

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 19/01/2020

Report by:

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Wards affected:

All

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 89 Homes have now been completed across 10 sites under the City Council programme. 27 of these have replaced homes demolished to accommodate redevelopment, with the further 62 being net new Council homes.
- 1.3 The Council currently has 308 new Council rented homes being built on site, with a further 142 starts expected by the 2020/21 financial year end.
- 1.4 Renewed COVID-related restrictions have had limited effect on programme delivery, related to delays in decanting and resident involvement. Social distancing and outbreak response procedures on active sites are now well-established and remain in place.

- 1.5 The modular housing programme is progressing well, with the first occupations having taken place in December 2020.

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 revised budget related to the Kingsway refurbishment scheme as detailed in 7.4.2, approval of which is being sought under the HRA Budget Setting Report (HSC Item 8, Section 5).
- 2.3 Note the revised budget related to the Tedder Way and Kendal Way schemes as detailed in Part 7.4.2, approval of which is being sought under the HRA Budget Setting Report (HSC Item 8, Section 5).
- 2.4 Approve the revisions to the proposed Scheme at Tedder Way as outlined in Part 7.4.2 and Appendix 3.
- 2.5 Approve the revisions to the proposed Scheme at Kendal Way as outlined in Part 7.4.2 and Appendix 3.

3. Background

- 3.1 This is a quarterly report showing progress against the Combined Authority target of 500 Council rented homes.

4. Combined Authority

- 4.1 The Council's housing programme is part funded by a £70million grant to date this has been paid via the Cambridgeshire & Peterborough Combined Authority in arrears.
- 4.2 Quarterly grant claims are made in arrears against the Devolution funding to the Combined Authority. There is £53,000,000 to be claimed from the Combined Authority with £31,867,733 claimed to date. A

further £17,000,000 was paid directly to the City Council from MHCLG for 2020/21, with £2,390,073 of this invested to date. Cambridge City Council anticipates drawing down / utilizing a further £9,822,869 by the end of the current financial year.

- 4.3 To date Cambridge City Council has drawn down / utilized a total of £34,257,806 of Devolution funding, with the remaining £35,742,194 due to be drawn down / utilized by financial year end 2023/24.
- 4.4 MHCLG and the Combined Authority remain in discussion around the target date for the starts on site for this programme along with their own £100m housing programme. We have been working to the March 2022 date not the March 2021 which has been suggested by MHCLG.

5. Delivery Programme

- 5.1 The delivery programme provided in June 2020 confirmed that the devolution programme consisted of 546 Council Homes.
There have been two revisions of this delivery figure:
 - 1) The September HSC Approval of the Colville Road Phase 3 Scheme has required the reduction of 2 Units at Colville Phase 2. This is toward enabling an improved design interface between the phases
 - 2) Revised developments are detailed within this reporting for both Tedder Way and Kendal Way, proposing delivery of these schemes as bespoke accessible units. This will require a reduction of 1 unit per scheme.
- 5.2 A further three schemes were approved by the Housing Scrutiny Committee in September on the basis of reducing the risks on the 500 programme/providing early sites under a new programme. The potential exists to consider rationalizing the split of schemes across the new programme and current 500 programme if necessary. It is always important to be overprogrammed to allow for slippage and manage risk.
- 5.3 Appendix 1 shows the current programme, indicating 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. 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 total starts on site currently stand at 370, or 74% of the total programme target of 500 Homes.
- 6.3 For the current 2020/21 financial year, the further starts on site are currently scheduled for January and March 2021 (142 new Council rented dwellings over three schemes), with which we will have exceeded the target 500 Starts on Site for the programme (512 new Council rented homes).
- 6.4 The programme currently targets working to Start on Site by 31 March 2022. There are continuing discussions with MHCLG to clarify programme expectations related completion dates. Further update on this matter will be reported in the next Update report to the Committee.
- 6.5 As below, the overall programme currently shows an outturn of 542 new homes commencing construction by March 2022.

Table 1: Start on Site Forecast Profile

Progress to 500 starts on site	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Starts by year	2	132	189	187	30	0
Cumulative total	2	134	323	510	542	542

7. Scheme details

7.1 Schemes Completed: Net gain 62 homes.

Scheme	Ward	Net Affordable	Total Homes	Delivery	Completion Date
Uphall Road	Romsey	2	2	E & F	<i>Jan-18</i>
Nuns Way & Wiles Close	Kings Hedges	10	10	Tender	<i>Aug-19</i>
Ditchburn Place Community Rooms	Petersfield	2	2	Tender	<i>Sep-19</i>
Queens Meadow	Cherry Hinton	2	2	CIP	<i>Jun-20</i>
Anstey Way	Trumpington	29	56	CIP	<i>Jun-20</i>
Colville Garages	Cherry Hinton	3	3	CIP	<i>Jul-20</i>
Gunhild Way	Queen Ediths	2	2	CIP	<i>Jul-20</i>
Wulfstan Way	Queen Ediths	3	3	CIP	<i>Sep-20</i>
Markham Close	Kings Hedges	5	5	CIP	<i>Sep-20</i>
Mill Rd (Partial)	Petersfield	4	23	CIP	<i>Dec-21</i>

7.2 Schemes on Site: Net gain 308 homes

7.2.1 Project updates

- 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. Current completion is envisioned to be December 2021. Handover of the first 4 completed affordable homes as well as 19 market sale homes have been completed. Further handovers are scheduled to commence from March 2021 onwards.
- 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 room will be provided. Construction started in December 2019 after demolition of the current buildings on site. Current completion is envisioned to be December 2022.



Cromwell Road, Nov 2020

- **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. Scheduled completion has been brought forward from May 2021 to early 2021. The HDA is currently compiling online-viewing videos to promote tenant interest in the properties. The objective is to use this as a pilot for future tenant engagement covering viewing as well as use-instruction videos.
- **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, with the existing community centre relocated to a temporary replacement facility on the same street. Current completion is envisioned to be July 2021.
- **Colville Road phase 2:** this regeneration scheme received planning permission in November 2019 and replaces 20 existing homes and will deliver a gain of 47 Council rented homes. Start on site commenced in December 2020, following COVID-related delays in obtaining vacant possession.



Colville Phase 2, Nov 2020; Primary School involvement and new temporary car park

7.3 Approved schemes; Nett gain 142 new homes

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

- **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. Enabling works started in December 2020 with the aim for the contract to be un-conditional once the 2 remaining residents move out. Both have agreed to move and have homes to go to, however there is a risk on vacant possession until they actually move.
- **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 committee approval for this scheme was granted in July 2020, and a current Start on Site is scheduled for January 2021, however this is dependent on finalisation of land transfer.
- **Meadows & Buchan:** These schemes, which comprise the development of a new community centre as well as improvements to open space, were approved by HSC in January 2019 and are expected to deliver 106 Council rented homes. The Resolution to grant planning was approved for The Meadows site on August 4th 2020 and Buchan Street August 5th 2020.

The Meadows site will provide 78 new one- and two-bedroom apartments for council rent and the Buchan Street site will see 28 one- and two-bedroom council rented flats built. Five of the flats across these schemes will be adapted for wheelchair users. The

Section 106 agreement has now been signed for the Meadows Centre and Start on Site is now forecast for March 2021. Signing of the Section 106 agreement for Buchan street is still awaited.

7.4 Revisions to Approved Schemes

7.4.1 Kingsway Medical Centre

7.4.1.1 Background

This scheme was being delivered by the City Council's Housing Maintenance & Assets team, providing four new Council rented homes through the conversion of a former surgery. Work on site commenced in November 2019, but has however been subject to significant delays due to issues raised with UK Power Network.

Following significant internal discussions and guidance from external consultants, it has now been agreed that this scheme be taken forward through the Housing Development Agency. Completion of the scheme is currently rescheduled for September 2021 but remains under review.

7.4.1.2 Budget Implications

Approval for the revised budget to bring forward this accessible refurbishment scheme is being sought in the separate Budget Setting Report to this Committee (HSC Item 8, Section 5).

The current Revised Budget for Kingsway stands at £554,000.00 (increased from the previously approved budget of £410,00.00).

7.4.2 Tedder and Kendal Way

7.4.2.1 Background

Kendal Way was approved by the HSC in March 2015 and received Planning Permission in February 2017 for the delivery of two new council homes. Following an unresolved boundary dispute with an adjacent landowner, Planning Permission has now lapsed.

Tedder Way was approved by the HSC in March 2015, with a planning application lodged in March 2017 for the development of two new council homes. It has since been subject to delay following an unresolved boundary issue.

Both of these schemes have been subject to internal review regarding avenues for proceeding with developments which will best utilise the respective sites.

7.4.2.2 Accessible housing need

An acute need has been identified for large family homes suitable for households on the housing register which include household members with disabilities who need wheelchair accessible homes. The need is set out at Appendix 3.

There is a limited number of homes suitable for adaptation for wheelchair users in existing Council stock.

Ward Members have been consulted and are supportive of the proposals.

7.4.2.3 Revised schemes

To respond to this need it is proposed to develop the sites at Kendal Way and Tedder Way to provide a single large family wheelchair accessible home on each site.

The reduced footprint compared to the previous schemes can be delivered within the area of land that is not affected by the boundary issues which have arisen. Discussions will take place with neighbours on this basis.

The properties are proposed as 3-bedroom, 5 person / 4-bedroom, 6 person units. Discussion is continuing with Housing Needs officers, Accessible Housing officers, and Occupational Therapists to agree a process through which allocations can be made, to determine the level of adaptation and the extent of tailoring to individual needs that will be achievable within the construction programme.

7.4.2.4 Budget Implications

Approval for the revised budgets to bring forward these accessible homes is being sought in the separate Budget Setting Report to this Committee (HSC Item 8, Section 5).

The current Revised Budget for Tedder Way stands at £506,000.00 (increased from the previously approved budget of £389,000.00)

The current Revised Budget for Tedder Way stands at £524,000.00 (increased from the previously approved budget of £374,0000.00)

7.5 Reserve Schemes

The following schemes have been Approved by the Housing Scrutiny Committee, and while they remain in principle earmarked for delivery under the new housing programme currently being developed by the Housing Development Agency, the potential exists to consider rationalising the split of schemes across the new programme and current 500 programme if necessary, to ensure successful delivery of the target 500 homes started on site by March 2022.

7.5.1 The Mews, Histon Road

This scheme of 27 units is being delivered by Laragh homes, with the Council purchase 7 of the 10 Affordable housing units approved by the HSC in September 2020. The scheme has planning approval and start on site anticipated by March 2021.

7.5.2 Colville Road Phase 3

This Scheme was approved by the HSC in September 2020 and is under development through CIP. It will provide and a total of 47 new units (replacing 16 existing homes and providing 31 net new council rented homes). The detailed Scheme proposal is currently being finalised for planning submission, expected to be lodged by March 2021.

7.5.3 L2 Orchard Park

This Scheme was approved by the HSC in September 2020 and is under development through CIP. It will provide and a total of 76 new units (30 new council rented homes and 46 Market sale homes). A planning application was submitted in August 2020 to S Cambs DC and Approval is awaited.

8 Update on the Modular Housing project

8.1 In January 2020 the Housing Scrutiny Committee delegated authority to the Strategic Director, in consultation with the Executive Councillor, to approve sites to develop as “pod” schemes in support of Hill’s Foundation200 modular housing project. Three small sites in Council ownership will be developed as housing for applicants on the housing register with a history of homelessness.

8.2 The first phase of the project will deliver 16 one-bedroom modular homes on Council land. All three sites have been selected on existing City Council garage blocks:

Northfield Avenue Garages – will deliver 6 modular homes. Planning permission was achieved in September 2020, however delays in gaining the discharge of planning conditions have delayed start on site here. This site will now likely complete in February 2021.

Dundee Close Garages – will deliver 4 modular homes. Planning permission was achieved in October 2020. The modular units have now been delivered to site and completion is forecast for December 2020.

Barnes Close Garages – will deliver 6 modular homes. Alterations have been made to the planning application in line with planners’ requirements and it is hoped planning permission will be achieved in January 2021, with completion before the close of March 2021.



Modular Homes at Dundee Close, Nov 2020

- 8.3 The Council has appointed Jimmy's Cambridge as the charity partner who will take on the housing management and ownership of the modular homes and work with the Housing Advice team to jointly allocate suitable residents to each scheme.
- 8.4 The HDA is continuing work with the Estate Regeneration Scheme (EIS) to ensure reprovision of parking facilities for communal use by residents in the vicinity of the modular homes.

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 27 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	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	5	2	3

9.4 A new M4(2) home at Queen's Meadow is in the process of being adapted to receive an accessible ground floor shower to suit the needs of the new tenant.

9.5 Approval for the delivery of bespoke accessible homes is currently being sought herein as a departure from the formerly approved housing schemes at Tedder Way and Kendal Way. This will provide an additional 2 accessible units to the programme, with these units being developed for use by families in need of larger accommodation.

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 Campkin Road (proposed) Meadows & Buchan (proposed)	19% reduction in carbon emissions	35%-40% reduction in emissions	<ul style="list-style-type: none"> • Fabric First • MVHR • Detailed assessments in progress

10.3 Detailed sustainability assessments have taken place in relation to Colville Road and Campkin Road where the following technologies will be employed: Communal Air Source Heat Pumps (ASHP), Solar PV and Thermal and waste water heat recovery. This should result in lower energy, carbon emissions and heating bills to a level comparable to a Passivhaus dwelling.

It is expected that the Meadows & Buchan development will attain a similar standard to Campkin and Colville using a similar range of

technologies. This will bring the three developments into close alignment with the proposed sustainability standards and roadmap in the updated Sustainable Housing Design Guide which is expected to be approved in this committee meeting.

11. Risks

Risk	Likelihood	Impact	Mitigation
Not achieving the 500 homes target	Low- current programme has 542 homes identified, with 74% of the target 500 homes having started on site. Furthermore, approval has been gained for additional schemes which remain in reserve should delays or disruption threaten successful delivery	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 in place. Strategy is to exceed target. All schemes have now secured a capital budget for delivery and updated in MTFS as required. In addition, the approved schemes at L2 Orchard Park and Colville Road Phase 3 will deliver further affordable homes as a contingency.
MHCLG – outcomes on agreement in respect of programme end date	Low – Current forecasts indicate exceeding the target of 500 New homes on site by March 2021	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	The programme currently targets working to Start on Site by 31 March 2022. There are continuing discussions with MHCLG to clarify programme completion date.
Cost increases on approved projects	High – Requested budget increases for respective schemes are sought in this reporting as outlined. Furthermore, risk remains of increased budget requirements due to COVID-related delays/ rescheduling.	Medium - depending on the extent of the additional cost this may be managed within scheme level contingencies approved in Budget Setting Report.	Cost plans are regularly reviewed and updated. Latest budgets reviewed as part of BSR. Regular updated risk management budgeting completed as part of Covid-19 risk work across the Council.

Planning	Low – two schemes of a combined 2 homes remain which require renewed planning applications and approvals.	Low - While planning needs to be achieved for schemes to be delivered, the 500-target has already been reached with a total of 540 now having obtained planning.	Review required on remaining 2 small sites requiring new planning applications.
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. Current circumstances may exacerbate such fluctuations or delay buyer activities in the short-medium term.	Medium – new homes are expensive but retain considerable inherent value and have uses other than market sale.	Mill road sales have launched regular reporting through CIP processes on sales. Strategy for Cromwell road in development. Regular updates received in the market for sales of these sites.
Decanting residents / leaseholders	Low– 2 remaining residents at Campkin have homes to move to and have agreed to move.	High – regeneration schemes will not be progressed if residents are not decanted.	Decant and rehousing officer regularly liaising with remaining residents to ensure vacant possession

12. Implications

(A) Financial Implications

The Devolution Housing Grant and Right to Buy Receipts are the main source of funding for schemes in the current 500 Programme that progress into development. However, the sources of funding for each new housing scheme are laid out when a detailed report for that scheme is brought to the HSC.

Currently the 500 Programme has a total cost to date, or approved HRA budget going forward, of £140,570,014, including some re-provision of existing dwellings.

This is funded through four avenues:

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

The general fund has also supported the delivery of the programme through its investments through the Cambridge Investment partnership at Mill Road and Cromwell Road.

(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) 24/09/2020 HSC Programme report

14. Appendices

- (a) Appendix 1: Programme milestone summary
- (b) Appendix 2: Programme finance summary
- (c) Appendix 3: Development Need – Tedder Way and Kendal Way

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.