



Cambridge City Council Housing Scrutiny Committee

Date: Tuesday, 23 January 2024

Time: 5.30 pm

Venue: Council Chamber, The Guildhall, Market Square, Cambridge, CB2 3QJ [access the building via Peashill entrance]

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

Agenda

- 1 Apologies
- 2 Declarations of Interest
- 3 Minutes (Pages 5 - 14)
- 4 Public Questions

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

Decisions for the Executive Councillor for Housing

- 5 Compliance Report (Pages 15 - 40)
- 6 HRA Budget-Setting Report (BSR) 2024/25 (Pages 41 - 154)

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

Decisions for the Executive Councillor for Housing and Homelessness

- 7 Homelessness Prevention Grants to Agencies 2024-25 (Pages 155 - 168)
- 8 Update on New Build Council Housing Delivery (Pages 169 - 192)
- 9 Purchase of new affordable housing - Newbury Farm, Worts' Causeway (Pages 193 - 216)
- 10 To Note Decision Taken by the Executive Councillor for Housing and Homelessness
- 10a Homelessness Decision Reviews (Pages 217 - 224)

Housing Scrutiny Committee Members: Pounds (Chair), Robertson (Vice-Chair), Griffin, Holloway, Lee, Porrer, Swift, Thittala Varkey and Tong

Alternates: Bennett, Levien, Nestor and Young

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

Executive Councillors: Bird (Executive Councillor for Housing and Homelessness)

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- Email: democratic.services@cambridge.gov.uk
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Those wishing to address the meeting will be able to do so virtually via Microsoft Teams, or by attending to speak in person. You must contact Democratic Services democratic.services@cambridge.gov.uk by 12 noon two working days before the meeting.

The full text of any public question must be submitted in writing by noon two working days before the date of the meeting or it will not be accepted. All questions submitted by the deadline will be published on the meeting webpage before the meeting is held.

Further information on public speaking will be supplied once registration and the written question / statement has been received.

Housing Scrutiny Committee

Terms of Reference

<p>A. Overview and scrutiny of the strategic and other housing functions for which the Executive Councillor for Housing is responsible, including responsibility for the development of housing strategies and policies, tackling homelessness, the Council's housing responsibilities with regard to the private rented sector, bringing vacant homes back into use, the development of new homes and partnership working with other housing providers.</p>
<p>B. Overview and scrutiny of functions relating to the management of the Council's housing stock.</p>
<p>C. To be the main discussion forum between the Council, its tenants and its leaseholders for all matters relating to the landlord function of Cambridge City Council.</p>
<p>Membership</p>
<p>City Councillors (Such number as shall be decided by the Council from time to time)</p>
<p>Six elected tenants and leaseholders of Cambridge City Council of whom at least five shall be tenants of Cambridge City Council.</p>
<p>Appointment of tenant and leaseholder members</p>
<p>Tenant and leaseholder members shall be co-opted by the Scrutiny Committee following the procedure for election set out in the Overview and Scrutiny Procedure Rules in Part 4E.</p>
<p>Voting</p>
<p>Tenant and leaseholder members are voting members in respect of matters concerning the management of the Council's housing stock (Part 1 of the agenda.) Tenant and leaseholder members may contribute to discussion of other matters (Part 2 of the agenda) but shall not have a vote.</p>
<p>Appointment of Chair</p>
<p>The Chair of the Scrutiny Committee shall be appointed by the Council and be a councillor and shall chair Part 2. The Vice-chair shall be nominated by the elected tenants and leaseholders and shall chair Part 1 if present. If the Chair or Vice-chair is not present, a councillor shall be appointed as the Vice-chair for that meeting.</p>
<p>Other matters relating to elected tenants and leaseholders</p>
<p>These are set out in the Overview and Scrutiny Procedure Rules in Part 4E. They include information about the roles, responsibilities and training</p>

of tenant and leaseholder representatives, expenses and allowances, and the circumstances in which they may cease to be members of the Committee.

HOUSING SCRUTINY COMMITTEE

21 November 2023

5.30 - 7.09 pm

Present: Councillors Pounds (Chair), Robertson (Vice-Chair), Griffin, Holloway, Martinelli, Thittala Varkey, Tong, Porrer and Swift

Executive Councillors: Bird (Executive Councillor for Housing and Homelessness) and S. Smith (Executive Councillor for Finance and Resources)

Tenant/Leaseholder Representatives:

Amiteye (Tenant Representative), Best (Leaseholder Representative), Powell-Hardy (Tenant Representative) and Minns (Tenant Representative)

Present (virtually): Christabella Amiteye (Tenant Representative), Diane Best (Leaseholder Representative)

Officers:

Director of Communities: Sam Scharf

Interim Director of Place: Suzanne Hemingway

Assistant Director, Development, Place Group: Ben Binns

Assistant Director, Housing and Homelessness: Samantha Shimmon

Senior Housing Development Manager: Jim Pollard

Committee Manager: Sarah Steed

Meeting Producer: Boris Herzog

FOR THE INFORMATION OF THE COUNCIL**23/46/HSC Apologies**

Apologies were received from Councillor Lee, Councillor Porrer attended as his Alternate. Councillor Swift was present in place of Councillor Wade who could no longer be a member of Housing Scrutiny Committee as she was now an Executive Councillor.

Tenant Representatives Christabella Amiteye and Diane Best attended the meeting virtually which meant they could participate in debate but could not vote.

23/47/HSC Declarations of Interest

Name	Item	Interest
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Councillor Tong	23/50/HSC	Personal: Had worked with Abbey People in the past and had attended their 10 th Anniversary Event.
Councillor Porrer	23/50/HSC	Personal: Was a member of Planning Committee. Noted that the report related to the HRA budget implications and would only discuss issues in relation to this.

23/48/HSC Minutes

The minutes of the meeting held on 19 September 2023 were approved as a correct record and signed by the Chair.

23/49/HSC Public Questions

The text of the public question was published on the meeting page available via: [Agenda for Housing Scrutiny Committee on Tuesday, 21st November, 2023, 5.30 pm - Cambridge Council](#)

The responses to the public question and supplementary question are detailed below:

The Executive Councillor for Housing and Homelessness responded:

- i. They had worked with ward councillors and officers to bring forward the review of potential options for Ekin Road.
- ii. There had been an independent survey undertaken and the communications company had knocked on every door to get feedback from all residents.
- iii. The results of the survey would be published in advance of the next Resident Liaison Group meeting.
- iv. Three quarters of the residents had engaged with the council. Councillors had attended consultations and they had offered to visit any resident who was concerned about the Ekin Road review.
- v. Noted that a proposal for Ekin Road hadn't been approved. When there was a proposal for redevelopment, council officers would consider how many residents may have to move out. Consideration would be given to how much time would be needed, whether there were new council homes being built nearby or what individual needs were. The Council had considerable experience in working with tenant and leasehold households throughout the moving process.

- vi. If the East Barnwell development was approved by the committee, then this may be a moving option for residents if redevelopment for Ekin Road was approved.
- vii. The council had a significant number of properties in the Barnwell area.
- viii. The survey highlighted that some Ekin Road residents did not wish to remain living at Ekin Road and would be seeking properties elsewhere in Cambridge.
- ix. The Council would help leaseholders and freeholders who were looking to purchase a new home in the city by working with partners to identify possible opportunities.
- x. The two redevelopment options looked at the possible purchase of freehold and leasehold properties. The council had undertaken compulsory purchase orders (CPOs) that had been confirmed by the Secretary of State. It had not been necessary to proceed to the end of the CPO process and evict anyone from their homes. This was due to the successful negotiations with residents. If redevelopment was approved at Ekin Road, then the council would work with homeowners to reach a solution. There are very clear regulations on the use of CPOs that protected homeowners and the council.
- xi. Had attended the initial consultation event and would be attending the next Ekin Road Liaison Group meeting.
- xii. Had full confidence in the team of officers and their partners who had a significant track record of managing estate regeneration projects. They had experience in taking more than 800 council homes through the planning process. Over 100 households had been helped to move to enable these developments. In addition to these sustainable homes, the council had provided new shops, four new community centres and other community facilities such as pre-schools, new parks and play areas.

Supplementary public question:

- i. It was 18 months into the process and residents hadn't seen much of the Councillors.
- ii. There was 5 degrees of separation between the company doing the survey and Councillors.
- iii. Noted that it had been said that every door had been knocked on, but this did not mean that every household had been consulted.
- iv. Had spoken with a household that Sunday and they had no idea that a survey was being undertaken.
- v. Questioned why it was one response per household and not a response per person.
- vi. Asked if the Council had undertaken a successful CPO for a freehold property.

- vii. Noted reference had been made to properties being available because of the East Barnwell redevelopment but commented that this redevelopment was 5 years away from completion.
- viii. Noted the Information Commissioner had issued a notice requiring the release of documents for a freedom of information request response.

The Assistant Director of Development responded:

- i. Advised that the documents referred to regarding the freedom of information response had been released, one of which had already been published on the Council's website.
- ii. The Council had experience with CPOs and had sought legal advice when required. The Council had never had to proceed fully with a CPO as successful negotiations had taken place with the homeowner.

The Executive Councillor for Housing and Homelessness responded:

- i. To manage responses, it was reasonable to proceed on a response per household rather than a response per person.
- ii. Noted comments made regarding availability of housing at East Barnwell not being available for 5 years and commented that no decision had been made regarding Ekin Road and therefore the requirement for alternative housing may not arise for the same period of time or longer.

23/50/HSC Report on Redevelopment Scheme at East Barnwell

Matter for Decision

Following the completion of the report 'East Barnwell Development & Regeneration Project: Masterplan for East Barnwell' work has continued in conjunction with the County Council and the Cambridge Investment Partnership (CIP) to bring forward a scheme to provide for the regeneration of the centre of Barnwell to include:

- A community centre
- A library
- A pre-school facility
- Commercial premises
- Open space
- High quality sustainable housing including affordable housing

Decision of Executive Councillor for Housing and Homelessness

- i. Approved that a scheme be brought forward for Sites 1 and 2 and included in the Housing Capital Programme, with the latest capital budget being £50,306,000 to cover all site assembly, construction costs, professional fees and further associated fees, to deliver a 100%

- affordable housing scheme which meets the identified need in Cambridge City. Budget will be drawn down from the sum already earmarked and approved for investment in new homes.
- ii. Authorised the Assistant 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, sizes and tenure as outlined in this report.
 - iii. Approved that delegated authority be given to the Executive Councillor for Housing in conjunction with the Assistant Director to enable Sites 1 and 2 to be developed through Cambridge Investment Partnership (CIP) subject to a value for money assessment to be carried out on behalf of the Council.
 - iv. Delegated authority to the Assistant Director to commence Compulsory Purchase Order (CPO) proceedings on leasehold properties to be demolished to enable the development, should these be required.
 - v. Delegated authority to the Assistant Director to serve initial Demolition Notices under the Housing Act 1985.
 - vi. Delegated authority to the Head of Housing to approve a local lettings plan for the proposed development on Sites 1 and 2.

Decision of Executive Councillor for Finance and Resources

- vii. Approved that within the scheme to be brought forward for Sites 1 and 2 the following community facilities should be provided:
 - a. A community centre.
 - b. A library.
 - c. A pre-school facility.
 - d. A bowling green and pavilion (at the Abbey Leisure Complex).
 - e. An extended Multi-Use Games Area to include provision for tennis (at the Abbey Leisure Complex).
 - f. Addition play facilities at Peverel Road Recreation Ground.
- viii. Noted that the budget for the community facilities of £4,169,072 has been recommended to Council through the General Fund Medium Term Financial Strategy process (this being the gross cost of the community facilities; note that off-setting financial contributions were forecast at £704,000 which create an estimated net cost of £3,465,072; this did not take into account the value of the development of Site 3).
- ix. Authorised the Assistant Director in consultation with the Executive Councillor to agree the terms of an agreement with the County Council and to enter into that agreement for:
 - a. the transfer of Site 3.

- b. the granting of a long lease on the proposed library and pre-school facility at a peppercorn but subject to a service charge.
- c. the granting of a license to landscape the Highways Land.
- d. the recognition by the County Council of the City Council's beneficial ownership of the existing library site.
- x. Authorised the Assistant Director in consultation with the Executive Councillor to arrange for the development of a market led scheme on Site 3 by the Cambridge Investment Partnership (CIP).

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Senior Development Manager, Housing Development Agency.

The Senior Development Manager said the following in response to Members' questions:

- i. The proposals for site 3 were not as advanced as those for site 1 and 2 but site 3 could possibly be used for development of around 9 houses.
- ii. If the Homes England grant funding was not forthcoming, then the development would need to be reassessed. Noted councillors' comment that this should be included on the risk register. Pre-application discussions had taken place with the Planning Department; was cautious about the level of risk.
- iii. Noted comments made about single aspect homes. The site had a number of constraints and every effort was being made to reduce the number of single aspect homes.
- iv. Other sites had followed the council's rent policy for affordable homes which was 60% of medium market rents, this site was different to that. Was delivering 40% affordable housing at social rent; the balance would be at 80% medium market rents. Wanted to support low-income households who were not in receipt of benefits and therefore needed to have properties available at lower social rents.
- v. To calculate biodiversity net gain, the biodiversity level would be assessed now and then officers would look to see what could be delivered on the site. There would be sustainable urban drainage systems (SUDS) and rain gardens. Much consideration had been given to the layout of the public open space which was currently largely grass

- and a lot was currently closed off. Wanted to try and retain a number of the key trees. There was also an opportunity to plant more hedgerows.
- vi. Discussions had taken place with Abbey People regarding the Food Hub, there was still plenty of time to follow this up as it would follow the delivery of the community centre on site 1. Officers in the Community Services Team were also working with Abbey People regarding the Food Hub business model.
 - vii. Any variation to the delivery of 100% affordable housing on the site would need to come back to Housing Scrutiny Committee for approval.
 - viii. Commercial units were being provided within phase 1 of the development; various options for these units was being considered.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor for Housing and Homelessness approved recommendations i - vi and the Executive Councillor for Finance and Resources approved recommendations vii - x.

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

No conflicts of interest were declared by the Executive Councillor.

23/51/HSC Housing Revenue Account (HRA) Medium Term Financial Strategy

Matter for Decision

The Housing Revenue Account (HRA) Medium Term Financial Strategy (MTFS) is one of two long-term strategic financial planning documents produced each year for housing landlord services provided by Cambridge City Council.

The HRA MTFS 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.

Decision of Executive Councillor for Housing and Homelessness

- i. Approved the Housing Revenue Account Medium Term Financial Strategy attached, to include all proposals for changes in:
 - a. Financial assumptions as detailed in Appendix C of the document.

- b. 2023/24 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 8, detailed in Appendix E and summarised in Appendix G of the Officer's report.
- ii. Approved that delegated authority be given to the Assistant Director of Assets and Property or the Assistant Director of Development to be in a position to confirm that the authority can renew its investment partner status with Homes England.

The Executive Councillor for Housing and Homelessness recommended Council to:

- iii. Approve proposals for changes in existing housing capital budgets, as introduced in Section 9 and detailed in Appendix F of the Officer's report, with the resulting position summarised in Appendix H, for decision at Council on 30 November 2023.
- iv. Approve proposals for new housing capital budgets, as introduced in Sections 6 and 7 and detailed in Appendix E of the Officer's report, with the resulting position summarised in Appendix H, for decision at Council on 30 November 2023.
- v. 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, as summarised in Appendix H.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance and Business Manager.

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

- i. The transformation programme was looking at the way the city operations team worked and was reviewing the services provided across responsive and void repairs. A lot of work was being done across the council to ensure quality services were being provided to tenants.

- ii. Information was provided to tenants about the financial support available to them. As part of communicating about rent increases tenants were reminded that they could speak with the council's Financial Inclusion Officers to ensure that tenants were claiming all the financial support that they are entitled to. Specialist software also enabled information to be targeted to specific groups of individuals again to ensure that they were claiming financial support where they were able to.
- iii. Rent restructuring was introduced in 2002 and this produced a calculated rent for each property the 'target or formula rent', which was initially above what tenants were paying in the vast majority of cases. Over a 10-year period tenants were moved from the rent that they were paying towards the 'target rent'. Central government stopped the ability to move tenants to target rents; this could only happen when properties became vacant. The Council would increase rent to target rents when properties were void. However currently the cost of repairing void properties was higher than the increased rental income from those properties which had been increased to target rents.
- iv. Would check after the meeting whether there was any difference in tenant's ability to pay their rent between those in affordable rented homes compared with social rented homes.
- v. There was a trade-off between increasing rents and providing improvements to homes which would reduce energy costs. Before the Autumn Statement was released the next day it was not known whether Central Government would introduce a cap on rent increases from April 2024.
- vi. Noted the net increase in council homes was relatively low but this was affected by [in some years] significant levels of tenants exercising their right to buy their property. Also a number of new homes were being provided as a result of redevelopment of existing sites, so some homes have had to be demolished in order to deliver a net gain of properties. Going forward expected to see an increase in the number of net new homes being delivered for example the East Barnwell redevelopment was expected to deliver a net gain of 110 new homes on that site and further new homes would be delivered at the Eddeva Park site. Cambridge City Council had done very well in comparison to other Councils.
- vii. The Council was working towards housing stock being EPC 'C' standard by 2035.
- viii. The rent standard allowed the council to increase rents by 'up to CPI plus 1%' (with September being the CPI used). Therefore 7.7% was the maximum that rents could be increased by next year.

- ix. The decision around market housing and rules on investments sat with the Section 151 Officer to be able to demonstrate that that any investment was not being done primarily for yield. For example, the provision of market housing on a scheme was not being done to generate profit for the council but was being done in order to deliver affordable housing.
- x. To provide a comparison of our proposed borrowing compared to other councils, we would need to individually investigate the level of borrowing other local authorities had in their business plans for new build going forward. Cambridge had moved at quite a pace in delivering new homes within the HRA and were perhaps further ahead in terms of the planned level of borrowing compared to other councils.
- xi. The Council's direct emissions target for net zero was 2030 and not 2050 as included in the report.

Post meeting clarification – The current climate change strategy includes two key items:

- The target to reduce the Council's direct emissions to net zero carbon by 2030.
- The vision to reach net zero carbon in Cambridge by 2030, subject to Government, industry and regulators implementing the necessary changes to enable the city to achieve this.

The Committee resolved to endorse the recommendation i to ii by 8 votes to 0 with 3 abstentions.

The Committee resolved to endorse the recommendation iii to v by 6 votes to 0 with 3 abstentions.

The Executive Councillor for Housing and Homelessness approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 7.09 pm

CHAIR



Item

Compliance Update

To:

Housing Scrutiny Committee

January 2024

Report by:

Renier Barnard – Property Compliance and Risk Manager

Tel: 01223 457485

Email: renier.barnard@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 City Services Compliance Team, including a summary on gas, electrical, fire, lifts, legionella and asbestos.

2. Recommendations

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

3. Compliance Dashboard, Supplementary Data and Damp Condensation, Mould

The Compliance Dashboard is attached (Appendix A)

Supplementary Data is attached (Appendix B)

Damp Condensation and Mould is attached (Appendix C)

4. Compliance Update

The six key compliance areas are:

4.1 Gas Safety

Requirement - A gas safety check is to be completed every year on each gas appliance/flue and before any new tenure and annually for existing tenancies.

- As at 2nd January 2024 Cambridge City Council is 100% compliant on Gas Safety certification with 6610 properties with valid landlord gas safety certificates.
- Each property has a working Carbon Monoxide (CO) detector and is inspected with every gas service completed.

6371	Properties with 1 Carbon Dioxide detector
651	Properties with 2 Carbon Dioxide detectors
74	Properties with 3 Carbon Dioxide detectors
32	Properties with 4 Carbon Dioxide detectors
7128	Total

For note. All gas services have now been removed from Hanover Court and Princess Court.

4.2 Electrical Safety

Requirement - A residential premises is to be inspected and tested for electrical safety by a qualified person at intervals of no more than 10 years.

- As of 29th November 2023 Cambridge City Council is 76.95% compliant with legislation with 5897 properties with a valid satisfactory condition report.

See Appendix B for supplementary data.

4.3 Fire Management Risk Assessment

Requirement - A fire risk assessment is a legal requirement to assess the risk, identify fire hazards and allow landlords to take general precautions to reduce and manage fire risk

- As of 2nd January 2024, Cambridge City Council is 100% compliant with legislation where the requirement is to have a Fire Risk Assessment completing 447 Fire Risk Assessments.

However, while understanding that compliance primarily focuses on having a Fire Risk Assessment in place the objective is to achieve an overall risk rating of

tolerable addressing outstanding risks and actions through this process.

See Appendix B for supplementary data.

4.4 Asbestos Management

Requirement - The statutory requirement to be compliant with legislation is for all communal areas to have been inspected.

For premises built after 2000, then the HSE states it is safe to assume that no asbestos containing materials are located within the fabric of a building as asbestos was prohibited from 1999, therefore a survey is not required.

- As of 29th December 2023, Cambridge City Council is 56% compliant. This was identified during the implementation of an asbestos compliance module, creating a new data structure for blocks and communal areas from the dataset. Following the implementation of the asbestos compliance module it became clear that there was a need to put in place a plan to achieve full compliance.

The inspections schedule will complete all outstanding inspections by March 31st 2024.

See Appendix B for supplementary data

4.5 Legionella & Water Hygiene

Requirements: The Approved Code of Practice (ACOP) L8, issued by the Health and Safety Executive (HSE), provides guidance on the control of Legionella bacteria in water systems.

The ACOP L8 recommends a risk-based approach to managing the risk of Legionella, which includes regular monitoring, inspection, and maintenance of water systems.

- As of 29th December 2023 Cambridge City Council are 100% compliant with no issues to report with the ongoing management of Legionella and water hygiene risks.

4.6 Passenger Lifts & Specialist Lifting Equipment

As of 29th December 2023 Cambridge City Council is 100% compliant with the requirement to service and maintain its lifts.

However, the Council is 89% compliant to the requirement outlined in Regulation 9 (thorough examination and inspection every six months as required by LOLER).

See Appendix B for supplementary data

5. Regulator Social Housing

5.1 Where there is non-compliance with regulations this is a breach of the Home Standard - Tenant Satisfaction Measures. Cambridge City Council has notified the Regulator of Social Housing of this breach and is engaging with them to progress actions and address the breach.

See Appendix B for supplementary data

6. Condensation, Mould, and Damp work

6.1 Since the previous report, there has been an increase in reported cases of damp, mould, and condensation (DCM) issues, likely attributed to colder weather conditions.

6.2 Since April 2023 we have received 331 reports of DCM. September saw 14 cases of DCM reported while November had 60 cases reported.

7. Implications

7.1 Financial Implications

There are likely to be new financial implications directly relating to this report particularly with regards to the management of fire. Inspection activity (asbestos and electrical) is part standard business process and for initial inspections existing budgets can be used. The cost of remedial works is not yet known, however capital funding for fire safety works in the 2023/24 budget does exist and any spend will focus on high-risk works. Where there is the need to replace doors or the compartmentalisation of buildings, additional funding will be required, the level of costs has yet to be quantified.

7.2 Staffing Implications

There are no new staffing implications directly relating to this report.

7.3 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.

7.4 Environmental Implications

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

7.5 Procurement Implications

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

7.6 Consultation and Communication

There are no new Consultation implications relating to the content of this report directly. A communications plan is being developed to support the work set out in this report.

7.7 Community Safety

Cambridge City Council currently have 10 substantial fire risks that the Council are working on to reduce to mitigate.

8 Background Papers

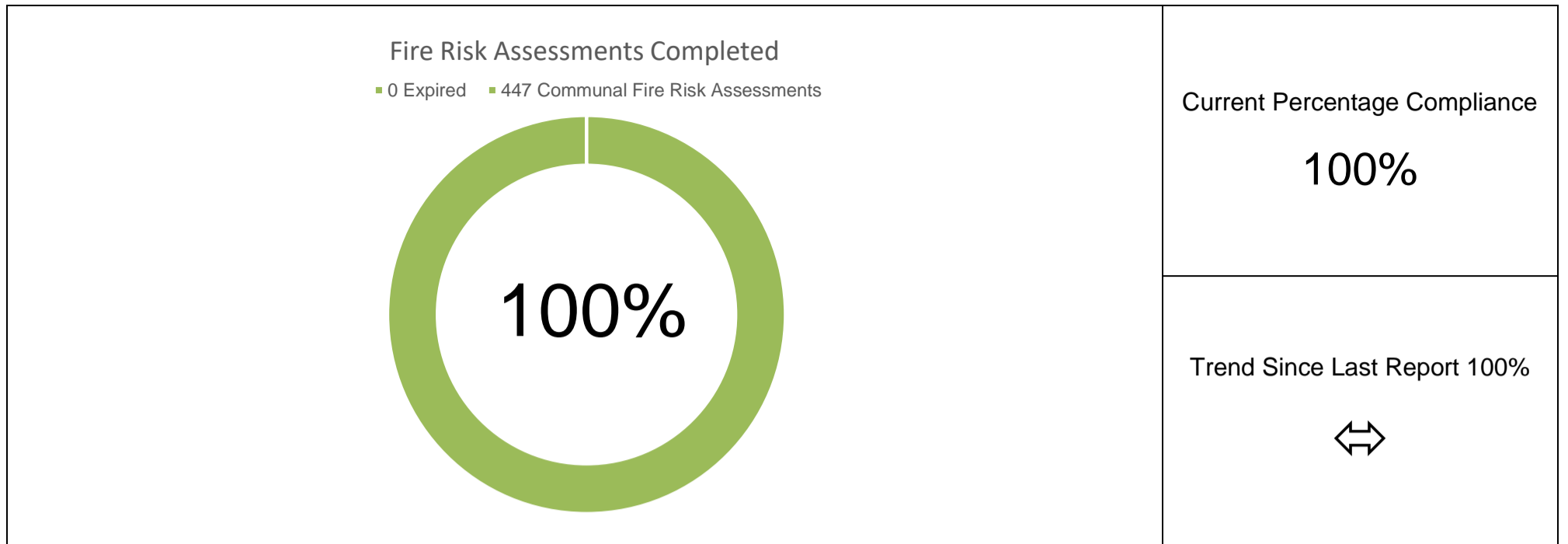
If you have a query on the report, please contact Renier Barnard – Property Compliance and Risk Manager, Tel: 01223 457485, email: renier.barnard@cambrige.gov.uk

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Appendix A: Compliance Dashboard

<p>Domestic Gas Safety Compliance (Including Communal) Properties with a valid Landlord Gas Safety Certificate</p> <p>0 Expired 6610 Properties</p> <p>100%</p>	<p>Current Compliance</p> <p>100%</p>
<p>Asbestos Re-Inspections</p> <p>342 Overdue 773 Communal</p> <p>56%</p>	<p>Current Compliance</p> <p>56%</p>
<p>Properties with a satisfactory Electrical Inspection Condition Report (EICR)</p> <p>1955 Expired 7852 Properties</p> <p>75%</p>	<p>Current Percentage Compliance</p> <p>75%</p>
<p>Lift Inspection Compliance</p> <p>98%</p> <p>1 Overdue 48 Inspections</p>	<p>Current Percentage Compliance</p> <p>98%</p>
<p>Trend Since Last Report 99.98%</p> <p>↑</p>	
<p>Trend Since Last Report 20%</p> <p>↑</p>	
<p>Trend Since Last Report 61.53%</p> <p>↑</p>	
<p>Trend Since Last Report 98%</p> <p>↔</p>	

Appendix A: Compliance Dashboard



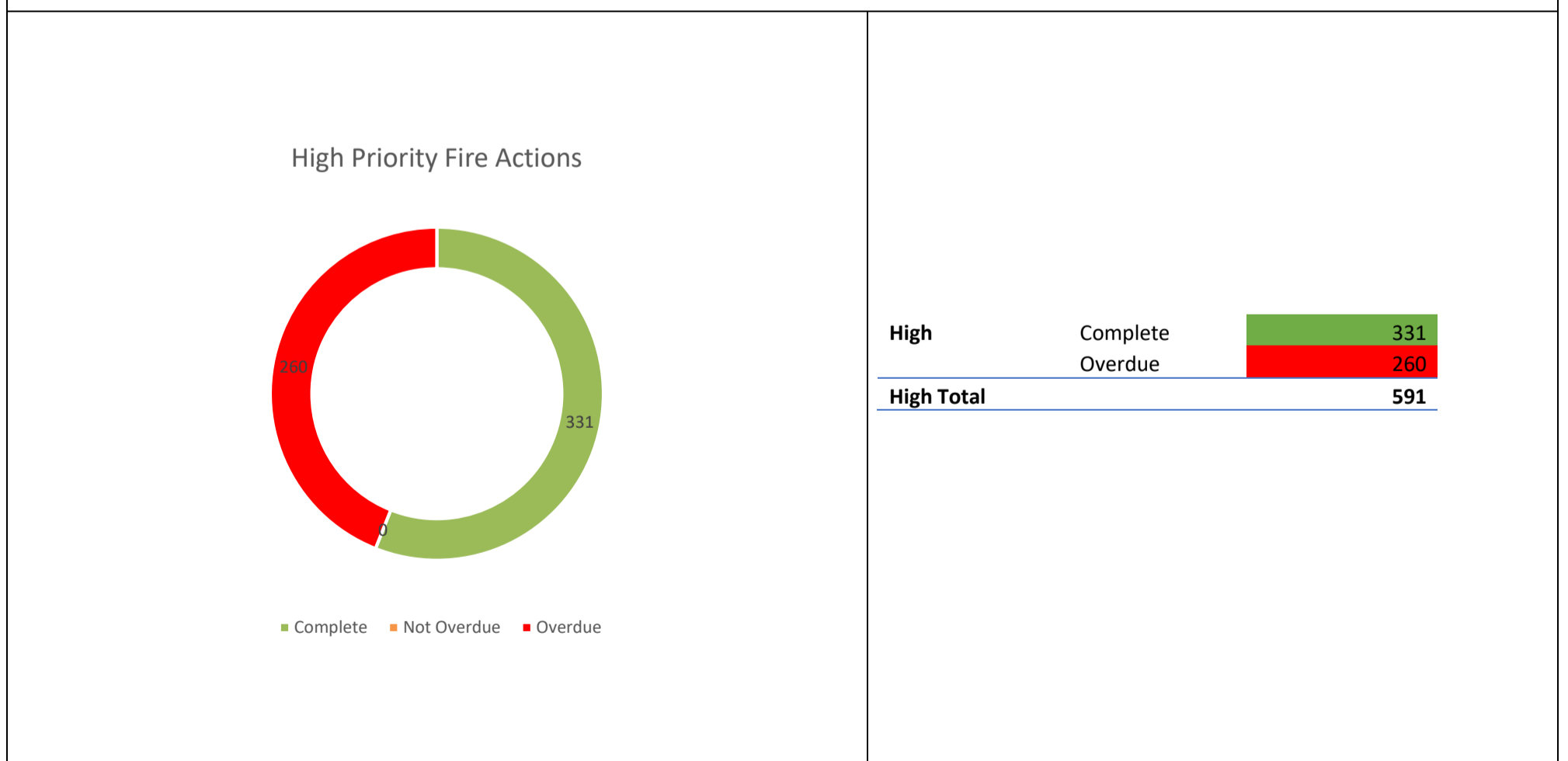
Fire Actions

	Complete	Not Overdue	Overdue	Total
High	331		260	591
Medium	291		949	1240
Low	301	52	692	1045
Grand Total	923	52	1901	2876

Low: Unusually low likelihood of fire as a result of negligible potential sources of ignition.

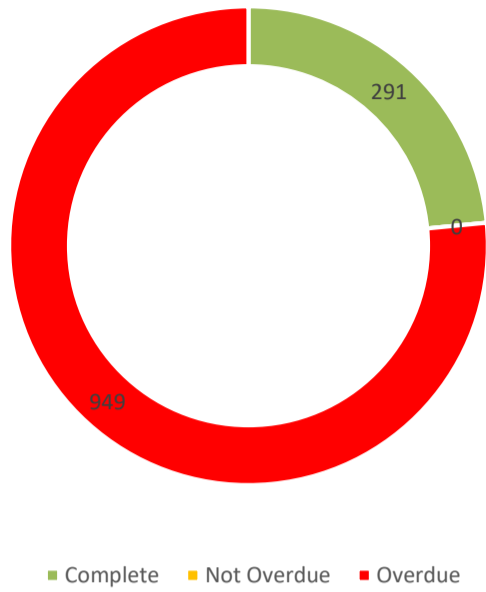
Medium: Normal fire hazards (e.g. potential ignition sources) for this type of occupancy, with fire hazards generally subject to appropriate controls (other than minor shortcomings).

High: Lack of adequate controls applied to one or more significant fire hazards, such as to result in significant increase in likelihood of fire



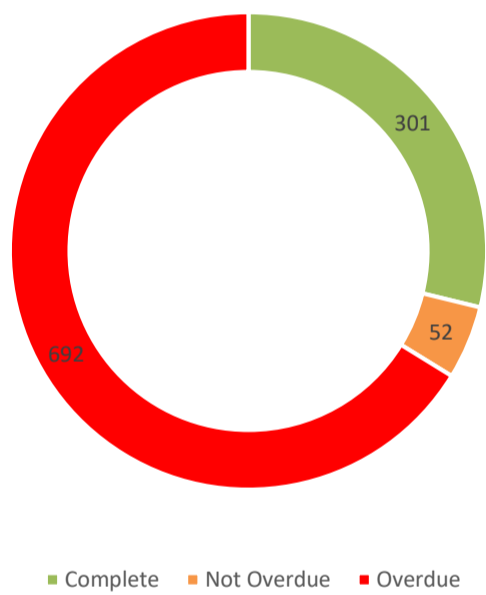
Appendix A: Compliance Dashboard

Medium Priority Fire Actions



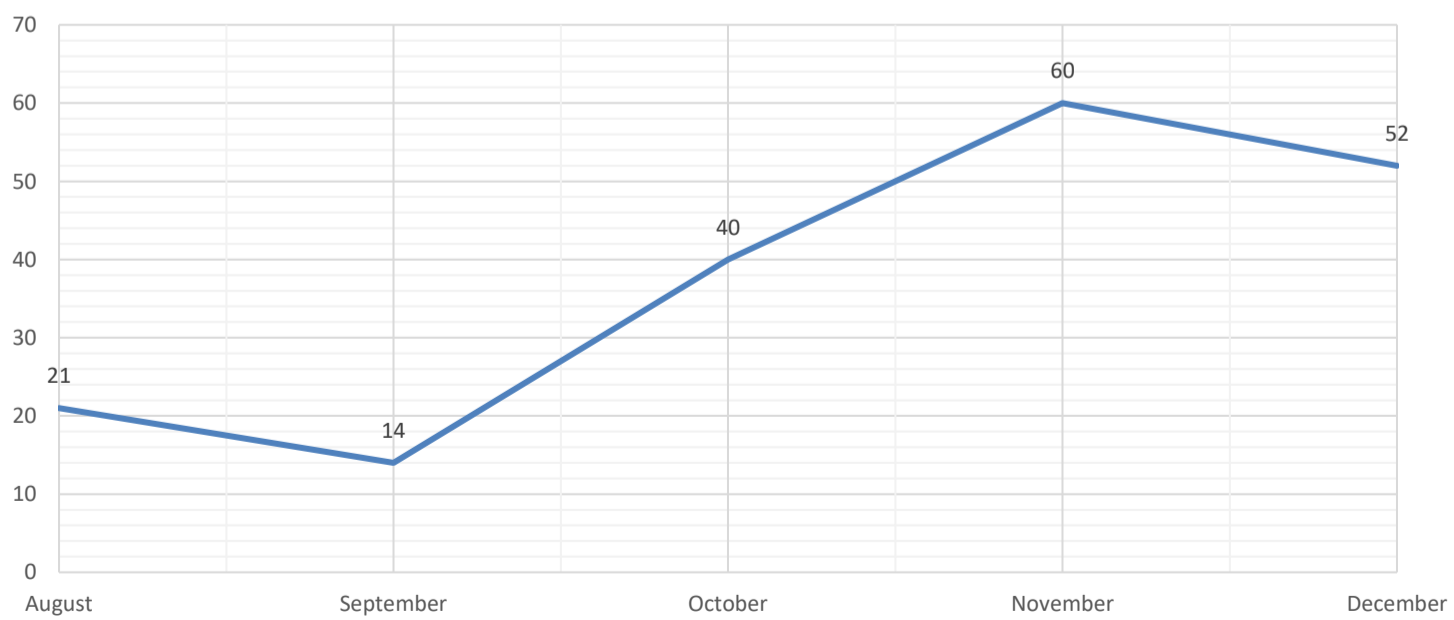
Medium	Complete	291
	Overdue	949
Medium Total		1240

Low Priority Fire Actions

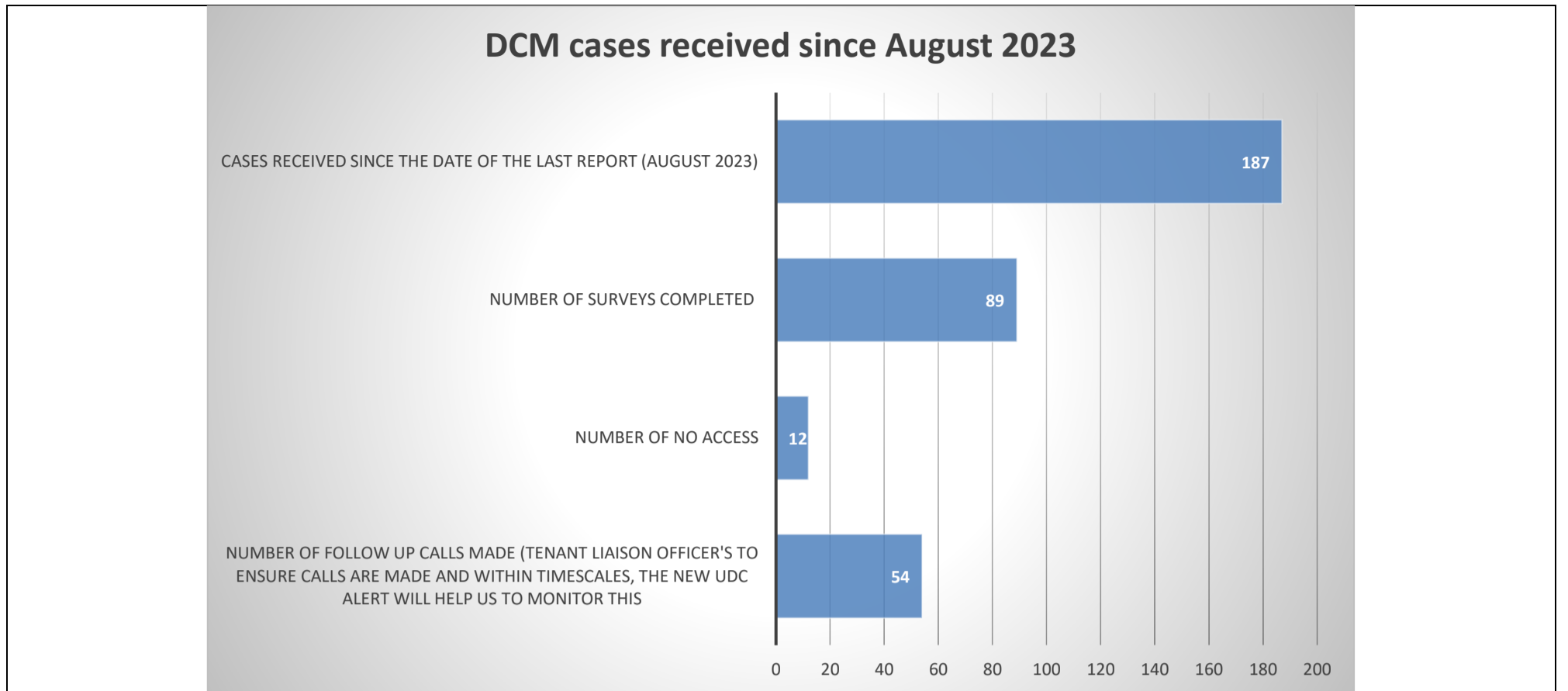


Low	Complete	301
	Not Overdue	52
	Overdue	692
Low Total		1045

Number of report of DCM by month



Appendix A: Compliance Dashboard



Appendix B – Supplementary Data

1. Electrical testing

Cambridge City Council electrical testing will be at 98% within the next 24 months.

Previously after three attempts by the contractor unsuccessful accesses were not pursued. When this weakness was identified the approach changed, combining Gas and EICR into a one unified contract leveraging the access rate from the gas safety program.

Where the contractor has three failed attempts the council intervenes dealing directly with the tenant to gain access. This approach has seen a 10% increase in overall compliance within the past 6 months.

2. Fire Management

The fire risk management strategy is designed to verify compliance with:

- Regulatory Reform (Fire Safety) Order 2005 (FSO) as amended by the Fire Safety Act 2021, ensuring the completion of a Fire Risk Assessment
- Fire Safety (England) Regulations 2022 (FSR) and, where applicable, the Building Safety Act 2022 (BSA) is ensured.

To provide a more in-depth perspective, this process has been segmented due to the substantial number of outstanding actions. However, while understanding that compliance primarily focuses on having a Fire Risk Assessment in place, the Council does recognise the number of outstanding actions is higher than acceptable.

In addition, the overall aim of Cambridge City Council strategy is an incremental approach that achieves an overall risk portfolio with a tolerable risk rating.

Thereafter to have plans in place addressing the remaining risks in priority order. The aim to maintain a risk portfolio with an overall risk rating of “tolerable” recognising that an overall risk rating of “trivial” would be very challenging given the nature/age of Cambridge City Council stock.

Appendix B – Supplementary Data

As of 2nd January 2024, Cambridge City Council is 100% compliant with legislation where the requirement is to have a Fire Risk Assessment (FRA) completing 447 Active Fire Risk.

A FRA generates fire actions, the number and severity of those actions decides on the overall risk

Table 1: Fire Actions

	Complete	Not Overdue	Overdue	Total
High	331		260	591
Medium	291		949	1240
Low	301	52	692	1045
Total	923	52	1901	2876

Low: Unusually low likelihood of fire as a result of negligible potential sources of ignition.

Medium: Normal fire hazards (e.g. potential ignition sources) for this type of occupancy, with fire hazards generally subject to appropriate controls (other than minor shortcomings).

High: Lack of adequate controls applied to one or more significant fire hazards, such as to result in significant increase in likelihood of fire

Appendix B – Supplementary Data

Table 2: FRA Risk

FRA with All Actions Completed	10
FRA with Substantial Risk	10
FRA with Moderate Risk	66
FRA with Tolerable Risk	359
FRA with Trivial Risk	2

Fire Risk Level Definition

Trivial: No action is required and no detailed records need be kept, however the situation should be monitored regularly.

Tolerable: No major additional controls required, however the situation requires ongoing monitoring and there may be a need for consideration of improvements that involve minor or limited cost.

Moderate: It is essential that efforts be made to reduce the risk. Risk reduction measures should be implemented within a defined time period and ongoing monitoring is required.

Substantial: Considerable resources may have to be allocated to reduce the risk. If the building is unoccupied, it should not be occupied until the risk has been reduced. If the building is occupied, urgent action should be taken.

Intolerable: Building (or relevant area) should not be occupied until the risk is reduced.

Appendix B – Supplementary Data

2.1 Substantial Risks

The following ten sites listed below are categorised as substantial risks.

- This is forecast to be reduced by two when next reported.
- One other site of five blocks is due for works completion in the spring. On completion of compartmentation works scheduled for Spring 2024, and contingent upon the fulfilment of outstanding actions including the conversion of two remaining flats to electric, it is anticipated that a new Fire Risk Assessment (FRA) will result in a downgrade of risk to the "tolerable" category

The remaining three will likely stay as Substantial for a protracted period while a programme of works for compartmentalisation is undertaken. As an additional safety measure these sites will see increased inspection programme.

Aylesborough Close:

- Currently unoccupied and has been handed over to Housing Development Team to be redeveloped.
- Risk Assessment to be deactivated from the database.

Hanover and Princess Court (2 blocks/sites):

- Identified as regeneration projects, site to be redeveloped in 2025
- Develop plans for further risk reduction measures by April 2024. Reviewing Measures and Fire Safety Management Plans (FSMP) with interim measures to be put in place until project commencement:
 - Engage and educate with tenants - Increasing Awareness and Training Initiatives on Fire Procedures for residents, staff, and contractors.
 - Improving signage - contractor has been commissioned and forecasted be in place under 14 days from 04/01/24
 - Additional portable detectors to be provided - quote being sought and contractor to be commissioned.

Kingsway Flats (5 blocks/sites):

- Kingsway Flats is classed as one estate of five blocks with 130 flats in total that includes leaseholders.
- At Kingsway flats, fire compartmentation works are now in progress and are scheduled to be complete in late Spring 2024. It

Appendix B – Supplementary Data

is forecast that this will, dependent on other actions being completed and a new FRA, reduce the risk to tolerable.

- Work is ongoing to replace the remaining gas heating systems with electric alternatives and then all gas supplies will be removed from the building.
- Reviewing Measures and Fire Safety Management Plans (FSMP) with interim measures to be put in place until project completion:
 - Fire alarm system – A fire alarm has been installed, constituting a significant mitigation measure. This system serves as a critical safeguard, ensuring tenants receive early warnings in the event of a fire, thereby enhancing overall safety within the premises.
 - Engage and educate with tenants - Increasing Awareness and Training Initiatives on Fire Procedures for residents, staff, and contractors.
 - Improving signage - contractor has been commissioned and forecasted to be in place under 14 days from 04/01/24
 - Three properties remain on gas, with one tenant agreeing to move to electric.
 - All three properties have safety devices fitted to the gas flow.
 - There is an increased inspection programme for these three properties.

Ditchburn Place:

- Reduce to Tolerable risk rating by Feb 2024
- Works required to replace 1 flat door that does not currently conform are nearing completion. Supply chain stress has impacted the replacement programme forecasted completion date Jan/early February 2024

Stanton House:

- Stanton Hse has been identified as a possible regeneration project.
- Actions to be taken to reduce current residual score:
 - Implemented a 24-hour On-site Officer/Security waking watch walking the floors
 - Relocating/educate tenants who may not be able to self-evacuate of the risk and provide an offer to move from top floor to ground floor (if the tenant is agreeable) and/or offer an alternative property if available.
 - Implementing an interim remedial works plan to include fire doors and compartmentation works to address inadequate or

Appendix B – Supplementary Data

missing fire-retardant prevention measures – works starting 15th Jan 2024 and programmed for 10 weeks to completion.

- Increasing Awareness and Training Initiatives on Fire Procedures for residents, staff, and contractors
- Inspect and maintain current fire doors to ensure effective control is in place - contractor commissioned to complete works.
- Reviewing Measures and Fire Safety Management Plans (FSMP) Across All Sheltered Schemes

2.2 Moderate Risk

In relation to moderate risks, the risks relate to following:

- Penetrations in compartment walls,
- Surface material or surface treatments required,
- Fire doors,
- Housekeeping and bins or combustibles stored too close to the building.

Management plan

Revisiting all transient risks pertaining bin storage and housekeeping by April 2024

- All minor works pertaining cable penetrations to be on a program of work by April 2024
- Surface treatments to be applied where required on internal escape routes by March 2025

2.3 Tolerable Risk

All actions to be reviewed in priority order monthly at fire risk management meetings in 2024.

Remediation is in place for:

- Door Replacements – Planned Work
- Remedial work to compartment walls – Responsive work delivered by a contractor
- Treatment of Surface – Cyclical Work
- Housekeeping – Enforcement and Education which are transient issues

The objective is to achieve an overall risk rating of Tolerable across the whole housing estate, addressing outstanding risks through this process. This will be achieved by managing the substantial and moderate risks through Cambridge City Council current Fire Risk Management Strategy:

Appendix B – Supplementary Data

- Communication and monthly risk review meetings to be held with all fire risk and tasks owners reporting on the status of all actions, priority, completion targets and any overdue tasks.
- Task owners are to be clear in relation to their role, responsibilities including actions required, with further training for all colleagues.
- Contracts and contractors are to be in place delivering maintenance and repair services for all compliance elements.
- Work is to be suitably resourced, planned and monitored.
- Arrangements are to be in place monitoring effectiveness of remedial action plans following fire risk assessment reviews.
- There are to be clear escalation routes where the risk cannot be addressed through planned arrangements, through to Leadership Team.

3. Asbestos Management

This relates to the duty to manage asbestos in non-domestic properties on two counts. These are:

1. **Regulation 4 - The duty to manage asbestos**
2. **Regulation 5 - Identification of asbestos**

This was identified during the implementation of an asbestos compliance module, within the new data structure for blocks and communal areas from our dataset.

- Cambridge City Council have accelerated the inspection program and will be fully compliant by the end of the financial year 23/24
- Cambridge City Council are identifying and prioritising blocks that have not been previously inspected in line with the correct inspection regime.
- There are no high or medium actions outstanding from these findings.
- All surveys and findings are triaged taking necessary actions where required and continued monitored by Cambridge City Council asbestos surveyor
- All priority actions identified are addressed immediately and remediated with an HSE licensed asbestos contractor Alliance Asbestos Ltd.

3.1 Data Discrepancies and Surveys

Appendix B – Supplementary Data

Discrepancies have been identified with the naming convention within the MRI Housing Enterprise (Housing Management Database) data structure used for compliance/asset management. This has led to inconsistencies across property types and hierarchy for blocks and communal areas.

The MRI data has been reviewed during the implementation and identified that not all communal areas were defined correctly in the data structure.

To address this issue:

- a thorough review was undertaken, including a desktop, pre-survey site inspections, and site surveys.
- new initial asbestos management surveys were conducted for all sites at the highest hierarchy, or any sub level identified within.

The review concluded that the total surveys to be undertaken are:

- Blocks including all structures requiring a survey - **773**
- Surveys completed in the last 12 months - **345**
- Surveys still to be conducted – **428**

3.2 Management Action Plan

A management action plan to ensure compliance with asbestos management is being implemented. The measures are:

UKAS accredited analytical services provider Thames Laboratories conducting 25 surveys per week. Survey programs and progress is monitored weekly. The schedule is built to complete all outstanding inspections by **March 31 2024**.

Cambridge City Council's surveyor, overseeing this programme has the proficiencies P402 (Building Surveys and Bulk Sampling of Asbestos) P405 (Managing Asbestos in Buildings including Asbestos Removal).

All surveys and findings are managed, triaged and monitored by an in-house asbestos surveyor, prioritising necessary actions. All priority actions are addressed immediately and remediated with an HSE licensed asbestos contractor Alliance Asbestos Ltd.

The management of asbestos is being addressed based on inspection findings.

Appendix B – Supplementary Data

- Sites identified as having no suspect material will be removed from the reinspection program.
- Sites identified as having high or medium actions are completed immediately.
- There are no high or medium actions outstanding.

3.3 Procedures

Alongside the practical programme a further review of procedures is being conducted covering:

- Asbestos Management Plans
- Risk Assessments and Safe Systems of Work
- Communication of emergency procedures
- Information, instruction, and training focusing on raising awareness
- Collaboration with corporate health and safety team including inspections and audits
- Engaging with tenants when taking on a new tenancy
- Engaging with tenants via tenant alteration procedures prior to any home improvement
- Making survey information available or obtain a survey if required on request.

4. Lifts

The Council is 100% compliant with regards to servicing and maintenance.

However, is 89% compliant to the requirement outlined in Regulation 9 (thorough examination and inspection every six months as required by LOLER).

HSB Engineering are contracted to complete these inspections. Cambridge City Council M&E Engineer revisited all sites with HSB Engineering and reported that the engineer assigned to this servicing program (contract) was new and unfamiliar with the access procedures. This has been addressed.

5. Governance

As part of strengthening the governance in preparation for more formal Regulatory oversight several areas have already been under review and in train regarding governance, performance measures and reporting. Following the identification of areas require significant improvement,

Appendix B – Supplementary Data

further work has taken place to strengthen the structures; the new Director of City Services (Property) and new Director of Communities (Housing Management) to lead relevant services.

Further to this:

- **Compliance Reporting**

Further work is being undertaken to develop more detailed compliance reporting in a consistent format for reporting through to internal Boards and Housing Scrutiny Committee.

- **Strengthening internal governance structure for reporting**

- The Housing Leadership Board provides leadership and governance to maintain high standards across the housing functional area to include compliance. The Housing Leadership Board consists of the following key roles:

- Director of City Services Group
- Director of Communities
- Assistant Director Housing and Homelessness
- Head of Finance and Business
- Strategic Delivery Manager for City Services Group

- The Housing Leadership Board oversees the performance reporting into Housing Scrutiny Committee.

- The creation of a Compliance Board to focus solely on the spectrum of compliance discussed in this paper, providing oversight and governance.

- Director of City Services Group
- Director of Communities
- Assistant Director Housing and Homelessness
- Strategic Delivery Manager for City Services Group
- Property Compliance and Risk Manager
- Asset Manager
- Fire Risk Assessor and Advisor
- Key Service Managers

- The Compliance Board oversees the compliance performance reporting into Housing Leadership Board

Appendix B – Supplementary Data

- These boards will be co-chaired Director of City Services Group and Director of Communities to ensure Leadership Team level support and guidance.
- Internal Audit to support management plans.
- Were required external auditors to support on specialist areas of work.

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Appendix C: Damp, Condensation and Mould (DCM)

Introduction

The service is currently in the process of designing a new, real-time spreadsheet to significantly improve the depth and accuracy of our data capture and reporting processes for DCM. This initiative aims to provide more detailed insights into our operations.

Additionally, they are actively exploring the potential of incorporating the 'My Compliance' software to streamline the handling of DCM information. This step is part of our commitment to adopting innovative solutions for more efficient and effective service delivery.

It is important to highlight that certain instances of DCM may not be directly linked to building issues. In such cases, our team collaborates closely with our Housing colleagues and tenants to identify and implement suitable solutions. It's important to note that these cases may remain open for a protracted period due to the nature of the challenges involved.

A DCM report is officially marked as closed only when a comprehensive survey has been conducted, any necessary remedial works are completed, planned works related to thermal issues have been executed, and the tenant has confirmed the satisfactory resolution of the reported DCM.

Key Updates:

1. Increase in Reports:

The cold weather has contributed to the increase in reported cases of DCM issues. This demonstrates the seasonal influence on such problems. The service proactively monitors weather patterns to pre-empt any uplift in DCM.

2. Customer Contact and Survey:

We continue to contact customers within 2 days of a DCM report continues, with a scheduled DCM Survey inspection booked in within 10 working days. The Tenant Liaison Officers continue to engage with customers during the initial call to assess the severity of DCM, enabling timely prioritisation of actions, including mould wash treatments.

3. Information Dissemination:

Appendix C: Damp, Condensation and Mould (DCM)

A condensation and mould information leaflet is sent to tenants, advising them about DCM issues and preventive measures.

3.1 DCM Risk Assessment Survey Report: A new DCM risk assessment survey report has been developed. Surveyors utilise this report to assess risk levels, record findings, outline necessary follow-up actions, and capture relevant survey observations such as potential tenant health issues, financial hardship and overcrowding.

4. Follow-Up and Further Surveys:

A follow-up call to tenants is conducted 8 weeks post-survey completion to ascertain if any further action is required. Since April 2023 we have received 331 reports of DCM, 33 of which had reported that the DCM had not improved since the initial survey. We continue to support these tenants, with a further survey, advise and if necessary, liaise with our housing team colleagues, where the DCM relates to financial hardship or overcrowding.

5. Tenant Engagement:

Collaborative efforts are planned with the resident engagement team, scheduled to commence in the new year. This engagement aims to enhance tenant awareness and involvement in DCM management strategies.

6. Housing Officer and Customer Service Centre Teams Involvement:

Housing Officers, external contractors and our in-house repairs operatives play an active role by identifying DCM cases and communicating them through the dedicated condensation email address, facilitating effective communication and timely resolution.

7. Action Plan Implementation:

The organisation continues to fulfil actions outlined in the Cambridge City Council's DCM Self-Assessment Response Action Plan, indicating a commitment to meeting established standards and protocols.

8. Collaborative Initiatives:

To establish a working Group with Cambridgeshire Housing Associations to support a cooperative effort to address DCM issues across the housing sector, building on successful collaborations from the previous year.

Appendix C: Damp, Condensation and Mould (DCM)

9. Conclusion:

The increase in reported DCM cases due to cold weather is an expected trend. The current increase in reports of DCM have put a strain on our current resources, whereby we are firefighting rather than proactively making improvements. To make the necessary improvement we have requested additional internal resources to support us to make the changes and complete the next steps outlined below.

10. Update and Next Steps

10.1 Execute planned meetings with the resident engagement team in September: We collaborate with the resident engagement team and have publicised DCM information in the Open Door Magazine with another update planned to go out in Open Door in February. We will shortly be sending out DCM information and how to contact us, on social media.

10.2 Build on the current proactive tenant engagement: We have 6 weekly meetings booked with our resident engagement representatives and quarterly briefings with the HSE.

10.3 Build on current collaborative working with Housing Officers and other stakeholders: Our Housing colleagues, in house operatives, Environmental Health Team, and others that visits properties on a regular basis, report DCM concerns via our condensation email, as do our Gas Servicing contractors, and other contractors that carry out works for the Council.

10.4 Continue to monitor the effectiveness of the DCM risk assessment survey report: The DCM risk assessment is reviewed at our monthly DCM meeting.

10.5 Continue action plan implementation from Cambridge City Council's DCM Self-Assessment Response Action Plan: We continue to work through the 58 actions in the action plan, with 56 actions either completed or on-going and 6 pending resolution.

10.6 Participate actively in the resumed Working Group with Cambridgeshire Housing Associations meetings: We have reached out to Housing Associations in the Cambridge area and hope to start the working group in the forthcoming months.

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2024/25 HOUSING REVENUE ACCOUNT BUDGET SETTING REPORT

To:

Councillor Gerri Bird, Executive Councillor for Housing and Homelessness

Report by:

Julia Hovells, Head of Finance and Business Manager

Tel: 01223 - 457248

Email: julia.hovells@cambridge.gov.uk

Wards affected:

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

Key Decision

1. Executive Summary

- 1.1 As part of the 2024/25 budget process, the range of assumptions upon which the HRA Business Plan and Medium-Term Financial Strategy were based, have been reviewed in light of the latest information available, culminating in the preparation of the HRA Budget Setting Report.
- 1.2 The HRA Budget-Setting Report provides an overview of the review of the key assumptions. It sets out the key parameters for the detailed recommendations and final budget proposals and is the basis for the finalisation of the 2024/25 budgets.

- 1.3 The resulting recommendations refer to the strategy outlined in the HRA Budget Setting Report.
- 1.4 The HRA Budget Setting Report is presented to this meeting of the Housing Scrutiny Committee on 23 January 2024, to allow consideration and scrutiny of proposals for both the review of rents and service charges and the revenue bids and savings, which form part of the HRA budget. The Executive Councillor for Housing and Homelessness will approve rents, service charges and the final HRA revenue budget, after consideration of any budget amendments for the Housing Revenue Account.
- 1.5 The Housing Scrutiny Committee will also consider and scrutinise the Housing Capital Investment Plan, including capital bids and all associated funding proposals, prior to the Executive Council for Housing and Homelessness making final capital recommendations for approval at Council on 15 February 2024.

2. Recommendations

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

Review of Rents and Charges

- a) Approve that council dwellings rents for all social rented and social shared ownership properties be increased in line with government guidelines, with an increase of 7.7%, being inflation as measured by the Consumer Price Index (CPI) at September 2023 of 6.7%, plus 1%. Rent increases will take effect from 1 April 2024. This equates to an average rent increase of £8.69 per week.
- b) Approve that affordable rents, inclusive of service charge, are also increased by 7.7% in line with the increase for social rents. This equates to an average rent increase of £13.05 per week.
- c) Approve that rents for affordable shared ownership properties are increased by RPI as at January 2024, plus 0.5%, as allowed for in the lease requirements for these properties.
- d) Approve that garage and parking space charges for 2024/25, are increased by inflation at 7.7%, in line with dwelling rents, recognising

the proposal to increase garage rents at a higher rate for 2024/25 as rents were increased by lower than inflation in 2023/24. Approve any changes in charges for parking permits, with any resulting charges summarised in Section 6 of the HRA Budget Setting Report.

- e) Approve the proposed service charges for Housing Revenue Account services and facilities, as shown in Appendix D of the HRA Budget Setting Report.
- f) Approve the proposed leasehold administration charges for 2024/25, as detailed in Appendix D of the HRA Budget Setting Report.
- g) Approve that service charges continue to be recovered at full estimated cost, as detailed in Appendix D of the HRA Budget Setting Report, recognising that local authorities should endeavour to limit increases to inflation as measured by CPI at September 2023 (6.7%) plus 1%, wherever possible.

Revenue – HRA

Revised Budget 2023/24:

- h) Approve with any amendments, the Revised Budget identified in Section 7 and Appendix E (1) of the HRA Budget Setting Report, which reflects a net reduction in the use of HRA reserves for 2023/24 of £571,010

Budget 2024/25:

- i) Approve with any amendments, any Non-Cash Limit items identified in Section 7 of the HRA Budget Setting Report or shown in Appendix E (2) of the HRA Budget Setting Report.
- j) Approve with any amendments, any Savings, Increased Income, Unavoidable Revenue Bids, Reduced Income Proposals and Bids, as shown in Appendix E (2) of the HRA Budget Setting Report.
- k) Approve the resulting Housing Revenue Account revenue budget as summarised in the Housing Revenue Account Summary Forecast 2023/24 to 2028/29 shown in Appendix G of the HRA Budget Setting Report.

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

Treasury Management

- l) Approve the revised need to borrow over the 30-year life of the business plan, with the first instance of this anticipated to be in 2023/24, to sustain the proposed level of investment, which includes ear-marking funding for delivery of the 10 Year New Homes Programme.
- m) Recognise that the constitution delegates Treasury Management to the Chief Finance Officer (Part 3, para 5.11), with Part 4F, C16 stating; 'All executive decisions on borrowing, investment or financing shall be delegated to the Chief Finance Officer, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.
- n) Recognise that the decision to borrow significantly to build new homes impacts the authority's ability to set-aside resource to redeem the HRA Self-Financing debt at the point at which the loan portfolio matures, with the need to re-finance debt in the latter stages of the business plan.

Housing Capital

- o) Approval of capital bids, as detailed in Appendix E (3) and Appendix F of the HRA Budget Setting Report.
- p) Approval of the latest Decent Homes and Other HRA Stock Investment Programme, to include re-phasing of elements of the programme between capital and revenue, as detailed in Appendix F of the HRA Budget Setting Report.
- q) Approval of the latest budget sums, profiling and associated financing for all new build schemes, as detailed in Appendix F, and summarised in Appendix H, of the HRA Budget Setting Report.
- r) Approval of allocation of £15,285,000 of funds from the budget ear-marked for the delivery of new homes into a scheme specific budget for Newbury Farm, in line with the scheme specific report presented as part of the committee cycle.

- s) Approval of the revised Housing Capital Investment Plan as shown in Appendix H of the HRA Budget Setting Report.

General

- t) Approval of inclusion of Disabled Facilities Grant expenditure and associated grant income from 2024/25 onwards, based upon 2023/24 net grant awarded, with approval of delegation to the Chief Finance Officer, as Section 151 Officer, to approve an in year increase or decrease in the budget for disabled facilities grants in any year, in direct relation to any increase or decrease in the capital grant funding for this purpose, as received from the County Council through the Better Care Fund.
- u) Approval of delegation to the Chief Finance Officer, as Section 151 Officer, to determine the most appropriate use of any additional Disabled Facilities Grant funding, for the wider benefit of the Shared Home Improvement Agency.
- v) Approval of delegation to the Director of Communities to review and amend the level of fees charged by the Shared Home Improvement Agency for disabled facilities grants and repair assistance grants, in line with any recommendations made by the Shared Home Improvement Agency Board.
- w) Approval of delegation to the relevant Director, in consultation with the Chief Finance Officer, as Section 151 Officer, to draw down resource from the ear-marked revenue reserve or capital reserve for potential debt redemption or re-investment, for the purpose of open market land or property acquisition or new build housing development, should the need arise, in order to meet deadlines for the use of retained right to buy receipts or to facilitate future site redevelopment.
- x) Approval of delegation to the Chief Finance Officer, as Section 151 Officer, to make any necessary technical amendments to detailed budgets in respect of recharges between the General Fund and the HRA, with any change in impact for the HRA to be reported and incorporated as part of the HRA Medium Term Financial Strategy in September or November 2024.

3. Background

- 3.1 The HRA Budget Setting Report is one two opportunities in the financial year to review the HRA Business Plan and to update financial forecasts and projections.
- 3.2 The HRA budget is set in the context of the 30-year business plan, to ensure that sufficient income is forecast to allow the Councils housing stock can be managed effectively and maintained to a decent standard, whilst also maximising the number of new homes that can be delivered.
- 3.3 The HRA faces significant financial challenges, with a significant investment need identified in the housing stock in order to improve homes to an appropriate level of energy efficiency over the coming years.
- 3.4 This iteration of the business plan also takes account of the need to correct one of two errors in historic rent setting processes, with a resulting reduction in forecast rent income for future years, coupled with the need to identify resource to refund tenants who may have been over-charged historically. This has a significant impact on the financial forecasts contained within the HRA Business Plan and will result in the need to take remedial action in future iterations. This issue is addressed in the HRA Budget Setting Report, and some potential mitigations are outlined for future decision.

4. Implications

All budget proposals have a number of implications. A decision not to approve a revenue bid will impact on managers' ability to deliver the service or scheme in question and could have staffing, equal opportunities, climate change and / or community safety implications. A decision not to approve a capital or external bid will impact on managers' ability to deliver the developments desired in the service areas.

(a) Financial Implications

The financial implications associated with decisions are outlined in the HRA Budget Setting Report 2024/25, appended to this report, for consideration by both Housing Scrutiny Committee and Council.

(b) Staffing Implications

Any direct staffing implications are summarised in the HRA Budget Setting Report 2024/25, appended to this report.

(c) Equality and Poverty Implications

An Equalities Impact Assessment has been undertaken in respect of new budget proposals where any impact (positive or negative) is anticipated. The consolidated assessment is presented at Appendix J of the HRA Budget Setting Report.

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

Where relevant, officers have considered the climate change impact of budget proposals, with any impact highlighted in the HRA Budget Setting Report 2024/25, appended to this report.

(e) Procurement Implications

Any procurement implications arising directly from revenue or capital bids will be considered and addressed as part of each individual project.

(f) Community Safety

Any community safety implications are outlined in the HRA Budget Setting Report 2024/25, appended to this report.

5. Consultation and communication considerations

Tenant and leaseholder representatives are consulted on any changes in the HRA budget as an integral part of the scrutiny process associated with this committee. All tenants receive individual written communication in advance of any change in rent or service charge levels.

6. Background papers

Background papers used in the preparation of this report:

Housing Revenue Account Budget Setting Report 2023/24

Housing Revenue Account Medium Term Financial Strategy 2023/24

7. Appendices

The Housing Revenue Account Budget Setting Report 2024/25 is appended to this report.

8. Inspection of papers

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

Julia Hovells, Head of Finance and Business Manager

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

HSC Final

Housing Revenue Account Business Plan Update and Budget Setting Report 2024/25



January
2024

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Section 1

Introduction and Background

Foreword by the Executive Councillor, Gerri Bird

As we enter 2024, it is clear that the Housing Revenue Account continues to face significant financial challenges as a result of high interest rates, inflation, and the need to comply with changes to policy and regulation from central government.

Despite these challenges, we continue to invest in our existing properties, support our tenants, and build attractive new homes at a significant rate. I want to thank the officers and our tenant and leaseholder representatives for their continued commitment and support.

Rent

Setting rent levels for our tenants is one of the most important elements of the budget process. Last year we raised rents by 5%, lower than the amount we could have asked for. We knew that families were suffering and that we needed to do all we could to help them, but that came at a cost to our budgets and our ability to maintain and improve our housing stock.

For 2024/2025 we will raise rents by 7.7%, letting us balance our budget in the longer term and make progress on our target to get 1,700 of our properties to the EPC 'C' level for energy efficiency. This will reduce energy costs for tenants over the long term.

Around 60% of our tenants receive some form of help with housing costs, and some tenants will become eligible for benefits as a result of the rise, but we know this is a burden and don't welcome the choices we have had to make.

Building

On a more positive note, our delivery programme includes the 500 devolution programme of 931 homes in total, including those for market sale, with 537 net affordable homes, as well as the 10-year New Homes Programme which covers 706 homes (including 21 homes being acquired to accommodate refugees and 4 modular homes outside of the HRA). This will deliver 195 net new build Council rented homes at social rent or 60% of market rent and 213 net new homes to be let at 80% of market rent.

Housing regeneration schemes at Fanshawe Road (84 homes, of which 39 will be market sale homes) and East Barnwell (120 homes) have now been submitted for planning consideration. 391 of the homes in development are now being benchmarked against Passivhaus performance levels, showing our commitment to sustainable development. I'm especially pleased to see the 12 homes at Fen Road that are near to completion, include two wheelchair accessible houses. There is also a proposal for a wheelchair accessible bungalow at Kendal Way.

Dealing with homelessness remains a priority, and we now have 22 modular homes and plans for four more – if we had more sites, we could do more in this area.

Maintenance

Every tenant should be able to expect that repairs are carried out promptly and efficiently, and we have taken on the challenge of changing the way we work, consulting staff about ways to improve how we manage repairs to help our teams to do their vital jobs better, including upgrades to our computer systems at council depots.

Damp, Condensation and Mould

We have put a lot of effort into dealing with damp, condensation, and mould (DCM) in our properties as it can severely affect people's health and quality of life. The cold weather means that we're getting more reports, and not all are due to building issues. We are following the council's DCM Self-Assessment Response Action Plan and continue to respond

to reports within two days and schedule and inspection within ten working days. We are also using a new DCM risk assessment survey report, plan to restart our working group with Housing Associations in the Cambridge area, and are developing a new, real-time spreadsheet that will significantly improve the depth and accuracy of our data capture and reporting.

We continue to work hard to deliver affordable, sustainable and attractive homes for all our tenants, to support homeless people and get them into good housing, and to maintain our properties to the highest standards.

Councillor Gerri Bird

Executive Councillor for Housing and Homelessness

Background

The Housing Revenue Account is the landlord account for the authority, operating in the context of a 30-year business plan, which is reviewed twice each year, in November when the budget strategy is agreed and again in January / February, when the detailed budget is approved.

The HRA accounts for all services to tenants and leaseholders and is the account into which the proceeds of the rent and service charges are credited. The HRA Budget Setting Report considers both HRA revenue and all housing capital spending.

The level of resource available to invest in housing is dependent upon the income streams in the Housing Revenue Account, with rental income for the housing stock being the key contributor to this. The HRA can borrow to invest in housing, but the income stream must be able to fully support the borrowing. The authority is currently required to comply with a national approach to rent setting, where rents can be increased annually by up to inflation (as measured by the Consumer Price Index) plus 1%. This applies from April 2024, but future year rent increases are currently subject to uncertainty, as the authority awaits a new Rent Standard from April 2025.

The HRA must be able to support a significant level of housing debt whilst also ensuring the ongoing delivery of housing services. On 1 April 2023, the authority supported a net housing debt of £214,976,425.

Both the HRA Medium Term Financial Strategy and the HRA Budget Setting Report review internal and external factors impacting the housing service, taking account of any emerging changes in national housing policy, health and safety and building safety requirements, changes in risk profile and the impact of any anticipated change in the economic climate. The review undertaken in the autumn of each year determines the financial strategy for the HRA and the framework for the detailed budget work to develop proposals for the coming budget year. As part of the Budget Setting Report, consideration is given to whether any aspects of the strategy need to be revised and sensitivity analysis is undertaken to ensure that effective contingency plans are considered and that appropriate reserves are maintained in light of any change in assumptions.

This document provides the basis for setting the HRA budget and rents and charges for 2024/25, culminating in recommendations to both Housing Scrutiny Committee on 23 January 2024 and ultimately Council on 15 February 2024.

The work on the 2024/25 HRA Budget Setting Report adopts the following key parameters:

- A financial model assuming borrowing to deliver new homes alongside maintaining and improving the existing housing stock.
- A rent increase of 7.7% for 2024/25, followed by an assumed increase of CPI plus 0.5% from 2025/26 for the following 5 years.
- Housing stock maintained at a minimum of the current decency standard, with investment in respect of energy efficiency improvements being a key priority.
- An efficiency savings target of £196,000 per annum included for 5 years, partially offset by a Strategic Investment Fund of £98,000 per annum, that allows resource to be re-invested in new and emerging priorities.
- Adjustment to responsive repairs expenditure in line with anticipated stock changes.
- Minimum working balance for reserves of £5.9m, with a target level of £7.1m

This iteration of the business plan also takes into account the estimated financial impact in respect of correcting a historic rent regulation error. This error was communicated to all affected current tenants on 11 January 2024, and work is underway to correct the error and to reimburse those directly affected. The error relates to the annual rent review process for affordable rented homes between 2016 and 2019. This is explored in more detail in Sections 4 and 7 of this document.

A second historic rent setting issue is being explored but is currently subject to further work before it can be quantified and incorporated into financial forecasts. Any resulting financial impact will be incorporated into an amended version of the HRA Business Plan at the earliest opportunity, and any affected tenants will be communicated with.

Section 2

Local Context

Council Objectives

- Leading Cambridge's response to the climate change and biodiversity emergencies
- Tackling poverty and inequality and helping people in the greatest need
- Building a new generation of council and affordable homes and reducing homelessness
- Modernising the council to lead a greener city that is fair for all

Housing Strategy

The Greater Cambridge Housing Strategy identifies three key objectives with seven priority actions for housing in the Greater Cambridge area:

- Building the right homes that people need and can afford to live in
 1. Increasing the delivery of homes, including affordable housing, along with sustainable transport and infrastructure, to meet housing need
 2. Diversifying the housing market and accelerating delivery
 3. Achieving a high standard of design and quality of new homes and communities
- Enabling people to live settled lives
 4. Improving housing conditions and making best use of existing homes
 5. Promoting health and well-being through housing
 6. Preventing and tackling homelessness and rough sleeping
- Building strong partnerships
 7. Working with key partners to innovate and maximise resources available

Housing Priorities

In response to delivering against both the Council Objectives and the Housing Strategy, the Housing Revenue Account continually reviews priorities for investment, considering:

- The level of investment required to maintain decency in the existing housing stock.
- The need to spend on landlord services (management and maintenance)
- The need to support, and potentially set-aside for repayment of, housing debt.
- The ability to identify resource for investment in new affordable housing.
- The target to reduce the Council's direct emissions to net zero carbon by 2030.
- The vision to reach net zero carbon in Cambridge by 2030, subject to Government, industry and regulators implementing the necessary changes to enable the city to achieve this.
- The desire to invest in income generating activities and discretionary services (i.e., support)
- The ability to respond quickly to changes in both housing and building legislation.

Housing Stock

The Housing Revenue Account owns and manages the following properties:

Housing Category	Actual Stock Numbers as at 1/4/2023	Estimated Stock Numbers as at 1/4/2024
General Housing – Social Rent	5,941	5,909
General Housing – Affordable Rent	686	904
Sheltered Housing	522	522
Supported Housing	16	16
Temporary Housing (Individual Units)	143	144
Temporary Housing (HMO's / EA)	21	21
Miscellaneous Leased Dwellings	19	19
Sub Total Rented Dwellings	7,348	7,535
Shared Ownership Dwellings	86	86
Total Dwellings	7,434	7,621

The number of properties anticipated to be held by 1/4/2024 is higher than the number held at 1/4/2023, with the authority expected to take hand over of more new homes than those lost through either right to buy or demolition for redevelopment.

A breakdown of the housing stock by property type is shown in the table below:

Property Type	Actual Stock Numbers as at 1/4/2023	Estimated Stock Numbers as at 1/4/2024
Bedsits	96	95
1 Bed	1,863	1,981
2 Bed	2,601	2,649
3 Bed	2,237	2,251
4 Bed	106	112
5 Bed	7	8
6 Bed	2	3
Sheltered Housing	522	522
Total Dwellings	7,434	7,621

Leasehold Stock

At 1st April 2023, the Council retained the freehold and directly managed the leases for 1,185 leasehold flats and had 4 leasehold flats managed by a third party management company.

Housing Demand

The Housing Revenue Account, alongside other registered providers of social housing, provides accommodation for those on the housing register.

At the end of September 2023, the housing register recorded the following applicants by both bedroom need and priority banding:

Housing Register by Bedroom Need	Number	Percentage
1	1,381	54%
2	598	24%
3	427	17%
4	127	5%
Total	2,533	100%

Housing Register by Priority Banding	Number	Percentage
A / Emergency	220	9%
B	645	25%
C	927	37%
D / D*	741	29%
Total	2,533	100%

When combined, the following housing need is identified by both bedroom size and priority banding.

Bedroom Need	Band A / Emergency	Band B	Band C	Band D	Band D*	Total
1 Bed	83	129	738	288	143	1381
2 Bed	43	187	150	180	38	598
3 Bed	59	254	31	62	21	427
4 Bed	29	66	7	6	2	110
5 Bed	6	7	1	1	0	15
6 Bed	0	1	0	0	0	1
8 bed	0	1	0	0	0	1
Total	220	645	927	537	204	2,533

Cambridge City Council had 2,533 households on the housing register at the end of September 2023.

792 applicants were housed in 2022/23, with the majority (85%) of lettings being to applicants at band A or B. Of the 792 applicants housed, 87% were housed in 1 or 2 bedroom accommodation.

The greatest demand for housing is still one and two bedroomed properties, with these representing 78% of the register in September 2023.

The mix of new housing delivered by the Housing Revenue Account is influenced by a combination of the need as identified by the housing register locally, the housing requirements of those accommodated as homeless and strategic forecasts of future housing need.

The current mix of new homes sought by the HRA is 50% 1 bedroom, 25% 2 bedroom, 20% 3 bedroom and 5% 4-bedroom homes, which is still broadly borne out by the bedroom need on the housing register currently. There is therefore no recommendation to change this delivery mix at present.

Section 3

External Factors and National Policy Context

National Housing Policy

National Rent Policy

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

Rent increases have been limited to an increase of up to CPI (based upon CPI at the preceding September) plus 1% each year since April 2020. This was intended to be for a period of 5 years, but the high levels of inflation in September 2022 prompted the government to cap rent increases for 2023/24 at 7%, to limit increases for tenants, whilst also recognising the increased costs being borne by social housing landlords, the need to improve energy efficiency in rented homes and the need for more affordable housing.

With inflation at 6.7% in September 2023, this will result in a rent increase of 7.7% from April 2024.

The national decision to cap rent increases from April 2023 resulted in all homes previously being charged at target rent to fall below target. Properties below target rent levels can currently only be increased to target levels when they become void, with target rents continuing to be set with reference to January 1999 property values. Government indicated last year that a consultation may follow in respect of options to move rents back up to target levels, but at the time of writing this report, had not been published.

The Rent Standard from April 2025 is not yet available, and so future year rent increases are uncertain.

Affordable rent increases are subject to the same constraints as social rents, but with the ability to re-set the rent at up to 80% of market rent upon re-let, dependent upon local policy.

Social Housing Regulation Act

The Social Housing Regulation Act significantly enhances the role of the Regulator of Social Housing and introduces the new consumer standards, which come into force on 1 April 2024.

The key reforms include:

- Removal of the 'serious detriment' test, which now allows the regulator to step in more readily where they feel intervention is proportionate.
- Enhancing both transparency and safety requirements, introducing requirements for building hazards to be fixed within prescribed timescales, requiring organisations to have a named health and safety lead, ensuring that any tenant whose safety is threatened is offered alternative accommodation and introducing requirements to provide information to residents on financial performance.
- Introducing a new housing inspection regime from April 2024, based upon the new consumer standards, which were subject to consultation up to 17 October 2023.
- Increasing the regulator's enforcement powers, with unlimited fines for non-compliance, the ability to issue performance improvement plans and the right for the regulator to undertake surveys on properties directly.
- Providing the regulator with the power to set competency and conduct standards, with mandatory qualification requirements for senior housing managers and executives.
- The creation of an advisory panel, with representatives from multiple agencies and service users, to advise on key sector issues and risks.
- A requirement for the Secretary of State to publish an energy reduction strategy for social housing, with the regulator able to set and monitor standards in this area.

The regulator is consulting on the new consumer standards, with the standards expected to be published in February 2024, to be effective from April 2024. The authority has responded to the consultation.

A Service Improvement Group is currently reviewing the anticipated requirements in the consumer standards and code of practice, self-assessing current information and performance

against these, comparing us to other providers and undertaking a gap analysis and reviewing staff skills and qualifications. An action plan will be derived from this to allow the authority to implement improvements in any areas where they are considered necessary. Preparatory work will include the need to consider acceleration of tenancy audits to improve data holding, particularly in respect of tenants where we have had no contact for over 12 months.

Welfare Reforms

Universal Credit

Any tenant seeking assistance with their rent, or currently in receipt of Housing Benefit but experiencing a relevant change in circumstance, will need to apply for Universal Credit. The exception to this being tenants placed in temporary accommodation, supported accommodation (not applicable to council tenants) or those who have reached state pension age, all of whom will continue to be entitled to Housing Benefit.

The authority had 2,528 HRA tenants identified as claiming Universal Credit at the end of November 2023, according to the DWP landlord portal. We also flag those in receipt of Universal Credit in the Housing Management Information System, but this will never be as up to date as the DWP portal, as the data is reliant upon the authority being notified by the tenant that they have ceased to be eligible, or by the DWP, who requires landlords to validate the sums being stated in a new or re-assessed claim.

During 2024/25, a process of managed migration will begin to move those currently in receipt of Housing Benefit on to Universal Credit by March 2025. The exceptions being those listed above, which will not migrate, and those in receipt of Employment and Support Allowance, where the migration will take place by March 2028.

Other Benefit Changes

The Benefit Cap and removal of the spare room subsidy continue to impact residents, with some claimants receiving short term Discretionary Housing Payments (DHPs) to support them until they are able to gain employment, improve their financial circumstances or move to more suitable accommodation. The HRA retains a budget (£25,170 for 2024/25) to provide financial support and incentive to assist tenants in downsizing. 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.

Within the Autumn Statement, it was announced that Universal Credit and other working age benefits will increase by 6.7% from April 2024 and that the Local Housing Allowance will be raised from April 2024 to the 30th percentile of local market rents.

Right to Buy Sales

During 2022/23, 62 right to buy applications were received and recorded, resulting in 28 completions. This compares to 89 applications in the previous year, which gave rise to 34 completions, with the slow down possible because of increasing interest rates. In the first 8 months of 2023/24, 23 right to buy applications were received with 12 sales completed. This indicates a continued slowdown in activity, as interest rates remain high.

In the HRA Medium Term Financial Strategy 20 sales were assumed in 2023/24, before returning to the previous assumption of 25 sales per annum from 2024/25 onwards. For the HRA Budget Setting Report, 25 sales continue to be assumed from 2024/25 and beyond, with mortgage rates expected to begin to come down marginally as higher inflation begins to subside.

The table below highlights the activity over the last 5 years, detailing the mix of houses, flats and bedsits sold through this process.

Status	Year	Right to Buy (RTB)			Total
		House	Flat	Bedsit	
Actual Sales	2018/19	13	14	0	27
	2019/20	14	15	0	29
	2020/21	10	6	0	16
	2021/22	18	15	1	34
	2022/23	12	15	1	28
Estimated Sales	2023/24	10	10	0	20
	2024/25	13	12	0	25
	2025/26	13	12	0	25
	2026/27	13	12	0	25
	2027/28	13	12	0	25

Right to Buy Receipts

At 31 March 2023, the authority held £5,608,030 of right to buy receipts under the retention agreement with the Department for Levelling Up, Housing and Communities (DLUHC), to be spent within 5 years of their original receipt date, with a maximum of 40% of any new dwelling now able to be funded via this mechanism. The balance must be funded from Devolution Grant, the Council's own resources, or through borrowing. Retained right to buy receipts can't be used to fund replacement dwellings or dwellings receiving any other form of public subsidy but can now be utilised in the delivery of shared ownership homes. With the Bank of England base rate currently at 5.25%, the highest since 2008, any penalty interest payable on receipts not re-invested appropriately will be at the rate of 9.25%.

Newly arising receipts continue to be retained, with any decision to pay over receipts to DLUHC made by the Chief Finance Officer, in consultation with the relevant 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.

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 2 or so years have been particularly volatile, with an unprecedented rise in CPI from 1.5% in April 2021 to 11.1% in October 2022, before falling to 3.9% by November 2023. Huge inflationary increases have been seen in utility, fuel and food prices, alongside steep rises in other operating costs.

The Bank of England's Monetary Policy Report of November 2023 forecast a fall in the level of CPI in quarter 2 of each year at 3.6% for 2024, 2.1% for 2025 and 1.7% by 2026. The view is that although inflation is still relatively high currently, the peak has passed, and rates are expected to steadily reduce and to return to pre-pandemic levels over the next two years. If we take an average of the projections for the next two years, 2024/25 is predicted to experience inflation at 3.13% and 2025/26 at 2%.

The HRA Medium-Term Financial Strategy allowed 3% inflation for 2024/25, returning to the target of 2% from 2025/26.

Taking account of recent views of the Bank of England it is considered prudent to retain the assumption of a return to the target level of 2% inflation in the HRA business planning assumptions from 2025/26 onwards. This will be reviewed again as part of the HRA Medium Term Financial Strategy in 2024.

The assumptions in respect of building maintenance expenditure inflation have been derived from a mix of forecasts using the RICS (Royal Institution of Chartered Surveyors) Building Cost Information Service (BCIS) all in tender price index and CPI. The broadly external planned maintenance contract, currently with Fosters, is a lump sum priced contract, which adopts CPI as the measure of inflation. The broadly internal planned maintenance contract, currently with TSG, is a target price contract, using the (BCIS) all in tender price index as the measure of inflation, recognising that prices are fluctuating widely in this industry currently. 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 2.9% by 2024, with forecasts of 2.8%, 3.2%, 3.4% and 3.5% over the following 4 years. Taking an average of these rates of growth for the forecast five years gives rise to an annual increase of 3.16%.

On a similar average basis, the assumptions we are adopting for CPI over the same period are 2.2%, a difference of 0.96%.

Recognising the combination of planned maintenance price increases being driven by CPI and BCIS, 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. A blended average rate of 2.68% (average CPI plus average BCIS divided by 2) has therefore been incorporated into the business plan forecasts.

A growth rate of 4.7% has been retained in respect of new build inflation, based upon the advice of the quantity surveyor / employer's agent used most frequently by the Council.

Annual private sector pay growth increased to 7.7% in the three months to May 2023, although earnings growth is expected to decline in the coming quarters to around 6% by the end of the year. There is no forecast in respect of public sector pay increases, but these would be expected to be lower than the private sector, with longer-term pay increase in the public sector expected to mirror the longer-term inflation target of 2%.

The pay award from April 2023 was agreed in October 2023 and pay inflation has been increased to reflect the pay award of £1,925 per full time equivalent employee for 2023/24 up to spinal column point 43, with a 3.88% increase for points 43 and above.

A rate of 4% has been incorporated for 2024/25, which recognises an average of the higher 6% forecast for private sector pay and the target for public sector pay of 2%, before returning to the previous assumption of 2% from 2025/26. The allowance for incremental progression has been retained at 1% per annum, recognising staff retention figures and the number of staff who are currently paid at the top of their pay scale.

Interest Rates on Lending

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 2023/24 in the HRA Budget Setting Report was 2%, based upon the HRA clawing back interest from the General Fund on investments with minimal risk.

Over the last 12 month, the Bank of England base rate has risen, with the latest rise to 5.25% in August 2023 taking the rate to the highest it has been since 2008. The increase in the base rate has resulted in the authority beginning to realise higher rates of interest on its investments.

Based upon the current levels of interest being achieved on investments and taking account of industry projections, an increased rate of 5% has been adopted for 2023/24, reducing to 4.5% for 2024/25, and 3% ongoing. The interest rate assumptions are included in **Appendix B**.

Interest Rates on Borrowing

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 constraint.

The Local Authority Investment Guidance continues to be a risk to HRA borrowing, stating that where an authority invests in any 'investment asset primarily for yield', they will not be able to access loans from the PWLB in the financial year in which it makes this investment. A 3-year capital investment strategy must be submitted to be able to borrow, and the Section 151 Officer is required to certify that none of the capital projects fall into this category. 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 or financial resource between the General Fund and the HRA to facilitate development continues to impact the HRA Capital Financing Requirement, effectively increasing borrowing, with such decisions to be made in the knowledge of the revenue impact of transferring the asset.

For business planning purposes, the assumption has previously been made that borrowing is externalised, with anticipated PWLB maturity loan rates for loans of a 30-year duration used. The PWLB borrowing rate has seen a marked increase over the last few months, as have all lending rates in the marketplace.

In June 2023, government announced a preferential rate for HRA borrowing, at 40 basis points above gilts, which is effectively a 60-basis points reduction the standard PWLB lending rates. This rate initially applied for one year but has been extended until June 2025 as part of the Autumn Statement 2023. This would reduce the rate at the time of drafting this report of 5.62% to 5.02%, which is still higher than was previously assumed. The previous certainty rate of a 20-basis point reduction can be assumed to be ongoing, as long as the authority submits its spending plans as required. It should be noted that the PWLB rate is reviewed and can change twice each day.

The significant increase in borrowing rates over the last 18 months has had a significant impact on the HRA business plan, particularly when combined with other assumption changes.

For the purpose of preparing the business plan, and to mitigate the daily rate fluctuations in PWLB rates, forecasts made by Link, the Council's treasury advisors are adopted, which project that PWLB 25-year lending rates (inclusive of certainty rate) will be at an average of 4.8% for 2024/25, 4.18% for 2025/26, then 4% by the beginning of 2026/27. The certainty rate of 4.8% forecast for 2024/25 could arguably be reduced to 4.4%, recognising the extension of the HRA discount rate until June 2025.

Based upon current rates and these projections, a revised average rate of 5.02% (5.62% - 0.6%) has been incorporated into any borrowing assumptions for 2023/24, followed by 4.4% for 2024/25, 4.18% for 2025/26, then 4% ongoing.

It must be noted that projections and forecasts are changing rapidly in the current economic climate and there is no guarantee that these interest rates will be available at the point at which the authority needs to borrow each year and plans and decisions will need to be reviewed regularly to take account of this. The rates available currently are still far higher than those that have been available over the last few years.

The HRA is also exploring a degree of internal borrowing from the General Fund, where the General Fund currently has reserves which could be utilised in this way. Any lending to the HRA would be managed through the Item 8 charge to the HRA and resource would need to be lent at an appropriate interest rate. The sums available and the interest rate that would be charged are yet to be confirmed.

Section 4

Rent and Other Income

Rent Arrears, Bad Debt Provision and Void Levels

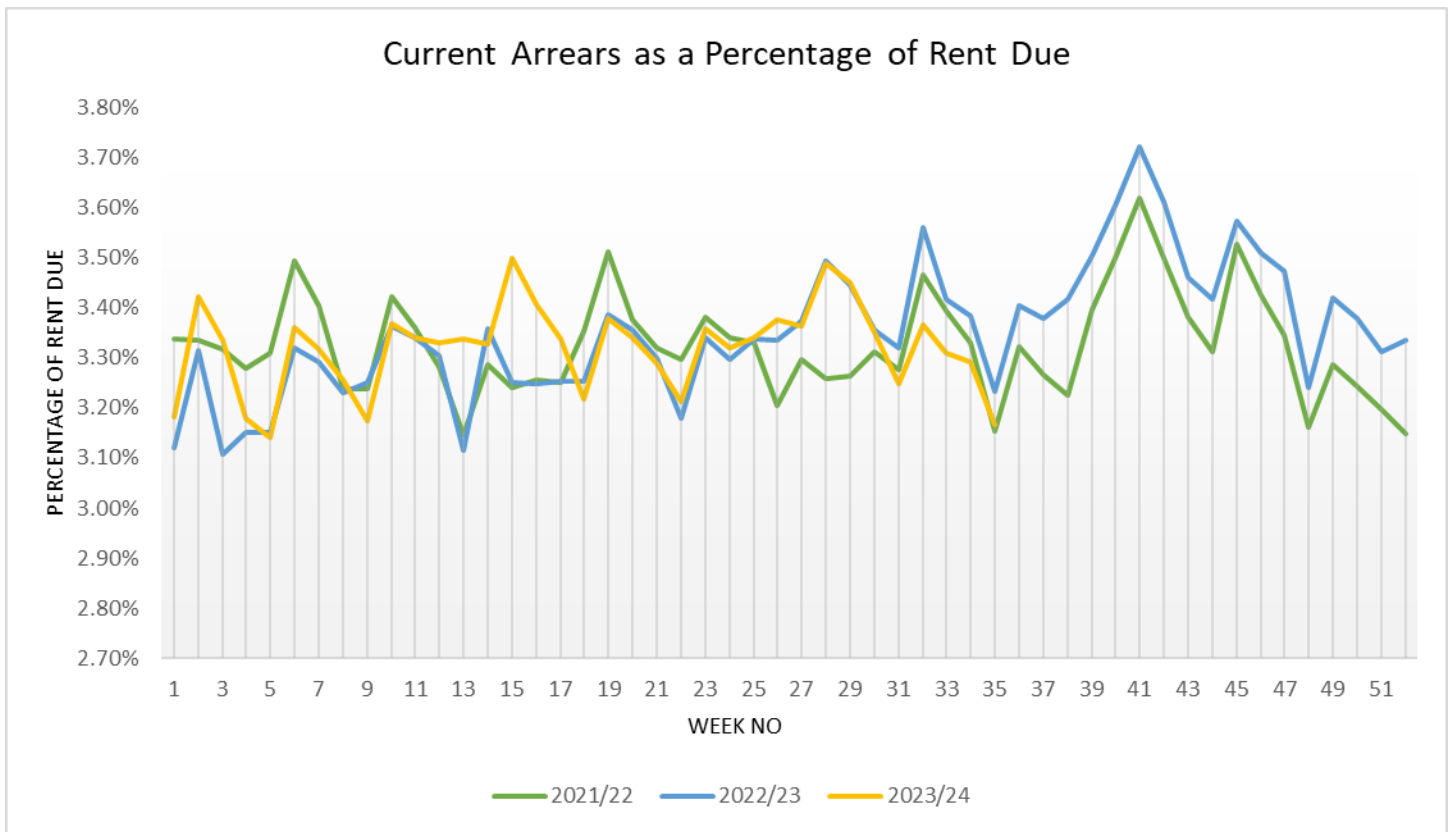
Rent Arrears

Rent collection performance was broadly maintained during 2022/23, with 99.2% of the value of rent due, collected in the year, compared with 99.5% in the previous year.

Current arrears levels deteriorated marginally in 2022/23, with current tenant arrears of just under £1.5 million by 31 March 2023, as detailed in the table below. However, the level of former tenant arrears reduced to just over £1 million:

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)
31/3/2019	£776,961	1.93%	£932,156
31/3/2020	£1,091,161	2.70%	£915,885
31/3/2021	£1,374,167	3.30%	£925,982
31/3/2022	£1,337,622	3.14%	£1,121,082
31/3/2023	£1,490,860	3.33%	£1,020,073

In 2023/24 to date there has been an increase in current tenant arrears, which by the end of November 2023 stood at £1,570,939 with former tenant arrears increasing marginally to £1,174,059. You will note from the graph below, however, that in percentage terms arrears recovery is being maintained at similar levels to previous years, despite the current economic climate making it more challenging to recover tenant arrears.



The Income Management Team work proactively with tenants and financial support providers to mitigate the impact of rent arrears for both tenants and the authority. The team use both the Income Analytics and LIFT software systems, which facilitate improved arrears management and access to financial data sets to maximise receipt of financial assistance for the tenant.

Tackling former tenant arrears continues to be challenging. The role of a dedicated former tenant arrears officer has now been recruited to on a permanent basis, but this has resulted in the role being vacant for a period of time whilst this takes place, with an increase in the level of former tenant arrears in 2023/24 to date. Continuation of the work to either collect or write off former tenant arrears is a critical aspect of managing the housing business, with an increased focus in this area by our external auditors when auditing the authority's accounts.

Bad Debt

Debt that is not realistically collectable is routinely recommended for write off and provision is currently made in the Housing Revenue Account to write off 84.16% of former tenant debt. Any decision to do this is not taken until all avenues for collection have been exhausted.

At 31 March 2023 the total provision for bad debt stood at £1,951,988.25 representing 77% of the total debt outstanding.

As part of the HRA Medium Term Financial Strategy, the annual contribution to the bad debt provision was reduced to 1% per annum, recognising the sum in the provision currently, and the call on the fund in recent years. This will be reviewed periodically, as more tenants transition to Universal Credit and the longer-term impact of pressures on household incomes becomes clearer.

Void Levels

The value of rent not collected as a direct result of void dwellings in 2022/23 was £1,052,081 representing a void loss of 2.52%, compared with £656,205 in 2021/22 (1.67%).

Void levels have increased in 2023/24 to date, with the void rent loss between April and October 2023 (7 months) being £702,282, representing a 2.67% void loss. A proportion of this relates to homes held intentionally vacant for redevelopment. A snapshot of the proportion of stock vacant in early November 2023 confirms that 2.80% of homes (211 homes) are unoccupied, but with 0.89% (67) of these being vacant homes on re-development sites. Decisions to redevelop existing homes, requiring them to be vacated prior to demolition, causes a temporary increase in the void performance statistics, until the entire site is vacated, and the homes are formally removed from stock.

As a result of this, it is recommended to increase the voids assumption for 2023/24 to 2.5% and the assumption for 2024/25 to 1.5% assuming demolition of homes identified for redevelopment and some recovery in our general voids performance, before returning to the longer-term assumption of 1% from 2025/26 in this iteration of the business plan.

Rent Restructuring and Rent Levels

The authority now lets property at a number of differing rent levels, social rent, affordable rent linked to an inflated pre-COVID Local Housing Allowance, affordable rent set at 60% of market rent or the current Local Housing Allowance (whichever is lower) and also at 80% of market rent.

The average target 'rent restructured' rent across the general housing stock currently is £122.76 per week, with the average actual rent charged being £112.48. As a result of the rent increase cap in April 2023, no properties were charged at target rent at the start of 2023/24, compared to 35.5% being charged at this level in April 2022. The loss of rental income that arises from the gap between actual and target rent levels in the general housing stock equates to an annual loss of income of approximately £3,542,000. The authority currently only has the ability to close the gap between target social rent and the actual rent being charged for a dwelling, when a property becomes void, and actively continues to do this. The government have indicated, following the caps applied last year, that they may consult on alternative routes for local authorities to be able to move rents to target levels.

There were 854 properties charged at the higher 'affordable rent' levels in November 2023.

The table below confirms the current average rent levels charged or assumed in financial modelling:

Property Size	2023/24 Published LHA Rate (not adopted by CCC unless lower than a 60% rent)	2020/21 Pre-COVID LHA rate inflated by 1.5%, 4.1% and 5% Used as a base by CCC for 2023/24 for existing tenants	Indicative Programme Average 2023/24 Rents at 60% of Market Rent	Indicative Programme Average 2023/24 Rents at 80% of Market Rent
Shared Room	97.00	N/A	N/A	N/A
1 Bed	178.36	150.87	166.06	227.24
2 Bed	195.62	173.52	187.32	259.73
3 Bed	218.63	201.64	211.49	288.50
4 Bed	299.18	268.97	252.45	342.80

The Chancellor's Autumn Statement on 22 November 2023 confirmed that the Local Housing Allowance will be raised in April 2024 to the 30th percentile of local market rents, as opposed to being frozen again, as was previously anticipated.

Rent Policy

The local rent setting policy was last updated and approved in September 2022. The policy outlines that affordable rented homes will be re-let at no more than 60% of market rent or the current Local Housing Allowance, whichever is the lower, or at no more than 80% of market rent depending upon the category of housing they were built as. This ensures compliance with both government policy and the Greater Cambridge Housing Strategy.

Affordable rented homes let under the old inflated pre-COVID Local Housing Allowance rates are re-let at 60% of market rent or the current Local Housing Allowance, whichever is lower, when they become vacant to be consistent with the Greater Cambridge Housing Strategy and associated Affordable Rents Policy.

As part of our review processes, legal advice sought has identified that the authority has historically misinterpreted government guidelines and rent legislation in two areas.

The first error relates to how affordable rent reviews were carried out up to April 2019 and not correctly applying a 1% rent reduction for four years between 2016 and 2019. This meant that the way affordable rents were calculated was not correct and affected tenants have been overcharged. To remedy this, a correct (lower) current rent will need to be calculated for affected tenants. There will also be a need to reimburse tenants for any sums over-paid, taking into account the amount that may have been met by the DWP in the form of housing related benefits.

The second area is still being explored currently and relates to how rents and some service charges have been calculated and displayed on rent accounts.

These errors have been proactively reported to the Regulator for Social Housing, as is expected of the authority in such circumstances and the authority will continue to work with the regulator to correct the issues.

Rent Setting

Changes to rent levels are approved in January of each year, with the Executive Councillor for Housing having authority to make this decision, following pre-scrutiny by Housing Scrutiny Committee.

From April 2024, under the current government Rent Standard, the authority would be expected to increase rents by up to a maximum of CPI (at the rate in September 2023 of 6.7%) plus 1%, arriving at an overall increase of up to 7.7%. Target rents will also increase by CPI plus 1%, equivalent to 7.7%.

In the absence of a Rent Standard from April 2025, the business plan retains the previous assumption of annual rent reviews in line with CPI plus 0.5%, instead of CPI plus 1%, to provide some prudence.

Rents will also be adjusted from April 2024, where required, to correct the affordable rent regulation error highlighted above.

Service Charges

Service charges are levied for services that are provided to some tenants, but not necessarily all, depending upon the type, nature and location of a property. Some of these services are eligible for Housing Benefit or Universal Credit, depending upon what is provided.

In respect of social housing tenancies, service charges are separately identified on rent accounts, so that tenants can see what they are paying for alongside their core rent. For affordable rented homes, the tenant pays a total sum for rent and charges combined, which is introduced at either 60% (or the prevailing Local Housing Allowance Rate if this is lower) or 80% of market rent depending upon the scheme.

Guidance expects registered providers to endeavour to ensure that service charge increases do not exceed CPI plus 1% but recognises that costs sometimes unavoidably increase by more than this. Registered providers are required to consult tenants in respect of the introduction of new services or before making any material change to existing services.

Other Sources of Income

Garages

The Housing Revenue Account currently owns 1,326 residential garages and 270 parking spaces and manages a further 16 garages and 6 parking spaces on behalf of the General Fund. A number of HRA garages and parking spaces are on sites being explored for potential demolition and re-development, and so this number may reduce in the medium-term.

Of the garages and parking spaces in ownership approximately 21.7% (350 garages and parking spaces) are currently void (compared to 10.6% at this time last year). Of the 350 vacant spaces, 164 are garages, but 90 of these have been vacated as the sites have been approved for redevelopment. A garage block is not removed from the system until all of the garages have been vacated. There are 186 vacant parking spaces, but a significant proportion of these are on new build sites, where the scheme residents are offered first refusal to rent the parking spaces before they are offered out more widely to other tenants, residents or commuters into the city. The void loss in the year to date at the end of October 2023 of approximately 20% (compared to 13% at the same point last year) is made up of 24% general void loss, 51% void loss in respect of parking on new build sites where parking enforcement has taken some time to introduce and 25% in respect of the void loss on garages and parking spaces which have been vacated for redevelopment.

Commercial Property

The level of rental income from commercial property is dependent upon the timing of lease renewals for the small portfolio of shops and other business premises that are owned by the HRA. In 2024/25 the income generated by the commercial property portfolio is anticipated to be in the region of £517,000.

General occupation of the HRA commercial property portfolio was historically good, with vacant shop units usually re-let within reasonable timescales. However, difficulties have been experienced more recently, with the re-modelled shops at Akeman Street proving very difficult to let. Rent reviews continue to be challenging, with business owners facing increased costs in a number of areas.

Interest / Investment Income

The Housing Revenue Account receives interest on general or ear-marked revenue balances, any funds set-aside in the major repairs reserve or the revenue debt repayment reserve and any unapplied capital balances or unspent grants.

Interest rates available to the Council have increased significantly over the last 12 months, driven by increases in the Bank of England base rate (currently 5.25%) and higher investment returns are therefore being realised. The HRA, does however, only benefit from the lower risk, and therefore lower return areas of Council investment.

The rate that the HRA can earn on investments, recognising the low-risk nature of the investments, was reviewed as part of the HRA Medium Term financial Strategy, but has been as part of this iteration of the business plan to 5% for 2023/24, 4.5% for 2024/25, and 3% ongoing.

Other External Funding

In addition to income received directly from service users, the Housing Revenue Account anticipates receiving external funding in the following forms:

- Devolution Grant – The authority received grant as part of the Devolution Agreement with Government and the Combined Authority, totalling £70,000,000, with some of this resource still retained and being actively applied to schemes in 2023/24 to deliver the 500 homes agreed.
- Support Funding – Funding of £193,698 per annum is received to provide tenure neutral support for older people across the city, through a contract with the County Council.
- Homes England Grant Funding – The authority actively bids through the continuous market engagement process, to secure grant funding for some new build schemes.
- Department for Levelling Up, Housing and Communities (DLUHC) Local Authority Housing Fund (Round 1 and 2) – The authority was awarded grant of £4,968,683 to build or acquire 30 homes by 30 November 2023 to accommodate Ukrainian and Afghan refugees and a further £840,000 to acquire 4 homes by 31 March 2024 to accommodate Afghan refugee families specifically.

- Social Housing Decarbonisation (Wave 2 Funding) - The authority was awarded £2,260,175 of grant funding to deliver energy improvements in the existing housing stock, with the investment requiring top up funding from the Council, and to be spent by March 2025.
- Section 106 Funding – The HRA can benefit from the ability to invest sums received for affordable housing through Section 106 Agreements on development sites across the city, although these sums often come with both time and investment criteria constraints.

Earmarked & Specific Funds – Revenue Reserves

In addition to General Reserves, the Housing Revenue Account maintains earmarked or specific funds. **Appendix I** details the current level of funding in the reserves, including;

Repairs & Renewals – funds for major repairs of HRA-owned administrative premises and periodic replacement of assets such as vehicles, plant, equipment and furniture, particularly in sheltered and supported accommodation.

Major Repairs Reserve - a statutory reserve credited with depreciation in respect of the housing stock each year, with funding then in the Housing Capital Investment Plan, to meet the capital cost of works to HRA assets, or alternatively to repay housing debt.

Tenants Survey - allows the spread of costs for any Tenant and Leaseholder Survey evenly across financial years, irrespective of the timing of the survey. This reserve will need to be reviewed in 2024/25 in light of the new regulatory standards, and the requirement to undertake a survey annually.

HRA Set-Aside for Potential Debt Repayment or Future Re-Investment - The business plan historically assumed the authority would notionally set aside 25% of the value of the self-financing housing debt over the life of the plan, to retain flexibility in whether to invest the sum in new homes or redeem or re-finance some of the loan portfolio as loans mature. Using an ear-marked reserve, as opposed to making a formal voluntary revenue provision (VRP), allows the HRA to retain flexibility over the use of any resource that is available for set aside in the future. This resource is now being fully utilised prior to borrowing further to deliver new homes.

Earmarked & Specific Funds – Capital Receipts

Right to Buy Attributable Debt Ear-Marked Capital Receipt - The HRA retains an element from all right to buy receipts over and above those assumed in the self-financing settlement, in recognition of the debt held in respect of the asset. These sums are held in a separate ear-marked capital balance, allowing them to be utilised to repay the associated debt. Alternatively, the authority could reinvest the resource in the delivery of new homes.

Right to Buy Retained One-for-One (1-4-1) Ear-Marked Capital Receipt – With the Right to Buy Receipt Retention Agreement still in force, this reserve ensures that resource is separately identified for re-investment, and if necessary, repayment purposes.

Section 5

Capital Investment

Stock Condition and Decent Homes

The housing service reported achievement of decency in the housing stock as at 31 March 2023 at 99.8%, with 14 properties that were considered to be non-decent (in addition to 215 refusals).

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):

Initiative / Action	Current Status
Implement a rolling programme of stock condition surveys so properties are inspected every five years	A new programme of stock condition surveys started in September 2023 and prioritises properties where there is no recent condition data. A new apprentice surveyor is being trained to gain skills in this area. The inhouse team are also receiving training so that all void properties have a stock condition survey carried out. New build property and footpath surveys are being carried out.
Continue the programme of structural surveys of flats blocks and implement survey programme for older flats and houses with structural concrete elements	Structural surveys at the Bermuda Terrace Estate are underway. If works are required, they will be tendered in 2023/24 with a view to being on site in 2024/25. A programme of structural repairs to maisonettes in the South Arbury area has been tendered and is due to start on site in 2023. Balcony and brickwork repairs at Nicholson Way, Walker Court and Hanson Court are on site and will be complete in 2023. In 2024 we plan to establish a framework contract for structural engineering services and establish a cyclical surveying programme to re-inspect

	<p>blocks of flats where structural works have been completed. We are carrying out structural repairs to around fifteen houses that have suffered from structural defects, some arising from dry weather in the past few years.</p>
<p>Reduce the electrical inspection cycle to five years in line with best practice</p>	<p>The Risk and Compliance team continue to manage and deliver the transition from a ten year to a five-year inspection cycle.</p>
<p>Implementation of "Orchard Asset" asset management software – including development of the compliance and energy modules</p>	<p>The implementation project is still underway but has experienced delays. The "servicing" (compliance) module and the "project" (planned works management) module will be "live" next. The "energy" module is live but has not been developed in the absence of a full time Energy Manager. This post is now filled, and the new Energy Manager started in November 2023.</p>
<p>Develop a methodology which identifies high-cost investment properties across the stock and calculates net present values – using new software in Orchard Asset</p>	<p>The implementation of an "Options Appraisal" module in MRI Asset will be the final module to be implemented</p>
<p>Implement a programme of estate investment projects</p>	<p>The street lighting replacement contract will be complete on site in 2023, and the final task will be to map assets on the Council's mapping system. We are working on a communal lighting replacement programme. A pilot project is being completed; a considerable amount of electrical enabling work is required. We are working on revised estimated costs for the full programme of work before deciding the most appropriate procurement route to deliver the work. It is likely that that the communal lighting improvements may be incorporated into a future electrical upgrades programme to replace the Council's electrical installations in blocks of flats.</p>

<p>Establish a programme of re-inspection of asbestos containing materials and implement a new asbestos register based within Orchard Asset</p>	<p>The asbestos compliance module will be implemented in a live environment in the Asset system in early 2024. The Asbestos Surveyor (Analyst) post has now been recruited to on a permanent basis and will continue with the review of all communal re-inspections.</p>
<p>Implement an annual programme to inspect fire doors to flats and communal areas (including the replacement of non-compliant fire doors)</p>	<p>A fire door inspection programme is in place with Ventro (Passive Fire Protection Specialists). HRA properties completed include all temporary and sheltered accommodation. General needs purpose-built blocks of flats are continuing and will continue to be the focus for the remainder of the programme. Results from surveys are being used to develop programmes of planned work including new and replacement fire doors.</p>
<p>Review maintenance requirements for flat roofs and sheds replacement and repair</p>	<p>This programme of work is currently underway, with over 300 shed roofs due to be replaced in 2023/24. Many shed roofs are shared with adjoining freehold properties, and this makes this a complex programme of work.</p>
<p>Develop a replacement programme for lifts, door entry systems, communal entrance doors, fire systems, automatic doors, and communal lighting</p>	<p>We have programmes of work in place for communal lighting upgrades, communal entrance doors and glazing replacement, door entry system replacement, and fire alarm upgrades.</p>

At Kingsway flats, fire compartmentation works are now in progress and are scheduled to be complete in late Spring 2024. Work is ongoing to replace the remaining gas heating systems with electric alternatives and then all gas supplies will be removed from the building. We are also implementing fire alarm upgrades in a number of sheltered housing schemes.

Individual properties have regular electrical tests, and the electrical installation is replaced every thirty years. In our blocks of flats there is usually also a landlord electrical installation (that may provide power for lights, lifts, access systems etc.) and many of these are now old and in need of upgrade or replacement. In addition, in some blocks of flats, the main electrical

supplies to individual flats pass through the communal areas, and sometimes through other flats. We have implemented a programme of work to survey landlord electrical installations and electrical cables supplying individual flats. In 2023/24 this is taking place at Bermuda Terrace and also some of the blocks of maisonettes in the South Arbury area. It is expected that this will result in additional work to electrical installations in blocks of flats, with funding to be identified once costs are quantified.

At the East Road flats, a project is underway to replace roofs and windows to the tall blocks of flats facing East Road. This is a large project and work will be coordinated to minimise disruption to residents. Electrical works to these flats are also required but this work will be carried out separately in 2024/25.

In respect of resident engagement and communication, officers are working closely with main contractors to improve the quality of communication about new programmes of planned maintenance work, and the frequency of updates about the progress of work and any delays. The content of standard letters has been reviewed to ensure residents are better informed about the reasons why we carry out planned maintenance work.

Net Zero Retrofit Pilot Project

Work to deliver the net zero retrofit pilot project has been progressing well over the last year, led by design team of architects, engineers and quantity surveyors. Planning has been approved for all works to 46 houses and 4 flats that form part of the pilot. The properties in the pilot are in the Ross Street and Coldham's Grove area. Tenders have been issued through a framework, with contractor appointment anticipated during January 2024 and a start on site by spring 2024.

The works to be carried out as part of the pilot include:

- External wall insulation
- Roof and chimney insulation
- Floor Insulation (ground floor)
- Window replacements
- Door replacements

- Air source heat pumps (in place of existing gas boilers)
- Mechanical ventilation with heat recovery units (mvhr's)
- Solar pv panels
- Cavity wall insulation extraction and replacement (where required)
- Water efficient tap upgrades

The objectives for this funding are to allow the authority to prove whether the estimated costs in a report prepared by the authority by Fielden and Mawson are achievable, to allow time to lobby government and other bodies, backed by real evidence, in an attempt to secure external investment and to 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.

The original budget approved for this project was £5,000,000, which has since been inflated to £5,196,000. Early estimated costs for the project were around £5.800,000 plus the cost of other planned maintenance work that could be scheduled to take place at the same time as retrofit works (e.g., electrical work, roofing work), which can be met within the housing capital investment plan. Updated cost estimates are expected shortly once the tender process has been concluded and any change in costs will need to be addressed as part of the 2024/25 medium-term financial strategy process depending upon timing.

Other Energy Works

Following success in the Social Housing Decarbonisation Fund (Wave 2) grant bid process, the authority was awarded £2,260,175 in grant over the period to September 2025. The authority had already included co-funding of £3,640,000 in the budget for 2023/24 to support this bid, but following the grant award has increased the total budget by the grant sum and recognised the grant income as the funding source for this.

The grant criteria are to ensure council property reaches EPC 'C' and reduces energy demand to below a set level. The grant funds go towards delivering external wall insulation works and updated ventilation to 185 solid-walled properties between now and a target date of March 2025. Top up loft insulation and window replacements may also be provided alongside these works if required.

A further 100 homes will receive similar works across the same timescale but will be funded by the Council entirely.

Works to the first 40 homes have been delivered under this programme on Mowbray Road and Holbrook Road. A second phase contract for the remaining properties has now been awarded through the council's internal retrofit framework and work has started on site.

In addition, we will continue with loft insulation upgrades and cavity wall insulation, extraction and re-fill, to other properties. We have a programme of around 800 EPC "D" rated solid walled houses that will need to be insulated if they are to reach EPC 'C'.

New Build Affordable Housing

General Approach

The Council's approach to building new homes continues to develop, with Passivhaus certified pilot schemes now on site and nearing completion. The authority is having to explore a multitude of options for the delivery of new homes, with inflation rates and interest rate rises making it more challenging to demonstrate scheme viability.

There is still a strong commitment to delivering good quality, affordable rented accommodation in the city, but there is a recognition that it might take longer than originally planned to deliver against the aspirational targets, and some compromise may need to be made.

Future New Build Programme

With longer-term interest rates for borrowing expected to remain high, the assumptions in the HRA Business Plan for the delivery of new homes have currently been retained at lower levels similar to those incorporated in the January 2023 Budget Setting Report. There is still a strong commitment to deliver as many new homes as financially feasible, with a recognition that if the economy recovers more quickly than anticipated, the programme can easily be scaled back up again.

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

- 629 net additional council rented (social rent and 60% of market rent) homes delivered over the 10 years from 2023.
- 353 affordable rented homes at 80% of market rent.
- Delivery of the net new council rented homes assumes the need to demolish and re-provide 335 existing properties as part of site regeneration schemes.
- To deliver the net new council rented homes in mixed and balanced communities, market housing will also be delivered by developers on some of the identified sites.
- 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.
- Updated build costs using the latest information and cost data available, which assumes building to Passivhaus or equivalent performance standards. This assumes that building to Passivhaus standard or similar may be deliverable on all sites.
- Inflation in build costs incorporated at 4.7% per annum for the life of this programme.
- Homes England grant assumed for future pipeline schemes assumed to be grant eligible, at an average of £56,463 per unit across all eligible affordable tenures, recognising that not all units will be eligible for grant, particularly where a larger proportion of market sale or replacement units are proposed, or the site is a Section 106 delivery site.
- Retained right to buy receipts continue to be available for re-investment at the assumed rate of approximately £3,200,000 per annum but can't be appropriately reinvested in addition to Homes England Grant, and instead will be utilised for sites which are ineligible for grant or where grant is not awarded. This sum assumes ongoing sales at the rate of 25 per annum to generate this resource.
- Borrowing has been assumed at the rate of 5.02% for 2023/24 (recognising the PWLB HRA rate), and 4.4% for 2024/25, 4.18% for 2025/26 and 4% from 2026/27 ongoing, based upon Link, our treasury advisors, forecasts of the PWLB rates over the medium term.
- Investment profile is spread across the 10-year programme based upon indicative delivery timescales, which are subject to change.
- Standard annual servicing and maintenance costs are increased by £200 per unit, recognising the need to service and maintain solar pv installations and a mechanical ventilation with heat recovery (MVHR) unit in each dwelling.
- Standard future replacement costs are increased by an average of £500 per annum to allow for the replacement of the additional components required to deliver a Passivhaus dwelling.

This requires an estimated £417,000,000 of borrowing in the HRA over the next 10 years of the plan, including the impact of borrowing to fund some of the investment to improve the energy efficiency of the existing housing stock.

Work is still ongoing to identify and explore potential HRA sites and land acquisition opportunities that could be included within the 10 Year New Homes Programme. Sites and schemes will continue to be brought forward for formal consideration and approval individually as opportunities arise, on a prioritised basis.

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 using Passivhaus principles wherever considered possible but there is recognition that the intention would be 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, bid for on a scheme-by-scheme basis. Grant rates are not as high as initially hoped, but the authority has now been successful in securing grant on an increasing number of sites. There is also now the potential to secure grant in respect of the redevelopment of existing homes as part of the 2021 to 2026 Affordable Homes Grant Programme, and the authority is actively pursuing grant on schemes that might be eligible under this programme, with the outcome anticipated imminently. If unsuccessful in securing grant for additional new homes, 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 housing provided, to reduce build standards or to reduce the number of council rented homes delivered overall.

The resource ear-marked in the business plan is reviewed and re-profiled as the programme develops, with detailed borrowing options explored and decisions 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 2023/24, but with this assumed to be met either from internal borrowing or through the PWLB at the current reduced HRA rate.

Schemes Completed – Devolution 500 Programme

At the time of writing this report 524 new homes had been completed as part of the Devolution 500 Programme, with a net gain of 448 council rented homes.

Scheme	Total Social Housing / SO Units	Gain in Social Housing Units	Percentage Social Housing on Site
Uphall Road	2	2	100%
Nuns Way/Cameron Road	7	7	100%
Wiles Close	3	3	100%
Ditchburn Place	2	2	100%
Queensmeadow	2	2	100%
Anstey Way	56	29	100%
Colville Road Garages	3	3	100%
Gunhild Way	2	2	100%
Wulfstan Way	3	3	100%
Markham Close	5	5	100%
Ventress Close	15	13	100%
Akeman Street	14	12	100%
Mill Road	118	118	50%
Cromwell Road	118	118	40%
Colville Road II	63	43	100%
Meadows and Buchan	22	22	100%
Campkin Road*	75	50	100%
Clerk Maxwell	14	14	40%
Total	524	448	

*16 of the units at Campkin Road were re-purposed as refugee housing, with DLUHC grant awarded to contribute retrospectively towards the cost.

Schemes Completed – 10 Year New Homes Programme

The first homes being delivered as part of the new 10 Year New Homes Programme have now been delivered, as follows:

Scheme	Total Social Housing / SO Units	Gain in Social Housing Units	Percentage Social Housing on Site
Histon Road	10	10	40%
Total	10	10	

Asset Acquisitions & Disposals

Strategic acquisition or disposal is considered, in line with the HRA Acquisition and Disposal Policy. The capital receipt generated can still be retained in full by the authority, subject to utilising it to invest in affordable housing or regeneration.

In respect of acquisitions, a delegation to the relevant Director or Chief Operating Officer exists to allow draw down of resource, otherwise set aside for the repayment of debt, to acquire land or homes on the open market if new build housing is not coming forward quickly enough to avoid the loss of right to buy receipts or for the acquisition of homes that are on sites which have been identified for potential future redevelopment, but where the schemes haven't yet been formally approved.

Acquisitions or disposals in 2023/24 to date include:

Acquisition / Disposal	Comment	Status
1 Bed Flat	Purchase of a 1 bed flat in Trumpington ward for rough sleepers. This is the last of 14 homes acquired with Rough Sleeper Accommodation Programme grant *	Complete
13 x 3 Bed Houses 5 x 4 Bed House 1 x 5 Bed House 1 x 7 Bed House	Purchase of market dwellings for accommodating refugees, part funded by government grant	Complete
1 x 4 Bed House	Purchase of market dwellings for accommodating refugees, part funded by government grant	In progress
1 x 1 Bed Flat	Open market purchase of a home on a potential future development site	Complete

Acquisition / Disposal	Comment	Status
1 x 1 Bed Flat	Open market purchase of a home on a potential future development site	In progress

* Acquisitions using an element of Rough Sleeper Accommodation Programme grant funding to acquire 14 homes on the open market to accommodate rough sleepers. The grant conditions require that these homes are ear-marked for this purpose for 30 years, with residents expected to move on within a 2-year time frame to permanent accommodation.

Homes for Ukrainian and Afghan Refugees

The Department for Levelling Up, Housing and Communities (DLUHC) awarded the authority two rounds of grant funding to assist in meeting the challenges in providing move on and settled accommodation for recent humanitarian schemes (Afghan and Ukrainian refugees).

The authority was awarded:

- Round 1 main element - £4,640,000 to be used to provide a minimum of 29 homes.
- Round 1 bridging element - £328,683 to allow the provision of at minimum 1 larger 4+ bed home to be allocated to households currently residing in bridging accommodation.
- Round 2 - £840,000 to be used to provide 3 homes for Afghan households and 1 home for use as temporary accommodation.

The grant funding requires a minimum top up contribution of £7,538,683 from HRA resources, but to make the best use of the grant awarded and to maximize the number of new homes delivered, additional funding of £200,000 was incorporated as part of the HRA Medium-Term Financial Strategy in November 2023., Round 1 grant has to be invested by 30 November 2023 and round 2 by 31 March 2024.

Some existing new build housing has been redesignated to meet this need, with 16 homes identified and occupied. 20 homes have been acquired on the open market to date, with the final one in the conveyancing process.

Once the homes are no longer required for housing this cohort, the authority will be able to utilise them to meet their wider affordable housing need, but with grant being repayable if the authority were to dispose of the dwellings.

Section 6

Rent & Charge Setting

Rent Setting

Following publication of the rate of CPI in September 2023 at 6.7%, and in the absence of any rent cap notification from government, the authority has incorporated a rent increase of 7.7% from April 2024. This increase recognises that a local decision was taken last year to increase rents at 5%, which was well below both inflation and the government cap of 7%. The single year decision was taken to help tenants at a time when other costs were rising but had a significant impact on the financial forecasts for the authority and on the ability to invest in key areas, such as improving the energy efficiency of the housing stock, improving services provided to tenants and building new homes. The authority is committed to being able to improve all homes to at least an EPC 'C' standard by 2035. This will mean that over the longer-term tenants who receive these works to their homes should begin to realise reductions in energy costs.

Over the last 8 years, social rented tenants have received 4 years of 1% rent cuts, followed by increases of 2.7%, 1.5%, 4.1% and 5%, resulting in a total increase over 8 years of 9.45%, compared with what would have been a 23.47% increase if rents had simply increased in line with inflation over the same period, effectively delivering a significant reduction in real terms.

Implementing a rent increase at a lower level than identified in the Rent Standard, will have a negative impact on the financial forecasts for the HRA, and on the ability to invest in improvement to homes, new homes or additional services for tenants. The impacts of implementing lower rent increases are outlined in the table below:

Rent Increase	Average Weekly Social Rent Value Increase	Average Weekly Affordable Rent Value Increase	Additional / (Reduced) Borrowing Required over the 30 Year Business Plan	Impact on Housing Delivery
3%	£3.39	£5.09	£190 million	No further homes can be improved to EPC 'C', leaving 1,700 as sub-standard and the 4% HRA savings target would need to be increased to 15% for 2024/25
5%	£5.64	£8.48	£108 million	1,210 homes will not be able to be improved to EPC 'C', leaving them sub-standard
7%	£7.90	£11.87	£27 million	330 homes will not be able to be improved to EPC 'C', leaving them sub-standard
7.7% (CPI plus 1%)	£8.69	£13.05		

For those in receipt of full housing benefit or Universal Credit the increase will be met through these routes. There is the potential for tenants who are under-occupying or are impacted by the benefit cap to be adversely affected, with the latter depending upon whether there are any increases in the benefit cap levels. Those impacted by the benefit cap continue to be considered for discretionary housing payments to mitigate the impact on them, and those who are under-occupying can seek support to downsize through the under-occupation scheme. For those who pay their rent themselves, there will be an increase in rent to find, but the authority will continue to provide financial and budgeting advice to those who require it and will work with tenants to ensure that they are claiming all financial assistance to which they are entitled.

The assumption of an increase of CPI (as measured at the preceding September), plus 0.5% is retained for the following five years, before moving to an assumption of just CPI increases. There is currently no guarantee in respect of achieving these future rental increases, as we await a revised Rent standard from April 2025.

Affordable rented homes will be subject to the same inflationary increase of 7.7% for existing tenants. At re-let, the authority must ensure that the combined rent and service charges levied

do not exceed 80% of the market rent for each dwelling. but with the requirement for local authorities to have regard for the Local Housing Allowance. A number of affordable housing tenants in our earliest affordable rented homes will have their rent re-based from April 2024, before the annual rent review is applied, as part of correcting one of the rent regulation issues highlighted in this report.

Re-lets of existing affordable rented homes are at 60% of market rent or the prevailing Local Housing Allowance rate, whichever is the lower, New homes are introduced at social rent, 60% of market rent (or the prevailing Local Housing Allowance rate), or at 80%, depending upon the agreed rent levels for the scheme, in line with the Greater Cambridge Housing Strategy.

The table below includes details of the Local Housing Allowance rates over recent years, with an announcement in the Chancellor's Autumn Statement confirming that rates will not be frozen again in April 2024 as previously expected but will instead increase to the 30th percentile of the local market rent.

Property Size	2020/21 LHA rates January 2020	2020/21 LHA rates March 2020	2021/22 LHA rates	2022/23 LHA rates	2023/24 LHA rates
Shared Room	81.89	97.00	97.00	97.00	97.00
1 Bed	135.99	178.36	178.36	178.36	178.36
2 Bed	156.40	195.62	195.62	195.62	195.62
3 Bed	181.75	218.63	218.63	218.63	218.63
4 Bed	242.43	299.18	299.18	299.18	299.18

Service Charges

The approach to setting service charges for 2024/25 is detailed at **Appendix D**.

Other Sources of Income

Garages

The proposed charges for garages and parking spaces for 2024/25, increased by 7.7%, are as follows, with the charges for resident parking permits being increased incrementally to bring them in line with other providers over time:

Category	Base Rent £ per rent week	VAT £ per rent week	Total Charge £ per rent week
Parking Spaces in standard area (tenants only)	8.47	0.00	8.47
Parking Spaces in standard area (other city residents)	8.47	1.69	10.16
Garage in standard area (tenants only)	10.89	0.00	10.89
Garage in standard area (tenants storage use)	10.89	2.18	13.07
Garage in standard area (other city residents)	10.89	2.18	13.07
Garage or Parking Space in high value / high demand area (tenants only)	20.78	0.00	20.78
Garage in high value / high demand area (tenants storage use)	20.78	4.16	24.94
Garage or Parking Space in high value / high demand area (other city residents)	20.78	4.16	24.94
A £5.00 premium is added to all base rates above when rented for non-city resident, commuter, business or commercial use			
Parking Space in standard area - Non-City Resident / Commuter or Business / Commercial use	13.47	2.69	16.16
Garage in standard area - Non-City Resident / Commuter or Business / Commercial use in standard area	15.89	3.18	19.07
Garage or Parking Space in high value / high demand area - Non-City Resident / Commuter or Business / Commercial use in high value / high demand area	25.78	5.16	30.94
Category	Base Charge £ per year	VAT £	Total Charge £ Per year
Resident's Parking Permit (new schemes)	60.00	VAT applies	72.00
Resident's Parking Permit *	25.00	VAT applies	30.00
Visitor's Parking Permit	25.00	VAT applies	30.00
Replacement Parking Permit	10.00	VAT applies	12.00
* 50% discount for vehicles with CO2 emissions under 75g/km (resident parking permits only)			

Parking spaces or garages in the curtilage of properties are charged at the prevailing base rate for the area. Internal council use to be charged at base garage rate excluding VAT.

Section 7

Housing Revenue Account Budget

Revised Budget 2023/24

The Housing Revenue Account revenue budget for the current year was amended as part of the HRA Medium Term Financial Strategy in November 2023, taking account of any major changes. As part of this HRA Budget Setting Report, any major unavoidable pressures or material changes in income for the year are recognised, alongside the impact in revenue terms of the need to revisit funding requirements (DRF) for the Housing Capital Investment Plan in 2023/24 following any re-phasing of the programme. Investment income in the HRA is anticipated to be marginally more than anticipated in the Medium-Term Financial Strategy due to increases in interest rates, and borrowing is expected to be less due to re-phasing of the capital programme. A net change of £571,010 in the 2023/24 HRA budget is identified, as summarised below.

2023/24 Revised Budget	Original Budget January 2023 £	HRA MTFS November 2023 £	HRA BSR Proposed Changes £	HRA BSR January 2024 £
Net HRA Use of / (Contribution to) Reserves	6,185,160	3,199,670		
Re-allocation of Fire Safety budget from capital to revenue for cladding treatment			277,500	
Re-phasing of funding for heat and smoke detector installations			(250,000)	
Net Non-Cash Limit Adjustments (interest paid and received, depreciation, DRF, etc)			(598,510)	
Revised Net HRA Use of / (Contribution to) Reserves				2,628,660
Variation on previously projection				(571,010)

The above figures include carry forward approvals from 2022/23 in the second column, in addition to changes approved as part of the Medium-Term Financial Strategy in November 2023, with any net revenue impact identified in the current year, as part of the January 2024 committee cycle, incorporated in the right-hand column. The net change in costs, financing and income for 2023/24 will result in a reduced call on Housing Revenue Account reserves for the current year, when compared to that anticipated in the HRA Medium Term Financial Strategy. Details are provided in **Appendix E (1)**.

Overall Budget Position - 2024/25 onwards

Overall Budget Position

The overall revenue budget position for the Housing Revenue Account is summarised in the table below and at **Appendix G**, with detail for the period to 2028/29 provided in **Appendix E (2)**:

Targets Set	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £
Efficiency Savings	0	(196,000)	(196,000)	(196,000)	(196,000)	(196,000)
Strategic Investment Fund	0	98,000	98,000	98,000	98,000	98,000
Net Change Required	0	(98,000)	(98,000)	(98,000)	(98,000)	(98,000)

Summary of Proposals	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £
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Unavoidable Revenue Bids	0	449,750	262,250	237,250	187,250	187,250
Reduced Income Proposals	0	1,337,120	190,490	194,420	198,480	202,650
Unavoidable	0	1,786,870	452,740	431,670	385,730	389,900

Savings Proposals	0	(115,480)	(115,480)	(115,480)	(115,480)	(115,480)
Increased Income Proposals	0	(131,250)	(131,250)	(131,250)	(131,250)	(131,250)
Bids	0	0	0	0	0	0
Discretionary	0	(246,730)	(246,730)	(246,730)	(246,730)	(246,730)

Non-Cash Limit Adjustments	(598,510)	(1,214,170)	(88,010)	(201,910)	436,130	(1,314,290)
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Revenue / Capital Re-allocation	277,500	0	0	0	0	0
Revenue Re-phasing	(250,000)	250,000	0	0	0	0
Total Revenue Proposals	(571,010)	575,970	118,000	(16,970)	575,130	(1,171,120)
Under / (Over) Achievement against Target	(571,010)	673,970	216,000	81,030	673,130	(1,073,120)
Cumulative Under / (Over) Achievement against Target	(571,010)	102,960	318,960	399,990	1,073,120	0

Non-Cash Limit Budgets

Non-Cash Limit items are those that do not relate directly to the cost of service provision, including for example direct revenue funding of capital expenditure (DRF), interest and depreciation. These items are treated outside of the 2024/25 cash limit, with the implications built into the financial forecasts for the HRA as part of the budget process, informing future budget strategy, savings targets and investment priorities. For 2024/25 there are cash limit adjustments in respect of contribution to the bad debt provision, depreciation, interest received based upon the latest balances and rate assumptions and interest paid based upon the latest forecast borrowing rates. These are partly offset by cash limit adjustments in the level of direct revenue financing of capital expenditure, which is also impacted by the need to refund tenants in 2024/25 for over-paid rent.

Strategic Investment Fund

As part of the HRA Medium Term Financial Strategy, approved in November 2023, approval was given to retention of a Strategic Investment Fund, but at the lower level of £96,000 per annum, to be directly offset by some of the efficiency savings identified in the HRA each year, for the next 5 years.

There were no bids against this fund identified as part of the 2024/25 budget process.

Performance against Current Net Savings Target

An efficiency savings target of £196,000 was included in the HRA forecasts for 2024/25 as part of the HRA Medium Term Financial Strategy approved in November 2023. The efficiency target was set in the context of the ability to deliver a balanced HRA budget, recognising the need to borrow to build new homes from 2023/24 and to maintain delivery of quality housing services whilst also allow resource for strategic reinvestment in new initiatives.

The savings identified in the table above, included for decision as part of the HRA Budget Setting Report, are detailed in **Appendix E (2)**.

The savings and increased income that have been identified for 2024/25 are more than offset by the HRA reacting to unavoidable revenue pressures. The net position is an under-achievement against the target set of £102,960 by 2024/25, moving to an in-year under-achievement of £216,000 in 2025/26, £81,030 in 2026/27, and £673,130 in 2027/28, before moving back to an over-achievement of £1,073,120 in 2028/29. On a cumulative basis, a balanced budget position is delivered by the end of 2028/29, with changes made to direct revenue funding of capital to balance the revenue budget. This does however, impact the level of borrowing required. Details of the bids and savings can be found in **Appendix E (2)**.

Corporate costs and overheads have been reviewed in respect of any budget proposals that may span both funds, with the financial impact of this incorporated into the Housing Revenue Account budget process. This may be subject to further change as the General Fund finalises its budget proposals, with any resulting changes to be built into the HRA as part of the 2024/25 Medium-Term Financial Strategy process.

Further efficiency targets have been incorporated from 2024/25 for four years, also at the level of £196,000 per annum. This will allow continued strategic re-investment at the same level each year, to be able to respond to challenges presented by changes in local and national housing and welfare policy and also in construction and maintenance regulations.

Future Budget Impact

Correcting the issue identified earlier in this report in respect of historic rent setting has had a significant impact on the financial forecasts for the HRA. This iteration of the business plan now requires borrowing not only to build new homes, where there is an ongoing revenue stream to support this, but also to deliver some of the energy improvements to the existing housing stock, where the investment does not currently increase income. This results in a business plan which carries additional financial risk, which the authority needs to work to mitigate. Once the second rent regulation issue has been fully explored and quantified, any additional financial impact will need to be accounted for in future forecasts.

Consideration will need to be given to how to address this as part of the HRA Medium Term Financial Strategy in the autumn of 2024.

There are a number of options that can be explored to help to mitigate the financial impact of this in some way, with policy decisions being required in some instances:

- Review future net savings target for the HRA, which is currently set at 4% of controllable expenditure, with 50% of this re-invested in new or priority service areas.
- Consider the use of the 5% rent flexibility allowed under rent restructuring, which would allow rents to be set at up to 5% above formula rent whenever a property is re-let. This could be based upon the investment required to improve the energy efficiency of existing homes to EPC 'C', particularly where this results in reduced energy bills for some residents.
- Lobby government to allow authorities to close the gap between formula and actual rents for existing tenants (potentially on a phased basis over a number of years), and not just on re-let.
- Review approach to rent setting for new affordable homes as schemes come forward for approval, with consideration given to delivering more homes at the 60% or 80% rent levels.

Transformation Fund

The higher level of transformation funding for the HRA of £321,310 per annum is retained for 2024/25 and 2025/26, before returning to the previous level of £121,310 on an ongoing basis. This is to allow the HRA to invest in service transformation projects, spend to save initiatives and to

allow a quick response to in-year changes in legislation or major change in national housing policy. The fund can be allocated to one-off projects or to meet ongoing commitments, recognising that if committed on an ongoing basis, there will be less capacity in future years to respond to arising issues.

The responsibility for identification and approval of funding for suitable projects, whether one-off, or ongoing in nature, is delegated to the relevant Director, who is responsible for ensuring that the authority continues to meet statutory obligations and has a housing offer which is fit for purpose.

Section 8

Housing Capital Budget

Stock Condition and Decent Homes

Fire Safety Works

Carrying out fire safety works is a priority for the authority. There are 117 communal areas where timber cladding requires re-treatment with a fire-retardant coating to ensure that it meets the latest fire safety regulations. There is sufficient funding to carry out this work in the capital fire safety budget, but due to the nature of the work required, the cost need to be borne from a revenue budget. It is therefore proposed to transfer £277,500 from the capital fire safety and associated overheads budgets to the revenue PTR budget to meet the cost of these works.

Lift Upgrades

Work is required across all lifts in the housing stock, to upgrade the communication equipment in the lifts from analogue to digital in nature. There is a backstop date for these works of December 2025, when the analogue service will be switched off. There are 65 lifts that are currently anticipated to require this upgrade and a capital bid of £159,000 has been incorporated into this iteration of the business plan to accommodate delivery of these works in 2024/25 in advance of the deadline.

Compliance

There is ongoing work to ensure that the Council is fully compliant across several key areas, fire safety, asbestos management and electrical safety. The extent and cost of remedial works particularly with regards to the management of fire and the subsequent requirement for new doors or compartmentalisation of buildings is unlikely to be fully understood for several months. Any financial implications arising from this work will be incorporated into the HRA Medium Term Financial Strategy later in 2024.

New Build Affordable Housing – Schemes On Site

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

Devolution 500 Programme

Scheme	Approved Indicative Social Housing Units	Gain in Affordable Housing Units	Latest Budget Approved / for Approval	RTB Receipt / Sales Receipt Funding	Devolution Grant	Rent Basis
Colville Road II	4 remaining (63 handed over)	4 remaining (63 handed over)	14,467,580	(2,743,480)	(6,089,660)	60%
Meadows and Buchan	84 remaining (22 handed over)	84 remaining (22 handed over)	25,929,000	(7,778,700)	(9,102,060)	60%
Total	88	88				

10 Year New Homes Programme

Scheme	Approved Indicative Social Housing Units	Gain in Affordable Housing Units	Latest Budget Approved / for Approval	RTB Receipt / Sales Receipt Funding	Homes England Grant / Other Grant	Rent Basis
L2	75	75	17,727,000	0	(4,830,000)	30 Social Rent / 45 80%
Fen Road	12	12	4,015,000	0	(1,077,000)	Social Rent
Colville Road III	48	32	12,681,000	0	(2,144,000)	32 Social Rent / 16 80%
Ditton Fields	6	6	1,944,000	0	(534,000)	Social Rent
Borrowdale	3	3	1,044,000	0	(258,000)	Social Rent
Aragon Close	7	7	2,426,000	0	(551,880)	80%
Sackville Close	7	7	2,562,000	0	(551,880)	80%

Scheme	Approved Indicative Social Housing Units	Gain in Affordable Housing Units	Latest Budget Approved / for Approval	RTB Receipt / Sales Receipt Funding	Homes England Grant / Other Grant	Rent Basis
Aylesborough Close	70	37	19,450,000	0	(3,304,329)*	41 Social Rent / 29 80%
Total	228	179				

*Homes England Grant is assumed, but no grant has yet been secured.

New Build Affordable Housing - Schemes in the Pipeline

There are a number of sites which have scheme specific approval, but at the time of writing this report, were not on site. The tables below detail the latest budget requirements either approved or for approval as part of the HRA Budget Setting Report 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.

Devolution 500 Programme

Scheme	Approved / Indicative Affordable Housing Units	Gain in Affordable Housing Units	Latest Budget for Approval	RTB Receipt and Sales Receipt Funding	Devolution Grant	Rent Basis
Kendal Way	1	1	545,000	(163,500)	0	60%
Total	1	1				

10 Year New 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 Grant	Rent Basis
St Thomas's Road	8	8	3,468,000	0	(560,000)*	60%
Paget Road	4	4	1,689,000	0	(300,000)*	2 Social Rent / 2 80%

Scheme	Approved / Indicative Affordable Housing Units	Gain in Affordable Housing Units	Latest Budget for Approval	RTB Receipt and Sales Receipt Funding	Homes England Grant	Rent Basis
Fanshawe Road	45	25	13,000,000	0	(1,000,000)** (715,000)*	34 60% / 11 80%
Princess and Hanover Court	82	0	29,763,000	0***	0	Social Rent
East Road	40	40	11,466,000	0	(2,576,000)*	16 Social Rent / 24 80%
Eddeva Park	32	32	8,021,000	1,203,150	0	60%
East Barnwell	120	110	50,306,000	0	(9,192,000)*	48 Social / 72 80%
Newbury Farm	60	60	15,285,000	2,292,750	0	60%
Total	391	279				

*Homes England Grant is assumed, but no grant has yet been secured.

**Retention of the £1 million grant for Fanshawe Road is subject to confirmation from the Cambridgeshire and Peterborough Combined Authority following the change in tenure agreed in September 2023.

*** The anticipated land receipt to the HRA for the element of land transferred to deliver market housing is currently netted off against the costs until details have been finalised.

The table above incorporates the latest grant awards or grant levels assumed and the current level of retained right to buy receipts that the authority expects to allocate to each scheme.

Newbury Farm is the subject of a separate scheme specific report as part of this committee cycle, with budget to be re-allocated from the sum ear-marked for new homes to the scheme specific budget, subject to approval of the scheme.

Budget remains ear-marked for the costs of the potential redevelopment of Princess and Hanover Court, should redevelopment be the recommended option when the scheme specific report is presented to Housing Scrutiny Committee, as this would be the option carrying the highest cost.

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

Scheme	Previous Budget Approval	Original Estimated Units	Latest Budget Approval Request	Revised Estimated Units	Justification
No changes					

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

Scheme	Site Type	Status	Potential New Build Units
Kendal Way	In-fill	Planning approved	1
St Thomas's Road	Existing HRA Garages	Pre-planning	8
Paget Road	Existing HRA Garages	Pre-planning	4
Fanshawe Road	Existing HRA Housing	Planning submitted	45
Princess and Hanover Court	Existing HRA Housing	Options appraisal in progress	82
East Road	Demolished HRA Garages	Pre-planning	40
Eddeva Park	Section 106	Planning approved	32
East Barnwell	Mixed Ownership Site	Planning submitted	120
Newbury Farm	Section 106	Pre-planning	60

Acquisition

Homes for Ukrainian and Afghan Refugees

The acquisition of homes to accommodate Ukrainian and Afghan refugees is progressing well, with all of the homes required under round 1 of the grant conditions completed at the time of writing this report, with 3 additional homes acquired under this programme. DLUHC were clear that they wanted local authorities to deliver as many homes as possible through this grant funded route, and so delivery of 3 additional homes in round 1 of this programme is a key achievement. 3 of the 4 properties required under round 2 are complete, with the final one in the conveyancing process. A virement of £200,000, approved as part of the HRA Medium Term Financial Strategy from the underspend of budget in respect of rough sleeper acquisitions, ensures that the number

of additional HRA dwellings to accommodate this group of households is maximised and the grant funding is used to its best advantage.

Capital Bids, Savings and Re-Phasing

There is one formal capital bid incorporated as part of the 2024/25 HRA Budget Setting Report in respect of upgrades to communication equipment in housing lifts. There are also several areas of budget re-allocation and re-phasing.

Detailed changes are presented in **Appendix F**, with the overall financial and presentational impact of the following items being incorporated into the Housing Capital Investment Plan presented at **Appendix H**:

- Inclusion of a capital bid of £159,000 to allow the communication equipment to be upgraded from analogue to digital in 65 lifts across the housing portfolio, as identified in **Appendix E(3)**.
- Transfer of £250,000 from the capital budget for fire safety works and £27,500 from the planned maintenance contractor overheads budget to the revenue PTR budget, to allow the timber cladding in flat blocks to be treated with a fire-retardant coating.
- Inclusion of £15,285,000 from the budget ear-marked for the delivery of new homes into a scheme specific budget for the purchase of 60 homes on the Section 106 site at Newbury Farm, in line with the scheme specific report presented to this committee cycle.
- Re-phasing of the decent homes works and other investment in the housing stock as identified in **Appendix F**.
- Re-phasing of new build schemes as identified in **Appendix F**.
- Adjustment to the level of inflation held in the capital programme, recognising both re-phasing and changes in assumed costs.
- Adjustment to the level of resources ear-marked for future new build dwellings recognising the latest delivery profile and anticipated costs.

Section 9

HRA Treasury Management

Background

Statutorily, the Housing Revenue Account is required to set a balanced budget, including recognition of the revenue implications that arise from capital financing decisions.

The Housing Capital Investment Plan provides an indication of the borrowing requirement in any year, ensuring that this can be incorporated into the Council's overall borrowing assumptions and Treasury Management Strategy.

There is currently no constraint on the level of borrowing that the HRA can take out, but the authority must ensure that it can demonstrate the resource is being utilised in the provision of social or affordable rented housing, it is able to identify the revenue resource to support the borrowing and must give due regard to the need to repay or re-finance the debt at the end of any initial borrowing term.

The 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, still poses a risk in respect of HRA borrowing. Local authorities need to submit a 3-year capital investment strategy 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. 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.

HRA Borrowing

As at 1 April 2023, the Housing Revenue Account supported external borrowing of £213,572,000 in 20 maturity loans with the Public Works Loans Board (PWLB), with rates ranging between 3.46% and 3.53% depending upon the term of the loan. The loans have varying maturity dates, with the first £10,678,600 due to be repaid on 28th March 2038, and the last on 28th March 2057.

At April 2023, the HRA also held an element of internal borrowing from the General Fund of £1,404,425 as part of the HRA Capital Financing calculations, with this small sum of notional borrowing resulting in interest payable to the General Fund.

If the HRA acquires housing built on General Fund land, the land has to be appropriated (transferred) to the HRA, increasing the HRA Capital Financing Requirement and the resulting interest due to the General Fund. This transfer takes place at market value, but taking into account the intended future use for the site, i.e.; as social or affordable housing.

This iteration of the business plan assumes that the authority will re-invest all revenue resource that has been previously set-aside for potential debt redemption or re-investment in 2023/24, prior to undertaking any additional borrowing, currently estimated at £417,000,000 over the next 10 years. Following incorporation of the financial impact of correcting the first of two rent regulation errors that have been identified, this level of borrowing is required not only to facilitate the delivery of the 10 Year New Homes Programme, but also to provide some of the funding to allow all existing homes to be improved to EPC 'C' standard by 2035. Borrowing of a further £201,000,000 is required over the life of the plan, to ensure that self-financing borrowing is re-financed, existing homes are maintained at the decent homes standard, new homes are maintained at Passivhaus standards and that the small ongoing programme of new homes from year 11 onwards continues to be delivered at this standard where possible.

Borrowing to invest in energy efficiency improvements is not ideal, as the investment does not bring with it any increase in revenue stream to support the borrowing. The HRA therefore needs to explore all alternative routes for the maximisation of income, and to seek to deliver services for the best price available.

Due to the ongoing economic uncertainty, and the continued high level of the Bank of England base rate, lending rate forecasts have increased again since the HRA Medium Term Financial Strategy was published. The Council adopts Link's (the Council's treasury advisors) view of what may happen to interest rates over the medium term, with average rates of 4.4% forecast for 2024/25, 4.18% for 2025/26, 4% from 2026/27. This increases the longer-term borrowing assumption from 3.8% when the HRA Medium-Term Financial Strategy was published to 4% as part of this iteration of the business plan.

The HRA financial forecasts assume that the borrowing requirement in 2023/24 is met by borrowing from the Public Works Loan Board (PWLB), taking advantage of the current HRA reduced rate which would result in a borrowing rate of 5.02% at the time of drafting this report. Some of the resource may be available through internal borrowing from the General Fund, but interest would still need to be paid at a similar level.

Alternative borrowing routes are being explored, as the authority is required to borrow significantly greater sums from 2024/25 onwards. Consideration will be given to internal borrowing, inter-authority borrowing, market borrowing and institutional investment.

The 2024/25 HRA Budget Setting Report does not review the potential sources of lending, types of borrowing, lengths of loans or alternative rates available for taking out any additional borrowing at this stage. Further review will need to be undertaken during 2024/25 before significant external borrowing is required.

Debt Repayment / Re-Investment

Set-Aside for Repayment of HRA Debt

The debt repayment strategy no longer sets aside resource to redeem 25% of the HRA self-financing debt from the point at which the loan portfolio begins to mature in 2037/38, but instead assumes that loans are re-financed to allow a continued programme of new homes to be delivered.

The ear-marked revenue reserve created to allow resource to be informally 'set aside' will be utilised before further borrowing is taken out. Any resource set-aside since April 2012 has been incorporated for use by 2023/24 to fund the delivery of new homes,

Section 10

Budget Summary and Conclusion

Equality Impact Assessment, Uncertainties and Risk

Equality Impact Assessment

Local authorities have legal duties to pay 'due regard' to the need to eliminate discrimination and promote equality with regard to race, disability, gender, including gender reassignment, age, sexual orientation, pregnancy / maternity, and religion or belief as well as to promote good race relations, and to demonstrate this in the decision-making process. Assessing the potential equality impact of proposed changes in policies, procedures and practices is one of the ways public authorities can show 'due regard'.

As part of this Budget Setting Report, an Equality Impact Assessment has been undertaken in respect of all 2024/25 HRA budget proposals, where any impact is anticipated. The assessment identifies the impact of a proposal, any mitigation available and includes an action plan detailing how negative impact can be addressed. The Equalities Impact Assessment for the overall HRA budget is included at **Appendix J**.

Risk Assessment

Consideration is given to any changes in the perceived level of internal or external risk that the housing service is subject to, ensuring that the authority can sustain a financially viable Housing Revenue Account.

Update of the key risks and associated mitigating actions is presented at **Appendix A**.

HRA Reserves

Housing Revenue Account General Reserves

General reserves are held to help manage risks inherent in financial forecasting. These risks include changes in legislative, statutory and regulatory requirements, inflation and interest rates, unanticipated service needs and rent and other income shortfalls and emergencies, such as uninsured damage to the housing stock. In addition, reserves may be used to support the Housing Capital Investment Plan and, in the short-term, to support revenue spending, for example to spread the impact of savings requirements over more than one financial year or to invest up front in a project that is anticipated to pay back over a period of time or deliver future savings.

For the Housing Revenue Account, the target level of reserves of £7.05m, with a minimum level of reserves of £5.875m updated in the HRA Medium-Term Financial Strategy, is proposed to be retained, recognising the need to safeguard the Council against the risk and uncertainty in the current financial and operational environment for housing.

Financial Assumptions and Sensitivity

The current financial assumptions, reviewed and used as part of this BSR are detailed in **Appendix B**.

All financial assumptions are subject to change, with a number of alternative values that could have been assumed. To mitigate the risks associated with this, modelling of key sensitivities is undertaken to provide context to the financial impact that a change in an assumption will make.

Appendix C provides details of the key sensitivities modelled in the preparation of the HRA Budget Setting Report 2024/25.

Conclusion

The budget for 2024/25 seeks to achieve a balance in investment against current priorities, as outlined in the introduction.

Update of the HRA Business Plan and preparation of the 2024/25 budget has been challenging as a result of the need to respond to a number of unavoidable revenue pressures, combined with ongoing inflationary pressures and continued high interest rates for borrowing. The need to incorporate the financial impact of correcting one of the two identified rent regulation errors has also had a negative impact on the financial forecasts.

This iteration of the business plan retains the resource identified as part of the 2023/24 budget process to allow improvement to the energy efficiency of the existing housing stock, with funding incorporated to improve existing homes to at least an EPC 'C' standard over the next 12 years, whilst also ensuring that new build homes meet high energy efficiency standards. This will ensure good progress towards meeting the aspirational energy efficiency standards across the housing stock and will improve thermal comfort and reduce energy bills for tenants. Borrowing is now required to facilitate the energy investment in the current housing stock, which will put additional financial strain on the ongoing business plan.

To facilitate the level of investment in the current business plan, it is necessary to impose a 7.7% rent increase for tenants from April 2024. This increase is in line with the Rent Standard, adopting increase of CPI plus 1%, with CPI at September 2023 being 6.7%. It is necessary to impose the rent increase at this level to facilitate the desired energy investment in the housing stock.

The authority still awaits the publication of the new consumer standards for social housing, anticipated to be published in February 2024 by the Regulator of Social Housing and the revised Decent Homes Standard (Decent Homes 2), and how this will impact service delivery, with legislation also awaited in this area.

The rollout of Universal Credit continues to contribute to uncertainty for the Housing Service, with the impact of direct payment on rent collection and rent arrears, yet to be fully realised.

Work undertaken as part of the 2024/25 budget process has resulted in the development of proposals for setting the budget for the Housing Revenue Account.

In January 2024 Housing Scrutiny Committee will consider the budget proposals, prior to the Executive Councillor for Housing making decisions in respect of the revenue aspects of the

budget, making recommendation for the housing capital budget for 2023/24 to 2032/33 to Council for consideration and approval.

The HRA Budget Setting Report recommends approval of, where applicable:

- Property rents, garage and parking space rents and service charges
- Revised budget proposals
- Unavoidable revenue pressure proposals
- Reduced income proposals
- Revenue bids
- Savings proposals
- Increased income proposals
- Non-cash limit items
- Capital bids, capital savings, revised scheme costs and timings
- Capital resource re-allocation

The meeting of Council in February 2024 will consider the final proposed Housing Capital Budget as identified in this report for approval.

Savings identified in the HRA from 2024/25 include anticipated savings from improved repairs delivery, a reduction in repairs and renewals fund expenditure, recognising changes in the way the council remotely and in a paperless environment and a reduction in operational budgets for the supported housing service.

Increased income is anticipated from garage rents, with an assumed increase of 7.7% in line with the increase for dwelling rent, increased commercial property rental income, particularly as a result of letting what was the area housing office on Arbury Road and in de-minimus capital receipts which are received for the sale of small land assets and for the extension of the leases in respect of leasehold flats.

Savings and increased income are more than offset partially offset by unavoidable revenue bids and reduced income in 2024/25, but a number of these pressures are one-off or short-term in nature. They include an increase in the costs of council tax in vacant dwellings pending redevelopment, the legal and compensation costs associated with disrepair claims and the

expectation that the authority will need to pay a fee to the Regulator of Social Housing from 2024/25. The biggest area of reduced income is in respect of the one-off cost of refunding over-paid rent due to a rent regulation error and the ongoing reduction in the base level of rent that will be applicable once the required corrections have been made from April 2024.

Any net saving delivered allows for the creation of a Strategic Investment Fund, at 50% of the value of the savings target, as approved in the HRA Medium Term Financial Strategy, but with the only development bids incorporated for 2024/25 being a bid for an additional Housing Officer from April 2026, which is funded from the existing budget for business expansion. No call on the Strategic Investment Fund helps to mitigate the impact of the cost of the unavoidable revenue pressures.

There are non-cash limit adjustments to reflect changes in the contribution to the bad debt provision, depreciation, interest anticipated to be paid on borrowing and in interest expected to be received on cash balances, partially offset by changes in direct revenue financing of capital expenditure.

The overall position for the HRA by 2024/25 (including non-cash limit adjustments) is a cumulative under-achievement of £102,960, improving by the end of the 5-year term to result in a balanced revenue budget position by 2028/29.

There is currently an assumption that efficiency savings of £196,000 per annum will be sought for a further 4 years, allowing the continuation of a Strategic Investment Fund at 50% of this value for the same period. Effectively, any increase in revenue costs or investment in new revenue areas of priority will need to be funded through the identification of efficiency savings or increased income elsewhere across the service.

One of the biggest risks to the business plan is the uncertainty in how long interest rates for borrowing will take to come back down, and to what base level they may return to. It is currently forecast that rates will not return to the previous low levels. The assumption that the authority will be successful in securing Homes England Grant, with assumptions that the majority of sites on the 10 Year New Homes Programme will have grant funding to allow them to proceed is another key

risk. If the authority is unsuccessful in securing grant, each scheme will need to be revisited before entering into contract to ensure that the HRA can borrow sufficient funds to proceed.

The HRA is making significant progress in delivering over 500 additional homes using Devolution Grant, with 448 net additional homes handed over and a further 88 net additional homes on site at the time of writing this report. The authority also has a number of schemes approved as part of the new 10 Year New Homes Programme, with 10 homes completed, and a further 179 net new homes on site at the time of writing this report.

Review of the need to identify savings in future years will need to consider not only sustaining a 30-year business plan, supporting increased borrowing and taking account of the impact of any emerging housing legislation, but also considering the authorities commitment to the delivery of new build housing and aspiration to improve the sustainability standards of existing homes.

Appendix A

Key Risk Analysis

Risk Area & Issue arising	Controls / Mitigation Action
Effects of Legislation / Regulation	
<p>Implications of new legislation / regulation or changes to existing are not identified or implemented correctly</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 (or incorrect interpretations of the policy) impact the ability to support the housing debt or deliver against planned investment programmes</p> <p>Review of historic rent setting processes identifies further rent setting errors</p>	<ul style="list-style-type: none"> • Effective, formal, regular review processes are in place for the HRA to ensure that implications are identified, quantified and highlighted. Officers review any publications. • Officer Groups review impact of legislative changes prior to implementation. • Service Improvement Team in place to respond to requirements of Social Housing Regulation Bill • Decisions taken in the context of a business plan which recognises the uncertainty. Savings taken have impacts exemplified to ensure impact is mitigated. • 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. • Representation made to DLUHC and other national bodies where statutory requirements carry excessive cost. • The Council has processes in place ensuring early engagement in any consultation and collective representation through national housing bodies. • Impact of any proposed changes to national rent policy or identification of any errors are incorporated into financial planning as early as possible with scenario impact quantified. • Quantification of any errors made at the earliest opportunity, with any impact incorporated into financial planning as early as possible
Housing Spending Plans	
<p>The Council approves plans which are not sustainable into the future, leading to increasing problems in balancing budgets</p>	<ul style="list-style-type: none"> • Council has adopted medium and long-term modelling (up to 30 years) for HRA, ensuring decisions are made in context of long-term impact.

Risk Area & Issue arising	Controls / Mitigation Action
	<ul style="list-style-type: none"> • The Business Plan includes long-term trend and scenario analysis on key cost drivers. • Target levels of reserves are set for the HRA to enable uneven pressures to be effectively dealt with, and to provide cover against unforeseen events / pressures.
Financial planning lacks appropriate levels of prudence	
<p>Business Planning assumptions are wildly inaccurate</p> <p>Financial policies, in general, are not sufficiently robust</p> <p>Funding to support the approved Capital Plan is not available</p> <p>Business plan assumption that all borrowing is re-financed at the end each borrowing term can't be supported</p> <p>Routine compliance inspections identify the need for additional investment in the housing stock</p>	<p>Council has adopted key prudence principles, reflected in:</p> <ul style="list-style-type: none"> • Use of external expert opinion and detailed trend data to inform assumptions • Ongoing revenue funding for capital is reviewed for affordability as part of the 30-year modelling process • Adoption of strict medium / long-term planning • Policy on applying general capital receipts for strategic disposals only at point of receipt <p>Business plan is reviewed annually, housing stock is maintained to decency standards, with an asset management strategy in place.</p> <p>Two opportunities each year to review the HRA business plan and associated revenue budget and capital programme to allow incorporation of funding at an early stage.</p>
Use of resources is not effectively managed	
<p>There is ineffective use of the resources available to the HRA</p> <p>Failure to deliver Major Housing / Development Projects, i.e. return on capital investment, project on time etc.</p> <p>Value for money in terms of investment in new build homes is challenged</p>	<ul style="list-style-type: none"> • Council employs robust business planning processes for the HRA • Council has adopted a standard project management framework • A business decision is required for all strategic acquisitions, disposals and one-off areas of significant investment • Performance and contractor management procedures are robust and contracts are enforceable • The Council's accounts are audited on an annual basis, with assurance given that the authority is delivering economy, efficiency and effectiveness in its use of resources • Council adopts a mix of delivery vehicles • Council employs cost consultants to demonstrate price comparability with the local market

Risk Area & Issue arising	Controls / Mitigation Action
	<ul style="list-style-type: none"> • Council has completed an independent review of new build delivery
External income / funding streams	
<p>Undue reliance may be placed on external income streams, leading to approval of unsustainable expenditure</p>	<ul style="list-style-type: none"> • Modelling over the medium and long-term is conducted for key income sources, including sensitivity analysis of potential changes
<p>Rent and service charge arrears increase, and bad debt rises, as a direct result of the Welfare Benefit Reforms or the current cost of living crisis</p>	<ul style="list-style-type: none"> • Council seeks to influence national settlements and legislative changes through response to formal consultation • Increased resources identified for income management. Performance closely monitored to allow further positive action if required.
<p>Rent income is under-achieved due to a major incident in the housing stock</p>	<ul style="list-style-type: none"> • Income Analytics and LIFT software procured to aid arrears recovery.
<p>Rent income is under-achieved due to a major incident in the housing stock</p>	<ul style="list-style-type: none"> • Asset Management Plan in place to identify and address key issues in the housing stock to minimise likelihood of widespread incidents
<p>Changes in the economic environment cause a significant reduction in the number of right to buy sales, reducing the resource available to finance the capital investment programme</p>	<ul style="list-style-type: none"> • Sensitivities modelled so potential impacts are understood • Business plan is regularly reviewed allowing reallocation of resource or consideration of borrowing if required
<p>Changes to the right to buy rules result in an increase in the level of sales, with the associated commitment to deliver replacement units or pay over receipts with interest</p>	<ul style="list-style-type: none"> • Sensitivities modelled so potential impacts are understood • Retained resources are monitored to ensure delivery of required units or return of resource at earliest opportunity • Delivery timeframe extended to 5 years, with ability to invest up to 40% of receipt into the replacement dwelling
<p>Volatility and competition in the property market impacts the ability to fund planned capital investment from the sale of assets</p>	<ul style="list-style-type: none"> • Policy on applying general capital receipts for strategic disposals only at point of receipt • Regular review of mix of new build delivered to ensure that assumptions around shared ownership and market sale are realistic

Appendix B

Business Planning Assumptions (Highlighting Changes in Bold)

Key Area	Assumption	Comment	Status
General Inflation (CPI)	3% for 2024/25, returning to 2% from 2025/26	General inflation on expenditure included at 3% for 2024/25, with 2% ongoing per Bank of England forecasts.	Retained
Capital and Planned Repairs Inflation	2.68% for planned maintenance and 4.7% for new build	Based upon the mix of BCIS and CPI forecasts for next 5 years, using averages over this period. Adopt 4.7% for new build based upon industry projections.	Retained
Debt Repayment	No debt repayment assumed	Assumes surplus is re-invested in income generating assets, but with borrowing rates resulting in ability to support interest payments only.	Retained
Pay Inflation	1% Pay Progression & Pay Inflation at £1,925 or 3.88% for 2023/24, 4%, then 2%	Assume allowance for increments at 1% and cost of living pay inflation at £1,925 (or 3.88% from scp 43) for 2023/24, 4% for 2024/25, then 2% on an ongoing basis.	Retained
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	7.7% for 2024/25, then CPI plus 0.5% for 5 years, then CPI	Assume an increase of CPI plus 1% for 2024/25, then reverting to inflation plus 0.5% for 5 years after this, then CPI. Assume CPI in preceding September is 6.7%, then 2% ongoing.	Retained
Affordable Rent Review Inflation	7.7% for 2024/25, then CPI plus 0.5% for 5 years, then CPI	Affordable rents to be reviewed annually in line with rent guidance, ensuring that re-lets do not breach the Local Housing Allowance, 60% or 80% of market rent, depending upon the tenure.	Retained
Rent Convergence	Void Only	Ability to move to target rent achieved only through movement of void properties directly to target rent.	Retained
External Lending Interest Rate	5% for 2023/24, 4.5% for 2024/25, 3% from 2025/26 ongoing	Interest rates based on latest market projections, recognising that the HRA will benefit from low-risk investments only	Amended

Key Area	Assumption	Comment	Status
Internal Lending Interest Rate	5% for 2023/24, 4.5% for 2024/25, 3% from 2025/26 ongoing	Assume the same rate as anticipated can be earned on cash balances held, so as not to detriment either the HRA or the General Fund longer-term.	Amended
External Borrowing Interest Rate	5.02% for 2023/24, 4.4% for 2024/25, 4.18% for 2025/26, then 4% ongoing	Assumes additional borrowing using PWLB projected rates generated by Link, with HRA and certainty rate applied.	Amended
Internal Borrowing Interest Rate	5.02% for 2023/24, 4.4% for 2024/25, 4.18% for 2025/26, then 4% ongoing	Assume the same rate as external borrowing to ensure flexibility in choice of borrowing route.	Amended
HRA Minimum Balances	£5,875,000	Revise HRA minimum balance to £4,628,000, following a review of the approach to holding reserves in the HRA.	Retained
HRA Target Balances	£7,050,000	Revise HRA target balance to £5,554,000 (minimum plus 20%), following a review of the approach to holding reserves in the HRA.	Retained
Right to Buy Sales	20 in 2023/24, then 25 sales ongoing	Activity has slowed as a result of mortgage rate increases, so the assumed sales for 2023/24 have been reduced, but the previous assumption of 25 sales is retained annually from 2024/25 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
Void Rates	2.5% for 2023/24, 1.5% for 2024/25 then 1% ongoing	Assume increased void rate of 2.5% for 2023/24, 1.5% for 2024/25, then ongoing void rate of 1% from 2025/26, recognising intended improved void performance.	Amended
Bad Debts	1% from 2023/24 ongoing	Bad debt of 1% ongoing reflecting the requirement to collect 100% of rent directly through Universal Credit.	Retained
Savings Target	£196,000 (4% of general and repairs administrative expenditure)	Retain an efficiency target, now at £196,000 from 2024/25 for 5 years. Allows strategic reinvestment and a response to pressure from national housing policy change.	Retained

Key Area	Assumption	Comment	Status
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	£98,000	Housing Strategic Investment Fund included from 2024/25 for 5 years at 50% of the value of the savings target for the full 5 year period to deliver a net reduction in costs	Amended

Appendix C

Business Plan Key Sensitivity Analysis

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact	Business Plan Impact
Rents Inflation	Assumed at 7.7% for 2024/25, then CPI plus 0.5% for 5 years, then CPI	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 £86 million during the life of the plan and interest payments by £37 million.	990 of the 1,700 homes are unable to be improved to EPC 'C'.
Rent Increases	Assumed at 7.7% for 2024/25, then CPI plus 0.5% for 5 years, then CPI	Assume a local decision to cap rent increases at 7% for 2024/25	Borrowing increases by £27 million and interest payments by £13 million.	330 of the 1,700 homes are unable to be improved to EPC 'C'.
Rent Increases	Assumed at 7.7% for 2024/25, then CPI plus 0.5% for 5 years, then CPI	Assume a local decision to cap rent increases at 5% for 2024/25	Borrowing increases by £108 million during the life of the plan and interest payments by £49 million.	1,210 of the 1,700 homes are unable to be improved to EPC 'C'.
Rent Increases	Assumed at 7.7% for 2024/25, then CPI plus 0.5% for 5 years, then CPI	Assume a local decision to cap rent increases at 3% for 2024/25	Borrowing increases by £190 million during the life of the plan and interest payments by £86 million.	None of the 1,700 homes are able to be improved to EPC 'C' and a savings target of 15% would be required next year in place of the current 4%.
General Inflation	CPI assumed to be 3% for 2024/25, then 2% ongoing from 2025/26	Assume that high levels of inflation do not return to 2% within 18 months, with CPI at 4% in 2025/26 and 5% in 2026/27, before returning to 2% from 2027/28.	Borrowing increases by £21 million during the life of the plan.	260 of the 1,700 homes are unable to be improved to EPC 'C'.
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%.	Borrowing increases by £135 million during the life of the plan, with £75 million bad	1,570 of the 1,700 homes are unable to be improved to EPC 'C'.

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact	Business Plan Impact
		Assume bad debts at 5% from 2024/25.	debt and £63 million in additional interest payments.	
Cost of HRA New Build Programme	Homes England Grant assumed for all eligible affordable tenures	Assume that the authority fails to secure further Homes England Grant to support the delivery of new homes	Borrowing increases by £97 million during the life of the plan and interest payments increase by £68 million.	1,130 of the 1,700 homes are unable to be improved to EPC 'C'.
Cost of Borrowing	Borrowing is assumed at 5.01% for 2023/24, 4.8% for 2024/25, 4.18% for 2025/26, then 4% ongoing	Assume that the long-term borrowing rate does not fall to a low as 4%, but instead stabilises at 4.5%	Borrowing increases by £93 million during the life of the plan and interest payments increase by £94 million.	970 of the 1,700 homes are unable to be improved to EPC 'C'.
Cost of Borrowing	Borrowing is assumed at 5.02% for 2023/24, 4.4% for 2024/25, 4.18% for 2025/26, then 4% ongoing	Assume that the current reduced HRA rate is the best we can expect in the long-term, so assume borrowing at 5.02% ongoing	Borrowing increases by £237 million during the life of the plan and interest payments increase by £240 million, which is not financially viable.	None of the 1,700 homes are able to be improved to EPC 'C' and 44 fewer new homes could be delivered.

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

Appendix D

Service Charges

Charge Description	Range of Charges 2023/24	Charge Basis	Charges 2024/25
General Stock			
Caretaking Charge	£4.57 to £6.02	Per Week	A
Building Cleaning	£1.97 to £3.85	Per Week	A
Window Cleaning	£0.01 to £0.56	Per Week	A
Estate Services Champion	£0.07 to £0.75	Per Week	A
Door Entry	£0.04 to £2.57	Per Week	A / B
Passenger Lifts	£0.18 to £2.51	Per Week	A / B
Gas Maintenance / Servicing	£2.30	Per Week	A / B (Under review)
Digital TV Aerial Charge	£0.10 to £0.31	Per Week	A
Grounds Maintenance	£0.06 to £5.41	Per Week	A / B
Communal Electricity	£0.16 to £8.47	Per Week	A / B
Third Party Estate Service Charge	£0.85 to £7.52	Per Week	A
Third Party Service Charge	£5.67 to £29.23	Per Week	A
Disabled Adaptation Charge	£2.14 to £5.06	Per Week	A
Dropped Kerb Charge	£0.05 to £1.08	Per Week	Frozen
General Sheltered Schemes			
Premises Charge	£2.93 to £38.06	Per Week	A
Communal Heating / Lighting	£7.22 to £15.68	Per Week	A
Individual Heating / Lighting	£10.73 to £38.95	Per Week	A
Water	£1.97 to £3.72	Per Week	A
Grounds Maintenance	£0.30 to £2.92	Per Week	A
Electrical / Mechanical Maintenance	£0.42 to £5.65	Per Week	A / B (Under review)
Sheltered Support Charge	£6.06 to £7.54	Per Week	C

Alarm Charge	£0.89	Per Week	A
Landlord Emergency Contact	£0.90	Per Week	A
Sheltered Hall Hire	£10.00 (M - F) £20.00 (Sat/Sun) £5.45**	Per Hour	£10.00 (M - F) £20.00 (Sat/Sun) £5.45**
**Reduced hourly rate for events which CCC sheltered residents can attend			
Ditchburn Place			
Premises Charge	£1.66 to £45.74	Per Week	A
Flat Cleaning / Laundry Charge (1 person)	£36.80	Per Week	A
Communal Heating / Lighting	£1.13 to £1.24	Per Week	A
Individual Heating / Lighting	£15.69 to £28.79	Per Week	A
Water	£2.60	Per Week	A
Catering (1 person)	£141.81	Per Week	A
Grounds Maintenance	£2.25	Per Week	A
Electrical / Mechanical Maintenance	£3.24	Per Week	A / B (Under review)
Sheltered Support Charge	£7.54	Per Week	C
Alarm Charge	£0.89	Per Week	A
Landlord Emergency Contact	£0.90	Per Week	A
Launderette – Wash / Dry / Iron	£10.00	Per Load	£10.00
Cleaning	£10.00	Per 30 Mins	£10.00
Temporary Accommodation			
Premises Charge	£30.21 to £59.41	Per Week	A
Individual Heating / Lighting	£24.98 to £73.41	Per Week	A
Water	£7.16 to £11.46	Per Week	A
Grounds Maintenance	£0.15 to £3.42	Per Week	A
Electrical / Mechanical Maintenance	£0.31 to £3.56	Per Week	A / B (Under review)
Leasehold Charges for Services (Quoted exclusive of VAT which is charged at the prevailing rate where applicable)			
Solicitors' pre-sale enquiries	£150.00	Per Request	£150.00
Copy of lease / Document provision	£30.00	Per Request	£30.00

Re-mortgage Enquiry/Copy of Insurance schedule	£30.00	Per Request	£30.00
Notice of Assignment / Notice of Charge	£100.00	Per Request	£100.00
Deed of Variations Administration plus CCC Solicitor Fee and Own Solicitor Fee	£50.00 £580.00+	Per Request	£50.00 £580.00+
Home Improvement Administration Home Improvement Survey	£30.00 £125.00	Per Request	£30.00 £125.00
Retrospective consent for improvements	Above +£25.00	Per Request	Above +£25.00
Registering sub-let details	£75.00	Per Request	£75.00
Advice Interview for Prospective Purchasers	£50.00	Per Request	£50.00
Legal Fees			
Right of First Refusal – s156a Certificate	£160.00	Per Request	£160.00
Deed of postponement	£150.00	Per Request	£200.00
Lease Extensions			
Legal costs (unless matter becomes protracted)	£550	Per Request	£600
Valuation Fee	£750	Per Request	£750
Surveyor's Fee	£250	Per Request	£250
Housing Fee	£50	Per Request	£100
Other Charges for Services			
Land Acquisition Enquiry Fee	£100.00	Per Request	£100.00

Key	
A	Proposal to recover the full estimated cost of providing these services in 2024/25, recognising the authority should endeavour to limit increases to inflation at 7.7% (CPI at September 2023 of 6.7% plus 1%).
B	Charges were separated out from rent in 2004/05. Charges can be increased to recover full cost, recognising that the authority should endeavour to limit increases to inflation at 7.7% (CPI in September 2023 plus 1%)

C	Charges levied for support activities will be reviewed to recover the full estimated cost of providing these services in 2024/25, after taking into account any services being funded through the support service for older people with the County Council
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Appendix E(1)

2023/24 HRA Mid-Year Revenue Budget Adjustments

Area of Income / Expenditure	Description	Budget Amendment in 2023/24 Budget (£)	Budget Amendment in 2024/25 Budget (£)	Comment
Budgeted use of / (contribution to) HRA Reserves pre BSR		3,199,670		
HRA Repairs				
PTR	Re-allocation of capital Fire Safety funding to PTR for cladding treatment	277,500		Re-allocation
Risk and Compliance	Re-phase funding for heat and smoke detector installations	(250,000)	250,000	Re-phase
Total HRA Repairs		27,500		
HRA Summary Account				
Interest earned on HRA Balances	An increase in interest rates will result in an increase in the level of interest that will be earned	(31,680)		Built into base for future years
Interest Paid	A marginal reduction in interest due in 2023/24 recognising the impact of anticipated in year borrowing	(289,330)		Built into base for future years
DRF	Adjustment to DRF recognising transfer of funding from Fire Safety to PTR	(277,500)		Re-allocation
Total HRA Summary		(598,510)		
Revised use of / (contribution to) HRA Reserves post HRA BSR		2,628,660		

Appendix E (2)

2024/25 Budget – HRA Proposals – by Type

Reference	Item Description	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	2028/29 Budget £	Climate Rating	Poverty Ratings & Contact
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Reduced Income

RI5237	Reduced Rent Income	187,120	190,490	194,420	198,480	202,650	Nil	No Impact
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Correcting the rent levels for some affordable rented homes will result in reduced rent income.

Housing (HRA) Portfolio

RI5238	Budget for Rent Refunds	1,150,000	0	0	0	0	Nil	No Impact
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Funding to allow refunds of over-charged affordable rents, following identification of a rent regulation error.

Housing (HRA) Portfolio

Total Reduced Income		1,337,120	190,490	194,420	198,480	202,650		
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2024/25 Budget – HRA Proposals – by Type

Reference	Item Description	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	2028/29 Budget £	Climate Rating	Poverty Ratings & Contact
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Revenue Bids

B5167	Increased Council Tax Costs	162,500	0	0	0	0	Nil	No Impact
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In addition to general voids, the HRA will need to meet the cost of Council Tax for units decanted for re-development. Julia Hovells

Housing (HRA) Portfolio

B5183	Bid for resource in respect of disrepair claims	100,000	75,000	50,000	0	0	Nil	No Impact
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In keeping with the national trend, the authority is experiencing a growing volume of disrepair claims. This bid funds the legal expenses that the council incurs regardless of the outcome of the case. This bid also funds compensation payments in the event of a successful claim against the council. The service is transforming its delivery model, and this will reduce the number of cases, which is reflected by the tapered nature of the bid. The council is also reviewing viability of indemnifying itself against claims. Sean Cleary

Housing (HRA) Portfolio

B5226	Regulator of Social Housing Local Authority Fees	53,330	53,330	53,330	53,330	53,330	Nil	No Impact
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The Regulator of Social Housing is consulting on fees that will be applicable to local authorities from 2024/25, and although the consultation is not concluded, it is considered prudent to assume that the authority will need to pay at least the lower rate of £7 per property indicated in the consultation.

Housing (HRA) Portfolio

B5245	Employment of an additional Housing Officer	0	0	0	0	0	Nil	No Impact
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An increase in stock numbers and in the level of engagement required with tenants results in the need to increase the establishment by one Housing Officer. This post will be funded from existing resource in the HRA Business Plan included recognising growth in the housing stock, but funding won't be required until March 2026 when an existing secondment comes to an end.

Housing (HRA) Portfolio

B5246	Increase in Recharges from the General Fund	133,920	133,920	133,920	133,920	133,920	Nil	No Impact
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A review of the cost of central and support services has resulted in an increase in costs to the HRA, particularly in respect of the costs of the Customer Service Centre and the Senior Management Restructure, where the HRA has not benefitted from any reduction in costs. This will have an equal and opposite impact for the General Fund.

Housing (HRA) Portfolio

Total Revenue Bids	449,750	262,250	237,250	187,250	187,250
Pressures & Bids Total:	1,786,870	452,740	431,670	385,730	389,900

2024/25 Budget – HRA Proposals – by Type

Reference	Item Description	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	2028/29 Budget £	Climate Rating	Poverty Ratings & Contact
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Savings

S5157	Supported Housing Savings	(30,820)	(30,820)	(30,820)	(30,820)	(30,820)	Nil	No Impact
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Reductions in net operational costs across the supported housing service

Nathan
Chapman

Housing (HRA) Portfolio

S5163	Review and reduction in HRA repairs and renewals contributions	(22,160)	(22,160)	(22,160)	(22,160)	(22,160)	Nil	No Impact
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A review of repairs and renewals contributions has resulted in a reduced contribution recognising a reduction in office based equipment

Julia Hovells

Housing (HRA) Portfolio

S5172	Increased efficiency in repairs delivery	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	Nil	No Impact
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Improving efficiency and productivity in the repairs service will negate the need to increase DLO staff from April 2024 as budgeted for in the HRA Business Plan.

James Elms

Housing (HRA) Portfolio

S5173	Improved efficiency in out of hours repairs service	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	Nil	No Impact
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Review of call handling in respect of out of hours repairs activity is anticipated to deliver a reduction in the volume of out of hours repairs completed, reducing staff overtime costs.

James Elms

Housing (HRA) Portfolio

Total Savings		(115,480)	(115,480)	(115,480)	(115,480)	(115,480)		
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2024/25 Budget – HRA Proposals – by Type

Reference	Item Description	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	2028/29 Budget £	Climate Rating	Poverty Ratings & Contact
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Increased Income

II5158	Increased Commercial Property and De-Minimus Receipt Income	(32,780)	(32,780)	(32,780)	(32,780)	(32,780)	Nil	No Impact
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Increased rental income is anticipated based upon the latest HRA commercial property leases and rent reviews and also in respect of lease extensions for leasehold flats. Julia Hovells

Housing (HRA) Portfolio

II5165	Increased garage rental income	(31,350)	(31,350)	(31,350)	(31,350)	(31,350)	Nil	No Impact
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Based upon a garage rent increase of 7.7% in line with the inflationary increase proposed for the housing stock, also recognising garages currently let or anticipated to be handed over and let in the coming months. Julia Hovells

Housing (HRA) Portfolio

II5166	Increased dwelling rental income	(13,260)	(13,260)	(13,260)	(13,260)	(13,260)	Nil	No Impact
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Rents have been reviewed using the latest assumptions in property numbers, void levels and rental levels and assume a rent increase of 7.7%. Julia Hovells

Housing (HRA) Portfolio

II5171	Letting of 171 Arbury Road	(53,860)	(53,860)	(53,860)	(53,860)	(53,860)	Positive/Low Impact	No Impact
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This is the net position for the HRA following the cessation of use of 171 Arbury Road by the Council, the letting of the building externally and the increase in recharge to the HRA recognising staff will be accommodated elsewhere. Julia Hovells

Housing (HRA) Portfolio

Total Increased Income	(131,250)	(131,250)	(131,250)	(131,250)	(131,250)
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Savings Total:	(246,730)	(246,730)	(246,730)	(246,730)	(246,730)
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2024/25 Budget – HRA Proposals – by Type

Reference	Item Description	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	2028/29 Budget £	Climate Rating	Poverty Ratings & Contact
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Non-Cash Limit Items

NCL5231	HRA Bad Debt Provision	100	10	20	30	40	Nil	No Impact
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The contribution to the bad debt provision will change marginally based upon the latest rent assumptions.

Housing (HRA) Portfolio

NCL5232	HRA Depreciation	0	4,740	4,830	83,780	65,350	Nil	No Impact
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Depreciation assumptions have been updated based upon the latest estimated handover dates for new homes.

Housing (HRA) Portfolio

NCL5233	HRA Interest on Balances	(17,270)	26,760	(106,640)	(97,330)	(119,340)	Nil	No Impact
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Interest on balances will vary depending upon the timing of the use of HRA resources to fund capital expenditure.

Housing (HRA) Portfolio

NCL5234	HRA Interest Paid	(552,620)	(732,030)	(1,156,490)	(1,670,250)	(1,858,720)	Nil	No Impact
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Anticipated Interest paid taking account of re-profiling of the capital programme.

Housing (HRA) Portfolio

NCL5235	Direct Revenue Financing of Capital Expenditure (DRF)	(644,380)	612,510	1,056,370	2,119,900	598,380	Nil	No Impact
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Changes in revenue funding of capital to offset other non-cash limit adjustments.

Housing (HRA) Portfolio

Total Non-Cash Limit Items	(1,214,170)	(88,010)	(201,910)	436,130	(1,314,290)			
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Non - Cash Limit Items Total:	(1,214,170)	(88,010)	(201,910)	436,130	(1,314,290)			
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Appendix E (3)

HRA Budget – All Capital Items

2024/25 Budget – HRA Proposals – by Type

Reference	Item Description	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	2028/29 Budget £	Climate Rating	Poverty Ratings & Contact
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Capital Bids

CAP5244	Funding for lift upgrades	159,000	0	0	0	0	Nil	No Impact
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Funding to allow all access technology in lifts in HRA buildings to be upgraded from analogue to digital.

Housing (HRA) Portfolio

Total Capital Bids	159,000	0	0	0	0
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Capital Total:	159,000	0	0	0	0
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Appendix F

2023/24 Capital Budget Amendments Summary

Area of Expenditure and Change	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Total Housing Capital Plan Expenditure post HRA MTFS	97,557	90,823	107,172	95,005	99,159
General Fund Housing					
Adjust DFG budget in line with current BCF grant allocations	0	58	58	58	58
Decent Homes and Other HRA Stock Investment					
Include bid for changing lifts from analogue to digital	0	143	0	0	0
Re-phase budget for External Painting	(100)	0	0	0	0
Re-phase budget for Wall Structure Works	(1,500)	1,500	0	0	0
Re-phase budget for Roof Structure Works	(250)	250	0	0	0
Re-phase budget for Net Zero Carbon Energy Efficiency Pilot	(4,500)	4,500	0	0	0
Re-phase budget for PVCU Windows	(174)	174	0	0	0
Re-phase budget for Estate Improvement Works	(650)	650	0	0	0
Re-phase budget for Communal Electrical Works	(420)	420	0	0	0
Re-phase budget for Sulphate Attack Works	(106)	0	0	0	0
Re-phase budget for Kitchen Works	(500)	0	0	500	0
Re-phase budget for Bathroom Works	(250)	0	0	0	250
Re-phase budget for Electrical Works	(240)	0	0	0	240
Re-phase budget for Central Heating / Boiler Works	(500)	0	0	0	500
Transfer Fire Safety budget to revenue PTR budget for treatment of cladding in communal areas	(250)	0	0	0	0
Associated change in Decent Homes Contractor Overheads	(500)	301	0	55	108
Associated change in Other Planned Maintenance Contractor Overheads	(44)	45	0	0	0
Adjust Decent Homes New Build Allocation based upon the latest handover dates for new homes	0	7	7	122	96
New Build					
Re-phase budget for Kendal Way	(307)	307	0	0	0
Re-phase budget for Aylesborough Close	(217)	284	(67)	0	0
Re-phase budget for Eddeva Park	(2,550)	1,019	1,413	118	0
Re-phase budget for East Barnwell	137	(2,202)	1,594	(8,899)	4,580

Area of Expenditure and Change	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Allocate scheme specific budget for Newbury Farm	12	8,365	4,366	2,542	0
Re-allocation of 10 Year New Homes budget in line with changes to scheme specific approvals and update of sums for latest programme assumptions	214	(9,399)	(13,708)	(3,228)	(19,168)
Sheltered Housing					
No changes	0	0	0	0	0
Other HRA Spend					
No changes	0	0	0	0	0
Inflation Allowance					
Adjust inflation allowed to reflect re-phased capital programme	0	97	(616)	(1,373)	(2,874)
Total Housing Capital Plan Expenditure per HRA BSR	84,862	97,342	100,219	84,900	82,949

Appendix G

HRA Summary 2023/24 to 2028/29

Description	2023/24 £0	2024/25 £0	2025/26 £0	2026/27 £0	2027/28 £0	2028/29 £0
Income						
Rental Income (Dwellings)	(44,449,180)	(49,142,100)	(51,514,810)	(54,548,770)	(58,235,180)	(61,078,590)
Rent Regulation Error Rent Refunds	0	1,150,000	0	0	0	0
Rental Income (Other)	(1,320,530)	(1,402,810)	(1,430,870)	(1,459,480)	(1,613,210)	(1,645,470)
Service Charges	(4,200,160)	(4,545,880)	(4,632,800)	(4,721,450)	(4,811,880)	(4,904,120)
Contribution towards Expenditure	(558,930)	(614,530)	(626,820)	(639,350)	(652,140)	(665,190)
Other Income	(527,520)	(550,040)	(557,100)	(568,250)	(579,610)	(591,200)
Total Income	(51,056,320)	(55,105,360)	(58,762,400)	(61,937,300)	(65,892,020)	(68,884,570)
Expenditure						
Supervision & Management - General	6,266,830	6,067,810	6,230,160	6,231,950	6,475,390	6,661,290
Supervision & Management - Special	4,715,110	5,156,440	5,273,540	5,393,390	5,516,060	5,641,630
Repairs & Maintenance	11,949,010	11,409,400	11,831,420	12,504,570	13,012,460	13,656,880
Depreciation - t/f to Major Repairs Res.	11,579,340	12,056,100	12,713,680	13,246,380	14,047,230	14,553,530
Debt Management Expenditure	0	0	0	0	0	0
Other Expenditure	1,244,850	1,498,470	1,281,420	1,235,860	1,197,430	1,151,160
Total Expenditure	35,755,140	36,188,220	37,330,220	38,612,150	40,248,570	41,664,490
Net Cost of HRA Services	(15,301,180)	(18,917,140)	(21,432,180)	(23,325,150)	(25,643,450)	(27,220,080)
HRA Share of operating income and expenditure included in Whole Authority I&E Account						
Interest Receivable	(2,231,420)	(1,426,070)	(912,490)	(860,100)	(827,490)	(839,530)
HRA (Surplus) / Deficit for the Year	(17,532,600)	(20,343,210)	(22,344,670)	(24,185,250)	(26,470,940)	(28,059,610)

Items not in the HRA Income and Expenditure Account but in the movement on HRA balance						
Loan Interest	7,940,390	9,654,290	12,330,330	14,601,510	16,481,020	19,039,950
Housing Set Aside	(14,704,510)	0	0	0	0	0
Appropriation from Ear-Marked Reserve	0	0	0	0	0	0
Direct Revenue Financing of Capital	26,925,380	10,034,770	9,838,280	10,147,480	9,796,740	7,057,270
(Surplus) / Deficit for Year	2,628,660	(654,150)	(176,060)	563,740	(193,180)	(1,962,390)
Balance b/f	(10,521,079)	(7,892,419)	(8,546,569)	(8,722,629)	(8,158,889)	(8,352,069)
Total Balance c/f	(7,892,419)	(8,546,569)	(8,722,629)	(8,158,889)	(8,352,069)	(10,314,459)

Appendix H

Housing Capital Investment Plan (10 Year Detailed Investment Plan)

Description	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend										
Disabled Facilities Grants	808	808	808	808	808	808	808	808	808	808
Private Sector Housing Grants and Loans	195	195	195	195	195	195	195	195	195	195
Total General Fund Housing Capital Spend	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003
HRA Capital Spend										
Decent Homes										
Kitchens	750	580	1,230	1,095	1,170	2,382	2,382	2,382	2,382	2,382
Bathrooms	594	583	662	181	365	841	841	841	841	841
Central Heating / Boilers	2,354	2,117	1,651	2,318	1,831	2,538	2,538	2,538	2,538	2,538
Insulation / Energy Efficiency / Wall Finishes	645	471	253	832	58	732	732	732	732	732
Energy Efficiency Pilot / Retrofit	6,178	9,681	3,789	3,789	3,789	3,789	3,789	3,789	3,789	3,789
External Doors	472	236	63	38	15	159	159	159	159	159
PVCU Windows	1,061	934	945	373	316	966	966	966	966	966
Wall Structure	1,896	1,706	321	118	527	1,491	1,491	1,491	1,491	1,491
External Painting	272	372	372	372	545	722	472	372	372	372
Roof Structure	62	562	312	312	312	312	312	312	312	312
Roof Covering (including chimneys)	1,704	1,566	1,340	654	940	962	962	962	962	962
Electrical / Wiring	608	380	171	258	244	841	841	841	841	841
Sulphate Attacks	0	106	106	106	106	106	106	106	106	106

Description	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
HHSRS Contingency	520	312	163	104	104	104	104	104	104	104
Other Health and Safety Works	52	52	52	52	52	52	52	52	52	52
Capitalised Officer Fees - Decent Homes	526	526	526	526	526	526	526	526	375	375
Decent Homes Backlog	625	5,109	5,109	5,109	4,434	4,434	4,434	4,434	0	0
Decent Homes Planned Maintenance Contractor Overheads	1,361	1,187	841	749	724	1,343	1,315	1,304	1,304	1,304
Decent Homes New Build Allocation	0	1,093	1,475	2,171	2,607	3,144	3,416	3,820	4,030	4,246
Total Decent Homes	19,680	27,573	19,381	19,157	18,665	25,444	25,438	25,731	21,356	21,572
Other Spend on HRA Stock										
Garage Improvements	104	104	104	104	104	104	104	104	104	104
Asbestos Removal	52	52	52	52	52	52	52	52	52	52
Disabled Adaptations	808	808	808	808	808	808	808	808	808	808
Communal Areas Uplift	100	100	100	100	100	100	100	100	100	100
Communal Electrical Installations / Fire Systems / Communal Lighting	329	576	156	156	156	156	156	156	156	156
Communal Entrance / Enclosure Doors + Glazing	542	126	151	252	126	126	126	157	126	126
Fire Prevention / Fire Safety Works	1,494	52	729	52	52	52	52	52	52	52
Hard surfacing on HRA Land - Health and Safety Works	235	225	225	225	225	225	225	225	225	225
Communal Areas Floor Coverings	104	104	104	149	149	104	104	104	104	104
Lifts and Door Entry Systems	49	171	75	0	0	39	39	39	39	39
Estate Investment Scheme	1,208	849	0	0	0	0	0	0	0	0
Capitalised Officer Fees - Other HRA Stock Spend	119	119	119	119	119	119	119	119	119	119
Other Spend on HRA Stock Planned Maintenance Contractor Overheads	438	260	201	209	195	194	194	198	194	194

Description	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total Other Spend on HRA stock	5,582	3,546	2,824	2,226	2,086	2,079	2,079	2,114	2,079	2,079
HRA New Build / Re-Development										
Kendal Way	169	307	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	232	0	0	0	0	0	0	0	0	0
Cromwell Road	590	0	0	0	0	0	0	0	0	0
Colville Road Phase II	351	634	0	0	0	0	0	0	0	0
Meadows and Buchan Street	8,513	8,031	0	0	0	0	0	0	0	0
Clerk Maxwell Road	604	0	0	0	0	0	0	0	0	0
Campkin Road	1,672	0	0	0	0	0	0	0	0	0
Histon Road	1,661	0	0	0	0	0	0	0	0	0
Lea Road	7,346	0	0	0	0	0	0	0	0	0
Colville Road Phase III	6,759	3,168	0	0	0	0	0	0	0	0
Fen Road	1,625	0	0	0	0	0	0	0	0	0
Ditton Fields	1,140	0	0	0	0	0	0	0	0	0
Aragon Close	1,165	1,185	0	0	0	0	0	0	0	0
Sackville Close	1,242	1,253	0	0	0	0	0	0	0	0
Borrowdale	549	0	0	0	0	0	0	0	0	0
Aylesborough Close	3,932	10,661	3,599	0	0	0	0	0	0	0
St Thomas's Road	188	1,520	1,661	0	0	0	0	0	0	0
Paget Road	79	685	866	0	0	0	0	0	0	0
Fanshawe Road	1,300	5,258	3,532	0	0	0	0	0	0	0
Princess and Hanover	4,467	4,286	10,301	6,520	118	0	0	0	0	0
East Road (Incl. demolition)	120	1,393	8,331	1,321	0	0	0	0	0	0
Eddeva Park	3	3,644	4,038	336	0	0	0	0	0	0
East Barnwell	758	2,683	14,703	9,185	16,840	6,136	0	0	0	0

Description	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Newbury Farm	12	8,365	4,366	2,542	0	0	0	0	0	0
Hills Avenue POD Homes	20	0	0	0	0	0	0	0	0	0
Acquisition (Incl. for New Build)	2,800	0	0	0	0	0	0	0	0	0
Local Authority Housing Fund Acquisitions	9,448	0	0	0	0	0	0	0	0	0
10 Year New Homes Programme (Unallocated)	680	8,191	17,666	33,097	32,254	58,184	45,621	14,475	0	7,500
Rough Sleeper Acquisitions	517	0	0	0	0	0	0	0	0	0
Total HRA New Build / Re-Development / Acquisition	57,942	61,264	69,063	53,001	49,212	64,320	45,621	14,475	0	7,500
Sheltered Housing Capital Investment										
No current schemes	0	0	0	0	0	0	0	0	0	0
Total Sheltered Housing Capital Investment	0	0	0	0	0	0	0	0	0	0
Other HRA Capital Spend										
Overhead Replacement / Mobile Working	87	0	0	0	0	0	0	0	0	0
Corporate IT Investment	130	23	23	23	23	23	23	23	23	23
Shared Ownership Repurchase	300	300	300	300	300	300	300	300	300	300
Commercial and Administrative Property	88	31	31	31	31	31	31	31	31	31
Estate Service Van	50	0	0	0	0	0	0	0	0	0
Total Other HRA Capital Spend	655	354	354	354	354	354	354	354	354	354
Total HRA Capital Spend	83,859	92,737	91,622	74,738	70,317	92,197	73,492	42,674	23,789	31,505
Total Housing Capital Spend at Base Year Prices	84,862	93,740	92,625	75,741	71,320	93,200	74,495	43,677	24,792	32,508

Description	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Inflation Allowance and Stock Reduction Adjustment for Future Years	0	3,602	7,594	9,159	11,629	19,355	17,878	9,595	3,745	8,176
Total Inflated Housing Capital Spend	84,862	97,342	100,219	84,900	82,949	112,555	92,373	53,272	28,537	40,684
Housing Capital Resources										
Right to Buy Receipts	(1,622)	(493)	(498)	(503)	(508)	(513)	(518)	(523)	(529)	(534)
Other Capital Receipts (Land & Dwellings, incl. Market, Rent to Buy and SO Sales)	0	(350)	0	0	0	0	0	0	0	0
Major Repairs Reserve	(19,264)	(12,055)	(12,714)	(13,247)	(14,046)	(14,554)	(15,132)	(15,613)	(16,101)	(16,464)
Direct Revenue Financing of Capital	(26,925)	(10,035)	(9,838)	(10,147)	(9,797)	(7,057)	(9,598)	(8,084)	(6,975)	(10,746)
Devolution / Homes England (assumed) / BRF / DLUHC / BEIS Grants	(15,626)	(4,544)	(6,942)	(9,574)	(4,573)	(3,994)	(828)	(269)	0	0
Disabled Facilities Grant	(808)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)
Other Capital Resources (Grants / Shared Ownership Re-Sale / R&R Funding)	(1,690)	(1,750)	(358)	(358)	(358)	(358)	(358)	(358)	(358)	(358)
Retained Right to Buy Receipts	(3,469)	(4,436)	(4,656)	(3,895)	(3,533)	(3,603)	(3,676)	(3,749)	(3,824)	(4,536)
Prudential Borrowing	(15,039)	(62,081)	(63,615)	(45,578)	(48,536)	(80,878)	(61,513)	(23,926)	0	(7,296)
Total Housing Capital Resources	(84,443)	(96,494)	(99,371)	(84,052)	(82,101)	(111,707)	(92,373)	(53,272)	(28,537)	(40,684)
Net (Surplus) / Deficit of Resources	419	848	848	848	848	848	0	0	0	0
Capital Balances b/f	(5,256)	(4,837)	(3,989)	(3,142)	(2,294)	(1,446)	(599)	(599)	(599)	(599)
Use of / (Contribution to) Balances in Year	419	848	848	848	848	848	0	0	0	0
Capital Balances c/f	(4,837)	(3,989)	(3,142)	(2,294)	(1,446)	(599)	(599)	(599)	(599)	(599)

Description	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Other Capital Balances (Opening Balance 1/4/2023)											
Major Repairs Reserve	(7,684)	Utilised in future years to fund investment in the housing stock									
Retained 1-4-1 Right to Buy Receipts	(5,608)	Utilised in 2023/24 and 2024/25 above									
Right to Buy Receipts for Debt Redemption	(12,093)	Retained for future debt repayment									
Devolution Grant	(4,431)	Utilised in 2023/24 above									
Total Other Capital Balances	(29,816)										

Appendix I

HRA Earmarked & Specific Revenue Funds (£'000)

Repairs & Renewals

	Opening Balance	Contributions	Expenditure to September	Current Balance
General Management	(741.2)	(77.7)	0.0	(818.9)
Special Services	(1,233.5)	(151.6)	38.6	(1,346.5)
Repairs and Maintenance	(612.1)	(54.0)	0.0	(666.1)
Total	(2,586.8)	(283.3)	38.6	(2,831.5)

Tenants Survey

	Opening Balance	Contributions	Expenditure to September	Current Balance
Tenants Survey	(15.8)	(7.1)	0.0	(22.9)

Tenant Satisfaction New Burdens

	Opening Balance	Contributions	Expenditure to September	Current Balance
Tenant Satisfaction	(21.2)	(0.0)	0.0	(21.2)

Debt Set-Aside (Revenue)

	Opening Balance	Contributions	Expenditure to September	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 September	Current Balance
Debt Set-Aside	(12,093.1)	0.0	0.0	(12,093.1)

Major Repairs Reserve

	Opening Balance	Contributions	Expenditure to September	Current Balance
MRR	(7,684.2)	0.0	0.0	(7,684.2)

Appendix J

Equalities Impact Assessment

Cambridge City Council Equality Impact Assessment (EqIA)



1. Title of strategy, policy, plan, project, contract or major change to your service

Housing Revenue Account Budget Setting Report – HRA Bids and Savings 2024/25

2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)

Documents will be published here:

<https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=414&MId=4347&Ver=4>

3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

This EqIA considers equality impacts of budget proposals for the HRA at the point that they go to Housing Scrutiny Committee.

An EqIA is undertaken on the proposals in order to enable the City Council to set a balanced Housing Revenue Account budget for 2024/25 that reflects the Council's vision and takes into account councillors' priorities in its proposals for achieving the efficiency savings required to allow the strategic reinvestment of resource into new areas.

This EqIA assesses the equality impacts of the Housing Revenue Account element of the City Council's budget.

4. Responsible service

The Finance service manages the budget process, but a range of Council Services are responsible for the individual bid proposals included in this EqIA.

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

This EqIA specifically considers any equalities impact for City Council tenants and leaseholders, or for staff associated in delivery of services to this client group.

6. What type of strategy, policy, plan, project, contract or major change to your service is this?	<input checked="" type="checkbox"/> New <input checked="" type="checkbox"/> Major change <input type="checkbox"/> Minor change
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7. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service? (Please tick)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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This is an assessment of the Council's Housing Revenue Account budget proposals and therefore covers all of our landlord related services, and as such will involve multiple council departments.

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

All revenue budget bid proposals included in this EqIA are being presented to Housing Scrutiny Committee on 23rd January 2024 and capital bids to Council on 15th February 2024.

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?

This information is based on feedback from Council Officers that lead on the individual budget bid proposals and any EqIA's they may have produced.

10. Potential impacts
<p>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.</p>

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

Resource to settle disrepair claims: Part of this bid is to fund compensation payments for disrepair in the event of a successful claim against the council. This can help mitigate against any negative impact disrepair has on individuals, which might disproportionately impact on older people who are more likely to have health issues which could sometimes be exacerbated by impacts of disrepair. Ensuring money is set aside to compensate households who have experienced disrepair could also have a positive impact on

households with children and households with adults at risk by mitigating any impacts of disrepair that could have a bearing on ability to safeguard them.

Increased efficiency in repairs delivery: Improving efficiencies in the repairs service delivery team will have a positive impact on all households, but in particular households with children or adults at risk for whom disrepair might have an impact on safeguarding, and older people who may be more likely to have health issues that might be exacerbated by having to wait for repairs to be undertaken.

Increased dwelling rental income: Any increase in rent will have an impact on all households, with those on low incomes most affected. Households with older people may be disproportionately affected if they are on low incomes. It should be noted that Universal Credit will be increased by 6.7% from April 2024 and the state pension will increase by 8.5%. Both of which will help to mitigate the impact of the rent increase. See the action plan section of this EqlA on how we will mitigate against negative impacts of increasing rent for people struggling financially.

Reduced rent and refunds of over-payments relating to rent regulation errors: A reduction in rent, despite arising through a rent regulation error, will have a positive impact on all affected tenants, but with older people potentially on lower incomes benefitting to a greater degree. However, the impact of any refund on a tenant's savings balance may have a negative impact if it takes the tenants out of receipt of benefit.

(b) Disability

Resource to settle disrepair claims: Ensuring money is set aside to compensate households who have experienced disrepair will have a positive impact on households who have someone with a disability, where health and mobility may have been impacted due to the disrepair.

Increased efficiency in repairs delivery: Improving efficiencies in the repairs service delivery team will have a positive impact on all households, but in particular disabled households who may have been detrimentally impacted by having to wait for repairs to be undertaken. It will also potentially have a positive impact for preventing disability caused by health risks associated with disrepair if the disrepair can be addressed sooner.

Increased garage rental income: For disabled customers currently renting a garage or car parking space that provides the required accessibility to their home, the increase in rent could have a detrimental impact if they are struggling to afford the payments, but their quality of life will suffer if they were to forfeit the rental. This is especially a concern as households with disabled people are more likely to experience poverty. This is because they have a higher cost of living than households without disabled people (on average of £975 per month¹) and disabled people are less likely to be in employment (53% of disabled people compared to 82% of non-disabled people are employed in the UK²). Please see below for the actions the Housing Service will take to address this potential issue.

Increased dwelling rental income: Any increase in rent will have an impact on all households, with those on low incomes most affected. As mentioned above, households with disabled people may be more likely to experience poverty which could mean that increasing their rent could have a disproportionately negative impact here. It should be

¹ <https://www.scope.org.uk/campaigns/extra-costs/disability-price-tag-2023/>

² <https://www.scope.org.uk/media/disability-facts-figures/>

noted that Universal Credit will be increased by 6.7% from April 2024 and the state pension will increase by 8.5%. both of which will help to mitigate the impact of the rent increase. See the action plan section of this EqIA on how will mitigate against negative impacts of increasing rent for people struggling financially.

Reduced rent and refunds of over-payments relating to rent regulation errors: A reduction in rent, despite arising through a rent regulation error, will have a positive impact on all affected tenants, but with disabled people potentially on lower incomes benefitting to a greater degree. However, the impact of any refund on a tenant's savings balance may have a negative impact if it takes the tenants out of receipt of benefit.

(c) Gender reassignment

There are no equality impacts identified specific to this protected characteristic

(d) Marriage and civil partnership

There are no equality impacts identified specific to this protected characteristic

(e) Pregnancy and maternity

Increased dwelling rental income: Pregnancy and maternity are an expensive time for households, which might mean that the increase in rent could have a detrimental impact for pregnancy and maternity. See the action plan section of this EqIA on how will mitigate against negative impacts of increasing rent for people struggling financially.

Reduced rent and refunds of over-payments relating to rent regulation errors: A reduction in rent, despite arising through a rent regulation error, will have a positive impact on all affected tenants, but with those who are pregnant or on maternity leave potentially on lower incomes temporarily benefitting to a greater degree. However, the impact of any refund on a tenant's savings balance may have a negative impact if it takes the tenants out of receipt of benefit.

(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.

Increased dwelling rental income: An increase in rent could have a disproportionately negative impact for some ethnic groups over others. For instance, UK statistics find that Bangladeshi and Pakistani families have experienced much greater rates of poverty than all other ethnic groups and this has been the case for 20 years³. Qualitative research undertaken on needs of ethnic minority people in the city in 2021, and recent feedback

³ <https://www.jrf.org.uk/Data>

from Cambridge Ethnic Community Forum on needs of clients they support indicate that Bangladeshi people, Black people (especially African people), and Arab people are the most likely to experience poverty in Cambridge itself. See the action plan section of this EqlA on how will mitigate against negative impacts of increasing rent for people struggling financially. It should be noted that Universal Credit will be increased by 6.7% from April 2024 and the state pension will increase by 8.5%. both of which will help to mitigate the impact of the rent increase.

(g) Religion or belief

There are no equality impacts identified specific to this protected characteristic

(h) Sex

There are no equality impacts identified specific to this protected characteristic

(i) Sexual orientation

There are no equality impacts identified specific to this protected characteristic

(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.

Groups who have more than one protected characteristic that taken together create overlapping and interdependent systems of discrimination or disadvantage. (Here you are being asked to consider intersectionality, and for more information see: https://media.ed.ac.uk/media/1_l59kt25q).

Resource to settle disrepair claims: Ensuring money is set aside to compensate households who have experienced disrepair will have a positive impact on households where the disrepair has affected them financially.

Increased dwelling rental income: Any increase in rent will have an impact on all households, with those on low incomes most affected. It should be noted that Universal Credit will be increased by 6.7% from April 2024 and the state pension will increase by 8.5%. both of which will help to mitigate the impact of the rent increase. Please see below the actions the Housing Service will take to monitor and support households.

Increased commercial property rental income: Any increase in commercial property rentals has the potential to negatively impact small businesses that may be struggling in the current economic climate.

Reduced rent and refunds of over-payments relating to rent regulation errors: A reduction in rent, despite arising through a rent regulation error, will have a positive impact on all affected tenants, However, the impact of any refund on a tenant's savings balance may have a negative impact if it takes the tenants out of receipt of benefit.

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 EqIA accordingly.)

Increased dwelling rental income: Any increase in rent will have an impact on all households, with those on low incomes most affected. Rent is fully eligible for housing benefit and Universal Credit, meaning those on low incomes will benefit from having the charge met for them. The Income Management Team and Financial Inclusion Officers will continue to work with residents to ensure that they get all of the support to which they are entitled and are sign-posted to other agencies who can help.

Increased garage rental income: For disabled customers currently renting a garage or car parking space that provides the required ease of access to their home, the increase in rent could have a detrimental impact if they are struggling to afford the payments, but their quality of life will suffer if they were to forfeit the rental. Housing Officers will be available to disabled tenants for advice and support, alongside the Financial Inclusion Team, to ensure that they get advice about any benefits or other financial assistance to which they may be entitled to and are sign-posted to other agencies who can help.

12. Do you have any additional comments?

This EqIA provides an overall assessment of the equality impacts of budget proposals included in the Housing Revenue Account budget proposed for 2024/25. Individual service managers shall be responsible for delivery of the actions identified in this impact assessment.

13. Sign off.

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

Julia Hovells, Head of Finance and Business Manager

Names and job titles of other assessment team members and people consulted:

- Helen Crowther, Equality and Anti-Poverty Officer
- Catherine Buckle, Business Development Manager (Housing)

Date of EqIA sign off: 03/01/2024

Date of next review of the equalities impact assessment: After 23/01/2024

Date to be published on Cambridge City Council website: Published for proposals to be considered by Housing Scrutiny Committee on 23rd January 2024 and Council on 15th February 2024 as part of the HRA Budget Setting Report.

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Homelessness Prevention Grants to Agencies 2024-25

To:

Gerri Bird, Executive Councillor for Housing, Housing Scrutiny Committee,
23/01/2024

Report by:

Simon Hunt, Housing Advice Service Manager – Housing Advice

Tel: 01223 457932 Email: simon.hunt@cambridge.gov.uk

Wards: All

Key Decision

1. Executive Summary

- 1.1 This report details the annual bid round for grants made to organisations providing homelessness prevention services. It provides an overview of the process, the grant eligibility criteria and the budget. Appendix 1 details the applications received with recommendations for 2024-25 awards.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Approve the award of homelessness prevention grants to voluntary and community organisations for 2024-25, as set out in Appendix 1 of this report.

3. Background

Page: 2

Bid round process and award recommendations

- 3.1 Each year the Council invites agencies and organisations to submit bids for funding for homelessness-related services. The 2024-25 bid round opened for applications on 1st August 2023 and closed on 2nd October 2023. A communications and publicity plan was implemented to promote the grant fund.
- 3.2 Members may wish to note that bids received totaled £441,000 against available funding of £307,000, excluding a further sum of £50,000 set aside as winter provision for rough sleepers, which was approved as part of last year's grants bid under a 3-year contract. (When the proposed winter provision set-aside is included, the total sum available is £357,000 – an increase of £32,000 on the sum that was available last year).
- 3.3 Bids were initially considered by individual officers using a common assessment matrix, and then moderated by those officers meeting as a panel.
- 3.3 Given the significant excess of claims over available funding, not all bids could be supported in full, leading to some difficult recommendations. Nonetheless, all bids were approved for some funding, if not the amount that was requested as part of the application. Individual bids were assessed principally against the degree to which the proposed service would prevent or relieve homelessness, with services that could directly evidence the prevention of homelessness being particularly favoured. More broadly, officers considered the strategic and operational value of the proposed service, whether the proposed service duplicated or overlapped with an existing service, and the ability of the submitting agency to self-fund in whole or in part.
- 3.4 The Executive Councillor attended a meeting with officers to review the recommendations. The final recommendations are set out in Appendix 1.

4. Implications

a) Financial Implications

As set out in 3.2 and Appendix 1.

Members are reminded that the award of any recommended grant is subject to the receipt of the annual central government homelessness prevention grant (HPG). On 23 December 2022 the Council was notified of its award of HPG for 2023-24 and 2024-25 and we can therefore be confident of funding the grant sums recommended at Appendix 1.

The three-year winter provision contract commenced in November 2023, meaning that funding is secure for the first two years of the contract. Year 3 funding can also be confidently assumed, given that in its various iterations HPG has been made available in steadily-increasing amounts for more than two decades.

b) Staffing Implications

None.

c) Equality and Poverty Implications

An EqIA has been completed and is attached as Appendix 2.

d) Net Zero Carbon, Climate Change and Environmental Implications

No positive or negative impact identified as the services recommended for grant aid are broadly similar to those supported in former years.

e) Procurement Implications

None.

f) Community Safety Implications

None

5. Consultation and communication considerations

Consultation has been carried out with the Executive Councillor. In addition, extensive consultation was carried out with partners on the grant application process and eligibility criteria, ahead of the annual bid round in 2022. The process and eligibility criteria have remained the same for 2023.

6. Background papers

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

7. Appendices

Appendix 1: Summary of award recommendations

Appendix 2: Equality Impact Assessment

8. Inspection of papers

If you have a query on the report please contact Simon Hunt, Housing Services Manager - Housing Advice. Tel: 01223 457932. Email: simon.hunt@cambridge.gov.uk.

Appendix 1 – Homelessness Prevention Grants 2024-25 Applications and Grant Recommendations

The following recommendations are subject to the confirmation of central government funding, the Council's budget in February 2024 and, in some cases, the receipt of satisfactory information from applicant organisations (this could include projects, programmes, finances, governance etc).

Where the proposed award is less than the full amount requested, advice will be provided regarding potential alternative sources of funding. The final detail around the activity being funded will be discussed with the group and set out in a grant agreement.

Agency and Key Service Areas	Activity for Which Grant Sought	Full Cost of Activity	Grant Request	Proposed Award	2023-24 Award
Cambridge and District Citizens' Advice Bureau - provide advice people need for the problems they face, influence change for the better.	Specialist independent support, advice and representation around housing and debt issues: support with housing benefit, rent and other arrears, debt advice, crisis intervention, negotiation, legal advocacy, rights, tenures, bailiff issues.	£65,153	£50,000	£35,000	£35,000
Cambridge Cyrenians – provides a range of accommodation, support and specialist services for homeless men and women in Cambridge.	Older Homeless Floating Support Service for single people over 45 to access and maintain move on accommodation.	£31,887	£15,000	£6,000	£5,000
Cambridge Cyrenians.	Supported Housing Service - accommodation for single homeless people meeting Council local connection policy.	£73,410	£15,000	£6,000	£5,000
CHS Group (The Cambridge Housing Society Ltd) - social enterprise and charitable housing association.	Free employment advice and coaching support for homeless and vulnerably housed people who are accepted on the Housing Benefit Plus scheme.	£21,871	£21,871	£21,871	£35,000 (combined total for 2 activities which are now separate)
CHS Group (The Cambridge Housing Society Ltd).	Outreach employment advice for homeless and those vulnerably housed in Cambridge. Free outreach employment advice and coaching support service to homeless and vulnerably housed adults and young people.	£21,354	£16,000	£16,000	£35,000 (combined total for 2 activities which are now separate)

Agency and Key Service Areas	Activity for Which Grant Sought	Full Cost of Activity	Grant Request	Proposed Award	2023-24 Award
CHS Group (The Cambridge Housing Society Ltd).	Supported housing for 8 young homeless families.	£210,930	£39,710	£16,438	£15,000
Cambridge Women's Aid - information, advice, support for women who have experienced domestic abuse	Community based specialist support service for victims of domestic abuse. Advice, advocacy, practical and emotional support as well as safe and secure accommodation to women and their children. Telephone, email, face to face support and groups and social programmes. 24hr call service.	£146,841	£40,000	£30,000	£35,000
Cambridge Women's Resources Centre - specialised support, information and training for women to increase skills, confidence, self-esteem and employability.	Employment of a support worker 2 days a week to work on homelessness prevention within the centre and through outreach services. Will include signposting to services, making direct referrals, helping to complete applications, supporting women in LA emergency and temporary accommodation placements with finances, nutrition, parenting and social inclusion.	£26,023	£26,023	£13,000	£4,200
Cambridgeshire Community Foundation - award grants for local projects	Street Aid fund administration and marketing, grant awards, and contactless terminals.	£21,222	£19,222	£14,000	£15,000
Centre 33 - Service providing support to young people to help overcome their problems through a range of free, confidential services.	Young People's Homeless and Housing Support Service for 13–25-year-olds.	£52,250	£52,250	£44,000	£40,000
Hope into Action UK - 35 bed spaces and support for those experiencing homelessness.	Empowerment support worker costs for 3 homes for single men and women and a family home (supporting a total of 6 adults and 2 children).	£189,212	£17,304	£15,000	£10,000
It Takes A City – a network of people and organisations working together to end rough sleeping due to homelessness in Cambridge.	Communication and coordination of community wide action groups and initiatives to develop and implement new solutions to homelessness to complement and support existing services. Action	£82,170	£27,000	£10,000	£10,000

Agency and Key Service Areas	Activity for Which Grant Sought	Full Cost of Activity	Grant Request	Proposed Award	2023-24 Award
	groups include a Women's Homelessness Action Group, a Co-production group, a Making Every Adult Matter development group, a Business Action Group, and a Community Connects Action Group.				
It Takes A City	Provision of support to rough sleepers in private sector accommodation. Survive and Thrive service for anyone in self-contained or small shared accommodation with a recent history of rough sleeping or homelessness who do not have a confirmed support offer: tenancy sustainment and resettlement support, meals, food parcels and practical help, rapid moving-in service, mentoring and befriending service employment outreach service, pastoral care and welfare, supported modular housing.	£69,850	£27,500	£25,000	£20,000
Jimmy's Cambridge - emergency accommodation and supported housing for homeless or vulnerably housed people	Support for residents of 22 modular homes including financial support, encouraging positive activities, building new relationships, signposting to specialist support, and acting as mentor/friendly face via weekly visits.	£86,070	£43,035	£28,000	£10,000
Wintercomfort for the Homeless	Employment and Learning Service: a range of activities and support programmes to increase confidence, skills and work experience to improve employability and secure paid employment.	£84,052	£31,286	£27,536	£30,000

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Summary

Total Grant Available	Total Bids	Offers	Remaining
£307,845.00	£441,201.00	£307,845.00	£0

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 or phone 01223 457046.

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

1. Title of strategy, policy, plan, project, contract or major change to your service
Homelessness Prevention Grants to Agencies 2024-25
2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)
Each year an invitation to organisations to apply for homelessness prevention grants is posted here .
3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?
To invite and assess applications for grants to help prevent and relief homelessness and rough sleeping, and make grant awards.
4. Responsible service
Communities Group/Housing Advice Service

5. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick all that apply)	<input checked="" type="checkbox"/> Residents <input type="checkbox"/> Visitors <input type="checkbox"/> Staff
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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 are homeless, threatened with homelessness, have a history of homelessness or who are sleeping rough.

6. What type of strategy, policy, plan, project, contract or major change to your service is this?	<input type="checkbox"/> New <input type="checkbox"/> Major change <input checked="" type="checkbox"/> 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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------

If 'Yes' please provide details below:

The Grants team.

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

Recommended grant awards will be considered by Housing Scrutiny Committee on 23rd January 2024.

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?

A public invitation to bid for grant funding is issued, and any organisation assisting homeless people may apply. Awards are made on the basis of the published criteria, one element of which is to identify the need for the service and the particular needs of the client group the service is aimed at, for example, young people or women. Organisations are expected to provide evidence of need for the service as part of the bidding process. All bidding organisations must be able to demonstrate compliance with the Equality Act 2010 and submit their equality and diversity policies with their applications. Successful applicants must provide six monthly monitoring reports, which include evidence of Equality Act compliance and impacts.

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

For 2024-25 several grants are recommended for approval that address age-related homelessness, as follows:

- Cambridge Cyrenians - Housing Related Support - Older Homeless Floating Support Service (over 45s);
- CHS Group - Young Parent Project (YPP)
- Centre 33 - Homeless & Housing Service for young people under 25 years.

No negative impacts identified.

See appendix 1 for more information.

(b) Disability

Projects submitting funding requests support vulnerable people, and very often that vulnerability relates to mental or physical ill-health (even if these needs are not the primary focus of the service or project). The distribution of funding therefore has a positive impact on people with the protected characteristic of disability who are homeless or vulnerably housed.

(c) Gender reassignment

There have been no funding requests in the current round from groups specialising in the needs of people who are undergoing (or have undergone) gender reassignment. However, as part of the grant monitoring process, the City Council ensures that all grant recipients offer equal services to all those in need of those services. The grant distribution process therefore ensures that there is no negative impact on persons who are undergoing (or have undergone) gender reassignment.

(d) Marriage and civil partnership

No negative or positive impacts identified.

(e) Pregnancy and maternity

For 2024-25 the proposed grant awards to projects specialising in the needs of pregnant women and mothers include the following:

- CHS Group - Young Parent Project
- Cambridge Women's Aid

No negative impacts have been identified.

See appendix 1 for more information.

(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.

Grants made to charitable organisations may be used to assist individuals not otherwise eligible for public funds (people with 'no recourse to public funds' due to their immigration status). An example of this is the proposed grant to Cambridgeshire Community Foundation to pay for that organisation's administration of the Street Aid scheme (see: [Cambridge Street Aid - Cambridgeshire Community Foundation \(cambscf.org.uk\)](https://www.cambscf.org.uk)).

(g) Religion or belief

No positive or negative impacts identified.

(h) Sex

An overall positive impact on the basis of sex is identified in the proposed award of the grant to Cambridge Women's Aid. This reflects the greater likelihood that women will experience domestic abuse (see: [What is domestic abuse? - Womens Aid](#)), which is a common reason for women's homelessness. A person at risk of violence or domestic abuse is automatically homeless, regardless of availability and legal rights to occupy accommodation, and is automatically in priority need (see: [Shelter Legal England - Homelessness due to violence or domestic abuse - Shelter England](#)).

See appendix 1 for more information.

(i) Sexual orientation

No negative or positive impact identified.

(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
- Groups who have more than one protected characteristic that taken together create overlapping and interdependent systems of discrimination or disadvantage. (Here you are being asked to consider intersectionality, and for more information see: https://media.ed.ac.uk/media/1_159kt25q).

Low-income groups or those experiencing the impacts of poverty

The overwhelming single characteristic of people presenting to the Housing Advice Service is their relative poverty. Homelessness is causally-related to poverty, and grants made to prevent or relieve homelessness must evidence, directly or indirectly, that they make a proportionate and value-for-money positive impact on alleviating poverty or the consequences of poverty.

Groups who have more than one protected characteristic that taken together create overlapping and interdependent systems of discrimination or disadvantage:

People experiencing homelessness often have overlapping disadvantages and/or vulnerabilities, associated with or caused by inequality they experience related to their protected characteristics. For instance, many homeless people have physical and mental health issues. Also, ethnic minority people, women, and disabled people (and especially people from two or more of these three groups) are more likely to experience poverty in the first place that can lead to homelessness or risk of homelessness.

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 EqIA accordingly.)

Each organisation will submit six monthly monitoring reports, which include an account of impacts on equality groups

12. Do you have any additional comments?

No

13. Sign off

Name and job title of lead officer for this equality impact assessment: Simon Hunt, Housing Advice Service Manager

Names and job titles of other assessment team members and people consulted: Julie Cornwell, Community Funding & Voluntary Sector Manager; Melanie Baker, Senior Grants Officer; Gerri Bird, Executive Councillor for Housing; Helen Crowther, Equality and Anti-Poverty Officer.

Date of EqIA sign off: 05/01/2024

Date of next review of the equalities impact assessment: 05/01/2025

Date to be published on Cambridge City Council website: 05/01/2024

All EqIAs need to be sent to Helen Crowther, Equality and Anti-Poverty Officer at helen.crowther@cambridge.gov.uk.



Update on new build council housing delivery

To:

Councillor Gerri Bird, Executive Councillor for Housing and Homelessness
Housing Scrutiny Committee 23/01/2024

Report by:

Ben Binns, Head of Housing Development Agency
Email: ben.binns@cambridge.gov.uk

Wards affected:

All

1 Executive Summary

- 1.1. This is a regular quarterly report showing progress on the City Council's new housing delivery and development programme.
- 1.2. 852 new build homes have been completed across 18 sites under the City Council programmes, with 458 being net new Council homes. Since reporting in September 2023, the 852 now includes a final handover at The Mews, Histon Road, and at Cromwell Road.
- 1.3. Revised funding submissions remain in process with Homes England to cover Aylesborough Close (net new and replacement homes) and Colville road Phase 3 (replacement homes). Outcomes of these bids will be reported to this Committee as received.
- 1.4. The Council has successfully completed all acquisitions for the Round 1 of the LAHF Refugee Housing Fund. This includes:
 - 16 Homes reallocated from the Councils existing development pipeline, for which additionality of an overall increase in housing delivery has been recognized through conversion of an upcoming scheme to fully affordable housing (approved by the Council's Housing Scrutiny Committee on 22/11/2023)
 - 17 Open market acquisitions, including 1x 6-bedroom property which meets the delivery requirement of the bridging element.

This further means that the Council has superseded its target delivery of 30 homes by 3, within the funding allocated for this Round. A further 3 home acquisitions have been completed out of the 4 required to meet LAHF Round 2 by end March 2023, with the last purchase in process.

- 1.5. Housing regeneration schemes at Fanshawe Road (84 homes) and East Barnwell (120 homes) have now been submitted for planning consideration.
- 1.6. Following on from the consideration of Fanshawe road for redevelopment, officers now include for consideration the inclusion of Davy Road as an estate which is being considered for regeneration, based on its similarity to Fanshawe Road and corresponding issues with quality and maintenance requirements.
- 1.7. *In parallel with this committee report quarterly update statistics for the Councils Affordable housing delivery will be published to the Councils website to facilitate public perusal.*

2. Recommendations

The Executive Councillor is recommended to:

- 2.1. Note the continued progress on the delivery of the approved housing programme.
- 2.2. Approve the inclusion of 2-28 Davy Road, 1-8a Brackyn Road, and Davy Road Garages 1-32 into the 10yr programme, as an estate under redevelopment consideration. Members will be consulted prior to the commencement of survey work and prior to the commencement of consultation with residents.

3. Delivery Programme

- 3.1. The current delivery programme confirms:
 - the 500 devolution programme consisting 931 (including market sale) homes in total and 537 net affordable homes.
 - the 10-year New Homes Programme consisting of 706 homes with scheme approval. This 706 is made up of:

- 195 net new build Council rented HRA homes at Social rent or 60% of Market rent (Subject to Final Design ahead of formal planning submissions, and including market acquisitions funded by LAHF).
 - 4 modular homes to be held, let and funded as Roughsleeper accommodation by It Takes a City.
 - 213 net new homes to be let at 80% of Market rent and held within the HRA. (Subject to Final Design ahead of formal planning submissions).
 - 112 homes earmarked for market sale.
 - 21 market acquisitions into the HRA earmarked for refugee accommodation, funded through the Local Authority Housing Fund, to be let at 60% of market rent.
 - 161 Replacement rented homes on regeneration sites.
- 3.2 The acquisition of Section 106 homes from This Land at Eddeva Park was approved in September 2023. Work remains ongoing toward finalising a purchase agreement ahead of start on site.
- 3.3 A revised market led scheme at Fanshawe Road is now included in the programme following a revised approval in September 2023
- 3.4 The large scale regeneration project at East Barnwell approved in November 2023 has now been added to the programme.
- 3.5 Additional to the programme's affordable housing delivery, the Cambridge Investment Partnership is bringing forward a scheme of 8 homes for market sale at land to the rear of 208-210 Queen Ediths Way. Together with generation of an income to the Councils General Fund, this scheme will be delivering 8 low carbon and gas free family homes for market sale. Through carefully considered landscaping which includes the retention of the majority of existing trees, a 20% Net gain of biodiversity is being incorporated across this scheme. There will also be new trees, hedges and native shrubs planted, as well as hedgehog holes, and bat and bird boxes incorporated into the designs.

The tables below show the breakdown of homes and the stage they are at:

500 Homes Programme	Completed	On site	Approved	Totals
Total Homes	842	88	1	931

Replacement homes	76	0	0	76
Market Sale	318	0	0	318
Net new Affordable HRA homes	448	88	1	537
% of target				108%

10 Yr New homes programme	Completed	On site	Approved	Totals
Total Homes	30	226	450	706
Replacement homes	0	49	112	161
Intermediate (80% of market rents)	0	104	109	213
Acquisitions (LAHF)	20	1	0	21
Market Sale	0	8	104	112
Net new Build Social and 60%/LHA(CCC)	10	64	125	195
Net new 3rd Party Affordable	Breakdown below - Modular			4
Total Net New held in HRA	Includes all net HRA rental			427

Modular Homes Project	Completed	On site	Approved	Totals
Total Homes	16	0	4	20
Replacement homes	0	0	0	0
Market Sale	0	0	0	0
Net new HRA homes	16	0	0	16
Net new 3rd party homes	0	0	4	4

LAHF Refugee Housing	Completed	In process/ On site	Approved	Totals
Total homes	36	1	0	37
Existing pipeline (accounted separately)	16	0	0	16
Acquisitions	20	1	0	21
Net new Affordable HRA homes	20	1	0	21

3.6 Appendix 1 shows the total housing provided per programme and scheme as well as the net gain of affordable rented Council homes. The HRA Budget Setting Report proceeding to this Committee as a separate agenda Item includes all financial information for respective scheme budgets and net cost to the Council's Housing Revenue account.

3.7 A breakdown per scheme of home size and rental tenure for the 10 year new homes programme is attached overleaf:



10-year new homes programme - Unit size mix as at December 2023

Scheme	Units	Social				60% Median/LHA				80% Median				Private				Decant/Replacement				Accessible
		1bed	2bed	3bed	4bed+	1bed	2bed	3bed	4bed+	1bed	2bed	3bed	4bed+	1bed	2bed	3bed	4bed+	1bed	2bed	3bed	4bed+	
The Mews, Histon Road	10					3	7															
L2 orchard park revised	75	25	5							35	10											0
Colville 3	48	12	18	2						8	8							3	13			2
Fen Road	12		8	3	1																	2
Ditton Fields	6		2	4																		
Borrowdale	3		3																			
Aragon and Sackville	14										14											
Aylesborough Close	70	24	14	3						13	15	1						22	11			3
Paget Road	4			2								2										
St Thomas Road	8						4	4														1
Fanshawe	84					18	7	9		5	6			1	30	8			20			2
East Road	40	10	6							16	6	2										
Hanover and Princess Ct	138	51	31											25	31			47	35			
ITAC Modular Homes	4					4																
LAHF acquisitions	21							15	6													
East Barnwell	129	17	25	6						26	36	10			9				9	1		4
Eddeva Park	32					17	9	5	1													
Queen Ediths Way	8																8					
TOTAL	706	139	112	20	1	42	27	33	7	103	95	15	0	26	70	8	8	72	88	1	0	
		1bed	2bed	3bed	4bed+			Percentage		1bed	2bed	3bed	4bed+									
Net new social/60%/LHA	220	109	51	52	8			Social/60%/LHA		50%	23%	24%	4%									
Net new 80% Rented	213	103	95	15	0			80% rented		48%	45%	7%	0%									
Pre-planning schemes unit and tenure subject to change in line with existing HSC Approvals																						

4 Profile of Start on Sites

Table 1: Start on Site Forecast Profiles for Council rented affordable homes in HRA

500 Programme (net of replacements)

Progress to 500 starts on site	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Starts by year	2	159	158	203	14	0	1
Cumulative total	2	161	319	522	536	536	537

10yr New Homes Programme (net of replacements)

Starts on site	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Starts by year (net Council Stock)	10	128	72	217			
Cumulative total	10	138	210	427	427	427	427

5 Scheme details

5.1 Schemes Completed:

All affordable and market sale homes at both Mill Road and Cromwell Road have now been handed over, with the first phases now through defects period. There remains however significant legal and administrative work to be completed ahead of full adoption of communal, parking and open spaces by the Council as these remain in process. Given the size and mixed tenure of these large schemes the management arrangements are complex and should all concerns are being raised through Hill and CCC staff to ensure rectification of issues in a timely manner.

Scheme Name	Net Affordable	Market Sale	Replacement	Delivery	Completion Date
Total	458	318	76		
Uphall Road	2	0	0	E&F	Jan-18
Nuns Way & Wiles Close	10	0	0	Tender	Aug-19
Ditchburn Place	2	0	0	Tender	Sep-19
Queens Meadow	2	0	0	CIP	Jun-20
Anstey Way	29	0	27	CIP	Jun-20
Colville Garages	3	0	0	CIP	Jul-20
Gunhild Way	2	0	0	CIP	Jul-20
Wulfstan Way	3	0	0	CIP	Sep-20
Markham Close	5	0	0	CIP	Sep-20
Ventress Close	13	0	2	CIP	Feb-21
Akeman Street	12	0	2	CIP	May-21
Mill Road	118	118	0	CIP	External works and handover of underground car park remain ongoing.

Cromwell Road	118	175	0	CIP	Final Market homes completed in December 2023. External works ongoing
Colville Phase 2	43	0	20	CIP	In progress
Meadows and Buchan	22	0	0	CIP	In progress
Campkin Road	50	0	25	CIP	Completed homes and community centre handed over in July 2023 and now in 1yr defects period.
Clerk Maxwell Road	14	35	0	S106 CIP	Completed homes handed over in July 2023 and now in 1yr defects period.
The Mews, Histon Road	10	0	0	S106 Laragh	Scheme fully handed over and within defects period.

5.2 Schemes on Site:

Scheme Name	Social, LHA and 60% of Market rent	80% Market Rent	Market Sale	Replacement	Practical Completion	Programme status
Total	212	125	8	49		
Colville Phase 2	4	0	0	0	Jan-25	Remaining 4 completions to coincide with Colville Phase 3 completion.
Meadows and Buchan	84	0	0	0	Jan-25	Works progressing well
L2 Orchard Park	30	45	0	0	Feb-24	Final works underway ahead of completion in early 2024.
Fen Road	12	0	0	0	Feb-24	Final works underway ahead of handover. Delays to final works and receipt of documentation being experienced
Colville Road Phase 3	32	16	0	16	Jan-25	On programme. Discussions underway with commercial tenants on lease of new properties
Ditton Fields	6	0	0	0	Feb-24	Final works underway ahead of handover. Delays to final works and receipt of documentation being experienced
Borrowdale	3	0	0	0	Feb-24	Final works underway ahead of handover. Delays to final works and receipt of documentation being experienced
LAHF Refugee Housing	0	21	0	0	Mar-24	20 Purchases completed, 1 further acquisitions in process/agreed. Round 1 target successfully met ahead of December deadline
Aragon Close	0	7	0	0	Dec-24	Foundation and internal drainage complete, Grd Floor Block and Beam and

						Substructure Brickwork almost finished.
Sackville Close	0	7	0	0	Dec-24	Foundation, substructure and internal drainage complete, Grd Floor Cavity Walling and DPC started
Aylesborough Close Phase 2	41	29	0	33	Oct-25	Foundation Piles complete for blocks A-C & cropping commencing.
Queen Ediths Way	0	0	8	0	Dec-23	Works on access road to site commenced week 11th December following discharge of pre-commencement planning conditions

5.3 Approved schemes;

Scheme Name	Social, LHA and 60% of Market rent	80% Market Rent	Market Sale	Replacement	Start on Site	Programme status
Total	227	85	80	112		
Kendal Way	1	0	0	0	Mar-24	Fence line on disputed boundary constructed and agreed. Final review of costs being undertaken ahead of Start on Site.
Paget Rd	2	2	0	0	Oct-24	Planning submission reforecast to allow further scheme design.
St thomas Rd	8	0	0	0	Nov-24	Planning submission reforecast to allow further scheme design.
Fanshawe Road	34	11	0	20	Sep-24	Planning Submission made December 2023. Some break-ins have required security measures on vacant properties. Full vacant possession targeted for March 2024.
East Road garages	16	0	24	0	Dec-24	Review of scheme design underway ahead of formal planning submission
Hanover and Princess	82	0	56	82	Jun-25	Work in progress to review the scheme options and to consider how housing might be best delivered.
Hills Avenue Roughsleeper Pods	4	0	0	0	Apr-24	Resolution to grant Planning agreed in August 2023. Awaiting discharge of planning conditions and signoff to service connections.

Eddeva Park	32	0	0	0	Sep-24	S106 Deed of variation in drafting ahead of formal entering into agreement to purchase. Developer delays have pushed forecast start on site to August 2024, as new contractor appointment required.
East Barnwell	48	72	0	10	Aug-24	Following November-23 HSC Approval planning submission has been undertaken in December 2023

6 New Programme Funding

- 6.1 Funding is being provided for the following schemes through the Grant Agreement with Homes England as signed for the 21-26 HE Affordable Homes Programme for Continuous Market Engagement:
- L2 Orchard Park, Colville Road Phase 3, Fen Road, Ditton Fields, Borrowdale, Aragon Close, Sackville Close.
- 6.2 Funding has been allocated to support demolition and infrastructure costs at the 100% affordable housing scheme at Aylesborough Close Phase 2 through the Brownfield Land Release Fund 2 (BLRF2), delivered by the One Public Estate (OPE).
- 6.3 Funding of £1,000,000 has been allocated through the CPCA to fund Capital Investment at the Fanshawe Road Redevelopment Scheme, for use to fund property acquisitions. This Funding has been fully utilised for this purpose. Following the change in tenure of this scheme to include market sale homes, a Change Request has been issued to the CPCA for their review (Due to the move away from 100% affordable housing as submitted in the business Case.). A formal response is awaited on the outcome of this revision and the Committee will be updated once this has been received.
- 6.4 Funding bids have been submitted to Homes England for
- 6.4.1 the 100% affordable regeneration scheme at Aylesborough Close Phase 2.
- 6.4.2 Replacement homes at Colville Phase 3 and Aylesborough Phase 2, in line with changes to CME Eligibility criteria.

The outcomes on the above bids remain awaited and council officers are continuing to engage with Homes England to agree a positive outcome.

Further submissions for grant funding will be submitted to Homes England as additional schemes receive Resolution to Grant Planning, and outcomes of these bids will be reported to this Committee as received.

6.5 Funding for Refugee Housing

6.5.1 DLUHC's Local Authority Housing Fund has provided funding to the supply of housing for refugee families through 2 Rounds to date. These Include:

6.5.1.1 Round 1 Funding of £4,968,683 for delivery of homes earmarked for Afghan and Ukrainian refugees.

6.5.1.2 Round 2 capital grant funding of £840,000 earmarked for Afghan refugees.

6.5.2 The Council has now fully met the targetted delivery of 30 homes under Round 1, ahead of the formal end-November Deadline. This target was additionally exceeded through delivery of 33 net homes into council stock.

7 Delivering Accessible Housing

7.1 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). Some of the developments attained planning on the pre-2018 local plan but the designs were changed to ensure M4(2) was adhered to and an enhanced M4(2) was also provided.

7.2 Housing schemes which remain under pre-planning design are noted as TBD and firm figures will be incorporated as these proceed or Planning Consideration.

7.3 There are currently 33 fully adapted wheelchair user dwellings and 5 enhanced M4(2) adapted homes held within the HSC-approved delivery schemes as per below:

Table 2: Wheelchair user homes

	Total Council rented homes (at least 100% M4 (2) wheelchair adaptable)	Of which M4 (3) wheelchair user homes	Of which Enhanced (M4(2) 1 bed	Total 1 bed M4 (3)	Total 2 bed M4(3)	Total 3 bed M4(3)	Total 4 bed M4(3)
TOTAL	1018	33	5	15	15	2	1
500 programme							
Mill Road phases 1 & 2	118	3	5	3	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		
Kendal Way	1	1				1	
Clerk Maxwell*1	14	0					
10 Yr New homes programme							
L2 Orchard Park*2	73						
Colville Road Phase 3	48	2			2		
Histon Road*1	10						
Fen Road	12	2				1	1
Ditton Fields	6						
Aragon Close	7						
Sackville Close	7						
Borrowdale	3						
Aylesborough Close Phase 2	70	3		2	1		
Paget Rd	4	0					
St Thomas Rd	8	TBD	TBD	TBD	TBD	TBD	TBD
Fanshawe Road	93	TBD	TBD	TBD	TBD	TBD	TBD
East Road	16	TBD	TBD	TBD	TBD	TBD	TBD
Hanover and Princess	82	TBD	TBD	TBD	TBD	TBD	TBD
Hills Avenue Roughsleeper Pods	4	0					
LAHF Refugee housing *3	21	0					
Eddeva Park	32	2				2	
East Barnwell	120	4					

*1: S106 acquisition

*2: South Cambridgeshire; 2x homes proposed originally for market sale do not conform to M4(2)

*3: Refugee housing indicates net new stock to avoid duplication of existing pipeline homes

8 Sustainability

8.1 The Council's 2021 Sustainable Housing Design Guide continues to guide all new schemes and the table below confirms that all schemes apart from two significantly exceed current Local Plan policy requirements. These are:

- Histon Road (The Mews) which meets the Local Plan is an off the shelf s106 scheme not designed by the council.
- LAHF Funded open market acquisitions, which are traditional build existing homes purchased off the open market and are to a variable standard.

8.2 The council now has 391 homes in development which are being benchmarked against Passivhaus Performance levels.

Targets	Energy per m ²	Carbon Emissions below 2013 building regs	Litres per person per day	% uplift	No. of car bays per home
Current 2018 Cambridge Local Plan minimum target	65	19%	110	10%	n/a

	Development targets									
	HSC target					Progress to date against target				
	Energy	Carbon	Water	Bio-diversity	Car park ratios	Energy	Carbon	Water	Bio-diversity	Car park ratios
What is it?	Energy per m ²	Carbon Emissions below 2013 building regs	Litres per person per day	% uplift	No. of car bays per home	Energy per m ²	Carbon Emissions below 2013 building regs	Litres per person per day	% uplift	
Scheme										
L2	45	35%-40%	110	0%	0.34	45	35%-40%	110	0%-10%	0.34
Colville Road Phase 3	45	35%-40%	100-110	10%	0.5	45	35%-40%	100-110	10%	0.5
Mews Histon Rd	65	19%	110	n/a	0.7	65	19%	110	n/a	0.7
Fen Road	28	35%-40%	100	10%	1	28	35%-40%	100	10%	0.9
Ditton Fields	28	35%-40%	100	10%	1	28	35%-40%	100	10%	1
Aragon Close	28	35%-40%	100	10%	1	28-35	35%-40%	100	20%	1
Sackville Close	28	35%-40%	100	10%	1	28-35	35%-40%	100	20%	1
Borrowdale	28	35%-40%	100	10%	0.66	28	35%-40%	100	10%	0.66
Aylesborough	28	35%-40%	90	20%	0.5 or less	28-35	35%-40%	90-100	20% some offsite	0.4

Paget Road (Net Zero)	15	100%	80	20%	0.5 or less	15-28	50%-100%	90	20% some offsite	0.5-0.6
St Thomas Road (Net Zero)	15	100%	80	20%	0.5 or less	15-28	50%-100%	90	20% some offsite	0.5-0.6
Fanshawe	28	35%-40%	90	20%	0.5 or less	28	-35%	99	35%	0.6
East Rd Garage	28	35%-40%	90	20%	0.5 or less	TBD	TBD	TBD	TBD	TBD
Hanover and Princess Court	TBD									
Eddeva Park	TBD		100	10%	1	TBD	TBD	TBD	TBD	TBD
East Barnwell	28	35%-40%	90	20%	0.5 or less	TBD	TBD	TBD	TBD	TBD

9. Risks

Risk	Likelihood	Impact	Mitigation
Cost increases on approved projects	<p>5 - Certain</p> <p>Risk of increased budget requirements due to Brexit, Ukraine War and inflation and supply chain cost increases are being encountered. Staffing and materials shortage and delays on SOS due to funding uncertainties increase potential for this risk.</p>	<p>4- Significant disruption</p> <p>1. Committee approval needed for additional capital funding</p> <p>2. Unplanned public expenditure</p> <p>3. Loss of value for money</p> <p>4. Reputation risk to Council</p> <p>5. Reduction in overall delivery achievable</p>	<p>1. Cost plans are regularly reviewed and updated, and contracts are fixed price to the council.</p> <p>2. Latest budgets consistently reviewed as part of BSR and MTFS Process.</p> <p>3. Regular updated risk management and budgeting completed as part of risk reviews work across the Council. Supply chain and materials concerns under close monitoring.</p> <p>4. Committee approval to progress schemes ahead of firm grant certainty mitigates cost increases ahead of entering into build contracts.</p> <p>5. Depending on the extent of the additional cost this may be managed within scheme level contingencies approved in Budget Setting Report.</p>
Securing Planning Permission on new schemes	<p>2 - Some possibility</p> <p>1. Failure in obtaining planning permission or Conditions signoff cause delays and increase costs.</p> <p>2. Delays in receiving a planning decision lead to increased costs being incurred and delays in submission of Funding Bids.</p> <p>3. Additional time and effort required to redraft plans should revised applications be required.</p>	<p>3 - Noticeable effect</p> <p>Schemes are developed with planners through the pre-application process. Lack of planning resource and Planning Department staff shortages or substitution would lead to delays in arranging for the pre app meetings, and subsequently planning submissions and approvals.</p>	<p>1. Pre-app process used effectively, and schemes aim to be policy compliant.</p> <p>2. Build in of additional lead time where required to ensure schemes progressing within target schedules</p> <p>3. Ensuring officers and councillors are involved in decision making from project early stages</p>

Risk	Likelihood	Impact	Mitigation
Sales risk – exposing Council cash flow forecast	<p>1 - Little chance</p> <p>1. deceleration of sales / purchase/ acquisition cycle while City Council is reliant on sales income to support programme currently, however bulk of sales now completed on committed sites.</p> <p>2. Depreciation of assets</p>	<p>3 - Noticeable effect</p> <p>Housing market fluctuations are beyond council control and current circumstances may exacerbate such fluctuations or delay buyer activities in the short-medium term. Market sales have however performed well with all plots at Mill Rd now sold and over 90% of properties sold at Cromwell Rd.</p>	<p>1.Regular updates received in the market for sales of sites. All homes at Mill Road are now sold and Cromwell Road sales are progressing with reporting through CIP processes on sales(90% sold). Currently values are being achieved in line with appraisal and sales rate in line with expectations.</p> <p>2.Close engagement with market through private sector partners</p> <p>3. Share risk with private sector partners</p> <p>4. Financial and sensitivity analysis for the new project site selections, before project starts.</p>
Decanting residents / leaseholders	<p>4- probable</p> <p>1.regeneration schemes will not be progressed if residents are not decanted.</p> <p>2. complication in buybacks where Lease/freeholders face difficulties for obtaining new mortgages for their onward purchase, in non-portable cases, or where challenges are made to CPO proceedings</p> <p>3. Redevelopment of estates with high % Lease/freehold ownership poses greater risk of CPO proceedings being required</p>	<p>4 - significant disruption</p> <p>Decant of Schemes under the 1,000 programme is on-going and if this is not achieved on time there will be impact on the costs of the project.</p>	<p>1.Decant and rehoming officers regularly liaising with residents requiring decanting to ensure successful rehoming.</p> <p>2.Decanting and liaison with tenants started early on in the development process. CPO and NOSP process outlined to be proceeded as necessary on future schemes.</p> <p>3. Additional resource to support this work allocated.</p> <p>4. Resident liaison groups established.</p>
Not securing necessary grant for new schemes	<p>2- Some possibility</p> <p>In case the grant is not secured or at a lower level the business plan may need to be reviewed and the level of housing and tenure delivered may need to change.</p> <p>Grant Funding at Fanshawe Road through CPCA under review following change of tenure of the scheme and retention subject to CPCA approval.</p>	<p>3 - Noticeable effect</p> <p>HE Grant funding now secured on 7 schemes approved under the new 10yr programme, with additional funding allocated from separate streams at Aylesborough, and for Refugee housing. Remaining grant across new programme schemes not yet secured, other than that committed by the Council. The business plan for the MTFs and BSR assumes grant.</p>	<p>1.Continual discussions with Homes England and other funding bodies are providing greater security on grant funding ability. Issues in securing the level required to support the costs of developing in Cambridge are an issue, and we will continue to review assumptions in the business plan as negotiations develop.</p> <p>2. A recent report from DLUHC has additionally highlighted major risk to the governments Affordable housing programme if grant rates remain static against current inflation.</p> <p>3. The council has welcomed the recent announcement by Homes England allowing funding of replacement homes to be considered within the ongoing 21-26 CME programme. Two revised funding bids are in process to utilise this opportunity.</p>
Labour market/materials/build prices increasing	<p>5- Certain</p> <p>Situation is being proactively managed and is currently seen as a short-term risk, which must be managed, but may impact programme if not price</p>	<p>4 - significant disruption</p> <p>services or materials shortages may lead to delays in project delivery and an overall increase on programme cashflow. Fixed</p>	<p>1.Fixed price contracts and liaising working closely with Hill to ensure all materials are placed and ordered as soon as reasonably possible and stock-piled on site or using additional storage as</p>

Risk	Likelihood	Impact	Mitigation
		price Contracts where utilised are minimizing cost risks which lie with CIP.	required. 2.Key packages are being procured as early as possible. Hills existing supply chain relationships are being used to ensure service.
Insufficient Project Management Resource to complete programme	1 - Little chance 1. Inability to properly manage projects 2. Council entering into contractual obligations without proper oversight	3 - noticeable effect Too many schemes brought forward to be managed by existing team and staff overworked. Also there are increased need in adding data and compliance and fire safety statutory requirements to the projects	1. Appointment of new consultants 2. Resourcing fund for new recruitments to ensure capacity
Future anti-development campaigns	4 - Probable 1.Potential for reputational damage for HDA and Cambridge City Council 2.unexpected extended time frame for the project 3. complications in submission of the scheme for planning consideration and funding approval	3 - Noticeable effect increase in number of leaseholders/ freeholders in new larger schemes increases risk of push back against potential redevelopment activities	1.Establishing focussed steering groups early where necessary 2.Focus on early public engagement via different events and consultations 3. potential development to be informed by detailed options appraisals

10. New programme

11.1 Work in progress

- **ATS/Murketts** - S&R Committee in March 2023 approved the financing of the land purchase of ATS/Murketts by CIP.

The combined site is allocated within the local plan and design development for a proposed scheme of 70-80 homes is underway, of which 40% will be provided as affordable homes.

Design work on this scheme remains underway, and it is the intention that a report will be brought to a future HSC committee following finalisation of the quantum and the mix of affordable homes which may be acquired by the Council.

- **Ekin Road** – Work on the options appraisal for this estate is continuing. The work is not currently expected to complete until June 2024. Council officers remain in contact with residents and interested parties through the established Liaison Group. A survey report has been uploaded to the Ekin Road web site.

- **Hanover and Princess Court** – At the HSC in March 2023 the Council approved the principle of redevelopment of Hanover and Princess Court.

Feasibility Studies are being prepared highlighting how redevelopment would be undertaken with the Plane trees in situ, with the central Plane tree being retained, and if the Plane trees are removed. The studies will evaluate the impact on 1) the plane trees 2) demolition operations 3) construction processes and 4) scheme costs.

The latest design scheme involves four individual buildings reviewed at a pre-application planning meeting in October. Design work is ongoing in regard to elevational treatments and height/massing options to balance overall financial viability.

Decanting is well advanced but there are still a significant number of leasehold flats to be repurchased. The Council will as on other schemes seek to proceed by agreement but a CPO in relation to some leasehold interests may well be required.

- **Newbury Farm** – A separate report on the acquisition of the Affordable homes on this site into Council stock is being brought to this Committee for decision.
- **Rooftop Feasibility Study** – The work toward investigating the viability of a joint new build and refurbishment scheme remains underway. Significant investigative works have been undertaken through December 2023 with the remainder planned for January 2024. The outcomes of these investigations are awaited. These outcomes will form the basis of further resident engagement ahead of final reporting to this Committee.

11.1 Davy Road

11.1.1 Report 21/48/HSC to this Committee in September 2021 outlined the Councils approach to identifying schemes to be considered for regeneration and included commentary on internal process followed when shortlisting estates for consideration.

11.1.2 The report furthermore noted a number of estates as being shortlisted, and many of these have or are progressing through detailed studies ahead of formal decisions. One such estate is Fanshawe road, which has now been submitted for planning consideration.

11.1.3 Davy Road, is a site which shared many similarities to Fanshawe Road, most notably

- Potential for significant increase in housing numbers, while at the same time enacting improvements to accessibility and use of existing open spaces
- Ageing council stock which has been flagged as requiring extensive works across the coming 30year maintenance plan. In this regard, Recent correspondence has been sent out to Leaseholders at this estate which set out significant works planned to be undertaken in 2024. It is worth noting however that these works are stripped back significantly and only account for specifically required works while the council reviews the future of this estate.

11.1.4 The above are additionally further informed by the councils understanding of the properties at Fanshawe Road following the significant work undertaken through the design stage at this estate, and it has been agreed that the Davy Road estate may be a strong candidate for regeneration.

11.1.5 The address of the properties include in this area are below and shown in corresponding plan following:

- 2-28 Davy Road,
- 1-8a Brackyn Road, and
- Davy Road Garages 1-32



11.1.6 Approval is herewith requested for the Davy Road estate to be incorporated into the 10yr programme, as an estate under redevelopment consideration.

11.1.7 This is a first step prior to full feasibility consideration and commencement on survey and consultation, subject to approval. Members will be consulted prior to any commencement of survey work and prior to the commencement of consultation with residents.

12 Implications

(A) Financial Implications

The HRA Budget Setting Report submitted to this meeting of the Committee includes all financial information for respective scheme budgets and net cost to the Council's Housing Revenue Account.

Further review of overall budgets and financial positions are incorporated into the Councils Financial reporting programme.

(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 additionally 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 was approved by the September 2021 meeting of this Committee (21/48/HSC) and guides all resident involvement exercises.

(G) Community Safety

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

13 Background papers

Background papers used in the preparation of this report:

- 23/41/HSC - September 2023 Regular Update on new Build Housing Delivery.
- 21/48/HSC – September 2021 Report on progress toward HRA Estate Regeneration programme
- 23/38/HSC Update on Options Appraisal Work at Ekin Road estate
- 23/20/HSC Update on Hanover and princess Courts Options Appraisal
- 24/6/HSC - Executive Councillor for Housing: HRA Budget Setting Report (BSR) 2024/25.
- 24/9/HSC - Purchase of new affordable housing – Newbury Farm, Worts' Causeway.

14 Appendices

Appendix 1: Programme milestone summary

15 Inspection of papers

To inspect the background papers or if you have a query on the report please contact Ben Binns, Head of Housing Development Agency, email: ben.binns@cambridge.gov.uk.

HDA Delivery Programme		08/01/2024									
Scheme Name	Ward	Net Affordable	Market homes	Total homes	Delivery	Committee	Approval date	Planning Submitted	Planning Resolution	Est. SOS	Practical Completion
BUILD COMPLETE											
Uphall Road	Romsey	2	0	2 E&F	HSC	Mar-15	Aug-16	Dec-16	Jun-17	Jan-18	Jan-18
Nuns Way & Wiles Close	Kings Hedges	10	0	10 Tender	HSC	Mar-15	Aug-16	Jul-17	Jan-19	Aug-19	Aug-19
Ditchburn Place Community Rooms	Petersfield	2	0	2 Tender	S & R	Sep-18	Aug-18	Nov-18	Jan-19	Sep-19	Sep-19
Queens Meadow	Cherry Hinton	2	0	2 CIP	HSC	Jun-17	Dec-17	Jul-18	May-19	Jun-20	Jun-20
Anstey Way	Trumpington	29	0	56 CIP	HSC	Mar-17	Jan-18	Jul-18	Oct-18	Jun-20	Jun-20
Colville Garages	Cherry Hinton	3	0	3 CIP	HSC	Sep-17	Sep-18	Nov-18	May-19	Jul-20	Jul-20
Gunhild Way	Queen Ediths	2	0	2 CIP	HSC	Jan-18	Jul-18	Oct-18	May-19	Jul-20	Jul-20
Wulfstan Way	Queen Ediths	3	0	3 CIP	HSC	Sep-17	Oct-18	Jan-19	May-19	Sep-20	Sep-20
Markham Close	Kings Hedges	5	0	5 CIP	HSC	Jan-18	May-18	Oct-18	May-19	Sep-20	Sep-20
Ventress Close	Queen Ediths	13	0	15 CIP	HSC	Mar-17	Sep-18	Mar-19	Oct-19	Feb-21	Feb-21
Akeman Street	Arbury	12	0	14 CIP	HSC	Jun-18	Apr-19	Jul-19	Oct-19	May-21	May-21
Mill Road	Petersfield	118	118	236 CIP	S & R	Nov-17	Dec-17	Jun-18	Aug-18	Mar-23	Mar-23
Cromwell Road	Romsey	118	179	297 CIP	S & R	Mar-18	Mar-19	Jun-19	Dec-19	Dec-23	Dec-23
Colville Phase 2	Cherry Hinton	43	0	63 CIP	HSC	Mar-18	Mar-19	Jun-19	Nov-20	Jan-25	Jan-25
Meadows and Buchan	Kings Hedges	22	0	22 CIP	HSC	Jan-19	Dec-19	Aug-20	Feb-21	Jan-25	Jan-25
Campkin Road	Kings Hedges	50	0	75 CIP	HSC	Jul-19	Nov-19	Mar-20	Mar-21	Jul-23	Jul-23
Clerk Maxwell Road	Newnham	14	21	35 S106	HSC	Jan-19	Dec-19	Jul-20	Feb-22	Jul-23	Jul-23
Sub total		448	318	842							
ON SITE											
Colville Phase 2	Cherry Hinton	4	0	4 CIP	HSC	Jan-19	Jul-19	Dec-19	Nov-20	Jan-25	Jan-25
Meadows and Buchan	Kings Hedges	84	0	84 CIP	HSC	Jan-19	Dec-19	Aug-20	Feb-21	Jan-25	Jan-25
Sub total		88	0	88							
PLANNING APPROVED											
Kendal Way	East Chesterton	1	0	1 Tender	HSC	Jan-21	Feb-22	Jun-22	Mar-24	Mar-25	Mar-25
Sub total		1	0	1							
GRAND TOTAL		537	318	931							

Progress to 500 starts on site	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Starts by year	2	159	158	203	14	0	1
Cumulative total	2	161	319	522	536	536	537

Progress to 500 Completions	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Net Completions by year	2	0	17	54	70	188	117	89
Cumulative total	2	2	19	73	143	331	448	537

HSC Approved New programme schemes		08/01/2024												
Scheme Name	Ward	Social Rent	LHA/60%	80% of market rent	Replacement homes	Market	Total Homes	Delivery	Committee	Committee Approved	Planning Submitted	Planning Resolution	Est. SOS	Practical Completion
Completed														
The Mews, Histon Road	Arbury	0	10	0	0	0	10	S106 Laragh	HSC	Sep-20	May-19	Feb-20	May-21	Sep-23
In process														
L2 Orchard Park	SCDC	30	0	45	0	0	75	CIP	HSC	Sep-20	Aug-20	May-21	Apr-22	Feb-24
Colville Road Phase 3	Cherry Hinton	32	0	16	16	0	48	CIP	HSC	Sep-20	Jun-21	Dec-21	Sep-22	Jan-25
Fen Road	East Chesterton	12	0	0	0	0	12	CIP	HSC	Jan-21	Feb-21	Jul-21	Aug-22	Feb-24
Ditton Fields	Abbey	6	0	0	0	0	6	CIP	HSC	Jan-21	Feb-21	Oct-21	Sep-22	Feb-24
Borrowdale	Arbury	3	0	0	0	0	3	CIP	HSC	Jan-21	Jul-21	Nov-21	Oct-22	Feb-24
Aragon Close	Kings Hedges	0	0	7	0	0	7	CIP	HSC	Jan-21	Jan-22	Oct-22	Jun-23	Dec-24
Sackville Close	Kings Hedges	0	0	7	0	0	7	CIP	HSC	Jan-21	Jan-22	Oct-22	Jun-23	Dec-24
Aylesborough Close Phase 2	Arbury	41	0	29	33	0	70	CIP	HSC	Sep-21	Apr-22	Oct-22	Jul-23	Oct-25
Paget Rd	Trumpington	2	0	2	0	0	4	Tender	HSC	Sep-21	Jan-24	Apr-24	Oct-24	Oct-25
St thomas Rd	Coleridge	0	8	0	0	0	8	Tender	HSC	Sep-21	Feb-24	May-24	Nov-24	Apr-26
Fanshawe Road	Coleridge	0	34	11	20	39	84	CIP	HSC	Jun-22	Dec-23	Apr-24	Sep-24	Sep-26
East Road	Petersfield	16	0	24	0	0	40	CIP	HSC	Jan-23	Feb-24	Jul-24	Dec-24	Dec-26
Hanover and Princess	Market	82	0	0	82	56	138	CIP	HSC	Mar-23	May-24	Sep-24	Jun-25	Jan-28
Hills Avenue Roughsleeper Pods	Queen Edith	0	4	0	0	0	4	ITAC	HSC	Mar-23	Apr-23	Aug-23	Apr-24	Jul-24
LAHF Refugee housing net new	ALL	0	21	0	0	0	21	CCC	HSC	Feb+Jun23	NA	NA	NA	See below
Eddeva Park	SCDC	0	32	0	0	0	32	S106 This Land	HSC	Sep-23	Jun-22	Jun-23	Sep-24	Apr-26
Queen Ediths Way	Cherry Hinton	0	0	0	0	8	8	CIP	CIP Board	Aug-22	Nov-22	Sep-23	Dec-23	Nov-24
East Barnwell	Abbey	48	0	72	10	9	129	CIP	HSC	Nov-23	Dec-23	Jun-24	Aug-24	Sep-28
Total		272	109	213	161	112	706							
		199												
Net new affordable housing		433												
Net new Council - social and 60%/LHA		216												
Net new Council - 80% of Market		213												
Net new third party affordable housing				4										
Starts on site	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32			
Starts by year (net Council Stock)	10	128	72	219										
Cumulative total	10	138	210	429	429	429	429	429	429	429	429			

LAHF Refugee housing	Ward	Social Rent	LHA/60%	80% of market rent	Total Homes	Committee	Committee Approved	Planning Submitted	Planning Approved	Est. SOS	Practical Completion
Existing Pipeline	Kings Hedges	0	16	0	16	Delegated HSC	Feb-23	NA	NA	NA	Jul-23
Acquisition 1	Coleridge	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	May-23
Acquisition 2	Romsey	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Jun-23
Acquisition 3	Arbury	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Jun-23
Acquisition 4	Queen Edith's	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Jun-23
Acquisition 5	Cherry Hinton	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Jun-23
Acquisition 6	Abbey	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Aug-23
Acquisition 7	Arbury	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Aug-23
Acquisition 8	Arbury	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Sep-23
Acquisition 9	His.and Imp.	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Sep-23
Acquisition 10	Coleridge	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Sep-23
Acquisition 11	Cherry Hinton	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Oct-23
Acquisition 12	Cherry Hinton	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Oct-23
Acquisition 13	Coleridge	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Oct-23
Acquisition 14	Kings Hedges	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Oct-23
Acquisition 15	Kings Hedges	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Oct-23
Acquisition 16	His.and Imp.	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Nov-23
Acquisition 17	Arbury	0	1	0	1	Delegated HSC	Feb-23	NA	NA	NA	Nov-23
Acquisitions Round 2-1	Coleridge	0	1	0	1	Delegated HSC	Jun-23	NA	NA	NA	Dec-23
Acquisitions Round 2-2	Abbey	0	1	0	1	Delegated HSC	Jun-23	NA	NA	NA	Dec-23
Acquisitions Round 2-3	Trumpington	0	1	0	1	Delegated HSC	Jun-23	NA	NA	NA	Dec-23
Acquisitions Round 2	TBC	0	1	0	1	Delegated HSC	Jun-23	NA	NA	NA	Mar-24
Total		0	37	0	37						
Net new Council Affordable Stock	21										

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Item

**PURCHASE OF NEW AFFORDABLE HOUSING,
Newbury Farm, Worts' Causeway**

To:

Councillor Gerri Bird, Executive Councillor for Housing

Report by: Ben Binns, Assistant Director, Development, Place Group

Email: ben.binns@cambridge.gov.uk

Wards affected:

Queen Edith

Key Decision

1 Executive Summary

- 1.1 The Newbury Farm site is being developed by CIP on the south-east fringes of Cambridge. The development will be located on the site between Worts' Causeway and Babraham Road on Cambridge's urban edge.
- 1.2 This Land secured outline planning consent for 230 units across the site in May 2021. This included 80 homes in phase 2, and 150 homes in phase 3. This Land are retaining phase 2, while the land at phase 3 was acquired by CIP in August 2023.
- 1.3 CIP are preparing a planning application with submission expected in January 2024. The application includes for 60 homes (40% of total phase 3 units) to be delivered as affordable housing.
- 1.4 This report seeks approval for a capital budget to purchase 60 affordable homes from the Cambridge Investment Partnership (CIP), as Council homes. These will consist of 45 homes at 60% of market rent capped at LHA and 15 homes at 80% of market rent. These allocations are in line with planning requirements for the site. This can be broken down further by unit type, as per the following schedule:

Homes at 60% of market rent

- 23 x 1 Bed, 2 Person Flat (1 of which adaptable)
- 2 x 2 Bed, 3 Person Flat (both adaptable)
- 14 x 2 Bed, 4 Person Flat
- 3 x 3 Bed, 5 Person Flat

- 3 x 3 bed, 5 Person House

Homes at 80% of market rent

- 13 x 1 Bed, 2 Person Flat
- 2 x 2 Bed, 4 Person Flat

1.5 The properties will be purchased via a fixed price acquisition and works contract. The agreed purchase price for the 60 properties is £14,460,000 with further costs including legal, clerk of work, employer's agent and contingency resulting in a total budget request of £15,285,000.

2 Recommendations

The Executive Councillor is recommended to:

- 2.1 Approve the purchase of 60 new Council homes at Newbury Farm, Worts' Causeway and delegate authority to the Assistant Director of Development (Place Group) to approve contract terms with CIP in respect of this transaction.
- 2.2 Delegate Authority to the Assistant Director of Development (Place Group) to agree rental tenures in line with Council Policy and planning consents for the Newbury Farm Affordable Housing.
- 2.3 Approve a total budget of **£15,285,000** to enable the development of 60 homes at Newbury Farm, Worts' Causeway.

3 Background

- 3.1 This project contributes to the Council's key Corporate Objectives of tackling the City's housing crisis:
 - Delivering sustainable prosperity for Cambridge and fair shares for all.
 - Tackling climate change and making Cambridge cleaner and greener
 - Protecting essential services and transforming council delivery.
- 3.2 The delivery of these affordable homes will form part of the 10-year new homes programme to deliver 1,000 net new affordable rented homes between 2022 – 2032.
- 3.3 Local Housing Need
 - 3.3.1 There is a recognised need for more affordable housing across the city. The table below demonstrates the number of households on the Housing Needs Register as of September 2023. There were 2,533 households in need of housing, 78% of them seeking 1 or 2 bedroom homes, while 22% of them are in need of 3 and 4 bed properties to call home.

Date	Applicants 1 bed	Applicants 2 bed	Applicants 3 bed	Applicants 4 bed+	Unknown	Total applicants
Sep-23	1,381	598	427	127	0	2,533

3.4 The Site

- 3.4.1 Newbury Farm is located between Worts' Causeway and Babraham Road just south-east of Cambridge city border and adjacent to the Babraham park and ride. It is situated within the Cambridge City Council boundary, and located within Queen Edith's ward, southeast of Cambridge Central.
- 3.4.2 It is adjacent to the Eddeva Park development, where CCC have agreed the purchase of 32 affordable homes from This Land. [Eddeva Park HSC Report](#)
- 3.4.3 To the west of the site, existing suburban development forms the current Cambridge southern urban edge. The site is also in close proximity to Addenbrookes Hospital site.



- 3.4.4 The Babraham Road Park is located 0.5 miles east of the site, and the closest transport service is the Babraham Park and Ride service, which runs into central Cambridge. Transport links mainly consist of buses located near the site. The closest railway stations to the site are Cambridge and Shelford which both run services to London.
- 3.5 An outline application (ref: 19/1168/OUT) was approved by the local planning authority on 24th May 2021, which covers the entirety of the site. The land portion at Newbury Farm was subsequently purchased from This Land by CIP on 10th August 2023.
- 3.6 A reserved matters application is expected to be submitted by CIP in Q1 2024.

3.7 The affordable housing units are being delivered as part of the S106 agreement between CIP and the local planning authority. Subsequently, the Council's proposal to purchase these homes has been accepted by CIP, pending approval by the HSC and finalisation of the purchase agreement.

3.8 As per the Local Planning Authority (LPA)'s requirement, the scheme is due to provide 40% affordable housing.

3.9 However, within this provision of 40% affordable housing, the LPA's preferred tenure split is geared 75% towards affordable or social rented tenures and 25% towards intermediate homes, primarily delivered as shared ownership. As Shared Ownership is not a tenure that the City Council seek to deliver and manage, a Deed of Variation to the S106 is being sought with the LPA that will:

1. Amend the rent level in the definition of Affordable Rented Housing from an 80% cap to a 60% (or LHA) cap to ensure that 75% of units will be let at a genuinely affordable rent level.
2. Revise the definition of Intermediate Housing to include homes let at a rent which does not exceed 80% of market rent.

3.10 The affordable homes on at Newbury Farm are outlined below and include:

Homes at 60% of market rent

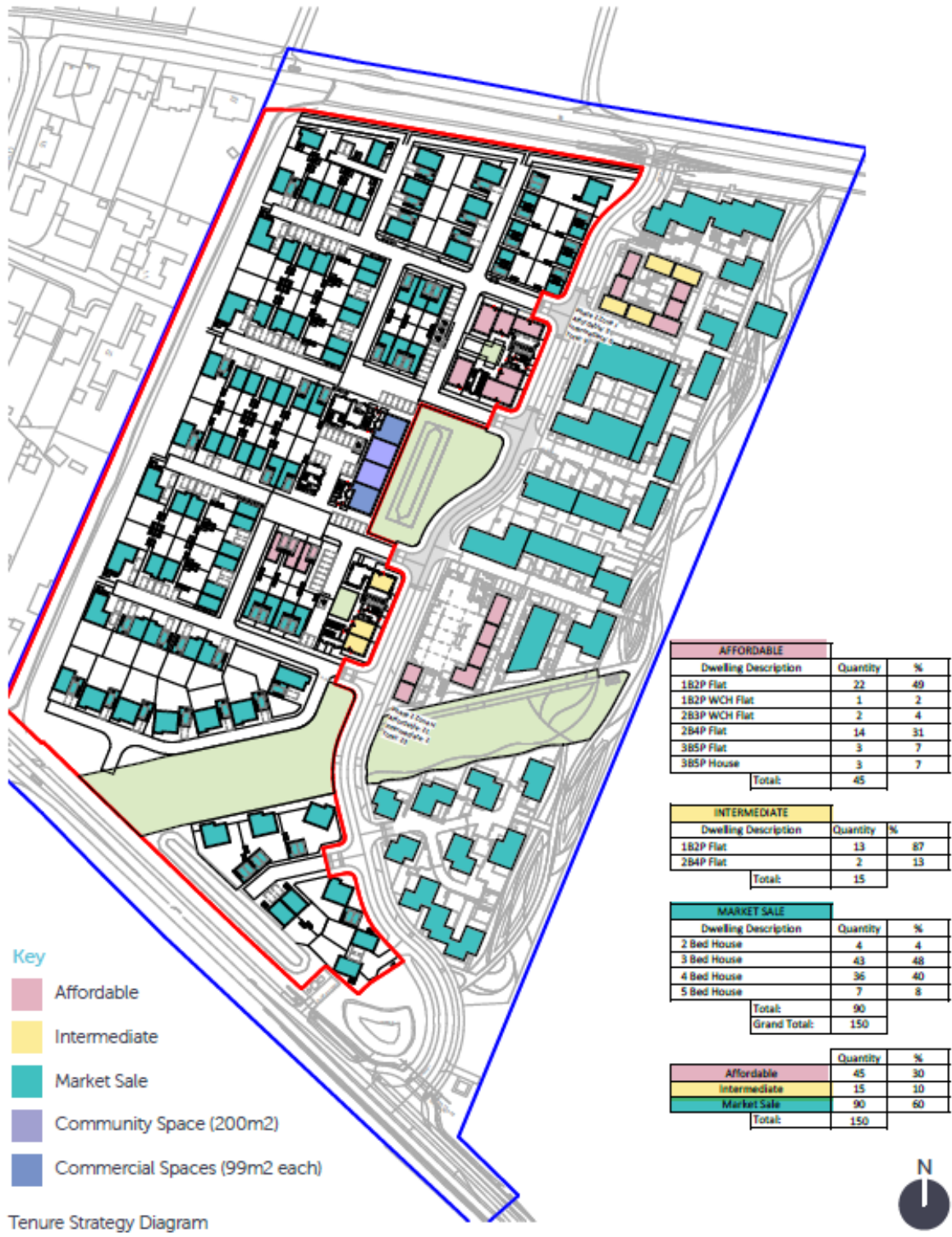
- 23 x 1 Bed, 2 Person Flat (1 of which adaptable)
- 2 x 2 Bed, 3 Person Flat (both adaptable)
- 14 x 2 Bed, 4 Person Flat
- 3 x 3 Bed, 5 Person Flat
- 3 x 3 bed, 5 Person House

Homes at 80% of market rent

- 13 x 1 Bed, 2 Person Flat
- 2 x 2 Bed, 4 Person Flat

3.11 The proposed mix for the affordable housing units therefore responds to the local housing need outlined in section 3.3.1.

3.12 A plan showing the location of the Affordable Housing on site (within the red line boundary) is included below. The affordable housing units on the Eddeva Park development which will be purchased by CCC (and sit outside the redline boundary of the Newbury Farm development) are also shown for reference.



4 Site Details

- 4.1 An outline application under the reference 19/1168/OUT was granted by the Council on the 24th May 2021 which included the delivery of 150 homes, including 60 affordable homes.
- 4.2 The site is identified in Cambridge City Local plan as an area suitable for development to contribute towards Cambridge's 2031 aspirations. The site and an adjoining field to the north of Worts Causeway are identified as GB1 and GB2 (GB2 being the current site). These sites are allocated as to be released from Cambridge Green Belt for residential development.
 - 4.2.1 The Council's internal policy relies on being in line with planning obligations. Subject to the Deed of Variation, the current S106 agreement for the site specifies a 75%/25% split of the affordable housing component between affordable and intermediate homes. The Council's policy, however, require homes delivered as part of planning obligations to be let at 60% of market rent or Local Housing Allowance.
 - 4.2.2 As per section 3.10, a variation to the S106 agreement is being negotiated on the basis that the 15 homes designated as intermediate housing can be let at 80% of market rent. The other 45 homes designated with the S106 agreement are to be let at 60% of market rent (capped at LHA).
- 4.3 CIP have agreed to deliver the scheme to meet the Council's Employers Requirements. The Council will employ an Employers Agent and Clerk of Works to ensure quality is monitored throughout. NHBC (or equivalent) build mark choice warranty provision will be in place.
- 4.4 The scheme will deliver:
 - 4.4.1 New sustainable homes in compliance with Future Homes Standards (gas free and utilising Air Source Heat Pumps) with lower running costs.
 - 4.4.2 Combination of unit sizes including provision of flats and family homes ranging from 1 to 3 beds responding to the current increasing housing needs.
 - 4.4.3 Connectivity and sustainable transport by providing cycle and pedestrian access onto Babraham Road (A1307), a major road link into Cambridge City Centre.
 - 4.4.4 Green and open space for residents.
 - 4.4.5 Biodiversity net gain.
 - 4.4.6 Secure cycle parking provided.
 - 4.4.7 0.5 parking spaces per flatted dwelling and 1:1 parking space per house. 5 disabled parking spaces provided.
 - 4.4.8 Secure by design compliant homes.
- 4.5 The proposed scheme layout is included as Appendix 1.

5 Planning Application

- 5.1 An outline application (ref: 19/1168/OUT) was approved by the local planning authority on 24th May 2021, which covers the entirety of the site.
- 5.2 A reserved matters application is expected to be submitted in Q1 2024.

6 Programme

- 6.1 The indicative start on Site for the development is Summer 2024, with an anticipated completion date in Spring 2027.

7 Financial Implications

- 7.1 The total indicative capital cost of the Newbury Farm affordable housing is estimated at **£15,285,000**. This includes the purchase price of the dwellings and all associated internal and external fees.

- 7.2 This can be broken down as follows:

Affordable Housing acquisition	£14,460,000
External Fees	£536,100
Contingency	£289,200
Total	£15,285,300

- 7.3 It is proposed that the investment will be jointly met from HRA resources and use of Right to Buy receipts.

- 7.4 This will result in the following initial mix of funding:

Right to Buy receipts:	£2,292,750
Devolution Grant:	£0
HRA resources:	£12,992,250
General Fund	£0
Total:	£15,285,000

- 7.5 The housing capital budget will be £15,285,000, to be drawn down from the budget set aside for the new build housing programme in the January 2024 BSR.

8 Implications

(a) Staffing Implications

The development scheme will be managed by the Housing Development Agency, Development, Place Group.

(b) Equality and Poverty Implications

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

as ways in which new Affordable Housing will directly save money for tenants, such as energy saving measures and reducing the impact of fuel poverty. EQIA attached as Appendix 2.

(c) Environmental Implications

A Renewable Energy Assessment will inform the Development proposals submitted for planning approval. Current proposals intend to achieve at least a 40% reduction in emissions against Part L 2021 of the Building Regulations. This is in line with the new building regulations which came into effect in 2023. Water usage will be restricted to a maximum of 99 litres per person per day, an improvement against current planning policy. Further opportunities to explore improving the sustainability offer will be considered albeit balanced against the viability pressures affecting this scheme which CIP have secured on the open market.

(d) Procurement Implications

CIP have selected the Council as its affordable housing provider as required by the S106, and acquisition will be supported by a RICS Valuation.

(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 Council's Design Brief.

9 Risks

The table below setting out key risks associated with the project:

Description of risk	Likelihood	Impact	Mitigation
Cost Risk – Construction Works	Low – the council aims to enter into a fixed-price work contract.	Increased build cost.	Fixed work costs agreed on signing of contract mitigate this risk.
Construction - Delivery	Med- Market led development therefore may be affected by market factors. However, Outline Planning Approval is in place and underlying demand in Cambridge remains strong. Also risk due to reliance on 3 rd party (This Land) to deliver necessary infrastructure works.	Failure to deliver the council rented homes. A risk of some delay to the programme but risk of non-delivery is low.	Confirmation planning approvals are in place. Due diligence before contract and payment structure to ensure Council payment is on certificates of actual work.

Description of risk	Likelihood	Impact	Mitigation
Construction - Quality	Low - risk of CCC design & spec requirements not being met, and risk of poor quality control on site during construction.	Med- will impact potentially on quality standards of completed buildings; increased defects.	CCC to employ EA and Clerk of Works to oversee scheme. Contract will include agreed specification and drawings for the units. Strong relationship with CIP/Hill provides solid basis for quality assurance.
Developer insolvency	Med- the construction and development industry may be impacted on further by changes to the economy.	High - would delay delivery and potentially increase costs whilst administrators managed process.	Undertake financial checks on company, include performance bond and parent company guarantee and NHBC contractor insolvency in requirements. Relationship with Hill as trusted partner with strong financial covenant provides mitigation.
Resources	Low- Allocation of resource is within CCC control	Low	Project management of scheme can be contained within current HDA resourcing
Planning	Med- Proposals have been developed through a series of pre-apps and within the context of an existing outline consent.	High- Planning refusal for reserved matters would delay delivery and increase costs (financing, consultants, etc.)	The project team are engaging with planners to design a scheme which is policy compliant and responds to their concerns raised during the pre-app process.
Sustainability Standards	Low – Homes are delivering an improvement on building regulation standards.	Med – Change in the Council’s requirements will result in additional costs being incurred.	Homes are delivered to the specification currently agreed with CIP. CCC retain option to agree further variations to enhance sustainability measures.

10 Background papers

[Newbury Farm Strategy and Resources Committee Report – July 2022](#)

[Newbury Farm - Updated Project Plan – March 2023](#)

[Eddeva Park HSC Report – September 2023](#)

11 Appendices

Appendix 1 – The proposed scheme aerial layout

Appendix 2 – Equality Impact Assessment

12 Inspection of papers

To inspect the background papers or if you have a query on the report please contact Benedict Binns, Housing Development Agency, email: ben.binns@cambridge.gov.uk

Appendix 1 – Proposed Scheme Aerial Layout



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Appendix 2

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 or phone 01223 457046.

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

1. Title of strategy, policy, plan, project, contract or major change to your service
Purchase of Affordable Homes at Newbury Farm
2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)
https://www.cambridge.gov.uk/housing-development
https://www.cambridge.gov.uk/affordable-housing-programme

3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

The Newbury Farm site is being developed by CIP on the south-east fringes of Cambridge. The development will be located on the site between Worts' Causeway and Babraham Road on Cambridge's urban edge.

This report seeks approval for a capital budget to purchase 60 affordable homes from the Cambridge Investment Partnership (CIP), as Council homes.

The aims of the Council in redeveloping this area are:

1. Provide additional social housing to help meet the shortfall in Cambridge and replace the Council's existing housing stock which no longer meets present-day standards. The new buildings will be designed to as close to Passivhaus or equivalent performance standards to reduce energy usage and tackle fuel poverty.

4. Responsible service

Cambridge City Council's 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 redevelop this area 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.

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 may 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:

- Customer and Community Services – advice on community facilities being provided through this new development as well as consulting with local community groups and stakeholders through the process
- 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
- 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
- Cambridge Investment Partnership (CIP) - a joint venture partnership between CCC and Hill Partnerships 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 East Barnwell is to be presented to the Housing Scrutiny Committee meeting of 23rd January 2024.

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 HDA 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 and community facilities.

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 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

Consultation has been undertaken with affected residents, commercial leaseholders, service users and local communities prior to planning applications being submitted. To date consultation has taken the form of letter-drop notifications, in-person drop in events, flyers, posters, website and online webinars to introduce the proposal to all residents. Assisted by internal council services, consultation methods are tailored to the individual 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 5% adapted homes suitable for wheelchair users. All general needs housing is provided at 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.

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 to affordability and condition of the private rented sector, homelessness issues and the need to support vulnerable people. The provision of more affordable housing at social or intermediate rates 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 the lower quartiles 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 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.

(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 HDA 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 suitably adapted or adaptable.

Demarcated disabled parking will be provided at appropriate locations to serve tenants and service users, 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.

To ensure that all parties are fully informed and to cater for specific needs, all correspondence and information is made available to residents in varied formats when required.

(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 with the council. As with other equality groups, an increase in 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.

Improving the local community facilities; including community centre, library, open spaces, and recreation facilities will have a positive impact. These spaces will provide opportunity for community groups to meet and socialise.

(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

2 and 3 bedroom homes will be provided on this development. These will be available to bid on by women who are pregnant (24 weeks or more) or who have recently had children meaning they need to move to larger accommodation. Private and shared amenity space will be provided alongside the housing and community facilities including play equipment for children.

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.

The Council makes 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 to WCs).

The community centre to be reprovided may be used by different faith groups however consultation with local groups will continue and the need for this has not yet been identified.

(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**
- **Groups who have more than one protected characteristic that taken together create overlapping and interdependent systems of discrimination or disadvantage. (Here you are being asked to consider intersectionality, and for more information see: https://media.ed.ac.uk/media/1_159kt25q).**

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 of flats meeting Passivhaus or equivalent performance 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: Benedict Binns, Assistant Director, Development

Original document completed 22nd September 2022. Other team members consulted: Jaques van der Vyver, Programme Officer. Kate Yerbury, Equality and Anti-Poverty Officer.

Document updated: - January 2024.

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

Cambridge City Council

Record of Executive Decision

Homelessness Decision Reviews

Decision of: Councillor Bird Executive Councillor for Housing and Homelessness

Reference: 23 / URGENCY/HSC/17

Date of decision: 20/12/23 Date Published on website: 21/12/23

Decision Type: Key

Matter for Decision: To authorise the outsourcing of the homelessness reviews process in accordance with the Council's procurement procedures and to retrospectively authorise the outsourcing of the homelessness reviews process from 31st May 2017, until the date of the authorised recommendation.

Why the Decision had to be made (and any alternative options): As set out in the Officer's report.

The Executive Councillor's decision:

- i. Authorised the outsourcing of the homelessness reviews process in accordance with the Council's procurement procedures and to note that renewals of this function, by contract, will also be subject to the Council's procurement procedures. This is until such time as the Council wishes to put in place alternative arrangements for undertaking homelessness reviews, for example by carrying them out in-house.
- ii. Retrospectively authorise the outsourcing of the homelessness reviews process from 31st May 2017, until the date of the authorised recommendation, set out in i above.

Reason for the decision: As set out in the Officer's report [Document 231220 -Urgent Decision -Homelessness Reviews - Cambridge Council](#)

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

Report: Available via: [Document 231220 -Urgent Decision -Homelessness Reviews - Cambridge Council](#)

Conflict of interest: None.

Comments: Opposition Spokes Councillors queried the circumstances of the matter and assurance that procedures were now in place to prevent a similar issue arising.

Homelessness Decision Reviews

To:

Councillor Gerri Bird, Executive Councillor for Housing
Urgent decision

Report by:

Simon Hunt, Housing Services Manager – Housing Advice
Tel: 01223 457932 Email: simon.hunt@cambridge.gov.uk

Wards affected:

All

Key Decision

1. Executive Summary

- 1.1 This report informs Members of the homelessness reviews process at Cambridge City Council and is requesting permission to outsource this function.
- 1.2 At Community Services Scrutiny Committee in March 2013, the Executive Councillor agreed, subject to Council accepting a recommendation to treat its functions relating to the review of homelessness applications as executive functions, to continue outsourcing the homelessness reviews process.
- 1.3 This outsourcing arrangement had been in place since 2004. However, a recommendation to approve the outsourcing did not go to Council at that time. As the review had been treated as a Council function (because reviews were carried out by members), the decision on its outsourcing should have been made by the Council.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Authorise the outsourcing of the homelessness reviews process in accordance with the Council's procurement procedures and to note that renewals of this function, by contract, will also be subject to the Council's procurement procedures. This is until such time as the Council wishes to put in place alternative arrangements for undertaking homelessness reviews, for example by carrying them out in-house.
- 2.2 Retrospectively authorise the outsourcing of the homelessness reviews process from 31st May 2017, until the date of the authorised recommendation, set out in 2.1 above, if approved.

3. Background

- 3.1 The Council has a duty to accommodate certain categories of homeless persons as defined by the part VII of the Housing Act 1996 (as amended). If an applicant wishes to appeal against an adverse homelessness decision, there is a right to request a review of the decision as cited in s202 of the Act. Cambridge City Council has outsourced statutory reviews of homelessness decisions since 2004.
- 3.2 On 14th March 2013, a report to Community Services Scrutiny Committee requested, and received, from the Executive Councillor for Housing:
 - 1) Support for a recommendation laid out in a report to Civic Affairs Committee, that the Council treats its functions relating to the review of homelessness applications under the Housing Act 1996 as executive functionsand, as a result:
 - 2) Permission for the Council to continue to outsource the homelessness reviews function for up to 5 years
- 3.3 In July 2023, the Council received a legal challenge to a homelessness review decision. Under current contractual arrangements, reviews of the Council's homelessness decisions are carried out by a company

called Housing Reviews Limited. Their contract runs until 30th September 2024.

- 3.4 As part of this challenge, the appellant's barrister submitted a ground of appeal alleging that the review decision was unlawful because our Executive had not authorised the contracting out of the homelessness review function in accordance with our constitution. It's possible that this ground was raised on a speculative basis because we had not disclosed to the appellant a record of the outsourcing authority amongst our other disclosures.
- 3.5 In preparing for the defence of the appeal, our Counsel was provided with a copy of the Civic Affairs Committee report and meeting minutes from 20th March 2013, whereby (following approval by Executive Councillor for Housing at Community Services Scrutiny Committee on 14th March) the committee resolved to recommend that the Council treats its functions relating to the review of homelessness applications under the Housing Act 1996 as executive functions.
- 3.6 The minutes from Community Services Scrutiny Committee on 14th March 2013 confirm that the Executive Councillor for Housing resolved to support the recommendation made to Civic Affairs Committee that the Council treats its functions relating to the review of homelessness applications as executive functions and, subject to Council approval, to authorise the Director of Community Services to continue outsourcing the homelessness reviews process. Council approved this at its meeting on 18 April 2013. However, the recommendation for re-tendering the contract was for a period of a maximum of 5 years only, once the contract that was in place at that time had expired. The new contract that commenced on 30th September 2013 expired on 31st May 2017.
- 3.7 Based on Counsel's advice that we did not have up to date authorisation to outsource homelessness reviews when the review in this case was carried out, and that the review was therefore unlawful, we agreed by consent order, and without disclosing the reason behind this decision, to withdraw the review decision in the case and carry out a fresh review.
- 3.8 We currently have a number of other homelessness decisions that are awaiting review decisions and, without the necessary authority from Executive Councillor, are unable to instruct our external contractor to carry out these reviews. Furthermore, we will almost certainly continue

to receive new review requests on a regular basis. We have no available resource to carry out these reviews internally. For these reasons we are seeking an urgent decision on a recommendation to authorise the continued outsourcing of the homelessness reviews process.

- 3.9 Additionally, and as our current contract with Housing Reviews Limited expires on 30th September 2024, we are also seeking authority, subject to procurement regulations, to continuing outsourcing the review process for an indefinite period, or until such time as we wish to make other arrangements for carrying out homelessness reviews. This would avoid the need for us to obtain Executive Councillor approve to continue outsourcing the review function each time a contract with an external provider expires.
- 3.10 Furthermore, in line with Counsel's advice and in order to mitigate the risk of legal challenges against review decisions taken during that period, we are seeking retrospective authority for the outsourcing of homelessness reviews from 31st May 2017, the date when the previous authority, in effect, expired, until the date of authority to continue outsourcing the review process, if applicable.

a) Financial Implications

We have a contract in place with Housing Reviews Limited to carry our homelessness reviews and a designated budget for this purpose.

b) Staffing Implications

We do not have the staffing capacity to carry out reviews within the Housing Advice Service, which is one reason why we wish to continue outsourcing this work. To bring the work in-house would require additional staffing.

c) Equality and Poverty Implications

The Homelessness Code of Guidance states that housing authorities need to ensure that policies and decisions relating to homelessness and threatened homelessness do not amount to unlawful conduct under the Equality Act 2010 and comply with the Public Sector Equality Duty. In relation to homelessness reviews, these obligations apply whether or not reviews are

undertaken internally or by a third-party organisation like Housing Reviews Ltd. Therefore, an Equality Impact Assessment is not needed to inform decision making on this recommendation.

d) Net Zero Carbon, Climate Change and Environmental Implications

None.

e) Procurement Implications

Our contract with Housing Reviews Limited runs until 30th September 2024. Within the recommendation, we are seeking authority to procure further contracts for homelessness decision reviews after that date.

f) Community Safety Implications

None.

4. Consultation and communication considerations

None.

5. Background papers

Background papers used in the preparation of this report:

Report on homelessness reviews by the Director of Community Services for Community Services Scrutiny Committee on 14th March 2013 and minutes from that meeting.

Report on a constitution amendment in respect of the review of homelessness decisions by the Head of Legal Services for Civic Affairs Committee on 20th March 2013 and minutes from that meeting.

Recommendation to Council 18 April 2013 and minutes from that meeting.
[Agenda for Council on Thursday, 18th April, 2013, 6.00 pm - Cambridge Council](#)

6. Appendices

None.

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Simon Hunt, Housing Services Manager – Housing Advice, Communities Group, Cambridge City Council.
Telephone 01223 457932 email simon.hunt@cambridge.gov.uk