

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 12/03/2019

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 with funding from the Combined Authority.
- 1.2 Following some minor revisions to the housing schemes outlined in the January report, the total Council housing programme now shows 536 homes.
- 1.3 The Council now has 132 Council rented homes being built on site with first completions programmed for August 2019.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Note the continued progress on the delivery of the Combined Authority programme.
- 2.2 Note the funding structure for the Combined Authority programme.

3. Background

- 3.1 In January 2019, 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 confirmed that the 500 home target is now forecast to be met with a total programme outturn of 535 homes.
- 3.3 In the past two months the Housing Development team have progressed the identified schemes as forecast with some minor revisions to the overall programme.

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. Cambridge City Council is forecast to draw down £13,686,542 in financial year 18/19, for a total expenditure by financial year end of £14,270,717.
- 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 6th of February 2019 and replicated the information provided to the Housing Scrutiny Committee on the 16th January.

5. Delivery Programme

- 5.1 The delivery programme provided in January 2019 included 535 (net gain) Council homes to be delivered on named sites through the devolution programme. The Committee also approved capital budgets for major development sites at the Meadows Centre & Buchan Street and Colville Road, as well as the purchase of the S106 affordable housing provision within a private sector housing development at Clerk Maxwell Road.
- 5.2 Since January the development of all named housing schemes has been progressed (see items 7 and 8). Following revisions to existing schemes, the programme is now set to deliver 536 new homes with the option to pursue 277 additional homes on a range of prospective sites.
- 5.3 Appendix 1 shows the current programme, which now shows the total market housing provided as well as the net gain of Council homes. It also includes the approved budgets per scheme and the net cost to the Council's Housing Revenue account.

6. Profile of Start on Sites

- 6.1 The start on site profile for the 500 devolution programme is shown in table 1. This is based on all the named schemes being delivered (including those added to the rolling programme in January 2019)
- 6.2 The Housing Development team are continuing to over-programme and explore additional sites to allow for slippage of existing schemes and allow others to come forward should additional funding opportunities present themselves.
- 6.3 As below, the overall programme shows an outturn of 536 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	132	311	91	0	277
Cumulative total	2	134	445	536	536	813

7. Start on Sites Achieved 2018/19

7.1 The total number of Start on Sites achieved at the end of February 2019 is 132. All starts on site now programmed for 2018/19 have been achieved.

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

7.2.1 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 Housing Maintenance & Assets team.

7.2.2 Schemes on Site: Net gain 132 homes.

- **Mill Road:** This is a mixed tenure scheme delivering 91 new Council rented homes. Works are on programme and the foundations of the first new street have been laid. The scheme is being delivered through the Cambridge Investment Partnership (CIP). The programme shows 143 week build programme including demolitions A Section 73 application was submitted in January 2019 to incorporate Mill Road Phase 2 (see below) into a combined scheme outturn of 118 units.



Postal 161 & 162 - Substructure blockwork started



Postal 163 & 164 - loaded out with blocks

- **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. The first floor slabs have been laid on site and the 74 week build programme is on track.
- **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 contractor already engaged in the refurbishment of Ditchburn Place, Cocksedge, took possession of the site and commenced work in January 2019. Practical completion is anticipated in September 2019.
- **Nuns Way and Wiles Close:** this scheme is split across two former garage sites delivering 10 new homes for rent. Marfleet Construction are now in possession of the site and commenced work in January 2019, with a forecast build programme of 40 weeks.

8. Update on other approved schemes:

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

- **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 Housing Maintenance & Assets team. The start on site has been delayed by a boundary dispute with a neighbour. The 3C legal team are currently working to resolve this and start on site is provisionally forecast for summer 2019.

- **CIP small sites package:** this group of five garage and infill sites have now all achieved planning permission. In total they will provide 15 units for Council rent. They will be delivered by CIP as a single scheme but starts on site are staggered through the first four months of financial year 2019/20, as follows,
 - **Queens Meadow:** This scheme will deliver two homes; start on site is forecast for April 2019.
 - **Markham Close:** this scheme will deliver five homes; start on site is forecast for April 2019.
 - **Gunhild Way:** this scheme will deliver two homes; start on site is forecast for July 2019.
 - **Colville Road Garages:** this scheme will deliver three homes; start on site is forecast for May 2019.
 - **Wulfstan Way:** this scheme will deliver three homes for Council rent. Start on site is forecast for June 2019.

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

- **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. Planning surveys have been delayed to work around the nesting seasons for wildlife on site and the target to achieve planning permission is now March 2019 with a provisional Start on Site date of October 2019.
- **Tedder Way:** this scheme comprises two homes for Council rent and will be delivered by the Council's Housing Maintenance & Assets team. The target to achieve planning permission has been pushed back to April 2019 by on-going discussions over drainage. Start on site is provisionally forecast for August 2019.
- **Kingsway Medical Centre:** this scheme is being delivered by the Housing Maintenance & Assets team. It will deliver four new Council rented homes through the conversion of a former surgery. The

planning application was submitted in September 2018. It is anticipated this scheme will start construction in July 2019.

- **Mill Road phase 2.** This scheme, approved for development in September 2018, will add at least 25 Council rented homes to the overall Mill Road delivery programme. Following a public consultation, a planning application was submitted in February 2019, this includes a purpose built community centre.
- **Clerk Maxwell Road:** This is a private scheme being brought forward by Hill Residential. Approval was secured in January 2019 to acquire the 14 S106 affordable homes included in this scheme. Hill has submitted a planning application and is planning to start on site in summer 2019.

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

- **Cromwell Road:** This is a major development with CIP which required a substantial land acquisition in March 2018. It will deliver a 118 new Council rented homes as well as market housing on a mixed tenure site. Following a public consultation and scheme revisions requested during the pre-application process, a planning application will be made by the end of February 2019.
- **Akeman Street:** This regeneration scheme, delivering a net gain of 12 council rented homes, was approved for development in July 2018. CIP is currently preparing a planning application which meets the expectations of the 2018 adopted local plan. The application is on track for submission in February.
- **Colville Road phase 2:** this regeneration scheme, delivering a gain of 42 Council rented homes, was approved by housing committee in January 2019. A planning application is currently being drawn up via CIP and is scheduled for submission in July 2019.
- **Meadows & Buchan:** this scheme, which comprises the regeneration of two community centres and their environs, was approved by HSC in January 2019 and will deliver 106 Council rented homes. A public consultation is planned to launch in March 2019. A planning application will be submitted through CIP in June 2019.

8.4 Schemes awaiting committee approval.

- **Campkin Road:** Detailed pre-planning work is taking place on this scheme, with the aim to present a report to HSC in June 2019.

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 new build affordable homes to be 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
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Mill Road phases 1 & 2	118	7
Anstey Way	56	3
Cromwell Road	118	6
Colville Road Ph 2	62	3
Campkin Road	70	3
Meadows & Buchan	106	5

10 Risks

Risk	Likelihood	Impact	Mitigation
Not achieving the 500 homes target	Low- current programme has 536 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.

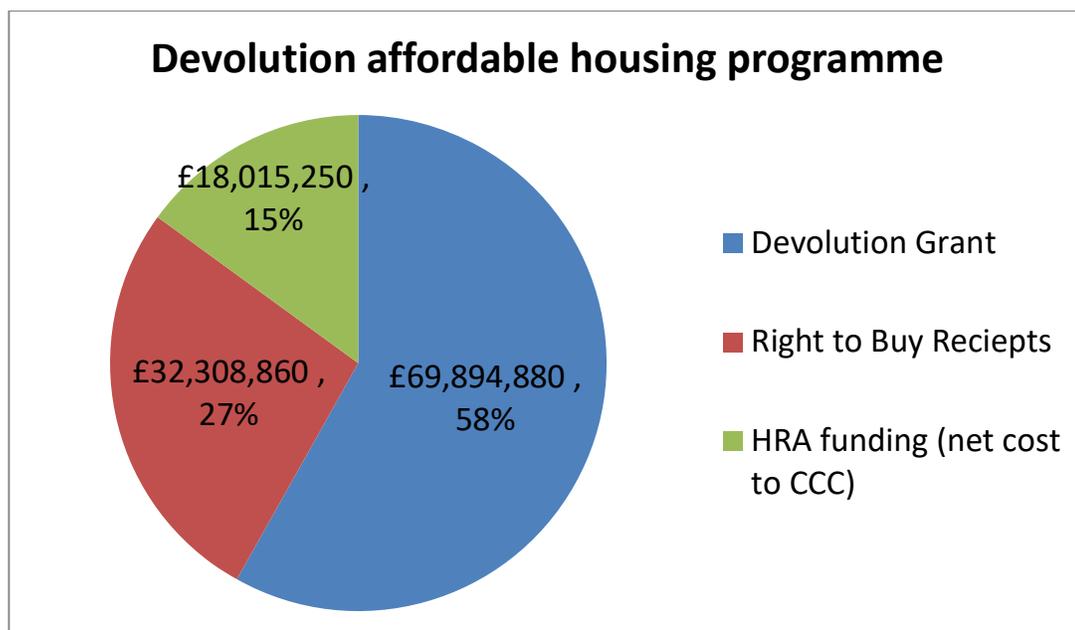
Cost increases on approved projects	Low - updated Budget Setting Report for the Housing Revenue account was approved by HSC 16/01/2019 and incorporates contingency at scheme level.	Medium - depending on the extent of the additional cost this may be managed within contingency which has now been added.	Initial budgets either developed with Hill or Employers Agent. Cost plans are regularly reviewed and updated.
Planning	Medium- The Housing Development team works closely with the Planning department but resourcing issues have delayed planning decision on several projects over the last six months..	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. Concerns over planning resource have been escalated to Strategic Director level.
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.
Decanting residents / leaseholders	Low – decanting process has been agreed with City Homes and no evident delays have come up to date	High – regeneration schemes will not be progressed if residents are not decanted.	Close cooperation with City Homes has been agreed; departments liaise and jointly attend interviews with residents.

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.

Currently the 500 programme has a total approved Capital budget of £120,218,990. This is funded as follows:



(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; Housing Maintenance & Assets; 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 is 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) 19/01/16 HSC report

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.