

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 26/09/2019

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 All 500 homes have now been identified and the HDA is focusing its efforts on delivering the schemes in the programme.
- 1.3 The Council now has 162 Council rented homes being built on site and is forecasting a further 176 due to start by the end of financial year 2019/20.
- 1.4 14 homes of the City Council programme have now been completed across three sites.

- 1.5 There has been a change in the approach to contract arrangements for schemes developed by the Cambridge Investment Partnership which is detailed in Appendix 3.

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.
- 2.3 Approve the revised approach to land transactions for schemes developed by the Cambridge Investment Partnership as described in Appendix 3.

3. Background

- 3.1 In June 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 exceeded with a total programme outturn of 537 homes net gain.
- 3.3 The Housing Development team have progressed the identified schemes as forecast with some minor revisions to the overall programme, raising the current total outturn to 546 homes.

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 drew down £2,291,290 in the first Quarter of 2019/20 and is forecasting a further £18,824,136 of grant drawdown by end March 2020.
- 4.3 To date Cambridge City Council has drawn down £16,427,192 with the remaining £53,572,809 due to be drawn down by financial year end 2021/22
- 4.4 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 3rd of April 2019 and replicated the information provided to the Housing Scrutiny Committee on the 12th March 2019.

5. Delivery Programme

- 5.1 The delivery programme provided in June 2019 included 537 (net gain) Council homes to be delivered on named sites through the devolution programme. The committee noted some minor alterations to individual scheme outturns but otherwise the programme was on track.
- 5.2 Since June the development of all named housing schemes has been progressed (see items 7 and 8). Further revisions to forthcoming schemes have since been made. The programme outturn is now 546 Council rented homes (net gain) due to an increase of seven homes on the design of the proposed scheme at Colville Road Phase 2 and the planning approval of the combined scheme at Mill Road.
- 5.3 In June the final scheme in the 500 Programme, the redevelopment of Campkin Road, was approved by Housing Scrutiny Committee. The entire 500 programme is therefore approved with a capital budget allocated. All but five schemes have now received planning permission and only two have yet to be submitted for planning approval.

5.4 Appendix 1 shows the current programme, which now shows the total market housing provided as well as the net gain of Council homes. Appendix 2 shows the approved budgets per scheme and the net cost to the Council's Housing Revenue account.

5.5 In summary since the June Housing Scrutiny Committee:

- Completions of 10 homes at Nuns Way and Wiles Close
- Planning approval for the combined Mill Road site
- Planning committee approval for the Cromwell Road site
- Planning approval for the Akeman Street site
- Planning application made for Coleville Road scheme
- Campkin Road approved by full Council

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.

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 Since the last update in June 2019, a more detailed scheme at Colville Road has been drawn up. This provides seven additional Council rented homes on the site. This scheme has been submitted for planning.

6.4 The proposed scheme at the Meadows Centre and Buchan Street has been delayed following a decision to review the proposals for the sites a second public consultation is being arranged. The planning application

will now be submitted in November 2019 with Start on Site has been re forecast as June 2020.

6.5 The scheme at Clerk Maxwell road has not yet been determined by the planning department , the Start on Site now been re forecast for 2020/21.

6.6 As below, the overall programme shows an outturn of 546 new homes commencing construction by March 2022.

6.7

Table 1: Start on Site Forecast Profile

Year	2017/8 (actual)	2018/19 (actual)	2019/20 (forecast)	2020/21 (forecast)	2021/22 (forecast)
Number of starts	2	132	191	221	0
Cumulative total	2	134	325	546	546

7. Start on Sites Achieved 2019/20

7.1 15 homes have started on site since the beginning of financial year 2019/20. This reflects all 5 garage and infill sites being delivered as a single scheme by CIP. In total therefore the number of starts achieved in total at the time of this report stands at 176, or 35% of the total programme.

7.2 The schemes that have met the start on site requirement since the start of the 500 programme are as follows:

7.2.1 Schemes Completed Total 12 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.

- **Nuns Way & Wiles Close:** Handover was taken in August 2019 of ten new build homes at Nuns Way & Wiles Close. This scheme, under construction since January 2019, represents the first completions of the 500 programme in 2019/20.



Nuns Way, August 2019

7.2.2 Schemes on Site: Net gain 164 homes.

- **Mill Road:** This is a mixed tenure scheme formerly on the Council's Mill Road Depot site. The second phase of the scheme received planning permission in June 2019 and the total scheme will deliver 118 new build Council homes. Works are progressing on site with first completions expected to be in Quarter 2 2020.



Mill Road, August 2019

- **Anstey Way:** This regeneration scheme is delivering 56 Council homes in total (a net gain of 29) all for rent. 12 homes here are specifically for the over 55s. The build is on programme with construction now having reached roof level (see picture below). The practical completion date of April 2019 is anticipated to be brought forward to the current financial year.



Anstey Way, August 2019

- **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. The homes are being delivered by Cocksedge, who were already engaged in the refurbishment of Ditchburn Place. The original Ditchburn Place refurbishment scheme completed in August 2019 and the two Combined Authority funded homes are expected to hand over at the end of September 2019.

- **CIP small sites package:** this group of five garage and infill sites have started on site.. Demolition work has now commenced on all five sites with the build programme due to complete by August 2020. In total the package will provide 15 homes, all for Council rent.;
 - **Queens Meadow:** This scheme will deliver two homes.
 - **Markham Close:** this scheme will deliver five homes.
 - **Gunhild Way:** this scheme will deliver two homes.

- **Colville Road Garages:** this scheme will deliver three homes.
- **Wulfstan Way:** this scheme will deliver three homes.

8. Update on other approved schemes:

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

- **Cromwell Road:** the planning committee approved this scheme in June 2019 to deliver a scheme of 295 homes. The scheme will deliver 118 new Council rented homes as well as market housing, new public open space and an early years/community centre. Demolition work has commenced on site and construction of the new homes is programmed to commence by the end of financial year 2019/20. The scheme is being delivered through CIP.
- **Ventress Close:** the scheme replaces two existing Council homes and will deliver 15 new Council rented homes, for a net gain of 13. Planning permission for this scheme was achieved in March 2019 and start on site is likely to be achieved ahead of the October 2019 forecast.
- **Akeman Street:** This regeneration scheme received planning permission in July 2019. Delivered through CIP, it will replace two existing Council homes commercial units and community centre with a new Council rented development of 14 homes, community centre and replacement shops for a net gain of 12. Start on Site is forecast for September 2019. Work is currently underway on a temporary community facility at an existing property in the same street.
- **Kendal Way:** planning permission was obtained in 2017 for the development of two homes on this site. The Housing Development team are currently reviewing the proposals. Start on Site has been provisionally pushed back to early 2020.

- **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. Planning permission for this scheme was achieved in April 2019 and start on site is expected by the end of financial year 2019/20.

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

- **Tedder Way:** this scheme comprises two homes for Council rent and was originally planned for delivery by the Council's Housing Maintenance & Assets team but has since been passed back to the Housing Development team. The target to achieve planning permission has been pushed back to October 2019 pending further feedback from the planning team. Resources are now being re-allocated to deliver this scheme and the Start on Site has been provisionally pushed back to early 2020.
- **Clerk Maxwell Road:** This is a private scheme being brought forward by Hill Residential. Committee approval was secured in January 2019 to acquire the 14 S106 affordable homes included in this scheme. Hill submitted a planning application in December 2018 - this is awaiting a planning committee decision.
- **Colville Road phase 2:** this regeneration scheme, delivering a gain of 49 Council rented homes, was approved by the Housing Scrutiny Committee in January 2019. Following a scheme revision in response to pre-application planning advice, a planning application has been submitted. A public consultation took place in May 2019 and there has been on-going work with those residents who will need to move home as a result of this scheme. The number of homes has i

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

- **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 took place in March 2019 and suggested revisions to the scheme are currently being incorporated into a planning application. A further public consultation is being arranged. The forecast for planning submission in November 2019.
- **Campkin Road:** This scheme was approved for development by both Housing Scrutiny Committee and Full Council in June 2019. It will replace an existing Council housing scheme at Campkin Road with a modern scheme which will increase the Council's housing stock by 50 homes. Pre-application discussions are continuing, particularly in relation to surface water issues, which could reduce the number of homes delivered.

9. Delivering Accessible Housing

9.1 Cambridge City Council is committed to providing a range of housing options for residents with limited mobility. The Council adheres to the accessibility standards laid out in the Local Plan 2018. This requires 100% of new build Council homes to be M4(2) (accessible and adaptable dwellings), and 5% of new build affordable homes to be M4(3) (wheelchair user dwellings).

9.2 There are currently 28 fully adapted wheelchair user dwellings planned in the programme (see table below). 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 will be met.

9.3 Table 2: Wheelchair user homes

	Total Council rented homes (100% M4 (2) wheelchair adaptable)	Total M4 (3) wheelchair user homes in designs
Mill Road phases 1 & 2	118	7

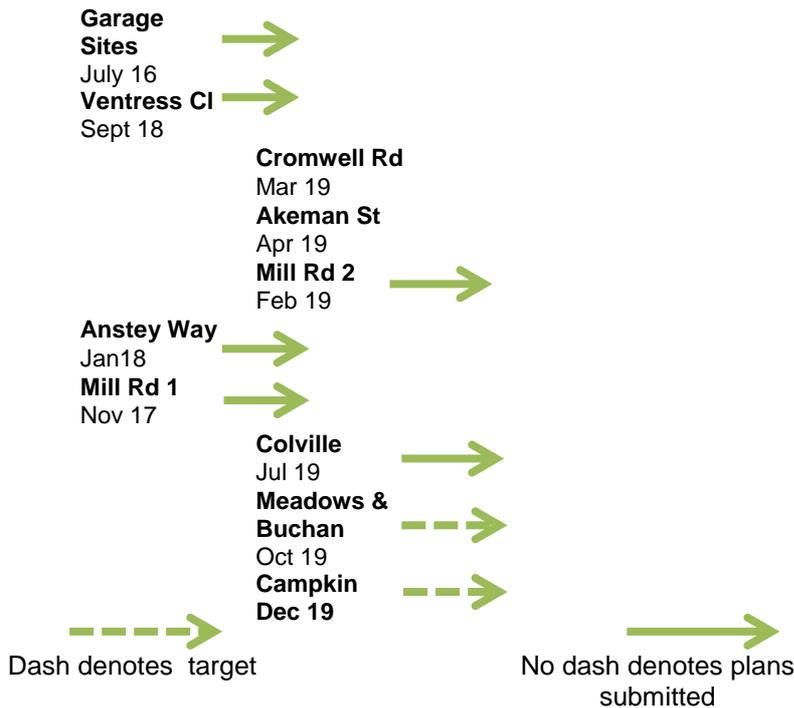
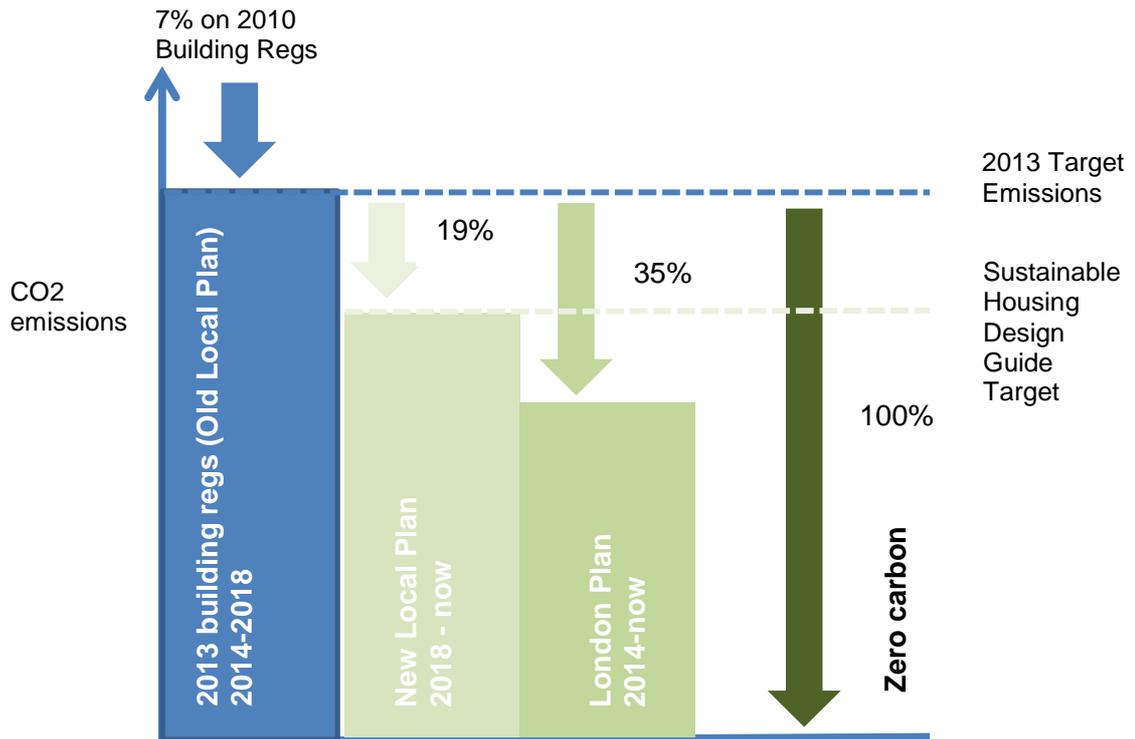
Anstey Way	56	3
Cromwell Road	118	6
Colville Road Ph 2	69	4
Campkin Road	75	3
Meadows & Buchan	106	5

10. Sustainability

10.1 The Council's commitment is for all developments that are part of the Council's Housing Programme to adhere to the 2017 Sustainable Housing Design Guide. This covers a number of areas including: energy and water; space standards and biodiversity. The Sustainable Housing Design Guide targets are now part of the 2018 Cambridge Local Plan. Currently out for consultation is the draft Greater Cambridge Sustainable Design and Construction Supplementary Planning Document (SPD).

10.2 The challenge of climate change is leading to steady improvements in reducing CO2 emissions heading towards zero carbon. The table below highlights how the Cambridge programme has consistently moved ahead of required national standards. The schemes are listed under the required standard at the grant of Planning Permission. The green arrows indicate the standards achieved. The standards are:

- Current national standard (in blue)
- 2016 Cambridge Local Plan which exceeds national minimum standards by 19%
- The London Plan which exceeds national minimum standards by 35%



10.3 The table below highlights the ten schemes and how they are meeting or exceeding the Sustainable Housing Design Guide (part of the 2018 Cambridge Local Plan) and the draft Greater Cambridge Sustainable Design and Construction SPD:

Scheme	Mandatory Sustainability Standard	Actual Sustainability Standard	Key Sustainability components
Mill Rd 1 Anstey Way Garage Sites Ventress Cromwell Rd Akeman	10% on-site renewable energy	19% reduction in carbon emissions	<ul style="list-style-type: none"> • Fabric First • MVHR • Solar PV • Battery Storage
Mill Rd 2 Colville	19% reduction in carbon emissions	35%-40% reduction in emissions	<ul style="list-style-type: none"> • Fabric First • MVHR • Solar PV • Combined Heat and Power
Meadows and Buchan (proposed) Campkin (proposed)	19% reduction in carbon emissions	35%-40% reduction in emissions	<ul style="list-style-type: none"> • Fabric First • MVHR • Solar PV • Air Source Heat Pumps • Battery Storage

10.4 In summary, the Cambridge Local Plan, the Sustainable Housing Design Guide and the draft Greater Cambridge Sustainable Design and Construction SPD have higher sustainability standards than national standards. Of the ten CIP sites in development:

- All sites are achieving higher sustainability standards than national standards.
- All sites are achieving the draft Greater Cambridge Sustainable Design and Construction SPD
- Four are achieving or being designed to achieve higher sustainability standards than the Cambridge Local Plan, the Sustainable Housing Design Guide and the draft Greater Cambridge Sustainable Design and Construction SPD

- 10.5 The designs for the two sites which have not been submitted for Planning yet - Meadows & Buchan, and Campkin Road - are being considered to attain standards close to the London Plan.
- 10.6 As the grid is becoming greener as more electricity is generated through more wind power and solar PV the government is looking to change the way how carbon emissions are calculated in buildings. Both the London Plan and the draft Greater Cambridge Sustainable Design and Construction SPD are looking to include this calculation change which will mean gas is no longer a viable low carbon heating source. Instead, Air Source Heat Pumps as well as Solar PV and battery storage is likely to be the most effective low carbon option.
- 10.7 The process of developing the approach to sustainability is being considered further to include review of practical use and cost for residents, on-going maintenance requirements and costs, and monitoring of systems and their performance.

11. Risks

Risk	Likelihood	Impact	Mitigation
Not achieving the 500 homes target	Low- current programme has 537 homes identified and approved for development.	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. All schemes have now secured a capital budget for delivery and updated in MTFS as required.
Land Assembly issues delaying start	Medium - a number of the schemes in the programme	High- if vacant possession or access not achieved the	Council putting in place resources to support residents to

on sites	require purchase of land/property from 3 rd parties	scheme cannot be developed.	move. Process also in place to use statutory powers if required.
Cost increases on approved projects	Medium – design revisions requested as part of the planning process may increase the cost of individual housing schemes i.e. tighter air quality requirements will require more sophisticated infrastructure which will lead to higher cost.	Medium - depending on the extent of the additional cost this may be managed within scheme level contingency approved in 2019 Budget Setting Report.	Initial budgets either developed with Hill or Employers Agent. Cost plans are regularly reviewed and updated. SDLT implications have been reviewed as part of the MTFS.
Planning	Medium - on-going resourcing issues within the planning team risk delay to progress of schemes. The Meadows & Buchan scheme is facing public opposition which poses a risk to the 500 programme.	High- if planning is not achieved the scheme cannot be delivered.	Concerns over planning resource have been escalated to Strategic Director level. HDA, senior officers and Councillors continue to engage with public concerns over the Meadows Scheme

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.

11.1 Appendix 3 details the proposed arrangements for transfer of sites to for the Cambridge Investment Partnership for development, this is based on the latest legal and tax advice. This has been used to update the budgets within the MTFs.

12. Implications

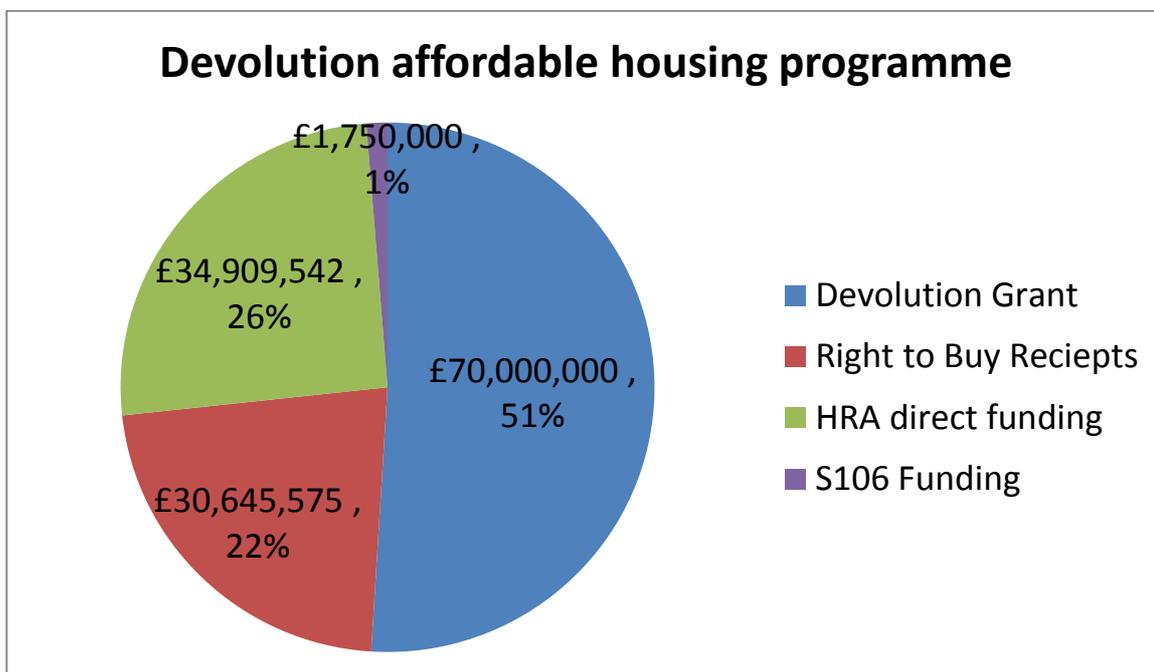
(A) Financial Implications

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 HRA budget of £137,148,220.00. This is broken down by source:

- Funding provided by the Combined Authority grant
- Funding provided from Section 106 agreements
- Funding provided by Right to Buy receipts

- Funding provided direct from HRA Capital



(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

Appendix 3 provides an updated approach to the Cambridge Investment Partnership land transaction and is based on legal advice. Specific legal advice will also be taken on each project and transaction.

(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) 19/06/18 HSC report
- b) 17/09/17 Strategy and resources Cambridge Investment Partnership land transactions.

14. Appendices

- (a) Appendix 1: Programme milestone summary
- (b) Appendix 2: Programme finance summary
- (c) Appendix 3: Land transactions Cambridge Investment Partnership

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.