



## Cambridge City Council

### Housing Scrutiny Committee

**Date:** Thursday, 23 September 2021

**Time:** 5.30 pm

**Venue:** Council Chamber, The Guildhall, Market Square, Cambridge, CB2 3QJ

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

### Agenda

- 1 Apologies
- 2 Declarations of Interest
- 3 Minutes (Pages 7 - 16)
- 4 Public Questions

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

#### **Decisions for the Executive Councillor for Housing**

- 5 Estates & Facilities Compliance Data (Pages 17 - 24)
- 6 Complaint Upheld by the Housing Ombudsman Service relating to housing repairs (Pages 25 - 30)
- 7 Management of Residents Car Parking Spaces Provided on Housing Land Within Neighbourhoods and on Future New Builds Across the City (Pages 31 - 44)
- 8 Changes to Under Occupation Assistance Scheme (Pages 45 - 76)
- 9 Shared Ownership Policy (Pages 77 - 104)
- 10 Housing Revenue Account (HRA) Medium Term Financial Strategy (Pages 105 - 204)

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

#### **Decisions for the Executive Councillor for Housing**

- 11 Review of the Council's Empty Homes Policy (Pages 205 - 230)
- 12 Report on progress toward HRA Estate (Pages 231 -

	Regeneration programme Including a report on a proposed scheme at Aylesborough Close	292)
13	Report on Net Zero Carbon Pilot Schemes at Paget Road and St Thomas Road	(Pages 293 - 330)
14	Combined Update on New Build Council Housing Delivery	(Pages 331 - 350)

**Housing Scrutiny Committee Members:** Bird (Chair), Sheil (Vice-Chair), Bennett, Dalzell, Gawthrope Wood, Gilderdale, Lee, Pounds and Robertson

**Alternates:** Copley, Page-Croft, Sargeant and Sweeney

**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:** Todd-Jones (Executive Councillor for Housing)

## Information for the public

The public may record (e.g. film, audio, tweet, blog) meetings which are open to the public.

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](mailto:democratic.services@cambridge.gov.uk)
- Phone: 01223 457000

## Public health and well-being for meeting arrangements

Whilst the situation with COVID-19 is on-going, the Council will be following the latest Government guidance in organising and holding its meetings.

We ask you to maintain social distancing at all times and maintain your face covering unless you are exempt or when speaking at the meeting. Hand sanitiser will be available on entry to the meeting.

If members of the public wish to address the committee please contact Democratic Services [democratic.services@cambridge.gov.uk](mailto:democratic.services@cambridge.gov.uk) by 12 noon two working days before the meeting.

<b>Housing Scrutiny Committee</b>
<b>Terms of Reference</b>
<b>A. Overview and scrutiny of the strategic and other housing functions for which the Executive Councillor for Housing is responsible, including</b>

responsibility for the development of housing strategies and policies, tackling homelessness, the Council's housing responsibilities with regard to the private rented sector, bringing vacant homes back into use, the development of new homes and partnership working with other housing providers.
<b>B.</b> Overview and scrutiny of functions relating to the management of the Council's housing stock.
<b>C.</b> 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.
<b>Membership</b>
City Councillors (Such number as shall be decided by the Council from time to time)
Six elected tenants and leaseholders of Cambridge City Council of whom at least five shall be tenants of Cambridge City Council.
<b>Appointment of tenant and leaseholder members</b>
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.
<b>Voting</b>
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.
<b>Appointment of Chair</b>
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.
<b>Other matters relating to elected tenants and leaseholders</b>
These are set out in the Overview and Scrutiny Procedure Rules in Part 4E. They include information about the roles, responsibilities and training of tenant and leaseholder representatives, expenses and allowances, and the circumstances in which they may cease to be members of the

Committee.

This page is intentionally left blank

**HOUSING SCRUTINY COMMITTEE**

22 June 2021

5.30 - 6.50 pm

**Present:** Councillors Bird (Chair), Sheil (Vice-Chair), Bennett, Dalzell, Gawthrope Wood, Gilderdale, Lee, Pounds and Robertson

**Executive Councillor:** Lewis Herbert

**Tenant/Leaseholder Representatives:** Agate (Tenant Representative), Amiteye (Tenant Representative), Best (Leaseholder Representative), Powell-Hardy (Tenant Representative), Minns (Tenant Representative) and Stevens (Tenant Representative)

**Officers:**

Suzanne Hemingway, Strategic Director.

Julia Hovells, Assistant Head of Finance.

David Greening, Head of Housing.

Lynn Thomas, Head of Estates and Facilities.

Gary Clift, Committee Manager.

<b>FOR THE INFORMATION OF THE COUNCIL</b>
---

**21/23/HSC Apologies**

Cllr Todd-Jones was unable to attend the meeting and Cllr Herbert, Leader of the Council was present to make the Executive decisions.

**21/24/HSC Declarations of Interest**

There were no declarations of interest.

**21/25/HSC Minutes**

The minutes of the meetings held on 19 January and 16 March 2021 were confirmed as correct records and signed by the Chair.

**21/26/HSC Appointment of Vice-Chair (Tenant/Leaseholder Rep) for 2021/22 and Introduction of Tenant and Leaseholder Representatives**

Diane Best proposed Diana Minns for Vice-Chair, seconded by Cllr Bird. There being no other nomination, Diana Minns was appointed Vice-Chair for 2021/22.

### **21/27/HSC Public Questions**

There were no public questions.

### **21/28/HSC Resident Involvement Strategy 2021-2024**

This item was Chaired by Diana Minns (Vice-Chair)

#### **Matter for Decision**

The report presented the Resident Involvement Strategy for 2021/24. The strategy incorporates business plan objectives, feedback from the 2020 Tenant and Leaseholder Satisfaction Survey and recommendations from the Charter for Social Housing Residents: Social Housing White Paper (2020).

#### **Decision of Executive Councillor for Strategy and External Partnerships**

Agreed the Resident Involvement Strategy 2021/24 (Appendix 1).

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

As set out in the Officer's report.

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

Not applicable.

#### **Scrutiny Considerations**

The decision had not been requested for pre-scrutiny. Diane Best commented that the tenant and leaseholder reps had been fully involved in the development of the Strategy and commended it to the committee.

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

No conflicts of interest were declared by the Executive Councillor.

### **21/29/HSC Procurement of Contractor(s) to Deliver Planned Building Maintenance Work - 2022-2028**

This item was Chaired by Diana Minns (Vice-Chair)

#### **Matter for Decision**

The report proposed a procurement to award a contract for planned maintenance service delivery November 2022 to March 2028.

**Decision of Executive Councillor for Strategy and External Partnerships**

Approved the issue of tenders and following evaluation of tenders, delegate authority to the Strategic Director (in consultation with the Executive Councillor, Chair and Vice Chair of Housing Scrutiny Committee and spokespersons) to award a contract(s) to a contractor(s) to carry out planned building maintenance / capital works to Council housing and other buildings for a period of five years and four months from November 2022 to March 2028, with an option to extend for one or more periods up to a maximum extension of three years.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee welcomed the report and that resident representatives would be involved in the selection process.

The Committee resolved by 15 votes to 0 to endorse the recommendation.

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

No conflicts of interest were declared by the Executive Councillor.

**21/30/HSC Procurement of Contractor(s) to Deliver Compliance Work – November 2022 – March 2027**

This item was Chaired by Diana Minns (Vice-Chair)

**Matter for Decision**

The report proposed a procurement to award a contract(s) for compliance-based activities. This includes gas servicing and maintenance, servicing including (but not limited to) electrical testing, fire safety asset servicing, water hygiene. The contracts are for up to four years, four months with an option to extend for one or more periods up to a maximum extension of three years.

**Decision of Executive Councillor for Strategy and External Partnerships**

Agreed to amalgamate the aforementioned contracts (paragraph 1, Executive Summary of the report) into a single procurement exercise and delegate authority to the Strategic Director (in consultation with Executive Councillor, Chair and Vice Chair of the Housing Scrutiny Committee and spokespersons) to award either a single contractor, or multiple contracts for Compliance Delivery areas.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee welcomed the report.

The Committee resolved by 15 votes to 0 to endorse the recommendation.

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

No conflicts of interest were declared by the Executive Councillor.

**21/31/HSC Housing Services Communal Cleaning**

This item was Chaired by Diana Minns (Vice-Chair)

**Matter for Decision**

The report provided an update on the current and proposed future arrangements for communal cleaning services across the Council's housing stock and bin cleaning services in sheltered housing.

**Decision of Executive Councillor for Strategy and External Partnerships**

Authorised officers to explore the option of transferring responsibility for the cleaning of the Councils Category 2 Sheltered Housing Schemes back in house to the Council, and to delegate authority to the Strategic Director, in consultation with the Executive Councillor for Housing, Chair and Vice Chair of Housing Scrutiny Committee (HSC) and the opposition spokespersons, to make a decision on whether or not this should go ahead.

Following the above decision, to delegate authority to the Strategic Director, in consultation with the Executive Cllr for Housing, Chair and Vice Chair of HSC and the opposition spokespersons, to tender and award a contract for the communal cleaning of the Council's General Housing, Category 1 sheltered housing and, potentially, category 2 sheltered housing stock.

Approved delegated authority to the Head of Finance to amend both expenditure and income budgets in relation to the provision of communal cleaning services and bin cleaning in sheltered housing schemes in the HRA in line with prices received as part of the recent procurement exercises.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee welcomed the report and noted that resident representatives had already become involved in the next steps.

In response to a point made that cleaning bins at sheltered housing had re-started, the officer advised that there was a budget to re-commence the cleaning but that to fulfil the service going forward there will need to be an increase in the overall budget.

The Committee resolved by 15 votes to 0 to endorse the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

**21/32/HSC 2020/21 Housing Revenue Account Revenue and Capital Outturn, Carry Forwards and Significant Variances**

This item was Chaired by Diana Minns (Vice-Chair)

**Matter for Decision**

The report provided a summary of the 2020/21 outturn position for the Housing Revenue Account (HRA), budget variances, carry forward requests and written-off housing debt in 2020/21.

**Decision of Executive Councillor for Strategy and External Partnerships**

Approved carry forward requests totalling £7, 598,300 in revenue funding from 2020/21 into 2021/22 as detailed in Appendix C of the report.

Recommends to Council carry forward requests of £18,610,000 in HRA and General Fund capital budgets and associated resources from 2020/21 into 2021/22 and beyond to fund re-phased net capital spending, as detailed in appendix D 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**

In response to a question on the possible use of sub-contractors to help with the back-log of work, the officer stated that at this stage it wasn't envisaged it would be necessary to use sub-contractors, but if that changed, the proper procurement procedures would be followed to ensure quality (as well as value for money).

The committee and the Executive Councillor paid tribute to the workforce for managing to keep things going as best as possible during the pandemic.

The Committee resolved by 13 votes to 0 to endorse the recommendation (a) and by 7 votes to 0 on recommendation (b).

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

No conflicts of interest were declared by the Executive Councillor.

**21/33/HSC Social Housing Lettings Policy**

This item, along with the rest of the agenda was Chaired by Councillor Bird (Chair)

**Matter for Decision**

The report presented a revised Lettings Policy, which sets out how housing register applicants are prioritized and how the Council and housing association homes across the region are allocated.

**Decision of Executive Councillor for Strategy and External Partnerships**

Approve the revised Lettings Policy as set out in appendix 1 of the report.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The decision had not been requested for pre-scrutiny.

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

No conflicts of interest were declared by the Executive Councillor.

**21/34/HSC Purchase of Additional Affordable Housing, The Mews, Histon Road****Matter for Decision**

The report proposed the purchase of an additional 3 properties for rent as Council homes, with a revision to the budget for this development.

**Decision of Executive Councillor for Strategy and External Partnerships**

Approved the purchase of 3 additional new Council rented homes at the Mews, Histon Road and delegated authority to the Strategic Director to approve contract terms with Laragh Homes/LLP in respect of this transaction.

Approved a revised combined total budget of **£1,978,300** to enable the development of 10 homes at the Mews, Histon Road.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

In response to questions from the committee:

the officers would report back to Cllr Robertson on the heating system at the 3 properties;

the officers would review how to better reflect in development reports any impact on the water supply of the development (notwithstanding this will have been addressed during the planning application process).

The Committee resolved by 9 votes to 0 to endorse the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

**21/35/HSC Greater Cambridge Housing Strategy – New Housing Policies****Matter for Decision**

The report proposed three new housing policies developed with South Cambridgeshire DC and which will form annexes to the Greater Cambridge Housing Strategy 2019-2023.

**Decision of Executive Councillor for Strategy and External Partnerships**

Approved the proposed Build to Rent Policy attached as Appendix A to the report

Approved the proposed Clustering & Distribution of Affordable Housing policy attached as Appendix B to the report

Approved the proposed Affordable Rents policy attached as Appendix C to the report.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

Officers undertook to respond to Cllr Dalzell on his question of the percentage of affordable housing applied on smaller multi-tenure sites (paragraph 57 of appendix A).

The Committee resolved by 9 votes to 0 to endorse the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

**21/36/HSC Refugee Resettlement Programme**

**Matter for Decision**

The report proposed how to meet a Council pledge to resettle 200 refugees over a five year period.

**Decision of Executive Councillor for Strategy and External Partnerships**

Agree to allocate a maximum of 4 City Council properties per annum, outside of the current Lettings Policy, for the next five years, to help deliver the pledge to resettle 200 more refugees.

**Reason for the Decision**

As set out in the Officer's report.

**Any Alternative Options Considered and Rejected**

Not applicable.

**Scrutiny Considerations**

The Committee welcomed this proposal.

The Committee resolved by 9 votes to 0 to endorse the recommendation.

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

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 6.50 pm  
**CHAIR**

This page is intentionally left blank



## Item

### Compliance Update

**To:**

Housing Scrutiny Committee

23rd September 2021

**Report by:**

Gareth Basterfield – Interim Risk Assurance and Compliance Manager

Tel: 01223 458685 Email: [gareth.basterfield@cambridge.gov.uk](mailto:gareth.basterfield@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 compliance related activities delivered within the Estates & Facilities Team, including a summary on gas servicing, electrical testing and fire safety work.

### 2. Recommendations

The Executive Councillor is recommended to note current position of the Council regarding Compliance, and the progress of ongoing associated works.

### 3. Compliance Update

The Interim Risk and Compliance Manager (RACM) is still with the Council; however, a new recruitment approach is being taken to find a permanent member of staff for the position which will begin in September.

The RACM has been conducting an audit and review of the existing processes, procedures, policies and contracts. The key compliance areas

making up the parts of the review are Gas Safety, Fire Safety, Asbestos Management, Legionella & Water Hygiene, Passenger & Specialist Lifting Equipment and Electrical Safety.

### 3.1 Gas Safety

Improvements have recently been made in partnership with our contractor Mears – these include better overall compliance and reduced call waiting times.

### 3.2 Fire Safety

The following table is the current planned and on-going fire safety works:

<b>Task</b>	<b>Progress</b>	<b>Target Completion</b>
Fire Doors and Compartmentation to above 188 above ground maisonettes	20% of works have been completed, but access continues to be an issue for some. Efforts are ongoing to ensure delivery in 21/22.	2021/22
Fire Doors at Kingsway, Hanover and Princess	97% of doors completed with access an issue with the others. Doors still on programme but focus is now on other blocks.	2021/22
Emergency Lighting – Hawkins Road Estate	Works are now completed and lights operational. There is a small issue with the lights as they are continuously on but the manufacturer is going to visit site to assist with programming.	Completed
Vents and Cladding at 88 Buildings	Decision made not to proceed with these works as benefits would be minimal.	Removed
Fire Alarm - Kingsway	The Council are awaiting a final quotation for the works (due w/c 23/8/21). Once this is received and reviewed the works will be ordered.	October 2021
Fire Alarm – Hanover & Princess	Once final quotation and specification for Kingsway is finalised the Council will use this as a basis to design the alarm being fitted in Hanover & Princess.	February 2022
Compartmentation Works - Kingsway	Requirements currently under review	TBC

### 3.3 Legionella & Water Hygiene

A programme of carrying out Water Hygiene Risk Assessments is currently underway. No issues have been identified in regard to the Councils ongoing management of Legionella Risks.

Currently data is held by Veolia and the Council receive monthly reports on KPIs; however, the plan for the future is for the Council to hold the data itself so in the event of Contractor failure the Council always owns the data which pertains to it.

### 3.4 Electrical Safety

The Electrical Safety Inspection Programme has recently moved from a 10-year programme to a 5-year programme meaning the Compliance level has reduced. However, TSG have been issued a programme which reflects these changes and have begun delivering this financial year.

Access continues to be an issue but the once the new M&E Programme Delivery Manager role is filled, with the support of the Compliance Officer, the Council will move to a more holistic approach in delivering its Electrical and Gas Safety Programmes. By attempting access at the same time for both the Electrical and Gas Safety Programmes – which will reduce inconvenience for residents and also allow the Council to utilise its relatively high access rates in regards to its gas safety programme to increase its compliance in Electrical Safety.

Short-listing is currently taking place for the M&E Programme Delivery Manager role.

### 3.5 Passenger Lifts & Specialist Lifting Equipment

A review of the Lifts Programme delivery arrangements will be completed once the M&E Programme Delivery Manager is filled.

An interim review has found that there are suitable delivery arrangements in place for all of the Council's Passenger Lifts which are being serviced 6-monthly; in addition to the servicing there is also a programme of Statutory Thorough Inspections which are conducted annually by a 3<sup>rd</sup> Party who have found no significant failures within the past 12 months.

### 3.6 Asbestos Management

The Council has recently implemented its new Asbestos Register which is easily accessible to the relevant staff. The register enables easier searching for the location of all the Council's known Asbestos. This will ultimately reduce both cost and staff resource on Asbestos Management.

#### **4. Hanover Court, Princess Court & Kingsway**

The Council received a report stating that Hanover and Princess Courts could not support the gas infrastructure contained in the building and it should be removed; the Council subsequently commissioned the same report for Kingsway (due to the same construction type) and the report provided the same conclusion.

In agreement with the elected representatives, Cadent and the Senior Leadership Team it was decided that the Council would commence an urgent piece of work to remove all gas appliances and installations within the buildings and have the gas supply into the building removed by Cadent.

An outline of the programme is summarised below:

- a. Capping all gas supplies within the buildings.
- b. Replacement of all gas cooking appliances.
- c. Temporary re-instatement of gas boilers where residents have no alternative source of hot water once gas detectors and automatic gas shutoff (Solanoid) valves fitted.
- d. Replacement of all gas boilers with electrical equivalents.
- e. Removal of gas meters.
- f. Removal of gas Supply from building.

The Council has capped all but 7 supplies to the buildings and provided temporary cooking facilities and access to leisure centres for bathing. The 2 supplies not capped are due to refusals which will be managed separately.

Cookers for 24 residents are on order, with 1 already delivered and installed and a further 18 due by Friday 3<sup>rd</sup> September. Contact is currently being made with others affected by phone and email but so far this has not been successful. Housing Officers are going to start knocking on doors of those who have not yet engaged with us.

Planning and design are currently underway for the replacement heating systems.

Cadent have been kept informed of progress and are ready to support the Council in the removal of their gas infrastructure.

## **5. Compliance Dashboard**

As part of this updated report a new 'Compliance Dashboard' has also been developed. The report currently shows the position of the Domestic and Commercial Gas Servicing, as well as information around the Electrical Testing Programme.

As reviews are completed within the RACT and vacancies are filled the dashboard will extend to include other areas such as Fire Safety Systems (such as Fire Alarms and AOVs), Asbestos Surveys and Re-inspections, Lifting Equipment and Water Hygiene (such as Risk Assessments and 6-monthly legionella testing).

## **6. Implications**

### **6.1 Financial Implications**

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

### **6.2 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.

### **6.3 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.

### **6.4 Net Zero Carbon, Climate Change and Environmental Implications**

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

### **6.5 Procurement Implications**

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

## **6.6 Consultation and Communication**

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

There has been a significant increase in consultation and communication with tenants and leaseholders of the Hanover, Princess and Kingsway blocks of flats during August.

## **6.7 Community Safety**

The actions taken at Hanover, Princess and Kingsway have significantly improved the safety of residents within the building and with the plan outlined above will remove the risk of gas explosion entirely.

## **7. Background Papers**

If you have a query on the report please contact Gareth Basterfield – Interim Risk Assurance and Compliance Manager, Tel: 01223 458685, email: [gareth.basterfield@cambridge.gov.uk](mailto:gareth.basterfield@cambridge.gov.uk).

Compliance Area	No. of Properties Affected	No. Complying	Percentage Compliance	Percentage Compliance last reported	Trend since previous report	Servicing Frequency	Responsible	Comments
GAS								
Gas Safety Domestic	6865	6865	100.00%	100.00%	↔	Annually		
Gas Safety Communal	32	32	100.00%	100.00%	↔	Bi-annually		
ELECTRICAL	No. of Properties Affected							
Electrical Certification Domestic	7708	6467	83.90%	50.55%	↑	5-yearly		The programme has recently changed from a 10-year programme to a 5-year programme and as such the compliance figure is low until catchup programme complete. Within 10-years this rises to 84.02%
FIRE SAFETY	Properties / Actions							
Fire Risk Assessments (Communal)	432	432	100.00%	100.00%	↔			

This page is intentionally left blank



## COMPLAINT UPHELD BY THE HOUSING OMBUDSMAN SERVICE RELATING TO A HOUSING REPAIRS

**To:**

Councillor Mike Todd-Jones, Executive Councillor for Housing

Housing Scrutiny Committee

23<sup>rd</sup> September 2021

**Report by:**

Lynn Thomas, Head of Housing Maintenance & Assets

Tel: 01223 457831 Email: [lynn.thomas@cambridge.gov.uk](mailto:lynn.thomas@cambridge.gov.uk)

**Wards affected:**

Not a Key Decision

### 1. Executive Summary

- 1.1 The Housing Ombudsman Service has upheld most elements of a complaint relating to the Council's handling of housing repairs, a request for an adaptation to the bath, reports of a rat infestation in the loft and concerns of potential asbestos in the property.
- 1.2 In these circumstances, the Head of Legal Services, as the Council's Monitoring Officer, has an obligation to report the findings to the Executive. The Executive is obliged to set out what action has already been taken in respect of the findings, what action it intends to take and the reasons for taking the action.
- 1.3 This report summarises the complaint, acknowledges that there were shortcomings in relation to working practices and sets out the action taken in response.

### 2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Note the findings of the Housing Ombudsman Services in respect of this case and the actions taken by the Council in response to these findings.

### **3. Background**

- 3.1 The complainant will be anonymised for the purposes of this report and will be referred to as Mr X throughout.
- 3.2 Mr X complained about the Council's handling of:
- a) Repairs at the resident's property
  - b) The resident's request for an adaptation to the bath
  - c) The resident's reports of a rat infestation in the loft
  - d) The resident's concerns of potential asbestos in the property
- 3.3 Mr X has been a secure tenant in respect of the property since 1 June 2020, the property was empty from 4<sup>th</sup> February 2020 until Mr X took over the tenancy and work was completed to the property during the time it was empty.
- 3.4 Mr X submitted a formal stage 1 complaint on 17<sup>th</sup> June 2020, which was responded to on 3<sup>rd</sup> July 2020
- 3.5 The complaint was escalated to stage 2 on the 15<sup>th</sup> October 2020 and responded to on 5<sup>th</sup> November 2020

### **4. The Ombudsman's findings, orders and recommendations**

- 4.1 The Housing Ombudsman noted the following in its assessment of the case in accordance with paragraph 54 of the Housing Ombudsman scheme:
- a) A service failure in respect of the Council's handling of repairs at the resident's property.
  - b) A service failure in respect of the Council's handling of the resident's request for an adaptation to the bath.
  - c) No maladministration in respect of the Council's handling of the resident's reports of a rat infestation in his loft.

- d) A service failure in respect of the Council's handling of the resident's concerns of potential asbestos in his property.

4.2 The Housing Ombudsman service had made the following orders to the Council in relation to the service failure:

- a) In recognition of the Council's handling of the resident's repairs and the delay in adding an over-bath shower, despite receiving the OT's recommendation several months before, the Ombudsman orders the Council to award the resident £200. This has been calculated as £100 per service failure.
- b) The Council should also offer the resident an apology for its miscommunication with regards to the presence of asbestos within his property and should share the most recent asbestos report with him.
- c) The Council should comply with the above orders within four weeks of receiving the Ombudsman's determination.

4.3 The Housing Ombudsman make the following recommendations to the Council

- a) The Ombudsman accepts that the Council acknowledged, within its final response, that its stage 1 response was not up to standard. This was appropriate. Moving forward however, the Council should ensure that a resident's complaint is responded to in full and that the appropriate information is provided to enable them to escalate their complaint, should they wish to.
- b) The Council should update the resident on how it plans to approach the rubbish accumulation outside his property, as it does not appear that this was done.

## **5. The Council's response**

- 5.1 The Council has dealt with the Housing Ombudsman's order detailed in 4.2 within the stipulated time frame.
- 5.2 This case highlighted issues with the quality and depth of some of the stage 1 complaint and it has been discussed between the respondent and their line manager to ensure that in future, all aspects of a complaint are dealt with.

- 5.3 The Council has reviewed its processes for handling asbestos information provided to residents when they take on a new tenancy. More general asbestos information has already been included in the Tenants' Handbook. From November 2021 we are planning to provide tenants with more detailed information relevant to their properties.
- 5.4 Some of the delays in completing the repairs that were required at the property were legitimately delayed due to the restricted levels of work being carried out due to Covid-19. However, a full review of this case will be undertaken so we can review and improve processes, on both the Void (empty property) period and responsive repairs in general.

## **6. Implications**

### **a) Financial Implications**

A compensation award has been made to the claimant as set out in 4.2 of this report.

### **b) Staffing Implications**

Relevant officers within Housing Services and Estates & Facilities have been briefed about the outcome of the Housing Ombudsman's ruling in this case.

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

An EqIA is not required in this case as this report is for information with no decisions to be made.

### **d) Net Zero Carbon, Climate Change and Environmental Implications**

The report is for information with no decisions to be made, there are no climate change related implications therefore the overall rating is 'Nil'.

### **e) Procurement Implications**

None.

### **f) Community Safety Implications**

None.

## **7. Consultation and communication considerations**

None

## **8. Background papers**

Background papers used in the preparation of this report:

Complaints Handling Procedure (Housing Services)

## **9. Appendices**

None

## **10. Inspection of papers**

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

This page is intentionally left blank



## Item

### Management of Residents Car Parking Spaces provided on Housing Land Within Neighbourhoods and on Future New Builds Across the City

**To:** Councillor Mike Todd-Jones Executive Councillor for Housing  
Housing Scrutiny Committee

**Report by:**

David Greening, Head of Housing Services

Tel: 01223 - 457997

Email: [david.greening@cambridge.gov.uk](mailto:david.greening@cambridge.gov.uk)

**Wards affected:**

All

## 1. Executive Summary

- 1.1 This report sets out a car parking strategy for both existing residents' car parking and future new build sites. Its aim is to provide a template for parking management at new and existing City Homes neighbourhood car parking areas across the City.
- 1.2 When early social housing estates were built, car ownership was at a much lower level and this was reflected in the level of parking provision in the original designs. The continued increase in car ownership within these estates is becoming a growing problem for residents living in these neighbourhoods. Residents report that the car parking areas are often misused, for example, by commuters finding a cheap alternative option for free parking or by general inconsiderate parking by other residents. The outcome is that car parking capacity is reduced, and residents are unable to park within a reasonable distance of their homes.

- 1.3 In response to the parking limitations described, residents can request minor parking scheme changes. This has resulted in a fragmented development of schemes and a burden of administrative and technical resource requirements which is unsustainable. A more cohesive approach to managing car parking on both existing and new build developments equitably is required.
- 1.4 In addition to the challenges described with existing social housing estates, Cambridge City Council has had planning approval for its 500 new Council homes programme – the 500 Programme. The 500 homes are being built in a number of developments across the city of Cambridge and beyond. These developments have been submitted to planning with designated access strategies, which includes the number of parking spaces and their locations within the development. Up until now there has not been a clearly defined parking strategy to provide guidance on how car parking will be managed once the sites are operational as living spaces.
- 1.5 This strategy will provide a template for parking management at new and existing City Homes neighbourhood car parking sites across the City. It will also help to ensure that parking management is designed into developments at pre-planning stage to ensure that post-handover the challenges described are minimised or avoided altogether.
- 1.6 EV charging points on existing estates is not in scope for this report. EV charging points at new build sites are served by the parking bays referenced within this report and as such access to them will be managed in line with the proposed parking strategy. Operation of the charge points themselves is not within the scope of this report.

The Council do not currently have a report planned for EV charge points. The HDA will continue to provide EV chargers in line with planning obligations linked to the Council's Climate Change Strategy. The Greater Cambridge Sustainable Construction SPD states that planning policy is: 50% active and 50% passive on all developments. We estimate that by 2028, on CIP developments, there will be 477 active EV charge points and nearly 1000 passive charge points installed across the 500 and 1000 programmes.

## 2. Recommendations

- 2.1 To agree to the approach to parking as set out in Figure 1 and utilise this approach across new build sites, except for those that are managed by third parties (e.g. Management Company).
- 2.2 To agree to use Cambridgeshire County Council's Traffic Regulation Orders (TRO's) enforcement on the existing resident car parking areas identified by City Homes in the future.

## 3. New Build Sites

- 3.1 The Parking Strategy recommendation has been provided by the Council's Housing Development Agency (H.D.A) in agreement with City Homes, Community Services, Estates and Facilities, and Parking Service, who have all been consulted in relation to **new build sites**.
- 3.2 The recommended strategy is as follows: Where there are less than 15 parking bays onsite then bollards and County Council enforcement (such as Fixed Penalty Notices for non-permitted cars) will be utilised. Where there are 15 to 49 car parking bays onsite County Council enforcement will be utilised. Where there are 50 plus parking bays then County Council enforcement and barriers will be utilised. Figure 1 summarises this approach.

Number of Bays	Bollards	County Enforcement	Barrier
<15	Y	Y	N
15 to 49	N	Y	N
50+	N	Y	Y*

Figure 1

\*If the parking area has three or fewer vehicle access points, then a barrier is suitable.

- 3.3 As shown in Figure 1, parking enforcement requirements vary, depending on a number of factors, and it is not possible to apply a single approach to

all car parks. The recommendations for each car park have been applied taking the following factors into consideration:

- Effectiveness in preventing misuse of residential parking bays
- The business case for the Council
- Resource requirements of the Council
- Ease of use for residents

3.4 The expectation is that the approach to parking as set out in Figure 1 will be utilised in forthcoming new build programmes as set out in Figure 2, and across the forthcoming 500 and the 1000 programme approved in the September 2020 HSC. The two programmes - the 500 programme, and the 1,000 programme - will deliver over 1,500 net Council rented and mixed tenure homes, several community centres and commercial units, with a significant number of private homes also being built. As a result of these developments, there will be new parking bays which will require management to ensure they are restricted for use by residents who they are allocated to.

3.5 The Council, through its joint venture with Hill Partnerships, the Cambridge Investment Partnership (CIP), has had planning approval for 526 affordable homes and 295 private homes. Serving these will be 299 aboveground parking bays which will require strategic management.

3.6 The table below shows the new build developments for which planning has been approved, and the parking management solution recommended for each. These are taken from planning documents and the number of parking bays is subject to change. The table is simply to provide a guide for deciding the appropriate strategy for each site

<b>Development</b>	<b>Total Parking Bays</b>	<b>Strategy</b>
Akeman Street	10	County Enforcement and Bollards
Anstey Way <sup>1</sup>	50	County Enforcement
Buchan Street	20	County Enforcement
Campkin Road <sup>2</sup>	60	County Enforcement
Colville Road Garages	6	Bollards
Colville Road Phase 2	45	County Enforcement
Cromwell Road	24	County Enforcement
L2, Orchard Park <sup>3</sup>	9	County Enforcement
Meadows <sup>4</sup>	39	Barrier and Fob

Markham Close	5	Bollards
Mill Road Surface <sup>5</sup>	4	County Enforcement
Nuns Way & Wiles Close	2	Bollards
Queens Meadow	4	Bollards
Ventress Close	17	County Enforcement
Wulfstan Way	4	Bollards
Total	299	
Underground bays at Mill Road and Cromwell managed by ManCo	115	Barrier and Fob
Total	414	

<sup>1</sup>More than three vehicle access points

<sup>2</sup>Three or fewer vehicle access points

<sup>3</sup> There are 26 spaces in total, with 9 allocated to the Council

<sup>4</sup> There is a Community Centre Car Park in this location in addition to the 39 spaces

<sup>5</sup> County Enforcement in this area will also include other tenures of property

Figure 2

3.7 Please note, Mill Road and Cromwell Road are both large mixed tenure sites and they have underground parking areas which will be served by a barrier and gate system. These underground parking areas will be managed by a Management Company (ManCo) of which the council has a golden share - that is, the Council will have overall control of the ManCo. The enforcement of these car parks will be managed by the ManCo. The council will still generate revenue from these bays and this revenue has been included in the costings in section 8 – Financial Implications. This model is also likely to be used on similar mixed tenure sites as they arise in the future.

3.8 In addition, in the January 2021 Housing Scrutiny Committee, the council approved new sustainability standards updating its Sustainable Housing Design Guide. In line with the council's climate change commitments, parking ratios for new developments from 2021 will be reduced as the council will target Passivhaus certification for its schemes necessitating enhanced parking management (See Figure 3).

	<b>Baseline</b>	<b>Local Plan Plus</b>	<b>Passivhaus Certification</b>	<b>Net Zero Carbon</b>
Car park ratios across sites	~0.7-0.9 parking spaces per home.	~0.5-0.6 parking spaces per home.	0.5 parking spaces per home.	<0.5 parking spaces per home.

Figure 3

- 3.8 Whilst parking ratios will be reduced, parking bay ratios for mobility impaired users will be maintained as required for planning policy. This means that 5% of homes in all developments will be required to be wheel chair accessible and will, therefore, need a mobility-impaired parking bay regardless of parking ratios.

## 4. Existing City Homes Neighbourhood Car Parking Areas

### 4.1 Parking Management Options

Below is a summary of the four parking management solutions that have been considered for use at City Homes newbuild sites (to include existing parking at Wilson Close). These solutions are currently used at existing neighbourhood car parking sites where problems with car parking have been identified by City Homes and/or residents:

#### 4.1.1 Solution 1: Maintain the status quo

Allow residents to manage their own parking

##### **Advantages:**

- No capital cost to the Council

##### **Risks:**

- Dissatisfaction amongst residents due to lack of enforced bays leading to misuse
- Resource requirements to deal with potential increase in complaints and enquiries regarding parking

#### **4.1.2 Solution 2: Bollards**

The Council installs a lockable bollard to each bay and allocates each bay to a resident. The resident then provides their own key to lock the bollard when in use.

##### **Advantages:**

- Requires minimal management from the Council
- Residents manage their own bay as they are responsible for locking and unlocking their allocated bollard/space

##### **Risks:**

- Cumbersome for residents to use – requirement to get in and out of car to lock/unlock the bollard takes time and not ideal in poor weather conditions, or when in a rush
- Significant capital cost required for hardware and installation
- Easily damaged, leading to significant maintenance/replacement costs
- If damaged, enforcement function is reduced
- Resource requirement to deal with day to day issues

#### **4.1.3 Solution 3: County Council enforcement**

This will require use of the Council's ongoing agreement with Cambridgeshire County Council for public enforcement of Cambridge City Council off-street parking places. Sites to be added to the Council's Off-Street Traffic Regulation Order so that they can be enforced by roving County Council Enforcement Officers, who issue Penalty Charge Notices (PCNs) of £60 for anyone who parks in a restricted bay without displaying a valid permit. For all new build sites, the cost of a parking permit that allows parking in a dedicated space would be charged at the prevailing parking space charge as approved in the HRA Budget Setting report each year, with two rates applicable for city centric parking spaces and those outside of the city centre. Parking permits on the older council sites where a permit does not guarantee a space will continue to be charged at the lower parking permit rate.

##### **Advantages:**

- Low capital cost
- Low maintenance cost
- Provides enforcement function for all sites
- Easily managed along with existing council residents parking schemes
- The County Council keep the revenue earned from the PCNs, thus providing incentive to concentrate on areas of misuse
- County Council Parking Control team deal with day to day issues

#### **Risks:**

- County Council Enforcement Officer resources cannot always be guaranteed as they are not in our control

#### **4.1.4 Solution 4: Barrier and Fob**

A barrier system to control the entry and exit of each site, with use of a fob system to allow access for residents. An intercom system with keypad linked to each home can allow access for visitors/deliveries.

#### **Advantages:**

- Restricts unauthorised access to car park

#### **Risks:**

- Installation and maintenance cost
- Barriers are easily damaged
- If the barrier is damaged, enforcement function reduced
- Resource requirement to manage day to day issues

## **5. Options Appraisal**

5.1 The following options appraisal has been carried out in consultation with City Homes, Housing Finance, H.D.A, Estates and Facilities, Parking Services and the HSC Resident Representatives.

### **5.1.1 Enforcement Requirements**

Figure 4 is a table appraisal of each of the options against criteria defined as key in providing an enforcement service to the Council's HRA managed car park sites.

Ref	Evaluation Criteria	Status quo	Bollards	County Council enforcement	Barrier and fob
1	Provides parking enforcement	No	Yes	Yes	Yes
2	Allows chargeable permits	No	Yes	Yes	Yes
4	Provides access control to parking bays	Yes	No	No	Yes
5	Guaranteed enforcement 24/7	No	No	No	No
6	Easy to use for Residents	Yes	No	Yes	Yes
8	Risk to enforcement when hardware is damaged	No	Yes	No	Yes
9	Low Capital Cost	Yes	No	Yes	No
10	Low Maintenance Cost	Yes	No	Yes	No
11	Allows visitors to park in bays*	Yes	No	Yes	Yes
12	Offers daily/hourly bookings via JustPark*	No	No	Yes	No
13	Offers booking/charging flexibility via JustPark*	No	No	Yes	No

\*Optional

Figure 4

5.1.2 The table shows County Enforcement to be the best solution in terms of meeting the key criteria, and the number of requirements that it meets. Where it may not be the best solution is on sites that have multiple user types and existing car parking issues. For example, on a mixed-use site, away from the city centre, where there is a community centre, commercial units and residential units, it may be difficult for enforcement officers to attend reactively in time to issue tickets for shoppers parking in residential bays which prohibits someone returning home from being able to park. In this instance, bollards or barriers may be more suitable as they can provide preventative enforcement without people resources being required to attend.

5.1.3 If preventative, access-controlling enforcement is required, then the number of bays and vehicle access points in the parking area can help to determine whether bollards or a barrier is the preferred solution. Out of the two options, bollards are usually more cost effective in car parks with fewer bays as they are purchased on a per-bay basis. A barrier is likely to be more cost effective in car parks with more bays as the number required is relative to the number of entrances (providing the car park is enclosed). It is therefore important that on larger mixed-use sites, that the layout of the car park is designed with minimal entrances to allow for a more cost-effective single or double barrier solution.

5.1.4 Where there is visitor parking available, visitor permits will be applied for by residents (at a cost determined by City Homes) and must be displayed in the visitor's vehicle when parked in a visitors' bay. This is applicable to Blue Badge holders as they must prove that they are a visitor to a resident of the site.

## 6. Staff Resourcing

6.1 Figure 5 provides an indication of where responsibility could sit in terms of management of each solution. This is subject to agreement between City Homes and the relevant Service.

<b>Staff Resourcing Requirements</b>	<b>Status quo</b>	<b>Bollards</b>	<b>County Council enforcement</b>	<b>Barrier and fob</b>
<b>Issue permits</b>	N/A	N/A	Business Support	N/A

<b>Issue keys/fobs</b>	N/A	City Homes	N/A	City Homes
<b>Manage Enforcement Complaints</b>	City Homes	City Homes	County Council	City Homes
<b>Hardware Maintenance</b>	N/A	City Homes	N/A	Estates and Facilities
<b>Management of Penalty Charge Notices</b>	N/A	N/A	County Council	N/A
<b>Management of day to day queries</b>	City Homes	City Homes	City Homes	City Homes

Figure 5

- 6.2 City Homes has found that a significant amount of officer time is spent dealing with parking enquiries at existing sites and this should be a consideration for future sites, especially as there will be a significant increase in the number of Council homes delivered as part of the 500 and 1,000 programmes. Taking this into account, the above table shows that County Council enforcement is the least resource intensive for City Homes and so is recommended on this front for existing resident car parking sites where car parking issues are identified.

## 7. Recommendation

- 7.1 It is recommended that the approach to parking set out in Figure 1 is utilised for new build sites, with the exception of those sites that are managed by third parties (e.g. ManCo).
- 7.2 To agree to use Cambridgeshire County Council's Traffic Regulation Orders (TRO's) Enforcement on existing resident car parking areas highlighted with car parking issues identified by City Homes and /or residents.

## 8. Financial Implications

- 8.1 Figure 6 below shows the potential revenue that could be made over 10 years if the recommended strategy for new build sites was used and every

available bay was let on an individual basis, separate to housing tenancies. These are estimated costs and subject to market conditions.

Total Parking Bays	Bollards	County Enforcement	Barrier	Capital Cost	Annual Cost	Annual Revenue	Whole Life Cost (10 years)
299	5	9	1	£70k	£23k	(£226k)	£1.96m

Figure 6

8.2 Figure 6 demonstrates that by using mainly County Enforcement, the Council could make £1.96m over 10 years. If all enforcement was carried out through bollards, this figure is estimated to be significantly lower and with barriers, it is estimated to cost the council more money than the income it generates.

8.3 Costs associated with introducing TRO's on identified City Homes residents' car parks in the future can be funded from existing budgets.

**a) Staffing Implications**

None.

**b) Equality and Poverty Implications**

Parking bay ratios for mobility impaired users will be maintained as required for planning policy.

People with a disability may be impacted by this policy. Generally people with a disability benefit from well enforced parking schemes as it will ensure disabled parking bays are only used by those entitled to do so.

Further consultation and review is required to establish the best way to offer facilities to people who receive informal care from friends or family.

**c) Net Zero Carbon, Climate Change and Environmental Implications**

This policy will enable us to better manage car parking within our housing estates and may encourage people to use their car less often. This is particularly the case for non-residents who are using our estates as free parking and may now consider public transport offers better value for money.

**d) Procurement Implications**

None.

## **e) Community Safety Implications**

None.

## **9. Consultation and communication considerations**

9.1 HSC Residents Representatives have been consulted prior to report coming to committee.

9.2 City Homes Housing Officers.

9.3 Housing Finance

9.4 Housing Development Agency (HDA)

9.5 Estates and Facilities

9.6 Parking Services

## **10. Inspection of papers**

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

Anna Hill (Housing Services Manager) tel: 01223 458312

email: [anna.hill@cambridge.gov.uk](mailto:anna.hill@cambridge.gov.uk).

Or

Jake Smith (HDA Development Officer) tel: 01223 457517

email: [jake.smith@cambridge.gov.uk](mailto:jake.smith@cambridge.gov.uk)

This page is intentionally left blank



## Item

### Changes to the Under Occupation Scheme

**To:**

Councillor Mike Todd-Jones Executive Councillor for Housing  
Housing Scrutiny Committee

**Report by:**

David Greening, Head of Housing Services  
Tel: 01223 - 457997

Email: david.greening@cambridge.gov.uk

**Wards affected:**

All

## 1. Executive Summary

1.1 This report presents the revised Under Occupation Scheme Policy. The proposed changes reflect the Council's intention to provide help to more tenants who wish to move but lack the financial resources to do so. This will be achieved by:

- Making grant payments available to more people but with a lower maximum amount per grant.
- Introducing a Financial Statement to the assessment process so that those who may be experiencing financial hardship are prioritised

1.2 This change in emphasis represents a move away from 'incentive to move' to one of 'assistance to move'. This is in response to 3 key factors:

- The increase in the number of scheme applicants who have housing related debt and are experiencing financial hardship<sup>1</sup>

---

<sup>1</sup> 36%<sup>1</sup> increase in tenants with housing related debt (HRD) between 18/19 and 19/20

- Recognition that under the Council's Anti-Poverty Strategy (2020/23) the Council has a responsibility to address poverty particularly where it is linked to housing
- The need to do more with less considering the reduced Under Occupation Budget since 2015/16

## **2. Recommendations**

- 2.1 To approve the revised Under Occupation Scheme Policy as set out in appendix 2 of this report.
- 2.2 To approve implementation of the revised Under Occupation Scheme Policy from 1<sup>st</sup> April 2022.

## **3. Background**

- 3.1 Since its inception in 2008, the Under Occupation Scheme has been aimed at encouraging tenants who under-occupy existing homes to move to smaller, more manageable homes. This includes tenants who wish to undertake a mutual exchange. Historically, the Scheme's primary objective has been to make better use of housing stock and increase the number of larger properties available to families as well as to assist tenants who were affected by welfare reforms making larger homes unaffordable to them. The generosity of the budget meant many eligible tenants who were under occupying a property received a payment regardless of their financial circumstances.
- 3.2 The policy position set out in this report seeks to move away from this approach as the pattern of housing need has changed, and our greatest demand is now one and two bedroomed homes. Under the new scheme tenants who may be experiencing financial hardship will be prioritised. Specifically, those who:
  - a) can demonstrate that they are experiencing financial hardship as an outcome of under-occupation
  - b) are subject to the spare room subsidy and are finding their accommodation unaffordable
  - c) are in arrears with their rent but are unable to afford a move to a smaller property because of the arrears

d) are currently receiving a DHP (Discretionary Housing Payment) to cover the shortfall in their rent due to the bedroom tax /unaffordability

3.3 The rationale for this change in eligibility is in response to a reduced budget since 2015/16. Figure 1 shows that in 2015/16 the total available Under Occupation Budget was £97,240. Since then, this amount has gradually been reduced year-on-year resulting in an overall reduction of £75,520 between 2015/16 and 20/21. This reduction has been in response to various austerity measures, most significantly the implications of the Welfare Reform and Work Act (2016) which generated an income loss to the Council's Housing Revenue Account (HRA) of £15 million over 4 years<sup>2</sup>.

Financial Year	Total Budget	Actual Spend
2013/14	55,020.00	64,380.00
2014/15	96,120.00	110,390.00
2015/16	97,240.00	94,300.00
2016/17	59,180.00	46,097.00
2017/18	60,300.00	35,200.00
2018/19	61,870.00	39,600.00
2019/20	21,330.00	42,514.00
2020/21	21,710.00	20,900.00

Fig 1.

3.4 Alongside this reduction in budget there has been a significant rise in the number of applicants who have Housing Related Debt (HRD). Figure 2 shows that between 2018/19 and 19/20 the number of scheme applicants with HRD who received an Under Occupation payment increased by 36%.

Financial Year	Number of Applicants receiving payment	Number of Applicants with HRD	% increase as a proportion of Applicants
2018/19	18	6	33%
2019/20	23*	16	70%
2020/21	13**	9	69% <sup>i</sup>

Fig 2.

\*scheme closed early in January 2020

<sup>2</sup> Cut in rents of 1% a year for 4 years

**\*\*scheme closed early in mid-October 2020**

- 3.5 In addition to the reduction in budget and the increase in applicants with HRD, there has been a significant (£30,000) increase in DHP payments to council tenants since 2018/19 (See Figure 3). While this cannot all be attributed to tenants who are under-occupying their property, it does indicate that more tenants are unable to cover their rent and need financial help to meet any shortfall.

<b>Year</b>	<b>Amount of DHP paid to CCC Council Tenants</b>
2018/19	£4,175.43
2019/20	£31,571.55
2020/21	£34,102.72

Fig. 3<sup>3</sup>

- 3.6 The economic impact of the pandemic is also predicted to increase the number of tenants who are struggling to pay their rent. A recent Housemark study indicates a 30% increase in outstanding rent arrears since March 2020, with forecasts suggesting that arrears levels may not return to pre-pandemic levels until March 2022<sup>4</sup>.
- 3.7 To address the issues outlined, the council seeks to introduce the following:
- Reduce the under-occupation payment so that more tenants can benefit from the scheme
  - Introduce a Financial Statement assessment so that those who may be experiencing financial hardship are prioritised and the burden of debt is minimised or avoided.

## **4. Reduction in Under Occupation Scheme Payment**

- 4.1 In 2018/19 there were 28 eligible applications received from tenants for the scheme, with 18 successfully receiving Under Occupation payments totalling £39,600 and moving within that financial year. The budget for 2018-19 was underspent partly due to a number of moves not taking place, or tenants' circumstances changing. As a special request, the

<sup>3</sup> Orchard and HB combined Rec (2018-2021)

<sup>4</sup> [Inside Housing - News - Social housing rent arrears hit record £1bn](#)

remaining budget of £21,710 was carried forward into 2019/20 when it became clear that the reduced budget would not be sufficient to meet the demand.

4.2 In 2019/20 there were 40 eligible applications received until the scheme was closed for new applicants in January 2020 due to the budget already being spent. There were 23 applicants that received a payment to assist with their move, and the remaining 16 applications were carried forward to the next financial year. Of those applicants receiving money from the scheme:

- 8 people moved from a 3 bed to a 1 bed
- 7 moved from a 3 bed to a 2 bed
- 7 moved from a 2 bed to a 1 bed
- 1 has received a removals payment only

4.3 With so much of the budget already committed in principle, and the budget being cut by half to £21,720 for 2020/21 the scheme has been unable to sustain assisting many new applicants and was closed in mid-October 2020. This resulted in:

- **Fewer people being able to downsize**  
Six tenants who applied to the scheme in 20/21 did not receive a payment due to the budget already being spent.
- **More people falling into arrears and living on the poverty line**  
Since 2018/19, Current Tenant Arrears (CTA) has increased by £597,206 (CTA at year end 18/19 was £776,961, at year end 19/20 it was £1,055,394, in 20/21 it was £1,374,167). This figure is not solely attributable to tenants who are under occupying properties but gives a good indication that more tenants are falling into arrears generally and may be interested in financial assistance if it were available.
- **More Discretionary Housing Payments (DHP) money being spent**  
See Figure 3.
- **Potentially more people being evicted from their homes**  
If there are more tenants in arrears then, despite the Council's best efforts to provide debt support, enforcement action may increase as a result.

- 4.4 To help manage demand alongside a diminishing budget it is proposed that the amount offered to applicants is reduced from £1000 per bedroom to £500 per bedroom. Under this new proposal there would be a small change to the amount offered in removal costs as we recognise that this cost is unlikely to reduce. Figure 4 shows the amounts offered currently and the new proposed amounts. By reducing the amount offered, the Council will be able to maximise use of the budget and assist more people to downsize.

<b>Moving from</b>	<b>Moving to</b>	<b>Current amounts payable</b>	<b>Current total amount payable</b>	<b>New amounts payable</b>	<b>New total amount payable</b>
2 bedroom property	1 bedroom property	£1000 (paym't) £450 (removal)	£1450	£500 (paym't) £400 (removal)	£900
3 bedroom property	2 bedroom property	£1000 (paym't) £650 (removal)	£1650	£500 (paym't) £600 (removal)	£1100
3 bedroom property	1 bedroom property	£2000 (paym't) £650 (removal)	£2650	£1000 (paym't) £600 (removal)	£1600
4 bedroom property	3 bedroom property	£1000 (paym't) £800 (removal)	£1800	£500 (paym't) £700 (removal)	£1200
4 bedroom property	2 bedroom property	£2000 (paym't) £800 (removal)	£2800	£1000 (paym't) £700 (removal)	£1700
4 bedroom property	1 bedroom property	£3000 (paym't) £800 (removal)	£3800	£1500 (paym't) £700 (removal)	£2200
5 bedroom property	4 bedroom property	£1000 (paym't) £800 (removal)	£1800	£500 (paym't) £750 (removal)	£1250
5 bedroom property	3 bedroom property	£2000 (paym't) £800 (removal)	£2800	£1000 (paym't) £750 (removal)	£1750
5 bedroom property	2 bedroom property	£3000 (paym't) £800 (removal)	£3800	£1500 (paym't) £750 (removal)	£2250
5 bedroom property	1 bedroom property	£4000 (paym't) £800 (removal)	£4800	£2000 (paym't) £750 (removal)	£2750

Fig 4.

- 4.5 Despite the decreased payment it is believed that this will continue to be a popular scheme with tenants wishing to move to smaller accommodation. Particularly where the move is driven by continued financial hardship linked to under-occupation.

4.6 It is also important to note that despite the reduction in payment the tenant will still benefit from improved banding status. The Council prioritises under occupying households as follows:

- Those who are under-occupying by either 2 bedrooms, or are looking to give up an adapted property they no longer need are awarded a **Band A status**
- Those who are under-occupying by 1-bedroom are awarded a **Band B status**

Therefore, there is still plenty of incentive, despite the reduced payment and the prioritisation of those in financial hardship, for tenants to seek to downsize.

## 5. Financial Assessment

5.1 In addition to the decreased payment amount, we are also proposing that applicants submit a financial statement. The financial statement should detail the incomings and expenditure of the household. The purpose of the financial statement is two-fold:

- To gain a better understanding of financial constraints impacting tenants to help inform the under-occupation assessment process
- To ensure that we are able to refer those in need for further help, eg from the Council's Financial Inclusion Officer.

Tenants who have already submitted a financial statement in support of their application for a DHP will not be required to submit a financial statement.

5.2 Financial hardship can come in many forms. For the purposes of this report, housing related debt (HRD) is used as a measure to identify the percentage of tenants experiencing financial hardship. Research has shown that debt rarely exists in isolation, with those in HRD also likely to be experiencing other types of poverty<sup>5</sup>. For example, fuel and food poverty is estimated to impact 16% of all households nationally. It is projected that there will be an additional 200,000 more households in fuel

---

<sup>5</sup> Joseph Rowntree Foundation [social-housing-tenants-debt-summary.pdf](#)

poverty as a result of the pandemic<sup>6</sup>. By introducing a Financial Statement element to the assessment process, the Council can develop a better understanding of tenant's individual circumstances. It will inform decision-making and ensure that the Council can prioritise those who are most in need, as well as offering the tenant more specialised debt advice where required.

- 5.3 Alongside the reduced payment, we also anticipate that further savings will be released as an outcome of tenants in receipt of a DHP receiving their removal costs payment from the DHP fund, thus allowing the scheme to help more applicants.
- 5.4 The intention is that the financial statement will be assessed by the Debt Panel, alongside the under-occupation scheme application form. The Debt Panel is responsible for reviewing tenants' cases to ensure that the terms of the Housing Related Debt (HRD) Policy are applied, particularly where tenants wish to move and are making payments to reduce their debt. By including the financial statement element in the process, it will give the panel a full picture of the tenant's circumstances and ensure that officers can make informed choices.

## **6. Implications**

### **a) Financial Implications**

The budget of £21,900 for 2021/22 will remain unchanged and a mid-year review will take place in September 2021. To help inform the mid-year review, additional performance monitoring will be implemented to assess if the aims set out in this report have been achieved.

### **b) Staffing Implication**

None.

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

By reducing the amounts payable to each tenant as detailed in Figure 4, the scheme will seek to benefit more people. Tenants with substantial arrears, or other debts owed to the council, who wish to move may fall significantly short of clearing the debt. In order to mitigate this, all

---

<sup>6</sup> Fuel Bank Foundation Survey 2021 [Fuel-Bank-Whitepaper-FINAL.pdf](https://fuelbankfoundation.org/Fuel-Bank-Whitepaper-FINAL.pdf) ([fuelbankfoundation.org](https://fuelbankfoundation.org))

applications will be considered by the Debt Panel where the tenant is making payments towards the debt in line with the HRD policy.

The Council has a responsibility to address poverty under the Council's Anti-Poverty Strategy (2020/23) particularly where it is linked to housing. By downsizing property, the tenants running costs will be reduced and rent arrears decreased or paid off.

**d) Net Zero Carbon, Climate Change and Environmental Implications**

Allowing tenants to downsize promotes more efficient energy usage.

**e) Procurement Implications**

None.

**f) Community Safety Implications**

None.

**7. Consultation and communication considerations**

**7.1** HSC Residents' Representatives have been consulted prior to report coming to committee.

**8. Background papers**

Equality Impact Assessment

**9. Appendices**

Appendix 1: Under Occupation Policy and Eligibility criteria – October 2020

Appendix 2: Revised Under Occupation Policy and Eligibility criteria – June 2021.

## 10. Inspection of papers

There are no further background papers to view. If you have a query on the report, please contact:

Anna Hill (Housing Services Manager) tel: 01223 458312

email: [anna.hill@cambridge.gov.uk](mailto:anna.hill@cambridge.gov.uk)

---

<sup>i</sup> The percentage of tenants with HRD reduced by 1% in 20/21, however it is important to note that this reduction is as an outcome of the reduced number of applicants in 20/21 overall (43% less than 19/20), so the percentage as a proportion of applicants is less. The reduction in the number of applicants in 20/21 was an outcome of the scheme closing early due to the budget being spent.

# UNDER OCCUPATION ASSISTANCE POLICY & ELIGIBILITY CRITERIA

1

## Glossary of Terms

- **'Debts'** include, but are not exclusive to, current rent arrears, former tenant arrears, outstanding re-chargeable repairs, current and former housing related service charge arrears, arrears on use and occupation charges (profits charges), Housing Benefit overpayments made to the tenant/landlord, and court costs. They also include Council Tax debts owed to Cambridge City Council.
- **'Scheme'** means the City Council Under Occupation Incentive Scheme whereby the Tenant/Applicant is financially incentivised to downsize to a suitable property

## 1 STATEMENT ON POLICY

- 1.1 Limited funding has been identified to help encourage tenants under occupying their existing council properties to move to smaller accommodation. The objective of this scheme is to offer an incentive to those tenants for whom moving may be prohibitive, whilst enabling Cambridge City Council to maximise opportunities to fully occupy its stock. Due to the limited budget available Cambridge City Council cannot guarantee that all applicants who apply for an under-occupation payment will be successful.
- 1.2 From the 1<sup>st</sup> October 2013, tenants downsizing as part of a mutual exchange are also eligible.
- 1.3 The under occupation payment will be made in respect of mutual exchanges, but only to the Cambridge City Council tenant who is downsizing. All tenants taking part in the exchange must be moving to a property that is deemed to be the correct size for their needs.

- 1.4 Where there is a need for a discretionary decision to be made, and as a result one of the tenants is not downsizing, no payment will be made under the scheme.

2

## 2 KEY ISSUES FOR POLICY IMPLEMENTATION

- 2.1 The Council's Lettings Policy outlines the way housing is allocated in the City. In respect of under-occupation, the City Council prioritises those households who are under-occupying by either 2 bedrooms or are looking to give up an adapted property they no longer need by awarding a Band A status, and those who are under-occupying by 1-bedroom a Band B status.
- 2.2 In order to qualify for the under-occupation scheme, applicants must be secure tenants of Cambridge City Council, and must have held their tenancy of the current property for at least two years. The full eligibility criteria are attached at Appendix A.
- 2.3 Under the Scheme the Tenant could be offered an Under Occupation Assistance Payment of £1000 per bedroom
- 2.4 Applicants with any debt owed to the Council will have the amount owed deducted from the under occupation assistance payment. Applicants with debts in excess of the eligible payment may be refused.
- 2.5 Applicants can not apply retrospectively for the grant (ie. After they have already moved).
- 2.6 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. When a Notice To Quit is received, and if the applicant then fails to move, repayment will be demanded in full within one month of the date of payment. The council will take legal action to recover the under occupation assistance payment if not returned.

- 2.7 For a mutual exchange, the removal payment will be paid when the Deed of Assignment has been signed and the move has taken place to the satisfaction of City Council.
- 2.8 Applicants who are secure tenants are responsible for arranging their own removals, disconnections and reconnections etc. Cambridge City Council cannot recommend removal companies.
- 2.9 Mutual Exchange applicants will be responsible for arranging their own removals and electrical reconnections and disconnections; gas connections and re-connections are undertaken by the Council.
- 2.10 For secure Tenants who are transferring to a smaller property the final payment of £1,000 or more (minus any deductions) as a result of moving to smaller accommodation will be paid after the applicant has moved and the void inspection and repairs have been completed.
- 2.11 Under occupation assistance payments will be made by cheque or BACS transfer and applicants should allow up to 28 days for receipt of final payment.
- 2.12 Applicants need to be eligible for the type of property they are moving to, in accordance with the Council's Letting's Policy and Cambridge City Council reserves the right to refuse applications where it is considered the applicant may be worsening their circumstances.
- 2.13 Applicants will be expected to use the Choice-Based Lettings system in order to find a suitable property to move to.

Policy written: October 2018

Amended: October 2020

**APPENDIX A – ELIGIBILITY CRITERIA FOR UNDER-OCCUPATION ASSISTANCE PAYMENT**

1. Applicants must be secure tenants of Cambridge City Council.
2. Applicants must have held their tenancy of the current property for at least 2 years.
3. Applicants with any debt owing to the Council that exceeds the maximum amount of under occupation assistance payment will not be eligible for the scheme.
4. Applicants who are bankrupt, or have a debt-repayment order in place will not be eligible for the scheme.
5. Applicants who have had debts written off in the last 5 years will not be eligible for the scheme.
6. Applicants must be eligible for the type of property they are moving to, in accordance with Cambridge City Council's Lettings Policy.
7. Applicants receiving any other grants relating to their move will not, in addition, be eligible for the under occupancy grant.
8. Applicants who have succeeded to the tenancy and are under-occupying the property are not eligible for the scheme unless they are the surviving spouse or civil partner of the deceased tenant.

## **APPENDIX B – REMOVALS COSTS**

Removal costs will be paid according to the size of property that is being vacated:

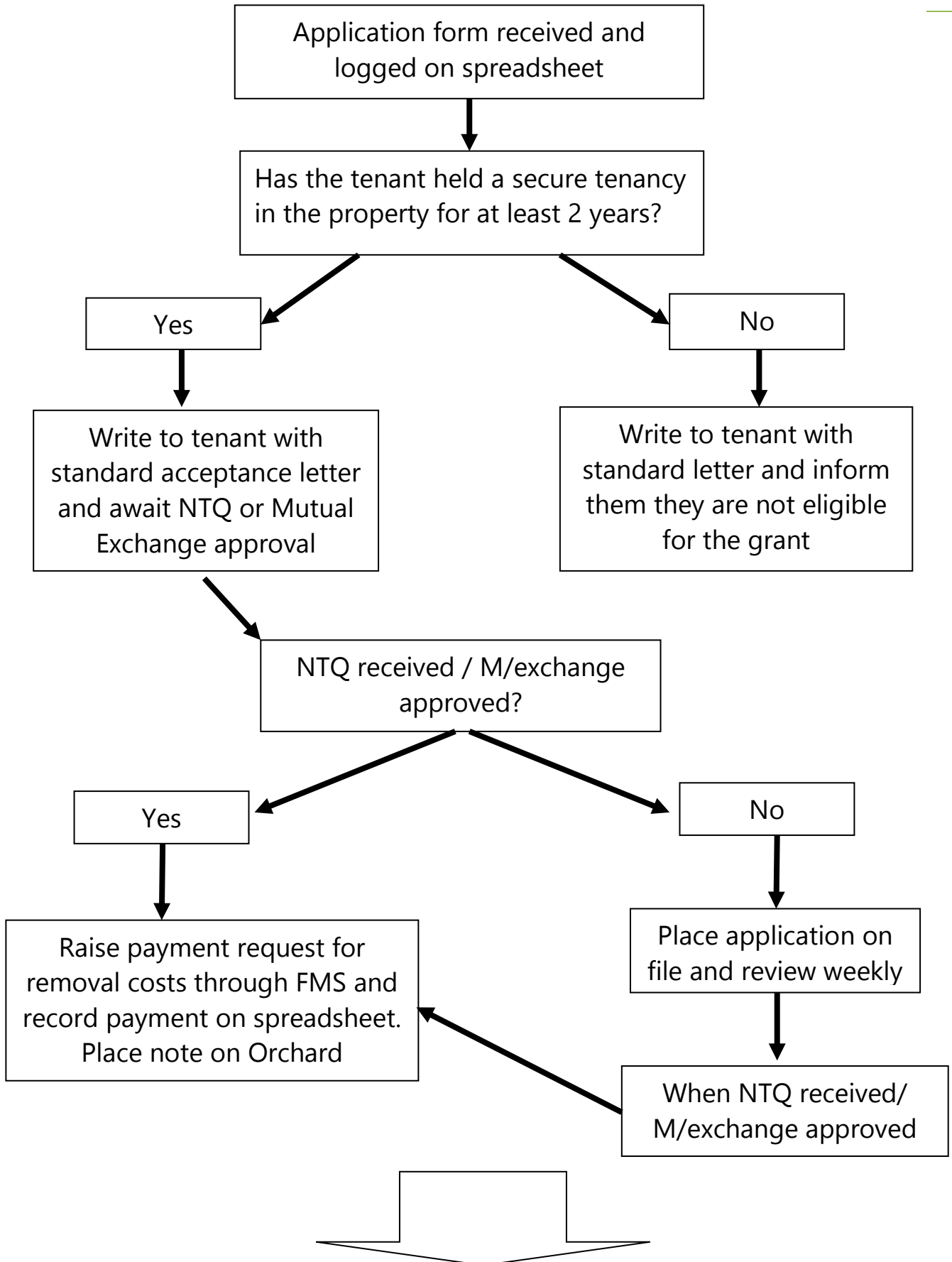
Tenants moving from a four bedroom property will receive the maximum amount of £800 for removals.

Tenants moving from a three bedroom property will receive £650 for removals.

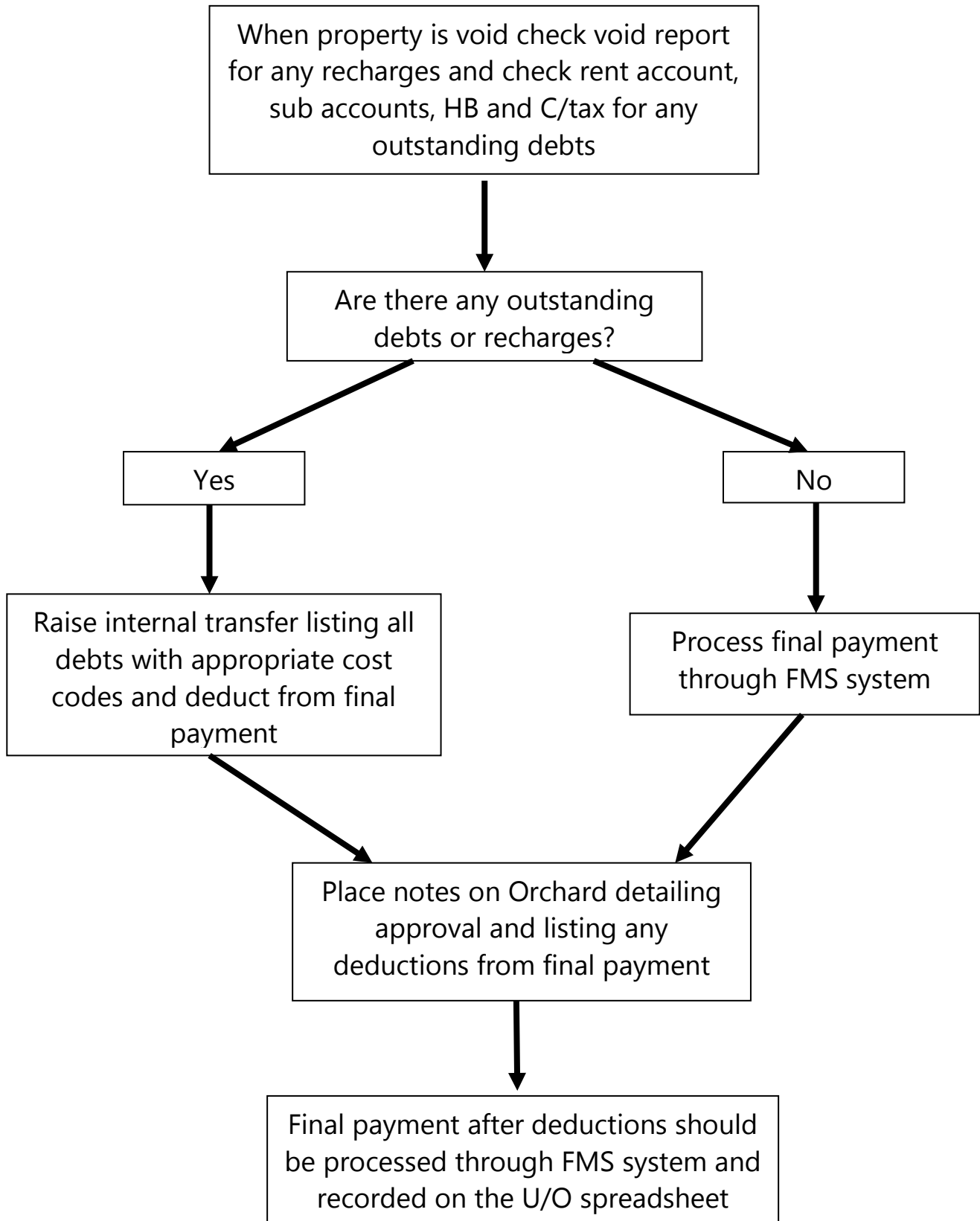
Tenants moving from a two bedroom property will receive £450 for removals.

In exceptional circumstances, and only where three removal quotes have been supplied, it may be possible to increase the payment up to the maximum figure of £800 where the tenant is deemed frail or vulnerable and has no family or friends to assist them with the move.

**APPENDIX C - PROCEDURAL FLOWCHART**



**PROCEDURAL FLOWCHART.....CONTINUED**



**APPENDIX D – PROCEDURES**

1. On receipt of the application form a note should be placed on Orchard.
2. Applicant details should be logged on the Under Occupation spreadsheet and allocated a file number.
3. Tenancy checks, as detailed in Appendix A, should be made to ensure eligibility onto the scheme.
4. Check to see if the tenant has applied to the scheme before? If so, are they still eligible for the payment?
5. Write to the tenant accepting (in principle) or refusing them onto the scheme.
6. When the Notice to Quit (NTQ) has been received, or you have been notified of the mutual exchange approval, raise payment for the removal costs using the Financial Management System's (FMS) payment request form and log details of the payment on the under occupancy spreadsheet.
7. Place a note on Orchard detailing the date payment was requested and the amount to be paid. **NOTE:** No deductions should be made from the removal costs to cover other debts unless there are exceptional circumstances and it has been explicitly agreed by the tenant.
8. Check Orchard weekly for notification of void date.
9. When the property is void you should request the void report and check for any recharges that have been applied.
10. Check the rent account is clear and there are no other debts before processing the final payment. Final payment should be raised using the FMS payment request form and the details of the payment should be logged on the under occupancy spreadsheet.

11. A note should be placed on Orchard detailing the amounts paid and any deductions made.
12. If there are any recharges or other debts these will all need to be paid using the internal payment request form. The completed form should be emailed to the housing finance team, who will credit the payments to the relevant accounts.

**APPENDIX E - APPLICATION FORM**

10

**Under-occupancy Incentive  
Scheme**

**Application form**

**Name of tenant/s** .....

**Address** .....  
.....

**Telephone number** .....

**Type of property –**  
(Please tick relevant box)

Bedsit /Studio     ☐     Flat     ☐     Maisonette     ☐     House     ☐

Older Peoples Housing     ☐     Bungalow     ☐     Sheltered     ☐

**Number of bedrooms your current property has** .....

**Number of bedrooms you would like to downsize to** .....

**If your current property has any adaptations please indicate what they are.**

.....  
.....

**If you require any adaptations please explain what you feel you need** (you may be required to fill out a self-assessment medical form at a later date).

.....  
.....

**Names of everyone (non-tenancy holders) who permanently resides with you (include the ages of any children).**

Person 1 ..... Person 2 .....  
 Person 3 ..... Person 4 .....

If you would like to elaborate further on anything, please do so here.

.....  
 .....  
 .....

## Declaration

(Please delete appropriate word where there is an option)

I/we declare that the information given on this application is correct. I am/we are interested in downsizing my/our current council owned property, in which if found eligible may be entitled to a financial incentive. At the point of confirmation of an incentive I can decide whether or not to pursue a transfer.

I understand that there may be deductions from the grant if there are rechargeable repairs and rent arrears.

**You:** Signed ..... **Date** .....

**Joint tenant:** Signed ..... **Date** .....

Office use

Removal costs approved

Sign: ..... Date: .....

Under Occupancy Grant approved

Sign: ..... Date: .....

This page is intentionally left blank

## UNDER OCCUPATION POLICY & ELIGIBILITY CRITERIA

### Glossary of Terms

- **'Debts'** include, but are not exclusive to, current rent arrears, former tenant arrears, outstanding re-chargeable repairs, current and former housing related service charge arrears, arrears on use and occupation charges (profits charges), Housing Benefit overpayments made to the tenant/landlord, and court costs. They also include Council Tax debts owed to Cambridge City Council.
- **'Scheme'** means the City Council Under Occupation Scheme whereby the Tenant/Applicant is financially assisted to downsize to a suitable property.

## 1 STATEMENT ON POLICY

- 1.1 Limited funding has been identified to help encourage tenants under occupying their existing council properties to move to smaller accommodation. The objective of this scheme is to assist tenants who may be experiencing financial hardship and for whom moving may be prohibitive, to downsize to smaller properties. This would, in addition to supporting tenants to avoid or minimise the burden of debt, help enable Cambridge City Council to maximise opportunities to fully occupy its stock. Due to the limited budget available Cambridge City Council cannot guarantee that all applicants who apply for an under-occupation payment will be successful.
- 1.2 From the 1<sup>st</sup> October 2013, tenants downsizing as part of a mutual exchange are also eligible.
- 1.3 The under-occupation payment will be made in respect of mutual exchanges, but only to the Cambridge City Council tenant who is

downsizing. All tenants taking part in the exchange must be moving to a property that is deemed to be the correct size for their needs.

- 1.4 Where there is a need for a discretionary decision to be made, and as a result one of the tenants is not downsizing, no payment will be made under the scheme.

## 2 KEY ISSUES FOR POLICY IMPLEMENTATION

- 2.1 The Council's Lettings Policy<sup>1</sup> outlines the way housing is allocated in the City. In respect of under-occupation, the City Council prioritises households as follows:

- Those who are under-occupying by either 2 bedrooms or are looking to give up an adapted property they no longer need are awarded a **Band A status**
- those who are under-occupying by 1-bedroom are awarded a **Band B status**

- 2.2 In order to qualify for the under-occupation scheme, applicants must be secure tenants of Cambridge City Council, and must have held their tenancy of the current property for at least two years. The full eligibility criteria are attached at Appendix A.

- 2.3 Tenants not already in receipt of a Discretionary Housing Payment (DHP), will be required to submit a Financial Statement alongside the Under-Occupation Scheme Application Form (Appendix C). This will allow the Council to ensure that financial assistance is given to those tenants who are most in need, whilst ensuring best use of the available funds.

- 2.4 Under-occupation Scheme applications will be assessed by City Homes against the criteria set out in Appendix A. If an applicant is unhappy with the outcome and wishes to appeal the decision, the case will be referred to the Housing Services Manager (City Homes) for review.

<sup>1</sup> <https://www.cambridge.gov.uk/media/8662/lettings-policy.pdf>

- 2.5 Under the Scheme the Tenant could be offered an Under-Occupation Payment of £500 per bedroom (see Appendix B).
- 2.6 Applicants with debts in excess of the eligible payment may be refused. Applicants with any debt owed to the Council will have the amount owed deducted from the under-occupation payment. This includes but is not limited to:
- Rent arrears
  - Arrears from a previous City Homes tenancy
  - Cost of works required to the vacating property (rechargeable works), over and above normal wear and tear, including the cost of clearance from the property, outbuildings, or garden, where necessary
  - Overpayment of Housing Benefit (where applicable)
  - Council tax arrears
  - Any tenant who has applied for an IVA (Individual Voluntary Arrangement) to clear arrears will, in line with National Debt Advice guidelines, also have money removed from their final payment to offset this debt
- 2.7 Applicants cannot apply retrospectively for the under- occupation payment (i.e. after they have already moved).
- 2.8 To help with removals a removal payment of up to £750 (depending upon number of bedrooms) will be paid as part of the lettings process. When a Notice to Quit is received, and if the applicant then fails to move, repayment will be demanded in full within one month of the date of payment. The council will take legal action to recover the under-occupation payment if not returned.
- 2.9 For a mutual exchange, the removal payment will be paid when the Deed of Assignment has been signed and the move has taken place to the satisfaction of City Council.

- 2.10 Applicants who are secure tenants are responsible for arranging their own removals, disconnections and reconnections etc. Cambridge City Council cannot recommend removal companies.
- 2.11 Mutual Exchange applicants will be responsible for arranging their own removals and electrical reconnections and disconnections; gas connections and re-connections are undertaken by the Council.
- 2.12 The final payment of £500 or more (minus any deductions) as a result of moving to smaller accommodation will be paid after the applicant has moved and the void inspection and repairs have been completed.
- 2.13 Under occupation payments will be made by cheque or BACS transfer and applicants should allow up to 28 days for receipt of final payment.
- 2.14 Applicants need to be eligible for the type of property they are moving to, in accordance with the Council's Letting's Policy and Cambridge City Council reserves the right to refuse applications where it is considered the applicant may be worsening their circumstances.
- 2.15 Applicants will be expected to use the Choice-Based Lettings system in order to find a suitable property to move to.

**Policy written: June 2021**

**To be reviewed: June 2023**

**APPENDIX A – ELIGIBILITY CRITERIA FOR UNDER-OCCUPATION SCHEME**

1. Applicants must be secure tenants of Cambridge City Council.
2. Applicants must have held their tenancy of the current property for at least 2 years.
3. All applicants must complete a financial assessment at the point of application. The applicant will be required to provide this information in the Financial Statement (Appendix D of Under Occupation Policy). If a Financial Statement is not submitted the application will not be considered.
4. Applicants with any debt owing to the Council that exceeds the maximum amount of under occupation payment may not be eligible for the scheme.
5. Applicants who are bankrupt or have a debt-repayment order in place may not be eligible for the scheme.
6. Applicants who have had debts written off in the last 5 years may not be eligible for the scheme.
7. Applicants must be eligible for the type of property they are moving to, in accordance with Cambridge City Council's Lettings Policy.
8. Applicants in receipt of any other housing services payments relating to their move will not be eligible for the under-occupancy payment.
9. Applicants who have succeeded to the tenancy and are under-occupying the property are not eligible for the scheme unless they are the surviving spouse or civil partner of the deceased tenant.

## APPENDIX B – AMOUNT PAYABLE AND REMOVALS COSTS

Removal costs will be paid according to the size of property that is being vacated:

<b>Moving from</b>	<b>Moving to</b>	<b>Amount payable</b>	<b>Removal Allowance</b>	<b>Total amount payable</b>
2 bedroom property	1 bedroom property	£500	£400	£900
3 bedroom property	2 bedroom property	£500	£600	£1100
3 bedroom property	1 bedroom property	£1000	£600	£1600
4 bedroom property	3 bedroom property	£500	£700	£1200
4 bedroom property	2 bedroom property	£1000	£700	£1700
4 bedroom property	1 bedroom property	£1500	£700	£2200
5 bedroom property	4 bedroom property	£500	£750	£1250
5 bedroom property	3 bedroom property	£1000	£750	£1750
5 bedroom property	2 bedroom property	£1500	£750	£2250
5 bedroom property	1 bedroom property	£2000	£750	£2750

In exceptional circumstances, and only where three removal quotes have been supplied, it may be possible to increase the payment where the tenant is deemed frail or vulnerable and has no family or friends to assist them with the move.

## APPENDIX C - APPLICATION FORM

### Under-occupancy Scheme

#### Application form

**Name of tenant/s** .....

**Address** .....

.....

**Telephone number** .....

**Email address** .....

#### **Type of property –**

(Please tick relevant box)

Bedsit /Studio ☐ Flat ☐ Maisonette ☐ House ☐

Older Peoples Housing ☐ Bungalow ☐ Sheltered ☐

**Number of bedrooms your current property has** .....

**Number of bedrooms you would like to downsize to** .....

**If your current property has any adaptations please indicate what they are.**

.....

.....

**If you require any adaptations please explain what you feel you need** (you may be required to fill out a self-assessment medical form at a later date).

.....

.....

**Names of everyone (non-tenancy holders) who permanently resides with you (include the ages of any children).**

Person 1 ..... Person 2 .....

Person 3 ..... Person 4 .....

If you would like to elaborate further on anything, please do so here.

.....

.....

.....

## Declaration

(Please delete appropriate word where there is an option)

I/we declare that the information given on this application is correct.

I /we understand that if I am not in receipt of a discretionary housing payment (DHP) that I/we will be required to complete and submit a financial statement.

I am/we are interested in downsizing my/our current council owned property, and, if found eligible, I/we may be entitled to costs towards removals. At the point of confirmation of an assistance payment I can decide whether to pursue a move.

I/we understand that if we receive a payment and then do not move the money will need to be paid back.

I am/ we are aware that if I/we are in receipt of any other payments relating to the move I/we will not be eligible for the under-occupancy payment.

**You:** Signed ..... **Date** .....

**Joint tenant:** Signed ..... **Date** .....

## APPENDIX D – FINANCIAL STATEMENT



**CAMBRIDGE CITY COUNCIL**  
HOUSING SERVICES

**City Homes**  
171 Arbury Road  
Cambridge, CB4 2YG

Tel: 01223 457070

### PERSONAL FINANCIAL STATEMENT

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Tel. No: .....

Number of people in my household .....

Wages / Salary	_____
Wages / Salary (partner)	_____
Job Seekers Allowance	_____
Income Support	_____
Tax Credits	_____
Retirement Pension	_____
Works Pension	_____
Child Benefit	_____
Employment and Support AI	_____
Maintenance	_____
Non-Dependants Contribution	_____
Other	_____

#### OUTGOINGS – Weekly/Monthly

Rent	_____
Council Tax	_____
Water Rates	_____
Gas	_____
Electricity	_____
Housekeeping	_____
Loan	_____
Overdraft	_____
Credit Cards/Club book	_____
Buildings/Contents Insurance	_____
Life Insurance/Pension	_____
TV/Rental/Licence	_____
Magistrates' Court Fines	_____
Maintenance Payments	_____
Travelling Expenses	_____
School Meals/Meals at Work	_____
Clothing	_____
Telephone	_____
Other (e.g. County Court Judgements, Benefit Overpayments etc)	_____

**INCOME= £**

**OUTGOINGS= £**

**DIFFERENCE +/- £**

I/we are aware this Financial Statement is being used to assess an application for an Under-Occupation Payment.

I/we declare that the information given on this Financial Statement is correct.

**You: Signed** .....

**Date** .....

**Joint tenant: Signed** .....

**Date** .....

**Financial assessment** – If, as a result of filling in the financial assessment, you identify as a person in need of debt advice we will ask one of our financial inclusion officers to contact you and offer help. You are under no obligation to accept help or advice from us but it may help you to manage or prioritise your debts.

We will take into consideration all of your payments to creditors, but in assessing need for a grant payment from the scheme we may only consider your priority debts as essential payments. A list of priority and non-priority debts are defined below. This list may not cover everything you are paying for, but please remember to include everything on the financial statement so that we can properly assess your need.

**Priority debts are defined as:**

**Non-priority debts are:**

Rent	Credit card debt
Council tax	Some hire purchase agreements
Gas and electric	Unsecured bank and payday loans
Essential hire purchase goods	Water bills
Telephone bills	Loans from friends and family
Secured loans	Catalogue payments
Child maintenance	Doorstep loans
Magistrates court fines	Bank / building society overdrafts or loans
County court judgement	Personal loans
TV licence	Store card debt
VAT	
National Insurance /Tax	
Certain overpayments for benefits	
Working / child tax credit	

**What if I can't keep on top of my priority bills because I have too much debt?**

If you have unsecured debt that's making it more difficult to pay your priority bills, then it's really important that you get free and confidential debt advice as soon as possible. You can contact our Financial Inclusion officers on 01223 457070 or by emailing us at [incometeam@cambridge.gov.uk](mailto:incometeam@cambridge.gov.uk)

Your unsecured debt is classed as 'non-priority' because the consequences of not paying these each month are much less severe than not paying your priorities each month.



## Item

### Shared Ownership Policy

**To:**

Councillor Mike Todd-Jones

Housing Scrutiny Committee      Date: 23<sup>rd</sup> September 2021

**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 As at the 1<sup>st</sup> April 2021, Cambridge City Council had 96 units of Shared Ownership in the City. A Shared Ownership Policy has been produced to outline the Council's approach to the management of the current units of shared ownership within the Housing Revenue Account, as well as the approach the Council will take to support current shared owners in working towards or achieving 100% ownership.

## 2. Recommendations

- 2.1 The Executive Councillor is recommended to:
- 2.11 Approve the Shared Ownership Policy for current stock.
- 2.12 Agree that the Council promotes staircasing, to 100% ownership where financially feasible, with current Shared Ownership Leaseholders.

- 2.13 Agree the revised approach for deciding on the repurchase of shared ownership units.

### **3. Background**

- 3.1 Since 1988, the Council has offered shared ownership as an affordable way to purchase a home within the City. The homes offered are a mix of flats and houses, and the City currently has 96 units, at various share levels, in stock.
- 3.2 A business case approach was adopted in 2014 that considered the criteria that should be applied prior to a decision on whether to repurchase shares in shared ownership properties. Several criteria were used to inform the decision whether the Council was best placed to repurchase the property for re-sale. Due to the varying terms of the leases in place, the council cannot always nominate the property directly to the Homes England website (where the transaction to a new buyer takes place without Council involvement) and therefore has to repurchase using Council funds, advertise the property and find a buyer as quickly as possible to avoid significant void loss. There is also the issue of any repairs or maintenance required prior to re-sale for which the service does not have a budget.
- 3.3 A very small number of properties have been re-purchased by the Council for re-sale and the success of this approach has been varied; the average void time over the previous ten years was around twenty-eight weeks, with individual property void times ranging from eight to eighty-eight weeks before a buyer was found. This financial loss, plus the officer time and the costs of repairs has been borne by the council. Because of this, plus lack of funding, the majority of re-sales have been via the open market or the Help To Buy website (see below).
- 3.4 The first newly built shared ownership units in recent years were at Scholar's Court, Homerton in 2016/2017, and sold successfully. The further Virido development in 2016/2017 had mixed success; 12 2-bed flats were incorporated into general needs stock due to lack of interest after months of marketing and significant void losses.
- 3.5 Shared Ownership since 2016 uses the Homes England standard lease, where the ability to nominate a purchaser from the Help To Buy website means the Council does not have any involvement in the transaction so no time is spent or costs are incurred. There is a

significant amount of incremental staircasing and purchasing outright in the newer stock.

- 3.6 There have been a number of outright purchases and some incremental staircasing in the older shared ownership stock in recent years, but not at the rate experienced in the newer stock. The Housing Service will look to encourage staircasing to help shared ownership leaseholders achieve outright home ownership in the City; ensuring all shared owners know the options available to them and the likely costs, via an updated website and various communications. Where possible the Council would look to offer incentives to encourage incremental staircasing up to 100%, including looking at the provision of reduced rate or free valuations, and/or reduced administration costs where the council incurs a fee, where these costs can be offset by income to the Housing Service in other areas.
- 3.7 As part of this review, the project team revisited the 2014 business case for repurchasing older shared ownership stock. Due to the difficulty previously experienced of reselling of older shared ownership stock, going forward the council will only look to re-purchase a shared ownership unit where there is a case for the property being suitable for use as general needs stock. In all other scenarios, the council will advise the shared ownership leaseholder to sell their share according to the terms of their lease. All the leases currently in use require any new purchaser to use the property as their main and principal home, thus ensuring no property can be used for profit.
- 3.8 A number of factors will need to be considered prior to re-purchasing:
- 3.81 Whether funding is available (it is expected a suitable budget will be requested each year to enable a small number of repurchases of shared ownership and or leaseholder property)
  - 3.82 Whether there is an identified need for that property e.g., a property which is adapted or particularly suitable to be adapted to meet the needs of an identified housing applicant, whether the property is in high demand, either from the Housing Register, or providing a housing solution to a specific group of clients under the remit of for example, the Housing Advice Service.
  - 3.83 Whether there is current demand on the housing register for the size of property to be re-purchased.
  - 3.84 The condition of the property, including the cost to achieve a lettable standard.

3.85 Any other factors which need to be considered to ensure best use of the property.

- 3.9 The Housing Service has introduced tenancy audits across its general needs stock; shared ownership units will be included in this programme in order to pick up any management and maintenance issues and achieve the objectives of the Shared Ownership Policy.
- 3.10 This Policy addresses the way the City will manage the shared ownership units in stock in general terms; there are 7 different leases in use, each with slightly different terms and conditions. The Policy stresses the importance of shared ownership leaseholders referring to their own lease for clarification of their, and the council's, responsibilities.
- 3.11 Section 7 of the Policy outlines the responsibilities around building insurance. This is of particular note for any shared ownership leaseholders living in flats where the council is responsible for insurance; the Council's policy is a commercial policy and does not offer residents the same level of cover that a domestic policy would. The Policy recommends that those leaseholders, where the council is the insurer, look to take out a further policy that offers cover for domestic issues such as alternative accommodation whilst any structural works are carried out. Affected leaseholders would need to satisfy themselves that any further insurance acknowledges the existence of a commercial policy attached to the building, and that the insurer will make payment for a structural event in full knowledge of this.

## **4. Implications**

### **a) Financial Implications**

To enable the Council to react on notification of an opportunity to purchase a shared ownership property that fits the re-purchasing criteria, a suitable budget will be identified as part of the annual budget setting process.

### **b) Staffing Implications**

The Home Ownership Team does not have a dedicated shared ownership resource in place, so the general management of the service, setting and issuing rents and service charges, administering

staircasing, dealing with disputes or complaints, chasing arrears and other tasks are undertaken by a skeleton staff across various teams in Housing. If, after promotion of staircasing or by providing incentives to staircase result in further work for the team, the need for extra resource will be explored.

If agreed, the recommendation to cease re-purchasing shared ownership units for re-sale will reduce the administrative resource required for shared ownership.

Where shared ownership properties are repurchased for social housing general needs or project specific purposes, support will be provided by Housing Finance and Business Development, City Homes, Maintenance & Assets and Homelessness & Housing Advice.

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

As part of the Council's commitment to encouraging outright home ownership in the City, the council will communicate with shared owners the benefits of staircasing but recognises that this may not financially be an option for all shared owners.

Options will be explored to provide financial incentives for staircasing for current shared owners where possible, including reduced rate valuations and/or administration costs where the Council could reasonably bear the cost due to income from other areas of the Housing Service.

The opportunity to purchase a Council shared ownership property, when they are offered for sale, remains available to qualifying buyers via the Help To Buy website or the open market.

Purchasing a shared ownership property for use as general needs stock provides the council with extra units for those waiting for a property on the housing register.

An Equality Impact Assessment has been attached as part of this report.

### **d) Environmental Implications**

There are no environmental implications connected with this Policy.

#### **e) Procurement Implications**

There are no procurement implications connected with this Policy.

#### **f) Community Safety Implications**

g) There are no community safety implications connected with this Policy.

### **5. Consultation and communication considerations**

- 5.1 Shared Ownership leaseholders will be contacted via paper-based and online communication channels to advise them about the new policy, promote staircasing and advise on their options for selling their share should they wish to do so. The Council's shared ownership web pages will be reviewed and updated to include the new Policy, offer links to financial advice and assistance as well as provide an annual web-based survey, that will look to obtain feedback on aspects of shared ownership management as required.

### **6. Background papers**

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

### **7. Appendices**

Appendix A –Shared Ownership Policy 2021  
EqIA – Shared Ownership Policy

### **8. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact Catherine Buckle, Business Development Manager (Housing), 01223 457261, [catherine.buckle@cambridge.gov.uk](mailto:catherine.buckle@cambridge.gov.uk)

## **Appendix A**

### **Housing Services Shared Ownership Policy**

**September 2021**

#### **FINAL**

## **1. Summary**

- 1.1 A shared owner is someone who has met the financial eligibility, and in some cases local connection criteria, to be able to purchase a share of a property under a shared ownership lease and pay rent on the remaining share for a fixed number of years. Although the term is fixed at the start of the lease, it decreases every year until it expires at which time the property reverts to CCC, ('the landlord').
- 1.2 The Shared Ownership Leaseholder can buy further shares in the property at the market value of those shares at the time of purchase. Buying further shares is referred to as staircasing, and Cambridge City Council supports its Shared Ownership leaseholders to staircase to 100% ownership, where financially feasible.
- 1.3 This Policy has been developed to define how Cambridge City Council will manage the 96 shared ownership properties held in the HRA at the time of publication.
- 1.4 The policy provides an overview, supported by management procedures, across all areas of current shared ownership stock management. This Policy refers to the current HRA owned and managed units of Shared Ownership stock only; any future HRA or General Fund shared ownership properties will be dealt with under a separate Policy due to the potential for a different management arrangement and maintenance liabilities.

## **2. Responsibilities**

- 2.1 Shared Ownership leaseholders are responsible for:

- a. Paying a weekly rent and/or service charges as agreed in the annual rent and service charge statement.
- b. Keeping the property substantially repaired and internally maintained.
- c. Seeking Council permission to carry out any alterations to the property.
- d. \*Insuring the building (Buildings Insurance is in place where the Landlord is the freeholder; see 'Insurance Section' for further details)
- e. Not assigning the property, without notice in writing to the Landlord to surrender the Lease.
- f. Not subletting the property; the property must be lived in as a main and principal home.
- g. Allowing the Landlord at reasonable times to enter the property and examine the condition and to take a schedule of fixtures and fittings.
- h. Ensuring gas appliances are tested every 12 months, and the certificate made available upon request.

The full list of responsibilities of the Leaseholder is outlined in the lease.

## 2.2 Cambridge City Council are responsible for:

- a. Issuing service charge estimates & actuals for CCC managed and Management Company units.
- b. Rent and service charge collection.
- c. Collect fees and charges owed to the Council and carry out arrears processes.
- d. Managing and administering the service and providing general advice on rights and responsibilities.
- e. \*Insuring the building against loss or damage to its full reinstatement value, where the landlord is the freeholder.
- f. Administration of staircasing.
- g. Administration of requests for adaptations.
- h. Re-purchasing of existing HRA shared ownership units or providing advice for the selling on of shares.
- i. Undertaking valuations for purchasing of further shares and/or staircasing to 100%.
- j. Liaison with external agencies, e.g., repossession, debt collection, fraud

- k. Holding a database of Shared Ownership property that details lease arrangements.
- l. Undertaking a regular audit of shared ownership property to ensure there are no breaches of the lease.
- m. Undertaking a systematic review of policies and procedures to ensure the service complies with current Legislation.
- n. Managing the agreement between the Council and outside Managing Agents, where Shared Ownership stock is sited on externally managed housing developments.
- o. Undertaking consultation and providing information on changes affecting shared owners.

\* Varies between leases – leaseholders will need to refer to their lease.

The full list of responsibilities of the council is outlined in the lease.

### **3. Policy Objectives**

- 3.1 The objective of this policy is to ensure that shared ownership units are dealt with in a consistent and fair way that reflects legislative and regulatory requirements, and leaseholders understand their rights and responsibilities under their lease. The Policy will also outline the Council's position regarding:
  - i. The responsibilities of both the Council and the leaseholder (for the purpose of this policy 'leaseholders' refers to shared ownership leaseholders), under the terms of their lease,
  - ii. What monies are due under the terms of their lease, and what support, advice and information is available to anyone having difficulty in making a payment,
  - iii. Upholding the covenants in their leases, particularly with regard to harassment, neighbourhood nuisance and other actions taken by them that are likely to affect other residents,
  - iv. Purchasing additional shares
  - v. the Council's position on repurchases and resales.

#### **4. Scope**

- 4.1 This policy covers all aspects of shared ownership leasehold management post initial sale and subsequent sales.

#### **5. Shared Ownership Leaseholder's Rights & Obligations**

- 5.1 The lease is a contract between the landlord, Cambridge City Council and the shared ownership leaseholder. It sets out the respective rights and responsibilities of each party. The lease is a legally binding contract and enforceable by law. Current legislation may override the lease if there have been legislative updates since the lease commenced.

- 5.2 The lease includes information about:

- i. The Parties to the lease
- ii. The market value of the whole property at the time of purchase, the amount the shared owner is paying, and the percentage bought.
- iii. The rent to be paid, how this is determined, when payment is due and how it will be reviewed.
- iv. The arrangement for collecting contributions to additional charges, (service charges and any estate management/maintenance costs)
- v. The procedures to purchase additional shares in the property (staircasing) and incentives to do so.
- vi. The process to assign or transfer the lease.
- vii. Insurance arrangements
- viii. The restrictions on 'sub-letting' the property
- ix. The responsibilities of the leaseholder, in respect of repair, decoration, servicing and alterations to the property
- x. The grounds for the landlord ending the lease by forfeiture or re-entry.
- xi. Details of the responsibilities of both the leaseholder and Cambridge City Council, (the Landlord)
- xii. Mutual covenants

- 5.3 Cambridge City Council and the Shared Ownership Leaseholder are bound by the terms of the shared ownership lease.

## 6. Legal and Regulatory Framework

- 6.1 As at July 2021, the Legal & Regulatory Framework for existing shared ownership (low-cost home ownership) units was contained in Section 68 of the Housing and Regeneration 2008 Act. Where Home England grant-funding for shared ownership took place, the Homes England, the Council of Mortgage Lenders and the National Housing Federation guidance applies.

## 7. Insurance

- 7.1 Depending on the terms of the individual lease (there are 7 variations of lease in use at the Council), either the Council or the Leaseholder is responsible for buildings insurance. Leaseholders will need to refer to their lease to identify where the responsibility for building insurance lies.
- 7.2 Where the Council is responsible for insuring the building, the policy covers the cost of rebuilding a property if it is damaged or destroyed. Where the Council is responsible for Buildings Insurance, a service charge is applicable.
- 7.3 To keep the building insurance premium as low as possible:
- fences and boundaries are excluded from the policy.
  - If as part of the lease there is a private garden that contains trees, the trees are required to be maintained by the leaseholder. If a tree in the garden falls and causes injury or damage, the leaseholder will be liable. Leaseholders should ensure any trees on their property are checked periodically and maintained appropriately.
  - If the property is left empty for more than 30 days, parts of the building insurance will be invalidated. Malicious damage will not be covered, nor will damage caused by water escaping from any tank apparatus or pipe.
  - If the property becomes uninhabitable, the building insurance does not cover the cost of making alternative living arrangements whilst any repairs are carried out.

- 7.4 The Council strongly recommends that leaseholders, where responsibility for building insurance lies with the Council, take out an additional policy to ensure all eventualities are covered.
- 7.5 Leaseholders will be provided with copies of the Council's General Building Insurance Policy.
- 7.6 Contents insurance is the responsibility of the leaseholder.

## **8. Rents**

- 8.1 Leaseholders will pay rent to Cambridge City Council on the remaining share they do not own.
- 8.2 Any rent payable will be calculated in line with the lease and any relevant Government / Regulator of Social Housing rent setting guidance.

## **9. Service Charges**

- 9.1 Where services are provided to shared ownership properties, these will be referenced in the lease, and charges will be set and administered in accordance with current legislation.
- 9.2 Individual computerised accounts are held for each leaseholder. Each account will be credited with the rental income, and debited with rent, service charges, and management fee charges (if applicable).
- 9.3 In line with legislation when a demand for payment is issued a summary document explaining Leaseholder Rights and Obligations (Service Charges) will also be issued.

## **10. Arrears**

- 10.1 Any leaseholder who falls behind with payments will be contacted promptly by the council and appropriate action will be taken.

- 10.2 Cambridge City Council will make sure that in the first instance, anyone experiencing difficulties in making rent or mortgage payments is referred to the council's Financial Inclusion Team, who will be able to provide advice on welfare benefits and debt.
- 10.3 Cambridge City Council will act reasonably and only take possession action where there is no other reasonable alternative, and all other avenues to maintain the shared owner in their home have been exhausted.
- 10.4 Arrears procedures will consider the best practice published by the Council of Mortgage lenders.
- 10.5 Interest is payable and may be applied to the account once a period of 14 days from the due date has passed.
- 10.6 Where Cambridge City Council is satisfied that an appropriate course of recovery action has been taken by staff and rent and charges remain unpaid, legal proceedings will be considered for persistent failure to pay rent, including forfeiture (possession) in accordance with the lease. Other escalation will follow pre court action protocol introduced in October 2017.
- 10.7 NB: A Lease containing a Mortgagee protection clause allows the Landlord to disclose to any Mortgagee of the Leaseholder from time-to-time personal information relating to the Leaseholder or to the provisions of this Lease (including details of any rent or service charge arrears); and any Mortgagee from time to time of the Leaseholder to disclose to the Landlord such information as the Landlord may request regarding the Leaseholder and the Loan (including details of any arrears).

## **11. Disputed Charges**

- 11.1 Cambridge City Council will take a proactive approach to the resolution of disputes, by ensuring queries are dealt with as quickly as possible, to minimise customer dissatisfaction.

- 11.2 To ensure the same standards of customer care are provided as to council tenants and Right to Buy Leaseholders, the council's corporate complaints policy will be followed.

## **12. Overpayments**

- 12.1 All overpayments of rental charges will automatically be carried forward to the next financial year. Any repayment of overpaid charges will be considered on an individual basis.
- 12.2 If a leaseholder sells their home during the year, then a refund of any credit balance will be provided.

## **13. Purchase of additional shares ('Staircasing')**

- 13.1 Leaseholders can purchase additional shares at any time following the initial purchase. The lease outlines the terms and process for staircasing. As Leaseholders buy further shares, the rent will be reduced proportionately to reflect the fact that the council's interest in the property has reduced.
- 13.2 The council encourages all leaseholders to staircase to 100% where financially achievable; the benefits of doing this include:
- Paying no rent - just a service charge will be due where a service is provided.
  - Having more control – when a leaseholder is ready to sell, they may do so via any channel.
  - Access to a variety of mortgage options –staircasing to 100% allows the ability to 'shop around' for a much better mortgage rate, as shared ownership mortgages tend to be more expensive.
  - Having more security – as a freeholder who can sell when they wish will mean they'll benefit more from rising house prices.
- 13.3 If the property is a house, and the leaseholder has purchased 100% of the shares, they will have the right to acquire the freehold of the property for no further charge.

## **14. Flexible Tenure (Reverse Staircasing)**

- 14.1 Flexible tenure is designed to enable a shared owner to remain in their home either by selling some of their shares back to their landlord, in order to reduce their mortgage to a more affordable and sustainable level, or by selling all of their shares back to the landlord and becoming a tenant renting the whole property.
- 14.2 Cambridge City Council does not offer a flexible tenure alternative. Leaseholders will be provided with financial advice and guidance when considering the options available to them.

## **15. Sale of Share – Assignment or Transfer**

- 15.1 A Leaseholder can sell their share at any time but must follow the procedures within the lease. Depending on the type of lease held, Leaseholders may be required to assign the property to a nominated purchaser, offer the Council Right of First Refusal on the purchase, or sell the share on the open market. In a small number of cases, the Council will offer to repurchase the share.
- 15.2 Where the leaseholder is asked to sell the share on the open market, the buyer will be bound by the terms of the seller's lease at the time of purchase.

## **16. Additional borrowing and change in lender**

- 16.1 The lease doesn't prevent a leaseholder from obtaining additional borrowing; any further borrowing is subject to the council's approval in liaison with advice from Cambridge City Council's Legal Department and the terms of the Mortgage Protection Clause (MPC) (is applicable), which protects the mortgage company and is a fundamental clause in the HCA's standard shared ownership lease. Where a lease differs from the HCA standard lease, the council will grant a S442 Agreement to offer lenders security on any mortgage offered, if this is required.

- 16.2 There is no specific procedure in the case of additional borrowing or change of lender, only principals that should be adhered to as each case will be different.
- 16.3 The council will approve, in writing, all requests to change a lender as long as the leaseholder's legal representative confirms that the sum being borrowed has not increased from the sum owed to the previous lender, (i.e. no additional lending) and that the terms of the mortgage are in the council's opinion reasonable, given current market conditions and that the original shared owners are still on the new mortgage. The council will seek legal advice from the Legal Department prior to any approvals.

## **17. Subletting and lodging**

- 17.1 The shared ownership lease prohibits sub-letting. This stops the leaseholder from having the right to sub-let. However, the council may agree to sub-letting or lodging arrangements if they choose to do so in exceptional circumstances. Exceptional circumstances may include the prevention of homelessness or financial hardship. This may require a deed of variation to the lease, and the council will seek legal advice prior to any approvals. This is to protect public funds from misuse and to ensure that applicants are not entering into shared ownership for financial gain, apart from the creation of equity.
- 17.2 In all cases of sub-letting or lodgers must be approved by the Home Ownership Team in liaison with Legal Services. The principles detailed in the Council's subletting and lodging procedure will be referred to in all cases.

## **18. Breaches of Lease**

- 18.1 The council will take appropriate action whenever it becomes aware that a leaseholder is acting in breach of the terms of their lease, which may include:
- Non-payment of rental income for 21 days after becoming payable
  - Unapproved works to the home or building

- Improper use of the home or building
- Failure to maintain or damage to the premises
- Refusal of access to council staff
- Antisocial behaviour including harassment or neighbour nuisance.

18.2 In all cases the council will follow the breach of lease procedure and work with the leaseholder to resolve the issue. However, if the breach continues legal action could be taken which may include seeking an injunction, or action for the forfeiture of their lease.

## **19. Fraud/Criminal activity**

19.1 Staff will comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the Regulations) where suspicion of such criminal activity is identified.

19.2 Tenancy Audits and Stock Condition Surveys will be undertaken on a cyclical basis to ensure the terms of the lease are being adhered to. Breaches of the lease will be dealt with via the Council's breach of lease procedure.

19.3 Requests for permission to sub-let will require a home visit as part of determining whether to grant the request. If permission is given, a follow up at the end of the permission period will be done to ensure that the shared owner is back in occupation.

19.4 Where it appears that a fraud has been or is being perpetrated, the Council's Fraud Team will be asked to gather evidence to support further action.

19.5 The terms of the individual lease will apply in relation to fraud and repossession.

## **20. Repossession**

20.1 It is a condition of a shared owner's lease to pay the shared ownership rent and maintain mortgage payments. Failure to pay the shared

ownership rent, service charges or mortgage payments and other breaches of the lease agreement could lead to repossession.

- 20.2 As a general principle the Shared Ownership: Joint Guidance For England, issued by Homes England, Council of Mortgage Lenders, and National Housing Federation will be used as guidance. The council will only seek to commence possession proceedings as a last resort and when all alternative debt management actions have been exhausted.
- 20.3 The council will provide the shared owner's mortgage lender 28 days' notice of any intentions to commence possession proceedings. This will include details of the level of arrears. The council will also notify the shared owner of its intention to share information regarding the arrears with the lender.
- 20.4 The council will always seek legal advice if considering commencing possession proceedings.

## **21. Repairs**

- 21.1 The leaseholder is solely responsible for the maintenance of the property. This includes the maintenance of gardens, any fences, walls or hedges.
- 21.2 In addition to the repairs the leaseholder is also responsible for arranging for all gas installations within the property to be serviced annually.
- 21.3 Shared owners in flats will be required to contribute to any estate maintenance and repairs and improvements, dependant on the requirements detailed in their lease. If qualifying works will result in that contribution being more than £250 (including VAT), the Landlord will be required to carry out a consultation under section 20 Landlord and Tenant Act 1985. Failure to do so will result in any contribution required from the Leaseholder being 'capped' at £250.

## **22. Alterations and Improvements**

- 22.1 Under the terms of the CCC shared ownership lease, structural alterations and improvements are prohibited without the prior written consent of the landlord. The council will consider the request to carry out alterations or improvements on a case-by-case basis.
- 22.2 Leaseholders must not make any alterations or additions to the property without written approval from Cambridge City Council.
- 22.3 Any leaseholder wishing to carry out alterations or additions to their home must first submit full details of the proposed work to Cambridge City Council.
- 22.4 Each request will be looked at on its own merits and will be formally responded to the council and in accordance with Housing's Alterations and Improvements procedure. Alterations and improvements that relate to welfare adaptation or an evidenced household need will be amongst the factors considered.
- 22.5 Any refusal of the proposed alteration or improvements will be accompanied by a full written explanation.
- 22.6 There is no appeals process. The terms of the lease will be referred to on all occasions.

## **23. Death/default process**

- 23.1 The lease terminates immediately on the death of the leaseholder. The council can purchase the remainder of the property at this time or agree to enter with the Executors in a joint sale of the property or allow them to sell their share on the open market. The council must serve a notice on the Executor within 42 days if it wishes to purchase, failing which it will be deemed they have agreed to join with the leaseholder in the sale of the Property. The lease charges, arrears outstanding and any other costs incurred during the period in between the leaseholder's death and the sale of the share will be met from their estate at the conclusion of the sale.

23.2 Should the leaseholder default on payments due, the council may have its solicitors serve a Notice giving 28 days' notice that it intends to terminate the lease, whereupon all rights of the leaseholder to exclusive occupation of the property shall cease. Should they continue to occupy the property after termination of the lease, they will be liable to pay the council an equivalent sum to the rent payment which was due prior to the default or termination until the leaseholder moves from the property. In this scenario the council has the option to either purchase the leaseholders share of the Property or require the leaseholder sell the property with vacant possession on the open market for the best price that can be reasonably obtained.

## **24. Leaseholder involvement**

24.1 The council will work with shared owners, via a number of communication channels, to provide the opportunity for feedback and suggestions, to influence services provided to them and to provide the opportunity to discuss issues that are important to them.

## **25. Performance monitoring and reporting**

25.1 The council will regularly monitor service provision, associated costs and performance in collecting shared ownership income.

## **26. Feedback**

26.1 Any dissatisfaction or complaints received in any format will be responded to within the council's agreed timeframes (currently 10 days). If the leaseholder is unhappy with any area of service provided, the issue will be progressed through the council's complaints process, if the issue cannot be dealt resolved to the leaseholder's satisfaction at that stage.

## **27. Auditing**

27.1 Shared-ownership income and expenditure are reconciled on an annual basis as part of the general year end accounting processes.

## **28. Policy evaluation and review**

- 28.1 This policy will be reviewed within 6-12 months of its implementation and be reviewed at least every 3 years or sooner if there is a change in legislation, regulation or best practice guidance affecting shared ownership leaseholders' or the council's rights and responsibilities in relation to shared ownership management.

This page is intentionally left blank

## Cambridge City Council Equality Impact Assessment (EqIA)

This tool helps the Council ensure that we fulfil legal obligations of the [Public Sector Equality Duty](#) to have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Guidance on how to complete this tool can be found on the Cambridge City Council intranet. For specific questions on the tool email Helen Crowther, Equality and Anti-Poverty Officer at [equalities@cambridge.gov.uk](mailto:equalities@cambridge.gov.uk) or phone 01223 457046.

Once you have drafted the EqIA please send this to [equalities@cambridge.gov.uk](mailto:equalities@cambridge.gov.uk) for checking. For advice on consulting on equality impacts, please contact Graham Saint, Strategy Officer, ([graham.saint@cambridge.gov.uk](mailto:graham.saint@cambridge.gov.uk) or 01223 457044).

<b>1. Title of strategy, policy, plan, project, contract or major change to your service</b>
Shared Ownership Policy

<b>2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)</b>
Click here to enter text.

<b>3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?</b>
The Policy has been developed to define how Cambridge City Council will manage the 96 shared ownership properties held in the HRA at the time of publication, including the council's commitment to promote staircasing and its stance on re-purchasing shares for re-sale.

**4. Responsible service**

Housing

**5. Who will be affected by this strategy, policy, plan, project, contract or major change to your service?**

(Please tick all that apply)

- ☒ Residents  
☐ Visitors  
☐ Staff

Please state any specific client group or groups (e.g. City Council tenants, tourists, people who work in the city but do not live here):

Shared Ownership Leaseholders

**6. What type of strategy, policy, plan, project, contract or major change to your service is this?**

- ☐ New  
☐ Major change  
☒ Minor change

**7. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service? (Please tick)**

- ☐ Yes  
☒ No

If 'Yes' please provide details below:

[Click here to enter text.](#)

**8. Has the report on your strategy, policy, plan, project, contract or major change to your service gone to Committee? If so, which one?**

September 2021 Housing Scrutiny Committee

**9. What research methods/ evidence have you used in order to identify equality impacts of your strategy, policy, plan, project, contract or major change to your service?**

Previous shared ownership sales and purchase data.

## 10. Potential impacts

For each category below, please explain if the strategy, policy, plan, project, contract or major change to your service could have a positive/ negative impact or no impact. Where an impact has been identified, please explain what it is. Consider impacts on service users, visitors and staff members separately.

### **(a) Age - Please also consider any safeguarding issues for children and adults at risk**

The Policy has a positive impact on both younger and older residents – the council will look to repurchase shared ownership stock for use as general needs stock or for a specific project, where the property meets demand. This will add either further units of general needs stock or other required housing to meet a need, for example housing for young adults, temporary housing for families or older persons housing.

### **(b) Disability**

The Policy has a positive impact on disabled residents – the council will look to repurchase shared ownership stock for use as general needs or for a specific project, where the property meets demand. This will add either further units of general needs stock that can be adapted to meet the needs of a disabled household.

### **(c) Gender reassignment**

The policy has no impact on those who have undergone gender re-assignment

### **(d) Marriage and civil partnership**

The policy has no impact on those who are married or in a civil partnership

### **(e) Pregnancy and maternity**

To policy has no impact on those who are pregnant or on maternity leave

**(f) Race – Note that the protected characteristic ‘race’ refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.**

The policy has no impact on the differing racial groups.

**(g) Religion or belief**

The Policy has no impact on those of different religion or beliefs

**(h) Sex**

The Policy has no impact on different genders

**(i) Sexual orientation**

The policy has no impact on sexual orientation

**(j) Other factors that may lead to inequality – in particular, please consider the impact of any changes on low income groups or those experiencing the impacts of poverty**

The Policy outlines the measures the Service will take to ensure those struggling to pay their rent or mortgage on a shared ownership property receive support and guidance from the in-house Financial Inclusion Team, and that repossession will be the last resort after all other avenues have been exhausted.

The Policy has a positive impact on lower income groups - shared owners are bound by the terms of their lease to use the property as their main and principal home, and sub-letting is prohibited without express permission of the Council. These terms help to ensure the council's shared ownership stock continues to be an affordable housing option for residents and not being rented on the open market for financial gain.

The Policy has a positive impact on low-income households – the council will look to purchase shared ownership stock for use as general needs or project specific stock, where the property meets demand. This will add either further units of general needs stock or other required housing to meet a need, for example temporary housing or homeless households.

**11. Action plan – New equality impacts will be identified in different stages throughout the planning and implementation stages of changes to your strategy, policy, plan, project, contract or major change to your service. How will you monitor these going forward? Also, how will you ensure that any potential negative impacts of the changes will be mitigated? (Please include dates where possible for when you will update this EqlA accordingly.)**

1. Monitor the repurchasing of any shared ownership stock for use as general needs stock or to meet a need elsewhere in the Housing service and update Members as appropriate – Housing Finance & Business Development.
2. Monitor the take up of financial advice and support by the Financial Inclusion Team by shared owners following communications to shared owners via letter and Web pages – City Homes
3. Undertake an audit of shared ownership property, in line with the wider housing service programme of Tenancy Audits, to ensure the terms of the lease are being adhered to and to – City Homes/Property Services/Maintenance & Assets.
4. During the Tenancy audits, identify potential areas of concern where a shared owner could be struggling to maintain their home due to age, disability or financial difficulties and provide advice and support as required –City Homes.

**12. Do you have any additional comments?**

[Click here to enter text.](#)

**13. Sign off**

Name and job title of lead officer for this equality impact assessment: Catherine Buckle

Names and job titles of other assessment team members and people consulted: [Click here to enter text.](#)

Date of EqlA sign off: 07/09/2021

Date of next review of the equalities impact assessment: [Click here to enter text.](#)

Date to be published on Cambridge City Council website: [Click here to enter text.](#)

**All EqlAs need to be sent to Helen Crowther, Equality and Anti-Poverty Officer. Ctrl + click on the button below to send this (you will need to attach the form to the email):**

**Send form**

This page is intentionally left blank



Item

## **HOUSING REVENUE ACCOUNT MEDIUM TERM FINANCIAL STRATEGY 2021/22**

**To:**

Councillor Mike Todd-Jones, Executive Councillor for Housing

**Report by:**

Julia Hovells, Assistant Head of Finance and Business Manager

Tel: 01223 457248

Email: [julia.hovells@cambridge.gov.uk](mailto: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.
- 2021/22 and future year revenue budgets, resulting from changes in financial assumptions and the financial consequences of changes in these and the need to respond to unavoidable pressures and meet new service demands, as introduced in Section 5, detailed in Appendix D and summarised in Appendices G (1) and G (2) of the document.

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 21 October 2021.

2.4 To approve proposals for new 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 21 October 2021.

- 2.5 To approve the revised funding mix for the delivery of the Housing Capital Programme, recognising the latest assumptions for the use of Grant, Right to Buy Receipts, HRA Resources, Major Repairs Allowance and HRA borrowing.

### **3. Background**

- 3.1. The Housing Revenue Account budget was set for 2021/22 as part of 2021/22 HRA Budget Setting Report, approving a net use of reserves in the year of £6,397,400.
- 3.2 This figure was amended to reflect approvals to carry forward expenditure originally anticipated to be incurred in 2020/21 into 2021/22 as part of the closedown process for 2020/21. Following these changes, the increased sum of £13,995,700 was anticipated to be taken from reserves for the year.
- 3.3 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 2021/22 and beyond.
- 3.4 The resulting financial impact for the Housing Revenue Account is explained and summarised in the attached document and appendices.
- 3.5 As part of the HRA Medium Term Financial Strategy, the assumptions in respect of the delivery of a net 1,000 new homes over the 10 years following on from the 500 programme, have been updated. These now reflect the assumptions made as part of a bid to Homes England to secure strategic partnership status, which included delivering a net 1,000 council rented homes over this period alongside an element of re-provision of existing homes in the HRA and the development of shared ownership, rent to buy and market rented homes, to ensure financial viability. Although the grant bid was unsuccessful in strategic programme terms, the authority will instead bid under the Continuous Market Engagement process on a scheme basis.

- 3.7 Separate reports are presented as part of this committee cycle, seeking scheme specific approval for new build schemes at Aylesborough Close, St Thomas's Road and Paget Road. The HRA Medium-Term Financial Strategy has been constructed assuming that these schemes are given approval.
- 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**

The HRA Medium Term Financial Strategy incorporates proposals that would result in the recruitment of additional staff. All these posts will be advertised in line with the Council's recruitment policies and will not adversely impact any existing employees.

### **(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 2022/23 HRA budget process and preparation of the 2022/23 HRA Budget Setting Report.

#### **(d) Net Zero Carbon, Climate Change and Environmental Implications**

There are no adverse environmental implications anticipated as a result of changes proposed in this report. The inclusion of additional resource to extend the energy efficiency and sustainability pilot to retrofit 50 homes in 2022/23 will have a positive environmental impact for these dwellings.

#### **(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 2020)
- (b) Housing Revenue Account Budget Setting Report (February 2021)

### **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](mailto:julia.hovells@cambridge.gov.uk).

This page is intentionally left blank

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

# Contents

Section No.	Topic	Page No.
1	Introduction and Local Context	1
2	Housing Stock	6
3	National Policy Context and External Factors	8
4	Revenue Resources	19
5	Detailed Review of Revenue Budgets	27
6	Capital – Existing Stock	31
7	Capital & Asset Management – New Build & Re-Development	40
8	Summary and Conclusions	56

# Appendices

Reference	Topic	Page No.
A	Key Risk Analysis	63
B	Business Planning Revised Assumptions	66
C	Retained 1-4-1 Right to Buy Receipts	69
D	2021/22 HRA Mid-Year Revenue Budget Amendments	70
E	2021/22 Mid-Year Housing Capital Budget Amendments	72
F	New Build Programme Cashflow	74
G (1)	HRA Summary Forecast 2021/22 to 2025/26	78
G (2)	HRA 10 Year Summary Forecast 2021/22 to 2030/31	79
H	Housing Capital Investment Plan (10-Year Detailed Investment Plan)	81
I	HRA Ear-Marked & Specific Funds	87
J	Business Planning Key Sensitivity Analysis	88
K	Areas of Uncertainty	89

# Section 1

## Introduction and Local Context

### Foreword by the Executive Councillor

The Housing Revenue Account has faced, and is facing, very significant challenges.

The coronavirus pandemic has resulted in serious social and economic costs, including multiple 'lockdowns' since March 2020, with consequences for the HRA income stream, housing management, and the business plan. And of course, the pandemic has also seen a rise in poverty in the city as residents find it harder to get work.

The climate and biodiversity emergency presents a great challenge, driving the need to build new homes, and to retrofit existing homes, to high energy efficiency standards and to aim to achieve net zero carbon wherever possible.

The government continues to pursue a path of austerity, offering totally inadequate funding and grant options to meet the scale of investment required to deliver energy efficient homes in the climate crisis context.

And it's easy to forget that Brexit is having an impact, with a shortage of labour and materials.

Cambridge City Council has met these considerable challenges head on.

The delivery of new council homes has exceeded expectations. The £70 million devolution-funded '500 homes' programme reached its target of 500 completions or start on site by March 2021 - a year early. Our housing stock is increasing, and we're creating new posts to support tenancy and building management demands.

Our '1,000 homes' programme for the next ten years has already started and, subject to securing Homes England grant funding, will be fully deliverable. Although our bid to become a Strategic Partner with Homes England was unsuccessful, we will instead apply through the Continuous Market Engagement process. Our house building programmes will significantly address the needs of those on our Housing Register, currently around 1,900 households.

We recognise the affordability crisis in Cambridge and we're determined that 'affordable' rents when applied to our new build programmes will be at no more than 60% of market rents or, if lower, the Local Housing Allowance rates, so that people who otherwise could not afford to live in our city can do so.

Our redeveloped and new-build council house programme already includes gas-free developments, Passivhaus eco-standard schemes (including Passivhaus standard flats planned for Aylesborough Close), and our first net zero carbon schemes, planned for St. Thomas's Road and Paget Road, subject to grant funding. We're also targeting a biodiversity net gain of 20% across the '1,000 homes' programme.

Retrofitting existing stock commenced in Arbury and 150 1930's houses will be fitted with external insulation and solar panels. A £5 million pilot in 2022-2023 to retrofit 50 homes across different housing types to net zero carbon will help provide an evidence base demonstrating the capacity and cost involved with which to lobby government.

Whilst rental income and RTB receipts can support the borrowing required for the new build programmes, this is not possible for the retrofit programme and government has to step up and provide a national investment strategy. Significantly more external grant and funding options are required to help meet net zero carbon goals as the council cannot invest and borrow to meet the scale of the retrofit challenge without seriously compromising the viability of the HRA Business Plan.

Nevertheless, we are committed to increasing capacity to support the energy efficiency programme and other necessary works. A permanent Energy Assessor post, three surveyor posts focussing on energy improvements, structural works and decent homes works, and a fixed term asbestos surveyor are built into the HRA MTFS.

The coronavirus pandemic has had an impact on investment in our stock, particularly internal work, with planned works and maintenance and the decent homes programme suffering from unavoidable delays and the necessary re-phasing of budgets. However, the percentage of our stock at decent homes standard has been improved (to 96%) with external structural work, based on stock condition and structural surveys, fire safety works, and estate improvements built into the investment programme. Budget requirements are met by sensible use of reserves and delivery efficiencies, and not by cutting services or programmes.

The council continues to support those affected by Universal Credit and benefit changes and tenants who have fallen into rent arrears, particularly as a result of the coronavirus pandemic. We're committed to ensuring that no tenant struggling with their rent as a result of the pandemic is evicted. We've created a dedicated Assistant Housing Officer post to provide additional support for tenants.

We are also proud of our support for people experiencing homelessness and those sleeping rough, including our development of the 'Next Steps' programme, and our plan to deliver more 'POD' modular homes.

I'd like to thank officers and our tenant and leaseholder representatives for their continued commitment and support. In particular, following structural surveys that identified the risk of disproportionate structural collapse in the extremely unlikely event of a gas explosion at Hanover and Princess Court, and Kingsway Flats, the swift action and reassurance given to residents in making the three blocks of flats safe was hugely appreciated by everyone concerned.

*Councillor Mike Todd-Jones*

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 biannual 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 internal or external changes, to ensure a long-term financially viable Housing Revenue Account. Both revenue and capital investment are reviewed, with the impact of any proposed changes 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 current year, 2021/22, 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 2022/23 to 2030/31, in the context of the 30-year plan.

This report is being prepared whilst the longer-term social and financial impacts of the coronavirus pandemic are still unclear. A number of assumptions are therefore 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.

The initial impact of the coronavirus pandemic in 2020/21 was not as significant as anticipated, with the initial steep increases in rent arrears contained from June 2020 onwards. Future financial forecasts, however, do need to take account of potential longer-term impacts in not only residents' ability to pay rent and maintain their tenancies, but also potential building material shortages and associated price rises and the new ways of delivering services that have evolved since March 2020.

To allow the continued delivery of new homes, it will be necessary for the HRA to borrow significant resource over the next few years, and 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 deliver 1,000 additional rented homes over the 10-year period after the Devolution 500+ Programme has concluded. The assumptions currently in the plan are in line with a bid that was submitted to

Homes England in May 2021 to secure Strategic Partnership status in respect of grant and the delivery of new affordable homes, Although the Strategic Partnership bid was unsuccessful, the assumptions have been broadly retained assuming the authority will apply through the Continuous Market Engagement process and bid for grant on a scheme by scheme basis, with delivery timings to be reviewed as part of the HRA Budget Setting Report in January 2022. The grant bid assumed the delivery of an element of rent to buy, shared ownership and market housing alongside the rented homes to ensure financial viability and an appropriate tenure mix on larger sites, with these alternative products assumed to be let outside of the HRA. The HRA will need to borrow significantly to make this level of investment possible. The approach to earmarking resource in the business plan is retained, based upon a number of key assumptions, but noting that 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 still key, and failure to obtain grant would necessitate a significant reduction in build standard and / or build programme.

## Timetable

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

Date	Task
<b>2021</b>	
23 September	Executive Councillor for Housing considers HRA Medium Term Financial Strategy incorporating Housing Scrutiny Committee views in any recommendations to Council
21 October	Council considers HRA Medium Term Financial Strategy
<b>2022</b>	
20 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
24 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	Actual Stock Numbers as at 1/4/2021	Estimated Stock Numbers as at 1/4/2022
General Housing – Social Rent	6,055	6,015
General Housing – Affordable Rent	409	512
Sheltered Housing	513	513
Supported Housing	17	17
Temporary Housing (Individual Units)	66	79
Temporary Housing (HMO's / EA)	24	24
Miscellaneous Leased Dwellings	19	19
Shared Ownership Dwellings	96	94
<b>Total Dwellings</b>	<b>7,199</b>	<b>7,273</b>

Property Type	Actual Stock Numbers as at 1/4/2021	Estimated Stock Numbers as at 1/4/2022
Bedsits	95	95
1 Bed	1,719	1,772
2 Bed	2,519	2,537
3 Bed	2,238	2,241
4 Bed	106	106
5 Bed	7	7
6 Bed	2	2
Sheltered Housing	513	513
<b>Total Dwellings</b>	<b>7,199</b>	<b>7,273</b>

## Leasehold Stock

At 1<sup>st</sup> April 2021, the Council retained the freehold and managed the leases for 1,190 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
2020/21	7,106	(16)	(57)	0	70	7,103
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
Total		(383)	(267)	0	463	

# Section 3

## The National Policy Context and External Factors

### External Factors

It is critical, as part of this strategic report, that all financial assumptions are reviewed, including taking account of external factors outside of the authority's control and that the financial projections are adjusted in light of any changes or trends in these. There has been an impact on the economy as a result of the coronavirus pandemic, and this results in continued 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 18 months has been particularly volatile, with rates ranging from 0.2% to 2.1% over this period. Inflation rates fell during the early stages of the coronavirus pandemic, to 0.2% by August 2020, but have fluctuated up and down since then, with a rate of 2.0% by July 2021.

The Bank of England's Monetary Policy Report of August 2021 forecasts a level of CPI in quarter 3 of each year at 2.7% for 2021, 3.3% for 2022, 2.1% for 2023 and 1.9% by 2024. The over-arching view is that inflation will return to the target of 2% and will then fluctuate around the target level in the medium term.

The Office of Budgetary Responsibility (OBR), in their Economic and Fiscal Outlook in March 2021, forecast an increase in CPI during 2021, to return to nearer the target level of 2%, again fluctuating close to this level for the medium term.

Continued economic uncertainty, as a result of a combination of factors including the impact of our exit from the European Union and the longer-term effects of the coronavirus pandemic, make it difficult to make accurate predictions, but taking account of the views of both the Bank of England and the OBR it is considered appropriate to retain the assumption that inflation will ultimately sit at the target level of 2% in the HRA business planning assumptions from 2022/23 onwards. This will be reviewed again as part of the HRA Budget Setting Report in January 2022.

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. The Fosters contract is a lump sum priced contract, which adopts CPI as the measure of inflation. The TSG contract, which is a target price contract, is due to expire in November 2022, with a procurement underway to identify a suitable contractor. Although the basis for the new contract is not yet finalised, it should be recognised that the contract prices which the authority will initially receive are likely to be driven by anticipated increases in the building cost inflation indices and the industry predictions of what might happen to these over the minimum 5-year contract term. Other specialist contractors will price work on a project basis, also taking account of industry forecasts.

The latest projections for the BCIS Index over the next 5 years currently predict a growth rate of 3.7% by 2022, with forecasts of 3.8%, 4%, 4.1% and 3.9% over the following 4 years. Taking an average of these rates of growth for the forecast three years gives rise to an annual increase of 3.9%.

On a similar average basis, the assumptions we are adopting for CPI over the same period are 2%, a difference of 1.9%.

Recognising that existing contractor's prices will be driven by CPI and any new planned maintenance contractors are likely to set prices based upon the building industry inflation projections, the assumption has been made that 50% of the work programme will be subject to the BCIS indices and 50% by the rate of CPI for the next 5 years. A blended rate of 2.95%

(CPI plus 0.95%) has therefore been incorporated into the business plan forecasts for this period, reverting to standard CPI after this,

Pay inflation has been retained at 2% per annum from April 2022 onwards, but the allowance for incremental progression has been reviewed based upon the average percentage value of an increment and the incidence of increments awarded as at 1/4/2021. This review has resulted in the budgetary allowance being reduced from 1.5% per annum to 1% per annum, recognising the latest staff retention figures and the number of staff who are paid at the top of their pay scale.

## **Interest Rates**

The Housing Revenue Account is entitled to claim a proportion of interest earned on cash balances invested by the authority. The rate of interest assumed for 2021/22 in the HRA Budget Setting Report was 0.6%, 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.

The Bank of England base rate fell to 0.1% in March 2020 and has remained at that level throughout the coronavirus pandemic. The next review is due on 23 September 2021. The continued low base rate results in corresponding low rates available for the authority for its investments.

The actual average rate of interest earned on investments that benefited the HRA for 2020/21 was 0.63%. However, since then the average rate earned on investments has fallen further to around 0.2%. The HRA Medium Term Financial Strategy has therefore been constructed on the basis that the HRA claws back interest at a reduced rate of 0.2% for 2021/22, returning to 0.6% from 2022/23 on an ongoing basis. The interest rate assumptions are included in **Appendix B**.

In respect of existing HRA borrowing, the self-financing loan portfolio with the Public Works Loans Board of £213,572,000 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 financial constraint.

The key risk to the HRA's ability to borrow remains the latest Local Authority Investment Guidance which states 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. Local authorities need to submit a 3 year capital investment strategy / plan to be able to borrow, and the Section 151 Officer needs to certify that none of the capital projects are classified as investments primarily for yield. Investment in housing, regeneration, preventative action (ie; buying an asset of community value) and treasury management (ie; re-financing existing debt) are acceptable, but investment for yield, such as investment in land or buildings to be let at market rates is prohibited. There is therefore 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 continues to impact 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 has concluded not to make this change due to the potential impact on Council General Funds, and therefore general Council services nationally.

The assumption is made that additional borrowing is externalised, with updated PWLB maturity loan rates for loans of a 30-year duration used. Since the last update of the HRA Business Plan in January 2021, there has been some fluctuation in PWLB lending rates, with the rates at the time of the first draft of the report standing at 2.27%, compared with the previous 1.89%. The rates have since fallen again to some degree.

Subject to having submitted a 3-Year capital Spending and Financing Plan, which is now a pre-requisite to be able to borrow from the PWLB, the standard lending rate could be reduced by 20 basis points, with a Certainty Rate of 0.2% lower therefore available to the authority. There is no guarantee that this reduction will remain indefinitely.

To mitigate the daily rate fluctuations in PWLB rates, this iteration of the business plan adopts forecasts made by Link, the Council's treasury advisors, who project that PWLB lending rates will vary between 2.2% and 2.6% over the next 3 years.

Based upon these projections, a revised average rate of 2.4% has been incorporated into any borrowing assumptions from 2021/22 onwards, excluding any assumption that the Certainty Rate will continue in the long term, for prudence. It should be noted that the PWLB rate is reviewed and can change twice each day.

## **Right to Buy Sales**

In 2020/21, 65 right to buy applications were received and recorded, compared with 64 in 2019/20. A total of 44 applications have been received in the first 4 months of 2021/22. This demonstrates a continued steady interest in the scheme, which seems to have accelerated slightly in 2021/22 to date, potentially as a result of the end of the lockdown period and the potential emergence from the pandemic.

In 2020/21, 16 of the applications proceeded to completion of the sale of the property, compared with 29 in 2019/20. This was deemed to be lower as a result of the coronavirus pandemic and associated periods of lockdown. In the first 4 months of 2021/22, 6 sales have completed, but delays are deemed to be due in part to the backlog of searches, surveys and legal activity caused by the stamp duty holiday, which expired at its most generous level at the end of June 2021.

It is difficult to predict future sales, particularly whilst there is still such uncertainty in the economy and any period of recovery. It is considered prudent to retain the assumption of 25 sales for 2021/22 and beyond, as although completions have been marginally lower in the

year to date, interest in the scheme does appear to have increased, which may result in more completions in the latter part of the year.

## **Right to Buy Receipts**

At 31 March 2021, the authority held £6,907,813.14 of right to buy receipts under the retention agreement with CLG.

The reinvestment of retained right to buy receipts continues to need to be combined with 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 units financed using retained right to buy receipts.

With the Bank of England base rate currently at 0.1%, any penalty interest payable on receipts not re-invested appropriately is currently at a rate of 4.1%.

In March 2021, the government published the long-awaited response to their consultation on the use of right to buy receipts. The outcome of the consultation has resulted in the following changes to the pooling regime:

- Extension of the spending deadline from 3 to 5 years for all currently held and future receipts, with annual reporting instead of quarterly to reduce the administrative burden.
- Increase in the level of right to buy receipts which can be used to finance a new home from the previous cap of 30%, to 40% to make it easier for local authorities to build social rented homes rather than affordable rented homes.
- Introduction of a cap on the percentage of retained right to buy receipt investment that can be used to fund acquisitions, with a cap at 50% for 2022/23, 40% for 2023/24

and 50% from 2024/25. The first 20 units of delivery in any year will be excluded from the cap.

- Extension of the use of right to buy receipts to allow funding of shared ownership homes as well as rented.

The government concluded not to allow land held by the General Fund to be transferrable to the HRA for the delivery of affordable homes at zero value, nor to allow the transfer of receipts to be used by a housing company or ALMO.

**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 after June 2023 under the new regulations.

With the extended timescales for reinvesting receipts, all newly arising receipts will be automatically retained at the end of each quarter. If the authority moves into a position that receipts are being held with less than 12 months before any penalty would be incurred, decision to retain or pay over receipts 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

Local authority rents continue to be regulated by the Regulator of Social Housing, alongside housing associations and other registered providers.

The latest regulations (April 2020) include:

- Rent increases 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 rent increases 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.

## Social Housing White Paper (Charter for Social Housing Residents)

The Social Housing White Paper 'The Charter for Social Housing Residents' published on 17 November 2020, aims to rebalance the relationship between social landlords (both local authorities and housing associations) and tenants.

The charter set out what every social housing tenant should be able to expect:

- To be safe in your home – working with industry and landlords to ensure every home is safe and secure;

- To know how your landlord is performing, including on repairs, complaints and safety, and how it spends its money, so you can hold it to account - empowering residents, ensuring voices are heard and landlords are held to account;
- To have your complaints dealt with promptly and fairly, with access to a strong Ombudsman who will give you swift and fair redress when needed;
- To be treated with respect, backed by a strong consumer regulator and improved consumer standards for tenants;
- To have your voice heard by your landlord, for example through regular meetings, scrutiny panels or being on its Board. The Government will provide help, if you want it, to give you the tools to ensure your landlord listens;
- To have a good quality home and neighbourhood to live in, with your landlord keeping your home in good repair;
- To be supported to take your first step to ownership, so it is a ladder to other opportunities, should your circumstances allow.

Although much of the responsibility for delivering against the charter sits with the landlord, the Regulator of Social Housing has been asked to lead in the provision of a strengthened consumer regulation regime, which will build upon the existing regulation that landlords are subject to and will also encompass health and safety responsibilities. There is an expectation of regular regulatory engagement with the Regulator of Social Housing to facilitate this.

The new social housing consumer regulation regime must:

1. Make a meaningful difference to tenants
2. Be deliverable by landlords, whether housing association or local authority landlords
3. Be able to be effectively regulated

To implement the changes, the Regulator of Social Housing will focus on:

- changes needed to the consumer standards that all social landlords will be required to meet
- the proactive consumer regulation activity (including, for example, a programme of inspections as outlined in the White Paper) through which the RSH will monitor and assess whether standards are being met; and

- agreeing a set of tenant satisfaction measures that will both inform regulation and help tenants hold their landlords to account.

To implement the new regime, changes to legislation will be required, and the Regulator of Social Housing expects to work with stakeholders, including local authorities and tenants, to make sure that new social housing consumer regulation is fit for purpose.

Whilst implementation of the new consumer regulation regime is expected to take time, landlords can act now to start delivering the required outcomes as set out in the Housing White Paper.

# Welfare Reforms

## Universal Credit

Universal Credit full service in Cambridge started 17<sup>th</sup> 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 are working with partners and the local Jobcentre Plus, including funding a post in the Jobcentre to provide Personal Budgeting Support (PBS). This arrangement has allowed significantly more claimants to receive support in making claims.

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 saw an increase in the number of tenants transitioning to Universal Credit as individual's circumstances changed, and nationally there was a steep rise in the number of claims overall.

The authority had 1,750 HRA tenants claiming Universal Credit at the end of June 2021.

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

## **Other Benefit Changes**

The Benefit Cap continues to impact residents, with Cambridge Citizens Advice and Cambridge Housing Society, providing support 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.

A steady number of residents are still affected by the removal of the spare room subsidy, with DHPs also used to support this group.

The HRA maintains a budget, incorporated at £21,900 for 2021/22 to provide financial support and incentive to assist tenant in downsizing. In order to support more tenants to downsize using this funding, those in receipt of DHP are also eligible to have the removal costs associated with downsizing met through DHP funding, leaving the HRA funding available to support other tenants who wish to downsize.

Limiting the child element in a benefit calculation to two children continues to impact new claimants, or those making a change to their claim in this regard.

## **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 4 years from April 2018. The contract sum is fixed at £180,000 per annum.

# Section 4

## Revenue Resources – Rent and Other Income

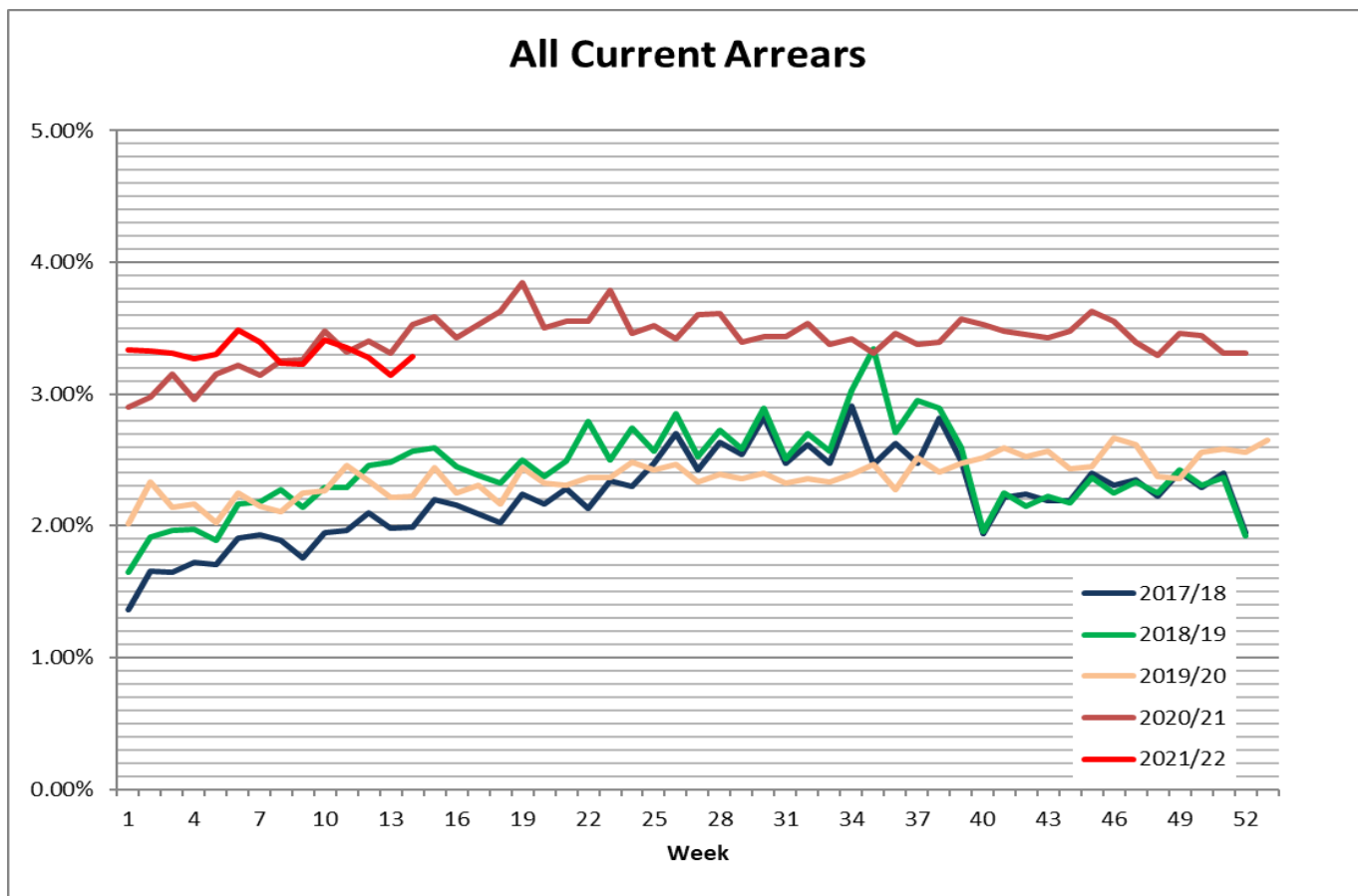
### Rent Arrears and Bad Debt Provision

Rent collection performance was maintained during 2020/21 despite the difficult circumstances resulting from the coronavirus pandemic, with 98.9% of the value of rent due, collected in the year, compared with 98.8% in the previous year.

As a result of rent not collected however, arrears still increased significantly during 2020/21, with current tenant arrears of just under £1.4 million by 31 March 2021. 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)
31/3/2017	£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
31/3/2021	£1,374,167	3.3%	£925,982

Although an increase in current arrears of £283,006 was experienced during 2020/21, the level of increase was far lower than feared in the very early stages of the coronavirus pandemic, when worst case estimates of an increase of £1,140,930 in the bad debt provision for 2020/21 was predicted.



The Income Management Team have worked extensively with tenants and financial support providers to mitigate the impact of the pandemic for both the tenants themselves and the authority, ensuring that tenants seek out all financial support available to them. The team have taken advantage of the Income Analytics software, implemented in June 2020, which facilitates improved arrears management. The ongoing impact for residents of moving to direct payment is being actively managed, with an increase in the number of claimants transitioning over the past 12 to 16 months as a result of changes in circumstances.

Using the funding already included in the budget to support the transition from housing benefit to Universal Credit, an Assistant Housing Officer dedicated to work with tenants around Universal Credit, has been appointed on a permanent basis to support not only the initial transition but also to ensure that residents are supported to claim what they are entitled to in the future.

Arrears recovery proved challenging during 2020/21, with an inability to take legal action for the majority of the year. Staff have focussed on working proactively with both current and former tenants, in an attempt to recover sums due to the authority wherever possible. A focus is needed to effectively tackle former tenant debt, recovering sums where possible, and writing off debt where recovery has been exhausted.

Resource has been incorporated, as part of this Medium-Term Financial Strategy to allow the employment of a 12 month fixed term post dedicated to recovering, or failing that, writing off, former tenant debt.

The position in respect of rent arrears has increased further in the first 4 months of 2021/22, with an increase of £86,500 in total arrears by the 4 months to the end of July 2021. If this were to continue along the same trajectory throughout the year, an increase of £260,000 could be experienced by March 2022.

The annual contribution to the bad debt provision for 2021/22, based on 1.5% of rent due, was set at £588,580 in the HRA budget approved in January 2021. The assumption has been reviewed as part of this iteration of the business plan and taking account of the current economic situation and the level of increase in arrears in the early part of 2021/22, but also recognising the proportion of rent arrears that are ultimately expected to require write off, it is proposed to retain the current assumption of 1.5% for 2021/22 and beyond. This will be reviewed again as part of the HRA Budget setting Report in January 2022.

At 31 March 2021 the total provision for bad debt stood at £1,890,056.54 representing 82% of the total debt outstanding.

## Void Levels

The value of rent not collected as a direct result of void dwellings in 2020/21 was £613,999, representing a void loss of 1.58%, compared with £635,949 in 2019/20, representing a void loss of 1.68%.

The value of rent lost through void dwellings during 2020/21 was marginally lower than in 2019/20 but was still higher than the 1% target recognised as part of the 2021/22 HRA Budget Setting Report of January 2021.

Some of the key contributors to the higher void levels in 2020/21 remained the refurbished extra care and sheltered units at Ditchburn Place, where the coronavirus pandemic halted occupation due to the vulnerable nature of the client group (£60,000) and vacant homes on redevelopment sites where full vacant possession was delayed by the coronavirus pandemic (£113,000). Homes vacated on future approved development sites (£11,000) and temporary houses in multiple occupation where full letting was not possible due to the mixing of households prohibited as a result of the coronavirus pandemic (£34,000) also contributed.

If the impact of the irregular void transactions (detailed above) are removed from the statistics, the void performance in general voids for 2020/21 would have been 1.02%.

Void performance in the first quarter of 2021/22 saw a gross void loss of 1.47%, but still includes at this stage the ongoing impact of both our redevelopment programme and the coronavirus pandemic. As a result of this, it is recommended to adjust the assumption in general voids for the current year to 1.32%, assuming some recovery during the year, whilst retaining the longer-term assumption of 1% in the business plan from 2022/23 onwards.

## 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, for a period of 5 years, 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.

### **Affordable Rents**

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.

It has been local policy to limit affordable rents to the Local Housing Allowance level, which is notified annually in January of each year. In March 2020 the Local Housing Allowance was subject to a second annual increase in response to the coronavirus pandemic, but Cambridge City Council have not adopted this rate, but have instead used an inflated version of the pre-COVID rates to maintain affordability. The higher Local Housing Allowance level announced in March 2020 was frozen from April 2021:

Property Size	2020/21 LHA Rate January 2020	2021/22 LHA Rate April 2021 (frozen)	2021/22 Local LHA Rate (inflated by 1.5%)
Shared Room	81.89	97.00	83.12
1 Bed	135.99	178.36	138.03
2 Bed	156.40	195.62	158.75
3 Bed	181.75	218.63	184.48
4 Bed	242.43	299.18	246.07

The Greater Cambridge Housing Strategy and associated Affordable Rents Policy, approved at Housing Scrutiny Committee in June 2021, sets out the objective to ensure that rents do not exceed 60% of market rent or the published Local Housing Allowance level, whichever is the lower. The Council will adhere to this policy when setting rents for new homes in the HRA, unless any exception is relevant.

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 and Social Rents**

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 continues to do this. The average target 'rent restructured' rent at the start of 2021/22 across the general housing stock was £106.13, with the average actual rent charged being £102.57. By April 2021, 31.3% of the social rented housing stock was being charged at target rent levels, compared with 29.5 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 £1,260,000 across the HRA, compared with the income assumption in the HRA Self-Financing Debt Settlement of 2012, where convergence was assumed.

There were 409 new build properties charged at the higher 'affordable rent' levels, equivalent to the Local Housing Allowance on 1<sup>st</sup> April 2021 and 23 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 coronavirus pandemic. The coronavirus pandemic highlighted the importance of maintaining a prudent level of reserves, allowing the authority time to respond to a crisis, without the need to make impulsive or ill thought through decisions.

A fire at Kingsway during 2020/21 is expected to result in a call on reserves of £250,000, as the cost of remedial insurance works will ultimately exceed this sum, and the authority is required to meet the first £250,000.

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 2020/21, and 2021/22 to date is shown in the table below:

<b>Budgeted or Actual Use of / (Contribution to) HRA Reserves</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>
<b>Budgeted Changes in HRA Reserves</b>		
Opening General HRA Reserves	<b>(15,083)</b>	<b>(18,420)</b>
Original Budget (Approved in February)	3,998	6,398
Carry Forwards (Approved in June)	1,431	7,598
COVID-19 Inflation Review (Approved in June)	(282)	0
MTFS Mid-Year Review (Approved in September)	836	367
MTFS Mid-Year – Review of Ear-Marked Reserves	(396)	-
Budget Setting Report Revised Budget (February)	1	-
Estimated Closing General HRA Reserves	<b>(9,495)</b>	<b>(4,057)</b>
<b>Actual Changes in HRA Reserves</b>		
Opening General HRA Reserves	<b>(15,083)</b>	(18,420)
Prior Year Audit Adjustment	17	-
Actual Outturn variance for the Year (Reported in June and amended during final accounts process)	(3,354)	-
Contribution from Ear-Marked Reserves	-	-
Actual Closing General HRA Reserves	<b>(18,420)</b>	-

The original budget for 2021/22 approved a net call on general reserves of £6,397,400, and also incorporated use of £5,858,000 previously set-aside for potential debt repayment or re-investment, to allow a total revenue contribution to fund capital expenditure of £19,133,030 for the year. After approval of carry forwards, the use of sums previously set aside for potential

debt repayment or re-investment rises to £9,763,000, with a total revenue contribution to fund capital expenditure of £29,417,230.

The financial projections incorporated into this report include the effects of changes in capital scheme approvals and resources and approved carry forwards from 2020/21.

This iteration of the business plan includes changes in estimated dwelling and garage rental income for 2021/22, changes in service charge income, 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 inclusion of funding for additional project and staffing resources as detailed elsewhere in this document and to include an officer to tackle former tenant arrears for a 12-month fixed term period.

The final general HRA reserves position reported for 31 March 2021 was £18,419,724.

The revised projection of the use of general reserves in the current year (2021/22) now indicates that there is expected to be a net call on reserves of £14,362,290, which would leave a balance of £4,057,430 at 31<sup>st</sup> March 2022.

## **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.

**Appendix I** details existing balances held.

# Section 5

## Detailed Review of Revenue Budgets

### 2021/22 Mid-Year Budget Virements

As part of the HRA Budget Setting Report in January 2021, resource was incorporated to allow the authority to increase staffing resource as property numbers increase. Although new homes are taken handover of throughout each year, the increase required in staffing resource is only reviewed incrementally. As part of this Medium-Term Financial Strategy, the resource that has been incorporated into the business plan from 2021/22 onwards is now being formally allocated to create new posts as follows:

- Assistant Housing Officer (City Homes) 37 hours per week – to support tenancy management activity for new homes.
- Lettings Officer (Estates and Facilities) 15 hours per week – to support increased turnover in homes as a result of new build schemes.
- Application Support Officer (Finance, Application Support and Business Development) 37 hours per week – to support new IT applications such as Income Analytics, Accuserv, Asset, Customer Portal.
- Administration Officer (Estates and Facilities) 37 hours per week – to support back office void and repair activity driven by increased homes and customer self-serve functionality.

The resource already incorporated into the HRA budget from 2021/22 onwards will be vired to allow the creation of, and recruitment to, these new roles.

# 2021/22 Mid-Year Budget Changes and Ongoing COVID-19 Impact

As part of the HRA Medium Term Financial Strategy, there is not 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, or any major in-year changes in expenditure, income or financing arrangements as a direct result of changes in the capital programme.

It is also considered prudent to review budgets for the current year in light of any ongoing impact of the coronavirus pandemic, recognising that recovery may take longer than originally anticipated in some areas.

The bids and savings approved as part of the 2021/22 budget process have been reviewed, to confirm the deliverability of these in the current climate. At this stage in the year, it is anticipated that all bids and saving approved can be delivered and therefore no changes are proposed as part of this iteration of the business plan.

There are however, challenges in other areas of the Housing Service, in terms of both delivery of services and recovery of income, and as a result changes incorporated for 2021/22 as part of the mid-year strategic review include:

- Recognition that income of £28,120 in respect of garages will not be realised from 2021/22 due to demolition of garages to allow the creation of POD Homes. The termination of high value central Cambridge garage tenancies by businesses due to changes in the way people are working as a result of the coronavirus pandemic, is still impacting the current year, but it is hoped that the difficulties in re-letting these will be overcome during 2021/22.
- Allocation (virement) of resource already incorporated into the HRA Business Plan to allow for the recruitment of staff as identified above.

- Inclusion of £35,150 of resource to allow for the recruitment of a 12-month fixed term Former Tenant Arrears Officer, with funding to be split equally between 2021/22 and 2022/23 recognising the post is likely to be filled from October 2021.
- Inclusion of resource to allow the fixed term Energy Assessor post to be made permanent and to allow recruitment of 3 additional surveyor level posts for the remainder of 2021/22 and the following 9 years, to aid delivery of structural works, energy works, the decent homes backlog and overall increased programme size. It should be noted that these posts will be capitalised.
- Inclusion of resource of £54,000, split equally between 2021/22 and 2022/23 to employ an Asbestos Surveyor for 12 months, with the costs fully capitalised and funded by reducing the capital budget for asbestos, where the cost of inspections is currently met. Bringing this function in-house is anticipated to be more cost effective, and the 12-month trial will allow this to be demonstrated.
- Inclusion of a £20,000 budget in 2022/23 to meet the revenue costs of the project to procure a new planned maintenance contractor, following approval of the procurement at Housing Scrutiny Committee in June 2021.
- An increase in depreciation of £127,650 based upon the latest stock projections and depreciable asset values and remaining useful lives.
- A reduction in anticipated rental income of £160,530, recognising the ongoing impact of the coronavirus pandemic on the authority's ability to re-let vacant multi-occupied properties and to take handover of some of the new build homes anticipated in 2021 on time because of labour and materials shortages, with the impact of Brexit exacerbating this. A proportion of the reduced rent income is offset by separately identifying service charges in new build homes at the point of handover with increased service charge income then accounted for.
- A net increase of £76,020 in respect of service charges and commercial property income for 2021/22, with service charges increasing by £77,950 and commercial

property income reducing by £1,930. Service charge income has increased as a result of increases from April 2021 to attempt to recover full costs, coupled with accounting for the income in respect of new build homes, where income is not split between rent and service charges until handover when final costs are known. Approximately £13,500 of the increase in service charge income offsets some of the reduction in rent income above.

- A reduction of £86,900 in the anticipated interest received on cash balances for 2021/22, with balances held higher due to underspending in 2020/21 combined with early receipt of the Devolution Grant funding from MHCLG and the Combined Authority, but with the anticipated interest rate falling from 0.6% to 0.2% for 2021/22.
- An increase of £22,540 in the budget for interest payable by the HRA so that the budget reflects the full sum payable on the HRA self-financing borrowing. This budget has historically been reduced to recognise interest due from the General Fund for short-term internal lending in respect of the purchase of the land at Cromwell Road, as the HRA financed some of the initial outlay. This interest income to the HRA is now reported in interest received.

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 ongoing programme of inspections is carried out to increase the breadth and quality of this data to help inform strategic decision making.

The authority seeks to achieve the Decent Homes Standard as a minimum across its housing stock. The Decent Homes Standard ensures that a dwelling meets the current statutory minimum standard for housing (the Housing Health and Safety Rating System), is in a reasonable state of repair, has reasonably modern facilities and provides a reasonable degree of thermal comfort. The standard is currently subject to a review at national level, with the outcome awaited.

The housing service reported achievement of the decent homes standard in the housing stock as at 31 March 2021 at 96%, compared with 93% achieving the desired standard at 31 March 2020. There were 279 properties that were considered to be non-decent, in addition to 1,376 refusals, where tenants had exercised their right to decline the work being completed,

### Stock Investment

The HRA approved an updated 5-Year Asset Management Strategy in September / October 2019.

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, with approval given at Housing Scrutiny Committee in June 2021 to re-tender this contract over the coming months., 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.

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):

<b>Initiative / Action</b>	<b>Current Status</b>
Implement a new rolling programme of stock condition surveys so properties are inspected every five years	This commenced in 2019/20 but has been on hold for much of 2020/21 due to COVID-19. Surveys have resumed in July 2021 and a new programme is under development that takes account of footpath surveys and new build properties
Continue the programme of structural surveys of flats blocks and implement survey programme for older flats and houses with structural concrete elements	In 2021/22 detailed surveys are being carried out at Hanover and Princess Court, flats / maisonettes in the South Arbury area and Fanshawe and Davy Road flats
Reduce the electrical inspection cycle to five years in line with best practice	This has been implemented from April 2021 and a transition plan is under way
Implementation of "Orchard Asset" asset management software – including development of the compliance and energy modules	Implementation project in progress with target completion by December 2021

Develop a methodology which identifies high cost investment properties across the stock and calculates net present values – using new software in Orchard Asset	This will follow the implementation of Orchard Asset and the housing stock performance module.
Implement a programme of estate investment projects	Estate Investment Programme in progress over a 5-year period from April 2020
Establish a programme of re-inspection of asbestos containing materials and implement a new asbestos register based within Orchard Asset	A new Risk and Compliance team is now in place to lead in this area, with an interim Risk and Compliance Manager and a fixed term Asbestos Officer in post. The new team are progressing this action
Implement an annual programme to inspect fire doors to flats and communal areas (including the replacement of non-compliant fire doors)	A fire door inspection programme has been procured and mobilisation is underway. There are 5,000 doors on the inspection schedule
Review maintenance requirements for flat roofs and sheds replacement and repair	A programme has been identified and implemented from April 2021
Develop a replacement programmes for lifts, door entry systems, communal entrance doors, fire systems, automatic doors, and communal lighting	Programmes of work have been implemented, and began in 2020/21
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	This is complete and the new 7-year cycle has been implemented

Following on from the previous year's changes to fire risk regulations, dwellings are continuing to have heat and smoke detection upgraded and the Council are still on track to deliver these works before March 2022, however, due to the coronavirus pandemic and a level of no access into properties there may be some properties that rollover into 2022/23.

The procurement for the fire alarm at Kingsway has been undertaken; there are still some clarifications that the Council are awaiting response for, but the works are expected to be delivered by September 2021. Once the works are completed at Kingsway the Council will move forward with the delivery of works at Hanover Court and Princess Court.

As part of this iteration of the business plan, £5,000,000 has been ear-marked in 2022/23 to undertake fire compartmentalisation, and other fire safety works, in specific large flat blocks should the works be required.

There are planned works to emergency lighting being carried out at Ablemarle Way and Maitland Avenue valued at £84,000 which is slippage from the 2020/21 programme, compartmentation works in houses now converted to flats of £45,000, and additional fire safety works scheduled for 2021/22 at maisonettes above 4.5 meters high at £250,000 which will be completed by March 2022.

We are continuing the programme of structural surveys of flat blocks in order to implement a programme of work for older flats and houses with structural concrete elements. Work programmes are approved at Hanover and Princess Court, Hazelwood and Molewood Close, and a number of blocks of flats in the South Arbury Area. Structural surveys and investigations are planned at the Bermuda Terrace estate in 2022/23. As well as a programme of actual structural works, we are developing a programme of structural monitoring to check on blocks where structural works have been completed to ensure structural issues have not re-emerged.

The Council is fully committed 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.

Resource was identified in the budget for 2020/21, to begin a pilot programme of energy works and to collect the data required for the development of a more detailed programme of investment in improving energy efficiency and environmental sustainability across the housing stock.

Work 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 programme of works to 150 homes (1935 build type) to improve them to a B rating by undertaking external wall insulation and solar panels is currently underway. 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.

Fielden and Mawson were engaged in 2020/21 to undertake a high level analysis of the options for improving energy performance in the housing stock. The housing stock at April 2020 was grouped into 7 broad archetypes, to allow investigation of the investment options and estimation of the costs of achieving each of these. Non-traditional properties and hostels were excluded from the initial exercise as the costs to achieve the desired standards in these were considered unpredictable with a need to explore these separately.

The costs to achieve 3 levels of improved energy efficiency and sustainability were explored, with Retrofit Plus assuming high levels of fabric performance, Gas fuelled heating and hot water, solar technology and continuous mechanical extraction. EnerPHit assumes ultra-high levels of fabric performance, heat pumps for heating and hot water, solar technology and mechanical ventilation and heat recovery. Net Zero carbon assumes ultra-high levels of fabric performance, heat pumps for heating and hot water, solar technology and mechanical ventilation and heat recovery, achieving a dwelling emission rate of 0kg CO<sub>2</sub>/m<sup>2</sup>.

To achieve any of these improved levels of energy efficiency, significant investment will be required, with the table below highlighting estimated costs of between £367 million and £513m depending upon the option selected. It should be noted that these costs are based upon the draft report from Fielden and Mawson.

Archetype	Description	Retrofit Plus	EnerPHit	Net Zero Carbon
1	2 Bed Maisonette	18,385,640	24,209,640	22,207,640
2	1 Bed Low rise flat	106,399,470	145,021,970	145,684,070
3	1 Bed Medium rise Flat	44,137,110	63,612,700	57,746,310
4	1 Bed Post War Bungalow	11,204,490	15,112,790	16,638,490
5	2 / 3 Bed Semi Pre 1945	103,653,020	146,610,220	151,566,820
6	2 / 3 Bed semi-detached Post 1945	74,963,050	105,329,050	105,570,050
7	2 Bed Terrace Pre 1945	9,054,440	12,039,240	13,416,840
Total		367,797,220	511,935,610	512,830,220

- Excludes 521 non-traditional properties with varying construction types and retrofit challenges that have not yet been investigated or costed.

The challenge facing the Housing Revenue Account is how to finance this required level of expenditure. The HRA does not have sufficient resource to meet this commitment and either needs to secure external financial support in the form of grants or government funding or to consider borrowing. The HRA has a significant amount of borrowing planned to facilitate the delivery of new homes, but the cost of new build borrowing is met from the rental income provided by the new homes. In respect of borrowing to finance energy works in the existing housing stock, it is foreseen the works would have no impact on the level of rent charged and therefore any additional resource to support the new borrowing. The only scope to increase social rents in recognition of this investment, would be to utilise the 5% flexibility that exists as part of the rent restructuring target rent formula, but this would only generate a fraction of the resource required to support the required borrowing, and would only be applicable at tenancy change.

Some local authorities and other housing providers are considering levying a 'comfort' charge as a service charge alongside the rent, recognising not only the investment being made by the landlord, but also the anticipated reduction in utility bills that will be realised by the tenant. However, to recover the average investment required to retrofit a property to Net Zero Carbon

over a 30-year period, the authority would need to levy a weekly service charge of approximately £50.00, which would exceed the anticipated utility saving for the tenant.

Using the analysis provided by Fielden and Mawson, officers have modelled the impact of borrowing to deliver each of the 3 options over the period to 2030 and once this proved financially unviable, another option to deliver Net Zero Carbon in only those properties in the above data set that have an assumed EPC 'D' rating. It should be noted that many of the excluded non-traditional properties will also be 'D' rated.

Energy Investment Option	Up-Front Investment	Total Increased Borrowing Required	Business Plan Impact
Retrofit Plus	367,797,220	685,481,000	Unable to set an HRA budget from Year 17, with borrowing required to pay interest on borrowing
EnerPHit	511,935,610	879,376,000	Unable to set an HRA budget from Year 9, with borrowing required to pay interest on borrowing
Net Zero Carbon	512,830,220	880,446,000	Unable to set an HRA budget from Year 9, with borrowing required to pay interest on borrowing
Net Zero Carbon – Assumed 'D' Rated Properties in above data only	145,597,290	298,206,000	Additional borrowing requirement over and above the initial investment of £150 million to allow delivery of existing commitments

Clearly the authority is not able to finance achieving Net Zero Carbon in all of its traditional build homes. It is evident, that even if the authority only tackles the 'D' rated traditional build

homes in the first instance, the HRA is not in a position to borrow to fund this level of investment without a significant negative impact on the future of the HRA.

As part of this HRA Medium Term Financial Strategy it is instead proposed to include a sum of £5,000,000 in 2022/23 to allow a pilot programme of 50 homes, both traditional and non-traditional build to be retrofit to achieve as near to Net Zero carbon as possible. This will achieve a number of objectives, it will allow the authority to prove whether the estimated costs in the Fielden and Mawson report are achievable, will allow time to lobby government and other bodies, backed by real evidence, in an attempt to secure external investment and will also allow further exploration of the potential to use the 5% flexibility in the rent restructuring formula and / or to introduce a 'comfort' charge for tenants. There is also a skills shortage in this industry currently, and the approach should also allow local providers to upskill their workforce.

**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 2021.
- Re-phasing of expenditure anticipated to take place in 2020/21, into 2021/22 and beyond, as approved in June / July 2021.
- Update of the 30-year investment plan required to meet decent homes and allow other planned investment in the housing stock, based upon the current stock numbers and contract prices.
- Remove the budget of £975,000 ear-marked in 2021/22 for decent homes works to new build dwellings and adjust the sums held in future years, recognising that all properties built up to 1/4/2021 have now been incorporated into the asset management 30-year investment plan review above.
- Adjust inflation budgets to recognise that the review of the 30-year investment plan has re-based contract prices at today's price.
- Transfer of £54,000 of resource, divided equally between 201/22 and 2022/23 from the Asbestos budget into Officer Fees to allow the recruitment of an Asbestos

Surveyor and the internalisation of some asbestos inspections to demonstrate that this will be more efficient and cost effective.

- Inclusion of £5,000,000 of resource in 2022/23 to allow a pilot programme of 50 full house retrofits to Net Zero Carbon or as near as can be achieved.
- Inclusion of £5,000,000 of resource in 2022/23 to allow fire safety works to flat blocks following fire safety reports, should the works be required.
- Increase in the capitalised officers' fees from half way through 2021/22, and for the following 9 years, to support the recruitment of 3 additional surveyor level posts to manage delivery of structural works and energy works, and the increased activity resulting from the inclusion of the decent homes backlog over this period.
- Re-allocation of £2,516,000 of decent homes backlog funding into the relevant expenditure budgets to recognise delivery in 2021/22 and re-phasing of the balance of the budget (£2,200,000) from 2021/22 into 2022/23 and beyond.
- Re-phasing of budget of £800,000 for heating works at Stanton House from 2021/22 into 2022/23, to allow these works to be considered alongside other investment needs in the scheme.

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, subsequent delegations and the future housing 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 2020/21, the HRA acquired three properties on the open market, outside of the existing HRA redevelopment programme and one which provided land for a proposed scheme. Two properties were acquired in 2020/21 to secure vacant possession of the redevelopment site at Colville Road and six at Campkin Road,

Other disposals or acquisitions in 2021/22 to date, including the acquisition of land for potential future development include:

Acquisition / Disposal	Comment	Status
Land at Queensmeadow	Purchase of a small land parcel in the south of the city	Complete
2 Bed Flat	Purchase of a 2 bed flat in Abbey Ward for rough sleepers	Complete
1 Bed Flat	Purchase of a 1 bed flat in the Trumpington Ward for rough sleepers	Complete
2 Bed Flat	Purchase of a 2 bed flat in Cherry Hinton for rough sleepers	Complete

Acquisition / Disposal	Comment	Status
2 Bed Flat	Purchase of a 2 bed flat in Abbey Ward for rough sleepers	Complete
10 further existing market dwellings *	Purchase of a further ten 1 bed homes on the open market to house rough sleepers as part of the MHCLG Next Steps Programme, which now has MHCLG Grant funding approval.	Grant bid approved and acquisitions in progress

\* The authority was successful in the second round of the MHCLG Next Steps Grant Bid process, and has secured grant of £1,730,000, which requires use of £1,901,000 of HRA resource to be able to acquire 14 homes on the open market to accommodate rough sleepers. The grant conditions require that these homes are ear-marked for use to accommodate rough sleepers for 30 years, with residents expected to move on within a 2-year time frame to permanent accommodation. The HRA contribution of £1,901,000 of the up-front capital cost will be repaid over the life of the assets from the net revenue stream. Delegated authority was given to the Head of Finance in the HRA Budget Setting Report in January 2021 for the expenditure and grant income of any successful second round grant bid to be built into the HRA Business Plan and budgets, allowing officers to accelerate acquisition of the additional homes as soon as any grant was awarded.

## New Build

### General Approach

The Council's approach to building new homes is continually evolving, with a commitment to deliver affordable, sustainable homes, which meet tenant expectations.

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.

Following on from the Devolution 500 Programme, which is now well progressed, the authority is committed to delivering a net 1,000 new homes in the period from 2022 to 2032, subject to receiving Homes England grant funding. Although a bid having to Homes England for Strategic Partnership status and grant to deliver the programme was unsuccessful, the authority can bid

for Homes England Grant on a scheme-by-scheme basis instead, and this is being actively progressed now for the most advanced schemes.

The fees charged by the H.D.A are reviewed annually as part of the Medium-Term Financial Strategy, with a fee expectation in the H.D.A budgets of £355,260 for 2021/22. The proposed level of H.D.A fees for schemes approved from September 2021 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.

## **Future New Build**

Funding to deliver 1,000 new council rented homes following completions of the 500 homes Devolution Programme has previously been incorporated into the financial forecasts. This iteration of the HRA Business Plan adjusts these assumptions in line with the speculative bid that was submitted to Homes England in May 2021 to try and secure strategic partnership status.

The bid assumed the authority would be guaranteed grant to deliver a programme of 1,091 new homes (net gain of 800), 75 shared ownership homes and 625 rent to buy dwellings, with start on site required within a 5-year period. As this was unsuccessful, the assumption is made that the authority will instead bid for Homes England grant on a scheme-by-scheme basis, with the same outcome assumptions being made in the business plan at this stage. The only change made at this stage when compared to the Strategic Partnership bid, is to remove the assumed grant from the L2 scheme, which would be unlikely to receive grant as a stand-alone scheme in its current guise.

The balance of 200 council rented homes, to achieve a net gain of 1,000 homes, are then assumed to be delivered in the following 5 years.

The key assumptions now made in respect of the funding incorporated are:

- 1,000 net additional council rented homes delivered over the 10 years from 2022.
- To deliver 800 initial net new council rented homes in mixed communities, we will deliver 1,091 gross rented homes in the first phase and develop other tenures where required (current assumption is that we will also build 75 shared ownership homes, 625 rent to buy homes and 450 market homes)
- Rent to buy homes would be purchased by a wholly owned council company, which would need registered provider status.
- Shared ownership homes would be sold to another registered provider with more experience in this market, but alternative options include retention in the HRA or purchase by the wholly owned council company.
- The balance of 200 net new homes would be delivered in a second phase.
- A range of delivery routes will be adopted, with a mix delivered via Joint Venture or Section 106, land led schemes, existing HRA sites and potentially off 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, has been assumed for all sites where building to Passivhaus is considered feasible.
- A land acquisition costs for land led schemes of £65,000 per plot.

- Net new homes and 50% of re-provided homes are all let at council affordable rent levels using 60% of market rent (or the Local Housing Allowance if lower) in line with policy approved at Housing Scrutiny Committee in June 2021
- 50% of the number of rented homes demolished on existing HRA sites are all totalled, with this number of new homes assumed to be let at target social rents, allowing an assumed proportion of residents to return after redevelopment.
- Homes England grant of £100,000 per unit across all affordable tenures (except L2).
- Retained right to buy receipts would continue to be available for re-investment at the rate of £2,800,000 per annum but that following the recent outcome of the RTB Consultation from 2018, that they can't be appropriately reinvested in addition to Homes England Grant, but instead would be utilised for any site where grant was not awarded.
- Borrowing has been assumed at 2.4%, based upon the PWLB rate at the time of writing this report and projections made by Link, our treasury advisors.
- Delivery of 800 phase one net council rented homes assumes the need to demolish and re-provide 291 existing properties as part of site regeneration schemes, delivering a total of 1,091 rented homes.
- Investment profile is spread across the 10-year programme based upon indicative schemes incorporated into the strategic partnership grant bid for years 1 to 5.
- Annual servicing and maintenance costs have been increased by £130 per unit, recognising the need to maintain solar pv installations and a mechanical ventilation with heat recovery (MVHR) unit in each dwelling.
- Future replacement costs have been increased by an average of £457 per annum to allow for the replacement of the additional components required to deliver a Passivhaus dwelling.

This requires an estimated £352,000,000 of net borrowing in the HRA over the life of the plan,

The bid assumed a number of prospective sites to inform more accurate estimates, although in reality, not all of these sites will prove to be feasible to proceed with, and others will need to be substituted as the programme progresses. Work is still 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 continue to be brought forward for formal consideration and approval individually as opportunities arise.

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 considered possible but recognising there is an intention to move towards net zero-carbon during the life of the programme, where it is feasible and viable to do so.

The programme, as incorporated, is still dependent upon securing Homes England Grant funding, now on a scheme by scheme bid basis. The ability to replace grant with retained right to buy receipts would only help deliver a very small proportion of the planned programme. Failure to achieve grant 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. In light of not being awarded Strategic Partnership status, the programme will need to be reviewed, both in terms of assumed timescales and anticipated funding.

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 reduced rates for lending to local authorities, but this rate may change significantly before the end of the 10-year programme. The authority is currently exploring other borrowing options, including the potential for bond issuance, which may be possible in light of the significant sums required.

The 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.

## New Build Schemes Completed – Devolution 500 Programme

At the time of writing this report 119 new homes had been completed as part of the Devolution 500 Programme, with a net gain of 88 council rented homes.

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

<b>Scheme</b>	<b>Date Completed</b>	<b>Total Social Housing / SO Units</b>	<b>Gain in Social Housing Units</b>	<b>External Funding Source</b>	<b>Percentage Social Housing on Site</b>
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%
Markham Close	September 2020	5	5	RTB Receipts & Devolution Grant	100%

Scheme	Date Completed	Total Social Housing / SO Units	Gain in Social Housing Units	External Funding Source	Percentage Social Housing on Site
Mill Road	October 2020	4	4	RTB Receipts & Devolution Grant	50%
Ventress Close	February 2021	15	13	RTB Receipts & Devolution Grant	100%
Mill Road	May 2021	1	1	RTB Receipts & Devolution Grant	50%
Akeman Street	May 2021	14	12	RTB Receipts & Devolution Grant	100%
<b>Total</b>		<b>119</b>	<b>88</b>		

## New Build Schemes On Site – Devolution 500 Programme

Sites where work is in progress in respect of the 500 Programme 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 / S106 Funding	Net Capital Cost to the HRA
Mill Road	113 (5 taken)	113 (5 taken)	24,965,630	(7,489,690)	(17,475,940)	0
Kingsway	4	4	554,000	(166,200)	(387,800)	0
Cromwell Road	118	118	24,865,800	(5,997,920)	(17,406,060)	1,461,820
Colville Road II	67	47	14,467,580	(2,743,430)	(6,400,920)	5,323,230
Meadows and Buchan	106	106	25,929,000	(7,778,700)	(13,370,050)	4,780,250
Campkin Road	75	50	18,063,260	(3,243,250)	(1,750,000)	13,070,010
<b>Total</b>	<b>483</b>	<b>438</b>				

## New Build Schemes On Site – New 1,000 Homes Programme

Sites where work is in progress in respect of the New 1,000 Homes Programme 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	Homes England Grant	Net Capital Cost to the HRA
Histon Road	10	10	1,978,000	(197,800)	0	1,780,200
<b>Total</b>	<b>10</b>	<b>10</b>				

## New Build Schemes in the Pipeline- Devolution 500 Programme

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 could 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 tables 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	1	1	506,000	(151,800)	(354,200)	0
Kendal Way	1	1	524,000	(157,200)	(366,800)	0
Clerk Maxwell Road	14	14	3,046,760	(914,030)	(2,132,730)	0
<b>Total</b>	<b>16</b>	<b>16</b>				

## New Build Schemes in the Pipeline- New 1,000 Homes Programme

Scheme	Approved / Indicative Affordable Housing Units	Gain in Affordable Housing Units	Latest Budget for Approval	RTB Receipt and Sales Receipt Funding	Homes England / ERDF Grant	Net Capital Cost to the HRA
L2	30	30	6,207,000	(620,700)	0	5,586,300
Colville Road III	48	32	11,780,000	0	(3,200,000)*	8,580,000
Fen Road	12	12	3,658,000	0	(1,200,000)*	2,458,000
Ditton Fields	6	6	1,918,000	0	(600,000)*	1,318,000
Aragon Close	7	7	1,850,000	0	(700,000)*	1,150,000
Sackville Close	7	7	1,850,000	0	(700,000)*	1,150,000
Borrowdale	3	3	875,000	0	(300,000)*	575,000
Aylesborough Close	72	39	19,030,000	0	(3,900,000)*	15,130,000
St Thomas's Road	8	8	2,105,000	0	(800,000)* (141,000)**	1,164,000
Paget Road	7	7	1,842,000	0	(700,000)* (124,000)**	1,018,000
<b>Total</b>	<b>200</b>	<b>151</b>				

\*Homes England Grant is assumed in line with the 1,000 Homes Programme strategic partnership bid assumptions but no grant has yet been secured.

\*\* Assumed European Regional Development Fund (ERDF) Grant through Eastern New Energy to build to Net Zero Carbon, with Passivhaus to be delivered if grant bid is unsuccessful.

As part of this report, scheme specific budgets have been separately identified for the HRA to redevelop existing HRA housing at Aylesborough Close and to build out two small HRA garage / in-fill sites at St Thomas's Road and Paget Road, in line with the scheme specific reports being presented to Housing Scrutiny Committee in this committee cycle.

The table below summarises changes to either approved budgets, and or anticipated numbers of units, for schemes in the current programme:

<b>Scheme</b>	<b>Previous Budget Approval</b>	<b>Original Estimated Units</b>	<b>Latest Budget Approval Request</b>	<b>Revised Estimated Units</b>
Colville Road III	11,103,200	47	11,780,000	48
Histon Road	1,513,000	7	1,978,000	10
Meadows and Buchan	27,318,760	106	25,929,000	106

The table below confirms the current status for all pipeline schemes:

<b>Scheme</b>	<b>Site Type</b>	<b>Status</b>	<b>Potential New Build Units</b>
Tedder Way	In-fill	Pre-planning	1
Kendal Way	In-fill	Pre-planning	1
Clerk Maxwell Road	Section 106 Site	Planning approved	14
L2	CIP Acquisition	Planning approved	30
Colville Road III	Existing HRA Housing	Planning submitted	48
Fen Road	Land Acquisition	Planning approved	12
Ditton Fields	Land Acquisition	Planning submitted	6
Aragon Close	Existing HRA Garages	Pre-planning	7
Sackville Close	Existing HRA Garages	Pre-planning	7

<b>Scheme</b>	<b>Site Type</b>	<b>Status</b>	<b>Potential New Build Units</b>
Borrowdale	Existing HRA Garages	Planning submitted	3
Aylesborough Close	Existing HRA Housing	Feasibility Stage	72
St Thomas's Road	Existing HRA Garages	Feasibility Stage	8
Paget Road	Existing HRA Garages	Feasibility Stage	7

## **Tedder Way**

This scheme now anticipates delivering a single, very large, mobility adapted dwelling on the site to meet an identified need on the housing register. The ability to proceed is now subject to securing planning approval, which is anticipated to be submitted in October 2021.

## **Kendal Way**

This scheme now anticipates delivering a single, very large, mobility adapted dwelling on the site to meet an identified need on the housing register. The ability to proceed is now subject to both resolving a historic boundary dispute and securing planning approval. A planning application is expected to be submitted by January 2022.

## **Clerk Maxwell**

The authority will acquire 14 affordable homes from Hill Residential, on a site where planning approval has been granted. The scheme budget includes resource to improve the specification above that approved through the planning process. Start on site has been delayed following a dispute arising regarding site access between respective land holders. Work will commence as soon as this has been resolved and is anticipated by October 2021.

## **L2**

This site was purchased by the Cambridge Investment Partnership in December 2019. Planning was approved in May 2021 for the delivery of 75 homes, with the HRA acquiring 30 (40%) affordable homes on the site. Start on site is anticipated in November 2021.

## **Colville Road III**

This site comprised 16 HRA properties, 2 leasehold flats and 4 shops. The proposed development will deliver 48 new or replacement homes alongside the re-provision of the commercial space. At the time of writing this report 13 tenanted households had been relocated and 1 leasehold flat had been re-acquired, leaving 3 tenants and 1 leaseholder still to relocate.

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. The budget for the commercial aspects of the development is held within the General Fund Capital Plan, with the residential element budgeted for in the HRA, using the latest indicative scheme costs, which have increased since the scheme was given approval.

## **Fen Road**

This site was acquired by the HRA in 2020/21. The scheme will result in the demolition of two existing buildings which previously provided shared accommodation replacing them with an anticipated 12 new homes, two of which will be larger wheelchair accessible homes. The scheme has now been granted planning approval.

## **Ditton Fields**

This site was acquired by the HRA in 2020/21 and is a garden in-fill site. The scheme will provide an anticipated 6 new homes. The scheme has been submitted for planning, with a biodiversity offset now agreed for the site. The planning outcome is anticipated in October 2021.

## **Aragon Close, Sackville Close and Borrowdale**

The three sites at Aragon Close, Sackville Close and Borrowdale comprise existing HRA garage and parking bay provision, with an anticipated 17 new homes to be provided across all of the sites. The scheme at Borrowdale has been submitted for planning, with outcome

anticipated in November 2021. Planning submission for Aragon Close and Sackville Close is anticipated in September 2021.

## **Aylesborough Close**

This scheme comprises the redevelopment of 33 existing tenanted and 3 leasehold properties, to deliver an anticipated 72 new homes. A scheme specific report is presented as part of this committee cycle, and subject to approval it is anticipated that this scheme, which is part of a Passivhaus for flats pilot project, will be submitted for planning in March 2022.

## **St Thomas's Road**

This is an existing HRA garage and in-fill site, which involves the demolition of 20 garages, with a view to delivering at least 8 homes on the site. A scheme specific report is presented as part of this committee cycle, and subject to approval it is anticipated that this scheme, which will be part of a net zero carbon pilot project subject to a successful ERDF grant bid, will be submitted for planning in March 2022.

## **Paget Road**

This is an existing HRA garage and in-fill site, which involves the demolition of 34 garages, with a view to delivering at least 7 homes on the site. A scheme specific report is presented as part of this committee cycle, and subject to approval it is anticipated that this scheme, which will be part of a net zero carbon pilot project subject to a successful ERDF grant bid, will be submitted for planning in March 2022.

## **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, which has now been confirmed will remain in force, any increase in this results in increased interest costs to the HRA. 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 market value, taking account of the intended use.

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 in line with the Homes England Strategic Partnership Grant Bid, including the new build schemes as identified in the tables above, recognising gross spend on each council housing scheme, land values, and any grant or 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 2021.
- Re-phasing of expenditure anticipated to take place in 2020/21 into 2021/22 and beyond, as approved in June / July 2021.
- Increase in the budget for the purchase of homes on the development site off Histon Road, in line with the decision taken at Housing Scrutiny Committee to increase the number of homes purchased from 7 to 10.
- Re-allocation of new build budget between the unallocated / generic new build budget and individual scheme specific budgets of £19,030,000 for development of the existing HRA housing at Aylesborough Close, £2,105,000 for a garage site at St Thomas's Road and £1,842,000 for a garage site at Paget Road, assuming scheme specific approval is granted at this Housing Scrutiny Committee in September 2021.

- Update to the resource incorporated to facilitate the 1,000 New Homes Programme, in line with the bid that was submitted to Homes England for Strategic Partnership status.
- Increase of £677,000 in the budget for the redevelopment of the existing HRA housing at Coville Road III, based upon the latest costs estimates available, where the initial costs estimates are now considered to be too low in the current economic climate.
- Reduction of £1,389,760 in the budget for the development of the housing on the sites at Meadows and Buchan Street, based upon the contract sums agreed. The General Fund contribution for the commercial and community centre provision has however, increased.
- Increase of £1,730,000 in the budget to allow the acquisition of 14 dwellings to move rough sleepers on to permanent accommodation, recognising that the authority has been successful in securing MHCLG Next steps Grant Funding of this value.
- 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 2022/23 will incorporate any changes proposed and agreed as part of this iteration of the business plan. The budget process will remain broadly similar to that for previous years in terms of timing and detailed administration.

The HRA faces further challenges, over and above those resulting from the coronavirus pandemic, with an increased investment need in the existing housing stock in respect of both health and safety and fire safety works, and the aspiration to significantly improve the sustainability of the dwellings by 2030. Resource has been incorporated as part of this iteration of the business plan to undertake a pilot project to fully retrofit 50 council homes to as near to net zero carbon as can be achieved.

For 2021/22 the HRA Medium Term Financial Strategy incorporates changes in the anticipated dwelling and garage rental income for the current year as a result of both increased voids, delays in the delivery of new homes and in the case of garages, demolition of a number to facilitate development. , The update also includes changes in the contribution to the bad debt provision, changes in anticipated interest earned in year from a revenue perspective and in depreciation of the housing stock, alongside some changes in operational budgets.

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 allow the programme of 1,000 net new council rented homes to be developed has been included in line with the bid to

Homes England for Strategic Partnership status, despite this being unsuccessful, with the assumptions retained to recognise the commitment to bid on a scheme by scheme basis instead.

The outcome of the government consultation on the use of retained right to buy receipts concluded to retain the rule that two forms of public subsidy could not be used to deliver the same dwelling, meaning the grant and retained right to buy receipts can't be applied as funding sources for the same homes. This means that the authority will need to decide whether to apply grant or receipts to each scheme to avoid paying any retained right to buy receipts being paid to Central Government, with the associated interest penalty.

The requirement to borrow in future years in order to deliver the 1,000 new council rented homes is incorporated into the business plan to demonstrate that the HRA can fully support the ongoing costs of borrowing with the latest assumptions made, which include an increase in the borrowing rate and in the grant ask per unit as a result. The assumption is retained, that in order to deliver 1,000 net new council rented homes, the authority will be successful in securing 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.

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. The investment need in the existing housing stock in order to improve sustainability and energy efficiency has not been incorporated currently, as the business plan is unable to support the level of borrowing that would be required without an additional future revenue stream.

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 2022/23 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 this HRA Medium Term Financial Strategy, it is recommended that although revenue savings are not required in order to set a balanced budget, that an efficiency target is retained as in previous years. 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 £147,000 per annum) efficiency target is considered prudent in light of continued uncertainty in both the economy and in a number of areas of national housing policy and also in recognition of the future investment need in the existing housing stock in terms of energy efficiency. This 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 change. The authority will need to review and evaluate its position again for 2023/24 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.

As part of the 2022/23 budget setting process, any areas of new revenue investment, will therefore 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 60% of additional investment required. Having failed to secure Strategic Partnership status with Homes England, decisions will need to be made on a scheme by scheme basis, with retained right to buy receipts applied to schemes that are less likely to be awarded Homes England grant. The value of retained right to buy receipts is no longer as great as it has been previously, and the biggest challenges the authority will now face, will be demonstrating financial viability of any scheme which does not attract grant, but for which we don't have sufficient right to buy receipts to support. Failure to invest the retained right to buy receipts within the now extended 5-year timeframe will still carry the penalty of paying them to central government with interest currently at 4.1%, calculated from the reporting period 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.

From a broader Council perspective, the authority has redesigned its transformation programme to ensure it can meet the financial challenges it faces whilst allowing it to continue delivering against its corporate objectives. The corporate transformation programme will aim to achieve annual savings of at least £2.5m from customer experience and efficiency work and will also deliver savings through better integrated delivery with communities and partners and office accommodation changes, as well as additional income from new business opportunities. Any savings achieved in relation to either housing or corporate services will be profiled as appropriate across the HRA and General Fund. At this stage no contribution to cost

of change, or any share of resulting anticipated savings have been incorporated into the HRA Business Plan.

The position for the HRA will be reviewed again as part of the January 2022 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, with improved levels of energy efficiency being key.

## 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 2021/22 and 2030/31, 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.

An increase in the assumed borrowing rate results in the need to increase the grant ask in order to demonstrate viability, and anticipated increases in building and materials costs impact the medium-term assumptions, as do increased void rates and delays in handover of new homes.

It is abundantly clear that the authority is not in a financial position to be able to deliver significantly improved energy efficiency in the existing housing stock, without external financial support or the ability to increase service charges to tenants to help meet the cost of the initial investment. Uncertainty also still exists in respect of the investment need that may arise once the review of the decent homes standard (Decent Homes 2), confirmed as part of the Housing White Paper, has concluded.

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 3 years, followed by increases at CPI plus 0.5%, 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. Although in the region of 1,750 residents are now claiming Universal Credit, approximately 2,600 are still in receipt of Housing Benefit, although the latter will include pensionable age tenants, sheltered and temporary housing residents.

Another key risk remains the authority's ability to appropriately invest retained right to buy receipts, where despite relaxation of some of the constraints, the inability to mix the resource with other forms of public subsidy will pose challenges where the authority is successful in securing Homes England grant.

The latest budget incorporated to allow 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
<b>Effects of Legislation / Regulation</b>	
<p>Implications of new legislation / regulation or changes to existing are not identified</p> <p>Delays in announcement of detail surrounding housing policy change negatively impacts decisions taken at a local level</p> <p>Funding is not identified to meet the costs associated with changes in statutory requirements</p> <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"> <li>• Effective, formal, regular review processes are in place for the HRA to ensure that implications are identified, quantified and highlighted. Housing Futures review any publications.</li> <li>• Decisions taken in the context of a business plan which recognises the uncertainty. Savings taken have impacts exemplified to ensure impact is mitigated.</li> <li>• 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.</li> <li>• Representation made to MHCLG and other national bodies where statutory requirements carry excessive cost.</li> <li>• The Council has processes in place ensuring early engagement in any consultation and collective representation through national housing bodies.</li> <li>• Impact of any proposed changes to national rent policy is incorporated into financial planning as early as possible with scenario impact quantified.</li> </ul>
<b>Housing Portfolio &amp; Spending Plans</b>	
<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"> <li>• Council has adopted medium and long-term modelling (up to 30 years) for HRA, ensuring decisions are made in context of long-term impact.</li> <li>• The Business Plan includes long-term trend and scenario analysis on key cost drivers.</li> <li>• Target levels of reserves are set for the HRA to enable uneven pressures to be effectively dealt</li> </ul>

Risk Area & Issue arising	Controls / Mitigation Action
	with, and to provide cover against unforeseen events / pressures.
<b>Financial planning lacks appropriate levels of prudence</b>	
<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</p>	<p>Council has adopted key prudence principles, reflected in:</p> <ul style="list-style-type: none"> <li>• Use of external expert opinion and detailed trend data to inform assumptions</li> <li>• Ongoing revenue funding for capital is reviewed for affordability as part of the 30-year modelling process</li> <li>• Adoption of strict medium / long-term planning</li> <li>• Policy on applying general capital receipts for strategic disposals only at point of receipt</li> <li>• Ongoing monthly review of key parameters whilst the long-term impact of the coronavirus pandemic is still uncertain.</li> </ul>
<b>Use of resources is not effectively managed</b>	
<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"> <li>• Council employs robust business planning processes for the HRA</li> <li>• Council has adopted a standard project management framework</li> <li>• A business decision is required for all strategic acquisitions, disposals and one-off areas of significant investment</li> <li>• Performance and contractor management procedures are robust and contracts are enforceable</li> <li>• 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</li> <li>• Council adopts a mix of delivery vehicles</li> <li>• Council employs cost consultants to demonstrate price comparability with the local market</li> <li>• Council has completed an independent review of new build delivery</li> </ul>
<b>External income / funding streams</b>	
<p>Undue reliance may be placed on external income streams, leading to approval of unsustainable expenditure</p>	<ul style="list-style-type: none"> <li>• Modelling over the medium and long-term is conducted for key income sources, including sensitivity analysis of potential changes</li> </ul>

Risk Area & Issue arising	Controls / Mitigation Action
<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> <p>Rent income is under-achieved due to a major incident in the housing stock</p> <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> <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> <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"> <li>• Council seeks to influence national settlements and legislative changes through response to formal consultation</li> <li>• Increased resources identified for income management. Performance closely monitored to allow further positive action if required.</li> <li>• Income Analytics and LIFT software procured to aid arrears recovery.</li> <li>• Asset Management Plan in place to identify and address key issues in the housing stock to minimise likelihood of widespread incidents</li> <li>• Sensitivities modelled so potential impacts are understood</li> <li>• Business plan is regularly reviewed allowing reallocation of resource or consideration of borrowing if required</li> <li>• Sensitivities modelled so potential impacts are understood</li> <li>• Retained resources are monitored to ensure delivery of required units or return of resource at earliest opportunity</li> <li>• Delivery timeframe extended to 5 years, with ability to invest up to 40% of receipt into the replacement dwelling</li> <li>• Policy on applying general capital receipts for strategic disposals only at point of receipt</li> <li>• Regular review of mix of new build delivered to ensure that assumptions around shared ownership and market sale are realistic</li> </ul>

# Appendix B

## Business Planning Assumptions (Highlighting Changes)

Key Area	Assumption	Comment	Status
General Inflation (CPI)	2%	General inflation on expenditure included at 2% ongoing, per Bank of England) forecasts of May 2021.	Retained
Capital and Planned Repairs Inflation	CPI plus 0.95%	<b>Based upon the mix of BCIS and CPI forecasts for next 5 years, using averages over this period. Reverts to CPI after 5 years.</b>	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	<b>1% Pay Progression &amp; Pay Inflation at 2.5% for 2021/22 then 2% from 2022/23</b>	<b>Assume allowance for increments at 1% and cost of living pay inflation at 2.5% for 2021/22, then 2% on an ongoing basis.</b>	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	<b>CPI plus 1% for 3 years from 2022/23, then CPI plus 0.5% for 5 years</b>	<b>Rent increases of up to CPI plus 1% for 3 further years, reverting to inflation plus 0.5% for 5 years after this, then CPI. Assume CPI in preceding September is as above.</b>	Amended
Affordable Rent Review Inflation	CPI plus 1% for 3 years from 2022/23, then CPI from 2025/26	Affordable rents to be reviewed annually in line with inflated pre-COVID Local Housing Allowance, ensuring that they match this rate unless it rises above CPI plus 1%, in which case the lower will apply.	Retained

Key Area	Assumption	Comment	Status
Rent Convergence	Voids Only	Ability to move to target rent achieved only through movement of void properties directly to target rent.	Retained
<b>External Lending Interest Rate</b>	<b>0.2% for 2021/22, then 0.6%</b>	<b>Interest rates based on latest market projections, recognising that the HRA will benefit from low risk investments only</b>	<b>Amended</b>
<b>Internal Lending Interest Rate</b>	<b>0.2% for 2021/22, then 0.6%</b>	<b>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.</b>	<b>Amended</b>
<b>External Borrowing Interest Rate</b>	<b>2.4%</b>	<b>Assumes additional borrowing using PWLB projected rates.</b>	<b>Amended</b>
<b>Internal Borrowing Interest Rate</b>	<b>2.4%</b>	<b>Assume the same rate as external borrowing to ensure flexibility in choice of borrowing route.</b>	<b>Amended</b>
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	25 sales ongoing	Activity has begun to recover, retain previous assumption of 25 sales annually from 2021/22 ongoing.	Retained
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
<b>Void Rates</b>	<b>1.32% for 2021/22, then 1% ongoing</b>	<b>Assume increased void rate of 1.32% for 2021/22, then ongoing void rate of 1% from 2022/23, recognising recent standard void performance.</b>	<b>Amended</b>
Bad Debts	1.5% from 2021/22 ongoing	Bad debt 1.5% ongoing reflecting the requirement to collect 100% of rent directly through Universal Credit.	Retained
Savings Target	£147,000 (4% of general and repairs	Retain an efficiency target of £147,000 from 2022/23 for 5 years. Allows strategic reinvestment or alternatively a response	Retained

Key Area	Assumption	Comment	Status
	administrative expenditure)	to pressure from national housing policy change.	
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	£147,000	Housing Strategic Investment Fund included from 2022/23 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		54,012,650.36	16,203,795.11	-	-
30/06/2016	2,263,872.93	15,400,012.16	51,333,373.87		57,282,779.08	17,184,833.72	-	-
30/09/2016	1,874,821.59	17,274,833.75	57,582,779.17		61,400,261.17	18,420,078.35	-	-
31/12/2016	1,320,457.44	18,595,291.19	61,984,303.97		66,415,285.15	19,924,585.55	-	-
31/03/2017	1,313,143.16	19,908,434.35	66,361,447.83		76,190,083.40	22,857,025.02	-	-
30/06/2017	2,045,445.56	21,953,879.91	73,179,599.70		78,551,735.69	23,565,520.71	-	-
30/09/2017	1,779,600.43	23,733,480.34	79,111,601.13		83,708,423.31	25,112,526.99	-	-
31/12/2017	2,229,968.03	25,963,448.37	86,544,827.90		88,544,393.61	26,563,318.08	-	-
31/03/2018	646,869.52	26,610,317.89	88,701,059.63		95,348,564.59	28,604,569.38	-	-
30/06/2018	1,556,719.56	28,167,037.45	93,890,124.83	30/06/2023			-	-
30/09/2018	557,803.20	28,724,840.65	95,749,468.83	30/09/2023			120,271.27	400,904.24
31/12/2018	1,210,892.84	29,935,733.49	99,785,778.30	31/12/2023			1,331,164.11	4,437,213.71
31/03/2019	209,910.09	30,145,643.58	100,485,478.60	31/03/2024			1,541,074.20	5,136,914.01
30/06/2019	1,408,403.81	31,554,047.39	105,180,157.97	31/06/2024			2,949,478.01	9,831,593.38
30/09/2019	711,247.45	32,265,294.84	107,550,982.80	31/09/2024			3,660,725.46	12,202,418.21
31/12/2019	317,598.07	32,582,892.91	108,609,643.03	31/12/2024			3,978,323.53	13,261,078.44
31/03/2020	908,642.82	33,491,535.73	111,638,452.43	31/03/2025			4,886,966.35	16,289,887.84
30/06/2020	544,986.29	34,036,522.02	113,455,073.40	30/06/2025			5,431,952.64	18,106,508.81
30/09/2020	-10,762.28	34,025,759.74	113,419,199.13	30/09/2025			5,421,190.36	18,070,634.54
31/12/2020	1,492,681.41	35,518,441.15	118,394,803.83	31/12/2025			6,913,871.77	23,046,239.24
31/03/2021	419,561.12	35,938,002.27	119,793,340.90	31/03/2026			7,333,432.89	24,444,776.31

# Appendix D

## 2021/22 HRA Mid-Year Revenue Budget Adjustments

Area of Income / Expenditure	Description	Budget Amendment in 2021/22 Budget (£)	Budget Amendment in 2022/23 Budget (£)	Comment
<b>Budgeted use of / (contribution to) HRA Reserves pre MTFS</b>		<b>13,995,700</b>		
<b>HRA General Management</b>				
Former Tenant Arrears Officer	Creation of a dedicated FTA Officer for 12 months to recover, or failing that, write off former tenant debt	17,570	17,570	One-off funding over 2 years
Increased Staffing (General)	Creation of Assistant Housing Officer, Lettings Officer (p/t) and Application Support officer posts	0	0	Funding already included in business plan
<b>Total HRA General Management</b>		<b>17,570</b>	<b>17,570</b>	
<b>HRA Repairs</b>				
Increased Staffing (Repairs)	Creation of Estates and Facilities Works Administrator post	0	0	Funding already included in business plan
Increased Staffing (Major Works)	Creation of 3 new Surveyor level posts recognising increased investment over the next 10 years	73,000	145,000	Fully capitalised
Capitalised Officer's Fees	Capitalisation of 3 new Surveyor level posts to deliver energy, decent homes backlog and structural works	(73,000)	(145,000)	See above
Increased Staffing (Asbestos)	Creation of a 12 month Asbestos Surveyor post to internalise inspections currently outsourced	27,000	27,000	Fully capitalised
Capitalised Officer's Fees	Capitalisation of Asbestos Surveyor post, recognising tis work was previously outsourced through the Asbestos biudget	(27,000)	(27,000)	See above
Planned Maintenance Tender Project	The decision to re-procure the planned maintenance contract results in the need to fund some project related expenditure	0	20,000	One-off
<b>Total HRA Repairs</b>		<b>0</b>	<b>20,000</b>	

Area of Income / Expenditure	Description	Budget Amendment in 2021/22 Budget (£)	Budget Amendment in 2022/23 Budget (£)	Comment
<b>HRA Summary Account</b>				
Bad Debt Provision	Reduction in bad debt provision based on latest assumptions	(700)	0	One-off additional contribution
Rent Income	Reduction in rental income for 2021/22 due to continued coronavirus related voids and delays in new build handover	160,530	Incorporated into base assumptions	Built into base for future years
Garage Rent	Reduction in garage rent recognising garages demolished in 2020/21 for redevelopment purposes	28,120	Incorporated into base assumptions	Built into base for future years
Service Charges	Increased service charges based upon latest costs and taking account of new build additions	(76,020)	Incorporated into base assumptions	Built into base for future years
Dwelling Depreciation	Increase in the estimated level of depreciation based upon the latest stock numbers and property values	127,650	Incorporated into base assumptions	Built into base for future years
Interest earned on HRA Balances	The HRA will receive a lower interest receipt despite higher cash balances because of a rate reduction to an estimated 0.2% for 2021/22.	86,900	One-off loss	Impact built into base for future years
Interest paid on Borrowing	Increase in interest paid to match the sum due under the self-financing borrowing, moving the interest due from the General Fund to show as interest received	22,540	Incorporated into base assumptions	Built into base for future years
<b>Total HRA Summary</b>		<b>349,020</b>		
<b>Revised use of / (contribution to) HRA Reserves post MTFS</b>		<b>14,362,290</b>		

# Appendix E

## 2021/22 Mid-Year HRA Capital Budget Amendments

Area of Expenditure And Change	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
<b>Total Housing Capital Plan Expenditure pre HRA MTFS</b>	<b>85,859</b>	<b>100,129</b>	<b>93,094</b>	<b>90,228</b>	<b>90,119</b>
<b>General Fund Housing</b>					
No change	0	0	0	0	0
<b>Decent Homes and Other HRA Stock Investment</b>					
Re-profile decent homes budget based upon latest stock numbers, contract prices and stock condition data and reallocate decent homes backlog to workstreams:					
Kitchens	316	(201)	(192)	(214)	(414)
Bathrooms	500	(314)	(108)	(490)	(41)
Central Heating / Boilers	(800)	356	(847)	(1,233)	277
Insulation / Energy Efficiency / Wall Finishes	0	93	11	136	148
Energy Efficiency Pilot / Retrofit	0	5,000	0	0	0
External Doors	1,200	(51)	(10)	(36)	44
PVCU Windows	300	241	(618)	230	(524)
Wall Structure	0	(200)	(13)	17	(247)
Roof Structure	200	0	0	0	0
Roof Covering (including chimneys)	0	879	(492)	(1,238)	340
Electrical / Wiring	0	(190)	(80)	(149)	186
HHSRS Contingency	0	50	400	200	0
Other Health and Safety Works	0	0	0	(50)	(50)
Capitalised Officer Fees - Decent Homes	73	175	175	175	175
Decent Homes Backlog	(4,716)	(292)	(292)	(292)	(292)
Decent Homes Planned Maintenance Contractor Overheads	0	699	(214)	(311)	(30)
Decent Homes New Build Allocation	(975)	(395)	(218)	(39)	93
Re-profile other investment in HRA stock budget based upon latest stock numbers, contract prices and stock condition data:					
Reduce Asbestos budget to reflect internalisation of asbestos inspections	(27)	(27)	0	0	0
Communal Entrance / Enclosure Doors + Glazing	0	45	(15)	50	(19)
Lifts and Door Entry Systems	0	9	(38)	10	(47)

<b>Area of Expenditure And Change</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>
Increase Officer's Fee's budget to allow internalisation of Asbestos inspections	27	27	0	0	0
Other Spend on HRA Stock Planned Maintenance Contractor Overheads	0	114	83	7	(6)
Include funding for additional fire safety works	0	5,000	0	0	0
<b>New Build</b>					
Re-phase budget for Tedder Way	(441)	400	41	0	0
Re-phase budget for Kendal Way	(441)	400	41	0	0
Re-phase budget for Cromwell Road	(164)	(16)	180	0	0
Rephase budget for Colville Road II	(1,960)	1,960	0	0	0
Re-phase budget for Meadows and Buchan Street	(5,483)	1,075	1,893	1,125	0
Re-phase budget for Clerk Maxwell	(1,112)	1,112	0	0	0
Re-phase budget for Campkin Road	(573)	(359)	932	0	0
Re-phase and increase budget for Histon Road to acquire 3 additional homes	(619)	1,084	0	0	0
Rephase budget for L2	(1,208)	960	248	0	0
Rephase and increase budget for Colville Road III	(1,456)	272	1,633	228	0
Re-phase budget for Fen Road	(971)	621	350	0	0
Re-phase budget for Ditton Fields	(619)	291	328	0	0
Re-phase budget for Aragon Close	(623)	325	298	0	0
Re-phase budget for Sackville Close	(624)	325	299	0	0
Re-phase budget for Borrowdale	(236)	213	23	0	0
Inclusion of scheme specific budget for Aylesborough Close	1,145	3,295	9,203	5,387	0
Inclusion of scheme specific budget for St Thomas's Road	82	690	1,333	0	0
Inclusion of scheme specific budget for Paget Road	72	604	1,166	0	0
Re-allocation of 1,000 homes budget in line with Homes England Strategic Partnership bid	1,205	(36,655)	(31,283)	55,128	100,569
Increase budget for Rough Sleeper Next Steps Acquisitions in recognition of successful MHCLG grant bid	1,730	0	0	0	
<b>Sheltered Housing</b>					
No changes	0	0	0	0	0
<b>Other HRA Spend</b>					
No changes	0	0	0	0	0
<b>Inflation Allowance</b>					
Adjust inflation allowed to reflect new base and revised inflation assumptions	(1,005)	(540)	(126)	1,828	5,299
<b>Total Housing Capital Plan Expenditure post HRA MTFS</b>	<b>68,656</b>	<b>87,204</b>	<b>77,185</b>	<b>150,757</b>	<b>195,580</b>

# Appendix F

## New Build Investment Cashflow

New Build / Re-Development Scheme	2021/22 £'0000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
<b>New Build / Acquisition / Re-Development Cash Expenditure</b>										
Anstey Way	93	0	0	0	0	0	0	0	0	0
Tedder Way	50	400	41	0	0	0	0	0	0	0
Kendal Way	50	400	41	0	0	0	0	0	0	0
Queensmeadow	1	0	0	0	0	0	0	0	0	0
Wulfstan Way	1	0	0	0	0	0	0	0	0	0
Akeman Street	95	0	0	0	0	0	0	0	0	0
Ventress Close	50	0	0	0	0	0	0	0	0	0
Colville Road (Garage Site)	1	0	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	2,783	0	0	0	0	0	0	0	0	0
Gunhild Way	1	0	0	0	0	0	0	0	0	0
Cromwell Road	3,684	3,247	378	0	0	0	0	0	0	0
Kingsway Clinic Conversion	368	0	0	0	0	0	0	0	0	0
Colville Road II	7,157	4,024	0	0	0	0	0	0	0	0
Meadows and Buchan Street	3,589	9,075	8,893	3,025	0	0	0	0	0	0
Clerk Maxwell Road	1,817	1,212	0	0	0	0	0	0	0	0
Campkin Road	7,490	5,982	932	0	0	0	0	0	0	0
L2	2,730	3,227	248	0	0	0	0	0	0	0
Colville Road III	1,605	5,315	4,572	228	0	0	0	0	0	0
Histon Road	230	1,614	0	0	0	0	0	0	0	0
Fen Road	800	2,400	350	0	0	0	0	0	0	0

<b>New Build / Re-Development Scheme</b>	<b>2021/22 £'0000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>	<b>2028/29 £'000</b>	<b>2029/30 £'000</b>	<b>2030/31 £'000</b>
Ditton Fields	350	1,200	328	0	0	0	0	0	0	0
Aragon Close	350	1,200	298	0	0	0	0	0	0	0
Sackville Close	350	1,200	299	0	0	0	0	0	0	0
Borrowdale	250	600	23	0	0	0	0	0	0	0
Aylesborough Close	1,145	3,295	9,203	5,387	0	0	0	0	0	0
St Thomas's Road	82	690	1,333	0	0	0	0	0	0	0
Paget Road	72	604	1,166	0	0	0	0	0	0	0
Rough Sleeper Acquisitions	3,631	0	0	0	0	0	0	0	0	0
POD Homes	10	0	0	0	0	0	0	0	0	0
Acquisition or New Build (Unallocated)	648	0	0	0	0	0	0	0	0	0
1,000 New Build Programme	3,705	11,409	31,953	120,886	166,327	200,169	90,954	22,641	16,250	16,250
<b>Total New Build/ Re-Development Expenditure</b>	<b>43,188</b>	<b>57,094</b>	<b>60,058</b>	<b>129,526</b>	<b>166,327</b>	<b>200,169</b>	<b>90,954</b>	<b>22,641</b>	<b>16,250</b>	<b>16,250</b>
<b>New Build Devolution Grant Funding / MHCLG Rough Sleeper Next Steps Grant Funding / Assumed Homes England Grant / Assumed ERDF Grant</b>										
Anstey Way	(34)	0	0	0	0	0	0	0	0	0
Tedder Way	(35)	(280)	(29)	0	0	0	0	0	0	0
Kendal Way	(35)	(280)	(29)	0	0	0	0	0	0	0
Queensmeadow	(1)	0	0	0	0	0	0	0	0	0
Wulfstan Way	(1)	0	0	0	0	0	0	0	0	0
Akeman Street	(23)	0	0	0	0	0	0	0	0	0
Ventress Close	(30)	0	0	0	0	0	0	0	0	0
Colville Road (Garage Site)	(1)	0	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	(1,948)	0	0	0	0	0	0	0	0	0
Gunhild Way	(1)	0	0	0	0	0	0	0	0	0
Cromwell Road	(2,579)	(2,273)	(265)	0	0	0	0	0	0	0
Kingsway Clinic Conversion	(258)	0	0	0	0	0	0	0	0	0
Colville Road	(3,514)	(1,976)	0	0	0	0	0	0	0	0

<b>New Build / Re-Development Scheme</b>	<b>2021/22 £'0000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>	<b>2028/29 £'000</b>	<b>2029/30 £'000</b>	<b>2030/31 £'000</b>
Meadows and Buchan Street	(2,512)	(6,353)	(3,562)	0	0	0	0	0	0	0
Clerk Maxwell Road	(1,272)	(848)	0	0	0	0	0	0	0	0
L2	0	0	0	0	0	0	0	0	0	0
Colville Road III	0	(1,600)	(1,600)	0	0	0	0	0	0	0
Fen Road	0	(600)	(600)	0	0	0	0	0	0	0
Ditton Fields	0	(300)	(300)	0	0	0	0	0	0	0
Aragon Close	0	(350)	(350)	0	0	0	0	0	0	0
Sackville Close	0	(350)	(350)	0	0	0	0	0	0	0
Borrowdale	0	(150)	(150)	0	0	0	0	0	0	0
Aylesborough Close	0	(1,950)	0	(1,950)	0	0	0	0	0	0
St Thomas's Road	0	(447)	(494)	0	0	0	0	0	0	0
Paget Road	0	(391)	(433)	0	0	0	0	0	0	0
Rough Sleeper Acquisitions	(1,730)	0	0	0	0	0	0	0	0	0
1,000 New Build Programme	0	(11,948)	(13,619)	(53,721)	(55,612)	0	0	0	0	0
<b>Total New Build / Re-Development Funding</b>	<b>(13,975)</b>	<b>(30,096)</b>	<b>(21,781)</b>	<b>(55,671)</b>	<b>(55,612)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Use of Retained Right to Buy Funding</b>										
Anstey Way	(15)	0	0	0	0	0	0	0	0	0
Tedder Way	(15)	(120)	(12)	0	0	0	0	0	0	0
Kendal Way	(15)	(120)	(12)	0	0	0	0	0	0	0
Queensmeadow	0	0	0	0	0	0	0	0	0	0
Wulfstan Way	0	0	0	0	0	0	0	0	0	0
Akeman Street	(10)	0	0	0	0	0	0	0	0	0
Ventress Close	(13)	0	0	0	0	0	0	0	0	0
Colville Road (Garage Site)	0	0	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	(835)	0	0	0	0	0	0	0	0	0
Gunhild Way	0	0	0	0	0	0	0	0	0	0
Cromwell Road	(368)	(325)	(38)	0	0	0	0	0	0	0

<b>New Build / Re-Development Scheme</b>	<b>2021/22 £'0000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>	<b>2027/28 £'000</b>	<b>2028/29 £'000</b>	<b>2029/30 £'000</b>	<b>2030/31 £'000</b>
Kingsway Clinic Conversion	(110)	0	0	0	0	0	0	0	0	0
Colville Road	(1,506)	(847)	0	0	0	0	0	0	0	0
Meadows and Buchan Street	(1,077)	(2,722)	(2,669)	(907)	0	0	0	0	0	0
Clerk Maxwell Road	(545)	(364)	0	0	0	0	0	0	0	0
L2	(273)	(323)	(25)	0	0	0	0	0	0	0
Campkin Road	(1,476)	(1,197)	(187)	0	0	0	0	0	0	0
Colville Road III	0	0	0	0	0	0	0	0	0	0
Histon Road	(23)	(161)	0	0	0	0	0	0	0	0
Acquisition or New Build (Unallocated)	0	0	0	0	0	0	0	0	0	0
1,000 New Build Programme	0	0	0	0	0	0	0	(4,875)	(4,875)	(4,875)
<b>Total Use of Retained Right to Buy Funding</b>	<b>(6,281)</b>	<b>(6,178)</b>	<b>(2,942)</b>	<b>(907)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,875)</b>	<b>(4,875)</b>	<b>(4,875)</b>
<b>Total to be funded from HRA Resources (DRF &amp; MRR) and Sales Receipts</b>	<b>22,932</b>	<b>18,569</b>	<b>17,077</b>	<b>26,552</b>	<b>28,597</b>	<b>27,195</b>	<b>90,954</b>	<b>17,766</b>	<b>11,375</b>	<b>2,298</b>
<b>Total HRA Borrowing</b>	<b>0</b>	<b>2,250</b>	<b>18,258</b>	<b>46,397</b>	<b>82,117</b>	<b>172,974</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,077</b>

# Appendix G (1)

## HRA Summary Forecast 2021/22 to 2025/26

Description	2021/22 £0	2022/23 £0	2023/24 £0	2024/25 £0	2025/26 £0
Income					
Rental Income (Dwellings)	(38,917,150)	(41,182,590)	(44,325,030)	(46,666,650)	(48,864,260)
Rental Income (Other)	(1,271,080)	(1,296,500)	(1,322,430)	(1,348,880)	(1,375,860)
Service Charges	(3,116,730)	(3,183,590)	(3,243,470)	(3,304,540)	(3,366,830)
Contribution towards Expenditure	(575,730)	(587,240)	(598,990)	(610,970)	(623,190)
Other Income	(458,110)	(466,540)	(475,870)	(485,390)	(495,090)
<b>Total Income</b>	<b>(44,338,800)</b>	<b>(46,716,460)</b>	<b>(49,965,790)</b>	<b>(52,416,430)</b>	<b>(54,725,230)</b>
Expenditure					
Supervision & Management - General	4,106,690	4,047,900	4,210,510	4,392,620	4,542,700
Supervision & Management - Special	3,172,880	3,170,610	3,243,330	3,317,780	3,394,010
Repairs & Maintenance	9,435,180	8,216,390	8,569,050	8,918,130	9,309,360
Depreciation – to Major Repairs Res.	10,920,460	11,280,490	11,854,650	12,365,280	12,814,530
Debt Management Expenditure	0	0	0	0	0
Other Expenditure	4,061,200	4,198,730	4,352,770	4,497,990	4,644,300
<b>Total Expenditure</b>	<b>31,696,410</b>	<b>30,914,120</b>	<b>32,230,310</b>	<b>33,491,800</b>	<b>34,704,900</b>
<b>Net Cost of HRA Services</b>	<b>(12,642,390)</b>	<b>(15,802,340)</b>	<b>(17,735,480)</b>	<b>(18,924,630)</b>	<b>(20,020,330)</b>
HRA Share of operating income and expenditure included in Whole Authority I&E Account					
Interest Receivable	(118,860)	(185,570)	(112,250)	(122,690)	(142,580)
<b>(Surplus) / Deficit on the HRA for the Year</b>	<b>(12,761,250)</b>	<b>(15,987,910)</b>	<b>(17,847,730)</b>	<b>(19,047,320)</b>	<b>(20,162,910)</b>
Items not in the HRA Income and Expenditure Account but included in the movement on HRA balance					
Loan Interest	7,469,310	7,511,770	7,752,780	8,498,160	10,005,930
Housing Set Aside	(9,763,000)	(4,941,510)	0	0	0
Appropriation from Ear-Marked Reserve	0	0	0	0	0
Direct Revenue Financing of Capital	29,417,230	14,473,830	9,851,280	10,188,280	9,700,400
<b>(Surplus) / Deficit for Year</b>	<b>14,362,290</b>	<b>1,056,180</b>	<b>(243,670)</b>	<b>(360,880)</b>	<b>(456,580)</b>
Balance b/f	(18,419,720)	(4,057,430)	(3,001,250)	(3,244,920)	(3,605,800)
<b>Total Balance c/f</b>	<b>(4,057,430)</b>	<b>(3,001,250)</b>	<b>(3,244,920)</b>	<b>(3,605,800)</b>	<b>(4,062,380)</b>

# Appendix G (2)

## HRA 10 Year Summary Forecast 2021/22 to 2030/31

Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income										
Rental Income (Dwellings)	(38,917)	(41,183)	(44,325)	(46,667)	(48,864)	(51,057)	(53,662)	(56,350)	(58,726)	(60,452)
Rental Income (Other)	(1,271)	(1,296)	(1,322)	(1,349)	(1,376)	(1,403)	(1,431)	(1,460)	(1,489)	(1,519)
Service Charges	(3,117)	(3,184)	(3,244)	(3,304)	(3,367)	(3,430)	(3,499)	(3,569)	(3,640)	(3,713)
Contribution towards Expenditure	(576)	(587)	(599)	(611)	(623)	(636)	(648)	(661)	(675)	(688)
Other Income	(458)	(466)	(476)	(485)	(495)	(505)	(515)	(526)	(536)	(547)
<b>Total Income</b>	<b>(44,339)</b>	<b>(46,716)</b>	<b>(49,966)</b>	<b>(52,416)</b>	<b>(54,725)</b>	<b>(57,031)</b>	<b>(59,755)</b>	<b>(62,566)</b>	<b>(65,066)</b>	<b>(66,919)</b>
Expenditure										
Supervision & Management - General	4,107	4,048	4,210	4,393	4,543	4,710	4,883	5,061	5,244	5,391
Supervision & Management - Special	3,173	3,171	3,243	3,318	3,394	3,472	3,552	3,634	3,718	3,803
Repairs & Maintenance	9,435	8,216	8,569	8,918	9,309	9,754	10,021	10,525	10,898	11,270
Depreciation – to Major Repairs Res.	10,921	11,280	11,855	12,365	12,815	13,232	13,659	14,193	14,743	15,081
Debt Management Expenditure	0	0	0	0	0	0	0	0	0	0
Other Expenditure	4,061	4,199	4,353	4,498	4,644	4,794	4,953	5,118	5,281	5,438
<b>Total Expenditure</b>	<b>31,697</b>	<b>30,914</b>	<b>32,230</b>	<b>33,492</b>	<b>34,705</b>	<b>35,962</b>	<b>37,068</b>	<b>38,531</b>	<b>39,884</b>	<b>40,983</b>
<b>Net Cost of HRA Services</b>	<b>(12,642)</b>	<b>(15,802)</b>	<b>(17,736)</b>	<b>(18,924)</b>	<b>(20,020)</b>	<b>(21,069)</b>	<b>(22,687)</b>	<b>(24,035)</b>	<b>(25,182)</b>	<b>(25,936)</b>
HRA Share of operating income and expenditure included in Whole Authority I&E Account										
Interest Receivable	(118)	(186)	(112)	(123)	(142)	(168)	(221)	(254)	(217)	(174)
<b>(Surplus) / Deficit on the HRA for the Year</b>	<b>(12,760)</b>	<b>(15,988)</b>	<b>(17,848)</b>	<b>(19,047)</b>	<b>(20,162)</b>	<b>(21,237)</b>	<b>(22,908)</b>	<b>(24,289)</b>	<b>(25,399)</b>	<b>(26,110)</b>
Items not in the HRA Income and Expenditure Account but included in the movement on HRA balance										
Loan Interest	7,469	7,512	7,753	8,498	10,006	12,945	14,706	13,620	13,071	13,148

Housing Set Aside	(9,763)	(4,942)	0	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	29,417	14,474	9,851	10,188	9,700	7,082	0	9,644	20,983	15,368
<b>(Surplus) / Deficit for Year</b>	<b>14,363</b>	<b>1,056</b>	<b>(244)</b>	<b>(361)</b>	<b>(456)</b>	<b>(1,210)</b>	<b>(8,202)</b>	<b>(1,025)</b>	<b>8,655</b>	<b>2,406</b>
Balance b/f	(18,420)	(4,057)	(3,001)	(3,245)	(3,606)	(4,062)	(5,272)	(13,474)	(14,499)	(5,844)
<b>Total Balance c/f</b>	<b>(4,057)</b>	<b>(3,001)</b>	<b>(3,245)</b>	<b>(3,606)</b>	<b>(4,062)</b>	<b>(5,272)</b>	<b>(13,474)</b>	<b>(14,499)</b>	<b>(5,844)</b>	<b>(3,438)</b>

# Appendix H

## Housing Capital Investment Plan (10 Year Detailed Investment Plan)

Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>General Fund Housing Capital Spend</b>										
Disabled Facilities Grants	707	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
<b>Total General Fund Housing Capital Spend</b>	<b>902</b>	<b>902</b>	<b>902</b>	<b>902</b>	<b>902</b>	<b>902</b>	<b>902</b>	<b>902</b>	<b>902</b>	<b>902</b>
<b>HRA Capital Spend</b>										
<b>Decent Homes</b>										
Kitchens	1,011	265	429	539	722	1,383	688	1,328	1,226	1,581
Bathrooms	967	176	50	160	612	609	149	54	391	1,007
Central Heating / Boilers	2,016	2,912	1,678	1,442	2,179	2,712	1,477	1,121	1,937	3,394
Insulation / Energy Efficiency	1,933	900	687	655	568	424	960	179	1,176	792
Energy Efficiency Pilot / Retrofit	1,500	6,000	0	0	0	0	0	0	0	0
External Doors	1,252	21	10	22	96	76	48	17	63	247
PVCU Windows	949	482	237	768	538	949	377	324	1,099	772
Wall Structure	3,758	6	6	19	3	270	92	541	682	1,126
External Painting	430	357	357	357	357	357	357	357	357	357
Roof Structure	500	300	300	300	300	300	300	300	300	300
Roof Covering	1,160	1,079	200	682	1,987	1,645	1,000	1,061	898	416
Electrical / Wiring	355	255	308	334	395	160	262	4	19	403

Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sulphate Attacks	102	102	102	102	102	102	102	102	102	102
HHSRS Contingency	296	150	500	300	100	100	100	100	100	100
Other Health and Safety Works	103	50	50	0	0	3	0	0	0	0
Capitalised Officer Fees - Decent Homes	403	505	505	505	505	505	505	505	505	505
Decent Homes Backlog	0	4,424	4,424	4,424	4,424	4,424	3,875	3,875	3,875	3,875
Decent Homes Planned Maintenance Contractor Overheads	1,495	1,436	540	625	876	1,000	650	604	918	1,166
Decent Homes New Build Allocation	0	789	1,328	1,804	2,244	2,700	3,174	3,666	3,860	4,059
<b>Total Decent Homes</b>	<b>18,230</b>	<b>20,209</b>	<b>11,711</b>	<b>13,038</b>	<b>16,008</b>	<b>17,719</b>	<b>14,116</b>	<b>14,138</b>	<b>17,508</b>	<b>20,202</b>
<b>Other Spend on HRA Stock</b>										
Garage Improvements	100	100	100	100	100	100	100	100	100	100
Asbestos Removal	54	23	50	50	50	50	50	50	50	50
Disabled Adaptations	1,008	808	808	808	808	808	808	808	808	808
Communal Areas Uplift	182	100	100	100	100	100	100	100	100	100
Communal Electrical Installations / Fire Systems / Communal Lighting	296	150	150	150	150	150	150	150	150	150
Communal Entrance / Enclosure Doors + Glazing	400	121	121	121	121	145	121	121	121	121
Fire Prevention / Fire Safety Works	929	5,050	50	50	50	50	50	50	50	50
Hard surfacing on HRA Land - Health and Safety Works	282	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	124	9	0	38	28	75	0	0	40	40
Estate Investment	1,753	1,000	806	0	0	0	0	0	0	0
Capitalised Officer Fees - Other HRA Stock Spend	141	141	114	114	114	114	114	114	114	114

Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Spend on HRA Stock Planned Maintenance Contractor Overheads	399	296	276	192	191	198	187	187	192	192
<b>Total Other Spend on HRA stock</b>	<b>5,768</b>	<b>8,123</b>	<b>2,900</b>	<b>2,048</b>	<b>2,037</b>	<b>2,115</b>	<b>2,005</b>	<b>2,005</b>	<b>2,050</b>	<b>2,050</b>
<b>HRA New Build / Re-Development</b>										
Anstey Way	93	0	0	0	0	0	0	0	0	0
Tedder Way	50	400	41	0	0	0	0	0	0	0
Kendal Way	50	400	41	0	0	0	0	0	0	0
Queensmeadow	1	0	0	0	0	0	0	0	0	0
Wulfstan Way	1	0	0	0	0	0	0	0	0	0
Akeman Street	95	0	0	0	0	0	0	0	0	0
Ventress Close	50	0	0	0	0	0	0	0	0	0
Colville Road (Garage Site)	1	0	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	2,783	0	0	0	0	0	0	0	0	0
Gunhild Way	1	0	0	0	0	0	0	0	0	0
Cromwell Road	3,684	3,247	378	0	0	0	0	0	0	0
Kingsway Clinic Conversion	368	0	0	0	0	0	0	0	0	0
Colville Road Phase II	7,157	4,024	0	0	0	0	0	0	0	0
Meadows and Buchan Street	3,589	9,075	8,893	3,025	0	0	0	0	0	0
Clerk Maxwell Road	1,817	1,212	0	0	0	0	0	0	0	0
Campkin Road	7,490	5,982	932	0	0	0	0	0	0	0
Histon Road	230	1,614	0	0	0	0	0	0	0	0
L2	2,730	3,227	248	0	0	0	0	0	0	0
Colville Road Phase III	1,605	5,315	4,572	228	0	0	0	0	0	0
Fen Road	800	2,400	350	0	0	0	0	0	0	0

Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Ditton Fields	350	1,200	328	0	0	0	0	0	0	0
Aragon Close	350	1,200	298	0	0	0	0	0	0	0
Sackville Close	350	1,200	299	0	0	0	0	0	0	0
Borrowdale	250	600	23	0	0	0	0	0	0	0
Aylesborough Close	1,145	3,295	9,203	5,387	0	0	0	0	0	0
St Thomas's Road	82	690	1,333	0	0	0	0	0	0	0
Paget Road	72	604	1,166	0	0	0	0	0	0	0
Acquisition or New Build (Unallocated)	648	0	0	0	0	0	0	0	0	0
1,000 New Build Programme	3,705	11,409	31,953	120,886	166,327	200,169	90,954	22,641	16,250	16,250
Hill POD Homes	10	0	0	0	0	0	0	0	0	0
Rough Sleeper Acquisitions	3,631	0	0	0	0	0	0	0	0	0
<b>Total HRA New Build</b>	<b>43,188</b>	<b>57,094</b>	<b>60,058</b>	<b>129,526</b>	<b>166,327</b>	<b>200,169</b>	<b>90,954</b>	<b>22,641</b>	<b>16,250</b>	<b>16,250</b>
<b>Sheltered Housing Capital Investment</b>										
No current schemes	0	0	0	0	0	0	0	0	0	0
<b>Total Sheltered Housing Capital Investment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other HRA Capital Spend</b>										
Orchard Replacement / Mobile Working	238	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	50	30	30	30	30	30	30	30	30
<b>Total Other HRA Capital Spend</b>	<b>568</b>	<b>350</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>	<b>330</b>
<b>Total HRA Capital Spend</b>	<b>67,754</b>	<b>85,776</b>	<b>74,999</b>	<b>144,942</b>	<b>184,702</b>	<b>220,333</b>	<b>107,405</b>	<b>39,114</b>	<b>36,138</b>	<b>38,832</b>

Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Total Housing Capital Spend at Base Year Prices</b>	<b>68,656</b>	<b>86,678</b>	<b>75,901</b>	<b>145,844</b>	<b>185,604</b>	<b>221,235</b>	<b>108,307</b>	<b>40,016</b>	<b>37,040</b>	<b>39,734</b>
Inflation Allowance and Stock Reduction Adjustment for Future Years	0	526	1,284	4,913	9,976	16,421	10,363	4,720	5,081	6,192
<b>Total Inflated Housing Capital Spend</b>	<b>68,656</b>	<b>87,204</b>	<b>77,185</b>	<b>150,757</b>	<b>195,580</b>	<b>237,656</b>	<b>118,670</b>	<b>44,736</b>	<b>42,121</b>	<b>45,926</b>
<b>Housing Capital Resources</b>										
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	(11,199)	(24,649)	(11,854)	(12,366)	(12,816)	(13,232)	32,731	29,978	(14,743)	(15,081)
Direct Revenue Financing of Capital	(29,417)	(14,474)	(9,851)	(10,188)	(9,700)	(7,082)	0	(9,644)	(20,983)	(15,368)
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	(2,138)	(5,432)	(11,487)	(24,038)	(34,145)	(43,178)	(150,211)	(59,005)	(300)	(300)
Devolution Grant	(13,974)	(30,008)	(21,603)	(55,671)	(55,612)	0	0	0	0	0
Retained Right to Buy Receipts	(6,281)	(6,178)	(2,942)	(907)	0	0	0	(4,875)	(4,875)	(4,875)
Disabled Facilities Grant	(707)	(707)	(707)	(707)	(707)	(707)	(707)	(707)	(707)	(707)
Prudential Borrowing	0	(2,250)	(18,258)	(46,397)	(82,117)	(172,974)	0	0	0	(9,077)
<b>Total Housing Capital Resources</b>	<b>(64,190)</b>	<b>(84,176)</b>	<b>(77,185)</b>	<b>(150,757)</b>	<b>(195,580)</b>	<b>(237,656)</b>	<b>(118,670)</b>	<b>(44,736)</b>	<b>(42,121)</b>	<b>(45,926)</b>
Net (Surplus) / Deficit of Resources	4,466	3,028	0	0	0	0	0	0	0	0
<b>Capital Balances b/f</b>	<b>(8,577)</b>	<b>(4,111)</b>	<b>(1,083)</b>	<b>(1,083)</b>	<b>(1,083)</b>	<b>(1,083)</b>	<b>(1,083)</b>	<b>(1,083)</b>	<b>(1,083)</b>	<b>(1,083)</b>
Use of / (Contribution to) Balances in Year	4,466	3,028	0	0	0	0	0	0	0	0

Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Balances c/f	(4,111)	(1,083)	(1,083)	(1,083)	(1,083)	(1,083)	(1,083)	(1,083)	(1,083)	(1,083)
Other Capital Balances (Opening Balance 1/4/2021)										
Major Repairs Reserve	(13,647)	Utilised in future years to fund investment in the housing stock								
Retained 1-4-1 Right to Buy Receipts	(7,333)	Utilised in 2021/22 and 2022/23 above								
Right to Buy Receipts for Debt Redemption	(10,121)	Retained for future debt repayment								
Devolution Grant	(28,140)	Utilised between 2021/22 and 2023/24 above								
<b>Total Other Capital Balances</b>	<b>(59,241)</b>									

# Appendix I

## HRA Earmarked & Specific Revenue Funds (£'000)

### Repairs & Renewals

	Opening Balance	Contributions	Expenditure to July	Current Balance
General Management	(751.1)	(69.7)	0.0	(820.8)
Special Services	(1,245.4)	(147.4)	12.4	(1,380.4)
Repairs and Maintenance	(537.8)	(48.4)	0.0	(586.2)
<b>Total</b>	<b>(2,534.3)</b>	<b>(265.5)</b>	<b>9.2</b>	<b>(2,799.8)</b>

### Tenants Survey

	Opening Balance	Contributions	Expenditure to July	Current Balance
Tenants Survey	(28.3)	(6.4)	0.0	(34.7)

### Debt Set-Aside (Revenue)

	Opening Balance	Contributions	Expenditure to July	Current Balance
Debt Set-Aside	(14,704.5)	0.0	0.0	(14,704.5)

## HRA Earmarked & Specific Capital Funds (£'000)

### Debt Set-Aside (Capital)

	Opening Balance	Contributions	Expenditure to July	Current Balance
Debt Set-Aside	(10,121.3)	0.0	0.0	(10,121.3)

### Major Repairs Reserve

	Opening Balance	Contributions	Expenditure to July	Current Balance
MRR	(13,646.9)	0.0	0.0	(13,646.9)

# Appendix J

## Business Plan Key Sensitivity Analysis

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact
Rents Inflation	CPI plus 1% for 3 further years from 2021/22, followed by CPI plus 0.5% for 5 years, then CPI	Although confirmed by government, for the next 3 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 £43 million during the life of the plan and interest payments by £10 million.
Direct Payments (Universal Credit)	Bad Debts at 1.5%	Evidence from the pilot authorities for direct payment indicated that collection rates may fall from 99% to 95%. Assume bad debts at 5% from 2022/23.	Borrowing increases by £72 million during the life of the plan, with £52 million bad debt and £20m in additional interest payments.
Cost of HRA New Build 1,000 Programme	Homes England Grant assumed for all affordable tenures at £100,000	Assume that the authority fails to secure Homes England Grant to support the delivery of new homes	Borrowing increases by £276 million during the life of the plan and interest payments increase by £129 million.
General Inflation	CPI assumed to be at 2% ongoing	As a efficiency measure, assume that general inflation at 2% is only applied to pay and contractual budgets at 1/4/2022 and that other budgets are frozen for one year at 2020/21 levels.	An ongoing saving of £65,800 would be realised from 2022/23.

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 saw a halt / reduction in activity in 2020/21. Initial indications are that this has accelerated again in early 2021/22, but uncertainty in the economy, and particularly the job market, may impact future 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 in the short-term, but appropriate investment of the resource is subject to schemes proceeding to anticipated timescales and the ability to deliver these schemes alongside any that are in receipt of grant. Potential interest that will be payable if the receipts are not utilised within the agreed 5-year period has not been incorporated into the HRA revenue projections.

#### COVID-19 Ongoing Impact

It is unclear whether there will be any longer-term impact of the coronavirus pandemic for the HRA, and at this stage nothing has been included post 2021/22.

#### 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. Delays on site are also being experienced as a result of labour and materials shortages as a result of the coronavirus pandemic and Brexit, which impacts rental income negatively.

## Housing Revenue Account – Revenue Uncertainties

### Welfare Reforms

The negative impact that the early years of 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 White Paper confirmed 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 routine 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 3 years from April 2022, there is no certainty over what will happen from April 2025.

## **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 was to address the defect when the property was void, although this has not worked effectively in recent years. Currently 12 of the 110 properties potentially affected have been rectified. Reduced funding of approximately £1.1m 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. Work is to be commissioned to revisit this issue and review the current asset management approach.

### **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 until 2020/21, when it reduced 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 5 years of the receipt period, with this funding meeting no more than 40% 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 currently incorporated as an alternative to Homes England grant. Receipts may need to be paid over to central government at the end of each year, if delays in the delivery of new homes mean that deadlines are breached.

### **Fire Safety Act and Works in Flatted Accommodation**

The authority still awaits full information on the changes to fire safety and building 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.

### **Decent Homes 2**

Following publication of the Social Housing White Paper at the end of 2021, the authority still awaits details of the outcome of the review of the Decent Homes Standard, with future investment needs expected to alter as a result.

### **Energy Improvement Works**

The authority commissioned work to explore the potential costs to retrofit existing homes to improve energy efficiency. There is a need to evidence that these costs are robust by carrying out pilot programmes locally and to explore funding mechanisms to support this investment. The ability to deliver this level of investment without financial support is limited.

This page is intentionally left blank



Item

## REVIEW OF EMPTY HOMES POLICY

**To:**

Councillor Mike Todd-Jones, Executive Councillor for Housing

**Report by:**

Simonetta Macellari, Empty Homes Officer

Tel: 01223 - 457900 Email: [Simonetta.macellari@cambridge.gov.uk](mailto:Simonetta.macellari@cambridge.gov.uk)

**Wards affected:**

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

### Not a Key Decision

#### 1. Executive Summary

- 1.1 The Empty Homes Policy is due for review every three years. The review of the Empty Homes Policy 2017 was delayed due to the Covid19 pandemic. The Policy also requires revision following operational changes and the removal of the Empty Homes Loan (2020).
- 1.2 The Empty Homes Policy 2021 remains largely unchanged from the previous policy, it also remains in line with local and national legislation. The revised Policy reflects operational changes at Cambridge City Council, mainly the removal of the Empty Homes Loan and the inclusion of partnership working with Town Hall Lettings, the Council's social lettings agency.
- 1.3 The amendments have not affected the application or principals of the policy.

## **2. Recommendations**

- 2.1 The Executive Councilor is recommended to: consider the proposed changes and adopt the revised Empty Homes Policy 2021 attached as Appendix1

## **3. Background**

- 3.1 The Empty Homes policy was adopted by members in 2012; it forms the basis of the City Council's procedure in relation to empty homes in the City. Following the introduction of the policy, a full-time Empty Homes Officer was recruited in 2015. Cambridge City Council has continually met its targets in bringing empty properties back into use each year. In 2020 26 properties were brought back into use.
- 3.2 The Empty Homes Officer has worked with owners of empty properties and the Town Hall Lettings service to facilitate once empty homes being re-occupied by tenants. Two previously empty properties have been let through Town Hall Lettings at an affordable rent level.
- 3.3 The policy is essential to provide clarity to residents in the way we act, as well as providing clarity around both formal and informal options the City Council may pursue to bring the properties back into occupation. It is important the policy is kept up to date to ensure that it both follows operational changes within the Council and legislative changes that may have come into force. The policy must remain robust and able to stand up to scrutiny if a member of the public or business makes a complaint relating to the way we have handled their case.
- 3.4 Section 10 of the previous policy included information about the 2017 Empty Homes Loan. This loan is no longer available and the section referring to it has been removed from the revised Policy. There was little interest and no uptake of the Empty Homes Loan despite our efforts not only to provide property owners with information about the loan, but also to offer the loan in cases where it was evident funding was needed to return their property to occupation. The money which was set aside for funding the loan was not fulfilling its purpose, and for this reason the loan has been discontinued.
- 3.5 Sections 10 and 11 have been revised to ensure that there is clear distinction between the assistance and enforcement options available to Cambridge City Council.

- 3.6 Partnership work with Town Hall Lettings has been included in the Policy. THL may offer grants and loans or a combination of both to bring the empty accommodation up to a good lettable standard, with any amount awarded decided on a case-by-case basis.
- 3.7 Section 10 lists the various ways in which the Council will identify and locate property owners. It includes using tracing agents. This service is to be used in a small number of cases where, despite thorough research, identifying and locating the property owner has not been possible.

## **4. Implications**

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

This policy revision has no financial implications to the City Council. The 200K which was set aside for the Empty Homes Loan has now been returned to the Capital Program Fund.

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

There are no staffing implications other than communicating the policy review changes and ensuring any work with the owners of empty homes is done in accordance with the policy.

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

An Equality impact assessment has been completed (Appendix2)

### **(d) Net Zero Carbon, Climate Change and Environmental Implications**

The Climate Change Tool has been completed and the implications of the updated Empty Homes Policy, which primarily involves the removal of the Empty Homes Loan from the policy, has nil implications on the Net Zero Carbon aims of the City Council.

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

There will be no procurement implications.

### **(f) Community Safety Implications**

The Policy is used to guide the way we enforce appropriate legislation that regulates the environment

## **5. Consultation and communication considerations**

We have consulted with Council Tax & Leasehold Services as well as Housing Services. Housing Strategy and the Housing Development Agency (HAD).

We will communicate using the Council website.

## **6. Background papers**

Background papers used in the preparation of this report:

*Empty Homes Policy 2017* <https://www.cambridge.gov.uk/sites/default/files/.../empty-homes-policy-2012.pdf>

## **7. Appendices**

Appendix One - Empty Homes Policy 2021

Appendix Two - EQIA

## **8. Inspection of papers**

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

Simonetta Macellari, Empty Homes Officer,

Tel: 01223 - 457900,

email: [Simonetta.macellari@cambridge.gov.uk](mailto:Simonetta.macellari@cambridge.gov.uk).

Empty Homes Policy

2021

---

## Contents

1. Introduction
2. Definition of an empty home.
3. Reasons why properties remain empty.
4. The impact an empty home can have.
5. The benefits of bringing empty homes back into use.
6. Aims.
7. Objectives.
8. National Perspective.
9. Local Perspective.
10. Identification and contact.
11. Options that can be used to bring an empty home back in to use.
12. Enforcement options open to the council that can be used.
13. Review of Empty Homes Policy.

## **1.0 Introduction**

- 1.1 Making best use of existing homes is a key objective in Cambridge City [Council's Housing Strategy](#). There is a shortage of residential accommodation available in the City as housing demand outstrips housing supply quite significantly.
- 1.2 Empty homes are a wasted resource and can have a detrimental impact on neighbourhoods and the environment. They can become an eyesore that may also cause problems for neighbours. Empty homes can quickly fall into disrepair and become magnets for antisocial behaviour and vandalism.
- 1.3 With housing and land in short supply in Cambridge, and with ever increasing house and rental prices, it is necessary to ensure that empty homes do not remain empty unnecessarily.

Considering this it is important that all homes in Cambridge are occupied as soon as possible. Cambridge City Council offers support and assistance to empty homeowners to help them bring their property back in to use. The City Council also has recourse to enforcement action in cases where it is necessary.

## **2.0 What is the definition of an empty home?**

- 2.1 Any property that has been empty for 6 months or more is considered a 'long-term empty home'. Properties can include single-family dwellings, houses in multiple occupation (HMOs), flats, and accommodation located above commercial premises.
- 2.2 Empty homes that come to the Council's attention will be assessed and an investigation carried out to understand the underlying reasons for them remaining unoccupied. This will include sending correspondence to the registered owners, consulting with other Council departments, the neighbours in the immediate area, and any other relevant parties.

## **3.0 Reasons why properties remain empty.**

In most cases this is because the owners need assistance, support, information, or encouragement to help return empty homes to use. Although there are numerous other reasons that properties remain empty including:

- Financial.
- Reluctance to let/sell.
- Repossession or abandonment.

- Health issues, long term care or hospitalisation.
- Requires renovation and/or building work.
- Probate, estate, or legal ownership issues.
- Inaction of owners.
- Owners are unable to let/sell.
- Lack of awareness of support options.

This list is not exhaustive, and the reasons can vary in severity. It is important, therefore, that Cambridge City Council is able to give the appropriate level of support to those who need it on a case-by-case basis.

#### **4.0 The impact of empty homes**

Empty homes represent a wasted resource and can cause problems for the owner and the surrounding neighbourhood. If left empty properties can:

- Fall into disrepair, and/or become ruinous or dilapidated.
- Become an eyesore in the neighbourhood.
- Attract vandalism, anti-social behaviour, and crime.
- Leaving a home empty increases the risk of vandalism and crime, making the property more costly to insure empty, if it can be insured at all.
- Cause damage to adjacent properties, and possibly health issues for neighbours through lack of maintenance.
- Reduce the value of the surrounding properties.
- Lose value.
- Become costly to maintain, and a loss of potential income.
- Increase in Council Tax charges.
- Deter investment in an area, which can lead to decline.

This list is not exhaustive.

#### **5.0 The benefits of bringing empty homes back into use.**

There are significant advantages for property owners as well as those living nearby, these include:

- Providing accommodation for others to use thereby contributing to ameliorate the housing supply.
- For the owners: It unlocks potential capital if the property is sold; it will produce rental income if the property is let and there is the potential for an increase in property value.
- For local residents: it reduces the opportunities for vandalism, fly tipping and antisocial behaviour in all its forms.
- For the local economy: bringing an empty home back into use can contribute to the regeneration of an area, increasing spending in the local economy and helping to protect the value of surrounding properties.
- For the wider community: returning properties back into use may reduce demands on services such as the Police, Fire, and the Council to deal with associated problems.

## 6.0 Aims

The aims of this Empty Homes Policy are to introduce measures that will:

- Return long-term empty homes back into use.
- Make positive improvements to housing conditions and to the local environment.
- Increase the amount of suitable housing available in the City.

## 7.0 Objectives

The objectives of this Empty Homes Policy are to:

- Return a target number of empty homes to use annually.
- Raise public awareness of the Council's approach to empty homes and the importance of reporting them to the Council.
- Find and contact the owners of empty homes.
- Provide positive support and assistance to owners and people within the city affected by empty homes.
- Be proactive through enforcement action where owners are unable or unwilling to return property to use, in line with the [City Council's Corporate Enforcement Policy](#).
- Increase the availability of affordable housing.
- Understand whether there is an issue with new-build homes being bought and left standing empty, and whether our approach in this area is currently the right one.

The Council will treat empty homes owned by the Registered Providers of Affordable Housing in the same way as other Private Sector Landlords, however, Empty Homes that are owned by the Council fall out of the scope of this Policy and are referred back to City Homes, the City Council Landlord.

## 8.0 National Perspective

8.1 According to the Ministry of Housing, Communities & Local Government (*Source: MHCLG live table 615 (vacant dwellings) - from Council Tax data*) in 2020 there were 268,385 long-term vacant properties, with Cambridge at 327 (long term refers to properties empty for longer than 6 months)

## 9.0 Local Perspective

9.1 Part of the council's vision states that Cambridge is 'A city which strives to ensure that all local households can secure a suitable, affordable local home, close to jobs and neighbourhood facilities.

The current population of Cambridge is 125,758, and it is predicted that by 2036 the population will reach 155,250. The average house price in the city is £510,000. The median house prices are 9.9 times median earnings. High house prices are an indication of housing need.

9.2 The need for housing in Cambridge is high. The Cambridge [Local Plan of 2018](#) identified the need for 14,000 new homes between 2011 and 2031. This is a 29% increase in dwellings from 48,000 in 2011.

9.3 In March 2021 there were 1,923 banded applicants on Homelink Register with a 'live' status, Homelink is the register for social housing applications. The number of social housing let during 2020/2021 was 534.

9.3 The average rent in Cambridge in 2019/2020 is £1,218.

9.4 The [City Council's annual statement 2019/20](#) outlines how we wish to achieve this vision by tackling the city's housing crisis.

This illustrates the ever-increasing pressure to provide affordable housing in the City, and for the Council to continue to pursue the best use of all existing properties within the City.

## 10.0 Identification and communication

10.1 The Council's initial step in dealing with an empty property is to identify and locate the owner of the empty home. We use various methods to do this:

- Liaising with other Council departments.
- Land Registry
- Local knowledge
- Tracing agents

10.2 The Council will write to empty homeowners requesting information on the property and offering advice on returning the property to occupation.

10.3 The Council provides ongoing information about empty homes including how to report these on the [Cambridge City Council](#) website. Additional communications are published during national empty homes initiatives, including annual 'Empty Homes Week'.

## **11.0 Options that can be used to bring an empty home back into use**

The Council can offer a range of services to give the best support and advice possible to empty homeowners and neighbours:

### **11.1 Informal advice and assistance**

The Council will always seek to provide relevant and helpful advice and assistance to bring empty homes back into use. Initial contact will always be informal providing written advice and information to the owner outlining the options available to them. This will include establishing why the property is vacant and what needs to be done to bring it back into use; as well as how we can help the owner return it to use within a reasonable timescale.

The Empty Homes Officer follows the empty homes procedure. This lays out an internal process to assist them to investigate, assess and prioritise known and newly reported empty homes. The Empty Homes Officer will also make an assessment following contact with the property owner as to their personal circumstances, and how these might impact on the steps they can take with regards to bringing their empty home back into occupation.

### **11.2 Reduced-rate VAT for the renovation or alteration of empty homes**

When a property has been empty for at least two years immediately prior to renovations commencing it may be eligible for reduced rate VAT. The Empty Homes Officer can assist in obtaining a letter that confirms the property has been empty for the required two-year period for the owner to present to HMRC requesting a reduced rate of VAT on any renovation works to be carried out. The reduced VAT rate is subject to the builders offering this service, and to the renovations meeting a certain criteria.

### **11.3 Referral to Town Hall Lettings (THL)**

We work jointly with THL to support owners of empty properties in returning their homes to occupation. THL offers a comprehensive property management service which includes any minor renovation and refurbishment needed to bring homes up to standard.

To encourage owners without the resources to bring their properties up to a lettable condition, the housing advice service can offer grants and loans or a combination of both:

- Grants will generally be made when a relatively small sum is needed to make a property safe – for example to provide fire doors or smoke detectors – or to achieve a good standard of decoration. Grants may also be made for window and floor coverings and other industry-standard fitments.

- Loans may be available to help finance more expensive renovation work, with the amount and period of repayment tied to the anticipated rental income.
- Whether a loan or a grant, in most cases owners will be expected to enter into an agreement under which the Council will nominate suitable tenants for an agreed period. For owners who don't want to manage the tenancy themselves, our social lettings agency, Town Hall Lettings, can take on management responsibilities for a competitive fee.

Bringing back into use an empty property that can then be let to people in housing need has multiple benefits:

- An empty property is brought back into use.
- A household in need of a home gains accommodation.
- The owner gains a rental income.

The Council will promote outcomes of this kind whenever possible.

11.4 The Council will signpost owners to services such as:

- The Council's Town Hall Lettings who can offer advice about renting out their properties. [www.cambridge.gov.uk/town-hall-lettings](http://www.cambridge.gov.uk/town-hall-lettings)
- Local charities looking to lease empty properties.
- We can also direct owners to local Auction houses & estate agents who can assist with the selling of their home.
- The City Council's Leasehold Services in cases where the property was previously a Council property where the owner had previously exercised their Right to Buy and now want to sell.
- [The Greater Cambridge Housing Development Agency](#), who may consider the property for acquisition.

## 12.0 Enforcement options

The following are some of the enforcement powers available to the Council, this list is not exhaustive. These powers will only be used as a last resort. The Council aims to bring empty homes back in to use via informal means, through working with the property owner and supporting them where needs be. Enforcement action will be used in cases where it has become the only way forward.

### 12.1 Dealing with dangerous buildings

The Building Act 1984 allows Local Authorities to deal with buildings that it considers to be dangerous. The Council can apply to the Magistrates' Court for an order requiring the owner to make the building safe or demolish it. If the owner fails to comply, the Council can carry out the works in default.

## 12.2 Derelict and Ruinous Buildings and Structures

Provisions contained in Section 79 of the Building Act 1984 enable the council to take action against building owners who neglect their buildings allowing them to become ruinous and dilapidated. It empowers a local authority to serve notice requiring the building owner to either execute works of repair and restoration or if the owner chooses to, demolish it.

The qualifying criteria for action to be taken on derelict buildings are that in the opinion of the local authority they are ruinous and dilapidated and detrimental to the amenities of the neighbourhood. Evidence of 'ruin and dilapidation' relates to the building's condition whilst 'detriment to amenity of the neighbourhood' is a subjective judgment relative to the detrimental impact it has on the neighbourhood usually underpinned by the number of complaints it generates.

The owner can appeal against the notice within 21 days but only on specified grounds. If works in default are undertaken a local land charge is put on the property against all titles and could lead to enforced sale in extreme circumstances

## 12.3 Section 215 of the Town and Country Planning Act 1990

This legislation gives the Council a power, in certain circumstances, to take steps requiring land to be cleaned up when its condition adversely affects the amenity of the city. Action can be taken against land and buildings including empty homes.

Amenity is a broad concept and there must be sufficient evidence that the amenity of that part of the area is being suitably affected by the condition of neighbouring land and buildings to justify service of a notice. A notice must be clear, concise, and unambiguous.

If a notice is successfully appealed at the Magistrates' Court reasonable costs can be awarded against the council. Failure to comply with an enforcement notice may result in enforced sales procedure being undertaken.

## 12.4 Enforced sale

This is the procedure that allows Local Authorities to recover charges incurred following non-compliance with a notice after they have done works in default for example failing to comply with a S.215 Planning Notice.

The power gives local authorities the right to require a house to be sold to recover the money they are owed if the owner fails to repay the charge for works in default. If the owner does not pay for the works in default the charge is secured as a local land charge. Once the charge is in place the local authority can pursue the enforced sale without further legal recourse.

## 12.5 Section 17 Housing Act 1985 - Compulsory Purchase Orders (CPO)

Compulsory Purchase Orders are used as a last resort, when all attempts to engage with the owner of the property and support them in returning their

empty home to use have not resulted in the property returning to occupation, and when there appears to be no other prospect of the property being brought back into residential use.

The Council first and foremost encourages the owner to restore the property to full occupation. However, cases may arise where the property may be causing nuisance to the neighbours and the owner cannot be traced or will not engage with the Council, therefore use of compulsory purchase powers may be the only way forward.

A CPO can only proceed when it has received the approval of the Secretary of State. When considering the application, the Secretary of State will want to know how long the property has been vacant, what steps the local authority has taken to encourage the owner to bring it back into use, what the outcome of this has been, what the owner has done towards returning the property to occupation.

#### 12.6 Housing Act 2004 - Empty Dwelling Management Orders (EDMOs).

EDMO's are applicable once the property has been empty for two years and in cases where the property has been the source or cause of anti-social behaviour or is having a significantly adverse effect on the community, and where owners are unwilling to act. The Council will serve a three month notice on owners advising that they intend to apply for an interim EDMO in the first instance.

An EDMO allows the local authority to take management control of an empty property for up to 7 years, carrying out any necessary repairs and arranging for the property to be rented out during this period.

The owner retains ownership and the right to sell the property. Following repayment of management and refurbishment costs the owner is entitled to the surplus income made during the rental period.

#### 12.7 Other Statutory Powers.

All empty properties undergo an external assessment by the Empty Homes Officer. Internal inspections may be carried out under the Housing Act 2004 Housing Health & Safety Rating System (HHSRS) to ascertain whether there are any Category 1 hazards present. The Housing Act 2004 places a duty on local authorities to act when the most serious Category 1 hazards are identified.

The authority has the option to serve Improvement Notices requiring the owner to carry out the necessary works to remedy defects, which will reduce the hazards to an acceptable level.

If the owner fails to comply with a notice, the authority can arrange for the works to be carried out in default, the costs are the responsibility of the owner of the property. Costs which remain unpaid by the owner are registered as a

local land charge against the property and may count in the subsequent sale of the property. The City Council is also able to apply to the court for enforced sale of the property to recover any unpaid costs.

### **13.0 Review of Empty Homes Policy**

This document was first published in March 2012, it was reviewed in November 2017 and has been reviewed again in September 2021.

This policy document will be reviewed every 3 years or sooner should legislation change. Next review date September 2024.

For further information email [residential.eh@cambridge.gov.uk](mailto:residential.eh@cambridge.gov.uk) or contact the Residential Team Manager on 01223 457900.





This page is intentionally left blank

## Cambridge City Council Equality Impact Assessment (EqIA)

Please fill this out on the computer as a Word document or complete the form on SurveyMonkey – find the link on the Intranet.

This tool helps the Council ensure that we fulfil legal obligations of the [Public Sector Equality Duty](#) to have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Guidance on how to complete this tool can be found on the Cambridge City Council intranet. For specific questions on the tool email Helen Crowther, Equality and Anti-Poverty Officer at [equalities@cambridge.gov.uk](mailto:equalities@cambridge.gov.uk) or phone 01223 457046. Once you have drafted the EqIA please send this to [equalities@cambridge.gov.uk](mailto:equalities@cambridge.gov.uk) for checking. For advice on consulting on equality impacts, please contact Graham Saint, Strategy Officer, ([graham.saint@cambridge.gov.uk](mailto:graham.saint@cambridge.gov.uk) or 01223 457044).

<b>1. Title of strategy, policy, plan, project, contract or major change to your service:</b>
Empty Homes Policy 2017 (Reviewed)
<b>2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)</b>
N/A
<b>3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?</b>
<ul style="list-style-type: none"> <li>• Return a target number of empty homes to use annually.</li> <li>• Raise public awareness of the Council's approach to empty homes and the importance of reporting them to the Council.</li> <li>• Provide positive support and assistance to owners and people within the city affected by empty homes.</li> <li>• Be proactive through enforcement action where owners are unable or unwilling to return property to use, in line with the City Councils enforcement policy. <a href="https://www.cambridge.gov.uk/enforcement-policy">https://www.cambridge.gov.uk/enforcement-policy</a></li> <li>• Maximise the potential of empty homes.</li> <li>• Increasing the availability of affordable housing.</li> <li>• To link the Policy to the Empty Loans Policy 2017 <a href="https://democracy.cambridge.gov.uk/.../Appendix%20A%20Empty%20Homes%20Lo">https://democracy.cambridge.gov.uk/.../Appendix%20A%20Empty%20Homes%20Lo</a></li> </ul>
<b>4. Responsible Service</b>
Environmental Services

**5. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick those that apply)**

- ☒ Residents of Cambridge City
- ☐ Visitors to Cambridge City
- ☐ Staff

Please state any specific client group or groups (e.g. City Council tenants, tourists, people who work in the city but do not live here):

- People who own empty homes in Cambridge.
- Those whose homes or communities are impacted by empty homes due to statutory nuisance or anti-social behaviour.

**6. What type of strategy, policy, plan, project, contract or major change to your service is this? (Please tick)**

- ☐ New
- ☐ Major change
- ☒ Minor change

**7. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service? (Please tick)**

- ☐ No
- ☒ Yes (Please provide details):

This is the corporate Empty Homes Policy, mentioned within the document is the planning department as they have powers to take enforcement action in regards to empty homes (and land) under S215 of the Town and Country Planning Act 1990.

The Councils leasehold services are referred to as they can potentially buy back an empty property from the owner if it had been purchased under Right To Buy.

Town Hall Lettings (THL) are involved in the delivery of this policy, as owners are referred to them if they wish to let their property, also if an I EDMO was used against an owner it would be THL that would manage the property.

**8. Has the report on your strategy, policy, plan, project, contract or major change to your service gone to Committee? If so, which one?**

Due to go to Housing Scrutiny Committee January 2017.

**9. What research methods/ evidence have you used in order to identify equality impacts of your strategy, policy, plan, project, contract or major change to your service?**

The evidence for this Policy has been based on continuing and regular communication through the Empty Homes Officer with members of the community directly impacted by or owning empty homes. We issue questionnaires to empty home owners to ensure ongoing feedback, as well as regular written correspondence.

Annually 'Empty Homes Week' brings empty homes to the public's attention and encourages them to tell us about empty homes and the impact they are having on their local community.

These actions demonstrate that we do come into contact with community members who are members of the protected characteristics.

**10. Potential impacts**

For each category below, please explain if the strategy, policy, plan, project, contract or major change to your service could have a positive/ negative impact or no impact. Where an impact has been identified, please explain what it is. Consider impacts on service users, visitors and staff members separately.

**(a) Age - Any group of people of a particular age (e.g. 32 year-olds) , or within a particular age range (e.g. 16-24 year-olds) – in particular, please consider any safeguarding issues for children and vulnerable adults**

Empirical research from the Empty Homes Officer has identified that empty home owners are unlikely to be young people, in the age bracket of 16-24, therefore, the policy will have more impact on people aged over 24.

If an empty home owner was vulnerable due to age related poor health, the policy positively impacts as it is designed to offer support and assistance. For example liaising with the independent living services if they are working with an older person, referring to appropriate agencies and being confident in safeguarding referrals if appropriate.

With regards to communities affected by empty homes, these homes can pose a threat to safety, and can become a magnet for anti-social behaviour which can impact on all ages. Therefore, the policy has a positive impact on all groups by helping address disrepair and dereliction that can make areas feel unsafe.

Empty Homes being returned to use as a positive impact on the community as it can provide additional housing for all ages.

**(b) Disability - A person has a disability if she or he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities**

Empty home owners who have a disability will be positively impacted on as the policy provides support and advice on a case by case basis. By working in this way additional needs will be swiftly identified, support and signposting will be tailored to these needs. Actions can include home visits, liaising directly with support services with owners consent when appropriate.

Those in the community with a disability could be positively impacted on by the provision of additional housing in Cambridge. Additionally, the policy can arguably prevent long-term health issues for neighbours where empty homes cause damage to their adjacent properties through lack of maintenance, particularly issues around excess cold, damp and mould.

Empty Home owners can suffer from a hoarding disorder, which can often relate to underlying mental health issues. Many people with this disorder realise they have a problem but they are reluctant to seek help because they feel ashamed, humiliated or guilty. The empty homes policy would have a positive impact on this group as the Empty Homes Officer would signpost them to support that could assist them with their hoarding disorder in a sympathetic and understanding way. Eventually the support could assist the owner to bring their property back to a standard that it could be lived in again.

**(c) Sex – A man or a woman.**

There is no statistical data regarding the sex of empty home owners and no impacts specific to men or women have been identified in relation to this policy. Both sexes could be positively impacted on by the provision of additional housing in Cambridge city.

**(d) Transgender – A person who does not identify with the gender they were assigned to at birth (includes gender reassignment that is the process of transitioning from one gender to another)**

There is no statistical data regarding the gender status of empty home owners. No impacts have been identified in relation to this policy that will impact in a specific way on people who identify themselves as Transgender.

#### **(e) Pregnancy and maternity**

The empty homes officer would offer support if an empty home owner identified their pregnancy as a barrier to bringing their empty home back into use.

Those who are pregnant could be positively impacted on by the provision of additional housing in Cambridge city.

#### **(f) Marriage and civil partnership**

There is no impact from this policy regarding marriage and civil partnership. Part of our general procedure is to establish ownership of a property and ensure that all parties they own the house are informed of the options available to them and the enforcement action we can take. Also within the Empty Home Loan policy we would not accept a sole application if the empty home was jointly owned.

#### **(g) Race - The protected characteristic 'race' refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.**

If an empty home owner or the empty homes officer identified that language barriers could be an impediment to their bringing their home back into use, they would ensure that steps are taken such as offering translated information or an interpreter interview if required.

There is no research on 'race' related to empty home owners' nationwide or locally, only research relating to owners occupiers. <http://cambridgeshireinsight.org.uk/populationanddemographics/ethnicity>

Those in the community with the protected characteristic of 'race' could be positively impacted on by the provision of additional housing in Cambridge city.

#### **(h) Religion or belief**

The empty homes officer would ensure they offer appropriate support, considering when to make appointments, taking into account dates of religious festivals.

*A possible positive impact, the Empty Homes Loan Scheme (details of which are within the policy) could be suitable for owners who follow Sharia law as it forbids usury and the empty homes loan is interest free.*

**(i) Sexual orientation**

There is no impact from this policy regarding sexual orientation.

There is no statistical data regarding the sexual orientation of empty home owners.

**(j) Other factors that may lead to inequality – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty**

Though empty home owners may own a property, they could still be cash poor. Empty homes can become costly to maintain that can lead to a loss of potential income. The Empty Homes Loan is on offer to owners to assist them to renovate their homes if they cannot raise that money themselves.

Those in the community suffering inequality could be positively impacted on by the provision of additional housing in Cambridge city, especially if empty property owners utilise the Empty homes loan and allow their properties to be rented as affordable housing.

**11. Action plan – New equality impacts will be identified in different stages throughout the planning and implementation stages of changes to your strategy, policy, plan, project, contract or major change to your service. How will you monitor these going forward? Also, how will you ensure that any potential negative impacts of the changes will be mitigated? (Please include dates where possible for when you will update this EqlA accordingly.)**

Review policy every 3 years.

As part of ongoing case management, ensure that the Empty Homes Officer records any issues that have been identified by empty home owners that have prevented them from taking steps with their empty homes. If the barrier to bringing their home back into use relate to being from a protected characteristic, reviewing what steps were undertaken in line with the policy and what did or didn't work. Following this, if there was a recurring issue for a protected characteristic group and it was felt that the Empty Homes Policy exacerbated it, immediately undertake a review this section of the policy

Take into account any changes to demographics following Census 2021 and the impact this may have on the policy.

**12. Do you have any additional comments?**

Additionally, unsightly properties can often impact on their immediate neighbours and the wider community in which they are situated. Therefore, the empty homes policy can contribute to preventing degeneration.

The empty homes policy aims to help the council meet our vision of Cambridge as “a city which strives to ensure that all local households [of all equalities groups] can secure a suitable, affordable local home, close to jobs and neighbourhood facilities.”

### **13. Sign off**

Name and job title of lead officer for this equality impact assessment:

Danae Evans – Empty Homes Officer

Names and job titles of other assessment team members and people consulted:

Philip Winter Projects Officer, Town Hall Letting & Lease Hold Services

Date of EqlA sign off: 14<sup>th</sup> December 2017

Date of next review of the equalities impact assessment:

Sent to Helen Crowther, Equality and Anti-Poverty Officer?

☒ Yes

☐ No

Date to be published on Cambridge City Council website (if known):



Item

## **Report on progress toward HRA Estate Regeneration programme Including a report on a proposed scheme at Aylesborough Close**

### **To:**

Councillor Mike Todd-Jones, Executive Councillor for Housing  
Housing Scrutiny Committee 23/09/2021

### **Report by:**

Claire Flowers, Head, Housing Development Agency  
Tel: 01223 - 45 7928 Email: [Claire.Flowers@cambridge.gov.uk](mailto:Claire.Flowers@cambridge.gov.uk)

### **Wards affected:**

Arbury, Market, Petersfield, Abbey, Coleridge

## **Key Decision**

### **1. Executive Summary**

- 1.1.** Cambridge City Council committed to a proposed new delivery programme of 1,000 new Council homes at the Housing Scrutiny Committee on 24th September 2020.
- 1.2.** The City's constrained boundaries as well as emerging differences in quality standards across new and old council housing stock has led to a proactive approach by council officers to reviewing the potential for estate regeneration as part of the programme.
- 1.3.** Potential for remodelling of existing estates to provide additional high-quality homes is being investigated alongside a separate programme considering retrofitting improvements being led through Maintenance and Assets. The potential and cost for retrofitting, resident interests, the likely future maintenance and repair costs and the possibilities for additional homes are all considerations in the investigation

- 1.4.** In line with estate regeneration objectives and aim to minimise disturbance to existing residents while maximising development opportunities, the council is also investigating the potential for modular construction, focussed on rooftop/ airspace development and expansion of existing housing blocks. A proposed way forward toward an agreed approach is set out for consideration.
- 1.5.** Consultation with residents is a key element of the regeneration process and a framework for consultation, decanting and compensating of residents and owners in estates which are to be redeveloped has been reviewed.

## **2. Recommendations**

The Executive Councillor is recommended to:

- 2.1.** Note the progress made to date towards identifying possible suitable candidate sites to be considered for regeneration as part of the new housing programme and the estates that have already been identified.
- 2.2.** Note that the programme of review of estates will be carried forward including survey work and consultation with residents. Ward Members will be consulted prior to the commencement of survey work and prior to the commencement of consultation with residents on particular estates.

### **Regeneration Policy – Part 5**

- 2.3.** Approve the revisions to the Council regeneration policy as set out in Appendix 2 and discussed in Part 5 and to add the policy to the council's lettings policy.

### **Aylesborough Close – Part 6.1**

- 2.4.** Approve that the scheme be brought forward at **Aylesborough Close** with an indicative capital budget of £19,030,000 to cover all site assembly, construction costs, professional fees and further associated fees.
- 2.5.** Authorise the Strategic Director in consultation with the Executive Councillor for Housing to approve variations to the scheme at Aylesborough Close including the number of units and mix of property types and sizes outlined in this report.
- 2.6.** 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 Aylesborough Close 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.

**2.7.** Delegate authority to the Strategic Director to commence Compulsory Purchase Order (CPO) proceedings on Leasehold properties to be demolished to enable the development at Aylesborough Close, should these be required.

**2.8.** Delegate authority to the Strategic Director to serve initial Demolition Notices under the Housing Act 1985.

### **Modular rooftop development – Part 7**

**2.9.** Note the work done to date toward investigating the potential for modular rooftop and infill development across the Council's holdings as outlined in Part 7.

**2.10.** Approve the inclusion of airspace developments in the programme of new housing development for which finance has already been made available.

**2.11.** Approve the outline approach of proceeding with a Joint Venture partnership as the preferred method for implementation of modular rooftop (airspace) development, subject to further investigation and a further report.

**2.12.** Authorise the Head of the Housing Development Agency to approve a site for a pilot project subject to consultation with the Executive Councillor for Housing, the Head of Housing, the Head of Finance and the Ward Members.

## **3. Estate Regeneration**

### **3.1. Background to estate regeneration**

At the Housing Scrutiny Committee on 24<sup>th</sup> September 2020 Cambridge City Council committed to a new delivery programme of 1000 new Council homes, building on the success of the 500 programme funded by the Ministry of Housing, Communities and Local Government.

Given the constrained geography of the City as a local government unit and the limited availability of development sites a large proportion of the new homes will need to be built on existing council housing land. At the same time the Council holds older stock which does not meet modern standards, particularly in relation to sustainability. Maintenance is growing in cost and while the accommodation provided by the Council can be lawfully let and pressures on housing in Cambridge ensure a supply of applicants, the quality of some accommodation falls short of the Council's aspirations. A substantial difference is emerging between the new supply and the older stock.

The Council is actively working on a programme of retrofitting improvements. This will be a solution in some cases but in others remodelling estates to provide additional high-quality homes is a better response.

The focus is on older estates and therefore there is on-going maintenance required particularly to ensure the health and safety of residents. A challenge of the programme is to manage the maintenance expenditure, especially urgent interventions, against the limited life of a block.

Consultation with residents is a key element of the process and the framework for consultation, decanting and compensating of residents and owners in estates that are redeveloped has been reviewed.

#### **4. Identification of estates to be considered for redevelopment**

The method by which the current shortlist of sites was arrived at has had two main stages;

##### **4.1. Stage 1: Internal review**

Council officers working regularly on Council Estates were consulted to provide their views on the condition of each large Council Estate, to determine which areas are more suitable for large-scale demolition and regeneration. The following factors were assessed;

- The physical condition of each Council Estate. Estates containing older housing stock, especially those which are likely to require increasingly high maintenance costs over time, are given priority over those where maintenance costs remain steady over time.
- The sustainability of each estate. The Council is less likely to regenerate areas where the housing stock can be retrofitted with modern insulation, doors & windows to deliver a higher energy performance. Where a building has limited capacity for meeting modern sustainability standards, it is more likely to be considered for demolition.
- The popularity of each estate. Some areas of Council housing have a higher turnover in terms of tenancies than others. High turnover and large numbers of voids represent a financial risk to the Council. Where an estate has large numbers of void properties it is more likely to be considered for demolition.
- The relocation of residents. The Council wishes to minimise disruption for residents as much as possible. The logistical challenge of helping large numbers of residents to locate alternative accommodation is considered when prioritising estates for regeneration.

The HDA asked colleagues in City Homes, Maintenance & Assets, Property Services and related teams for their assessment of which council housing estates most merited regeneration on the basis of the above factors. From the large number of estates considered a short-list was identified for further study. This work has been co-ordinated by a working group of officers, the New Housing Programme Project Board, which has been created to support the implementation of the 1,000 programme.

#### **4.2. Stage 2: More detailed studies including external review**

The studies included external review by a specialist development management firm and capacity studies by consultant architects.

##### **4.2.1. Stock condition review**

Each site has had its condition and potential for renovation assessed by a specialist development management firm. The buildings under review are past their design life but piecemeal interventions – both repairs and improvements, have extended that life. The key issues are:

- The continuing cost of repairs and improvements as the buildings age further notwithstanding the funds that have already been disbursed.
- The quality of the accommodation even with these actions and the disparity in quality of accommodation between the older and newer stock.
- The extensive modifications and improvements that are essential to comply with evolving standards, for example in relation to fire safety.
- The social issues that declining quality of estates can contribute to.
- The limited extension to the life of the buildings that each intervention brings with the high risk that further interventions will be required.

##### **4.2.2. Sustainability**

In response to the Climate Emergency the Council has conducted a study based on typologies to consider the potential to upgrade the sustainability of its existing stock to standards equivalent to the new stock being constructed. The substantial costs and disruption associated with these works are a factor in the balance of the available options. While embodied carbon is a significant issue in demolition and reconstruction this may nevertheless be the best option and the balance of the carbon impacts is significantly affected by the life that is achieved for the existing building before it is demolished anyway. What is clear is that replacement units should be built to a high sustainability standard both to achieve the carbon reduction objectives and to ensure that the new buildings have a long life. There also must be a focus on mitigating the negative impact derived from embodied carbon by recycling materials.

The sustainability issue is not confined to the construction of the buildings. Redevelopment is likely to involve the loss of some trees; minimising the loss of

trees, planting new trees and other measures to improve biodiversity – on site where possible and off-site where not – are important considerations – with a target to secure a Biodiversity Net Gain of 20%. (The current Supplementary Planning Document in preparation but not yet approved proposes a target gain of 10%.) The approach agreed at the January HSC also covers parking and water use. Developing each estate offers an opportunity to redesign a small neighbourhood and increase the ability of pedestrians, cyclists and others to travel through the city and avoid main roads.

#### **4.2.3. Quality**

The quality of the existing accommodation as reported by officers and observable in the external environment and the known condition of the estates is a factor. Also the external environment in particular impacts upon the quality of life on the estate at a social level. Redevelopment provides an opportunity to address these issues, regenerate areas and provide new opportunities for communities. The case for doing this is a factor in considering estates for redevelopment. There are opportunities not only to retain but to enhance local amenities including open space and community facilities and to improve connectedness as noted above. The Council has been successful to date in this at for example Anstey Way in Trumpington. If the development programme did not take on any existing stock the gap in quality overall would increase between old and new.

#### **4.2.4. Housing capacity studies**

Architects were commissioned to develop capacity studies on each estate. The sites shortlisted were those with the highest potential for unit gain, with high density options delivering a 90% increase in the housing numbers or more, and with some of the sites having potential to more than double the number of homes on site. A range of factors will affect the ability to deliver the numbers identified in the capacity studies. More detailed investigation of planning constraints and site constraints will have an impact as will design decisions related to such issues as mix, density, open space and parking.

The Council has significant funds available for redevelopment, but they are limited and the viability of schemes is a key consideration. A number of factors bear upon viability including:

- The number of homes that can be delivered in the new development.
- The mix agreed on the new developments – both unit size and built form.
- The number of leaseholders and freeholders to be bought-out and the cost of doing so.
- The tenure mix on the new development and the value achieved from non-Council rented elements in a development.

- Rent levels in the new stock.
- Build costs which will be related to the imperative to deliver high quality accommodation.
- Levels of grant that can be secured.

These issues were considered at a high level when the Council approved the 1,000 programme. Proposals have to be reviewed against this framework and the continuing review of the financial plan for the HRA.

#### **4.2.5. Surveys**

A considerable amount of work has been carried out on the basis of desk-top data. Schemes can only be adequately investigated and assessed through on-site investigations. Ward Members will be consulted prior to the commencement of survey work on particular estates.

#### **4.2.6. Residents and communities**

Consultation with residents and engagement with the community is key. This is at various stages with different estates but the underlying principles are the same. In reviewing its stock as described above the Council seeks to balance the importance of consultation with residents, which is absolutely essential, with avoiding creating unnecessary anxiety and disruption. Much of the stock will be reviewed and the potential for redevelopment dismissed for a variety of reasons. Consultation is appropriate when there is a serious possibility that redevelopment may come forward but prior to any decision being taken. Ward Members will be consulted prior to the commencement of consultation with residents. The policy for consultation and also for decanting estates and compensating both Council tenants and owners (some of whom will be resident and some not) has been reviewed. The proposed policy is included in this report as Appendix 2 and is discussed further below:

## **5. Regeneration Policy**

### **5.1. Background to Consultation and Decant Policy**

This Policy explains the Council's approach to engaging with local residents and stakeholders where Council tenants leaseholders or freeholders are required to move from their home or are losing a property due to a redevelopment scheme, both in the period before a scheme is approved for development by the Council and during the development process.

In light of lessons learnt throughout the current 500 programme, the existing policy has been reviewed in order to update the policy in line with best practice. This policy supersedes two of the Council's earlier policies: *Appendix 3 of the Home Loss Policy (Commitment to Resident Involvement) approved at the*

*March 2017 Housing Scrutiny Committee and the resident engagement policy submitted to the Housing Scrutiny Committee as Appendix 3 of item 19/31/HSC (New Build Housing – Campkin Road) in June 2019.*

This updated (draft) policy will provide more notice to tenants and residents, more transparency on development proposals, clarity on the right to return and more clarity on when the council will serve notice and CPOs. The draft policy is attached at **Appendix 2**.

## **5.2 Amendments requiring Executive Councillor Approval**

The following specific amendments represent a significant variation to the existing policy, and Committee scrutiny and Executive Councillor approval for their inclusion is sought:

**Section 3.5**, specifically the provision for a 12 week consultation and the information provision to residents. While we do wish to implement the guiding Gunning Principles as best practice, we are committing in this clause to a strict interpretation of those principles, and Case law does not explicitly require a 12 week period. Equally we are committing to a specific interpretation of “information required for intelligent consideration, being at minimum a map, indicative scheme plan, indicative timetable to residents as part of the consultation.”

**Section 3**, replacing the former Rolling Programme stage of our development process with an updated procedure as outlined.

**Section 4.4**, commitment to issue Notice Seeking Possession (NoSP) when three months have elapsed from the date of the detailed scheme approval at HSC. This is a major escalation from the current process. We currently say we will issue a NoSP six months *before* an arbitrary vacant possession date.

**Section 4.6**, as above, the Council will seek a Court order six months *after* issue of a NoSP. This escalates from the current policy where there is no clear timetable for when the Council will approach the County Court.

**Sections 5.3 and 6.3**, decision to initiate CPO 3 months from the approval of a scheme at HSC. As above, this escalates from the current policy by setting a clear timetable for the initiation of CPO proceedings

Additionally, the following two inclusions have been made in order to ensure legal compliance and following of best practice guidance.

**Section 5.4**, The policy to offer Leasehold residents the right to return (where possible). This ensures compliance with the law and with national best practice.

**Section 7,** The decision to offer residents support to move. This requires commitment of Council resources but does reflect current practice and is an interpretation of existing policy to offer tenants all necessary support to move.

## **6. Proposals for HRA estates**

### **6.1 Aylesborough Close Phase 2 – Passivhaus Pilot Project 2.**

As noted above, the work of reviewing the Council's stock and identifying estates where redevelopment is a positive option to be considered is continuing. The Council has been reviewing estates over an extended period with redevelopments at Anstey Way, Colville Road, Campkin Road and Ventress Close forming part of the 500 programme that is currently completed or on site. This followed on from an earlier programme which delivered 151 Council rented dwellings.

In some cases this created what developed as phased programmes – for example Colville Road Phase 1 was in the earlier programme; Colville Road Phase 2 is now on site and forms part of the 500 programme. Colville Road Phase 3 was approved by the Executive Councillor at the HSC in September 2020 and forms part of the new 1,000 programme. In the same way this report is now bringing forward Aylesborough Phase 2 for approval.

At the January 2021 HSC the Executive Councillor approved a pilot project of 35 Passivhaus homes across five sites. One of the five sites now has Planning Permission (Fen Road – for 12 homes) and applications are in various stages of submission for the four others. Aylesborough Close will be a second Passivhaus Pilot. Although the first Passivhaus Pilot is still at an early stage it is clear that the challenges in relation to flatted developments are significantly different and a second pilot is needed to focus on this distinct form of flatted development.

This will be a 100% Council rented scheme, and a full report is attached as **Appendix 1**. It should be noted that the Council has now delivered a number of 100% Council rented projects as part of the 1,000 programme but the programme presumes mixed tenure. Future proposals will need to reflect this, including on HRA estates. This will also be a Planning requirement on larger estates and a requirement of Homes England funding.

### **6.2 Other Estates**

Work has started to explore the redevelopment possibilities on a number of further estates. Detailed scheme reporting will be brought to future meetings of

the HSC as any potential schemes develop. The following sites are under active consideration:

- 6.2.1 **Ekin Road** - identified as an area where redevelopment may serve favourable estate regeneration to tie in with the broader work considering East Barnwell.
- 6.2.2 **East Barnwell** – building on the One Public Estate project, work continues toward outlining regeneration opportunities for this area.
- 6.2.3 **Multi-storey garage, corner of East Road and St Matthews Street**– an ageing garage block with structural issues.
- 6.2.4 **Fanshawe Road** - a site which may offer both an opportunity for additional housing together with improved connectivity to the adjacent recreational grounds.
- 6.2.5 **Kingsway, Hanover and Princess**  
Exploratory work on these estates shows that redevelopment could provide additional homes. The capacity is lower than on some of the other sites under review and the condition of the existing estates will be a key factor. Further work is required to explore the options available to the Council. This work will need to include engagement with residents to understand their perspective of the estates as they are.

Urgent work has been required in relation to gas safety at Hanover and princess Courts and Kingsway. This aspect is only one of the condition and age-related concerns at these estates and needed to be undertaken without delay. Whilst work is undertaken to understand options there is likely to be other immediate urgent work required to the blocks.

## **7. Modular rooftop airspace development**

### **7.2 Background**

Modular rooftop (airspace) development has the potential to combine the provision of additional homes on HRA land with upgrading of the existing stock. Limited availability of land, avoiding the disruption to residents of relocating for redevelopment, and retaining existing built fabric are all key advantages. Further benefits can be achieved through combining airspace development with upgrades to existing stock – particularly in the areas of sustainability and access – and in using the opportunity to deliver estate improvements.

Airspace development is part of a movement toward Modern Methods of Construction (MMC). The construction sector is facing significant supply-chain

constraints; MMC is an important part of the response to this. Our existing programme is using circa 30% MMC and the Solohaus modular homes for the homeless are another MMC element in the programme. The move to greater adoption of MMC is encouraged by Homes England which has set a 25% MMC delivery requirement for Strategic Partners

A number of factors affect whether an estate has potential for airspace development including:

- Good existing structural conditions
- Flat or low-pitched roofs
- External stairwells favoured /space for lift installation serving multiple units
- Broader build type preferable to long/thin construction footprint
- Opportunities for improvements to the existing homes and estates

A primary focus would be sustainability uplift/energy efficiency, tied into the separate workstreams being undertaken by Maintenance and Assets looking at efficient retrofit of existing properties. As reported in the MTFs (Item 10) to this committee, achieving improved levels of energy efficiency requires significant investment, and there is a challenge facing the Housing Revenue Account as to how to finance this required level of expenditure. The proposed development model offering mixed tenure regeneration as outlined below may feasibly offer a return which might offset a portion of this expenditure.

Alternative development models are considered below. Whichever is adopted, each scheme would require a viability appraisal in the context of an overall business plan. The first project could be an appropriate pilot scheme

### **7.3 Development Model:**

7.3.1 Airspace development is a newly emerging and specialist field. The council has received specialist advice on possible development routes. The principle alternatives are procurement through a tendering process or development through a Joint Venture partnership.

7.3.2 Initial capacity studies indicate that there is council stock that is potentially suitable for this method of housing delivery. Technical due diligence on specific schemes has not been pursued further pending decisions on an overall approach to delivering airspace units.

7.3.3 Investigations of potential partners that the Council might work with indicate that there is a limited pool of specialised providers. The following are the main options under consideration:

### **7.4 Joint Venture**

The benefits of creating a Joint Venture with a specialist partner are as follows:

- The know-how that a specialist firm would bring to the project. There is a significant benefit in working closely with a firm with expertise in this area

on the collaborative development of a programme with a single partner. A sustained programme of projects brings the potential for improvement and learning as the programme develops. This is a key element in this specialised emerging area.

- Under this approach a significant proportion of the units would be developed for sale. The proportion would vary from scheme to scheme but would generally be 40% subject to viability. This will enable the generation of a return, subject to any profit-sharing required through the joint venture agreement. This return could be made available for investment in other projects including new housing and reinvestment in sustainability improvements
- The structure would share the risk on development activities, with the Council's principal risks being the temporary loss of the roof-top lease and non-delivery of the residential units in the event of default by the JV partner
- The SDLT implications of the roof-top lease model would need to be investigated. Homes England grant will be required and will also affect the SDLT impact.
- A mixed tenure approach would support mixed and balanced communities which is a key objective in planning and housing terms although it would reduce the supply of Council rented housing in each individual scheme. The Council would retain the freehold. The leases that would be sold would sit alongside existing leases that have been granted as a result of the right to buy.

## **7.5 Procurement of a contractor**

The alternative is for the Council to procure a contractor and deliver the units itself.

- This provides a transparent mechanism to demonstrate value for money.
- The Council would not get the benefit of specialist contractor input in the pre-contract stage and would take on a degree of design liability for works carried out before the contractors were appointed.
- There would not be a standardised process across different schemes.
- Because of the limited pool of firms with expertise in this area, there is a risk that a tender would attract bidders with capacity and experience in relation to Local Authority contracting who would rely on comprehensive sub-contracting to a specialist firm. This would also reduce the benefit to the Council of working directly with a firm with the relevant expertise.
- In principle the Council could deliver 100% Council rented schemes through this route but this would be subject to viability.
- The capacity of the Council to deliver a scheme without the active collaboration of a JV partner is an issue and the level of risk to the Council would be greater.

## **7.6 Recommended development model**

It is recommended that the preferred development model should be a joint venture. Further due diligence should be carried out to assess the implications of a joint venture and to approve the selection of a joint venture partner.

## **7.7 Consultation**

- 7.7.1 Consultation with residents and owners of properties on the estates will be at the heart of the process. A high-level legal review of Council leases and tenancies indicates that a programme is likely to be possible but a detailed review on a case by case basis will be required. In practice engagement with the community will be fundamental to bringing forward a successful scheme.

### **It is proposed:**

- 7.7.2 To proceed with a Joint Venture partnership as the preferred method for implementation of modular rooftop (airspace) development, subject to further investigation and a further report.
- 7.7.3 That airspace developments are included in the programme of new housing development for which finance has already been made available
- 7.7.4 That the Head of the Housing Development Agency is authorised to approve a pilot project subject to consultation with the Executive Councillor, the Head of Housing, and the Head of Finance and the Ward Members

## **8. Other Implications**

### **(a) Staffing Implications**

Development work continues to be scheme will be managed by the Housing Development Agency, which will also provide the Council's staffing contribution to the development of specific schemes such as that proposed at Aylesborough Close. The scheme at Aylesborough Close as detailed in Appendix 1 will be developed through the Cambridge Investment Partnership (CIP).

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

Scheme specific EQIAs accompany specific schemes as they progress to Committee for approval Such a scheme specific EQIA accompanies this report as Annex 3 to Appendix 1.

### **(c) Net Zero Carbon, Climate Change and Environmental Implications**

In the January 2021 HSC report to this committee, it was confirmed that the new programme has been developed with a commitment, subject to technical and financial constraints, for new build Council homes to attain Net Zero Carbon from

2030; and to Passivhaus from 2021. Work conducted toward detailing the development programme remains in line with this roadmap, and the proposed development at Aylesborough Close is proposed to be delivered to meet Passivhaus standards.

Climate Change Rating assessments will be completed for all schemes coming forward to this committee for approval. Such an assessment has been completed for the proposed development at Aylesborough Close and accompanies Appendix 1 as Annex 4. The Assessment indicates a net Low Positive impact from the development.

#### **(d) Procurement Implications**

A Housing Scrutiny Committee in January 2021 set out the proposed approach to delivery of the new housing programme and identified the Cambridge Investment Partnership (CIP) as the primary delivery route.

The Aylesborough close scheme is proposed to be delivered by the CIP. The Council will both draw on the experience which Hill can bring to CIP of delivering Passivhaus projects and will ensure that the learning is captured. The project will be subject to an independent Value for Money assessment by the Employers Agent for the Council.

There are no further procurement implications of this update report at this stage. Specific procurement considerations related to estates identified which may progress as redevelopment proposals will be identified on a scheme specific basis.

#### **(e) Community Safety Implications**

All schemes under the new housing programme will be built in accordance to Secure by Design guidelines as set out within the City Councils Design Brief.

Any identified regeneration to redevelopment activities will additionally be aimed toward updating existing estates to meet such Secure by Design Guidelines.

### **9. Background Papers**

19/42/HSC Approval for CIP scheme delivery routes

### **10. Appendices**

Appendix 1: Report on Scheme at Aylesborough Close

Appendix 2: Cambridge City Council; Regeneration Policy

## **11. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact Claire Flowers, Housing Development Agency,

Tel: 01223 - 457928 email: [claire.flowers@cambridge.gov.uk](mailto:claire.flowers@cambridge.gov.uk)

This page is intentionally left blank

# **Estate Regeneration Report**

## **Appendix 1**



### **REPORT ON NEW COUNCIL HOUSING AT AYLESBOROUGH CLOSE PHASE 2**

#### **1. Executive Summary**

- 1.1 The Aylesborough estate is linked to an earlier Phase 1 regeneration programme undertaken in 2017 to the west.
- 1.2 The existing buildings at 15-34 Aylesborough Close and 69-75 (Odds) Verulam Way consist of three short terraces of 1-bed homes to the north. To the South, 2 to 24 Fordwich Close is a brick 4-storey block of 2-bed maisonettes.
- 1.3 The indicative mix of the proposed scheme (see Annex 2) will provide 72 Council rented homes, with an overall net gain of 39 Council rented homes.
- 1.4 It is recommended that, subject to securing Homes England grant, the development is delivered as 100% Council rented accommodation. Rented housing is to be let in accordance with the Council Affordable rent policy (where rent and service charges together do not exceed 60% of Median rent).
- 1.5 Homes will be owned and managed by Cambridge City Council and let on Cambridge City Council tenancies.
- 1.6 The scheme is indicative and subject to further review and pre-application planning consultation.

- 1.7 The report seeks approval of a capital budget for the scheme based on an 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. The design is to attain a number of sustainability standards in carbon, energy, water, car park ratios, EV charging and biodiversity including the Passivhaus standard with carbon levels of at least 35% below 2013 building regulations and to be gas free.
- 1.8 The total indicative cost of this development is £19,030,000 This includes decant, legal, and 106 costs, Clerk of Works and Employer's Agent fees and H.D.A project management allowance. This Budget includes delivery to Passivhaus standards.

## **2 Background**

- 2.1 This Development opportunity addressed a number of the Council's key Corporate Objectives:

### **2.1.1 Tackling the City's housing crisis.**

- There is a recognised need for more affordable housing across the city. As at June 2021, there were 2069 households in need of affordable homes across the city; progressing this scheme will help in meeting the needs of those on the waiting list.
- Delivering a proportion of the 1000 net new council rented homes identified as the target of the 2022-2032 new housing programme for the Council.

### **2.1.2 Delivering sustainable prosperity for Cambridge and fair shares for all.**

### **2.1.3 Protecting essential services and transforming council delivery.**

### **2.1.4 Tackling climate change and making Cambridge cleaner and greener.**

- 2.2 The existing buildings at 15-34 Aylesborough Close and 69-75 (Odds) Verulam Way consist of three short terraces of 1-bed homes to the north. While there is no recognised problem with tenanting these units, they are below current minimum space standards and are reaching the end of their design life, with high upcoming maintenance expenditure expected, primarily related to roofing works.
- 2.3 To the South, 2 to 24 Fordwich Close is a brick 4-storey block of 2-bed maisonettes. This block has been included for redevelopment following reports by the Housing Officer that it is considered largely unfavourably by the tenants and residents of the close.
- 2.4 The site is currently occupied by 36 households, of which 2 are leasehold. One further leasehold property has been repurchased by the council. The remaining households are council tenants.
- 2.4.1 Residents have been informed of the Councils intention to take this report to the September 2021 Housing Scrutiny Committee. These residents have also been offered one to one appointments so that any concerns which they have can be discussed in private. The Council is updating its policies as noted in section 5 and appendix 2 of the main report.
- 2.5 Local Housing Need

- 2.5.1 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 June 2021. There are currently 1,986 households in need of a 1, 2 or 3 bedroom property; progressing this scheme will help in meeting the needs of those on the waiting list.

Cambridge City	1 Bed	2 Bed	3 Bed
	1,159	517	310

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

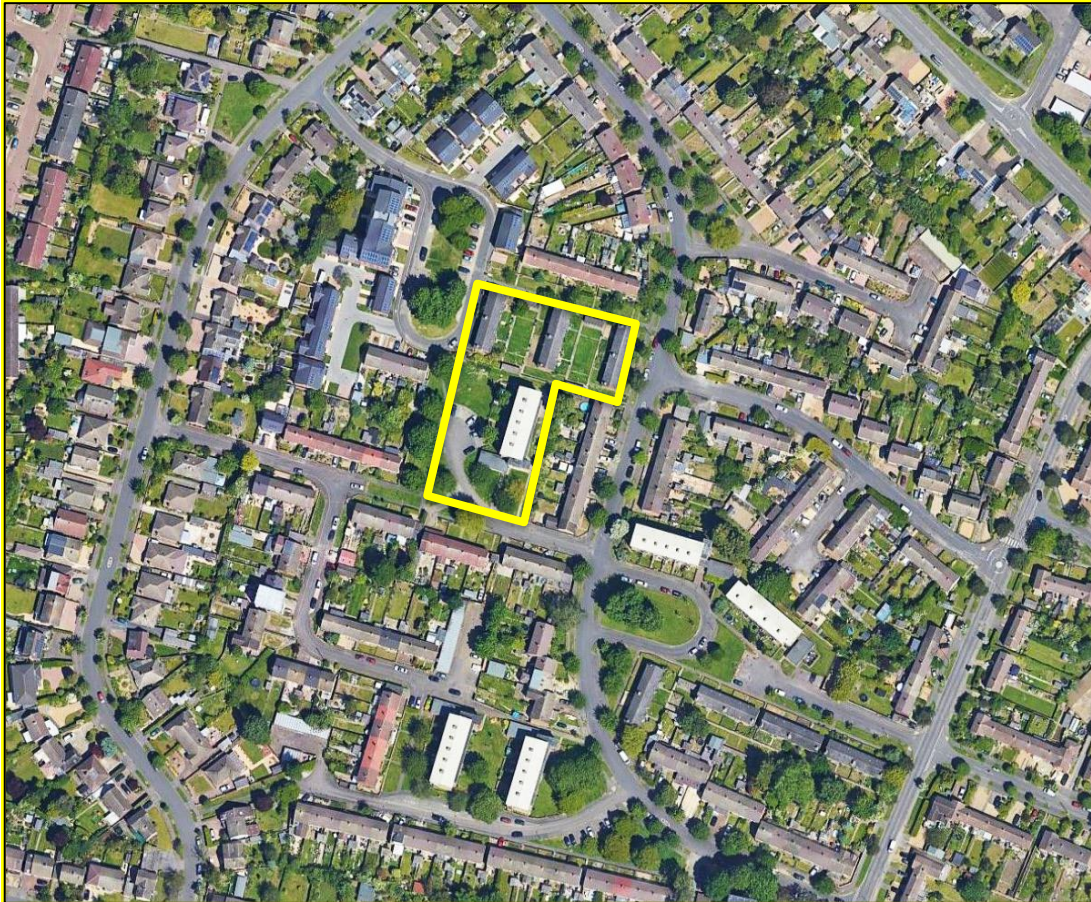
<b>Unit Type</b>	<b>Units</b>
1B2P Flat	33
2B4P Flat	33
3B5P Flat	6
<b>Total</b>	<b>72</b>

2.5.3 The indicative mix of the proposed scheme (see Annex 2) will provide 72 Council rented homes, with an overall net gain of 39 Council rented homes. Potential to increase the delivery to 74 units is being considered. 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 Site Details**

3.1 The site includes: existing flats at 15-34 Aylesborough Close and 69-75 (Odds) Verulam Way and maisonettes 2 to 24 Fordwich Close

3.2 A location plan of the site is attached as Annex 1.



- The site is currently occupied by 36 existing homes, of which 33 are council tenanted and 2 leasehold. 1 unit is currently vacant.

3.3 The site is approx. 0.52 hectares in size

3.4 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

**Report page no. 5      Agenda page no.**

3.5 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.

3.6 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.

### 3.7 Site Options

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

	<b>Redevelop</b>	<b>Retain</b>	<b>Retrofit</b>
No. of dwellings	72	36	36
National Guidelines for space standards	✓	✗	✗
Amenity Space – balcony or private garden	✓	✗	✗
Accessibility for wheelchair users	✓	✗	✗
Security – crime designed out	✓	✗	✗
Heating	Air Source Heat Pump	Gas	Air Source Heat Pump
Energy Bills	Low	High	Low
Ventilation	Mechanical	✗	Mechanical
Bike Storage	✓	✗	✗
EV charging	✓	✗	✗
Water l/pd	90	>110	>110
Biodiversity Net gain	+20%	0%	0%
Underground bins	✓	✗	✗
Improvements to car parking, landscaping and external works	✓	✗	✗
Fire Safety above building regulations	✓	✗	✗

### 3.7.1 Retain as existing

- The current 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 including remedial works to walkway and, balconies, walls, reinforced concrete, rainwater goods and underground drainage. There is the need for the replacement of the landlord's electrical distribution system and to upgrade the buildings fire safety standards.
- Much of the day to day repairs and planned replacement where building elements have reached the end of its serviceable life and have H&S implications require immediate attention.
- The standards of the existing flat blocks and maisonettes are poor and do not meet the current new build standards in internal space standards, amenity space, accessibility, security, heating, energy bills, ventilation bike storage, EV charging, water conservation, biodiversity, refuse, external landscaping and fire safety.

### 3.7.2 Retrofit the estate

- To reach equivalent performance standards of passivhaus to those of the council's new build delivery programme would require the installation of: triple-glazed windows and doors, air source heat pumps, additional insulation, mechanical ventilation heat recovery, and solar PV.
- Excluding fire safety improvements, external works improvements and decanting costs the cost per unit is calculated to be approx. £65,000 per unit or £2,210,000 in total.
- Whilst there would be significant improvements to the energy and carbon performance of the existing flat blocks and maisonettes there will be no improvements in internal space standards, amenity space, accessibility, security, heating, energy bills, ventilation bike storage, EV charging, water conservation, biodiversity, refuse, external landscaping and fire safety.

## 4 Design and Sustainability

- 4.1 This development is the second Passivhaus pilot scheme for the council and the Cambridge Investment Partnership and compliments the first pilot scheme as it is a development of flats where the first pilot is focussed on houses. It is important as a pilot from which the Partnership can learn for future schemes. There are also sustainability targets for water, biodiversity, car park ratios and EV charging which are all significant improvements on the current local plan.
- 4.2 The sustainability targets for this site are set out on the matrix below. The scheme is at design stage and the actual performance of the building/detail will be developed over time against this aspiration. There may be financial, viability or technical constraints which will mean the exact targets set out cannot be met; they may also be exceeded. There needs to be the intent for the design team to be focused on design solutions which achieve the carbon emissions reduction, energy bills and annual maintenance costs to these standards.
- 4.3 Below is a matrix setting out the sustainability performance of the scheme against the key targets, providing clarity on how the targets will be met. This scheme would meet levels above the current Cambridge Local Plan and national building regulations.

Development targets	
Sustainability Target	Passivhaus
Units	72
PHPP kWh/m <sup>2</sup> This measures energy use for running the building including heating and hot water	28
Water lppd	90
Biodiversity Net gain	20%
Car Parking ratios across schemes	0.5 or less
Are there technical constraints?	<b>Passivhaus Planning Package (PHPP):</b> This is a pilot scheme to deliver Passivhaus Flats
	<b>Water:</b> The target is 90lppd but the detailed design to deliver this has not yet been developed. The measures required and their impact on residents will be assessed as part of this pilot.

Report page no. 8      Agenda page no.

	<b>Biodiversity:</b> The opportunities for improvement are included and a 20% improvement is being targeted,
<b>Are there financial constraints</b>	Yes- the project cost estimates are at a relatively high level as further detailed work options for how standards will be met will be explored. This pilot project will inform a review of that for this type of dwelling. Water and bio-diversity costs will also be assessed within the pilot.
<b>Additional measures included to meet Net Zero Carbon in the future</b>	<p>Future proofing - Measures in future are likely to include: Solar PV, battery storage and air source heat pumps. Detailed design to facilitate later introduction to be developed.</p> <p>Yearly maintenance costs will rise from c. £1000 p/a to c. £1900 p/a</p> <p>Note that these are estimates based on today's costs. Future costs may change.</p>

## 5 Programme

5.1 The indicative programme for the development is as follows:

September 2021	Committee Report on possible redevelopment
October 2021	Resident consultation events
November 2021	Pre-planning consultation
March 2022	Planning Submission
September 2022	Planning Approval
December 2022	Start on Site
June 2024	Practical Completion

### 5.2 Demolition notices

5.2.1 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.

5.2.2 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.

### 5.3 Compulsory Purchase Order

5.3.1 There are two leasehold 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 Compulsory Purchase Order (CPO) proceedings.

## 6 Financial Implications

### 6.1 Budget / Funding

6.1.1 The total indicative cost is currently estimated at £19,030,000 (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)

6.1.2 It is proposed that the investment will be met from a combination of grant 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 36 residential units on the site.

This will result in the following mix of funding:

Right to Buy receipts:	£0
Homes England Grant:	£7,400,000
HRA resources:	£11,630,000
<b>Total:</b>	<b>£19,030,000</b>

6.1.3 The indicative capital budget is £19,030,000

It should be noted that grant is not yet in place. This can be applied for on a scheme by scheme basis but discussions are continuing with Homes England about ways in which they can support the programme.

## **7 Other 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. The scheme will be developed by the Cambridge Investment Partnership (CIP) which is a 50-50 partnership.

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

A scheme specific EQIA accompanies this report as Annex 3.

### **(c) Net Zero Carbon, Climate Change and Environmental Implications**

See section 4.

A Climate Change Rating assessment has been conducted and is attached as Annex 4, indicating a Net Low Positive impact from the development.

### **(d) Procurement Implications**

This scheme will be delivered by the Cambridge Investment Partnership (CIP). A Housing Scrutiny Committee in January 2021 set out the proposed approach to delivery of the programme. The Council will both draw on the experience which Hill can bring to CIP of delivering Passivhaus/low carbon housing projects and will ensure that the learning is captured. The project will be subject to an independent Value for Money assessment by the Employers Agent for the Council.

### **(e) Community Safety Implications**

The scheme will be built in accordance to Secure by Design guidelines as set out within the City Councils Design Brief.

## 8 Consultation and communication considerations

- 8.1 There has been communication with residents prior to this report being presented. All tenants 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.
- 8.2 There has been consultation with a local resident regarding their access to a garage adjacent to the site. Officers have met the residents and continue to have discussions on the best way forward.
- 8.3 There has been consultation with Ward Councillors about the proposals.
- 8.4 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.
- 8.5 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.
- 8.6 There will be formal consultation through the planning process

## 9 Risks

- 9.1 The following table sets out key risks associated with the project:

Description of risk	Likelihood	Impact	Mitigation
Ability to deliver the new development on this site- due to site constraints	Low – There has been a constraints review and title information obtained. Pre app meetings have started with the Local planning authority.	Inability to deliver the number of homes/the proposed scheme	Continue to work closely with planners and professional team to deliver a suitable scheme.
Passivhaus – cost risks and solution may have other impact on costs.	Medium – this project is being developed as a pilot scheme- a high level budget has been	High- there is a tight budget envelope to be achieved any additional costs would need to be	– Proposals have been developed by CIP and working with a specialist consultant

**Report page no. 12    Agenda page no.**

	put together. The exact detail of the costs and how Passivhaus is achieved needs to be worked through.	covered by another scheme costing the Council less- or further subsidy being made available.	Qoda- there will need to be continued review of best solution to deliver outcomes of low carbon, low cost to run homes.
Grant Risk	Med – there is a risk that Homes England funding is not successful	High – without grant funding the project may not be viable	Discussions with Homes England are continuing.
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 considering 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.

## 10 Background papers

## 11 Annex

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

Annex 2 – The proposed scheme layout

Annex 3 – Equality Impact Assessment

Annex 4 – Climate Change Rating Tool Assessment

**Report page no. 13    Agenda page no.**

## Annex 1 – Site Location plan of current Phase 2 Scheme



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



This page is intentionally left blank

## Annex 3

### Cambridge City Council Equality Impact Assessment (EqIA)

This tool helps the Council ensure that we fulfil legal obligations of the [Public Sector Equality Duty](#) to have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Guidance on how to complete this tool can be found on the Cambridge City Council intranet. For specific questions on the tool email Helen Crowther, Equality and Anti-Poverty Officer at [equalities@cambridge.gov.uk](mailto:equalities@cambridge.gov.uk) or phone 01223 457046.

Once you have drafted the EqIA please send this to [equalities@cambridge.gov.uk](mailto:equalities@cambridge.gov.uk) for checking. For advice on consulting on equality impacts, please contact Graham Saint, Strategy Officer, ([graham.saint@cambridge.gov.uk](mailto:graham.saint@cambridge.gov.uk) or 01223 457044).

<b>1. Title of strategy, policy, plan, project, contract or major change to your service</b>
Proposed development of 72 Council rented homes to Passivhaus standards at Aylesborough Close.

<b>2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)</b>
<a href="https://www.cambridge.gov.uk/housing-development">https://www.cambridge.gov.uk/housing-development</a>
<a href="https://www.cambridge.gov.uk/affordable-housing-programme">https://www.cambridge.gov.uk/affordable-housing-programme</a>

<b>3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?</b>
Proposed delivery of 72 new council homes at Aylesborough Close, providing 39 net new council homes to Passivhaus standard, and including 3(three) M(4)(3) accessible homes.
The aims of the Council in providing new housing directly itself are as follows;

1. Provide additional social housing to help meet the shortfall in Cambridge and to replace the loss of social housing through the Right to Buy.
2. Replace some of the Council's existing housing which no longer meets present-day standards, and which are becoming less popular with residents.
3. To build new house types which will better meet the overall mix of social housing needed in the future.
4. To improve the energy efficiency of the Council's housing stock, reducing the cost of utility bills for residents and improving the environmental sustainability of the housing.

New housing is planned to ensure that it fits with the local community and adds to the range of housing available locally, including any specialist housing.

#### 4. Responsible service

Cambridge City Council Housing Development Agency (HDA)

#### 5. Who will be affected by this strategy, policy, plan, project, contract or major change to your service?

(Please tick all that apply)

- ☒ Residents  
☐ Visitors  
☒ Staff

Please state any specific client group or groups (e.g. City Council tenants, tourists, people who work in the city but do not live here):

The plan to develop new council housing in the city impacts on:

- Housing applicants registered on Home-Link (the Council's choice-based lettings system) i.e. households who need to find somewhere to live
- Transfer applicants registered on Home-Link whose circumstances have changed and who may need to find somewhere alternative to live (a single person under-occupying a three bedroom family house for example).
- Existing council tenants (33) and leaseholders (2) at the existing estate, which will be required to be rehoused to alternative accommodation. Tenants decant and rehousing is undertaken in line with the Council's approved Lettings policy and updated regeneration policy. All rehousing is subject to fair disturbance compensation and right to return following redevelopment.

Home-link prioritises applicants based on needs criteria. The priority bandings also take into account housing needs related to abuse, medical circumstances and disability, pregnancy and maternity.

The 1996 Housing Act as amended by the 2017 Homelessness Reduction Act determines the categories of homeless applicants which the council owes a 'main' statutory housing duty to. The council must make suitable accommodation available to applicants it owes a 'main' housing duty to. These categories include 16/17 year olds, young people leaving care, older people, those with physical or learning disabilities, mental health issues, victims of domestic abuse.

In relation to the Equalities impact, many of those on the housing register (particularly those on the highest banding for need) will have a level of vulnerability. Although not all vulnerabilities are captured under the Equality Act 2010, many will be such as disability including mental health, age, pregnancy and maternity. For those residents who are existing tenants or leaseholders, many of them will also have a protected characteristic as it will be the reason they are able to access social housing. This will be considered in more detail under the following sections which look at each of protected characteristics.

By adding to the general housing stock within the City, housing opportunities are also increased for staff seeking to relocate.

**6. What type of strategy, policy, plan, project, contract or major change to your service is this?**

- ☐ New  
☐ Major change  
☒ Minor change

**7. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service? (Please tick)**

- ☒ Yes  
☐ No

If 'Yes' please provide details below:

- Housing Management- managing the new homes
- Estates & Facilities- maintaining the new homes
- Property Services- advice on land issues, valuations, disturbance costs, commercial leases etc in connection with new developments
- Housing strategy – informing the need for tenure mix and specialist or adapted housing
- Finance Team- to provide funding for every aspect of developing the new homes from initial surveys to construction, all in line with projected cash flow
- Streets and Open Spaces- advice and input on the design of new open spaces and equipment provided as part of the new homes, subsequent maintenance of same
- Safer communities – providing advice on the design of the new schemes and homes from a community safety and designing out crime perspective
- Health & safety – commentary on the design of new schemes and homes from a personal safety, fire safety and usability perspective
- 3Cs Legal Services- dealing with land title and transfer to facilitate putting together the sites on which to build the new homes, subsequent issue of leases
- CCC parking services – collaboration in re-provision of parking facilities where affected by the development of new homes
- Cambridge Investment Partnership (CIP) - a joint venture partnership between CCC and Hill Homes to assist in the delivery of the Councils Affordable home goals.

**8. Has the report on your strategy, policy, plan, project, contract or major change to your service gone to Committee? If so, which one?**

The report on the proposed development at Aylesborough Close is to be presented to the Housing Scrutiny Committee meeting of 23 September, Item 7, Appendix 1

**9. What research methods/ evidence have you used in order to identify equality impacts of your strategy, policy, plan, project, contract or major change to your service?**

The HD A has undertaken a detailed internal review process toward identifying council stock which has known shortcomings, and which may most appropriately be redeveloped to provide new energy efficient housing. The work conducted to date is to be detailed in a report to the Housing Scrutiny committee meeting of 23 September 2021, Item 7.

Officers from Housing Service and Housing strategy have additionally been consulted to identify a target unit delivery mix for the overall housing programme which best serves forecast demand across the city. Individual consultation with Housing is further conducted on a scheme by scheme basis and up to date is included by the HDA for scheme reports to the Strategy and Resources or Housing Scrutiny Committees. The data records the numbers of those on CCC waiting list as provided quarterly by Housing strategy. Further information on housing need and strategy can be found as follows: [www.cambridge.gov.uk/housing-research](http://www.cambridge.gov.uk/housing-research)

Consultation is currently being undertaken with affected residents prior to planning applications being submitted. To date consultation has taken the form of letter-drop notifications and in-person door knocking to introduce the proposal to all residents. Assisted by internal council services, consultation methods are tailored to the resident requirements, ie use of translation services where required, use of digital and non-digital materials, in person and/or telephonic or written correspondence as most appropriate to the consultee.

The 2011 Census provides information on the demographics of the Cambridge City population to assist strategic planning by CCC.

Census Data has been supplemented by a 2020 HDA Needs Analysis report compiled by CCC staff which accompanies and informs the New Development Programme planning.

[Albert Kennedy institute \(2014\), LGBT Youth Homelessness: A UK scoping of cause, prevalence, response, and outcome](#)

[Runnymede Trust \(2020\), The Colour of Money](#)

[Social Metrics Commission \(2020\), Measuring Poverty](#)

[Stonewall \(2016\), Building Safe Choices: LGBT housing futures](#)

[Stonewall \(2018\), LGBT in Britain: Trans Report](#)

## 10. Potential impacts

For each category below, please explain if the strategy, policy, plan, project, contract or major change to your service could have a positive/ negative impact or no impact. Where an impact has been identified, please explain what it is. Consider impacts on service users, visitors and staff members separately.

### (a) Age - Please also consider any safeguarding issues for children and adults at risk

#### Housing Register and Homelessness

The 1996 Housing Act as amended by the 2017 Homelessness Reduction Act determines the categories of people that are considered as priority need for social housing including because of their age, including older people, those with children, people aged 16 or 17, and care leavers aged 18 to 20. Further provision of social housing in Cambridge will have a positive impact for these groups.

#### Older People

The units to be delivered in this scheme proposal are made up of general needs accommodation and 3 no adapted homes suitable for wheelchair users. All general needs housing is adaptable m(4)2 standard.

The provision of new homes which are accessible for household members who are wheelchair users will mean these homes will be suitable for older people with reduced mobility as long as their needs require this type of home.

The provision of housing for older people in the city is generally good, and housing for older people is not generally in short supply. An older applicant on the housing needs register can apply both for specialist housing, which excludes other types of applicant, and for general needs housing as not all older people want to live in specialist housing.

The Council has recently completed over-55 schemes in Colville Road and at Anstey Way that in part replaced small one bedroom one person bungalows with modern day one and two bedroom flats that meet current day aspirations in terms of space; accessibility; warmth and energy efficiency.

#### Younger people

The homes on these proposed schemes will be a mix of 1, 2 and 3 bedroom homes. Young people with a need for this type of accommodation will be eligible to bid for these homes

In our Housing Strategy consultation in 2015 the most common concerns raised amongst younger people were in relation affordability and condition of the private rented sector, homelessness issues and the need to support vulnerable people. The provision of more affordable housing will enable the Council to house more people who are in need of housing. This will also aid to alleviating the pressure on the private rented sector.

Cambridge has a relatively young population compared to the rest of Cambridgeshire and many other parts of the country. Around 35% of the population is aged 20-34.

Younger people are finding it increasingly difficult to get on the housing ladder, having to remain longer with parents or in expensive private rented accommodation. For example, England as a whole has seen a significant increase in the proportion of younger households in the private rented sector over the last ten years. In 2004/05, 24% of those aged 25-34 lived in the private rented sector; by 2014-15 this had increased to 46%. (English Housing Survey 2014-15)

Affordability issues are particularly acute in Cambridge, with the price of even the cheapest 25% (the lowest quartile) of homes now standing at over £350k – more than nineteen times lower quartile lower earnings. Private rents are also significantly higher than most other parts of the country, with the average rent for just a one bedroom currently around £800 a month.

Increasing the supply of general needs Council housing through this programme will:

- Increase the supply of genuinely affordable homes in the city of Cambridge, enabling the council to provide a competitive accommodation option for younger people on low incomes;
- Ensure that the Council can provide accommodation to young people in acute housing need caused by homelessness or economic deprivation.

#### **Fuel Poverty**

The Council is committed to providing high quality homes which greatly supersede the energy efficiency of current housing stock. This pilot scheme proposes the delivery into council stock flats meeting Passivhaus design standards. These will provide low running costs and greater alleviation to residents affected by fuel poverty.

#### **(b) Disability**

The units to be delivered in this scheme proposal are made up of general needs accommodation and 3no adapted homes suitable for wheelchair users. All general needs housing is adaptable m(4)2 standard.

The HD A will remain actively engaged with Adaptations Officers, the Housing Advice Coordinator and other relevant partners to ensure that the new schemes deliver housing that is suitable adapted or adaptable.

Demarcated disabled parking will be provided at an appropriate location to serve tenants, in line with planning guidance.

Almost one in five people in the UK have a disability, with mobility being the most common impairment. At the same time there is a nationally recognised shortage of housing for people with disabilities. For example: around 2% of the UK population are wheelchair users, yet 84% of homes in England do not allow someone using a wheelchair to enter their home through their front door

without difficulty. Around 15% of households containing at least one wheelchair user feel that their current home is not suitable for their needs, and so requires adaptations.

Around 22% of individuals living in social housing in Cambridge have a long-term health problem or disability.

Disabled people tend to have lower incomes, and are twice as likely as non-disabled people to be social housing tenants.

Around 16% of the national population has a common mental health disorder, and professionals nationally and locally are reporting an increase in the number of service users with mental health issues. For example: increasing numbers of rough sleepers with mental health problems, many of whom also have alcohol and substance misuse issues; and an increase in numbers of older people with dementia.

We will make information in the proposals available to residents in other formats where it's needed.

### **Fuel Poverty**

The Council is committed to providing high quality homes which greatly supersede the energy efficiency of current housing stock. This pilot scheme proposes the delivery into council stock flats meeting Passivhaus design standards. These will provide low running costs and greater alleviation to residents affected by fuel poverty.

## **(c) Gender reassignment**

Increasing the supply of affordable housing in Cambridge is expected to have a positive impact on those members of the community with the protected characteristic of gender reassignment.

According to research undertaken by LGBT+ charity Stonewall for their 2018 publication [LGBT in Britain - Trans Report](#), trans people commonly face a range of barriers to housing. One in four trans people have experienced homelessness at some point in their lives, with a similar proportion having also faced discrimination when searching for housing in the preceding year. One in five non-binary people has also faced discrimination when looking for a new home.

By providing more general needs housing, the Council is in a stronger position to ensure that any residents, trans, non-binary or otherwise, who are facing homelessness will be able to find affordable accommodation through the Council. Similarly, applicants who are facing abuse in their current home environment will be able to apply for a wider range of housing options for the council. As with other equality groups, an increase of the Council housing supply will provide more Cambridge residents with the option of applying to the Council rather than relying on inconsistent practices within the private sector.

#### **(d) Marriage and civil partnership**

We have not identified any equalities issues specific to this protected characteristic in relation to need in the affordable housing development programme

#### **(e) Pregnancy and maternity**

54% of homes on the proposed development are 2 - 3 bedroom homes. These will be available to bid on by women who are pregnant or who have recently had children meaning they need to move to larger accommodation.

National policy dictates that certain groups of people are considered as priority need for social housing because they are more likely to be vulnerable, including women who are pregnant. Extra support from Council officers will be offered to those that are affected by the redevelopment. Further provision of social housing in Cambridge will have a positive impact for these groups.

As with other protected characteristics, an increase of the Council housing supply will provide more Cambridge residents with the option of applying to the Council rather than relying on high rents in the private sector, which impact families with young children particularly severely.

#### **(f) Race – Note that the protected characteristic ‘race’ refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.**

Increasing the supply of affordable housing in Cambridge is expected to have a positive impact on those members of the community who are classified as Black and Minority Ethnic (BAME).

According to the annual Measuring Poverty report published by the Social Metrics Commission, 46% households in the UK where the head of the household is BAME are classified as living in poverty, compared with 19% where the head of the household is white. People in BAME families are also between 2-3 times more likely to be living in persistent poverty than white families. According to The Colour of Money (2020) for Indians the rate of poverty is 22%, for Mixed its 28%; Chinese 29%; Bangladeshi 45% and Pakistani 46%. This is due to lower wages, higher unemployment, higher rates of part-time working, higher housing costs, and slightly larger household size. It follows that BAME households are likely to have a greater need overall for a range of affordable housing options in the site though the need varies by ethnic group. In Cambridge, anecdotally according to voluntary and community sector groups, Bangladeshi people are especially likely to experience poverty.

Increasing the supply of general needs housing in Cambridge should therefore have a proportionate impact on housing options for BAME families in the city. As with other protected characteristics, an increase of the Council housing supply will provide more Cambridge residents with the option of applying to the Council rather than relying solely on high rents in the private sector.

We will make information available to residents in other languages where it's needed.

### **(g) Religion or belief**

We have not identified any equalities issues specific to this protected characteristic in relation to the affordable housing development programme. Designs and specifications can however be enhanced to accommodate cultural preferences if instructed to do so by the relevant Housing Authority (for example facilitating spray taps adjacent WCs).

### **(h) Sex**

No specific issues have been identified in relation to sex, although it is worth noting that most of those fleeing domestic abuse for whom we have a statutory responsibility will be women. This accounted for 3% of lettings last year. In domestic abuse cases the location where people are housed can be an important factor, for example away from the perpetrator or near to a family support network.

### **(i) Sexual orientation**

Increasing the supply of affordable housing in Cambridge is expected to have a positive impact on LGBT+ members of the community.

LGBT people face unique pressures within the housing system at present. [Current research](#) from the Albert Kennedy institute indicates that within the youth homeless population, LGBT people are greatly over-represented. Young LGBT people who are homeless are likely to have a reduced support network as a high proportion (62-69%) have become homeless due to parental rejection or family abuse.

Comparable conditions prevail among older LGBT people according to [research undertaken](#) by Stonewall Housing, with many older persons having a history of homelessness and a smaller family support network than non-LGBT older people. Older LGBT people are also more likely to live alone.

Overall there is a similar trend among the LGBT population where the limited options of Cambridge residents more generally are likely to be further reduced or placed under greater pressure by sexual orientation.

As with other protected characteristics, an increase of the Council housing supply will provide more Cambridge residents with the option of applying to the Council rather than relying on high rents in the private sector, which is likely to have a higher impact on LGBT people.

**(j) Other factors that may lead to inequality – in particular, please consider the impact of any changes on low income groups or those experiencing the impacts of poverty**

**Homelessness – positive impact**

The 1996 Housing Act as amended by the 2017 Homelessness Reduction Act provides that the council has a duty to agree reasonable steps to try and prevent or relieve the homelessness of the those that are threatened with homelessness or homeless. A reasonable step under the Act could include advice and assistance with applying for social housing.

The development of new family sized homes on these schemes will allow homeless families currently living in temporary accommodation to have the opportunity to bid on the homes and secure a move to permanent accommodation.

**Low-income groups or those experiencing the impacts of poverty– positive impact**

Households living on low incomes come under greater housing pressure than those on higher incomes due to a range of factors. This has been discussed at length elsewhere in the document, but the primary driver behind the affordable housing programme remains the strictly limited housing options to which Cambridge residents on low incomes have access. Cambridge remains one of the most expensive places in the UK to live and an increase in the Council housing supply will provide more options for residents who choose to live in the city and will ensure that it is easier to build a mixed and balanced community within the city,

As can be seen elsewhere in this EQIA, the inequality in the housing market affects some groups more than others, but in all circumstances an increase in general needs Council housing will improve housing options across the board.

**Groups who have more than one protected characteristic that taken together create overlapping and interdependent systems of discrimination or disadvantage – positive impact**

Home-link prioritises applicants based on a variety needs criteria as set out in the council lettings policy and inclusive of consideration of protected characteristics. Priority banding within which prospective tenants will be informed by the full number of protected characteristics of the bidder, prioritising successful housing of the most at-risk groups. While the lettings policy does not specifically note prioritisation of need based on more than one protected characteristic, it does make allowance for the movement of applicants with multiple needs into higher priority banding for housing.

**Fuel Poverty**

The Council is committed to providing high quality homes which greatly supersede the energy efficiency of current housing stock. This pilot scheme proposes the delivery into council stock flats meeting Passivhaus design standards. These will provide low running costs and greater alleviation to residents affected by fuel poverty.

**11. Action plan – New equality impacts will be identified in different stages throughout the planning and implementation stages of changes to your strategy, policy, plan, project, contract or major change to your service. How will you monitor these going forward? Also, how will you ensure that any potential negative impacts of the changes will be mitigated? (Please include dates where possible for when you will update this EqlA accordingly.)**

A Housing Advice Coordinator, Adaptations Officer and other relevant partners will be consulted through design and building process to ensure the needs of those applicants in need on the housing register, in particular applicants that have disabilities, are considered.

This EqlA will be updated to reflect any additionally identified equalities implications on existing residents following further consultation activities. Detailed resident consultation will be assisted by internal council services, with methods tailored to the resident requirements, ie use of translation services where required, use of digital and non-digital materials, in person and/or telephonic or written correspondence as most appropriate to the consultee.

**12. Do you have any additional comments?**

None

**13. Sign off**

Name and job title of lead officer for this equality impact assessment: Jaques van der Vyver, Development Officer

Names and job titles of other assessment team members and people consulted: Helen Crowther

Date of EqlA sign off: Click here to enter text.

Date of next review of the equalities impact assessment: : EqlAs are carried out for individual development schemes as such schemes progress toward approval

Date to be published on Cambridge City Council website: Click here to enter text.

**All EqlAs need to be sent to Helen Crowther, Equality and Anti-Poverty Officer. Ctrl + click on the button below to send this (you will need to attach the form to the email):**

**Send form**

This page is intentionally left blank

1. IMPACT ON CARBON EMISSIONS (MITIGATION OF CLIMATE CHANGE)							
HOW WILL THIS PROJECT/PROPOSAL AFFECT THE FOLLOWING KEY AREAS:	WHAT IS THE IMPACT CONSIDERED TO BE? <i>See guidance in the purple box, below, to help you assess the degree of the negative and positive impacts e.g. High, Medium or Low</i>	CLIMATE CHANGE RATING: <i>Use drop down list</i>	WILL THE PROJECT MOVE CAMBRIDGE CITY COUNCIL CLOSER TO THE OBJECTIVE OF A BEING NET ZERO CARBON BY 2030? <i>Use drop down list</i>	WILL THE PROJECT MOVE THE CITY CLOSER TO THE OBJECTIVE OF A NET ZERO CARBON CAMBRIDGE BY 2030? <i>Use drop down list</i>	PLEASE DETAIL HERE THE ACTION THAT WILL BE TAKEN TO AVOID, MITIGATE OR COMPENSATE FOR THE NEGATIVE IMPACTS AND MAXIMISE POSITIVE IMPACTS?	HAS A NET ZERO CARBON OPTION BEEN CONSIDERED? PLEASE PROVIDE DETAILS.	
1 ENERGY USE	Positive Impact: Energy use will be reduced or renewable energy will be used Nil Impact: No extra energy use is involved Negative Impact: More energy (gas and/ or electricity) will be consumed (by CCC or others)	Low Negative	No	Yes	Consider: - Reducing demand for energy - Specifying energy efficiency measures (e.g. insulation, low energy lighting) - Generating renewable energy (e.g. heat pumps, solar photovoltaic panels) This development is being undertaken as to deliver housing to passivhaus standard, as a fabric led development offering the benefits of low energy usage but limiting the ongoing maintenance expenses linked to specialised installations. The development will be fully designed to allow future retrofit to Net zero as financial viability allows. The development replaces 36 existing low efficiency homes with 74 new homes developed to high efficiency standards	Yes. This scheme is however to be developed to Passivhaus standard as a pilot scheme of flats for the council. This is an important step in developing experiential learning ahead of stepping up to full net zero carbon delivery.	
2 WASTE GENERATION	Positive Impact: Less waste will be generated OR amount of waste that is reused/ recycled will be increased Nil Impact: No waste will be generated Negative Impact: More waste will be generated (by CCC or others)	Medium Negative	No	Yes	Consider: -Will resources be reduced or reused? -Will you use recycled goods? -Will recycling facilities be increased? Construction waste is subject to heavily regulated restrictions, however demolition will generate waste which will not be fully recoverable for reuse. Control and oversight of materials use will be under strict oversight. Ongoing waste generation would generally be a low negative as while it is additional housing, the council rental targets tenants already living in or with ties to the city, and developments will be killed out fully to promote waste recycling/reduction measures	Yes. This scheme is however to be developed to Passivhaus standard as a pilot scheme of flats for the council. This is an important step in developing experiential learning ahead of stepping up to full net zero carbon delivery.	
3 USE OF TRANSPORT	Positive Impact: The use of transport and/or of fossil fuel-based transport will be reduced Nil Impact: No extra transport will be necessary Negative Impact: CCC or others will need to travel more OR transport goods more often/ further	Low Negative	No	Yes	Consider: - Will you purchase an electric vehicle? - Will you specify the use of public transport - How will you reduce the need to travel or transport goods New housing delivery and subsequent car parking allocations to be in line with the council's ambitions of 0.5 spaces or less per home. Bike storage facilities are provided as standard on new build schemes. EV Vehicles Charging point are outlined to be strategically delivered together with new build properties.	Yes. This scheme is however to be developed to Passivhaus standard as a pilot scheme of flats for the council. This is an important step in developing experiential learning ahead of stepping up to full net zero carbon delivery.	
4 SUSTAINABLE FOOD	Positive Impact: Food will be locally grown and/ or meat-free Nil Impact: No change in supply of food Negative Impact: Food will travel long distances and include meat	Nil	No	No	Consider: - Use of locally grown/ produced food - Reducing use of imported food - Reducing use of meat Not Applicable		
2. IMPACT ON RESILIENCE (ADAPTATION) TO THE EFFECTS OF CLIMATE CHANGE							
HOW WILL THIS PROJECT/PROPOSAL AFFECT THE FOLLOWING KEY AREAS :	WHAT IS THE IMPACT CONSIDERED TO BE? <i>See guidance in the purple box, below, to help you assess the degree of the negative and positive impacts e.g. High, Medium or Low</i>	CLIMATE CHANGE RATING: <i>Use drop down list</i>	WILL THE PROJECT HELP CAMBRIDGE CITY COUNCIL BE MORE RESILIENT TO THE IMPACTS OF CLIMATE CHANGE? <i>Use drop down list</i>	WILL THE PROJECT HELP THE CITY BE MORE RESILIENT TO THE IMPACTS OF CLIMATE CHANGE? <i>Use drop down list</i>	PLEASE DETAIL HERE THE ACTION THAT WILL BE TAKEN TO AVOID, MITIGATE OR COMPENSATE FOR THE NEGATIVE IMPACTS AND MAXIMISE POSITIVE IMPACTS?	HAS A NET ZERO CARBON OPTION BEEN CONSIDERED? PLEASE PROVIDE DETAILS.	
5 HEATWAVES	Positive Impact: Increased/ improved shade & natural ventilation Nil Impact: No impact on existing levels of shade & ventilation Negative Impact: Lack of or reduced shade (e.g. from trees or buildings) & natural ventilation	High Positive	No	Yes	Consider: Building orientation and installing measures such as Brise Soleil to reduce heat gain and plant hydration methods. All developmental and design work is conducted in line with the updated Sustainable Housing Design Guide. A maximal water use target of 90l/pp/day has been set for the new units, and the development makes use of low water fittings, rainwater catchment and further water efficiency measure installation as deemed appropriate.	Yes. This scheme is however to be developed to Passivhaus standard as a pilot scheme of flats for the council. This is an important step in developing experiential learning ahead of stepping up to full net zero carbon delivery.	
6 WATER AVAILABILITY	Positive Impact: Provision made for an enhancement of water efficiency measures to minimise the impact on water resource availability Nil Impact: Levels of water use will not be changed Negative Impact: Water use will increase and/or no provision made for water management = Negative Impact	High Positive	No	Yes	Consider: Managing water use efficiently, installing measures to use less water such as low water use taps, planting drought resistant plants and using rainwater for irrigation. The development replaces ageing stock which does not possess any water efficiency installations	Yes. This scheme is however to be developed to Passivhaus standard as a pilot scheme of flats for the council. This is an important step in developing experiential learning ahead of stepping up to full net zero carbon delivery.	
7 FLOODING	Positive Impact: Sustainable drainage measures incorporated, positive steps to reduce & manage flood risk Nil Impact: Levels of surface water run-off & flood risk are not affected Negative Impact: Levels of surface water run-off will increase, no management of flood risk	High Positive	No	Yes	Consider: The installation of measures to reduce the speed and increase the absorption of rainwater e.g. green roofs, SuDS, permeable paving etc. and alternative arrangements (business continuity) Planning regulations require design toward planning for 1:100 yr flooding. Water runoff/stormwater management will be designed according to the SHDG and Planning requirements. Redevelopment will allow for replacement of existing covering structures with h/ing permeability alternatives	Yes. This scheme is however to be developed to Passivhaus standard as a pilot scheme of flats for the council. This is an important step in developing experiential learning ahead of stepping up to full net zero carbon delivery.	
8 HIGH WINDS / STORMS	Positive Impact: Exposure to higher wind speeds is being actively managed & reduced Nil Impact: No change to existing level of exposure to higher wind speeds Negative Impact: Exposure to higher wind speeds is increased or is not managed = Negative Impact	Nil			Consider: the need to install stabilisation measures and ensure robust structures resilient to high winds Not applicable. Redevelopment of buildings will however have an inherent reducing effect on wind speeds crossing the site		
9 FOOD SECURITY	Positive Impact: Opportunities & resources for local food production are increased/ enhanced Nil Impact: No change to opportunities & resources for local food production Negative Impact: Opportunities & resources for local food production are reduced	Nil	No	Yes	Source food locally, and provide meat-free catering to reduce vulnerability to food shortages and reduce emissions from transport and farming of food Not applicable		
10 BIODIVERSITY	Positive Impact: Biodiversity will be protected/ enhanced Nil Impact: Level of biodiversity will not change Negative Impact: Biodiversity will not decrease	Medium Positive	Yes	Yes	Provide net gain mitigation if required and seek enhancement in projects of all types and scale In line with the SHDG and targeted passivhaus standard of the proposed development, a target 20% increase to level of on-site biodiversity is proposed	Yes. This scheme is however to be developed to Passivhaus standard as a pilot scheme of flats for the council. This is an important step in developing experiential learning ahead of stepping up to full net zero carbon delivery.	

**Weighing up the negative and positive impacts of your project, what is the overall rating you are assigning to your project?:**

Net Low Positive

*This overall rating is what you need to include in your report/ budget proposal, together with your explanation to be included in the red box below*

Guidance on Assessing the Degree of Negative and Positive Impacts:	
<i>Note: Not all of the considerations/ criteria listed below will necessarily be relevant to your project</i>	
Low Impact (L)	* No publicity
	* Relevant risks to the Council or community are Low or none
	* No impact on service or corporate performance
	* No capital assets; or capital assets with lifetime of less than 3 years
Medium Impact (M)	* Local publicity (good or bad)
	* Relevant risks to the Council or community are Medium
	* Affects delivery of corporate commitments
	* Affects service performance (e.g.: energy use; amount of waste; distance travelled) by more than 10%
High Impact (H)	* Capital assets with a lifetime of more than 3 years
	* National publicity (good or bad)
	* Relevant risks to the Council or community are Significant or High
	* Affects delivery of regulatory commitments
	* Affects corporate performance by more than 10%
	* Capital assets with a lifetime of more than 6 years

In the box below please summarise the projects impacts (the reasons for the ratings given in column E and F above) to explain how the overall rating for the project/ proposal has been derived (Cell E37). Please also highlight any negative impacts your project may have and how you plan to avoid, mitigate or compensate for these (as you will have detailed in column I above).

The delivery of this housing development scheme links directly to the cities objective of being Net Zero Carbon by 2030, providing new homes to net Passivhaus standard with a fabric-led approach.

The councils housing development programme as approved notes a step up in delivery toward net zero, and this pilot flatted scheme is a priority toward experiential learning on the delivery to such standards. The development will be fully designed to allow retrofit to Net zero at a future time as financial viability allows.

All housing development is conducted in line with the updated Sustainable Housing Design Guide and sets clear requirements in terms of water use, biodiversity and other targets required to be met by new developments to meet the overall environmental objectives of the council.

Housing delivery by its nature will have a general impact on Energy use, Traffic and Waste generation, however:

- Energy Efficiency: The development will replace low efficiency homes with high efficiency PHPP standard homes, able to be retrofit to Net zero standard at a later date as financial viability allows.
- Transport: reduced resident parking is provided in line with the councils objectives, and allowance is made for installation of bike stores for all residents
- Waste generation: While waste generation through the construction process can be highly controlled, and is well regulated. New housing delivery will increase the housing capacity of the council and will increase general waste generation. Recycling facilities, separation of rubbish and secure stores will be placed to limit such generation.

Yes

No

## **Estate Regeneration Report Appendix 2**

### **CAMBRIDGE CITY COUNCIL; REGENERATION POLICY**

## 1 Introduction

- 1.1 This Policy explains the Council's approach to engaging with local residents and stakeholders where Council tenants leaseholders or freeholders are required to move from their home or are losing a property due to a redevelopment scheme, both in the period before a scheme is approved for development by the Council and during the development process.
- 1.2 This policy supersedes two of the Council's earlier policies:
  - 1.2.1 Appendix 3 of the Home Loss Policy (Commitment to Resident Involvement) approved at the March 2017 Housing Scrutiny Committee.
  - 1.2.2 The resident engagement policy submitted to the Housing Scrutiny Committee as Appendix 3 of item 19/31/HSC (New Build Housing – Campkin Road) in June 2019.
- 1.3 Aim of the Policy
  - 1.3.1 The Council recognises that the enforced loss of their home or property is one of the most difficult situations that a tenant or property owner can be faced with. With a housing stock of nearly 8400 properties including leasehold accommodation, it is inevitable that from time-to-time schemes will be proposed to redevelop or refurbish older housing that no longer meets current day expectations or is not cost-effective to maintain in a good state of repair. The intention is to strike a balance between mitigating the impact on individuals required to move or surrender their property and securing the longer-term benefits from the proposed redevelopment or refurbishment.
  - 1.3.2 The aim of this policy is to ensure, where a regeneration scheme is approved, that the rehousing process is managed efficiently and fairly. It provides an overview of the process by which affected tenants and leaseholders will be rehoused (in accordance with the lettings policy) in order to deliver the necessary vacant possession required under the regeneration scheme while ensuring the needs of those affected are taken into account. It also provides an overview of compensation for affected individuals for expenses incurred, disturbance and inconvenience, in accordance with the law and existing best practice.
  - 1.3.3 The Council is committed to ensuring that there is the least possible disturbance to those required to move from their home or give up their property.
  - 1.3.4 This policy will govern any estate regeneration schemes approved on or after the Housing Scrutiny Committee meeting of 2021-09-23. It will additionally act as Cambridge City Council's default approach to stakeholder engagement and the decanting process to future developments.

- 1.3.5 This policy affirms the council's commitment to rehouse and provide assistance to all eligible tenants affected by regeneration activities and should be read in combination with the most recent Cambridge City Council general Lettings Policy. Specific note should be given to the Lettings Policy Parts 1.5-1.7 in as they relate to the Equality Act 2010, Children Act 2004, Care Act 2014 and convention rights.
- 1.3.6 The policy applies to all regeneration schemes and concerns affected secure and introductory tenants, leaseholders and freeholders.
- 1.3.7 The policy does not apply to unauthorised occupants, subtenants or licensees/ lodgers.
- 1.3.8 The Council has separate policies in respect of
- Tenants required to temporarily move from their home due to repair or refurbishment
  - Compulsory purchase of properties for reasons other than redevelopment
- 1.3.9 While this policy sets out a standardised approach to engagement, the council acknowledges the potential variation in individual circumstances of affected tenants, and some flexibility in approach may be required in individual circumstances
- 1.3.10 The Council's guiding principles for undertaking consultation of openness; accessibility and inclusiveness; and transparency and accountability will apply. In this, the Council is guided by the Gunning principles of consultation as proposed and accepted in the 1985 case of Gunning vs. London Borough of Brent.
- 1.3.11 The Gunning principles, as defined by Stephen Sedley QC and described by the Local Government association are that "a consultation is only legitimate when these four principles are met:

**1. Proposals are still at a formative stage.**

A final decision has not yet been made, or predetermined, by the decision makers.

**2. There is sufficient information to give 'intelligent consideration'.**

The information provided must relate to the consultation and must be available, accessible, and easily interpretable for consultees to provide an informed response.

**3. There is adequate time for consideration and response.**

There must be sufficient opportunity for consultees to participate in the consultation. There is no set timeframe for consultation, despite the widely accepted twelve-week consultation period, as the length of time given for consultee to respond can vary depending on the subject and extent of impact of the consultation.

**4. ‘Conscientious consideration’ must be given to the consultation responses before a decision is made.**

Decision-makers should be able to provide evidence that they took consultation responses into account.

- 1.3.12 As a general principle of redevelopment, it is understood that any development will be regarded, by at least some residents, as a loss to the community. The consultation policy is grounded in ensuring that the Council treats residents and property owners consistently and fairly and is transparent about how its plans will unfold and the extent to which residents will be able to influence them.

## 2 The Council’s Vision Statement and Strategic Objectives

- 2.1 This Policy fits with the Council’s vision as set out in the extract below. These objectives are published every year in the Council’s Annual Statement on the Council’s website at (<https://www.cambridge.gov.uk/annual-statement>).

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

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

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

- 2.2 This policy is also designed to support the vision of the Greater Cambridge Housing Strategy 2019-23, as extracted below:

**Building the right homes in the right places that people need and can afford to live in**

**Priority 1:** Increasing the delivery of homes, including affordable housing, along with sustainable transport and infrastructure, to meet housing need

**Priority 2:** Diversifying the housing market and accelerating delivery

**Priority 3:** Achieving a high standard of design and quality of new homes and communities

**Enabling people to live settled lives**

**Priority 4:** Improving housing conditions and making best use of existing homes

**Priority 5:** Promoting health and wellbeing through housing

**Priority 6:** Preventing and tackling homelessness and rough sleeping

**Building strong partnerships**

**Priority 7:** Working with key partners to innovate and maximise resources available

### **3 Engagement with residents when redevelopment involving home loss is proposed**

- 3.1 In engaging with those affected by a redevelopment scheme, the Council's guiding principles for undertaking consultation of openness; accessibility and inclusiveness; and transparency and accountability will apply and the Gunning Principles adhered to as a matter of best practice.
- 3.2 Local Ward Members and the Resident Representatives on the HSC will be informed immediately prior to communication with residents about any scheme and any initial letters or meetings.
- 3.3 When a site that contains existing housing is identified as suitable for redevelopment, the Council may, depending on local factors such as the scale of the scheme and the history of local consultations in the area, choose to consult the residents of the site on a masterplan for the area to capture local needs and ambitions for change. Residents will be given the opportunity to respond to this initial consultation on the future of their estate which is expected to be broad in scope and may encompass matters in excess of those covered in future housing proposals.
- 3.4 The Council's consultation team will pass on any non-housing related resident concerns collected during a masterplan consultation to the relevant Council service area.
- 3.5 Once a scheme has been appraised for development, a report will be submitted to the Housing Scrutiny Committee and approval will be sought from the Executive Councillor for Housing to develop detailed scheme proposals. A summary of any feedback, and changes made to the proposals in consequence of this will be included with the final report that will be presented to the Council for specific approval to proceed with the scheme.
- 3.6 When proposals for a detailed scheme have been developed, residents and owners of existing residential properties which have been identified for development will be consulted 12 weeks prior to the publication of a detailed scheme report to Housing Scrutiny Committee. Those affected will be provided the following information as a minimum at this stage of consultation.
- 3.7 A map of the area to be redeveloped, showing clearly which properties are proposed for demolition and which will be retained;
- 3.8 An indication of what will be developed on the site (residential, commercial, community development etc), including changes to the travel routes through the site.
- 3.9 An indicative timetable explaining when a detailed scheme plan will be submitted to the Housing Scrutiny Committee.
- 3.10 A named contact person for further information will be provided to tenants and leaseholders.
- 3.11 In addition to advising those affected by post, the Council will:

- 3.11.1 Publicise the same information on the Council website, providing contact details for the Council officer responsible, who will be available to answer questions on the proposals.
- 3.12 In subsequent discussions and meetings with residents, brief them on the impacts of the development on them as individuals (providing more detailed timescale for decanting only when this is available and has been approved by the appropriate authorities).
- 3.13 Where development is likely to have significant impact on the public realm (changing, removing or providing new public facilities), organise in-person or digital delivery displays of the development plans where consultees can drop in to ask questions of the delivery team and review detailed plans
- 3.14 The Council's aim in involving current residents is not only to explain the reasons why the Council is looking to redevelop their current homes, but also to explore with them their individual circumstances; connections with the local community; and future housing aspirations; and from this determine whether the rehousing needs of residents can best be met by returning to the new scheme or by moving to a different home.
- 3.15 In the event that a scheme is approved by the Executive Councillor for Housing, the Council will work closely with residents who are losing their homes to ensure that they are provided with appropriate options for relocation (see sections 4-5) and have the necessary support to take advantage of these (see section 6).
- 3.16 Once a regeneration scheme is approved, the Council will tell all affected parties the date when their home has to be empty. This is called the vacant possession date. Initial Demolition Notices will also be served to all affected tenants to coincide with scheme approval. Such notice will act to suspend Right to Buy rights.
- 3.17 The Council will talk to residents about all re-housing options which are available. Some schemes may involve new homes being built. The Council will try to help the tenant to make an informed decision about the best choices for them. Tenants will be required to fill in an application to go on the housing register, Home-Link.

## **4 Alternative Housing for Tenants**

- 4.1 The criteria set out in the Council's Letting Policy will be the basis upon which alternative accommodation is deemed suitable.
- 4.2 Tenants required to move as part of a regeneration scheme will be given emergency housing status to bid under Home-Link. This housing status will be applied following the Executive Councillor approval of a detailed regeneration scheme, and will apply to all affected tenants.

- 4.2.1 Where more than one tenant with emergency status is bidding on the same property, the customer with the earliest priority date will be allocated the property.
- 4.2.2 Where more than one tenant with emergency housing status and the same priority date has bid for a property a Cambridge City Council housing adviser will decide priority for shortlisting taking into account the needs of the applicants and the best use of housing stock.
- 4.2.3 The Council may, in exceptional circumstances, recommend to the Senior Officer Review Panel (SORP) that tenants be offered a direct let.
- 4.2.4 In the event that the Council chooses to develop a housing scheme in more than one phase, residents may have emergency housing status applied in Homelink one phase at a time. This may mean that residents in a later phase of the development do not have emergency status applied in Homelink until the residents of the previous phase have been decanted. Residents will be informed individually of their Homelink band in such cases.
- 4.2.5 Where a possession order is obtained for a breach of tenancy (ie rent arrears or anti-social behaviour) the tenant will no longer be considered eligible to be rehoused and/ or supported under the policy.
- 4.2.6 Where a tenancy ends for any other reason, (purchase of a property or moving via a mutual exchange arrangement), the tenant will no longer be considered eligible to be rehoused and/ or supported under the policy.
- 4.2.7 Please refer to the Greater Cambridge general lettings policy for further details of this process.
- 4.3 The Council commits to both:
  - 4.3.1 assisting tenants in making arrangements for leaving their current home and finding new accommodation (see section 6), and
  - 4.3.2 ensuring that suitable alternative accommodation is available, by prioritising tenant placement as outlined in 4.2.
- 4.4 Tenants are however ultimately responsible for their own accommodation arrangements and will be required to participate fully in the process. Tenants will still be liable to pay rent on any new home that they move to as part of the decanting process. Every effort will be made by the Council to re-house a tenant in the area of their choice.
- 4.5 Three months after the approval of the detailed scheme by the Executive Councillor, the Council will issue a formal notice (Notice Seeking Possession) to tenants who have not yet moved out of their accommodation. This notice allows the Council to ask the County Court for an order requiring the tenant to leave their home. The Council must satisfy the Court by suitably establishing the grounds for serving of notice, as well as demonstrating that suitable alternative accommodation is available for the tenant/s to move into.

Alongside this process, the Council will undertake the following actions:

- (a) Assist the tenant with the bidding process for appropriate alternative Council accommodation using the priority status detailed at 4.3.
  - (b) Refer the case to SORP where suitable alternative accommodation has not been available for the tenant to move into or other, extenuating circumstances explain why the tenant has not been able to move. SORP can choose to extend the bidding period, seek a direct let from a registered provider partner within the Home-link partnership or take another course of action aimed at resolving the tenant's housing situation.
- 4.6 If a tenant is successful in bidding for an advertised property and the Council considers that the property is suitable for them the Council will expect them to move into the property.
- 4.7 If a tenant has not moved after six months have elapsed from the date of issue of a Notice Seeking Possession, and provided that reasonable efforts have been made to help the tenant move via the measures at 4.4 (a) and 4.4 (b), the Council will ask the County Court for an order requiring them to move.
- 4.8 Council tenants who were required to move and wish to exercise their right to return to the redeveloped scheme will be given priority to return to suitable alternative accommodation on the redeveloped or refurbished scheme, provided there is sufficient new accommodation of the type required available.
- 4.9 Should a tenant be interested in types of tenancy other than for social rent then advice and assistance from a council officer will be offered to help the tenant secure such a move.

## 5 Alternative Housing for Leaseholders

- 5.1 When a Council site including a leasehold property is to be redeveloped, the Council will attempt to secure the interest from the leaseholder by negotiation following the approval of a detailed housing scheme by the Executive Councillor.
- 5.2 The Council will seek to acquire leasehold property with vacant possession.
- 5.3 Once three months have elapsed from the approval of a detailed scheme by Executive Councillor, the Council may initiate proceedings for a Compulsory Purchase Order. This process will be carried out in accordance with the law in parallel with continuing efforts secure the interest in a leasehold property by negotiation.
- 5.4 If a leaseholder wishes to exercise their right to return to the redeveloped scheme, the City Council will work with them to identify a property on the new scheme which the leaseholder can purchase through a shared ownership or shared equity stake. This will only be an option where the offer of a leasehold stake does not unreasonably impact the financial viability of the scheme, or require an unreasonable redesign of the layout of the scheme or the units offered.
- 5.5 If it is not possible to offer a leasehold interest in the newly developed scheme, the Council will provide advice and assistance on option for purchasing a property in the private housing market, which may include shared ownership, equity share or another form of intermediate housing option elsewhere in the city, or, if desired, another local authority area.

## **6 Council approach to Freeholders**

- 6.1 When a Council site including a freehold property is to be redeveloped, the Council will attempt to secure the interest from the freeholder by negotiation following the approval of a detailed housing scheme by the Executive Councillor.
- 6.2 The Council will seek to acquire freehold properties with vacant possession.
- 6.3 Once three months have elapsed from the approval of a detailed scheme by Executive Councillor, the Council may initiate proceedings for a Compulsory Purchase Order. This process will be carried out in accordance with the law in parallel with continuing efforts to secure the interest in the property by negotiation.
- 6.4 If a freeholder wishes to exercise their right to return to the redeveloped scheme, the City Council will work with them to identify a property on the new scheme which the freeholder can purchase through a shared ownership or shared equity stake. This will only be an option where the offer of a leasehold or freehold stake does not unreasonably impact the financial viability of the scheme, or require an unreasonable redesign of the layout of the scheme or the units offered.
- 6.5 If it is not possible to offer a leasehold or freehold interest in the newly developed scheme, the Council will provide advice and assistance on option for purchasing a property in the private housing market, which may include shared ownership, equity share or another form of intermediate housing option elsewhere in the city, or, if desired, another local authority area.

## **7 Support to Move**

- 7.1 The Council recognises that individual tenants and leaseholders will require different degrees of support to move. In particular the Council will prioritise its assistance to vulnerable tenants:
  - 7.1.1 Tenants over the age of 60
  - 7.1.2 Tenants with physical and/or mental disability
  - 7.1.3 Tenants for whom English is not their first language
  - 7.1.4 Tenants with any other identified vulnerability
- 7.2 The support required will be assessed and negotiated on a case by case basis.
- 7.3 The types of support to be provided to those tenants and leaseholders who need it are as follows:
  - 7.3.1 Assistance with registering and placing bids on Home-Link
  - 7.3.2 Assistance with forms relating to change of address

7.4 For vulnerable tenants the council can assist with:

7.4.1 Arranging packing and removals as required

7.4.2 Arranging lifting and refitting of carpets and curtains refit if required

7.5 For non-resident leaseholders whose properties are purchased as part of a redevelopment, the council will also offer non-specialist advice and assistance on securing a comparable property on the open market or, as per section 8.2, in securing an interest in a replacement property on the completed development.

## **8 Compensation payments**

- 8.1 The Council will make statutory payments to tenants, resident and non-resident leaseholders who qualify for them under law set out in The Land Compensation Act 1973 and The Land Compensation Act 1961. Types of Payment will cover Home Loss payments or Basic Loss payments as detailed in Appendix 1 of this document. The type of payment made will depend on the individual circumstances of the affected party, are set by government and reviewed annually.
- 8.2 Disturbance payments and reimbursement for incidental costs may also be payable. The council will pay these in compliance with the relevant legislation. Entitled parties will be supplied with details of the relevant statutory payments and how these may be claimed.
- 8.3 All types of compensation payments will only become payable once approval has been provided by the Council to proceed with a specific redevelopment or refurbishment scheme. It is at this point too that any Right to Buy application will be halted and any new application declined, coinciding with serving of the Initial Demolition Notice.
- 8.4 The Council will deduct from any compensation payment the sum of any rent arrears, outstanding council tax, housing benefit overpayments, leasehold service charges and any other council charge accrued at the point of payment. A resident or leaseholder will be advised of any deduction made by the Council.
- 8.5 This Policy does not apply to residents who have had a final possession order granted to end their tenancy before the approval at Housing Scrutiny Committee of a scheme to redevelop the site.

## 9 Infill development and Council tenants

- 9.1 In addition to large-scale estate regeneration, the Council regularly reviews its existing housing stock to identify opportunities for land assembly and housing infill that does not displace existing residents.
- 9.2 This type of development may involve the taking back of sections of tenants' gardens or the decanting of a garage scheme in order to create a housing site.
- 9.3 Garden land take & other tenancy changes.
- 9.3.1 Where the Council intends to take a portion of a tenant's garden or make any other amendment to their tenancy, it must serve a formal Notice of Variation to their tenancy and follow the process required by law.
- 9.3.2 Tenants will be contacted by Council officers and informed of the following before any Notice of Variation is issued;
- The details of the proposed housing scheme
  - The details of the proposed change
  - The reason that the garden land or other change is required
  - Any consequential works that the Council is willing to undertake such as the relocation or replacement of garden furniture or installation of new access routes.

9.3.3 If a tenant wishes to contest the Council's plans, they will be encouraged to seek their own independent legal advice.

#### 9.4 Garage & parking space tenancies (private)

9.4.1 The City Council offers private tenancies on garages and parking spaces in a range of locations across the City. The Council is under no legal obligation to provide garage or parking space tenancies and, as such, may choose to terminate those tenancies if a land assembly for housing infill is a financially viable opportunity.

9.4.2 As per the terms of existing garage and parking space tenancies, the Council is required to issue tenants with a Notice to Quit at least one week (7 days) in advance of the date on which the Council requires possession of the site.

9.4.3 The Council will, where possible, contact garage and parking space tenants before the issue of the formal Notice to Quit to notify them that a development is taking place and provide them with an indicative date for when the Council will require possession of the garage. This notification is solely to allow additional time for garage or parking space tenants to seek alternative parking arrangements.

9.4.4 The Council may, at its discretion, offer vacant garage or car parking spaces within its control elsewhere in the city to garage / parking space tenants who have been or will be issued with a formal Notice to Quit.

9.4.5 In the event that an infill development requires the acquisition of land owned by a private leaseholder or freeholder, the Council will acquire this interest by negotiation.

### **Appendix 1: Compensation Payments**

The following information is provided in line with legal requirements set out in The Land Compensation Act 1973 and The Land Compensation Act 1961.

Council tenants required to leave their homes are entitled to:

- Home loss payment
- Disturbance payment or assistance with costs associated with moving
- Incidental charges
- Acceptance of the above payments does not impact a former tenants' ability to exercise their right of return, where properties of an appropriate tenure are available.

Resident leaseholders and freeholders on Council land required to leave their homes are entitled to:

- Home loss payment – a 10% compensation payment on top of the purchase price of the home, subject to a maximum payment of £47,000 and a minimum payment of £4,700
- Incidental charges (inc. claimed costs associated with moving)

- Acceptance of the above payments does not impact a former leasehold resident's ability to exercise their right of return, where properties of an appropriate tenure are available.

Non-resident leaseholders and freeholders of properties on Council land required to sell their lease to the Council are entitled to:

- Basic Loss payment – a 7.5% bonus on top of the purchase price of the home. (7.5% - capped at a certain rate)
- Incidental charges

The entitlement to Home Loss and Basic loss payment is subject to the claimant having had an interest in the property for no less than one year. Where the one-year qualifying period cannot be met, discretionary payments may be made provided the occupier's interest and rights can be satisfied at the date of displacement

This page is intentionally left blank



## Item

### **Report On Net Zero Carbon Pilot Schemes at Paget Road And St Thomas Road**

#### **To:**

Councillor Mike Todd-Jones, Executive Councillor for Housing  
Housing Scrutiny committee 23/09/2021

#### **Report by:**

Ben Binns, Project Manager  
Housing Development Agency  
Tel: 07702 605 689 Email: [ben.binns@cambridge.gov.uk](mailto:ben.binns@cambridge.gov.uk)

#### **Wards affected:**

Coleridge, Trumpington

## Key Decision

## **1 Executive Summary**

- 1.1 Two garage sites have been identified for a proposed Net Zero Carbon pilot: St Thomas's Road Garages and playground (Coleridge) and Paget Road Garages (Trumpington).
- 1.2 The scheme is being brought forward because it represents an opportunity to redevelop existing garage sites to create new additions to the Councils rented housing stock, built in accordance with Net Zero Carbon Standards. It is hoped that the project will be seen as an exemplar for the region and will facilitate knowledge transfer of Net Zero Carbon technology.
- 1.3 The St Thomas's Road garage and playground site is adjacent to a number of Council owned properties. Evidence gathered at an ASB consultation in 2019, and reports made more recently suggest that the play park in its current form is under used and is subject to vandalism. Redevelopment of the site would be an opportunity to improve green spaces and access to them, and also to increase overlooking of the playpark and reduce anti-social behaviour.
- 1.4 The Paget Road garage site is also adjacent to council owned residential properties and is close to a recently developed site at Anstey Way.
- 1.5 The opportunity arises now also because of the availability of funding and Net Zero Carbon advice, together with support from the European Regional Development Fund (ERDF). A successful bid will result in funding to provide the capital cost uplift from Passivhaus to Net Zero Carbon.
- 1.6 The report seeks approval of a capital budget for the scheme, based on estimated costs provided by the Employer's Agent. Approval is also sought for the delivery route to be adopted.
- 1.7 The design is to meet to meet Net Zero Carbon if the ERDF bid is successful and Passivhaus standards if not successful.

- 1.8 It is recommended that the development is delivered as Council rented housing, subject to viability/grant funding. Homes will be owned and managed by Cambridge City Council and let on Cambridge City Council tenancies.
- 1.9 The proposed scheme will provide circa 15 new Council rented dwellings increasing rental income for the Council.
- 1.10 The two sites identified are subject to further review and pre-application planning consultation.

## **2 Recommendations**

The Executive Councillor is recommended to:

- 2.1 Approve the scheme budget of £3,947,000. This is split between St Thomas's Rd Garages (£2,105,000) and Paget Rd Garages (£1,842,000). Part of the scheme budget totalling £265,000 (£141,000 and £124,000 respectively) is subject to a successful bid to the ERDF to cover the cost of the uplift from Passivhaus to Net Zero.
- 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.

## **3 Background**

- 3.1 This Development opportunity addressed a number of the Council's key Corporate Objectives:

3.1.1 Tackling the City's housing crisis.

3.1.2 Delivering sustainable prosperity for Cambridge and fair shares for all.

3.1.3 Protecting essential services and transforming council delivery.

3.1.4 Tackling climate change and making Cambridge cleaner and greener.

- The proposed Net Zero Carbon pilot will form part of the Council's commitment to build all new homes to Passivhaus certification from 2021 where possible, and to Net Zero carbon from 2030. The Net

Zero Carbon standard is a tough challenge, particularly within the constraints of delivering affordable housing.

- The Council defines Net Zero Carbon homes as dwellings that achieve a 100% carbon reduction above current building regulations. A Net Zero Carbon home therefore represents an additional 65% carbon reduction over a Passivhaus home (35% carbon reduction over Part L). In order to achieve this, Net Zero Homes will require ultra-high levels of energy efficiency, heat pumps for heating and hot water, solar technologies for energy generation and batteries for energy storage.

### 3.2 European Regional Development Funding

3.2.1 If the Council's bid for ERDF funding is successful, learning from the pilot will be shared and widely disseminated across the East of England. It is hoped that the development will be seen as a low carbon exemplar.

3.2.2 In order to meet the challenge, the Council are looking to collaborate with Eastern New Energy, who are conducting a collaborative research project seeking to overcome barriers to rapid decarbonisation. This collaboration will support the Council's bid for EDFR funding, and equally importantly, will allow the Council to benefit from ongoing research and innovation around Net Zero Carbon technologies, share best practice and engage with a range of SME's.

3.3 The scheme includes two sites: St Thomas's Road Garages, Coleridge and Paget Road Garages, Trumpington. Each site has distinct benefits and challenges in relation to redevelopment and it is possible that currently identified sites are not final and may be removed from consideration whilst further sites may be substituted.

3.4 Executive Councillors and Ward Councillors have been informed of the Councils intention to take this report to the September 2021 Housing Scrutiny Committee.

### 3.5 Local Housing Need

3.5.1 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 June 2021. There are currently 1,986 households in need of a 1, 2 or 3 -bedroom property across the city; progressing this scheme will help in meeting the needs of those on the waiting list.

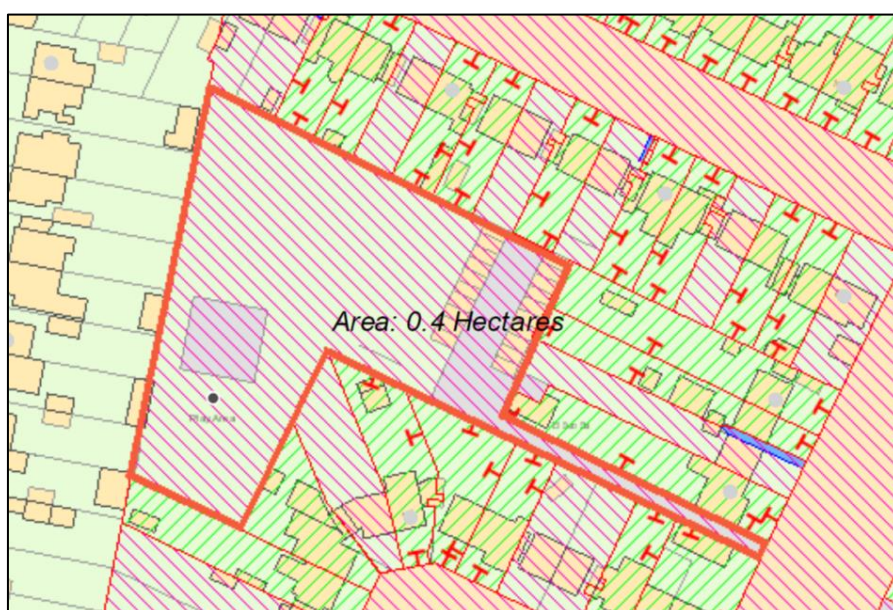
Cambridge City	1 Bed	2 Bed	3 Bed
	1,159	517	310

3.5.2 Located in areas of existing housing stock, the developments would bring some smaller units to the areas identified, supporting sustainable communities.

3.5.3 The anticipated overall net gain for the two sites is circa 15 Council rented homes. 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.

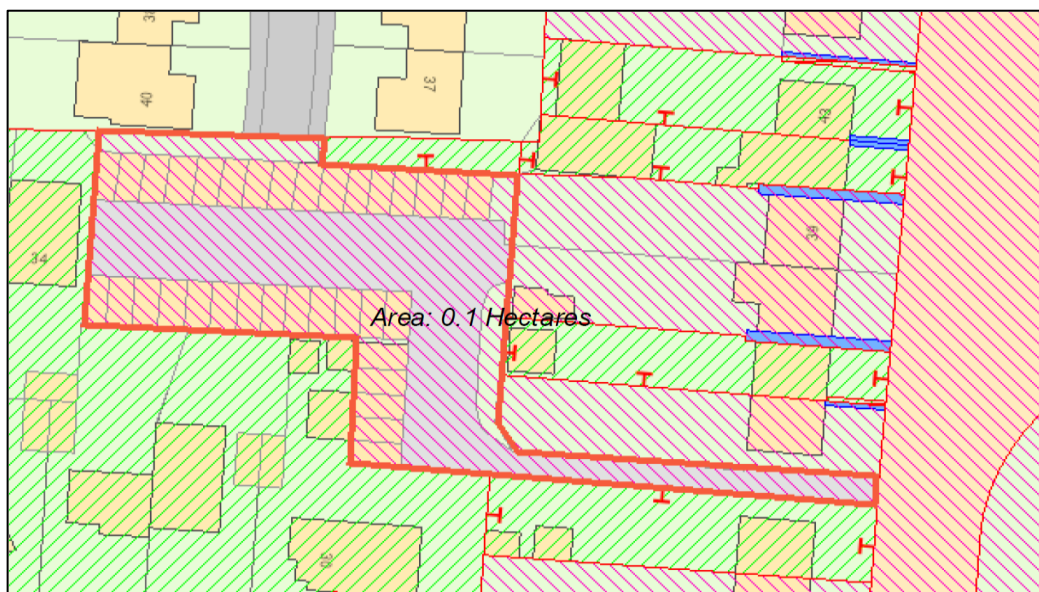
## 4 Site Details

4.1 Site A is at St Thomas's Road Garages and playground, Coleridge. A location plan of the site is attached as Appendix 1.



- The site is approx. 0.4 hectares in size
- Surrounding properties are residential
- Some Council owned properties to the North and East of the site
- Mature tree on site near to existing access point
- Site includes an area of play park which is protected open space
- Existing access is very narrow single-track drive

4.2 Site B is at Paget Road Garages, Trumpington. A location plan of the site is attached as Appendix 2.



- The site is approx. 0.1 hectares in size
- Surrounding properties are residential
- Some Council owned properties to the East of the site
- No substantial trees on site and general low ecological value

4.3 The following surveys and investigations are to be 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

4.4 There will be a need for further invasive ground and soil investigations as well as more detailed examination of the existing buildings for potential asbestos, 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.

#### 4.5 Garages and Play Park

4.5.1 It is recognised that redevelopment will be disruptive to garage tenants hence the long notice period given. The existing garage tenancies will terminate but the tenants will be assisted in applying for alternative tenancies.

4.5.2 Similarly, the playpark will be out of use whilst the site is re-developed. Redevelopment does present an opportunity to greatly improve the green spaces and reduce anti-social behaviour.

#### 4.6 Alternative site option: retain as existing

4.6.1 As part of the options analysis work undertaken in assessing the viability of delivering affordable housing on sites, the alternative option is to retain as existing.

4.6.2 There are 20 garage buildings at St Thomas's Road of which 18 are occupied. There are 34 existing garages at Paget Road of which 31 are occupied.

4.6.3 Whilst there is demand for the garages, the garage buildings at the Paget Road site have issues with ivy growth and water ingress that are anticipated to be costly to resolve. Fencing and gates at this location are also in need of repair.

4.6.4 The play park at the St Thomas's Road site has limited natural surveillance and suffers from incidents of anti-social behaviour in its current form.

4.6.5 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.

## **5 Design and Sustainability**

5.1 Following on from January HSC 2021 meeting, it was approved to pursue a mix of delivery strategies to deliver the new 10 year programme. This scheme will be delivered through a design and build contract via a tender process.

5.2 An Invitation to Tender was issued on the 2<sup>nd</sup> August, with interested parties invited to bid on a Design Services contract. The Net Zero Carbon Pilot Scheme is one of two lots within the same tender, the other Lot being Design Services at 6 other sites.

5.3 The 6 sites that make up the second Lot form a programme of smaller sites to be delivered to through design and build contracts as approved at the January 2021 Housing Scrutiny Committee. These additional 6 sites are completely anonymised within the tender and ward councillors will be briefed prior to any of the 6 sites being brought forward to a future meeting of the HSC.

5.4 The plan is for the new homes on St Thomas and Pagets Road to be built to a Net Zero Carbon standard. This development is the first Net Zero Carbon scheme for the Council and it is important as a pilot from which the council can learn for future schemes.

### **5.5 ERDF Funding**

5.5.1 Appendix 4 outlines, if the bid is successful, the type of ERDF support and funding that will be offered. It will include:

- Reviews in low carbon technologies, water conservation, biodiversity, Solar PVs, EV charging.
- Support for SMEs to enter the low carbon construction supply chain
- Embodied carbon analysis.
- Facilitating knowledge transfer of Net Zero Carbon Pilot across the Eastern Region.

- Facilitating best practice based on the learning of this pilot.

## 5.6 Design Challenges

5.6.1 Applying the targets on a site by site basis will mean challenges and constraints. Where there are financial, viability and or technical constraints in meeting Net Zero Carbon or other sustainability targets, design teams will be expected to justify why targets cannot be met and provide alternative sustainable design approaches.

5.6.2 The council is open to innovation and to alternative sustainable design approaches based on learning from council and other projects but should ensure that any sustainable design solution achieves the carbon emissions reduction, energy bills and annual maintenance costs to be the equivalent to Passivhaus standard.

5.7 The updated SHDG will require each new development to complete a matrix setting out the sustainability performance of the scheme against the key new targets providing clarity on how the targets will be met.

Development targets	
Sustainability Target	Net Zero Carbon
Units	15
PHPP kWh/m <sup>2</sup> This measures energy use for running the building including heating and hot waterPHPP kWh/m <sup>2</sup>	15
Water l/d	80
Biodiversity Net gain	20%
Car Parking ratios across schemes	<0.5
Are there technical constraints?	<b>Passivhaus Planning Package (PHPP):</b> This is a pilot scheme to deliver Net Zero Carbon houses and/or flats. These principles have been incorporated from the outset but will need to be tested by the appointed design team.
	<b>Water:</b> The target is 80lppd but the detailed design to deliver this has not yet been developed. The measures required and their impact on residents will be assessed as part of this pilot.
	<b>Biodiversity:</b> The opportunities for improvement are included and a 20% improvement is being targeted,
	<b>Car Parking:</b> The target is less than 0.5 subject to planning requirements-feedback has been for schemes with 3 bedroom homes this may need to increase.
Are there financial constraints	Estimated costs for the programme have included a cost allowance for Net Zero Carbon. The uplift from Passivhaus to Net Zero Carbon is dependent on ERDF funding.

<b>Recommended Sustainability Target</b>	Net Zero Carbon
<b>Additional measures included to meet Net Zero Carbon in the future</b>	None if Net Zero Carbon attained

## 6 Programme

6.1 The indicative programme for the development is as follows:

September 2021	Committee Report on possible redevelopment
November 2021	Pre-planning consultation
March 2022	Planning Submission
September 2022	Planning Approval
October 2022	Start on Site
March 2024	Practical Completion

## 7 Financial Implications

### 7.1 Budget / Funding

7.1.1 The total indicative capital budget is currently estimated at £3,947,000 based on estimated costs provided by Employers Agent. This includes decant, legal, and 106 costs, Clerk of Works and Employer's Agent fees and H.D.A project management allowance. This Budget includes delivery to Net Zero Carbon standards and is split between St Thomas's Rd Garages (£2,105,000) and Paget Rd Garages (£1,842,000). Part of the scheme budget totalling £265,0000 (£141,000 and £124,000 respectively) is subject to a successful bid to the ERDF to refund the cost of the uplift from Passivhaus to Net Zero.

7.1.2 It is proposed that the investment will be met from a combination of HRA resources, Homes England funding and funding from the ERDF.

If the funding applications are successful this will result in the following mix of funding:

Right to Buy receipts:	£0
Homes England Grant:	£1,500,000
ERDF Grant:	£265,000
HRA resources:	£2,182,000

**Total: £3,947,000**

7.1.3 The indicative capital budget is £3,947,000

## **8. Other Implications**

### **(a) Staffing Implications**

The development scheme will be managed by the Housing Development Agency.

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

A scheme specific EQIA accompanies this report as Appendix 4.

### **(c) Net Zero Carbon, Climate Change and Environmental Implications**

See section 5.

A Climate Change Rating assessment has been conducted and is attached as Appendix 5, indicating a Net Medium Positive impact from the development.

### **(d) Procurement Implications**

A Design and Build contract to 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 in this instance to be carried out at pre-application stage, in order to facilitate a high level of early design input.

This route is recommended as it allows the most appropriate contractor to be selected in order to meet the high levels of sustainability required. Utilising this route will encourage local smaller firms to tender for the design and contracting works.

The January 2021 Housing Scrutiny Committee approved the pursuit of a mix of delivery strategies to deliver the 10-year programme with a

programme of smaller schemes to be delivered through design and build contracts.

The intention is for these developments to be demonstrator schemes that will provide a body of learning to help the construction industry deliver zero-carbon housing in response to the climate emergency. As such, it is important that the opportunity to participate is open to all suitable applicants.

#### **(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.

## **9 Consultation and communication considerations**

- 9.1 There has been communication with garage tenants prior to this report being presented. The existing 54 garage tenants have been contacted and advised that due to potential redevelopment plans they may be required to relinquish their garage tenancies in approximately 12 months' time.
- 9.2 Once design work is further advanced and the viability of the two sites is established, there will be extensive communication with nearby residents. All adjacent tenants and property owners will be written to, with an offer to meet on an individual basis to explain what the Council is planning to do. These meetings will be offered at convenient or flexible times for the occupiers not tied to conventional working hours and follow current Government COVID guidelines.
- 9.3 There has been consultation with Ward Councillors about the proposals.
- 9.4 Consultation and communication with adjacent 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.
- 9.5 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.
- 9.6 There will be formal consultation through the planning process

## **10 Risks**

- 10.1 The following table sets out key risks associated with the project:

<b>Description of risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>
Design Risk – Constraints due to planning process and requirement to achieve Net Zero Carbon standard whilst creating a design that is efficient to build and maintain	Med - Regular meetings will take place with planning throughout the design process.  Extensive ongoing support from the ERDF to be provided in order to achieve the high levels of sustainability and affordability required.	Med- Constraints on plot orientation required to achieve Passivhaus may mean it is challenging to maximise the developable area.	Extensive design requirements established at the earliest stage with Design Team once appointed. Suitable build contractor procured at pre planning stage to ensure a high level of design input. ERDF team is well resourced and can supply cost efficient technology options to meet required sustainability standards.
Site issues: Indicative costs have been set out in the report; these areas are currently utilised as garage sites and further work including intrusive site investigations remains to be carried out.	Low- There is a limited risk of issues associated with the results of the upcoming surveys	Low –Issues identified can be dealt with whilst site design is finalised.	HDA have a survey tracker. and will ensure accuracy of site surveys.  Working around the existing garages will enable earlier site investigation and this will facilitate greater certainty on costs.
Managing Costs: Costs to be monitored scheme inception to Practical Completion.	Low- Increased build costs due to sustainability requirements have been costed for.  Cost control whilst in contract will be achieved via a fixed price Design and Build contract.	Med-. Potential for delays to start on site and contract negotiations leading to the increase in costs.  Design and Build contract minimises the risk of increased cost whilst in contract.	Collaboration and training will be essential. The Council will engage an Employers Agent (EA) to scrutinise cost throughout process. ERDF will provide additional sustainability support.  HDA and EA will closely administer Design and Build contract.
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- 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	Architect to be appointed early to work up detailed designs for submission. Services to include Planning Consultant services. Contractor to be appointed at pre-planning stage to capture their design input.
Compliance with ERDF Requirements required in order to receive grant	Med- There is a risk that requirements are unmet, this can be managed through close monitoring.	Med- Unable to claim ERDF grant for the project. Net Zero Carbon aspirations not achieved.	ERDF staff to sit on panel for selection of Design Services consultants and contractor(s). ERDF and CCC to meet fortnightly from project inception to completion to foresee any issues and ensure compliance.
Grant risk	Med – there is a risk that Homes England funding is not successful	Med – without grant funding this project may not be viable	Discussions with Homes England are continuing. Use of right to buy receipts can be considered but these are limited.
Tender - Initial tender exercise to procure design services, second tender exercise	Low- There is a low risk that the tender exercise does not result in contracts	Low- Low potential for delays to start on site, required sustainability standards not being	Design Team tender has been carefully worded to enable smaller local firms to tender, as well as larger firms. This

<b>Description of risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>
to procure build contractor.	being entered into with a design team and build contractor, or that the teams appointed do not deliver the results required.	met and ERDF funding bid unsuccessful.	has resulted in a high level of interest which should lead to a good range of bids. Bidders will be carefully scrutinised by the panel to assess their suitability.
Build market issues currently- Potential supply chain and labour issues	Low- There is a low risk that the reliable availability of some supply chain items, and employees to fill some roles on site will impact on costs and timescale.	Low-. Potential delays to progress on site due to the availability of labour. Potential increase in costs due to the need to substitute unavailable materials for alternatives.	Availability of labour needs to be managed by contractor but has not previously resulted in substantial delays to delivery. Design and Build contract is fixed price and increased labour and material costs are contractor costs.
Access-	Low- Current site access is narrow but is utilised by cars to access garages	Low- May restrict the use of very large construction vehicles but contractor will need to manage this as part of build.	Potential impact of construction traffic alongside adjacent properties will need to be managed. Potential for alternative access to Paget Road site if purchase of strip of land can be negotiated with landowner Greene King.
Negative local feedback - Adjacent Council tenants and private owners may object to redevelopment. Current garage owners are likely to object to having their licences terminated.	Med- There is a risk that site neighbours will be unhappy that development is happening in close proximity to them. Garage tenants may struggle to find convenient alternatives.	Low- Objections raised to be dealt with as part of the planning process.	Scheme design to take into account impact on surrounding properties with regards to right to light, access, overlooking, proximity of new homes. Regular communication to take place with neighbours before and during build, at their convenience.

## 9. Background papers

Key Facts- Strategic Housing No 33 April – June 2021

## 10. Appendices

- Appendix 1 – Location plan of St Thomas's Road Garages, Coleridge.
- Appendix 2 – Location plan of Paget Road Garages, Trumpington.
- Appendix 3 – ERDF support and funding
- Appendix 4 – Equality Impact Assessment
- Appendix 5 – Climate Change Rating Tool Assessment

## 11. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Ben Binns, Housing Development Agency, tel: 07947 157707, email: [ben.binns@cambridge.gov.uk](mailto:ben.binns@cambridge.gov.uk)

20210222 St Thomas Rd Garages

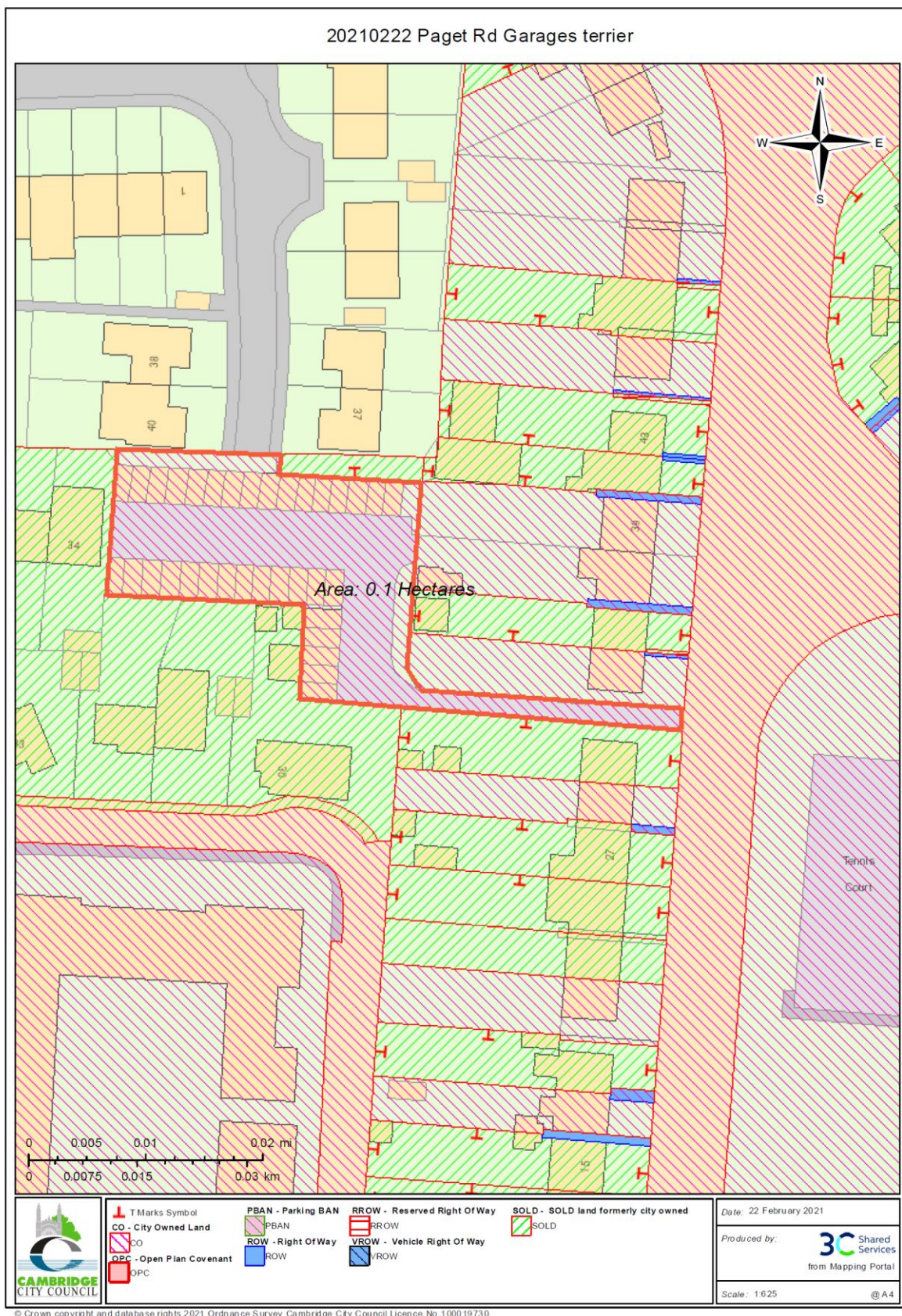
Area: 0.4 Hectares

0 0.01 0.02 0.04 mi  
0 0.015 0.03 0.06 km

T Marks Symbol	PBAN - Parking BAN	RROW - Reserved Right Of Way	SOLD - SOLD land formerly city owned
CO - City Owned Land	ROW - Right Of Way	VROW - Vehicle Right Of Way	SOLD
OPC - Open Plan Covenant	ROW	VROW	
OPC			

Date: 22 February 2021  
Produced by: 3C Shared Services from Mapping Portal  
Scale: 1:1,250 @ A4

## Appendix 2 – Location plan of Paget Road Garages, Trumpington.



This page is intentionally left blank

## WP5: Affordable Zero-Carbon Housing

## Collaboration between Cambridge City Council and Eastern New Energy to deliver affordable zero-carbon housing

**Scoping note:** Draft for discussion - 17<sup>th</sup> August 2021

---

### 1 Introduction

Eastern New Energy (ENE) is a collaborative research project. It is led by the University of East London.

The project seeks to identify, understand and overcome barriers to rapid decarbonisation at the regional, district, locality, community, organisation, household and individual levels.

The research process involves:

- 1) Identifying barriers to rapid decarbonisation.
- 2) Gathering stakeholders who share this problem together with with ENE Delivery Partners and other interested parties into **'Innovation Clusters'**.
- 3) These Innovation Clusters will analyse and attempt to remove these barriers through collaborative research.

### 2 The Affordable Zero-Carbon Housing Innovation Cluster

ENE Work Package 5.1 (New-build housing) focuses on delivering affordable zero-carbon housing.

The Work Package objective is to work with innovators, the construction industry supply chain and organisations with a need to build and provide affordable zero-carbon housing to design and develop several "Affordable Zero Carbon (AZC) demonstration projects" across the East of England Region.



### 3 The need for a different approach to this development

This collaboration to build an AZC housing demonstrator between CCC and ENE requires a different approach to the standard/norm.

Key differences include:

- 1) The need to incorporate AZC innovations into the designs for the housing and overall development.
- 2) The need for the main contractor to work with innovative products and services (some of which they will be unfamiliar) in the construction of the development.
- 3) The need to integrate the development timeline with the ERDF project timeline.

Key ERDF deadlines are:

- Confirming when ERDF eligible expenditure will happen (deadline: end of December 2021).
  - Spending ERDF eligible expenditure (deadline to be confirmed).
- 4) The need to ensure all project expenditure for which we want to claim ERDF grant for is procured in an ERDF compliant way.
  - 5) The need to respect CCC's standard housing development and procurement procedures, but also retain sufficient flexibility to incorporate AZC innovations into the planned design/delivery approach.
  - 6) The need to ensure that planned innovation activity does not compromise the project timetable.

### 4 Key risks to CCC and ENE achieving the objective of delivering an AZC demonstration project

Potential problem areas we anticipate could compromise a successful outcome include:

<b>Risk 1</b>	Architectural and M&E Services appointed by CCC that subsequently struggle to use ENE's AZC innovations in their project designs.
Impacts:	<ol style="list-style-type: none"> <li>1) Inability to incorporate AZC innovations will almost certainly mean the project will not reach its AZC housing criteria.</li> <li>2) ERDF grant funding will not be available if we cannot incorporate AZC innovations into the project.</li> </ol>
Mitigations: (potential)	<ol style="list-style-type: none"> <li>1) Incorporate ENE personnel into the panel selecting the Architectural and M&amp;E Services supplier(s) to reduce the risk of a poor fit between the selected supplier and the innovation elements of the project.</li> </ol>

	<p>2) At interview stage, question at length the supplier(s)' (a) interest in AZC; (b) willingness to collaborate with innovators to achieve AZC housing standards and performance.</p> <p>3) Secure supplier commitment to a collaborative co-design and co-creation process at interview stage.</p> <p>This will mean the Architectural/M&amp;E Consultants:</p> <p>a) Incorporating innovations emerging from and identified by ENE into designs.</p> <p>b) Liaising closely with the ENE project team from the start of the design process.</p>
<b>Risk 2</b>	Main Contractor appointed by CCC that subsequently struggles to deploy ENE's AZC innovations in the build phase.
Impacts:	<p>These are the same as Risk 1 (above):</p> <p>1) Inability to incorporate AZC innovations will almost certainly mean the project will not reach its AZC housing criteria.</p> <p>2) ERDF grant funding will not be available if we cannot incorporate AZC innovations into the project.</p>
Mitigations: (potential)	<p>These are the same as Risk 1 (above):</p> <p>1) Incorporate ENE personnel into the panel selecting the Main Contractor to reduce the risk of a poor fit between the selected supplier and the innovation elements of the project.</p> <p>2) At interview stage, question at length the Main Contractor's (a) interest in AZC; (b) willingness to collaborate with innovators to achieve AZC housing standards and performance.</p> <p>3) Secure Main Contractor commitment to working with suppliers of innovative technologies at interview stage.</p>
<b>Risk 3</b>	Non-alignment of CCC procurement and delivery processes with ENE/ERDF innovation selection and procurement process (where ENE pre-selected innovations cannot be dovetailed with CCC pre-selected designers/contractors).
Impacts:	<p>1) Development is unlikely to achieve AZC Housing standards and performance.</p> <p>2) Development will not secure ENE grant funding.</p>
Mitigations: (potential)	ENE/CCC work through how these processes will work together in practice at the earliest possible opportunity.
<b>Risk 4</b>	Costs for the development are not spent in time to claim the ERDF grant.

Impacts:	We cannot claim ERDF grant for this project.
Mitigations: (potential)	We structure the project so that funds that we can claim grant on are spent as early as possible.
<b>Risk 5</b>	Procurement is not compliant with ERDF rules.
Impacts:	We cannot claim ERDF grant for this project.
Mitigations: (potential)	1) Plan as soon as possible how we intend to procure the AZC Housing Innovations for the project. 2) Run this plan past MHCLG to secure their approval for the plan.
<b>Risk 6</b>	University of East London internal risk management and compliance for ENE requires that we spend the grant money as soon as possible. If not, the grant money available for housing projects will be withdrawn and re-purposed.
Impacts:	ERDF grant for innovative AZC Housing projects is no longer available .
Mitigations: (potential)	As soon as possible: Timetable and budget this project so the University of East London are clear when the budget will be spent and when the grant will be claimed.

## 5 Further issues for discussion

### 5.1 Collaboration process

CCC and ENE will in effect need to become a single project team (weekly/bi-weekly meetings as the project spins up, shared document folders – what else?)

Question: How will this work? Perhaps we can agree some terms of engagement?

### 5.2 Selection of AZC innovations

ENE will surface innovative materials, products, processes and services that can decarbonise the construction and operation of housing through:

- 1) An innovation competition to surface consortiums capable of delivering AZC Housing as a package.
- 2) An innovation competition to surface materials, products, processes and services that can contribute to AZC Housing designs.
- 3) Research collaborations between ENE partner universities and innovator teams.

- 4) Market scanning and engagement with the construction industry supply chain (making use of prior knowledge, no reinventing the wheel).

All these innovations will be independently analysed by the University of East London's Architecture/Building Design Department, Sustainability Research Institute, energy modelling engineers and other personnel working on the ENE project.

### **5.3 Intellectual property**

Many innovators will have working technology, but will not have patented or otherwise protected their work. To encourage collaboration, we propose all participants in the development (including CCC, Calford Seadens, the Architectural consultants, M&E services consultants and any other service provider involved) sign a Research Collaboration Agreement. This is a standard agreement produced by Innovate UK for use when working with a consortia of organisations.

ENE, and all its delivery partners, is already governed by an umbrella Research Consortium Agreement, because the project is designated as a Research Collaboration Agreement by MHCLG.

### **5.4 Case studies and dissemination of learning**

As a research project we will need to gather information for an end-of-project case study. We will need to be able to interview all key participants, including representatives from CCC, Calford Seadens and the appointed Architectural and M&E Consultants, the Main Contractor and other services providers brought into the project.

### **5.5 Other**

- 1) Opportunity for all organisations and companies involved to benefit from the collective resource available in this project. We are particularly keen to ensure local SMEs across the built environment supply chain (existing and new) benefit from learning and/or participation in this process.
- 2) MHCLG/ERDF scrutiny requires the safeguarding of all organisations involved through regular checks and reviews.
- 3) This project will yield significant UK wide profile for all involved and opportunity to be part of a mass market national decarbonisation solution.

This page is intentionally left blank

## Appendix 4

### Cambridge City Council Equality Impact Assessment (EqIA)

This tool helps the Council ensure that we fulfil legal obligations of the [Public Sector Equality Duty](#) to have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Guidance on how to complete this tool can be found on the Cambridge City Council intranet. For specific questions on the tool email Helen Crowther, Equality and Anti-Poverty Officer at [equalities@cambridge.gov.uk](mailto:equalities@cambridge.gov.uk) or phone 01223 457046.

Once you have drafted the EqIA please send this to [equalities@cambridge.gov.uk](mailto:equalities@cambridge.gov.uk) for checking. For advice on consulting on equality impacts, please contact Graham Saint, Strategy Officer, ([graham.saint@cambridge.gov.uk](mailto:graham.saint@cambridge.gov.uk) or 01223 457044).

<b>1. Title of strategy, policy, plan, project, contract or major change to your service</b>
Proposed development of 15 Council rented homes to Net Zero carbon standard.

<b>2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)</b>
<a href="https://www.cambridge.gov.uk/housing-development">https://www.cambridge.gov.uk/housing-development</a>
<a href="https://www.cambridge.gov.uk/affordable-housing-programme">https://www.cambridge.gov.uk/affordable-housing-programme</a>

<b>3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?</b>
Proposed delivery of 15 new council homes across two garage sites (St Thomas Road and Paget Road). This scheme is proposed as a pilot scheme to develop experiential learning for the council in delivery of homes at Net Zero carbon standard. The sites identified comprise parking garage use as well as an existing playground which is largely underutilised and offers opportunity for regeneration and better utilisation of space.

The aims of the Council in providing new housing directly itself are as follows;

1. Provide additional social housing to help meet the shortfall in Cambridge and to replace the loss of social housing through the Right to Buy.
2. To build new house types which will better meet the overall mix of social housing needed in the future.
3. To improve the energy efficiency of the Council's housing stock, reducing the cost of utility bills for residents and improving the environmental sustainability of the housing.

New housing is planned to ensure that it fits with the local community and adds to the range of housing available locally, including any specialist housing.

#### 4. Responsible service

Cambridge City Council Housing Development Agency (HDA)

#### 5. Who will be affected by this strategy, policy, plan, project, contract or major change to your service?

(Please tick all that apply)

- ☒ Residents
- ☐ Visitors
- ☒ Staff

Please state any specific client group or groups (e.g. City Council tenants, tourists, people who work in the city but do not live here):

The plan to develop new council housing in the city impacts on:

- Housing applicants registered on Home-Link (the Council's choice-based lettings system) i.e. households who need to find somewhere to live
- Transfer applicants registered on Home-Link whose circumstances have changed and who may need to find somewhere alternative to live (a single person under-occupying a three bedroom family house for example).
- Users of the existing playground and open space, though this affect will be temporary, lasting until the amenity space is reprovisioned.
- Garage tenants who will be required to use alternative storage facilities

Home-link prioritises applicants based on needs criteria. The priority bandings also take into account housing needs related to related to abuse, medical circumstances and disability, pregnancy and maternity.

The 1996 Housing Act as amended by the 2017 Homelessness Reduction Act determines the categories of homeless applicants which the council owes a 'main' statutory housing duty to. The council must make suitable accommodation available to applicants it owes a 'main' housing duty to. These categories include 16/17 year olds, young people leaving care, older people, those with physical or learning disabilities, mental health issues, victims of domestic abuse.

In relation to the Equalities impact, many of those on the housing register (particularly those on the highest banding for need) will have a level of vulnerability. Although not all vulnerabilities are

captured under the Equality Act 2010, many will be such as disability including mental health, age, pregnancy and maternity. For those residents who are existing tenants or leaseholders, many of them will also have a protected characteristic as it will be the reason they are able to access social housing. This will be considered in more detail under the following sections which look at each of protected characteristics.

By adding to the general housing stock within the City, housing opportunities are also increased for staff seeking to relocate.

**6. What type of strategy, policy, plan, project, contract or major change to your service is this?**

- ☐ New  
☐ Major change  
☒ Minor change

**7. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service? (Please tick)**

- ☒ Yes  
☐ No

If 'Yes' please provide details below:

- Housing Management- managing the new homes
- Estates & Facilities- maintaining the new homes
- Property Services- advice on land issues, valuations, disturbance costs, commercial leases etc in connection with new developments
- Housing strategy – informing the need for tenure mix and specialist or adapted housing
- Finance Team- to provide funding for every aspect of developing the new homes from initial surveys to construction, all in line with projected cash flow
- Streets and Open Spaces- advice and input on the design of new open spaces and equipment provided as part of the new homes, subsequent maintenance of same
- Safer communities – providing advice on the design of the new schemes and homes from a community safety and designing out crime perspective
- Health & safety – commentary on the design of new schemes and homes from a personal safety, fire safety and usability perspective
- 3Cs Legal Services- dealing with land title and transfer to facilitate putting together the sites on which to build the new homes, subsequent issue of leases
- CCC parking services – collaboration in re-provision of parking facilities where affected by the development of new homes
- Cambridge Investment Partnership (CIP) - a joint venture partnership between CCC and Hill Homes to assist in the delivery of the Councils Affordable home goals.

**8. Has the report on your strategy, policy, plan, project, contract or major change to your service gone to Committee? If so, which one?**

The report on the proposed development of these two sites as a net zero carbon pilot scheme is to be presented to the Housing Scrutiny Committee meeting of 23 September, Item 8.

**9. What research methods/ evidence have you used in order to identify equality impacts of your strategy, policy, plan, project, contract or major change to your service?**

The HD A has undertaken a detailed process toward identifying sustainability targets across the new housing programme as approved by the HSC in September 2020. Among the outputs of [the](#) investigation is the objective to move toward net zero housing delivery by 2030.

Officers from Housing Service and Housing strategy have additionally been consulted to identify a target unit delivery mix for the overall housing programme which best serves forecast demand across the city. Individual consultation with Housing is further conducted on a scheme by scheme basis and up to data is included by the HDA for scheme reports to the Strategy and Resources or Housing Scrutiny Committees. The data records the numbers of those on CCC waiting list as provided quarterly by Housing strategy. Further information on housing need and strategy can be found as follows: [www.cambridge.gov.uk/housing-research](http://www.cambridge.gov.uk/housing-research)

Officers from Open Space and Asset management have been consulted on the current use of the identified sites, to ensure suitability of regeneration activities in these localities.

The 2011 Census provides information on the demographics of the Cambridge City population to assist strategic planning by CCC.

Census Data has been supplemented by a 2020 HDA Needs Analysis report compiled by CCC staff which accompanies and informs the New Development Programme planning.

[Albert Kennedy institute \(2014\), LGBT Youth Homelessness: A UK scoping of cause, prevalence, response, and outcome](#)

[Runnymede Trust \(2020\), The Colour of Money](#)

[Social Metrics Commission \(2020\), Measuring Poverty](#)

[Stonewall \(2016\), Building Safe Choices: LGBT housing futures](#)

[Stonewall \(2018\), LGBT in Britain: Trans Report](#)

## 10. Potential impacts

For each category below, please explain if the strategy, policy, plan, project, contract or major change to your service could have a positive/ negative impact or no impact. Where an impact has been identified, please explain what it is. Consider impacts on service users, visitors and staff members separately.

### **(a) Age - Please also consider any safeguarding issues for children and adults at risk**

#### **Housing Register and Homelessness**

The 1996 Housing Act as amended by the 2017 Homelessness Reduction Act determines the categories of people that are considered as priority need for social housing including because of their age, including older people, those with children, people aged 16 or 17, and care leavers aged 18 to 20. Further provision of social housing in Cambridge will have a positive impact for these groups.

#### **Older People**

The units to be delivered in this scheme proposal are made up of general needs accommodation and 5% adapted homes suitable for wheelchair users. All general needs housing is adaptable m(4)2 standard.

The provision of new homes which are accessible for household members who are wheelchair users will mean these homes will be suitable for older people with reduced mobility as long as their needs require this type of home.

The provision of housing for older people in the city is generally good, and housing for older people is not generally in short supply. An older applicant on the housing needs register can apply both for specialist housing, which excludes other types of applicant, and for general needs housing as not all older people want to live in specialist housing.

The Council has recently completed over-55 schemes in Colville Road and at Anstey Way that in part replaced small one bedroom one person bungalows with modern day one and two bedroom flats that meet current day aspirations in terms of space; accessibility; warmth and energy efficiency.

The loss of garage facilities is unlikely to have any specific impact on older people, as the location of these garage blocks does not currently suit direct use by persons with limited mobility.

The loss of the garages for use for general storage may have an impact but this must be balanced against the positive impact on the families and children who will be occupying the new homes.

#### **Younger people**

The homes on these proposed schemes will be a mix of 1, 2, 3 and 4 bedroom homes. Exact unit mix remains to be determined but will be in line with the agreed mix-target of the new programme, favouring 1 and 2 bedroom homes. Young people with a need for this type of accommodation will be eligible to bid for these homes

In our Housing Strategy consultation in 2015 the most common concerns raised amongst younger people were in relation affordability and condition of the private rented sector, homelessness issues and the need to support vulnerable people. The provision of more affordable housing will enable the Council to house more people who are in need of housing. This will also aid to alleviating the pressure on the private rented sector.

Cambridge has a relatively young population compared to the rest of Cambridgeshire and many other parts of the country. Around 35% of the population is aged 20-34.

Younger people are finding it increasingly difficult to get on the housing ladder, having to remain longer with parents or in expensive private rented accommodation. For example, England as a whole has seen a significant increase in the proportion of younger households in the private rented sector over the last ten years. In 2004/05, 24% of those aged 25-34 lived in the private rented sector; by 2014-15 this had increased to 46%. (English Housing Survey 2014-15)

Affordability issues are particularly acute in Cambridge, with the price of even the cheapest 25% (the lowest quartile) of homes now standing at over £350k – more than nineteen times lower quartile lower earnings. Private rents are also significantly higher than most other parts of the country, with the average rent for just a one bedroom currently around £800 a month.

Increasing the supply of general needs Council housing through this programme will:

- Increase the supply of genuinely affordable homes in the city of Cambridge, enabling the council to provide a competitive accommodation option for younger people on low incomes;
- Ensure that the Council can provide accommodation to young people in acute housing need caused by homelessness or economic deprivation.

The loss of the garages for use for storage may have a general impact but this must be balanced against the positive impact on the families and children who will be occupying the new homes.

The existing playground will be lost as a result of the redevelopment of the site. This can be considered a low impact given the current unfavourable siting of the playground, with minimal overlooking and high incidence of antisocial behaviour. This is also identified as a temporary loss re provision of an improved playground is identified as part of the redevelopment.

### **Fuel Poverty**

The Council is committed to providing high quality homes which greatly supersede the energy efficiency of current housing stock. This pilot scheme proposed a first delivery into council stock of net zero carbon homes, which will provide low running costs and greater alleviation to residents affected by fuel poverty

### **(b) Disability**

The units to be delivered in this scheme proposal are made up of general needs accommodation and 5% adapted homes suitable for wheelchair users. All general needs housing is adaptable m(4)2 standard.

The HD A will remain actively engaged with Adaptations Officers, the Housing Advice Coordinator and other relevant partners to ensure that the new schemes deliver housing that is suitable adapted or adaptable.

Demarcated disabled parking will be provided at an appropriate location to serve tenants, in line with planning guidance.

There is no information currently available on garage users with disabilities.

The loss of garages is unlikely to have an impact on residents with disabilities as the small garages and their 'up and over' doors are unlikely to be convenient to use for those with disabilities. The location of these garage blocks does not currently suit direct use by persons with limited mobility.

The loss of the garages for use for general storage may have an impact but this must be balanced against the positive impact on the families and children who will be occupying the new homes.

Almost one in five people in the UK have a disability, with mobility being the most common impairment. At the same time there is a nationally recognised shortage of housing for people with disabilities. For example: around 2% of the UK population are wheelchair users, yet 84% of homes in England do not allow someone using a wheelchair to enter their home through their front door without difficulty. Around 15% of households containing at least one wheelchair user feel that their current home is not suitable for their needs, and so requires adaptations.

Around 22% of individuals living in social housing in Cambridge have a long-term health problem or disability.

Disabled people tend to have lower incomes, and are twice as likely as non-disabled people to be social housing tenants.

Around 16% of the national population has a common mental health disorder, and professionals nationally and locally are reporting an increase in the number of service users with mental health issues. For example: increasing numbers of rough sleepers with mental health problems, many of whom also have alcohol and substance misuse issues; and an increase in numbers of older people with dementia.

We will make information in the proposals available to residents in other accessible formats where it's needed.

### **Fuel Poverty**

The Council is committed to providing high quality homes which greatly supersede the energy efficiency of current housing stock. This pilot scheme proposed a first delivery into council stock of net zero carbon homes, which will provide low running costs and greater alleviation to residents affected by fuel poverty

### **(c) Gender reassignment**

Increasing the supply of affordable housing in Cambridge is expected to have a positive impact on those members of the community with the protected characteristic of gender reassignment.

According to research undertaken by LGBT+ charity Stonewall for their 2018 publication [LGBT in Britain - Trans Report](#), trans people commonly face a range of barriers to housing. One in four trans people have experienced homelessness at some point in their lives, with a similar proportion having also faced discrimination when searching for housing in the preceding year. One in five non-binary people has also faced discrimination when looking for a new home.

By providing more general needs housing, the Council is in a stronger position to ensure that any residents, trans, non-binary or otherwise, who are facing homelessness will be able to find affordable accommodation through the Council. Similarly, applicants who are facing abuse in their current home environment will be able to apply for a wider range of housing options for the council. As with other equality groups, an increase of the Council housing supply will provide more Cambridge residents with the option of applying to the Council rather than relying on inconsistent practices within the private sector.

### **(d) Marriage and civil partnership**

We have not identified any equalities issues specific to this protected characteristic in relation to need in the affordable housing development programme

### **(e) Pregnancy and maternity**

A unit mix has not yet been detailed but will be within the overall mix agreed for the new housing programme which includes larger family of homes 2 or more bedrooms. These will be available to bid on by women who are pregnant or who have recently had children meaning they need to move to larger accommodation.

The loss of garages is unlikely to have an impact on women who are pregnant or have recently had children as the small garages and their 'up and over' doors are unlikely to be convenient to use when pregnant or with a young child.

The loss of the garages for use for storage may have a general impact but this must be balanced against the positive impact on the families and children who will be occupying the new homes.

National policy dictates that certain groups of people are considered as priority need for social housing because they are more likely to be vulnerable, including women who are pregnant. Extra support from Council officers will be offered to those that are affected by the redevelopment. Further provision of social housing in Cambridge will have a positive impact for these groups.

As with other protected characteristics, an increase of the Council housing supply will provide more Cambridge residents with the option of applying to the Council rather than relying on high rents in the private sector, which impact families with young children particularly severely.

The existing playground will be lost as a result of the redevelopment of the site. This can be considered a low impact given the current unfavourable siting of the playground, with minimal overlooking and high incidence of antisocial behaviour. This is also identified as a temporary loss re-provision of an improved playground is identified as part of the redevelopment.

**(f) Race – Note that the protected characteristic ‘race’ refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.**

Increasing the supply of affordable housing in Cambridge is expected to have a positive impact on those members of the community who are from Black, Asian and Minority Ethnic (BAME) backgrounds.

According to the annual [Measuring Poverty report](#) published by the Social Metrics Commission, 46% households in the UK where the head of the household is BAME are classified as living in poverty, compared with 19% where the head of the household is white. People in BAME families are also between 2-3 times more likely to be living in persistent poverty than white families. According to [The Colour of Money \(2020\)](#) for Indians the rate of poverty is 22%, for Mixed its 28%; Chinese 29%; Bangladeshi 45% and Pakistani 46%. This is due to lower wages, higher unemployment, higher rates of part-time working, higher housing costs, and slightly larger household size. It follows that BAME households are likely to have a greater need overall for a range of affordable housing options in the site though the need varies by ethnic group. In Cambridge, anecdotally according to voluntary and community sector groups, Bangladeshi people are especially likely to experience poverty.

Increasing the supply of general needs housing in Cambridge should therefore have a proportionate impact on housing options for BAME families in the city. As with other protected characteristics, an increase of the Council housing supply will provide more Cambridge residents with the option of applying to the Council rather than relying solely on high rents in the private sector.

We will make information available to residents in other languages where it's needed.

**(g) Religion or belief**

We have not identified any equalities issues specific to this protected characteristic in relation to the affordable housing development programme. Designs and specifications can however be enhanced to accommodate cultural preferences if instructed to do so by the relevant Housing Authority (for example facilitating spray taps adjacent WCs).

#### **(h) Sex**

No specific issues have been identified in relation to sex, although it is worth noting that most of those fleeing domestic abuse for whom we have a statutory responsibility will be women. This accounted for 3% of lettings last year. In domestic abuse cases the location where people are housed can be an important factor, for example away from the perpetrator or near to a family support network.

#### **(i) Sexual orientation**

Increasing the supply of affordable housing in Cambridge is expected to have a positive impact on LGBT+ members of the community.

LGBT people face unique pressures within the housing system at present. [The latest research](#) from the Albert Kennedy institute (2014) indicates that within the youth homeless population, LGBT people are greatly over-represented. Young LGBT people who are homeless are likely to have a reduced support network as a high proportion (62-69%) have become homeless due to parental rejection or family abuse.

Comparable conditions prevail among older LGBT people according to [research undertaken](#) by Stonewall Housing, with many older persons having a history of homelessness and a smaller family support network than non-LGBT older people. Older LGBT people are also more likely to live alone.

Overall there is a similar trend among the LGBT population where the limited options of Cambridge residents more generally are likely to be further reduced or placed under greater pressure by sexual orientation.

As with other protected characteristics, an increase of the Council housing supply will provide more Cambridge residents with the option of applying to the Council rather than relying on high rents in the private sector, which is likely to have a higher impact on LGBT people.

**(j) Other factors that may lead to inequality – in particular, please consider the impact of any changes on low income groups or those experiencing the impacts of poverty**

**Homelessness – positive impact**

The 1996 Housing Act as amended by the 2017 Homelessness Reduction Act provides that the council has a duty to agree reasonable steps to try and prevent or relieve the homelessness of the those that are threatened with homelessness or homeless. A reasonable step under the Act could include advice and assistance with applying for social housing.

The development of new family sized homes on these schemes will allow homeless families currently living in temporary accommodation to have the opportunity to bid on the homes and secure a move to permanent accommodation.

**Low-income groups or those experiencing the impacts of poverty– positive impact**

Households living on low incomes come under greater housing pressure than those on higher incomes due to a range of factors. This has been discussed at length elsewhere in the document, but the primary driver behind the affordable housing programme remains the strictly limited housing options to which Cambridge residents on low incomes have access. Cambridge remains one of the most expensive places in the UK to live and an increase in the Council housing supply will provide more options for residents who choose to live in the city and will ensure that it is easier to build a mixed and balanced community within the city,

As can be seen elsewhere in this EQIA, the inequality in the housing market affects some groups more than others, but in all circumstances an increase in general needs Council housing will improve housing options across the board.

**Groups who have more than one protected characteristic that taken together create overlapping and interdependent systems of discrimination or disadvantage – positive impact**

Home-link prioritises applicants based on a variety needs criteria as set out in the council lettings policy and inclusive of consideration of protected characteristics. Priority banding within which prospective tenants will be informed by the full number of protected characteristics of the bidder, prioritising successful housing of the most at-risk groups. While the lettings policy does not specifically note prioritisation of need based on more than one protected characteristic, it does make allowance for the movement of applicants with multiple needs into higher priority banding for housing.

**Fuel Poverty**

The Council is committed to providing high quality homes which greatly supersede the energy efficiency of current housing stock. This pilot scheme proposed a first delivery into council stock of net zero carbon homes, which will provide low running costs and greater alleviation to residents affected by fuel poverty

**11. Action plan – New equality impacts will be identified in different stages throughout the planning and implementation stages of changes to your strategy, policy, plan, project, contract or major change to your service. How will you monitor these going forward? Also, how will you ensure that any potential negative impacts of the changes will be mitigated? (Please include dates where possible for when you will update this EqlA accordingly.)**

A Housing Advice Coordinator, Adaptations Officer and other relevant partners will be consulted through design and building process to ensure the needs of those applicants in need on the housing register, in particular applicants that have disabilities, are considered.

**12. Do you have any additional comments?**

None

**13. Sign off**

Name and job title of lead officer for this equality impact assessment: Jaques van der Vyver, Development Officer

Names and job titles of other assessment team members and people consulted: Helen Crowther

Date of EqlA sign off: Click here to enter text.

Date of next review of the equalities impact assessment: : EqlAs are carried out for individual development schemes as such schemes progress toward approval

Date to be published on Cambridge City Council website: Click here to enter text.

**All EqlAs need to be sent to Helen Crowther, Equality and Anti-Poverty Officer. Ctrl + click on the button below to send this (you will need to attach the form to the email):**

**Send form**

1. IMPACT ON CARBON EMISSIONS (MITIGATION OF CLIMATE CHANGE)									
HOW WILL THIS PROJECT/PROPOSAL AFFECT THE FOLLOWING KEY AREAS:		WHAT IS THE IMPACT CONSIDERED TO BE? <i>See guidance in the purple box, below, to help you assess the degree of the negative and positive impacts e.g. High, Medium or Low</i>		CLIMATE CHANGE RATING: <i>Use drop down list</i>	WILL THE PROJECT MOVE CAMBRIDGE CITY COUNCIL CLOSER TO THE OBJECTIVE OF A BEING NET ZERO CARBON BY 2030? <i>Use drop down list</i>	WILL THE PROJECT MOVE THE CITY CLOSER TO THE OBJECTIVE OF A NET ZERO CARBON CAMBRIDGE BY 2030? <i>Use drop down list</i>	PLEASE DETAIL HERE THE ACTION THAT WILL BE TAKEN TO AVOID, MITIGATE OR COMPENSATE FOR THE NEGATIVE IMPACTS AND MAXIMISE POSITIVE IMPACTS?	HAS A NET ZERO CARBON OPTION BEEN CONSIDERED? PLEASE PROVIDE DETAILS.	
1	ENERGY USE	Positive Impact:	Energy use will be reduced or renewable energy will be used	High Positive	No	Yes	Consider: - Reducing demand for energy - Specifying energy efficiency measures (e.g. insulation, low energy lighting) - Generating renewable energy (e.g. heat pumps, solar photovoltaic panels)	This development is being undertaken as to deliver housing to net zero standard, as Net Zero is defined to be net zero of regulated energy and carbon.	This development scheme is a net zero option
		Nil Impact:	No extra energy use is involved						
		Negative Impact:	More energy (gas and/ or electricity) will be consumed (by CCC or others)						
2	WASTE GENERATION	Positive Impact:	Less waste will be generated OR amount of waste that is reused/ recycled will be increased	Low Negative	No	Yes	Consider: - Will resources be reduced or reused? - Will you use recycled goods? - Will recycling facilities be increased?	Construction waste subject to heavily regulated restrictions, however demolition will generate waste which will not be fully recoverable for reuse. As these are garage sites identified for regeneration, there is minimal requirement for demolition.  Control and oversight of materials use will be under strict oversight.  Ongoing waste generation would generally be a low negative as while it is additional housing, the council rental targets tenants already living in or with ties to the city, and developments will be kitted out fully to promote waste recycling/reduction measures	This development scheme is a net zero option
		Nil Impact:	No waste will be generated						
		Negative Impact:	More waste will be generated (by CCC or others)						
3	USE OF TRANSPORT	Positive Impact:	The use of transport and/or of fossil fuel-based transport will be reduced	Low Negative	No	Yes	Consider: - Will you purchase an electric vehicle? - Will you specify the use of public transport - How will you reduce the need to travel or transport goods	New housing delivery and subsequent car parking allocations to be in line with the councils ambitions of 0.5 spaces or less per home.  Bike storage facilities are provided as standard on new build schemes.  EV Vehicle Charging point are outlined to be strategically delivered together with new build properties.	This development scheme is a net zero option
		Nil Impact:	No extra transport will be necessary						
		Negative Impact:	CCC or others will need to travel more OR transport goods more often/ further						
4	SUSTAINABLE FOOD	Positive Impact:	Food will be locally grown and/ or meat-free	Nil	No	No	Consider: - Use of locally grown/ produced food - Reducing use of imported food - Reducing use of meat	Not Applicable	
		Nil Impact:	No change in supply of food						
		Negative Impact:	Food will travel long distances and include meat						
2. IMPACT ON RESILIENCE (ADAPTATION) TO THE EFFECTS OF CLIMATE CHANGE									
HOW WILL THIS PROJECT/PROPOSAL AFFECT THE FOLLOWING KEY AREAS :		WHAT IS THE IMPACT CONSIDERED TO BE? <i>See guidance in the purple box, below, to help you assess the degree of the negative and positive impacts e.g. High, Medium or Low</i>		CLIMATE CHANGE RATING: <i>Use drop down list</i>	WILL THE PROJECT HELP CAMBRIDGE CITY COUNCIL BE MORE RESILIENT TO THE IMPACTS OF CLIMATE CHANGE? <i>Use drop down list</i>	WILL THE PROJECT HELP THE CITY BE MORE RESILIENT TO THE IMPACTS OF CLIMATE CHANGE? <i>Use drop down list</i>	PLEASE DETAIL HERE THE ACTION THAT WILL BE TAKEN TO AVOID, MITIGATE OR COMPENSATE FOR THE NEGATIVE IMPACTS AND MAXIMISE POSITIVE IMPACTS?	HAS A NET ZERO CARBON OPTION BEEN CONSIDERED? PLEASE PROVIDE DETAILS.	
5	HEATWAVES	Positive Impact:	Increased/ improved shade & natural ventilation	High Positive	No	Yes	Consider: Building orientation and installing measures such as Brise Soleil to reduce heat gain and plant hydration methods.	All developmental and design work is conducted in line with the updated Sustainable Housing Design Guide, and the proposed development takes into account a review of predicted temperature increases. As a purpose built development to net zero standard, orientation, shading, and sunlight exposure are all take into account	This development scheme is a net zero option
		Nil Impact:	No impact on existing levels of shade & ventilation						
		Negative Impact:	Lack of or reduced shade (e.g. from trees or buildings) & natural ventilation						
6	WATER AVAILABILITY	Positive Impact:	Provision made for an enhancement of water efficiency measures to minimise the impact on water resource availability	High Positive	No	Yes	Consider: Managing water use efficiently, installing measures to use less water such as low water use taps, planting drought resistant plants and using rainwater for irrigation.	All developmental and design work is conducted in line with the updated Sustainable Housing Design Guide. A maximal water use target of 60lpp/day has been set for the new units, and the development makes use of low water fittings, rainwater catchment and further water efficiency measure installation as deemed appropriate	This development scheme is a net zero option
		Nil Impact:	Levels of water use will not be changed						
		Negative Impact:	Water use will increase and/or no provision made for water management = Negative Impact						
7	FLOODING	Positive Impact:	Sustainable drainage measures incorporated, positive steps to reduce & manage flood risk	High Positive	No	Yes	Consider: The installation of measures to reduce the speed and increase the absorption of rainwater e.g. green roofs, SuDS, permeable paving etc. and alternative arrangements (business continuity)	Planning regulations require design toward planning for 1:100 yr flooding. Water runoff/stormwater management will be designed according to the SHDG and Planning requirements. Redevelopment will allow for replacement of existing covering structures with high permeability alternatives	This development scheme is a net zero option
		Nil Impact:	Levels of surface water run-off & flood risk are not affected						
		Negative Impact:	Levels of surface water run-off will increase, no management of flood risk						
8	HIGH WINDS / STORMS	Positive Impact:	Exposure to higher wind speeds is being actively managed & reduced	Nil			Consider: the need to install stabilisation measures and ensure robust structures resilient to high winds	Not applicable. Redevelopment of buildings will however have an inherent reducing effect on wind speeds crossing the site	This development scheme is a net zero option
		Nil Impact:	No change to existing level of exposure to higher wind speeds						
		Negative Impact:	Exposure to higher wind speeds is increased or is not managed = Negative Impact						
9	FOOD SECURITY	Positive Impact:	Opportunities & resources for local food production are increased/ enhanced	Nil	No	Yes	Source food locally, and provide meat-free catering to reduce vulnerability to food shortages and reduce emissions from transport and farming of food	Not applicable	
		Nil Impact:	No change to opportunities & resources for local food production						
		Negative Impact:	Opportunities & resources for local food production are reduced						
10	BIODIVERSITY	Positive Impact:	Biodiversity will be protected/ enhanced	Medium Positive	Yes	Yes	Provide net gain mitigation if required and seek enhancement in projects of all types and scale	In line with the SHDG and targeted net zero standard of the proposed development, a target 20% increase to level of on site biodiversity is proposed	
		Nil Impact:	Level of biodiversity will not change						
		Negative Impact:	Biodiversity will not decrease						

**Weighing up the negative and positive impacts of your project, what is the overall rating you are assigning to your project?:**

Net Medium Positive

*This overall rating is what you need to include in your report/ budget proposal, together with your explanation to be included in the red box below*

Guidance on Assessing the Degree of Negative and Positive Impacts:	
<i>Note: Not all of the considerations/ criteria listed below will necessarily be relevant to your project</i>	
Low Impact (L)	* No publicity
	* Relevant risks to the Council or community are Low or none
	* No impact on service or corporate performance
	* No capital assets; or capital assets with lifetime of less than 3 years
Medium Impact (M)	* Local publicity (good or bad)
	* Relevant risks to the Council or community are Medium
	* Affects delivery of corporate commitments
	* Affects service performance (e.g.: energy use; amount of waste; distance travelled) by more than 10%
High Impact (H)	* Capital assets with a lifetime of more than 3 years
	* National publicity (good or bad)
	* Relevant risks to the Council or community are Significant or High
	* Affects delivery of regulatory commitments
	* Affects corporate performance by more than 10%
	* Capital assets with a lifetime of more than 6 years

In the box below please summarise the projects impacts (the reasons for the ratings given in column E and F above) to explain how the overall rating for the project/ proposal has been derived (Cell E37). Please also highlight any negative impacts your project may have and how you plan to avoid, mitigate or compensate for these (as you will have detailed in column I above).

The delivery of this housing development scheme links directly to the cities objective of being Net Zero Carbon by 2030, providing new homes to net zero standard, as the definition of net zero is defined to be net zero of regulated energy and carbon.

The councils housing development programme as approved notes a step up in delivery toward net zero, and this pilot scheme is a priority toward experiential learning on the delivery to such standards.

All housing development is conducted in line with the updated Sustainable Housing Design Guide and sets clear requirements in terms of water use, biodiversity and other targets required to be met by new developments to meet the overall environmental objectives of the council.

Housing delivery by its nature will have a general impact on Traffic and Waste generation. however:

- Transport: reduced resident parking is provided in line with the councils objectives, and allowance is made for installation of bike stores for all residents  
 - Waste generation: While waste generation through the construction process can be highly controlled, and is well regulated. New housing delivery will increase the housing capacity of the council and will increase general waste generation. Recycling facilities, separation of rubbish and secure stores will be placed to limit such generation.



## Item

### Combined Update on new build council housing delivery

**To:**

Councillor Mike Todd-Jones, Executive Councillor for Housing  
Housing Scrutiny Committee 23/09/2021

**Report by:**

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

**Wards affected:**

All

## 1. Executive Summary

- 1.1 This report provides an update on the housing development programme.
- 1.2 148 Homes have been completed across 13 sites under the City Council programme, with 88 being net new Council homes. A further 16 modular “pod” homes have now been completed across 3 further sites.
- 1.3 The Council currently has 438 net new Council rented homes being built on site, with a further 16 new homes remaining to reach Start on Site under the current programme.
- 1.4 107 new affordable and 62 replacement and market sale homes are currently approved schemes as a first stage of the new 1000 homes housing programme, with 54 new affordable and 33 replacement being considered as part of this committee cycle.
- 1.5 The Councils bid to Homes England to become a Strategic Partner has not been successful, but discussions are continuing with Homes England about ways in which they can support the programme.

## **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 work undertaken to date toward development of the new housing programme for 2022-2032.
- 2.3** Delegate authority to the Section 151 officer to start process of the set-up of a housing company as a Registered provider with a full report of the detail of this proposal to be brought to a future committee.

## **3. Reporting**

This is a quarterly report showing progress on the City Councils Development programme ambitions.

## **4. £70m funding programme MHCLG**

- 4.1** The Council's housing programme is part funded by a £70 million grant, which to date has been paid via a combination of the Cambridgeshire & Peterborough Combined Authority and directly by MHCLG. At the time of writing this report, all of the £70 million has been received, with £38 million via the Combined Authority and £32 million directly from MHCLG.
- 4.2** Until the end of 2020/21 quarterly grant claims were made in arrears against the Devolution funding to the Combined Authority.
- 4.3** As at 31 March 2021 £41,859,663.36 of the funding has been utilised in the delivery of new homes, with £28,140,336.64 held in balances to fund the completion of the programme from April 2021 onwards.

## **5. Delivery Programme**

- 5.1** The delivery programme update provided in June 2021 confirmed that the devolution programme consisted of 542 Council Homes with a further 104 homes identified for the new programme

**5.2** Appendix 1 shows the current programme, indicating total market housing provided as well as the net gain of Council homes. Appendix 2 shows the approved budgets per scheme and the net cost to the Council's Housing Revenue account.

## 6. Profile of Start on Sites

**6.1** The start on site profile for the 500 devolution programme is shown in table 1. The total starts on site currently stand at 526, or 105.2% of the total programme target of 500 homes, ahead of the targeted deadline of 31 March 2022.

**6.2** As below, the 500 programme currently shows an outturn of 542 new homes commencing construction by March 2022.

**6.3** The new 1000 homes programme is additionally progressing, and 107 net new council homes have been approved by the Executive Councillor.

**Table 1: Start on Site Forecast Profiles**

### 500 Programme

Progress to 500 starts on site	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Starts by year	2	159	162	203	16	0
Cumulative total	2	161	323	526	542	542

### 1000 Programme

Progress to 1000 starts on site	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Starts by year	90	17							
Cumulative total	90	107	107	107	107	107	107	107	107

## 7. Scheme details

### 7.1 Schemes Completed: Net gain 88 Affordable homes.

Scheme	Ward	Net Affordable	Total Homes	Delivery	Completion Date
Uphall Road	Romsey	2	2	E & F	Jan-18
Nuns Way & Wiles Close	Kings Hedges	10	10	Tender	Aug-19

<b>Ditchburn Place Community Rooms</b>	Petersfield	2	2	Tender	<i>Sep-19</i>
<b>Queens Meadow</b>	Cherry Hinton	2	2	CIP	<i>Jun-20</i>
<b>Anstey Way</b>	Trumpington	29	56	CIP	<i>Jun-20</i>
<b>Colville Garages</b>	Cherry Hinton	3	3	CIP	<i>Jul-20</i>
<b>Gunhild Way</b>	Queen Ediths	2	2	CIP	<i>Jul-20</i>
<b>Wulfstan Way</b>	Queen Ediths	3	3	CIP	<i>Sep-20</i>
<b>Markham Close</b>	Kings Hedges	5	5	CIP	<i>Sep-20</i>
<b>Ventress Close</b>	Queen Ediths	13	15	CIP	<i>Feb-20</i>
<b>Akeman Street</b>	Arbury	12	14	CIP	<i>May-21</i>
<b>Mill Rd (Partial)</b>	Petersfield	5	29	CIP	NA
<b>Cromwell Road (Partial)</b>	Romsey	0	4	CIP	NA

## 7.2 Schemes on Site: Net gain 438 Council homes

While the programme has progressed well with disruption kept to a minimum throughout the pandemic, some revised forecasts are now being required.

Our partner Hill are reporting risk pertaining to delayed onset of Brexit, Covid and activity in the industry. This is not exclusive to Cambridge or to Hill and has been widely reported in the media. Staffing and materials supply shortages are becoming evident, and the current operating climate with regards to both labour and materials appears to be changing day by day. Hill are ensuring all materials are placed and ordered as soon as reasonably possible and stock-piled on site.

Where this is not possible, alternative storage facilities are being sought, using existing relationships with suppliers to stockpile materials wherever possible.

With regards to labour, key packages are being procured as early as possible for example brickwork, precast floor slabs/block and beam, structural steelwork, etc. Existing supply chain relationships are being used to navigate through these changing times.

Hill do not foresee the current operating environment as a long-term issue, but more just a short-term problem to manage. The teams are fully aware of the above criteria and we continue to monitor this closely on a day by day basis.”

<b>Scheme Name</b>	<b>Ward</b>	<b>Net Affordable</b>	<b>Market homes</b>	<b>Total homes</b>	<b>Practical Completion</b>	<b>Programme status</b>
Mill Road	Petersfield	113	93	206	Apr-22	Handover profile has been revised. Delays caused by material/ labour constraints in the market. Handovers are now carried forward into 2022/23 Financial year
Kingsway	Arbury	4	0	4	TBD	Further reforecasting of this refurbishment scheme awaits completion of structural works being undertaken by Maintenance and Assets, forecast as December 2021 Continuation of this refurbishment is linked to outcomes of fire and gas safety work
Cromwell Road	Romsey	118	173	291	Jan-23	Progressing well. First handovers forecast for September 2021
Colville Phase 2	Cherry Hinton	47	0	67	Oct-22	Scheduled handover date has been updated to reflect the programme/contract dates.
Meadows and Buchan	Kings hedges	106	0	106	Aug-24	Progressing well. Groundbreaking ceremony undertaken in August 2021
Campkin Road	Kings Hedges	50	0	75	Jul-23	Scheduled handover date has been updated to reflect the programme/contract dates.

### 7.3 Approved schemes; Net gain 16 new homes

<b>Scheme Name</b>	<b>Ward</b>	<b>Net Affordable</b>	<b>Market homes</b>	<b>Total homes</b>	<b>Est. SOS</b>	<b>Programme status</b>
--------------------	-------------	-----------------------	---------------------	--------------------	-----------------	-------------------------

Clerk Maxwell Road	Newnham	14	21	35	Sep-21	Land access issues have now been resolved and final contract signing is awaited. Start on site expected to commence in October 2021
Tedder Way	Arbury	1	0	1	May-22	Redesign of this scheme as a 4-bed accessible family home continues. A revised date for submission of a planning application is now proposed as October 2021.
Kendal Way	East Chesterton	1	0	1	Aug-22	Redesign of this scheme as a 3-bed accessible family home continues. Resolution of Boundary dispute is in process and a renewed Planning Application is now forecast for submission by January 2022.

## 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 were identified for development as housing for applicants on the housing register with a history of homelessness.
- 8.2** The third modular housing scheme situated in Abbey Ward was completed and successfully occupied in July 2021.
- 8.3** There are opportunities to utilise other small sites in a similar way with other providers such as It takes City also coming forward. There are opportunities for funding to support this through the MHCLG First steps programme which we have successfully engaged with.



*Newly completed "Pod" modular homes in Abbey Ward*

## 9. Work toward development of the New Council Housing Programme

### 9.1 Council-Approved Schemes

Scheme Name	Ward	Net Affordable	Other	Total Homes	Status
L2 Orchard Park	SCDC	30	45	75	Planning Approved. Preparatory work proceeding well ahead of a start date. and start on site is now forecast for November 2021
Colville Road Phase 3	Cherry Hinton	32	0	48	Decanting proceeding well. Consultation with commercial leaseholders ongoing regarding offers for alternative accommodation.
The Mews, Histon Road	Arbury	10	0	10	On site however not yet in contract following revision of purchase agreement to include additional units agreed in June 2021
Fen Road	East Chesterton	12	0	12	Planning Approved received in July 2021- S106 under negotiation.
Ditton Fields	Abbey	6	0	6	Planning submitted.
Aragon Close	Kings Hedges	7	0	7	Pre-planning underway, with Planning submission forecast for September 2021
Sackville Close	Kings Hedges	7	0	7	Pre-planning underway, with Planning submission forecast for September 2021
Borrowdale	Arbury	3	0	3	Planning submitted in July 2021

## **9.2 Opportunities for new housing sites**

### **Development opportunities**

- 9.2.1 Papers with update on HRA estates work and details of new sites at Aylesborough Close, and Net Zero pilot infill sites and are submitted as Items 12 and 13 on the agenda.

## **9.3 New programme Funding and non HRA delivery**

- 9.3.1 As noted in the July update to HSC members, an initial bid was made to Homes England for strategic partnership status to support the new 1000 Homes development programme. This bid has not been successful. The programme continues to be dependent upon Homes England funding. This can be applied for on a scheme by scheme basis but discussions are continuing with Homes England about ways in which they can support the programme.

### **9.3.2 Intermediate tenures**

The current programme includes Intermediate Tenures (Shared ownership and Rent to Buy) with the emphasis on Rent to Buy. This is a scheme that provides homes at 80% market rent with a right to buy after five years. These cannot be delivered within the HRA due to the restrictions around tenancy type set by government.

The Council already has an established Housing Company- Cambridge City Housing Company which lets homes at 80% market rent. This is not a registered provider so is not regulated by the Regulator of Social housing and cannot receive grant funding/public subsidy.

It is proposed to start work to either register the existing company as a Registered provider or set up a new company as a registered provider. This set up work would be funded through the General fund and a proposal has been included in the MTFS. It would take up to 9 months to complete this work.

The benefits of having a registered provider housing company would mean that the Council can deliver alternative housing products and attract grant giving more flexibility going forward. It will mean rent to buy homes (let at 80% of market rent for up to 5 years with the ability to purchase at the end of this period) can be delivered.

The housing company would have its own business plan and need to be viable in its own right. It would borrow from the general fund, who would in turn need to borrow from the Public Works Loans Board or other lending sources. The Council would be the shareholder of the company.

Other than the core principles of this there has been limited work to date. The next steps would be to instruct legal and tax advice in relation to the set up of the housing company, including if this needs to be a new company or registering the existing one as an RP. Once this work is complete further detailed recommendations will be brought back to Committee. The initial set up costs to cover these fees and project management are included within the general fund MTFS.

## 10 Delivering Accessible Housing

- 10.1** 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).
- 10.2** There are currently 29 fully adapted wheelchair user dwellings planned in the 500 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 exceeded.
- 10.3** A further 4 fully adapted units are currently identified for provision under the new programme schemes (at Colville Road Ph3 and Fen Road).

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)	Total 3 bed M4(3)	Total 4 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		
Tedder Way	1	1				1
Kendal Way	1	1				1
Colville Road Ph 3	48	2		2		
Passivhaus Package	35	2			1	1

## 11. Sustainability

**11.1** 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.

**11.2** The Council's Approved schemes have to date met or exceeded the Sustainable Housing Design Guide (part of the 2018 Cambridge Local Plan) and the draft Greater Cambridge Sustainable Design and Construction SPD. This has been reported to date in both scheme-specific and programme update reporting to the HSC.

### 11.3 Update on Sustainable Housing Design Guide

**11.3.1** In January 2021 following a piece of work from consultants Buro Happold developing a road map to zero carbon it was agreed that the Council's Sustainable Housing Design Guide would be updated. Work is on-going to update this currently. This will also take into account other design requirements for example space standards. This is important in terms of compliance with MHCLG's National Design Standards.

**11.3.2** Work on the approach to deliver homes that are low carbon, low to maintain and have low bills as well as value for money continues to evolve on each project and the learning from this will need to feed into the Council's strategy. On-going work in this respect is as follows:

- The Campkin 2 and Colville 2 and 3 developments (where increased sustainability enhancements have been included with

significantly thicker wall cavities to improve the fabric performance and air source heat pumps)

- Passivhaus Pilot for houses (Fen Rd, Ditton Fields, Aragon Close, Sackville Close, and Borrowdale), of which Fen Road is the most advanced. A timber frame solution is currently proposed.
- Passivhaus Pilot for flats (proposed redevelopment of Aylesborough Phase 2). Design is still evolving.
- Investigation of new technologies and design lessons from other developments.

## 12. Risks

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>
<b>Cost increases on approved projects</b>	Med– Risk remains of increased budget requirements due to COVID-related delays/ rescheduling or Brexit-related cost increases.	Medium - depending on the extent of the additional cost this may be managed within scheme level contingencies approved in Budget Setting Report.	Cost plans are regularly reviewed and updated. Latest budgets consistently reviewed as part of BSR. Regular updated risk management budgeting completed as part of Covid-19 risk work across the Council. Brexit-related staffing and materials concerns under close monitoring
<b>Securing Planning</b>	Low – schemes have been worked up with planners through the pre-application process and meet or exceed the Councils policies.	Med- not securing planning would cause delays and increase costs for a revised application.	Use of pre-apps in the pre planning stages.
<b>Sales risk – exposing Council cash flow forecast</b>	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 and Cromwell Road sales have launched regular reporting through CIP processes on sales. Regular updates received in the market for sales of these sites.

<b>Decanting residents / leaseholders</b>	– Full decant of schemes within the 500 programme has now been reached. The decant of the further scheme at Colville Road phase 3 is on-going if this is not achieved on time there will be impact on the costs of the project	High – regeneration schemes will not be progressed if residents are not decanted.	Decant and rehousing officer regularly liaising with residents requiring decanting to ensure successful rehoming.
<b>Not securing necessary grant for new schemes</b>	Med- there is currently no funding secured for the new programme other than that committed by the Council. The business plan for the MTFS assumed grant.	High if grant is not secured or at a lower level the business plan may need to be reviewed and the level of housing delivered may need to change.	There is opportunity for funding to support affordable housing- having a track record and schemes we can deliver puts the City Council in a good place to secure this. There is ongoing dialogue with funding agencies.
<b>Labour market/materials/build prices increasing</b>	Low – situation is being proactively managed and is currently seen as a short-term risk, which must be managed	Medium – services or materials shortages may lead to delays in project delivery and an overall increase on programme cashflow.	Delivery partners ensuring all materials are placed and ordered as soon as reasonably possible and stock-piled on site or using additional storage as required. Key packages are being procured as early as possible. Existing supply chain relationships are being used to ensure service.

## 13. 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 £139,100,718, including some re-provision of existing dwellings

The Council's housing programme is part funded by a £70 million grant, which to date has been paid via a combination of the Cambridgeshire & Peterborough Combined Authority and MHCLG. At the time of writing this report, all of the £70 million has been received, with £38 million via the Combined Authority and £32 million directly from MHCLG.

Until the end of 2020/21 quarterly grant claims were made in arrears against the Devolution funding to the Combined Authority. As at 31 March 2021 £41,859,663.36 of the funding has been utilised in the delivery of new homes, with £28,140,336.64 held in balances to fund the completion of the programme from April 2021 onwards.

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 its investments through the Cambridge Investment Partnership at Mill Road and Cromwell Road. The general fund has further assisted in the development of the Meadows and Buchan schemes, through enabling of land supply and reprovision of community facilities for the duration of on-site activities.

The assumptions for the new housing programme have been included within the January 2021 budget setting report and September 2020 MTFS. Dialogue is ongoing with funding agencies to enable the council to meet the proposed level of housing delivery.

## **(B) Staffing Implications**

All housing development schemes 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. A large proportion of the schemes are being delivered through the Cambridge Investment Partnership which provides additional resources.

## **(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 now informed by an EQIA as it proceeds for Committee approval.

#### **(D) Net Zero Carbon, Climate Change and Environmental Implications**

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

#### **(E) Procurement Implications**

Advice specific to each project.

#### **(F) Consultation and communication**

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.

An updated Regeneration policy outlining procedure for resident engagement is being reported to in a separate Item (Item 12).

#### **(G) Community Safety**

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

### **14. Background papers**

Background papers used in the preparation of this report:

- (a) 22/06/2021 HSC Combined Programme report

### **15. Appendices**

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

## **16. 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](mailto:claire.flowers@cambridge.gov.uk).

This page is intentionally left blank

HDA Delivery Programme		07/09/2021									
Scheme Name	Ward	Net Affordable	Market homes	Total homes	Delivery	Committee	Approval date	Planning Submitted	Planning Granted	Est. SOS	Practical Completion
<b>BUILD COMPLETE</b>											
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
Markham Close	Kings Hedges	5	0	5 CIP	HSC		Jan-18	May-18	Oct-18	May-19	Sep-20
Mill Road	Petersfield	5	25	30 CIP	S & R		Nov-17	Dec-17	Jun-18	Aug-18	Apr-22
Ventress Close	Queen Ediths	13	0	15 CIP	HSC		Mar-17	Sep-18	Mar-19	Oct-19	Feb-21
Akeman Street	Arbury	12	0	14 CIP	HSC		Jun-18	Apr-19	Jul-19	Oct-19	May-21
Cromwell Road	Romsey	0	4	4 CIP	S & R		Mar-18	Mar-19	Jun-19	Dec-19	Jan-23
<b>Sub total</b>		<b>88</b>	<b>29</b>	<b>148</b>							
<b>ON SITE</b>											
Mill Road	Petersfield	113	93	206 CIP	S & R		Nov-17	Dec-17	Jun-18	Aug-18	Apr-22
Kingsway Medical Centre	Arbury	4	0	4 Tender	HSC		Sep-17	Sep-18	Apr-19	Nov-19	TBD
Cromwell Road	Romsey	118	173	291 CIP	S & R		Mar-18	Mar-19	Jun-19	Dec-19	Jan-23
Colville Phase 2	Cherry Hinton	47	0	67 CIP	HSC		Jan-19	Jul-19	Dec-19	Nov-20	Oct-22
Meadows and Buchan	Kings hedges	106	0	106 CIP	HSC		Jan-19	Dec-19	Aug-20	Feb-21	Aug-24
Campkin Road	Kings Hedges	50	0	75 CIP	HSC		Jul-19	Nov-19	Mar-20	Mar-21	Jul-23
<b>Sub total</b>		<b>438</b>	<b>266</b>	<b>749</b>							
<b>PLANNING APPROVED</b>											
Clerk Maxwell Road	Newnham	14	21	35 S106	HSC		Jan-19	Dec-19	Jul-20	Oct-21	Jul-22
<b>Sub total</b>		<b>14</b>	<b>21</b>	<b>35</b>							
<b>HSC APPROVED SCHEMES</b>											
Tedder Way	Arbury	1	0	1 Tender	HSC		Jan-21	Oct-21	Jan-22	May-22	May-24
Kendal Way	East Chesterton	1	0	1 Tender	HSC		Jan-21	Jan-22	Apr-22	Aug-22	Aug-23
<b>Sub total</b>		<b>2</b>	<b>0</b>	<b>2</b>							
<b>GRAND TOTAL</b>		<b>542</b>	<b>316</b>	<b>934</b>							

Progress to 500 starts on site	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Starts by year	2	159	162	203	14	2
Cumulative total	2	161	323	526	540	542

Progress to 500 Completions	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Completions by year	2	0	17	56	8	301	129	29
Cumulative total	2	2	19	75	83	384	513	542

HSC Approved New programme schemes		07/09/2021									
Scheme Name	Ward	Net Affordable	Other	Total Homes	Delivery	Committee	Committee Approved	Planning Submitted	Planning Granted	Est. SOS	Practical Completion
L2 Orchard Park	SCDC	30	45	75 CIP	HSC	Sep-20	Sep-20	Aug-20	May-21	Nov-21	Apr-23
Colville Road Phase 3	Cherry Hinton	32	0	48 CIP	HSC	Sep-20	Sep-20	Jun-21	Oct-21	Jan-22	Jan-24
The Mews, Histon Road	Arbury	10	0	10 S106 Laragh	HSC	Sep-20	Sep-20	May-19	Feb-20	May-21	Dec-22
Fen Road	East Chesterton	12	0	12 CIP	HSC	Jan-21	Jan-21	Feb-21	Jul-21	Jan-22	Jul-23
Ditton Fields	Abbey	6	0	6 CIP	HSC	Jan-21	Jan-21	Feb-21	Oct-21	Mar-22	Sep-23
Aragon Close	Kings Hedges	7	0	7 CIP	HSC	Jan-21	Jan-21	Sep-21	Jan-22	Jul-22	Jan-24
Sackville Close	Kings Hedges	7	0	7 CIP	HSC	Jan-21	Jan-21	Sep-21	Jan-22	Jul-22	Jan-24
Borrowdale	Arbury	3	0	3 CIP	HSC	Jan-21	Jan-21	Jul-21	Nov-21	May-22	Nov-23
<b>Submission to September 2021 HSC</b>											
Aylesborough Close Phase 2	Arbury	39	0	72 CIP	HSC	Sep-21	Sep-21	Mar-22	Sep-22	Dec-22	Jun-24
ERDF Net Zero - Paget Rd	Trumpington	7	0	7 Tender	HSC	Sep-21	Sep-21	Mar-22	Sep-22	Oct-22	Mar-24
ERDF Net Zero - St thomas Rd	Coleridge	8	0	8 Tender	HSC	Sep-21	Sep-21	Mar-22	Sep-22	Oct-22	Mar-24
<b>Total new</b>		<b>161</b>	<b>45</b>	<b>247</b>							

Progress to 1000 starts on site	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Starts by year	90	71							
Cumulative total	90	161	161	161	161	161	161	161	161

Progress to 1000 Completions	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Completions by year	0	10	112	39	0	0	0	0	0
Cumulative total	0	10	122	161	161	161	161	161	161

New Build Programme - 500 New Homes													
Scheme Name	Project stage	Net affordable homes	Total affordable homes	Budget per 2021/22 HRA MTFS Table	Total Spend to 31 March 2021	Budget remaining 2021/22	Budget approval (Actual where schemes complete and closed)	Budget RTB receipts (Actual where complete and closed)	Budget Devo grant funding (Actual where complete and closed)	Section 106 / Assumed Homes England Grant	Net cost to HRA	Total development cost per unit	Cost to HRA per unit
Uphall Road	Build completed	2	2	322,000	356,829.05	(30,296.52)	356,829	(105,330)	(242,596)	0	8,903	178,415	4,452
Nuns Way & Wiles Close	Build completed	10	10	1,976,189	1,941,427.58	4,464.90	1,941,428	(582,428)	(1,304,898)	0	54,101	194,143	5,410
Tedder Way	Pre-planning	1	1	506,000	14,743.00	491,257.00	506,000	(151,800)	(354,200)	0	0	506,000	0
Kendal Way	Pre-planning	1	1	524,000	32,071.50	491,928.50	524,000	(157,200)	(366,800)	0	0	524,000	0
Anstey Way	Build completed	29	56	11,285,455	11,192,302.16	93,152.84	11,285,455	(1,864,885)	(3,500,204)	0	5,920,366	201,526	105,721
Colville Garages	Build completed	3	3	820,180	819,177.33	1,002.67	820,180	(246,054)	(574,126)	0	0	273,393	0
Queensmeadow	Build completed	2	2	605,320	604,314.36	1,005.64	605,320	(181,596)	(423,724)	0	0	302,660	0
Wulfstan Way	Build completed	3	3	814,280	813,277.27	1,002.73	814,280	(244,284)	(569,996)	0	0	271,427	0
Markham Close	Build completed	5	5	1,186,650	1,209,519.75	0.00	1,209,520	(362,856)	(846,664)	0	0	241,904	0
Gunhild Way	Build completed	2	2	644,680	643,681.62	998.38	644,680	(193,404)	(451,276)	0	0	322,340	0
Ditchburn Place	Build completed	2	2	322,000	334,187.45	0.00	334,187	(101,148)	(233,039)	0	0	167,094	0
Mill Road	On site	118	118	24,965,630	22,181,635.33	2,783,994.67	24,965,630	(7,489,689)	(17,475,941)	0	0	211,573	0
Ventress Close	Build completed	13	15	3,640,090	3,590,089.78	50,000.22	3,640,090	(780,072)	(1,819,644)	0	1,040,373	242,673	69,358
Kingsway	On site	4	4	554,000	186,607.06	367,392.94	554,000	(166,200)	(387,800)	0	0	138,500	0
Cromwell Road	On site	118	118	24,865,800	17,556,718.53	7,309,081.47	24,865,800	(5,997,924)	(17,406,060)	0	1,461,816	210,727	12,388
Akeman Street	On site	12	14	4,526,720	4,432,390.37	94,329.63	4,526,720	(905,354)	(2,112,492)	0	1,508,874	323,337	107,777
Clerk Maxwell Road	Planning approved	14	14	3,046,760	17,813.00	3,028,947.00	3,046,760	(914,028)	(2,132,732)	0	0	217,626	0
Meadows and Buchan	On site	106	106	25,929,000	1,347,352.30	24,581,647.70	25,929,000	(7,778,700)	(13,370,047)	0	4,780,253	244,613	45,097
Colville Road Phase 2	On site	47	67	14,467,580	3,286,428.38	11,181,151.62	14,467,580	(2,743,431)	(6,400,916)	0	5,323,232	215,934	79,451
Campkin Road Phase 2	On site	50	75	18,063,260	3,658,840.19	14,404,419.81	18,063,260	(3,243,247)	0	(1,750,000)	13,070,013	240,843	174,267
TOTAL		542	618	139,065,594	74,219,406.01	64,855,481.20	139,100,718.83	(34,209,631.60)	(69,973,155.31)	(1,750,000.00)	33,167,931.93	225,082.07	53,669.79
Mean average													

New Build Programme - 1,000 New Homes													
New Programme Scheme Name	Project stage	Net affordable homes	Total affordable homes	Budget per 2021/22 HRA BSR Table	Total Spend to 31 March 2021	Budget remaining 2021/22	Budget approval (Actual where complete / on hold)	Budget RTB receipts (Actual where complete / on hold)	Budget Devo grant funding (Actual where complete / on hold)	Section 106 / Assumed Homes England Grant	Net cost to HRA	Total development cost per unit	Cost to HRA per unit
L2	Planning approved	30	30	6,207,000	2,000.00	6,205,000.00	6,207,000	0	0	(3,000,000)	3,207,000	206,900	106,900
Histon Road	On Site	10	10	1,978,000	107,969.15	1,870,030.85	1,978,000	(238,122)	0	0	1,739,878	197,800	173,988
Colville III	Planning submitted	32	48	11,949,200	61,279.58	11,887,920.42	11,949,200	0	0	(3,200,000)	8,749,200	248,942	182,275
Fen Road	Planning Approved	12	12	3,658,000	39,869.70	3,618,130.30	3,658,000	0	0	(1,200,000)	2,458,000	304,833	204,833
Ditton Walk	Planning submitted	6	6	1,918,000	1,709.25	1,916,290.75	1,918,000	0	0	(600,000)	1,318,000	319,667	219,667
Aragon Close	Pre-planning	7	7	1,850,000	1,320.26	1,848,679.74	1,850,000	0	0	(700,000)	1,150,000	264,286	164,286
Sackville Close	Pre-planning	7	7	1,850,000	2,384.67	1,847,615.33	1,850,000	0	0	(700,000)	1,150,000	264,286	164,286
Borrowdale	Planning submitted	3	3	875,000	15,492.92	859,507.08	875,000	0	0	(300,000)	575,000	291,667	191,667
Aylesborough Close	Feasibility	39	72	19,030,000	0.00	19,030,000.00	19,030,000	0	0	(3,900,000)	15,130,000	264,306	210,139
St Thomas's Road	Feasibility	8	8	2,279,000	0.00	2,279,000.00	2,279,000	0	0	(1,101,600)	1,177,400	284,875	147,175
Paget Road	Feasibility	7	7	1,993,000	0.00	1,993,000.00	1,993,000	0	0	(963,900)	1,029,100	284,714	147,014

This page is intentionally left blank