



Cambridge City Council

Housing Scrutiny Committee

Date: Tuesday, 17 September 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 7 - 36)
- 4 Public Questions

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

Decisions for the Executive Councillor for Housing

- 5 Compliance Update (Pages 37 - 50)
- 6 Rent Regulation Error Update Report (Pages 51 - 56)
- 7 Review of Garage Charging Policy (Pages 57 - 68)
- 8 Review - Storage in Communal Areas - Zero Tolerance Policy / Fire Safety in Communal Areas Policy (Pages 69 - 84)
- 9 HRA Medium Term Financial Strategy (Pages 85 - 188)

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

Decisions for the Executive Councillor for Housing

- 10 Update on New Build Council Housing Delivery (Pages 189 - 266)
- 11 Report on Outcome of Rooftop Feasibility Study (Pages 267 - 282)
- 12 Delivery of Refugee Housing Funded Through the LAHF Round 3 (Pages 283 - 290)

- 13 Redevelopment of 2-28b Davy Road, including associated land and Garages (Pages 291 - 338)
- Appendix 3 to the report contains exempt information during which the public is likely to be excluded from the meeting subject to determination by the Scrutiny Committee following consideration of a public interest test.

This exclusion would be made under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Housing Scrutiny Committee Members: Griffin (Chair), Robertson (Vice-Chair), Baigent, Gawthrop Wood, Lee, Martinelli, Swift, Thittala and Tong

Alternates: Bennett, Nestor, Porrer, Pounds and Young

Tenants and Leaseholders: Diane Best (Leaseholder Representative), Harmony Birch (Tenant Representative), Diana Minns (Tenant Representative), Mandy Powell-Hardy (Tenant Representative) and Justyna Ulman-Jaworska (Tenant Representative)

Executive Councillors: Bird (Executive Councillor for Housing) and Holloway (Executive Councillor for Community Safety, Homelessness and Wellbeing)

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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.

Terms of Reference

A. Overview and scrutiny of the strategic and other housing functions for which the Executive Councillor for Housing is responsible, including responsibility for the development of housing strategies and policies, tackling homelessness, the Council's housing responsibilities with regard to the private rented sector, bringing vacant homes back into use, the development of new homes and partnership working with other housing providers.

B. Overview and scrutiny of functions relating to the management of the Council's housing stock.

C. To be the main discussion forum between the Council, its tenants and its leaseholders for all matters relating to the landlord function of Cambridge City Council.

Membership

City Councillors (Such number as shall be decided by the Council from time to time)

Six elected tenants and leaseholders of Cambridge City Council of whom at least five shall be tenants of Cambridge City Council.

Appointment of tenant and leaseholder members

Tenant and leaseholder members shall be co-opted by the Scrutiny Committee following the procedure for election set out in the Overview and Scrutiny Procedure Rules in Part 4E.

Voting

Tenant and leaseholder members are voting members in respect of matters concerning the management of the Council's housing stock (Part 1 of the agenda.) Tenant and leaseholder members may contribute to discussion of other matters (Part 2 of the agenda) but shall not have a vote.

Appointment of Chair

The Chair of the Scrutiny Committee shall be appointed by the Council and be a councillor and shall chair Part 2. The Vice-chair shall be nominated by the elected tenants and leaseholders and shall chair Part 1 if present. If the Chair or Vice-chair is not present, a councillor shall be appointed as the Vice-chair for that meeting.

Other matters relating to elected tenants and leaseholders

These are set out in the Overview and Scrutiny Procedure Rules in Part 4E. They include information about the roles, responsibilities and training of tenant and leaseholder representatives, expenses and allowances, and the circumstances in which they may cease to be members of the Committee.

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HOUSING SCRUTINY COMMITTEE18 June 2024
5.32 - 11.05 pm

Present: Councillors Griffin (Chair), Robertson (Vice-Chair), Baigent, Gawthrop Wood, Lee, Martinelli, Swift, Thittala and Tong

Executive Councillors: Bird (Executive Councillor for Housing) and Holloway (Executive Councillor for Community Safety, Homelessness and Wellbeing)

Tenant/Leaseholder Representatives: Diana Minns (Vice Chair), Harmony Birch, Diane Best, Mandy Powell-Hardy Justyna Ulman-Jaworska

Justyna Ulman-Jaworska left the meeting after the consideration of item 24/30/HSC.

Officers present in person:

Assistant Director, Housing and Homelessness: Samantha Shimmon

Assistant Director, Development: Ben Binns

Housing Strategy Manager: Helen Reed

Committee Manager: Sarah Steed

Meeting Producer: Boris Herzog

Others Present:

Head of Finance and Business Manager: Julia Hovells

Asset Manager: Will Barfield

Strategic Delivery Manager: Sean Cleary

FOR THE INFORMATION OF THE COUNCIL**24/21/HSC Apologies**

No apologies were received.

24/22/HSC Declarations of Interest

Name	Item	Interest
Councillor Tong	24/26/HSC	Personal: Member of Unite
Councillor Baigent	24/26/HSC	Personal: Member of Unite.
Councillor Robertson	24/26/HSC	Personal: Member of Unite.
Councillor Bird	24/26/HSC	Personal: Member of Unison.
Diana Minns	24/26/HSC	Personal: Member of Unite.

Councillor Thittala Varkey	24/26/HSC	Personal: Member of Unite.
Councillor Holloway	24/26/HSC	Personal: Member of Unite.

24/23/HSC Minutes

The minutes of the meeting held on 12 March 2024 were approved as a correct record and signed by the Chair.

24/24/HSC Co-option and introduction of Tenant and Leaseholder Representatives and appointment of Vice-Chair (Tenant/Leaseholder Rep) for 2024/25

The Chair welcomed new and returning Tenant and Leaseholder Representatives following the recent election process and the Committee noted their co-option onto Housing Scrutiny Committee

Diana Minns was appointed Vice-Chair Tenant Representative for Municipal Year 2024/25.

24/25/HSC Public Questions

Question 1 – Agenda item 8

- How much of this work is currently carried out by in-house staff? if so what work is this?
- What is meant by it is almost certain that there could be TUPE implications for the council in respect of staff and contractors currently working for Fosters Property Maintenance limited but is unlikely that former LGPS staff pensions will transferred to the new providers Why?
- Has an options appraisal exercise been done? Including consideration for an in-house bid for any of the work?
- Has an inhouse bid been considered? If we make an in-house bid we can develop the skills to maintain the new builds, securing future in-house jobs for a directly employed workforce.
- If not why?
- Has there been an outline business case carried out?
- Could you explain why there is a 11% variation on the estimated value of the contract £6m to £7m?

- What are the measures for 'social value will be in the contract? that past outsourced contracts have led to wages stagnating, lack of the Real Living Wage, poor health, and safety.

The Executive Councillor for Housing responded:

- i. None of this work was currently carried out by in-house staff. Contract management together with property surveys for some work streams were carried out by the Asset Management team in City Services. Actual delivery of the work was carried out by appointed contractors.
- ii. There were no staff who used to work for Cambridge City Council who now worked for Foster Property Maintenance, so there would be no TUPE involving the Council and the Local Government Pension Scheme. There could be staff employed by Foster Property Maintenance and their supply chain who had protection under the TUPE regulations.
- iii. The Estate and Facilities team developed a new Procurement Strategy in 2022 and this was used to develop the proposals in the report. This considered the size and scope of the proposed contract, contract term, procurement method and criteria. There was no current proposal for an 'in-house bid' for this work.
- iv. If a decision was taken to bring the work 'in house' this would be after a full business case demonstrated that this was the best solution and would offer value for money.
- v. The Council was currently undergoing a corporate transformation process. There were no current internal resources available to deliver this work. A lot of the work being tendered was specialist in nature and there was not always sufficient guaranteed volume to sustain an in-house delivery team.
- vi. There had not been a business case completed for creating an in-house team to deliver the work.

The following responses to questions were provided outside the meeting:

- i. This was a programme of work that would take place in the future, so could only provide estimated annual contract values within a range. This should be enough to provide bidders with information to help them to decide whether to bid, and it also provided the Council with flexibility when planning annual programmes of work.

- ii. The details of the Social Value requirements would be set out in the specifications for the contract. This was being finalised. Social Value would be part of the tender evaluation criteria and bidders were expected to make clear proposals regarding:
- apprenticeships and work placements;
 - reduction of waste and pollution;
 - creation of a thriving local economy;
 - reduction of energy, carbon emissions and water use;
 - increase of biodiversity.

Question 2 – Agenda item 6

The residents have lived in Ekin road for a number of years ranging from a few years to 40 + years as these buildings were built in the fifties and now it's 2024 the buildings are subsiding ,walls with no insulation, mould on the walls in all the rooms and windows, leaks in the pipes ,no lifts in the flats ,roads unsafe ,and people have lived in these conditions for years why has it taken this long to decide whether or not to pull it down this should have been done years ago . All the house's and all the flats are in serious trouble EVERY SINGLE PROPERTY should be demolished let Ekin Road have a new lease of life it's time this is 2024 .Cambridge is in need of more affordable homes so think about what is going on around us there are more and more homeless families plus with the Barnwell road development this would generate more homes more jobs and people be more happier living in a area knowing it's safer for there families places for children to play it doesn't matter if you live in the north south east or west of Ekin road the buildings need to come down I know the minority want to save their house's but think about the majority of the residents who live in Ekin road who want out.

They don't want there child to be the next casualty to be taken into hospital with pneumonia after in haling the spores from black mould this should not be happening are you going to risk the life's of many to suit 14 homes out of 122 homes do they not realise that they are causing suffering to the residents some have new born babies the mental health is now at breaking point. So after reading this my question is.

Why are the council not listening to the council residents and some home owners of Ekin road myself and my partner have been speaking to the residents and I am now speaking on there behalf you say you have spoken to us .but have you listened to the residents we have been telling you that it needs to be demolished and all we hear is yes we know but until you have

lived in one of the flats or houses that are in desperate need of repair you won't know what it's like to live in these conditions.

The Executive Councillor for Housing responded:

- i. The estate had undergone a thorough options appraisal process to review the opportunities for the future of the estate. It was important that this work was done carefully and thoroughly, as it impacted many homes.
- ii. Everything had been carefully considered, including the current condition of the estate, planning policy, financial viability and importantly feedback from the community.
- iii. There had been ongoing resident engagement since September 2021. The council had held events, conducted 3 x surveys, continuously offered confidential appointments, regularly held liaison group meetings, and knocked on all the doors on the estate to understand resident's needs.
- iv. There was a mixture of views on the estate and the council had listened and responded accordingly.
- v. Was aware of the conditions that many residents were living in, particularly in the flats and agreed it was important for a decision to be made. Wanted to thank all residents for being patient during this process and would continue to provide close support to everyone impacted by the proposals.

Supplementary Public Question:

- i. Questioned the ability of a councillor sitting on Housing Scrutiny Committee to support a particular viewpoint / group regarding a redevelopment proposal.

Post meeting note:

- i. At Housing Scrutiny Committee, it is the Executive Councillor (for this issue, Councillor Bird) who is the decision maker for the redevelopment report.
- ii. Members of the Housing Scrutiny Committee can discuss reports at the Scrutiny Committee and vote on a recommendation to the Executive Councillor, but the Scrutiny Committee members are not the decision makers.

Question 3 – Agenda item 6

As a freeholder in Ekin Road, I wholeheartedly approve the Council's plans to redevelop Ekin Road, and keep the 14 houses on the South side, even though this means my house will be demolished. I think this plan is a good compromise, balancing the need for redevelopment with the residents' opinions.

The flats, and many of the houses on Ekin Road, are of poor quality and in urgent need of upgrading. They are quite simply not safe to live in.

The proposed designs create the much needed new family homes, increase parking, and make use of a lot of the wasted green space currently found to the east and west of the estate.

I believe the Committee should vote to approve the plans, any more delay is an insult to the residents that have been in limbo for 3 years.

The Executive Councillor for Housing responded:

- i. Thanked the residents living in the houses and the flats on the Ekin Road estate, including council tenants and homeowners for being patient during this process. It was useful to hear from everyone throughout this process and hoped that a decision would mean that residents could plan for the future.

Question 4 – Agenda item 6

We are the Save Ekin Road community group, and we are writing to you regarding Cambridge City Council's proposals for Ekin Road. We are a group of 60 council tenants, leasehold and freehold residents. As done in the past, we wish to express our concerns regarding the investigation work and potential development of our estate.

We note Agenda Item 6 of this meeting, where the Council is now putting forward a proposal to redevelop a majority of the Ekin Road estate. We welcome a houses-led development of Ekin Road. We welcome the redevelopment of the flats and emergency Home-Link banding for those council tenants. We welcome the rehousing prioritisation of tenants whose living conditions are the worst on the estate.

However, although we welcome the retention of the 14 houses on the southern edge of the estate, we believe that this does not go far enough. We have repeatedly asked the Council to preserve all 32 semi-detached houses on the

estate; this proposal only preserves 14, which is less than half. We cannot accept this.

Having reviewed the proposal for the estate, and having consulted our members, we now wish to make the following three requests to the Council, which we believe are reasonable and justified, with reasons to follow below:

Request 1:

We request that the 6 semi-detached houses in the north-east corner of the estate (odd numbers 13-23 inclusive) be retained in the redevelopment of Ekin Road, in addition to those 14 houses on the southern edge of the estate (odd numbers 33-59).

Request 2:

We request that the Council prioritise rehousing all those council tenants from houses that are to be demolished into the retained Council-owned houses, making use of those which currently house temporary residents or are void.

Request 3:

We request that any refurbishment work done on any Council-owned retained houses on the estate is only to be carried out after a full and thorough consultation with the affected residents, to understand their concerns and the impact on them. And we request that any decision to proceed with such works is first brought back to this Housing Scrutiny Committee for approval.

- Our reasons for request 1 are as follows: The majority of the residents in those houses have expressed a strong desire to keep their homes, and some have been in theirs for over 40 years. These are well-loved family homes, and there are no intrinsic reasons to take them down.
- Several of the residents in those houses have physical, or mental, health issues, for which their house is their lifeline. To forcibly remove them from their home will substantially reduce their quality of life, in ways that, for many, will be irreversible. We will not articulate their (very personal) circumstances here; the Council has already been made aware directly from them.
- There is a strong sense of community even within those 6 houses. Many residents are very close, and have been family friends for decades. There is also a community connection to the remainder of the estate, with some of those residents having relatives who live in the retained 14 houses on the southern edge of the estate.

- As per page 6 of the BPTW document, full redevelopment of the north-east corner would only lead to a net gain of 3 houses compared with retaining those 6 existing houses and “building around them”. Thus, it is extremely wasteful and unnecessary to carry out so much demolition.
- The remainder of the design plans for the estate are undisturbed if those 6 houses in the north-east are retained. Again, as per page 6 of the BPTW document, all that would change is the layout of that north-east area, and nothing else.
- We are aware of various protected species which live in the gardens of the houses in the north-east corner, whose habitats would be destroyed if those houses are demolished.

Our reasons for request 2 are as follows:

- There is absolutely nothing wrong with the houses in the centre block and northern edge (numbering 12 in total). They are merely “inconveniently placed” for the redevelopment that the Council is proposing. As such, those residents are paying a significant personal price for the redevelopment that the Council wishes to carry out, and so should be assisted to the fullest possible extent.
- Several of those living in these houses as council tenants have been in them for decades, with the longest-standing council-resident having been in theirs for over 50 years. That's half a century where this person has made that their home, has diligently paid rent, and has cared for their home and raised their family in it. If these residents are to be forcibly moved from their longstanding homes, then the harm to them should be minimised by offering them a near-identical house on the same street, given that such housing is indeed available.
- Residents in those houses have strong ties to the area, and to the local community, including to those living in the 6 houses in the north-east of the estate, and the 14 houses on the southern edge. It adds insult to injury to not only take these people's homes, but also take them out of the community they have known and adored for most of their lives.

Our reasons for request 3 are as follows:

- A refurbishment of any retained houses might be a significant undertaking, potentially leading to substantial changes to people's family homes, as well as to a possible resident decant for a prolonged period.

- Such impact needs to be properly understood before any decision is made on whether, and how, to carry out such a refurbishment.
- It would be totally counterproductive for the Council to “save” several council houses on the southern edge (and in the north-east corner), for those residents to be then evicted from their homes anyway, potentially permanently.
- The severe impact this might have on residents therefore warrants further consideration by this committee before a final decision is made on any such refurbishment.

We hope the Council can see that our requests above are a significant concession from our group, as we are no longer calling for the retention of all 32 semi-detached houses on the estate, but rather for this reduced set of 20 houses. Having looked at the plans for the estate we believe that, with the changes outlined in Request 1 and the harm-minimisation actions outlined in Requests 2 and 3, this might become a proposal that our group can openly support. Unfortunately, as things currently stand, it is not.

We believe that our requests here are reasonable, and moreover implementable, without causing disruption to the overall plans for our estate. We simply want to be able to preserve our community and way of life, and these minor changes to the proposal would make that possible.

Kind regards,
Save Ekin Road

The Executive Councillor for Housing responded:

- i. The need to keep the four groups of houses on the Ekin Road estate within the redevelopment had been carefully considered.
- ii. At this stage, a planning application had not been submitted and further work with the planning officers through pre-app meetings was still required.
- iii. The team were working to address the key issues, including the provision of enough open space across the new estate and the level of affordable housing that could be provided.
- iv. While the team worked to resolve these issues there would be further engagement with residents and the need to redevelop the whole of the area within the new red line would be kept under review. The current assessment included the six houses to the east of Ekin Road.

Supplementary public question:

- i. There were many aspects of the proposals which they liked, and they would have liked to have shown support for the proposal. However, they could not because of the proposed removal of the six houses in the northeast corner. Many of the residents who lived in that corner were distraught at the prospect of losing their homes and were some of the most fragile and vulnerable members of the community. To remove them from their homes would be devastating for them. Officers were being made aware of their personal circumstances.
- ii. The proposals were to demolish these six houses and replace them with nine houses. Of the nine replacement houses, 56% would be sold off (i.e. five houses to pay for the remaining four houses and three of the four houses would be social rent). Asked the council to reconsider the proposals as part of the design process and to leave these houses. Remained in opposition to the proposals to protect the residents living in the northeast corner.

The Executive Councillor for Housing responded:

- i. With reference to the six properties in the northeast corner. There were three freeholders who were willing to sell their properties. A meeting had taken place the night before the Scrutiny Committee meeting with the tenants, public speaker, officers, and Executive Councillor.
- ii. Understood that officers had advised that they would look to relocate the three tenants together so that they could still live as neighbours together.
- iii. The fourteen houses to the south were no longer being redeveloped.
- iv. The redevelopment proposals needed to include the six houses in the northeast corner. The decanting process awarded all affected council tenants with the highest priority on the housing register and one-to-one support throughout the process.
- v. Priority for shortlisting of council properties would be allocated based on severity of the damp, mould or condensation as well as the age and vulnerability of household members.
- vi. The regeneration team were committed to working with each household on a case-by-case basis and were happy to review moving options within or close by to Ekin Road, depending on availability and personal circumstances.

- vii. The council had a good track record of relocating neighbours together and appreciated the established communities within the estate.
- viii. The assumption within the JLL report was that the seven Council owned homes would be refurbished.
- ix. At some point the council would need to consider refurbishing the seven council homes to the south but there were no firm plans or a programme. Tenants would be consulted if refurbishment plans were considered.

Question 5 – Agenda item 6

Dear Councillors,

I live with my family in a house in the north-east corner of Ekin Road. I'm devastated that these plans will take away my family home and my safe space. Why are you taking away my home, and my local support network, where there is no need for it. Our homes are fine, but you want to take them anyway. Our little support network in that corner of the estate will be broken apart beyond repair. We rely on each other for so many aspects of our day to day lives, and that is all going to be taken away from.

Please leave our homes alone. We don't care what else you do on the estate. We just want to be left in peace, and the thought of losing what we have is unbearable.

The Executive Councillor for Housing responded:

- i. Officers considered so many factors in this process and appreciated the impact this would have to many households within the estate. The inclusion of the six houses to the northeast in the current plans were carefully considered, this had not been a simple task.
- ii. Understood that anyone facing redevelopment would have lots of questions and would continue to be available to discuss any concerns residents had and to support them throughout the process.
- iii. The Regeneration Team would be contacting effected households and were keen to provide support to all households.

Question 6 – agenda item 6

- 1. On the 23rd January and subsequently on the 12th of March, the Executive Councillor reported that of the 72 flats damp and mouldy on Ekin Road, 5 were vacant (void works) and 67 were occupied, could she

please update the meeting on how many are currently vacant and occupied.

2. Does the city council agree that making the decision on the redevelopment of Ekin Road at this meeting during a general election campaign is irregular and implies that the incoming labour government will have the same housing policy as the conservative one?
3. Does the city council agree that the issue of moving residents out of damp and mouldy flats should not be linked to the development of the estate and that irrespective of the development decision all flat residents should be rebanded to the highest priority on homelink immediately.

The Executive Councillor for Housing responded:

- i. Records showed that, out of the 72 flats, one was currently void.
- ii. The timeline for the project was published in October 2023, this project was considered business as usual.
- iii. It was proposed to award all impacted residents with emergency banding now irrespective of a phasing plan, so that they could move into a suitable property straight away, instead of waiting longer.

Supplementary public question:

- i. Did not feel it was appropriate for the city council to make a decision on this issue during the pre-election period.
- ii. In January and March 2024, it was reported that there were five vacant properties at Ekin Road and now it had been advised that there was only one. Asked whether residents had been moved back into four of the five vacant properties referred to.
- iii. When asked in January if you agreed with the Royal College of Practitioners report that damp and mouldy flats were dangerous for people's health and that people should not be living in these conditions, questioned why it had taken six months to put these residents at the top of home link banding.

The Executive Councillor for Housing responded:

- i. Homelink operated based on people's needs. The redevelopment proposals, if approved, would move residents up to urgent.

The Assistant Director (Development) responded:

- ii. The number of vacant properties referred to may change because of the use of these properties as temporary accommodation. Residents would not be moved into properties which were in a damp and mouldy condition.

Post meeting note: Whilst an area is being considered for re-development but a decision has not been made, our normal voids procedure will be followed and properties will be re-let that can be brought up to our voids standard. This explains the difference in the number of voids at Ekin Road between committee meetings.

Now a decision has been made to decant and demolish the homes at Ekin Road no further lets will be made through Homelink as general needs homes but where vacant properties can be made lettable without large financial outlay they will be utilised as temporary accommodation. This will assist with the Council's responsibilities around Homelessness and reducing the need for bed and breakfast accommodation as well as still receiving an income into the HRA on properties scheduled for demolition.

24/26/HSC Report on Ekin Road Stage 2 Options Appraisal

Matter for Decision

Report on the redevelopment scheme at Ekin Road.

Decision of Executive Councillor for Housing

- i. Noted the completion of JLL Final Report (Stages 2 and 2b) of the options appraisal for Ekin Road.
- ii. Approved that a mixed tenure scheme be brought forward, and a planning application submitted in line with the emerging design proposals set out in the officer report for the redevelopment of the Ekin Road estate excluding the 14 houses to the south of the estate. The development of the proposals to include further engagement with residents of the estate.
- iii. Authorised the Chief Operating Officer (COO) in consultation with the Executive Councillor for Housing to approve variations to the scheme including the number of units, tenure, mix of property types and sizes outlined in the officer's report.
- iv. Authorised the Chief Operating Officer in consultation with the Executive Councillor to approve the transfer of the land known as Ekin Road and

- Ekin Walk (excluding nos. 33-59 odd Ekin Road and 1 – 6 Ekin Close) and shown edged red on the attached plan in Appendix 1, to Cambridge Investment Partnership (CIP) for redevelopment. The transfer would be at a value provided by a further independent valuation.
- v. Authorised the Chief Operating Officer in consultation with the Executive Councillor to approve an Affordable Housing Agreement with CIP for the purchase of 64 affordable homes. This agreement would be at a value provided by an independent valuer.
 - vi. Approved draw down of a budget of £19,859,734 from the budget approved for the delivery of new homes, to fund the purchase of the affordable homes and associated development costs including on costs, the purchase of freehold and leasehold properties and the costs of decant for residents of the estates.
 - vii. Approved giving 82 affected council tenants required to decant the highest priority on the Council's choice-based lettings system (Home-Link). The emergency banding status would be applied to all existing secure tenant applications from 18 June 2024.
 - viii. Delegated authority to the Chief Operating Officer to take steps preparatory to the making of a Compulsory Purchase Order (CPO) in respect of any Leasehold and Freehold properties required in order to deliver the scheme.
 - ix. Delegated authority to the Chief Operating Officer to make a CPO in respect of any leasehold or freehold interests that cannot be acquired by private treaty within a reasonable timescale and at a reasonable cost subject to the Chief Operating Officer being satisfied that there is a compelling case in the public interest for the use of compulsory purchase powers, and that all legal and policy requirements for the making and confirmation of a CPO have been met;
 - x. Delegated authority to the Chief Operating Officer to serve initial Demolition Notices under the Housing Act 1985.
 - xi. Delegated authority to the Chief Operating Officer to investigate and approve a scheme of works to improve the seven Council owned properties that would be retained.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Assistant Director (Development).

The Assistant Director (Development) and Assistant Director for Housing and Homelessness said the following in response to Members' questions:

- i. The Council would continue to apply for grant funding from Homes England. The success of the 500 homes programme was based on less stringent grant arrangements compared to grant arrangements which were in place now. Detail was included within the officer report around what it was believed the rent levels would be. There was a chance to try and increase the number of affordable homes on the development. Further work was required with the Planning Department.
- ii. The fourteen homes along the south were the more straight forward to remove from the application site. Within the middle of the officer report and as part of the appendix to the JLL report there was a separate summary by the architect which looked at the four clusters of housing and their constraints. The scheme needed to balance the right mix of homes, open space, and other associated planning considerations.
- iii. The council learned things from every redevelopment scheme. For this scheme it was important to consider the impact of the redevelopment proposals on the community as a whole and not just the residents included within the 'red line' development site. 'Place based' communication was key as well as genuine and meaningful engagement and consultation. Difficult choices had to be made when considering redevelopment of the council's housing stock.
- iv. Consultants were employed to provide independent and specialist advice.
- v. Tenants had a statutory legal right to return to the estate following any redevelopment. In previous experience it was found that most tenants didn't return as moving twice in a short period of time was a lot.
- vi. If redevelopment was approved, then construction traffic would be controlled via the planning system.
- vii. Where major refurbishment works were required to council properties and it was not possible for residents to remain in the property whilst works were undertaken, tenants could be decanted temporarily into alternative accommodation. There was financial assistance available in these circumstances to help with the temporary move, but this was different to the statutory home loss payment, which would not apply.

- viii. Officers had met with three council tenants the previous evening and would work with them to keep them together should redevelopment be approved.
- ix. As far as officers were aware on previous redevelopments where decanting had taken place, only one council tenant had advised that they would want to return if redevelopment took place.

Cllr Tong proposed the following amendments to recommendations, deleted text ~~struckthrough~~, additional text underlined.

Councillor Martinelli seconded the amendments to enable votes to be taken on the amendments.

Amended recommendations

2.2 Approve that a mixed tenure scheme be brought forward, and a planning application submitted in line with the emerging design proposals set out in this report for the redevelopment of the Ekin Road estate excluding the 14 houses to the south of the estate and the 6 houses on the north-east corner of the estate. The development of the proposals to include further engagement with residents of the estate.

2.3 Authorise the Chief Operating Officer (COO) in consultation with the Executive Councillor for housing, Chair and Spokes to approve variations to the scheme including the number of units, tenure, mix of property types and sizes outlined in this report.

2.4 Authorise the Chief Operating Officer in consultation with the Executive Councillor, Chair and Spokes to approve the transfer of the land known as Ekin Road and Ekin Walk (excluding nos. 33-59 odd Ekin Road, 13-23 odd Ekin Road, and 1 – 6 Ekin Close) and shown edged red on the attached plan in Appendix 1, to Cambridge Investment Partnership (CIP) for redevelopment. The transfer will be at a value provided by a further independent valuation.

2.5 Authorise the Chief Operating Officer in consultation with the Executive Councillor, Chair and Spokes to approve an Affordable Housing Agreement with CIP for the purchase of 64 affordable homes. This agreement will be at a value provided by an independent valuer.

2.8 Delegate authority to the Chief Operating Officer to take steps preparatory to the making of a Compulsory Purchase Order (CPO) in respect of any Leasehold and Freehold properties required in order to deliver the scheme. ~~Has~~

2.10 Delegate authority to the Chief Operating Officer to serve initial Demolition Notices under the Housing Act 1985.

~~2.11 to serve initial Demolition Notices under the Housing Act 1985.~~

2.12~~1~~ Delegate authority to the Chief Operating Officer to investigate and approve a scheme of works to improve the ~~seven~~ eleven Council owned properties that will be retained.

The proposed amendments to the recommendations were lost by:

2.2 – 1 vote in favour, 6 against and 2 abstentions

2.3 – 3 votes in favour, 6 against

2.4 – 1 vote in favour, 6 against and 2 abstentions

2.5 – 1 vote in favour, 8 against

2.8 – 1 vote in favour, 8 against

2.10 – 1 vote in favour, 8 against

2.11 – 1 vote in favour, 8 against

The Committee unanimously resolved to endorse the recommendations:

i. 2.1, 2.7 and 2.12 unanimously

ii. 2.2, 2.3, 2.4, 2.5, 2.6, 2.8, 2.9, 2.10, 2.11 by 8 votes in favour, 0 against and 1 abstention.

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

24/27/HSC Compliance Update

Matter for Decision

The report provided 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.

Decision of Executive Councillor for Housing

- i. Noted the progress of the compliance related work detailed within the report.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Strategic Delivery Manager.

The Strategic Delivery Manager and the Assistant Director for Housing and Homelessness said the following in response to Members' questions:

- i. Noted the concerns raised regarding timescales for action / responses by the Council included within the Damp Condensation and Mould (DCM) Policy and advised would look into whether these were realistic and achievable. Noted concerns which had been raised by a Tenant Representative that these had not been achieved when a concern had been raised by them.
- ii. Commented as a social landlord there was a requirement to promote ways in which tenants could complain if they were not happy with the way the council delivered services. It was noted that there was an internal complaints system [Compliments, complaints and suggestions - Cambridge City Council](#) and also complaints could be made to the Housing Ombudsman [Home | Housing Ombudsman Service \(housing-ombudsman.org.uk\)](#).
- iii. Further data regarding DCM issues had started to be collated by officers and would be included within future reports. This included information regarding why DCM had arisen, the seriousness of it and the effectiveness of measures taken to remove it.
- iv. Confirmed that 'live' figures for DCM and how the cases were being dealt with would be included in future reports.
- v. Confirmed that responsive repairs would continue to be undertaken for any cases of DCM reported for Ekin Road properties.

The Executive Councillor for Housing advised in response to a question about whether the DCM Team was appropriately resourced that officers had advised that the Team covering this area of work was appropriately resourced at the current time.

The Committee unanimously resolved to endorse the recommendation.

The Executive Councillor approved the recommendation.

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

No conflicts of interest were declared by the Executive Councillor.

24/28/HSC Procurement of Planned Maintenance Contractor**Matter for Decision**

The Council had two long-term planned maintenance works contracts in place. One was with Foster Property Maintenance Limited, and one is with TSG Building Services. The contract with Foster Property Maintenance Limited was due to expire in September 2025. It was proposed that the Council carried out a procurement exercise to award a replacement contract so planned maintenance service delivery could continue uninterrupted at the end of the current contract.

Decision of Executive Councillor for Housing

- i. Approved the issue of tenders and, following evaluation of tenders, authorise the Director City Services to award a contract(s) to a contractor(s) to carry out planned building maintenance works and associated services to Council housing and other buildings for a period of five years from September 2025 to September 2030, with an option to extend for one or more year(s) up to a maximum extension of three years.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Asset Manager.

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

- i. Any potential bidders for the maintenance contract would need to set out how they would meet the requirements set out in the detailed specification document as part of their bid.
- ii. Noted concerns raised by members regarding the current contract and that issues had arisen with the use of sub-contractors who may not be aware of the council's ethos.

- iii. There were monthly meetings held with the current contractor and there were key performance indicators (KPIs) that their performance was assessed against. Customer feedback was also collected.
- iv. Noted member's request to be provided with more information about the key performance indicators. In terms of the flexibility to undertake repairs, work at the weekend was usually restricted to 8-12 noon on a Saturday as it could cause disruptions on estates. Urgent work would be carried out as required.
- v. Took on board the Committee's concerns regarding supply chain management and that the council needed to ensure the full supply chain was engaged.
- vi. There were specific rules which governed a procurement process which must be followed. Existing contractors could not be excluded from submitting a bid for the new contract.

The Committee unanimously resolved to endorse the recommendation.

The Executive Councillor approved the recommendation.

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

No conflicts of interest were declared by the Executive Councillor.

24/29/HSC Rent Regulation Errors - Update Report

Matter for Decision

The report provided an update on progress in respect of the project to recalculate and correct rents and refund any overpayment for properties affected by either of two identified rent regulation errors.

Decision of Executive Councillor for Housing

- i. Noted progress in respect of the correction and quantification, calculation and repayment of any overpayments resulting from the two identified rent regulation errors.

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. Noted concerns raised about the impact of repayments to those in receipt of universal credit and that this could affect their universal credit payment. Each repayment would be calculated on an individual basis but could be in the region of thousands of pounds for some tenants.
- ii. The Department for Work and Pensions (DWP) had expressed concern about repayment being made back to tenants directly, where they would be responsible for paying this money back to the DWP as there was no mechanism for the DWP to recover this money back from the tenant. There was legislation which allowed the DWP to demand the money back from the Council directly, even though payment of the rent had been paid by the tenant themselves.
- iii. Reassured the Committee that housing benefit refunds could be made directly back to the DWP and acknowledged Tenant Representative's concern that some people could struggle to manage their finances. Further discussion with the DWP was required to explore whether direct repayments could be made with regards to universal credit as legislation stated that it was the DWP's decision which approach was adopted.
- iv. Officers were communicating with tenants about the refund payment and the impact of this on any threshold of income considered for benefits. Tenants had also been advised that the refund payment could be used to pay off any other debts that they may have.
- v. In response to a question about the 'anonymous' tenants detailed in section 4a of the report. Advised that the Housing Management Renting System had the GDPR function switched on which meant that tenant's information was deleted (in accordance with data protection rules) 6 years after they ceased to be a council tenant and when there was a 'nil' balance. This created problems for repayment as the council could calculate how much a tenant had paid but information about the person who lived in the property was not held. Former tenants were able to provide information to support any claim for a refund of overpaid rent.

The Committee unanimously resolved to endorse the recommendation.

The Executive Councillor approved the recommendation.

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

No conflicts of interest were declared by the Executive Councillor.

24/30/HSC HRA Outturn Report 2023/24**Matter for Decision**

The report presented for the Housing Revenue Account:

- A summary of actual income and expenditure compared to the final budget for 2023/24 (outturn position)
- Revenue and capital budget variances with explanations
- Specific requests to carry forward funding available from both revenue (confirmation of in principle decisions made in March 2024) and capital budget underspends into 2024/25.
- A summary of housing debt which was written off during 2023/24.

Decision of Executive Councillor for Housing

- i. Approved carry forward requests totalling £562,600 in revenue funding from 2023/24 into 2024/25, as detailed in Appendix C of the officer's report.
- ii. To recommend to council to approve carry forward requests of £12,507,000 in HRA and General Fund Housing capital budgets and associated resources from 2023/24 into 2024/25 and beyond to fund re-phased net capital spending, as detailed in Appendix D and the associated notes to the appendix in the officer's report.
- iii. To recommend to council to approve a revised capital financing structure for 2023/24, utilising £8 million of capital reserves set-aside for either debt redemption or re-investment, in place of borrowing and direct revenue financing of capital. This recognises the current high interest rates for borrowing and the need to maintain a prudent level of revenue reserves following the requirement to allow for payment of rent refunds arising from the rent regulation error.

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. Would feedback to officers the concerns raised about the underspend on smoke detectors; officers would need to consider how to resolve access issues into properties which prevented the smoke detector work being undertaken.
- ii. Some of the rephased funding for the capital programme would be rephased into future years as it was recognised that continuing to rephase funding into the following year, could create difficulties for contactors if they did not have sufficient capacity to deliver potentially 2 years' worth of work in 1 year.
- iii. The 30-year investment programme would be revisited as part of the medium-term financial strategy which would be considered by the Committee in November.
- iv. Confirmed that future gross and income charts would include the total expenditure and income within them.
- v. The public loan rate was 5.5% but assumptions within the budget were made at approximately 4% so the loan rates were higher than had been planned for.
- vi. Noted concerns raised about the underspend on disabled facilities grants (DFGs) and commented that this service was 'demand-led' and therefore dependent on people applying for the grant. Also noted comments about sign-posting people to appropriate resources. Processes were in place to sign-post / assist applicants and officers were currently making sure that Policies were published on the Council's website.
- vii. Noted that DFGs were for people who did not live in council accommodation. Adaptations for council tenants had a separate process.

Post meeting note: In response to a question raised at the meeting about how long people stayed in temporary accommodation before they were able to move into permanent accommodation. The average stay in temporary accommodation was currently around 206 days. The number of households who were in temporary accommodation on the date of the committee meeting was 169 households.

The Committee resolved to endorse the recommendations:

- i - by 10 votes to 0 against with 4 abstentions.
- ii and iii by 6 votes in favour 0 against and 3 abstentions

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

24/31/HSC Greater Cambridge Housing Strategy 2024-2029

Matter for Decision

The report sought approval of a revised Housing Strategy for Cambridge City and South Cambridgeshire District Councils for 2024 to 2029, to replace the existing Greater Cambridge Housing Strategy 2019-2023.

Decision of Executive Councillor for Housing

- i. Approved the overarching vision for the Greater Cambridge Housing Strategy 2024-2029 (attached as Appendix A to the officer's report): "Affordable, Healthy, Safe and Sustainable: Homes and Communities for All".
- ii. Approved the objectives laid out in the Greater Cambridge Housing Strategy 2024-2029 (attached as Appendix A to the officer's report):
 - a. Building the right homes in the right places that people need and can afford to live in.
 - b. High quality, low carbon, energy and water efficient homes.
 - c. Settled lives.
 - d. Building strong partnerships.
- iii. Approved the priorities laid out in the Greater Cambridge Housing Strategy 2024-2029 (attached as Appendix A to the officer's report):
 - a. Increasing the supply of new homes, including affordable housing, contributing to healthy and sustainable communities.
 - b. Enabling the housing market to meet a wide range of local housing needs and to support sustainable growth.
 - c. Mitigating and adapting to climate change through good design and quality of new homes.
 - d. Improving housing conditions, management, safety and environmental sustainability of homes, and making best use of existing homes.

- e. Promoting health and wellbeing, tackling poverty, and promoting equality and social inclusion.
- f. Preventing homelessness.
- g. Working with partners to innovate and maximise resources.
- iv. Approved the updated Greater Cambridge Housing Strategy 2024-2029 document itself (attached as Appendix A to the officer's report)
- v. Approved the new and updated policy annexes to the Greater Cambridge Housing Strategy 2024-2029 (attached within Appendix B to the officer's report):
 - a. Annex 1: Housing for specific groups.
 - b. Annex 2: Affordable Housing Requirements.
 - c. Annex 3: Clustering and distribution of affordable housing.
 - d. Annex 4: Affordable Rents policy.
 - e. Annex 5: Build to Rent Policy.
- vi. Noted the content of the non-policy related annexes to the Greater Cambridge Housing Strategy 2024-2029 (attached within Appendix B to this report):
 - a. Annex 6: Summary of Evidence.
 - b. Annex 7: Glossary.
 - c. Annex 8: Key Achievements 2019-2023.
- vii. Approved the Year 1 action plan attached as Appendix C to this report.
- viii. Subject to Executive Councillor approval of the Greater Cambridge Housing Strategy 2024-2029, Annexes, and Year 1 action plan (attached at Appendices A, B & C to this report), gave delegated authority to the Assistant Director of Housing & Homelessness to agree any minor changes which may subsequently be required.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Housing Strategy Manager.

The Housing Strategy Manager, Joint Director for Planning, Assistant Director for Housing and Homelessness said the following in response to Members' questions:

- i. Used to have an Older Persons Housing Strategy several years ago, as well as other separate housing related strategies, but had moved towards having one Housing Strategy (as well as a statutory Homelessness and Rough Sleeping Strategy) which covered all different groups of people.
- ii. The requirement for a proportion of home ownership in terms of affordable housing delivery had been in Council policy for several years. Under the Affordable Housing Supplementary Planning Document (SPD) in 2006 which required 75% of new affordable homes on larger developments to be rented homes, the remainder would be of an intermediate home ownership tenure. National Planning Policy requires at least 10% of all homes on new developments of 10 or more dwellings to be affordable home ownership. For the Council's new policy it was not being specified that this had to be shared ownership, but that shared ownership was the preferred tenure when considering intermediate tenures, although it was recognised that there may be areas within Greater Cambridgeshire where this was not deliverable. For example, since the last strategy was introduced, a new First Homes Policy had been introduced by the Government. A First Homes Statement had been published on the Council's website to explain why First Homes did not really work in a high value area like Cambridge. Also, some Housing Associations were able to cross subsidise the delivery of shared ownership properties to be able to deliver affordable rent properties.
- iii. There was evidence provided through the work carried out on the emerging new Local Plan which gave a starting point for the sizes of affordable homes which might be required. There was a separate set of individual criteria which is considered when each individual site comes forward including the number of applicants on the Housing Register and how many homes are becoming available in that area. Acknowledged that there could be differences between City Council and South Cambridgeshire District Council need. Will also look at the size of properties required by people coming through the homelessness route and any house size requirements through existing Section 106 Agreements across the wider development. For example in large scale developments it might be more appropriate to develop smaller houses in one phase of the development and take this into account when looking at the next phase of development to try and get a balance across a development. The affordable housing mix will be considered taking into account the overall housing mix proposed for the development.

- iv. The Housing Strategy was to be read in parallel with the National Planning Policy Framework and would be used to shape third party new development. The strategy was a facilitator alongside Planning Policy which would look to customise the housing format, tenure split etc based upon locality and circumstances. It would then be put in front of the Planning Committee for their final judgment on the point of balance.
- v. With reference to Annex 5 (Build to Rent) a minimum of 20% of homes in developments of 10 or more homes would be required to be provided as affordable private rent and the rent should be set at least 20% below market rent. At the moment there was no evidence to suggest that more than 20% could be delivered. Including a higher target figure within the strategy would need to be considered in the context of the national planning guidance which set those figures.
- vi. One of the other elements in the Build to Rent Policy was that when large scale developments came forward with several different tenures, then the council would seek 40% affordable housing across the whole development. Whether this was achievable or not would have to be considered on a case-by-case basis.
- vii. The affordable private rent levels for Build to Rent housing schemes as a percentage of market rent had to be determined through the Local Plan process. The way that the affordable private rent process is delivered is through the regulatory framework provided by the Town and Country Planning Act.
- viii. The design of new homes would be dealt with via the planning process and would be bound by the requirements in the Local Plan and any Supplementary Planning Documents. The Local Plan process was subject to independent examination, so the policies (and requirements within them) were appropriately tested. The Housing Strategy was a material planning consideration but was not subject to the same examination process and could not be used to set planning policy. However, the Housing Strategy was the appropriate document to contain guidance on affordable housing mixt, tenure, and form.
- ix. Noted that the number of comments made on the draft Housing Strategy during the consultation period were low in comparison to the number of residents in Cambridge and corporately the council was looking at how it can engage with residents better.
- x. When development applications came forward if they were unable to meet requirements set out in the Housing Strategy, they would need to provide evidence why.
- xi. Had tried to set out within the Strategy that there could be differences in certain areas of the strategy between Cambridge City Council compared to South Cambridgeshire District Council. A Cambridge City Council

specific annex on a particular theme could be developed. However consideration would need to be given to any impacts of this for example where developments straddled the two authority's boundaries.

- xii. It was noted that requirements which were dictated by the National Planning Policy Framework and national guidance and those which could be set by the council could be made clearer within the strategy.

The Committee resolved by 6 votes to 0 against with 3 abstentions to endorse the recommendations.

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

24/32/HSC Update on New Build Council Housing Delivery

Matter for Decision

The report provided a regular quarterly update on the City Council's new housing delivery and development programme.

Decision of Executive Councillor for Housing

- i. Noted the continued progress on the delivery of the approved housing programme.
- ii. Approved the updated Regeneration Policy as outlined in Paragraph 11.1 and appendix 2 of the officer's report.
- iii. Noted that negotiations on commercial leases at Arbury Court would now take account of the need to consider future options for a District Centre.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Assistant Director (Development).

The Assistant Director (Development) updated their report and advised that properties at Brackyn Road were no longer being considered for potential

redevelopment as part of the Davy Road site. The properties that were under consideration for redevelopment were 2-28b Davy Road, and the Council garages on the site. A consultation with residents would be undertaken after the pre-election period was over, with a view to providing a recommendation to the Committee in September 2024.

The Committee resolved by 6 votes in favour to 0 against with 3 abstentions to endorse the recommendations.

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

24/33/HSC Report on Stanton House

Matter for Decision

Report on building safety at Stanton House and future use of the building.

Decision of Executive Councillor for Housing

- i. Noted the cost of essential Compliance related works required to Stanton House at £635,000.
- ii. Noted the options appraisal for Stanton House carried out by Rock Townsend Architects LLP and agreed in principle that it was no longer viable to retain the building in its current form.
- iii. Approved removing Stanton House from the Councils operational Housing portfolio, which would include the planned decanting of all existing residents in line with the Regeneration Policy which included information on statutory home loss and disturbance payments.
- iv. Approved a capital budget of £333,000 to cover the decanting payments to residents of Statutory Home loss and Disturbance payments. This budget would be drawn down from the existing budget approved for investment in the delivery of new homes.
- v. Agreed that there will be further consideration of the redevelopment options for the Stanton House site that will be brought back to this committee in September 2024 for decision.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Assistant Director for Housing and Homelessness.

The Assistant Director for Housing and Homelessness said the following in response to Members' questions:

- i. Noted concerns expressed regarding the potential loss of sheltered housing and replacement with family homes. The Council was looking to bring forward an additional sheltered housing scheme which had 8 units, acknowledged this was smaller than Stanton House and that repairs were currently being undertaken to the property. Commented that the Council needed to understand what the older persons housing need was as currently there didn't appear to be a high demand for sheltered accommodation. However, there could be a need that the council was not aware of.
- ii. Noted ward councillor's preference for the retention of social housing on the site. Options for the site (refurbishment / redevelopment) were being considered afresh. Considerations would include viability and what (if any) grant funding may be available.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendations.

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

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 11.05 pm

CHAIR

REPORT TITLE: Compliance Update 1 August 2024

To:

Executive Councillor for Housing, Gerri Bird

Housing Scrutiny Committee (30th September 2024)

Report by:

Sean Cleary – Strategic Delivery Manager

Tel: 01223 458287 Email: sean.cleary@cambridge.gov.uk

Wards affected:

All Wards

1. Recommendations

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

2. Purpose and reason for the report

- 2.1 The report provides an update on the compliance related activities delivered within the City Services Compliance Team, covering a summary on gas, electrical, fire, lifts, legionella and asbestos and including Damp, Mould and Condensation

3. Background and key issues

Compliance Update

The six key compliance areas are:

3.1 **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 of 1st August 2024, Cambridge City Council is 100% compliant on Gas Safety certification with 6604 properties with valid landlord gas safety certificates.

3.2 **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 5 years.

- As of 1st August 2024, Cambridge City Council is 87% compliant with legislation of which 6330 properties have a valid satisfactory condition report.

3.3 **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 1st August 2024, Cambridge City Council is 100% compliant with legislation where the requirement is to have a Fire Risk Assessment completing.

3.4 **Asbestos Management**

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

- As of 1st August 2024, Cambridge City Council is 100% compliant.

3.5 **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.

- Cambridge City Council remains 100 % compliant with no issues to report with the ongoing management of Legionella and water hygiene risks.

3.6 **Passenger Lifts & Specialist Lifting Equipment**

As of 1st August 2024, Cambridge City Council is 100% compliant with the requirement to service and maintain its lifts.

The Council is 100% compliant to the requirement outlined in Regulation 9 (thorough

examination and inspection every six months as required by LOLER).

Necessity and Benefits

By addressing these issues comprehensively, the Council can prevent potential hazards, reduce the risk of health-related issues, and improve the overall quality of life for residents. The benefits include increased safety, improved living conditions, and compliance with updated regulatory standards.

Intention of the Report and Considerations

This report aims to ensure that all relevant factors are addressed, and that the Council is well-prepared to implement measures effectively.

4. Corporate plan

4.1 This paper supports several key priorities outlined in the Corporate Plan for 2022-27.

1. Addressing Housing Inequality and Safety

By complying with the Decent Homes Standard and The Housing Health and Safety Rating System (HHSRS), Cambridge City Council is directly addressing housing inequality. Ensuring that all housing meets these standards means that residents, particularly those in vulnerable situations, have access to safe and decent living conditions. This aligns with the Corporate Plan's priority of tackling inequality and providing essential services.

2. Enhancing Well-being and Sustainability

Ensuring that homes are free from hazards and fit for habitation improves the health and well-being of residents. This not only reduces health inequalities but also contributes to a more sustainable community, as safe and well-maintained homes are less likely to contribute to environmental problems. This ties into the Corporate Plan's focus on building a sustainable city.

3. Legal Compliance and Quality Services

By adhering to the legal requirements of the Housing Act 2004, the Regulation Act 1990,

and the amendments in the Landlord and Tenant Act 1985, the Council is ensuring that it meets its legal obligations. This is in line with the Corporate Plan's commitment to providing high-quality services and maintaining the integrity and accountability of the Council's operations.

Conclusion

This progress report supports the Council's dedication to its Corporate Plan's priorities and reflects a commitment to regulatory adherence and continuous improvement in housing services, ultimately contributing to the betterment of the Cambridge community.

5. Consultation, engagement and communication

5.1 See Appendix A for Damp Condensation and Mould (DCM)

6. Anticipated outcomes, benefits or impact

6.1 Compliance.

Improved Safety and Risk Mitigation

Gas Safety: Ensuring all gas appliances and installations are regularly inspected and maintained, reducing the risk of gas leaks, explosions, or carbon monoxide poisoning.

EICRs: Regular electrical inspections identify and mitigate potential electrical hazards, reducing the likelihood of electrical fires, shocks, or system failures.

Fire Risk Assessments: Regular assessments and timely actions help to identify fire hazards and implement preventive measures, ensuring that fire safety systems are effective and compliant.

Lifts: Routine maintenance and inspections ensure lifts are safe for use, reducing the risk of accidents, malfunctions, and potential liabilities.

Legionella: Proper management of water systems helps prevent Legionnaires' disease, ensuring the health and safety of occupants.

Asbestos Management: Identifying and managing asbestos-containing materials helps prevent exposure and associated health risks, such as asbestosis and mesothelioma.

Effective compliance management ensures adherence to legal and regulatory requirements, avoiding fines, penalties, and legal action that could arise from non-compliance. Demonstrating a strong commitment to safety and compliance can enhance the organisation's reputation, building trust with stakeholders, including tenants, employees, and regulatory bodies.

Proactive maintenance and timely remediation of issues prevent costly emergency repairs, reduce insurance premiums, and minimise the financial impact of potential lawsuits or claims. Compliance management also supports budget forecasting and financial planning by reducing unexpected expenditures.

Streamlined compliance processes and regular maintenance schedules contribute to more efficient operations, reducing downtime, improving asset longevity, and ensuring that facilities function smoothly.

Effective compliance systems enable better data collection, tracking, and reporting, providing valuable insights for decision-making and continuous improvement.

By maintaining safe and compliant environments, tenant satisfaction and occupancy rates can improve, reducing turnover and enhancing the overall living or working experience.

Implementing effective compliance measures contributes to the long-term sustainability of buildings and facilities by ensuring that infrastructure is maintained to a high standard and that health and safety risks are minimised.

These anticipated outcomes highlight the wide-ranging benefits of effective compliance management, making a strong case for ongoing investment and attention in these areas.

Damp, Condensation and Mould.

In anticipation of the impact of Awaab's Law on our current policies and procedures regarding DCM, we plan to implement a system that enhances our recording, monitoring, and reporting services. What Will Be Different:

Improved Service Delivery:

- A more efficient and comprehensive system for recording, monitoring, and reporting will be established, ensuring timely and accurate management of DCM-related issues.

Enhanced Compliance:

- Compliance with Awaab's Law and other regulatory requirements will be strengthened, reducing legal risks and ensuring safer living conditions for residents.

Better Resident Engagement:

- Increased transparency and communication with residents regarding DCM issues will build trust and encourage proactive reporting of problems.

Streamlined Processes:

- Existing policies and procedures will be reviewed and streamlined, making them more efficient and easier to follow for staff and residents alike.

By implementing these measures, we aim to create a more efficient, compliant, and resident-focused approach to managing DCM issues, ultimately leading to improved service delivery and better living conditions for all residents.

7. Implications:

The negative implications of not undertaking compliance works, as highlighted by the benefits of proactive maintenance and compliance management, can be severe and wide-ranging.

The failure to undertake compliance works and proactive maintenance can lead to a cascade of negative consequences, including increased costs, legal liabilities, financial instability, safety risks, and damage to reputation, all of which can threaten the long-term viability of the Council.

7.1 Relevant risks

The negative implications of not undertaking compliance works, as highlighted by the benefits of proactive maintenance and compliance management, can be severe and wide-ranging:

- Increased Costs Due to Emergency Repairs
- Higher Insurance Premiums and Potential for Claims
- Legal and Financial Liabilities
- Potential for Large, Unplanned Capital Expenditures
- Deterioration of Infrastructure and Shortened Lifespan
- Health and Safety Risks
- Damage to Reputation

In summary, the failure to undertake compliance works and proactive maintenance can lead to a cascade of negative consequences, including increased costs, legal

liabilities, financial instability, safety risks, and damage to reputation, all of which can threaten the long-term viability of an organisation.

Financial Risks

The continuous demands of managing DCM reports and compliance requirements pose significant financial, legal, reputational, and operational risks to the Council. Increased costs from these ongoing issues could strain the budget, necessitating additional resources.

Non-compliance with Awabb's Law and other regulations may lead to financial penalties, legal actions, and potential litigation from residents if issues are not addressed promptly. Furthermore, inadequate handling of DCM concerns could erode public trust, attract negative publicity, and place undue strain on staff, leading to decreased efficiency and service quality. Careful planning and resource allocation are essential to mitigate these risks and maintain compliance while protecting the Council's reputation.

Financial Implications

7.2 There are likely to be new financial implications directly relating to this report particularly with regards to the management of Compliance and damp, mould and condensation.

- Costs associated with meeting of Compliance standards may strain the budget requiring additional resources for addressing and managing these issues.
- Failure to comply with Awaab's Law and other regulations could result in financial penalties and legal costs
- Costs associated with creating and distributing informational materials, such as videos, and leaflets

Legal Implications

7.3 ***Expenses:***

- For the financial year 2023/24, the Council incurred approx: £125,000 in legal expenses and £36K on compensation associated with disrepair claims, even if no court proceedings were involved.

Compliance Risks:

- Failure to meet the requirements of Awaab's Law and other relevant regulations could lead to legal challenges and potential sanctions.

Future Legal Costs:

- Additional legal expenses may arise from handling claims, addressing compliance issues, and managing any disputes or litigation related to disrepair.
-

Equalities and socio-economic Implications

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

Net Zero Carbon, Climate Change and Environmental implications

- 7.5 There are no Climate Change and environmental implications directly relating to the content of this report.

Procurement Implications

- 7.6 Any procurement for compliance and damp, condensation, and mould works must ensure compliance with relevant regulations, such as housing standards, health and safety, and environmental guidelines. This will involve selecting qualified contractors or surveyors with the relevant expertise.

The procurement process will prioritise thorough assessments, accurate reporting, and the recommendation of remediation measures, ensuring that all work adheres to legal requirements and minimises future risks.

Proper documentation and ongoing monitoring will also be integrated to ensure long-term compliance and prevent recurring issues.

Community Safety Implications

7.7 Fire Risks:

- The Compliance team continues to work through outstanding fire risk actions and have made significant inroads in reducing these. This also ensures that fire safety systems are effective and up-to-date and which are crucial for protecting residents and preventing potential fire hazards.

DCM Cases:

- The Estates and Facilities teams continue to actively manage a substantial volume of damp, mould, and condensation (DCM) cases. Effective handling of these issues is essential for maintaining healthy living environments and preventing related health problems.

Team Workload:

- The E&F team are working diligently to manage the high number of DCM cases, Adequate resources and support are necessary to ensure that these cases are addressed promptly and effectively.

7.8 Staffing implications

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

8. Background documents

8.1 There are none.

9. Appendices

9.1 Appendix A Damp, Condensation and Mould Report 1 August 2024

To inspect the background papers or if you have a query on the report please contact Sean Cleary, Strategic Delivery Manager,
Tel: 01223 458287, email: sean.cleary@cambridge.gov.uk

Appendix A: Damp, Condensation, and Mould (DCM) Report

1 August 2024

1. Reported Cases

The number of DCM reports has seen a minor decrease over the summer months. There is a heightened awareness of DCM issues and the implementation of more accessible reporting mechanisms for tenants, colleagues, and other stakeholders.

The service has engaged an external consultant to accelerate DCM surveys.

Table 1 below provides a detailed breakdown of DCM reports received each month from April 2023 to 1 August 2024.

Table 1.

2023					
	Reported	Completed	N/Access	Planned	O/S
Apr	35	34	0	1	1
May	44	43	0	1	1
Jun	28	25	0	3	3
Jul	35	31	4	0	4
Aug	18	15	1	2	3
Sep	10	8	2	0	2
Oct	35	31	1	3	4
Nov	47	37	4	6	10
Dec	47	45	2	0	2
	299	269	14	16	30
2024					
Jan	76	67	6	3	9
Feb	1	0	0	1	1
Mar	54	50	2	2	4
Apr	50	49	0	1	1
May	38	38	0	0	0
Jun	35	35	0	0	0
Jul	52	52	0	0	0
	306	291	8	7	15
Total	605	560	22	23	45

Table 2. Location of DCM from April 2023:

More than one room	513 cases
Limited to windows, doors, or only bathrooms	92 cases

Categories of DCMs

Table 3 organises the issues based on their severity and frequency, with major examples indicating more significant concerns that require immediate attention, and minor examples representing less critical, but still important, issues.

Table 3.

Category	Issue	Occurrences
Tenant Education	No Access	22
	Condensation - Lack of Airflow	141
	Extractor Fan blocked	19
Structural – requires major works	External Wall Insulation	23
	Lack of insulation	16
Overcrowding	Overcrowding	17
Structural – requires minor works	Leak	43
	Window	54
	Gutter	17
Other	Misc (ineffective damp course broken pipes, defective roof coverings).	253

- 1. No Access:** indicates that the inspection team attempted to visit the property after receiving a report but was unable to gain entry. In such cases, cards are left on the property to inform the tenants of the attempted visit and request that they get in touch to rearrange the appointment.

2. **Condensation:** A primary cause of damp and mould across our social housing is condensation, which can result from inadequate ventilation, overcrowding, or insufficient heating. This includes issues like blocked extractor fans, closed windows and blocked trickle vents. In some cases, the property layout contributes to poor airflow.
3. **Insulation Issues:** A notable number of properties suffered from insufficient insulation. The lack of cavity wall insulation or insufficient loft insulation led to cold bridging and condensation, exacerbating the formation of mould.
4. **Leaks:** Water leaks from various sources, including the roof, flat above, pipes, and plumbing fixtures, have been significant contributors to damp and mould reports and cases. Where leaks had been repaired, there is on occasions residual moisture and damage that requires further attention.
5. **Solid Brick Construction:** Older properties that are of a solid brick construction are particularly problematical. External Wall Insulation (EWI) can be programmed to address this. Households identified as potentially benefiting from EWI have been forwarded to the Energy Team for prioritisation.
6. **Structural Issues:** Problems such as failed canopies, deteriorating wooden cladding, and blocked or faulty guttering were also recorded, leading to water ingress and damp.
7. **Tenant Responsibility:** In some cases, causes listed in the tenant handbook as a responsibility of the tenant such as blocked ventilation, cluttering, or using appliances like tumble dryers without adequate ventilation contributed to moisture buildup and mould growth.
8. **Overcrowding:** Overcrowded living conditions were a recurring theme, leading to increased humidity and condensation due to higher levels of indoor activity.
9. **Boiler and Heating Problems:** Non-functioning or inefficient heating systems also played a role in some properties, leading to insufficient warmth and increased condensation during winter months.
10. **Aging Infrastructure:** Several properties were highlighted for being overdue for upgrades, including bathrooms, windows, and roofing, which contributed to ongoing issues with damp and mould.

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Report Title: Rent Regulation Error Update Report

To:
Councillor Gerri Bird, Executive Councillor for Housing

Date: 17 September 2024

Report by:
Julia Hovells, Head of Finance and Business Manager

Tel: 01223 - 457248

Email: julia.hovells@cambridge.gov.uk

Wards affected:
All wards with council garages or parking spaces

1. Recommendations

1.1 It is recommended that the Executive Councillor for Housing:

Note progress in respect of the correction and quantification, calculation and repayment of any overpayments resulting from the two identified rent regulation errors.

2. Purpose and reason for the report

2.1 This report provides an update on progress in respect of the project to recalculate and correct rents and refund any overpayment for properties affected by either of two identified rent regulation errors.

3. Alternative options considered

3.1 This is a update report, and as such alternative options have not been revisited.

4. Background and key issues

4.1 **Regulatory Judgement**

On 9th July 2024 Cambridge City Council received a Regulatory Judgement (RJ) for breach of the Rent Standard from the Regulator of Social Housing following its self-referral.

4.2 An all-member briefing was held on 8th July to inform of the imminent RJ and all the actions being taken as a result. The Tenant and Leaseholder Representatives were informed on 11th July 2024 of the RJ, with further discussion of this at their scheduled meeting on 19th August 2024.

4.3 **Actions since Housing Scrutiny Committee in June 2024**

The actions since the last update report to Housing Scrutiny Committee in June 2024 include:

- 4.4
 - An update letter sent to affected current tenants informing them about current timelines and advising them of the Regulatory Judgement. This was sent out on the 11th July, and the Customer Service Centre have received 32 calls, 225 web page hits and 28 emails on the back on this letter, none of which have escalated to a complaint and were mainly seeking clarifications.
- 4.5
 - A meeting with the Department for Work and Pensions (DWP) in relation to Universal Credit on 24th June 2024, followed up with an official letter to them, as their current request to us is to wait to refund tenants until they have a process in place to calculate any sums that may be owing back to them. This is not an acceptable position for Cambridge as once we are ready to refund to tenants, we do not want to delay this any further. To date we have not received an official response to our letter. Officers chased this on 11th July 2024 and included details of the Regulatory Judgement. They have acknowledged the RJ and advised that a call with senior directors will be taking place and a paper prepared for their senior governance board.
- 4.6
 - Working through the validation of individual refund calculations, which is progressing well.
- 4.7
 - Actively working with our Housing Benefit teams to arrange a process which allows for any overpayment of Housing Benefit to be calculated and taken from any refunds before paying the tenant any remaining balance.

- 4.8
 - Recruitment of a project manager, which is currently ongoing, We have unfortunately had to go back out to advert for a third time due to an earlier candidate that we offered the role to withdrawing before their commencement date. Interviews were held on 16th August 2024 and the position has been offered and provisionally accepted.
- 4.9
 - We are investigating the possibility of procuring a system that will allow for quick and easy validation of tenant bank accounts and processing payments.

4.10 **Timescales**

We are still working to broadly the same timelines but will evaluate these ahead of the next meeting to see if we still feel they are realistic.

4.11

	Affordable Rents	Social Rents
Refund Current Tenants	Autumn/Winter 2024	Winter 2024/Spring 2025
Refund Former Tenants	Winter 2024/Spring 2025	Spring/Summer 2025

5. **Corporate plan**

5.1 This project supports the key priority to tackle poverty and inequality, helping people in the greatest need, by ensuring that council tenants receive the refunds that are due to them.

6. **Consultation, engagement and communication**

6.1 Regular updates reports are being presented to Housing Scrutiny Committee outlining key milestones in the project and regular communications are being sent to current tenants providing an update.

6.2 Once refunds have been fully validated and confirmation has been received from the DWP surrounding the repayment of overpaid Universal Credit, more detailed communications can be sent to current tenants.

7. Anticipated outcomes, benefits or impact

7.1 The intended outcome for this project is to ensure that, wherever possible, any sums of overpaid rent are refunded to tenants in a timely manner, taking account of payments made on tenants' behalf by the DWP.

8. Implications

8.1 Relevant risks

Risks resolved

One of our largest risks – being refused Homes England Grant funding has been removed. Homes England have received and reviewed the RJ and are satisfied that they can continue to grant fund our current development and regeneration schemes, and can consider grant funding future schemes as we present them for grant approval.

Risks outstanding

DWP Universal Credit is now our most significant active risk to the timelines of refunds to tenants. We will continue to actively engage with DWP on this issue.

Financial Implications

8.2 The estimated financial impact of refunding tenants has been detailed in previous reports.

8.3 Funding for the staff to deliver this project is expected to be met from the Housing Transformation Fund, where some funding was carried forward from 2023/24 to support

this activity, with an estimated commitment of £322,000.

Legal Implications

8.5 There are no specific legal implications arising from this update report.

Equalities and socio-economic Implications

8.6 No Equalities Impact Assessment has been prepared as part of this report, as there is no change in policy resulting from this update.

Climate Change and Environmental implications

8.7 There are no adverse environmental implications anticipated as a result of this project.

Procurement Implications

8.8 There are no direct procurement implications associated with this report.

Community Safety Implications

8.9 There are no direct community safety implications associated with this report.

Staffing Implications

8.10 As highlighted above, the role of Rent Regulation Customer Project Manager has now been offered. Once this officer is in post, we will seek to recruit a team of up to 6 staff to support the delivery of the project, to include repayment of sums due to DWP, communication with tenants and payment of refunds.

9. Background documents

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985:

9.1 There are no background papers associated with this report.

10. Appendices

10.1 The are no appendices associated with this report.

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.



HOUSING REVENUE ACCOUNT GARAGE CHARGING REVIEW

To:
Councillor Gerri Bird, Executive Councillor for Housing

Report by:
Julia Hovells, Head of Finance and Business Manager

Tel: 01223 - 457248

Email: julia.hovells@cambridge.gov.uk

Wards affected:
All wards with council garages or parking spaces

1.	Recommendations
1.1	<p>It is recommended that the Executive Councillor for Housing:</p> <ol style="list-style-type: none"> 1. Approve the garage and parking space charging structure as outlined in Appendix A, to be implemented from April 2025, with the exception of the reduction in right to park charges for council tenants, which will be implemented from 1 October 2024. 2. Approve delegated authority to the Director of Communities to designate an area of garages or parking spaces as being in a high value or high demand area, therefore attracting the higher rental charge, or in a low value or low demand area and therefor attracting a lower rental charge.

2.	Purpose and reason for the report
2.1	The Housing Revenue Account currently manages a portfolio of 1,344 garages and 320 parking spaces, which are let as separate licences on a weekly rental basis to a variety of customers, including council housing tenants, other residents (including leaseholders) of the city, charities, businesses and commuters.
2.2	The current charging structure for garages has been in place since April 2018. It is now considered timely to review the charging structure, particularly considering new garages and parking spaces available as part of the new build programme, and the introduction of a right to park in new underground parking provisions.
2.3	The revised charging structure is being presented for decision by the Executive Councillor for Housing, following scrutiny and debate at Housing Scrutiny Committee, in line with the Council's constitution in respect of setting rent and service charges.
3.	Alternative options considered
3.1	This report relates to reviewing the existing charging structure for garages and parking spaces, and therefore alternative options consisted of modelling a number of potential charging arrangements, before arriving at the recommendations being put forward by the working group comprised of cross-party members, tenant representative and officers.
4.	Background and key issues
4.1	At the time of writing this report, the Housing Revenue Account owned 1,328 independent garages and 314 parking spaces (of which 123 were right to park spaces in underground car parks), and also managed 16 garages and 6 parking spaces on behalf of the General Fund. Of the HRA garages, 251 are currently identified for potential demolition and re-development as affordable housing.
4.2	Historically the HRA have had difficulties in letting all of their garages and the void rate is regularly at levels in the region of 20% to 25%. At the beginning of August 2024, the level of void garage and parking spaces was 20%, excluding those identified for demolition.
4.3	In 2017/18, a review of garage charges was undertaken, with the outcome being to move to a property-based charging structure for ease of administration.
4.4	Although the charging structure approved was simplified, it has not achieved all of the intended outcomes. The authority has not seen a significant reduction in void levels, and

	with the introduction of new council homes at the higher affordable rents, the charges for garage and parking spaces, which are in addition to the rent for a home, are proving unaffordable for many council tenants, particularly in the high value / high demand areas.
4.5	An officer working group was convened to explore the options, review what other authorities charge and to make recommendations for change as outlined in this report.
4.6	The charges levied for garages by a number of other local authorities have been assessed for comparison. There is some variation in approaches; Oxford City Council charges council tenants £5.75 for a parking space, £19.22 for renting a standard garage and £21.71 for renting a premium garage. They charge private tenants £13.80 for a parking space, £23.06 for a standard garage and £26.05 for a premium garage. Norwich charges council tenants £11.07 for a garage and £5.34 for a parking bay, and private residents £17.28 for a garage and £12.80 for a parking bay. Brighton and Hove charges a tenant £10.20 for a parking space and an average of £16.40 for garages, whilst charging private residents £19.54 for a parking space and £30.45 for a garage. Dover District Council charge £24.00 for a town centre garage.
4.7	The working group recognised that although the charging structure approved in 2017/18 was less complex to administer, it significantly limited the ability to charge specific client groups higher or lower rents, with a strong desire to provide parking solutions for council tenants, both as a priority, and at affordable rents for this client group, many of whom are on low incomes.
4.8	VAT can be payable on garages or parking spaces, dependent upon the nature of the occupant, and the location of the garage or parking space, when compared to where a dwelling tenancy exists. From the customer's perspective, it is the total sum payable that is important, and so going forward, tenancy agreements will be issued, and charges will be approved and set inclusive of VAT. Payment of any VAT owing to HMRC will be dealt with in the background by the council.
4.9	Currently, council tenants are required to notify the council if they intend to use the garage for anything other than parking a motor vehicle, with the total charge being comparable to a private resident renting a garage. This relies upon a tenant providing this notification, and as such, very few tenancies have been set up on this basis. Also, as many garages are small, and may not be big enough to store larger, modern, SUV type vehicles, it is anticipated that the additional cost may deter some tenants from renting a garage. It is therefore recommended to remove any differential charging based upon the use of the

	garage. Tenants will obviously still need to comply with the acceptable use policy, to ensure that they do not store any prohibited materials in the garage.
4.10	The working group were keen to introduce a reduced rate for disabled council tenants and propose a 30% reduction for blue badge holders when they rent a garage or parking space from the Council alongside their dwelling tenancy. Based upon data published by the County Council, approximately 4.6% of Cambridge residents hold a blue badge, and as such all financial modelling has been undertaken using this assumption of take up of the discount. It will be necessary to provide confirmation of the blue badge in order to obtain the discounted rate, and tenants will be required to notify the council if they are no longer the holder of a blue badge and therefore cease to qualify for the discount.
4.11	On some of the newer development sites, Mill Road and Cromwell Road in particular, underground parking has been provided. On these sites, a tenant rents the 'right to park', which guarantees a space will be available, but they need to find a vacant one each time they enter the car park. These were introduced at the high value / high demand rate of £20.78 for council tenants or £24.94 for other residents. Feedback from tenants has indicated that these spaces are expensive on sites where they are already paying the higher 'affordable' rents and that they are not able to rent a dedicated space adjacent to their property as they may be able to do for an above ground parking space, making them less desirable. The new charging structure proposes to reduce the current cost of the 'right to park' spaces by 30% for council tenants to £14.55, a more affordable price, which recognises the feedback.
4.12	It is proposed to retain the differential, introduced in April 2018, between high value or high demand areas and standard areas. This allows recognition of both the cost to the HRA of delivering garages or parking spaces in a high value location and also high demand areas, where garages or parking spaces may be more popular, and a waiting list may exist. Appendix B shows the current high value / high demand area, with delegation to the Director of Communities retained to amend this in the future if required.
4.13	Recognising that the garages and parking spaces that belong to the HRA were provided initially to serve council tenants, there is a desire to make the facilities as affordable as possible for this client group. Where there are garages and parking spaces still available, they are let more generally to private residents, commuters and businesses to maximise income to the HRA.
4.14	When charges to private residents are compared to the charges being levied by other

	local authorities, the rates charged by Cambridge City Council, particularly for a standard garage, are often lower than others. It is therefore proposed to add an initial 10% premium, in addition to VAT, onto the total charge for private residents for garages and general parking spaces (excluding right to park spaces).
4.15	Where a garage or parking space is not let to a council tenant in conjunction with the occupation of their council property, the let will be treated as a private garage or parking space. This will be determined by whether the garage or parking space is either in the same ward as the property or within 1.5 miles if it spans a ward boundary.
4.16	To qualify as a council tenant the garage or parking space tenancy has to be in the same name as someone named on the dwelling tenancy. If the garage or parking space is rented by someone else residing at the council property, this will be treated as a private garage tenancy. This should always have been the case and is because there are VAT implications in this scenario.
4.17	There is also a proposal to retain a higher rate for commuters or businesses renting garages in the city, with the current premium of £6.00 per week to be increased to £12.00 per week. This will still provide parking in the city for this client group that is far cheaper than the alternative offered by car parks (currently £625 to £1,030 per quarter, equivalent to £48 to £79 per week for a parking season ticket) but will also ensure that garages used by city residents are offered at a competitive rate by comparison.
4.18	The only accepted method of payment for garage and parking space tenancies continues to be direct debit, with exceptions made only on a case-by-case basis. Any council tenant in rent arrears on their property is refused (or have withdrawn) a garage or parking space on these grounds.
5.	Corporate plan
5.1	<p><i>Explain how the decision links to the Councils Corporate Plan</i></p> <p><u>Corporate plan 2022-27: our priorities for Cambridge - Cambridge City Council</u></p> <p>The changes proposed in this report support the key priority to tackle poverty and inequality, helping people in the greatest need, by reducing the charges for some parking spaces for council tenants who may be on lower incomes.</p>

6.	Consultation, engagement and communication
6.1	A working group including officers, cross-party councillors and tenant representative was set up to inform this review, to ensure that multiple views were taken into consideration before any recommendations were made. Tenant and leaseholder representatives form 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.
7.	Anticipated outcomes, benefits or impact
7.1	Garages held in the Council's Housing Revenue Account were originally built to provide parking for council tenants alongside occupation of their property. Over many years, garages held within the HRA have been let more widely, and in some cases on a more commercial basis. This report seeks to ensure that garages and parking spaces are affordable for council tenants, many of whom may be on low incomes, whilst also maintaining the provision of this resource for other residents, commuters, and businesses within the city.
8.	Implications
8.1	Relevant risks
	The are risks that an increase in the rental charges for garages and parking spaces for private residents, commuters and businesses will result in some occupants making alternative arrangements. The increases are however deemed modest in comparison to the cost of alterative options and are not dissimilar to the charges levied by other local authorities.
	Financial Implications
8.2	In reviewing the garage and parking space charging structure and moving back to a people and use based charge from the current property-based charge, there will be some tenants who receive an increase in their charges and others who will realise a significant reduction.

8.3	Excluding the garages and parking spaces identified for redevelopment, at the time of writing this report, 664 garage or parking space occupants will receive an increase in their charges. The increase in charges will vary from £1.31 to £8.49 per week, inclusive of VAT where applicable, based upon 2024/25 prices. The highest increases are for businesses or commuters renting city centric garages and the next highest are for businesses or commuters renting in the standard areas.
8.4	60 council tenants will receive a reduction in the rent for their garage or parking space, predominantly in respect of the cost of their right to park tenancies, but also in respect of standardising the total cost of garages let for storage. There will be a further 84 right to park spaces available, with council tenants having priority over other residents, and these spaces being offered to them at the new reduced rates.
8.5	Any council tenant who holds blue badge will also be able to apply for the new discounted rate from 7 th April 2025.
8.6	Excluding garages and parking spaces ear-marked for redevelopment, these changes would result in a potential marginal increase of just over £13,000 per annum at 2024/25 prices, assuming the entire portfolio were let. The budget process for 2025/26 assumes a 2.5% increase in income, and therefore the new charges arrived at for 2024/25 have then be inflated by 2.5% to arrive at a 2025/26 price.
8.7	All changes will come into effect from April 2025, with the exception of the discounted rate for council tenants for right to park spaces, which will come into effect following this decision being taken, to ensure that as many council tenants that want to rent these spaces take them up before they are offered more widely to other residents, etc.
	Legal Implications
8.5	<i>There are no specific legal implications arising from this report.</i>
	Equalities and socio-economic Implications
8.6	An Equalities Impact Assessment has been prepared as part of this report and will be available on the Council's website. The impact assessment recognises that charges will increase for some, but not in any one category. The changes will, however, positively impact those with a disability and

	some residents on low incomes, who live in council homes.
	Climate Change and Environmental implications
8.7	There are no adverse environmental implications anticipated as a result of changes proposed in this report.
	Procurement Implications
8.8	There are no direct procurement implications associated with this report.
	Community Safety Implications
8.9	There are no direct community safety implications associated with this report.
	Staffing Implications
8.8	There are no direct staffing implications associated with this report in terms of employment. However, the new charging structure is more complex to administer than the current system, as it involves more of the charges being related to the occupant of the garage as opposed to the nature of the garage or parking space itself. It is not possible to automate the addition of these charges as they will be dependent upon the garage or parking space renter's status at the time of signing a garage tenancy.
9.	Background documents Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985:
9.1	Garage Charging Review January 2018.
10.	Appendices
10.1	Appendix A Current and Proposed Garage and Parking Space Charging Structure Appendix B Location Map showing High / Low Value Boundary Line

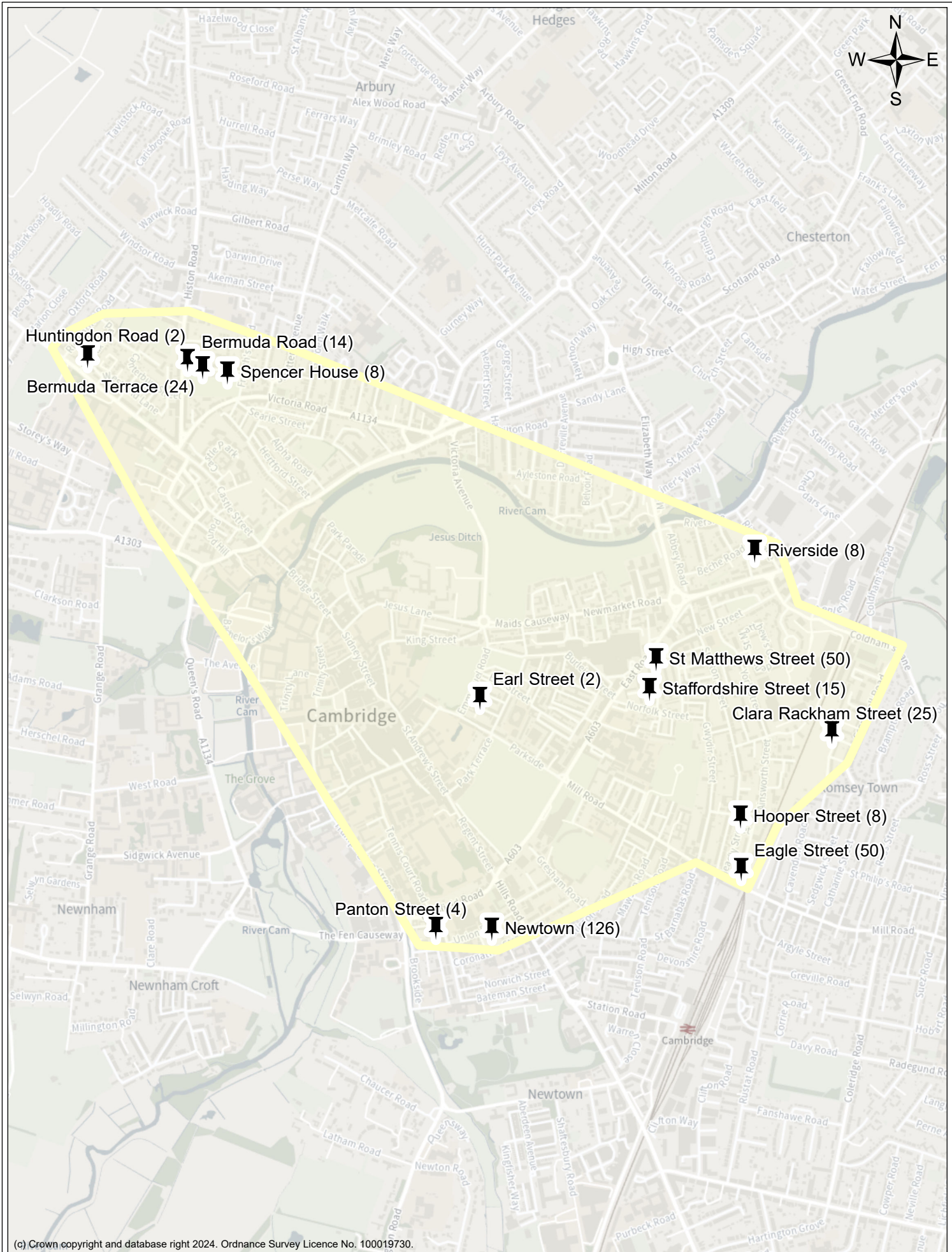
To inspect the background papers or if you have a query on the report please contact

Julia Hovells, Head of Finance and Business Manager

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

Category	Total Current Charge	Total Proposed Charge	Total Proposed Charge
	2024/25	2024/25	2025/26
	£ per rent week	£ per rent week	£ per rent week
Parking Spaces in standard area (tenants only)	8.47	8.47	8.68
Parking Spaces in standard area (other city residents) *	10.16	11.18	11.46
Garage in standard area (tenants only)	10.89	10.89	11.16
Garage in standard area (tenants storage use)	13.07	N/A	N/A
Garage in standard area (other city residents) *	13.07	14.38	14.74
Garage or Parking Space in high value / high demand area (tenants only)	20.78	20.78	21.30
Garage in high value / high demand area (tenants storage use)	24.94	N/A	N/A
Garage or Parking Space in high value / high demand area (other city residents) *	24.94	27.43	28.12
Right to Park in high value / high demand area (tenants only)	20.78	14.55	14.91
Right to Park in high value / high demand area (other city residents) *	24.94	24.94	25.56
A premium is added to all base rates above when rented for non-city resident, commuter, business or commercial use			
	£5.00 plus VAT	£10.00 plus VAT	£10.00 plus VAT
Parking Space in standard area - Non-City Resident / Commuter or Business / Commercial use	16.16	23.18	23.46
Garage in standard area - Non-City Resident / Commuter or Business / Commercial use in standard area	19.07	26.38	26.74
Garage or Parking Space in high value / high demand area - Non-City Resident / Commuter or Business / Commercial use in high value / high demand area	30.94	39.43	40.12

* other city residents includes council residential tenants with a garage in a different ward or more than 1.5 miles from the property



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Garages - High Value Area and Locations

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Date: 18 April 2024

Produced by: Spatial Team

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**REPORT TITLE: Review - Storage in Communal Areas - Zero Tolerance Policy
/ Fire Safety in Communal Areas Policy**

To:

Councillor Gerri Bird, Executive Councillor for Housing

Housing Scrutiny Committee: 17th September 2024

Report by:

Laura Adcock, Housing Services Manager (Support and Performance)

Tel: 01223 457649 Email: Laura.Adcock@cambridge.gov.uk

Wards affected:

All

1. Recommendations

1.1 It is recommended that the Executive Councillor for Housing:

1. Approve the changes to the Storage in Communal Areas - Zero Tolerance Policy, and the new title of the revised policy: Fire Safety in Communal Areas Policy (Appendix A)
2. Support officers of the council in enforcing the revised policy.

1.2 The main changes within the revised policy are:

- Change of title to 'Fire Safety in Communal Areas Policy'
- Inclusion of latest legislation
- Providing greater clarity around the aims and purpose of the policy
- Giving clear guidance on landlord and residents responsibilities
- Making explicit the revised timescales for the removal of items in communal areas:

“7.5. Items deemed as posing a significant fire risk will be removed immediately, or as a last resort within 24 hours.

7.6. Any other items will be issued with a 5 working days' notice to be removed. If they are not removed within 5 working days of the notice, the council will remove them without any further notice.”

2. Purpose and reason for the report

- 2.1 The purpose of the report is to update members of a review of the existing Storage in Communal Areas - Zero Tolerance Policy, and to seek approval to implement proposed changes to the policy. This includes a proposal to change the title to 'Fire Safety in Communal Areas Policy'.
- 2.2 This is a revision of a current policy in place, Storage in Communal Areas - Zero Tolerance Policy, which was signed-off in September 2018. Since the sign-off of this policy there has been several key legislative changes, and there is a need for Cambridge City Council to demonstrate how we intend to meet these requirements.
- 2.3 Other changes to the policy outlined in this report are to provide clear standards around timescales for the removal of items. This is to clearly communicate the council's position of zero tolerance on items in communal areas, to provide assurance that communal areas are appropriately managed, and that urgent remedial action around fire risks can take place.

3. Alternative options considered

- 3.1 The revision of the policy was needed to include new legislation and regulatory standards.
- 3.2 The current policy operates a 'zero tolerance' approach, throughout the review and consultation with tenants and leaseholders, no recommendations were made to change this approach.

Latest guidance from the Home Office on compliance with fire safety law for those responsible for fire safety in small blocks of flats states that:

“The common parts should be kept clear of any combustible materials or storage.

A zero-tolerance approach, in which residents are not permitted to use the common parts to store any belongings or dispose of rubbish, is recommended.”

4. **Background and key issues**

- 4.1 The policy was first approved in September 2018 [Agenda for Housing Scrutiny Committee on Thursday, 27th September, 2018, 5.30 pm - Cambridge Council](#) to replace the previous policy on storage in housing owned communal areas, and to approve a zero tolerance policy for all blocks where Cambridge City Council was the freeholder of the building.

The 2018 policy was initially produced with Cambridgeshire Fire and Rescue Service officers. The purpose of the replacement policy in 2018 (following a review of fire safety as a result of the Grenfell Tower fire) was to ensure a clear, consistent approach to prevent the storage of any items in the communal areas to reduce risks and improve the overall appearance of the internal communal areas of Cambridge City Council’s owned flats.

- 4.2 The 2018 policy has been reviewed so that it incorporates recent legislation regarding fire safety and new regulatory standards in social housing.

The review also recognised a need to reconsider if we are effectively enacting a zero tolerance approach through the prioritisation of items found in communal areas and timescales set out for their removal.

- 4.3 Under the **Regulatory Reform (Fire Safety) Order 2005** Cambridge City Council has a legal duty to make sure that all routes of access and exits in the event of an emergency are clear and safe.

The changes to the policy further emphasise the importance of having clear communal areas at all times so that escape and access routes in the event of fire are not obstructed, and there are no trip hazards.

- 4.4 The **Fire Safety Act 2021** sets out to amend the Regulatory Reform (Fire Safety) Order

2005 and is designed to ensure that people “feel safe in their own homes and that a tragedy like the Grenfell Tower fire never happens again”.

The Act clarifies that responsible persons (RPs) for multi-occupied residential buildings must manage and reduce the risk of fire for the structure and external walls of the building, including cladding, balconies and windows, and entrance doors to individual flats that open into common parts.

Changes in the revised policy enable a more robust process to manage and reduce fire risks in communal areas and are key to the council carrying out the requirements of the Fire Safety Act 2021.

4.5 The **Social Housing (Regulation) Act 2023** has introduced four new Consumer Standards that define specific expectations that Landlords are required to meet. The four Consumer Standards are:

- Neighbourhood and Community Standard
- Safety and Quality Standard
- Tenancy Standard
- Transparency, Influence and Accountability Standard

The Safety and Quality Standard is relevant to this policy, particularly the following extract.

1.3 Health and safety

1.3.1 When acting as landlords, registered providers must take all reasonable steps to ensure the health and safety of tenants in their homes and associated communal areas.

Changes in the revised policy underline the importance of Cambridge City Council fulfilling its responsibilities to manage fire safety, to ensure residents feel safe in their homes, and to meet the requirement of the Safety and Quality Standard.

4.6 The review process highlighted a need for more urgent action on the removal of items in communal areas and to streamline the way in which we prioritise items for removal so that we could operate a zero tolerance approach more effectively.

The revised policy has just two categories of items and more shorter timescales for removal:

7.5. Items deemed as posing a significant fire risk will be removed immediately, or as a last resort within 24 hours.

7.6. Any other items will be issued with a 5 working days' notice to be removed. If they are not removed within 5 working days of the notice, the council will remove them without any further notice.

4.7 The review process also drew attention to the lengthy title of the current policy 'Storage in Communal Areas - Zero Tolerance Policy', and has proposed that a shorter title 'Fire Safety in Communal Areas Policy' is used instead. It was considered more appropriate that the overall purpose of ensuring fire safety should be emphasised, rather than the specific approach taken.

Corporate plan

5.1 The changes to this policy support the strategic objective of "improving housing conditions and making best use of existing homes" - as set out in the Greater Cambridge Housing Strategy.

The changes proposed in this report also align with the council's new vision for Cambridge, 'One Cambridge, Fair for All', in that it will contribute towards the following ambition - "Residents enjoy a high quality of life and exemplar public services. Cambridge is a place of high employment where everyone has a warm, safe, and affordable home, and beautiful open spaces to enjoy."

6. Consultation, engagement and communication

6.1 Council officers responsible for health and safety and enforcement of this policy have been consulted on the revisions.

The draft policy was presented to elected tenant and leaseholder representatives on

19th August 2024. Following their feedback, changes were made to ensure that the policy is more assertive in its wording and that there is also an emphasis on items not being stored or left in communal gardens.

Feedback also highlighted the need for good communication with residents about changes and making the policy more accessible.

If approved, the changes as a result of the revised policy will be communicated to residents through the Open Door magazine, a letter will also be sent to all relevant residents along with an updated fire safety leaflet. The updated policy will be published on our website.

7. Anticipated outcomes, benefits or impact

- 7.1 The changes in this revised policy will enable the council to be more responsive to the risk of fire in communal areas. Greater urgency regarding the removal of items found in communal areas provides a clearer commitment from the council on taking fire risk seriously.

8. Implications

8.1 Relevant risks

This policy is part of the Council's mitigations and controls relating to the Operational Risk RAC0005 – Fire Safety Compliance which sits in City Services.

Failure to approve the policy or alter its timescales will increase the risk to life of tenants in the event of their being a fire in their building.

Financial Implications

- 8.2 Any increased costs incurred as a result of items being removed by the Council will be added to tenant service charges wherever possible to ensure this policy is cost neutral to the Housing Revenue Account.

Legal Implications

8.3 This policy will enable to Council to better meet its legislative and regulatory requirements.

Failure to approve this policy or alter its timescales could result in increased risks of breaching legislation and resultant criminal prosecutions, or a poor regulatory inspection result from the Social Housing Regulator.

Equalities and socio-economic Implications

8.4 The main findings from the Equalities Impact Assessment are:

- The changes to the policy will a positive impact on all residents including those with protected characteristics as the changes are designed to ensure that the Council reduces fire risk in our housing stock and improves our residents' living conditions.
- Changes to the policy will have a positive impact on particular groups that may be vulnerable in the event of a fire and subsequent evacuation as safety of communal areas will be clear, reducing chance of fire from combustible items and allowing unobstructed evacuation by residents in the event of a serious incident. These groups include the very young, the elderly and those with a mobility, neuro-divergent or visual impairment.
- It was noted that changes to the policy could pose a barrier for disabled and/or elderly residents who are unable to store their mobility scooter in their home. The Council has processes in place to mitigate this by providing on request suitable facilities for a resident who is unable to store their scooter in their home. In addition, through the Estate Improvement Scheme the Council has recently increased provision of storage and charging facilities for mobility scooters across estates, where appropriate.

An Equality Impact Assessment has been prepared and will be available as an background paper to this report.

Net Zero Carbon, Climate Change and Environmental implications

- 8.5 There are no anticipated adverse climate change or environmental implications arising from this report. All waste collected will be disposed of by Greater Cambridge Shared Waste Service, who aim to recycle wherever possible and reduce the amount of waste going to landfill.

Procurement Implications

- 8.6 There are no procurement implications arising from this report.

Community Safety Implications

- 8.7 Cambridge City Council works closely with the Fire Service to ensure our buildings are as safe as possible in the unlikely event there is a fire. We take this responsibility seriously and this Policy is part of our responsibility and risk mitigation to Fire in our buildings.

9. Background documents

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 9.1
- Storage in Communal Areas – Zero Tolerance Policy 2018.
 - EQIA

10. Appendices

- 10.1 *List any appendices to the report.*
- Fire Safety in Communal Areas Policy 2024.

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

Kate Grigg, Resident Engagement and Performance Manager

01223 458323 or email: kate.grigg@cambridge.gov.uk.

Appendix A

Fire Safety in Communal Areas Policy

Date: September 2024

Department:

Next Review: September 2027

Accessibility of Document

Our aim is to make our services easy to use and accessible for everyone. We will take steps to make any reasonable adjustments needed for you to contact us, access our policies, or any requests to provide responses in other formats. Depending on the individual's needs, these might include but is not limited to:

- Using larger print, or a specific colour contrast
- Having an 'easy read' version of the document
- Having a translation of the document
- Having the document in Braille format

If you would like to contact us about having a copy of this document, or in alternative formats, please call us on 01223 457000, or write to us at Cambridge City Council, PO Box 700, Cambridge CB1 0JH.

1. Introduction:

Cambridge City Council is committed to ensuring that all communal areas in our housing stock are well-kept, meet all regulatory requirements and are a safe place for residents, visitors, staff and contractors to use.

The council adopts a zero tolerance approach to the storage of items in communal areas. Residents are not permitted to use the communal areas to store any belongings or dispose of rubbish.

Communal areas such as hallways, staircases, communal cupboards, utility meter rooms and landings do not belong to any resident, including the areas immediately outside the front door.

Cambridge City Council reserves the right to remove any item stored in communal areas immediately if deemed to be highly flammable or significantly increase fire risk.

2. Aims & Purpose:

This policy outlines the council's approach to keeping communal areas safe and free of items that could increase the likelihood of fire or impede evacuation.

- **Fire Prevention:** the overall purpose of this policy is to minimise fire risks. Wherever possible the council will aim to prevent fire safety issues by educating residents from the beginning of their tenancy and ensuring that information, support and advice is readily available.
- **Health and Safety:** keep our residents safe through the proactive management of health and safety risks in our communal areas.
- **Ensure Clear Escape Routes:** ensure that communal areas are free from combustible materials and obstructions, and for safe access and evacuation in the event of an emergency.
- **Promote Safety Awareness:** to give clear advice, engage with residents to ensure that they are aware of the risk posed by items left in communal areas, and that they understand the fire safety measures within the building.
- **Cleaning and Maintenance:** allow cleaning and maintenance staff and contractors to carry out their job effectively, supporting the upkeep of communal areas.
- **Compliance with Legislation:** ensure full compliance with the Fire Safety (England) Regulations 2022, Fire Safety Act 2021, Regulatory Reform (Fire Safety) Order 2005 and any subsequent fire safety legislation.
- **Support Vulnerable Residents:** provide tailored advice to vulnerable residents to address special requirements or vulnerabilities.
- **Provide Guidance to Staff:** this document aims to provide guidance for Cambridge City Council Estate Services Officers, Education, Engagement and Enforcement Officer, Housing Officers, Assistant Housing Officers, Leasehold Officers and any other Housing Services employee regularly required to manage and assess fire risks in communal areas across our housing stock.

3. Definitions

3.1. Residents: for the purpose of this policy, a resident is any person who lives in a building owned or managed by Cambridge City Council, including council tenants, leaseholders, sub tenants and licensees.

3.2. Communal areas: parts of a block of flats, street or estate that residents have a right to use in common with other residents, and for which we as the landlord and freeholder are responsible. This includes but is not limited to the following:

- Entrances and communal hallways/walkways
- Shared staircases and balconies
- Communal Cupboards and meter rooms

- Bin and storage areas
- Access paths
- Communal gardens
- Drying areas

3.3.Zero tolerance: A ‘zero tolerance’ approach is one in which residents are not permitted to use the communal areas to store or dispose of their belongings or rubbish - no exceptions apply. This is to ensure that communal areas are free of combustible material, ignition sources and obstructions.

4. Scope:

This policy applies to all shared communal areas in and around buildings owned and managed by Cambridge City Council.

5. Legislation and Regulations

The legislation and regulations listed below will be taken into consideration when implementing this policy:

- Social Housing (Regulation) Act 2023.
- The Fire Safety (England) Regulations 2022.
- The Building Safety Act 2022, Section 156.
- Fire Safety (England) Act 2021.
- The Building Regulations 2010 (Approved Document B).
- The Equality Act 2010.
- Regulatory Reform (Fire Safety) Order 2005.
- The Housing Act 2004.
- Local Government (Misc. Provision) Act 1982, Section 41.
- Health and Safety at Work etc. Act 1974.

6. Related Policies and Procedures

This policy links to and should be read in conjunction with the following policies and documents:

- Adaptations Policy
- Disposal of Possessions and Personal Data Procedure
- Tenancy Agreement
- Leasehold Agreement
- Tenant Sign-up pack
- Fire Safety in Flats – leaflet

7. Policy Statements:

7.1.It is residents’ responsibility to keep communal areas clear and free from obstruction at all times. This includes not having door mats in corridors, plants or any other items.

- 7.2. The council will be proactive in ensuring communal areas are clear of items and will use a range of powers to enforce the policy, including removal of items.
- 7.3. Where a resident stores items in the communal areas in breach of this policy, they will be asked to remove their items immediately.
- 7.4. Depending on the priority and value of items stored in communal areas, the council reserves the right to remove, store or dispose of these items if not removed by the resident.
- 7.5. Items deemed as posing a significant fire risk will be removed immediately, or as a last resort within 24 hours.
- 7.6. Any other items will be issued with a 5 working days' notice to be removed. If they are not removed within 5 working days of the notice, the council will remove them without any further notice.
- 7.7. If items are removed from communal areas, reasonable steps will be taken to identify the owner. If, after these steps, the owner cannot be identified items deemed to be perishable or of low value will be disposed of if not removed by the time indicated on the notice attached to the item.
- 7.8. If an item is of high value – worth £500 or more – it will be stored if not removed by the time indicated on the notice attached to the item (in accordance with the provisions of the Local Government Act 1982). If stored items are not collected within the period specified in the notice, they will be either sold or disposed.
- 7.9. The council reserves the right to recharge either the individual resident, or all residents of the block, the reasonable costs of removing and disposing of items.

8. Our Responsibilities

- 8.1. **Safety Inspections:** to carry out fire risk assessments annually to identify and remove any fire hazards in communal areas.
- 8.2. **Communication with Tenants:** to provide residents with relevant fire safety information in a format that is easily understood by the residents. All new residents will be given the 'Fire Safety in Flats' leaflet in with their Sign-up Pack.
- 8.3. **Fire Safety Measures:** to ensure that all fire safety measures are in place, functional, and regularly maintained.
- 8.4. **Communal Areas Repairs:** we are responsible for ensuring that the communal areas are safe and secure for our tenants and leaseholders. For more information, check: www.cambridge.gov.uk/council-home-repairs
- 8.5. **Support Vulnerable Residents:** we recognise that some residents may be at greater risk than others, of having a fire start in their property, or being able to safely exit in an emergency situation. Residents are encouraged to contact

us on 01223 457000 to discuss arrangements or advice where the following apply to them or member of their household:

- A disability, impairment, or health condition, that could adversely affect a safe exit from the building if required in an emergency Safety Policy.
- Advice and assistance for dealing with clutter and hoarding.
- Other reasons or combinations of reasons that could increase a risk from fire (for example smoking and living with dementia).
- We will also offer fire safety advice where requested.

9. Tenant and Leaseholder Responsibilities:

9.1. Communal areas: to keep communal areas clear and free from obstruction at all times. Residents do not have the right to store or leave anything in the communal areas of the building or in communal gardens.

- Report any items left in communal areas at: www.cambridge.gov.uk/report-flytipping or you can call 01223 457000 Monday to Friday 9- 5 or 03003038389 Out of Hours for emergencies.

9.2. Fire safety: To shut fire doors when not in use, and to read the 'Fire Safety in Flats' leaflet and Fire action notices posted in communal areas.

9.3. Bicycles, e-bikes, mopeds, motorbikes: Not storing bicycles, e-bikes, mopeds and motorbikes in communal areas unless specific storage has been provided by the council. Servicing or cleaning of these items should not take place in the communal areas.

9.4. Mobility scooters: storing mobility scooters inside their homes or storage shed or an appropriate storage facility that is suitably located.

- It is not a reasonable adjustment to allow a resident to keep mobility aids in communal areas if these present a risk to other residents. In such cases, the council will endeavour to accommodate the needs of a resident with disabilities where possible. For example, the council might assess the feasibility and cost of providing additional storage for mobility aids. The Housing Officer can also support customers to secure suitable alternative accommodation if their current home does not meet their needs.

9.5. Bins and bin stores: closing and locking bin store doors when not in use.

Not leaving wheelie bins in communal areas or under staircases. Where provided, wheelie bins must be stored away from the building.

- Any large items of household waste such as furniture must not be left in the bin store. If residents have any items that are too large or too heavy for your normal household waste collection Cambridge City Council provides a 'bulky waste collection' service. Check www.cambridge.gov.uk/bulky-waste-collections for more details.

9.6. Storage and electrical meter cupboards: Keeping storage cupboards in communal areas locked shut and not using them to store flammable items.

- Not using electrical meter cupboards for storage and to keep these cupboards locked shut at all times.

10. Monitoring and Evaluation:

Senior Managers within Housing Services will monitor the effectiveness of the policy and keep the policy under review as a result of any future legislative changes.

Notes

Updates & Changes

Date

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HOUSING REVENUE ACCOUNT MEDIUM TERM FINANCIAL STRATEGY 2024/25

To:
Councillor Gerri Bird, Executive Councillor for Housing
Housing Scrutiny Committee September 2024

Report by:
Julia Hovells, Head of Finance and Business Manager
Tel: 01223 - 457248

Email: julia.hovells@cambridge.gov.uk

Wards affected:
All wards with council garages or parking spaces

1.	Recommendations
1.1	<p>Recommendations to be considered under Part 1 of the Housing Scrutiny Committee Agenda:</p> <p>It is recommended that the Executive Councillor for Housing:</p> <ol style="list-style-type: none"> 1. Approve the Housing Revenue Account Medium Term Financial Strategy attached, to include all proposals for changes in: <ul style="list-style-type: none"> • Financial assumptions as detailed in Appendix C of the document. • 2024/25 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 document.

2. Approve that delegated authority be given to the Director of Communities and Assistant Director of Development to be in a position to confirm that the authority can renew its investment partner status with Homes England.

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

It is recommended that the Executive Councillor for Housing:

3. Approve proposals for changes in existing housing capital budgets, as introduced in Section 9 and detailed in Appendix F of the document, with the resulting position summarised in Appendix H, for decision at Council on 10 October 2024.
4. Approve proposals for new housing capital budgets, as introduced in Sections 6 and 7 and detailed in Appendix E of the document, with the resulting position summarised in Appendix H, for decision at Council on 10 October 2024.
5. 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.

2.	Purpose and reason for the report
2.1	The Housing Revenue Account (HRA) Medium Term Financial Strategy is one of two long-term strategic financial planning documents produced each year for the housing landlord services provided by Cambridge City Council.
2.2	The HRA Medium Term Financial Strategy provides an opportunity to review the assumptions incorporated as part of the longer-term financial planning process, recommending any changes in response to new legislative requirements, variations in external national and local economic factors and amendments to service delivery

	methods, allowing incorporation into budgets and financial forecasts at the earliest opportunity.
3.	Alternative options considered
3.1	The HRA Medium Term Financial Strategy is constructed taking account of a number of forecasts in external factors, with data provided through a number of specialist sources. The report contains a Sensitivity Analysis Appendix, where a number of alternative assumptions are made in order to show the impact on the financial forecasts and resulting business plan.
3.2	Alternative options for funding the delivery of new homes were explored as part of the preparation of this report, with the resulting proposals made taking account of the need to balance financial risk with a desire to maximise the delivery of additional homes.
4.	Background and key issues
4.1	The Housing Revenue Account budget was set for 2024/25 as part of 2024/25 HRA Budget Setting Report, approving a net contribution to reserves in the year of £654,150.
4.2	This figure was amended to reflect approvals to carry forward £562,600 of expenditure originally anticipated to be incurred in 2023/24 into 2024/25 as part of the closedown process for 2023/24. Following these changes, a revised sum of £91,550 was anticipated to be contributed to reserves for the year.
4.3	The HRA Medium Term Financial Strategy revisits the assumptions made as part of the HRA Budget Setting Report and recommends both changes in these and in some areas of budgeted expenditure and income for 2024/25 and beyond.
4.4	The resulting financial impact for the Housing Revenue Account is explained and summarised in the attached document and appendices.
4.5	The rent increase for 2025/26 is currently assumed to be 2.8%. This has been included in the absence of the Rent Standard from April 2025, which is yet to be published, and in the knowledge that a new government may take a different view to setting rents for this sector. 2.8% is arrived at assuming a level of CPI in September 2024 of 2.3% as forecast by the Bank of England, with a 0.5% increase above this, as was assumed when the Budget Setting Report was approved in January 2024. Many costs are increasing at a higher rate than this and there is a need to invest significant sums in energy improvement works, and so any ability to increase rents above this level will need to be considered.

	Recent press announcements have indicated that the government may allow rents to be increased by CPI plus 1% for a ten year period, but as no formal announcement has been made, this assumptions has not been incorporated at this stage. The final decision on the level of rent increase will be taken in January 2025 and will need to take account of the impact for both tenants and the delivery of services.
4.6	An assumption is incorporated into the HRA Medium Term Financial Strategy that the authority introduces the allowable 5% flexibility (10% for supported and sheltered housing) from April 2025. This would only apply to new tenancies and would not impact existing tenants whilst they remain in their current tenancy. At re-let a home would be charged at 5% (or 10% for supported and sheltered housing) above the formula rent for the dwelling. This proposal will be consulted upon prior to any implementation from April 2025.
4.7	As part of the HRA Medium Term Financial Strategy, the assumptions in respect of the delivery of the 10 Year New Homes Programme have been updated, taking account of a new portfolio approach to new build delivery, which is the subject of a separate report in this committee cycle. This approach allows affordable housing targets to be exceeded across the city as a whole through delivery of a mix of tenures, whilst reducing costs to the HRA. Reflecting the risks associated with borrowing significant sums during a period of financial uncertainty, and whilst rates remain stubbornly high, an assumption is made that the authority would require a significant increase in the level of grant funding to make delivery of the programme financially viable.
4.8	To be in a position to be able to bid currently for any funding through Homes England for the provision of social, affordable or intermediate housing, the authority is required to remain an investment partner with Homes England. To remain as an investment partner, as Cambridge City Council is currently, the authority is required to confirm annually that there have been no material changes to its membership status and that there is authority in place for continued membership.
4.9	As part of this covering report for the HRA Medium Term Financial Strategy, this is confirmed, and delegated authority is requested to allow the Director of Communities and the Assistant Director of Development to continue to make this annual confirmation.
5.	Corporate plan
5.1	<u>Corporate plan 2022-27: our priorities for Cambridge - Cambridge City Council</u>

	<p>The changes proposed in this report support the key priorities to:</p> <ul style="list-style-type: none"> • tackle poverty and inequality, helping people in the greatest need • build a new generation of council and affordable homes and reduce homelessness.
6.	Consultation, engagement and communication
6.1	Tenant and Leaseholder representatives are being consulted on the proposals in the HRA Medium Term Financial Strategy as part of the Housing Committee scrutiny process.
7.	Anticipated outcomes, benefits or impact
7.1	Reviewing and updating the assumptions made as part of the HRA Business and taking stock of any unavoidable pressures twice each year, as part of the Medium Term Financial Strategy and the Budget Setting Report ensures that the authority can respond quickly to any financial challenges and mitigate the impact on the delivery of key services to both existing and future tenants.
8.	Implications
8.1	Relevant risks
	A full risk analysis is provided at Appendix A to the HRA Medium Term Financial Strategy. There are risks that the assumptions made as part of the construction of the HRA Business Plan do not materialise as anticipated, and for this reason a number of sensitivities are modelled, which are provided in Appendix D of the HRA Medium Term Financial Strategy.
	Financial Implications
8.2	The financial implications associated with the HRA Medium Term Financial Strategy are incorporated as part of the document itself and the associated appendices.

	Legal Implications
8.3	There are no specific legal implications arising from this report.
	Equalities and socio-economic Implications
8.4	<p>An Equalities Impact Assessment has been prepared as part of this report and will be available on the Council's website.</p> <p>The key impact identified in the EqIA for the HRA Medium Term Financial Strategy is the higher rents that would be applicable for new council tenants from April 2025. Homes would still be let at less than 50% of market rent and the rent would be fully eligible for Housing Benefit or Universal Credit, to ensure that those on low incomes have the impact mitigated.</p>
	Climate Change and Environmental implications
8.5	There are no adverse environmental implications anticipated as a result of changes proposed in this report.
	Procurement Implications
8.6	Any procurement implications arising from the recommendations for additional investment in this report will be addressed by the relevant service.
	Community Safety Implications
8.7	There are no direct community safety implications associated with the HRA Medium Term Financial Strategy.
	Staffing Implications
8.8	The HRA Medium Term Financial Strategy incorporates proposals that would result in the recruitment of additional staff. All these posts will be advertised in line with the

	Council's recruitment policies and will not adversely impact any existing employees.
9.	Background documents Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985:
9.1	(a) Housing Revenue Account Medium Term Financial Strategy (November 2023) (b) Housing Revenue Account Budget Setting Report (February 2024)
10.	Appendices
10.1	Appendix A - Housing Revenue Account Business Plan and Medium Term Financial Strategy 2024/25
	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 .

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HSC Final

Housing Revenue Account Business Plan and Medium Term Financial Strategy 2024/25



September
2024

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Section 1

Background and Executive Summary

Executive Summary

The Housing Revenue Account (HRA) 30-Year Self-Financing Business Plan, originally approved in February 2012, is reviewed twice each year, incorporating both the Housing Revenue Account Medium Term Financial Strategy and Budget Setting Reports within these updates.

The report considers any required change in financial strategy or policy for the business, following review of key assumptions and consideration of any material internal or external changes, to ensure long-term financial viability for the Housing Revenue Account. Both revenue and capital investment are reviewed, with the impact of any proposed changes clearly identified. A review of strategic risks facing the HRA is presented at **Appendix A**, with uncertainties facing the business detailed at **Appendix B**.

The HRA Medium Term Financial Strategy reviews and re-states the budget for the current year, 2024/25, highlighting only significant or exceptional in-year changes for approval, reviews and updates financial assumptions and presents updated projections for the following 9 years from 2025/26 to 2033/34, in the context of the 30-year plan.

This iteration of the Business Plan is constructed recognising the following key points:

- The authority has ambitions to provide significant levels of net new social and affordable housing over the next 10 years, recognising that Cambridge is a fast-growing city of economic importance to the UK, where the Council has already successfully delivered more units than other local authority providers.

- In the current economic climate of continued high interest rates and increased build costs, the Council alone is unable to finance this level of housing development in a financially sustainable way.
- To address this, the authority has developed a potential new portfolio approach to the delivery of new homes which will allow affordable housing targets to be exceeded across the city as a whole, whilst reducing the cost of development to the HRA.
- In order to deliver this ambitious programme the authority will require government grant funding in the region of £208.5 million.
- If unsuccessful in securing this level of grant, the programme will need to be revisited. In practice, this is likely to mean a significant reduction in the scale and / or pace of development, reduced build standards, and sustainability ambitions.

To deliver new homes, significant additional borrowing is required, which brings with it financial risks whilst interest rates remain high, both in terms of the initial rate that may be secured and the rates that may be available when loans require re-financing. It is unlikely that rates will revert to the all-time low borrowing rates experienced over the last decade or so.

The recent change in government introduces more uncertainty initially, with a review of many national policies anticipated. Although inflation has slowed, borrowing rates are still extremely high, and have not yet shown any real signs of reducing as was anticipated when the 2024/25 budget was approved. The recent change in government means that we are not clear which current housing related policies will remain as they are, and which may be revised or potentially replaced with completely new statutory requirements or guidelines.

To allow the delivery of new homes already approved, it is necessary for the HRA to borrow significant resource over the next few years, which brings with it significant risk in the current economic climate. It is critical that any borrowing can be fully supported and that it doesn't detriment the financial stability of the longer-term HRA Business Plan, with the inherent risks surrounding re-financing of the debt fully understood and mitigated where possible. Being able to invest in new homes is made considerably more challenging due to continued increases in development costs, borrowing costs remaining stubbornly high, maintenance costs increasing because of the need to address compliance issues and the HRA's income stream being reduced as a result of correcting the rent regulation errors identified at the end of 2023.

This iteration of the HRA Business Plan retains the aspirational option for the delivery of much needed new homes, whilst also seeking to balance investment in the existing housing portfolio to ensure decency and safety and to improve energy efficiency and reduce tenants' fuel bills. The business plan does, however, assume a significant increase in the level of grant funding that the authority would be seeking to allow the delivery of much needed new homes in the context of the current financial climate, but most notably, borrowing rates.

This assumption requires an 'ask' of government that rather than funding through Continuous Market Engagement or Strategic Partnership under the Affordable Homes Programme, a more Strategic Partnership model or a funding regime similar to that provided through the Greater London Authority should be extended to councils, so that more strategic allocations of funding can be obtained for use flexibly across development programmes.

The authority requests a move towards fewer, flexible funding allocations which amalgamate the various funding sources for investment in housing into 1 or 2 "pots", specifically addressing both investment in existing homes and new home delivery.

This approach would unlock regeneration sites in the city and on its fringes to deliver an increase in affordable homes and improve existing stock through partnership with the council, RPs and developers. Grant is needed to fund regeneration costs (buy backs and land assembly), retrofitting costs and to deliver higher sustainability standards on mixed tenure sites.

Last year Cambridge City Council, through its partnership with Hill, delivered the second largest number of direct build council homes in England and a significant majority of the affordable housing within the city. With £208.5 million grant we could accelerate a pipeline of over 1,100 new and re-provided affordable homes and over 1,100 market homes.

Recognising the level of borrowing required to deliver the existing approved programme, a full review of the HRA 30-year business plan, to include seeking external expert opinion in respect of the anticipated borrowing and the risks associated with this in the current financial climate, will be carried out during 2025, and will inform the next HRA Medium-Term Financial Strategy. If the authority is unable to secure grant at the levels assumed, it will be necessary to scale back our new build aspirations in light of the risks that exists whilst interest rates remain high, and the need to take into account the risks of re-financing at potentially higher rates when the existing loan portfolio begins to mature.

The approach to earmarking resource for new homes in the current business plan is based upon a number of updated key assumptions, but it should be noted that the detailed programme, as it is brought forward for decision may contain a different mix of site types, scheme compositions, build standards, delivery vehicles and grant levels, all of which will necessitate ongoing review of costs and the associated borrowing. Existing HRA sites, land acquisitions, off the shelf purchase opportunities and joint venture developments continue to be explored and brought forward for decision. The specific scheme detail allows the authority to determine the build standard which each site can be built to, taking into consideration any site constraints. The success of the authority in obtaining grant to support the delivery of these homes is still key, and failure to obtain grant would necessitate a significant reduction in build standard and build programme. The programme assumes the delivery of a mix of social rented and affordable rented homes with affordable rent levels at both 60% and 80% of market rent. The delivery of market homes on some development sites will still be necessary to demonstrate financial viability, particularly in the current challenging economic climate.

Future rent increases are currently unclear, with no Rent Standard published for 2025/26 and beyond at the time of drafting this report. For the purposes of this business plan update, rent increases have been assumed to continue to increase in line with CPI, with a marginal uplift, but with a 0.5% uplift in place of the previous 1% for prudence. This assumption places significant pressure on the HRA business plan, which will potentially be addressed by government in the autumn budget, and as such will need to be reviewed as part of the Budget Setting Report in January 2025, when the allowable rent increase from April 2025 should be known.

The authority committed to achieving an EPC (Energy Performance Certificate) 'C' rating across the housing portfolio by 2035 and having taken account of the latest assumptions, including the reduction in rent income resulting from correcting the rent regulation errors, this programme can now only be delivered with borrowing. There are additional risks in borrowing for this purpose, as alongside the risks of any increase in rates when the loan needs to be re-financed, the investment does not directly generate any additional income to support the interest payments. It is absolutely critical that rent income is maximised, particularly at a time when costs are still rising. It is abundantly clear that the authority is not currently in a financial position to be able to deliver any further energy efficiency improvements in the existing housing stock, without external financial support or the ability to increase rents or service charges in some way to help meet the cost of the initial investment. The new government have also indicated that they intend to extend the deadline of achieving an EPC 'C' standard in let properties by 2030, to include social housing and have pledged to work with

local authorities to achieve this. To accelerate our delivery programme without financial assistance in the form of government grant, would mean an additional £20 million of unsupported borrowing.

The introduction of the 5% flexibility on formula rents for all general social rented properties and 10% for all supported (including sheltered) properties, will generate additional income in the longer-term to support this investment. It would only be applicable at re-let, so would take many years to deliver the financial benefit in full.

Uncertainty also still exists in respect of the investment need that may arise once phase 2 of the government review of the Decent Home's Standard (Decent Homes 2) concludes, with a refreshed standard anticipated. Consultation concluded in October 2022, with the outcome still awaited.

Detailed exploration of the longer-term borrowing options will be key, to identify whether lower interest rates can be achieved by securing finance from anywhere other than the PWLB, particularly if the PWLB HRA rate is not extended from June 2025.

At the end of July 2024, government set out plans to review right to buy discounts and eligibility criteria during the autumn but increased the flexibilities for local authorities to reinvest the retained right to buy receipts for the next two years, with immediate effect. There is currently sufficient resource (borrowing, where assumed necessary) incorporated into the financial assumptions to match fund retained right to buy receipts, to avoid the need to return receipts to central government and pay penalty interest at the bank base rate plus 4%. Decisions will need to be made on a scheme basis, with retained right to buy receipts applied to schemes that are not likely to be awarded Homes England Grant.

The HRA is susceptible to any adverse changes in other business planning assumptions, inflationary increases, interest rate increases, increases in rent arrears and bad debts and increases in statutory expenditure, such as decent homes.

Delivery, or out-performance, against some of the key assumptions is critical to the success of the housing business plan, with the assumption of rent increases of at least CPI plus 0.5%, for the next 5 years, being one of the critical assumptions included.

A key risk remains the still unquantifiable impact of the full rollout of Universal Credit, with the authority still working proactively with affected residents to mitigate the impact. Although in the region of

2,850 residents are now thought to be claiming Universal Credit, approximately 1,970 are still in receipt of Housing Benefit, although the latter will include pensionable age tenants, sheltered and temporary housing residents, who will remain on housing benefit. At the time of drafting this report, the HRA had 1,007 working age tenants still claiming Housing Benefit, providing the quantum for the number of claimants still to migrate to Universal Credit.

Recognising the additional financial pressure facing the HRA, the approach adopted last year, to include an efficiency target at 4% of controllable expenditure, with just 50% of this identified for strategic reinvestment has been reviewed and retained in order to continue to deliver net savings to the HRA.

From a broader Council perspective, the authority's transformation programme is now progressing quickly, with proposals anticipated as part of the 2025/26 budget process. Any savings achieved in relation to housing or corporate services will be profiled as appropriate across the General Fund and HRA.

With the level of borrowing that would be required to deliver not only the aspirational new build programme, but now also the energy efficiency investment in the housing stock, at a time when there is still such financial uncertainty, it is considered prudent to undertake the proposed review of the HRA Business Plan and to seek an external opinion on the risks involved with considering such an extensive investment and borrowing programme. This review may significantly alter the potential to deliver against our aspirations.

Budget Process and Timetable

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

Date	Task
2024	
17 September	Executive Councillor for Housing considers HRA Medium Term Financial Strategy incorporating Housing Scrutiny Committee views in any recommendations to Council and approves the revenue aspects of the report
10 October	Council considers HRA Medium Term Financial Strategy and approves capital aspects of the report
2025	

January 2025	Executive Councillor for Housing considers HRA Budget Setting Report, alternative budget proposals, approves rent levels and sets revenue budgets, considering Housing Scrutiny Committee views, making capital recommendations to Council
February 2025	Council considers HRA Budget Setting Report and approves capital aspects of the report

Section 2 (Business Plan)

Local Context

Council Objectives

- Leading Cambridge's response to the climate and biodiversity emergencies and creating a net zero council by 2030
- 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 2024 – 2029 identifies four key objectives with seven priority actions for housing in the Greater Cambridge area:

- Building the right homes in the right places that people need and can afford to live in
 1. Increasing the supply of homes, including affordable housing, contributing to healthy and sustainable communities
 2. Enabling the housing market to meet a wide range of local housing needs and to support sustainable growth
- High quality, low carbon, energy and water efficient homes
 3. Mitigating and adapting to climate change through good design and quality of new homes
 4. Improving housing conditions, management, safety and environmental sustainability of homes, and making best use of existing homes
- Settled lives
 5. Promoting health and wellbeing, tackling poverty, and promoting equality and social inclusion

- 6. Preventing homelessness
 - Building strong partnerships
- 7. Working with partners to innovate and maximise resources

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 at the latest required levels 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 this
- The ability to reach EPC 'C' by 2035 in the housing stock
- The desire to invest in discretionary services (i.e. support)
- The ability to respond quickly to changes in both housing and building legislation

Housing Register

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

At the end of June 2024, the housing register recorded the following applicants by both bedroom need and priority banding:

Housing Register by Bedroom Need	Number	Percentage
1	1,618	57%
2	600	21%
3	461	17%
4 / 4+	146	5%
Total	2,825	100%

Housing Register by Priority Banding	Number	Percentage
A / Emergency	276	10%
B	714	25%
C	1,036	37%
D / D*	799	28%
Total	2,825	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	112	198	834	299	175	1,618
2 Bed	51	163	165	172	49	600
3 Bed	64	276	30	69	22	461
4 Bed	44	69	7	7	4	131
5 Bed	5	7	0	1	0	13
6 Bed	0	1	0	1	0	2
Total	276	714	1,036	549	250	2,825

The mix of new homes sought by the HRA has been aligned with the new Housing Strategy as approved in June 2024, seeking an average of 30% to 40% 1 bedroom, 35% to 45% 2 bedroom, 15% to 25% 3 bedroom and 0% to 10% 4 bedroom homes, with future delivery plans to be aligned to this.

Housing Stock

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

Housing Category	Actual Stock Numbers as at 1/4/2024	Estimated Stock Numbers as at 1/4/2025
General Housing – Social Rent	5,972	5,842
General Housing – Affordable Rent	903	1,025
Sheltered Housing	522	522
Supported Housing	16	16
Temporary Housing (Individual Units)	135	135
Temporary Housing (HMO's / EA)	21	21
Miscellaneous Leased Dwellings	18	18
Shared Ownership Dwellings	84	84
Total Dwellings	7,671	7,663

Property Type	Actual Stock Numbers as at 1/4/2024	Estimated Stock Numbers as at 1/4/2025
Bedsits	99	75
1 Bed	1,984	2,010
2 Bed	2,689	2,682
3 Bed	2,253	2,248
4 Bed	113	115
5 Bed	8	8
6 Bed	2	2
7 Bed	1	1
Sheltered Housing	522	522
Total Dwellings	7,671	7,663

Housing Stock Changes

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

Year	Opening Stock	RTB's	Other Disposals / Demolitions	Conversions / Other Changes	Acquisitions / New Builds	Closing Stock
2023/24	7,348	(15)	(36)	0	290	7,587
2022/23	7,155	(28)	(19)	(1)	241	7,348
2021/22	7,103	(34)	0	0	86	7,155
2020/21	7,106	(16)	(57)	0	70	7,103
2019/20	7,084	(29)	(14)	10	55	7,106
2018/19	7,103	(27)	(2)	(1)	11	7,084
2017/18	7,049	(47)	(29)	(1)	131	7,103
2016/17	7,040	(58)	(7)	(1)	75	7,049
2015/16	7,016	(42)	(4)	5	65	7,040
2014/15	7,164	(51)	(109)	(7)	19	7,016
Total		(347)	(277)	4	1,043	

Leasehold Stock

At 1st April 2024, the Council retained the freehold and directly managed the leases for 1,167 leasehold flats and had 4 leasehold flats managed by a third party management company.

Section 3 (Business Plan)

External Factors and National Policy Context

As part of this business plan report, all financial assumptions have been reviewed, including taking account of external factors outside of the authority's control. Financial projections are adjusted considering any changes or trends in these. There is an ongoing impact on the economy as a result of the cost-of-living crisis, with interest rates for borrowing also remaining high. Although inflation now appears to have broadly stabilised, contract costs remain far higher than in previous iterations of the plan. This results in continued uncertainty in the forecast of external factors in this iteration of the HRA Business Plan.

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

National Housing Policy

National Rent Policy

Local authority rents continue to be 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, with the exception of 2023/24, where high inflation saw the government cap increases at 7%. The national decision to cap rent increases from April 2023 resulted in all homes previously being charged at formula rent to fall below formula. Properties below formula rent levels can currently only be increased to formula levels when they become void, with formula rents continuing to be set with reference to January 1999 property values. Government had indicated that a consultation would follow in respect of options to move rents back up to formula levels, but at the time of writing this report, this had not been published.

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.

The Rent Standard from April 2025 has still not been published, and so future year rent increases are currently hugely uncertain. The new government has indicated that they will seek to provide rent stability for councils and housing associations, whilst also ensuring protection for existing and future tenants, with detailed plans anticipated as part of the next fiscal event. Recent press announcements indicate that increases of CPI plus 1% may be considered as part of the Chancellor's Autumn Budget. For prudence, this iteration of the business plan retains an increase at CPI plus 0.5% from April 2025 for the following 5 years, until there is certainty in this area.

With the level of CPI for July 2024 rising marginally to 2.2%, from 2% in May and June 2024, it is considered prudent to adopt the Bank of England predicted rate of 2.3% for September 2024, and as such an annual increase of 2.8% (CPI plus 0.5%) has been assumed from April 2025.

Social Housing Regulation Act

The Social Housing Regulation Act significantly enhanced the role of the Regulator of Social Housing, with new consumer standards and housing inspections, which came into force from 1 April 2024.

The key factors to note are:

- The regulator can now step in more readily where they feel intervention is proportionate.
- Both transparency and safety requirements are enhanced, with requirements for building hazards to be fixed within prescribed timescales, the organisation to have a named health and safety lead, any tenant whose safety is threatened to be offered alternative accommodation and to provide information to residents on financial performance.
- The new housing inspection regime is now underway, and the authority anticipates an inspection in the short to medium term.

- The regulator can impose unlimited fines for non-compliance, can issue performance improvement plans and has the right to undertake surveys on properties directly.
- The regulator can set competency and conduct standards, with mandatory qualification requirements for senior housing managers and executives.

The authority submitted its first set of Tenant Satisfaction Measures (TSMs), which include compliance data, under the new regime at the end of June 2024, which are available in full on the council's website at <https://www.cambridge.gov.uk/tenant-satisfaction-measures>

The TSM's comprise of 14 landlord reporting measures, based upon management reporting information at 31/3/2024 and 12 tenant perception measures, which are obtained through a survey of general needs and sheltered tenants, which was also reported through Open Door in July's edition.

The landlord reporting measures include compliance statistics in respect of gas safety, fire risk assessments, asbestos management, legionella testing and lift safety, alongside information on anti-social behaviour, decent homes, responsive repairs and complaints.

The Service Improvement Group has reviewed the requirements in the consumer standards and code of practice and has a number of agreed actions to ensure that the authority can demonstrate compliance. The group intend to employ an external organisation to carry out a 'critical friend' review, to highlight any areas that may need further improvement.

Right to Buy Sales

In 2023/24, 42 right to buy applications were received, compared with 62 in 2022/23. A total of 18 applications were received in the first 4 months of 2024/25, indicating continued low interest in the scheme, potentially because of continued high mortgage rates.

In 2023/24, only 15 applications proceeded to a sale completion, compared with 28 in 2022/23. In the first 4 months of 2024/25, 8 sales have completed, indicating that sales for the year may be marginally higher than in 2023/24.

On 30 July 2024, the Deputy Prime Minister wrote to local authorities confirming a commitment to review right to buy discounts, with legislative changes anticipated in the autumn and to review the scheme and eligibility more widely, with a consultation anticipated in the same timescales.

It is therefore very difficult to predict future sales, but in the short-term, it is considered prudent to reduce the assumed sales in 2024/25 to 20, based upon average activity in 2023/24 and 2024/25 to date. The assumption of 25 sales per annum has currently been retained from 2025/26 onwards, with this to be reviewed as part of the HRA Budget Setting Report in January 2025, by which time we may have the details surrounding any proposed changes in discounts or eligibility.

Right to Buy Receipts

On 31 March 2024, the authority held £5,285,000 of right to buy receipts under the retention agreement with the Ministry of Housing, Communities and Local Government (MHCLG), formerly known as the Department for Levelling Up, Housing and Communities (DLUHC).

For 2022/23 and 2023/24, MHCLG revised the retention agreement for right to buy receipts, to allow local authorities to retain the share of receipts that would otherwise be payable to them. This change resulted in the authority retaining an additional £2.3 million of right to buy receipts, part of the £5.3 million identified above.

Retained right to buy receipts must still be reinvested within 5 years. However, with immediate effect the new government have removed the cap on the percentage of replacement units delivered as acquisitions using retained right to buy receipts, which was previously set at 50% for 2024/25, 40% for 2025/26 and 30% from 2026/27, with the first 20 units of delivery in any year excluded from the cap. They have also removed the limit of 50% of a new dwelling being able to be funded using retained right to buy receipts and will allow Councils to combine receipts with Section 106 funding. These changes will be in place for two years and will then be subject to review. For the purposes of constructing this iteration of the business plan, we have assumed these changes remain in place after the review.

It remains that retained right to buy receipts can't be invested in replacement homes and the authority is unable to use capital receipts from the sale of land and other housing assets or grant funding to match fund units financed using retained right to buy receipts, and instead must re-invest these in different capital projects.

With the Bank of England base rate now at 5%, any penalty interest payable on receipts not re-invested appropriately is payable at a rate of 9%. If the authority moves into a position that receipts are being held with less than 12 months before any penalty would be incurred, decision to retain or pay over receipts is made by the Chief Finance Officer, in consultation with the Director of Communities.

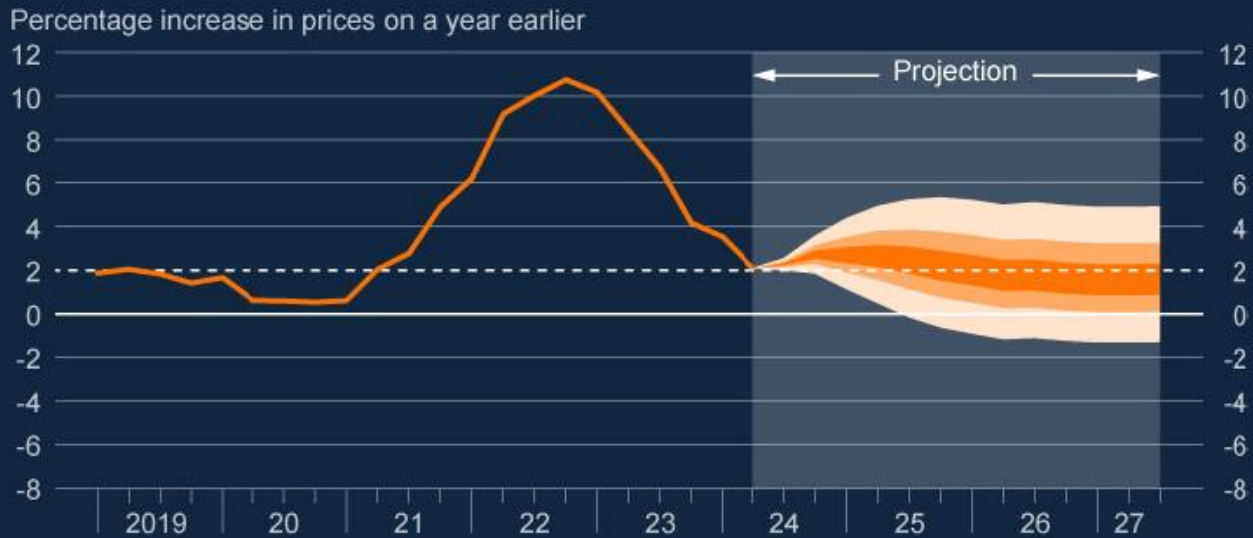
The Director of Communities has delegation to draw down funds from HRA ear-marked reserves to acquire homes on the open market, if required, to ensure that investment is made well in advance of the prescribed deadlines.

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 three 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 2.0% in May 2024, and rising again marginally to 2.2% by July 2024. The last two years have seen huge inflationary increases in utility, fuel and food prices, alongside steep rises in other operating costs.

The Bank of England's Monetary Policy Report of August 2024 forecasts an average CPI of 2.5% across 2024/25 and 2.3% for 2025/26, before falling to 1.6% for 2026/27. The over-arching view is that there will be a slight increase from where we are now, before rates are expected to stabilise over the next few years. If an average is taken of the projections for the next three years, a rate of 2.13% would be applicable, supporting a view that the previous government's long-term target rate of 2.0% is still reasonable. Taking account of this, inflation rates have been incorporated into this iteration of the business plan at 2.5% by 2025/26, 2.3% for 2026/27, and at 1.7% for 2027/28 and 2028/29, before returning to the long-term assumption of 2.0%.

Chart 1.4: CPI inflation projection based on market interest rate expectations, other policy measures as announced



The assumptions surrounding building maintenance expenditure inflation have historically 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 2.3% for 2025/26, with forecasts of 3.6%, 3.7%, 3.7% and 3.2% 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 3.3%.

On a similar average basis, the assumptions being adopted for CPI over the same period are 2.0%, a difference of 1.3%.

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 2.7% (average CPI plus average BCIS divided by 2) has therefore been incorporated into the business plan forecasts.

The growth rate of 4.7% previously adopted in respect of new build inflation has been reduced to 3% on an ongoing basis, based upon the latest advice of the quantity surveyor / employer's agent used most frequently by the Council. The view is that building inflation has stabilised currently, and that this assumption can be reduced in our forecasts.

There is no published forecast in respect of public sector pay increases, but these would be expected to be lower than in the private sector, with longer-term pay increases in the public sector still assumed to mirror the longer-term inflation target of 2%.

The pay award from April 2024 has not yet been agreed, but with the employer offer currently being £1,290 per annum up to spinal column point 43, and 2.5% for paygrades above this. An inflationary sum of 4% was incorporated into the financial forecast for 2024/25, which is more than sufficient to meet this pay offer. This assumption has currently been retained, as no formal agreement has yet been reached.

The headline rate of inflation has been incorporated in respect of future year cost of living pay increases, with a rate of 2.5% from April 2025 and 2.3% from April 2026 followed by 2 years at 1.6%, before returning to the longer-term assumption of 2.0%. 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.

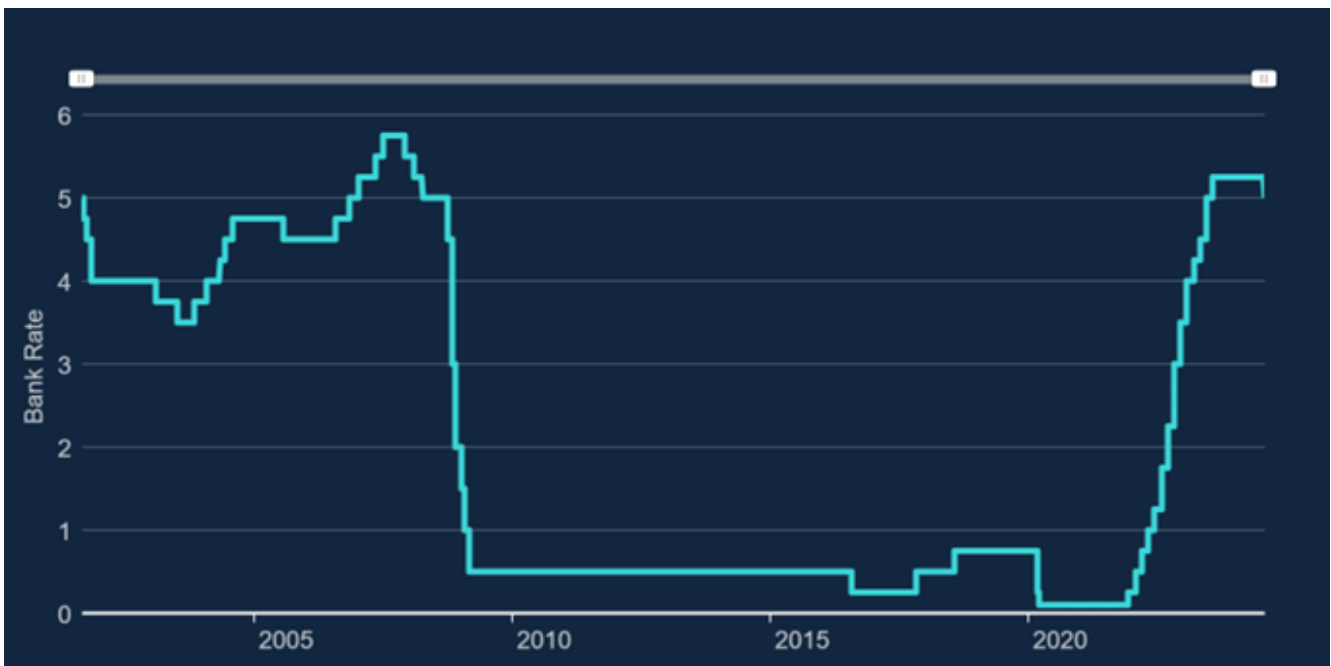
Interest Rates on Lending

The Housing Revenue Account recovers a proportion of the interest earned on cash balances invested by the authority. The rate of interest assumed for 2024/25 in the HRA Budget Setting

Report was 4.5%, based upon the HRA clawing back interest from the General Fund on investments with minimal risk. This recognises that the General Fund bears the risk, but also benefits from the reward, of the higher risk investments made by the Council.

The Bank of England base rate was reduced to 5% in August 2024, which compares to a rate of 1.75% in August 2022. The current rate has just reduced by 25 basis points from the highest it had been in over 15 years. The next review is due on 19 September 2024.

Bank of England Base Rate



The actual average rate of interest earned on investments that benefited the HRA for 2023/24 was 4.87%, but rates ranged from 3.94% at the beginning of the year, up to 5.40% by February 2024. With the current Bank of England base rate being 5%, lending rates have remained relatively buoyant into 2024/25.

Recognising that the HRA benefits from the lower risk investments, the rate of 4.5% has been retained in this iteration of the business plan for 2024/25, reducing to 3.0% from 2025/26 on an ongoing basis. The interest rate assumptions are included in **Appendix C**.

Interest Rates on HRA 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%. The HRA also has £1,564,000 of internal borrowing from the General Fund, with a variable interest rate charged each year as part of the Item 8 Debit to the HRA.

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

There is risk to the HRA's ability to borrow from the Public Works Loan Board (PWLB), with HM Treasury guidance stating 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, or the following year. Investment in assets for service delivery, housing, regeneration, preventative action (ie, buying an asset of community value) and treasury management (re-financing existing debt) are acceptable, but investment for yield, such as investment in land or buildings to be let at market rates is prohibited. If investment for yield is included in an authority's capital plan in any of the following three years, the authority will be unable to borrow from the PWLB. 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. 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 allow development continues to impact the HRA Capital Financing Requirement, effectively increasing borrowing. Although there is now no cap on borrowing, such decisions must still be made in the knowledge of the revenue impact of transferring the land or resource.

The assumption is made that additional borrowing is externalised, with updated PWLB maturity loan rates for loans of a 30-year duration used. Since the last update of the HRA Business Plan, rates have not begun to reduce, as was predicted in January 2024, but have instead remained

at similar rates to those available at the end of 2023. The PWLB lending rate, at the time of drafting this report, stood at around 5.60%, compared with a standard PWLB rate of 5.00% assumed during the construction of the HRA Budget Setting Report in January 2024. It should be noted that the PWLB rate is reviewed and can change twice each day.

In June 2023, the government announced a preferential rate for HRA borrowing, at 40 basis points above gilts, which is effectively a 60 basis points reduction on the standard PWLB lending rates. This rate applies until June 2025 and will then be subject to further review. This would reduce the current rate of 5.60% to 5.00%, which is higher than the rate of 4.40% (5% less 60 basis points) that was assumed in January 2024. The previous certainty rate of a 20-basis point reduction can be assumed to be ongoing currently, as long as the authority submits its spending plans as required.

To mitigate the daily rate fluctuations in PWLB rates, this iteration of the business plan considers forecasts made by Link, the Council's treasury advisors, who project that PWLB lending rates (inclusive of certainty rate) will be at an average of 4.85% for 2024/25, 4.28% for 2025/26, then 4.10% by the beginning of 2026/27.

Based upon current rates and these projections, a revised average rate of 5.00% (5.60% - 0.60%) has been incorporated into any borrowing assumptions for 2024/25, followed by 4.28% for 2025/26, then 4.10% ongoing.

It should be noted that if the authority were unable to secure grant funding at the levels incorporated into the assumptions in this iteration of the business plan, it would only take interest rates to increase marginally to 5.74%, before the HRA would be in the position that it would need to borrow just to support the ongoing operation of the business. This is not a financially sustainable position and highlights the re-financing risks associated with such significant borrowing.

Section 4 (Business Plan)

Rent and Other Income

Rent Setting

Social Rents

The Rent Standard from April 2020 came to an end after April 2024, which was the last of 5 years where rent increases of up to CPI plus 1% were allowed, The only deviation from this was in April 2023, where extremely high inflation rates saw the government intervene and apply a cap of 7%, which was further capped locally at 5%.

The Rent Standard from April 2025 has not yet been published, and a change in national government make it difficult to predict what may be allowed for rent increases from April next year. The assumption made in respect of rent increases is absolutely critical in terms of business planning, as rent is the primary source of income for the HRA, and a small variation in percentage terms makes a significant difference in monetary terms.

CPI returned to the previous government's long-term target of 2% in May 2024, before rising marginally to 2.2% in July 2024. There is no guarantee that the new Rent Standard will use CPI as the base measure for inflation in respect of rent increases or that there will be any margin above inflation allowed. There does, however, need to be recognition given to the increased costs which social housing landlords are facing, not only in respect of the cost of the provision of existing services, but also the enhanced level of investment in respect of damp and mould, disrepair claims, compliance works and energy investment, alongside the need to deliver much needed additional homes. Recent press announcements indicate that a rise of CPI plus 1% may be announced as part of the autumn budget, but this has not been formally confirmed.

The previously approved HRA business plan assumed a rent increase of CPI plus 0.5% for 5 years from April 2025 onwards, and in the absence of any confirmed national update in this area, this assumption has been retained for this iteration of the business plan. CPI for September 2024 has been assumed to be 2.3% using the Bank of England forecasts. Any ability to increase rents at a greater rate than this will need to be carefully considered, recognising the impact on the tenants, but also balancing this against both increased costs and the requirement to improve the condition and energy efficiency of council homes.

The table below summarises the financial impact on the business plan of a variety of rent increase levels (using rents as at 1/4/2024 as a base) and includes the impact for both social rents and affordable rents as they are subject to the same rent controls.

Rent Increase as at April 2025	Average Weekly Social Rent Value Increase	Average Weekly Affordable Rent Value Increase	Increase / Decrease in borrowing over the 30 Year Business Plan	Impact on Housing Delivery
2%	£2.46	£3.71	£35 million increased borrowing	Approximately 430 homes would need to be removed from the EPC 'C' programme
2.8%	£3.45	£5.19	0	No impact – base position
3%	£3.70	£5.56	£8 million reduced borrowing	£110,000 per annum available to invest elsewhere
5%	£6.16	£9.27	£85 million reduced borrowing	4 additional homes per year could be built

It is evident from the table above that a single year decision on the level of rent increase makes a significant difference to the level of borrowing required, the viability of the housing business and the authority's ability to consider investment in front-line services, energy efficiency improvements of the existing housing stock and the delivery of new homes.

Property specific formula social rents under the rent restructuring regime still apply. However, when rent increases were capped from April 2023, set at 5% locally, it meant that any property

previously charged at formula social rent fell below this level, with formula rents still increased under rent setting regulations by CPI plus 1%, equivalent to 11.1%.

The average formula 'rent restructured' rent at the start of 2024/25 across the general housing stock was £132.57, with the average actual rent charged being £123.23. As a result of the rent increase cap in April 2023, only properties that have been re-let or introduced since April 2023 were charged at formula rent at the start of 2024/25.

The gap between actual and formula rent levels in the general housing stock now equates to an annual loss of income of approximately £3,242,000 across the HRA.

The authority can currently only close the gap between formula social rent and the actual rent being charged for a dwelling, when a property becomes void, and continues to do this.

Within the rent restructuring legislation, authorities have the ability to charge social rents at 5% above the formula rent as calculated by the rent restructuring formula (10% for supported housing). If an authority opts to apply the flexibility, it can only be applied at re-let, so does not directly affect any current tenants. Cambridge City Council do not currently apply this flexibility, but propose to re-introduce this from April 2025, recognising the significant additional investment, and associated borrowing, required across the housing stock to:

- improve the energy efficiency of the homes and reduce energy bills for residents, by achieving EPC 'C' by 2035.
- meet new requirements set in legislation such as the Building Safety Act 2022 and Fire Safety Order

The 5% (10% for supported housing, including sheltered housing) flexibility will only be applied when a socially rented is re-let, and all vacant homes will be advertised on this basis so that prospective tenants know how much they will need to pay.

The tables below provides an indication of the average social rent levels that might apply from April 2025 with the 5% and 10% flexibility applied, demonstrating that general rents would still

be between 35% and 46% of market rent and supported rents between 45% and 50% of market rent.

Property Size	2024/25 Average General Formula Rent	2025/26 Estimated Average Rent with CPI plus 0.5% applied	2025/26 Estimated Average Rent with CPI plus 0.5% and 5% flexibility applied	Mean Market Rent in Cambridge (September 2023)	Rent with 5% Flexibility as a percentage of Market Rent
1 Bed	114.03	117.22	123.08	270.44	46%
2 Bed	131.37	135.05	141.80	330.94	43%
3 Bed	149.57	153.76	161.45	368.22	44%
4 / 4+ Bed	174.89	179.79	188.78	540.13	35%

Property Size	2024/25 Average Supported Formula Rent	2025/26 Estimated Average Rent with CPI plus 0.5% applied	2025/26 Estimated Average Rent with CPI plus 0.5% and 10% flexibility applied	Mean Market Rent in Cambridge (September 2023)	Rent with 10% Flexibility as a percentage of Market Rent
1 Bed	116.51	119.77	131.75	270.44	49%
2 Bed	130.82	134.48	147.93	330.94	45%

Affordable Rents

In respect of affordable rented homes for existing tenants, the same inflation rates apply as for socially rented homes, with these also monitored by the Regulator for Social Housing. There is the ability to re-set the rent at up to 80% of market rent when a property is vacated, should the authority so choose. Affordable rents at up to 80% of market rent combine both the rent and non-discretionary service charges levied for any property.

There were 905 new build properties charged at the higher 'affordable rent' levels, on 1st April 2024 and 20 affordable shared ownership homes.

The authority has two levels of affordable rents being applied to new homes, with rents set at either 60% (or the Local Housing Allowance level if this is lower) or 80% of market rent depending upon the nature of the scheme and the proportion of affordable housing being delivered on the site.

The earlier delivered affordable rented housing was based on the pre-COVID Local Housing Allowance, which for existing tenants has been inflated annually. When any of these homes become vacant, they are re-based at 60% of market rent or the current Local Housing Allowance, whichever is lower. It will take many years before consistency is achieved, however.

The table below confirms the average rent levels assumed in new build financial modelling:

	2024/25 Published LHA Rate (not adopted by CCC unless lower than a 60% rent)	Indicative Programme Average 2024/25 Rents at Social Rent	Indicative Programme Average 2024/25 Rents at 60% of Market Rent	Indicative Programme Average 2024/25 Rents at 80% of Market Rent
1 Bed	207.12	123.27	206.06	243.43
2 Bed	218.63	147.06	218.27	286.20
3 Bed	258.90	176.68	250.62	300.49
4 Bed	333.70	207.45	333.70	N/A

Rent Arrears and Bad Debt Provision

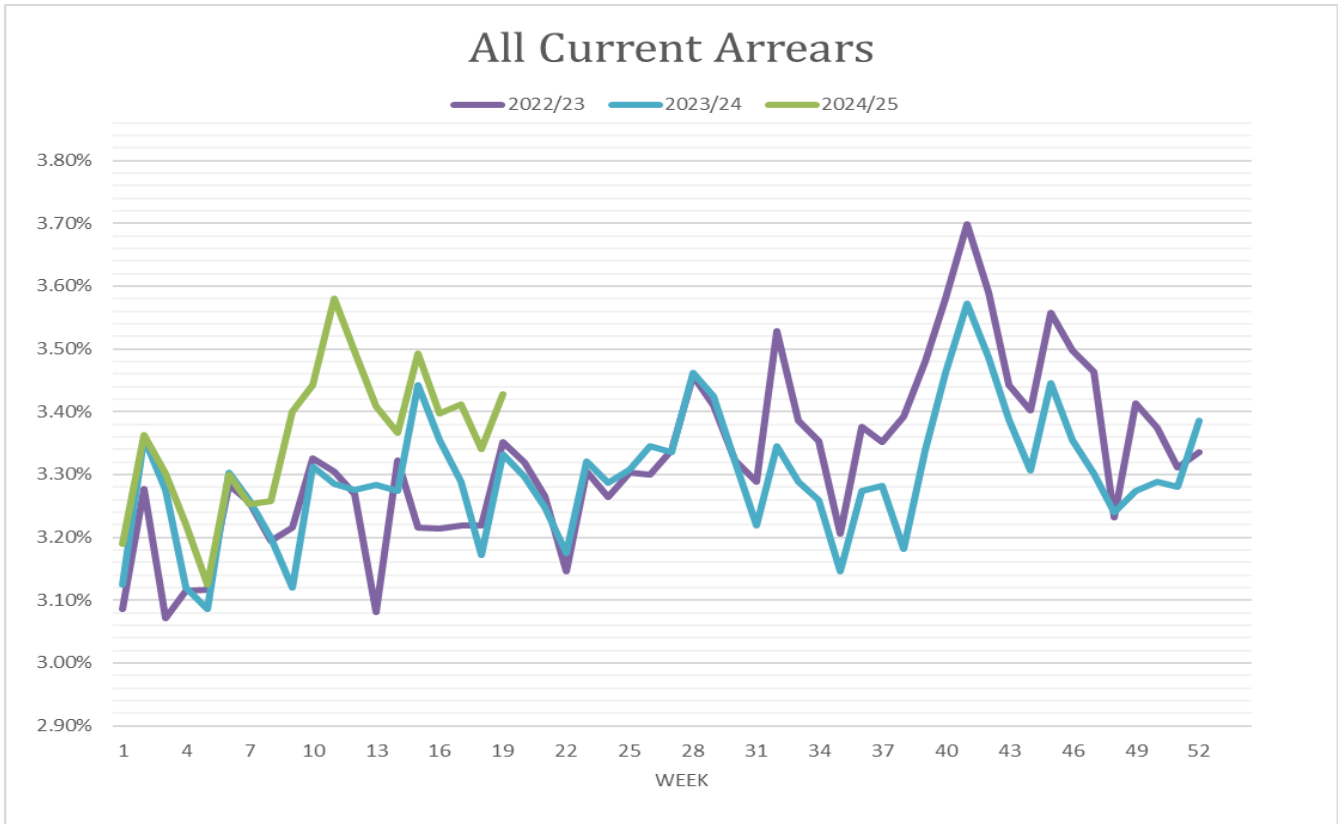
Rent collection performance was broadly maintained during 2023/24 despite the challenging economic climate, with the income collected in the year representing 98.9% of the value of rent and charges raised in year, compared with 99.2% in the previous year.

As a result of rent not collected, total arrears increased during 2023/24, with current tenant arrears of just under £1.7 million by 31 March 2024 and former tenant debt of just under £1.3 million. The year-end position in respect of rent debt is summarised in the table below:

Financial Year End	Value of Year End Arrears in Accounts (Current Tenants)	Current Tenant Arrears as a Percentage of Gross Debit Raised in the Year	Value of Year End Arrears in Accounts (Former Tenants)
31/3/2020	£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
31/3/2024	£1,688,582	3.37%	£1,269,270

It is concerning to see that current tenant arrears increased during 2023/24 in both value and percentage terms, from £1.49 million (3.33%) to £1.69 million (3.37%). This is possibly not surprising in the current financial climate, with the cost of living crisis continuing to impact particularly low-income households and more households having moved to claiming Universal Credit, which is paid 5 weeks in arrears.

The position in respect of current arrears has worsened in both monetary and percentage terms in 2024/25 to date, with an increase in the first 4 months of 2024/25 of a further £191,452 in arrears by July 2024.



The Income Management Team were short-staffed for the majority of 2023/24, but now have a full complement of staff again and continue to work proactively with tenants and financial support providers to mitigate the impact of the cost-of-living crisis for both the tenants themselves and the authority, ensuring that tenants are aware of all financial support available to them. The ongoing impact for residents of moving to direct payment is being actively managed, with an increase in the number of claimants transitioning to Universal Credit. In August 2024, the authority had 2,851 tenants claiming Universal Credit and 1,972 still claiming housing benefit. A significant proportion of those still claiming housing benefit will be in temporary accommodation or will be of pensionable age, and so will continue to receive housing benefit.

The team are now actively using the LIFT software, which helps to identify low income families and proactively ensure they are applying for and receiving any financial assistance to which they may be entitled.

Former tenant arrears also increased over the 12 months to 31/3/2024, going from £1 million to £1.3 million over this period. A dedicated officer is employed, focussed on recovering, or failing that, writing off, former tenant debt. Former tenant debt of £166k was collected during 2023/24 and debt of £80k was written off. Writing off obvious bad debt allows a focus on recovery of more of the doubtful debt, but this task is currently on hold pending the processing of all rent error refunds, as the authority needs to ensure that all debts are extinguished before any sums are returned to tenants.

At 31 March 2024 the total provision for bad debt stood at £2,355,820.97 representing 80% of the total debt outstanding.

The annual contribution to the bad debt provision for 2024/25, based on 1% of rent due, was set at £496,610 in the HRA budget approved in January 2024. The assumption was reviewed as part of the 2023/24 Medium Term Financial Strategy, when a reduced call on the fund in prior years resulted in the contribution being reduced to 1% per annum. The final contribution to the provision for 2023/24 was marginally higher than the 1% budgeted, but the assumption has currently been retained in this iteration of the business plan, recognising that some arrears will be reduced or removed by virtue of refunding overpaid rent resulting from the rent regulation errors. This will be reviewed again as part of the HRA Budget Setting Report in January 2025.

Void Levels

The value of rent not collected as a direct result of void dwellings in 2023/24 was £1,211,077, representing a void loss of 2.63%, compared with £1,052,081 in 2022/23, representing a void loss of 2.52%.

The value of rent lost through void dwellings during 2023/24 was higher than in 2022/23 and was higher than the increased target of 2.5% for 2023/24, recognised as part of the 2024/25 HRA Budget Setting Report of January 2024.

Some of the key contributors to the higher void levels in 2023/24 were homes vacated on approved development sites (£323,000) and units held vacant as a result of fire damage to a block of flats (£41,000). The time taken to prepare and let homes acquired for refugees and to

prepare a sheltered scheme acquired in early 2023, resulted in void loss of £150,000 and the cost of letting new homes for the first time was £154,000.

If the impact of the irregular void transactions (detailed above) is removed from the statistics, the void performance in general voids for 2023/24 would have been 1.18%, which is still higher than the standard void target of 1%. Still having a backlog of void works during 2023/24 contributed to this, despite efforts to work to clear this, with externalisation of some work to facilitate this.

Void performance has deteriorated overall in the first four months of 2024/25, with a gross void rent loss of 2.89%. This does however still include the impact of our redevelopment programme, with significant units now vacated at Fanshawe Road, Princess Court and Hanover Court, and decant beginning at Stanton House. The data also includes new homes and acquisitions which have not yet been let for the first time, with large numbers of homes handed over simultaneously, creating a backlog in the lettings process into the early part of 2024/25. There are further handovers anticipated in 2024/25, but these are more spread out, so once the current backlog of new homes has been let, this issue is not expected to reoccur. With these removed the general void performance has improved in 2024/25 when compared to last year.

As a result of this, it is recommended to adjust the assumption in general voids for the current year from 1.5% to 1.1%, with the impact of the decant of homes identified for redevelopment and letting of new homes now accounted for outside of this assumption, whilst retaining the longer-term assumption of 1% in the business plan for 2025/26 and 2026/27., before reducing this to 0.8% from 2027/28 by which time the void process will have been fully reviewed and improved as part of the transformation programme.

Section 5 (Business Plan)

Capital - Funding

Direct Revenue Financing of Capital Expenditure (DRF)

DRF is the use of revenue income, which is predominantly rental income, in the HRA to finance capital expenditure. Over the next 10 years, an average of £12.7 million per annum is estimated to be available for this purpose, but this is subject to rent increases being applied as allowable and revenue expenditure being within existing assumptions. Any increase in the level of revenue spending on housing management, responsive or void repair activity, reduces the sums available to finance capital expenditure. The resource is used to fund most aspects of the housing capital programme, including decent homes, other investment in the housing stock, new build and non-dwelling investment, such as garages, commercial property and IT.

Major Repairs Reserve (MRR)

The MRR is a statutory capital reserve which is contributed to solely by the revenue depreciation charged on HRA assets each year. The funding is ring-fenced for investment in existing or new HRA assets, or for use in the repayment of debt. Over the next 10 years, an average of £14.2 million per annum is estimated to be available for this purpose, but this is subject to updated annual depreciation calculations, which are affected by any changes in asset valuations when they are revalued at the end of each financial year. The resource is used to fund many aspects of the housing capital programme, including decent homes, other investment in the housing stock and new build. It could be used to invest in other HRA assets, such as garages and commercial property, or for the repayment of housing debt.

General Right to Buy Receipts

The authority is able to retain a proportion of capital receipts in respect of the first few homes sold under right to buy each year, as a historic arrangement linked to the self-financing settlement for the HRA. This resource is shared with Treasury on a formulaic basis, but for 2022/23 and 2023/24 local authorities were able to retain 100% of the funding. From 2024/25 resource of approximately £500,000 per annum is assumed based upon the authority selling 25 homes each year under right to buy. This resource can be used to fund any legitimate capital expenditure, so is routinely utilised to meet the net cost of any general fund housing capital investment and investment in commercial or community-based assets.

Retained Right to Buy Receipts

Receipts retained by the authority under the current 1-4-1 retention agreement are approximately £3 million per annum based upon current sale assumptions. This resource carries constraints in how it can be invested, some of which have recently been relaxed, as outlined in Section 3, with the authority currently allocating these receipts to new build schemes that are either ineligible for, or unlikely to be awarded, Homes England Grant under the current arrangements. Purchases of new build homes on section 106 sites would be a key use of these resources going forward if the more flexible grant ask of government is not agreed.

Other Capital Receipts

The HRA receives capital income in the form of receipts for the sale of land or non-RTB disposals. This funding can be retained in full by the authority as long as it is invested in affordable housing. There are constraints on how these resources are used, with the resource unable to be combined with retained right to buy receipts, grant or section 106 funding. The resource has often been used historically for the re-provision of existing dwellings on HRA development sites, but this may change if redeveloped units continue to be eligible for grant.

Homes England Grant

The authority is currently able to bid for Homes England Grant on a scheme-by-scheme basis. From 2023, it has been possible to bid for grant, not only for new supply of social rented or affordable rented housing, but also for re-provision of existing homes on development sites. This makes redevelopment more financially viable for the authority subject to successful grant bids.

The HRA Business Plan update made the initial assumption of grant on new and re-provided supply for all potentially eligible schemes, with a clear recognition that failure in securing the grant would require the scheme to be reconsidered, either exploring the tenure mix and / or build standards in order to be able to proceed.

This resulted in a business plan that carried too great a risk in terms of peak borrowing, borrowing costs and potential re-financing. This business plan now includes an assumption of a far greater level of grant for new homes, provided either through Homes England or direct from government. The assumption is made that the grant would be provided with far greater flexibility, allowing the funding to be extended and used for new and re-provided homes on section 106 sites and other market led sites.

Borrowing

Moving forward, the HRA will need to borrow as a key form of financing capital investment. 2024/25 is the first time the HRA expects to borrow to finance capital expenditure since the self-financing borrowing was taken out in March 2012. Exploring the most appropriate borrowing route will be key, particularly at a time when interest rates are still so high. The authority can explore internal borrowing from the General Fund, but this will be limited to the level of available reserves that the General Fund has to lend. The Public Works Loan Board (PWLB) is currently offering a reduced HRA rate (until June 2025), but this still attracts an interest rate of more than 5% at the time of writing this report. The current business plan assumes additional borrowing of £196,000,000 over the next 10 years, resulting in the HRA having a total of £410,000,000 outstanding borrowing at the end of the 10 year period, in order to deliver the new homes planned and to allow investment in energy works to the existing stock.

Appendix H details the funding sources assumed to be available and utilised in the Housing Capital Investment Programme over the next 10 years.

Section 6 (Business Plan)

Capital and Planned Revenue

- Existing Stock

Stock Condition / Decent Homes

The authority holds stock condition data for its housing stock, with an ongoing programme of inspections carried out to increase the breadth and quality of this data to help inform strategic decision making.

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

The housing service reported achievement of the decent homes standard in the housing stock as at 31 March 2024 at 99.9%, compared with just under 99.8% achieving the desired standard at 31 March 2023. There were 5 properties that were considered non-decent, in addition to 247 refusals, where tenants had exercised their right to decline the work being completed and where these are therefore not reported in the non-decency statistics.

Stock Investment

The HRA has a 5-Year Asset Management Strategy, which was last approved in autumn 2019. It is anticipated that it will be reviewed and presented for re-approval in the spring of 2025.

From a delivery perspective, around 60% of planned maintenance investment is currently broadly split between two main contractors. Foster Property Maintenance are responsible for the delivery of most external planned works to the housing stock, blocks and estates, whilst TSG Building Services deliver the majority of internal planned investment. The current contract with TSG runs for an initial 5-year period from November 2022, with the option to extend for up to a

further 3 years. The contract with Fosters is in its extension period and runs until September 2025, with a new procurement process now underway. A significant amount of work is procured via one-off contracts, and this includes large structural works projects, some estate improvement projects, and energy efficiency works.

As part of the Asset Management Strategy, a programme of new initiatives and actions was identified, with the ongoing actions listed below (implementation is subject to funding bids when costs have been quantified in some cases):

Initiative / Action	Current Status
<p>Deliver a rolling programme of stock condition surveys so properties are inspected every five years</p>	<p>A programme of stock condition surveys is underway and prioritises properties where there is no recent condition data. Our apprentice surveyor has been trained in this area. The inhouse team are also receiving training so that all void properties have a stock condition survey carried out. We are reviewing survey information from a range of sources (e.g. external surveys, retrofit assessments, energy assessments) so we have detailed information about the condition of our properties.</p>
<p>Continue the programme of structural surveys of flats blocks and implement survey programme for older flats and houses with structural concrete elements</p>	<p>Structural works at the Bermuda Terrace Estate are being tendered with a view to being on site in 2024/25. A programme of structural repairs to maisonettes in South Arbury will be completed in September 2024. In 2024/25 we plan to establish a framework contract for structural engineering services and establish a cyclical surveying programme to re-inspect blocks of flats where structural works have been completed. We are carrying out structural repairs to around twenty</p>

	houses that have suffered from structural defects, some arising from dry weather in the past few years.
Implementation of "Orchard Asset" asset management software – including development of the compliance and energy modules	The Survey module is fully operational, and we are working on closing data gaps and moving information that was previously held on spreadsheets onto MRI. However, the implementation is not fully complete and staffing and resourcing issues have led to the delay of some modules. The new Energy Manager started in November 2023 and we will soon be in a position where all energy efficiency reporting can be via MRI Energy.
Develop a methodology which identifies high-cost investment properties across the stock and calculates net present values – using new software in Orchard Asset	The implementation of an "Options Appraisal" module in MRI Asset will be the final module to be implemented.
Implement a programme of estate investment projects	A street lighting replacement contract and various estate-based projects were completed in 2023/24. There is around £1.4m of the original £5m budget remaining. Projects have been identified, but the temporary Surveyor overseeing the programme has recently left the Council. There is likely to be a delay in project delivery while recruitment is arranged.
Establish a programme of re-inspection of asbestos containing materials and implement a new asbestos register based within Orchard Asset	The asbestos compliance module will be implemented in a live environment in the Asset system in 2024. The Asbestos Surveyor (Analyst) post has now been recruited to and will continue with the review of all communal re-inspections.

Implement an annual programme to inspect fire doors to flats and communal areas (including the replacement of non-compliant fire doors)

An initial fire door inspection programme has been completed. This is being used to determine if existing standard doors should be replaced with fire doors, and if existing fire doors comply with requirements.

There are new fire door inspection requirements in buildings over 11m tall – including quarterly inspection of all fire doors in communal areas, and annual inspection of flat front entrance doors.

Results from surveys are being used to develop programmes of planned work including new and replacement fire doors.

At Kingsway flats, fire compartmentation works are 90% complete, with officers working to gain access to the remaining properties to allow the remaining 10% to be undertaken. 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 category II sheltered housing schemes, with Ditchburn Place, Whitefriars, Stanton House and Rawlyn Court complete and 6 further schemes where work is planned.

Individual properties have regular electrical tests, and the electrical installation is upgraded 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. A programme of communal electrical upgrade works is now underway, with Markham Close, St Kilda Avenue and Arbury Court due to be completed in 2024/25.

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. Following survey work at Bermuda Terrace in 2023/24, a programme of works is now planned for these blocks. Blocks of maisonettes in the South Arbury area also require a programme of similar works, which is yet to be procured.

At the East Road flats, a project is nearing completion to replace roofs and windows to the tall blocks of flats facing East Road. This is a large project and work has been coordinated to minimise disruption to residents. Electrical works to these flats are also required but this work will be carried out separately in 2025/26.

Energy Works

The tender to deliver Social Housing Decarbonisation Fund (SHDF) grant funded external wall insulation works was awarded to Aran Insulation in December 2023. Works commenced in January 2024 and are anticipated to complete in March 2025. Progress is broadly in line within the grant funder KPIs and approximately 60 homes have been completed to date (as of July 2024).

The current HRA Business Plan assumes that the work required to move homes to an EPC 'C' standard will be completed by March 2035. The new government have responded to parliamentary questions, confirming that all landlords will need to meet the standard by 2030. They have indicated that they will work with social housing landlords to achieve this but have not given any commitment to funding these works. If the authority were to accelerate the programme without any additional funding from government, borrowing would increase by £20 million, without an income stream to support it.

Net Zero Retrofit Pilot Project

The tender for the Ross Street and Coldham's Grove area Net Zero Retrofit Pilot was awarded in March 2024 to Axis Europe. The final contract value is £6,482,964, inclusive of £411,560 contingency allowance (7.5% of construction cost). The capital budget for the works is in the approved HRA 30-year capital plan and is made up as follows:

Net Zero project allocation	£4,684,000
Energy efficiency works	£1,000,000
Other planned maintenance works to be carried out at the same time	£1,090,000
Total	£6,774,000

The works 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 (MVHRs)
- Solar PV panels
- Cavity wall insulation extraction and replacement (where required)
- Water efficient tap upgrades

The contract value is within the available budget and works on the first home at Ross Street started in May 2024, whilst work on the final home is anticipated to complete in Spring 2025.

The objective of the project remains unchanged, to evidence and assess feasibility and determine whether the estimated costs within the Fielden and Mawson reports are achievable. The project will provide the necessary evidence to lobby government and other bodies with support of real evidence in an attempt to secure external investment.

If the authority is successful in securing grant to deliver the 10 Year New Homes Programme at the level assumed over the next 10 years, the long-term revenue stream from these new homes will go towards supporting a modest programme of £7.2 million of net zero carbon works to begin from 2035/36 once the work to improve homes to EPC 'C' has concluded. However, based upon the figures supplied in the Fielden and Mawson report in 2021, which

indicated the cost to improve the housing stock to net zero carbon standards would be £511,580,520, the modest programme of £7.2 million per annum would take 71 years to complete. This would still not address a further 521 non-traditional homes and hostels, which were excluded from the Fielden and Mawson projections, as the net zero carbon investment cost could not be quantified

Section 7 (Business Plan)

Capital – Acquisition, New Build and Re-Development

Acquisition and Homes for Refugees

During 2023/24, the HRA acquired the final property it had committed to buy on the open market, to accommodate rough sleepers, partly funded using grant from Homes England, 21 properties to accommodate refugees, partly funded using MHCLG grant and 20 properties on sites where redevelopment was either approved or potentially possible.

During 2024, MHCLG have pre-awarded the authority a third round of grant funding to assist in meeting the challenges in providing move on and settled accommodation for refugees. This funding has now been confirmed and is the subject of a separate report to HSC in this committee cycle. The grant will require the acquisition of 4 further homes, with funding as follows.

- Round 3 – acquisition funding of £921,675 to be used to provide 4 homes (one for temporary housing purposes, 2 for general resettlement and one larger home for resettlement).

The grant funding will require a top up contribution of an estimated £1,094,325 from HRA resources, with the properties held in the HRA and available for wider housing purposes once they are no longer required to accommodate this cohort. Round 3 grant has to be invested within 2 years, but the authority has committed to deliver these homes by March 2025.

This investment is subject to decision at Housing Scrutiny Committee in this committee cycle.

New Build and Re-Development

Delivery Approach

The Housing Development Agency manage the delivery of all new homes in the HRA, with a commitment to deliver affordable, sustainable homes, which meet tenant expectations.

The fees charged by the H.D.A are reviewed annually as part of the Medium Term Financial Strategy, with a fee expectation in the H.D.A budgets of £454,780 for 2024/25. The proposed level of H.D.A fees for schemes approved from September 2024 onwards are:

- HRA housing schemes delivered using CIP – 2%
- HRA housing schemes delivered by H.D.A directly – 3%
- HRA S106 or other acquisitions – 1.5%
- Optional 1% can be added to each of the above if scheme includes community or commercial aspects.

Potential new build schemes are identified, initial feasibility work is carried out, the site is formally identified as a scheme for consideration, detailed feasibility work and formal consultation is carried out and a costed scheme is presented to Housing Scrutiny Committee for formal consideration and approval. Schemes are then incorporated into the Housing Capital Investment Plan at the next approval opportunity. As the scheme design and planning application progresses, more accurate scheme costs are available, culminating ultimately in a build contract value or affordable housing agreement, which along with any fees and costs to secure vacant possession form the final budget for each scheme. Revised scheme costs are incorporated into the Housing Capital Investment Plan as part of the HRA Business Plan Updates, that incorporate the Budget Setting Report or HRA Medium Term Financial Strategy as each scheme progresses.

Future New Build

The 10 Year New Homes Program has been reviewed as part of this iteration of the business plan, in response to increasing build costs and maintenance costs, coupled with continued high interest rates. There is no confidence currently that interest rates will reduce either significantly or in a timely manner, and the authority is required to manage risk in respect of any planned borrowing, with the level of peak borrowing in the next 10 years being a critical factor.

There is still a strong commitment to deliver as many new homes as financially feasible, but the programme needs to balance delivery against the risks associated with the significant borrowing required, both in terms of the ability to afford the level of interest payments on the initial borrowing and the need to re-finance borrowing as loans mature.

To maintain the aspirational new build programme, whilst managing risk, a significant increase in government grant for the delivery of new homes has been assumed. Grant of £208,510,000 has been assumed, to facilitate the delivery of 1,182 new homes (on sites yet to be put forward for grant consideration or yet to be approved), which would be a mixture of new and re-provided homes across the city.

The key assumptions now made in respect of the funding incorporated for the 10 Year New Homes Programme are:

- 410 social rented homes delivered as part of the 10-year new homes programme over the 10 years from 2023.
- 635 affordable homes at 60% of market rent delivered as part of the 10-year new homes programme over the 10 years from 2023.
- 400 affordable homes at 80% of market rent delivered as part of the 10-year new homes programme over the 10 years from 2023.
- Delivery of the new council rented homes assumes the need to demolish 545 existing properties as part of site regeneration schemes, resulting in 900 net new homes across the programme.
- To deliver the net new council rented homes in mixed and balanced communities, market housing will also be delivered by developers on many 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 off the shelf purchases.
- Updated build costs using the latest information and cost data available, which assumes building to Passivhaus or equivalent performance standards where the authority has control over this, and these standards can be achieved.
- Inflation in build costs incorporated at 3% per annum for the life of this programme.

- Grant assumed for approved and pipeline schemes at an average of £176,400 per unit across all tenures, including re-provided homes, section 106 sites and affordable homes delivered as part of other market led schemes.
- Retained right to buy receipts continue to be available for re-investment at the assumed rate of approximately £3,000,000 per annum and following the relaxation of the right to buy receipt rules, are assumed to be invested directly in the delivery of new homes, with the ability to use the receipt to fund the entire cost of the dwelling if required.
- Borrowing has been assumed at the rate of 5.00% for 2024/25 (recognising the PWLB HRA rate), 4.28% for 2025/26 and 4.10% from 2026/27 ongoing, based upon Link, our treasury advisors, forecasts of the PWLB rates over the medium term.
- The 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 £196,000,000 of additional borrowing in the HRA over the next 10 years of the plan, with total borrowing of £410,000,000 when combined with existing debt.

The authority has identified a pipeline of potential development sites and opportunities, which subject to grant funding and further detailed work, could be brought forward for formal approval. Sites and schemes will continue to be brought forward for 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 programme, as incorporated, is still dependent upon securing Homes England Grant funding, currently bid for on a scheme-by-scheme basis. The authority has been successful in securing grant on a number of sites to date and have successfully secured grant in respect of replacement dwellings on existing HRA sites, which was not previously an option. Delivery of the new homes in the current 10 Year New Homes Programme is wholly dependent upon securing significant additional grant funding from government.

If unsuccessful in securing grant for 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 completely reviewed. At best, this will mean a significant slowing of the pace of housing delivery in order to ensure that the Council does not take on unsustainable levels of debt. Other options may include identifying alternative sources of funding, increasing the amount of market sale housing provided, reducing build standards or to reducing the number of council rented homes delivered overall.

The resources ear-marked in the business plan will be reviewed and re-profiled as the programme develops further. The need for the HRA to borrow significant sums of money over the next 10 years requires a fundamental review of borrowing options, with long-term borrowing options to be explored and decisions made as part of the HRA Budget Setting Report in January 2025. As a result of the current preferential rate offered to the HRA by the PWLB for 2024/25, any borrowing in the current year is expected to be undertaken through this route, or borrowed internally, subject to the General Fund having sufficient resource. Longer-term the authority will need to actively explore other borrowing options, including the potential for bond issuance, which may be possible in light of the significant sums required.

Schemes Completed – Devolution 500 Programme

At the time of writing this report 528 new homes had been completed as part of the Devolution 500 Programme, with a net gain of 497 council rented homes.

Scheme	Total Social Housing / SO Units	Gain in Social Housing Units	Percentage HRA 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	67	67	100%
Meadows and Buchan	22	22	100%
Campkin Road*	75	75	100%
Clerk Maxwell	14	14	40%
Total	528	497	

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

Schemes Completed – 10 Year New Homes Programme

New 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 HRA Housing on Site
Histon Road	10	10	40%
L2	75	75	100%
Fen Road	12	12	100%
Ditton Fields	6	6	100%
Borrowdale	3	3	100%
Colville III	20	4	100%
Total	126	110	

General Fund Sites

Where any General Fund sites are taken forward for development with the potential for the HRA to acquire the affordable homes, there is the need to consider the impact of the transfer of land between the General Fund and the HRA and any resulting impact on the HRA Capital Financing Requirement. Under current legislation, any increase in this results in increased interest costs to the HRA. If General Fund sites are built out by the Cambridge Investment Partnership, with the intention of the Council being to exercise the break clause in a lease in order to acquire the affordable homes, it is considered necessary for this land to be appropriated between the General Fund and the HRA at market value, taking account of the intended use.

Section 8 (MTFS)

Detailed Review of Revenue Budgets

2024/25 Mid-Year Budget Virements

As part of the HRA Budget Setting Report in January 2024, resource of £176,260 was incorporated to allow the authority to increase staffing and operational resource as property numbers increase. Although new homes are taken handover of throughout each year, the increase required in staffing and other operational resource is only reviewed incrementally. As part of this Medium-Term Financial Strategy, the resource that has been incorporated into the business plan from 2024/25 onwards is now being formally allocated as follows:

- Allocation of resource of £11,050 in respect of third-party management costs for new build schemes at Histon Road and Clerk Maxwell.
- Allocation of resource of £11,680 in respect of an increased contribution to corporate procurement activity, recognising an increase in activity in this area as HRA stock increases and additional contracts need to be procured.

The resource already incorporated into the HRA budget from 2024/25 onwards has been or will be vired to allow these proposals to be implemented.

Other virements that have been carried out that exceed the delegated virement rules and therefore need to be formally approved as part of this HRA Medium Term Financial Strategy Report include:

- Transfer of £154,650 for the Regeneration Manager, Regeneration Officer and Development Compliance Officer to the H.D.A, with a corresponding recharge back to the HRA to offset this, for ease of line management.

- Transfer of £546,480 from service charges to rent, following a consultation in January 2024, which resulted in rent and service charges for affordable tenancies being displayed as all-inclusive rent as was always intended for affordable rented homes.
- Transfer of £782,510 from service charges to rent, following the decision to remove gas and electrical mechanical maintenance charges, and to re-pool these into rent, as part of correcting the 2004 rent regulation error. The net reduction in income has been built into rental income assumptions in future years.
- A reduction in the electricity budget for communal areas of £111,110, with a corresponding reduction in the anticipated level of service charge income for communal electricity, recognising that forecast price rises for 2024/25 were amended significantly in January 2024.

2024/25 Mid-Year Budget Changes and Inflation Impact

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

There are changes proposed in other areas of the Housing budgets, in terms of the cost of delivery of services and recovery of income, and as a result changes incorporated for 2024/25 as part of the mid-year strategic review, including:

- Removal of the budget of £1,150,000 included as part of the 2024/25 HRA BSR to allow for refunds relating to the affordable rent error highlighted at the time. This recognises that the funding for refunds was ultimately accounted for as part of closing the 2023/24 accounts, so is now not required as a specific budget in 2024/25.
- Recognition of an increase in rental income of £156,120 for 2024/25 taking account of the latest assumptions in respect of stock numbers, timing of decant for

redevelopment, new build delivery and letting of homes acquired to accommodate refugees.

- A reduction in garage rental income of £56,820, taking account of current void rates and recognising the removal of some garages for redevelopment.
- Increase of £54,000 in respect of the cost of providing services to new homes. This partially offsets the increase in rental income reported above.
- An increase of £524,000 in the budget in 2024/25 for electrical inspection certificates and associated repair works, to ensure that all properties have a valid certificate at 31 March 2025.
- Inclusion of funding of £25,360 for a 6 month post to tackle the backlog of administration surrounding disrepair, damp, condensation and mould and housing ombudsman cases
- Inclusion of additional ongoing funding of £18,640 in respect of the annual cost of the Housing Ombudsman Service, which is a statutory contribution, and increased by 45% from 2024/25.
- An increase of £12,390 in the contribution to the bad debt provision for 2024/25 and beyond, in line with the changes in rental income assumptions.
- A reduction in the level of capitalised administration costs associated with the right to buy process (£6,500), recognising the anticipated reduction in sales in 2024/25.
- An increase of £1,009,520 in the level of Direct Revenue Financing of capital expenditure, as a result of the other changes being made in the HRA in 2024/25.
- A reduction in depreciation of £134,540 based upon the latest stock projections, depreciable asset values and remaining useful lives.

- A reduction of £363,820 in the anticipated interest received on cash balances for 2024/25, recognising that additional capital reserves were utilised in financing 2023/24 capital expenditure instead of borrowing at a time when interest rates were high.
- A reduction of £367,290 in the budget for interest payable by the HRA, recognising that additional borrowing was not taken out in 2023/24.

These changes are detailed in **Appendix E** and are incorporated into the HRA Summary Forecasts at **Appendix G**.

Appendix G summarises the base revenue budget position for the HRA for the period between 2024/25 and 2033/34, based upon inclusion of the amended financial assumptions that form part of the update to the HRA Business Plan.

Section 9 (MTFS)

Review of Capital Budgets

Inflation

The inflation allowance built into the HRA Business Plan for 2024/25 has been allocated across individual investment workstreams or new build projects where the authority is not yet in contract. Details are provided in **Appendix F**, and the resulting summary position is displayed in **Appendix H**.

Existing Stock

Decent Homes

Stock condition data has been reviewed and the 30-year investment plan in respect of the existing housing portfolio has been updated to take account of the latest stock numbers, property condition and contract prices for replacement elements of the programme.

This has resulted in an increase in costs of approximately £9 million over the life of the business plan, with the revised costs having been incorporated into the financial assumptions.

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

- Expenditure as approved in the HRA Budget Setting Report in February 2024.
- Re-phasing of expenditure anticipated to take place in 2023/24, into 2024/25 and beyond, as approved in June / July 2024.

- Update of the 30-year investment plan required to meet decent homes and allow other planned investment in the housing stock, based upon the current stock numbers and contract prices.
- Review of decent homes backlog funding, following update of the 30-year investment plan.
- Allocation of the 2024/25 inflation allowance and adjustment of inflation budgets to recognise that the review of the 30-year investment plan has re-based contract prices at today's price.

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

Acquisition & New Build

Acquisition

The acquisition of homes to accommodate Ukrainian and Afghan refugees with round 1 and 2 funding was complete by the deadline of 31 March 2024. Subject to approval of a separate report presented as part of this committee cycle, budget will be approved to deliver 4 additional homes as part of the Local Authority Housing Fund Round 3 funding, and the process to identify and acquire these homes will begin, with a view to completion by March 2025.

New Build 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 Social Housing Units	Latest Budget Approved / for Approval	RTB Receipt / Sales Receipt Funding	Devolution Grant	Rent Basis
Meadows and Buchan	84 (22 handed over)	84 (22 handed over)	25,929,000	(7,778,700)	(9,102,060)	60%
Total	84	84				

10 Year New Homes Programme

Scheme	Approved Indicative Social Housing Units	Gain in Social Housing Units	Latest Budget Approved / for Approval	RTB Receipt / Sales Receipt Funding	Homes England Grant / Other Grant	Rent Basis
Colville Road III	28 (20 handed over)	28 (4 handed over)	12,720,000	0	(3,424,000)	12 Social Rent / 16 80%
Aragon Close	7	7	2,455,000	0	(551,882)	80%
Sackville Close	7	7	2,589,000	0	(551,882)	80%
Aylesborough Close	70	37	19,450,000	0	(5,717,000)	41 Social Rent / 29 80%
Total	129	83				

New Build Schemes in the Pipeline

There are a number of sites which have scheme specific approval, but at the time of writing this report, were not on site. The tables below detail the latest budget requirements either approved or for approval as part of the HRA Medium Term Financial Strategy and the assumed number of new homes which can be delivered, recognising that this may still be subject to

both planning approval and procurement of a contractor or transfer to CIP for some of the sites.

Devolution 500 Programme

Scheme	Approved Indicative Social Housing Units	Gain in Social Housing Units	Latest Budget for Approval	RTB Receipt and Sales Receipt Funding	Devolution Grant	Rent Basis
Kendal Way	1	1	565,000	(163,500)	0	60%
Total	1	1				

10 Year New Homes Programme

Scheme	Approved Indicative Social Housing Units	Gain / (Loss) in Social Housing Units	Latest Budget for Approval	RTB Receipt and Sales Receipt Funding	Homes England / CPCA Grant	Rent Basis
St Thomas's Road	4	4	1,963,000	0	(360,000)*	2 Social Rent / 2 80%
Paget Road	4	4	1,762,000	0	(360,000)*	2 Social Rent / 2 80%
Fanshawe Road	45	25	14,329,000	0	(1,000,000)** (770,000)*	34 60% / 11 80%
Princess and Hanover Court	82	0	30,766,000	0***	0	Social Rent
East Road	40	40	11,991,000	0	(2,576,000)*	16 Social Rent / 24 80%
Eddeva Park	32	32	8,398,000	1,257,750	0	60%
East Barnwell	120	110	52,654,000	0	(9,840,000)*	48 Social / 72 80%
Newbury Farm	60	60	16,002,000	2,399,250	0	60%
ATS, Histon Road	28	28	7,106,000	1,064,850	0	60%

Scheme	Approved Indicative Social Housing Units	Gain / (Loss) in Social Housing Units	Latest Budget for Approval	RTB Receipt and Sales Receipt Funding	Homes England / CPCA Grant	Rent Basis
Ekin Road	64	(27)	19,860,000	0	0	Social Rent
Davy Road	45	13	15,730,000	0	TBC	5 Social / 29 60% / 11 80%
Total	528	293				

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

** CPCA Grant

*** 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 budget for the scheme at St Thomas's Road has been reviewed and reduced in light of proposals to bring forward a smaller scheme on the site. The revised scheme will be presented to Housing Scrutiny Committee for decision, but the budget has been reduced as part of this iteration of the business to free up resource to be invested elsewhere.

Fanshawe Road was the subject of a revised report presented to Housing Scrutiny Committee in September 2023, where approval was granted for a smaller mixed tenure scheme on this site in place of the previous larger 100% affordable rented scheme, with 45 rented homes anticipated. The budget approved in September 2023 has been reviewed again, resulting in an increase in costs of £1,325,000, inclusive of inflation, taking account of the latest plans and build costs assumptions. It still also reflects the inclusion of a land receipt at an estimated £350,000 for the land upon which the market homes will be built.

Budget remains ear-marked for the cost of the redevelopment of Princess and Hanover Court, but this scheme is currently subject to review, to ensure that the best scheme is delivered in terms of tenure mix and financial viability.

The table below summarises changes to either approved budgets, and /or anticipated numbers of units, for schemes in the current programme, with inflation added to all schemes

not already on site, or in contract, at the start of the year. Funding has been increased for the schemes on site at Aragon Close and Sackville Close as a result of agreed variations.

Scheme	Previous Budget Approval	Original Estimated Units	Latest Budget Approval Request	Revised Estimated Units	Justification
Kendal Way	545,000	1	565,000	1	Inflation added
Aragon Close	2,426,000	7	2,455,000	7	Budget increased
Sackville Close	2,562,000	7	2,589,000	7	Budget increased
Colville Road III	12,681,000	48	12,720,000	48	Budget increased
St Thomas's Road	3,468,000	8	1,963,000	4	Budget reduced for smaller scheme
Paget Road	1,689,000	4	1,762,000	4	Inflation added
Fanshawe Road	13,000,000	45	14,329,000	45	Budget increased
Princess and Hanover Court	29,763,000	82	30,766,000	82	Inflation added
East Road	11,466,000	40	11,991,000	40	Inflation added
Eddeva Park	8,021,000	32	8,398,000	32	Inflation added
East Barnwell	50,306,000	120	52,654,000	120	Inflation added
Newbury Farm	15,285,000	60	16,002,000	60	Inflation added
ATS, Histon Road	6,788,000	28	7,106,000	28	Inflation added

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

Scheme	Site Type	Status	Potential New Build Units
St Thomas's Road	Existing HRA Garages	Pre-planning	4
Paget Road	Existing HRA Garages	Planning approved	4
Fanshawe Road	Existing HRA Housing	Planning approved	45
Princess and Hanover Court	Existing HRA Housing	Pre-planning	82
East Road	Demolished HRA Garages	Pre-planning	40
Eddeva Park	Section 106	Planning approved	32
East Barnwell	Mixed Ownership Site	Planning approved	120
Newbury Farm	Section 106	Pre-planning	60
ATS, Histon Road	Section 106	Pre-planning	28
Ekin Road	Existing HRA Housing	Pre-planning	64
Davy Road	Existing HRA Housing	Pre-planning	45

Capital Programme

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

- Expenditure as approved in the HRA Budget Setting Report in February 2024.
- Re-phasing of expenditure anticipated to take place in 2023/24 into 2024/25 and beyond, as approved in June / July 2024.
- Inclusion of inflation for all schemes not in contract.
- Inclusion of a budget of £2,016,000, and the associated grant funding, for the Local Authority Housing Fund Round 3, to deliver 4 homes by March 2025.
- Increase in the budgets for Aragon and Sackville Close, of £29,000 and £27,000 respectively, recognising agreed variations on site.
- Increase in the budgets for Colville III, of £39,000, recognising agreed variations on site.

- A net reduction of £1,505,000 in the budget for St Thomas's Road recognising the intention to bring forward a smaller scheme on this site, with a report anticipated to be presented to a future Housing Scrutiny Committee.
- Increase in the budget for Fanshawe Road of £1,329,000, inclusive of inflation, recognising increasing costs and overall viability for the scheme.
- Re-allocation of new build budget of £19,860,000 between the unallocated / generic new build budget and the scheme specific budget for Ekin Road, following approval of the scheme at Housing Scrutiny Committee in June 2024.
- Inclusion of a budget of £333,000 for Stanton House, following a decision in June 2024 to secure vacant possession of the site.
- Re-allocation of new build budget of £15,730,000 between the unallocated / generic new build budget and the scheme specific budget for Davy Road, in line with a scheme specific report presented to Housing Scrutiny Committee as part of this committee cycle.
- Inclusion of the latest cost assumptions and funding in line with Homes England grant applications, in respect of the 10 Year New Homes Programme. Future right to buy receipts have not been allocated to specific schemes at this stage.

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

Section 10 (MTFS)

Risks and Reserves

Risks

The HRA faces a number of risks and uncertainties in respect of its ongoing operation.

Alongside continued financial uncertainty, there are significant risks surrounding unknown costs for the HRA, particularly in respect of investment in the existing housing stock that may be needed for fire safety, other health and safety, compliance and energy efficiency reasons. Whilst the Decent homes 2 standard is still awaited this uncertainty continues.

The cost of delivering new homes also continues to rise, and there is no guarantee that Homes England grant will be available at the levels assumed in our financial forecasts, with the current Homes England Affordable Housing Grant Programme coming to an end in 2024.

Future rental streams are also subject to uncertainty, with no clarity over the level of rent increases that will apply from April 2025 onwards, once the current Rent standard comes to an end.

A detailed risk analysis is presented at **Appendix A**, with financial and operational uncertainties provided at **Appendix B**.

Housing Revenue Account Reserves

Minimum Level of HRA General Reserves

Reserves are held to help manage risks, including changes in inflation and interest rates, unanticipated service demands, rent and other income shortfalls, and emergencies, such as

uninsured damage to the housing stock, unanticipated major repairs or events such as a pandemic, or international conflict. Reserves are also used to fund investment which is anticipated to deliver savings in the longer-term.

The approach to setting both a minimum and target level of reserves for the HRA has been revisited as part of this Medium-Term Financial Strategy, taking account of the type of expenditure or income that the HRA accounts for, and balancing the value and the risk associated with each of these. This results in a new minimum level of reserves is £6,161,000, with a target level of reserves at 20% above this, £7,393,000.

The detailed calculation can be found in **Appendix I**.

Impact on HRA General Reserves in 2024/25

The impact on HRA reserves for 2023/24, and 2024/25 to date is shown in the table below:

Budgeted or Actual Use of / (Contribution to) HRA Reserves	2023/24 £'000	2024/25 £'000
Budgeted Changes in HRA Reserves		
Opening General HRA Reserves	(10,521)	(7,565)
Original Budget (Approved in January)	6,185	(654)
Carry Forwards (Approved in June)	335	563
MTFS Mid-Year Review (Approved in September)	(3,320)	263
Budget Setting Report Revised Budget (February)	(571)	-
Estimated Closing General HRA Reserves	(7,892)	(7,393)
Actual Changes in HRA Reserves		
Opening General HRA Reserves	(10,521)	(7,565)
Adjustment to 1 April 2023 reserves balance for rent regulation error	3,827	
Actual Outturn for the Year (Reported in June 2024)	(966)	-

Late adjustments to HRA post June 2024	95	-
Actual Closing General HRA Reserves	(7,565)	-

The original budget for 2024/25 approved a net contribution to general reserves of £654,150, which allowed a total revenue contribution to fund capital expenditure of £10,034,780 for the year.

This iteration of the business plan includes changes in:

- estimated dwelling and garage rental income for 2024/25
- removal of resource ear-marked for rent error refunds, recognising it was accounted for in 2023/24
- interest due for the year based upon revised cash balance assumptions
- interest paid based upon the latest borrowing assumptions
- the level of depreciation assumed to be chargeable to the HRA
- the bad debt provision required for the year, based upon the latest estimates
- the level of revenue funding of capital for the year, based upon capital projections
- allocation of resource identified to respond to an increase in stock numbers
- resource to respond to unavoidable pressures

The final general HRA reserves position reported for 31 March 2024 was £7,564,940. The revised projection of the use of general reserves in the current year (2024/25) now indicates that there is expected to be a net use of reserves of £171,550, which would leave a balance of £7,393,390 at 31st March 2025.

Earmarked Funds

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

Section 11 (MTFS)

Budget Strategy

Base Assumptions

In order to update the Housing Revenue Account Business Plan, the assumptions included in the base plan have been revisited and confirmed or amended as appropriate in the light of up-to-date intelligence and information, utilising historical information, externally available data and expert advice and opinion of specialists where appropriate.

The base financial assumptions included in the financial model are included at **Appendix C** of the HRA Medium-Term Financial Strategy, with continuing uncertainties for the HRA summarised at **Appendix B** of the Business Plan.

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

HRA Budget Strategy

The Budget Process

The HRA budget for 2025/26 will incorporate any changes proposed and agreed as part of this iteration of the business plan.

Development of the Budget Strategy

The HRA still faces significant financial challenges, with continued high borrowing costs expected to outweigh any increases in income that would otherwise support these costs. There remains a commitment to improve the sustainability of dwellings by 2035, with a target to achieve EPC 'C' in all homes, but this still only goes some way towards the aspirational target of achieving net zero carbon.

For 2024/25 the HRA Medium Term Financial Strategy incorporates an increase in anticipated dwelling rental income for the current year as a result of moving social rented properties to formula rent at re-let and affordable rented homes to 60% of market rent at re-let, new homes being handed over more quickly than expected in some cases and also being introduced at higher rents than forecast, decant of homes for redevelopment taking longer than expected and additional homes being brought into the HRA through the Local Authority Housing Fund programme. Conversely, garage rent income is lower than anticipated as a result of the number of vacant garages and parking spaces currently held.

The update also includes changes in the contribution to the bad debt provision, anticipated interest earned in year from a revenue perspective, anticipated interest paid on borrowing and in depreciation of the housing stock, alongside some changes in operational budgets.

Changes have been incorporated in the Housing Capital Programme, recognising a revised new build delivery programme, with updated sums ear-marked for the 10 Year New Homes Programme to take account of the latest assumptions.

The borrowing requirement in future years in order to deliver the reduced 10 Year New Homes Programme is now an estimated £196,000,000 over the next ten years, giving total borrowing at the end of 10 years of £410,000,000. The assumption is now made that for the delivery of new council rented homes to be possible, the authority will be successful in securing significant grant funding from Homes England, in respect of both new and replacement dwellings, irrespective of tenure or the site that they are delivered upon. Failure to secure grant at this level will require a significant review of both the proposed development programme and the HRA business plan.

The HRA needs to be able to clearly demonstrate that it can support any borrowing, with borrowing undertaken to finance a new asset, and not simply to plug a budget gap. The investment need in the existing housing stock to improve sustainability and energy efficiency has still been included in part, with resource to improve homes to EPC 'C' standard, but this will still leave a significant further investment requirement to move homes to a net zero carbon standard. Borrowing is assumed in the HRA business plan relating to the investment required to

bring homes up to an EPC 'C' standard, with no additional revenue generated to support this. The business plan is unable to support the level of borrowing that would be required to improve homes to net zero carbon without an additional future revenue stream, as it already needs to seek to increased income to support the borrowing currently incorporated.

As borrowing is required, borrowing routes need to be explored in detail. If the HRA is to deliver the new council rented homes aspired to, taking account of the latest changes in assumptions, and begin to invest in further energy improvement works, there will still no ability to set-aside resource to repay any of the self-financing debt and all borrowing will need to be re-financed at maturity, materially impacting the financial forecasts for the HRA and driving the need to identify net savings in future iterations of the business plan.

With the current pressure on the HRA finances, the aspiration to maximise the delivery of new council rented homes and the requirement to improve the energy efficiency of the existing housing stock, this report again proposes a budget strategy where an efficiency savings target is set at a level above the proposed strategic investment fund, to generate net ongoing savings in the HRA, to reduce the overall need to borrow. Ensuring identification of efficiency savings and creating some strategic investment capacity also ensure that the HRA is best placed to respond to future pressure, in terms of the need to meet updated statutory, health and safety, compliance and regulatory requirements.

The detail in terms of individual savings proposals, and the impact of reducing budgets by these values, will be presented as part of the 2025/26 budget bids and savings process, to ensure that these can be weighed up against any strategic re-investment proposed.

Approach to HRA Savings

In line with the budget strategy outlined, it is recommended that an efficiency target is retained for 2025/26, but with a lower level of strategic investment fund, in order to deliver net savings for the HRA to support future investment in sustainable homes, whilst retaining some capacity in future years to be able to respond to the financial challenges arising from the Social Housing Regulation Act and review of the Decent Homes Standard.

The inclusion of an efficiency savings target equivalent to 4% of controllable general management and repairs administration expenditure at £218,000 per annum is included for 2025/26 and the following four years. If this was increased to include internal recharges, the savings target would be £350,000 per annum

It is proposed that 50% is redirected into resource for strategic reinvestment in other areas of the housing service, with an annual fund of £109,000 to be created. The authority will need to review and evaluate its approach again in preparation for 2026/27 onwards, once the longer-term impacts on the economy, and its recovery, are clearer.

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

As part of the 2025/26 budget setting process, any areas of new revenue investment will therefore need to be more than offset by the identification of savings or increased income generation elsewhere across the HRA.

The position for the HRA will be reviewed again as part of the January 2025 HRA Budget Setting Report, with a view to continuing to maximise investment in new homes, maintaining service delivery in key statutory areas and protecting services for the most vulnerable, whilst also ensuring that the existing housing stock is maintained to the latest standards, with the aspiration to improve levels of energy efficiency being key.

It is likely that a greater net savings position may need to be sought from 2026/27 onwards, depending upon the financial pressure in respect of enhanced decent homes and compliance investment, but by this point it is hoped that there will also be longer-term certainty over rent increases. The corporate transformation programme will also have presented more detailed recommendations for change, with the impact for the HRA identified.

Appendix A

Key Risk Analysis

Risk Area & Issue arising	Controls / Mitigation Action
Effects of Legislation / Regulation	
<p>Implications of new legislation / regulation or changes to existing are not identified</p>	<ul style="list-style-type: none"> • Effective, formal, regular review processes are in place for the HRA to ensure that implications are identified, quantified and highlighted. Officers review any publications. • Service Improvement Team in place to respond to requirements of Social Housing Regulation from April 2024 and plan for inspection
<p>Delays in announcement of detail surrounding housing policy change negatively impacts decisions taken at a local level</p>	<ul style="list-style-type: none"> • Decisions taken in the context of a business plan which recognises the uncertainty and is reviewed twice each year. Savings taken have impacts exemplified to ensure impact is mitigated.
<p>Funding is not identified to meet the costs associated with changes in statutory requirements</p>	<ul style="list-style-type: none"> • Additional / specific funding requirements for new services can be identified through the budget process, to allow effective prioritisation of resources. Prudent minimum reserves are held to allow immediate investment if required. • Representation made to MHCLG and other national bodies where statutory requirements carry excessive cost.
<p>Changes in national housing or rent policy impact the ability to support the housing debt or deliver against planned investment programmes</p>	<ul style="list-style-type: none"> • The Council has processes in place ensuring early engagement in any consultation and collective representation through national housing bodies. • Impact of any proposed changes to national rent policy is incorporated into financial planning as early as possible with scenario impact quantified.
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>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 <p>Business plan is reviewed annually, housing stock is maintained to decency standards, with an asset management strategy in place.</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 • Council has completed an independent review of new build delivery

Risk Area & Issue arising	Controls / Mitigation Action
External income / funding streams	
<p>Undue reliance may be placed on external income streams, leading to approval of unsustainable expenditure</p>	<ul style="list-style-type: none"> • Modelling over the medium and long-term is conducted for key income sources, including sensitivity analysis of potential changes • Council seeks to influence national settlements and legislative changes through response to formal consultation
<p>Rent and service charge arrears increase, and bad debt rises, as a direct result of the Welfare Benefit Reforms or the current cost of living crisis</p>	<ul style="list-style-type: none"> • Increased resources identified for income management. Performance closely monitored to allow further positive action if required. • 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 100% of receipt into the replacement dwelling for the next two years
<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"> • Regular review of mix of new build delivered to ensure that assumptions around shared ownership and market sale are realistic

Appendix B

Areas of Uncertainty

Housing Revenue Account – Revenue Uncertainties

HRA Borrowing and Interest Rates

Future uncertainty exists in the borrowing route to fund the delivery of the 10-year new homes programme and the ability to manage the cashflow and service / re-pay the debt in a self-financing environment. Interest rates are currently still high, and it is difficult to predict where they will settle long-term. Rents are controlled at national level, which was never the intention of operating in a self-financing environment, and which may constrain the HRA business plan.

Right to Buy Sales

The number of sales has reduced as a result of mortgage rate rises. Indications are that interest remains relatively low, but the uncertainty in the economy, and the current increased cost of living may also impact future sales. It is impossible to predict this accurately.

Right to Buy Retention Agreement

Resource retained in respect of 1-4-1 receipts must be appropriately re-invested to avoid payment of an interest penalty, currently at the bank base rate plus 4%, so 9%. At present, sufficient investment is incorporated into the HRA financial model to avoid penalty in the medium-term, so no interest payments are assumed in the business plan.

Inflation

It is difficult to predict the longer-term position in respect of inflation, but at the time of writing this report rates had reduced to around the previous government's long-term target of 2%. It is impossible to predict accurately where rates will reside longer-term.

HRA New Build

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

Welfare Reforms

The ongoing impact for the authority of the full local rollout of Universal Credit is still uncertain, but with expectations that we may see a significant increase in arrears levels.

Social Housing Regulation Act

The new Consumer Standards and Housing Inspection regime came into effect from April 2024, with more detail surrounding inspection awaited. The need for a review of legislation surrounding the maintenance standards of social housing stock was also identified, and we await the details of any additional revenue investment that may be required.

Housing Revenue Account – Revenue Uncertainties

National Rent Policy

The national rent policy, which is legislative, removes local control over the setting of rent levels. The Rent Standard from April 2025 is yet to be published, resulting in significant uncertainty in what rent increases in the future will look like, although rent indications are that a 10 year arrangement with increases at CPI plus 1% may be announced in the autumn.

Housing Revenue Account - Capital Uncertainties

New Build Programme

The HRA Business Plan assumes a significant increase in the level of grant funding available for the delivery of new homes, with the funding being provided with much more flexibility than the current Homes England Grant Programme. There is a key business risk that this will not materialise as hoped, necessitating a fundamental review of the 10 Year New Homes Programme.

Energy Efficiency Works

The authority does not have sufficient resource to be able to improve homes to an EPC 'C' standard by 2030 without significant additional borrowing and has very limited capacity in years 7 to 30 to deliver any further energy improvement towards meeting net zero carbon aspirations. The authority commissioned work to explore the potential costs to retrofit existing homes to improve energy efficiency. The need to evidence that these costs are robust is being addressed by carrying out pilot programmes locally and the authority has successfully secured some pilot grant funding and continues to explore funding mechanisms to support this investment. The ability to deliver this level of investment without financial support is limited.

Sulphate Attack

Funding of £1.2m is still incorporated into the Housing Capital Programme to tackle sulphate attack in 98 potentially affected properties. Following a historic risk assessment, this allows works to be carried out, if required, and only when properties become void. There is the potential for similar sulphate attacks in the structures of other council dwellings constructed at a similar time, resulting in the need for additional investment. Work is to be commissioned to revisit this issue and review the current asset management approach.

Disabled Facilities Grants and Private Sector Housing Grants and Loans

DFG's and Private Sector Housing Grants and Loans are currently fully funded by the Better Care Fund, but any top up investment by the authority would be dependent upon the generally available proportion of right to buy receipts in any year, relating to the first 10 to 17 right to buy sale receipts per annum, as assumed in the self-financing settlement. This could put at risk the desired level of investment in this area, if funding via the Better Care Fund were to reduce.

Housing Revenue Account - Capital Uncertainties

Right to Buy Sales and Retained Right to Buy Receipts

Under the agreement with MHCLG, the authority is committed to invest the receipts in new homes within 5 years of the receipt period, with this funding available to meet 100% of the cost of a dwelling for the next 2 years. The recently announced flexibilities will be reviewed at the end of this period and there is a risk that the policy may revert to allowing only 50% of a dwelling to be funded, necessitating top up resource for the HRA directly, or through borrowing. Receipts may need to be paid over to central government at the end of each year, if delays in the delivery of new homes mean that deadlines are breached.

Fire Safety Act and Works in Flatted Accommodation

The authority is still working through the implications of changes to fire safety and building safety regulations, which impact the future investment need in flatted accommodation particularly. Any increased cost of works required under revised regulations will need a wider review of stock investment budgets to identify resource.

Decent Homes 2

The authority still awaits details of the outcome of the review of the Decent Homes Standard, with future investment needs expected to alter as a result.

HRA Commercial Property

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

Appendix C

Revised Business Planning Assumptions (Highlighting Changes in Bold)

Key Area	Assumption	Comment	Status
General Inflation (CPI)	2.5% for 2025/26, 2.3% for 2026/27, 1.6% for 2027/28 and 2028/29, then 2%	General inflation on expenditure included using Bank of England forecasts, recognising long-term target of 2% ongoing.	Amended
Capital and Planned Repairs Inflation	2.7% for planned maintenance and 3% for new build	Based upon the mix of BCIS and CPI forecasts for next 5 years, using averages over this period. Adopt 3% for new build based upon industry projections.	Amended
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 2.5% for 2025/26, 2.3% for 2026/27, 1.6% for 2027/28 and 2028/29, then 2%	Assume allowance for increments at 1% and cost of living pay inflation at 2.5%, 2.3%, 1.7% for 2 years, then 2% on an ongoing basis.	Amended
Employee Turnover	3%	Employee budgets assume a 3% turnover, unless service area is a single employee, or is a shared service, externally recharged service or trading account.	Retained
Social Rent Review Inflation	CPI plus 0.5% for 5 years, then CPI	Assume an increase of CPI plus 0.5% from 2025/26 for 5 years, then CPI. Assume CPI is 2.3% in September 2024 for 2025/26, then in line with CPI above from 2026/27.	Amended
Affordable Rent Review Inflation	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

Key Area	Assumption	Comment	Status
Rent Convergence	Voids Only	Ability to move to formula rent achieved only through movement of void properties directly to formula rent.	Retained
Social Rent Re-Let	Formula Rent plus 5% (10% for supported / sheltered)	Assume 5% (10% for supported and sheltered) flexibility on formula rent is applied at re-let recognising the investment required across the portfolio.	Amended
Affordable Rent Re-Let	60% market rent or LHA whichever is lower or 80% market rent	Affordable rents are re-based at 60% (or current LHA if this is lower) or 80% of market rent depending upon the rent levels approved for each scheme	Retained
External Lending Interest Rate	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	Retained
Internal Lending Interest Rate	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.	Retained
External Borrowing Interest Rate	5% for 2024/25, 4.28% for 2025/26, then 4.1% ongoing	Assumes additional borrowing using PWLB projected rates generated by Link, with HRA and certainty rate applied.	Amended
Internal Borrowing Interest Rate	5% for 2024/25, 4.28% for 2025/26, then 4.1% ongoing	Assume the same rate as external borrowing to ensure flexibility in choice of borrowing route.	Amended
HRA Minimum Balances	£6,161,000	Revise HRA minimum balance to £6,161,000, following a review of the prudent minimum balance for the HRA.	Amended
HRA Target Balances	£7,393,000	Revise HRA target balance to £7,393,000 (minimum plus 20%), following a review of the prudent minimum balance for the HRA.	Amended
Right to Buy Sales	20 in 2024/25, then 25 sales ongoing	Activity has remained low as a result of mortgage rates, so the assumed sales for 2024/25 have been reduced, but the previous assumption of 25 sales is retained annually from 2025/26 ongoing.	Amended
Right to Buy Receipts	Settlement right to buy and assumed one-for-one receipts included	Debt settlement receipts included, assuming the receipts utilised partly for general fund housing purposes. Anticipated one-for-one receipts included, and ear-marked for direct new	Amended

Key Area	Assumption	Comment	Status
		build spend. Debt repayment proportion reinvested in new affordable homes.	
Void Rates	1.1% for 2024/25 then 1% for 2 years, then 0.8% ongoing	Assume a general void rate of 1.1% for 2024/25, 1% for 2025/26 and 2026/27, then 0.8% ongoing, recognising intended improved void performance.	Amended
Bad Debts	1% from 2024/25 ongoing	Bad debt of 1% ongoing reflecting the requirement to collect 100% of rent directly through Universal Credit.	Retained
Savings Target	£218,000 (4% of general and repairs administrative expenditure)	Retain an efficiency target, now at £218,000 from 2025/26 for 5 years. Allows strategic reinvestment and a response to pressure from national housing policy change.	Amended
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	£109,000	Housing Strategic Investment Fund included from 2025/26 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 D

Business Plan Key Sensitivity Analysis

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact	Business Plan Impact
Rent Increases	Assumed at 2.8% for 2025/26, then CPI plus 0.5% for 4 years, then CPI	No guarantee that there will be the ability to return to previously assumed rent increases under any new Rent Standard from 2025/26, so assume CPI only from 2025/26.	Borrowing increases by £96 million during the life of the plan and interest payments by £37 million.	1,130 of the 1,700 homes are unable to be improved to EPC 'C'.
Rent Increases	Assumed at 2.8% for 2025/26, then CPI plus 0.5% for 4 years, then CPI	Assume a cap on rent increases at 2% for 2025/26	Borrowing increases by £35 million and interest payments by £14 million.	430 of the 1,700 homes are unable to be improved to EPC 'C'.
Rent Increases	Assumed at 2.8% for 2025/26, then CPI plus 0.5% for 4 years, then CPI	Assume the ability to set rent increase at 3% for 2025/26	Borrowing reduces by £8 million and interest payments by £4 million.	£110k per annum is available for investment in services.
Rent Increases	Assumed at 2.8% for 2025/26, then CPI plus 0.5% for 4 years, then CPI	Assume the ability to set rent increase at 5% for 2025/26	Borrowing reduces by £85 million and interest payments by £37 million.	An additional 4 new homes could be built each year – 120 across the life of the business plan.
General Inflation	CPI assumed to be 2.5% for 2025/26, 2.3% for 2026/27, 1.6% for 2027/28 and 2028/29, then 2% ongoing from 2029/30	Assume that inflation does not dip as forecast across the next 4 years and stays at 2.5% for 4 years before returning to 2% ongoing.	Borrowing reduces by £51 million during the life of the plan.	An additional 2.5 new homes could be built each year – 75 across the life of the business plan.
Direct Payments (Universal Credit)	Bad Debts at 1%	Evidence from the pilot authorities for direct payment indicated that collection rates may fall from 99% to 95%. Assume bad debts at 5% from 2025/26.	Borrowing increases by £138 million during the life of the plan, with £77 million bad debt and £58 million in additional interest payments.	No further homes could be improved to EPC 'C'.

Topic	Business Plan Assumption	Key Sensitivity Modelled	Financial Impact	Business Plan Impact
Cost of HRA New Build Programme	Homes England Grant assumed for all tenures at a significantly higher rate than previously assumed, with £206.5 million across the 10 Year Programme	Assume Homes England Grant received at current levels for eligible affordable tenures only.	Borrowing increases by £563 million during the life of the plan and interest payments increase by £374 million. The HRA has to borrow significantly in order to deliver its core functions.	All energy investment would need to be ceased and the 10 Year New Homes Programme would need to be scaled down significantly.
Cost of Borrowing	Borrowing is assumed at 5% for 2024/25, 4.28% for 2025/26, then 4.1% ongoing	Assume that the long-term borrowing rate does not fall to a low as 4.1%, but instead stabilises at 4.5%	Borrowing increases by £30 million during the life of the plan and interest payments increase by £31 million.	360 of the 1,700 homes are unable to be improved to EPC 'C'.
Cost of Borrowing	Borrowing is assumed at 5% for 2024/25, 4.28% for 2025/26, then 4.1% ongoing	Assume that the current reduced HRA rate is the best we can expect in the long-term, so assume borrowing at 5% ongoing	Borrowing increases by £74 million during the life of the plan and interest payments increase by £77 million.	830 of the 1,700 homes are unable to be improved to EPC 'C'.
Net Zero Carbon	A small programme of homes is assumed to be improved to net zero carbon standards	Assume the need to meet net zero carbon across the stock by 2050 (excluding 521 non-trad homes and hostels)	Borrowing increases by £967 million during the life of the plan and interest payments increase by £77 million. The HRA is not financially viable.	The HRA is not financially viable with this assumption incorporated.

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

Appendix E

2024/25 HRA Mid-Year Revenue Budget Adjustments

Area of Income / Expenditure	Description	Budget Amendment in 2024/25 Budget (£)	Budget Amendment in 2025/26 Budget (£)	Comment
Budgeted use of / (contribution to) HRA Reserves pre MTFS		(91,550)		
HRA General and Special Management				
Increased cost of service provision in new homes	Increased cost of the provision of services to communal areas in respect of new homes	54,000	54,000	Built into base for future years
Increased cost of Housing Ombudsman	The statutory subscription to the Housing Ombudsman Service has increased above inflation again from 2024/25	18,640	18,640	Built into base for future years
Abortive HRA development fess	One-off additional funding to allow the next phase of the programme to be progressed	0	300,000	One-Off
Total HRA General and Special Management		72,640		
HRA Repairs				
Responsive Repairs	Budget to increase staffing capacity on a temporary basis for DCM, compliance and complaint administration	25,360		One-Off
Risk and Compliance	Increased budget for electrical inspections and associated repairs	524,000		One-Off
Total HRA Repairs		549,360		
HRA Summary Account				
Bad Debt Provision	Increase in bad debt provision based on latest assumptions	12,390	Incorporated into base assumptions	Built into base for future years

Area of Income / Expenditure	Description	Budget Amendment in 2024/25 Budget (£)	Budget Amendment in 2025/26 Budget (£)	Comment
Rent Income	Increase in rental income for 2024/25 due to a higher number of let properties than anticipated	(156,120)	Incorporated into base assumptions	Built into base for future years
Rent Error Refunds	Removal of affordable rent error refund budget as accounted for in 2023/24	(1,150,000)	0	One-Off
Garage Rent Income	Reduced garage rental income as a result of additional void lets in 2024/25	56,820	Incorporated into base assumptions	Built into base for future years
Dwelling Depreciation	Reduction in the estimated level of depreciation based upon the latest stock projections	(134,540)	Incorporated into base assumptions	Built into base for future years
RTB capitalisation	The sum that can be capitalised in respect of administrative costs will be lower due to a reduction in sales	6,500	Incorporated into base assumptions	Built into base for future years
Interest earned on HRA Balances	The HRA will receive a reduced interest receipt as a result of utilising cash reserves in 2023/24 in place of borrowing	363,820	Incorporated into base assumptions	Built into base for future years
Interest paid on Borrowing	Reduction in interest paid, with assumed borrowing in 2023/24 not taken out	(367,290)	Incorporated into base assumptions	Built into base for future years
Direct Revenue Financing (DRF) of capital	A reduction in DRF recognising a review of target and minimum HRA balances	1,009,520	0	One-Off
Total HRA Summary		(358,900)		
Revised use of / (contribution to) HRA Reserves post MTFS		171,550		

Appendix F

2024/25 Mid-Year HRA Capital Budget Amendments

Area of Expenditure And Change	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Total Housing Capital Plan Expenditure pre HRA MTFS	108,823	100,424	85,096	83,574	112,555
General Fund Housing					
No changes	0	0	0	0	0
Decent Homes and Other HRA Stock Investment					
Allocate 2024/25 inflation and backlog funding and re-profile decent homes and other stock investment budgets based upon latest stock numbers, contract prices and stock condition data					
Kitchens	416	205	(392)	141	(1,208)
Bathrooms	616	6	(195)	(253)	(498)
Central Heating / Boilers	57	(54)	(9)	(498)	(881)
Insulation / Energy Efficiency / Wall Finishes	13	4	2	14	302
Energy Efficiency Pilot / Retrofit / EPC 'C'	354	108	108	108	108
External Doors	1,006	(71)	34	2	(76)
PVCU Windows	1,537	(15)	7	0	126
Wall Structure	63	13	1	37	(709)
External Painting	10	10	10	(163)	(340)
Roof Structure	15	(12)	(12)	(12)	(12)
Roof Covering (including chimneys)	592	(25)	45	97	(192)
Electrical / Wiring	610	(125)	0	(240)	(822)
Sulphate Attacks	3	3	3	3	3
HHSRS Contingency	18	(56)	3	3	3
Other Health and Safety Works	3	1	1	1	1
Capitalised Officer Fees - Decent Homes	14	14	14	14	14
Decent Homes Backlog	(5,025)	417	417	467	1,092
Associated change in Other Planned Maintenance Contractor Overheads	545	(8)	(50)	(95)	(473)
Adjust Decent Homes New Build Allocation based upon the latest handover dates for new homes	34	(171)	22	156	278
Garage Improvements	3	3	3	3	3
Asbestos Removal	1	1	1	1	1
Disabled Adaptations	22	22	22	22	22
Communal Areas Uplift	3	3	3	3	3

Area of Expenditure And Change	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Communal Electrical Installations / Fire Systems / Communal Lighting	23	0	0	0	0
Communal Entrance / Enclosure Doors + Glazing	9	(25)	(126)	0	0
Fire Prevention / Fire Safety Works	12	126	0	0	0
Hard surfacing on HRA Land - Health and Safety Works	6	6	6	6	6
Communal Areas Floor Coverings	3	3	(42)	(42)	3
Lifts and Door Entry Systems	5	(71)	4	2	20
Estate Investment Scheme	40	0	0	0	0
Capitalised Officer Fees - Other HRA Stock Spend	3	3	3	3	3
Associated changes in Other Spend on HRA Stock Planned Maintenance Contractor Overheads	20	3	(19)	(1)	7
New Build					
Include inflation for Kendal Way	20	0	0	0	0
Increase budget for Colville III as a result of variations	39	0	0	0	0
Increase budget for Aragon Close as a result of variations	29	0	0	0	0
Increase budget for Sackville Close as a result of variations	27	0	0	0	0
Amend budget for St Thomas's Road to reflect anticipated reduced scheme size	74	(1,579)	0	0	0
Allocate inflation to Paget Road	32	41	0	0	0
Allocate inflation to Fanshawe Road and increase budget	1,163	166	0	0	0
Allocate inflation to Princess and Hanover	207	484	306	6	0
Allocate inflation to East Road (Incl. demolition)	71	392	62	0	0
Allocate inflation to Eddeva Park	171	190	16	0	0
Allocate inflation to East Barnwell	146	691	432	791	288
Allocate inflation to Newbury Farm	393	205	119	0	0
Allocate inflation to ATS, Histon Road	186	122	10	0	0
Include scheme specific budget for Ekin Road	1,019	5,707	5,235	4,208	3,691
Include budget for land assembly at Stanton House	333	0	0	0	0
Include scheme specific budget for Davy Road	1,416	2,831	4,876	3,933	2,674
Allocate inflation to acquisitions budget	49	0	0	0	0
Include budget for LAHF Round 3	2,016	0	0	0	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	(4,897)	(10,209)	11,452	36,871	7,578
Sheltered Housing					
No changes	0	0	0	0	0

Area of Expenditure And Change	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Other HRA Spend					
Allocate inflation to Corporate IT Investment	2	1	1	1	1
Allocate inflation to Commercial and Administrative Property	3	1	1	1	1
Inflation Allowance					
Adjust inflation allowed to reflect 2024/25 allocation and re-phased capital programme	(3,602)	(5,139)	(3,845)	(1,670)	(7,728)
Total Housing Capital Plan Expenditure post HRA MTFS	108,751	94,646	103,625	127,494	115,844

Appendix G

HRA 10 Year Summary Forecast 2024/25 to 2033/34

Description	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income										
Rental Income (Dwellings)	(50,627)	(52,371)	(55,197)	(60,243)	(63,748)	(68,786)	(71,995)	(75,224)	(77,052)	(78,916)
Rental Income (Other)	(1,346)	(1,379)	(1,411)	(1,559)	(1,584)	(1,616)	(1,648)	(1,682)	(1,714)	(1,749)
Service Charges	(3,106)	(3,179)	(3,247)	(3,296)	(3,346)	(3,409)	(3,477)	(3,547)	(3,618)	(3,690)
Contribution towards Expenditure	(640)	(656)	(671)	(681)	(692)	(706)	(720)	(735)	(749)	(764)
Other Income	(544)	(564)	(577)	(586)	(595)	(607)	(619)	(632)	(644)	(657)
Total Income	(56,263)	(58,149)	(61,103)	(66,365)	(69,965)	(75,124)	(78,459)	(81,820)	(83,777)	(85,776)
Expenditure										
Supervision & Management - General	6,344	6,635	6,551	7,147	7,491	8,110	8,544	8,961	9,217	9,479
Supervision & Management - Special	5,005	5,124	5,256	5,355	5,456	5,581	5,708	5,839	5,973	6,110
Repairs & Maintenance	12,538	12,223	13,038	13,607	14,327	15,032	15,640	16,085	16,541	17,010
Depreciation – to Major Repairs Res.	11,922	12,424	12,710	13,411	13,937	14,581	15,167	15,645	15,949	16,259
Debt Management Expenditure	0	0	0	0	0	0	0	0	0	0
Other Expenditure	1,357	1,123	1,062	1,019	961	921	962	1,004	1,032	1,060
Total Expenditure	37,166	37,529	38,617	40,539	42,172	44,225	46,021	47,534	48,712	49,918
Net Cost of HRA Services	(19,097)	(20,620)	(22,486)	(25,826)	(27,793)	(30,899)	(32,438)	(34,286)	(35,065)	(35,858)
HRA Share of operating income and expenditure included in Whole Authority I&E Account										
Interest Receivable	(1,062)	(676)	(726)	(768)	(771)	(896)	(1,036)	(1,085)	(1,177)	(1,275)
(Surplus) / Deficit on the HRA for the Year	(20,159)	(21,296)	(23,212)	(26,594)	(28,564)	(31,795)	(33,474)	(35,371)	(36,242)	(37,133)
Items not in the HRA Income and Expenditure Account but included in the movement on HRA balance										

Loan Interest	9,287	11,418	11,858	13,153	15,326	16,235	16,234	16,235	16,235	16,235
Housing Set Aside	0	0	0	0	0	0	0	0	0	0
Appropriation from Ear-Marked Reserve	0	0	0	0	0	0	0	0	0	0
Direct Revenue Financing of Capital	11,044	9,328	11,558	12,099	13,498	6,914	14,741	14,080	16,062	17,187
(Surplus) / Deficit for Year	172	(550)	204	(1,342)	260	(8,646)	(2,499)	(5,056)	(3,945)	(3,711)
Balance b/f	(7,565)	(7,393)	(7,945)	(7,740)	(9,083)	(8,825)	(17,469)	(19,966)	(25,020)	(28,966)
Total Balance c/f	(7,393)	(7,943)	(7,741)	(9,082)	(8,823)	(17,471)	(19,968)	(25,022)	(28,965)	(32,677)

Appendix H

Housing Capital Investment Plan (10 Year Detailed Investment Plan)

Description	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	£'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	996	1,435	703	1,311	1,174	2,977	2,977	2,977	2,977	2,977
Bathrooms	1,199	668	182	112	343	459	459	459	459	459
Central Heating / Boilers	2,174	1,597	2,309	1,333	1,657	2,693	2,693	2,693	2,693	2,693
Insulation / Energy Efficiency / Wall Finishes	484	257	834	72	1,034	570	570	570	570	570
Energy Efficiency Pilot / Retrofit	13,565	3,897	3,897	3,897	3,897	3,897	3,897	3,897	3,897	3,897
External Doors	1,242	76	72	17	83	188	188	188	188	188
PVCU Windows	2,923	930	380	316	1,092	999	999	999	999	999
Wall Structure	2,399	334	119	564	782	1,000	1,000	1,000	1,000	1,000
External Painting	382	382	382	382	382	382	382	382	382	382
Roof Structure	577	300	300	300	300	300	300	300	300	300
Roof Covering (including chimneys)	2,158	1,315	699	1,037	770	704	704	704	704	704
Electrical / Wiring	990	167	258	4	19	882	882	882	882	882

Description	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sulphate Attacks	109	109	109	109	109	109	109	109	109	109
HHSRS Contingency	693	107	107	107	107	107	107	107	107	107
Other Health and Safety Works	107	53	53	53	53	53	53	53	53	53
Capitalised Officer Fees - Decent Homes	540	540	540	540	540	540	540	389	389	389
Decent Homes Backlog	84	5,526	5,526	5,526	5,526	5,526	5,526	0	0	0
Decent Homes Planned Maintenance Contractor Overheads	2,069	833	699	629	870	1,257	1,257	1,257	1,257	1,257
Decent Homes New Build Allocation	1,127	1,304	2,193	2,763	3,422	3,874	4,296	4,443	4,593	4,746
Total Decent Homes	33,818	19,830	19,362	19,072	22,160	26,517	26,939	21,409	21,559	21,712
Other Spend on HRA Stock										
Garage Improvements	107	107	107	107	107	107	107	107	107	107
Asbestos Removal	53	53	53	53	53	53	53	53	53	53
Disabled Adaptations	830	830	830	830	830	830	830	830	830	830
Communal Areas Uplift	108	103	103	103	103	103	103	103	103	103
Communal Electrical Installations / Fire Systems / Communal Lighting	889	156	156	156	156	156	156	156	156	156
Communal Entrance / Enclosure Doors + Glazing	344	126	126	126	126	126	126	126	126	126
Fire Prevention / Fire Safety Works	444	855	52	52	52	52	52	52	52	52
Hard surfacing on HRA Land - Health and Safety Works	239	231	231	231	231	231	231	231	231	231
Communal Areas Floor Coverings	107	107	107	107	107	107	107	107	107	107
Lifts and Door Entry Systems	206	4	4	2	59	39	39	39	39	39
Estate Investment Scheme	1,519	0	0	0	0	0	0	0	0	0
Capitalised Officer Fees - Other HRA Stock Spend	122	122	122	122	122	122	122	122	122	122

Description	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Spend on HRA Stock Planned Maintenance Contractor Overheads	476	204	190	194	201	198	198	198	198	198
Total Other Spend on HRA stock	5,444	2,898	2,081	2,083	2,147	2,124	2,124	2,124	2,124	2,124
HRA New Build / Re-Development										
Kendal Way	452	0	0	0	0	0	0	0	0	0
Colville Road Phase II	820	0	0	0	0	0	0	0	0	0
Meadows and Buchan Street	7,877	0	0	0	0	0	0	0	0	0
Colville Road Phase III	3,432	0	0	0	0	0	0	0	0	0
Aragon Close	1,525	0	0	0	0	0	0	0	0	0
Sackville Close	1,617	0	0	0	0	0	0	0	0	0
Aylesborough Close	11,092	3,599	0	0	0	0	0	0	0	0
St Thomas's Road	1,649	82	0	0	0	0	0	0	0	0
Paget Road	720	907	0	0	0	0	0	0	0	0
Fanshawe Road	6,672	3,698	0	0	0	0	0	0	0	0
Princess and Hanover	4,611	10,785	6,826	124	0	0	0	0	0	0
East Road	1,584	8,723	1,383	0	0	0	0	0	0	0
Eddeva Park	3,805	4,228	352	0	0	0	0	0	0	0
East Barnwell	3,257	15,394	9,617	17,631	6,424	0	0	0	0	0
Newbury Farm	8,763	4,571	2,661	0	0	0	0	0	0	0
ATS, Histon Road	4,153	2,715	231	0	0	0	0	0	0	0
Ekin Road	1,019	5,707	5,235	4,208	3,691	0	0	0	0	0
Stanton House	333	0	0	0	0	0	0	0	0	0
Davy Road	1,416	2,831	4,876	3,933	2,674	0	0	0	0	0
Hills Avenue POD Homes	5	0	0	0	0	0	0	0	0	0
Acquisition (Incl. for New Build)	1,096	0	0	0	0	0	0	0	0	0

Description	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Local Authority Housing Fund Acquisitions	2,016	0	0	0	0	0	0	0	0	0
10 Year New Homes Programme (Unallocated)	0	4,864	44,328	69,125	65,762	11,846	8,750	8,750	8,750	8,750
Total HRA New Build / Re-Development / Acquisition	67,914	68,104	75,509	95,021	78,551	11,846	8,750	8,750	8,750	8,750
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										
Orchard Replacement / Mobile Working	74	0	0	0	0	0	0	0	0	0
Corporate IT Investment	76	24	24	24	24	24	24	24	24	24
Shared Ownership Repurchase	300	300	300	300	300	300	300	300	300	300
Commercial and Administrative Property	122	32	32	32	32	32	32	32	32	32
Total Other HRA Capital Spend	572	356	356	356	356	356	356	356	356	356
Total HRA Capital Spend	107,748	91,188	97,308	116,532	103,214	40,843	38,169	32,639	32,789	32,942
Total Housing Capital Spend at Base Year Prices	108,751	92,191	98,311	117,535	104,217	41,846	39,172	33,642	33,792	33,945
Inflation Allowance and Stock Reduction Adjustment for Future Years	0	2,455	5,314	9,959	11,627	4,462	5,015	4,925	5,844	6,788
Total Inflated Housing Capital Spend	108,751	94,646	103,625	127,494	115,844	46,308	44,187	38,567	39,636	40,733
Housing Capital Resources										
Right to Buy Receipts	(488)	(493)	(498)	(503)	(508)	(513)	(518)	(523)	(529)	(534)

Description	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Capital Receipts (Land & Dwellings)	(350)	(1,000)	(1,023)	(1,040)	(3,098)	(9,479)	(1,099)	(1,121)	(1,143)	(1,166)
Major Repairs Reserve	(11,922)	(12,423)	(12,708)	(13,411)	(13,937)	(14,581)	(15,167)	(15,646)	(15,948)	(16,259)
Direct Revenue Financing of Capital	(11,044)	(9,328)	(11,558)	(12,100)	(13,498)	(6,914)	(14,741)	(14,080)	(16,062)	(17,187)
Homes England Grant (assumed) / MHCLG Grant	(6,676)	(50,031)	(72,604)	(32,912)	(36,627)	(10,384)	(5,533)	0	0	0
Disabled Facilities Grant	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)	(808)
Other Capital Resources (Grants / Shared Ownership Re-Sale / R&R Funding)	(1,692)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)
Retained Right to Buy Receipts	(5,179)	(1,727)	(486)	(3,200)	(3,264)	(3,329)	(6,021)	(6,089)	(4,846)	(4,479)
Prudential Borrowing	(69,744)	(17,688)	(2,791)	(62,372)	(42,956)	0	0	0	0	0
Total Housing Capital Resources	(107,903)	(93,798)	(102,776)	(126,646)	(114,996)	(46,308)	(44,187)	(38,567)	(39,636)	(40,733)
Net (Surplus) / Deficit of Resources	848	848	849	848	848	0	0	0	0	0
Capital Balances b/f	(5,959)	(5,111)	(4,264)	(3,416)	(2,568)	(1,720)	(1,720)	(1,720)	(1,720)	(1,720)
Use of / (Contribution to) Balances in Year	848	848	848	848	848	0	0	0	0	0
Capital Balances c/f	(5,111)	(4,264)	(3,416)	(2,568)	(1,720)	(1,720)	(1,720)	(1,720)	(1,720)	(1,720)
Other Capital Balances (Opening Balance 1/4/2024)										
Major Repairs Reserve	0	Utilised in full in 2023/24								
Retained 1-4-1 Right to Buy Receipts	(5,285)	Utilised in 2024/25 and 2025/26 above								

Description	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Right to Buy Receipts for Debt Redemption	(4,484)	Utilised in part in 2023/24, with balance retained for future debt repayment									
Total Other Capital Balances	(9,769)										

Appendix I

Minimum Level of HRA General Reserves

Estimate of Prudent Level of HRA Reserves from 2024/25

Description	Level of risk	Amount at risk	Risk
		£	£
Employee costs	Medium	6,094,910	27,427
Premises costs	High	11,220,210	897,617
Transport costs	Low	38,420	77
Supplies and services	Medium	2,932,900	8,799
Grants and transfers	High	144,090	5,764
Grant income	Low	0	0
Other income	High	54,773,490	547,735
Support Services	Medium	5,474,520	24,635
Total one year operational risk			1,512,053
Allowing three years cover on operational risk			4,536,000

General and specific risks	Amount (£)	Probability (%)	
Unforeseen events	1,000,000	30%	300,000
Insurance loss	250,000	50%	125,000
Legal action - counsel's fees	100,000	50%	50,000
Data Protection breach	500,000	30%	150,000
Capital project overruns	10,000,000	10%	1,000,000
General risks			1,625,000

Prudent Minimum Balance (PMB)	6,161,000
Target (PMB + 20%)	7,393,000

Appendix J

HRA Earmarked & Specific Revenue Funds (£'000)

Repairs & Renewals

	Opening Balance	Contributions	Expenditure to June	Current Balance
General Management	(805.6)	(73.1)	0.0	(878.7)
Special Services	(1,299.5)	(156.1)	23.3	(1,432.3)
Repairs and Maintenance	(666.1)	(40.4)	0.0	(706.5)
Total	(2,771.2)	(269.6)	23.3	(3,017.5)

Tenants Survey

	Opening Balance	Contributions	Expenditure to June	Current Balance
Tenants Survey	(12.0)	0.0	0.0	(12.0)

Tenant Satisfaction New Burdens

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

Debt Set-Aside (Revenue)

	Opening Balance	Contributions	Expenditure to June	Current Balance
Debt Set-Aside	0.00	0.0	0.0	0.00

HRA Earmarked & Specific Capital Funds (£'000)

Debt Set-Aside (Capital)

	Opening Balance	Contributions	Expenditure to June	Current Balance
Debt Set-Aside	(4,483.9)	0.0	0.0	(4,483.9)

Major Repairs Reserve

	Opening Balance	Contributions	Expenditure to June	Current Balance
MRR	0.00	0.0	0.0	0.00



REPORT TITLE: Update on New Build Council Housing Delivery

To:

Councillor Gerri Bird, Executive Councillor for Housing

Housing Scrutiny Committee 17 September 2024

Report by:

Ben Binns, Assistant Director, Development, Housing Development Agency

Email: ben.binns@cambridge.gov.uk

Wards affected:

All

1. Recommendations

1.1 It is recommended that the Executive Councillor for Housing:

1. Note the continued progress on the delivery of the approved housing programme as outlined in Appendix 1 and 2
2. Note the Council's support to the cross-party coalition of over 100 council landlords, including Cambridge City and South Cambridgeshire District councils, in the five solutions for the government to 'secure the future of England's Council housing as outlined in section 4.2.
3. Approve the formal adoption of a Portfolio approach to the Council's ten year development programme which take into account the Councils Ambitions in line with Corporate objectives, HRA Business Plan, the Local Plan and the Greater Cambridge Housing Strategy as outlined in Appendix 3, and acknowledging links to existing policies as set out in Appendix 3 part 7.
4. Note the findings of the initial Passivhaus pilot report including a commitment to come back to HSC in 2025 with recommendations on attaining Net Zero as outlined in Appendix 4.
5. Approve an amendment to the Sustainable Housing design Guide via an Addendum to include a CamStandard for sustainable housing delivery as outlined in Appendix 4.
6. Approve commencement of work on a Framework for Change for North Cambridge through the Cambridge Investment Partnership as outlined in Appendix 5

2. Purpose and reason for the report

- 2.1 This is a regular quarterly report showing progress on the City Council's new housing delivery and development programme.

This report also provides an update to the ten year programme on sustainability and the formal adoption of a portfolio approach to development.

The pipeline for the ten year programme is in line with the MTF5 which is submitted in a separate report to this HSC.

3. Alternative options considered

- 3.1 Alternative to direct development activities led by the council would be a reliance on third party Registered Provider delivery of affordable housing.

An extensive survey by the influential trade publication Inside Housing ranked the council second in the country for completion of new homes 'in-house' by the council's own development teams during 2022-23. It was also ranked sixth overall in the country for the total number of new council homes completed in the same timeframe when including council development companies (where HRA finance may not be included).

This puts the council above many London Boroughs and larger unitary councils in the country and identifies the strength of the Councils current Delivery team.

4. Background and key issues

- 4.1. This is a regular quarterly report showing progress on the City Council's new housing delivery and development programme.

4.2. Securing the future of England's council housing

- 4.2.1. On September 3rd at an event held in Westminster, an unprecedented cross-party coalition of over 100 council landlords, including Cambridge City and South Cambridgeshire District councils, jointly published five solutions for the government to 'secure the future of England's Council housing'.

The report, led by Southwark Council, warns that England's council housing system is broken, and that urgent action is needed for the government to deliver its housing promises.

In July this year, 20 of the largest council landlords published an interim summary of their recommendations. Significant traction – including an urgent meeting with the Deputy Prime Minister – has led to over 80 more councils backing their recommendations and signing the final report

- 4.2.2. This more detailed report (<https://www.southwark.gov.uk/housing/securing-the-future-of-england-s-council-housing>) sets out a full roadmap to renew the country's council housing over the next decade and critical policy changes for the realisation of the new government's social housing ambitions.

It explains how an unsustainable financial model and erratic national policy changes have squeezed councils' housing budgets and sent costs soaring. New analysis from Savills shows they will face a £2.2bn 'black hole' by 2028.

- 4.2.3. The recommendations include urgent action to restore lost income and unlock local authority capacity to work with the new government to deliver its promises for new, affordable homes throughout the country.

The five solutions set out detailed and practical recommendations to the new Government:

1. A new fair and sustainable HRA model – including an urgent £644 million

one-off rescue injection, and long-term, certain rent and debt agreements

2. Reforms to unsustainable Right to Buy policies
3. Removing red tape on existing funding
4. A new, long-term Green and Decent Homes Programme
5. Urgent action to restart stalled building projects, avoiding the loss of construction sector capacity and a market downturn

4.3. Update on Ten Year Housing Programme

- 4.3.1. 997 new homes have been completed across 23 sites under the City Council programmes, with 607 being net new Council homes.
- 4.3.2. The mixed tenure housing scheme at Fanshawe Road received resolution to grant planning at a meeting of the Planning Committee in March 2024 and again in August 2024. Work is progressing to obtain vacant possession of this to allow formal commencement of works.
- 4.3.3. Planning Submissions have now been made for Schemes at Newbury Farm and ATS/Murketts, where the Council has obtained approval for purchasing affordable homes into stock from the CIP partnership.
- 4.3.4. The approach to regeneration of the Council's existing estates was approved at HSC in September 2021. The LPA is developing a Design Code for Arbury, Kings Hedges and parts of West Chesterton which will create a context for reviewing the future of the ageing estates in the area.
- 4.3.5. This is a framework document. This work covers the areas of both Arbury Court and Kingsway, and as consultation on the Design Code continues it is recognised that there will be a need to carry out further work on options and consultation on these estates. As a result, lease negotiations on commercial premises at Arbury Court will need to take account of the consideration of future options for the District

Centre which will be in progress

4.4. Delivery programme

4.4.1. 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 1049 homes with scheme approval. This is made up of:
 - 226 net new build Council rented HRA homes at Social rent or 60% of Market rent (Subject to Final Design ahead of formal planning submissions)
 - 4 modular homes to be held, let and funded as Roughsleeper accommodation by It Takes a City.
 - 235 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).
 - 311 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.
 - 252 Replacement rented homes on regeneration sites.

4.4.2. 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 approved in January 2024 includes all financial information for respective scheme budgets and net cost to the Council's Housing Revenue account, and these are updated in an ongoing basis through the annual budget setting procedure.

4.4.3. A breakdown per scheme of home size and rental tenure for the 10 year new homes programme is attached as Appendix 2:

4.5. Scheme Details: Completed Schemes – Refer Appendix 2 for details

- 4.5.1. All Homes have now been handed over at Colville 2. First 20 homes and 4 Commercial properties at Colville 3 have additionally now been handed over and are within the 1yr defects period.

4.6. Scheme Details: Schemes on Site – Refer Appendix 2 for details

4.7. Scheme Details: Approved schemes – Refer Appendix 2 for details

- 4.7.1. Ekin Road has now been added to the programme following approval at June HSC

- 4.7.2. Paget Road has now received resolution to grant a Planning Approval, delivering 4 new 3 bedroom houses on a former Council garage site.

- 4.7.3. Fanshawe Road

- 4.7.3.1. A revised Planning Resolution has been obtained for the Fanshawe Road scheme, outlining only 34 Affordable homes to be captured as a Planning Condition, with the remaining 11 Affordable homes remaining committed for delivery but not captured as a Planning requirement.

- 4.7.3.2. Current funding from Homes England has been obtained through the 21-26 Affordable Homes Programme, and specifically the Continuous Market Engagement (CME) tranche of this programme. If the affordable housing on a mixed tenure development site is enshrined as any form of obligation under the Planning Act, then it is not eligible for Homes England funding through their current programme. This is a strict interpretation of planning obligations but how this operates has been confirmed by Senior Homes England Officials. The Homes England regulations do not account for oversupply against planning requirements. Officers have admitted this is a known issue, but given that oversupply against the Planning requirement is not a widespread ambition there is no indicative drive to review this. The current 21-26 funding programme is currently in final stages and Homes England are planning for a new 26-31 AHP Programme. We continue to

raise this aspect among others, and will be kept informed as to any progress on this matter.

4.7.3.3. This blanket ineligibility irrespective of the planning requirement (in our case 40%) required a request for revised planning decision. This is not and has not been seen as an avenue to reduce the affordable housing delivery committed to through the HSC Decision, but is a required step to ensure that the 11 homes being delivered above the planning requirement can be submitted to Homes England for funding consideration.

4.7.3.4. As noted above the exception to Planning obligation point is the delivery of 100% affordable housing. In regard to this, all schemes which have to date received HE grant are 100% affordable schemes. These include Fen, Ditton, Borrowdale, Colville Ph3, Aylesborough, Aragon and Sackville and L2 Orchard Park. As such there is no risk related to schemes funded to date.

4.7.4. East Road

4.7.4.1. Various options are being considered for the East Road Garages Site. While the options are under consideration the site has not been included in the proposed portfolio of sites set out in a separate report to this Committee.

4.7.5. Stanton House

4.7.5.1. Following the decisions taken at HSC in June the decant of Stanton House is proceeding. All the residents are now registered on Homelink and are being supported to bid. The first moves have taken place and others have accepted offers or have submitted bids that have high priority. The position is changing rapidly as the decant progresses.

4.7.5.2. A decision was historically taken not to develop Stanton House as a care scheme. This was linked to the decision to focus care provision on Ditchburn Place. This confirmed changes to the use of Stanton House which had been in progress since the 1990s when the resident warden was withdrawn. Since that time age has been a factor in allocation to Stanton House but residents have not been assessed as

requiring care; some residents have been receiving domiciliary care (currently four out of 32) but this is only on the same basis as a resident of any property might receive care. In this context it is considered that Stanton House has for more than ten years had a housing use, albeit older persons housing (C3 in planning terms) and has not been functioning as a residential care institution (C2 in planning terms).

4.7.5.3. A scheme is in development for a mix of flats. The aim is to present this scheme to HSC in January 2025.

4.7.6. **Framework for Change for North Cambridge – Appendix 5**

4.7.6.1. Appendix 5 refers to the update report submitted to HSC in June 2024 that noted the need to carry out further work on options for the Kingsway and Arbury Court estates. It also noted the importance of Arbury Court as a local centre and the broader challenge of ageing estates across the area. The Executive Councillor noted that negotiations on commercial leases at Arbury Court will now take account of the need to consider future options for a District Centre.

4.7.6.2. A Framework for Change needs to be developed in consultation with local people. Two stages of consultation are proposed – one to views on aspects of the area that are valued, issues of concern, and ideas for change and a second to consider a draft report.

4.7.6.3. It is recommended that the Executive Councillor for Housing:

Approve commencement of work on a Framework for Change for North Cambridge through the Cambridge Investment Partnership

4.8. **Portfolio approach to redevelopment – Appendix 3**

4.8.1. Appendix 3 reviews the overall progress in the four years since the **Ten year new homes programme** was approved at HSC in 2020. It outlines the significant achievements and sets out the adjustments required to sustain the programme

over the second half of the ten-year period.

- 4.8.2. It is proposed to seek approval for the formal adoption of a Portfolio approach to the Council's ten year development programme which take into account the Councils Ambitions in line with Corporate objectives, HRA Business Plan, the Local Plan and the Greater Cambridge Housing Strategy.as outlined in appendix 3
- 4.8.3. Progress has been made in relation to the Ten Year Programme and in the MTFS HSC report also coming to this Committee the council has stated its ambition to provide significant levels of net new social and affordable housing over the next 10 years, recognising that Cambridge is a fast-growing city of economic importance to the UK, where the Council has already successfully delivered more homes than other local authority providers.
- 4.8.4. In the current economic climate of continued high interest rates and increased build costs, the Council alone is unable to finance this level of housing development in a financially sustainable way.
- 4.8.5. To address this, the authority has developed a potential new portfolio approach to the delivery of new homes which will allow affordable housing targets to be exceeded across the city as a whole, whilst reducing the cost of development to the HRA.

4.9. Grant Funding for Ten Year New Homes Programme

- 4.9.1. This Portfolio approach requires an 'ask' of government that rather than funding through Continuous Market Engagement or Strategic Partnership under the Affordable Homes Programme, a more Strategic Partnership model or a funding regime similar to that provided through the Greater London Authority should be extended to councils, so that more strategic allocations of funding can be obtained for use flexibly across development programmes.
- 4.9.2. The council is requesting a move towards fewer, flexible funding allocations which amalgamate the various funding sources for investment in housing into 1 or 2

“pots”, specifically addressing both investment in existing homes and new home delivery.

4.9.3. This approach would unlock regeneration sites in the city and on its fringes to deliver an increase in affordable homes and improve existing stock through partnership with the council, RPs and developers. Grant is needed to fund regeneration costs (buy backs and land assembly), retrofitting costs and to deliver higher sustainability standards on mixed tenure sites.

4.9.4. Last year Cambridge City Council, through its partnership with Hill, delivered the second largest number of direct build council homes in England and a significant majority of the affordable housing within the city. With £208.5 million grant the council could accelerate a pipeline of over 1,100 new and re-provided affordable homes and over 1,100 market homes.

4.10. Current funding arrangements:

4.10.1. 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, Aylesborough Close.

4.10.2. This funding includes funding of all replacement homes at Colville 3 and Aylesborough Close.

4.10.3. For further Funding at East Barnwell and Fanshawe Road, Officers remain in discussion with Homes England. The timing of delivery of these schemes fall between the HE’s Continuous Market Engagement Programme dates (April ‘21-March ‘26, April ‘26 to March ‘31). Funding Bids will be formally submitted once Homes England have clarified arrangements for this bridging period and the guidance for the forthcoming 26-31 programme.

4.10.4. 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).

4.10.5. 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.

4.11. Funding for Refugee Housing

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

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

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

4.11.2. The Council has now fully met the targeted delivery under both Rounds 1 and 2, ahead of the formal deadlines. These targets was additionally exceeded through delivery of 37 net homes into council stock, exceeding the targeted 34.

4.11.3. The Council has submitted a positive expression of interest in a potential 3rd Round of funding, and a Draft MOU from LAHF has now been received. A separate report is being brought to this September committee for decision in line with officer recommendations.

5. Corporate plan

5.1 The Councils Housing delivery programme directly addresses Priority 3: Building a new generation of council and affordable homes and reducing homelessness

Additionally, the programme also serves to address the following

Priority 1: Leading Cambridge's response to the climate change and biodiversity emergencies

- Target of 20% net biodiversity gain across redevelopment sites
- Housing delivery well exceeding Local Plan requirements in terms of efficiency, with a target for all new affordable homes to be delivered in line with the [Councils Sustainable Housing design guide](#)

Priority 2: Tackling poverty and inequality and helping people in the greatest need

- Provision of housing for refugee families
- Inclusion of modular move-on accommodation for former rough sleepers in the delivery programme
- All homes to be M(4)2 Adaptable and 5% to be M(4)3 adapted dwellings for families with accessibility needs.

Priority 4: Modernising the council to lead a greener city that is fair for all

- Number of developments implemented in line with (or exceeding) adopted policy requirements
- annual income generated by council services and investments

6. Consultation, engagement and communication

6.1 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.

7. Anticipated outcomes, benefits or impact

7.1 *See 5.1*

8. Implications

8.1 Relevant risks

8.1.1. Programme Risks

Risk	Likelihood	Impact	Mitigation
Cost increases on approved projects	<p>5 - Certain Risk of increased budget requirements due to Brexit, Ukraine War, building reg. changes, inflation and supply chain cost increases are being encountered. Staffing and materials shortage and delays to SOS due to funding uncertainties increase potential for this risk.</p>	<p>4- Significant disruption 1. Committee approval needed for additional capital funding 2. Unplanned public expenditure 3. Loss of value for money 4. Reputational risk to Council 5. Reduction in overall delivery achievable</p>	<p>1. Cost plans are regularly reviewed and updated, and contracts are fixed price to the council. 2. Latest budgets consistently reviewed as part of BSR and MTFS Process. 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. 4. Committee approval to progress schemes ahead of firm grant certainty mitigates cost increases ahead of entering into build contracts. 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 1. Failure in obtaining planning permission or Conditions signoff cause delays and increase costs. 2. Delays in receiving a planning decision lead to increased costs being incurred and delays in submission of Funding Bids. 3. Additional time and effort required to redraft plans should revised applications be required.</p>	<p>3 - Noticeable effect 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. 2. Build in of additional lead time where required to ensure schemes progressing within target schedules 3. Ensuring officers and councillors are involved in decision making from project early stages</p>
Sales risk – exposing Council cash flow forecast	<p>2 - Some possibility 1. deceleration of sales / purchase/ acquisition cycle 2. Depreciation of assets Influx of market led schemes now requires increased consideration of risk of income reducing against assumed margins.</p>	<p>3 - Noticeable effect 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 and the Cambridge market remains relatively stable</p>	<p>1. Close engagement with market through private sector partners 2. Share risk with private sector partners 3. Financial and sensitivity analysis for the new project site selections, before project starts. 5. Specialist partner input to sales forecasts</p>

<p>Decanting residents / leaseholders</p>	<p>4- Probable 1. Regeneration schemes will not be progressed if residents are not decanted. 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 3. Redevelopment of estates with high % Lease/freehold ownership poses greater risk of CPO proceedings being required</p>	<p>4 - significant disruption 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 rehousing officers regularly liaising with residents requiring decanting to ensure successful rehoming. 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. 3. Additional resource to support this work allocated. 4. Resident liaison groups established.</p>
<p>Not securing necessary grant for new schemes</p>	<p>2- Some possibility 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>3 - Noticeable effect 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 funding 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. 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. 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>
<p>Labour market/materials/build prices increasing</p>	<p>5- Certain 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 services or materials shortages may lead to delays in project delivery and an overall increase on programme cashflow. Fixed price Contracts where utilised are minimizing cost risks which lie with CIP.</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 required. 2. Key packages are being procured as early as possible. Hills existing supply chain relationships are being used to ensure service.</p>

<p>Insufficient Project Management Resource to complete programme</p>	<p>2- Some possibility 1. Inability to properly manage projects 2. Council entering into contractual obligations without proper oversight</p>	<p>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</p>	<p>1. Appointment of new consultants 2. Resourcing fund for new recruitments to ensure capacity</p>
<p>Future anti-development campaigns</p>	<p>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.</p>	<p>3 - Noticeable effect increase in number of leaseholders/ freeholders in new larger schemes increases risk of push back against potential redevelopment activities</p>	<p>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</p>
<p>Failure to secure net unit gain on redevelopment sites</p>	<p>5- Certain Encountered where the requirement for replacement of existing homes is necessitated due to ongoing maintenance concerns and Duty of Care.</p>	<p>4- Significant disruption Lack of significant additional revenue to offset investment will lead to Reduction in overall delivery achievable</p>	<p>1.Prioritisation of investigations into Council holdings which indicate scope for net housing gain</p>

8.2 Financial Implications

8.2.1 The HRA Mid Term Financial Strategy 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.

8.3 Legal Implications

8.3.1 Each scheme specific approval which proceeds for Committee review will cover

any specific implications.

8.4 Equalities and socio-economic Implications

- 8.4.1 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.

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.

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

There are currently 49 fully adapted wheelchair user dwellings and 5 enhanced M4(2) adapted homes held within the HSC-approved delivery schemes as per below:

Refer Appendix 2 for table.

8.5 Climate Change and Environmental Implications

- 8.5.1 Each scheme specific approval which proceeds for Committee review will cover any specific implications.

The Council's 2021 Sustainable Housing Design Guide continues to guide all new schemes. All schemes apart from five significantly exceed current Local Plan policy requirements. These include Histon Road (The Mews), Eddeva Park, Newbury

Farm, and ATS/Murketts. These schemes meet the Local Plan requirements and are off the shelf s106 schemes not designed by the council and are to a variable standard.

8.5.2 An Initial Report on the outcomes of the new build Passivhaus housing delivery is set out in Appendix 4.

8.5.3 The Initial Report covers three sites that targeted Passivhaus certification (21 homes). The two sites that include Passivhaus principles (14 homes) are due to be completed later this year and will be reported on separately in a Completion Report.

8.5.4 The objective of the study was to compare 'Passivhaus certified' properties against homes built to 'Passivhaus principles' - exploring specification, cost and energy use differences.

8.5.5 The 21 Passivhaus certified homes were completed in February 2024. 13 homes (62%) achieved the Passivhaus Institute (PHI) 'Classic' building standard. 8 homes (38%) have been certified to the LEB Standard.

8.5.6 Achieving Passivhaus certification is not cost effective or practicable on all sites. A sustainability performance specification has been developed called CamStandard, as an alternative to Passivhaus. This includes more flexibility whilst still striving for the highest possible levels of sustainability. This aligns to approaches being adopted by other organisations who recognise the challenges of achieving Passivhaus certification across a range of sites with different characteristics, constraints and requirements.

8.5.7 The recommendations are:

- That the CamStandard sustainability performance specification is adopted.
- That the Sustainable Housing Design Guide (SHDG) is updated to include the CamStandard via an Addendum.

- That a Final Report will be prepared including post occupancy data and practical steps required to achieve Net Zero by 2030.

8.5.8 Updating the SHDG ensures that ongoing schemes in the new build programme capture the learnings from the pilot programme and strive to achieve the best cost-effective sustainability levels appropriate for each site.

8.5.9 The council now has 535 homes in development which are being delivered to, or are benchmarked against, Passivhaus Performance levels.

8.5.10 Refer to the Table of Sustainability Standards being delivered in Appendix 2.

8.6 Procurement Implications

8.6.1 Advice specific to each project.

8.7 Community Safety Implications

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

9. Background documents

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 9.1
- 24/29/HSC Update on New Build Council Housing Delivery.
 - <https://engage.cambridge.gov.uk/en-GB/folders/design-code> Inspired Living – A design code to enhance design in Northern Cambridge neighbourhood.

10. Appendices

10.1 *Appendix 1: Delivery Programme*

Appendix 2: Update report tables and data

Appendix 3: Portfolio approach to redevelopment

Appendix 4: Passivhaus Pilot Study Initial Report

Appendix 5: North Cambridge Framework for Change

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

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HDA Delivery Programme		13/08/2024									
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	47	0	63 CIP	HSC	Jan-19	Jul-19	Dec-19	Nov-20	Aug-24	Aug-24
Meadows and Buchan	Kings Hedges	22	0	22 CIP	HSC	Jan-19	Dec-19	Aug-20	Feb-21	Oct-24	Oct-24
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		452	318	842							
ON SITE											
Meadows and Buchan	Kings Hedges	84	0	84 CIP	HSC	Jan-19	Dec-19	Aug-20	Feb-21	Oct-24	Oct-24
Sub total		84	0	84							
PLANNING APPROVED											
Kendal Way	East Chesterton	1	0	1 Tender	HSC	Jan-21	Feb-22	Jun-22	Dec-24	Dec-25	Dec-25
Sub total		1	0	1							
GRAND TOTAL		537	318	927							

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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

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	Jan-24
Acquisitions Round 2-4	Fen Ditton	0	1	0	1	Delegated HSC	Jun-23	NA	NA	NA	Feb-24
Total		0	37	0	37						
Net new Council Affordable Stock	21										

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10-year new homes programme - Unit size mix as at September 2024

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						7	9							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										
Fanshawe	84					18	7	9		5	6			1	30	8			20			3
East Road	40	10	6							16	6	2										TBD
Hanover and Princess Ct	138	51	31											25	31			47	35			TBD
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													2
Queen Ediths Way	8																					
Newbury Farm	150					23	16	6		13	2				4	43	43					4
ATS Murketts	70					8	9	4		7					4	26	12					2
Ekin Road	131	13	14	30	7											48	19	15	62	14		TBD
TOTAL	918	152	126	50	8	73	48	39	7	122	98	15	0	26	78	125	82	72	88	1	0	22
		1bed	2bed	3bed	4bed+					Percentage	1bed	2bed	3bed	4bed+								
Net new social/60%/LHA	342	153	86	88	15					Social/60%/LHA	45%	25%	26%	4%								
Net new 80% Rented	235	122	98	15	0					80% rented	52%	42%	6%	0%								
Pre-planning schemes unit and tenure subject to change in line with existing HSC Approvals																						

Net % M(4)3
4.29%

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Appendix 3: Portfolio approach for the rest of the Ten Year New Homes Programme

1 Recommendation

The Executive Councillor for Housing approve the formal adoption of a Portfolio approach to the Council's ten year development programme which takes into account the Council's ambitions in line with Corporate objectives, HRA Business Plan, the Local Plan and the Greater Cambridge Housing Strategy.

2 Background

This appendix reviews the overall progress in the four years since the **Ten year new homes programme** was approved at HSC in 2020. It outlines the significant achievements and sets out the adjustments required to sustain the programme over the second half of the ten-year period.

3 The decision of September 2020 and review of progress

At the Housing Scrutiny Committee in September 2020 the Executive Councillor took the following decision:

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

4 Progress to date and proposed Portfolio approach

The 2020 report set out a series of parameters for the programme. These are shown below followed by commentary on progress what the proposed approach is.

- 4.1 *to deliver 1000 net additional council rented homes during the period 2022-2032.*
- 4.2 *To enable and achieve the business plan assumptions, the total homes to be developed for the new programme will include just under 2000 in number, with the extra circa 900 being made up of other affordable tenures, re-provided council homes and private homes.*

4.2.1 Progress to date and proposed Portfolio approach

Status	Total Homes	Council Homes	Net Council Homes
To date:	695	516	437
Handed over or onsite	259	259	210
Submitted for planning	436	257	227
Rest of ten year programme proposed	1835	929	495
Total	2530	1445	932

4.3 *The MTFs report indicatively models the programme at Passivhaus level at this stage. Further detailed work will be established on a site by site and programme basis, but it should be noted that site constraints and site availability as well as financial and other constraints will have an impact on the total programme standards. It is therefore improbable that all homes on all sites can achieve the highest standards.*

4.3.1 Progress to date and proposed Portfolio approach

Sustainable Housing Design Guide target	Progress to date	Proposed Approach for all sites
Gas Free	100%	100%
Using the PHPP (Passiv Haus Planning Package).	100%	100%
Passivhaus certified	21	CamStandard
Biodiversity Net Gain 20%	3 out of 10 sites met 20%; 4 made 10%	to meet 20%
Water lpppd: 90	3 out of 10 sites met 99; 4 made 100	99 or less
Car Park Ratios 0.5	0.5 average	0.5 or less

4.3.2 Appendix 4: *Passivhaus Pilot Study Initial Report* refers to the learnings from the Passivhaus pilots and makes a recommendation to adopt the CamStandard and to come back to HSC in 2025 with recommendations on attaining Net Zero as outlined in Appendix 4

4.4 *To base the programme's proposed tenure type on the demands and needs analysis completed by the Housing Strategy Manager and the reviewed Greater Cambridge Housing Strategy once available.*

4.4.1 Progress to date and Portfolio approach

Status	Total Homes	Council Homes	Social Rent	60%	80%	Shared Ownership	Market
Greater Cambridge Housing Strategy 2019-24	695	516	174	131	211	0	179
Handed over or onsite	259	259	124	31	104	0	0
Submitted for planning	436	257	50	100	107	0	179
Greater Cambridge Housing Strategy 2024-							
Rest of 10 year programme proposed	1835	929	140	555	234	0	906
Totals	2530	1445	314	686	445	0	1085

4.5 *To continue to optimise the use of current and acquired land within the City and adjacent environment.*

4.5.1 Progress to date and proposed Portfolio approach

Status	Total Homes	Council Homes
To date	695	516
HRA sites	436	397
GF sites	0	0
Purchased sites for CIP	228	88
Purchased sites for HRA	31	31
Rest of ten year programme proposed		
HRA sites	1011	622
GF sites	100	25
Purchased sites for CIP	688	246
Purchased sites for HRA	36	36
Total	2530	1445

4.6 *To consider a range of funding options, with the objective of maximising grant opportunities to achieve the objectives of the programme.*

4.6.1 Progress to date and proposed Portfolio approach

	Homes England		Brownfield Release Fund	Refugee Funding	Other
	Strategic Partnership	CME			
2021-to date	unsuccessful	£17m	£0.6m	£5.8m	£1m
Rest of the ten year programme ask	£208.5m			£1m	£2m

4.6.2 A 2020 bid to become a Homes England Strategic Partner for the 2021-2026 round was well received but was ultimately unsuccessful. This was the first time Local Authorities had been eligible to bid and none were accepted. Work with Homes England has continued and funding has been secured on a scheme-by-scheme basis.

4.6.3 However, the success in delivering the 500 and the current Ten Year Programme to date will strengthen a bid for the next programme period post 2026 provided a programme is in place.

4.6.4 Last year Cambridge City Council, through its partnership with Hill, delivered, according to Inside Housing, the second largest number of direct build council homes in England and a significant majority of the affordable housing within the city.

4.6.5 With £208.5 million grant the Council could accelerate a pipeline of over 1,100 new and re-provided affordable homes and over 1,100 market homes.

4.6.6 This assumption requires an ‘ask’ of government that rather than funding through Continuous Market Engagement or Strategic Partnership under the Affordable Homes Programme, a more Strategic Partnership model or a funding regime similar to that provided through the Greater London Authority should be extended to councils, so that more strategic allocations of funding can be obtained for use flexibly across development programmes.

4.6.7 The authority requests a move towards fewer, flexible funding allocations which amalgamate the various funding sources for investment in housing into 1 or 2 “pots”, specifically addressing both investment in existing homes and new home delivery.

4.6.8 This approach would unlock regeneration sites in the city and on its fringes to deliver an increase in affordable homes and improve existing stock through partnership with the council, RPs and developers. Grant is needed to fund regeneration costs (buy backs and land assembly), retrofitting costs and to deliver higher sustainability standards on mixed tenure sites.

4.7 *To build a new programme based on lessons learned and experience of the current programme, alongside experiences from other partners/Local Authorities.*

4.7.1 Progress to date

4.7.2 The following councils have visited Cambridge City Council asking to learn more about the Cambridge Investment Partnership model: London Borough Camden; London Borough Lambeth; London Borough Enfield; Gravesham District Council; Oxford City Council; Harlow District Council;

5 Changes to the ten year programme being proposed.

- 5.1 Progress has been made in relation to the Ten Year Programme and in the MTFHS HSC report also coming to this Committee the council has stated its ambition to provide significant levels of net new social and affordable housing over the next 10 years, recognising that Cambridge is a fast-growing city of economic importance to the UK, where the Council has already successfully delivered more homes than other local authority providers.
- 5.2 In the current economic climate of continued high interest rates and increased build costs, the Council alone is unable to finance this level of housing development in a financially sustainable way.
- 5.3 To address this, the authority has developed a potential new portfolio approach to the delivery of new homes which will allow affordable housing targets to be exceeded across the city as a whole, whilst reducing the cost of development to the HRA.
- 5.4 It is proposed to seek approval for the formal adoption of a Portfolio approach to the Council's ten year development programme which take into account the Council's Ambitions in line with Corporate objectives, HRA Business Plan, Local Plan and the Greater Cambridge Housing Strategy as outlined below.
- 5.5 The revisions necessary to deliver the remainder of the ten year programme are summarised below:
- 5.6 The reduced capacity of the remaining HRA sites to increase the number of dwellings compared to sites that have been delivered
- 5.7 The need to address HRA sites where conditions are particularly poor even if the capacity to increase numbers is limited
- 5.8 The increased reliance on non-HRA sites which are only viable, if at all, at 40% affordable
- 5.9 The requirement to provide 3 and 4 bedroom homes when, in the great majority of cases these are replacing 1 and 2 bedroom flats.
- 5.10 *A mixed tenure approach to development. These changes are due to:*
 - 5.10.1 The need to reduce the financial exposure of the Council to capital cost risks on 100% affordable sites.
 - 5.10.2 To reduce planning risk in providing a more balanced community with a diversity of tenures which is better for placemaking.

- 5.11 Increase in the size of the total size of the Ten Year New Homes Programme from the original estimate of just under 2,000 to 2,700.
- 5.12 To adhere to the approved 2024 Greater Cambridge Housing Strategy noting that in this report it recommends the Exec Cllr for Housing to exclude Home Ownership options from the provision of affordable housing as outlined in 7.4
- 5.13 To provide a programme that is ambitious and deliverable to the Secretary of State for MHCLG to attract grant funding of £208.5m to deliver c 1100 council homes and 1100 market homes

6 The portfolio approach for approval

- 6.1 To make this revised approach viable a portfolio approach for the rest of the ten year programme is required.
- 6.2 The ten year programme is set out below. Schemes that have not yet started on site will form the portfolio, that is, including and from East Barnwell onwards
- 6.3 A portfolio approach will allow for flexibility across sites within the portfolio from East Barnwell onwards with a target of at least 50% affordable housing across the programme while always maintaining the delivery of 40% in its running total. The current programme below suggests 53% affordable housing can be achieved within the programme.
- 6.4 Some sites may fall below 40% but the sequence of sites will ensure that the running total of the affordable percentage does not fall below 40%. The current programme below shows that running total does not fall below 53%.
- 6.5 This will be monitored and updated through the HSC quarterly outturn reports. It will be monitored at planning application, start on site and completion.
- 6.6 This will be supplemented with regular monthly officer reviews.
- 6.7 Individual sites whether they are existing HRA sites, land acquisitions, off the shelf purchase opportunities and joint venture developments will still be brought forward for decision to be considered by HSC and approved by the Executive Councillor. The reports seeking approval will note any implications for the programme. The reports will also note any implications for the Council's Housing Strategy.

6.8 Planning Statements submitted as part of the Planning Application will refer to the programme contained in the report, the report to HSC when a scheme is approved, the relevant quarterly updates and revisions, and the quarterly monitoring. The Planning Application will propose that this report is taken into account as a material consideration when determining the application. This will be done on all schemes including those that meet or exceed the 40% planning requirement.

6.9 Table outlining the developments, pipeline and delivery targets

DEVELOPMENT PROJECT PIPELINE										Housing Strategy Targets			
										35%	40%	20%	5%
Project Name	Total Market	Total social rent	Total 60% LHA	Proposed			% AFF Running total post East	Total Homes	Affordable				
				Total 80%	Total AFF	% Aff			1bed AFF	2bed AFF	3bed AFF	4bed AFF	
On site or handed over	0	124	31	104	259	100%		259	119	105	28	7	
Fen Road (handed over)	0	12	0	0	12	100%		12		8	3	1	
Ditton Fields (handed over)	0	6	0	0	6	100%		6		2	4		
Borrowdale (handed over)	0	3	0	0	3	100%		3		3			
L2 Orchard Park (handed over)	0	30	0	45	75	100%		75	60	15			
Colville Road Phase 3 (on site)	0	32	0	16	48	100%		48	19	27	2		
Aragon Close (on site)	0	0	0	7	7	100%		7		7			
Sackville Close (on site)	0	0	0	7	7	100%		7		7			
Aylesborough Close Phase 2 (on site)	0	41	0	29	70	100%		70	37	29	4		
LAHF Refugee housing net new (handed over)	0	0	21	0	21	100%		21			15	6	
The Mews (handed over and excluded from running affordable % figures)	0	0	10	0	10	100%		10	3	7			
Submitted	179	50	100	107	257	59%		436	117	102	38	0	
East Barnwell	0	48	0	72	120	100%	100%	120	43	61	16		
Fanshawe Road	39	0	34	11	45	54%	81%	84	23	13	9		
Queen Ediths	8	0	0	0	0	0%	78%	8	0	0	0	0	
Murketts ATS	42	0	21	7	28	40%	68%	70	15	10	3		
Newbury Farm	90	0	45	15	60	40%	59%	150	36	18	6		
non-CIP Paget Rd	0	2	0	2	4	100%	59%	4			4		
Pre-Planning	194	69	103	59	231	54%		425	96	77	44	10	
Hanover & Princess Court	82	8	49	25	82	50%	57%	164	51	31	0	0	
Ekin Road	67	54	0	10	64	49%	55%	131	13	14	30	7	
Davy Road	45	5	29	11	45	50%	55%	90	15	23	7	0	
non-CIP Eddeva Park (excluded from running affordable % figures)	0	0	21	11	32	100%		32	17	9	5	1	
non-CIP Refugee	0	0	4	0	4	100%	59%	4			2	2	
non-CIP St Thomas	0	2	0	2	4	100%	59%	4			4		
Pipeline if funding permits	712	71	452	175	698	50%		1410	192	218	116	29	
Stanton House (assumed moribund)	0	2	13	5	20	100%	60%	20	8	8	4	0	
East Barnwell - Phase 2	25	2	7	3	12	32%	59%	37	4	5	3	0	
Queens Meadow 2	0	1	8	3	12	100%	59%	12	0	0	6	6	
Arbury and Kings Hedges opportunities (provisional figures)	170	38	248	97	383	69%	63%	553	134	154	77	18	
City Centre opportunities (provisional figures)	75	3	16	6	25	25%	61%	100	10	10	5	0	
Hartree Phase 2a (provisional figures)	221	13	60	29	102	32%	56%	323	36	41	20	5	
Hartree Phase 2b (provisional figures)	221	12	100	32	144	39%	53%	365	50	58	29	7	
Total Development Programme in MTFS	1085	314	686	445	1445	58%		2530	524	502	226	46	
	43%	12%	27%	18%					36%	35%	16%	3%	
		22%	47%	31%									
Compared to current reported programme at BSR 24	408	360	604	353	1349	77%		1757					
Variance to	677	-46	82	92	96			773					
Development Programme from submitted schemes onwards	1085	190	655	341	1186	53%		2271	405	397	198	39	
%	48%	8%	29%	15%					34%	33%	17%	3%	
		16%	55%	29%									

7 Greater Cambridge Housing Strategy and Cambridge City Council HRA Rent Setting Policy

7.1 The proposed Portfolio Approach to the Ten Year Programme has been informed by the Greater Cambridge Housing Strategy and Cambridge City Council HRA Rent Setting Policy

7.2 Greater Cambridge Housing Strategy: the Portfolio approach commits to the provision of Affordable Housing at Social Rent, 60% rent and 80% rent.

7.2.1 *Annex 1; 7.3 – affordable provision aimed at those on low to median incomes.* This is addressed directly through the ambition of the proposed programme to deliver rent tenures across three distinct levels

- Social Rent
- Affordable rent at 60% of market rent, but capped at LHA
- Affordable rent at 80% of market rent as an intermediate offering targeting families with Local worker connections

7.3 Greater Cambridge Housing Strategy: The Portfolio approach is currently forecast to have 27% of council homes to be let at Social Rent

7.3.1 *Annex 2: Para. 2.6: “75% of the 40% affordable housing requirement to be Affordable/Social Rent. On S.106 sites above 15 homes at least 10% (of the 75%) to be allocated for Social Rent.* Currently the Council programme proposed c27% of total affordable housing delivery as Social rent. This is significantly above the level set out in the strategy and will remain a target. It is important to note that this delivery is significantly subsidised through the delivery of a complementary component of homes at 80% of market rent which subsidize the reduced revenue.

7.4 Greater Cambridge Housing Strategy: The Portfolio approach is commits to 80% Affordable Rents for Local Workers an alternative to shared ownership or other routes of home ownership as defined by the Housing Strategy.

- 7.4.1 *Annex 2: Para. 2.6 “25% of the 40% affordable housing requirement will typically be for shared ownership where it is sufficiently affordable to meet local needs, although other types of tenure may be considered on individual schemes on a case-by-case basis. (Para. 2.7) Where other tenure types are considered, either alongside or in place of shared ownership, this must align with the National Planning Policy Framework (NPPF) requirement for at least 10% of the total number of homes to be for affordable home ownership, unless an exemption can be demonstrated.*
- 7.4.2 This is subsidised by *Annex 4, Para 3.8: New homes brought forward either in addition to the 40% affordable housing requirement in the Local Plan, or in place of intermediate tenures, which are to be let through Cambridge City Council’s Lettings Policy may, in some circumstances, be offered at up to 80% of market rent to particular groups who are more likely to be able to afford a slightly higher rent, such as local workers. This is subject to agreement with Cambridge City Council and will be considered on a case by case basis. Creating a mixed and balanced community will be a key consideration.*
- 7.4.3 In regard to the link to the NPPF, the council stance is that the provision of Affordable Rented Homes, when let and subject to Right to Buy Legislation still offers a route to home ownership. Tenants of affordable rented housing can purchase their property and progress to full home ownership.
- 7.4.4 With more than 10% of the homes proposed across the council’s development portfolio being provided as Affordable Rented Housing, the programme therefore complies with paragraph 66 of the NPPF. Paragraph 66 of the NPPF additionally notes that the proposed provision of 10% of homes being made available for affordable home ownership does not apply if this would significantly prejudice the ability to meet the identified affordable housing needs of specific groups. This prejudicial consideration of the 10% target is justified in the face of the Savills report which informed the Structuring of the 10 year new homes programme tenure proposals, clearly delineating a gap in the housing market which can be met through rents falling between social/LHA and intermediate Shared Ownership offering.
- 7.4.5 The proposed Portfolio approach of the council delivering social rent, 60% and 80% rents is compliant with the June 2024 Greater Cambridge Housing Strategy.

7.5 Greater Cambridge Housing Strategy: The proposed Portfolio approach commits to delivering houses across the portfolio of sites, a range of 1bed to 4bed homes and to prioritising social rents on larger family homes order to respond to specific housing demand

7.5.1 *Annex 2, para 4.2: For three bedroom or larger properties in Cambridge City and South Cambridgeshire, including on fringe sites, we will expect the affordable homes to be provided as houses.* This ambition is included in the current programme, subject to location of housing delivery and presence of houses. As an additional step, the proposed Portfolio approach commits to prioritising social rents on larger family homes order to respond to specific housing demand.

7.5.2 A revised affordable housing size mix has now been adopted (Annex 2, para 3.3). This has now been programmed into the councils portfolio for delivery. Additionally, maximal occupancy is sought and will be accounted for in scheme design.

	1Bed	2Bed	3Bed	4bed
Affordable housing (rented)	35-45%	30-40%	15-25%	0-10%

7.6 The need to align Cambridge City Council HRA Rent Setting Policy with the Greater Cambridge Housing Strategy

7.6.1 The HRA 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 is compliant with both current government policy and the 2024 Greater Cambridge Housing Strategy.

7.6.2 The delivery of these local worker homes has been adopted as an “intermediate” housing product which can be held within the HRA, but it remains an Affordable rented product in terms of its definition.

- 7.6.3 However, the current HRA Rent Setting Policy assumes the delivery of affordable rented homes by the Council targeting Local Workers (at 80% of market rental) only on properties being delivered above the level required by planning, that is, over 40% affordable provision
- 7.6.4 Therefore the HRA Rent Setting Policy requires an amendment to reflect the 2024 Greater Cambridge Housing Strategy which states that intermediate housing - 80% Affordable Rent for Local Workers in this case - should target 25% of the affordable homes provision through the planning process, that is, within the 40% provision
- 7.6.5 To this end, the Council has proposed that on three schemes being considered by planners the “intermediate component be delivered as local worker housing. (These are at Newbury Farm, Eddeva Park and the ATS/Murketts Site on Histon Road.) Should successful planning resolution be granted, there will be a requirement to bring forth to this Committee a revision of the HRA Rent Setting Policy to align the ambitions of the Greater Cambridge Housing Strategy and the adopted delivery of Local Worker Housing within the housing delivered as a planning requirement on mixed tenure sites.

PASSIVHAUS PILOT STUDY

Initial Report

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1. Executive Summary

- 1.1. Passivhaus is a voluntary standard for extremely high levels of energy efficiency in a building. The standard is administered in the UK by the Passivhaus Institute (PHI).
- 1.1. The Cambridge Investment Partnership (CIP) decided to undertake a Passivhaus Pilot Study including 35 homes across five small sites. Three sites targeted Passivhaus certification (21 homes) and two sites include Passivhaus principles (14 homes).
- 1.2. The objective of the study is to compare 'Passivhaus certified' properties against homes built to 'Passivhaus principles' - exploring specification, cost and energy use differences.
- 1.3. The number of properties in the Study manages risks associated with 'doing something for the first time' and includes comparable similar sized terrace houses.
- 1.4. The three Passivhaus certified sites have been completed and the two Passivhaus principles sites are due to complete by the end of 2024.
- 1.5. This **Initial Report** focuses on the completed certified schemes at Fen Road (Five Trees Court), Ditton (Wadloes Road) and Borrowdale (30A-C) highlighting the certification results, key challenges and a revised performance specification to achieve sustainability costs effectively.
- 1.6. A **Completion Report** in spring 2025 will compare the certified properties with those constructed to Passivhaus principles.
- 1.7. A **Final Report** will assess the impact on tenants heating bills following a suitable period of occupation and comparison to design stage modelling.
- 1.8. The Final Report will facilitate a comprehensive update of the SHDG - linking to three of the Councils four key priorities for 2022 to 2027, including:
 - Priority 1: Leading Cambridge's response to the climate change and biodiversity emergencies

- Priority 2: Tackling poverty and inequality and helping people in the greatest need
 - Priority 3: Building a new generation of council and affordable homes and reducing homelessness
- 1.9. The 21 Passivhaus certified homes were completed in February 2024. We have received the certification results (see Appendix A).
- 1.10. We can confirm that **13 homes** (62%) achieved the Passivhaus Institute (PHI) '**Classic**' building standard. This is a great achievement and demonstrates the Council's commitment to delivering sustainable homes in accordance with the Sustainable Housing Design Guide (SHDG).
- 1.11. There is a PHI Low Energy Building (LEB) Standard which is suitable for buildings which, for a variety of reasons, may not quite reach the stringent Passivhaus 'classic' criteria. We can confirm that **8 homes** (38%) have been certified to the **LEB Standard**.
- 1.12. The requirements for energy demand, airtight-ness and comfort are lower for the LEB Standard compared to Passivhaus Classic. However, the documentation is the same ensuring that certification provides an accurate assessment of the building's energy demand.
- 1.13. Achieving Passivhaus certification is not cost effective or practicable on all sites. A sustainability performance specification has been developed called CamStandard, as an alternative to Passivhaus. This proposal is based on the cost implications of certification and the most cost-effective route to ensuring high sustainability standards.
- 1.14. CamStandard includes a more flexible option whilst still striving for the highest possible levels of sustainability. This aligns to approaches being adopted by other organisations who recognise the challenges of achieving Passivhaus certification across a range of sites with different characteristics, constraints and requirements.
- 1.15. The Cambridge City Council Sustainable Housing Design Guide (SHDG) will be updated to include the CamStandard via an Addendum (see Appendix B).

- 1.16. The update to the SHDG ensures that ongoing schemes in the new build programme capture the learnings from the pilot programme and strive to achieve the best cost-effective sustainability levels appropriate for each site.

2. Background Information

- 2.1. Passivhaus is a voluntary standard for extremely high levels of energy efficiency in a building. It originated in the late 1980s, based on pioneering work on low-energy buildings in North America and northern Europe. The standard is administered in the UK by the Passivhaus Institute (PHI).
- 2.2. The Passivhaus pilot study being delivered by the Cambridge Investment Partnership (CIP) includes 35 homes across five small sites. Three sites targeted Passivhaus certification (21 homes) and two sites incorporate Passivhaus principles (14 homes).
- 2.3. The objective was to compare Passivhaus certified properties against homes built to Passivhaus principles - exploring specification, cost, and energy use differences.
- 2.4. The number of properties selected managed the cost, quality and time risks associated with 'doing something for the first time' and provides comparable similar sized terrace houses.
- 2.5. The certified schemes include Fen Road, Ditton and Borrowdale which started on site between August and October 2022, and all completed in February 2024 (c. 16 to 18 month builds).
- 2.6. The certified properties include:
 - Three homes at Borrowdale with postal addresses 30A, 30B and 30C Borrowdale, Cambridge, CB4 3HU.
 - Six homes at Ditton with postal addresses 143, 145, 147, 149, 151 and 153 Wadloes Road, Cambridge, CB5 8PF.
 - 12 homes at Fen Road with postal addresses 1 to 10 Five Trees Court, Fen Road, Cambridge, CB4 1UT.
- 2.7. The Passivhaus principles sites at Aragon and Sackville Close started on site in April 2023, following the resolution of significant archeological

findings, and are due to complete by the end of 2024 (estimated c. 18 to 19 month build).

2.8. The Passivhaus principles sites include:

- Seven homes at Aragon Close, 1 to 7 Aragon Terrace, Cambridge (postal addresses to be registered).
- Seven homes Sackville Close, 1 to 7 Sackville Terrace, Cambridge (postal addresses to be registered).

2.9. The Cambridge Investment Partnership (CIP) is an equal partnership between Cambridge City Council and Hill Investment Partnerships. The partnership was established in 2017 to address the housing shortage across Cambridge by providing high-quality new council homes and market sale homes, commercial and community facilities.

2.10. One of the significant benefits of the Joint Venture (JV) partnership is the flexibility to embark upon a pilot study, trailing something for the first time, based on shared risks and collaborative working.

2.11. Three reports will be prepared as part of the pilot study, these are as follows:

- The **Initial Report** focuses on the completed certified schemes at Fen Road (Five Trees Court), Ditton (Wadloes Road) and Borrowdale (30A-C) highlighting the certification results, key challenges and a revised performance specification to achieve sustainability costs effectively.
- A **Completion Report** in spring 2025 will compare certified properties with those constructed to Passivhaus principles.
- A **Final Report** will assess the impact on tenants heating bills following a suitable period of occupation and comparison to design stage modelling. The Final Report will also facilitate a comprehensive update of the SHDG.

2.12. The Sustainable Housing Design Guide (SHDG) 2021 provides a summary of the council's expectations for sustainable design and placemaking for council homes.

- 2.13. From 2021 designs for all council homes were required to **target Passivhaus certification** and the sustainability targets outlined in the Four Steps to Zero Carbon Report, prepared by Buro Happold.
- 2.14. From 2030 all council homes will be expected to target Net Zero Carbon.
- 2.15. The SHDG and Zero Carbon Report provide technical and placemaking principles beyond baseline planning and Building Regulations that work together to give measurable outcomes.
- 2.16. Where there are financial viability and/or technical constraints in meeting Passivhaus certification, or other sustainability targets, design teams are expected to **justify** why targets cannot be met and provide alternative sustainable design approaches.
- 2.17. The key performance criteria included in the SHDG is included in the table below.

Key Performance Criteria	Compliance Level
Building specification	
Energy use (kWh)	Mandatory
Address fuel poverty (by reducing bills)	Mandatory
Low form factor to reduce heat loss (via building design)	Mandatory
Solar control (preventing heat entering building)	Mandatory
Insulation levels (via building fabric)	Mandatory
Indoor air quality (via MVHR)	Mandatory
Mechanical ventilation (via MVHR)	Mandatory
Internal temperature control (via controls)	Mandatory
Avoid overheating (via TM59 assessments)	Mandatory
General design	
Carbon reduction	Mandatory
Water use no more than 90l/ppd	Mandatory
20% improvement in biodiversity	Recommended
Max. parking ratio of 0.5 spaces/home	Mandatory
EV charging capacity for all parking spaces	Mandatory

NDSS space standards	Mandatory
Prioritise dual aspect (for passive ventilation)	Mandatory
Modern Methods of Construction (known as MMC)	Recommended
Post Occupancy Evaluations (POE) 5yrs	Mandatory
Performance of renewable energy	Mandatory
Resident feedback	Recommended

- 2.18. The SHDG has been updated to reflect the emerging trends included in this Initial Report via an Addendum, which is included at Appendix B of this report. This will include the CamStandard described in detail at section 8 of this report.
- 2.19. The SHDG Addendum ensures that ongoing schemes in the programme capture the learnings to date and strive to achieve the best cost-effective sustainability levels appropriate to each scheme.

3. Passivhaus

- 3.1. Passivhaus buildings are characterised by particularly high levels of comfort with very low energy consumption.
- 3.2. Passivhaus is achieved by imposing very strict requirements on a building's airtightness and its use of energy for cooling, space and water heating.
- 3.3. From the outside, Passivhaus buildings do not differ from conventional buildings, because Passivhaus means a **standard** and not a particular type of construction.
- 3.4. Passivhaus provides:
- Excellent levels of comfort
 - Consistent fresh air all throughout the building
 - Structurally sound and durable construction
 - Extremely low energy costs

3.5. The five key principles of Passivhaus buildings include:

- High **quality fenestration**. Tripple or advanced double glazing and insulated window frames ensure heat gains in winter.
- A **ventilation strategy**. Passivhaus buildings are supplied with consistent fresh air via the ventilation system. A heat exchanger ensures that air is supplied to rooms at nearly room temperature without the need for additional heating meaning cold and heat remain outside.
- High **thermal insulation**. A well-insulated building keeps warmth in during winter and heat out during summer.
- **Airtightness**. Passivhaus buildings have a continuous air-tight outer shell. This protects the building structure, prevents energy losses, and improves comfort.
- No **thermal bridges**. Passivhaus buildings are designed and constructed without thermal bridges. This ensures lower heating costs and prevents condensation damage to the fabric.

4. Passivhaus Certification

4.1. Certification is verified through an energy balance calculation using the Passivhaus Planning Package (PHPP).

4.2. Not all Passivhaus projects are created equal. The options include:

- Premium (requires renewable energy generation)
- Plus (requires renewable energy generation)
- **Classic**
- **Low Energy Building (LEB) Standard**

4.3. The pilot study aimed for Passivhaus Classic certification - but acknowledged that the existing site constraints and the challenges associated with doing something for the first time, could result in a near miss (the Low Energy Building (LEB) standard).

- 4.4. To achieve Passivhaus Classic the performance requirements in the table below must be achieved:

Passivhaus Classic Requirements	Limiting Value
Annual space heating demand	≤ 15 kWh/(m ² .a) or peak heating load of 10 W/m ²
Annual space cooling demand	≤ 15 kWh/(m ² .a) or peak cooling load of 10 W/m ²
Primary energy renewable (PER) demand	≤ 60 kWh/m ² a (up to 75 kWh/m ² a with PVs)
Airtightness	≤ 0.6 Air Changes per Hour @50Pa
Overheating	< 10% occupied hours above 25°C
Design temperature (winter)	20°C
Design temperature (summer)	25°C
Window installed U-value	≤ 0.85 W/(m ² K)
MVHR efficiency	≥ 75% (unit to be certified by the PHI)
MVHR Specific Fan Power (SFP)	≤ 0.45 Wh/m ³ (1.62 W/l/s)
Evidence	Certificates, delivery notes, photographs, confirmation of performance specification, declarations
Passivhaus Consultant	Applicable
Passivhaus Certifier	Applicable
Passivhaus Institute (PHI) Assessment	Applicable

- 4.5. The PHI Low Energy Building Standard can be awarded where a building aiming for the Passivhaus standard does not satisfy the targets. For example, this could be a near miss of the space heat demand, peak load or air tightness targets.
- 4.6. It is not the intention that projects should start out aiming for the PHI Low Energy Building Standard, instead the Passivhaus classic should be used, which is the approach that CIP have adopted.
- 4.7. The LEB requirements for energy demand, airtight-ness and comfort are lower than Classic. However, the required documentation is the same facilitating an accurate assessment of the building's energy demand.

5. Certification Results

- 5.1. All 21 properties following the certification route have been certified by the Passivhaus Institute (PHI). The certificates are included at Appendix A.
- 5.2. Qoda Consulting acted as the Passivhaus Consultant and the Warm Low Energy Building Practice were the accredited Passivhaus Certifier. Both parties collectively provided details to the Passivhaus Institute for assessment.
- 5.3. Certification can only be achieved once all the design and construction evidence has been provided and checked.
- 5.4. **13 properties** (62%) have been certified as Passivhaus **Classic** buildings.
- 5.5. The Passivhaus Classic homes include:
 - Fen Road – 6 to 8 Five Trees Court (3 homes)
 - Fen Road – 9 to 12 Five Trees Court (4 homes)
 - Ditton – 143, 145, 147, 149, 151 & 153 Wadloes Road (6 homes)
- 5.6. **8 homes** (38%) have been awarded the **Low Energy Building (LEB)** Standard.
- 5.7. The LEB standard homes include:
 - Fen Road – 1 to 2 Five Trees Court (2 homes)
 - Fen Road – 3 to 5 Five Trees Court (3 homes)
 - Borrowdale - 30A, 30B and 30C Borrowdale (3 homes)
- 5.8. The certificates are included in Appendix A.
- 5.9. A performance assessment has been undertaken to review the factors that have resulted in a mix of Passivhaus Classic and LEB standard dwellings. The findings are included in Section 6 below.

6. Performance Assessment

6.1. The tables below benchmark the performance of each block against the Passivhaus 'Classic' targets. Blocks that did not achieve all the classic targets have defaulted to a LEB certification (near miss).

Borrowdale

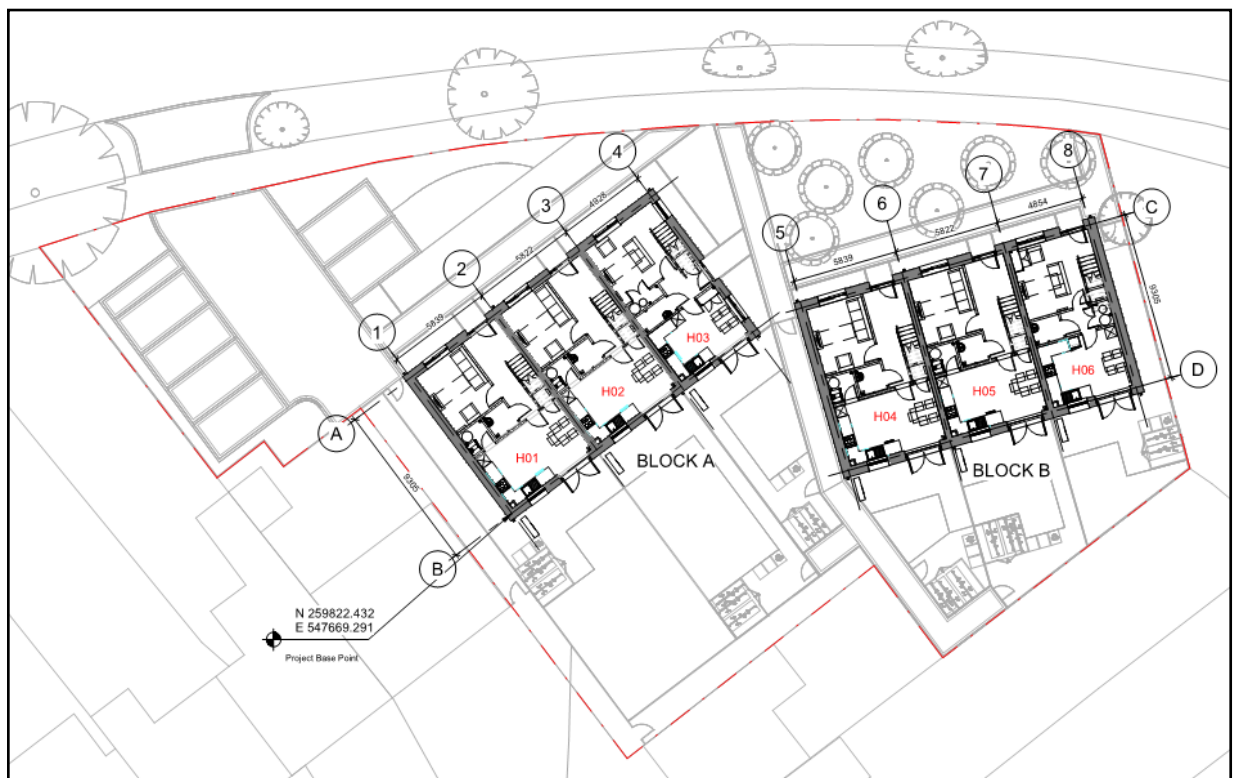


Key	Achieved
	Not achieved

Criteria	Borrowdale		
	30A Borrowdale	30B Borrowdale	30C Borrowdale
	Plot 1	Plot 2	Plot 3
Orientation	Green	Green	Green
Shape / size	Red	Red	Red
Space heating	Red	Red	Red
Space cooling	Green	Green	Green
Hot water	Green	Green	Green
Ventilation	Green	Green	Green
Airtightness	Red	Red	Red
Product verification	Green	Green	Green
Thermal detailing	Green	Green	Green
Primary Energy Renewable	Green	Green	Green

This block achieved Low Energy Building certification

Ditton Fields



Block A

Key Achieved
Not achieved

Criteria	Ditton Fields		
	143 Wadloes Rd	145 Wadloes Rd	147 Wadloes Rd
	Plot 6	Plot 5	Plot 4
Orientation			
Shape / size			
Space heating			
Space cooling			
Hot water			
Ventilation			
Airtightness			
Product verification			
Thermal detailing			
Primary Energy Renewable			

This block achieved Passivhaus Classic certification

Block B

Key Achieved
Not achieved

Criteria	Ditton Fields		
	149 Wadloes Rd	151 Wadloes Rd	153 Wadloes Rd
	Plot 3	Plot 2	Plot 1
Orientation			
Shape / size			
Space heating			
Space cooling			
Hot water			
Ventilation			
Airtightness			
Product verification			
Thermal detailing			
Primary Renewable Demand			

This block achieved Passivhaus Classic certification

Fen Road



Block A

Key Achieved
Not achieved

Criteria	Fen Road		
	3 Five Trees Ct	4 Five Trees Ct	5 Five Trees Ct
	Plot 10	Plot 9	Plot 8
Orientation			
Shape / size			
Space heating			
Space cooling			
Hot water			
Ventilation			
Airtightness			
Product verification			
Thermal detailing			
Primary Energy Renewable			

This block achieved Low Energy Building certification

Block B

Key	Achieved
	Not achieved

Criteria	Fen Road	
	1 Five Tress Ct	2 Five Trees Ct
	Plot 12	Plot 11
Orientation		
Shape / size		
Space heating		
Space cooling		
Hot water		
Ventilation		
Airtightness		
Product verification		
Thermal detailing		
Primary Renewable Demand		

This block achieved Low Energy Building certification

Block C

Key	Achieved
	Not achieved

Criteria	Fen Road		
	6 Five Trees Ct	7 Five Trees Ct	8 Five Trees Ct
	Plot 7	Plot 6	Plot 5
Orientation			
Shape / size			
Space heating			
Space cooling			
Hot water			
Ventilation			
Airtightness			
Product verification			
Thermal detailing			
Primary Energy Renewable			

This block achieved Passivhaus Classic certification

Block D

Key	Achieved
	Not achieved

Criteria	Fen Road			
	9 Five Trees Ct	10 Five Trees Ct	11 Five Trees Ct	12 Five Trees Ct
	Plot 4	Plot 3	Plot 2	Plot 1
Orientation				
Shape / size				
Space heating				
Space cooling				
Hot water				
Ventilation				
Airtightness				
Product verification				
Thermal detailing				
Primary Energy Renewable				

This block achieved Passivhaus Classic certification

7. Key Challenges

- 7.1. The performance tables in Section 6 highlight four challenges relating to:
- Airtightness
 - Orientation
 - Shape/size
 - Space heating
- 7.2. Airtightness was difficult to achieve for several reasons including:
- Upskilling & training sub-contractors on appropriate working practices
 - Sub-contractors not reporting breaches of the airtight barrier
 - Continuous sub-contractor management in every plot
 - Movement due to the timber frame construction
- 7.3. Orientation proved challenging for several reasons including:
- Unable to optimise building orientation due to planning considerations
 - Making best use of site to meet housing need and ensure viability
 - Existing site constraints

The ideal situation is a north-south orientation with daylight optimised glazing on the north façade and 15-25% glazing on the south façade.

- 7.4. The ideal shape/size was difficult to achieve due to:
- Not being able to design high buildings on these sites
 - Form factor (heat loss area of envelope) of buildings being poor due to site and planning constraints
- 7.5. Space heating challenges arose due to:
- Achieving the right balance between heat losses, solar gains and internal heat gains
 - Solar gain links to building orientation and the challenges listed above

Over-heating is specifically assessed as part of the PHPP energy modelling process to mitigate associated risks.

General challenges

- 7.6. Generally, earlier consultant involvement is required to bring forward elements of detailed design. This includes architectural, mechanical, electrical, and plumbing services.
- 7.7. Delivering Passivhaus requires additional time on site for the bespoke sequencing of specific tasks, such as forming the airtight barriers to all relevant construction details. Co-ordinating the certification inspections also impacts on programme.
- 7.8. Additional site management time is required to provide the necessary level of quality management on site.
- 7.9. Reviewing Passivhaus construction elements with warranty providers and building control needs to be accommodated as designs develop.
- 7.10. Integrating Passivhaus specifications with traditional components is a key task. For example, insulated ductwork being too large to fit through standard floor joists and items of plant being larger than standard cupboards sizes. These clashes need to be identified and resolved as early as possible to avoid delays to works on site and additional preliminaries costs.

- 7.11. Sub-contractors needing Passivhaus training and specialist supply chains need to be available.
- 7.12. Changing the cultures adopted by on site trades is necessary relating to mistakes and oversights, they must feel comfortable and be encouraged to admit mistakes to prevent airtightness issues arising during later stages of the build.
- 7.13. Ensuring key contractual and specification requirements are clear to all sub-contractors and suppliers is a specific requirement.
- 7.14. Out of sequence working allowances need to be built into the on-site construction programmes and be included within tender packages for pricing purposes.

8. Passivhaus Principles & CamStandard

- 8.1. The Council are aware of the misconceptions and legal implications associated with reference to Passivhaus principles/standards.
- 8.2. The sites at Aragon and Sackville Close are being constructed to Passivhaus principles as documented in planning condition 20 as follows:

(20) Passivhaus principles

The development hereby permitted shall be designed in accordance with Passivhaus principles, as set out in the Land at Aragon Close, Cambridge, Sustainability Report, January 2022 Pollard Thomas Edwards Rev P02. The renewable and/or low carbon technologies shall thereafter be retained and remain fully operational in accordance with a maintenance programme, which shall be submitted to and approved in writing by the Local Planning Authority before the development is first occupied.

Reason: In the interests of reducing carbon dioxide emissions and promoting principles of sustainable construction and efficient use of buildings (Cambridge Local Plan Policy 29 and Greater Cambridge Sustainable Design and Construction SPD 2020).

- 8.3. The Sustainability Report referenced in the condition wording confirms that the homes will target Passivhaus standards using the following fabric and services approach:

- Highly insulated walls, floors and roof
 - High performance triple glazing
 - Air tightness of <math><1.0 \text{ m}^3/\text{m}^2/\text{hr}</math> @ 50Pa
 - Air Source Heat Pumps (ASHP)
 - 100% energy efficient lighting
 - Minimal thermal bridging
 - Highly efficient Mechanical Ventilation Heat Recovery (MVHR) units
 - Heat recovery 89%
 - Specific fan power <math><1.3 \text{ w}/\text{l}/\text{s}</math>.
- 8.4. All Passivhaus buildings have basic physical characteristics in common, for example a high-performance thermal envelope which relates to the climate zone where it is located. To deliver the performance in-use, they are also required to follow the principle of quality assurance, for example, accurate modelling in PHPP, air tests, commissioning of ventilation systems etc.
- 8.5. The Passivhaus community and the Passivhaus Trust does not support the use of the term '**Passivhaus principles**', as this is widely misused in the UK as it commonly refers to projects which do not meet all the quality assurance requirements established by the Passivhaus standard. The uninformed individual incorrectly discusses **characteristics** when they should be discussing the principle of **quality assurance**
- 8.6. The Consumer Protection from Unfair Trading Regulations 2008 (CPRs), specifically; Banned Practices (Schedule 1), Professional Diligence (Regulation 2), and Misleading Practices (Regulations 5 & 6); protect the customer against false claims and misrepresentations that a building meets the Passivhaus standard.
- 8.7. Claims relating to the use of so-called Passivhaus principles could be considered misleading and therefore illegal so the Council must move away from using this terminology.
- 8.8. The alternative descriptor **CamStandard** is to be used in conjunction with Passivhaus /Feasibility Studies undertaken at RIBA Stage 1. The Feasibility Study may highlight significant challenges in achieving Passivhaus certification. Sites may not offer the required degree of flexibility to secure ideal orientation, or planning constraints may restrict form factor, for example. These criteria then increase the pressure on other performance criteria.

- 8.9. Adopting the proposed CamStandard helps when financial viability is under pressure and the additional costs associated with Passivhaus certification cannot be accommodated. Rising build costs and inflation during the pilot study have also contributed to challenging financial viability.
- 8.10. The CamStandard incorporates all elements of architectural, mechanical, electrical & plumbing (MEP) design. Sustainability will be optimised whilst maximising options for cost saving and providing some flexibility to cater for site and/or scheme specific constraints and requirements.
- 8.11. The CamStandard will be a careful collaboration between The Council, Hill and QODA as MEP/Passivhaus consultant.
- 8.12. The buildings will deliver very low running costs, considerable health and wellbeing advantages, excellent air quality and daylight, and a high degree of climate resilience.
- 8.13. CamStandard is proposed to be a practical alternative in terms of environmental building with a focus on benefits to tenants.
- 8.14. The contractor, subcontractors, suppliers, and manufacturers will be required to participate towards the achievement of CamStandard.
- 8.15. The performance specification in the table below highlights the differences between Passivhaus Certified targets and the proposed CamStandard. Passivhaus principles will be replaced by the CamStandard.

Performance Specification Table

REQUIREMENT	Passivhaus certified	CamStandard
	Limiting Value	Limiting Value
Annual space heating demand	$\leq 15 \text{ kWh}/(\text{m}^2.\text{a})$ or peak heating load of $10 \text{ W}/\text{m}^2$	Up to $40 \text{ kWh}/(\text{m}^2.\text{a})$
Annual space cooling demand	$\leq 15 \text{ kWh}/(\text{m}^2.\text{a})$	$\leq 15 \text{ kWh}/(\text{m}^2.\text{a})$
Primary energy renewable (PER) demand	$\leq 60 \text{ kWh}/\text{m}^2\text{a}$ (up to $75 \text{ kWh}/\text{m}^2\text{a}$ with PVs)	60 to $75 \text{ kWh}/\text{m}^2\text{a}$ (up to $75 \text{ kWh}/\text{m}^2\text{a}$ with PVs); or a project specific PER calculated using the

		PHPP for high occupancy density buildings
Airtightness	≤ 0.6 Air Changes per Hour @50Pa	Up to 1.0 Air Changes per Hour @50Pa
Overheating	< 10% occupied hours above 25°C	< 10% occupied hours above 25°C
Design temperature (winter)	20°C	20°C
Design temperature (summer)	25°C	25°C in conjunction with Building Regulations Part O assessment for residential buildings
Window installed U-value	≤ 0.85 W/(m ² K)	≤ 0.85 W/(m²K)
MVHR efficiency	$\geq 75\%$ (unit to be certified by the PHI)	$\geq 75\%$
MVHR Specific Fan Power (SFP)	≤ 0.45 Wh/m ³ (1.62 W/l/s)	≤ 0.45 Wh/m³ (1.62 W/l/s)
Passivhaus Consultant	Applicable	Passivhaus or AECB Consultant
Passivhaus Certifier	Applicable	Not applicable
Passivhaus Institute (PHI) Assessment	Applicable	Not applicable
QUALITY ASSURANCE		
PHPP Model	Required for all schemes	Required for all schemes
Evidence	Certificates, delivery notes, photographs, confirmation of performance specification, declarations	Certificates, delivery notes, photographs, confirmation of performance specification, declarations
Independent Certification	Applicable	Not applicable

9. Indicative Costs

- 9.1. Detailed costs cannot be reviewed until the final accounts for the sub-contract packages for the certified schemes are finalized and agreed.
- 9.2. Final outturn costs will exceed the original contract value for the certified schemes, based on current valuations and estimates relating to final work packages.

9.3. The table below highlights some of the additional costs to deliver Passivhaus certified homes compared against a standard build, and the proposed CamStandard (formally Passivhaus principles).

Key	No or minimal additional costs (less 5%)
	Some additional costs (+6% to 25%)
	Significant additional costs (+26%)

Criteria	Build Type		
	Standard Build	Passivhaus Certified	Camhaus / Cam Standard
Time:			
Air testing			
Labor re-scheduling			
Re-modelling PHPP			
Approval periods			
Fees:			
Planning fees			
PH Consultant			
PH Certifier			
PH Champion			
Certified Products:			
Windows & doors			
Insulation			
ASHP			
MVHR			
Wall system			
Airtight barrier			

9.4. Passivhaus design, specification and certification needs to be viable otherwise the Council/CIP cannot progress schemes.

9.5. Additional costs arising from targeting Passivhaus Classic criteria include:

- General inflexible design, specification and procurement
- Local planning authority requirements
- Pricing increased risk

- Supply chain availability and capability
- Extended project programmes with higher preliminary costs
- Quality assurance of installations
- Cost per metre square for basic substructure and superstructure are more expensive than traditional builds
- Costs of insulation are increasing

10. Next Steps

- 10.1. This Initial Report on the Passivhaus pilot certified schemes has highlighted the requirement to refine the Sustainable Housing Design Guide (SHDG). This should clarify the standard that is being achieved avoiding any legal issues and also create a transparent regime to ensure high levels of sustainability. This will enable the learning from the pilot scheme and future schemes to be captured.
- 10.2. Interim updating of the SHDG will be via the Addendum included at Appendix B of this report.
- 10.3. The preparation of a Completion Report once the remaining homes forming part of the pilot study are constructed is appropriate to facilitate a comparable analysis of the Passivhaus certified specification and Passivhaus principles/CamStandard, to carefully balance cost and viability with sustainability targets.
- 10.4. A Final Report following a suitable period of occupation in both the certified and Passivhaus principles homes will provide data that can be analysed to review the modelled and actual impact on tenants heating bills and operational carbon.
- 10.5. The Final report will form the basis of a comprehensive update of the SHDG which is expected late 2025 - early 2026.
- 10.6. The Final Report will also include practical steps required to achieve Net Zero by 2030.

Appendix A

Passivhaus Certification

Certificate

Certified PHI Low Energy Building



Authorised by:



Dr. Wolfgang Feist
64283 Darmstadt
Germany

30 A,B,C

Borrowdale, CB4 3HU Cambridge, United Kingdom



Client	CIP - Hill Duxford Road CB10 1SX Cambridge, United Kingdom
Architect	aPLB 50 Southwark Street SE1 1UN London, United Kingdom
Building Services	QODA Consulting 5 Upper St Martins Lane WC2H 9EA London, United Kingdom
Energy Consultant	QODA Consulting 5 Upper St Martins Lane WC2H 9EA London, United Kingdom

The characteristic energy values of buildings certified according to the PHI Low Energy Building Standard are verified as thoroughly as for Passive House certification. However, due to various reasons PHI Low Energy Buildings have a somewhat higher energy demand (criteria: see www.passivehouse.com).

The design of the above-mentioned building meets the criteria defined by the Passive House Institute for the PHI Low Energy Building Standard:

Building quality	This building	Criteria	Alternative criteria
Heating Heating demand [kWh/(m ² a)]	21 ≤	30	
Cooling Frequency of overheating (> 25 °C) [%]	0 ≤	10	
Airtightness Pressurization test result (n ₅₀) [1/h]	0.7 ≤	1.0	
Renewable primary energy (PER) PER-demand [kWh/(m ² a)]	67 ≤	75	75
Generation (reference to ground area) [kWh/(m ² a)]	29 ≥	-	-

The associated certification booklet contains more characteristic values for this building.

Plymouth
18/04/2024

Certifier: Sally Godber, WARM

Certificate

Certified Passive House Classic NO.3 ADMIRALS HARD, PLYMOUTH, PL1 3RJ UK



Authorised by:



Dr. Wolfgang Feist
64283 Darmstadt
Germany

149, 151, 153

Wadloes Road, CB5 8PF Cambridge, United Kingdom



Client	CIP - Hill Duxford Road CB10 1SX Cambridge, United Kingdom
Architect	aPLB 50 Southwark Street SE1 1UN London, United Kingdom
Building Services	QODA Consulting 5 Upper St Martins Lane WC2H 9EA London, United Kingdom
Energy Consultant	QODA Consulting 5 Upper St Martins Lane WC2H 9EA London, United Kingdom

Passive House buildings offer excellent thermal comfort and very good air quality all year round. Due to their high energy efficiency, energy costs as well as greenhouse gas emissions are extremely low.

The design of the above-mentioned building meets the criteria defined by

Building quality	This building	Criteria	Alternative criteria
Heating Heating demand [kWh/(m ² a)] Heating load [W/m ²]	19 ≤	15	-
	10 ≤	-	10
Cooling Frequency of overheating (> 25 °C) [%]	2 ≤	10	
Airtightness Pressurization test result (n ₅₀) [1/h]	0.5 ≤	0.6	
Renewable primary energy (PER) PER-demand [kWh/(m ² a)] Generation (reference to ground area) [kWh/(m ² a)]	64 ≤	60	64
	44 ≥	-	6

The associated certification booklet contains more characteristic values for this building.

Plymouth, 18 April 2024

Certifier: Sally Godber, WARM

Certificate

Certified Passive House Classic NO.3 ADMIRALS HARD, PLYMOUTH, PL1 3RJ UK



Authorised
by:



Dr. Wolfgang Feist
64283 Darmstadt
Germany

143, 145, 147

Wadloes Road, CB5 8PF Cambridge, United Kingdom



Client	CIP - Hill Duxford Road CB10 1SX Cambridge, United Kingdom
Architect	aPLB 50 Southwark Street SE1 1UN London, United Kingdom
Building Services	QODA Consulting 5 Upper St Martins Lane WC2H 9EA London, United Kingdom
Energy Consultant	QODA Consulting 5 Upper St Martins Lane WC2H 9EA London, United Kingdom

Passive House buildings offer excellent thermal comfort and very good air quality all year round. Due to their high energy efficiency, energy costs as well as greenhouse gas emissions are extremely low.

The design of the above-mentioned building meets the criteria defined by

Building quality		This building	Criteria	Alternative criteria
Heating	Heating demand [kWh/(m ² a)]	19	≤ 15	-
	Heating load [W/m ²]	10	≤ -	10
Cooling	Frequency of overheating (> 25 °C) [%]	1	≤ 10	
Airtightness	Pressurization test result (n ₅₀) [1/h]	0.5	≤ 0.6	
Renewable primary energy (PER)	PER-demand [kWh/(m ² a)]	65	≤ 60	65
	Generation (reference to ground area) [kWh/(m ² a)]	40	≥ -	8

The associated certification booklet contains more characteristic values for this building.

Plymouth, 18 April 2024

Certifier: Sally Godber, WARM

Certificate

Certified PHI Low Energy Building



Authorised by:



Dr. Wolfgang Feist
64283 Darmstadt
Germany

1-2 Five Trees Court
Fen Road, CB4 1UN Cambridge, United Kingdom



Client	CIP - Hill Duxford Road CB10 1SX Cambridge, United Kingdom
Architect	aPLB 50 Southwark Street SE1 1UN London, United Kingdom
Building Services	QODA Consulting 5 Upper St Martins Lane WC2H 9EA London, United Kingdom
Energy Consultant	QODA Consulting 5 Upper St Martins Lane WC2H 9EA London, United Kingdom

The characteristic energy values of buildings certified according to the PHI Low Energy Building Standard are verified as thoroughly as for Passive House certification. However, due to various reasons PHI Low Energy Buildings have a somewhat higher energy demand (criteria: see www.passivehouse.com).

The design of the above-mentioned building meets the criteria defined by the Passive House Institute for the PHI Low Energy Building Standard:

Building quality	This building	Criteria	Alternative criteria
Heating Heating demand [kWh/(m ² a)]	20	≤ 30	
Cooling Frequency of overheating (> 25 °C) [%]	1	≤ 10	
Airtightness Pressurization test result (n ₅₀) [1/h]	0.7	≤ 1.0	
Renewable primary energy (PER) PER-demand [kWh/(m ² a)]	64	≤ 75	75
Generation (reference to ground area) [kWh/(m ² a)]	38	≥ -	-

The associated certification booklet contains more characteristic values for this building.

Plymouth
18/04/2024

Certifier: Sally Godber, WARM

Certificate

Certified PHI Low Energy Building



Authorised by:



Dr. Wolfgang Feist
64283 Darmstadt
Germany

3-5 Five Trees Court
Fen Road, CB4 1UT Cambridge, United Kingdom



Client	CIP - Hill Duxford Road CB10 1SX Cambridge, United Kingdom
Architect	aPLB 50 Southwark Street SE1 1UN London, United Kingdom
Building Services	QODA Consulting 5 Upper St Martins Lane WC2H 9EA London, United Kingdom
Energy Consultant	QODA Consulting 5 Upper St Martins Lane WC2H 9EA London, United Kingdom

The characteristic energy values of buildings certified according to the PHI Low Energy Building Standard are verified as thoroughly as for Passive House certification. However, due to various reasons PHI Low Energy Buildings have a somewhat higher energy demand (criteria: see www.passivehouse.com).

The design of the above-mentioned building meets the criteria defined by the Passive House Institute for the PHI Low Energy Building Standard:

Building quality	This building	Criteria	Alternative criteria
Heating Heating demand [kWh/(m ² a)]	19 ≤	30	
Cooling Frequency of overheating (> 25 °C) [%]	1 ≤	10	
Airtightness Pressurization test result (n ₅₀) [1/h]	0.9 ≤	1.0	
Renewable primary energy (PER) PER-demand [kWh/(m ² a)]	64 ≤	75	75
Generation (reference to ground area) [kWh/(m ² a)]	34 ≥	-	-

The associated certification booklet contains more characteristic values for this building.

Plymouth
18/04/2024

Certifier: Sally Godber, WARM

Certificate

Certified Passive House Classic NO.3 ADMIRALS HARD, PLYMOUTH, PL1 3RJ UK



Authorised
by:



Dr. Wolfgang Feist
64283 Darmstadt
Germany

6-8 Five Trees Court Fen Road, CB4 1UT Cambridge, United Kingdom



Client	CIP - Hill Duxford Road CB10 1SX Cambridge, United Kingdom
Architect	aPLB 50 Southwark Street SE1 1UN London, United Kingdom
Building Services	QODA Consulting 5 Upper St Martins Lane WC2H 9EA London, United Kingdom
Energy Consultant	QODA Consulting 5 Upper St Martins Lane WC2H 9EA London, United Kingdom

Passive House buildings offer excellent thermal comfort and very good air quality all year round. Due to their high energy efficiency, energy costs as well as greenhouse gas emissions are extremely low.

The design of the above-mentioned building meets the criteria defined by

Building quality		This building	Criteria	Alternative criteria	
Heating	Heating demand [kWh/(m ² a)]	18	≤	15	-
	Heating load [W/m ²]	10	≤	-	10
Cooling	Frequency of overheating (> 25 °C) [%]	4	≤	10	
Airtightness	Pressurization test result (n ₅₀) [1/h]	0.6	≤	0.6	
Renewable primary energy (PER)	PER-demand [kWh/(m ² a)]	66	≤	60	66
	Generation (reference to ground area) [kWh/(m ² a)]	29	≥	-	9

The associated certification booklet contains more characteristic values for this building.

Plymouth, 18 April 2024

Certifier: Sally Godber, WARM

Certificate

Certified Passive House Classic NO.3 ADMIRALS HARD, PLYMOUTH, PL1 3RJ UK



Authorised
by:



Passive House
Institute

Dr. Wolfgang Feist
64283 Darmstadt
Germany

9-12 Five Trees Court Fen Road, CB4 1UT Cambridge, United Kingdom



Client	CIP - Hill Duxford Road CB10 1SX Cambridge, United Kingdom
Architect	aPLB 50 Southwark Street SE1 1UN London, United Kingdom
Building Services	QODA Consulting 5 Upper St Martins Lane WC2H 9EA London, United Kingdom
Energy Consultant	QODA Consulting 5 Upper St Martins Lane WC2H 9EA London, United Kingdom

Passive House buildings offer excellent thermal comfort and very good air quality all year round. Due to their high energy efficiency, energy costs as well as greenhouse gas emissions are extremely low.

The design of the above-mentioned building meets the criteria defined by

Building quality		This building	Criteria	Alternative criteria
Heating	Heating demand [kWh/(m ² a)]	17	≤ 15	-
	Heating load [W/m ²]	10	≤ -	10
Cooling	Frequency of overheating (> 25 °C) [%]	1	≤ 10	
Airtightness	Pressurization test result (n ₅₀) [1/h]	0.5	≤ 0.6	
Renewable primary energy (PER)	PER-demand [kWh/(m ² a)]	67	≤ 60	67
	Generation (reference to ground area) [kWh/(m ² a)]	31	≥ -	11

The associated certification booklet contains more characteristic values for this building.

Plymouth, 18 April 2024

Certifier: Sally Godber, WARM

Appendix B

Sustainable Housing Design Guide

Addendum

TO FOLLOW

Being prepared by Architects

Polard Thomas Edwards

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Appendix 5: North Cambridge Framework for Change

1 Recommendation

It is recommended that the Executive Councillor for Housing:

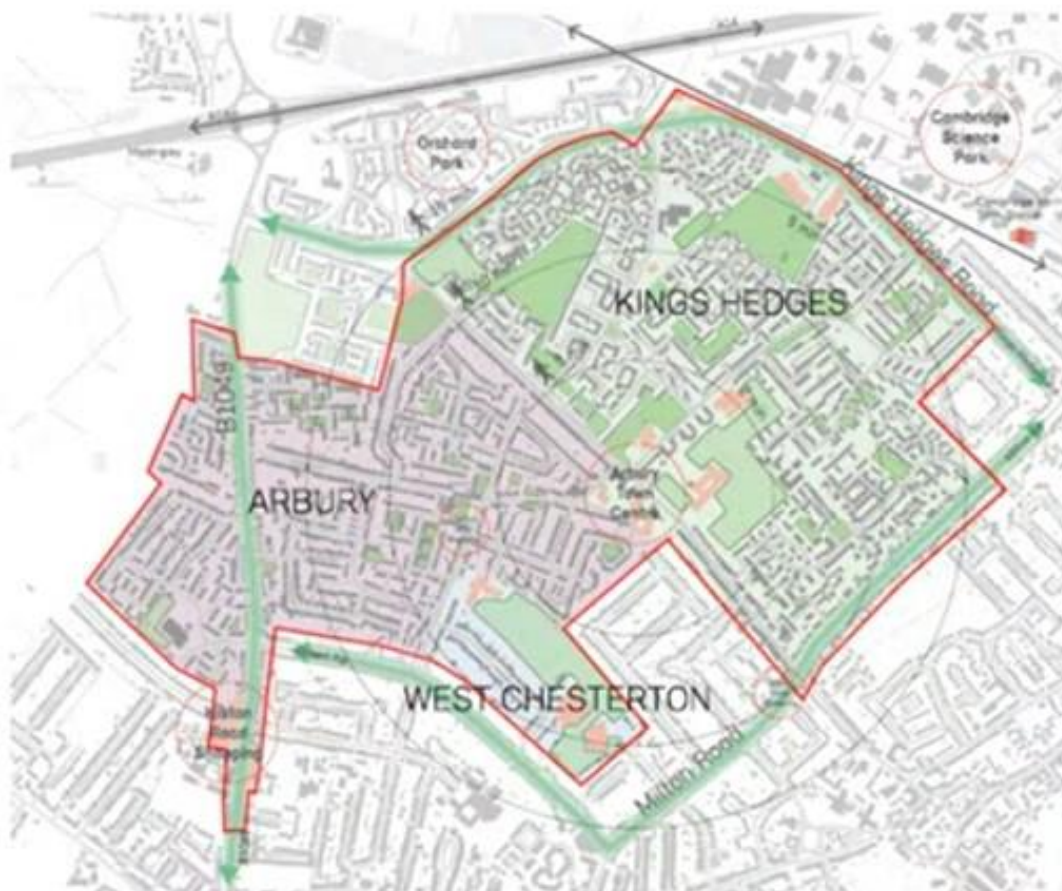
- 1.1 Approve commencement of work on a Framework for Change for North Cambridge through the Cambridge Investment Partnership

2 Background

- 2.1 The update report submitted to HSC in June 2024 noted the need to carry out further work on options for the Kingsway and Arbury Court estates. It also noted the importance of Arbury Court as a local centre and the broader challenge of ageing estates across the area. The Executive Councillor noted that negotiations on commercial leases at Arbury Court will now take account of the need to consider future options for a District Centre.
- 2.2 The Local Planning Authority has been developing the North Cambridge Design Code. The area covered includes Arbury and Kings Hedges wards and a small part of West Chesterton ward.

3 North Cambridge Design Code

- 3.1 The Local Planning Authority has been developing the North Cambridge Design Code. The area covered includes Arbury and Kings Hedges wards and a small part of West Chesterton ward.



3.2 The draft Design Code focusses on five key themes:

- Make space for nature
- Prioritise Walking and Cycling
- Thriving Public Spaces
- Enhance Character
- Increase Sustainability

3.3 The draft code sets out the challenge of ageing estates in the area. Having been constructed between the 1950's and 1970's, many components of the existing estate buildings within the local area have reached or will soon be reaching the end of their original design life. The issues surrounding Kingsway in particular were reported to HSC in January 2022.

3.4 The Design Code also recognises the importance of Arbury Court as a centre for the area. Arbury Court is a key strategic element in place-making for the area while delivering new housing. The retail offer needs to be central to planning for the future of Arbury Court. The consideration of future options is being taken into account in discussions with the commercial tenants. Engagement with the commercial tenants will be an important part of the way forward.

4 North Cambridge Framework for Change

- 4.1 It is recognised that large parts of the area are settled housing which will not be part of any redevelopment. However, work is needed to ensure a co-ordinated place-making approach. The approach proposed is to create a 'Framework for Change' to identify issues and opportunities across the area.
- 4.2 A Framework for Change needs to be developed in consultation with local people. Two stages of consultation are proposed – one to views on aspects of the area that are valued, issues of concern, and ideas for change and a second to consider a draft report (details are in the consultation section of this report).
- 4.3 The Framework for Change will:
 - 4.3.1 identify key issues, challenges and opportunities
 - 4.3.2 consider public responses to consultation
 - 4.3.3 consider relevant planning and corporate objectives and constraints
- 4.4 From this the Framework for Change will set out high level priorities and options for bringing forward development which will enhance place-making and create new sustainable homes and commercial premises.
- 4.5 The Framework for Change will consider the opportunities in the context of the financial constraints faced by the Council and the need for schemes to be financial viable.
- 4.6 The document will create a framework for bringing forward proposals for individual sites. These sites will be brought to HSC individually for approval. At that stage there will be further consultation, particularly with directly affected residents, and assessment of financial implications and risks.

5 Resident Engagement

- 5.1 Consultation with local people and this will form part of the brief for the Framework for Change
- 5.2 There have been various consultations carried out in the area in connection with developments that have progressed – notably Meadows, Buchan Street, the two stages of Aylesborough Close, the two stages of the redevelopments at Campkin Road and a number of smaller schemes.

5.3 In November 2021 consultation events were held at the Kingsway estate. The response rate was low but 85% of those who did respond considered that the estate was in need of regeneration. The concerns about the Kingsway estate were reported to HSC in January 2022. At that stage the decision was taken to have a management plan in place pending redevelopment at a future date.

5.4 Design Code consultation

5.4.1 The North Cambridge Design Code has been the subject of consultation earlier this year and there will be further consultation on the draft Code. Consultation on the Framework for Change will need to be clear about the relationship between these two processes and take account of the proposed Design Code Timeline which is

- October 2024 Planning Scrutiny Committee
- October – December Formal Public Consultation
- January – March Assessment of consultation responses
- March 2025 Planning Scrutiny Committee – Adoption
(no inspection required)

5.5 Framework for Change Consultation

Two stages of consultation are proposed:

5.5.1 In the first quarter of 2025 there will be a consultation to gather views on aspects of the area that are valued, issues of concern, and ideas for change

5.5.2 In the last quarter of 2025 there will be a consultation on a draft report which will have been considered at HSC in September 2025

5.5.3 The outcome will be a report which will

- identify key issues, challenges and opportunities
- consider public responses to consultation
- consider relevant planning and corporate objectives and constraints
- set out high level priorities and options for bringing forward development which will enhance place-making and create new sustainable homes and commercial premises
- consider the opportunities in the context of the financial constraints faced by the Council and the need for schemes to be financial viable

5.5.4 The document will create a framework for bringing forward proposals for individual sites.



REPORT TITLE: Report on Outcome of Rooftop Feasibility Study

To:
Councillor Gerri Bird, Executive Councillor for Housing
Housing Scrutiny Committee 17 September 2024

Report by:
Ben Binns, Assistant Director, Development
Email: ben.binns@cambridge.gov.uk

Wards affected:
Cherry Hinton, Coleridge

1. Recommendations

1.1 It is recommended that the Executive Councillor for Housing:

1. Note the outcome of the Feasibility Study conducted, confirming the officer recommendation that no deliverable scheme proceed.
2. Approve that 243 - 313 Odds Lichfield Road, 1-12 Bracondale, 1-18 Fernwood, and 1-18 Heatherfield be removed from short term redevelopment consideration, and that any further long-term review remain aligned with business-as usual-maintenance and management consideration of these properties, as it does with all council housing stock.

2. Purpose and reason for the report

- 2.1 2.1.1. This report sets out the outcomes of the feasibility study conducted since its approval in September 2023, considering both upward extension of existing housing blocks and deep-retrofit of existing properties as a parallel approach to regeneration.
- 2.1.2. The Council is aware of a growing discrepancy between the condition of ageing stock against new build housing being delivered to high sustainability levels. This Study aimed to provide detailed evidence of stock condition across two areas of

sheltered housing, to understand both the current condition, and the possible level to which improvements could be enacted in future. Key priorities for this work were energy efficiency, security and level access.

3. Alternative options considered

3.1 The only alternative considered is option 1: do nothing.

These properties are and remain in the Councils rolling programme of maintenance and improvement works across all council stock. While leaving them as such would mean no disturbance to tenants, it would however also not have allowed an improvement in the understanding of the current property conditions. This proposal to conduct the feasibility study has provided significant evidence of both condition, maintenance related costs and indication of the cost of enacting significant improvements which can inform decision on both the flat blocks considered as well as council housing stock more broadly across the city.

These properties as noted in September 2023 do require ongoing maintenance expenditure, and works will continue to come forward. These include, but are not limited to:

1. Wall insulation – limited to existing cavity wall insulation extraction and refill.
2. Replacement heating systems, as a number of the flats have old electric storage heaters and there is an ambition to upgrade to a more energy efficient alternative. Officers will review whether there is possibility to develop ground source heat pump proposals further as an outcome of this feasibility work.
3. Most flats have old doors which require replacing.
4. New roof coverings are required, which will include new roof insulation
5. Resident responses in regard to Condensation, damp and mould are being provided to the responsible team for follow-up investigation.

4. Background and key issues

4.1 4. Background

4.1.1. Upward (rooftop) development of housing above existing flatted blocks has been

under consideration since late 2020 and has the potential to combine the provision of additional homes on HRA-held land with significant improvements to existing housing stock.

4.2. Background review had culminated in a report to this committee in September 2021 (21/48/HSC), delegating authority for selection of a pilot scheme and approving a selected delivery route subject to further investigation.

4.3. In September 2023, a further report (23/44/HSC) set out the rationale for the selection of 243 - 313 Odds Lichfield Road, 1-12 Bracondale, 1-18 Fernwood, and 1-18 Heatherfield as priority sites for in-depth feasibility investigation, ensuring that refurbishment improves the living conditions of sheltered tenants while at the same time mitigating risk associated with high numbers of leasehold properties on other estates. Approval was granted with a budget to support feasibility work, and to date such work has focussed on structural investigations and early-stage design and capacity studies.

4.4. Ambition and need for this feasibility study

Broader Scope:

4.4.1. Rooftop development in its current form has had significant press coverage over the last few years, with numerous schemes making headway specifically in London, while some have progressed, Council/Borough-led schemes have to date been largely unsuccessful, given:

- Leasehold ownership and inability to enact works – This is similarly reflected in access issues flagged through standard cyclical maintenance on various council properties.
- Lack of parallel improvement to existing properties/lack of buy in from existing tenants

4.4.2. This feasibility study aimed to address both these shortfalls, by a) identifying flat blocks with unrestricted Council ownership, and b) targeting deep-retrofit and associated improvements to housing stock where these improvements will be of most benefit.

4.4.3. Land availability in Cambridge is heavily restricted, and the ability to utilise and

upgrade existing properties while providing additional housing would unlock significant opportunities. The archetype of property selected on the study site is echoed significantly across the city, across hundreds of council homes, and a successful proof of concept is key in unlocking these and promoting future buy-in from leaseholders which would otherwise block these opportunities from proceeding

Housing Sector

4.4.4. The Council has shown since 2017 that it can be a leading example to others in the sector in how to successfully lead housing delivery. This ambition to be a true pioneer remains enshrined in both the Councils commitment to continued housing delivery and the sustainability targets set as standard in new build homes.

4.4.5. A pilot study of the nature envisioned offered a further opportunity for the Council to successfully lead on a development typology which has largely been met by stumbling blocks to date.

4.4.6. Furthermore, this allows setting of a true and accurate benchmark as to the cost and implications of retrofitting ageing housing stock to a level in line with new build quality standards.

4.4.7. While uncertainty and concern have been understandably raised from existing residents, the Council first and foremost has a duty of care, and needs to take the necessary steps to ensure that the housing offered to its tenants, especially those at risk, is improved and kept to a high standard. This feasibility study offered a strong opportunity for the council to trial a new development route with longer term consideration for implementation across further housing stock, while at the same time delivering significant quality of life improvements for tenants.

4.5. Sheltered housing – Council Stock

4.5.1. The below figures from Orchard note Council-held sheltered housing stock distribution across the City. As can be seen, roughly half of the Councils sheltered housing stock lies with Coleridge and Cherry Hinton. These figures exclude The Haven in Queen Ediths, purchased into stock in 2023. The Haven is currently undergoing final works and is expected to be occupied in Q3 of 2024.

Sheltered housing per ward	No. Properties
Abbey	
Sheltered	53

Cherry Hinton	
Sheltered	93
Coleridge	
Sheltered	176
East Chesterton	
Sheltered	20
Kings Hedges	
Sheltered	25
Market	
Sheltered	63
Petersfield	
Sheltered	53
Supported	17
Romsey	
Sheltered	29
Grand Total	529

4.5.2. The study site selected for this feasibility work covers 36 properties at Lichfield Road and a further 48 on Walpole Road. This amounts to 31% of the sheltered housing stock across Cherry Hinton and Coleridge, and 16% of the overall sheltered stock across the city.

4.5.3. It is important to note that the feasibility study was designed around an assumption of only a single portion of these properties being potentially progressed as a Pilot development. This was envisioned as circa 36-40 existing properties.

4.6. Lettings and void rates

4.6.1. Tenancy terminations per year are included below since 2013, but records are held back to 1987, with an average of 27 per year becoming void across council Stock in Coleridge and Cherry Hinton. This excludes sheltered housing stock across the remaining wards of the city.

Year	Tenancy completions/yr Coleridge/ Cherry Hinton	of which within Study area			
		Bracondale	Fernwood	Heatherfield	Lichfield
2013	31	3	3		2
2014	24			5	1
2015	27	2			5
2016	30	1	2	2	6

2017	23		2		2
2018	25		1	1	3
2019	26	1	1		2
2020	14		1	2	1
2021	36	1			3
2023	34		4	2	4
2024 to June	7				1
Grand Total	1011				

Average since
1987(/yr)

27

4.6.2. Lettings for all of these properties are favourable, but this is seen as an indication of location and housing demand as opposed to overall suitability for the eligible tenant group. These properties perform well below the quality levels of newer sheltered housing schemes.

4.7. Existing tenants and support needs

4.7.1. The below sets out the support needs of existing tenants per flat location as at June 2024. As can be seen, the majority of these residents are largely self-sufficient.

Block	Low Support (15 mins pw)	Medium Support (30 mins pw)	High Support (45 mins pw)	No Support
Lichfield Rd	10	7	0	21
Heatherfield	3	0	1	14
Fernwood	2	1	1	14
Bracondale	0	0	2	14

4.7.2. Additional to the above, there are specific cases which have been noted by Independent Living Facilitators where high support individuals might preferably be rehoused into extra care facilities directly.

4.8. Ambitions informing the study:

4.8.1. New homes benchmarked against Passivhaus standards

4.8.2. Existing properties to EPC High B/A

4.8.3. Air- or ground source heating, with Solar Panels and Mechanical ventilation with Heat recovery

4.8.4. Full gas removal where connections remain

4.8.5. Floor, wall (cavity and external) and roof insulation throughout

- 4.8.6. Wastewater heat recovery to be considered
- 4.8.7. Low flow taps
- 4.8.8. Triple glazing where not yet installed
- 4.8.9. Low energy lighting
- 4.8.10. Access in line with Secure by Design
- 4.8.11. Lift Installation/level access to all properties.

4.9. Architectural/design outcomes

- 4.9.1. Concluded that we can provide new homes which meet modern space standards on the existing roof level, to an additional floor.
- 4.9.2. Security/access control can be accommodated.
- 4.9.3. Lift installation to new and existing properties could be installed.
- 4.9.4. High insulation and EPC target values could be met through use of external wall Insulation and enclosing of current communal access, aligning with lift and security improvements.
- 4.9.5. Ability to deliver heating solutions through Air source heat pump (individual or communal) or alternatively Ground source heat pump installation, with associated cost and planning implications for each requiring further detailed consideration.
- 4.9.6. Some ground floor levels, adjoining walls and fire compartmentation works at specific points would pose risk of not being deliverable to a greater standard and would require further detailed review but overall target ambitions could be achieved.

4.10. Structural viability:

- 4.10.1. Looked at existing structure as well as surrounding ground/geology through
 - Brick sampling and core drilling/digging through foundations and concrete floors
 - Trial Pits as well as boreholes to establish ground water levels and soil makeup
 - Strength and compression testing of samples
 - CCTV review of current drainage systems following issues encountered during investigations
- 4.10.2. Report concluded that:
 - Strength of existing brick sufficient to carry new loads.
 - Ground compaction/pressure tests of the ground/soil indicated expected 5mm movement which is “a relatively low figure” and considered acceptable.

- Works to damage in drainage system needs to be undertaken to ensure no damage to foundations due to leaks/water and waste – this have been passed to Assets for inclusion in rolling works programmes.
- Overall load increase on the existing on existing foundations would be c25%, high but considered feasible.
- Structural interventions would be required to accommodate new lift or where stairways might need to be altered.
- Based on the results of the testing, reinforced concrete padstones (to carry the vertical load from the steelwork above) could be formed at the top of the existing walls, by mobilizing both leaves of the external (and internal, if required) cavity walls. The compressive strength of the existing bricks was found to be sufficient to provide robust bearing to these padstones.
- Some items would pose some remaining risk and would require additional investigation if a project was brought forward, including: Horizontal restraint of the top of the existing walls in the period the roof structure was dismantled; Additional investigations to the existing cavity walls to establish the density, spacing, and condition of the existing wall ties connecting the two leaves. Investigation into potential wall ties have corrosion.

4.11. Need for vacant possession and decanting

- 4.11.1. Feasibility work has confirmed that to enact a deep retrofit programme and concurrent development would require full decanting of the properties. This would pose significant disruption to existing tenants.
- 4.11.2. Would any decanting proceed, this would be conducted in line with our current policies, with priority given to tenant housing allocations, and opportunity to return to refurbished properties on completion
- 4.11.3. Our working assumption would be that decanted tenants should be offered alternative housing within the immediate vicinity of their current properties, and as per the numbers in 4.6 above, there is sufficient evidence indicating that this could be accommodated, subject to programming of sufficient time to account for this. Our experience to date, however, backed by discussion with some existing tenants, do also indicate that there is flexibility in this, and when provided opportunities some residents do relocate to different wards in the City, based on family/community

connections. There is no reason to assume that the affected tenants in this case would not similarly diffuse across Council stock more broadly, which would lessen further any pressures on required voids in the specific area.

4.11.4. Since the approval of this feasibility study however, there has been a need for priority decanting of the Sheltered Housing Scheme at Stanton House (32 tenants). This has added significant pressure onto housing supply and has required due consideration by Officers.

4.12. Financial implications.

4.12.1. Design work and review of existing properties has sufficiently informed assumptions to allow drafting of high level cost for consideration by the Council.

4.12.2. Such cost is significant; While rooftop delivery holds the direct benefit of not requiring land acquisitions, the cost to construct is higher than traditional development, and together with refurbishment and lift installation includes significant financial implications

4.12.3. As part of this committee the HRA Medium Term Financial Strategy is being considered, including the implications for the councils development programme.

4.12.4. The MTFFS executive summary highlights the challenges faced by the council as it remains committed to delivery of its new build pipeline. Cognisance of these financial pressures has been taken into account through the review of this report.

4.13. Additionally, Part 6 highlights a significant portion of current tenants who are against any requirement to vacate their properties. While in this regard, the Council must exercise its duty of care and consider the short term implications versus long term benefits, this is linked to a heightened pressure on existing stock in the face of ongoing decanting at Stanton House, Fanshawe Road, Hanover and Princess Court, and Ekin Road, together with the further Redevelopment at Davy Road being brought to this Committee for consideration.

4.14. Conclusion

4.14.1. Given the Significant cost Implications, current pressure on housing supply and lack of new build sheltered housing sock coming forward, it is the Officer recommendations that no full refurbishment and development proceed at this

time.

- 4.14.2. Uncertainty has been the greatest stress-inducer for residents through this investigation processes, and officers have aimed to provide clarity and communication on the work and outcomes throughout the process. Given that the officer recommendation at this time is that a full scheme not proceed, it is recommended that the Exec Cllr approve full closure of this project to provide surety to tenants that this will not be revisited in the short term.
- 4.14.3. Going forward, any long term reconsideration would remain in line within the cyclical maintenance and management consideration of these properties, as it does as standard with all council housing stock.
- 4.14.4. The Officers do wish to thank all affected residents for their patience and involvement over this period of work, and it is hoped that all parties are understanding of the needs for such review.
- 4.14.5. All findings from this work will be passed to relevant Council operative teams for consideration.
- 4.14.6. The outputs in terms of costs, timing and implications for residents remain significantly beneficial to the councils understanding of its housing stock, and future requirements for investment. These inputs will continue to be considered and will inform future redevelopment and retrofit work as the Council continues to progress towards its net zero targets.

5. Corporate plan

- 5.1 The Councils Housing delivery programme directly addresses Priority 3: Building a new generation of council and affordable homes and reducing homelessness

Additionally, the programme also serves to address the following:

Priority 1: Leading Cambridge's response to the climate change and biodiversity emergencies

- Target of 20% net biodiversity gain across redevelopment sites
- Housing delivery well exceeding Local Plan requirements in terms of efficiency, with a target for all new affordable homes to be delivered in line with the Councils Sustainable Housing design guide

Priority 2: Tackling poverty and inequality and helping people in the greatest need

- Provision of housing for refugee families
- Inclusion of modular move-on accommodation for former rough sleepers in the delivery programme
- All new homes to be M(4)2 Adaptable and 5% to be M(4)3 adapted dwellings for families with accessibility needs.
- Improved level access to all existing properties

Priority 4: Modernising the council to lead a greener city that is fair for all

- Number of developments implemented in line with (or exceeding) adopted policy requirements
- annual income generated by council services and investments

6. Consultation, engagement and communication

6.1 6.1. Autumn 2023 Consultation feedback

6.1.1. Questionnaires were distributed across October and November 2023 requesting inputs from tenants. From the 84 tenants within the study area, 38 responses were received. These largely indicate tenant satisfaction with their properties, and this reflects in-person discussions with residents to date. These properties are in favourable locations and residents are largely well settled.

6.1.2. This does not however mean that these properties are up to standard to serve what is an at-risk tenant group. While tenants have been largely in favour of remaining in place, there is broad recognition that these properties do have key issues and room for improvement. While there is a very vocal minority to date (3 key residents) actively noting their disfavour with the feasibility study, the majority of residents have acknowledged that the need for this feasibility study is well founded.

6.1.3. What has been mentioned much more as a key points, as opposed to stress involved with potential decanting, is the stress involved with uncertainty; In discussion the vast majority of residents have expressed clearly that key to them is a prompt completion of this study, open communication and clear feedback on decisions and way forward. To this end, work to date has targeted a rapid turnaround, aiming to give residents this certainty and communicate outcomes as rapidly as possible.

6.1.4. From the questionnaire some key considerations were:

- 36% of respondees require or use mobility aids

- 63% of respondees indicated their flats have Damp, Condensation, mould, or all three (10%), with 15% rating the severity above 5 on a 1-10 scale.
- 39% believe their utility bills are expensive
- Cold walls and issues with heating systems noted as key concerns
- Security concerns and lack of access control noted, specifically at the flat blocks along Walpole Road.

6.1.5. The above aspects are all items which have noticeable effects on health and wellbeing. Additionally, these are all aspects which are noted to be addressed as aspects of the refurbishment feasibility works considered.

6.2. Further consultation on the outcomes of the technical feasibility work was undertaken through August 2024, with public meetings held on the 3rd (Lichfield Rd Community Hall) and the 5th (St Phillip Howard Church, Walpole Rd).

6.2.1. Officers also undertook door knocking to each property under consideration within the week of 5-11 august, to ensure that each resident was contacted and both provided with information on the work and contact details to ensure that all queries could be answered. Follow-up calls and emails were enacted as and when requested.

6.2.2. Surveys were distributed to all affected tenants. As of 3 September 2024, 49 Surveys had been returned out of 81 tenants (60% response rate). Given the likely impact of the works considered, the surveys specifically focussed on the residents' opinions of their existing properties and impact of proposals.

6.2.3. 78% of residents indicated that their homes were fit for their accessible needs. 22% responded negatively, and raised issues regarding need for walk-in showers, issues with stairs and uneven footpaths around the estate being a concern.

6.2.4. 37% of tenants have experienced anti-social behaviour

6.2.5. 31% of respondents have experienced concerns over personal safety

6.2.6. 54% of respondents have experienced issues with the temperatures of their homes, with 30% indicating that their homes are either too hot in the summer months or too cold in the winter months. 39% perceive their energy costs to be expensive/above average.

6.2.7. There was a steep reduction in the number of residents reporting damp, condensation, and mould, with 30% indicating some issues with these. It is hoped that the recent installation of triple glazed windows on a number of these properties

has led to this alleviation. Discussion have however also brought to light an adjacent leaseholder with significant DCM issues. These will be brought to the attention of the Councils DCM group.

6.2.8. 43% of respondents indicate that they believe the housing estate would benefit from the improvements being considered. 18% of respondents responded negatively, with a further 39% being unsure.

6.2.9. 49% of residents indicated being against the delivery of new homes. 34% responded positively, with 27% Indifferent or providing no comment.

6.2.10. 84% of respondents indicate worries over personal upheaval

6.2.11. 42% of respondents indicate health concerns related to potential for moving home.

6.2.12. Out of 5, the average score provided by residents is indicated below for aspects of the housing estates:

Quality of the building	Accessibility standards	Safety /security	Noise levels	Wheelchair or mobility scooter storage
4	4	3	4	2

6.2.13. The survey responses reflect the in-person discussion held with residents, in that there is a clear understanding of where improvements could be made with clear benefits in relation to safety, energy efficiency, and accessibility.

6.2.14. There is however a clear indication from current residents that these are established communities and that the majority do not wish to face upheaval. This is fully understood by officers, however this does need to be considered against with the Council's duty of care to its tenants in ensuring that housing is fit for purpose for the longer term. Given the accessibility constraints of these properties, there is a significant risk of residents requiring to be moved as they age and face greater requirements for mobility aids.

7. Anticipated outcomes, benefits or impact

7.1 Ambitions outlined in 4.8.

Full ambitions will not realised due to decision not to proceed further.

Benefits remain in the form of detailed information on council housing stock, for these properties and for use in informing knowledge gaps on those of similar achetype.

8. Implications

8.1 **Relevant risks**

None. This report finalises this study.

Financial Implications

8.2 Costs to date will be accounted for as abortive expenditure in line with financial processes.

Legal Implications

8.3 *None.*

Equalities and socio-economic Implications

8.4 None. This report finalises this study.

Net Zero Carbon, Climate Change and Environmental implications

8.5 None. This report finalises this study.

Procurement Implications

8.6 None. This report finalises this study.

Community Safety Implications

8.7 None. No project is to be brought forward.

Proposed outcomes aimed to directly address improvements to existing Housing stock, which fall short of current safety standards. Regeneration proposals were considered in

line with Secure by Design Guidance to achieve a noticeable improvement on any scheme which may be brought forth as an outcome.

Safety concerns have been noted at Heatherfield, Walpole Road, by tenants and these have been forwarded on to Independent Living and Communities teams. Similar blocks have had CCTV Installed and it is noted that residents have requested similar.

9. Background documents

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 9.1
 - 21/48/HSC - Report on progress toward HRA Estate Regeneration programme Including a report on a proposed scheme at Aylesborough Close.
 - 23/44/HSC - Rooftop Development with Associated Retrofit to High Efficiency Standards
 - 24/33/HSC – Report on Stanton house

10. Appendices

- 10.1 None.

To inspect the background papers or if you have a query on the report please contact Jaques van der Vyver, email: jaques.vandervyver@cambridge.gov.uk

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REPORT TITLE: Delivery of 4 homes, joint funded through the Local Authority Housing Fund (LAHF Round 3) to meet Temporary Accommodation and Refugee housing need.

To:

Councillor Gerri Bird, Executive Councillor for Housing
Housing Scrutiny Committee 17 September 2024

Report by:

Ben Binns, Assistant Director, Development
Email: ben.binns@cambridge.gov.uk

Wards affected:

All

1. Recommendations

1.1 It is recommended that the Executive Councillor for Housing:

1. Delegate Authority to the Section 151 Officer to enter into a Memorandum of Understanding with the Department for Levelling Up, Housing and Communities to allow for the Round 3 payment of allocated funding to the Council.
2. Approve that the delivery of accommodation to cater for recent humanitarian schemes identified within this second round of LAHF funding be delivered as part of the Councils 2022-2032 New Build Housing Programme.
3. Approve that an indicative budget of £2,016,000 be drawn down in 2024/25 from the sum already ear-marked and approved for investment in new homes, to cover the costs associated with delivering 4 homes to serve as longer term accommodation, catering for the eligible cohort as defined in 4.2 and to recognise grant funding of £921,675 towards this expenditure. Following the meeting of this need the properties delivered will become general needs housing held within council stock.

4. Authorise the Acting Chief Property Surveyor to approve the purchase of open market properties into council stock to serve as housing for the eligible cohort as defined in 4.2, subject to consultation with the Director of Communities and the Chief Financial Officer.

2. Purpose and reason for the report

- 2.1 2.1.1. The Council to date has successfully delivered homes across Round 1 and Round 2 of the LAHF programme. This has included delivery of 37 homes, exceeding a combined target of 34 homes across both prior rounds of funding.
- 2.1.2. A 3rd Round was announced by LAHF in early 2024, but was since delayed due to National elections and subsequent change in government.
- 2.1.3. On the basis of confirmation from the Executive Councillor for Housing and the Chief Financial officer, a positive Expression of Interest was submitted to the LAHF, indicating that the Council were willing to enter into an MOU for the pre-allocated funding, subject to formal approval through the Housing Scrutiny Committee.
- 2.1.4. This report seeks approval for the delivery of the 4 homes proposed, together with an allocated budget to be drawn down from the new homes programme funding built into the HRA MTFS.

3. Alternative options considered

3.1 Option 1: Do not participate

The Council has a standing commitment to welcome refugees into the City together with a Duty of care to the homeless. These are key priorities and the ability to offer additional housing stock for these groups is a significant benefit where this can be brought forth together with the councils housing delivery pipeline. The grant offer is significant at c46% of delivery cost, and well exceeds the c25-30% of delivery funded through alternative funding regimes. As such there is significant benefit to the council in participating.

Option 2: reliance on new build housing as opposed to acquisition

Current new builds are either all funded already through Homes England (and as such ineligible), or are planned for completion outside of the required completion dates. While new build homes could be targeted, and would be subject to a minimal grant uplift, we propose to, as before, target acquisition of existing properties on the open market. This significantly reduces risk of completions within the timeframes.

Option 3: Reliance on modular housing as opposed to acquisitions

Modular housing could be considered but we feel that use of this funding to secure permanent freehold of land and associated additional property within the city is preferable.

Modular housing, while subject to shorter delivery timeframes in terms of construction, would be reliant on bringing forward infill opportunities on existing council property, which brings with it risks linked to challenge from neighbours, existing land uses, and design challenges which are not easily addressed by standardised modular construction.

Non-standardised modular construction would require similar timeframes to traditional new build delivery.

4. Background and key issues

- 4.1 4.1.1. The Local Authority Housing Fund (LAHF) is an innovative capital fund that supports local authorities in England to obtain housing for those who are unable to find settled accommodation on resettlement schemes.
- 4.1.2. The Council to date has successfully delivered homes across Round 1 and Round 2 of the LAHF programme. This has included delivery of 37 homes, exceeding a combined target of 34 homes across both prior rounds.
- 4.1.3. For this 3rd round, the eligibility criteria has been revised and I have set this out below. These are indicated against the pre-allocated housing delivery target offered by LAHF for this round.

Element	Number of homes allocated for funding
TA Element	1
Resettlement Element	2
Large resettlement Element	1

- 4.1.4. Larger 3 or 4 bed family homes will be prioritised, but final home size to be acquired will be informed by Officers and the current priority need of eligible families.
- 4.1.5. As opposed to prior rounds of funding, the total funding is not allocated per element, but rather is fungible across all home delivery. Likewise this is not contingent on a specific percentage match funding like prior rounds, and is a bulk funding allocation contingent only on the delivery of the 4 home target as above.
- 4.1.6. The funding amounts to £921,675.00. There is also an additional allocation of £7,825 of revenue funding to support delivery, which will be drawn down in line with officer costs.
- 4.1.7. The MoU targets delivery of the 4 homes by March 2025. The Round 3 programme has an extended duration but delivery in the 2024/25 year aligns with current council commitments in terms of eligible families for housing.
- 4.1.8. In terms of budget allocations, match funding can be drawn from the unallocated budget set out in the in the Mid Term Financial Strategy for housing delivery.
- 4.1.9. Should we successfully deliver well ahead of the target dates, it has been indicated that LAHF may be open to considering additional funding, subject to delivery progress by other selected authorities. We would remain open to this consideration, subject to Council commitments and housing need.
- 4.2. In terms of eligible families for this housing:
- 4.2.1. Those owed a homelessness duty of care:
- In recent years, the Council has tended to open in the region of 250 homelessness prevention cases a year.
 - In 2023/24 264 prevention cases were opened. The number of households currently in temporary accommodation stands at 166;144 in our TA stock and 22 in bed and breakfast.
- 4.2.2. Those on the Afghan Citizen Resettlement Scheme (ACRS) –
- the Councils 2021 decision to provide a minimum of 4 homes per year to end-2024 remains in effect.
 - Further to this, a November 2023 consultation response to Government reaffirmed the pledge to provide a minimum of 4 Council homes for refugees in the further

2025 calendar year, specifically noting the potential for more homes if further LAHF rounds are made available (which it now has). The council to date has housed 19 families (20 target to end-2024) and 76 people (100 target to end - 2024).

- 4.3. As such, the eligible family group committed to is more than enough to occupy the 4 homes proposed to be funded through Round 3.
- 4.4. Should these funded homes not be brought forward, the Council would remain with a duty of care to the above eligible cohort and these families would enter onto the housing register.

5. Corporate plan

- 5.1 This proposal directly addresses Priority 2: Tackling poverty and inequality and helping people in the greatest need, as well as Priority 3; Building a new generation of council and affordable homes and reducing homelessness.

6. Consultation, engagement and communication

- 6.1 Internal cross-team consultation has taken place between the HDA, Housing and Communities, and Finance teams through the established Project Group which delivered the Rounds 1 and 2 of LAHF funded homes.

Councillor engagement will be undertaken in line with the locations of acquisitions as these progress.

Reporting on outcomes will be incorporated into the quarterly reporting on the housing delivery programme.

7. Anticipated outcomes, benefits or impact

- 7.1 Direct outcomes are

- delivery of net new council housing,
- Reduction of families on the Housing register
- Reduction in rough sleeping and homelessness.

- Net increase in Council housing stock

8. Implications

8.1 Relevant risks

Risk	Likelihood	Impact	Mitigation
<p>Delivery failure The funding requires best endeavours from the council.</p>	Low	Reputational risk to the council. Repayment of allocated funds.	Target completion of acquisitions well ahead of formal LAHF funding completion date. Open and early communication with LAHF re delays Rapid delivery through acquisition as opposed to new build reliance Streamlined internal process for acquisitions already established through R1 and R2 delivery.
<p>Failure to complete on Market purchases Significant competitive pressure on market acquisitions.</p>	Low	Delivery Failure	Progress at early stage to ensure ability to meet target date.
<p>Public opposition /Member buy-in Significant local housing pressure may lead to negative public opinion of prioritising foreign nationals</p>	Low	Reputational Risk. Delivery Failure	It will be important to engage with the local ward Cllrs early on to identify opportunities and issues. The full buy-in by national government needs to be relied upon. Council commitment to welcoming refugees.
<p>Exceeding proposed budget due to reliance on open market acquisitions or required increased purchase value for market homes</p>	Medium	Additional HRA funding required	Strategic approach to property selection, ensuring Value for Money on completed acquisitions.

Financial Implications

8.2 The full budget will be drawn down for this project from the existing funds ear-marked for new homes in the 10 Year New Homes Programme. A gross budget of £2,016,000 will be re-allocated from existing approved resources for this specific project.

The Council additionally recognises the additional grant income associated with the project. Funding revisions form part of the Medium Term Financial Strategy being presented to this Committee.

Legal Implications

8.3 *None.*

Equalities and socio-economic Implications

8.4 *An EQIA will be completed as part of this scheme approval.*

Net Zero Carbon, Climate Change and Environmental implications

8.5 A Climate Change rating tool will be completed as part of this scheme approval. This delivery however relies on existing properties within the city, and as such pose no change to existing conditions.

Energy Bills for housing are to tenant account and as such hold no direct implication for the Councils net zero use targets. These properties will however enter into council stock and as such will be incorporated into long term programmes for cyclical maintenance and energy efficiency improvements.

Procurement Implications

8.6 None. Conducted in-house and within existing procured service arrangements.

Community Safety Implications

8.7 There are no community safety implications. Cambridge is a welcoming city of sanctuary. Properties for refugees are dispersed across the city to support integration and resettlement support for refugees is provided by the Council.

9. Background documents

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 9.1
- 23/Urgency/HSC/2 - £500m Local Authority Housing Fund Refugee Scheme – Approval To Deliver Longer Term Humanitarian Scheme Accommodation Through The 22-32 New Build Housing Programme, Partly Funded By Central Government
 - 23/Urgency/HSC/12 - Local Authority Housing Fund Refugee Scheme Round 2 – Approval to deliver 2ND round humanitarian scheme accommodation through the 2022-32 new build housing programme, partly funded by Central Government
 - 21/36/HSC - Refugee Resettlement – Delivering the pledge to resettle 200 more refugees

10. Appendices

10.1 *None*

To inspect the background papers or if you have a query on the report please contact Jaques van der Vyver, email Jaques.vandervyver@cambridge.gov.uk



Redevelopment of 2-28b Davy Road, including associated land and Garages

To:

Councillor Gerri Bird, Executive Councillor for Housing and
Housing Scrutiny Committee 17 September 2024

Report by:

Ben Binns, Assistant Director, Development

Ben.Binns@cambridge.gov.uk

Wards Affected:

Coleridge

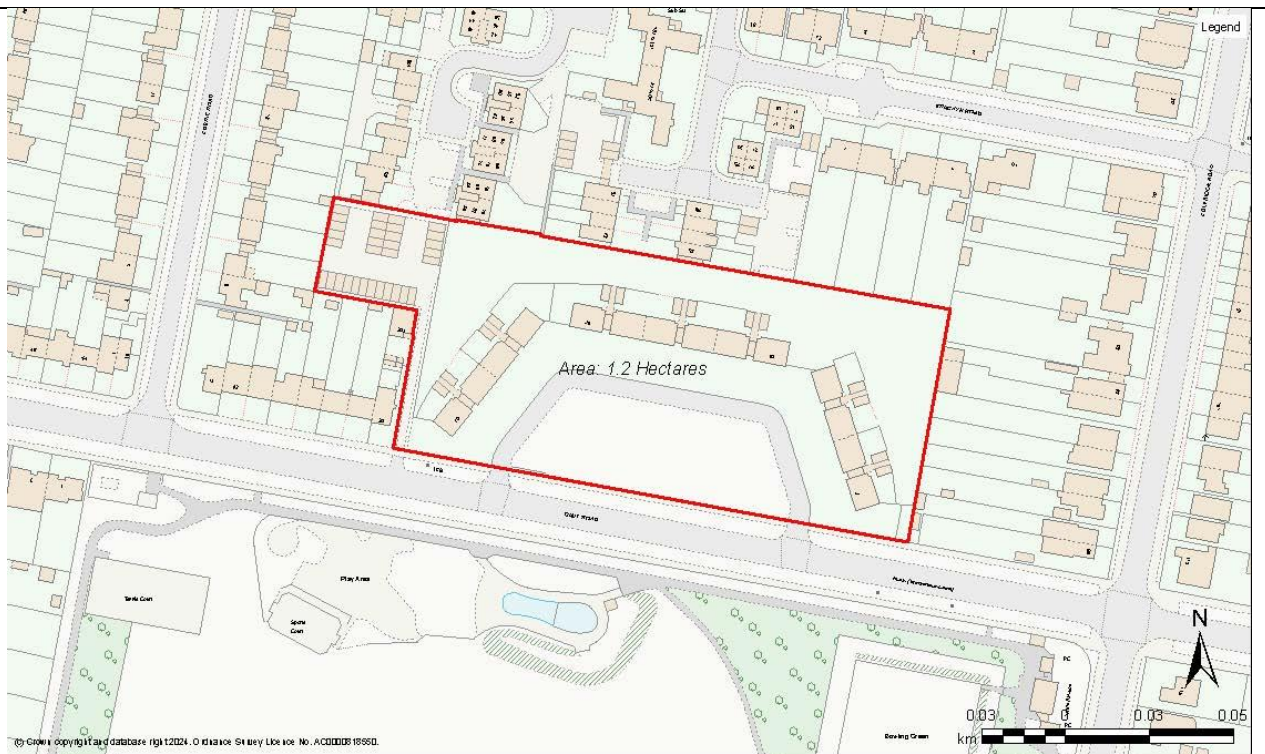
1.	Recommendations
1.1	<p>It is recommended that the Executive Councillor for Housing:</p> <ol style="list-style-type: none">1. Approve that the scheme be brought forward as a mixed tenure development and included in the Housing Capital Programme, with an indicative capital budget of £15,730,000 for the purchase of affordable homes to cover all site assembly, construction costs, professional fees and further associated fees. Budget will be drawn down from the sum already ear-marked and approved for investment in new homes.2. Authorise the Chief Operating Officer 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.

3. Authorise the Chief Operating Officer in consultation with the Executive Councillor to approve an Affordable Housing Agreement with CIP for the purchase of 45 affordable homes. This agreement will be at a value provided by an independent valuer.
4. Approve that delegated authority be given to the Executive Councillor for Housing in conjunction with the Chief Operating Officer to enable the site to be developed through Cambridge Investment Partnership (CIP) subject to a value for money assessment to be carried out on behalf of the Council.
5. Approve with immediate effect the purchase of the leasehold interest of flats at 2-28b Davy Road (evens) and the issue of Home Loss and Disturbance payments to qualifying Council tenants and Basic Loss and Disturbance payments to qualifying leaseholders affected by the potential redevelopment
6. Approve giving 32 affected council tenants required to decant the highest priority on the Council's choice-based lettings system (Home-Link). The emergency banding status will be applied to all existing secure tenant applications from 18th September 2024.
7. Delegate authority to the Chief Operating Officer to take steps preparatory to the making of a Compulsory Purchase Order (CPO) in respect of any Leasehold and Freehold properties required in order to deliver the scheme.
8. Delegate authority to the Chief Operating Officer to make a CPO in respect of any leasehold or freehold interests that cannot be acquired by private treaty within a reasonable timescale and at a reasonable cost subject to the Chief Operating Officer being satisfied that there is a compelling case in the public interest for the use of compulsory purchase powers, and that all legal and policy requirements for the making and confirmation of a CPO have been met;
9. Delegate authority to the Chief Operating Officer to serve initial Demolition Notices under the Housing Act 1985.

2.	Purpose and reason for the report
2.1	<p>This report seeks approval to proceed with the redevelopment of Davy Road flats and garages through the Cambridge Investment Partnership to provide 90 new highly sustainable homes on the site. The report also seeks a budget to purchase the 45 Affordable Homes.</p> <p>The site has been identified for redevelopment due to future maintenance costs, its poor environmental performance, and the site’s potential to support the Council’s housing programme.</p> <p>This report seeks approval to draw down from the budget earmarked for the purchase of 45 Affordable Homes for Council stock out of the 90 homes planned for this site. This would increase the number of Council homes on the site by 36% compared with existing provision.</p> <p>As outlined in Appendix 3 of the Update on New Build Council Housing Delivery being brought to this committee, the Council is adopting a mixed tenure portfolio approach. In keeping with this, the Davy Road redevelopment will be delivered as a mixed tenure scheme, targeting 50% council homes and 50% market homes. This is in line with the 2024 Greater Cambridge Housing Strategy and the Cambridge Sustainable Housing Design Guide 2021. Mixed tenure schemes provide greater opportunities for mitigating against risks and costs than a 100% affordable scheme. Sales values can offset potential build cost increases and overall risk exposure is shared through the Cambridge Investment Partnership.</p> <p>A capital budget of £15,730,000 for the scheme, based on the indicative capacity study which has been undertaken for the site and the outline appraisals referenced in this report, and for the delivery route to be adopted.</p> <p>In its current format, Homes England grant funding is only provided on net gain of Affordable Homes for mixed tenure schemes, as long as these are delivered additional to the 40% of housing required by the Planning Authority. This means that 12 homes</p>

	<p>would be eligible for the funding. In line with the portfolio approach to development being brought to this Committee as a separate item, these homes may either form a bid to Homes England or be held as additional affordable housing to be used as an offset on other programmed sites which may struggle to proceed due to viability.</p> <p>The Council is continuing to lobby the Secretary of State for Housing, Communities and Local Government on this matter in order to unlock further funding on mixed tenure development sites.</p> <p>The scheme is indicative and subject to further review, public consultations, and pre-application planning consultation.</p>
2.2	<p>There is an exempt annex attached to this report that is NOT FOR PUBLICATION by reason of paragraph 8 of Schedule 12A of Part 1 of the Local Government Act 1972 because it contains information which is commercially sensitive. The public interest test has been applied to the information contained within this exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.</p>
3.	<p>Alternative options considered</p>
3.1	<p>Retain as existing The current blocks were built circa 1950's and are of Easiform concrete construction. The age of these units will lead to the need for further investment and increased on-going maintenance.</p> <p>Much of the day-to-day repairs and planned replacement where building elements have reached the end of its serviceable life are causing cost increases for the Council and leaseholders and an ongoing programme of works is in progress to keep the blocks structurally safe.</p> <p>The standards of the existing flat blocks and maisonettes are poor and do not meet the current new build standards in energy use, accessibility, layouts, amenity space, security, heating, ventilation, bike storage, EV charging, water conservation, refuse, external landscaping, and fire safety.</p>

	<p>Retrofit the estate</p> <p>To reach equivalent performance standards of Passivhaus to those of the council’s new build delivery programme would require the installation of triple-glazed windows and doors, air source heat pumps, additional insulation, mechanical ventilation heat recovery, and solar PV.</p> <p>A 2021 Feilden and Mawson report to the council on achieving Enerphit standard (retrofit version of Passivhaus standard) has identified an estimated cost per unit as c.£65,000 per unit for a similar archetype for a one bed flat. With inflation since 2021 taken into account, this would be equivalent to £77,982 per unit as of July 2024. In total, for 42 units this would amount to £3,275,244. More recent cost indications, including from the Councils’ own retrofit projects, indicate that this figure would be significantly exceeded in the current market. This figure excludes decanting costs.</p> <p>Whilst there would be significant improvements to the energy and carbon performance of the existing flat blocks and maisonettes there will be no improvements in internal space standards, amenity space, accessibility, security, heating, energy bills, ventilation bike storage, EV charging, water conservation, biodiversity, refuse, external landscaping, and fire safety. A significant decanting programme would also be required to move residents out whilst works take place, and back in when complete.</p> <p>The applicability of these measures (for example additional insulation) is reliant on structural integrity of the buildings. A common defect in Pre-Cast Reinforced (PRC) structures is carbonisation of concrete, which leads to component failure. Therefore it is not guaranteed that this can be carried out, and the viability of such an improvement route would require validation through detailed surveys.</p>
4.	<p>Background and key issues</p>
4.1	<p>The Site</p> <p>Davy Road is situated to the Southeast of Cambridge City Centre.</p> <p>The development site is approximately 1.2 hectares in size. It consists of 42 dwellings in the form of 3 flat blocks of 3 storeys and 32 garages. Of the 42 households, 9 are leasehold, 32 occupied by council tenants and one temporary accommodation tenant.</p>



	<p>778:</p> <h3>Davy Road Location Plan</h3>	<p>Date: 08 August 2024</p> <p>Produced by:  Mapping Portal</p> <p>Scale: 1:1,250 @ A4</p>
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The site has been identified for redevelopment due to future maintenance costs, its poor environmental performance, and the site’s potential to support the Council’s housing programme.

Initially, the red line boundary of the proposed redevelopment site had included Council properties 1-8a Brackyn Road (inclusive). Feasibility work undertaken showed the inclusion of these properties is not viable due to:

- Planning constraints around increasing the number of homes within a relatively small space.
- Large number of well established trees in the rear gardens of properties at Brackyn Road which would require felling in order to allow for meaningful development of this land.

Condition of flats

The flat blocks at Davy Road are all the same design and appear to be in fair condition. The Easiform Type 2 Pre-Cast Reinforced non-traditional structure has not been designated ‘Defective’ under the Housing Defects Act 1984 (Part XVI Housing Act 1985); however, the common inherent defect of all Pre-Cast Reinforced (PRC) structures is carbonation of the concrete, which can lead to component failure. Structural movement/cracking is evident to the external wall of the inset balconies above the rear access door(s).

Asbestos management surveys of the site show that there is asbestos within the blocks. The asbestos is being managed appropriately and this does not currently pose a significant risk to health, however regular inspections are required to monitor this.

A Section 20 consultation process for a substantial scheme of works to Davy Road was undertaken in January 2023 by the Council's Assets and Maintenance team. This included:

- Remedial reinforced concrete works to walkway and balcony slabs
- Remedial works to masonry walls
- Remedial works to the access core staircases and rear balconies (to raise balustrading height, and to reduce any openings on staircase guarding that are greater than 100mm, gaps will be reduced by the addition of extra steelwork to comply with HHSRS regulations)
- Remedial works to rainwater goods and underground drainage
- Install a waterproof membrane MMA resin flooring system to the communal stairwells, walkways and rear balconies, to those blocks that do not currently have it installed
- Internal and External decoration where required

As the site was added to the Council's 10 year rolling housing development programme in January 2024, the Development Team has engaged with Assets and Maintenance to scale back these works, to only include the removal of all category 1 HHSRS (Housing Health and Safety Rating System) risks. This includes remedials to concrete and masonry, and remedial works to the access core staircases and rear balconies.

If the Council decides not to proceed with redevelopment, further works for the upkeep of the blocks will be required in the next 5 years including remedial works to rainwater goods and underground drainage, installation of waterproof membrane, internal and external decoration. These would be in addition to regular scheduled maintenance, and further reactive maintenance as and when required. The costs to both the Council and leaseholders will increase accordingly, subject to another S20 process.

Estimated future planned maintenance costs at 2-28b Davy Road as of August 2024 (including works removed from current programme)

	Estimated cost of work	Fees	Contingency	Total
5 years	£617,350	£123,470	£61,735	£802,555
30 years	£1,681,068	£336,214	£168,106	£2,185,388

Please note this table does not include any unplanned works which may be required.

Garages and Access

The garage block has no significant problems identified. However, older garages such as those within this estate, tend to be small when compared with the average modern car and are therefore not commonly used for their original intended purpose. They are

mostly used for storage. ~50% of the garages are currently let to residents with an address in the Coleridge ward.

Protected Open Space

The 0.22 hectare green space to the front of the blocks is designated protected open space, and this area will need to be retained as a minimum within any redevelopment.

Local Housing Need

There is a recognised need for more affordable housing across the city. The table below demonstrates the number of households on the Housing Needs Register as of August 2024 This scheme will help in meeting the needs of those on the register.

1bed	2 bed	3 bed	4+ bed	Total
1,689	640	473	126	2,928

Budget and tenure

This report seeks approval of a capital budget for the scheme, based on the indicative capacity study which has been undertaken for the site and the outline appraisals referenced in this report, and for the delivery route to be adopted. The Affordable Homes will be built to the new Cam Standard, if approved at this committee, as outlined in Appendix 4 of the Update on New Build Council Housing Delivery report.

It is recommended that this development is delivered through CIP, as part of the Council’s mixed tenure portfolio approach, as 50% affordable housing (and 50% homes for market sale. This is in line with the Council’s current model and the Cambridge Sustainable Housing Design Guide 2021, which states:

“Developments must be socially inclusive, diverse, and cohesive, with a mix of homes reflecting the needs of people of different ages and abilities and the council’s housing requirements.”

Mixed tenure schemes also provide greater opportunities for mitigating against risks and costs than a 100% Affordable Homes scheme. Sales values can offset potential build cost increases and overall risk exposure is shared through the Cambridge Investment Partnership.

Under this proposal, the Affordable Homes will be owned and managed by Cambridge City Council and let on Cambridge City Council tenancies. The indicative mix of the proposed scheme will provide 45 Council rented homes, with an overall net gain of 12 Council rented homes.

It is proposed that, in line with the 2024 Greater Cambridge Housing Strategy, of the 45 Affordable Homes, 5 will be for Social Rent, 29 will be 60% of Market Rent, capped at Local Housing Allowance, and 11 will be 80% of Market Rent.

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

Unit Type	Units
1B2P Flat	26
2B4P Flat	53
3B5P Flat	7
3B5P House	4
Total	90

The proposed unit split is as below:

Affordable Homes	
1B2P Flat	15
2B4P Flat	23
3B5P Flat	7
Total	45

Market Homes	
1B2P Flat	11
2B4P Flat	30
3B5P House	4
Total	45

The scheme is indicative and subject to further review, public consultations, and pre-application planning consultation.

The total indicative cost of this development is £15,730,000. This includes design, construction, decant, legal, Clerk of Works and Employer's Agent fees and H.D.A project management allowance.

Further surveys and investigations will be undertaken by Cambridge Investment partnership.

Site Options

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

	Redevelop	Retain	Retrofit
No. of dwellings	90	42	42
National Guidelines for space standards	✓	✗	✗
Amenity Space – balcony or private garden	✓	✗	✗
Accessibility for wheelchair users	✓	✗	✗

Wheelchair user adapted homes	✓	x	x
Security – crime designed out	✓	x	x
Heating	Air Source Heat Pump	Gas	Air Source Heat Pump
Energy Bills	Low	High	Low
Ventilation	Mechanical	x	Mechanical
Bike Storage	✓	x	x
EV charging	✓	x	x
Water l/pd	90	>110	>110
Biodiversity Net gain	+20%	0%	0%
Underground bins	✓	x	x
Improvements to car parking, landscaping, and external works	✓	x	x
Fire Safety above building regulations	✓	x	x

Decanting

If redevelopment is approved, decanting will be required of 42 households, including 32 tenants, 9 leaseholders and 1 temporary accommodation property. This will be carried out according to the Council's Regeneration Policy.

Due consideration will be given to the redevelopment of Fanshawe Road, and the possibility that residents from Davy Road can move into Fanshawe Road once complete, subject to availability.

5. Corporate plan

5.1 This Development opportunity addresses all the Council's key Corporate Priorities for 2022-27:

Priority 1 - Leading Cambridge's response to the climate change and biodiversity emergencies

This proposal is to replace inefficient existing homes with highly sustainable, low energy homes. The new homes will provide overheating management and reduced water consumption, as well as being low carbon and gas free. A minimum of 20% biodiversity net gain will also be targeted across the site.

Priority 2 - Tackling poverty and inequality and helping people in the greatest need

An increase in new council homes will benefit low-income residents across the city. The sustainability standard should mean increased energy efficiency will help to reduced energy consumption within these homes and therefore energy bills are expected to be lower for residents.

Priority 3 - Building a new generation of council and Affordable Homes and reducing homelessness

There is a recognised need for more council housing across the city. As of August 2024, there were 2,928 households in need of Affordable Homes across the city; progressing this scheme will help in meeting the needs of those on the waiting list.

Priority 4: Modernising the council to lead a greener city that is fair for all

A target of 20% biodiversity net gain will contribute towards this. Increased diversity of planting such as wildflower meadows and different species of trees will be explored as part of the landscaping. Green roofs, bird boxes, bat boxes and insect hotels are also likely to be included.

In addition to this, modern methods of heating and cooling will be included, such as mechanical ventilation and heat recovery, underfloor heating, triple glazed windows, extra thick wall cavities.

Further innovation and future proofing will also include electric vehicle chargers and consideration of underground 'iceberg' bins. Promotion of sustainable methods of transport such as cycling, walking and car sharing will also be a key aspect of this development.

This development also meets the objectives of:

- The Greater Cambridge Housing Strategy 2024-2029
- The Council's Homelessness & Rough Sleeping Strategy 2021-26

6. Consultation, engagement and communication

6.1 The Council wrote to residents on 6 January 2024 to advise that 2-28b Davy Road was to be added to our 10 Year Housing Development Programme, as an estate under redevelopment consideration, and this would be discussed in more detail at Housing Scrutiny Committee on 23rd January.

On 8 February we wrote to inform residents that there will be a report to HSC seeking approval for redevelopment at Housing Scrutiny Committee on 17th September.

On 17 February, officers from the Development Team door knocked at every Davy Road and Brackyn Road address affected at the time. We gave further details of the process to many and arranged meetings for those who wish to discuss it in more detail. Individual meetings were subsequently held with 12 residents of Davy Road and Brackyn Road upon request.

On 11 June residents of Brackyn Road were given formal notification that their properties are no longer under redevelopment consideration as a result of feasibility work undertaken.

Resident consultation on the proposed redevelopment was carried out between June-August 2024. Council Officers presented key information about the proposals at in-person consultation events on 8 June and 11 June. A website was created for presentation of the same information.

Residents' feedback on the proposals was sought via surveys. Some of the key findings are noted below:

- 8 of 14 residents reported damp, mould or condensation in their home.
- 100% of residents who responded have experienced anti-social behaviour.
- 9 of 14 residents scored satisfaction with noise levels $\leq 2/5$
- 9 of 15 residents said that their property is too cold in the winter.
- 57% of residents think that the Davy Road estate is in need of redevelopment.
 - 29% unsure
 - 14% disagree

Please see attached consultation report from Concilio, which details the results of the consultation.

Further resident engagement on the scheme (subject to HSC approval of redevelopment) will include:

- Continued engagement with residents of the Davy Road estate throughout decanting process
- Non-statutory pre-planning consultation on design proposals in advance of a planning submission
- Formal planning consultation at the point of submission
- Engagement with residents surrounding the site near to the point of start on site and throughout the construction process (subject to planning approval), including regular public meetings, newsletters and website updates.

7.	Anticipated outcomes, benefits or impact																							
7.1	<table border="1"> <thead> <tr> <th data-bbox="229 360 647 416">Benefit</th> <th data-bbox="647 360 1062 416">Baseline</th> <th data-bbox="1062 360 1485 416">Target</th> </tr> </thead> <tbody> <tr> <td data-bbox="229 416 647 528">Increase in total provision of homes onsite by 114%</td> <td data-bbox="647 416 1062 528">42 homes currently onsite</td> <td data-bbox="1062 416 1485 528">90 homes</td> </tr> <tr> <td data-bbox="229 528 647 685">Increase in total provision of Affordable Homes onsite by 36%</td> <td data-bbox="647 528 1062 685">32 Affordable homes currently onsite</td> <td data-bbox="1062 528 1485 685">45 Affordable Homes</td> </tr> <tr> <td data-bbox="229 685 647 864">Increase in biodiversity onsite</td> <td data-bbox="647 685 1062 864">Unknown – subject to surveys</td> <td data-bbox="1062 685 1485 864">20% increase in biodiversity compared with existing</td> </tr> <tr> <td data-bbox="229 864 647 1133">Improved sustainability of homes</td> <td data-bbox="647 864 1062 1133">Gas heated homes with poor insulation, reported as cold in the winter months</td> <td data-bbox="1062 864 1485 1133">Homes built in accordance with the Cambridge Sustainable Housing Design Guide, including the Cam Standard update.</td> </tr> <tr> <td data-bbox="229 1133 647 1469">Improved Accessibility of Council homes</td> <td data-bbox="647 1133 1062 1469">Properties with no level access and accessibility issues raised by residents.</td> <td data-bbox="1062 1133 1485 1469">All homes to be M(4)2 as standard, with 5% of the Affordable Homes being designed to M4(3) standard – wheelchair accessible homes.</td> </tr> <tr> <td data-bbox="229 1469 647 1637">Improved security standards for Council tenants</td> <td data-bbox="647 1469 1062 1637">100% of residents reported experiences of anti-social behaviour</td> <td data-bbox="1062 1469 1485 1637">All new homes built to Secure by Design standards</td> </tr> </tbody> </table>			Benefit	Baseline	Target	Increase in total provision of homes onsite by 114%	42 homes currently onsite	90 homes	Increase in total provision of Affordable Homes onsite by 36%	32 Affordable homes currently onsite	45 Affordable Homes	Increase in biodiversity onsite	Unknown – subject to surveys	20% increase in biodiversity compared with existing	Improved sustainability of homes	Gas heated homes with poor insulation, reported as cold in the winter months	Homes built in accordance with the Cambridge Sustainable Housing Design Guide, including the Cam Standard update.	Improved Accessibility of Council homes	Properties with no level access and accessibility issues raised by residents.	All homes to be M(4)2 as standard, with 5% of the Affordable Homes being designed to M4(3) standard – wheelchair accessible homes.	Improved security standards for Council tenants	100% of residents reported experiences of anti-social behaviour	All new homes built to Secure by Design standards
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8.	Implications																							
8.1	Relevant risks																							

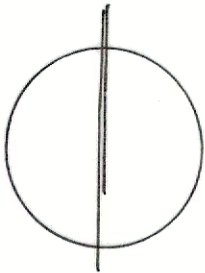
Description of risk	Likelihood	Impact	Mitigation
Design Risk – constraints	Med – There is a risk in balancing preserving the open space, height and massing and sustainability.	Delays to planning submission or planning rejected	Regular meetings with LPA, council officers, members, and residents throughout the design process. Consider a simple design option that may not use so much developable area.
Time: Decant and leaseholder buy-back delays	Med - There is a limited risk on costs against the assessment that has been made; the risk of delay is minimised with the Regeneration policy.	Med – CPO and NOSPs can take time and delay the project.	Team in place to manage the decant process and to liaise between all relative parties. The Council has a policy in place in relation to home loss. There is a statutory process through a CPO should negotiations not be successful
Cost: Market conditions in the construction industry can also impact on estimated costs.	High- further site investigations could uncover unknown issues; current supply chain issues may mean rising costs continue	Medium - If costs go beyond approved budget this could lead to delays to start on site and contract negotiations leading to the potential increase in costs.	A mixed tenure scheme reduces the risks associated with cost rises as the affordable homes will be a fixed cost. Short term return of investment is also applicable.
Planning: The planning application will be subject to the observations of consultees, the	Med- appropriate Pre-application discussions will be held as part of the planning	Med- Potential change in unit mix and reduction in numbers	CIP will continue to develop in response to the comments received from the pre-application discussions with the LPA which

	assessment of planning officers, and ultimately the decision of the Planning Committee.	process. There is a need to balance planning policy and views of the local people and ward members.		have been carried out. Further discussions will be carried out.	
Financial Implications					
8.2	<p>The scheme has an indicated budget of £15,730,000. This includes the delivery of 45 Affordable Homes and associated professional fees, decanting and legal costs.</p> <p>The current appraisal assumes that the Council's share of CIP surplus will be approximately £1.9m for sale of land and market homes, which will offset the Affordable Housing Agreement purchase price.</p> <p>This scheme budget will be considered as part of the Medium Term Financial Strategy (MTFS) paper, which is being considered at this committee.</p>				
Legal Implications					
8.3	<p>Legal resources will be required to assist with the following aspects of the project:</p> <ul style="list-style-type: none"> • Lease Surrenders – including land searches, purchase process, CPO process if required. • Contract advice, drafting and sealing 				
Equalities and socio-economic Implications					
8.4	<p>An EQIA has been completed for the scheme and can be viewed upon request as a background paper.</p>				
Climate Change and Environmental implications					
8.5	<p>A Climate Change Rating Tool has been completed for the scheme and can be viewed upon request as a background paper.</p>				

	Procurement Implications
8.6	<p>This scheme will be managed through the Cambridge Investment Partnership.</p> <p>The project will be subject to an independent Value for Money assessment by an Employers Agent for the Council.</p>
	Community Safety Implications
8.7	<p>In our consultation survey, 100% of residents that responded stated that they had experienced Anti Social Behaviour. In new developments we design out crime by working to Secure by Design standards. This means that designs are checked by experts from the police service to make sure that safety and security of residents is considered in the scheme, and any adjustments to improve these are made accordingly.</p> <p>Safety and Security improvements to the estate will include:</p> <ul style="list-style-type: none"> • Increased overlooking • Better lighting • Internal, secure bike parking • Improved security of properties • Improved fire safety measures, such as sprinklers to all residential dwellings • Reduced carbon emissions per property • Focus on sustainable transport
9.	<p>Background documents</p> <p>Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985</p> <p>Feilden + Mawson – Achieving Net Zero Carbon in our Existing Housing Stock – May 2021</p> <p>Davy Road Estimated Future Works Costs – August 2024</p> <p>Update on New Build Council Housing Delivery September 2024</p> <p>Equalities Impact Assessment – Davy Road</p>

	Climate Change Rating Tool – Davy Road
10.	Appendices
10.1	Appendix 1 – Indicative Site Layout Plan Appendix 2 – Resident Consultation Report Appendix 3 – Confidential Appendix
	To inspect the background papers or if you have a query on the report please contact Jake Smith Jake.smith@cambridge.gov.uk

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DAVY ROAD, CAMBRIDGE
INDICATIVE SKETCH IM 1:500 A2



Page 309

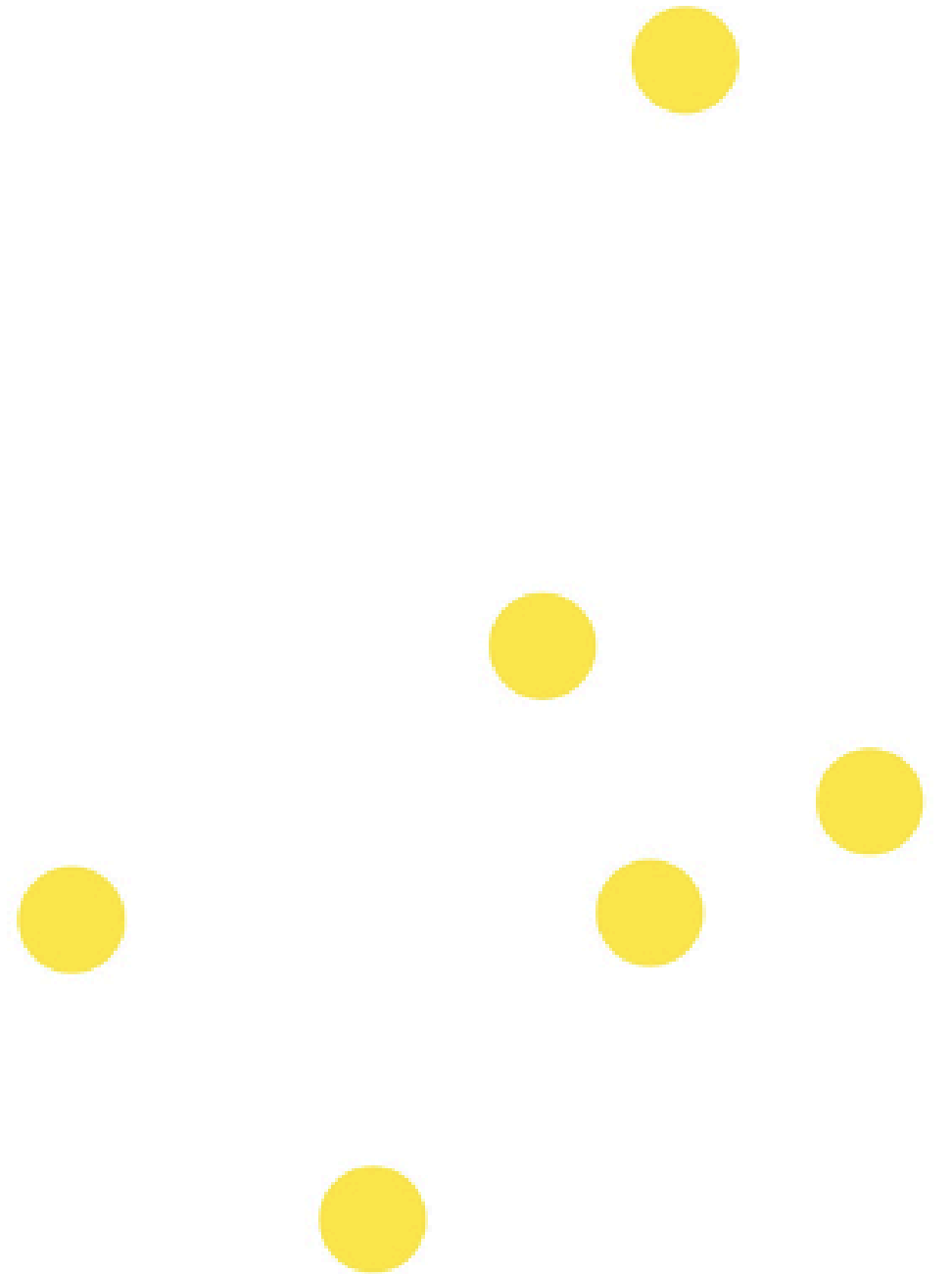
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● CONCILIO

DAVY ROAD

Final survey report - 8th August 2024



The consultation:

19

In-person event
attendees

15

Survey responses
received

46

Total website visitors

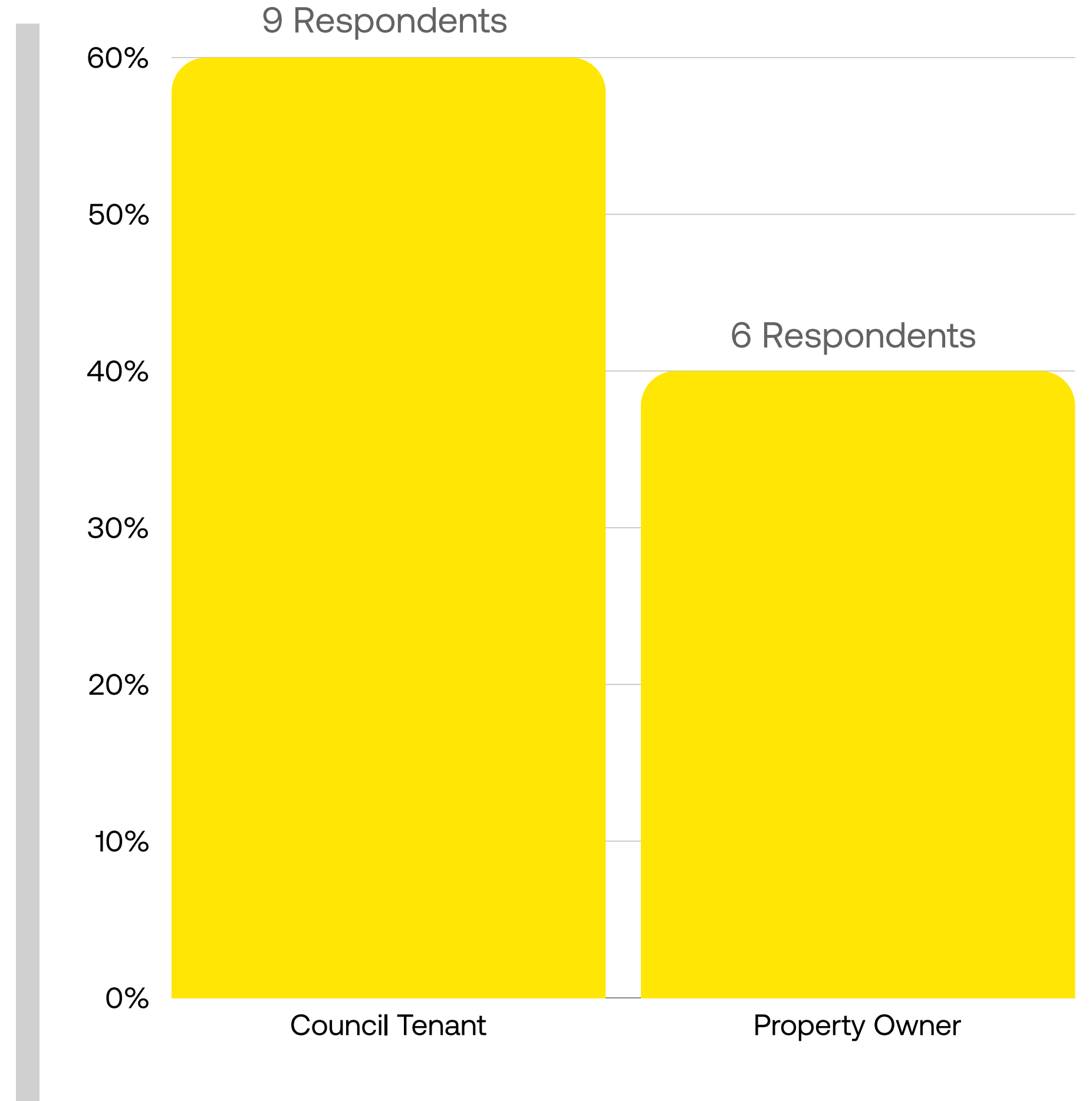
Feedback Survey Responses

QUESTION 1:

HOW LONG HAVE YOU LIVED ON DAVY ROAD?

15/15 Answered

Page 314

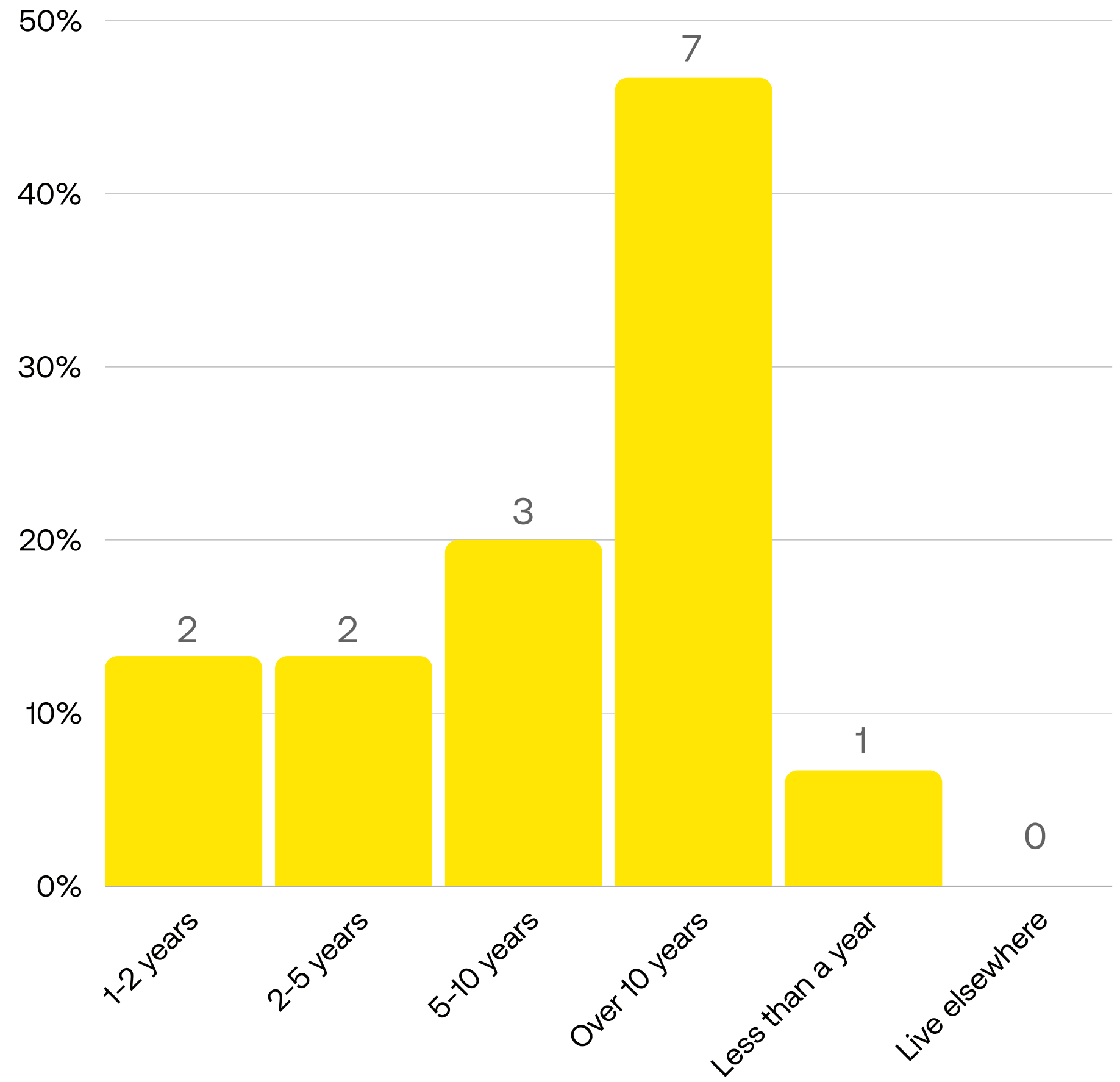


QUESTION 2:

HOW LONG HAVE YOU LIVED ON DAVY ROAD?

14/15 Answered

Page 315



QUESTION 3:

DO YOU HAVE ANY DAMP, MOULD OR CONDENSATION IN YOUR HOME? IF YES, PLEASE
DETAIL

14/15 Answered.

Yes

- 8 of the 14 respondents said "Yes"

Answers included:

Yes condensation has gotten worse since the cladding on the outside
of the house"

"damp and mould in the bathroom"

"Yes, everywhere. Its ruined out flats"

"Yes - balcony, son's bedroom, cupboard and front door"

"Yes, we had issues with humidity coming from the roof which caused
plaster to crack and fall off"

No

- 6 of the 14 respondents said "No"

Answers included:

"none at all because we open all of our windows to prevent this"

"no (there would be if not maintained correctly but I ventilate wipe/clear
any condensation de mould when needed)"

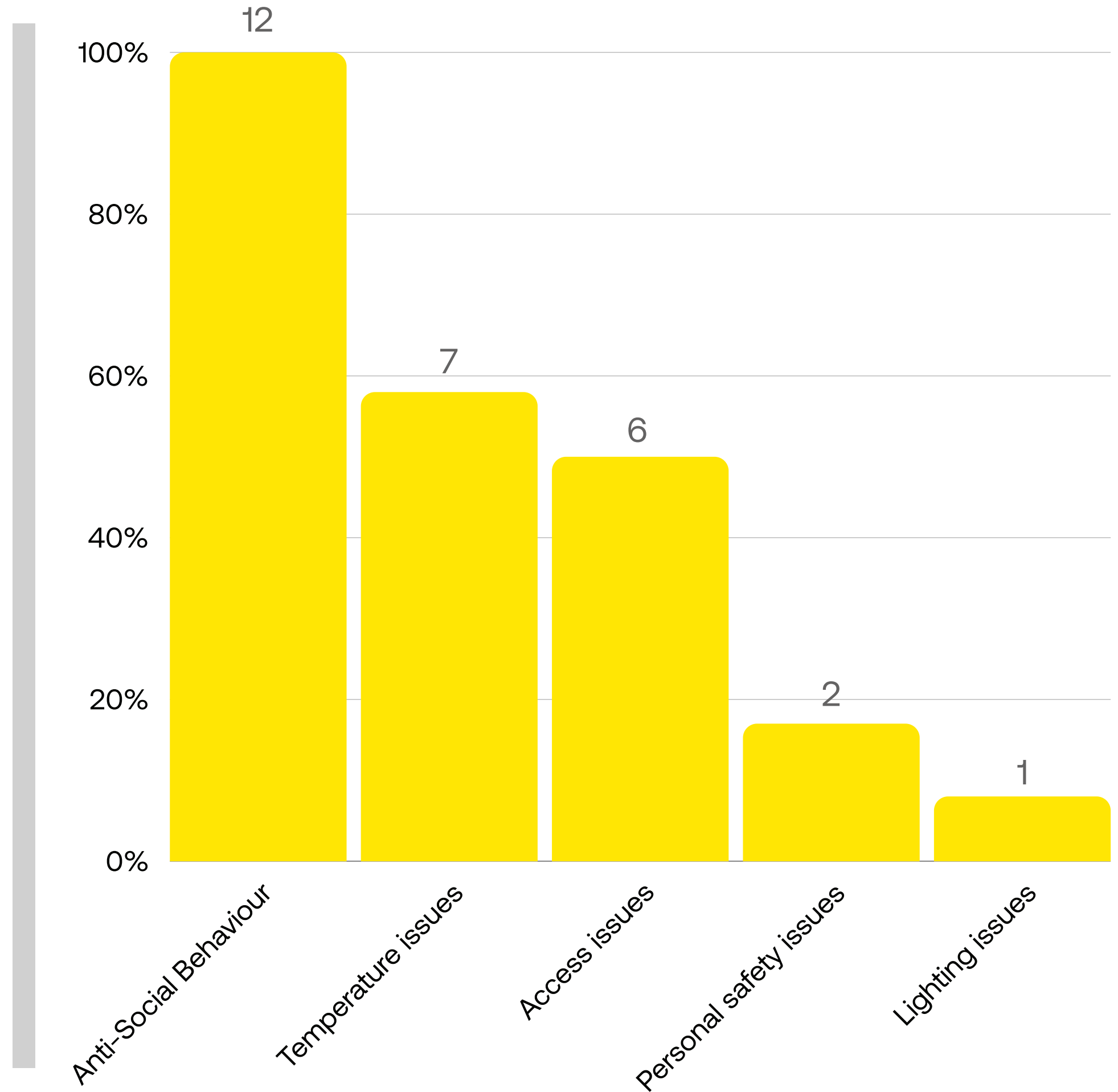
"No, there was when we moved in in 2005. Treated by council and has
never come back"

QUESTION 4:

HAVE YOU EXPERIENCED ANY OF THE FOLLOWING ISSUES WITH YOUR HOME?

12/15 Answered

Page 317



QUESTION 5:

IF THERE IS ANYTHING ELSE ABOUT THE CONDITION OF YOUR HOME THAT YOU THINK WE SHOULD KNOW?

10/15 Answered.

Safety Issues

- Stairwell and communal area are dangerous due to broken concrete and glass.

Accessibility

- Wider doors needed for wheelchair access.

Noise Problems

- Significant noise transmission through the building, even with soundproofing installed.
- Excessive noise from the communal garden controlled by private renters.

Structural Concerns

- Floors and ceilings are arching, leading to cracking plaster.

Maintenance and Upkeep:

- Some residents maintain their homes well; one resident mentioned a 20-year-old fitted kitchen that still looks new.
- The communal garden has won a council competition and is kept to a high standard.

Storage and Accessibility Issues

- No dedicated storage space for bins, leading to accessibility issues and unpleasant conditions due to smelly bins in walkways.
- A resident stated that their kitchen was too small and lacked storage

Praise for Davy Road

- Some residents shared that they liked the quality of the flats in their present state

QUESTION 6:

IS THERE ANYTHING ABOUT YOUR PROPERTY WHICH AFFECTS YOUR HEALTH AND WELLBEING?

13/15 Answered.

Mould

- Mould in the building negatively impacts mental health.

Accessibility and Disabilities

Page 1 of 10
- A respondent with a son who has a disability finds the lack of accessible features (like a garden and manageable stairs) affects their mental health.

Overcrowding

- Living in an overcrowded space (five people in a small home) since 2017 has a detrimental effect on mental health.

Noise Issues

- Excessive noise transmission from neighbours causes significant stress and impacts daily life, including sleep and rest.
- Noise travels easily between flats, affecting mental well-being.

Lack of Insulation

- Poor insulation leads to discomfort due to cold in winter and smoke infiltration, causing dizziness, discomfort, and health concerns.

General Concerns

- One respondent worries about losing their home, which affects their mental health.
- Another respondent noted that their own health problems are not caused by the building.
- A respondent said that the uncertainty around “losing our home” has made them “very unwell”

Overall, the key issues impacting mental health include mould, lack of accessibility for disabled residents, overcrowding, significant noise transmission, and poor insulation.

QUESTION 7:

IS YOUR HOME FIT FOR YOUR ACCESSIBILITY NEEDS?

12/15 Answered.

7 respondents said their home is fit for their accessibility needs

4 respondents said their home is not fit for their needs with one stating the flat was “so so”.

Selection of quotes:

“No, because I'm disabled may need a wheelchair in time or mobility scooter.”

“No, the staircase is very narrow and it would be great to not have climb too many stairs to access the flat.”

“Deliveries are not able to use trolleys to reach the door. Large furniture cannot be taken up the stairs because of the ceiling height.”

Q6. Is your home fit for the accessibility needs of your support network (family, friends, carers)?

Only 3 respondents agreed that the flats are fit for their wider network's needs.

Other respondents indicated that others cannot access the flats due to the staircases. Relatives that struggle with stairs or friends that require wheelchair access cannot visit.

Selection of quotes:

“I have family members with mobility issues that cannot visit me because of the difficult access.”

“Not for family with small children because of the staircase, you cannot lift a pram and there is no lift and a friend of mine uses a wheelchair and she can't come because there is no lift”

QUESTION 8A:

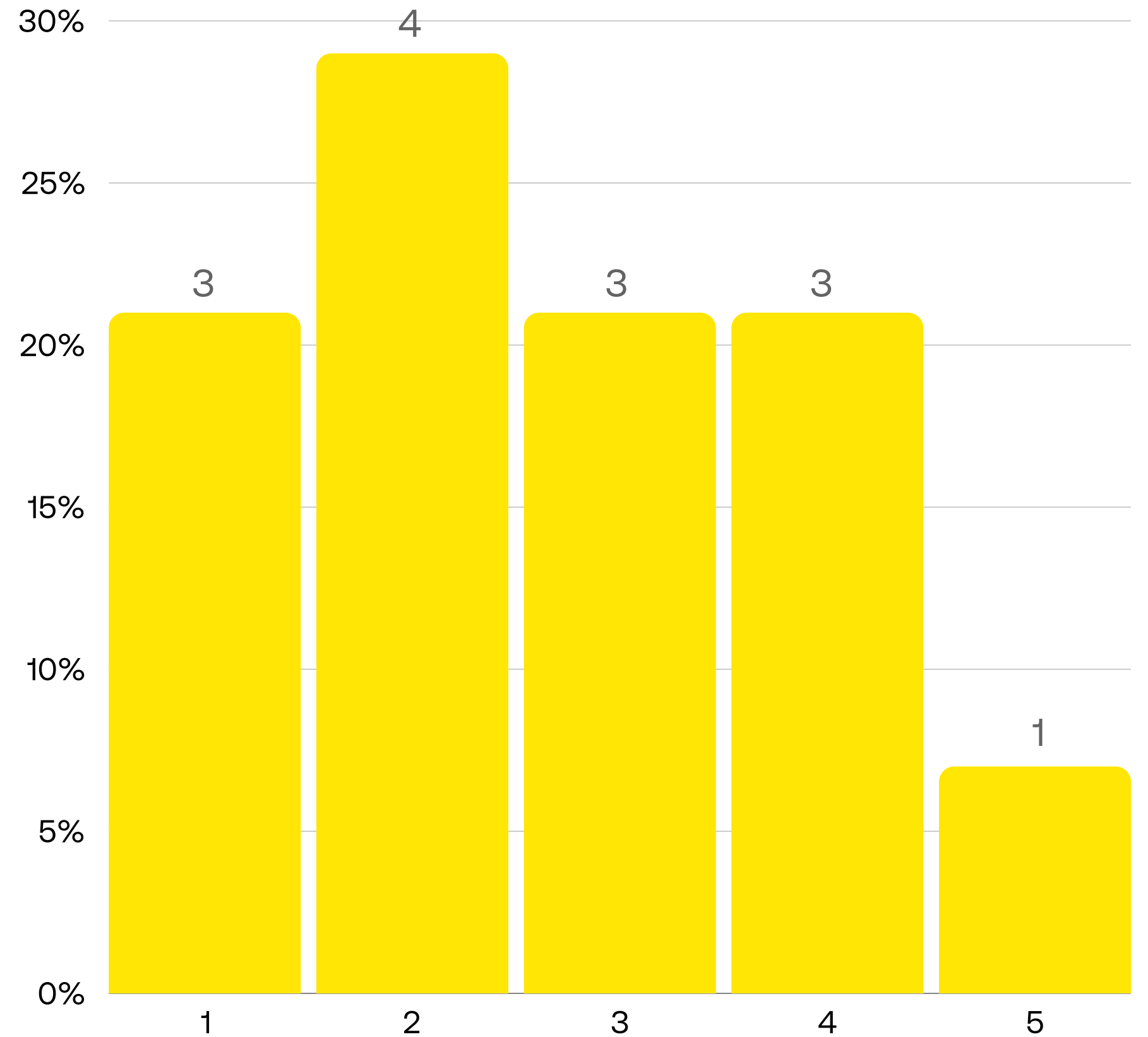
HOW SATISFIED ARE YOU WITH THE FOLLOWING ASPECTS OF THE DAVY ROAD ESTATE?

QUALITY OF THE BUILDINGS

Page 321

14/15 answered

**Average:
2.6/5**



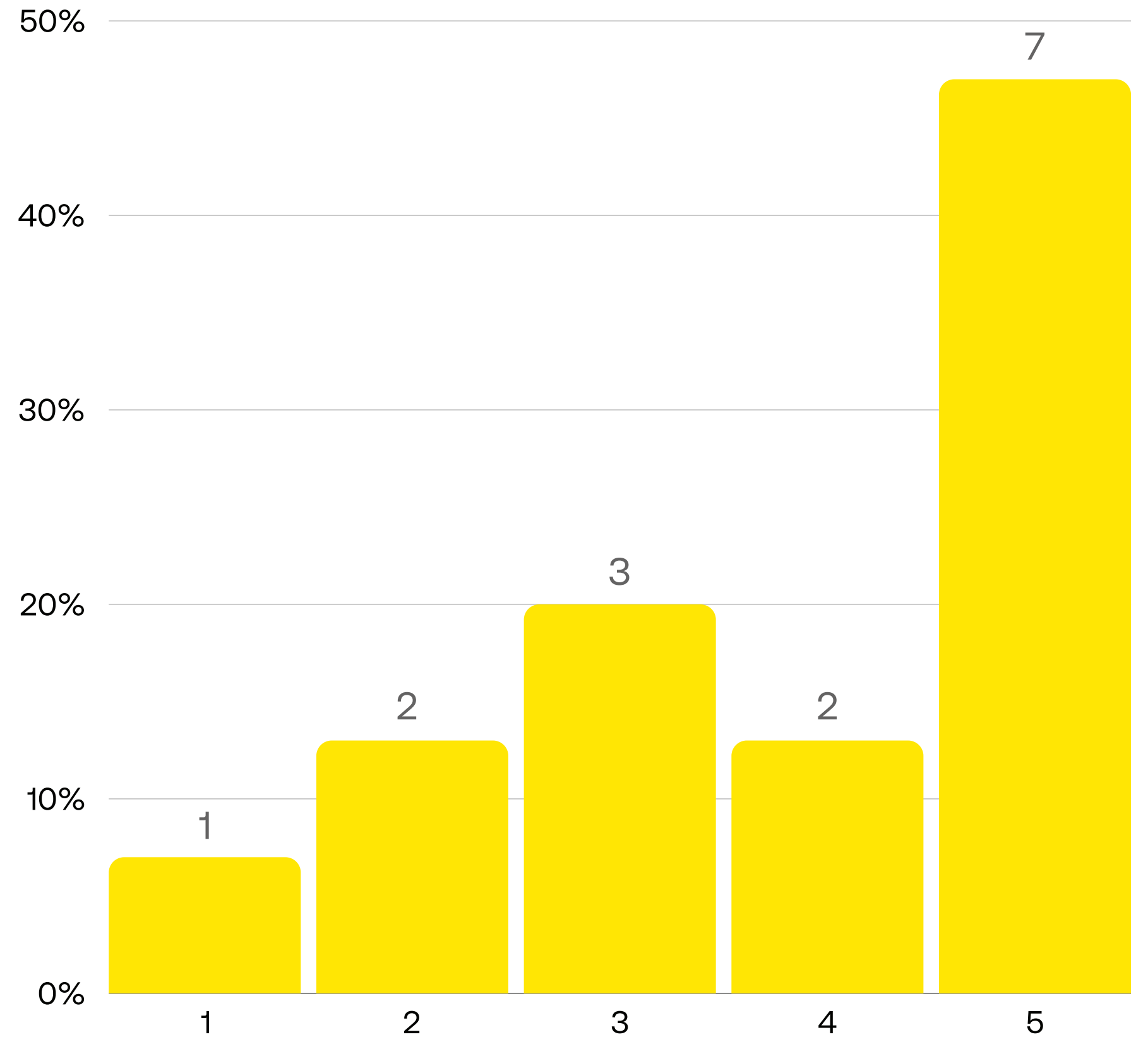
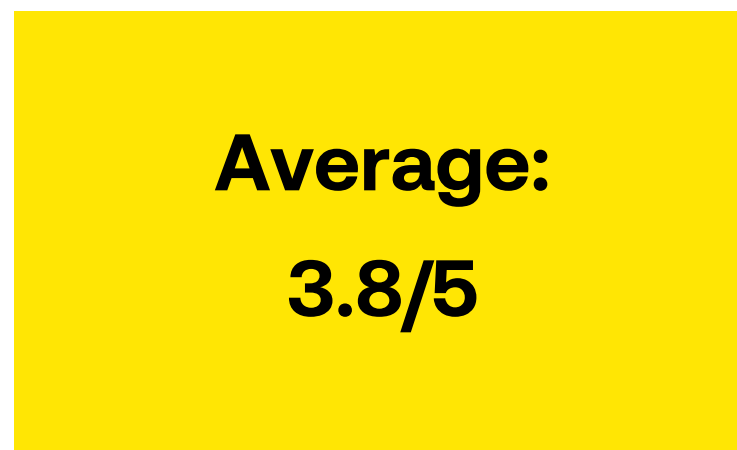
QUESTION 8B:

HOW SATISFIED ARE YOU WITH THE FOLLOWING ASPECTS OF THE DAVY ROAD ESTATE?

NATURAL LIGHT WITHIN HOMES

Page 322

15/15 answered



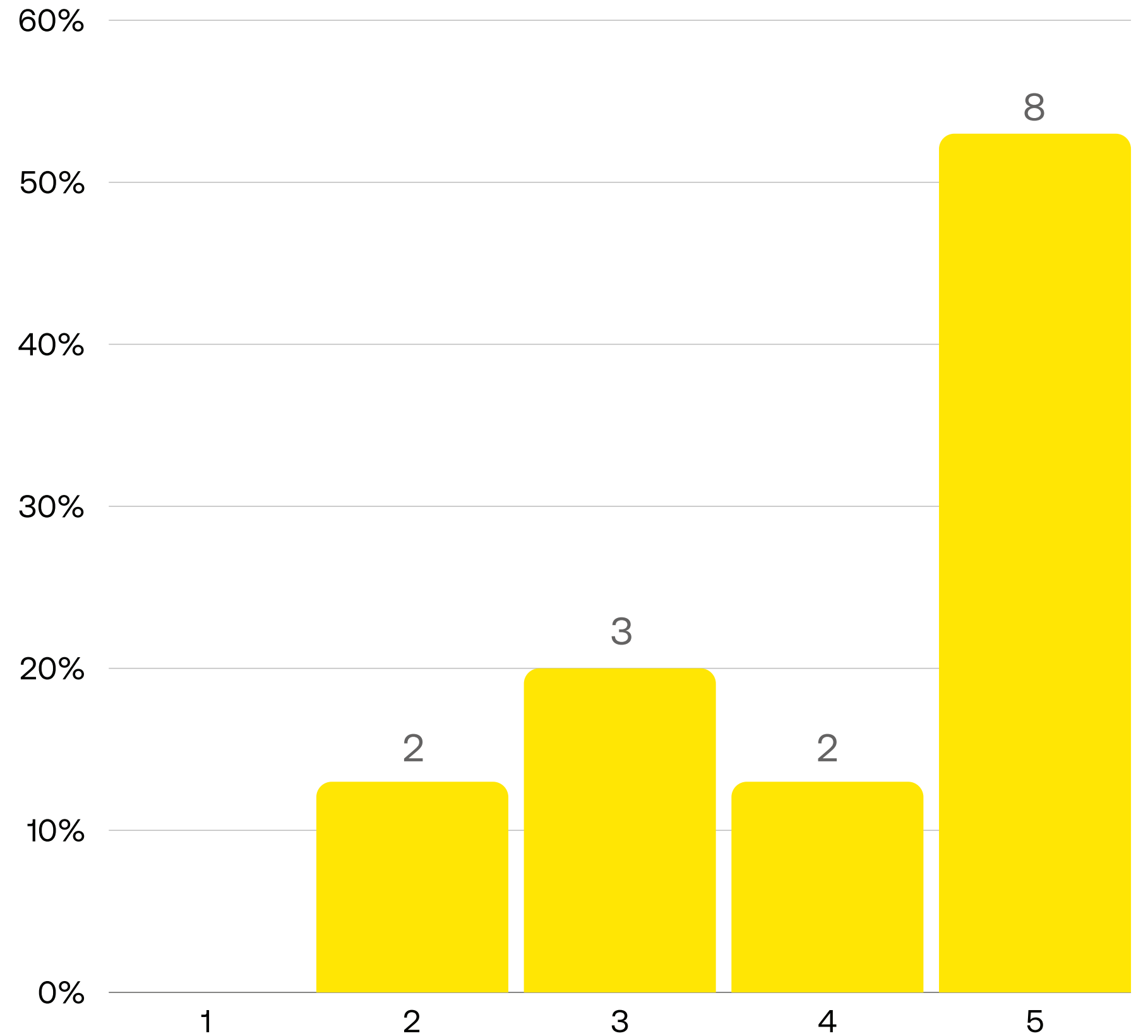
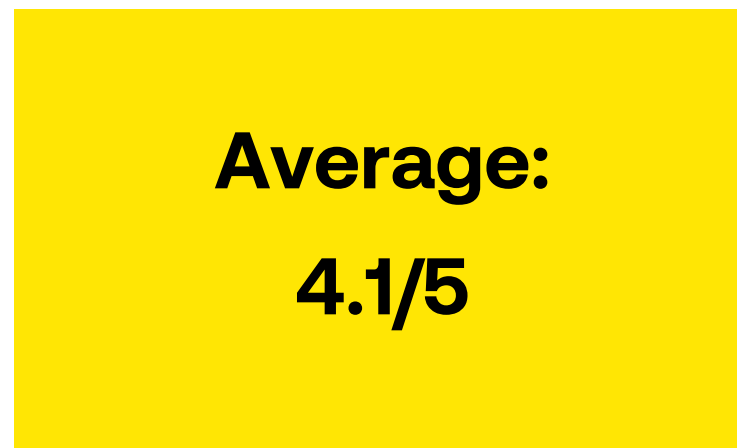
QUESTION 8C:

HOW SATISFIED ARE YOU WITH THE FOLLOWING ASPECTS OF THE DAVY ROAD ESTATE?

SIZE AND LAYOUT OF HOMES

Page 323

15/15 answered



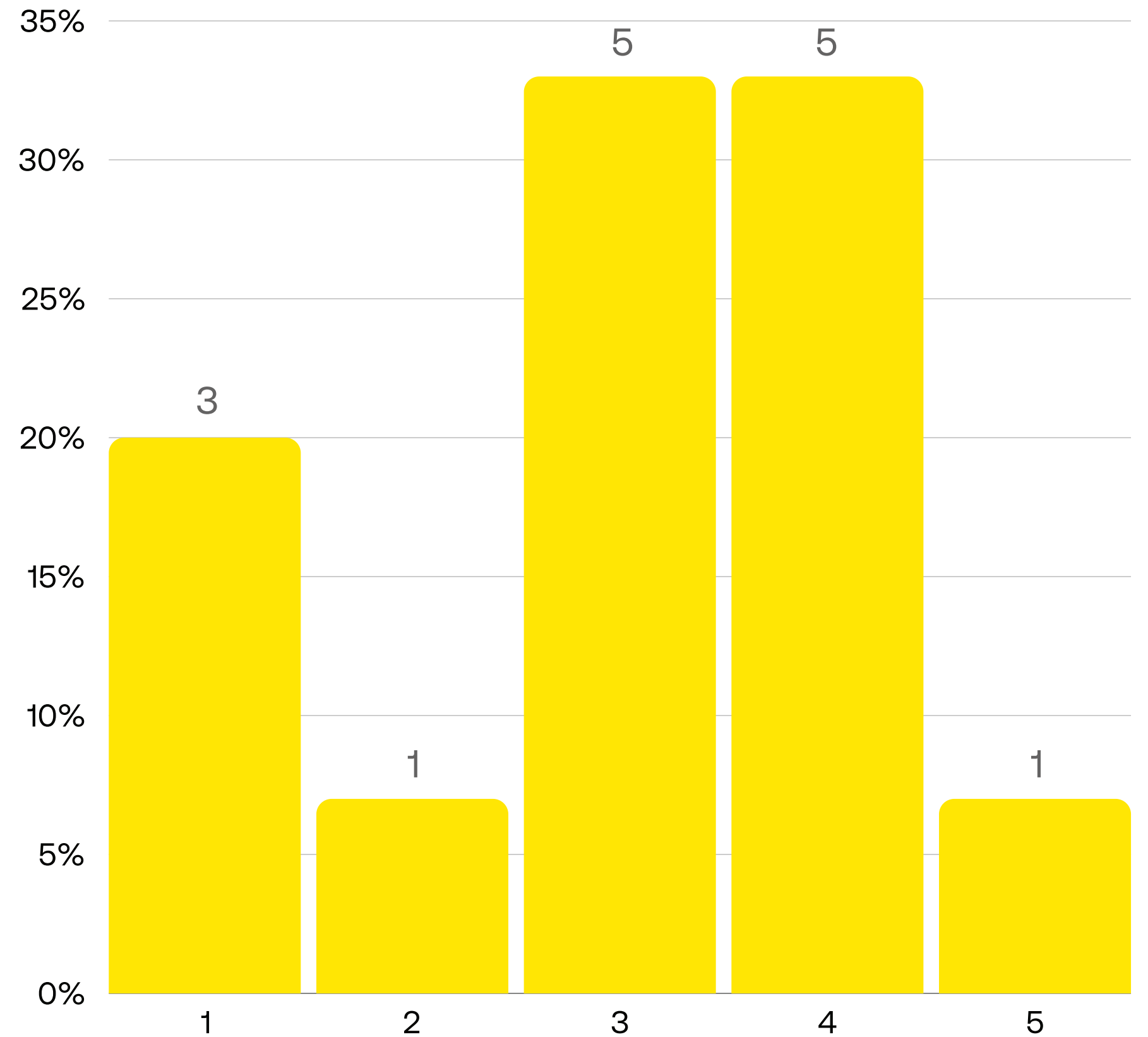
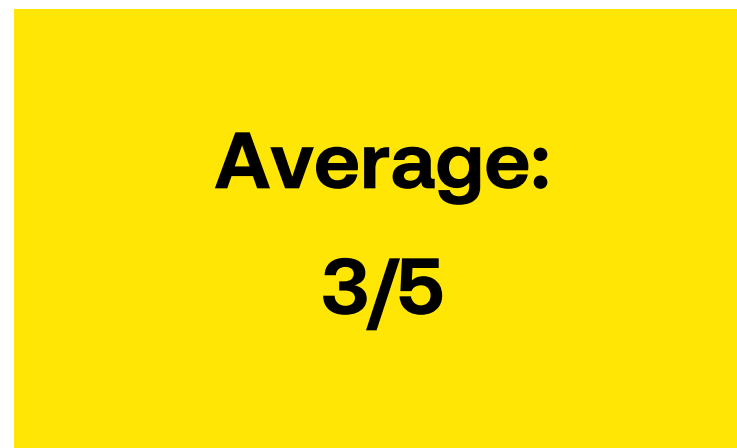
QUESTION 8D:

HOW SATISFIED ARE YOU WITH THE FOLLOWING ASPECTS OF THE DAVY ROAD ESTATE?

ACCESSIBILITY STANDARD

Page 324

15/15 answered

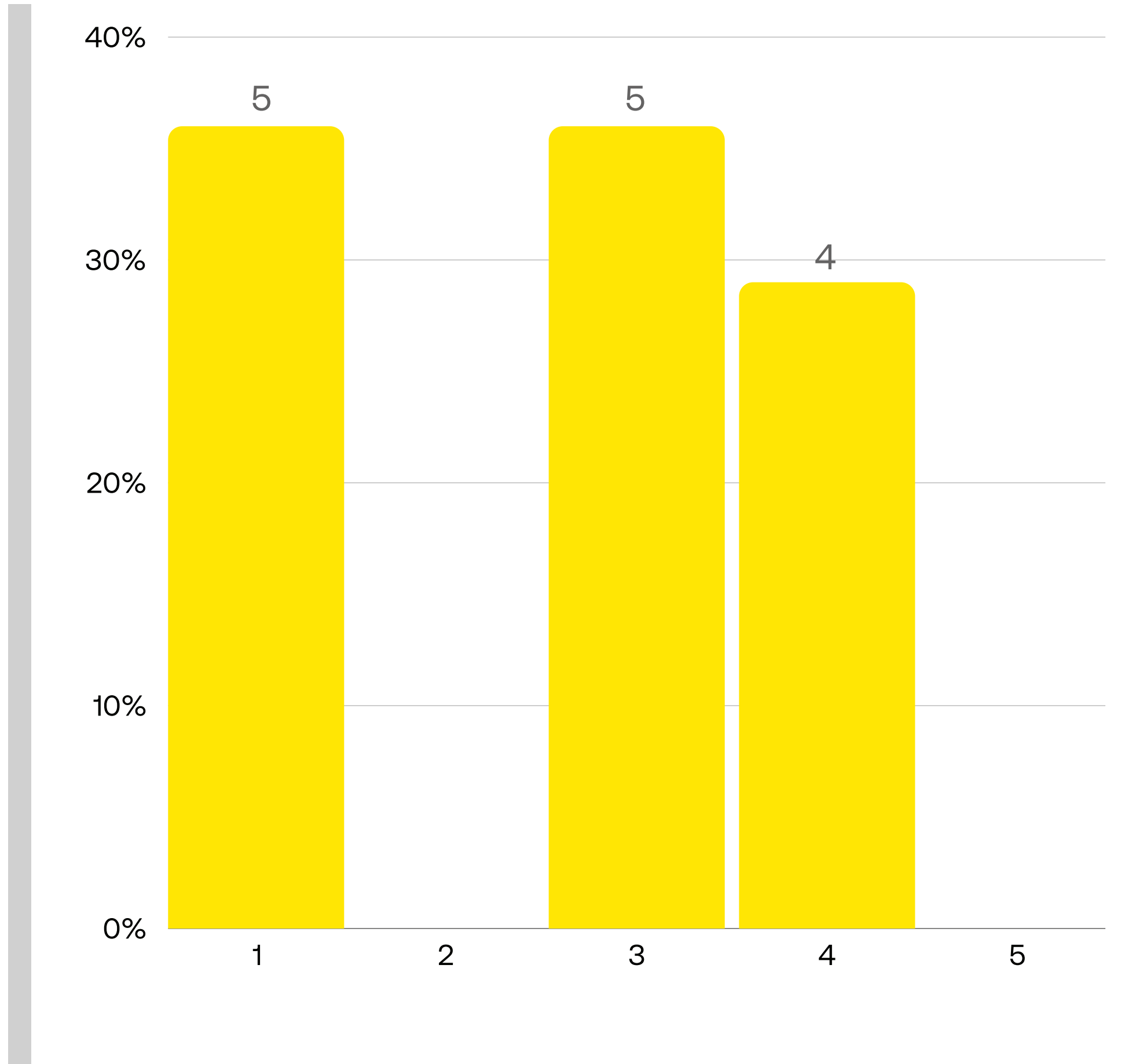
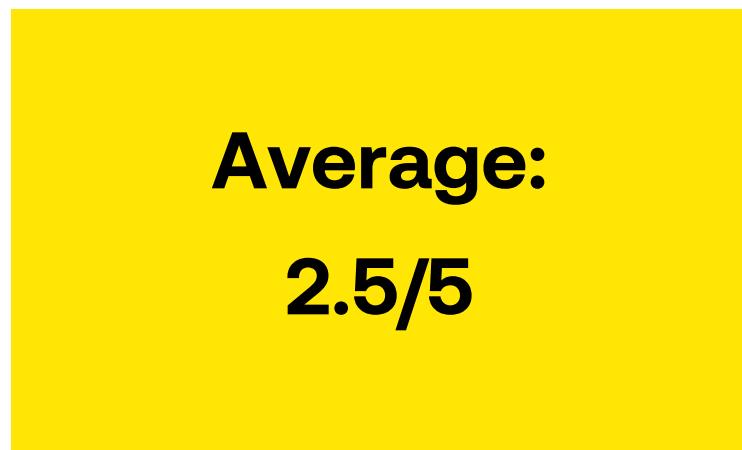


QUESTION 8E:

HOW SATISFIED ARE YOU WITH THE FOLLOWING ASPECTS OF THE DAVY ROAD ESTATE?

INTERNAL COMMUNAL AREAS

Page 325
14/15 answered



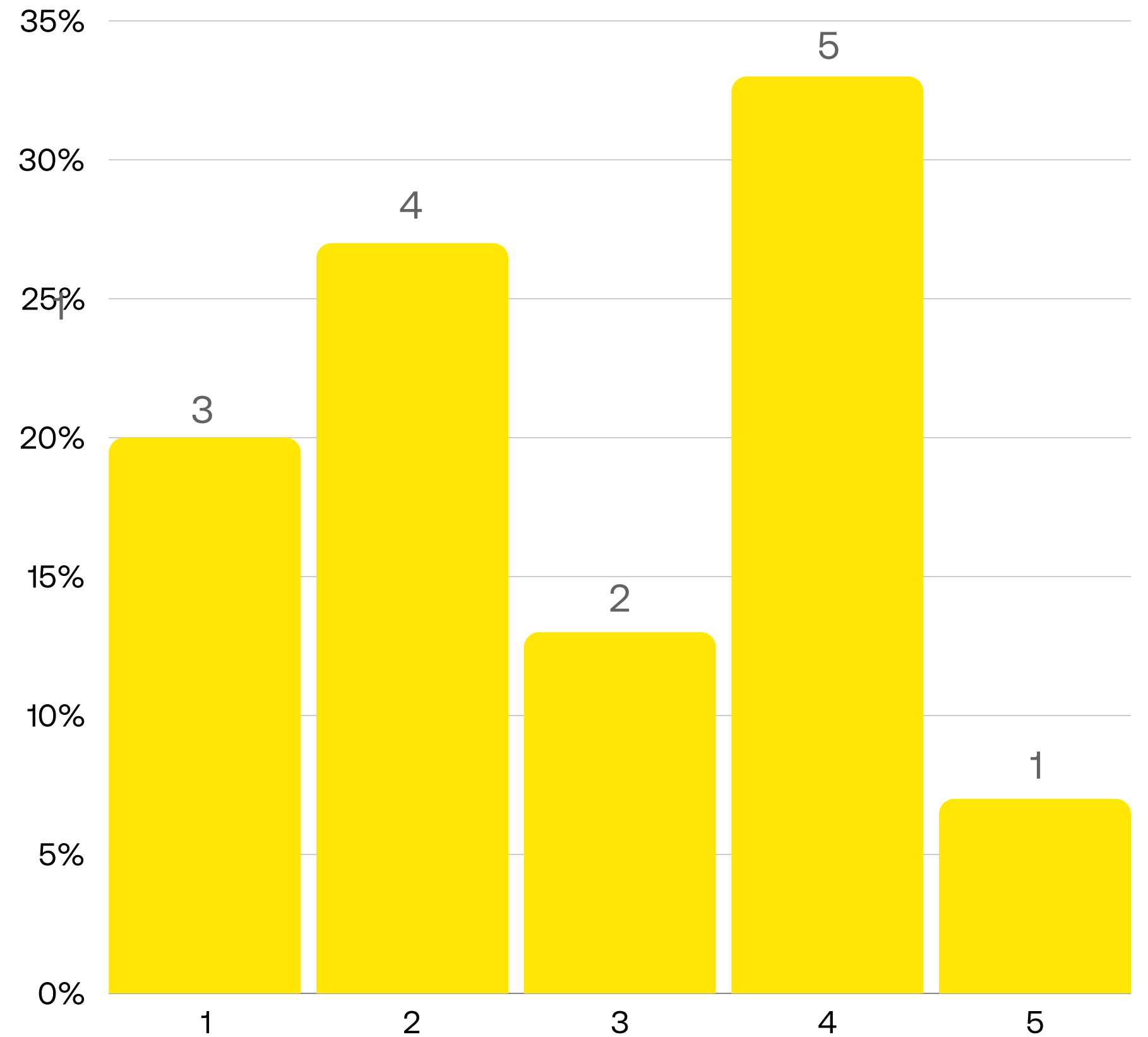
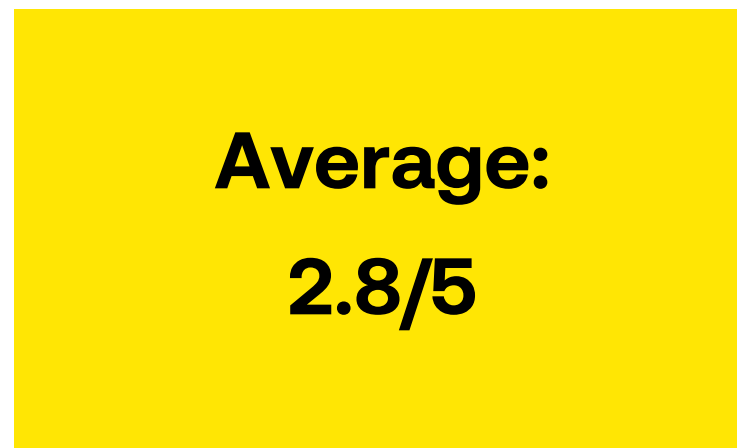
QUESTION 8F:

HOW SATISFIED ARE YOU WITH THE FOLLOWING ASPECTS OF THE DAVY ROAD ESTATE?

SAFETY AND SECURITY

Page 326

15/15 answered



QUESTION 8G:

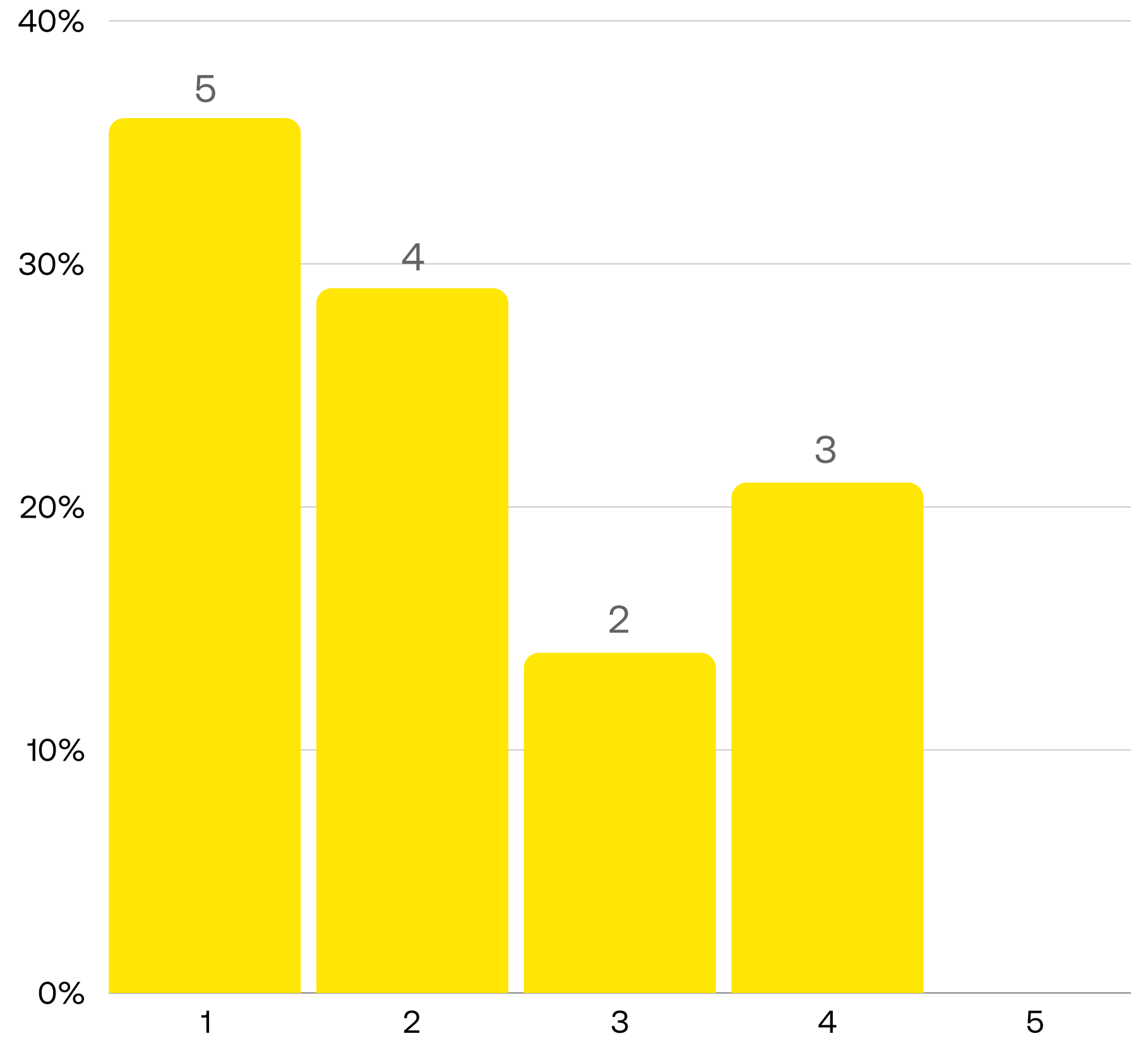
HOW SATISFIED ARE YOU WITH THE FOLLOWING ASPECTS OF THE DAVY ROAD ESTATE?

NOISE LEVELS

Page 327

14/15 answered

**Average:
2.2/5**



QUESTION 8H:

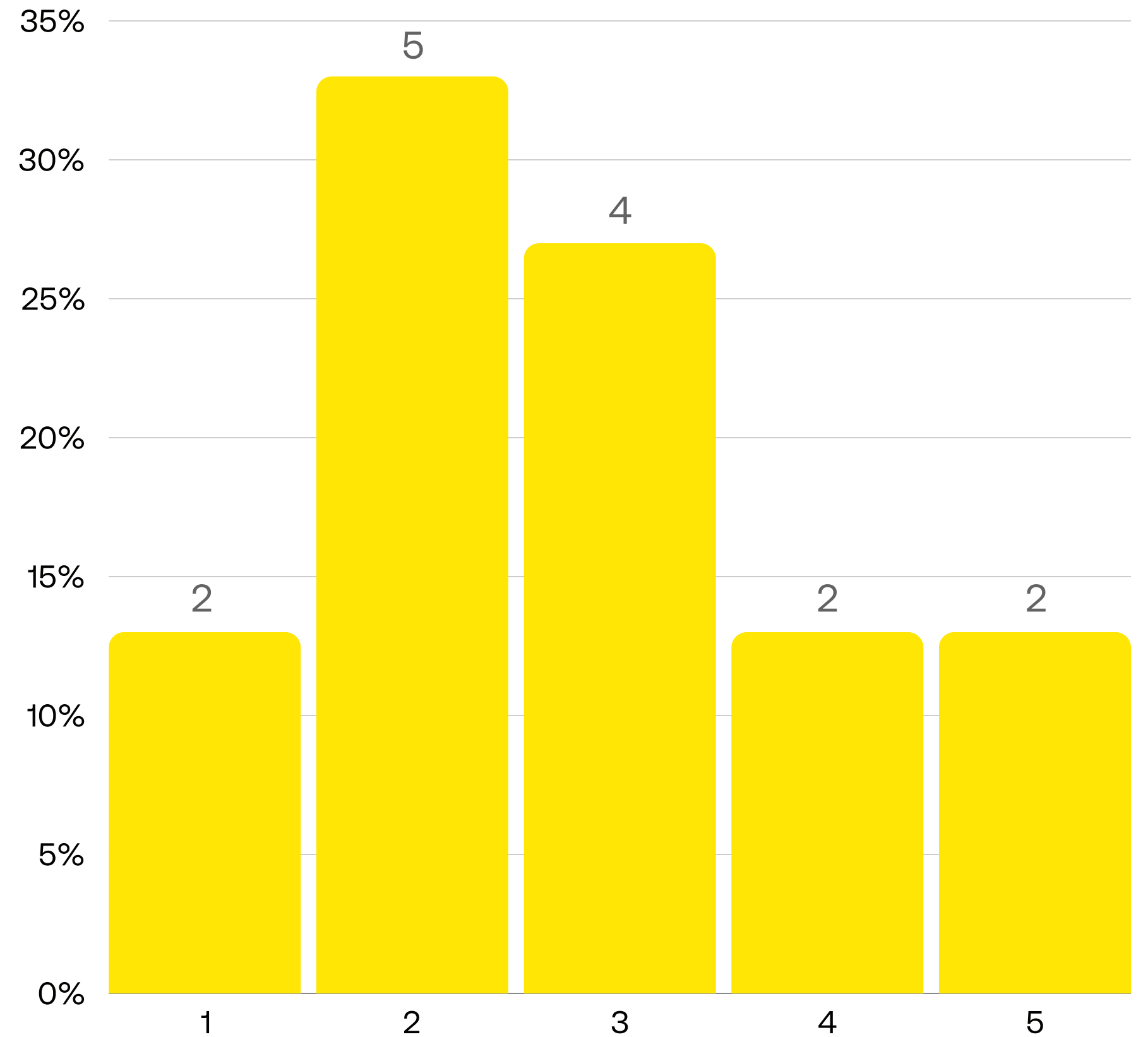
HOW SATISFIED ARE YOU WITH THE FOLLOWING ASPECTS OF THE DAVY ROAD ESTATE?

USABLE OPEN SPACE

Page 328

15/15 answered

**Average:
2.8/5**



QUESTION 8I:

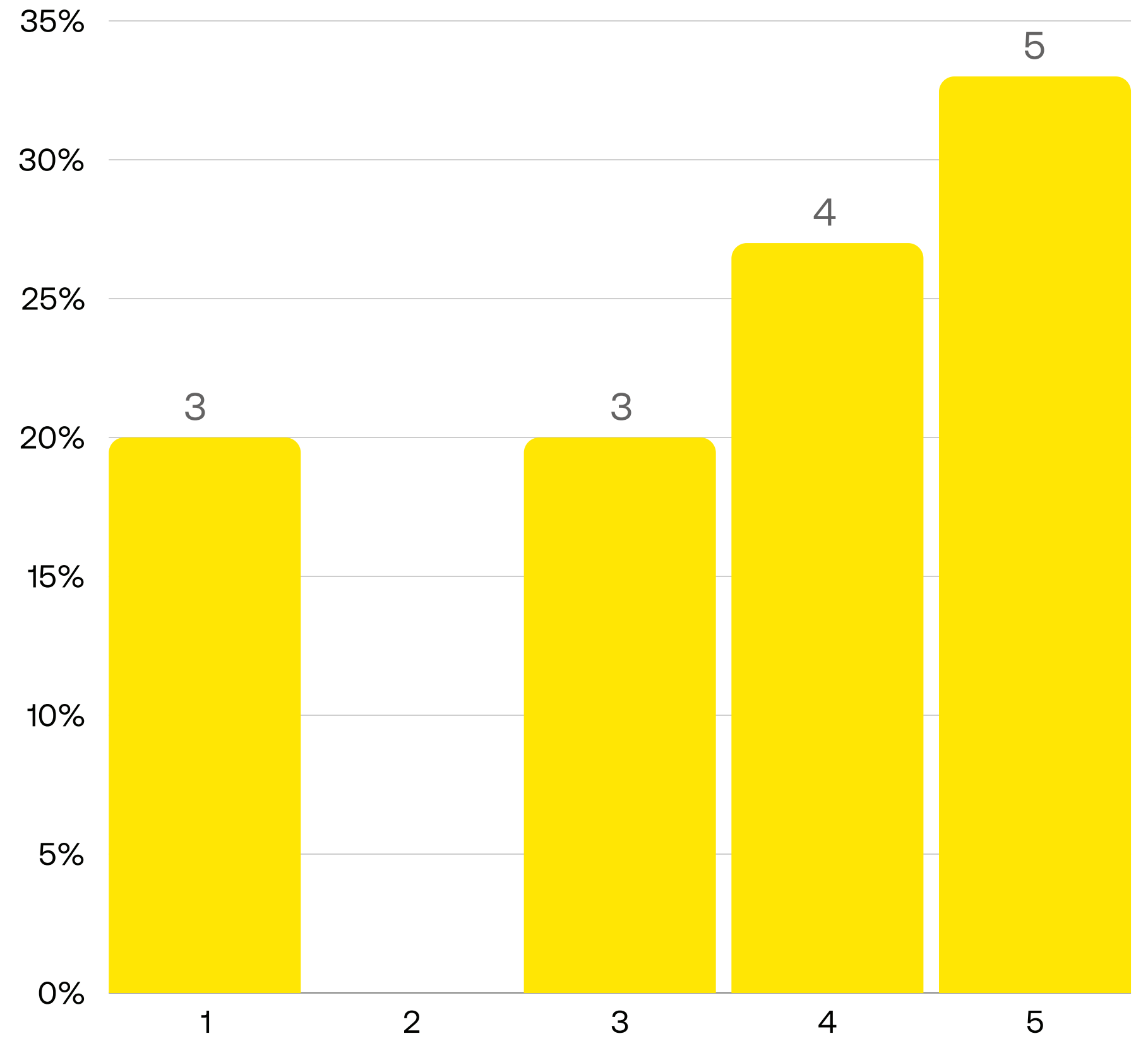
HOW SATISFIED ARE YOU WITH THE FOLLOWING ASPECTS OF THE DAVY ROAD ESTATE?

CYCLE STORAGE

Page 329

15/15 answered

**Average:
3.5/5**



QUESTION 8J:

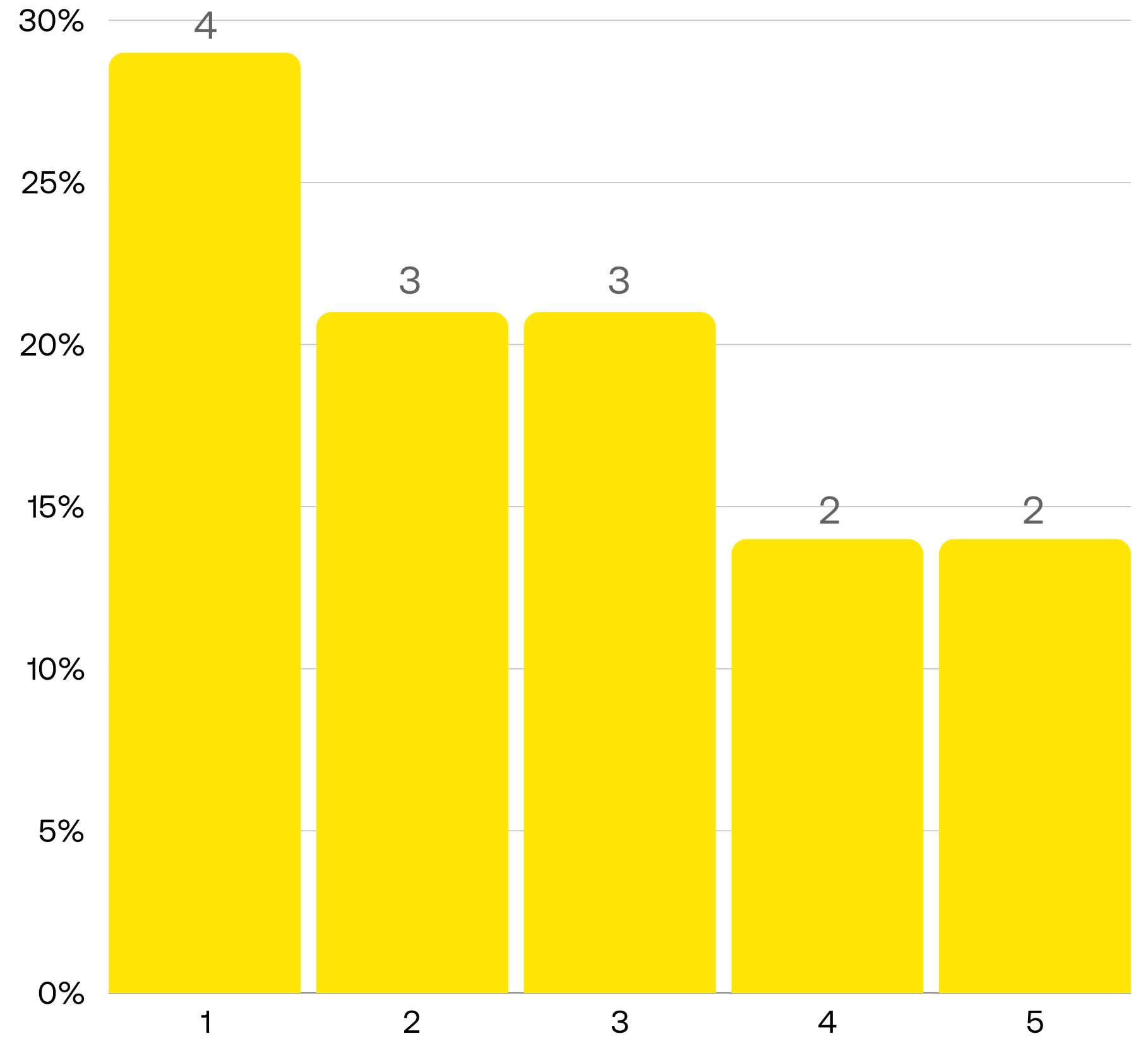
HOW SATISFIED ARE YOU WITH THE FOLLOWING ASPECTS OF THE DAVY ROAD ESTATE?

PARKING PROVISION

Page 330

14/15 answered

**Average:
2.6/5**

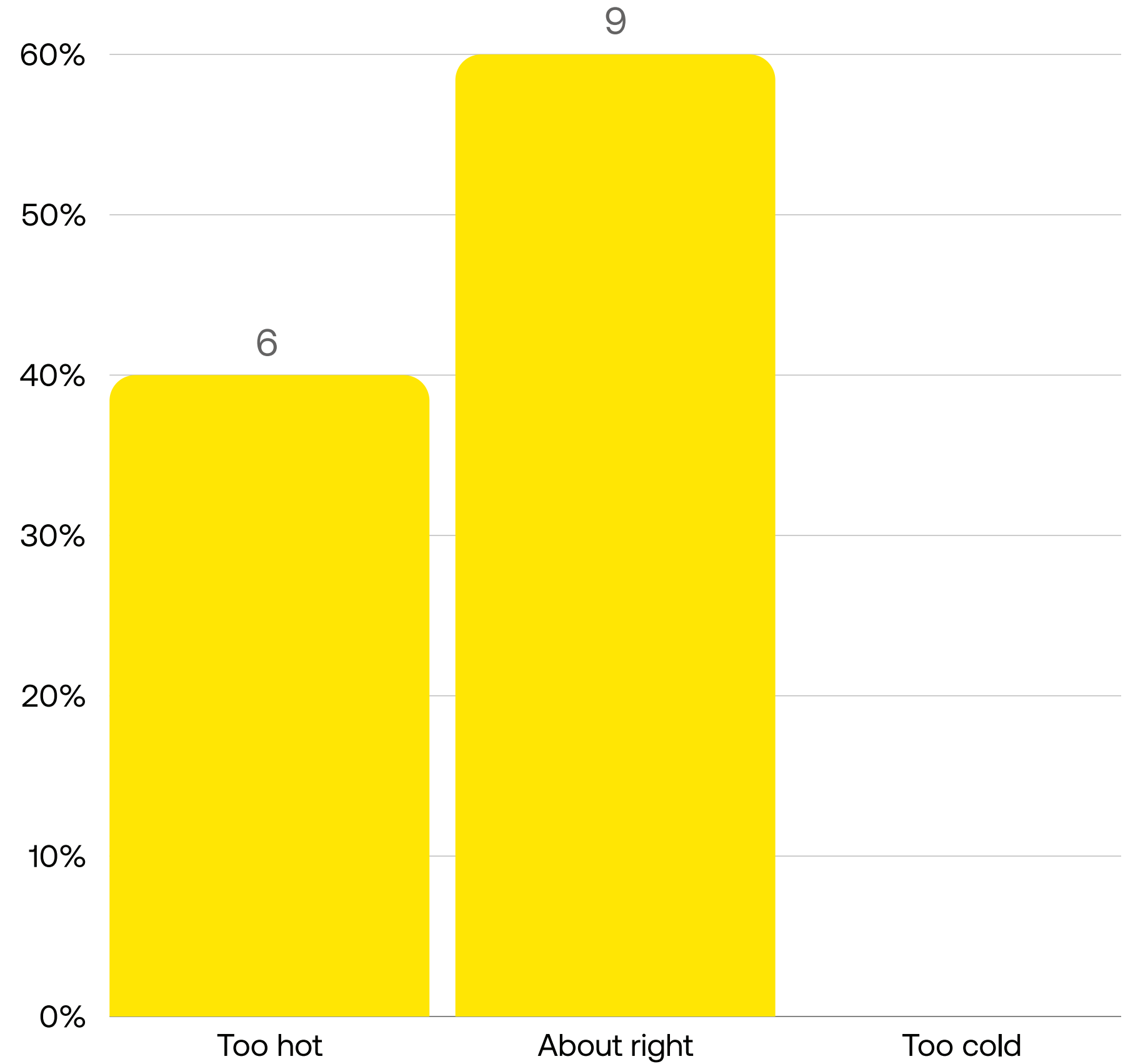


QUESTION 9A:

HOW WOULD YOU DESCRIBE THE TEMPERATURE IN YOUR HOME DURING SUMMER?

15/15 answered

Page 331

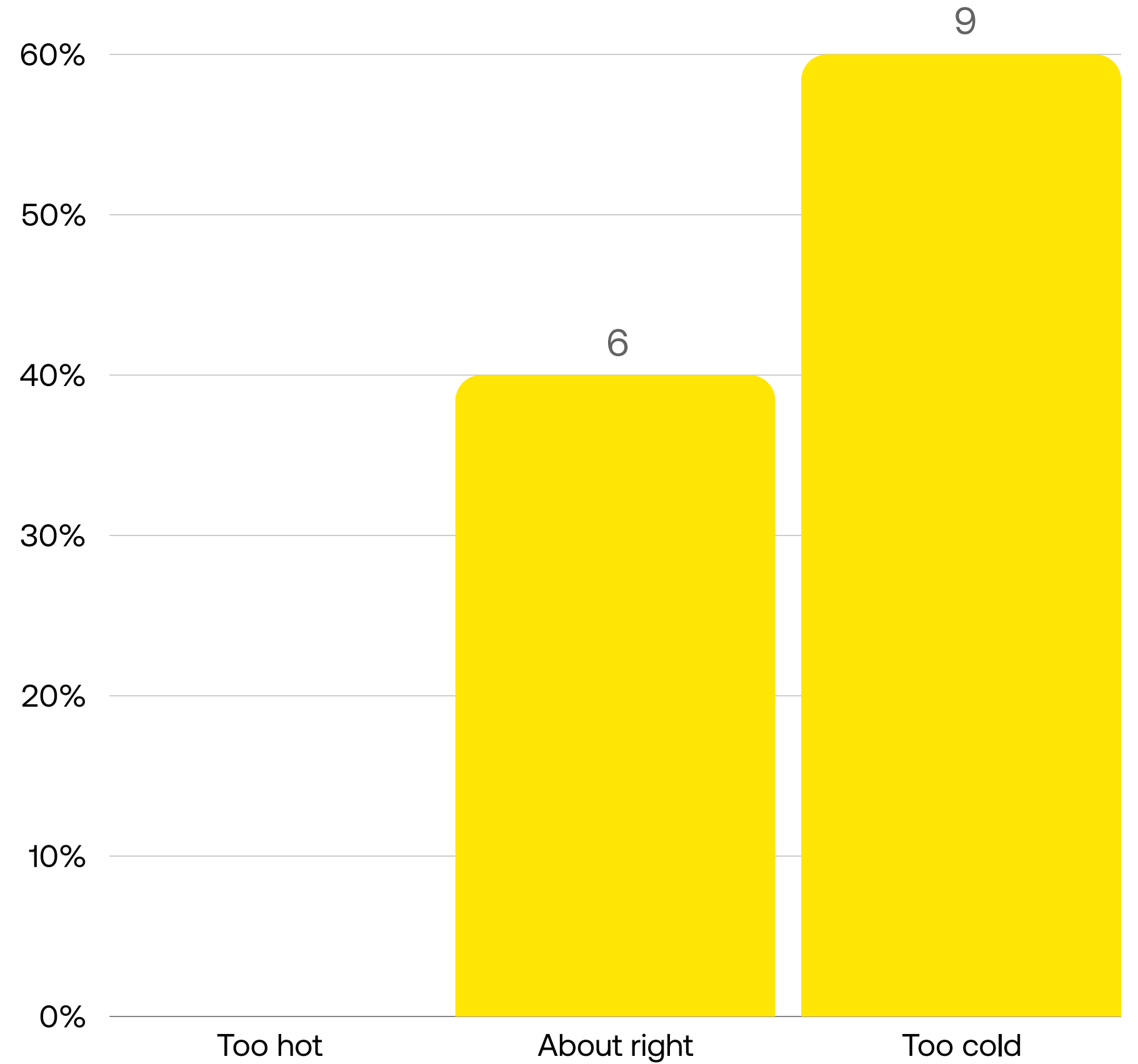


QUESTION 9B:

HOW WOULD YOU DESCRIBE THE TEMPERATURE IN YOUR HOME DURING WINTER?

15/15 answered

Page 332



QUESTION 10:

IF THERE IS ANYTHING ELSE ABOUT THE ESTATE THAT YOU THINK WE SHOULD KNOW, PLEASE PROVIDE DETAILS BELOW:

12/15 answered

ASB / Drug Use

- Reports of drug use in the park and general anti-social behavior (ASB) related to drugs.

Traffic and Parking Issues

- High traffic with cars using a semi-circle to turn around.
- Excessive trailers occupying car parking spaces.

Security Concerns

- Need for more secure shed locks.
- Incidents of bicycle and parcel theft from the property.

Community and Responsibility

- Positive relationships and mutual help among some neighbors.
- Concerns about some tenants not taking responsible care of their properties, affecting the overall appearance.

Maintenance Needs

- The building is old and requires serious maintenance.

Misuse of Communal Area

- Communal outdoor areas are underused, often only used for fly tipping and leaving broken toys around.

Selection of quotes:

“A lot of cars using the semi-circle to turn around and drive elsewhere. Too many trailers in car parking spaces. Shed locks need to be more secure.”

“Neighbours report stolen bicycles from their shed the communal outdoor areas are not at all used apart from fly tipping and leaving broken toys around”

“Friendship neighbour groups made over the years. Always willing to help each other. Some tenants don't take responsible care of their individual properties. Which doesn't reflect others.”

QUESTION 11:

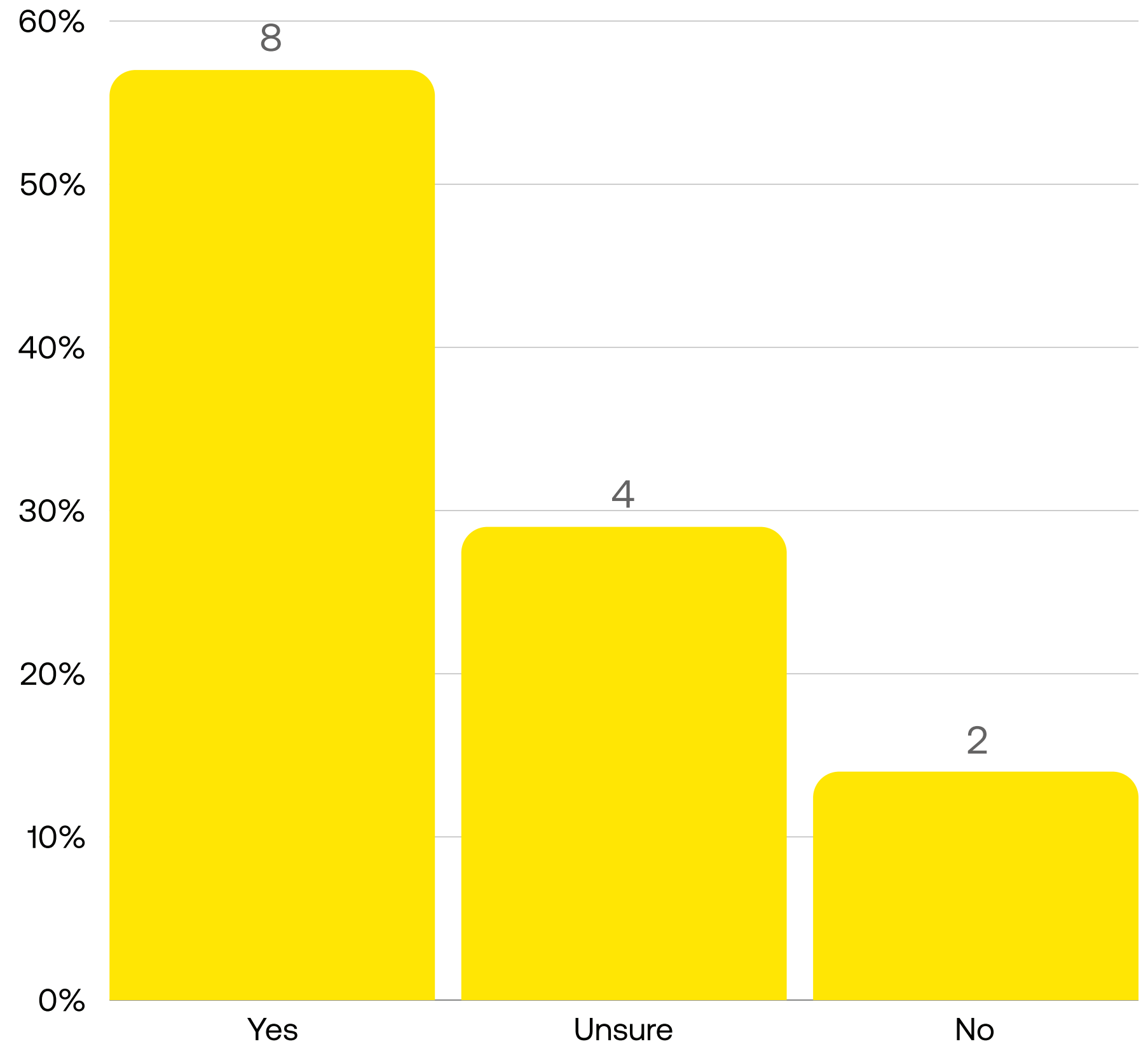
DO YOU THINK THAT THE DAVY ROAD ESTATE IS IN NEED OF REDEVELOPMENT?

PLEASE EXPLAIN YOUR ANSWER

14/15 answered

EXPLANATION OF ANSWERS: (10/15)

- Yes - I do but I have concerns about the type of re-development style and the plans for the beautiful back gardens and bicycle sheds (Which are vital for storage).
- Yes - it needs updating from the council and updated cosmetic work
- Unsure - The infrastructure is outdated and needs work. I'm still not sure if a full redevelopment and disruption of tenants life is necessary
- No - I feel that if the current flats are maintained properly they are fine I like the space they offer and the outlook my only problem is the non existent sound proofing



QUESTION 12:

DO YOU HAVE ANY FURTHER COMMENTS?

6/15

Quotes from respondents:

“We are on homelink, Band B for a medical meed since Aug 23' - Not getting anywhere”

“A person's home is their castle. There is personal memories which you can't take with you and no price could be put on that. Keep Davy Rd flats!”

“The current buildings are very old, are not up to modern standards, the maintenance costs are only going to increase and will eventually become unsustainable. The estate will need to be redeveloped. If not now, then when? Despite this being my first home, I fully support the redevelopment of the Davy Road estate.”

“The land has so much potential, son opposite. Proximity to the park location. And can be. So much better used. The flats are becoming hard to live in with poor noise and heat insulation, poor security and it could be a space for many more people to have better homes.”

“if you redevelop I feel we should not pay for refurbishments. You are going to go ahead anyway why bother asking all this.”

“We have had 2 long term tenants who both loved to live there/ living there due to the space light and comfort the accommodation provides”

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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