

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 17/03/2020

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 309 Council rented homes being built on site, and has achieved its target of getting 65% of the 500 new homes onto site by the end of financial year 2019/20.
- 1.4 27 homes of the City Council programme have now been completed across four sites, including the first thirteen handovers of the Anstey Way scheme which were taken by the end of February.

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 exceeded with a total programme outturn of 546 homes net gain.
- 3.3 The Housing Development team continue to progress this programme, with all sites now having been submitted for planning.

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 £9,885,050 in the first two quarters of 2019/20 and is forecasting a further £9,608,224 of grant drawdown by end March 2020.

- 4.3 To date Cambridge City Council has drawn down £37,572,679 with the remaining £32,427,321 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 13th January 2019 and replicated the information provided to the City Council's Housing Scrutiny Committee on the 26th September 2019.

5. Delivery Programme

- 5.1 The delivery programme provided in January 2020 confirmed that the devolution programme now consists of 546 (net gain) Council homes to be delivered on named sites. The committee noted some key milestones in the delivery of this programme which remains on track.
- 5.2 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.

6. 2019 performance against forecasts

- 6.1 Table 1 shows the overall performance of the Housing programme in March 2020 against what it was predicted to achieve in year in the March 2019 Housing Scrutiny Committee Report.

Table 1: performance against forecasts
(All figures below reflect the net gain in Council Homes, i.e. the 500 programme)

Milestones	Actuals Achieved - March 2019	2019 forecast to achieve by March 2020	Actuals achieved, March 2020
Homes approved by HSC	487	536	546
Homes submitted for planning	339	536	546
Homes with planning permission	164	536	374
Homes started on site (net gain)	134	445	323
Homes completed	2	16	27

- 6.2 The Housing Development team has increased the overall number of homes being delivered by the programme in the last year. It has met targets on committee approvals and planning submissions.
- 6.3 Due to the need to resolve planning, design and technical issues, Meadows & Buchan and Campkin Road were submitted later than planned. Consequently planning permission has not been secured yet on these schemes and Start on Site on both has been forecast out of financial year 2019/20.
- 6.4 The Housing Development team has otherwise met its targets for 2019/20 having Started on Site on fourteen of twenty sites in the programme.

7. Profile of Start on Sites

- 7.1 The start on site profile for the 500 devolution programme is shown in table 2. This is based on all the named schemes being delivered.

- 7.2 189 homes have started on site since the beginning of financial year 2019/20 In total therefore the number of starts achieved in total at the time of this report stands at 323, or 65% of the total programme.
- 7.3 The Kendal Way scheme has had its start on site pushed back to August 2020 to allow additional time to resolve ongoing issues with the site boundary.
- 7.4 As below, the overall programme shows an outturn of 546 new homes commencing construction by March 2022.

Table 2: Start on Site Forecast Profile

Year	2017/8 (actual)	2018/19 (actual)	2019/20 (actual)	2020/21 (forecast)	2021/22 (forecast)
Number of starts	2	132	189	223	0
Cumulative total	2	134	323	546	546

8. Scheme details

8.1 Schemes Completed Total 14 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. All ten units are now tenanted.
- **Ditchburn Place Community Rooms:** Two additional Council homes within the Ditchburn Place sheltered housing scheme were completed here in September 2019 and are now tenanted.

8.2 Schemes on Site: Net gain 309 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 aerial view, January 2020

- **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 internal finishes now being completed. 13 of the new homes were handed over at the end of February 2020, with the remaining 43 due to hand over by the end of April.



Anstey Way, January 2020

- **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.
- **Cromwell Road:** This scheme will provide 295 homes on the former Ridgeons site on Cromwell Road. 118 of these will be new Council rented homes, with the other properties being sold on the open market. New public open space and an early years facility/community centre will be provided. Construction commenced in December 2019 and is due to run until September 2022.

- **Ventress Close:** This estate regeneration scheme replaces two existing Council homes and will deliver 15 new Council rented homes, for a net gain of 13. Construction commenced on site in October 2019 and is forecast to complete in Spring 2021.
- **Akeman Street:** This estate regeneration scheme 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 council homes. Construction commenced in October 2019 and is forecast to complete in November 2020. The existing community centre has been relocated to a temporary replacement facility on the same street.



Ventress Close, January 2020

- **Kingsway Medical Centre:** this scheme is being delivered by the City Council's Housing Maintenance & Assets team. It will deliver four new Council rented homes through the conversion of a former surgery. Work on site has been paused due to issues raised by UK Power Network, and completion of the scheme is now due by the end of Summer 2020.

9. Update on other approved schemes:

9.1 Schemes target to Start on site in 2020/21 with planning permission

- **Colville Road phase 2:** this regeneration scheme, replacing 20 existing homes and delivering a gain of 49 Council rented homes, received planning permission in November 2019. Construction is forecast to start on site in Summer 2020. Residents are currently being helped to move into alternative accommodation by the Housing Development team. There is a risk to the start date arising from the need to complete the decanting of the existing flats.

9.2 Schemes target to start on site in 2020/21, planning submission made:

- **Campkin Road:** This scheme will replace an existing Council block at Campkin Road with a modern scheme, increasing the Council's housing stock by 50 homes. The detailed scheme was submitted for planning approval in November 2019 and start on site is provisionally forecast for late summer 2020. Work has commenced to help residents move to alternative accommodation.
- **Tedder Way:** this scheme comprises two homes for Council rent. It is currently awaiting planning decision. Boundary issues are to be resolved with neighbouring properties and this represents a risk to the scheme.
- **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. Planning was re-submitted in December 2020.
- **Meadows & Buchan:** this scheme, which comprises the regeneration of two community centres as well as The Meadows open space, was approved by HSC in January 2019 and is expected to deliver 106 Council rented homes. A detailed planning application, informed by two public consultations, was made in December 2019 and Start on Site is anticipated in Autumn 2020.

9.3 Other schemes

- **Kendal Way:** permission was obtained in 2017 for the development of two homes on this site. The Housing Development team are currently reviewing the proposals as planning permission for the site has now lapsed. There is an ongoing risk to this scheme due to an outstanding boundary dispute which has heretofore delayed the development.

10. Delivering Accessible Housing

10.1 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).

10.2 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.

10.3 Table 2: Wheelchair user homes

	Total Council rented homes (100% M4 (2) wheelchair adaptable)	Total M4 (3) wheelchair user homes	Total 1 bed M4 (3)	Total 2 bed M4(3)
Mill Road phases 1 & 2	118	5	5	0
Anstey Way	56	3	3	0
Cromwell Road	118	6	4	2
Colville Road Ph 2	69	4	0	4
Campkin Road	75	4	1	3

Meadows & Buchan	106	6	3	3
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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 table below highlights the Council's forthcoming 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 (reduction from 2013 building regulations)	Key Sustainability components
Mill Rd Phase 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 Phase 2	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
Colville Road	19% reduction in	35%-40%	<ul style="list-style-type: none"> • Fabric First

Campkin Road (proposed)	carbon emissions	reduction in emissions	<ul style="list-style-type: none"> • MVHR • Detailed assessments in progress
Meadows & Buchan (proposed)			

10.3 The detailed assessments that are in progress in relation to Colville Road, Campkin Road and Meadows & Buchan are seeking to determine the best mix of energy sources and technologies taking into account a range of factors:

- Carbon emissions reduction performance
- Energy consumption performance
- Resident heating bills
- Technical complexity and implications (including ultimate maintenance costs to the Council)

11. Risks

Risk	Likelihood	Impact	Mitigation
Not achieving the 500 homes target	Low- current programme has 546 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 on sites	Medium - a number of the schemes in the programme require purchase	High- if vacant possession or access not achieved the scheme	Council has an officer in post to support move. Process also in place to use

	of land/property from 3 rd parties	cannot be developed.	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. Latest budgets reviewed as part of BSR..
Planning	Medium - 4 schemes do not yet have planning permission	High- if planning is not achieved the schemes cannot be delivered.	Significant number of pre-apps with the planning and urban design team on 2 schemes recently submitted- Campkin and Meadows.
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.	Mill road sales have launched regular reporting through CIP processes on sales. Strategy for Cromwell road in development.

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.	Colville Road has 3 residents remaining. This may delay start on site. Campkin Road is at an earlier stage with a number of residents still to move.
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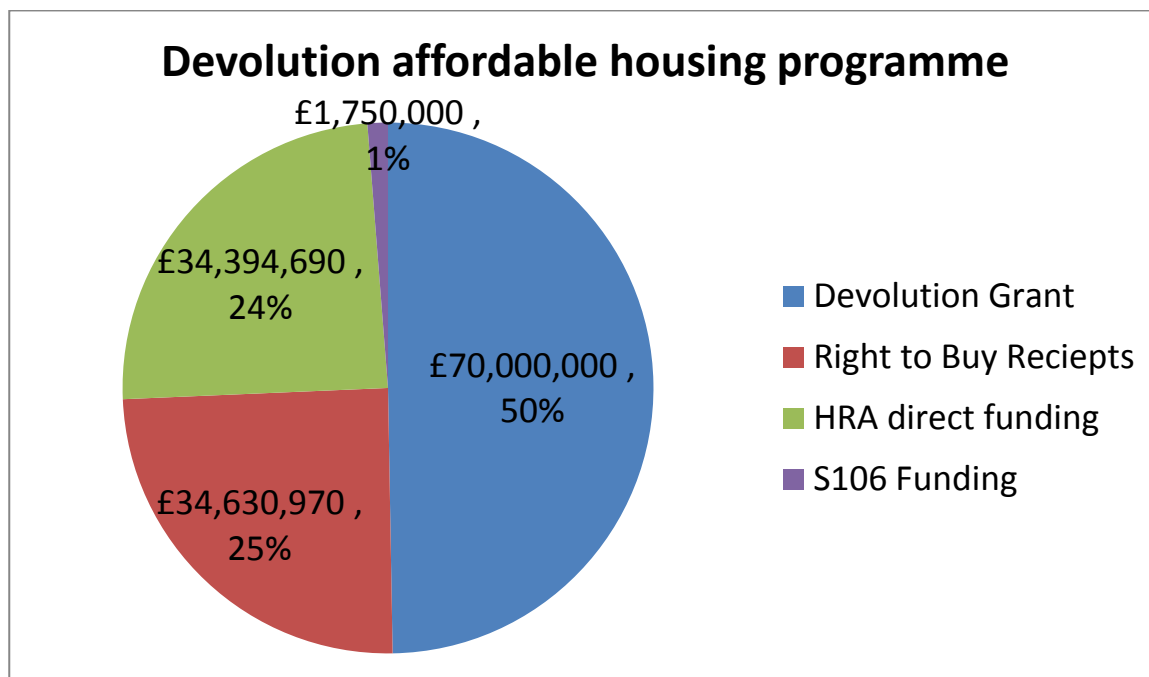
12. Implications

(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 £140,775,660. 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

Advice specific to each project.

(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) 19/09/26 HSC report

14. Appendices

- (a) Appendix 1: Programme milestone summary
- (b) Appendix 2: Programme finance 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.