

Item

Combined Council Housing Delivery Update Report

To:

Councillor Richard Johnson, Executive Councillor for Housing
Housing Scrutiny Committee 16/03/2020

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 by March 2022 with funding from the Combined Authority, along with the new programme work for 2022-2032.
- 1.2** 130 Homes have now been completed across 11 sites under the City Council programme, with 75 being net new Council homes.
- 1.3** The Council currently has 451 new Council rented homes being built on site, with a further 16 Starts to fall within 2021/2022 under the current programme.
- 1.4** The HDA has thus reached 526 recorded Starts on site and has successfully met and exceeded the 500 homes target. (105.2% of target).

- 1.5** The Sustainable Housing Design Guide principles were approved by HSC in January 2021 and are now adopted for the new programme. The updated guide will be published on the City Councils website.

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 work undertaken to date toward development of the new housing programme for 2022-2032.

3. Background

- 3.1** This is a quarterly report showing progress on the City Councils Development programme ambitions.

4. Combined Authority

- 4.1** The Council's housing programme is part funded by a £70 million grant, which to date has been paid via the Cambridgeshire & Peterborough Combined Authority in arrears, with the exception of a direct advance payment of £17,000,000 from MHCLG in March 2020.
- 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 £28,208,605 claimed to date. Of the £17,000,000 that was paid directly to the City Council from MHCLG for 2020/21, £9,644,361 has been invested to date. Cambridge City Council anticipates drawing down / utilizing a further £6,228,232 by the end of the current financial year.
- 4.3** To date Cambridge City Council has drawn down / utilized a total of £37,852,966 of Devolution funding, with the remaining £32,147,034 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 keeping MHCLG up to date

with our progress which based on current projections will meet the 2021 date.

5. Delivery Programme

- 5.1** The delivery programme update provided in January 2021 confirmed that the devolution programme consisted of 542 Council Homes.
- 5.2** 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 526, or 105.2% of the total programme target of 500 homes, ahead of the targeted deadline of 31 March 2022.
- 6.3** The combined Authority continue to hold discussions with MHCLG to clarify programme expectations related to completion dates, however as we have now met our target this no longer affects the Council.
- 6.4** 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	159	162	203	16	0
Cumulative total	2	161	323	526	542	542

7. Scheme details

7.1 Schemes Completed: Net gain 75 Affordable homes.

Ventress Close has successfully handed over through January and February 2021 and is now included in the List of completed schemes below.

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>
Ventress Close	Queen Ediths	13	15	CIP	<i>Feb-20</i>
Mill Rd (Partial)	Petersfield	4	26	CIP	<i>Dec-21</i>



Ventress Close, February 2021

7.2 Schemes on Site: Net gain 451 Council 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 26 market sale homes have been completed. Further handovers are scheduled to commence from April 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, January 2021.

- **Akeman Street:** This estate regeneration scheme replaces 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, delivering a net gain of 47 Council rented homes. Start on site commenced in December 2020. Completion is scheduled for April 2022.

- **Meadows and Buchan:** The Meadows site will provide 78 new one- and two-bedroom apartments for council rent, with five of the flats across the Meadows and Buchan Street schemes to be adapted for wheelchair users. This scheme will comprise the development of a new community hub as well as improvements to open space. Start on Site was achieved in February 2021 through the signing of the build contract, and the main works will commence in March 2021.

Buchan Street site will see 28 one- and two-bedroom council rented flats and two commercial units built. This site will be progressed in conjunction with the Meadows Scheme, ensuring that Community facilities are available between the two sites throughout the development process.

- **Kingsway Medical Centre:** 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 been put on hold following a fire in the flat above.

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. Work onsite has temporarily ceased to allow for structural works to make safe the fire-stricken flats above (following damage during an unrelated incident). These remedial works are programmed to finish in September 2021, at which point recommencement of the Kingsway Medical Centre scheme is planned.

- **Campkin Road:** This scheme will replace four existing Council blocks at Campkin Road with a modern scheme, increasing the Council's housing stock by 50 homes. Enabling works started in December 2020, while work undertaken to support the successful decanting of final residents was progressed through early 2021. Vacant Possession and Start on Site has now been achieved.

7.3 Approved schemes; Nett gain 14 new homes

7.3.1 Schemes with planning permission:

- **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 April 2021, however this is dependent on finalisation of land transfer.

7.3.2 Schemes awaiting planning approval:

- **Tedder and Kendal Way:** Revised Schemes for Tedder and Kendal Way were Approved in the January 2021 HSC. Due to site constraints, the schemes now propose a 4-bed bungalow on Tedder Way and a 3-bed bungalow at Kendal Way, suitable specifically for families with disabled family members. Architects and an Employer's Agent have been appointed, with a view to planning applications being made in June 2021 for Tedder Way and in August 2021 for Kendal Way.

7.4 Reserve Schemes

- **The Mews, Histon Road:** This scheme of 27 units is being delivered by Laragh homes, with the Council's 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 April 2021.
- **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 48 new units (replacing 16 existing homes and providing 33 net new council rented homes). The detailed Scheme proposal is currently being finalised for planning submission, expected to be lodged by March 2021.
- **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 Good progress has been made on the modular housing project, with two of the three schemes complete at time of writing and handed over to Jimmy’s. Jimmy’s staff have been working with the Council and Hill, to ensure that residents are fully settled in their new homes, and that any problems with the accommodation are resolved swiftly. Jimmy’s team has been integrated into the snagging reporting procedure currently used by the Council and Hill to ensure that performance on maintenance issues is tracked.

8.3 East Chesterton

This site, of four modular homes, was handed over to Jimmy’s in December 2020 and has been fully tenanted since that time.

Maintenance and repair issues that have been reported by residents so far have been resolved by Jimmy’s in collaboration with Hill. Following the public consultation during the planning process, the Council has appointed a contractor to carry out improvements to the parking area in Dundee Close. Work has already commenced and will reprovide parking capacity in the close.

Asked how the first two months of occupation had gone so far, one of the residents at this scheme said *“I’m loving my new place, it’s perfect for me and I’m enjoying having my own space. I feel lucky and am really grateful for this opportunity”*.

8.4 King’s Hedges

This site, of six modular homes, completed construction in the last week of February 2021 and has been successfully handed over to Jimmy’s. It is now fully tenanted.

8.5 Abbey

This site, delivering six modular homes, was granted planning permission at the start of February 2021. The project team is currently working to discharge pre-commencement planning conditions and is forecast to start on site by the end of March 2021. The completed scheme will be handed over in the first quarter of financial year 2021-22.

9. Work toward development of the New Council Housing Programme

9.1 Opportunities for new housing sites

Work is progressing to identify further opportunities for this programme along with the funding required (subsidy) to deliver this programme – as per the assumptions in the MTFS September 2020. Discussions are underway with the Combined Authority, MHCLG and Homes England.

9.2 Approved Schemes - Passivhaus Scheme Package

Fen Road, Ditton Walk, Aragon Close, Sackville Close,

Borrowdale: This package proposes 35 dwellings across five sites as a first step in delivering homes designed using Passivhaus principles.

This is an important pilot project to further the Council's understanding of Passivhaus development as a step towards Net Zero Carbon. Homes will be owned and managed by Cambridge City Council and let on Cambridge City Council tenancies. The HSC provided Approval for this Package of Schemes in September 2020.

The Fen Road (12 Units, including two M4(3) Accessible Unit) and Ditton walk (6 Units) Schemes have been submitted for Planning Approval in February 2021, with a decision expected by July 2021.

For the schemes at Aragon Close (7 Units), Sackville Close (7 Units) and Borrowdale (3 Units) it is expected that planning applications will be submitted in May 2021.

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 29 fully adapted wheelchair user dwellings planned in the 500 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 exceeded.

10.3 A further 4 fully adapted units are currently identified for provision under the reserve and new programme schemes (at Colville Road Ph3 and Fen Road).

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)	Total 3 bed M4(3)	Total 4 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		
Tedder Way	1	1				1
Kendal Way	1	1				1
Colville Road Ph 3	48	2		2		
Passivhaus Package	35	2			1	1

10.4 A further M4(2) home at Queen's Meadow has been adapted to receive an accessible ground floor shower to suit the needs of the new tenant.

11. Sustainability

11.1 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).

11.2 The Council's Approved schemes have to date met or exceeded the Sustainable Housing Design Guide (part of the 2018 Cambridge Local Plan) and the draft Greater Cambridge Sustainable Design and Construction SPD. This has been reported to date in both scheme-specific and programme update reporting to the HSC.

11.3 The updated Sustainable Housing Design Guide approved by the HSC in January 2021 provides guidance on the roadmap to Net Zero Carbon. This is being utilized for the Passivhaus pilot sites detailed in section 9.

12. Risks

Risk	Likelihood	Impact	Mitigation
MHCLG – outcomes on agreement in respect of programme end date	None – The target of 500 New homes on site by end-March 2021 has now been met and exceeded	Low- 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 2021. The target has now been met.
Cost increases on approved projects	Med– Risk remains of increased budget requirements due to COVID-related delays/ rescheduling or Brexit-related cost increases.	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 consistently reviewed as part of BSR. Regular updated risk management budgeting completed as part of Covid-19 risk work across the Council.

Securing Planning	Low – schemes have been worked up with planners through the pre-application process and meet or exceed the Councils policies.	Med- not securing planning would cause delays and increase costs for a revised application.	Use of pre-apps in the pre planning stages.
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 and Cromwell Road sales have launched regular reporting through CIP processes on sales. Regular updates received in the market for sales of these sites.
Decanting residents / leaseholders	None – Full decant of schemes within the 500 programme has now been reached. The decant of the further scheme (as reserve) at Colville Road phase 3 is on-going and currently not time critical.	High – regeneration schemes will not be progressed if residents are not decanted.	Decant and rehousing officer regularly liaising with residents requiring decanting to ensure successful rehoming.
Not securing necessary grant for new schemes	Med- there is currently no funding secured for the new programme other than that committed by the Council. The business plan for the MTFS assumed grant.	Med- if grant is not secured or at a lower level the business plan may need to be reviewed and the level of housing delivered may need to change.	There is opportunity for funding to support affordable housing- having a track record and schemes we can deliver puts the City Council in a good place to secure this. There is ongoing dialogue with funding agencies.

13. 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. The general fund has further assisted in the development of the Meadows and Buchan schemes, through enabling of land supply and re-provision of community facilities for the duration of on-site activities.

The assumptions for the new housing programme have been included within the January 2021 budget setting report and September 2020 MTFS. Dialogue is ongoing with funding agencies to enable the council to meet the proposed level of housing delivery.

(B) Staffing Implications

All housing development schemes 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. A large proportion of the schemes are being delivered through the Cambridge Investment Partnership which provides additional resources.

(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. A Revised EQIA to inform the Envisaged New Programme is under review.

(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.

14. Background papers

Background papers used in the preparation of this report:

- a) 19/01/2021 HSC Programme report
- b) 19/01/2021 HSC Update report on work toward new housing Programme

15. Appendices

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

16. 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.