

Item

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



To:

Councillor Richard Johnson, Executive Councillor for Housing
Housing Scrutiny Committee 27/09/2018

Report by:

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Wards affected:

All

Not a Key Decision

1. Executive Summary

- 1.1 This report provides an update on the programme to deliver 500 Council homes by March 2022 with funding from the Combined Authority.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Note the overall progress on the Combined Authority programme to deliver 500 Council rented homes.
- 2.2 Note the overall Cambridge Investment Partnership Programme.
- 2.3 Approve subject to specific project approvals) the addition of the following sites to the Councils rolling development programme to contribute to the 500 Council home delivery: Clark Maxwell Road,

Campkin Road, Ditchburn Day Centre, Cromwell Road and Mill Road phase 2.

2.4 Note the risk plan for the delivery of the affordable housing programme.

2.5 Note the reporting arrangements with the Combined Authority.

3. Background

3.1 In March 2017 the Executive Councillor

- i. Endorsed the Cambridgeshire and Peterborough Devolution New Homes Business Case
- ii. Approved the Councils approach to the development of new Council housing
- iii. Noted the commitment to resident involvement
- iv. Noted the current delivery programme for using devolution funding over the next two years.
- v. Re-approved the Home Loss policy

3.2 Since this approval significant work has taken place to bring housing sites forward for delivery, to establish the Cambridge Investment Partnership with the Hill Group and agree a Statement of Partnership working with the Combined Authority.

3.3 An update report was provided in January 2018 setting out progress against this programme. At this point a net 201 additional Council rented homes had been identified, the only start on site achieved at this point was the Uphall Road scheme.

4. Combined Authority

- 4.1 As part of the devolution deal the Combined Authority received a £70million grant fund for the delivery (start on site) of 500 council homes by Cambridge City Council between April 2017 and March 2022.
- 4.2 The devolution deal provides additional freedoms enabling the Council to use other housing resources, including receipts from Right to Buy sales, to provide additional funding for the programme. It also states that, whilst the Combined Authority has overarching accountability under the Assurance Framework for the programme, the primary decision-making and governance of the programme sits within the Cambridge City Executive and its Scrutiny functions.
- 4.3 A Statement of Partnership working has been agreed with the Combined Authority. This requires a quarterly report from Cambridge City Council against the £70m programme. Summary reports on the overall programme presented to Housing Scrutiny Committee will be used to provide quarterly updates to the Combined Authority.
- 4.4 Quarterly grant claims are made to the Combined Authority in arrears. The last claim was made in July 2018 for Quarter 1 and was for £7.6million.

5. Delivery Programme

- 5.1 The delivery programme provided in January 2018 included 201 (net gain) Council homes to be delivered on named sites through the devolution programme. In addition a number of potential opportunities were identified.
- 5.2 Since January progress has been made and a number of schemes have individually been presented to the Housing Scrutiny Committee and approved by the Executive Councillor. The number of schemes with planning/submitted for planning has also increased.
- 5.3 This paper seeks to add further named projects to the rolling delivery programme, each of which will be individually brought to the appropriate Council committee as they move forward.

5.4 Appendix 1 shows the current programme, the new sites are included within this.

6. Profile of Start on Sites

6.1 The start on site profile for the 500 devolution programme is shown in table 1. This is based on all the named schemes being delivered (including those added to the rolling programme in September 2018)

6.2 There is a need to over-programme to allow for slippage and schemes not coming forward. It is also important to have a strong pipeline of schemes to enable the Council to respond positively to other funding programmes. The longer term pipeline shows a further 147 homes. These schemes will be explored further over the next 6 months.

6.3 There are also options around the level of affordable housing that can be delivered at Cromwell Road and Mill Road depending on the overall density and viability of these sites. These would increase the overall outturn of identified projects to 522 homes.

Table 1: Start on Site Forecast Profile

Year	2017/8 (actual)	2018/19 (forecast)	2019/20	2020/21	2021/22	Pipeline schemes
Number of starts	2	134	264	97	0	147
Cumulative total	2	136	400	497	497	644

7. Start on Sites Achieved 2018/19

7.1 The total number of Start on Sites achieved at the end of August 2018 is 93

7.2 The programme shows the total number of starts on sites scheduled to be achieved by the end of 2018/19 as 136.

7.3 The schemes that have met the start on site requirement are as follows:

7.3.1 Schemes Completed Total 2 homes

- **Uphall Road:** this scheme was completed in January 2018 and was the first project completed by the Cambridge City Council Estates and Facilities team.

7.3.2 Schemes on Site: Total 91 homes.

- **Mill Road:** This is a mixed tenure scheme delivering 91 new Council rented homes. Demolition works started at the beginning of July 2018. The scheme is being delivered through the Cambridge Investment Partnership (CIP). The programme shows 143 week build programme including demolitions.

7.4 Schemes target to start on site in 2018/19 with planning

- **Anstey Way:** This scheme is delivering 56 homes in total (a net gain of 29) all for rent. There are 12 specifically for the over 55s. This project is being delivered through CIP. Cambridge City Council entered into a lease with CIP on 28th June 2018 and an Affordable Housing Agreement on the same date. Applications to discharge the pre commencement planning conditions have been submitted and determination is awaited. Works are programmed to commence on site 24th September 2018. The programme shows 73 week build programme.
- **Nuns Way and Wiles Close:** this scheme is split across two sites delivering 10 new homes for rent. The Council is in Contract with Marfleet Construction to deliver the scheme, demolition works are due to commence in September 2018. The programme shows a 40 week build programme.
- **Kendal Way:** planning permission was obtained in 2017 for the development of two homes on this site. The scheme was approved by HSC on the basis of delivery by the Estates and

Facilities team. The start on site has been delayed due to a boundary issue which requires an injunction. Subject to the outcome of the injunction the start on site will be achieved in 2018/19.

8. Update on other approved schemes:

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

- **Queens Meadow:** planning permission for two homes on this site was granted in July 2018. This scheme will be delivered by CIP as a package of small sites. The works will not start on this scheme until CIP have secured planning for the full package of sites. The start on site is expected to be spring 2019.

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

- **Markham Close Garages:** this scheme will deliver five homes for rent. Resolution to grant planning has been granted in August 2018 committee however a further decision following the approval of the new Local Plan. The scheme will go to October committee This scheme was approved by HSC to be delivered by CIP. CIP will be delivering as part of its small sites package with a start on site spring 2019.
- **Gunhild Way:** this scheme will deliver two homes for Council rent. Planning was submitted in July 2018. This scheme will be delivered through CIP as part of the small sites package with a start on site in spring 2019.
- **Tedder Way:** this scheme was approved by HSC and will be delivered by the Estates and Facilities team. The planning application was made in 2017. The planning decision has been delayed whilst a number of issues have been addressed namely the surface water drainage. Planning is expected to be determined in October 2018
- **Kingsway Medical Centre-** this scheme is being delivered by the Estates and Facilities team and will deliver four new Council rented homes. It is the conversion of a former medical centre. The planning application has now been made It is anticipated this scheme will start in 2019/20

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

- **Colville Road garages-** this scheme is due to be submitted for planning by September 2018, prior to this agreement with the existing tenant was required to widen the driveway to allow the scheme to be developed. This scheme will deliver three new Council rented homes and will be delivered by CIP as part of the small site package. It is anticipated this scheme will start in spring 2019.
- **Wulfstan Way-** this scheme is due to be submitted for planning by the end of September 2018. The proposals have been amended due to sensitivities around removal of a tree and access issues identified. This scheme will be delivered by CIP as part of the small site package. It is anticipated this scheme will start in spring 2019.
- **Ventress Close-** this scheme is being delivered through the Cambridge Investment Partnership; it has required the purchase of two properties and rehousing of two existing Council tenants to enable the scheme. There is one tenant still to move home, an agreement is in place for this move. The planning application will be made by the end of September 2018. It is anticipated works will start on site in the spring 2018.
- **Akeman Street-** this scheme was approved in July 2018 and is being delivered through the Cambridge Investment Partnership. Further survey work is currently underway. Japanese Knotweed previously treated has grown back ,this will require specialist removal before some of the necessary surveys can be completed. It is still anticipated the planning application will be made by the end of 2018, subject to surveys.
- **Colville Road phase 2:** a separate report has been presented to the Housing Scrutiny Committee seeking approval to proceed with this regeneration scheme.

9. New Schemes in the Programme

- 9.1 A number of schemes have been identified as potential further development sites. Initial reviews have taken place to assess the risks of delivery and the potential number of homes that can be delivered. Various internal stakeholders across the Council have been involved in this process.
- 9.2 The focus for new schemes has been on larger schemes, to significantly add to the number of homes in the programme. The small schemes delivered to date have been resource intensive requiring significant work to reach the point that the land can be developed.
- 9.3 Further work is required to identify a further minimum 3 homes to be included within the programme for starts in 2021/22. A land audit has taken place and there will also be opportunity to purchase further land/ properties from developers in the next three years to add to the programme. The longer term pipeline currently shows a further 147 homes.
- 9.4 **Cromwell Road (former Ridgeons site).** The purchase of the site, with outline planning by Cambridge City Council and the delivery with Hill through the Cambridge Investment Partnership was approved by the Executive Councillor for Strategy and Resources in March 2018. A separate paper is included to approve the budget for this scheme. This scheme will add at least 98 new Council rented homes to the delivery programme.
- 9.5 **Mill Road phase 2.** This part of the site was originally proposed for a new YMCA. A separate paper is included to approve this scheme. This scheme will add at least 20 Council rented homes to the delivery programme.
- 9.6 **Ditchburn Day Centre-** A separate report is included to approve this scheme. An additional two homes are to be provided at Ditchburn following the purchase of the former Day Centre from

Cambridgeshire County Council. A planning application has been prepared and the additional works agreed with the existing main contractor Cocksedge.

- 9.7 **Campkin Road-** This is a regeneration scheme, the block has been identified for redevelopment following a review by Housing Services and Estates and Facilities. Indicative work suggests that a new scheme could deliver 69 homes, net gain of 37. A new scheme on this site would resolve inherent design issues linked to anti-social behaviour as well as address on- going maintenance uses. This project along with the Colville Road phase 2 projects will require significant work with residents in respect of rehousing, to ensure they have the information they need and are supported with moves off site. The additional resource to do this is included as part of the MTFs. It is anticipated this scheme will be presented at the January Housing Scrutiny Committee.
- 9.8 **Clark Maxwell Road-** This is a scheme currently owned by Hill, there is an opportunity for the Council to purchase 14 homes on this site as part of a mixed tenure scheme. It is anticipated this scheme will be submitted for planning in autumn 2018 and start on site spring 2019.
- 9.9 A further two sites are currently at feasibility stage and shown within the summary table.

10. Risks

Risk	Likelihood	Impact	Mitigation
Not achieving the 500 homes target	Low- current programme has 497 identified	Med- impact would be delivery of a lower number of much needed homes and	Programme level monitoring of delivery. Strategy will be to exceed target.

		reputational risk in the Councils ability to deliver and therefore attract grant in the future.	
Land Assembly issues delaying start on sites	Medium- a number of the schemes in the programme require purchase of land/property from 3 rd parties	High- if vacant possession or access not achieved the scheme cannot be developed.	Council putting in place resources to support residents to move. Process also in place to use statutory powers if required.
Cost increases on approved projects	Medium- until all surveys are complete and planning permission is granted there is a risk of additional costs.	Medium- depending on the extent of the additional cost this may be managed within contingency. Across the programme there is an approach to achieve an average cost of £200K a unit to allow for some schemes to be more or less than this.	Initial budgets either developed with Hill or Employers Agent. Contingencies included where risks are identified. Cost plans are regularly reviewed and updated.

Planning	Low- the approach to engage the planning service early in the process. Any project coming to HSC has been discussed with the planning service.	High- if planning is not achieved the scheme cannot be delivered.	Pre –apps take place with planning service. Strategy is to deliver policy compliant development.
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11. Implications

(A) Financial Implications

The Devolution Housing Grant and Right to Buy Receipts will be the main source of funding for schemes in the Rolling Programme that progress into development. However, scheme funding will be confirmed should a scheme be brought to the Committee for scheme specific approval.

(B) Staffing Implications

The scheme on the Rolling Programme will be project managed by the Cambridge City Council Housing Development Agency in liaison with City Homes; Estates and Facilities; and the Council’s corporate support teams. Some of the schemes are being delivered through the Cambridge Investment Partnership.

(C) Equality and Poverty Implications

The development framework for new housing by the Council, approved at the March 2017 Housing Scrutiny Committee was informed by an EQIA. Each scheme specific approval will be informed by an EQIA if current residents are required to move.

(D) Environmental Implications

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

(E) Procurement Implications

There are no procurement implications of this report. Each scheme specific approval will cover any procurement implications, although it anticipated that the majority of schemes will be delivered through the Cambridge Investment Partnership.

(F) Consultation and communication

There are no consultation and communication implications of this report. The development framework for new housing by the Council approved at the March 2017 Housing Scrutiny Committee sets out the Council's commitment to involve residents in new housing schemes.

(G) Community Safety

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

12. Background papers

Background papers used in the preparation of this report:

- a) 17/17 HSC New Housing by the Council
- b) 18/14/HSC New Build Affordable Housing update

13. Appendices

- (a) Appendix 1: Programme Summary

14. Inspection of papers

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