Akeman Street | (1,191) | (12) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ventress Close | (876) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Colville Road (Garage Site) | (79) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mill Road (Phase I and II) | (6,229) | (1,923) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gunhild Way | (90) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Markham Close | (81) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cromwell Road | (2,452) | (2,654) | (2,284) | (139) | 0 | 0 | 0 | 0 | 0 | 0 |
| Kingsway Clinic Conversion | (232) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Colville Road | (1,139) | (3,977) | (1,809) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meadows and Buchan Street | (2,361) | (7,754) | (2,193) | (353) | 0 | 0 | 0 | 0 | 0 | 0 |
| Clerk Maxwell Road | (423) | (1,500) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rough Sleeper Acquisitions | (2,574) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total New Build / Re-Development Funding | (18,024) | (18,295) | (6,286) | (492) | 0 | 0 | 0 | 0 | 0 | 0 |

| New Build / Re-Development Scheme | 2020/21 £'0000 | 2021/22 £'000 | 2022/23 £'000 | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 | 2026/27 £'000 | 2027/28 £'000 | 2028/29 £'000 | 2029/30 £'000 |
|---|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Use of Retained Right to Buy Funding | | | | | | | | | | |
| Anstey Way | (16) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2015/16 Garage & In-Fill Sites | (3) | (113) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Kendal Way | (14) | (90) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Queensmeadow | (8) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wulfstan Way | (87) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Akeman Street | (511) | (5) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ventress Close | (375) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Colville Road (Garage Site) | (34) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mill Road (Phase I and II) | (2,670) | (824) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gunhild Way | (39) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Markham Close | (35) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cromwell Road | (1,051) | (1,137) | (979) | (59) | 0 | 0 | 0 | 0 | 0 | 0 |
| Kingsway Clinic Conversion | (99) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Colville Road | (488) | (1,704) | (775) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meadows and Buchan Street | (1,011) | (367) | (2,016) | (361) | 0 | 0 | 0 | 0 | 0 | 0 |
| Clerk Maxwell Road | (181) | (643) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Campkin Road | (601) | (1,399) | (1,045) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisition or New Build (Unallocated) | (360) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1,000 New Build Programme | 0 | 0 | 0 | (2,400) | (2,800) | (2,800) | (2,800) | (2,800) | (2,800) | (2,800) |
| Total Use of Retained Right to Buy Funding | (7,583) | (6,282) | (4,815) | (2,820) | (2,800) | (2,800) | (2,800) | (2,800) | (2,800) | (2,800) |
| Total to be funded from HRA Resources (DRF & MRR) and Sales Receipts | 14,073 | 19,380 | 19,141 | 33,873 | 33,005 | 32,716 | 35,522 | 34,902 | 32,617 | 28,034 |
| Total HRA Borrowing | 0 | 0 | 57,309 | 30,618 | 29,953 | 30,242 | 27,436 | 28,056 | 30,341 | 34,924 |

Appendix G (1)

HRA Summary Forecast 2020/21 to 2024/25

| Description | 2020/21 £0 | 2021/22 £0 | 2022/23 £0 | 2023/24 £0 | 2024/25 £0 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Income | | | | | |
| Rental Income (Dwellings) | (38,006,650) | (39,182,680) | (40,968,380) | (44,184,180) | (46,470,970) |
| Rental Income (Other) | (1,256,680) | (1,303,980) | (1,330,060) | (1,356,660) | (1,383,800) |
| Service Charges | (3,028,520) | (3,071,990) | (3,128,870) | (3,186,880) | (3,246,060) |
| Contribution towards Expenditure | (658,690) | (664,610) | (677,910) | (691,470) | (705,290) |
| Other Income | (460,530) | (458,120) | (467,280) | (476,620) | (486,160) |
| Total Income | (43,411,070) | (44,681,380) | (46,572,500) | (49,895,810) | (52,292,280) |
| Expenditure | | | | | |
| Supervision & Management - General | 3,928,910 | 3,858,240 | 3,914,030 | 4,143,410 | 4,332,760 |
| Supervision & Management - Special | 3,153,450 | 3,206,810 | 3,283,510 | 3,362,190 | 3,442,890 |
| Repairs & Maintenance | 8,147,100 | 8,404,000 | 8,134,690 | 8,429,360 | 8,664,020 |
| Depreciation – to Major Repairs Res. | 10,636,970 | 10,792,810 | 11,170,170 | 11,802,360 | 12,310,670 |
| Debt Management Expenditure | 0 | 0 | 0 | 0 | 0 |
| Other Expenditure | 5,277,990 | 4,304,430 | 4,460,390 | 4,642,430 | 4,815,210 |
| Total Expenditure | 31,144,420 | 30,566,290 | 30,962,790 | 32,379,750 | 33,565,550 |
| Net Cost of HRA Services | (12,266,650) | (14,115,090) | (15,609,710) | (17,516,060) | (18,726,730) |
| HRA Share of operating income and expenditure included in Whole Authority I&E Account | | | | | |
| Interest Receivable | (375,920) | (239,540) | (134,400) | (109,020) | (112,770) |
| (Surplus) / Deficit on the HRA for the Year | (12,642,570) | (14,354,630) | (15,744,110) | (17,625,080) | (18,839,500) |
| Items not in the HRA Income and Expenditure Account but included in the movement on HRA balance | | | | | |
| Loan Interest | 7,452,250 | 7,471,700 | 7,927,750 | 8,697,340 | 9,209,270 |
| Housing Set Aside | (3,905,000) | (2,858,000) | (7,941,510) | 0 | 0 |
| Appropriation from Ear-Marked Reserve | 0 | 0 | 0 | 0 | 0 |
| Direct Revenue Financing of Capital | 15,078,520 | 16,238,030 | 15,544,720 | 8,847,770 | 9,635,130 |
| (Surplus) / Deficit for Year | 5,983,200 | 6,497,100 | (213,150) | (79,970) | 4,900 |
| Balance b/f | (15,478,891) | (9,495,691) | (2,998,591) | (3,211,741) | (3,291,711) |
| Total Balance c/f | (9,495,691) | (2,998,591) | (3,211,741) | (3,291,711) | (3,286,811) |

Appendix G (2)

HRA 10 Year Summary Forecast 2020/21 to 2029/30

| Description | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | | | | | | |
| Rental Income (Dwellings) | (38,007) | (39,183) | (40,969) | (44,184) | (46,471) | (48,425) | (50,445) | (52,533) | (54,692) | (56,924) |
| Rental Income (Other) | (1,257) | (1,304) | (1,330) | (1,357) | (1,384) | (1,411) | (1,440) | (1,469) | (1,498) | (1,528) |
| Service Charges | (3,029) | (3,072) | (3,129) | (3,187) | (3,246) | (3,306) | (3,372) | (3,440) | (3,509) | (3,579) |
| Contribution towards Expenditure | (659) | (664) | (678) | (692) | (705) | (719) | (734) | (748) | (763) | (779) |
| Other Income | (460) | (458) | (467) | (476) | (486) | (496) | (506) | (516) | (526) | (537) |
| Total Income | (43,412) | (44,681) | (46,573) | (49,896) | (52,292) | (54,357) | (56,497) | (58,706) | (60,988) | (63,347) |
| Expenditure | | | | | | | | | | |
| Supervision & Management - General | 3,929 | 3,858 | 3,914 | 4,144 | 4,333 | 4,507 | 4,705 | 4,909 | 5,120 | 5,337 |
| Supervision & Management - Special | 3,153 | 3,207 | 3,284 | 3,362 | 3,443 | 3,526 | 3,611 | 3,698 | 3,787 | 3,879 |
| Repairs & Maintenance | 8,147 | 8,404 | 8,135 | 8,429 | 8,664 | 8,970 | 9,179 | 9,555 | 9,916 | 10,258 |
| Depreciation – to Major Repairs Res. | 10,637 | 10,793 | 11,170 | 11,802 | 12,310 | 12,671 | 13,041 | 13,421 | 13,810 | 14,210 |
| Debt Management Expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Expenditure | 5,278 | 4,304 | 4,460 | 4,643 | 4,815 | 4,988 | 5,166 | 5,351 | 5,542 | 5,740 |
| Total Expenditure | 31,144 | 30,566 | 30,963 | 32,380 | 33,565 | 34,662 | 35,702 | 36,934 | 38,175 | 39,424 |
| Net Cost of HRA Services | (12,268) | (14,115) | (15,610) | (17,516) | (18,727) | (19,695) | (20,795) | (21,772) | (22,813) | (23,923) |
| HRA Share of operating income and expenditure included in Whole Authority I&E Account | | | | | | | | | | |
| Interest Receivable | (375) | (240) | (134) | (109) | (113) | (117) | (120) | (124) | (128) | (131) |
| (Surplus) / Deficit on the HRA for the Year | (12,643) | (14,355) | (15,744) | (17,625) | (18,840) | (19,812) | (20,915) | (21,896) | (22,941) | (24,054) |
| Items not in the HRA Income and Expenditure Account but included in the movement on HRA balance | | | | | | | | | | |
| Loan Interest | 7,452 | 7,472 | 7,928 | 8,697 | 9,209 | 9,717 | 10,205 | 10,672 | 11,164 | 11,709 |

| | | | | | | | | | | |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Housing Set Aside | (3,905) | (2,858) | (7,942) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Appropriation from Ear-Marked Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Direct Revenue Financing of Capital | 15,079 | 16,238 | 15,545 | 8,848 | 9,636 | 10,033 | 10,674 | 11,156 | 11,693 | 12,238 |
| (Surplus) / Deficit for Year | 5,983 | 6,497 | (213) | (80) | 5 | (62) | (36) | (68) | (84) | (107) |
| Balance b/f | (15,479) | (9,496) | (2,999) | (3,212) | (3,292) | (3,287) | (3,349) | (3,385) | (3,453) | (3,537) |
| Total Balance c/f | (9,496) | (2,999) | (3,212) | (3,292) | (3,287) | (3,349) | (3,385) | (3,453) | (3,537) | (3,644) |

Appendix H

Housing Capital Investment Plan (10 Year Detailed Investment Plan)

| Description | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/0 |
|---|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| General Fund Housing Capital Spend | | | | | | | | | | |
| Disabled Facilities Grants | 935 | 707 | 707 | 707 | 707 | 707 | 707 | 707 | 707 | 707 |
| Private Sector Housing Grants and Loans | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 |
| Total General Fund Housing Capital Spend | 1,130 | 902 | 902 | 902 | 902 | 902 | 902 | 902 | 902 | 902 |
| HRA Capital Spend | | | | | | | | | | |
| Decent Homes | | | | | | | | | | |
| Kitchens | 682 | 303 | 466 | 621 | 753 | 1,136 | 747 | 1,474 | 1,367 | 1,799 |
| Bathrooms | 1,049 | 188 | 47 | 158 | 650 | 653 | 146 | 67 | 363 | 1,222 |
| Central Heating / Boilers | 1,888 | 2,816 | 2,050 | 2,525 | 2,675 | 1,902 | 2,129 | 2,315 | 1,685 | 3,711 |
| Insulation / Energy Efficiency | 1,384 | 891 | 807 | 676 | 519 | 420 | 970 | 181 | 1,184 | 807 |
| Energy Efficiency Pilot / Retrofit | 500 | 1,000 | 1,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| External Doors | 270 | 52 | 72 | 20 | 58 | 52 | 75 | 57 | 58 | 162 |
| PVCU Windows | 689 | 467 | 241 | 855 | 538 | 1,062 | 380 | 328 | 1,111 | 776 |
| Wall Structure | 2,567 | 2,708 | 6 | 19 | 2 | 250 | 94 | 505 | 681 | 1,057 |
| External Painting | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 | 357 |
| Roof Structure | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 |
| Roof Covering | 869 | 1,106 | 200 | 690 | 1,918 | 1,647 | 994 | 1,058 | 935 | 398 |
| Chimneys | 2 | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 7 | 0 |

| Description | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/0 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Electrical / Wiring | 296 | 274 | 445 | 388 | 483 | 209 | 266 | 4 | 19 | 559 |
| Sulphate Attacks | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 |
| HHSRS Contingency | 457 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Other Health and Safety Works | 90 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Other External Works | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capitalised Officer Fees - Decent Homes | 330 | 330 | 330 | 330 | 330 | 330 | 330 | 330 | 330 | 330 |
| Decent Homes Backlog | 0 | 4,716 | 4,716 | 4,716 | 4,716 | 4,716 | 3,811 | 3,811 | 3,811 | 3,811 |
| Decent Homes Planned Maintenance Contractor Overheads | 1,308 | 1,096 | 576 | 754 | 936 | 906 | 738 | 759 | 915 | 1,254 |
| Decent Homes New Build Allocation | 0 | 908 | 965 | 1,286 | 1,500 | 1,723 | 1,953 | 2,192 | 2,439 | 2,993 |
| Total Decent Homes | 13,140 | 17,764 | 12,830 | 13,949 | 15,989 | 15,915 | 13,542 | 13,990 | 15,814 | 19,788 |
| Other Spend on HRA Stock | | | | | | | | | | |
| Garage Improvements | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Asbestos Removal | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Disabled Adaptations | 808 | 808 | 808 | 808 | 808 | 808 | 808 | 808 | 808 | 808 |
| Communal Areas Uplift | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Communal Electrical Installations / Fire Systems / Communal Lighting | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 |
| Communal Entrance / Enclosure Doors + Glazing | 329 | 71 | 76 | 136 | 71 | 140 | 71 | 73 | 185 | 161 |
| Fire Prevention / Fire Safety Works | 954 | 300 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Hard surfacing on HRA Land - Health and Safety Works | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 |
| Communal Areas Floor Coverings | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Lifts and Door Entry Systems | 231 | 9 | 0 | 38 | 28 | 75 | 0 | 0 | 40 | 40 |
| Estate Investment | 1,238 | 970 | 1,000 | 806 | 0 | 0 | 0 | 0 | 0 | 0 |

| Description | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/0 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Capitalised Officer Fees - Other HRA Stock Spend | 114 | 114 | 114 | 114 | 114 | 114 | 114 | 114 | 114 | 114 |
| Other Spend on HRA Stock Planned Maintenance Contractor Overheads | 344 | 183 | 182 | 193 | 185 | 197 | 182 | 182 | 199 | 196 |
| Total Other Spend on HRA stock | 4,743 | 3,180 | 2,955 | 2,870 | 1,981 | 2,109 | 1,950 | 1,952 | 2,121 | 2,094 |
| HRA New Build / Re-Development | | | | | | | | | | |
| Anstey Way | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2015/16 Garage & In-Fill Sites (Nuns & Cameron / Wiles / Teddar) | 10 | 378 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Kendal Way | 45 | 300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Queensmeadow | 28 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wulfstan Way | 289 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Akeman Street | 2,566 | 68 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ventress Close | 1,479 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Colville Road (Garage Site) | 113 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mill Road (Phase I and II) | 8,899 | 2,747 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gunhild Way | 129 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Markham Close | 116 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cromwell Road | 3,503 | 3,791 | 3,263 | 198 | 0 | 0 | 0 | 0 | 0 | 0 |
| Kingsway Clinic Conversion | 331 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Colville Road II | 2,940 | 8,000 | 3,639 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meadows and Buchan Street | 3,373 | 11,077 | 10,336 | 1,847 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clerk Maxwell Road | 604 | 2,143 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Campkin Road | 4,560 | 6,995 | 5,225 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hill POD Homes | 140 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Description | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/0 |
|---|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| L2 | 1,303 | 3,104 | 1,800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Colville Road III | 1,017 | 2,522 | 5,043 | 2,522 | 0 | 0 | 0 | 0 | 0 | 0 |
| Histon Road | 151 | 832 | 530 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rough Sleeper Acquisitions | 4,474 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Keepmoat Defect Management | 28 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisition or New Build (Unallocated) | 2,482 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1,000 New Build Programme | 1,000 | 2,000 | 57,715 | 63,236 | 65,758 | 65,758 | 65,758 | 65,758 | 65,758 | 65,758 |
| Total HRA New Build | 39,680 | 43,957 | 87,551 | 67,803 | 65,758 | 65,758 | 65,758 | 65,758 | 65,758 | 65,758 |
| Sheltered Housing Capital Investment | | | | | | | | | | |
| Ditchburn Place | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Sheltered Housing Capital Investment | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other HRA Capital Spend | | | | | | | | | | |
| Orchard Replacement / Mobile Working | 422 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shared Ownership Repurchase | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 |
| Commercial and Administrative Property | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Total Other HRA Capital Spend | 752 | 330 | 330 | 330 | 330 | 330 | 330 | 330 | 330 | 330 |
| Total HRA Capital Spend | 58,330 | 65,231 | 103,666 | 84,952 | 84,058 | 84,112 | 81,580 | 82,030 | 84,023 | 87,970 |
| Total Housing Capital Spend at Base Year Prices | 59,460 | 66,133 | 104,568 | 85,854 | 84,960 | 85,014 | 82,482 | 82,932 | 84,925 | 88,872 |
| Inflation Allowance and Stock Reduction Adjustment for Future Years | 266 | 746 | 1,089 | 1,434 | 3,071 | 4,702 | 6,088 | 7,783 | 9,707 | 11,982 |
| Total Inflated Housing Capital Spend | 59,726 | 66,879 | 105,657 | 87,288 | 88,031 | 89,716 | 88,570 | 90,715 | 94,632 | 100,854 |

| Description | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/0 |
|---|-----------------|--|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Housing Capital Resources | | | | | | | | | | |
| Right to Buy Receipts | (474) | (478) | (483) | (483) | (483) | (483) | (483) | (483) | (513) | (518) |
| Other Capital Receipts (Land and Dwellings) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Major Repairs Reserve | (8,156) | (23,073) | (11,169) | (11,802) | (12,310) | (12,671) | (13,041) | (13,421) | (13,810) | (14,210) |
| Direct Revenue Financing of Capital | (15,079) | (16,238) | (15,545) | (8,848) | (9,635) | (10,033) | (10,674) | (11,156) | (11,693) | (12,238) |
| Other Capital Resources (Grants / Shared Ownership / R&R Funding) | (4,908) | (300) | (9,343) | (31,518) | (32,143) | (32,780) | (33,429) | (34,092) | (34,768) | (35,457) |
| Devolution Grant | (15,450) | (18,295) | (6,286) | (492) | 0 | 0 | 0 | 0 | 0 | 0 |
| Retained Right to Buy Receipts | (7,583) | (6,282) | (4,815) | (2,820) | (2,800) | (2,800) | (2,800) | (2,800) | (2,800) | (2,800) |
| Disabled Facilities Grant | (651) | (707) | (707) | (707) | (707) | (707) | (707) | (707) | (707) | (707) |
| Prudential Borrowing | 0 | 0 | (57,309) | (30,618) | (29,953) | (30,242) | (27,436) | (28,056) | (30,341) | (34,924) |
| Total Housing Capital Resources | (52,301) | (65,373) | (105,657) | (87,288) | (88,031) | (89,716) | (88,570) | (90,715) | (94,632) | (100,854) |
| Net (Surplus) / Deficit of Resources | 7,425 | 1,506 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Balances b/f | (10,006) | (2,581) | (1,075) | (1,075) | (1,075) | (1,075) | (1,075) | (1,075) | (1,075) | (1,075) |
| Use of / (Contribution to) Balances in Year | 7,425 | 1,506 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Balances c/f | (2,581) | (1,075) | (1,075) | (1,075) | (1,075) | (1,075) | (1,075) | (1,075) | (1,075) | (1,075) |
| Other Capital Balances (Opening Balance 1/4/2020) | | | | | | | | | | |
| Major Repairs Reserve | (9,801) | Utilised in future years to fund investment in the housing stock | | | | | | | | |

| Description | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/0 |
|---|-----------------|--|---------|---------|---------|---------|---------|---------|---------|--------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Retained 1-4-1 Right to Buy Receipts | (10,635) | Utilised between 2020/21 and 2021/22 above | | | | | | | | |
| Right to Buy Receipts for Debt Redemption | (9,856) | Retained for future debt repayment | | | | | | | | |
| Total Other Capital Balances | (30,292) | | | | | | | | | |

Appendix I

HRA Earmarked & Specific Revenue Funds (£'000)

Repairs & Renewals

| | Opening Balance | Contributions | Expenditure to July | Current Balance |
|---------------------------|------------------|----------------|---------------------|------------------|
| General Management * | (873.5) | (69.1) | 1.8 | (940.8) |
| Special Services | (1,141.5) | (146.1) | 22.4 | (1,265.2) |
| Repairs and Maintenance * | (489.9) | (47.9) | 0.0 | (537.8) |
| Total | (2,504.9) | (263.1) | 24.2 | (2,743.8) |

* Subject to approval, the balance of this reserve will be reduced by £395,910, with the funds transferred to general HRA reserves.

Tenants Survey

| | Opening Balance | Contributions | Expenditure to July | Current Balance |
|----------------|-----------------|---------------|---------------------|-----------------|
| Tenants Survey | (47.5) | (6.3) | 0.0 | (53.8) |

Debt Set-Aside (Revenue)

| | Opening Balance | Contributions | Use | Current Balance |
|----------------|-----------------|---------------|----------|-----------------|
| Debt Set-Aside | (14,704.5) | 0.0 | 3,905.00 | (10,799.5) |

HRA Earmarked & Specific Capital Funds (£'000)

Debt Set-Aside (Capital)

| | Opening Balance | Contributions | Expenditure to July | Current Balance |
|----------------|-----------------|---------------|---------------------|-----------------|
| Debt Set-Aside | (9,855.6) | (118.1) | 0.0 | (9,973.7) |

Major Repairs Reserve

| | Opening Balance | Contributions | Expenditure to July | Current Balance |
|-----|-----------------|---------------|---------------------|-----------------|
| MRR | (9,800.7) | 0.0 | 0.0 | (9,800.7) |

Appendix J

Business Plan Key Sensitivity Analysis

| Topic | Business Plan Assumption | Key Sensitivity Modelled | Financial Impact |
|---------------------------------------|--|--|--|
| Rents Inflation | CPI plus 1% for 4 further years from 2021/22, followed by CPI plus 0.5% | Although confirmed by government, for the next 4 years, there is no guarantee that there will be the ability to return to previously assumed rent increases if rents are set legislatively after 2024/25, so assume CPI only from 2025/26. | Borrowing increases by £83 million during the life of the plan and the resource available for debt redemption at the end of the business is £58 million lower, with the need to re-finance earlier loans in the portfolio. |
| Direct Payments (Universal Credit) | Bad Debts at 1.5% (4.5% for 2020/21 due to coronavirus) | Evidence from the pilot authorities for direct payment indicated that collection rates may fall from 99% to 95%. Assume bad debts at 5% from 2021/22. | Borrowing increases by £55 million during the life of the plan and the resource available for debt redemption at the end of the business plan is £33 million lower, with the need to re-finance earlier loans in the portfolio. |
| Cost of HRA New Build 1,000 Programme | Homes England Grant assumed for both rented (£70,000) and shared ownership (£28,000) homes | Assume that the authority fails to secure Homes England Grant to support the delivery of 1,200 council rented and 233 shared ownership homes | Borrowing increases by £133 million during the life of the plan and the resource available for debt redemption at the end of the business plan is £46 million lower, with the need to re-finance earlier loans in the portfolio. |

Note: Key sensitivities are modelled independently to demonstrate the financial impact. Combined they would have a cumulative effect.

Appendix K

Areas of Uncertainty

Housing Revenue Account – Revenue Uncertainties

HRA Borrowing

Future uncertainty exists about the borrowing route which the HRA will pursue to fund the delivery of 1,000 affordable rented homes and the ability to manage the cashflow and service / re-pay the debt in a self-financing environment. Despite the end of 4 years of rent cuts, rents are still controlled at national level, which was never the intention of operating in a self-financing environment, and which may constrain the HRA business plan.

Right to Buy Sales

The number of sales had stabilised until the recent impact of the coronavirus pandemic which has seen a halt / reduction in activity. Uncertainty in the economy, and particularly the job market, may result in an ongoing decline in sales, although this is impossible to predict accurately.

Right to Buy Retention Agreement

Resource retained in respect of 1-4-1 receipts must be appropriately re-invested in the HRA, with reliance on the £70 million Devolution Grant currently. At present, sufficient investment is incorporated into the HRA financial model to avoid penalty, but appropriate investment of the resource is subject to schemes proceeding to anticipated timescales. Potential interest that will be payable if the receipts are not utilised within the agreed 3-year period has not been incorporated into the HRA revenue projections.

COVID-19 Ongoing Impact

It is evident that the coronavirus pandemic will have a negative financial impact for the HRA in 2020/21, with mitigation incorporated into this iteration of the business plan where possible. What is unclear is whether there will be any longer-term impact for the HRA, and at this stage nothing has been included post March 2021.

HRA Commercial Property

Stock condition surveys and investment profiles are still required in respect of the HRA's commercial property portfolio, to ensure that sufficient resource is identified in the Housing Capital Plan to maintain the properties in a lettable condition.

HRA New Build

Delays in the delivery of the new build programme impact negatively upon rental income. If any individual development scheme does not proceed, the initial outlay needs to be treated as revenue expenditure, but without the anticipated payback that the capital investment would have resulted in. Until schemes are approved, in contract, and have appropriate planning permission, there are still uncertainties over final costs and dwelling numbers, which could impact the HRA in terms of anticipated rental streams.

Housing Revenue Account – Revenue Uncertainties

Welfare Reforms

The negative impact that the initial rollout of Universal Credit is having on the level of rent arrears and bad debts within the HRA is still unquantifiable in totality, although expectations are that we will see a significant further increase in arrears levels.

Repairs Legislation

The Housing Green Paper identified the need for a review of legislation surrounding the decency and maintenance standards of the housing stock. We await the outcome of the review, but there is a view that there will be an increase in the amount of inspections required in respect of alarms, fire doors, etc

National Rent Policy

The change in national rent policy, with what was previously rent guidance, now being legislation, removes all local control over the setting of rent levels. Although a return to increases of CPI plus 1% is in place for the next 4 years from April 2021, there is no certainty over what will happen from April 2025.

Compulsion to Sell Higher Value Homes Levy

The Housing and Planning Act allowed the introduction of an annual levy, representative of the proportion of high value homes which may become vacant in any one year. In addition to the loss of rental income, the process to dispose of a large number of assets in any one year would be costly and administratively burdensome. It is now assumed, based upon the content of the Housing Green Paper that the primary legislation will be repealed, but until this has formally happened there is still an inherent risk in business planning.

Housing Revenue Account - Capital Uncertainties

Sulphate Attack

Sulphate attack was identified a number of years ago in a few council dwellings, resulting in the potential need to invest £1.87m to eradicate the problem. Following a risk assessment, the approach taken has been to address the defect when the property is void. Currently 12 of the 110 properties potentially affected have been rectified. Reduced funding of approximately £1m is included in the Housing Capital Programme over the next 10 years to continue to fund this risk-based approach. This will not meet the remedial costs of all sites where sulphate has been identified and there is the potential for similar sulphate attacks in the structures of other council dwellings constructed at a similar time, resulting in the need for additional investment.

Disabled Facilities Grants and Private Sector Housing Grants and Loans

Although DFG's are currently fully funded by the Better Care Fund, any future top up investment by the authority in DFG's or funding for Private Sector Housing Grants and Loans, is wholly dependent upon the generally available element of right to buy receipts in any year, with funding dependent upon 25% of the first 10 to 17 right to buy sale receipts per annum, as assumed to be available for general use in the self-financing settlement. This could put at significant risk the desired level of investment in this area, particularly if funding via the Better Care Fund were to reduce.

Right to Buy Sales and Retained Right to Buy Receipts

Interest in right to buy had stabilised over the last two years but has fallen in 2020/21 as a result of the coronavirus pandemic and lockdown. Under the agreement with CLG, the authority is committed to invest the receipts in new homes within 3 years of the date of the receipt, with this funding meeting no more than 30% of the cost of a dwelling. Once Devolution Grant is exhausted, the authority will be required to identify the 70% top up funding itself or through borrowing, with this assumption incorporated. Receipts may need to be paid over to central government at the end of each quarter, if delays in the delivery of new homes mean that deadlines are breached.

Fire Safety Works in Flatted Accommodation

The authority still awaits information on the potential for changes to fire safety regulations, which may impact the future investment need in flatted accommodation particularly. The cost of any works required under revised regulations will need to be met from reserves in the short-term, with a wider review of stock investment budgets to follow.

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Item

PRINCIPLES FOR THE NEW BUILD HOUSING PROGRAMME: 2022-2032

To:

Councillor Richard Johnson, Executive Councillor for Housing
Housing Scrutiny Committee 24/09/2020

Report by:

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Wards affected:

All

Key Decision

1. Executive Summary

- 1.1 The Council has led the implementation of the 2017-22 housing development programme, which will deliver over 900 additional homes in the city, with 546 of those being new Council rented homes. The original target was to achieve 500 council rented homes.
- 1.2 Given the housing pressures for the City, an ambition to develop 1000 net additional council homes over the ten -year period following the current programme has been established by the current administration.
- 1.3 The principles of the new programme have been worked on within the following parameters:

- An aspiration to deliver 1000 net additional council rented homes during the period 2022-2032.
- To enable and achieve the business plan assumptions, the total homes to be developed for the new programme will include just under 2000 in number, with the extra circa 900 being made up of other affordable tenures, re-provided council homes and private homes.
- Whilst the Code for Sustainable Homes has been replaced, the Local Plan includes the need to attain code 4 (or equivalent) for energy to be Plan compliant. The Council's current housing programme has increased its sustainability levels over the 5 years and the vast majority of the 500 programme goes beyond Code 4 for energy – surpassing the current Local Plan and part L requirements.

The work we have commissioned on the proposed new programme is based on an aspiration to achieve the best possible standards on sites, ideally aiming towards Passivhaus or net zero carbon where possible. The MTFS report indicatively models the programme at Passivhaus level at this stage. Further detailed work will be established on a site by site and programme basis, but it should be noted that site constraints and site availability as well as financial and other constraints will have an impact on the total programme standards. It is therefore improbable that all homes on all sites can achieve the highest standards.

- Whilst the above work focusses on the homes standards, we are also updating the Cambridge Sustainable Housing Design Guide to ensure the developments undertaken by the City Council continue to look at sustainability in its broadest sense- not only considering carbon but also the wider environment, biodiversity and place making. This may impact on choices on a site by site basis.
- To base the programme's proposed tenure type on the demands and needs analysis completed by the Housing Strategy Manager and the reviewed Greater Cambridge Housing Strategy once available.
- To continue to optimise the use of current and acquired land within the City and adjacent environment.
- To consider a range of funding options, with the objective of maximising grant opportunities to achieve the objectives of the programme.
- To build a new programme based on lessons learned and experience of the current programme, alongside experiences from other partners/Local Authorities.

- 1.4 This report sets out key issues for the committee to consider in formulating a new Housing Programme. The report outlines the strategic objectives of the programme, the key assumptions that have been used as a starting point and steps to investigate potential opportunities to move the programme forward. The report is in line with the provisions and assumptions in the HRA MTFS report.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1. Approve the bringing forward of a development programme to provide new housing 2022-32 by the Council.
- 2.2. Approve the strategic guidance for the aims of the programme set out in Section 4 of this report.
- 2.3. Approve the allocation of £1m to the 2020/21 budget and £2m to the 2021/22 budget to allow early investment in feasibility, site investigation and land assembly from the overall resource incorporated in the MTFS for the delivery of this programme.
- 2.4. Approve the proposal to report progress on development of the new programme to Housing Scrutiny Committee in January 2021.

3. Background

- 3.1 The City Council has now identified and secured planning permission (Resolution to Grant) on its existing development programme as detailed in Appendix 2. Over the past 6 months there has been significant work undertaken to consider options for further housing development by the City Council, alongside work to review the Sustainable Housing Design Guide and future desired standards as well as needs analysis and business planning viability options appraisals. This work has informed the MTFS and will be developed further and presented to this committee in due course.
- 3.2 The council's Local Plan identifies a forecast of housing need in the City of around 14,000 new homes between 2011 and 2031. This is being reviewed as part of the work to inform the proposed new Greater Cambridge Local Plan.

3.3 The housing strategy manager has completed a needs analysis for a new housing programme (Appendix 1). The review by the strategic housing team includes 27 recommendations. Key points from these recommendations include:

- Council rented homes should be given the highest priority.
- A focus on one and two bedrooms, with some provision of larger homes.
- Intermediate tenure should also be considered.
- Rent levels should be assessed based on up to date affordability evidence.
- Specialist housing for people with disabilities **above and beyond** the M4(2)/M4(3) standards agreed (e.g. supported housing for those with learning disabilities) should only be considered where a specific requirement for that type of accommodation has been identified. We will progress further work on the percentage numbers proposed for the programme. The current proposals include at least 5% at M4(3) standards. Further information is provided in section 8c.
- The potential for other forms such as build to rent where need is demonstrated.

3.4 This will need to be reviewed regularly. Even as the preparation of this report was completed it has become clear that there is an additional need arising from the emergency Covid-19 rehousing of rough sleepers who will need a home as well as support.

4. The role of the City Council in direct development

4.1 The delivery of new housing in the City on market sites with affordable housing as part of a S106 agreement will not deliver sufficient affordable housing to meet current need. As part of their work in reviewing the Council's own developments, Arcadis research shows that there is a shortfall against the Objectively Assessed Housing Need target of 1,340 completions. This is despite overall housing delivery in the City being very high. The implications for the City Council are that there is a strong case for direct intervention through its own delivery as well as supporting RP partners with their programmes.

Table 1: Number of new affordable homes delivered and projected.
Cambridge City

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Projected 2020/21* |
|---|------------|------------|------------|------------|------------|-----------------------|
| Council rented homes | 62 | 75 | 143 | 34 | 12 | 73 |
| Affordable rented homes (non-Council) on strategic growth sites | 137 | 236 | 238 | 93 | 106 | 105 |
| Affordable rented homes on other sites | 0 | 104 | 50 | 0 | 22 | 0 |
| Total | 199 | 415 | 431 | 127 | 140 | 178 |

Source: Strategic housing key facts, from information supplied by Registered Providers

- 4.2 Table 1 above shows that around 1,300 affordable homes were delivered between 2015/16 and 2019/20, around one third of which were built by the council. With around 1,600 applicants on the housing register this clearly demonstrates the importance of the council's role in bringing forward new affordable homes.
- 4.3 The Council has successfully delivered new housing schemes and has a dedicated team in the Housing Development Agency- 10 members of staff. We are well resourced to continue development and as a Council will continue to learn and mature in the area project by project. We have set up the Cambridge Investment Partnership which has successfully delivered a significant part of the current 500 programme. A review of the options for delivery of different types of schemes for a new programme will be presented to a future committee.
- 4.4 Government has now enabled further house building by Local Government through the removal of the borrowing cap on the HRA- providing financial freedom and capacity to fund new housing.
- 4.5 The Government has also indicated an intention to support delivery of increased levels of affordable homes. The details are still to be determined, but the intention would be to request additional funding as part of the programme package through appropriate grants where possible. If the level of grant assumed in the Councils business plan is not achieved then there will be a need to reconsider the balance of cost to the HRA which would impact on the numbers of homes developed and potentially on choice of tenure and standards assumed.

5. Key issues in the development of the programme

5.1 To create a framework for a programme, assumptions have to be built into the Medium-Term Financial Strategy. At this stage, the programme cannot provide assurance on the detail, and so we are building in assumptions which are deemed to be a reasonable starting point.

5.2 Key assumptions that have been built into the emerging model are:

- **A notional programme of 1,000 additional net Council rented units to be delivered over 10 years.** Changes to all the following assumptions and other issues could affect the Council's ability to deliver this total or to meet the cost of doing so.
- **Higher sustainability standards.** The current programme has consistently moved ahead of Local Plan standards. We have commissioned Buro Happold to look at options and implications for the new programme which include moving beyond the local plan compliance to a "local plan plus" standard, as well as to Passivhaus and to net zero carbon standards. The work also considers the benefits and impacts on issues such as capital costs, tenant costs, repair and replacement costs, as well as the carbon impacts. A planned trajectory to the net zero carbon standard based on a rising scale in standards would help manage costs, and support likely technology advances over the period, and there will need to be an options analysis on a site by site basis. Based on the current assessment, a standard of net zero carbon on all units would increase the uplift in build costs by circa 30-40%. It should be noted, however, that even if finance was not an issue, there are likely to be technical and physical challenges in delivering these standards on some sites or for all the homes on any given site, and therefore viability issues will also vary from site to site. An additional £500 per sq. metre has been included within the build costs assumed in the MTFS at this point, based on an assumed Passivhaus standard across the programme. This provides an initial cost envelope.
- **A strong focus on small units (one and two bedroom),** as this reflects need as shown by the Housing Register; change towards an increased number of larger homes would affect unit costs.
- **Rents to be set at pre-COVID rent LHA levels with an inflation assumption built in.** A move to an alternative rent setting policy would increase or diminish resources.

- In line with current programme, an aspiration to deliver **100% council rented housing on HRA sites (where the site proposals and wider social context support this level) and at least Planning Policy compliant affordable housing on other sites (40%).**
- **Use of HRA/Other sites.** The working assumption is that up to a third of the gross number of homes developed may be on HRA sites with the remaining on land acquisitions/joint ventures/S106 schemes. **This is based on current experience and consideration of the opportunities available.** However, further, more detailed work to look at options on a site by site basis still needs to be done.
- The programme will be based on **current and future national minimum space standards**, alongside emerging market demands which may arise following impacts of the pandemic.
- In order to achieve net 1,000 council rented homes overall the model shows the **programme will need to include shared ownership or other intermediate tenure and private sales/private rental schemes to cross subsidise the affordable homes as well as to replace any Council homes redeveloped as part of any given scheme.** Therefore, the total programme size is estimated at 1,933 homes, which will need to be delivered by the Council. This is required even with grant. If assumed grant funding is not achieved at the predicted level, then there would be a need for more tenure diversification/more cross subsidization to support Council rented delivery.
- **Tenure of the affordable housing and its viability** will need to be assessed on a site by site basis taking into account planning policy, existing stock make up, viability and also the social/community context.

5.3 Development Financing: A number of considerations will need to be taken into account.

- **Debt-financing.** PWLB borrowing rates, for example, are still at historically low levels, and could increase, adversely affecting the programme.
- **Cross- Subsidisation:** The lack of availability of sites for delivery at Planning Policy levels of affordable housing may reduce the potential for cross-subsidy. The market value of homes sold will vary and affect

the level of cross-subsidy available. Future changes to the planning system would also impact on this.

- **Access to Grants/other loan funds:** As the Cambridge market has driven a high affordability gap for housing, and a high need for housing, the business case is potentially clear for further funding. Modelling is being carried out on various possible options, suggesting that a grant of circa 13.8% of total scheme costs may be built in, but clearly the availability of grant and the level of grant secured will affect both the number and type of homes for delivery.
- **Balance of new build and refurbishment** If higher priority is given to refurbishment this will affect the availability of HRA funding for new development. It will also affect the availability of HRA sites which have the capacity to accommodate additional homes.

5.4 This list of factors is not exhaustive, but it indicates the extent to which the modelling assumptions require further development and evolution over the programme period. Some factors are within the Council's control while other factors are not. The factors also have the potential to be interdependent.

5.5 Detailed work will be required to refine and develop the assumptions and to explore the options which are available. A further report will be brought forward to the January HSC to take this forward. This work will continue over the life of the programme in response to decisions taken by the Council and external factors. This report creates a starting point and releases funds to ensure that the programme can commence.

6. The opportunities

6.1 There are a number of ways in which new housing by the Council can come forward. The possible types of schemes are as follows, assumed % of each scheme type has been put into the MTFS:

- HRA land.
- General Fund land which can either be vacant or currently used.
- Land in private ownership to be acquired.
- Purchase of existing properties.
- Purchase of affordable housing on another developers' scheme (S106).

6.2 The opportunities available are often not on vacant land but on land which already holds homes, businesses or another use. Strategies to

relocate existing occupiers, residential, business and community users, will be required. The Council has policies for consultation and implementation of such procedures.

- 6.3 Cambridge has a geography constrained by its boundary. The Housing Strategy and the analysis for the Local Plan both consider a wider housing market beyond the City's administrative boundaries. It is highly likely therefore, that schemes within the wider Greater Cambridge area will be required, where it can be demonstrated that there are good transport links to the City.
- 6.4 Opportunities to purchase land and property in the private market are continually investigated. The recent buying back of the leasehold interest in the land at Fen Road, East Chesterton is an example.
- 6.5 Officers are reviewing long lists of potential infill/redevelopment opportunities for assets held within the HRA. As part of the January report an initial list of sites for the rolling programme may be put forward. Initial requests have been made to Ward Members asking them to suggest possible sites, and discussions have taken place on a number of potential opportunities. Ward Members will be informed of any sites in their ward being put forward to the rolling programme.
- 6.6 We will be developing feasibility and options analyses and completing early site investigations to establish the pipeline of sites to be considered as part of the programme. Options will include reviewing the potential for refurbishment as well as redevelopment to ensure that investment proposals are focussed on the appropriate route for any individual scheme. A budget has therefore been requested within the MTFS to cover this, along with land assembly costs. The Executive Councillor will remain fully engaged prior to and during this process, and we will alert Ward Councillors where this involves on-site investigations.

7.0 Schemes in the pipeline

- 7.1 Whilst there has been significant work commissioned to underpin the programme level, we still have work to do to develop further details on possible schemes. We do have other sites, however, already in the pipeline, which have a strong rationale for coming forward now. Three sites are included as separate items on the agenda. These are:

- **Orchard Park L2-** CIP purchased site in 2020/21. This site currently forms a contingency for the current 500 programme, and is being progressed to planning application stage.
- **Colville Phase 3-** There is an opportunity to link with Colville phase 2 development.
- **Histon Road-** There is a developer opportunity available now with planning.

These schemes could be used to reduce the risk on the current programme target deadlines, if required, but may also form early sites under the new programme. Where this is the case, they will be assessed under the principles for the new programme.

8. Implications

a) Financial Implications

The new housing programme 2022- 2032 requires an immediate budget of £1m this year and £2m in 2021/22 to do further development. It is forecast that the total programme build costs may be circa £658m, which includes the cost of provision of all housing units. This is the total gross cost including build cost for council rented, market and intermediate or other tenure units. Total borrowing required (net figure) is estimated to be in the region of £325m. This estimate has been profiled ahead of 2022 due to the time it takes from schemes to be identified to works starting on site. The cost reflects the option used for the initial assumption in MTFS which is based on 1000 new council rented homes at assumed Passivhaus level standards, although this will depend on site constraints/delivery route.

b) Staffing Implications

The new housing programme will be managed through the Council's Housing Development team. The team are funded primarily through capitalisation of a fee through the projects being developed. Additional resource and expertise are provided through the Cambridge Investment Partnership.

As the programme develops and schemes come forward a review will take place if additional resource is needed.

The additional HRA funded Development Officer post has been recruited to and the officer started on 1st September 2020.

c) Equality and Poverty Implications

An Equality Impact assessment will be completed and will be attached as a Background Paper to the Report on the new programme envisioned to be brought forward to the January HSC.

We will work to ensure we are providing housing for a range of needs. This will include accessible homes. We will expect to achieve M4 (2) accessibility standards on all new housing and M4 (3) adapted on at least 5% (plan compliant) of the homes. We will work with the allocations and housing strategy team to identify the most appropriate homes. As mentioned in paragraph 3.3, any requirements above these standards will be assessed on a needs basis.

d) Environmental Implications

The new housing programme includes a proposal for a new Sustainable Housing Design guide. The modelling has been based on uplift on current costs to achieve higher standards. Carbon reduction and lower bills to residents will be key considerations in this. A further report on the new guide will be brought to a future committee.

e) Procurement Implications

Procurement for the delivery of schemes within the programme will be considered on a scheme by scheme.

f) Community Safety Implications

Community safety will be considered as part of each new housing scheme.

9. Consultation

There will be specific consultations in relation to each project within the programme and the new Housing Sustainability Design Guide standards.

10. Background papers

None.

11. Appendices

Appendix 1: Council new build programme needs analysis

Appendix 2: Summary of current programme

11. 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, tel: 01223 - 457928, email: claire.flowers@cambridge.gov.uk.

Council new build programme needs analysis

July 2020 (v3.0) DRAFT REPORT

INTRODUCTION

This needs analysis presents evidence to help inform decisions around the Cambridge City Council's new-build programme going forwards. It outlines the main relevant policy background, and makes recommendations based on policy and identified needs. It also looks at the broader housing market, both currently and how it might change particularly in the light of the Covid-19 pandemic.

Recommendations may change as new and/or updated evidence emerges.

NEED FOR NEW HOMES

The council's Local Plan identifies a forecast of housing need in the City of around 14,000 new homes between 2011 and 2031. This is being reviewed as part of the work to inform the proposed new Greater Cambridge Local Plan.

NEED FOR AFFORDABLE HOUSING

Strategy requirements

Minimum 25% of homes on sites of 11-14 units and 40% on sites of 15 or more to be affordable housing. ([Local Plan 2018](#))

[Greater Cambridge Housing Strategy](#) Vision = Healthy, Safe, Affordable: Homes & Communities for All.

Increasing the number of affordable homes is a priority in the council's [Anti-Poverty Strategy](#).

Market rents and house prices (see also affordability of affordable housing below)

Table 1 below shows how house prices in Cambridge are well above the regional and national average. This puts home ownership out of reach for many.

Table 1: Average and lower quartile house prices, December 2019

| | Average | Lower quartile |
|--|---------|----------------|
| | | |

| | | |
|------------------------|----------|----------|
| Cambridge | £496,170 | £340,000 |
| East of England | £352,758 | £217,845 |
| England | £322,496 | £165,000 |

Source: [Cambridge sub-region housing market bulletin](#), from Hometrack. Based on sales and valuations

Table 2 below shows that private rents are also above the regional and national average. High market rents locally mean private rent is unaffordable to those on low incomes.

Table 2: Average and lower quartile monthly rents by property size, April 2018 to March 2019

| | Average (mean) monthly rents | | | Lower quartile monthly rents | | |
|---------|------------------------------|----------------|---------|------------------------------|----------------|---------|
| | Cambridge | Eastern Region | England | Cambridge | Eastern Region | England |
| Room | £527 | £442 | £411 | £450 | £370 | £349 |
| Studio | £810 | £564 | £668 | £725 | £450 | £445 |
| 1 bed | £997 | £666 | £731 | £850 | £540 | £475 |
| 2 bed | £1,256 | £819 | £800 | £1,075 | £650 | £540 |
| 3 bed | £1,451 | £968 | £916 | £1,230 | £750 | £615 |
| 4 bed + | £2,070 | £1,467 | £1,611 | £1,600 | £1,080 | £925 |

Source: Valuation Office

Until this financial year, Local Housing Allowance rates were well below lower quartile rents. With Covid-19, rates have increased to make rents more affordable to those on housing benefit/ the housing element of Universal Credit. Although for many this will make private rent more affordable, more households are expected to be caught by the benefit cap. In addition to larger families, single people over 35, single people with 2 children or a couple with one child could all now be affected by the cap, leaving few categories of people who aren't affected by the cap.

These rates will remain at least until 2020/21, although the longer term picture is not clear. The Valuation Office has confirmed that there are no current assumptions around what levels future rates will be set at.

Affordable housing delivery

Table 3 below shows the number of affordable homes (excluding 'key worker' housing) delivered since 2015/16 and projected for 2020/21

Table 3: Number of new affordable homes delivered and projected. Cambridge City

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Projected 2020/21* |
|--|------------|------------|------------|------------|------------|--------------------|
| Council social homes | 62 | 75 | 143 | 34 | 12 | 73 |
| Social homes (non-Council) on strategic growth sites | 137 | 236 | 238 | 93 | 106 | 105 |
| Social homes on other sites | 0 | 104 | 50 | 0 | 22 | 0 |
| Total | 199 | 415 | 431 | 127 | 140 | 178 |

Source: Strategic housing key facts, from information supplied by Registered Providers

This shows that around 1,300 affordable homes were delivered between 2015/16 and 2019/20, around one third of which were built by the council. With around 1,600 applicants on the housing register this clearly demonstrates the importance of the council's role in bringing forward new affordable homes.

Recommendations

- With limited potential for delivery through s106 agreements and by other registered providers, the council should continue to intervene in the market to deliver affordable housing.

AFFORDABLE TENURES NEEDED

Housing Strategy

The Greater Cambridge Housing Strategy highlights the scarcity of housing options for those with a reliance on social/affordable rent housing. For this group, even so called 'affordable rent' at up to 80% of market rents is unaffordable to many. Council stock numbers have reduced dramatically over time, particularly through Right to Buy sales. ...*We will continue to prioritise social housing for rent to meet the needs of those on low incomes who are unable to afford alternative accommodation.*

However, the Strategy recognises that there is also a growing 'affordability gap' where middle income households are being squeezed out of the market; with limited housing options for low cost home ownership or the private rented sector. The demand for housing for these groups far outstrips the current supply. Shared ownership and other newly emerging 'intermediate' models (such as Rent to Buy and Affordable Private Rent) can help support the needs of those on middle incomes who work in the area but cannot afford to live locally.

The Strategy seeks 75% of affordable housing delivered on sites to be social housing for rent, and 25% to be intermediate tenure.

Cambridgeshire & Peterborough Independent Economic Review 2018

We Need to Build Truly Affordable Housing. There is a need for a significant increase in affordable housing across a range of sizes, types and tenures. Social housing is a key part of this, but there is strong evidence that the needs of many who would not qualify for social housing are not being met by open market housing, either for sale or rent. Intermediate tenures are therefore an important element of the overall mix, requiring the development of new housing approaches. These are likely to include seeking investment partners and using local authority-owned land creatively.

Current social housing stock

Tables 4 & 5 below shows the current tenure breakdown of social and affordable rented housing in Cambridge. They show provision through the council and private registered providers of just over 13,000 homes. This includes approximately: 10,750 general needs; 1,000 homes for older people; 790 low cost home ownership homes; and 670 units of temporary and supported accommodation.

Table 4: Tenure breakdown of Cambridge City Council housing stock April 2017 to April 2020

| | Apr-17 | Apr-18 | Apr-19 | Apr-20 | Net change Apr 19-20 |
|---|--------------|--------------|--------------|--------------|----------------------|
| General housing | 6,428 | 6,481 | 6,455 | 6,464 | 9 |
| Sheltered/ extra care housing | 511 | 511 | 510 | 512 | 2 |
| Supported housing | 22 | 19 | 22 | 17 | -5 |
| Temp housing (indiv.units) | 47 | 49 | 57 | 65 | 8 |
| Temp housing (HMOs) | 24 | 27 | 24 | 29 | 5 |
| Miscellaneous leases | 17 | 16 | 16 | 19 | 3 |
| Total (excl. leasehold & shared ownership) | 7,049 | 7,103 | 7,084 | 7,106 | 22 |
| Shared ownership | 87 | 110 | 109 | 97 | -12 |
| Leasehold | 1,167 | 1,169 | 1,184 | 1,196 | 12 |

Source: [Strategic Housing Key Facts](#), from Orchard

Table 5: Tenure breakdown of stock owned by private registered providers in Cambridge City, 2019

| Tenure | Type | Number |
|-----------------|---------------|--------|
| Low cost rental | General needs | 4,297 |

| | | |
|--------------------------------|---|--------------|
| | Of which: | |
| | <i>General needs self-contained</i> | 3,687 |
| | <i>General needs non-self-contained</i> | 610 |
| | Supported housing | 562 |
| | Housing for older people | 501 |
| Low cost home ownership (LCHO) | | 689 |
| Total Cambridge | | 6,049 |

Source: [Private Registered Providers statistical return 2018-19](#), Geographic look up tool

Housing register

The Home-Link housing register identifies high levels of need for social/affordable rent homes, with 1,573 applicants on register at end March 2020.

Although around two thirds of register applicants are in Bands C & D (medium and low needs), table 6 below shows that the majority of lettings are to applicants in Bands A & B (urgent and high needs).

Table 6: Number of Home-Link lettings by band and, percentage breakdown 2017/18 to 2019/20 (council and housing association properties) Cambridge City

| | 2017-18 | | 2018-19 | | 2019-20 | |
|--------------|------------|---------------|------------|---------------|------------|---------------|
| | No of lets | % of all lets | No of lets | % of all lets | No of lets | % of all lets |
| Band A | 237 | 37% | 174 | 32% | 237 | 44% |
| Band B | 259 | 39% | 232 | 43% | 207 | 38% |
| Band C | 104 | 16% | 89 | 16% | 64 | 12% |
| Band D | 56 | 8% | 38 | 7% | 33 | 6% |
| Unknown | 5 | 0% | 7 | 1% | 0 | 0% |
| Total | 661 | 100% | 540 | 100% | 541 | 100% |

Source: Strategic Housing key facts, from Home-Link

Intermediate (Help to Buy) housing register

There is some identified need for intermediate tenures also, although numbers registered are lower. At May 2019, 548 applicants lived in and wanted to remain living in Cambridge, and 456 worked in and wanted to live, or remain living in Cambridge. Overall numbers will be lower than this as there are likely to be overlaps between the two. (See tables 9 & 10 under Social/affordable rent sizes section below).

Although there appears to be demand for shared ownership, council and other providers have had some trouble selling in Cambridge over the last few years, and

have had to switch tenures of some properties. Full reasons not clear, but are thought to have included a combination of: affordability; suitability of shared ownership to meet needs; understanding of shared ownership as a model amongst potential purchasers; and a number of properties coming on the market at the same time.

Affordable Private Rent

Affordable Private Rent accommodation at up to 80% of market rents would be expected to be delivered as part of any new Build to Rent schemes.

Research is under way to get a better understanding of Build to Rent and Affordable Private Rent market. Results so far suggest there is likely to be demand, but with no established method of doing so, understanding the extent of this demand is proving challenging.

Local Lettings Plans

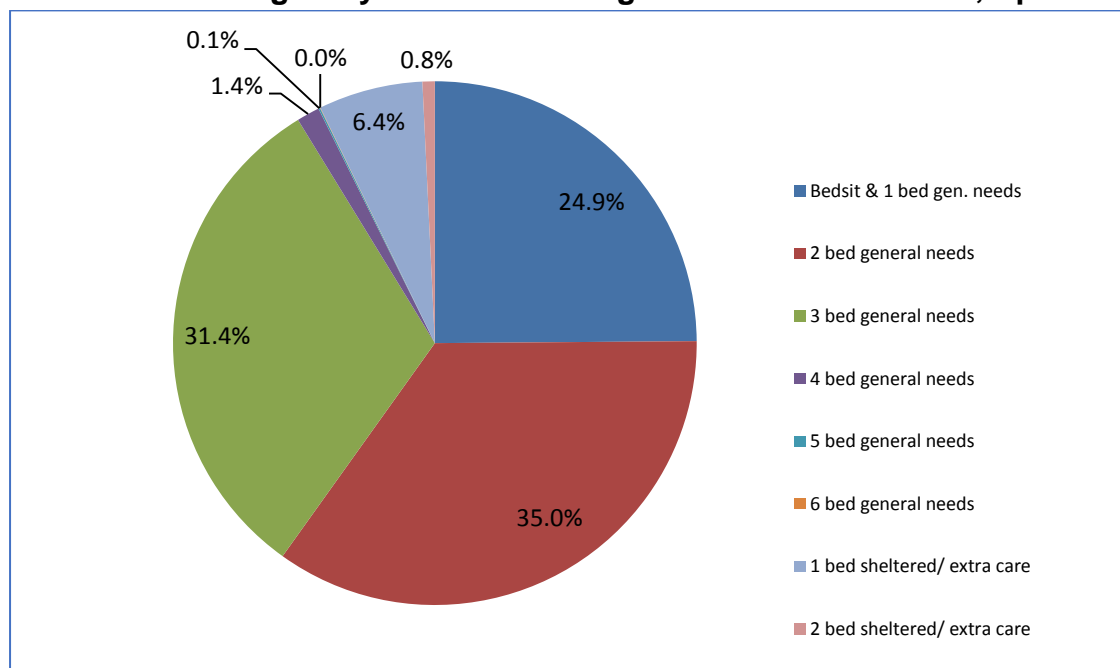
Increasing the supply of social/affordable rent also presents opportunities for those on moderate incomes who would not normally be high priority to secure a home at a rent they can afford. The vehicle for this is development of Local Lettings Plans, tailored to individual developments, aimed primarily at creating mixed communities.

SOCIAL/AFFORDABLE RENT SIZES NEEDED

Sizes of current council housing stock

Chart 1 shows that around a quarter of council homes are 1-beds, one third 2-beds, and one third 3-beds.

Chart 1: Cambridge City Council housing stock size breakdown, April 2020



Source: Strategic housing key facts, from Orchard

(No similar data appears to be available for homes owned by private registered providers)

Housing register size requirements

Table 7 below shows that the main demand on the housing register over recent years has been for 1 beds, followed by 2 beds.

Table 7: Proportion of households on register each year eligible for each property size, March 2015 to March 2020, Cambridge City

| | Mar 15 | Mar 16 | Mar-17 | Mar-18 | Mar-19 | Mar-20 |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 bed | 55% | 55% | 61% | 67% | 67% | 57% |
| 2 beds | 35% | 34% | 28% | 25% | 24% | 26% |
| 3 beds | 8% | 9% | 8% | 6% | 7% | 14% |
| 4 beds + | 2% | 2% | 2% | 2% | 2% | 3% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |

Source: Strategic housing key facts, from Home-Link. Eligibility for each property size based on household size compared with national bedroom standard

However, as shown in table 8, turnover of 1 and 2 beds is higher than larger properties.

Table 8: Number of lettings and percentage breakdown, by number of bedrooms 2017/18 to 2019/20, council and housing association lets, Cambridge City

| | 2017-18 | | 2018-19 | | 2019-20 | |
|---|-----------------|---------------|-----------------|---------------|-----------------|---------------|
| | No. of lettings | % of all lets | No. of lettings | % of all lets | No. of lettings | % of all lets |
| 1 bedroom | 280 | 42% | 216 | 41% | 233 | 43% |
| 2 bedrooms | 259 | 39% | 243 | 46% | 232 | 43% |
| 3 bedrooms | 105 | 16% | 71 | 13% | 71 | 13% |
| 4 bedrooms+ | 17 | 3% | 10 | 2% | 4 | 1% |
| Total number of lets | 661 | 100% | 540 | 100% | 540 | 100% |
| Of which were in schemes aimed at people aged 55+ | 82 | 12% | 53 | 10% | 81 | 15% |

Source: Strategic housing key facts, from Home-Link

So although there is a need to focus largely on 1 & 2 beds, there is clearly some need for larger properties. This is also important in creating a mixed community.

Intermediate tenure sizes needed

Highest demand for the range of products available through the Help to Buy Agent is also for 1-2 bed homes. Tables 9 & 10 below show applicants applying for some or all of the available Help to Buy products including shared ownership, shared equity, Help to Buy equity loans, intermediate rents, other sub-market rents/ sales, etc.

Table 9: Number of applicant households on Help to Buy housing register living in, and wanting to remain living in Cambridge, by size of home required, May 2019.

| Size required | Number of applicant households | Proportion of applicant households |
|---------------|--------------------------------|------------------------------------|
| 1-2 beds | 354 | 65% |
| 2-3 beds | 134 | 24% |
| 3-4 beds | 49 | 9% |
| 4-6 beds | 11 | 2% |
| Total | 548 | 100% |

Source: Strategic housing key facts, from Help to Buy Agent. Includes applicants living in the City, and wanting to live in the City, regardless of current place of work. Some applicants will have listed Cambridge as just one of their areas of choice. Likely to overlap with table 10 below

Table 10: Number of applicant households on Help to Buy register, working in, and wishing to live or remain living in Cambridge, by size of home required, May 2019

| Size required | Number of applicant households | Proportion of applicant households |
|---------------|--------------------------------|------------------------------------|
| 1-2 beds | 277 | 61% |
| 2-3 beds | 118 | 26% |
| 3-4 beds | 58 | 13% |
| 4 -6 beds | 3 | 1% |
| Total | 456 | 101% |

Source: Strategic housing key facts, from Help to Buy Agent. Includes applicants working in the City, and wanting to live in the City, regardless of current place of residence. Some applicants will have listed Cambridge as just one of their districts of choice. Likely to overlap with table 9 above

Recommendations

- Due to shortage of, and high levels of need for, social/affordable rent housing, this tenure should be given highest priority within the programme.
- The main focus for social/affordable rent housing should be on one and two bedrooms, although there also needs to be some provision of larger homes to help address the lower turn-over of larger homes, and to help ensure mixed communities.
- Local Lettings Plans for social/affordable rent homes should be used to help meet the needs of households on a range of incomes and contribute towards balanced communities.
- Although lower priority, 'intermediate' tenure homes should also be considered to meet the needs of those unable to access social housing but also unable to buy on the open market. Again, the main focus should be on 1 and 2 bedrooms but some larger homes may also be required.
- Any consideration of intermediate tenures should look beyond more traditional shared ownership, and also take into account new emerging models of and routes to low cost home ownership.

AFFORDABILITY OF AFFORDABLE HOUSING

There are various ways of assessing housing affordability, but the council's Housing Strategy currently favours Shelter's approach that, as a rough guide, affordability should be assessed on the basis of around 35% of net household income being considered affordable.

Affordable rents

Tackling poverty is a high priority for the council. For those on low incomes, helping people with high housing costs is a key objective in the council's Anti-Poverty Strategy, and in the Housing strategy the council's preference is for social rather than affordable rents to maximise affordability.

The Housing Strategy currently requires all affordable rent homes to have rents, including service charges, capped at the Local Housing Allowance Rates. However, following the unprecedented increase in LHA rates for 2020-21 in response to the Covid-19 crisis, setting affordable rents at current rates is likely to pose affordability issues.

Table 11 below shows the difference between 2019/20 and 2020/21 LHA rates, and how they compare with median rents.

Table 11: Local Housing Allowance rates 2019/20 and 2020/21 compared with weekly median rents and 80% of market rent. Cambridge.

| | 2019/20 LHA rate | New 2020/21 LHA rate | Increase 2019/20 to 2020/21 | % increase 2019/20 to 2020/21 | Cambridge median weekly rent | 2019/20 LHA rate as a % of median market rent | New 2020/21 LHA rates as a % of median market rent | 80% of median market rent |
|--------------|------------------|----------------------|-----------------------------|-------------------------------|------------------------------|---|--|---------------------------|
| 1 bed | £135.99 | £178.36 | £42.37 | 31% | £219.00 | 62% | 81% | £175.20 |
| 2 bed | £156.40 | £195.62 | £39.22 | 25% | £294.00 | 53% | 67% | £235.20 |
| 3 bed | £181.75 | £218.63 | £36.88 | 20% | £334.00 | 54% | 65% | £267.20 |
| 4 bed | £242.43 | £299.18 | £56.75 | 23% | £438.00 | 55% | 68% | £350.40 |

Source: Valuation Office LHA rates; & Hometrack median market rents

There are different ways of assessing median rents. However, in this scenario, if current LHA rates were used, 1 bed homes would be set at 80% of market rent (the maximum level for affordable rents); 2 beds at 67% etc. This is considerably higher than in 2019/20, and represents a 31% increase on rates for 1 bedroom, and 25% for 2 bedroom properties.

Table 12 below illustrates the lack of affordability of rents based on LHA rates for Home-Link housing applicants who are working (ie less likely to have their full rent covered by benefits).

Table 12: Incomes of working applicants on Cambridge City housing register compared with Local Housing Allowance Rates, by size of properties required

| No. of bedrooms required | No. of applicants | Average weekly income | 35% of weekly income | LHA rates 2019/20 (1,2,3 & 4 beds) | LHA rates 2020/21 (1, 2, 3 & 4+ beds) |
|--------------------------|-------------------|-----------------------|----------------------|------------------------------------|---------------------------------------|
| Studio or 1 bed | 534 | £403 | £141 | £133.72 | £178.36 |
| 1 or 2 beds | 2 | £338 | £118 | n/a | n/a |
| 2 beds | 333 | £481 | £168 | £153.79 | £195.62 |
| 3 beds | 167 | £556 | £195 | £178.71 | £218.63 |
| 3 or 4 beds | 2 | £673 | £236 | n/a | n/a |
| 4 beds | 31 | £636 | £223 | £238.38 | £299.18 |
| 5 beds | 5 | £529 | £185 | n/a | n/a |
| Total | 1074 | £458 | | | |

Source: Home-Link July 2020 and Valuation Office

So for example, the Local Housing Allowance rate for a one bedroom property is currently £178.36; whereas 35% of the average weekly income for working applicants requiring a studio or one bedroom property is £141.

Evidence of housing affordability against local incomes more widely is available through the affordability ladders in the [Cambridge sub-region strategic housing market bulletins](#). This suggests that around 20% of Cambridge residents have incomes of £15-£20k. At December 2019, residents would need to be at or above the middle of this range (based on housing costs at 35% of income) to be able to afford a 2 bed Housing Association rent or a 3 bed Affordable Rent (at a housing cost of around £120 pwk). To afford a 3 bed affordable rent at £160pwk they would need an income of around £25k.

A number of Home-Link applicants have ‘failed’ affordability assessments carried out to establish whether they could be reasonably expected to afford the rent on an available affordable rent home – particularly in relation to larger properties.

The council is reviewing its policy on how affordable rent levels should be set in light of the changes to Local Housing Allowance rates.

Intermediate tenures (shared ownership, affordable private rent etc)

[Local analysis](#) in 2017 showed:

- Around 39% of households in Cambridge have incomes of less than £30k
- Around £35-£40k as the Cambridge median household income (based on 2016/17 data) with around 26% of local households having incomes of £30k-£50k.

Again, housing affordability ladders in [Cambridge sub-region strategic housing market bulletins](#) give more up to date information. For example, at December 2019:

- Around 43% of Cambridge households have incomes of £35k or lower. Households on up to £30k would only be able to afford a council or housing association affordable rent, or a 1 intermediate rent based on 35% of net income. Between £30k & £35k they could, in theory, afford a 1 bed private rent, 2 bed intermediate rent, a 1 bed lower quartile sale, or a minimum share of a 1 bed shared ownership property.
- To purchase a 1 bedroom average or a 2 bed lower quartile resale property would require around £40-£45k income: around half of all households are on incomes below that level.
- An average 3 bed resale would require £70-£75k income

(NB These figures do not take into account access to capital)

Recommendations

- Social/affordable rents should continue to be set at or below 2019/20 LHA rates, with rents for larger properties being set below that level, until the council has agreed a revised approach to setting rent levels.
- Intermediate tenure should be targeted at those unlikely to be housed through the housing register but also unlikely to be able to afford to rent or buy on the open market.
- Rent levels and or purchase prices should be assessed based on up to date affordability evidence, to help ensure that housing costs are as affordable as possible to the target market.

HOUSING NEEDS OF DIFFERENT GROUPS

A key objective in the Housing Strategy is that there be 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.

Research is under way to assess the needs of different groups to support the new Greater Cambridge Local Plan. In the meantime, the following applies.

Housing for older people

With a rapidly ageing population, the Housing Strategy identifies the need to promote a range of housing options to enable people to live safely and independently for as long as possible. 'Downsizer' accommodation can provide choice to those who want to move to somewhere smaller and more suitable and remain in their local community. It can also help free up family sized homes. Local Lettings Plans for social/affordable rent housing may also be used to give priority to older people wanting to move to smaller homes in particular new developments.

Both councils (Cambridge City and South Cambridgeshire) are interested in exploring other options, including new models of older people's housing. However, any new provision must take into account any impacts on costs and provision of social care.

The Strategy identifies the following potential need, based on forward projections of current supply.

Table 13: Projections of future recommended supply based on current provision, Greater Cambridge

Projections of future recommended supply in Greater Cambridge based on current provision

| | Current supply | Recommended supply | Difference (shortfall) | Recommended future supply | | | |
|---------------------------|----------------|--------------------|------------------------|---------------------------|--------------|--------------|--------------|
| | | 2016 | | 2020 | 2025 | 2030 | 2035 |
| Age exclusive | 239 | 1,145 | -906 | 1,321 | 1,619 | 1,835 | 2,062 |
| Specialist housing | 3,280 | 3,422 | -142 | 3,950 | 4,839 | 5,485 | 6,163 |
| Care beds | 1,825 | 2,152 | -327 | 2,484 | 3,043 | 3,449 | 3,876 |

Source: Older People's housing, care and support needs in Greater Cambridge 2017 – 2036
[Tables 4.3 & 4.6 combined]: Sheffield Hallam University [November 2017]

The Strategy proposes that, based on current evidence, approximately 5% of new supply should be age exclusive homes - likely to take the form of mainstream housing built with older people in mind, i.e. meeting Building Regulations Part 4 (2 or 3).

However, it is recognised that the two bed homes on the Anstey Way development it has proved difficult to let some of the two bedroom age exclusive homes. The

reasons for this need to be better understood, but it suggests that there should be some flexibility when it comes to letting if there is insufficient demand from older people.

In addition to the Local Plan research on housing for particular groups currently under way, Cambridgeshire County Council is also researching needs in relation to residential care beds. The figures above will need to be reviewed based on the outcome of these two pieces of work.

Recommendations

- Guidance on provision of age exclusive older people's housing in the housing strategy should be followed until further evidence is available. However, this should not be tied into any s106 agreement, and some flexibility should be built in to ensure that if there is insufficient demand from older people, there is the opportunity to let to other household types.
- To ensure appropriate revenue funding is available, any proposals to provide extra care accommodation will need to be approved by Cambridgeshire County Council at an early pre-planning stage.

Family homes

As identified under 'Social/affordable Rent Sizes Needed' section above, although the main demand is for one bedroom homes, there is clearly a need also for homes for families. The impact of Covid-19 has highlighted the importance of access to private external space, particularly for families with children.

Recommendation

- When designing flats of two bedrooms or more, either downstairs or upstairs where lifts are provided, give consideration to provision of well designed, child-safe external private space.

Accessible homes

The Local Plan 2018 requires the following:

In order to create accessible homes:

- a) all housing development should be of a size, configuration and internal layout to enable Building Regulations requirement M4 (2) 'accessible and adaptable dwellings' to be met; and

b) 5 per cent of the affordable housing component of every housing development providing or capable of acceptably providing 20 or more self-contained affordable homes, should meet Building Regulations requirement M4(3) 'wheelchair user dwellings' to be wheelchair accessible, or be easily adapted for residents who are wheelchair users.

(Mobility 1,2 & 3 Home-Link applicant information to follow).

The Occupational Therapy service reports that, at July 2020, most of the unmet need for homes build to M4(3) wheelchair accessible homes is for 3 or more bedroom homes. Historically it is these families who often wait many years to be rehoused.

Recommendations

- The programme should continue to meet the Local Plan requirement of 5% of the affordable housing on developments of 20 or more self-contained homes to be wheelchair accessible or easily adapted for wheelchair use. Particular priority should be given to providing 3 or more bedroom homes for families in need.
- The Housing Development Agency should continue to liaise closely with the Housing Advice service, Occupational Therapists and County Council Specialist Housing Advisors to ensure that the development programme can help meet the specific needs of households identified requiring wheelchair accessible homes.

Specialist housing for people with disabilities

Recent county-wide research identifies the following need for specialist accommodation based on current provision.

Table 14: Estimate of future specialist housing need for people with disabilities

| District | Estimated number of units by client group in 2036 | | | | | | Total number of units |
|-----------------------|---|----------|---------------|---------------------|-------------|--------------------|-----------------------|
| | Learning disability | Dementia | Mental health | Physical disability | Autism | Sensory impairment | |
| Cambridge | 37 | 0 | 207½ | 9½ | 0 | 0 | 254 |
| East Cambs | 19 | 0 | 0 | 56½ | 28½ | 0 | 104 |
| Fenland | 26½ | ½ | 77½ | 51½ | 49 | 0 | 205 |
| Huntingdonshire | 68 | 0 | 41½ | 51 | 27½ | 0 | 188 |
| South Cambs | 21½ | 0 | 51 | 19½ | 35½ | ½ | 128 |
| Cambridgeshire | 172 | ½ | 377½ | 188 | 140½ | ½ | 879 |

This is a 'policy off' position: it does not take into account any policy decisions around the required future balance between specialist and mainstream provision.

Recommendation

- Specialist housing for people with disabilities (other than wheelchair accessible) should only be considered where a specific requirement for that type of accommodation has been identified by Cambridgeshire County Council.

Temporary homelessness accommodation

The council has a statutory duty to provide temporary accommodation to households it believes are homeless and in priority need, whilst it investigates what duties are owed under homelessness legislation.

Prior to the Covid-19 lockdown, the council had capacity (outside of Bed & Breakfast) to accommodate 123 households, using the council's own stock and hostel type accommodation from other providers. At that point 87 properties were occupied. 81 were City Council owned stock in Cambridge; 3 were Bed & Breakfast (B&B) in Peterborough; and 3 were B&B in Harlow.

There was a significant peak in placements during 2019/20, at considerable cost to the council, although this had reduced again by the time lockdown started.

During lockdown, the numbers of people approaching the council and requiring 'traditional' statutory interim accommodation has dropped, probably due mainly to the stay on court proceedings for evictions. When the stay is lifted (expected in August 2020), we are expecting a second peak of approaches, and some of these will result in priority need placements.

On top of this, a substantial increase in unemployment numbers (due to potential economic downturn) is expected to increase demand. For example, Universal Credit claimant count data shows the Cambridge unemployment rate at 3.9% at May 2020 (similar to the UK-wide figure of 3.8%). [The Guardian](#) has reported on a Bank of England estimate that unemployment nationally could double this year. [Statista](#) says it could spike at 10% in 2020 quarter 2, but should full lockdown end after three months then they would expect unemployment to gradually fall throughout late 2020 and 2021.

The Housing Advice team estimates that there could be an increase in demand for TA in the order of 15% over pre-lockdown numbers. This would mean a requirement of 100 units, pushing demand back up close to maximum capacity.

Recommendation

- Whether there is a need for provision of temporary homelessness accommodation on particular sites should be explored with the council at an early stage of development of the new programme and early in the planning of individual sites

Accommodation for single homeless and rough sleepers

(More information to follow)

Single homelessness and rough sleeping are major issues in Cambridge. Table XXX shows that in 2019-20, 166 individuals in the City were assessed by the Street Outreach Team.

Table 15: Number of assessed individuals sleeping rough each year, 2015/16 to 2019/20

| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|---|---------|---------|---------|---------|---------|
| No. of individuals assessed as sleeping rough | 152 | 240 | 175 | 158 | 166 |

Source: Strategic housing key facts, from Cambridge Street Outreach Team Annual Reports

There are additional individuals who may have been seen rough sleeping but were not assessed, who are excluded from the figures to avoid the risk of overcounting.

The national annual autumn street count provides further evidence of the extent of rough sleeping. Table 16 below shows the number of rough sleepers counted in the City on the night of the count over the last three years. The Cambridge figure for 2019 (33) is the third highest in the Eastern region, behind Luton (43) and Peterborough (37).

Table 16 National rough sleeper count autumn 2019: number of people found sleeping rough (snapshot)

| | 2017 | 2018 | 2019 |
|--|------|------|------|
| | | | |

| | | | |
|---------------------------------|----|----|----|
| Number of people sleeping rough | 26 | 27 | 33 |
|---------------------------------|----|----|----|

Source: [Autumn street count figures](#).

The council's [Homelessness & Rough Sleeping Review 2019](#) gives further background to the issue of rough sleeping. One of the issues identified in the review is access to move-on accommodation. The maximum stay is normally expected to be two years, but residents often stay longer than that. Lack of suitable accommodation to move on to is a major part of the problem.

Another issue is unwillingness amongst some rough sleepers to use move-on accommodation in the first place. Consultation with rough sleepers and service providers has strongly indicated that prevalence of substance misuse and mental health problems have a part to play in this, especially the need to be on the streets at night raising money. Other reasons include: unwillingness to share accommodation; not wishing to be amongst people less advanced in their progress out of addiction; and hostel rules and regulation.

Up to 40 social tenancies a year (in the form of the award of an 'A' banding through Home-Link) are exclusively available for people leaving hostels who can demonstrate that a social tenancy is critical to their future housing stability. However, this is insufficient to facilitate the desired level of move-on.

To help tackle these issues, the Housing Strategy supports the piloting of Housing First models of accommodation on some of its own new developments. This offers accommodation to rough sleepers directly without any intervening period in a hostel, with no requirement to follow a prescribed pathway or to accept the support made available as a condition of residence.

The council is keen to continue with this model at present, although results need to be monitored to inform whether it should continue to be brought forward as an alternative to hostel accommodation in the longer term.

During Covid-19 rough sleepers have been taken off the streets and into temporary accommodation, including hotels. Work is under way to try to find either move-on or permanent accommodation for as many of these people as possible, to help keep people off the streets longer term and to work towards the national target of eliminating rough sleeping by 2027. An increase in provision of both temporary and permanent accommodation is likely to be required to meet needs going forward.

Recommendations

- The programme should continue to support delivery of homes to meet the council's Housing First objectives.
- Decisions around whether other forms of accommodation should be provided specifically to tackle rough sleeping will need to be made once longer term needs following Covid-19 have been identified.

Build to Rent

(See also 'Homes for Local Workers' section below)

Conditions in the private rented sector

[Local stock modelling research](#) published in 2015 indicated that around 18% of private rented homes in Cambridge had HHSRS Category 1 hazards¹ compared with 13% of owner occupied homes. 6% were in disrepair and around a fifth of private rented sector households were in fuel poverty.

Housing Strategy

The Housing Strategy recognises that Build to Rent housing, as well as meeting the needs of households on a range of incomes, can accelerate the overall housing build-out rates on large strategic sites. Subject to clear evidence of need, we may consider proposals for new PRS as part of a wider housing mix. Any such homes provided should remain available as PRS for an agreed period.

Any homes delivered as build to rent need to be of high quality, well managed and offer longer term tenancies, as well as options for tenants to end tenancies sooner where it meets their needs. A range of unit sizes will also be required to meet needs of different household types and income levels, including appropriate provision of Affordable Private Rent. They need to be part of the mix to be provided through the development; in single ownership and management; held under covenant for a minimum of 15 years; be self-contained and provide acceptable maintenance and management arrangements.

Build to Rent research

Research is currently under way to explore the potential local demand for Build to Rent, and to understand how it might fit with the need to create settled and

¹ Housing Health & Safety Rating System

cohesive communities. This is taking somewhat longer than anticipated to complete and is not yet ready for publication, but preliminary findings have been used to help inform the draft North East Area Action Plan. (See below). Evidence suggests that there is likely to be some demand for Build to Rent and Affordable Private Rent units, although insufficient information is available to establish numbers.

Further research is also being carried out sub-regionally on the housing needs of particular groups. This is expected to give more information on the likely need for provision for people who wish to rent.

Draft North East Cambridge Area Action Plan (AAP)

Although there is likely to be some need for such accommodation, the current proposal is that no more than 10% of all homes on the site should be Build to Rent. This is to ensure it is provided in a balanced way across the development without being the dominant typology of homes in any location, so that mixed housing types and tenures can be available across different parts of the site.

The draft AAP also states that any build to rent scheme must comply with the following:

- a) individual schemes to be under common ownership and management control for the long term;
- b) dwellings to be retained as Build to Rent under a covenant for at least 15 years with a clawback mechanism and compensation mechanism if the covenant is broken;
- c) include a minimum of 20% affordable private rent units, which will be counted towards overall 40% affordable housing requirement
- d) ensure all units are self-contained
- e) offer rent certainty for the period of the tenancy;
- f) offer longer tenancies (three years or more) to all tenants and break clauses for tenants, which would allow a tenant to end the tenancy with a month's notice any time after the first six months;
- g) have on-site management, this does not necessarily mean full-time dedicated on-site staff, but all schemes need to have systems for prompt resolution of issues and

some daily on-site presence; h) ensure providers have a complaints procedure in place.

At least 20% of units developed as part of Build to Rent schemes in North East Cambridge will be affordable private rent delivered on site. This will contribute to the 40% affordable homes target ... These should be targeted to local workers where possible.

Under the AAP, affordable private rent is considered to be:

- a minimum rent discount of 20% for equivalent local private rent homes, inclusive of service charges, taking into account up to date evidence on local rent levels and incomes;
- held under common management control together with the market homes;
- evenly distributed throughout the development physically; indistinguishable from market rent units in terms of quality and size; and
- maintained as affordable in perpetuity.

National Build to Rent guidance

[National guidance](#) provides further information on requirements around Build to Rent schemes

Future council policy

A project is shortly to get under way to develop a set of evidence based policy annexes to the housing strategy, including one on Build to Rent. This is expected to be adopted during 2021.

Recommendations

- Any proposals for Build to rent would need to demonstrate that they meet local need and can be brought forward as part of a mixed and balanced community. The draft North East Cambridge Area Action Plan should be used as guidance until research is complete and a more detailed policy is in place.
- A minimum of 20% of any build to rent scheme should be available as Affordable Private Rent, targeted at groups agreed by the council.

Homes for local workers

The current Local Plan allows for employers providing housing specifically for their employees, but only as part of schemes for employment development. Affordable housing requirements apply on these sites.

The Housing Strategy highlights the need for a better understanding of the potential need for housing for local workers to support local services, the local economy and further economic growth. The council is keen to avoid the terms 'key' or 'essential' workers, on the basis that all workers have an important role to play. Rather than providing accommodation specifically for particular groups of workers, the council's preference is to use the tools already available, such as Local Lettings Plans, to enable local workers more generally to access available homes.

A key focus in relation to work on the new joint Local Plan is the importance of tackling the climate change emergency and working towards achieving zero carbon. The need to reduce reliance on private vehicle journeys has a key part to play, and providing a mix of housing types and tenures, and allowing some priority to people working locally can help support this.

The Cambridgeshire & Peterborough Independent Economic Commission (CPIER) report 2018 concluded that the area can continue to deliver rapid growth with the right support, and that the aim of doubling economic output (as measured by Gross Value Added) by 2040 is realistic. However, as well as employment growth, higher productivity would be required.

It remains to be seen what the long term impact of different ways of working triggered by Covid-19 will be on the need to live close to places of work and travel to work patterns.

A more detailed policy on homes for local workers is due to be developed as new annex to Housing Strategy during 2021.

Cambridge University Hospitals (CUH) research: Assessing the needs of hospital workers 2020

A survey was carried out of CUH staff to understand household income, levels of satisfaction with current housing and attitudes to alternative options, including priorities around commuting and amenities.

The research estimated that there are approximately 3,900 lower income households (under £60k per annum) working for CUH with 'stretched' housing affordability. It identified six household types, broken down into income bands, numbers of bedrooms likely to be required, rental budget per month, likely preferred tenure, and budget available for ownership. 'Tenure attitudes' of five of the six groups included Rent to Buy, rent through council/housing association, and/or shared ownership. It also made recommendations for each group on housing size mix, current rental options, etc. The research found some positivity in receptiveness to having other CUH staff as neighbours. Connectivity to CUH and Cambridge city centre were of key importance in any future housing provision.

Carter Jonas Housing Market Report 2018 for South Cambridgeshire District Council

This was commissioned in relation to a development site at Orchard Park. Primary research through surveys and interviews of local employers indicated there was a 'very strong' need for good quality, local rented accommodation whereby travel to work does not involve a long commute into the workplace. Affordable accommodation, as well as helping employees, would also go some way to recruiting and retaining staff for local employers including recruiting overseas 'relocators' who provide key functions in some specialised areas of work. Further indications are that security of tenure (longer tenancies) as well as high speed broadband and shower facilities (as opposed to bath-only) are the key amenities sought in rented accommodation.

Cambridgeshire & Peterborough Independent Economic Review (CPIER) 2018

This highlighted Cambridge as an attractive location, but lack of affordable housing for employees was identified as a limitation on company growth. Companies may be deterred from setting up in the area if they do not believe the houses their workers require will be available.

Cambridge Ahead research

Cambridge Ahead recently carried out some local research to help understand the housing needs of employees of local organisations. with local organisations. The research has not been published to date. However, following the Cambridge University Hospitals research, Cambridge Ahead are commissioning some additional work to try to quantify the number of households in the Cambridge Travel to Work area with incomes of around £25k to £45k who they consider make up those less likely to access social housing but for whom market housing is too expensive. They are aiming for completion in September 2020.

Lettings Policy income and savings thresholds review

Work is under way to review the income and savings thresholds used to assess Cambridge Home-Link applicants' financial resources, to help determine their level of priority on the register. In view of lack of supply and worsening affordability over recent years, consideration is being given to raising income thresholds for each household size, and allowing applicants to have higher levels of savings. This could help to enable a wider range of applicants, including local workers on low to moderate incomes, to access social & affordable rent housing.

Recommendations

- Local Lettings Plans should generally be the main vehicle for giving local workers some priority for new homes.

- If any Build to Rent is brought forward, consideration should be given to prioritising allocations to the required Affordable Private Rent element in favour of local workers.

Houses in Multiple Occupation (HMOs)

The Housing Strategy recognises that well managed HMOs have an important part to play in the City, offering a more affordable housing solution for single low income households.

The Local Plan supports provision of good quality, larger HMOs, in appropriate locations; although at the same time the council will seek to avoid over concentration of provision in an area, and to minimise any potential adverse impact on neighbouring occupiers through its registration scheme.

With differing definitions of HMOs in the context of housing, planning and council tax, and no way of capturing accurate data it is difficult to assess exact numbers. However, it is estimated that there are currently around 3,800 HMOs in Cambridge. These are distributed throughout the City, although the main wards appear to be Romsey, Market and Petersfield.

There is no data around the level of need for Houses in Multiple Occupation in Cambridge.

A report by [Shawbrook Bank](#) (date not clear but possibly 2016) highlights benefits of HMOs as including an increasing desire to: be mobile, social and have more disposable income; travel; and spend more on gadgets and experiences.

[HMO Hub](#) highlights that gross yields are higher than for a standard buy to let property, and that HMOs are becoming increasingly attractive to investors, with gross yields increasing during 2018 to 2019.

However, clearly some of the demand will be driven by lack of supply and affordability of self-contained accommodation. HMO Hub quotes Spareroom statistics showing that nationally only 31% of adults in the UK living in shared accommodation could afford to rent on their own if they wanted, and only 12% could afford to buy their own property. The Shawbrook Bank report says that 57% of HMO tenants claim to share for financial reasons, 37% say they share for both social and financial reasons and 3% purely for social reasons.

Recommendation

- HMOs should not be prioritised unless specifically required to meet single homelessness or rough sleeping needs

Community led housing

The Housing Strategy states that the council is keen to explore new ways of delivering different types of housing - such as community-led development, including cooperative-housing & Community Land Trusts.

The government has been actively promoting community led housing over the last few years. It identifies benefits for local authorities as including: reducing reliance on public services; diversifying the housing market and unlocking small sites and landowners; helping to meet requirements around provision for applicants on councils' custom-build registers; and promoting community cohesion and resilience.

Benefits cited for participants include: skills, training and jobs which can be targeted at particular groups (eg care leavers and young unemployed); improved sense of community and connection; high quality homes and neighbourhoods, and mutual support within neighbourhoods – especially for older and vulnerable young people.

Award winning [Marmalade Lane](#), the new co-housing scheme on Orchard Park, has attracted considerable positive attention nationally and has been held up as a successful example of the benefits that such housing can bring.

In 2016/17 the council received Community Housing Fund grant which was used to employ CLT East (now East Cambs Trading Company) to identify and support community groups interested in bringing forward schemes, and to provide grant funding to help groups bring forward their plans.

One community group is currently interested in delivering community-led housing in the City. The council has provided the group with a small grant to set up as a legal entity, but their main barrier is acquiring land.

Recommendation

- The council should consider whether any council land should be made available to support delivery of community led housing as part of a mixed community. There is the potential for such provision to be brought forward as custom-build housing. (See section below)

Self/custom build housing

2019 data showed that around 600 applicants were registered as having in interest in self and/or custom build housing across Cambridge City and South Cambridgeshire, and approximately 450 related units have been granted planning permission.

The Local Plan is silent on self and custom build, but the Greater Cambridge Housing Strategy states that the councils will seek around 5% of homes on large sites to be for self or custom build.

Smaller units

The Local Plan 2018 says that new residential units will be permitted where their gross internal floor areas meet or exceed the residential space standards set out in the Government's Technical Housing Standards – nationally described space standard (2015).

Table 17: Cambridge Local Plan 2018 residential space standards

| Number of bedrooms (b) | Number of bed spaces (persons) | 1 storey dwellings | 2 storey dwellings | 3 storey dwellings | Built-in storage |
|------------------------|--------------------------------|-----------------------|--------------------|--------------------|------------------|
| 1b | 1p | 39 (37) ¹³ | | | 1.0 |
| | 2p | 50 | 58 | | 1.5 |
| 2b | 3p | 61 | 70 | | 2.0 |
| | 4p | 70 | 79 | | |
| 3b | 4p | 74 | 84 | 90 | 2.5 |
| | 5p | 86 | 93 | 99 | |
| | 6p | 95 | 102 | 108 | |
| 4b | 5p | 90 | 97 | 103 | 3.0 |
| | 6p | 99 | 106 | 112 | |
| | 7p | 108 | 115 | 121 | |
| | 8p | 117 | 124 | 130 | |
| 5b | 6p | 103 | 110 | 116 | 3.5 |
| | 7p | 112 | 119 | 125 | |
| | 8p | 121 | 128 | 134 | |
| 6b | 7p | 116 | 123 | 129 | 4.0 |
| | 8p | 125 | 132 | 138 | |

Source: Cambridge Local Plan 2018

The CPIER report refers to a Cambridge Ahead workshop with young people to discover their living preferences. This found that they had little interest in suburban living, but were willing to trade living space for proximity to the city centre. Although it is not clear how small they would be prepared to go before homes become less desirable.

Recommendation

- Local Plan requirements around space standards need to be followed.

LOCATION OF HOMES

Both the Local Plan and the Housing Strategy point to the importance of location of homes in relation to jobs, facilities and infrastructure.

The Housing Strategy aims for homes to be located in high quality sustainable environments, served by jobs and neighbourhood facilities, appropriate green space, effective and sustainable transport links and other necessary infrastructure.

Clustering of affordable homes

The council's policy, in the Affordable Housing SPD 2008, has historically been to provide affordable housing in multiple groups normally of between 6 and 25 dwellings depending upon the size and design of the development and the nature of the affordable housing. *In flatted schemes no more than 12 affordable dwellings should normally have access from a common stairwell or lift.*

'The affordable housing should be provided in prominent parts of a site to aid integration. A buffering technique can be used to integrate a mix of tenures and house types from larger market housing through to small social rented housing provided that there is no physical segregation and no tenure monocultures are created. At its simplest this technique could involve using intermediate housing to unite the social rented housing and the open market housing.'

Consideration needs to be given as to whether current clustering policy remains an appropriate approach across the board for Cambridge. The current move towards higher density urban development in is making it more difficult to deliver blocks of this size.

A revised policy on clustering is to be developed, seeking Executive Councillor approval during 2021.

Recommendation

- Current clustering policy should be followed where possible until a revised policy is adopted (expected 2021)

Ward profiles

A set of local [Ward profiles](#) provide the following information:

- Ward maps
- Population estimates 2017
- Ethnicity
- Age (five year age groups)
- Economic activity and employment status
- Education levels
- Deprivation scores from Index of Multiple Deprivation
- Food banks - use 2018-19 & location
- Benefit population percentage by ward in 2013 and 2017 (from Mapping Poverty Report)
- Number of homes, median prices and overcrowding rates
- Tenure (2011 Census)
- Household sizes, number of bedrooms and number of rooms per household (2011)
- Sheltered housing – schemes, number of units and social activities
- Services and facilities available including GP surgeries, dentists, schools nurseries, sports and recreation, open spaces other community facilities etc
- Health – self reported from Census
- Crime and anti-social behaviour case numbers 2018-19, and crime rates by type
- Loneliness risk levels
- Community groups and residents associations
- Expected future housing growth
- Community strengths and assets, and gaps in provision
- Ward maps
- Recommendation: Information in the local ward profiles should be used to help inform the sizes, types and tenures of homes to be provided on each site.

Recommendation

- Information in the local ward profiles should be used to help inform the sizes, types and tenures of homes to be provided on each site.

POTENTIAL IMPACT OF COVID-19 ON THE HOUSING MARKET

Various commentators reported that the housing market is slowing down following the start of the lockdown. For example:

A [Savills](#) report published in April showed that national home sales activity had dropped away, potentially hitting house prices by 5% to 10% in the short term. Lettings were also restricted. Another Savills [report produced with JLL](#) said that the impact of the crisis could see total housing sales transactions across all UK

markets halve to around 600,000 in 2020. However, it also stated that there was little impact on affordable housing valuations at that point and that the social housing sector remained in good financial health. Their Head of Housing said: 'Housing providers have the strong financial base from which to ensure the UK housing market hits the ground running as the lockdown is lifted.' (Inside Housing 5/5/20)

The Construction Products Association's senior economist has said that work occurring short term would be to tie up completions, and that house builders will be reluctant to begin new developments until they are certain of demand. It was estimated that housebuilding will not return to 2019 levels until after 2021. Housing associations could be more insulated, although organisations relying heavily on market sale transactions will still feel a big impact. (Inside Housing 1/5/20)

The [BBC reported in June](#) that the Nationwide house prices index showed UK house prices for May falling 1.7% from the previous month, the largest decline for 11 years. However, their chief economist said that there were signs of this starting to stabilise.

The article also cited reports from Rightmove of a significant rise in the number of people looking for homes further from town and city centres, with larger gardens and space for a home office. It is not clear whether this change will be permanent, but coronavirus is making many people think about how and where they work and live.

Reports are starting to come through of developers wanting to change tenures of new homes. For example, Cardiff Council has agreed in principle to acquire around 100 homes from its development partner Wates, with the council to purchase unsold market sale units at 'build costs and agreed overheads' (Inside Housing 15/6/20)

Councils have been given an additional six months to spend 2017/18 Right to Buy receipts.

The current Shared Ownership & Affordable Housing Programme 2016-2021 has been [extended for a year](#). Construction now needs to have started by March 2023 rather than March 2022. A new £12bn programme will start in 2022.

A [further package of measures](#) to boost construction was issued on 22nd June, including speeding up the planning system and allowing flexible construction working hours.

Other potential Covid issues identified include:

- Shortage of building supplies

- Increase in construction costs
- Reduced rental income due to job losses
- Impact of a second coronavirus wave

More specific issues have been identified elsewhere in this report.

SUMMARY OF RECOMMENDATIONS

- With limits on delivery through s106 agreements and by other registered providers, the council should continue to intervene in the market to deliver affordable housing.
- Due to shortage of, and high levels of need for, social/affordable rent housing, this tenure should be given highest priority within the programme.
- The main focus for social/affordable rent housing should be on one and two bedrooms, although there also needs to be some provision of larger homes to help address the lower turn-over of larger homes, and to help ensure mixed communities.
- Local Lettings Plans for social/affordable rent homes should be used to help meet the needs of households on a range of incomes and contribute towards balanced communities.
- Although lower priority, 'intermediate' tenure homes should be considered to meet the needs of those unable to access social housing but also unable to buy on the open market. Again, the main focus should be on 1 and 2 bedrooms but some larger homes may also be required.
- Any consideration of intermediate tenures should look beyond more traditional shared ownership, and also take into account new emerging models of and routes to low cost home ownership.
- Social/affordable rents should continue to be set at or below 2019/20 LHA rates, with rents for larger properties being set below that level, until the council has agreed a revised approach to setting rent levels.
- Intermediate tenures should be targeted at those unlikely to be housed through the housing register but also unlikely to be able to afford to rent or buy on the open market.

- Rent levels and or purchase prices should be assessed based on up to date affordability evidence, to help ensure that housing costs are as affordable as possible to the target market.
- Guidance on provision of age exclusive older people's housing in the housing strategy should be followed until further evidence is available. However, this should not be tied into any s106 agreement, and some flexibility should be built in to ensure that if there is insufficient demand from older people, there is the opportunity to let to other household types.
- To ensure appropriate revenue funding is available, any proposals to provide extra care accommodation will need to be approved by Cambridgeshire County Council at an early pre-planning stage.
- When designing flats of two bedrooms or more, either downstairs, or upstairs where lifts are provided, give consideration to provision of well designed, child-safe external private space.
- The programme should continue to meet the Local Plan requirement of 5% of the affordable housing on developments of 20 or more self-contained homes to be wheelchair accessible or easily adapted for wheelchair use. Particular priority should be given to providing 3 or more bedroom homes for families in need.
- The Housing Development Agency should continue to liaise closely with the Housing Advice service, Occupational Therapists and County Council Specialist Housing Advisors to ensure that the development programme can help meet the specific needs of households identified requiring wheelchair accessible homes.
- Specialist housing for people with disabilities (other than wheelchair accessible) should only be considered where a specific requirement for that type of accommodation has been identified by Cambridgeshire County Council.
- Whether there is a need for provision of temporary homelessness accommodation on particular sites should be explored with the council at an early stage of development of the new programme and early in the planning of individual sites.
- The programme should continue to support delivery of homes to meet the council's Housing First objectives.

- Decisions around whether other forms of accommodation should be provided specifically to tackle rough sleeping will need to be made once longer term needs following Covid-19 have been identified.
- Any proposals for Build to rent would need to demonstrate that they can be brought forward as part of a mixed and balanced community. The draft North East Cambridge Area Action Plan should be used as guidance until research is complete and a more detailed policy is in place.
- A minimum of 20% of any build to rent scheme should be available as Affordable Private Rent, targeted at groups agreed by the council.
- Local Lettings Plans should generally be the main vehicle for giving local workers some priority for new homes.
- If any Build to Rent is brought forward, consideration should be given to prioritising allocations to the required Affordable Private Rent element in favour of local workers.
- Houses in Multiple Occupation should not be prioritised unless specifically required to meet single homelessness or rough sleeping needs
- The council should consider whether any council land should be made available to support delivery of community led housing as part of a mixed community. There is the potential for such provision to be brought forward as custom-build housing.
- Local Plan requirements around space standards need to be followed.
- Current clustering policy should be followed where possible until a revised policy is adopted (expected 2021)
- Information in the local ward profiles should be used to help inform the sizes, types and tenures of homes to be provided on each site

| HDA Delivery Programme | | 08/09/2020 | | | | | | | | | |
|----------------------------------|-----------------|----------------|--------------|-------------|----------|-----------|---------------|--------------------|------------------|----------|----------------------|
| 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 |
| Nuns Way & Wiles Close | Kings Hedges | 10 | 0 | 10 Tender | HSC | | Mar-15 | Aug-16 | Jul-17 | Jan-19 | Aug-19 |
| Ditchburn Place Community Rooms | Petersfield | 2 | 0 | 2 Tender | S & R | | Sep-18 | Aug-18 | Nov-18 | Jan-19 | Sep-19 |
| Queens Meadow | Cherry Hinton | 2 | 0 | 2 CIP | HSC | | Jun-17 | Dec-17 | Jul-18 | May-19 | Jun-20 |
| Anstey Way | Trumpington | 29 | 0 | 56 CIP | HSC | | Mar-17 | Jan-18 | Jul-18 | Oct-18 | Jun-20 |
| Colville Garages | Cherry Hinton | 3 | 0 | 3 CIP | HSC | | Sep-17 | Sep-18 | Nov-18 | May-19 | Jul-20 |
| Gunhild Way | Queen Ediths | 2 | 0 | 2 CIP | HSC | | Jan-18 | Jul-18 | Oct-18 | May-19 | Jul-20 |
| Wulfstan Way | Queen Ediths | 3 | 0 | 3 CIP | HSC | | Sep-17 | Oct-18 | Jan-19 | May-19 | Sep-20 |
| Sub total | | 53 | 0 | 80 | | | | | | | |
| ON SITE | | | | | | | | | | | |
| Mill Road | Petersfield | 118 | 118 | 236 CIP | S & R | | Nov-17 | Dec-17 | Jun-18 | Aug-18 | Dec-21 |
| Markham Close | Kings Hedges | 5 | 0 | 5 CIP | HSC | | Jan-18 | May-18 | Oct-18 | May-19 | Sep-20 |
| Ventress Close | Queen Ediths | 13 | 0 | 15 CIP | HSC | | Mar-17 | Sep-18 | Mar-19 | Oct-19 | May-21 |
| Kingsway Medical Centre | Arbury | 4 | 0 | 4 E & F | HSC | | Sep-17 | Sep-18 | Apr-19 | Nov-19 | May-21 |
| Cromwell Road | Romsey | 118 | 177 | 295 CIP | S & R | | Mar-18 | Mar-19 | Jun-19 | Dec-19 | Dec-22 |
| Akeman Street | Arbury | 12 | 0 | 14 CIP | HSC | | Jun-18 | Apr-19 | Jul-19 | Oct-19 | Jul-21 |
| Sub total | | 270 | 295 | 569 | | | | | | | |
| PLANNING APPROVED | | | | | | | | | | | |
| Colville Phase 2 | Cherry Hinton | 49 | 0 | 69 CIP | HSC | | Jan-19 | Jul-19 | Dec-19 | Oct-20 | Apr-22 |
| Campkin Road | Kings Hedges | 50 | 0 | 75 CIP | HSC | | Jul-19 | Nov-19 | Mar-20 | Oct-20 | Jan-23 |
| Clerk Maxwell Road | Newnham | 14 | 21 | 35 S106 | HSC | | Jan-19 | Dec-19 | Jul-20 | Dec-20 | Jan-22 |
| Meadows and Buchan | Kings Hedges | 106 | 0 | 106 CIP | HSC | | Jan-19 | Dec-19 | Aug-20 | Jan-21 | Mar-23 |
| Sub total | | 219 | 21 | 285 | | | | | | | |
| SUBMITTED FOR PLANNING | | | | | | | | | | | |
| Tedder Way | Arbury | 2 | 0 | 2 TBA | HSC | | Mar-15 | Mar-17 | TBD | TBD | TBD |
| Kendal Way (Planning now Lapsed) | East Chesterton | 2 | 0 | 2 TBA | HSC | | Mar-15 | Aug-16 | Feb-17 | TBD | TBD |
| Sub total | | 4 | 0 | 4 | | | | | | | |
| GRAND TOTAL | | 546 | 316 | 938 | | | | | | | |

| Progress to 500 starts on site | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|--------------------------------|---------|---------|---------|---------|---------|---------|
| Starts by year | 2 | 132 | 189 | 193 | 28 | 0 |
| Cumulative total | 2 | 134 | 323 | 516 | 546 | 546 |

| Progress to 500 Completions | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|-----------------------------|---------|---------|---------|---------|---------|---------|
| Completions by year | 2 | 0 | 12 | 71 | 138 | 323 |
| Cumulative total | 2 | 2 | 14 | 85 | 223 | 546 |

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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 24/09/2020

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 80 Homes have now been completed across 8 sites under the City Council programme. 27 of these have replaced homes demolished to accommodate redevelopment, with the further 53 being net new Council homes.
- 1.3 The Council currently has 270 Council rented homes being built on site, with a further 193 starts expected by the 2020/21 financial year end.
- 1.4 542 new Council homes have now gained Planning Approval, reaching and exceeding the goal of 500 homes target as part of the devolution deal.

- 1.5 Recovery from the delays caused by Covid -19 pandemic has been swift, and programme timeline is an average one month behind original scheduled dates. Social distancing requirements on sites remain in place as well as outbreak planning for individual sites.
- 1.6 The modular housing programme has progressed to planning submission on three sites, and the Council is currently in the process of selecting a charity partner who will take on the ownership and housing management of the modular homes.

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 This is a quarterly report showing progress against the Combined Authority target of 500 Council rented homes.

4. Combined Authority

- 4.1 The Council's housing programme is part funded by a £70million grant to date this has been paid via the Cambridgeshire & Peterborough Combined Authority in arrears.
- 4.2 Quarterly grant claims are made in arrears against the Devolution funding to the Combined Authority. There is £53,000,000 to be claimed from the Combined Authority with £30,434,354 claimed to date. A further £17,000,000 has been paid directly to the City Council from MHCLG for 2020/21, with £956,695 of this invested to date. Cambridge City Council utilized £1,913,389 of funding in respect of the first quarter

of 2020/21, with £5,477,048 anticipated to be drawn down/utilized in respect of the second quarter.

- 4.3 To date Cambridge City Council has drawn down/ utilized £31,391,049 of Devolution funding, with the remaining £38,608,951 due to be drawn down/utilized by financial year end 2022/23.
- 4.4. A review with MHCLG and the Combined Authority to report progress was held on 8th September 2020.

5. Delivery Programme

- 5.1 The delivery programme provided in June 2020 confirmed that the devolution programme consisted of 546 Council Homes- this figure has not changed.
- 5.2 Appendix 1 shows the current programme, which 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 2. This is based on all the named schemes being delivered.
- 6.2 The total starts on site stands at 323, or 65% of the total programme. For the current 2020/21 financial year, the first starts on site are currently scheduled for October 2020 (99 new dwellings over two schemes)
- 6.3 As below, the overall programme shows an outturn of 546 new homes commencing construction by March 2022.

Table 2: Start on Site Forecast Profile

| Progress to 500 starts on site | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|--------------------------------|---------|---------|---------|---------|---------|---------|
| Starts by year | 2 | 132 | 189 | 193 | 28 | 0 |
| Cumulative total | 2 | 134 | 323 | 516 | 546 | 546 |

7. Scheme details

7.1 Schemes Completed: Net gain 53 homes.

- **Uphall Road:** this scheme of two homes was completed in January 2018 and was the first project completed by the Cambridge City Council Housing Maintenance & Assets team.
- **Nuns Way & Wiles Close:** Handover was taken in August 2019 of ten new build homes at Nuns Way & Wiles Close. All ten units are now tenanted.
- **Ditchburn Place Community Rooms:** Two additional Council homes within the Ditchburn Place sheltered housing scheme were completed here in September 2019 and are now tenanted.
- **Anstey Way:** This regeneration scheme, completed in June 2020, has delivered 56 Council homes in total (**a net gain of 29**), all for rent. All homes have successfully handed over and residents moved in.
- **Gunhild Way:** this scheme was developed as part of the CIP small sites package, and completed in July 2020, delivering two homes.
- **Colville Road Garages:** this scheme was developed as part of the CIP small sites package, and completed in July 2020, delivering three homes.



Colville Garages, July 2020

- **Queens Meadow:** this scheme was developed as part of the CIP small sites package, and completed in July 2020, delivering two homes.
- **Wulfstan Way:** This scheme was developed as part of the CIP small sites package and has completed in September 2020, delivering three homes.

7.2 Schemes on Site: Net gain 270 homes.

7.2.1 Project updates

- **Mill Road:** This is a mixed tenure scheme formerly on the Council's Mill Road Depot site. The second phase of the scheme received planning permission in June 2019 and the total scheme will deliver 118 new build Council homes. Current completion is envisioned to be December 2021. Handover of the first 4 completed affordable homes are scheduled for September 2020. Some of the first for sale homes have completed and residents moved in over the summer.



Mill Road, July 2020

- **Markham Close:** This scheme is being developed as part of the **CIP small sites package** and will deliver five homes. Completion is expected in September 2020.
- **Cromwell Road:** This scheme will provide 295 homes on the former Ridgeons site on Cromwell Road. 118 of these will be new Council rented homes, with the other properties being sold on the open market. New public open space and an early years facility/community centre will be provided. Construction started in December 2019 after demolition of the current buildings on site. Current completion is envisioned to be December 2022.
- **Ventress Close:** This estate regeneration scheme replaces two existing Council homes and will deliver 15 new Council rented homes, for a net gain of 13. Construction commenced in October 2019. Current completion is envisioned to be May 2021.
- **Akeman Street:** This estate regeneration scheme will replace two existing Council homes, commercial units and community centre with a new Council rented development of 14 homes, community centre and replacement shops for a net gain of 12 council homes. Construction commenced in October 2019, with the existing

community centre relocated to a temporary replacement facility on the same street. Current completion is envisioned to be July 2021.



Akeman Street, August 2020

- **Kingsway Medical Centre:** This scheme is being delivered by the City Council's Housing Maintenance & Assets team, delivering four new Council rented homes through the conversion of a former surgery. Work on site is subject to significant delay due to issues raised by UK Power Network which despite significant follow-up have not yet been resolved. Completion of the scheme is currently scheduled for May 2021 but is subject to review once issues with UK Power Network are resolved.

7.3 Approved schemes; Nett gain 219 new homes

7.3.1 Schemes target to Start on site in 2020/21 with planning permission:

- **Colville Road phase 2:** this regeneration scheme, replacing 20 existing homes and delivering a gain of 49 Council rented homes, received planning permission in November 2019. Progress has been made with the decanting of existing households, with only a single leaseholder still to move. The blocks are no longer being used as part

of the rough sleeper programme so as soon as the last resident has moved out the works can commence. The start on site is scheduled for October 2020.

- **Campkin Road:** This scheme will replace an existing Council block at Campkin Road with a modern scheme, increasing the Council's housing stock by 50 homes. There are two leaseholders and seven tenants that are yet to find alternative accommodation and the current COVID-19 shutdown has meant moving house is more difficult. Some tenants are shielding, but efforts are being made to find alternative accommodation. Currently, due to the COVID-19 pandemic and high need for accommodation of at-risk groups, Campkin Road is being used as temporary housing and this use will continue during this time of heightened need. The start on site is scheduled for October 2020, however this is dependent on achieving vacant possession.
- **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. Planning committee Approval for this scheme was granted in July 2020, and a current Start on Site is scheduled for December 2020.
- **Meadows & Buchan:** These schemes, which comprise the development of a new community centre as well as improvements to open space, were approved by HSC in January 2019 and are expected to deliver 106 Council rented homes. The Resolution to grant planning was approved for The Meadows site on August 4th, 2020 at the first meeting of the new Joint Development Control Committee, made up of Cambridge City Council and South Cambridgeshire District Council, as it crosses council boundary areas. Buchan Street received the resolution to grant planning permission on August 5th, 2020 from Cambridge City Council.

The two existing community facilities will be replaced with a modern sustainable community hub, which will include large, flexible multi-purpose spaces that can be used to provide pre-school, children, family and youth activities, classes such as IT, or health and rehabilitation fitness classes.

The Meadows site will also provide 78 new one- and two-bedroom apartments for council rent and the Buchan Street site will see 28 one- and two-bedroom council rented flats built. Five of the flats

across these schemes will be adapted for wheelchair users. Start on site is anticipated for January 2021,

7.3.2 Schemes target to start on site in 2020/21, planning submission made:

- **Tedder Way:** This scheme comprises development of two homes for Council rent. Officers are reviewing the initial proposals following discussion with planners and looking at the comments received from local neighbours.
- **Kendal Way:** permission was obtained in 2017 for the development of two homes on this site. The Housing Development team are continuing to review proposals as planning permission for the site has now lapsed. There is an ongoing risk to this scheme due to an unresolved boundary dispute which has delayed the development. Options of what can be done are being reviewed to see if there is a way to progress a development on this site.
- **Other new sites:** There are several land purchases being progressed and work to assess sites in the Council ownership as part of a wider piece of work on options for a further Council housing programme. Further scheme specific approvals are being sought under separate Agenda Items in this September 2020 meeting of the HSC.

8 Update on the Modular Housing project

- 8.1 In January 2020 the Housing Scrutiny Committee delegated authority to the Strategic Director, in consultation with the Executive Councillor, to approve sites to develop as “pod” schemes in support of Hill’s Foundation200 modular housing project. Three small sites in Council ownership will be developed as housing for applicants on the housing register with a history of homelessness and will be managed in partnership with a local charity.

- 8.2 The first phase of the project aims to deliver 16 one-bedroom modular homes on Council land. All three sites have been selected on existing City Council garage blocks:

Northfield Avenue Garages – will deliver 6 modular homes. A planning application has been submitted and is due to be determined in September 2020. Delivery is now expected by November 2020.

Dundee Close Garages – will deliver 4 modular homes. A planning application has been submitted and is due to be determined in September 2020. Delivery is forecast for December 2020.

Barnes Close Garages – will deliver 7 modular homes. A planning application has been submitted and has been given a determination deadline for October 2020.

- 8.3 The Council is currently selecting a charity partner who will take on the housing management and ownership of the modular homes and work with the Housing Advice team to jointly allocate suitable residents to each scheme.
- 8.4 The HDA is working with the Estate Regeneration Scheme (EIS) to ensure that where residents in the vicinity of the modular homes have been affected by the loss of the garages, new parking facilities will be made available to the community.

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. This 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).

9.2 There are currently 27 fully adapted wheelchair user dwellings planned in the programme (see table below). 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.

9.3 Table 2: Wheelchair user homes

| | Total Council rented homes (100% M4 (2) wheelchair adaptable) | Total M4 (3) wheelchair user homes | Total 1 bed M4 (3) | Total 2 bed M4(3) |
|------------------------|---|------------------------------------|--------------------|-------------------|
| Mill Road phases 1 & 2 | 118 | 5 | 5 | 0 |
| Anstey Way | 56 | 3 | 3 | 0 |
| Cromwell Road | 118 | 6 | 4 | 2 |
| Colville Road Ph 2 | 69 | 4 | 0 | 4 |
| Campkin Road | 75 | 4 | 1 | 3 |
| Meadows & Buchan | 106 | 5 | 2 | 3 |

9.4 A new M4(2) home at Queen's Meadow is in the process of being adapted to receive an accessible ground floor shower to suit the needs of the new tenant.

10. Sustainability

10.1 The Council's commitment is for all developments that are part of the Council's Housing Programme to adhere to the 2017 Sustainable Housing Design Guide. This covers a number of areas including: energy and water; space standards and biodiversity. The Sustainable Housing Design Guide targets are now part of the 2018 Cambridge Local Plan. Currently out for consultation is the draft Greater Cambridge Sustainable Design and Construction Supplementary Planning Document (SPD).

10.2 The table below highlights the Council's forthcoming schemes and how they are meeting or exceeding the Sustainable Housing Design Guide

(part of the 2018 Cambridge Local Plan) and the draft Greater Cambridge Sustainable Design and Construction SPD.

| Scheme | Mandatory Sustainability Standard | Actual Sustainability Standard (reduction from 2013 building regulations) | Key Sustainability components |
|--|-----------------------------------|---|---|
| Mill Rd Phase 1 Anstey Way Garage Sites Ventress Cromwell Rd Akeman | 10% on-site renewable energy | 19% reduction in carbon emissions | <ul style="list-style-type: none"> Fabric First MVHR Solar PV Battery Storage |
| Mill Rd Phase 2 | 19% reduction in carbon emissions | 35%-40% reduction in emissions | <ul style="list-style-type: none"> Fabric First MVHR Solar PV Combined Heat and Power |
| Colville Road Campkin Road (proposed) Meadows & Buchan (proposed) | 19% reduction in carbon emissions | 35%-40% reduction in emissions | <ul style="list-style-type: none"> Fabric First MVHR Detailed assessments in progress |

10.3 Detailed assessments remain in progress in relation to Colville Road, Campkin Road and Meadows & Buchan, seeking to determine the best mix of energy sources and technologies taking into account a range of factors:

- Carbon emissions reduction performance
- Energy consumption
- Resident heating bills
- Technical complexity and implications (including ultimate maintenance costs to the Council)

10.4 Buro Happold have been commissioned to develop a new Sustainable Housing Design Guide for a future housing programme. This will be presented to the HSC once complete.

11. Risks

| Risk | Likelihood | Impact | Mitigation |
|---|---|---|---|
| Not achieving the 500 homes target | Low- current programme has 546 homes identified, with 544 approved for development. While delays have been minimal, there remains a risk of delays to Start on Site at those schemes not yet on site. | 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 in place. Strategy is to exceed target. All schemes have now secured a capital budget for delivery and updated in MTFS as required. In addition, the site at Orchard Park purchased through CIP will deliver further affordable homes as a contingency. |
| Land Assembly issues delaying start on sites | Med – Properties at Campkin Road still to be acquired and 1 at Colville Road. | High- if vacant possession or access is not achieved the scheme cannot be developed. | Council has an officer in post to support move. Process also in place to use statutory powers if required. |
| Cost increases on approved projects | Medium – Only one scheme now remains in planning phase. COVID-related delays, subsequent decreased works capacity and supplier disruption remain a risk. | Medium - depending on the extent of the additional cost this may be managed within scheme level contingency approved in 2020 Budget Setting Report. | Initial budgets either developed with Hill or Employers Agent. Cost plans are regularly reviewed and updated. Latest budgets reviewed as part of BSR and remain under review for updating in the upcoming MTFS. Regular updated risk management budgeting completed as part of Covid-19 risk work across the Council. |
| Planning | Low – a single scheme does not yet have planning permission and another has had a planning permission expire. | Low - While planning needs to be achieved for schemes to be delivered, the 500-target has already been reached with a total of 542 now having obtained planning. | Review required on remaining 2 small sites without planning. |

| | | | |
|---|--|---|---|
| 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. Current circumstances may exacerbate such fluctuations or delay buyer activities in the short-medium term. | Medium – new homes are expensive but retain considerable inherent value and have uses other than market sale. | Mill road sales have launched regular reporting through CIP processes on sales. Strategy for Cromwell road in development. Regular updates received in the market for sales of these sites. |
| Decanting residents / leaseholders | Med– decanting process has been agreed with City Homes there are some residents at Campkin Road unable to move as they are shielded during the pandemic. | High – regeneration schemes will not be progressed if residents are not decanted. | Officer in place to work with residents. Position to be reviewed as guidance on moving is updated. |

12. Implications

(A) Financial Implications

The Devolution Housing Grant and Right to Buy Receipts are the main source of funding for schemes in the current 500 Programme that progress into development. However, the sources of funding for each new housing scheme are laid out when a detailed report for that scheme is brought to the HSC.

Currently the 500 Programme has a total cost to date, or approved HRA budget going forward, of £140,758,796, including some re-provision of existing dwellings.

This is funded through four avenues:

- Funding provided by the Combined Authority Devolution grant
- Funding provided from Section 106 agreements
- Funding provided by Right to Buy receipts
- Funding provided direct from HRA

The general fund has also supported the delivery of the programme through it's investments through the Cambridge Investment partnership at Mill Road and Cromwell Road.

(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

Advice specific to each project.

(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) 23/06/2020 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 | | 08/09/2020 | | | | | | | | | |
|----------------------------------|-----------------|----------------|--------------|-------------|----------|-----------|---------------|--------------------|------------------|----------|----------------------|
| 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 | |
| Nuns Way & Wiles Close | Kings Hedges | 10 | 0 | 10 Tender | HSC | Mar-15 | Aug-16 | Jul-17 | Jan-19 | Aug-19 | |
| Ditchburn Place Community Rooms | Petersfield | 2 | 0 | 2 Tender | S & R | Sep-18 | Aug-18 | Nov-18 | Jan-19 | Sep-19 | |
| Queens Meadow | Cherry Hinton | 2 | 0 | 2 CIP | HSC | Jun-17 | Dec-17 | Jul-18 | May-19 | Jun-20 | |
| Anstey Way | Trumpington | 29 | 0 | 56 CIP | HSC | Mar-17 | Jan-18 | Jul-18 | Oct-18 | Jun-20 | |
| Colville Garages | Cherry Hinton | 3 | 0 | 3 CIP | HSC | Sep-17 | Sep-18 | Nov-18 | May-19 | Jul-20 | |
| Gunhild Way | Queen Ediths | 2 | 0 | 2 CIP | HSC | Jan-18 | Jul-18 | Oct-18 | May-19 | Jul-20 | |
| Wulfstan Way | Queen Ediths | 3 | 0 | 3 CIP | HSC | Sep-17 | Oct-18 | Jan-19 | May-19 | Sep-20 | |
| Sub total | | 53 | 0 | 80 | | | | | | | |
| ON SITE | | | | | | | | | | | |
| Mill Road | Petersfield | 118 | 118 | 236 CIP | S & R | Nov-17 | Dec-17 | Jun-18 | Aug-18 | Dec-21 | |
| Markham Close | Kings Hedges | 5 | 0 | 5 CIP | HSC | Jan-18 | May-18 | Oct-18 | May-19 | Sep-20 | |
| Ventress Close | Queen Ediths | 13 | 0 | 15 CIP | HSC | Mar-17 | Sep-18 | Mar-19 | Oct-19 | May-21 | |
| Kingsway Medical Centre | Arbury | 4 | 0 | 4 E & F | HSC | Sep-17 | Sep-18 | Apr-19 | Nov-19 | May-21 | |
| Cromwell Road | Romsey | 118 | 177 | 295 CIP | S & R | Mar-18 | Mar-19 | Jun-19 | Dec-19 | Dec-22 | |
| Akeman Street | Arbury | 12 | 0 | 14 CIP | HSC | Jun-18 | Apr-19 | Jul-19 | Oct-19 | Jul-21 | |
| Sub total | | 270 | 295 | 569 | | | | | | | |
| PLANNING APPROVED | | | | | | | | | | | |
| Colville Phase 2 | Cherry Hinton | 49 | 0 | 69 CIP | HSC | Jan-19 | Jul-19 | Dec-19 | Oct-20 | Apr-22 | |
| Campkin Road | Kings Hedges | 50 | 0 | 75 CIP | HSC | Jul-19 | Nov-19 | Mar-20 | Oct-20 | Jan-23 | |
| Clerk Maxwell Road | Newnham | 14 | 21 | 35 S106 | HSC | Jan-19 | Dec-19 | Jul-20 | Dec-20 | Jan-22 | |
| Meadows and Buchan | Kings Hedges | 106 | 0 | 106 CIP | HSC | Jan-19 | Dec-19 | Aug-20 | Jan-21 | Mar-23 | |
| Sub total | | 219 | 21 | 285 | | | | | | | |
| SUBMITTED FOR PLANNING | | | | | | | | | | | |
| Tedder Way | Arbury | 2 | 0 | 2 TBA | HSC | Mar-15 | Mar-17 | TBD | TBD | TBD | |
| Kendal Way (Planning now Lapsed) | East Chesterton | 2 | 0 | 2 TBA | HSC | Mar-15 | Aug-16 | Feb-17 | TBD | TBD | |
| Sub total | | 4 | 0 | 4 | | | | | | | |
| GRAND TOTAL | | 546 | 316 | 938 | | | | | | | |

| Progress to 500 starts on site | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
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| Progress to 500 Completions | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|-----------------------------|---------|---------|---------|---------|---------|---------|
| Completions by year | 2 | 0 | 12 | 71 | 138 | 323 |
| Cumulative total | 2 | 2 | 14 | 85 | 223 | 546 |

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| New Build Programme - 500 New Homes | | | | | | | | | | | 14-Aug-20 |
|-------------------------------------|------------------------|----------------------|------------------------|---|---------------------------|---|---|-----------------------|-----------------------|---------------------------------|----------------------|
| Scheme Name | Project stage | Net affordable homes | Total affordable homes | Budget per 2020/21 HRA MTFS (Actual where complete) | Total Spend to March 2020 | Budget RTB receipts (Actual where complete) | Budget Devo grant funding (Actual where complete) | Section 106 | Net cost to HRA | Total development cost per unit | Cost to HRA per unit |
| Uphall Road | Build completed | 2 | 2 | 356,829 | 356,829.05 | -£105,330.00 | -£242,596.00 | £0.00 | £8,903.05 | £178,414.53 | £4,451.53 |
| Nuns Way & Wiles Close | Build completed | 10 | 10 | 2,044,000 | 1,934,897.58 | -£613,200.00 | -£1,376,699.00 | £0.00 | £54,101.00 | £204,400.00 | £5,410.10 |
| Tedder Way | Submitted for planning | 2 | 2 | 389,000 | 10,938.00 | -£116,700.00 | -£272,300.00 | £0.00 | £0.00 | £194,500.00 | £0.00 |
| Kendal Way | Planning expired | 2 | 2 | 374,000 | 28,416.50 | -£112,200.00 | -£261,800.00 | £0.00 | £0.00 | £187,000.00 | £0.00 |
| Anstey Way | Build completed | 29 | 56 | 11,489,640 | 11,185,439.05 | -£1,886,755.02 | -£3,551,233.00 | £0.00 | £6,051,651.98 | £205,172.14 | £108,065.21 |
| Colville Garages | Build completed | 3 | 3 | 847,300 | 734,752.31 | -£254,190.00 | -£593,110.00 | £0.00 | £0.00 | £282,433.33 | £0.00 |
| Queensmeadow | Build completed | 2 | 2 | 621,040 | 593,491.95 | -£186,312.00 | -£434,728.00 | £0.00 | £0.00 | £310,520.00 | £0.00 |
| Wulfstan Way | On site | 3 | 3 | 816,810 | 528,683.01 | -£245,043.00 | -£571,767.00 | £0.00 | £0.00 | £272,270.00 | £0.00 |
| Markham Close | On site | 5 | 5 | 1,186,650 | 1,070,819.62 | -£355,995.00 | -£830,655.00 | £0.00 | £0.00 | £237,330.00 | £0.00 |
| Gunhild Way | Build completed | 2 | 2 | 664,140 | 534,652.74 | -£199,242.00 | -£464,898.00 | £0.00 | £0.00 | £332,070.00 | £0.00 |
| Ditchburn Place | Build completed | 2 | 2 | 333,957 | 333,957.43 | -£101,115.25 | -£232,842.00 | £0.00 | £0.18 | £166,978.72 | £0.09 |
| Mill Road | On site | 118 | 118 | 24,965,630 | 13,318,316.41 | -£7,489,689.00 | -£17,475,941.00 | £0.00 | £0.00 | £211,573.14 | £0.00 |
| Ventress Close | On site | 13 | 15 | 3,689,920 | 2,210,920.21 | -£783,909.06 | -£1,828,596.00 | £0.00 | £1,077,414.94 | £245,994.67 | £71,827.66 |
| Kingsway | On site | 4 | 4 | 410,000 | 79,275.81 | -£123,000.00 | -£287,000.00 | £0.00 | £0.00 | £102,500.00 | £0.00 |
| Cromwell Road | On site | 118 | 118 | 24,865,800 | 14,110,559.21 | -£7,459,740.00 | -£17,406,060.00 | £0.00 | £0.00 | £210,727.12 | £0.00 |
| Akeman Street | On site | 12 | 14 | 4,526,720 | 1,893,155.83 | -£910,681.71 | -£2,124,924.00 | £0.00 | £1,491,114.29 | £323,337.14 | £106,508.16 |
| Clerk Maxwell Road | Planning approved | 14 | 14 | 2,746,760 | 0.00 | -£824,028.00 | -£1,922,732.00 | £0.00 | £0.00 | £196,197.14 | £0.00 |
| Meadows and Buchan | Planning approved | 106 | 106 | 27,318,760 | 686,480.99 | -£8,195,628.00 | -£13,028,915.00 | £0.00 | £6,094,217.00 | £257,724.15 | £57,492.61 |
| Colville Road Phase 2 | Planning approved | 49 | 69 | 15,690,580 | 1,111,519.99 | -£3,040,126.15 | -£7,093,204.00 | £0.00 | £5,557,249.85 | £227,399.71 | £80,539.85 |
| Campkin Road Phase 2 | Planning approved | 50 | 75 | 17,421,260 | 640,537.11 | -£3,114,992.00 | £0.00 | -£1,750,000.00 | £12,556,268.00 | £232,283.47 | £167,416.91 |
| TOTAL | | 546 | 622 | 140,758,796 | 51,363,643 | -£36,117,876.18 | -£70,000,000.00 | -£1,750,000.00 | £32,890,920.30 | £226,300.32 | £52,879.29 |
| | | | | | | | | | | Mean average | |

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Item

**East Cambridge Development & Regeneration Project:
Masterplan for East Barnwell.**

To:

Councillor Richard Johnson, Executive Councillor for Housing
Housing Scrutiny Committee 24/09/2020

Report by:

Jim Pollard, Senior Development Manager, Housing Development Agency
Tel: 01223 – 457924 e-mail: jim.pollard@cambridge.gov.uk

Wards affected:

All

Not a Key Decision

1. Executive Summary

- 1.1 This report sets out work that has been carried out towards developing a masterplan for the East Barnwell area within Abbey Ward. This work has been supported by the One Public Estate programme.
- 1.2 Key aims of the programme are the delivery of additional housing and improved community facilities
- 1.3 An initial consultation exercise – the East Barnwell conversation – was carried out in the spring of 2020 alongside liaison with key stakeholders and analysis of the area.
- 1.4 Key issues identified in the East Barnwell conversation were:
 - Sustainability;
 - Traffic and Transport
 - Housing
 - Amenities
 - Open & Active Space

- 1.3 Attached as Appendix 1 is the Interim Report. This sets out an overview and a strategic direction. The next steps will be further engagement with stakeholders and consultation.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Note the progress on developing a masterplan for East Barnwell and the Interim report.
- 2.1 Approve the development of further engagement with stakeholders and the second stage consultation process.

3. Background

- 3.1 The One Public Estate (OPE) programme is an established national grant programme delivered by the Cabinet Office. Its aim is to fund collaborative projects between public sector organisations and third parties, with the objective of making better use of publicly owned land.
- 3.2 In December 2018, the Council's Housing Development Agency submitted a bid to OPE Round 7 for funding to cover the costs of a master-planning exercise focusing on the opportunities for development and regeneration in the East Barnwell area of the city.
- 3.3 The bid to One Public Estate was supported by Cambridgeshire County Council, the Cambridgeshire Community Services NHS Trust and the Cambridge Academic Partnership (now owned by the United Learning group). Each partner had one or more sites within the East Cambridge Area which for which they wished to explore development options. OPE agreed to fund stage one of the project and Cambridge City Council was awarded £91,500.
- 3.4 East Barnwell was selected due to the work completed in 2018 by the Community Services Team, who assembled a series of Ward Profiles in that year, identifying the economic barriers and expected changes in each ward of the city. Abbey Ward, and especially the East Barnwell area, were found to have the highest levels of deprivation in the city and consequently was prioritised for regeneration proposals.

- 3.5 The City Council has substantial land holdings in the East Barnwell area – mostly connected to its housing stock but also including community, commercial and leisure facilities. The Council is seeking to bring forward a housing programme and as part of this regeneration proposal are required to deliver the additional housing. The work on East Barnwell is enabling a holistic place-based approach rather than site by site opportunistic. The aim is that housing growth will therefore be achieved along with other local improvements for those who live in this part of the City.
- 3.6 In addition, officers were working with the County Council to support the delivery of a new community facility and had identified a need through this work for a wider view of the opportunities.



- 3.7 The initial outline potential of a masterplan for East Barnwell for the purposes of the OPE bid were:
- Up to 400 new homes in the East Barnwell Area,

- Community facilities and infrastructure to the ward which would also assist in the delivery and successful integration of the 1300 new homes in the Marleigh development,
- Job creation resulting from the above, and
- Up to £30m in capital receipts for partner organisations.

3.8 This is not intended as a limit on the scope of the project. This was a starting point for what it intended to be a dynamic process and other proposals are likely to come forward. Partners will vary in their approach to priorities for development including the balance between provision of additional facilities and capital receipts and the use of those receipts. The broad aim of regeneration is also aimed at job creation and the successful integration of new developments.

3.9 The importance of consultation was noted and it is in nature of an exercise of this kind that the emerging masterplan will respond to the outcome of the consultation and also to the opportunities and challenges that are identified and the factors which affect these.

3.10 The resulting project, known as the East Cambridge Development & Regeneration project (ECDR), was initiated in May 2019.

4. Progress to date

4.1 Since its initiation, the ECDR has undertaken the following actions:

- Set up a governing board for the ECDR consisting of members from the City and County Councils and Cambridgeshire Community Services NHS trust.
- Appointed Carter Jonas to lead on the development of a masterplan.
- Completed a public engagement exercise in February 2020, titled the East Barnwell Conversation, with residents in the East Barnwell area.
- Commenced the consideration of potential development opportunities and issues across the East Barnwell area.
- Liaised throughout the above process with the Greater Cambridge Planning team.
- Liaised with the Greater Cambridge Partnership on emerging plans for the Eastern Access corridor within which the Newmarket Road and the Barnwell Road junction are critical.
- Liaised with the County Council through a pre-application process to develop a Statement of Principles for Local Plan allocated site R6 which is required to enable the Community Centre to come forward.

- An interim report has been prepared and is attached at Appendix 1.

5. Public Engagement

- 5.1 Public engagement was always considered key to developing plans for East Barnwell. Early discussion with local stakeholders indicated that a large volume of consultation work has taken place in the ward in recent years, and this has led to a sense of fatigue among residents, who have seen limited progress in regeneration efforts. Consequently, the first-stage engagement for the ECDR was described as the East Barnwell Conversation and asked residents a more open question about what they thought was missing from the East Barnwell Area and how it could and should be improved. This format enabled residents to make proactive suggestions about the future of the ward and discuss more broad issues facing the area, such as congestion and the limited provision of local amenities.
- 5.2 In the first stage, the City Council, alongside Carter Jonas and Snapdragon Consulting, carried out a period of community and stakeholder engagement during February and early March, 2020. In line with the Cambridge City Council's Statement of Community Engagement, the project team sought to consult with as many local residents and relevant stakeholders as possible to ensure the local community were involved with the planning process. In order to reach the widest scope of people, consultation was carried out digitally, using a dedicated project website with bespoke comment submission point alongside social media advertising.
- 5.3 Alongside the digital engagement strategy, the project team also organised and attended a number of physical stakeholder events working with local groups including Abbey People. Stakeholder groups and sites where these groups met, included the Romsey Mill Youth Group and the Abbey Volunteers Group and Abbey Stadium Seniors Lunch. The primary aim of the physical stakeholder events was to engage with a diverse range of people, particularly focusing on those who may be excluded from commenting online such as younger children and elderly residents. Unfortunately, due to the Coronavirus outbreak, 2 out of 7 of the stakeholder events had to be cancelled. In addition to the physical events and online consultation, residents were invited to write to the Council. The strategy was successful, with over 1100 website visits, over 65 comments submitted on the website and over 100 local stakeholders attending physical stakeholder events.

5.4 Key issues which emerged were:

- 5.4.1 Sustainability – An overriding issue covered in many areas including transport, housing, and open spaces.
- 5.4.2 Traffic and Transport – Delivering better and more accessible sustainable transport options particularly the delivery of better cycle facilities and better transport routes, and cheaper and more reliable public transport. By tackling these factors, traffic would be reduced in the area, making it a better, healthier place to live.
- 5.4.3 Housing – the need for more social housing, private housing and affordable housing of various sizes including the need for family homes and smaller homes for elderly residents down-sizing. Sustainable housing features were also regularly noted as a priority.
- 5.4.4 Amenities – There is a significant lack of youth facilities, retail/leisure amenities as well as restaurants/pubs and other vital community spaces. There is a sense that the local area does not fully serve the needs or interests of local people and that the community relationships are damaged as a result.
- 5.4.5 Open & Active Space – Throughout the consultation, it was clear that green space and wildlife were important to local people. Many were keen to see the local character retained, particularly the protection of local species and areas of beauty although respondents also recognised that not all green spaces can be protected as they are - some green spaces are under-used and could be remodelled or put to better uses.

6. Next steps

- 6.1 It has always been a premise of this process that it would not provide an additional obstacle to developments – such as the new Community Centre – coming forward. Individual landowners, including the City Council, may bring forward proposals for sites in their ownership.
- 6.2 The next steps for the project are to take forward consultation and engagement with stakeholders based on the interim report. In particular this will include:

- 6.2.1 Investigate further the aspirations and intentions of property owners in the area who may have intentions to bring forward developments or who own properties which may potentially enable development.
- 6.2.2 Develop the interaction with the emerging new Local Plan. Potentially, a key element in the new Local Plan that is still under consideration is the future of Cambridge Airport. This is beyond the scope of this study and liaison has focussed on the relationship with the existing Local Plan, but as the new Local Plan develops this will become an increasing factor.
- 6.2.3 Continue engagement with the Greater Cambridge Partnership on the Eastern Access Study.
- 6.2.4 Consider further the nature of housing required across the area, including any needs of specific demographic groups.
- 6.2.5 Further investigate the options for improved facilities for young people, for active open spaces and for improved green links across the area.
- 6.2.6 Investigate the contribution that the City Council's substantial land holdings in the area could make to driving change and improving housing, community, commercial and leisure facilities in the East Barnwell area.

8. Implications

(A) Financial Implications

The work completed on the ECDR to date has been funded from the OPE grant, reported regularly to the Cambridgeshire & Peterborough OPE partnership.

(B) Staffing Implications

The work of administering the ECDR has been undertaken by the HDA.

(C) Equality and Poverty Implications

The social and equalities issues faced by the residents of East Barnwell are the driving force behind the ECDR and are discussed in detail in Appendix 1.

(D) Environmental Implications

Sustainability has emerged as a strong theme in the feedback to date.

(E) Procurement Implications

Carter Jonas were selected through a mini-competition via the Homes England Development Partner Panel.

(F) Consultation and communication

The East Barnwell Conversation exercise was undertaken as part of the ECDR. Next steps will be liaison with key stakeholders in relation to sites within their control and further exploration of needs.

(G) Community Safety

Community safety will be considered in the development of the masterplan.

13. Background papers

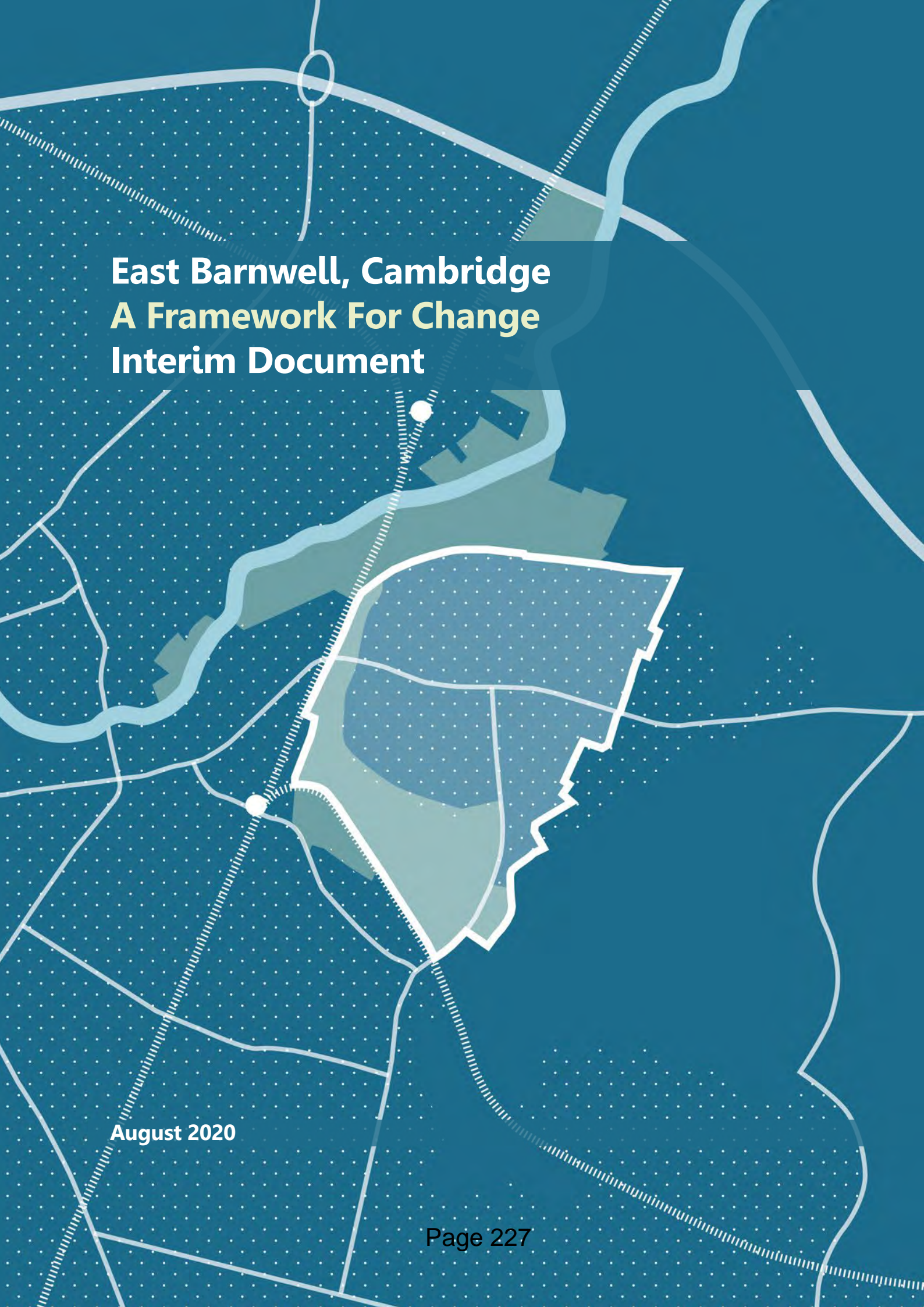
No background papers were used in the preparation of this report.

14. Appendices

Appendix 1: East Barnwell Master Plan Interim Report

15. Inspection of papers

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

A stylized map of East Barnwell, Cambridge, set against a dark blue background with a white dot pattern. The map features a central area outlined in white, with various shades of blue and green representing different land use zones. A network of white lines represents roads and paths, and a light blue wavy line indicates a water body. Two white dots are placed on the map, one near the top and one near the bottom left.

East Barnwell, Cambridge **A Framework For Change** **Interim Document**

August 2020



East Barnwell

A Framework For Change

Carter Jonas

Prepared by Carter Jonas LLP on behalf of Cambridge City Council

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Appendices

Appendix A: List of Figures

Version: 1
Version Date: August 2020
Status: Interim Document
This Document Has Been Prepared And Checked In Accordance With Iso 9001:2000.



Fig 01: Artists impression of East Barnwell



1.1 Purpose of the Document

The purpose of this interim document is to set a framework for change for the area of East Barnwell in Cambridge.

The document comprises a masterplan setting out a framework for future development and land use and is supported by a central government program, the One Public Estate. The masterplan is being driven and overseen by Cambridge City Council supported by consultants Carter Jonas and Snapdragon Consulting. The document is the result of a successful application for funding support from the One Public Estate program.

The masterplan aims to provide the following:

- To enable the construction of a large number of new homes in the East Barnwell area of Cambridge, at a time of high demand for the city and considerable underinvestment in housing.
- To bring together East Barnwell by creating a new heart, and identify deliverable infrastructure enhancement such as new and improved community uses that will be required to support future growth and improve the lives of existing residents.
- Identify interventions that combine significant community infrastructure, homes, jobs and transport links.
- To help support new jobs in Eastern Cambridge in the construction of new housing, as well as the new community and commercial properties which will be provided.
- To improve the quality of open spaces and the connections between them, allowing increased community use.
- To encourage active travel, by improving the pedestrian and cycle links both within and from East Barnwell to surrounding areas of Cambridge.



1. View along Newmarket Road looking north
2. 3-storey flatted properties
3. 2-storey shops with flats above

Fig 02: Photographs 1-3 of East Barnwell

1.2 Document Status

The masterplan clearly and concisely summarises the planning context, constraints and opportunities as well as establish key development principles for the regeneration of East Barnwell.

Whilst this document provides a thorough understanding of the key planning matters relating to the study area, it cannot account for subsequent changes in policy at a national or local level or in guidance and standards that may occur beyond the point of publication and approval. It should be noted that this guidance does not repeat existing guidance or policies but instead will make reference to other documents and advice where relevant.

Future development proposals will need to be consistent with approved national and local policies in place at the time of the determination of planning applications.

This is an interim document which seeks to set the framework for change.

Section 1: Introduction

This section outlines the purpose of the masterplan, its status and process of preparation.

Section 2: Area and context

This section provides an overview of East Barnwell and identifies its key characteristics, planning background and community profile.

Section 3: Key findings

The results of a first stage of community engagement are provided in this section, including the key areas of feedback around housing, community uses and transport in particular

Section 4: Vision

This section sets out an overall vision for change for East Barnwell and outlines the “brief” that will be used to inform the proposed uses, opportunities and specific strategies for change in key areas.

Section 5: Masterplan

The section sets out the key objectives of the masterplan including the “opportunity areas” where new development and change may take place.

Section 6: Conclusions and programme

This section provides a summary of the masterplan and a possible programme for delivering the various uses, sites and facilities.

1.3 Preparation Process

The following pages detail the process that has been undertaken for the preparation of the masterplan framework, and relate to the material presented in subsequent sections of the document.

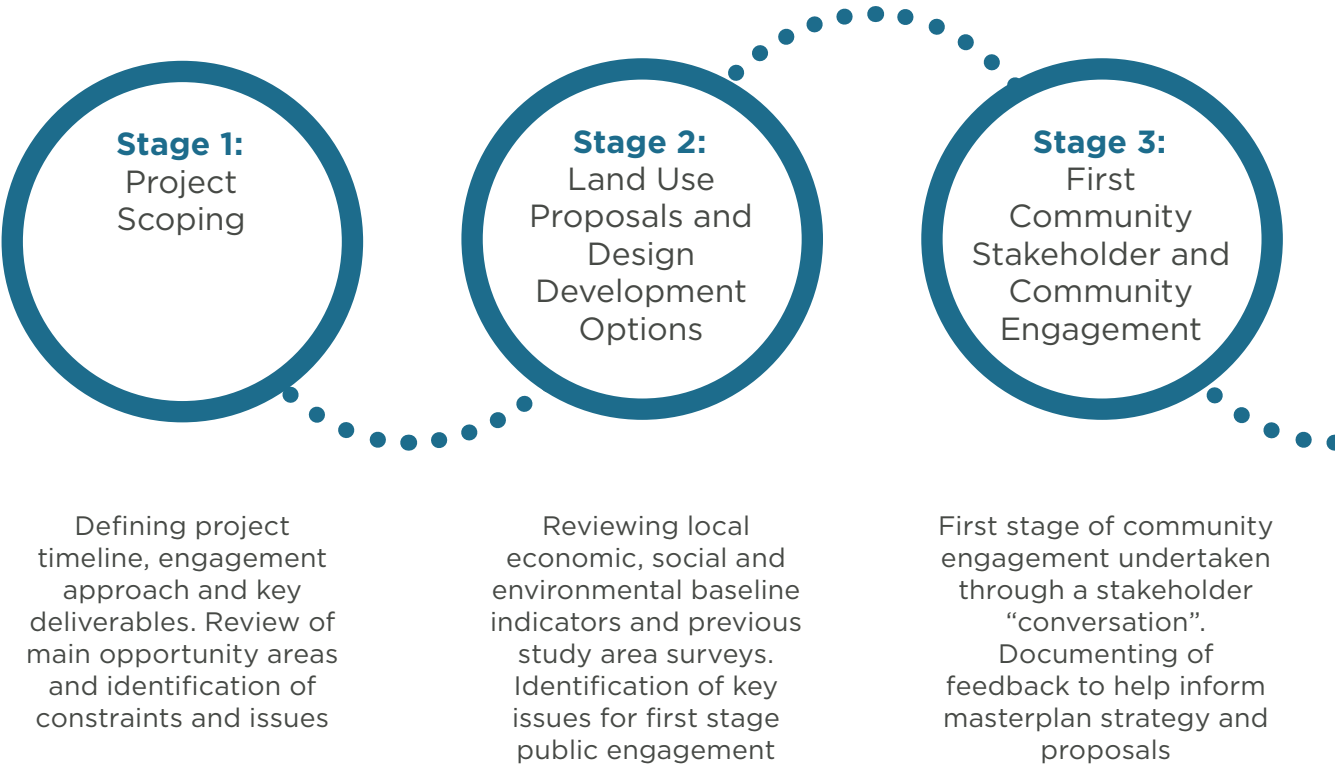
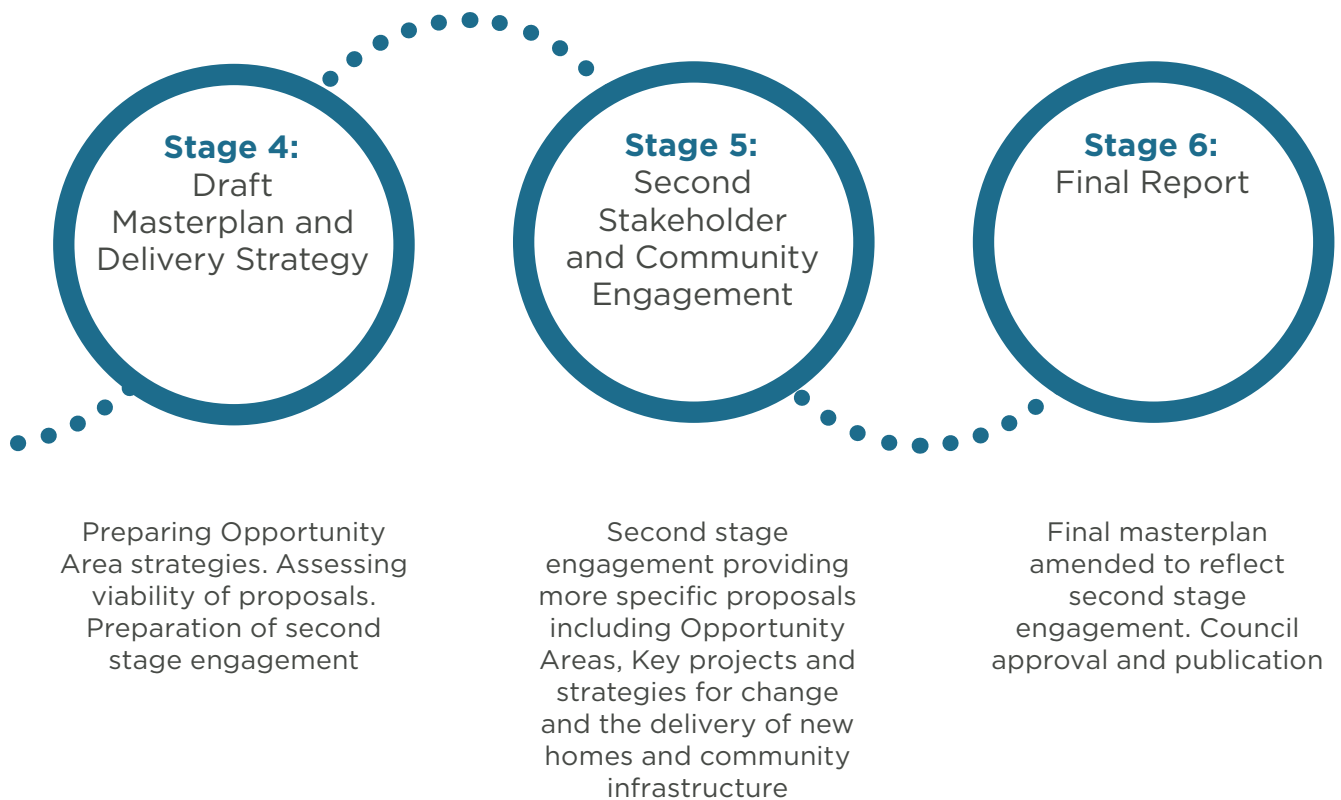


Fig 03: Preparation process diagram



2.0 Area & Context

- 2.1 Study Area Overview
- 2.2 History & Local Context
- 2.3 The Study Area
- 2.4 Area Profile
- 2.5 Planning Overview
- 2.6 Site Allocations & Major Development Sites
- 2.7 Key Considerations - Built Environment



2.1 Study Area Overview

East Barnwell is an area of Cambridge which occupies the northeast part of the city. It is not a ward of Cambridge but rather an area of the city which derives its name from the former Barnwell Priory which existed until around 1538.

The East Barnwell area is characterised mainly by suburban housing and the key east-west and north-south routes that bisect this part of the city, specifically Newmarket Road and Barnwell Road/Wadloes Road respectively. The area is bordered by Cambridge Airport to the east; the railway line to Newmarket to the south; the railway line to King's Lynn to the west; and Ditton Meadows to the north.

Newmarket Road itself is an ancient road, first established by the Romans, and was a principal medieval road known as the Bury road and later, in parts, as The Barnwell Causeway. Today, it remains the main eastern gateway into the city, one of eight primary routes into and out of the City Centre. It is classed as an A-road and provides access to Cambridge from Junctions 34 (via B1047) and 35 (A1303) of the A14, the major east-west route in the Cambridge area.

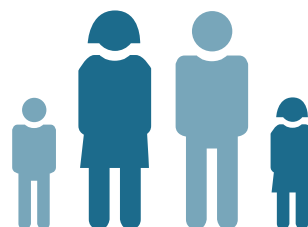
The western boundary of the area is located approximately 1.1 kilometres from the northeastern boundary of Cambridge City centre which is formed by the roundabout at Newmarket Road and East Road/Elizabeth Way. East Barnwell has good levels of accessibility from the rest of the city by road, albeit these key routes become very busy at peak times of day. Newmarket Road in particular acts as a main transport link in and out of Cambridge, with numerous bus routes.

This part of Cambridge provides connections to various routes and facilities further east, including Cambridge Airport; the A14; and towns and villages north and east in South Cambridgeshire and East Cambridgeshire respectively.

Key features of East Barnwell include the Cambridge United Football ground; Coldham's Common; the Cambridge City Cemetery; light industrial areas found in the northwest and southeast parts of the study area; and the Abbey Leisure Complex.



Study Area **202 Hectares**



Population **9,302**

(Abbey Ward, Census 2011)

Fig 04: Study Area headline facts

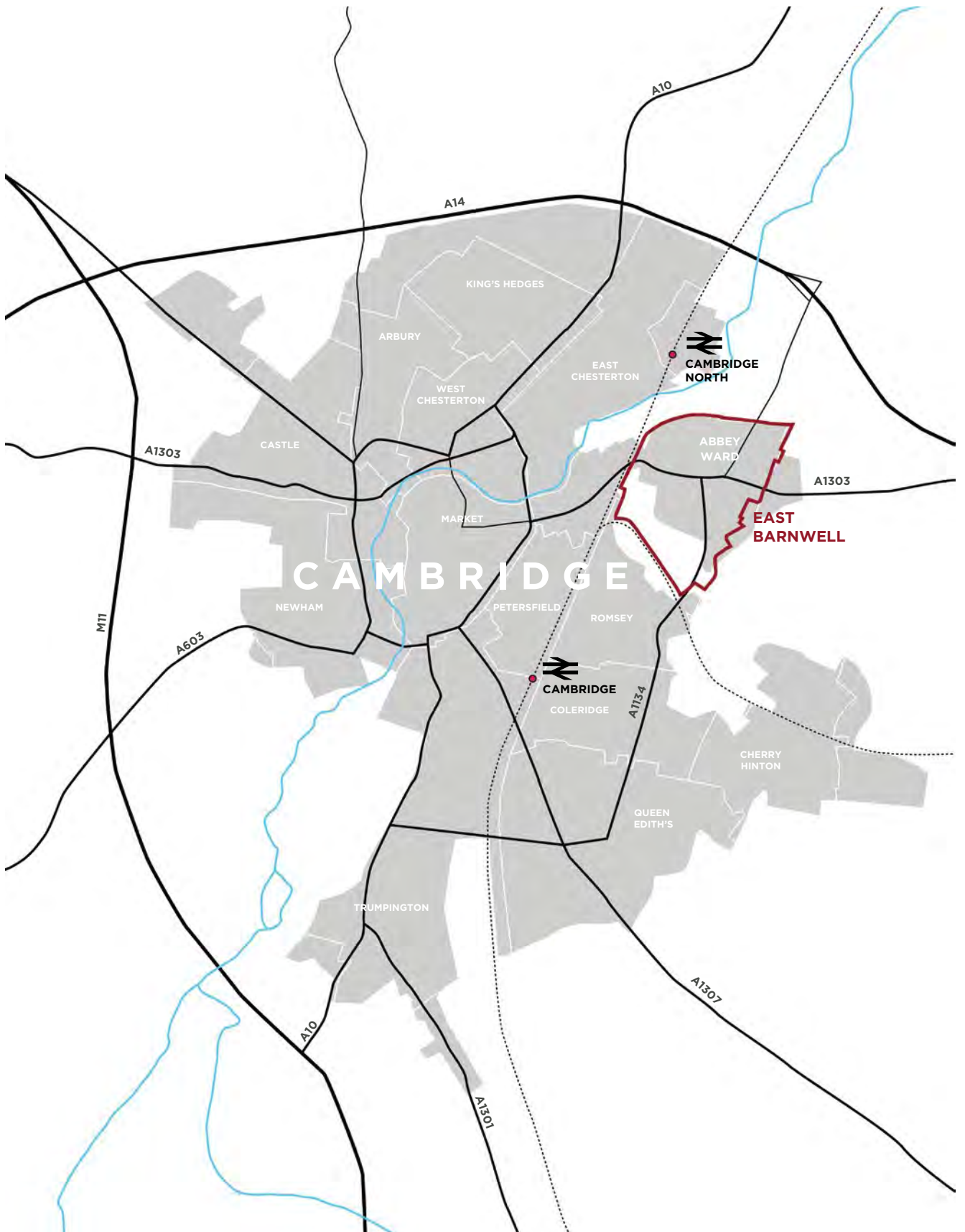


Fig 05: Context Plan showing East Barnwell in the context of

2.2 History & Local Context

The first settlement outside the burh (Anglo-Saxon defended settlement) of Cambridge occurred in the 5th and 6th centuries on dry river-terrace gravels, including around Barnwell where a priory was founded on one-time Royal land in the fields within the 'Liberty' of Cambridge (the extent of the town's jurisdiction). The house for six augustinian canons (originally founded in 1092 by Cambridge's first Sheriff, Picot) was moved from its site at St Giles Church adjacent to the Castle, to the right bank of the River Cam in 1112 by the second Sheriff, Pain Peverel.

Barnwell (or Barnewelle) apparently means Children's Well, so called because every year, at Midsummer's Eve, children gathered there for games attracting traders (although other possible derivations have been put forward including Warrior's Well). A hermitage and ancient oratory of St Andrew had already appeared in the area, next to this source of springs in the common fields. Barnwell Priory became the largest religious foundation in the town (covering 10 acres), although founded on common lands, and was granted a charter in 1211 by King John formalising the holding of an annual Fair on Midsummer Common roughly in the area of the modern Elizabeth Way. In 1505 the right was transferred to the town Corporation for an annual fee. This fair has today become a large fun fair.

The eastern stretch of Newmarket Road remained virtually undeveloped until the turn of the 20th century with the exception of some outlying farms and Elfleda House which were all in the Fen Ditton parish until 1938. With the exception of the small group near the railway bridge, the eastern stretch of road remained little developed until the Ditton Fields development of between 1938 and 1951 when much of the area was developed for local authority housing. Cambridge United's Abbey Stadium was opened August 31st 1931. More housing was added later in the 1950's and 1960's and then again later in the 1980's and 90's east of Ditton Lane.

The predominant land use in East Barnwell comprises residential neighbourhoods, predominantly two-storey detached, attached and terraced housing along with flats in certain neighbourhoods. There are two employment zones also within East Barnwell: the Ditton Walk North Beadle Industrial Estate at the north west edge of the area; and the Barnwell Business Park at the south-east edge next to Cambridge Airport. At the heart of the area is the local centre which comprises shops, a McDonald's restaurant and flats.

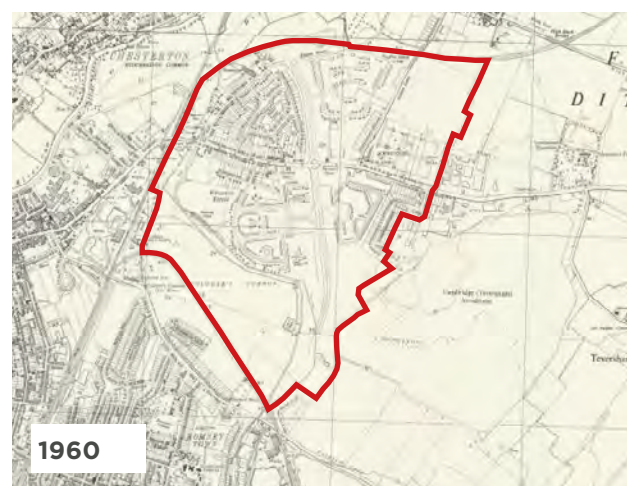
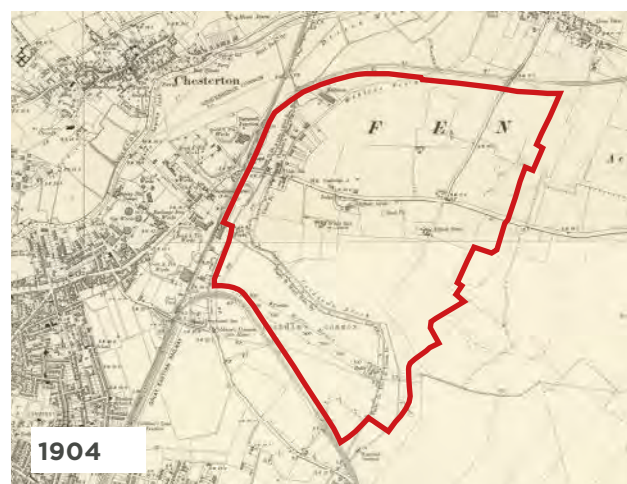
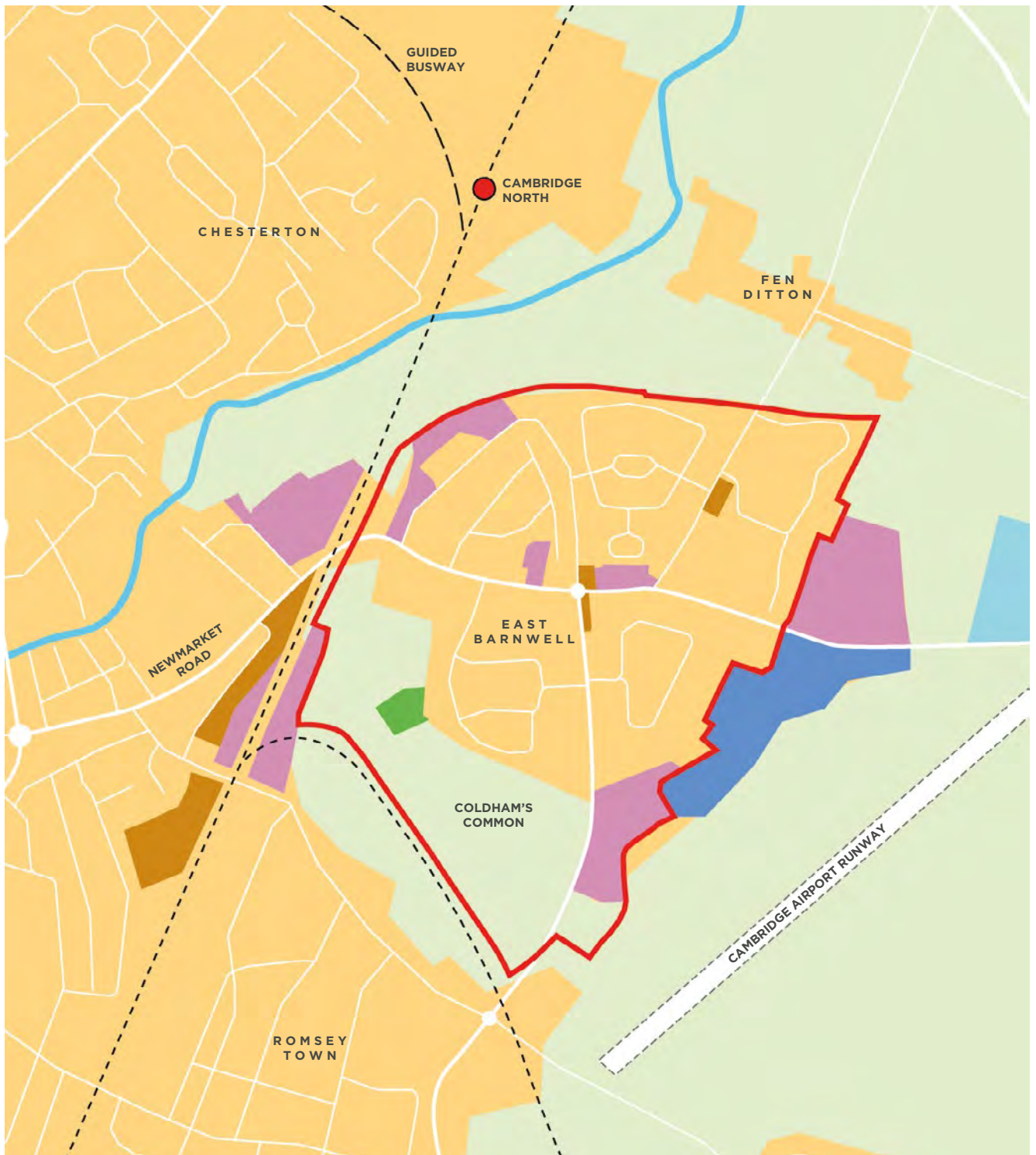


Fig 06: Historic maps of East Barnwell



- | | | |
|---------------------------------|-------------------|-----------------------|
| EBMP Study Area | Employment areas | Abbey Leisure Complex |
| Predominantly residential areas | Cambridge Airport | |
| Retail / local centres | Park and Ride | |

Fig 07: Local land use context plan

2.3 The Study Area

The following plan and photos provide a brief snapshot of different parts of East Barnwell. At a more detailed level, the photos show that the area comprises predominantly low-rise residential uses set in traditional streets (some tree lined), alongside a mixture of commercial, employment and public uses.

The character of the area is generally unchanged for many decades, and it is the case that there are a number of streets and housing areas that could be improved and renewed as part of the wider regeneration of the area.



Fig 08: Photograph location plan



View west along Newmarket Road, towards bowls club

1



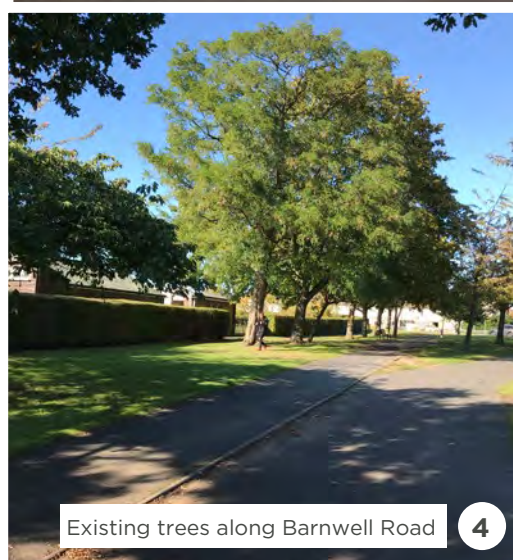
East Barnwell local centre

2



Weak frontage along traffic dominated Newmarket Road

3



Existing trees along Barnwell Road

4



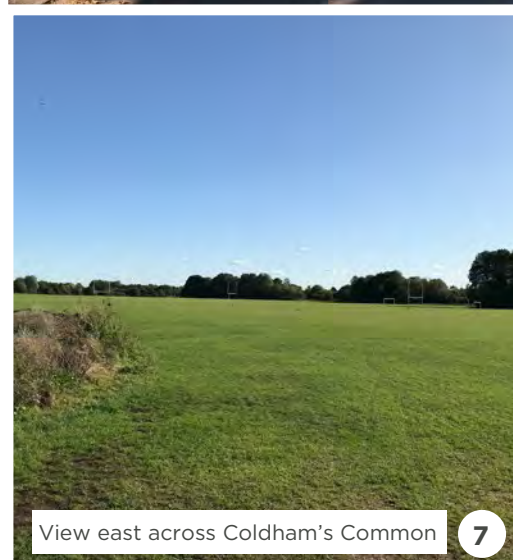
Abbey Leisure Complex

5



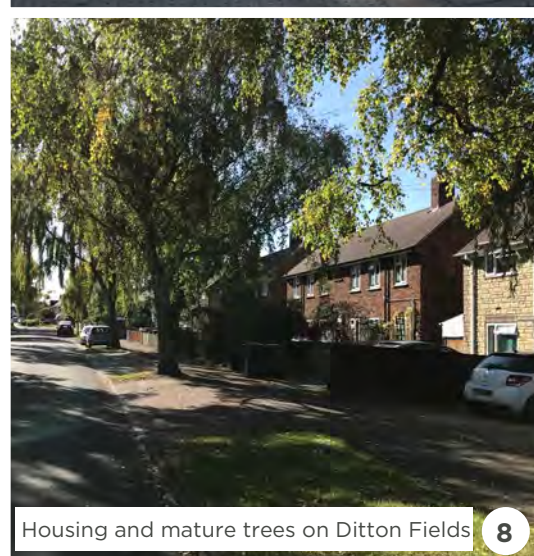
Existing play area at Abbey Leisure

6



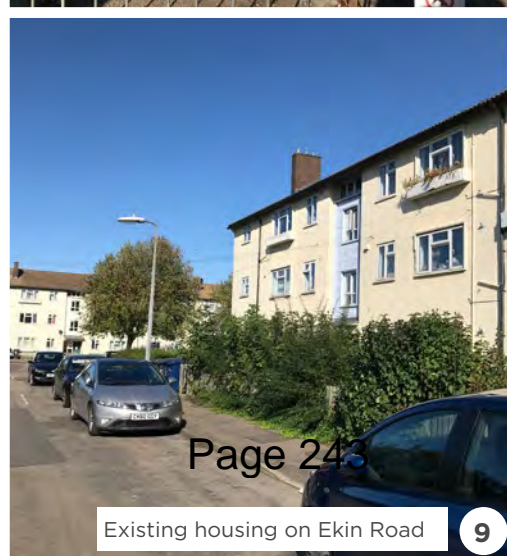
View east across Coldham's Common

7



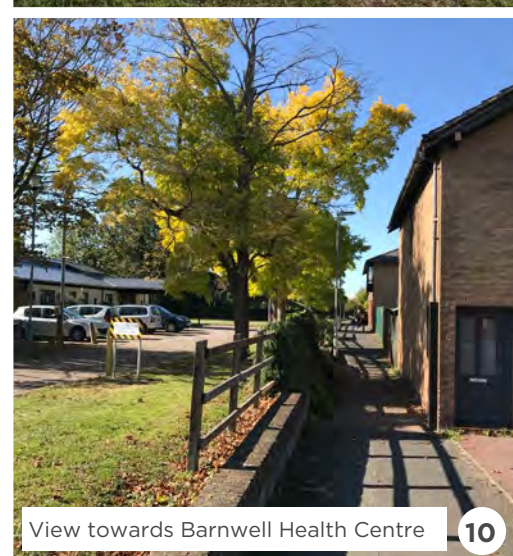
Housing and mature trees on Ditton Fields

8



Existing housing on Ekin Road

9



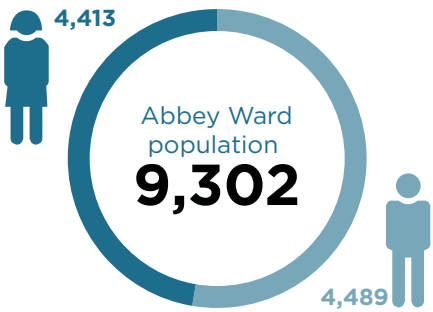
View towards Barnwell Health Centre

10

2.4 Area Profile

A review of existing information regarding East Barnwell has been undertaken, primarily from the Cambridge City Council East Area Ward Profile 2019. The statistics presented here related to Abbey Ward, which the Study Area falls within.

Population



Housing Tenure

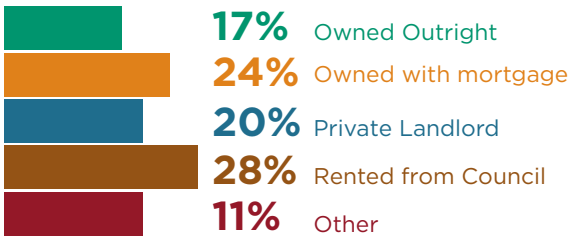


Fig 09: Abbey Ward key statistics

Food Bank Use



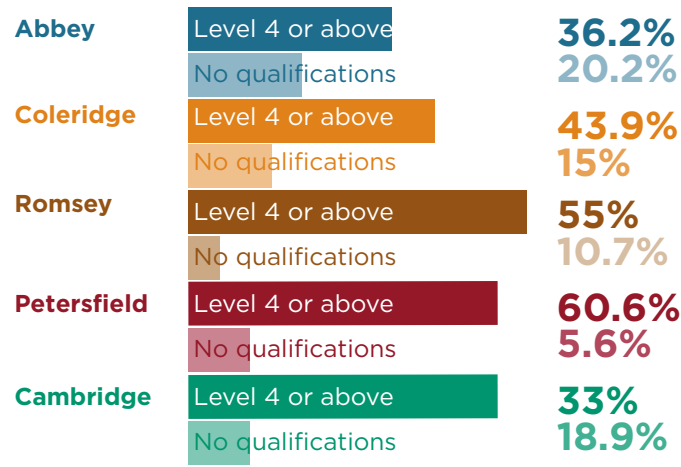
Vouchers fulfilled in Abbey Ward
(Apr 18-Apr 19)

2nd highest number of vouchers fulfilled in Cambridge

Economic Activity



Education



Deprivation

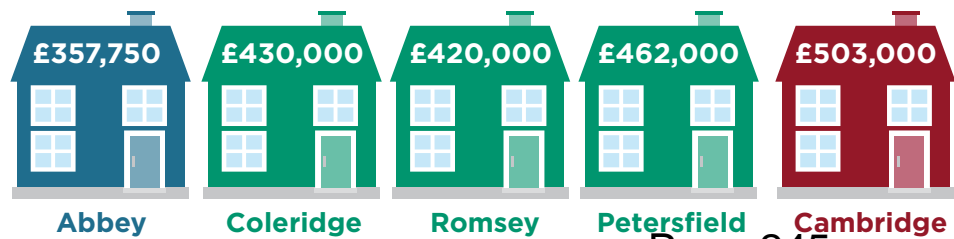
East Barnwell contains 3 areas ranked in the most 20-30% deprived in England

- East Abbey
- North Abbey
- North Abbey (Ditton Lane)

Housing

4,470 dwellings in Abbey

Average house prices in east Cambridge

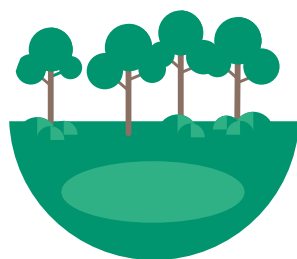


2.4 Area Profile

Open Space

Cambridge City Council's Open Space and Recreation Strategy (2011) sets out that Abbey Ward has a total of 116.39ha of protected open space (which equates to 12.4ha per 1,000 population), of which 88.7% is publicly accessible.

The Strategy states that in comparison to the majority of the City, Abbey ward contains a good mix of publicly accessible open spaces.



116

Hectares of protected open space

12.4 Ha per 1,000 population
88.7% publicly accessible

While the ward benefits from significant areas of open space when considered as a whole, just under half of the open space is provided at either Coldham's Common or Ditton Meadows. When the cemetery and the private school playing fields are included this rises to approximately 70%. These large area of open space located on the periphery of the ward do therefore skew the open space calculation for the ward and could, if not interrogated, be misleading. The remaining open space provision that is located within the built up area is of mixed quality.

The condition and use of the open spaces across the Ward and Study Area is mixed, with threats from car parking and tall fencing / back garden fences creating hostile boundaries and areas with no passive surveillance. The spaces are not well connected and do not contribute to a comprehensive network of public open space across the Ward and Study Area.

- 1 **Coldham's Common**
Size: 44.74 Hectares (partly outside the East Barnwell Study Area)
Use: Open recreation and some formal sports pitches
- 2 **Barnwell Road Recreation Ground**
Size: 0.56 Hectares
Use: Bowls club / tennis court, booking required
- 3 **Cambridge City Cemetery**
Size: 7.82 Hectares
Use: Unlimited pedestrian access
- 4 **Ditton Fields Recreation Ground**
Size: 0.64 Hectares
Use: Children's play, basketball court, kickabout goals, surrounded by rear garden fences of properties on Ditton Fields.
- 5 **Dudley Road Recreation Ground**
Size: 0.80 Hectares
Use: Children's play, well used and overlooked
- 6 **Wadloes Road Amenity Green Space**
Size: 0.32 Hectares
Use: Open space, adjacent to Wadloes Road
- 7 **Ditton Lane Amenity Green Space**
Size: 0.26 Hectares
Use: Open space, visual amenity only
- 8 **Thorpe Way Play Area**
Size: 1.16 Hectares
Use: Hard court sports area, play area
- 9 **Jack Warren Green Amenity Space**
Size: 0.39 Hectares
Use: Open space, visual amenity only
- 10 **Peverel Road Amenity Green Space**
Size: 0.37 Hectares
Use: Open space, visual amenity only
- 11 **Peverel Road Play Area**
Size: 0.41 Hectares
Use: Open space
- 12 **Abbey Meadows Primary School**
Size: 2.00 Hectares
Use: Open space - for school use only
- 13 **Ditton Meadows**
Size: 15.85 Hectares
Use: Open space with walking routes next to the River Cam



- EBMP Study Area
- Private protected open space
- Public protected open space

Fig 10: Provision of public and private open space in the Study Area

Access & Connectivity

The Study Area is dominated by Newmarket Road, the main route carrying traffic from the east into the centre of Cambridge. This main route has very few dedicated crossing points for pedestrians, resulting in it acting as a barrier to walking north to south across the area and potentially blocking access to local amenities and open space.

Wadloes Road and Barnwell Road running north to Fen Ditton and south to Romsey meet at the roundabout in the centre, at the existing Barnwell Local Centre.

This creates 4 'quadrants', which are characterised by a primary loop street, served by small access routes to residential dwellings. Most of the access routes are cul-de-sacs, resulting in a limited network of connectivity. Where pedestrian connections are provided, they are between houses, which are not well overlooked.

The network of public rights of way are limited to Coldham's Common and Ditton Meadows to the south and north.

Cycle infrastructure is limited in the Study Area, with cycle routes painted lanes in the Newmarket Road carriageway. The roundabout at Newmarket Road / Barnwell Road / Wadloes Road is also difficult for cyclists to navigate, with users feeling unsafe cycling on this arterial route.



Fig 11: Study Area streets / vehicle movement plan









- | | |
|---|--|
|  EBMP Study Area |  Off street pedestrian routes |
|  Main streets |  Routes with no connection |
|  Cul-de-sacs |  Pedestrian crossing point |

Fig 12: Study Area pedestrian accessibility plan

2.5 Planning Overview

The Study Area sits entirely within the administrative area of Cambridge City Council. South Cambridgeshire District Council's administrative area forms the eastern boundary of the Study Area.

Relevant local policy documents comprises:

- Cambridge Local Plan 2018
- Cambridge Adopted Policies Map 2018
- Cambridge East Area Action Plan 2008

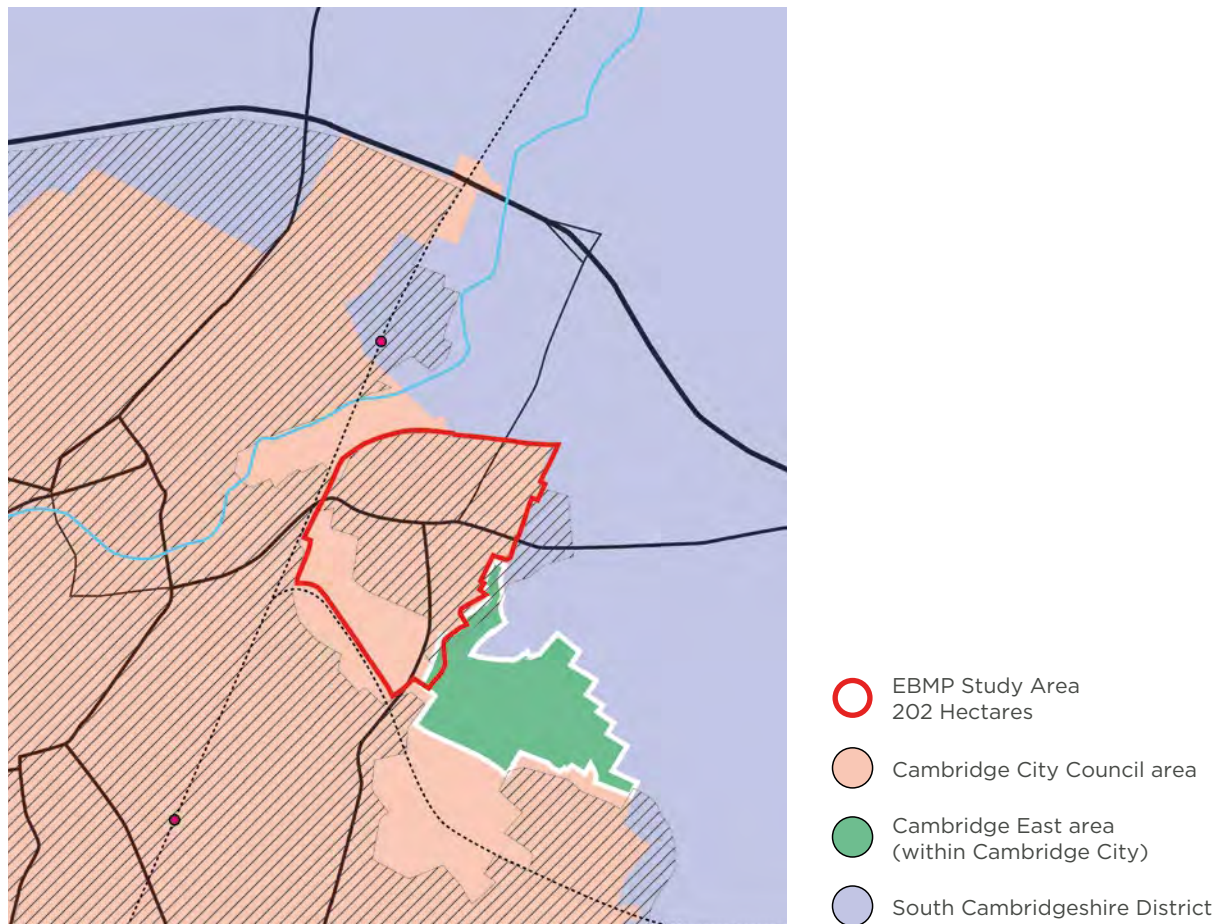


Fig 13: East Barnwell Location in relation to local planning authorities



- | | | |
|--|---------------------------|----------------------------------|
| EBMP Study Area 202 Hectares | Protected industrial site | Local centre |
| Listed building | Area of major change | Green Belt |
| Conservation Area | Flood Zone 3 | Protected open space |
| City safeguarded land (see fig. 16) | Flood Zone 2 | Ditton Lane neighbourhood centre |

Fig 14: Constraints and opportunities plan

2.6 Site Allocations & Major Development Sites

A number of site allocations and major development sites are located within and adjacent to the Study Area. The closest of these sites to the Study area are shown on the plan opposite, and those which are considered to have the most significant impact on East Barnwell are detailed below.

Site R5

- Camfields Resource Centre and Oil Depot, Ditton Walk
- Allocated for residential use, indicative capacity of 35 dwellings

Site R6

- 636-656 Newmarket Road, Holy Cross Church Hall, East Barnwell Community Centre and Meadowlands
- Allocated for 75 dwellings (indicative capacity) / community facilities / mixed use

Site CE/3/1, CE/3/2, CE3/3 (South Cambs)

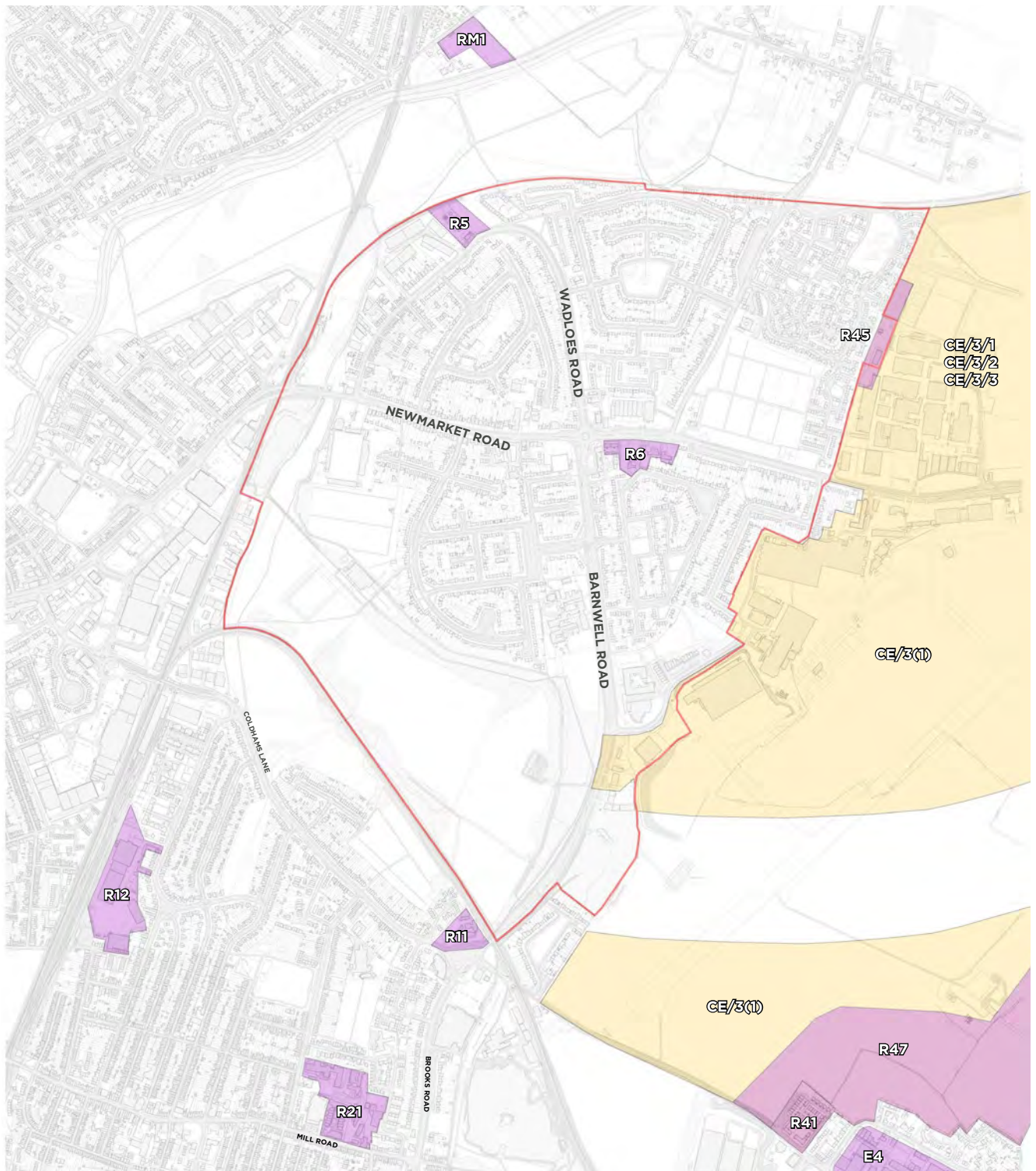
- Land north of Newmarket Road
- Allocated for mixed use development of up to 1,300 dwellings with a primary and secondary school, local centre with community hub, and open space

Site CE/3(1)

- Marshall's Airport
- Allocated as “safeguarded land” for future development in the Cambridge East Action Plan
- Could result in job losses for Abbey Ward if the airport closes



Fig 15: Key potential development sites





-  Cambridge City Council allocated site
-  Allocated site (outside of Cambridge City Council)

Fig 16: Site allocations and major development sites

2.7 Key Considerations - Built Environment

Section 2 has introduced the context to the study area, including development context, history, key demographics, planning background and position in relation to the rest of Cambridge.

The diagram opposite (detailed further in subsequent pages) identifies the key considerations for East Barnwell in terms of its built environment. These considerations have been carried through the consultation stages of the masterplan process, and have informed the development of the vision.

The considerations identified here do not represent an exhaustive list of interventions for the masterplan, more an overall assessment of the built form issues in the study area.

Areas of intervention will be formed from these key issues and defined in latter sections of the document.

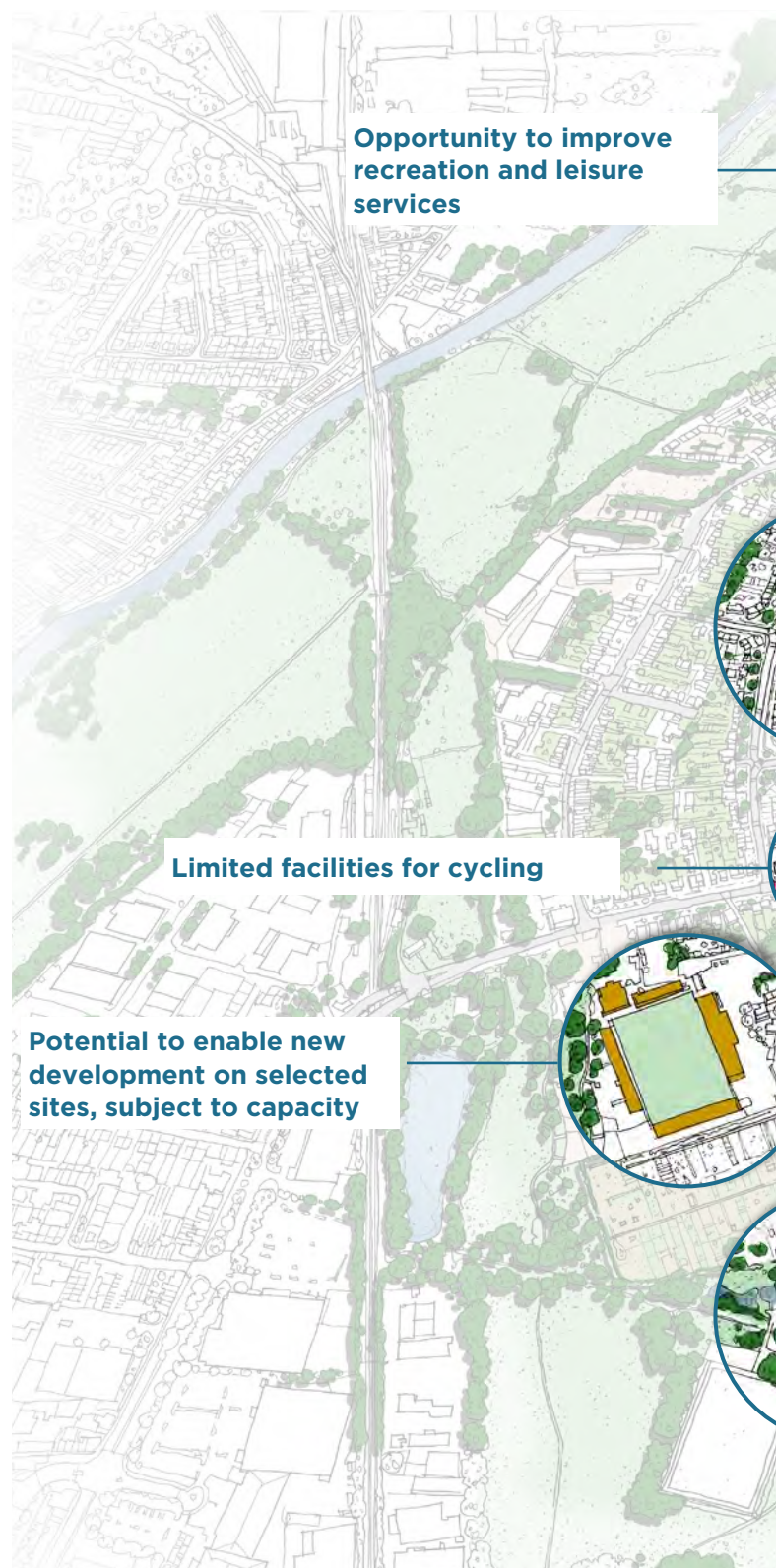
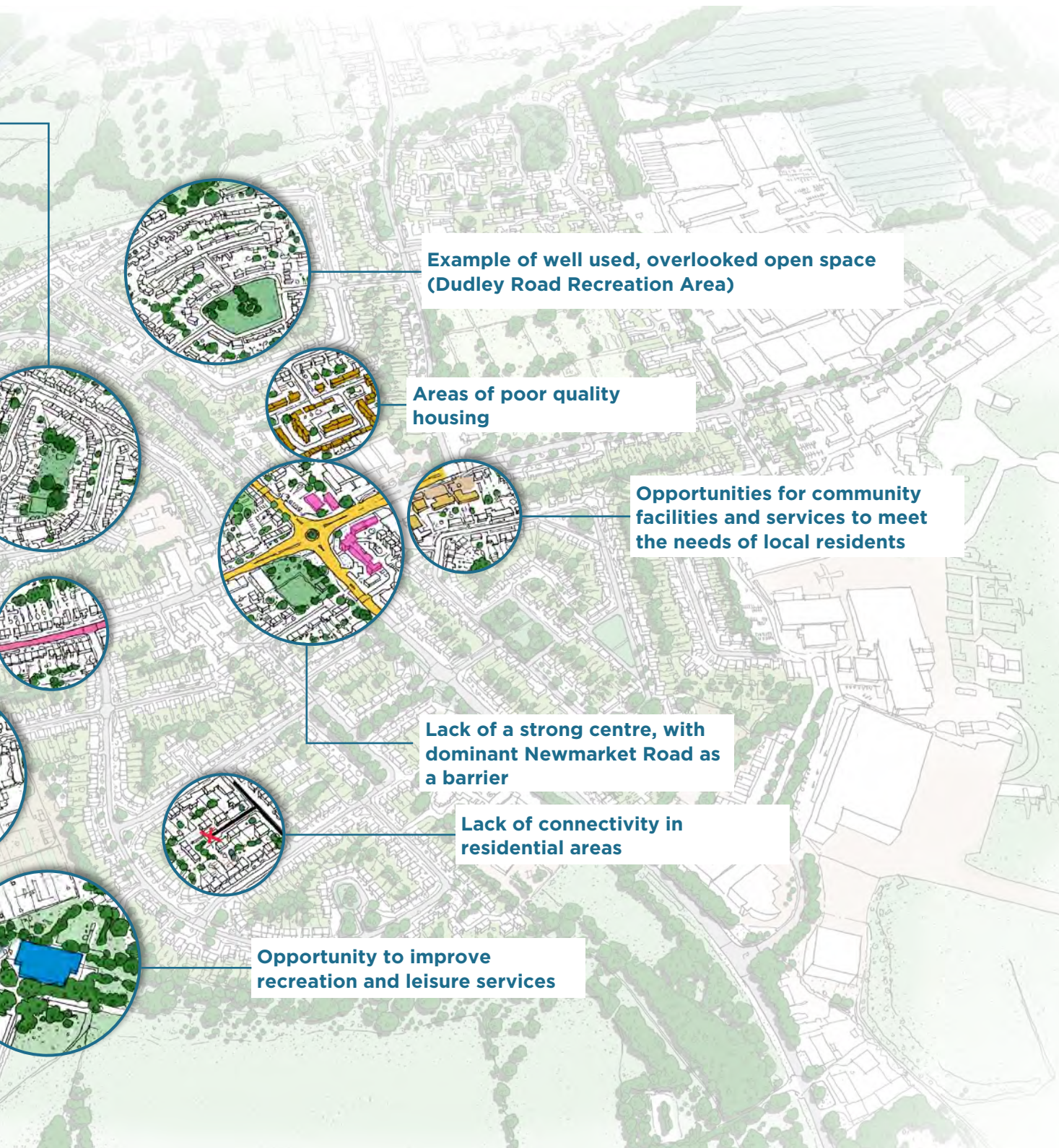


Fig 17: East Barnwell Key Considerations Plan



**Example of well used, overlooked open space
(Dudley Road Recreation Area)**

**Areas of poor quality
housing**

**Opportunities for community
facilities and services to meet
the needs of local residents**

**Lack of a strong centre, with
dominant Newmarket Road as
a barrier**

**Lack of connectivity in
residential areas**

**Opportunity to improve
recreation and leisure services**



1. Lack of a strong centre

The intersection of Newmarket Road, Barnwell Road and Wadloes Road represents a significant opportunity to create a new heart to East Barnwell, potentially working jointly with a number of landowners.



2. Opportunities for community facilities and services to meet the needs of local residents

In conjunction with the creation of a new heart at the centre of East Barnwell, a mix of land uses can contribute to the vitality of this area, as well as providing relevant spaces for the community.



5. Potential to enable new development on selected sites, subject to capacity

A number of allocated sites are located within the Study Area, as well as other sites that have been earmarked for redevelopment, all of which can contribute to meeting housing needs.



6. Limited facilities for walking and cycling

Opportunities exist to improve the cycling potential for Newmarket Road, as well as other key connections from East Barnwell to the surrounding areas, including to central Cambridge.

Fig 18: Study Area key considerations



3. Newmarket Road

The potential to adapt Newmarket Road as a sustainable transport corridor and less of a barrier in East Barnwell. Changes subject to future plans being led by the Greater Cambridgeshire Partnership.



4. Areas of poor quality housing

Some housing stock in the area is of low quality, with limited areas of useable open space and streetscapes dominated by cars.



7. Opportunity to improve recreation & leisure services

Abbey Leisure Complex has the potential for expansion, to expand the offer of leisure facilities to East Barnwell, including new play pitches.



8. Lack of connectivity in residential areas

Poor connectivity between residential areas, areas of open space, community facilities and local services.

3.0 Key Findings

- 3.1 Engagement Methodology
- 3.2 Community Feedback



3.1 Engagement Methodology

Engagement Stages

In preparing the masterplan, two stages of community engagement have been undertaken: the first stage was about understanding community and stakeholder views in relation to housing, transport and the environment; and the second stage was in relation to community and stakeholder views on masterplan proposals.

In the first stage, the City Council, alongside Carter Jonas and Snapdragon Consulting, carried out a period of community and stakeholder engagement during February and early March, 2020. This first stage of engagement was referred to as the East Barnwell “conversation”. In line with the Cambridge City Council’s Statement of Community Engagement, the project team sought to consult with as many local residents and relevant stakeholders as possible to ensure the local community were involved with the planning process.

In order to reach the widest scope of people, the project team determined that the majority of the consultation would be carried out digitally, using a dedicated project website with bespoke comment submission point alongside social media advertising. The project website was developed specifically to prompt visitors of the site to comment on particular topic areas including housing, open spaces and the environment. Website visitors were asked to pinpoint a location on a map of the local area to indicate which specific part of the area they were interested in/concerned with. The project website was advertised via the Cambridge City Council’s Facebook page as well as the Cambridge City Council website. The Facebook advert was geo-targeted, allowing us to ensure the advert reached the relevant audience within the East Barnwell area.



Fig 19: Extract from leaflet sent to residents

Stakeholder Events

Alongside the digital engagement strategy, the project team also organised and attended a number of physical stakeholder events. The project team identified a number of important stakeholder groups and sites where these groups met, including the Romsey Mill Youth Group and the Abbey Volunteers Group. The project team created informative leaflets that were placed and distributed at the selected sites prior to the event taking place. The primary aim of the physical stakeholder events was to engage with a diverse range of people, particularly focusing on those who may be excluded from commenting online such as younger children and elderly residents. This was successful, and the group were able to attend the Abbey Stadium Seniors Lunch and hold two sessions with young people at the Romsey Mill Youth Group.

Covid-19

Unfortunately, due to the Coronavirus outbreak, 2 out of 7 of the stakeholder events had to be cancelled. However, given that the majority of the consultation was online, there was minimal disruption to the consultation process. In addition to the physical events and online consultation, residents were invited to write to the Council. This appealed to residents who prefer traditional consultation methods who may not perhaps be able to attend a physical event.

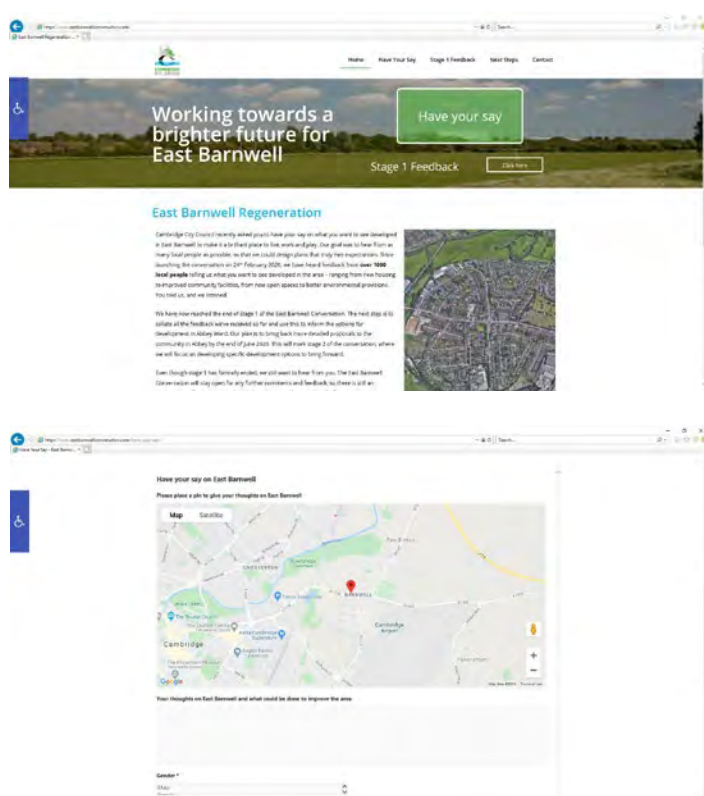


Fig 20: Extract of East Barnwell Conversation website for feedback

3.2 Community Feedback

First Stage

The first stage of engagement was held between February and March 2020. The strategy was highly successful, with over 1100 website visits, over 65 comments submitted on the website and over 100 local stakeholders attending physical stakeholder events. The range of feedback received was diverse, however there were a number of stand-out themes identified across both the digital and physical stakeholder consultations. The overriding issue, which is covered in all of the priorities raised and detailed further below was sustainability. This was raised in terms of features on new homes, renewable energy and concerns regarding pollution. As part of this, the following sub-themes were the most common and were clear priorities for the area:

Road Traffic Issues – Traffic in the local area is a key concern however it is closely linked to facilities and transport. Local people often complained that facilities are located too far away, resulting in a high level of car dependence in the area. The lack of adequate transport infrastructure also encourages car use. By tackling these two factors, traffic would be reduced in the area, making it a better, healthier place to live. Delivering better and more accessible sustainable transport options was amongst the most commonly mentioned themes, particularly the delivery of better cycle facilities as this is a common mode of transport in the local area. A substantial number of comments also noted the need for better transport routes, and cheaper and more reliable public transport.

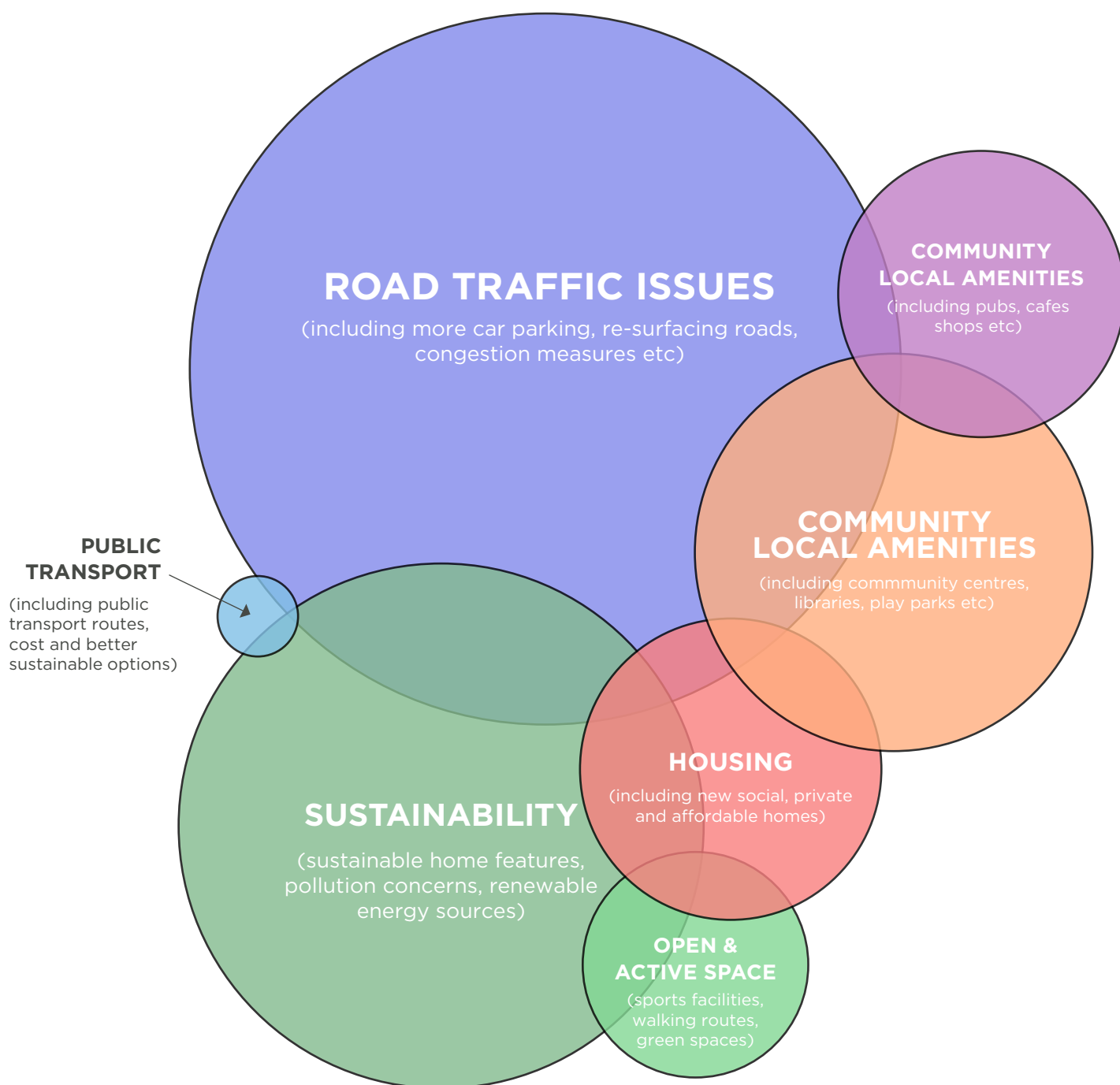
Housing – a significant percentage of comments across the website and physical stakeholder events noted the need for more social housing, private housing and affordable housing. A substantial number of comments also cited the acute need for more family homes (3-4 bedrooms) as well as a number of bungalows/smaller residential properties for elderly residents looking to downsize their

homes. Sustainable housing features were also regularly noted as priority deliverables – residents were keen to see features such as solar panels and efficient heating systems in place on any new housing developments.

Amenities – It became very clear throughout the consultation that the East Barnwell area is deprived of facilities that are essential for community living. There is a significant lack of youth facilities, retail/leisure amenities as well as restaurants/pubs and other vital community spaces. There is a sense that the local area does not fully serve the needs or interests of local people and that the community relationships are damaged as a result. Social isolation, inter-generational relationships and anti-social behaviour are significant issues in the area – improving access to facilities may assist in addressing some of these issues.

Open & Active Space – Throughout the consultation, it was clear that green space and wildlife were important to local people. Many were keen to see the local character retained, particularly the protection of local species and areas of beauty. Comments across both physical events and the website feedback noted that development was needed, and it is understood that not all green spaces can be protected. Coldham's Common was noted as a green space that is underused, and local people would like to see resources like this put to better use.

The first stage engagement demonstrated that members of the local community, regardless of age or social affluence, are interested in the delivery of similar amenities and facilities in East Barnwell. The clearest requirement amongst the feedback was that any development in the area must be sustainable and fitting with the local character.



Note: the size of the circle is relative to the number of respondents who raised the issue

Fig 21: Summary of main themes of feedback received through the first stage of consultation

4.0 Vision

- 4.1 Vision for East Barnwell 2030
- 4.2 Framework for Change



4.1 Vision for East Barnwell

A Vision for East Barnwell 2030

East Barnwell is an area of Cambridge which supports a **diverse community of people, living and working within a vibrant environment** where everyone has access to high-quality open spaces and leisure opportunities, with **all necessary community facilities for essential day to day living** within walking distance.

The **newly regenerated Local Centre** is positioned at the heart of the area at the confluence of Newmarket Road, Barnwell Road and Wadloes Road. Local shops, including **independent food and beverage providers have created a thriving and active heart, both during the day and into the evening.**

A **range of tenures and types of housing** is provided which cater for all age groups, including refurbished post-war era family homes and **over 400 new townhouses and apartments** which has introduced a **new population of over 900 people into the area.**

The area is well integrated within the wider area, including sharing of facilities with Fen Ditton village to the north, with **excellent access into central Cambridge along the newly upgraded Newmarket Road corridor** which supports walking, cycling and public transport connections.

Residents have access to **a network of green spaces which support walking and cycling routes**, connecting with Coldham's Common to the south and Ditton Meadows to the north. The **expanded Abbey Leisure Complex offers a range of indoor and outdoor sports facilities.**



Fig 22: Image to support the vision for East Barnwell

4.2 Framework for Change

A ‘Framework For Change’ is proposed which is the basis for how the vision will be delivered. From this defined spatial framework, a series of key project objectives can be derived, which will inform site specific briefs. In this way the vision can be realised through real physical change on the ground that will deliver real improvements for local people.

The holistic spatial framework plan for the area shown opposite focuses on the following: -

- Enhancements to the open space network
- Accessibility and legibility improvements
- Improved sports and recreation provision
- Delivery of new homes for local people
- Creation of a new heart for the area
- Improving the connectivity and street environment
- Enhancing community facilities

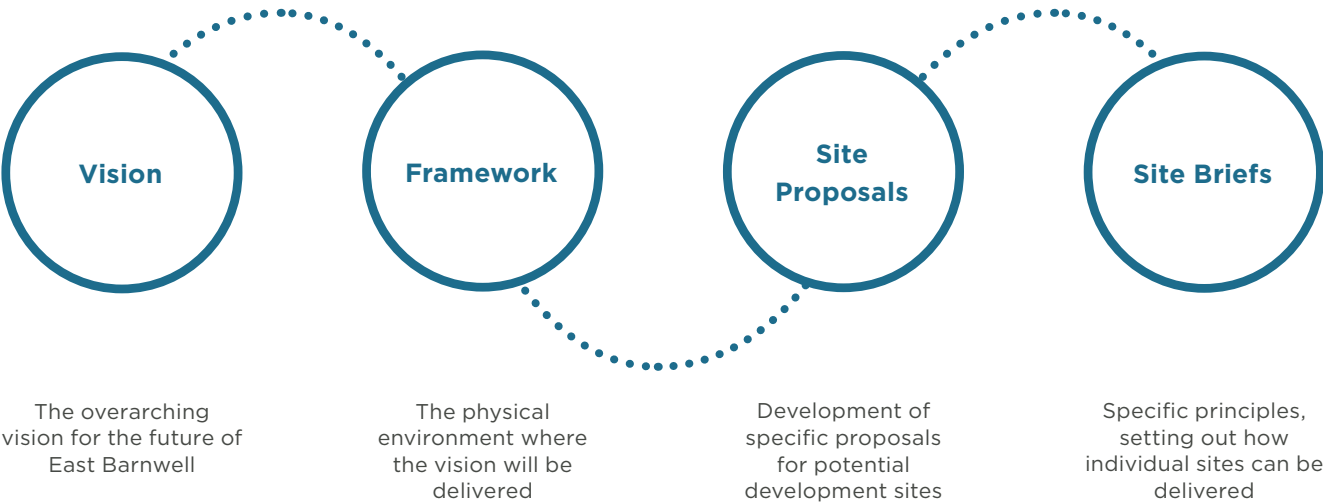


Fig 23: Framework for Change process diagram



Fig 24: Framework for Change diagram

5.0 The Masterplan

5.1 Regeneration Objectives



5.1 Regeneration Objectives

A series of key projects for the regeneration of East Barnwell have been identified. These objectives underpin the vision, and seek to deliver up to 400 new homes, a new centre, improved connections and recreation areas.

1. A Regenerated Local Centre

Creation of a revitalised local centre with a mix of residential, community, employment, retail and leisure uses, including space for independent retailers and improved local amenity space.

2. Newmarket Road Corridor Enhancements

Upgrades to the Newmarket Road Corridor to reduce the dominance of this highway on the surrounding built area. Considerations to include walking/ cycling priority, planting and biodiversity measures, drainage, lighting and wayfinding.

3. Potential Areas of Growth

Potential regeneration sites to deliver a mix of new homes and other uses.

4. Abbey Leisure Complex Expansion

Enhancements to the Abbey Leisure Complex accessed off Whitehill Road, including provision for a new outdoor sports pitch.

5. A Connected Place

A network of enhanced open spaces, to promote walking/ cycling and aid health and wellbeing. Biodiversity measures should be considered to green spaces.

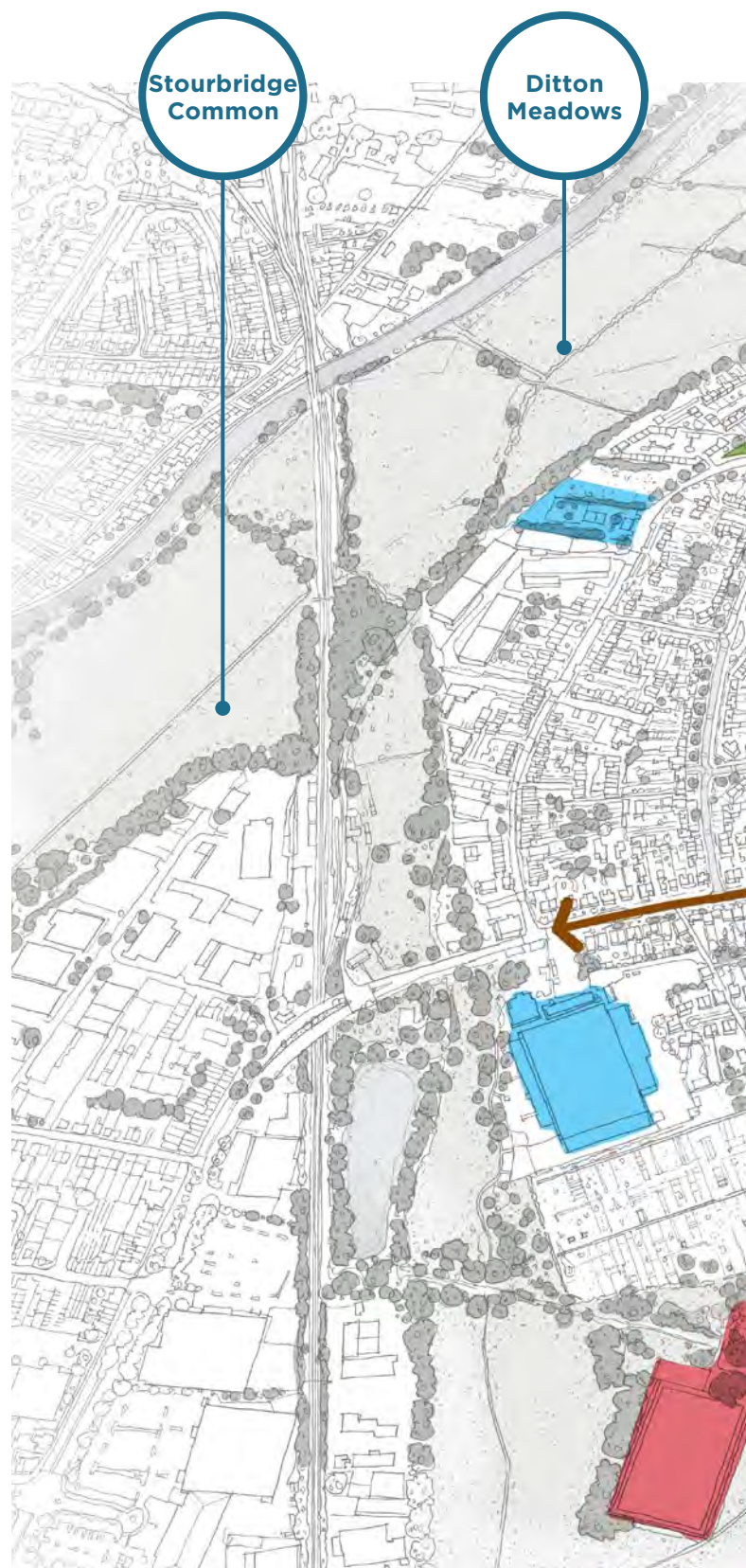
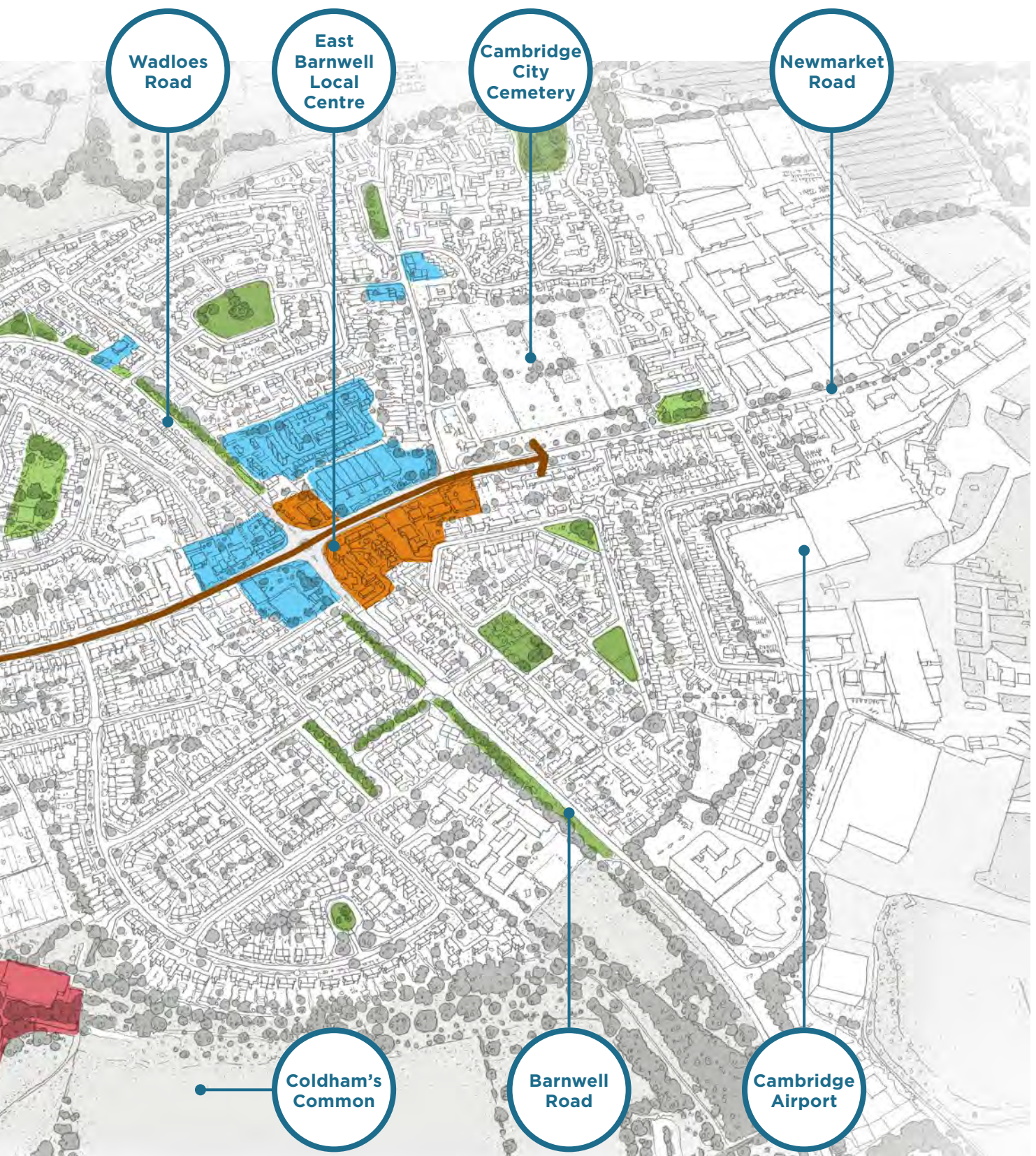


Fig 25: Overall East Barnwell Masterplan





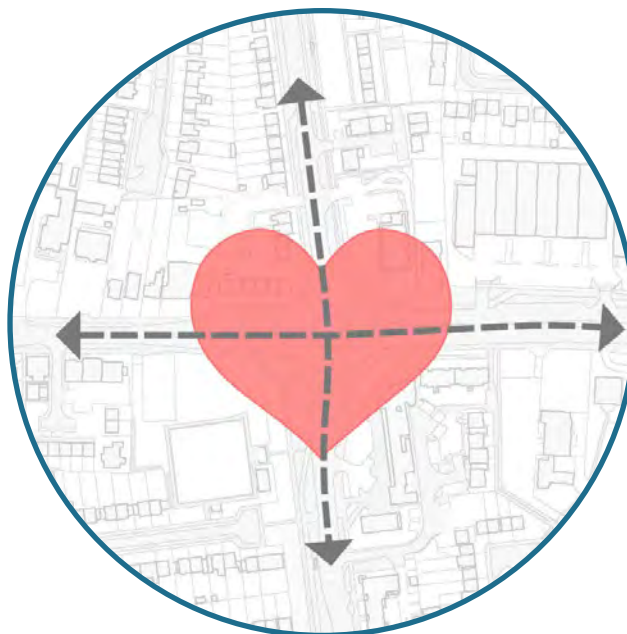
“A new social heart for the community”

1. A Regenerated Local Centre

The area at the intersection of Barnwell Road, Newmarket Road and Wadloes Road presents a significant opportunity to create a new heart and revitalised local centre to East Barnwell.

Four land parcels (south east, south west, north east and north west) can be used to create new community uses, housing, employment, retail and leisure uses.

This new heart to East Barnwell will assist in developing the identity of the area as a place in itself, rather than a movement route into Cambridge.



Potential interventions

- Creation of new community facilities
- A mix of new homes
- Strengthen building frontage along Newmarket Road
- New pedestrian and cycle crossings over Newmarket Road



Fig 26: Precedent images for a regenerated local centre



“Enhanced connectivity with Cambridge City Centre for pedestrians, cyclists and public transport”

2. Newmarket Road Corridor Enhancements

In association with the creation of a new heart to East Barnwell, improvements to Newmarket Road for a range of travel modes, accommodation of new landscaping and wayfinding will assist in reducing the vehicle dominance of this route.

Changes to Newmarket Road to make it more attractive for walking and cycling will contribute to the identity of this area of East Barnwell.

Any development will need to reflect the ongoing work by the Greater Cambridge Partnership (GCP) in attempting to tackle current and future transport problems by offering better and more sustainable ways to make journeys by public transport, cycling and walking.



Potential interventions

- Create attractive, segregated routes for cyclists
- Improvements to pedestrian crossings
- New tree planting to green the route through East Barnwell
- Opportunities to integrate sustainable urban drainage (SUDs) features
- New cycleways and footpaths along Newmarket Road
- 2 new bus stops



Fig 27: Precedent images for Newmarket Road improvements



“Regenerated brownfield sites, unlocking land for 400 homes for up to 960 new residents”

3. Potential sites for Growth

The identification of key sites across East Barnwell for the delivery of up to 400 new homes represents one of the most significant opportunities for change in the area.

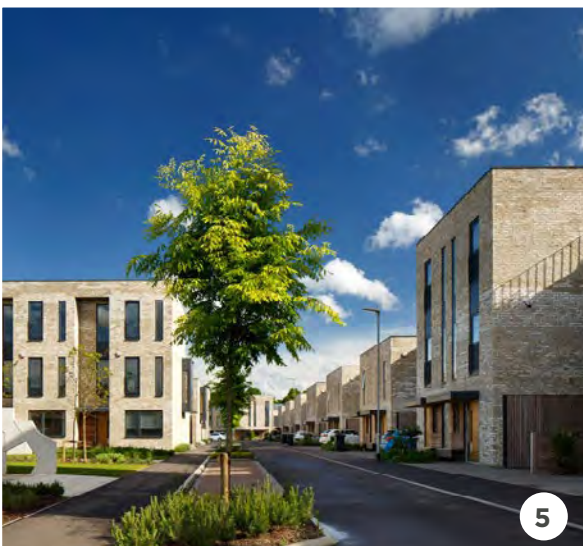
New homes must be high quality, energy efficient and designed to meet a specified local need. This ensures that homes not only meet an overall need for housing generally across the City, but are also relevant for the community in East Barnwell.



Potential interventions

- Coordinate with landowners to assist with site delivery
- Deliver a mix of up to 400 high quality, sustainable new homes including houses and flats
- Delivery of new affordable homes
- 6 new residential development sites

- 1 Streets designed for pedestrians, with high quality design and choice of materials (Goldsmith Street, Norwich - Mikhail Riches)
- 2 Low speed mews street with carefully designed space for cars (Accordia, Cambridge - FCBS)
- 3 Streetscape variety with varying rooflines and material palette (Marmalade Lane, Cambridge - Mole Architects)
- 4 Landscape and planting as a key part of residential amenity (Accordia, Cambridge - FCBS)
- 5 Contemporary 3 storey townhouses help raise density in appropriate locations (Cambridge Southern Fringe - Formation)
- 6 Simple front entrances allow for seating and social interaction (Cambridge Southern Fringe - Formation)





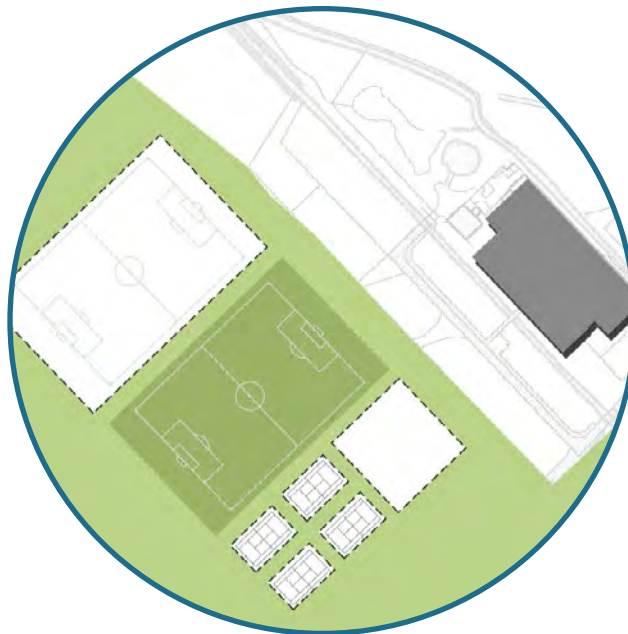
“An enhanced leisure offer to improve health and wellbeing of residents”

4. Abbey Leisure Complex Expansion

Local community amenities and open & active spaces were a feature of the feedback obtained during the first stage of consultation (see p.35), and opportunities for upgrades to recreation facilities exist at the Abbey Leisure Complex.

There is the potential for a new outdoor sports pitch, bowls, Multi Use Games Areas (MUGAs) and safeguarded land for future expansion, as well as indoor activity space.

Pedestrian and cycle links can also be enhanced to encourage sustainable modes of transport to and from the complex.



Potential interventions

- New multi use games areas
- New formal 3G sports pitches
- New bowls green
- New tennis /netball courts
- Increased parking provision
- Pedestrian and cycle connections



Fig 29: Precedent images for new recreation and sports facilities



“A high quality public realm where walking and cycling are the prevalent forms of travel”

5. A Connected Place

Opportunities for the improvement to connections across East Barnwell exist in all of the interventions and key projects listed thus far.

Integrating pedestrian and cycle links as a priority on opportunity sites and along the Newmarket Road corridor can facilitate increased numbers of residents cycling and promote active travel and sustainable modes of transport.



Potential interventions

- Segregated cycle routes on main roads
- Quietways and dedicated cycle paths through open space
- Prioritising walking and cycling in new developments



Page 279 Fig 30: Precedent images for new walking and cycling connections

6.0 Conclusions & Programme



6.1 Conclusions & Programme

This 'Framework For Change' document has followed the following process: -

- **An analysis of the current built environment, social, planning and environmental issues;**
- **Engagement with residents and other key stakeholders;**
- **Visioning and creation of a masterplan framework;**
- **Identification of a series of regeneration objectives; and**
- **Creation of a series of site specific briefs to deliver on the vision and objectives.**

Second Engagement

Further engagement is planned with key stakeholders to present/ feed back on the previous consultation exercise, present the findings and the Framework for Change.

Planning Status

At this stage the Framework For Change document has no formal status in planning terms, however it is expected that the document will act as a material consideration as proposals are progressed for the various sites identified. The document maybe also act as the basis for the development of a formal policy document such as SPD or AAP, however this is subject to further decision making.

Regeneration Objectives

It is intended that the five regeneration objectives identified will support the creation of a revitalised East Barnwell including: -

- A regenerated local centre as a new heart for the community
- Improved public spaces including walking and cycling routes
- New and improved public transport connections, walking and cycling routes along Newmarket Road into central Cambridge
- An improved and expanded leisure offer to aid health and well-being of residents
- 400 high quality new homes of mixed tenure

Key Projects

The study has identified a series of potential areas for growth which will need to be the subject of further review and future design work which we hope will then lead to planning applications being submitted and real change being delivered on the ground.

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Appendices



Appendix A: List of Figures

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Fig 28: Precedent images for a mix of new homes (opposite)
Fig 29: Precedent images for new recreation and sports facilities
Fig 30: Precedent images for new walking and cycling connections

The background is a solid blue color. Overlaid on this are several white graphic elements: a network of thin, intersecting lines that resemble a map or a circuit board; a small white circle at one of the intersection points; and a large, irregular, wavy white shape in the lower right quadrant. A pattern of small white dots is scattered across the blue background, primarily concentrated in the upper right and middle right areas.

Carter Jonas

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London
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Item

REPORT ON NEW COUNCIL HOUSING, COLVILLE ROAD PHASE 3

**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:

Cherry Hinton

Key Decision

1. Executive Summary

- 1.1 Colville Road Phase 3 (82-94 Colville Road, 100-108a and 122-128a High Street) follows Phase 2 which was a 100% affordable CIP scheme to the east of Phase 3, and Phase 1 which was the original Keepmoat scheme to the east of Phase 2.
- 1.2 The site is occupied by 18 households of which 16 are Council tenants and 2 leaseholders. There are also 4 tenanted commercial units within the proposed development area, totalling 262sqm.
- 1.3 The scheme includes two sites: 82-94 Colville Road and 100-108a High Street is one site and 122-128a High Street is the other. Both sites are adjacent to Colville Phase 2 and the benefits of bringing forward development were identified during design work relating to that Phase. The proposals involve modification to the Phase 2 plan which is within the terms of the existing Planning Permission.

- 1.4 The scheme is being brought forward because it represents an opportunity to complete the redevelopment of Colville Road and contribute to the regeneration of the centre of Cherry Hinton with improved commercial premises and an improved relationship with the informal open spaces at the Cherry Hinton High Street junctions with Colville Road and Fisher's Lane (Appendices 3 and 4).
- 1.5 The opportunity arises now also because some modification of Colville Phase 2 is required. Two houses which were to stand alone on the other side of the new public car park from the main development will not be built but this area of land will be incorporated into the new scheme.
- 1.6 The report seeks approval of 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.
- 1.7 The design of the affordable units attains a 35% reduction in Carbon emissions on 2013 building regulations which goes beyond the current Local Plan and the Cambridge Sustainability Housing Design Guide (SHDG) target of 19%. Consideration is given to the design impacts on carbon, energy, running costs and tenant bills and a fabric first approach ensures low tenant bills due to low energy consumption. Energy is to be gas free and electric from Air Source Heat Pumps. This continuous improvement in sustainability standards for Council dwellings will further inform the review of the SHDG for all future council housing schemes to ensure there is a clear roadmap towards zero carbon taking into account capital costs, running costs and impacts on tenant bills.
- 1.8 After reviewing the tenancy mix, it is recommended that the development is 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. The indicative mix of the proposed scheme (see Appendix 2) will provide 47 Council rented homes, with an overall net gain of 31 Council rented homes.

- 1.9 The proposed scheme will provide circa 47 new Council rented dwellings and 300sqm of commercial space (an increase of 38sqm) increasing rental income for the Council. The existing four commercial tenants will be required to relocate. The legal position of their tenancies will be respected, and discussions will be held about whether the Council can assist in helping to identify alternatives.
- 1.10 There has been stakeholder engagement with residents, shop tenants and ward councillors prior to this report being presented. Further engagement will take place including meeting tenants and leaseholders in accordance with the City Council's Home Loss Policy. There will also be statutory consultation through the planning process.
- 1.11 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 that the scheme be brought forward with an indicative capital budget of **£11,103,200** to cover all site assembly, construction costs, professional fees and further associated fees, to deliver a scheme which meets the identified housing need in Cambridge City.
- 2.2 Authorise 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.
- 2.3 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.

- 2.4 Delegate authority 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.
- 2.5 Delegate authority to the Strategic Director to serve initial Demolition Notices under the Housing Act 1985.
- 2.6 Approve a delegation to the Section 151 Officer, in consultation with the Executive Councillor for Strategy and Resources and the Executive Councillor for Housing, to approve the most appropriate valuation basis, funding route and accounting treatment for the value of the commercial units being provided as part of the development of Colville 3.

3. Background

This Development opportunity addressed a number of the Council's key Corporate Objectives:

- 3.1 Tackling the City's housing crisis.
 - 3.1.1 Delivering sustainable prosperity for Cambridge and fair shares for all.
 - 3.1.2 Protecting essential services and transforming council delivery.
 - 3.1.3 Tackling climate change and making Cambridge cleaner and greener.
- 3.2.1 The scheme includes two sites: 82-94 Colville Road and 100-108a High Street is one site and 122-128a High Street is the other. Both sites are adjacent to Colville Phase 2 and the benefits of bringing forward development were identified during design work relating to that Phase. The proposals involve modification to the Phase 2 plan which is within the terms of the existing Planning Permission. A programme has been developed to maximise the design and construction benefits associated with the development of Phase 2.
- 3.2.2 Residents have been informed of the Council's intention to take this report to the September 2020 Housing Scrutiny Committee. These

residents have also been offered one to one appointments with the Decant and Rehousing Officer so that any concerns which they have can be discussed in private. 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

3.3.1 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 August 2020. There are currently 1,426 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 |
|----------------|------|-------|-------|--------|
| | 1002 | 424 | 243 | 47 |

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

| Unit Type | Units |
|--------------|-----------|
| 1B2P Flat | 22 |
| 2B3P Flat | 2 |
| 2B4P Flat | 20 |
| 3B5P House | 3 |
| Total | 47 |

3.3.3 The indicative mix of the proposed scheme (see Appendix 2) will provide 47 Council rented homes, with an overall net gain of 31 Council rented homes. After reviewing the proposed tenure mix, it is recommended that the development is delivered as Council 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.

3.3.4 Alternatives available include a proportion of units being shared ownership, intermediate rent or private rented sector homes managed

by a vehicle at arms-length from the Council. Social rented housing comprises just over a quarter of the homes in Cherry Hinton compared to just under a quarter across the City.

| Cherry Hinton | Cherry Hinton | % | Cambridge | % |
|--|---------------|------|-----------|------|
| Owned: Owned outright | 1,067 | 29 | 11,639 | 24.9 |
| Owned: Owned with a mortgage or loan | 1,075 | 29.2 | 10,532 | 22.5 |
| Shared ownership (part owned and part rented) | 14 | 0.4 | 526 | 1.1 |
| Private rented: Private landlord or letting agency | 506 | 13.8 | 11,170 | 23.9 |
| Private rented: Other | 42 | 1.1 | 1,088 | 2.3 |
| Social rented | 928 | 25.2 | 11,023 | 23.6 |
| Social rented: Rented from council (Local Authority) | 739 | 20.1 | 7,109 | 15.2 |
| Social rented: Other | 189 | 5.1 | 3,914 | 8.4 |
| Living rent free | 44 | 1.2 | 736 | 1.6 |

Source: Cambridgeshire Insight

3.3.5 Other factors included:

- There are only two flats sold on long leases under the Right to Buy amongst the 18 flats to be demolished.
- Feedback from Ward Members was in favour of a 100% Council rented scheme.
- The development is in two parts and, although both are contiguous with Phase 2 the entrance to one is towards the Fisher's Lane end of Cherry Hinton High Street (19 homes) and the entrance to the other in Colville Road (28 homes) is separated by the public car park.

4. Commercial Units

4.1 The proposals incorporate proposals to replace the existing commercial units with new commercial space to a higher quality, greater flexibility and improved relationship to the open space at the junction of the High Street and Colville Road. The scheme provides 300sqm of commercial space (an increase of 38sqm). This will also increase rental income for the Council.

4.2 The existing commercial units are occupied by a hairdresser, an optician, a baker and a cycle repair shop. These will need to be

terminated in accordance with the Landlord and Tenant Act 1954. This Act gives tenants' rights of renewal of their existing lease of a property unless terminated for specific grounds which in this case will be section 30(1)(f), that the landlord intends to demolish or reconstruct the premises. The Act requires that the landlord pays the tenant statutory compensation of one- or two-times rateable value depending upon how long they have been in occupation. The combined rateable values are £24,750.

- 4.3 It is recognised that redevelopment will be disruptive to the commercial tenants hence the requirement to pay statutory compensation. The existing tenancies will terminate but the tenants will be able to apply for tenancies in the new development. The new properties will be different from existing and at higher rents. Within that framework will seek to offer advice and support to the commercial tenants. Property Services will try to relocate existing tenants to other Council property but the Council has no obligation to do so and it will be at the tenant's cost. Naturally the Council will look to retain tenants with a good track record wherever possible.

5. Site Details

- 5.1 The site is at 82-94 Colville Road, 100-108a and 122-128a High Street and in the Cherry Hinton Ward. A location plan of the site is attached as Appendix 1.



- The site is currently occupied by 18 existing homes, of which 16 are council tenanted and 2 leasehold, and 4 tenanted commercial units.
- The site is surrounded by existing dwellings, shops and some green open space to the front. The proposed development looks to retain and improve the open space to the front of the proposed redevelopment to improve the overall visual appearance.

5.2 The site is approx. 0.48 hectares in size.

5.3 The following surveys and investigations have been undertaken or are programmed 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

5.4 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 any impact on timescales and costs.

5.5 There are services running through the development which run approximately north to south. The location of these services have been identified through the survey works for Colville Roade Phase 2, and have been taken into account with the early capacity design work. These are shown on the indicative layout plans.

5.6 Planning and Councillor Feedback: Early advice was sought from planning consultants and pre-application meetings have been held with

planning and urban officers and the Highway authority. Issues arising are noted below:

5.6.1 Pre-application feedback:

- Building heights and density are generally supported.
- Risk of overlooking from northern block to gardens to east (the latest designs address this).
- Southern block to be extended to edge of public car park (the latest designs reflect this).
- Parking for northern block to be separately accessed from High Street (the latest designs reflect this).

5.6.2 Ward Councillor feedback:

- Tenure to be 100% affordable housing.
- More parking provision desired for southern block (currently 0.5).
- Acceptability of northern access queried (Highways have confirmed this is acceptable).
- Position of the commercial tenants who have to relocate to be considered.

4.4 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.

4.4.1 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.
- Current residential mix 6nr 1 bed and 12 nr 2 bed all of which are flats.
- The current two blocks were built circa 1950'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. A programme of works will be required if the scheme does not proceed.

4.4.2 Develop for HRA housing only

- Addresses the housing need identified in an area of existing housing stock, delivering units which will contribute towards reducing the local housing need.
- 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.

4.4.3 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 reducing the local housing need. Incorporating some different forms of affordable housing e.g. Shared Ownership, Intermediate Rent, outright sale may meet a broader housing need.

4.4.4 From the options considered in this section, the option to develop for HRA housing only is recommended as the approach which responds directly to the corporate objective of tackling the city's housing crisis.

4.5 Design and Sustainability

In line with Campkin, Colville and the Meadows developments, the design of this affordable housing scheme goes beyond the current Local Plan adopted design standards and the Cambridge Sustainability Housing Design Guide (SHDG) and consideration is given to the design impacts on carbon, energy, running costs and tenant bills. In line with Campkin, Colville and the Meadows, carbon emissions are expected to be at least 35% below 2013 building regulations and gas free. The learning from these schemes will feed into the review of the SHDG for all future council housing schemes to ensure there is a clear roadmap towards zero carbon taking into account capital costs, running costs and impacts on tenant bills.

4.6 Programme

4.6.1 The indicative programme for the development is as follows:

Submission of Planning Application: November 2020

Planning Permission Granted: March 2021

Completion of decanting: July 2021

Start on Site: August 2021

Completion: Spring 2020

4.7 Demolition notices

4.7.1 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 a 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.

4.7.2 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.

4.8 Compulsory Purchase Order

4.8.1 There are two 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 available to 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 £11,103,200 (In addition to the demolition and construction costs, this includes pre and post statutory planning fees, professional consultant fees, survey and site investigation costs, other associated costs and HDA fees (leaseholder buy-back, home loss and disturbance payments) currently estimated at £770,000.

5.1.2 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 16 rented residential units on the site.

This will result in the following mix of funding:

| | |
|------------------------|-------------|
| Right to Buy receipts: | £1,000,000 |
| Devolution Grant: | 0 |
| HRA resources: | £10,103,200 |
| Total: | £11,103,200 |

5.1.3 The indicative capital budget is £11,103,200

5.1.4 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%.

5.1.5 It should be noted that the commercial property that currently exists on the site of the Colville Road 3 development is held in the Council's General Fund, with the benefit of the rental income also being recorded there. Officers are exploring the most appropriate route to both identify the true costs that should be borne by the General Fund and to subsequently account for and finance this expenditure. At this stage the full scheme cost has been incorporated into the HRA Medium Term Financial Strategy and Housing Capital Plan, to allow the scheme to proceed. A delegation to the Section 151 Officer, in consultation with the Executive Councillor for Strategy and Resources and the Executive Councillor for Housing, is requested to allow the

most appropriate valuation basis, funding route and accounting treatment for the value of the commercial units being provided to be determined.

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. The Council has a dedicated Decant and Rehousing Officer. This post was put into place to work with both the HDA 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 which 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 identification of ways in which new Affordable Housing will directly save money for tenants, such as energy saving measures and reducing the impact of fuel poverty.

(c) Environmental Implications

The Council housing will surpass the current Cambridge Sustainable Housing Design Guide (SHDG) and meet approximately 35% reduction in carbon emissions compared to 2013 Building regulations and the learning from this scheme will feed into the review of the SHDG for all future council housing schemes to ensure there is a clear roadmap

towards zero carbon taking into account capital costs, running costs and impacts on tenant bills.

(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 previously completed construction of 2 No. 2 bed houses on a site at Uphall Road. Further sites of a similar scale have been identified which may be brought forward by estates and Facilities, but the scale of the Colville Phase 3 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 either an open tender or a tender conducted through a public sector procurement compliant framework. The tender would be carried out following the granting of planning permission. This route is a viable route but is not recommended in light of the benefits offered by the CIP route and that the neighbouring site Colville phase 2 is being developed through CIP.

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.

This scheme will follow the route for development outlined and approved by HSC in September 2019, through the CIP there is ability to utilise the skills and expertise of the contractor early in the process. CIP are delivering phase 2 of the Colville Road scheme. As with other schemes in the partnership there will be independent value for money assessments undertaken and an open book costing across the supply chain.

(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 There has been communication with residents and shop tenants prior to this report being presented. All tenants including those with shops and leaseholders were written to, with an offer to meet 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 not tied to conventional working hours and followed current Government COVID guidelines.
- 7.2 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 and a further meeting is planned to discuss the scheme including concerns that they have about the provision of parking.
- 7.3 Consultation and communication with existing tenants and leaseholders will continue in accordance with the City Council's Home Loss Policy. This policy along with National Policy sets out the Council's commitment to those affected by regeneration and the compensation and support available.
- 7.4 The HDA continues to liaise closely with colleagues in City Homes, to ensure timely and accurate information is made available to all parties affected by the proposal.
- 7.5 There will be formal consultation through the planning process

8. Risks

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

| Description of risk | Likelihood | Impact | Mitigation |
|---|--|---|---|
| Design Risk – constraints | Low – There is a risk, however with regular meetings with planning throughout the design process this will be minimal. | Constraints (particularly on the northern parcel) mean it is to maximise the developable area whilst creating a design that is efficient to build and maintain. | Consider a simple design option that may not use so much developable area. |
| 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 could take 1 year from receipt of planning. | Officer in place 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. | CIP are required to ensure all site surveys are as accurate as they can be taking into account resident occupations. CIP have 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. CIP will be tasked in providing information on 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 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. | CIP 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. | High- Impact would be a delay in decanting and delays in start on site. | HDA and City Homes officers will work together with the Decant and Rehousing Officer to ensure the timely implementation of the decant programme. |

9. Background papers

19/42/HSC Approval for CIP scheme delivery routes.

10. Appendices

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

Appendix 2 – The proposed scheme layout

Appendix 3 – Street view of indicative scheme at junction of Colville Road and Cherry Hinton High Street

Appendix 4 – Street view of indicative scheme at junction of Fisher's Lane and Cherry Hinton High Street

11. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Mark Wilson, Housing Development Agency, tel: 01223 457940, email: mark.wilson@cambridge.gov.uk.

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



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



| Unit Type | Units |
|---------------|-----------|
| 1B2P Flat | 22 |
| 2B3P Flat | 2 |
| 2B4P Flat | 20 |
| 3B5P House | 3 |
| Totals | 47 |

Appendix 3 - Street view of indicative scheme at junction of Colville Road and Cherry Hinton High Street

The sketch shows commercial units with flats above and their relationship to the informal open space. Note that this is an indicative scheme and subject to Planning Permission and further design development.



Appendix 4 - Street view of indicative scheme at junction of Fisher's Lane and Cherry Hinton High Street

The sketch shows the development planned for the Fisher's Lane part of the site and relationship to the informal open space. Note that this is an indicative scheme and subject to Planning Permission and further design development.





Item

PURCHASE OF NEW AFFORDABLE HOUSING, The Mews, HISTON ROAD

To:

Councillor Richard Johnson, Executive Councillor for Housing

Report by: Claire Flowers, Head of Housing Development

Tel: 01223 – 457515 Email: claire.flowers@cambridge.gov.uk

Wards affected:

Arbury

Key Decision

1. Executive Summary

- 1.1 The Histon Road site is being developed by Laragh Homes on the former Scotsdale Laundry and Nursery Site, Histon Road, Arbury. More recently, the site accommodated the Cambridge Squash and Fitness Club. The site was formerly allocated for development in the 2006 Local Plan.
- 1.2 Laragh Homes' Reserved Matters Application was approved by a unanimous vote at Cambridge City Council on 5 February 2020 for the delivery of 27 new properties, 17 private and 10 affordable, 3 of which have been earmarked to form part of a housing programme through the Cambridgeshire and Peterborough Combined Authority as £100K homes.
- 1.3 The report seeks approval for a capital budget to purchase 7 affordable units from Laragh Homes, for rent as Council homes. These will consist of the following:
 - 6 x 2 bed, 4 person Flats
 - 1 x 2 bed, 4 person House
- 1.4 The properties will be purchased via a fixed price works contract with City Council Employers requirements, signed between Cambridge City Council and a Laragh Homes LLP.

- 1.5 The agreed upon purchase price for the 7 properties is £1,400,000. The total indicative cost is: **£1,513,000.**

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Approve the purchase of 7 new Council homes at the Mews, Histon Road and delegate Authority to the Strategic Director to approve contract terms with Laragh Homes/LLP in respect of this transaction.
- 2.2 Approve a total budget of £1,513,000 to enable the development of 7 homes at the Mews, Histon Road.

3. Background

- 3.1 This project contributes to the Council's key Corporate Objectives of tackling the City's housing crisis.
- 3.2 The Council was approached by Laragh Homes in July 2020 regarding the potential to purchase the affordable housing on this development site which has planning permission. The affordable housing units are required as part of an agreed S106 with the local planning authority. Subsequently, the Council's proposal has been accepted by Laragh Homes, pending Approval by the HSC and finalisation of the purchase agreement.
- 3.3 Laragh Homes are a locally based developer with experience in schemes elsewhere in the City. They were established in 2007 and specialise in high quality design and bespoke solutions to complex sites.

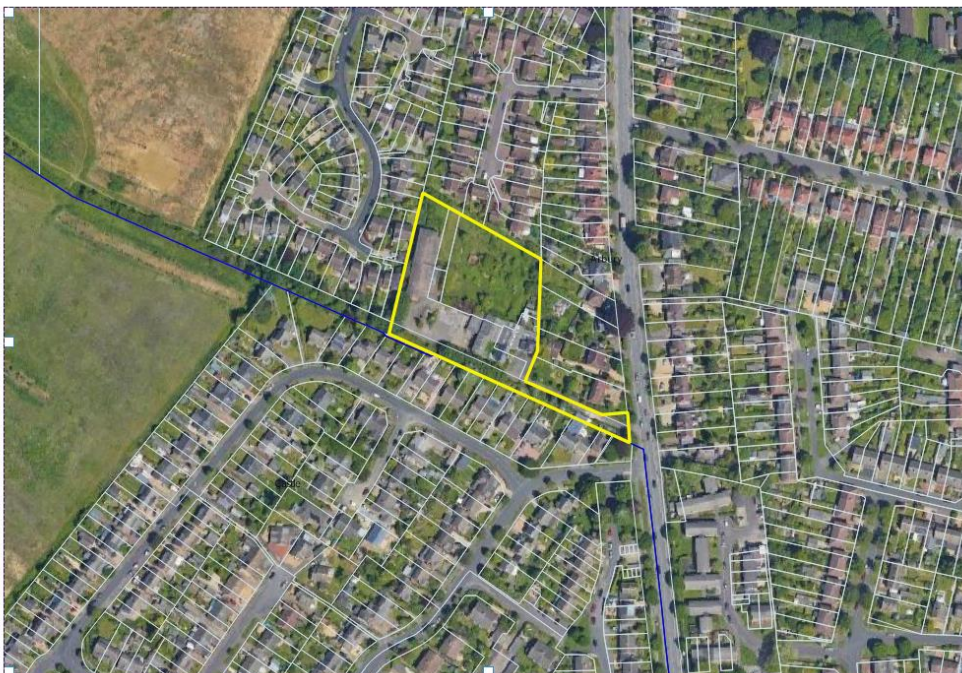
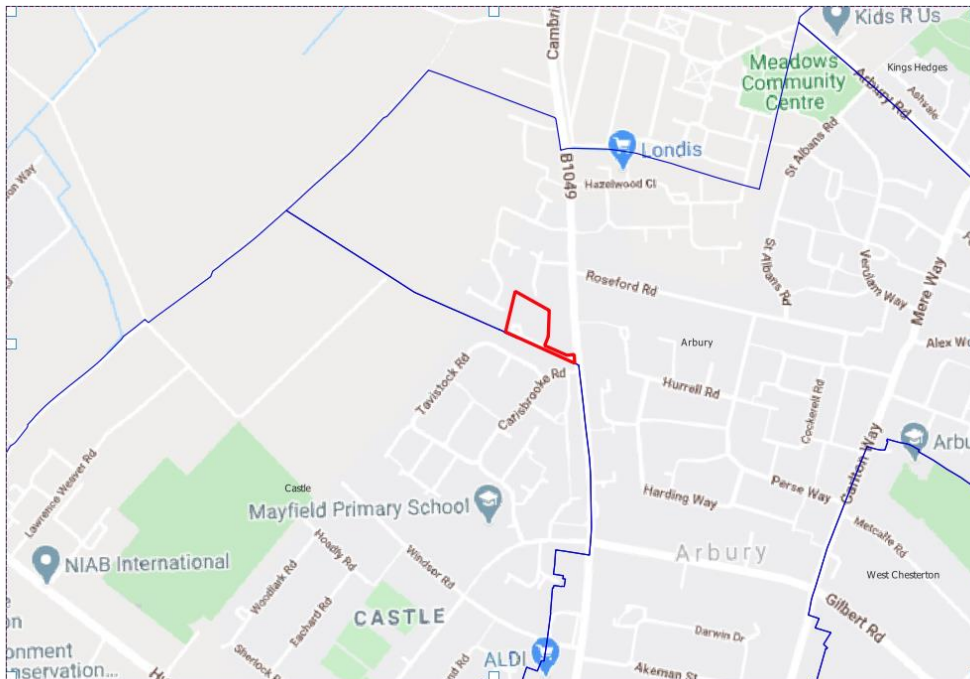
3.3 Local Housing Need

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 August 2020. There are currently 1,426 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 |
|----------------|------|-------|-------|--------|
| | 1002 | 424 | 243 | 47 |

4. Site Details

- 4.1 The Mews development is located on the former Scotsdale Laundry and Nursery Site, Histon Road, Arbury. The site was formerly allocated for development in the 2006 Local Plan. A location plan of the site is at Appendix 1. More recently, the site accommodated the Cambridge Squash and Fitness Club.



- 4.2 The outline Planning Application was Approved on 27 September 2016, with all matters reserved except for access for the demolition of all structures on site and development of 27 Dwellings.
- 4.3 Reserved Matters Application was approved on 5 February 2020.
- 4.4 The site is currently derelict with existing buildings in a poor state of repair and having been vandalised (broken windows etc.), with overgrown vegetation and fly-tipping. The scheme will give the site a new sustainable use and reduce the security risk caused by empty buildings and unsupervised areas to local properties.

5. Scheme

- 5.1 The Development will deliver 27 new properties, 17 private and 10 affordable. 3 1-bedroom affordable homes have been earmarked to form part of a housing programme through the Cambridgeshire and Peterborough Combined Authority for £100K homes. (the S106 needs to be varied to include these, these homes are currently shared ownership).
- 5.2 The scheme was approved with the support of the Sustainability Officer subject to a planning condition relating to the installation of specified renewable energy systems.
- 5.3 As well as the homes the scheme will deliver:
- Associated amenity space including 2 no. public green spaces,
 - Adapted vehicular and pedestrian access onto Histon Road, part of which will be adopted, extent subject to negotiation with Highways as part of the Planning process,
 - New vehicular and pedestrian road layout to allow circulation around site,
 - Improved pedestrian/cycle connection to Darwin Green site to the west.

The proposed scheme layout is included as Appendix 1

- 5.4 The Council has not worked with Laragh homes previously. References have been requested from other affordable housing partners and the Development manager has visited one of their schemes. Laragh homes have agreed to deliver the scheme to meet the Councils Employers Requirements. The Council would employ an Employers Agent and Clerk of Works to ensure quality is monitored throughout.

6. Planning Application

- 6.1 Reserved Matters were approved by Cambridge City Council on 5 February 2020, Reference 19/0718/REM.

7. Programme

The indicative start on Site for the development is October 2021, with a 21 month build period scheduled.

9. Financial Implications

- 9.1 The total indicative capital cost of the Mews affordable housing is estimated at **£1,513,000**. This includes the purchase price of the dwellings and all associated internal and external fees.
- 9.2 This cost is made up of a purchase price of £1,400,000 and an allowance for fees and associated costs of £113,000
- 9.3 It is currently proposed that the investment will be wholly met from HRA resources for the purchase of the affordable homes on the site.
- 9.4 This will result in the following initial mix of funding:

| | |
|------------------------|-------------|
| Right to Buy receipts: | £0 |
| Devolution Grant: | £0 |
| HRA resources: | £1,513,000 |
| General Fund | £0 |
| Total: | ££1,513,000 |

- 9.5 The housing capital budget will be **£1,513,000**.
- 9.6 The payback for this scheme in isolation is 49 years. It should be noted however, that this scheme is currently assumed to be 100% funded by the HRA, with no Devolution funding, RTB receipts or Homes England grant anticipated. There will be the opportunity to move RTB resource into this scheme should there be slippage on other projects.

10. Implications

(a) Staffing Implications

The development scheme will be managed by the Housing Development Agency.

(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.

(c) Environmental Implications

A Renewable Energy Assessment informed the Development proposal by Laragh Homes as approved. PV panels were the preferred option, and these are required through a Planning Condition.

(d) Procurement Implications

n/a. Laragh homes have selected the Council as its affordable housing provider as required by the S106.

(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.

11. Risks

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

| Description of risk | Likelihood | Impact | Mitigation |
|---------------------------------------|--|--|--|
| Cost Risk – Construction works | Low – the council aims to enter into a fixed-price work contract. | Increased build cost. | Fixed work costs agreed on signing of contract mitigate this risk. |
| Construction - Delivery | Med- Market led development therefore may be affected by market factors. However, Planning Approval is in place and underlying demand in Cambridge remains strong. | Failure to deliver the additional 7-council rented homes. A risk of some delay to the programme but risk of non-delivery is low. | Confirmation planning approvals are in place. Due diligence before contract and payment structure to ensure Council payment is on certificates of actual work. |

| | | | |
|------------------------------|---|---|---|
| Construction -Quality | Med- risk of CCC design & spec requirements not being met, and Risk of poor quality control on site during construction. The Council have not worked with this developer before due diligence will be undertaken prior to contracting as well as quality control. | Med- will impact potentially on quality standards of completed buildings; increased defects. | CCC to employ EA and Clerk of Works to oversee scheme. Contract will include agreed specification and drawings for the units. |
| Developer insolvency | Med- the construction and development industry may be impacted on further by changes to the economy. | Med- would delay delivery and potentially increase costs whilst administrators managed process. | Undertake financial checks on company, include performance bond and parent company guarantee and NHBC contractor insolvency in requirements |
| Resources | Low- Allocation of resource is within CCC control | Low | Project management of scheme can be contained within current H DA resourcing |

Background papers

Further detail on the proposed development may be accessed through the Greater Cambridge Planning portal using reference 19/0718.

12. Appendices

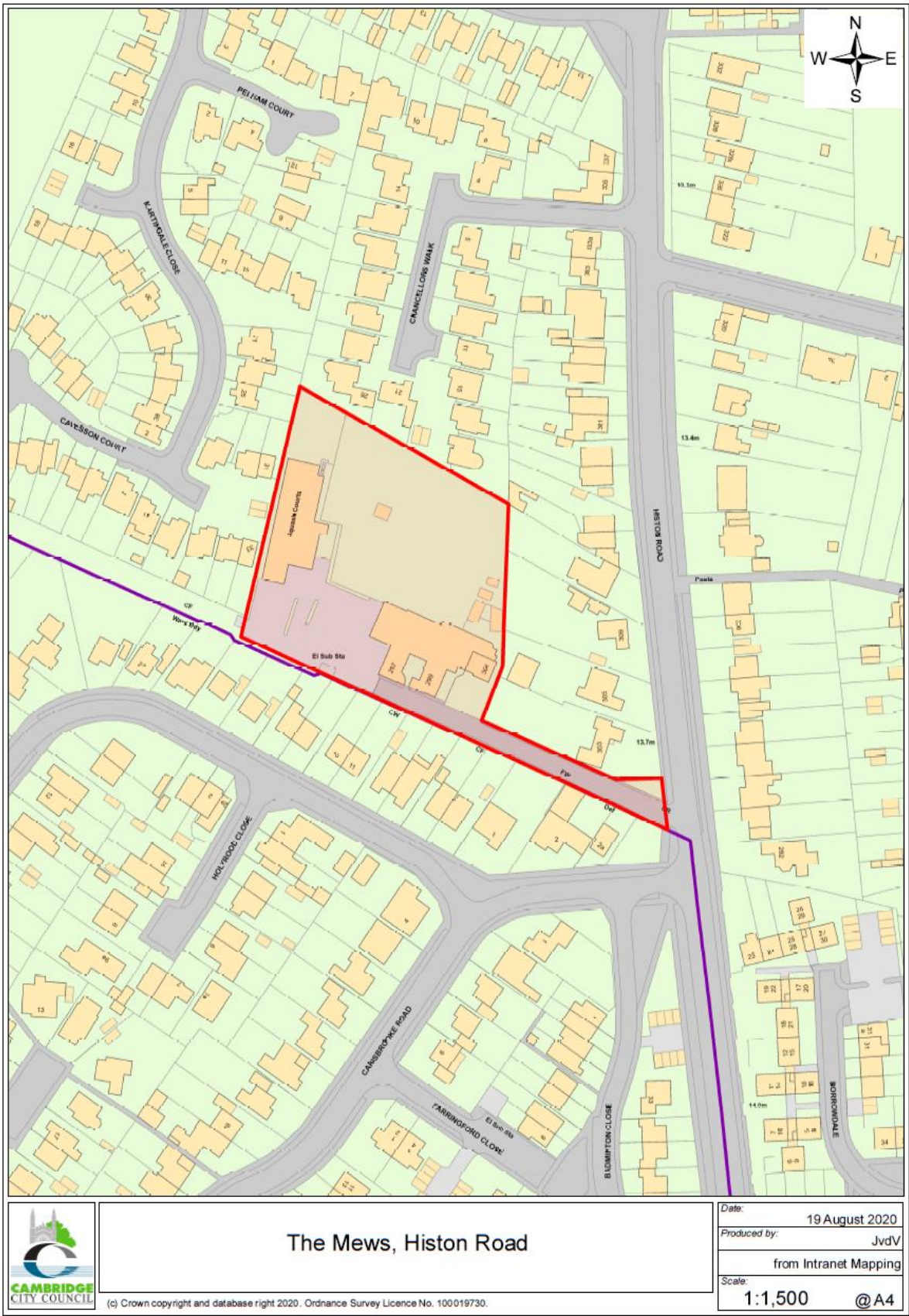
Appendix 1 – Site Location plan

Appendix 2 – The proposed scheme layout

13. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Jaques van der Vyver, Housing Development Agency, tel: 01223 457515, email: Jaques.vandervyver@cambridge.gov.uk

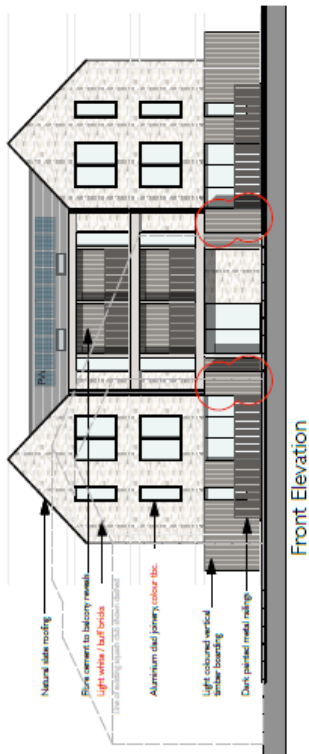
Appendix 1 Location Plan



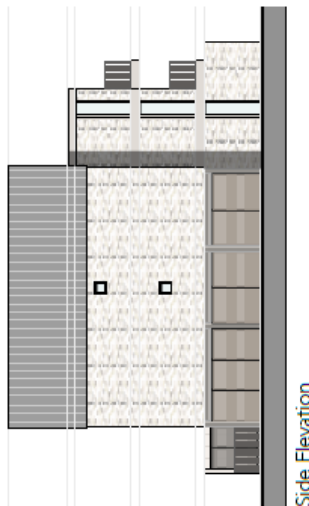
Appendix 2 – Proposed Scheme Layout



Site Plan



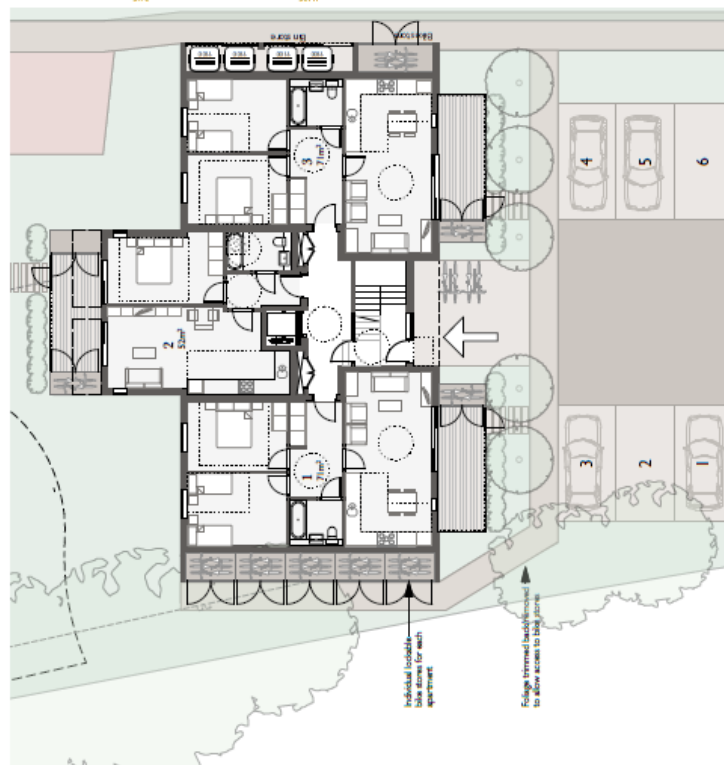
Front Elevation



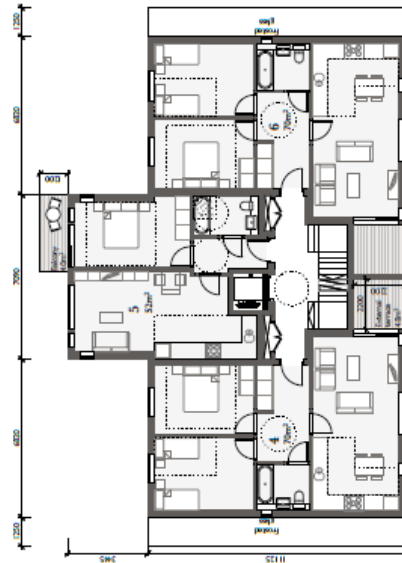
Side Elevation



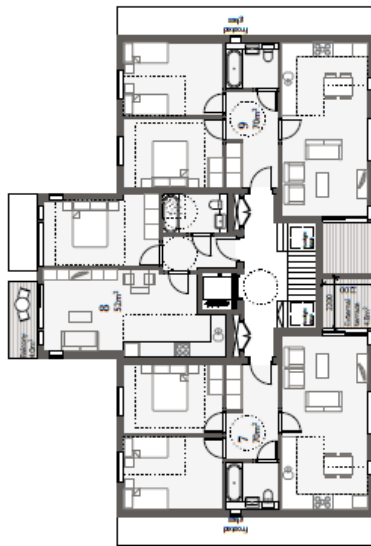
Rear Elevation



Ground Floor Plan



First Floor Plan



Second Floor Plan

| Notes | |
|---|--|
| 1. This drawing must not be scaled - work only to figure dimensions | |
| 2. Dimensions must be verified on site by the contractor before | |
| 3. This drawing is for information only and does not constitute a | |
| 4. This drawing applies only to this job and site | |
| 5. This information on this drawing is copyright protected | |



| HaysonWardMiller Architects | |
|------------------------------------|--------------|
| 7 Downing Place Cambridge CB2 3EL | Project |
| T: 01223 578545 | For |
| email: info@haysonwardmiller.co.uk | Scale |
| 1:100 @ A1, 1:200 @ A3 | Scale |
| 295-301 Histon Road, Cambridge | Project |
| LAP-AGH | For |
| 18.630 | Job no. |
| P20 | Drawing no. |
| G | Revision no. |



Item

NEW COUNCIL HOUSING, L2 Orchard Park

To:

Councillor Richard Johnson, Executive Councillor for Housing

Report by: Jake Smith, Development Officer, Housing Development Agency

Tel: 01223 – 457515 Email: jake.smith@cambridge.gov.uk

Wards affected:

none- South Cambridgeshire

Key Decision

Appendix 3 attached to this report contain 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 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

1. Executive Summary

- 1.1 Parcel L2, Topper Street, Orchard Park was purchased by Cambridge Investment Partnership (CIP), Cambridge City Council's joint venture with Hill, in February 2020. The site will deliver a return to the partners along with affordable housing for the Council's HRA.
- 1.2 The report seeks approval for a capital budget to purchase 30 affordable units from CIP, to be let as Council rented homes.

- 1.3 The design of the affordable units being purchased attains a 35% reduction in Carbon emissions on 2013 building regulations which goes beyond the current Local Plan and the Cambridge Sustainability Housing Design Guide (SHDG) target of 19%. Consideration is given to the design impacts on carbon, energy, running costs and tenant bills and a fabric first approach ensures low tenant bills due to low energy consumption. Energy is to be gas free and electric from Air Source Heat Pumps. This continuous improvement in sustainability standards for Council dwellings will further inform the review of the SHDG for all future council housing schemes to ensure there is a clear roadmap towards zero carbon, taking into account capital costs, running costs and impacts on tenant bills.
- 1.4 The report sets out the General fund investment and potential returns on this investment.
- 1.5 CIP have held a virtual public consultation on the proposed plans and stakeholder engagement has taken place with Friends of Marmalade Lane and local residents regarding the neighbouring green space and murals for the hoarding.
- 1.6 In accordance with the principles set out in Appendix 2 and the CIP Board approved Project Plan, this report outlines the key elements of the CIP development proposal including a summary of the investment plan.

2. Recommendations

The Executive Councillor for Housing is recommended to:

- 2.1 Approve the purchase of 30 new Council homes on the site at the cost of £5,850,000 and include an overall budget in the HRA for the scheme Orchard Park L2 of **£6,207,000**.

The Executive Councillor for Housing and the Executive Councillor for Finance and Resources are recommended to:

- 2.2 Approve the indicative proposed investment plan for L2 outlined in confidential Appendix 3, with the high-level commitments

associated with the General Fund and HRA. The investment plan will be refined in line with final project plans post planning permission determined and approved by the CIP Board with the Councils funding built into the relevant budget setting report.

3. Background

3.1 A core objective for Cambridge City Council is tackling the housing crisis in Cambridge. As the main provider of social and affordable housing in Cambridge, the Council has established a new build programme to:

- a) Provide additional social housing to meet housing needs in Cambridge and replace social housing lost through Right to Buy.
- b) Replace existing council social housing that no longer meets current standards or is becoming less popular with residents due to factors relating to space and the impact of fuel poverty.
- c) Build new house types which will better meet the overall mix of Future Affordable Housing needs.
- d) Improve the energy efficiency of the Council's housing stock.

3.2 In 2016 the Strategy and Resources Scrutiny Committee approved setting up the Cambridge Investment Partnership (CIP) as a mechanism for the Council to bring forward assets for development including sites for the delivery of new homes under the devolution programme. The CIP was established in January 2017. The partnership brings with it the advantage of the experience and resources of the development partners and network of contacts which has led to the acquisition of this site on the open market.

3.3 The principles governing the approvals process for sites which are developed with CIP were approved at Strategy & Resources Scrutiny Committee on 9th October 2017 and are set out in Appendix 2.

- 3.4 The approval to fund the purchase and development costs for the site at L2 was made in a key decision report presented to the Executive Councillor for Finance and Resources in December 2019.

3.5 Local Housing Need

There is a recognised need for more affordable housing across both the city of Cambridge and in South Cambridgeshire, where the site lies. The table below demonstrates the number of households on the Housing Needs Register as of end of July 2020. There are currently 1,455 households in need of a 1- or 2-bedroom property across the city, with a further 965 applications pending; progressing this scheme will help in meeting the needs of those on the waiting list.

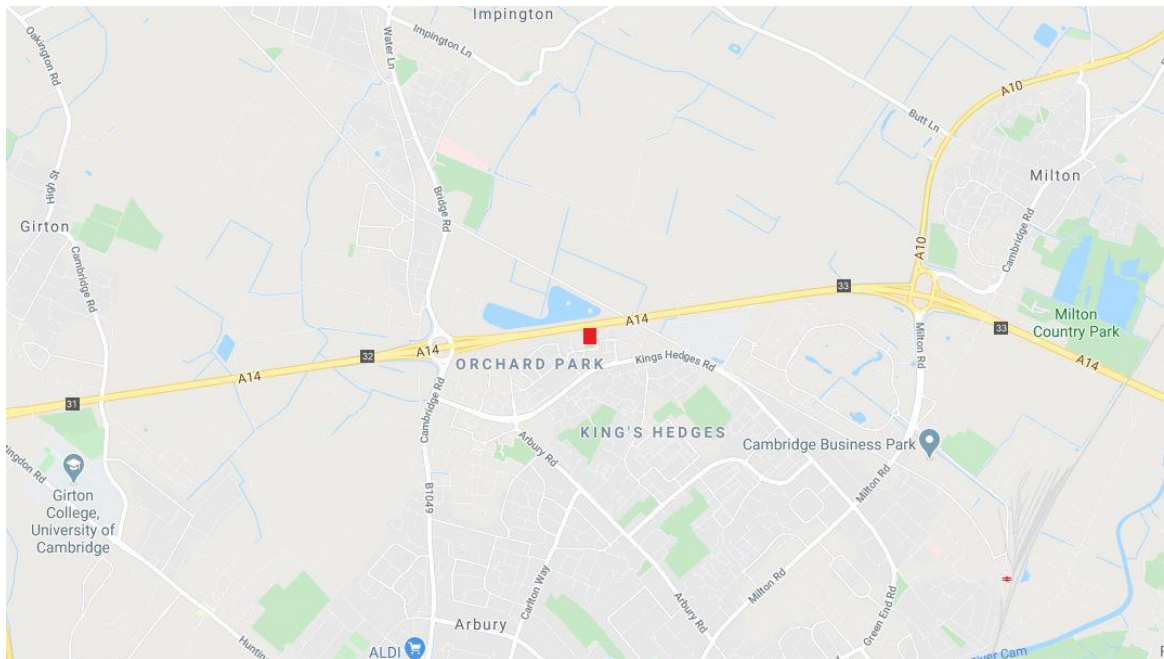
| Cambridge City | 1bed | 2 bed | 3 bed | 4+ bed |
|----------------|------|-------|-------|--------|
| | 1014 | 441 | 233 | 45 |

As the site is in South Cambridgeshire, but will be owned by Cambridge City Council, it is likely that the new homes will be let to residents from both the City Council and South Cambs District Council housing registers. It is understood that there are approximately 1,700 people on the South Cambs affordable housing register. The Head of Housing is in discussion with South Cambs DC in respect of the lettings and nominations. The current proposal is for a Local Lettings Plan agreement will be made between the two councils on the number of tenants housed from their respective housing registers at least 3 months before the properties are advertised for letting.

The Head of Housing supports the mix of homes and for all the affordable homes to be Council rented.

4. Site Details

- 4.1 The site is at Parcel L2, Topper Street, Orchard Park. A location plan of is shown overleaf.



- 4.2 L2 is one of the last undeveloped parcels of Orchard Park comprising circa 0.7 acres of land immediately to the south of the A14.
- 4.3 The site is currently an unoccupied, undeveloped piece of land, which was purchased by CIP with planning permission to build 64 units, including commercial units, a gym and underground parking.

CIP Development Proposal

- 4.4 CIP has appointed a project team led by Mole Architects and reviewed the existing planning permission and is working on a new proposal for a planning application on the site.
- 4.5 The proposals for the site is to deliver a scheme of 75, including 30 Council rented flats (40%), and 45 additional flats for private sale at market value. The new affordable housing stock will be owned and managed through the Council's Housing Revenue Account (HRA) and will be let as secure local authority tenancies.
- 4.5 CIP also proposes to improve the neighbouring green space, owned by Orchard Park Community Council, with the input of local residents to provide a cohesive natural environment for both new residents and neighbours.
- 4.6 The new planning application will be submitted in August 2020. Work onsite is likely to start in April 2021, subject to planning approval.
- 4.7 Due to its location (on the guided bus route/cycle route) and the type of homes on the site, the car parking proposed is at 0.35 spaces per home. There are 124 bike spaces and provision for 6 EV charging spaces.
- 4.7 Outline proposals are attached as Appendix 1.

5 Sustainability

- 5.1 In line with Campkin, Colville and the Meadows developments, the design of this affordable housing scheme goes beyond the current Local Plan and the Cambridge Sustainability Housing Design Guide (SHDG) and consideration is given to the design impacts on carbon, energy, running costs and tenant bills.
- 5.2 The proposed standards will mean a fabric first approach ensuring low tenant bills due to low energy consumption. Energy to be electric from

Air Source Heat Pumps. This will mean a 35% reduction in Carbon emissions on 2013 building regulations, which is ahead of the current local plan of 19%.

Additional sustainability measures include:

- EV charging
- Green Roofs
- Solar PV
- MVHR
- Car Club and reduced car parking overall (0.x)
- Bicycle parking
- Enhancement of neighbouring green space

6. Stakeholder and Community Engagement

- 6.1 CIP have held a virtual public consultation and stakeholder engagement.
- 6.2 Friends of Marmalade Lane were also approached to provide a mural for the hoarding which surrounds the site, and an artist from the area has provided this with input from local children. The mural can currently be seen at L2.
- 6.3 CIP will be engaging with local residents further on the neighbouring green space and will work closely with them on the design for this space going forward, to ensure that it meets their needs.

7. Programme

- 7.1 The indicative programme for the development provided by CIP is as follows:

Submission of Planning Application: August 2020
Planning Permission Granted: November 2020
Start on Site: April 2021
Completion: November 2021

8. Financial Implications

The Project Plan and Funding Package

8.1 The Financial Model

The CIP financial model for the development is based on the following assumptions:

- An actual land purchase cost supported by a RICS valuation and funded 50/50 between partners.
- 40% of the costs will be met by CIP partners (20% Council and 20% Hill Investment Partnership).
- The residual 60% will be met by borrowings, as agreed by partners
- Income derived from sales will be assigned to partners in line with their inputs.
- Surplus shared 50:50.
- Affordable housing purchased by the City Council.

The indicative investment plan included with the project plan contains commercially sensitive information and therefore is included as a confidential paper in Appendix 3.

9. HRA Funding

- 9.1 The total indicative capital cost of the L2 affordable housing is estimated at **£6,207,000**. This includes the purchase price of the dwellings and all associated internal and external fees.
- 9.2 It is currently proposed that the investment will be wholly met from HRA resources for the purchase of the affordable homes on the site. All retained right to buy receipts are also currently committed to other schemes within this timeframe, but if any of these schemes slip, then right to buy receipts will instead be applied to this scheme to avoid payment of any penalty to MHCLG.
- 9.3 The housing capital budget will be **£6,207,000**

9.4 The payback to the HRA for this scheme in isolation is 48 years. It should be noted however, that this scheme is currently assumed to be 100% funded by the HRA, with no Devolution funding, RTB receipts or Homes England grant anticipated.

9.5 Although this scheme in isolation is outside of our standard pay back parameters, the cost per unit demonstrates value for money, particularly as the land is not HRA land and this scheme should be considered in the context of the wider new build programme, where schemes which have significant grant and RTB receipts attached will have significantly shorter pay back periods.

9.6. **GF Debt and Equity Funding**

The Council will also provide funds to the CIP to support the development of the whole of the L2 site, both as a partner in the CIP joint venture and potentially as a lender to the partnership. These funds will be interest-bearing and are likely to be required from April 2021 to August 2023. Based on current projections, the council's funding of the scheme (equity and debt) is likely to peak at approximately £7m in October 2022.

10. Implications

(a) Staffing Implications

In accordance with the principles for developing a site through the CIP process which are set out in earlier sections of the report; all matters relating to the development of L2 are managed by CIP including the provision of staff. The costs associated with this are managed as part of the CIP business. Staff from both investment partners (CCC and Hill Investment Partnership) work collaboratively to achieve successful outcomes for the partners. A benefit of the Investment Partnership is the provision of experienced professional resources from both partners to support delivery and meet the partners' objectives.

(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 surpass the current Cambridge Sustainable Housing Design Guide (SHDG) and meet approximately 35% reduction in carbon emissions compared to 2013 Building regulations and the learning from this scheme will feed into the review of the SHDG for all future council housing schemes to ensure there is a clear roadmap towards zero carbon taking into account capital costs, running costs and impacts on tenant bills.

(d) Procurement Implications

As set out in Appendix 2, Cambridge City Council approved the establishment of the Investment Partnership in January 2017. The development process managed by the CIP Investment Team utilises Hill Group procurement framework and existing supply chain to achieve best value. The CIP model is robust in its governance and decision-making processes and provides a sound model for more accelerated development and delivery of its Council partner's assets.

(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

20. Risks

Overleaf 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 546 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 | This project is a contingency project for the existing programme, based on the current position it is unlikely to be needed however current programme would mean it can achieve SOS by Mar 22 subject to planning. |
| Design Risk – spatial constraints | Low – positive design has been achieved through design team meetings and stakeholder engagement. Lower car parking levels | Potential that targeted unit numbers cannot be met | Close monitoring of the evolving masterplan to ensure it is space efficient and makes the most of the available land given the site constraints. Use the capacity study as a benchmark. |
| Planning Risk – Building heights | Low – there are existing buildings with the same height in the area. | Planning application for reduced unit numbers. Reduced number of | Reference guidance given at the pre-acquisition pre-app, where there was a positive response to 5 storey |

| | | | |
|--------------------|-----|--|---|
| | | affordable units. Reduced number of private units and lower margin. | elements. Flat roofs on buildings. Ensure high quality of design. |
| Market Risk | Low | Lower than anticipated sales values, and slower sales rates. | Target a 17.5% margin through the design process. Ensure the scheme is designed to be cost efficient to build. |

21. Background papers

20/5/SRb Purchase of land: Urgent decision.

22. Appendices

Appendix 1 – Scheme proposals

Appendix 2 – The Cambridge Investment Partnership

Appendix 3 – Confidential

23. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Jake Smith, Housing Development Agency, tel: 01223 457515, email: jake.smith@cambridge.gov.uk

PARCEL L2, ORCHARD PARK, CAMBRIDGE



THE SITE

The site is vacant land allocated for residential development situated to the north east of Orchard Park. It is located just 2 minutes walk from the nearest guided busway stop and a 10 minute cycle from Cambridge North station.

To the north of the site lies the A14. There is a steel meshed reinforced embankment to the A14 with planting and fences between. An acoustic fence protects the site from the noise of the A14. To the south is Marmalade Lane, the first developer-led co-housing scheme in Cambridge which was completed in December 2018. The east and west of the site is bounded by developments which contain a mix of four-storey apartments (to the west in Engledow Drive) and three-storey apartments and semidetached houses (to the east in Flack End).

The site is well connected to Cambridge, with easy access to the Cambridge Guided Busway and a number of cycle-ways providing direct access to Cambridge city centre (15 minutes by bike) and Cambridge North railway station (10 minutes by bike).



The site outlined in red.



View looking to the rear of the site with the A14 embankment seen to the left of the image. The building seen across the site is the gable of 17 Flack End.



View looking west on Topper Street. The terraced housing of Marmalade lane is to the left. The site is behind the white boarding on the right.



View from Topper Street looking northeast towards the site.

PREVIOUSLY APPROVED SCHEME

Planning permission was granted for a mixed-use, residential-led development on the site in September 2017 (ref. S/1294/16/FL). The application was submitted by the previous owner of the site.

The scheme included:

- 63 one bedroom units
- 40% shared equity homes, which would be sold at 80% of market value
- 67 car parking spaces
- A gym
- 2 commercial units (for retail, leisure and financial services space)

Having reviewed the approved plans the team have identified several areas for improvement. These include:

1. The external balconies on the corners of the building are poorly functioning, offer little privacy and make for awkward spaces to use.
2. 12 single aspect north-facing residential units get no direct sunlight.
3. The proximity of proposed living space to existing apartments was uncomfortable and created overlooking.
4. The landscape was bland and did not promote green, interactive space.
5. Large areas of the central courtyard would be in deep shade
6. The basement parking proposed made the scheme financially unviable to deliver.

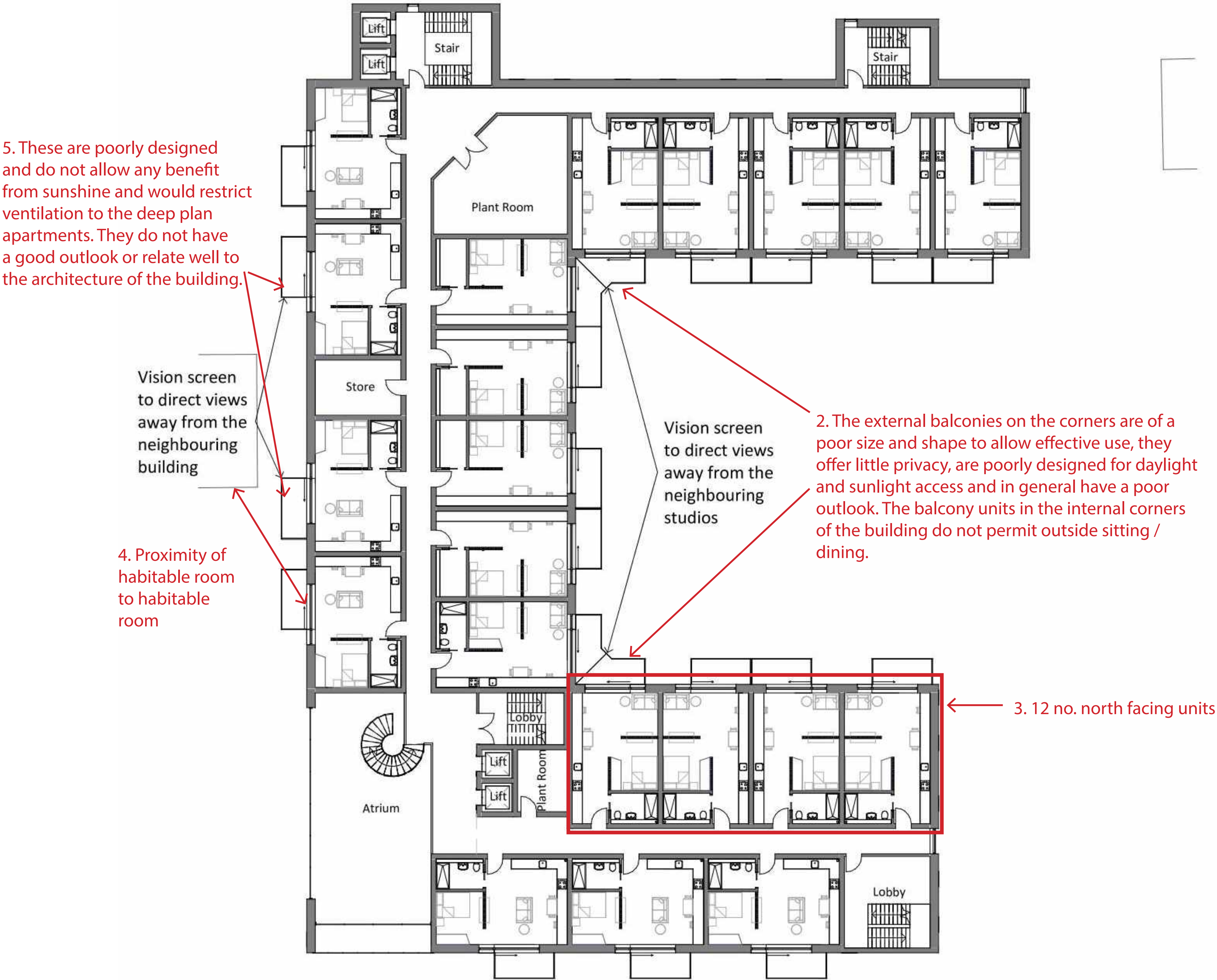


Image detailing the opportunities for improvement with the previous scheme.

SECTION 73

A Section 73 application is used by developers to change aspects of a scheme within the confines of the granted planning permission.

Whilst the previous plans were approved, the basement parking made the scheme financially unviable to deliver.

The previous developer therefore sought to negotiate an amendment to the approved scheme to remove the basement car park and replace this with 27 car parking spaces at ground level, including 4 for visitors to the commercial units and gym.

The principle was broadly accepted by Planning Officers but there were still areas of concern:

- **Car parking** - A reduced level of car parking was accepted, however Planning Officers did not want to see large areas of the courtyard paved over for car parking and so requested a better approach.
- **Landscaping and the delivery of biodiversity enhancements:** Planning officers were keen to deliver better landscaping, plant trees and promote biodiversity in the site. The quality of the communal open space was questioned and Officers were concerned that it would constantly be in the shade and therefore would not be enjoyed by future residents.

Whilst attempting to create a better scheme, the developer decided to put the site up for sale.

Cambridge Investment Partnership worked with Mole to assess the opportunities and constraints and, seeing the potential for a better design, purchased the site in March 2020.

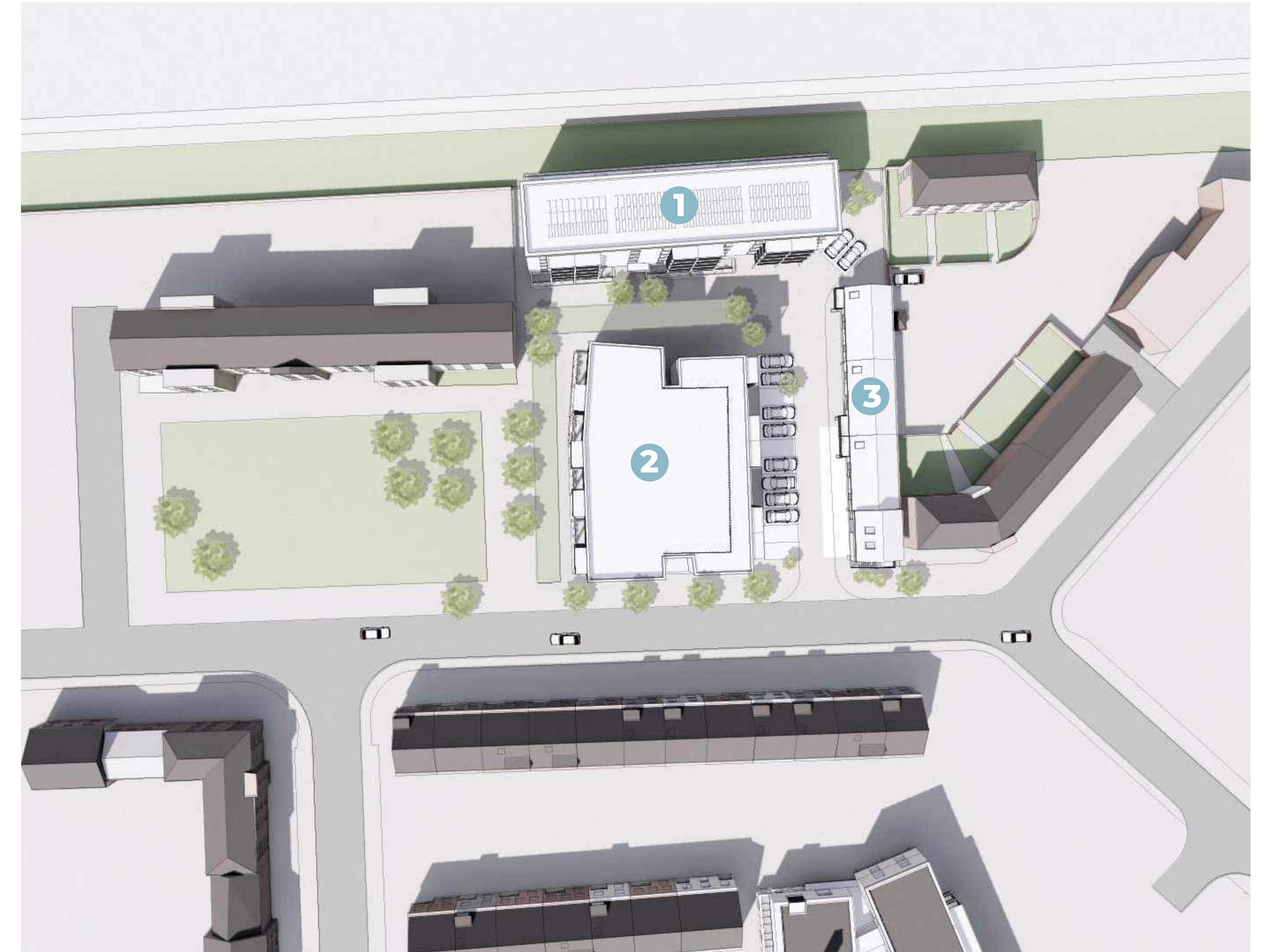


AERIAL VIEW OF L2

The proposal moves away from a large singular block of the approved scheme (shown left), and instead creates three separate buildings (shown right). The three buildings are known as the North Building; The Topper street building, and the Coach Houses.



Approved

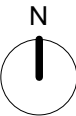
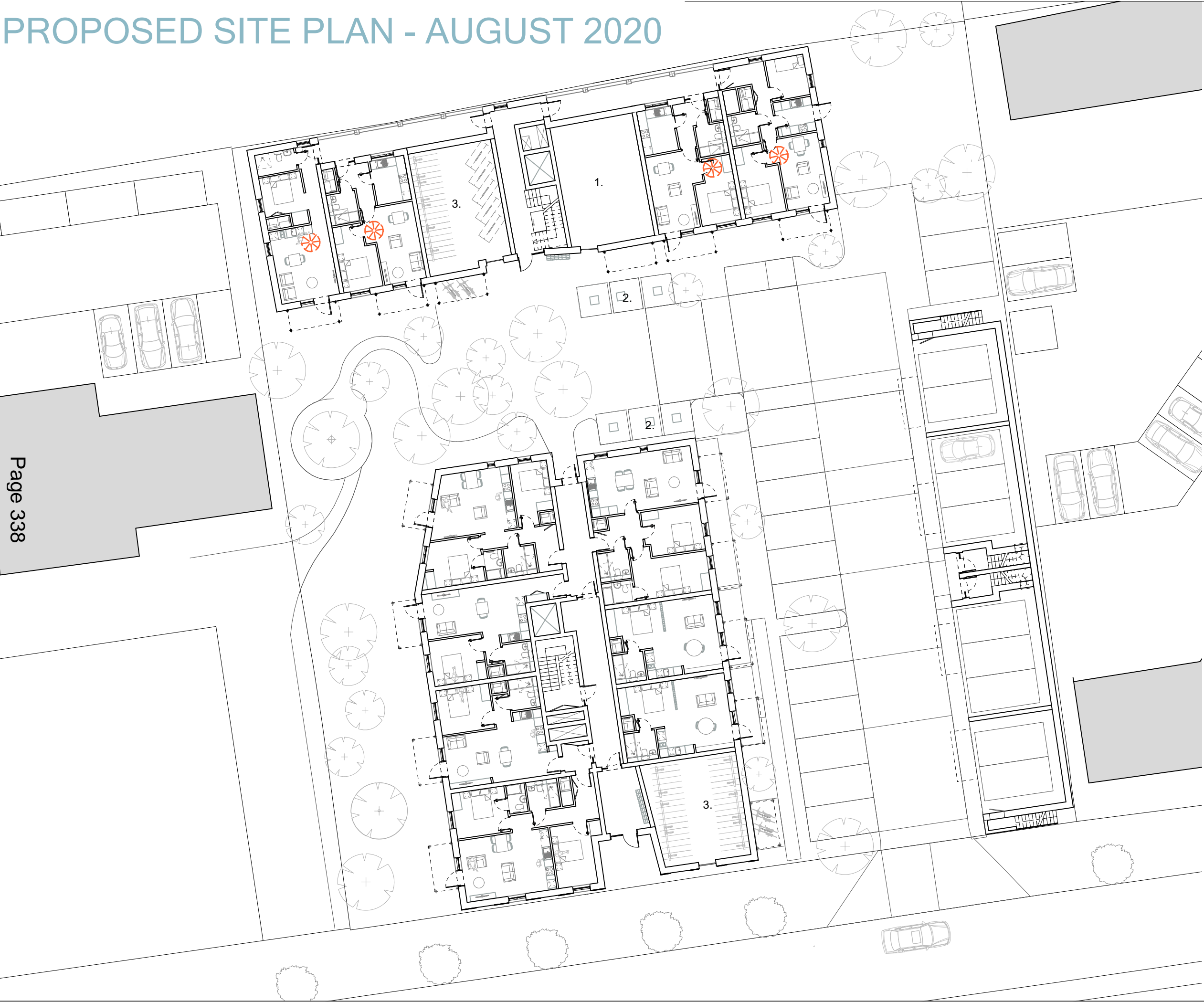


Proposed

- 1 The North Building
- 2 Topper Street Building
- 3 The Coach Houses

PROPOSED SITE PLAN - AUGUST 2020

Page 338



Legend:

- Affordable Units
- 1. Mech Room
- 2. Bins
- 3. Bike Store

| | | |
|-----|----------|-----------------------------|
| P09 | 21/08/20 | -Issued for consultants |
| P08 | 07/08/20 | - Issued for pre-app |
| P07 | 31/07/20 | - Updates for client |
| P06 | 17/07/20 | - Carparking arrangement |
| P05 | 16/07/20 | - Changes to coach house |
| P04 | 09/07/20 | - Issue to client |
| P03 | 24/06/20 | - Design development |
| P02 | 05/06/20 | - Update to client comments |



Mole

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DO NOT SCALE FROM THIS DRAWING. VERIFY ALL DIMENSIONS ON SITE. DRAWING SHOULD BE READ IN CONJUNCTION WITH INFORMATION FROM ALL OTHER DESIGN CONSULTANTS AND CONTRACTORS. ALL DRAWINGS IN DIGITAL FORMAT ARE FOR REFERENCE ONLY.

Parcel L2, Orchard Park, Cambridge

Cambridge Inverment Partnership
Topper Street, Orchard Park

Job no. 2007

dwg.No 2007_L_120

Title GROUND FLOOR LAYOUT
PLAN

| | |
|--------------------|------------|
| Status Preliminary | Rev P09 |
| Scale 1:250 @ A3 | |
| Date 06.04.20 | |

VIEW LOOKING WEST ON TOPPER STREET



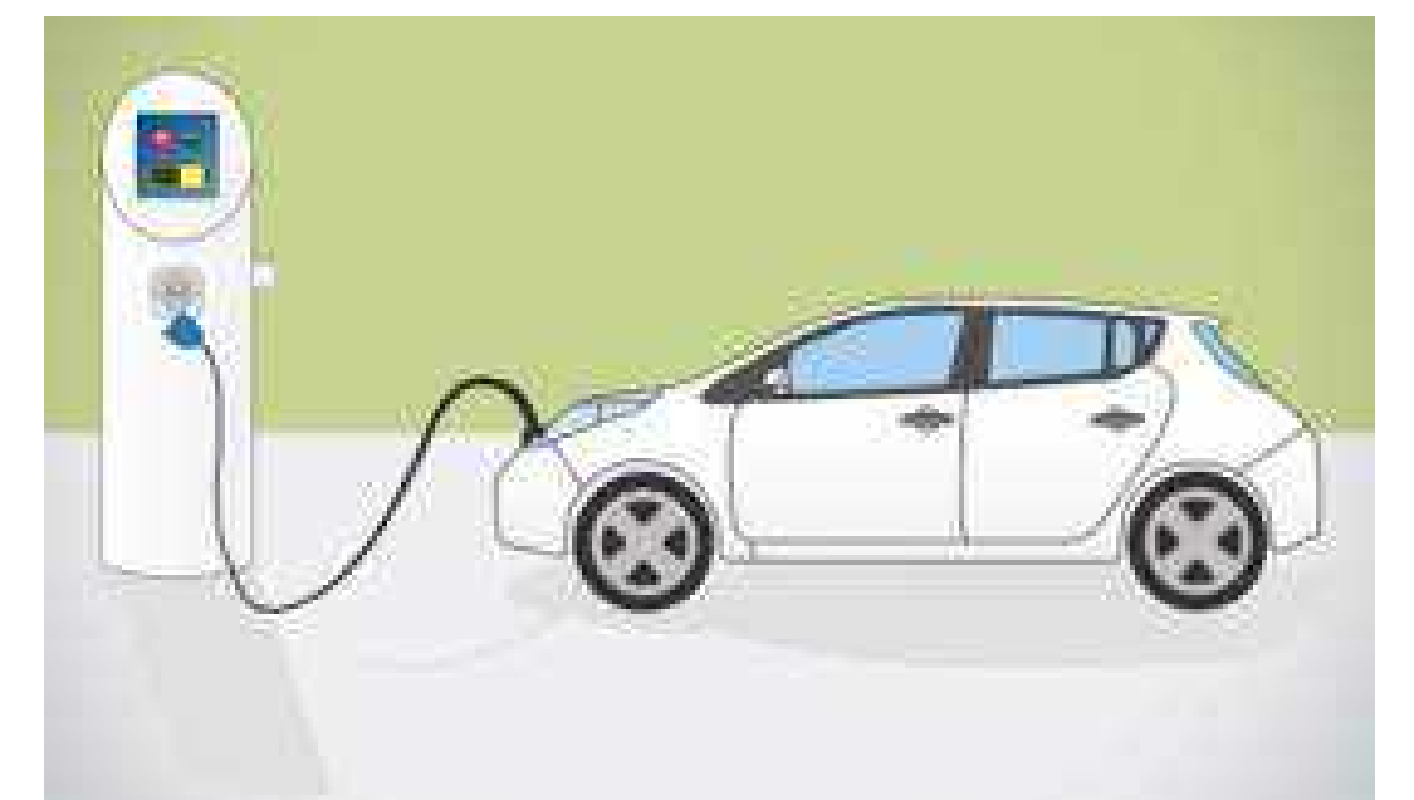
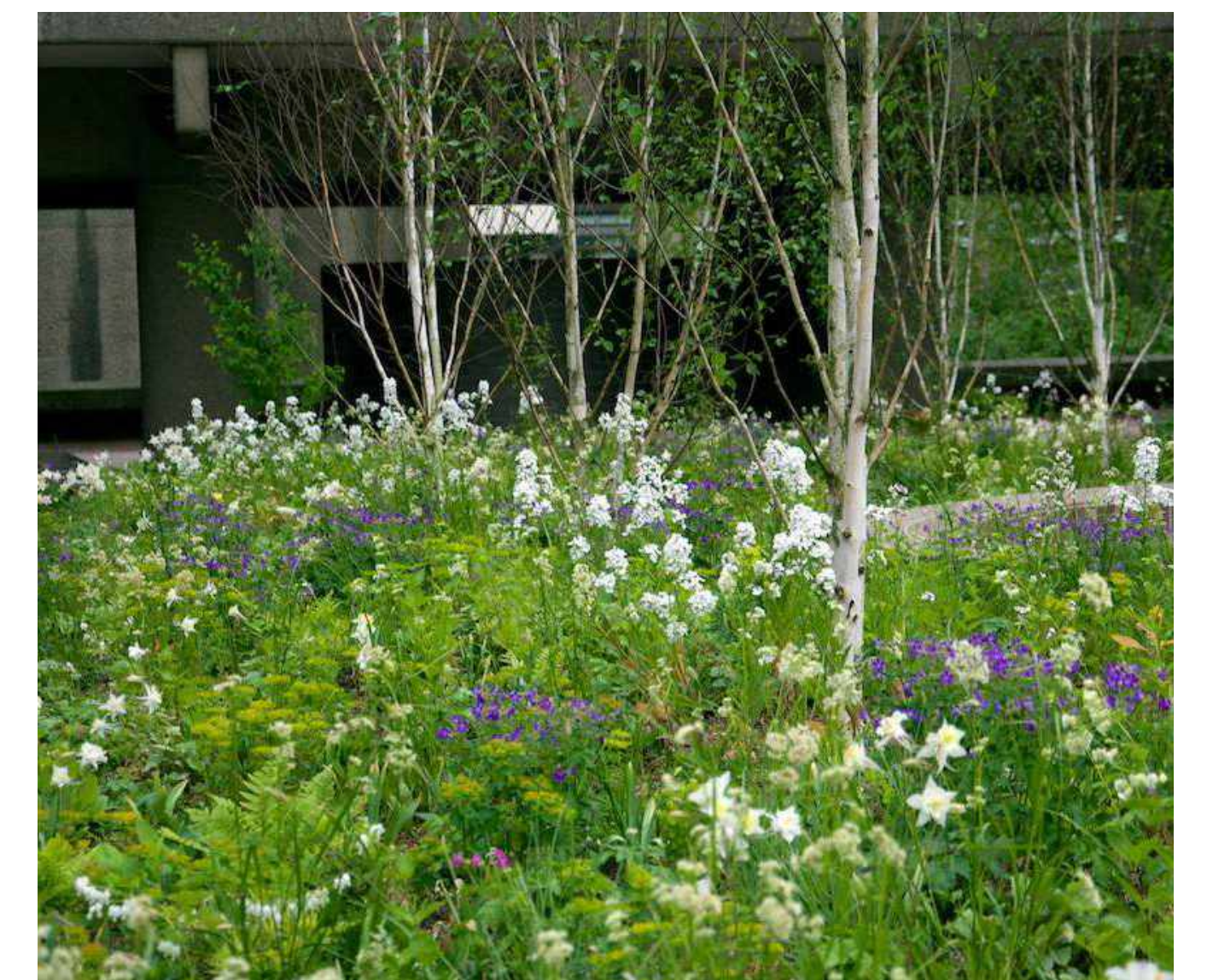
VIEW LOOKING EAST ON TOPPER STREET



SUSTAINABILITY

The site includes a number of sustainability initiatives including:

- Gas-free development with communal air source heat pumps located on the roof of the North building.
- Car club vehicle - hybrid or electric
- Electric vehicle charging - all parking spaces to have ductwork installed for future adaptation, 6 spaces to have active charging points installed
- Fabric first approach
- Wildflower green roofs on the buildings
- Sustainable drainage feature in the landscaping
- Cycle storage to promote sustainable modes of transport.



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Appendix 2

The Cambridge Investment Partnership (CIP)

In July 2016 Cambridge City Council Strategy and Resources Committee approved a recommendation to establish an Investment Partnership. The Leader approved setting up an Investment Partnership to optimise the use of the Council's property through investment in commercial, residential and other uses to achieve both social and financial returns.

After an assessment by a panel of external consultants and internal officers from the Council, Hill Investment Partnerships (HIP) was selected from a shortlist of companies to form the Cambridge Investment Partnership (CIP) with the City Council.

The Partnership is an equal, 50:50 Limited Liability Partnership (LLP). The investment partnership model provides an opportunity for the Council to benefit from the experience and additional resource that a development partner can bring. Each partner shares the outputs (financial and social) in proportion to the value of its input, and therefore the model allows the partners to share the development risk and the development uplift arising from a scheme. A higher percentage of development uplift in a scheme procured through an alternative single developer route, would be paid directly to the developer

The agreed objectives of CIP as set out in the Members Agreement are:

- Investment in the development of land to create successful new places that meet both the financial objectives (primarily a revenue return) and social objectives of the Cambridge City Council (particularly housing that is affordable and is needed locally), provided always that the individual sites may be developed to meet either financial or social objectives;
- Improve the use of Council assets and those of other Public Sector Bodies in the Cambridge, or Cambridge wide, area;
- Maximise financial return through enhanced asset value, (with reference to the first bullet above)
- Provide a return to the Investment Partners commensurate to their investment and the level of risk in respect to such investment.

The business of CIP is conducted in accordance with the governance processes and procedures which are set out in the Members Agreement. Cambridge City Council is represented on the CIP Board by Executive Councillor for Finance and Resources and the Executive Councillor for Housing, Hills Investment Partnership is represented by two Directors of Hill Investment Partnership.

The process by which schemes are identified and offered to CIP for development was approved in a Report which was presented to Strategy + Resources Scrutiny Committee on 9th October 2017.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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