

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 16/01/2019

Report by:

Claire Flowers, Head of Housing Development Agency
Tel: 01223 - 457928 Email: claire.flowers@cambridge.gov.uk

Wards affected:

All

Not a Key Decision

1. Executive Summary

- 1.1 This report provides an update on the programme to deliver 500 Council homes by March 2022 with funding from the Combined Authority.
- 1.2 Good progress has been made with the programme now showing 535 homes on named sites.
- 1.3 The Council now has 120 Council rented homes being built on site with first completions programmed for Spring 2020.

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 Meadows Centre & Buchan Street site to the Affordable Housing Programme.
- 2.4 Note the updated reporting arrangements with the Combined Authority.

3. Background

- 3.1 In September 2018, the Housing Scrutiny Committee was provided with a report showing progress against the Combined Authority target of 500 Council rented homes.
- 3.2 The report identified a net gain of 497 homes in the programme and reported the start on site at the Council's former Mill Road Depot, a scheme delivering 91 Council homes in the centre of Cambridge.
- 3.3 Since that report the Housing Development team have continued to progress the schemes already identified with consultation and planning work, as well as identifying further sites.

4. Combined Authority

- 4.1 The Council's housing programme is part funded by a £70million grant from the Cambridgeshire & Peterborough Combined Authority.
- 4.2 Quarterly grant claims are made to the Combined Authority in arrears. The last claim was made in September for Quarter 2 and was for £560,856. To date, the Council has drawn down £8.2m of grant funding, and is forecast to draw down an additional £6.1m by the end of financial year 18/19.
- 4.3 Provision of a quarterly report from Cambridge City Council against the £70m programme is one condition of the original grant from the

Combined Authority. The most recent report to the Combined Authority was made on the 21st of November and replicated the information provided to the Housing Scrutiny Committee on the 27th of September.

- 4.4 In addition to the above, the Council will now also need to report to the Combined Authority's recently formed Housing Board. In both cases the most recently noted report to HSC will provide the basis for ongoing reporting obligations.

5. Delivery Programme

- 5.1 The delivery programme provided in September 2018 included 497 (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 the development of all named housing schemes has been progressed (see items 7 and 8) and the Council's affordable housing programme is now set to deliver 535 new homes with 277 additional homes deliverable on a range of prospective sites.
- 5.3 Appendix 1 shows the current programme including the newly introduced site at Meadows & Buchan.

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 January 2019)
- 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 277 homes. These schemes will be explored further over the next 6 months.

6.3 Since the last update in September 2018, approval has been received to pursue larger schemes at Mill Road Phase 2 and Cromwell Road. This adds 25 new Council rented homes to the programme.

6.4 As below, the overall programme shows an outturn of 535 new homes commencing construction by March 2022.

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	295	104	0	277
Cumulative total	2	136	431	535	535	812

7. Start on Sites Achieved 2018/19

7.1 The total number of Start on Sites achieved at the end of December 2018 is 122

7.2 The programme shows the total number of starts on sites scheduled to be achieved by the end of 2018/19 as 134.

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: Net gain 120 homes.

- **Mill Road:** This is a mixed tenure scheme delivering 91 new Council rented homes. Works are progressing well on site with all demolition

and remediation complete. Piling work for foundations will begin in January. The scheme is being delivered through the Cambridge Investment Partnership (CIP). The programme shows 143 week build programme including demolitions.

- **Anstey Way:** This regeneration scheme is delivering 56 Council homes in total (a net gain of 29) all for rent. There are 12 specifically for the over 55s. Start on site took place on the 8th of October 2018 following discharge of planning conditions. Works are progressing well on site. The build programme is forecast to last 74 weeks.

7.4 Schemes target to start on site in 2018/19 with planning: 14 homes.

- **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 February 2019
- **Nuns Way and Wiles Close:** this scheme is split across two former garage sites delivering 10 new homes for rent. The Council is in Contract with Marfleet Construction to deliver the scheme and pre-commencement conditions have been discharged. Starts on Site have been scheduled for January 2018 to avoid the Christmas period and the build programme is forecast to take 40 weeks.
- **Ditchburn Day Centre / Community Rooms:** Following the purchase of this centre from Cambridgeshire County Council, HSC approved the redevelopment of the site for 2 Council homes in September 2018. Planning permission was granted in November 2018. The homes were added to the building programme on the existing Ditchburn Place Development in an agreement with the contractors Cocksedge and construction is due to begin in January 2019.

8. Update on other approved schemes:

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

- **Queens Meadow:** planning permission for two Council rented 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.
- **Markham Close:** this scheme will deliver five homes for Council rent. Full planning permission for this scheme was granted in October 2018 and is part of the package of small sites delivered by CIP.
- **Gunhild Way:** this scheme will deliver two homes for Council rent. Full planning permission for this scheme was granted in October 2018 and is part of the package of small sites delivered by CIP.
- **Colville Road Garages:** this scheme will deliver three homes for Council rent. Full planning permission for this scheme was granted in November 2018 and is part of the package of small sites delivered by CIP.

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

- **Wulfstan Way:** this scheme will deliver three homes for Council rent. Full planning permission for this scheme is anticipated in January 2019 and is part of the package of small sites delivered by CIP.
- **Ventress Close:** this scheme is being delivered through CIP. Three tenants have been rehoused as part of this redevelopment which will deliver 15 Council rented homes, for a net gain of 13. A planning application was submitted in September 2018 and subject to planning starts on site are due to commence in July 2019.
- **Tedder Way:** this scheme will deliver two homes for Council rent. Full planning permission for this scheme is expected by February 2019 and will be developed by the Estates team, commencing construction in April 2019.
- **Kingsway Medical Centre:** this scheme is being delivered by the Estates and Facilities team. It will deliver four new Council rented

homes through the conversion of a former surgery. The planning application was submitted in September 2018 and the housing development team is currently working with planners to ensure the scheme meets design standards. It is anticipated this scheme will start construction in April 2019.

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

- **Cromwell Road:** This is a major redevelopment with CIP which required a substantial land acquisition in March 2018. It will deliver a net gain of 118 new Council rented homes. A successful public consultation was held through November 2018, a planning application will be submitted in January 2019. A separate planning application for the demolitions works and remediation has been made, a decision is expected in January.
- **Akeman Street:** This site was approved for development in July 2018. The Council is currently preparing a planning application which meets the expectations of the 2018 adopted local plan, the target is to submit this in February.
- **Mill Road phase 2.** This scheme, approved for development in September 2018, will add at least 25 Council rented homes to the delivery programme. Following a public consultation, planning is due to be submitted by the end of January 2019.

8.4 Schemes awaiting committee approval.

- **Clerk Maxwell Road:** This is a scheme currently owned by Hill Residential. A separate report has been presented to the Housing Scrutiny Committee seeking approval to acquire 14 affordable homes within this mixed tenure scheme.
- **Colville Road phase 2:** a separate report has been presented to the Housing Scrutiny Committee seeking approval to proceed with this regeneration scheme.
- **Campkin Road:** This regeneration scheme was identified and added to the programme in September 2018. A draft scheme to deliver 69 Council rented units is in feasibility stage and is likely to be submitted

for committee approval at the Housing Scrutiny Committee in March 2019.

8.5 New schemes in the programme.

- **Meadows & Buchan:** a separate report has been presented to the Housing Scrutiny Committee seeking approval to proceed with this scheme.

9. Delivering Accessible Housing

- 9.1 Cambridge City Council is committed to providing a range of housing options for residents with limited mobility. To accomplish this, the Council looks meet a minimum target for accessible homes on the delivery programme as a whole as well as on individual sites.
- 9.2 In March 2017, the Council committed to delivering as a minimum 2% of new housing to wheelchair accessible standards and in developments over 20 homes 5% will meet Wheelchair Housing Design Standards or be able to be easily adaptable to meet Wheelchair Housing Design Standards.
- 9.3 This target is restated in the Cambridge Sustainable Housing Design Guide, which also stipulates that all units built by the City Council must be Adaptable Lifetime Homes (M4 category 2 of the Building Regulations 2010).
- 9.4 The new local plan requires all homes to be M4(2) (accessible and adaptable dwellings), and 5% of affordable M4(3) (wheelchair user dwellings). We will be delivering this on all relevant new planning applications going forward.
- 9.5 There are currently 27 wheelchair user dwellings (fully adapted) in the programme. These are spread across the six largest sites (see table 2). This along with meeting the local plan of delivering all homes to be

accessible and adaptable will mean the requirement to provide 5% wheelchair user homes in every scheme over 20 units will be exceeded.

9.6 Table 2: Wheelchair user homes

	Total Council rented homes	Total wheelchair user homes in designs
Mill Road phases 1 & 2	116	7
Anstey Way	56	3
Cromwell Road	118	6
Colville Road Ph 2	62	3
Campkin Road	69	3
Meadows & Buchan	100	5

10 Risks

Risk	Likelihood	Impact	Mitigation
Not achieving the 500 homes target	Low- current programme has 535 homes identified	Med- impact would be delivery of a lower number of much needed homes and reputational risk in the Councils ability to deliver and therefore attract future grant funding.	Programme level monitoring of delivery. Strategy is to exceed target.
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 which has now been added.	Initial budgets either developed with Hill or Employers Agent. Contingencies included where risks are identified. Cost plans are regularly reviewed and updated. Budgets have been updated as part of the new budget.
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.
Sales risk – exposing Council cash flow forecast	Medium – Housing market fluctuations are beyond Council control but do occur over long periods and affect the entire economy.	Medium – new homes are expensive but retain considerable inherent value and have other uses than market sale.	Commission of private sector sales team and engagement with private sector partners to monitor market fluctuations.

12. 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.

13. Background papers

Background papers used in the preparation of this report:

- a) 18/09/27 HSC report
- b) 17/02/27 Cambridge Sustainable Housing Design Guide
- c) Building Regulations approved document M Volume 1, 2015 addition

14. Appendices

- (a) Appendix 1: Programme Summary

15. Inspection of papers

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