

Item

Update on new build council housing delivery



To:

Councillor Gerri Bird, Executive Councillor for Housing
Housing Scrutiny Committee 22/09/2022

Report by:

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Wards affected:

All

1.. Executive Summary

- 1.1. This report provides an update on the housing development programme.
- 1.2. 363 homes have been completed across 13 sites under the City Council programme, with 166 being net new Council homes – see 6.1. An additional 16 modular “pod” homes have been completed across 3 sites.
- 1.3. The Council currently has 422 net new Council rented homes being built on site – see 6.2.
- 1.4. Following the adoption of a varied rent policy at the June meeting of this Committee we now report the new 1,000 homes programme as delivering 272 net new homes into Council stock, with 117 of these net units being delivered at Social rent or 60% of market rent and counting toward the target of 1,000 net new homes by 2032.
- 1.5. We can now confirm additional grant funding through Homes England’s Continuous Market Engagement has been secured for the housing schemes at Colville Road Phase 3, Fen Rd, Ditton Fields, and Borrowdale. Allocation of this Grant has validated the decision to proceed with these schemes in lieu of certainty on grant allocation, taken by this Committee in June 2022.

- 1.6. Following detailed design work underway for the garage redevelopment scheme at Paget Road, an updated unit mix is now indicating a reduction in homes to be delivered at this site to 4. These are indicatively progressing as 4x 3-bedroom 5 person homes.
- 1.7. Delegated Authority to purchase a property at St Thomas Road has been approved to allow widening of the access to the site identified as a requirement for redevelopment. A revision to the approved budget is requested in line with this amendment.
- 1.8. Council officers have identified an error in the leasehold data used to apportion the budget for the Fanshawe Road redevelopment, where an incorrect mix of 1- and 2-bedroom leasehold properties was indicated. This has an impact on available budget for decanting of the estate, and it is therefore requested that the Approved budget be increased.
- 1.9. There is a concerted move toward streamlining statutory reporting which takes up significant time at Committee meetings, and reassessment of the delivery route for these regular programme updates has been identified as a means of shortening committee agendas whilst still providing key data in an appropriate format.
- 1.10. This report therefore includes a recommendation to move this general update to an online reporting platform rather than in formal committee papers. While the exact format remains to be identified, these updates will be in an accessible format and published at a similar frequency as reports currently presented to this committee.

2.. Recommendations

The Executive Councillor for Housing is recommended to:

- 2.1. Note the continued progress on the delivery of the approved housing programme.
- 2.2. Note the further review of budget and housing mix required to be undertaken at St Thomas Road, with a further update to be brought to the Committee as design work progresses.

- 2.3. Approve changes to the Budgets for St Thomas Road as outlined in part 6.6, with the revised budgets to be incorporated as part of the HRA MTFs in September 2022 for the delivery of 4 net new homes.
- 2.4. Note the revised housing delivery and amended rental regime at Paget Street, revised to the development of 4x 3-bedroom homes within the approved budget.
- 2.5. Approve changes to the Budgets for Fanshawe Road as outlined in part 6.7, with the revised budgets to be incorporated as part of the HRA MTFs in September 2022 for the delivery of 4 net homes
- 2.6. Approve that the update information in this report will in future be published on the Council website, rather than in committee papers. These updates will be in an accessible format and published at a similar frequency as reports currently presented to this committee. This change is in line with best practice in the sector and will make the information more widely accessible to the public as well as to all Councillors. Members of this committee will be alerted when updates are published on the Council's website [and will be able to raise questions about them directly with officers or at committee meetings].

3.. Reporting

- 3.1. This is a regular quarterly report showing progress on the City Council's new housing developments.
- 3.2. There is a concerted move toward streamlining statutory reporting which takes up significant time at Committee meetings, and reassessment of the delivery route for these regular programme updates has been identified as a means of shortening committee agendas whilst still providing key data in an appropriate format.
- 3.3. This is in line with changes across the sector, with the aim to ensure that Committees are focused on their core objective of scrutinizing decisions rather than reviewing information on approved projects.
- 3.4. We remain with the primary focus in mind that key information on approved housing schemes needs to be freely available and easily accessible to Members and the public to ensure full transparency, and to promote involvement in the programme from all parties.

- 3.5. It is therefore recommended that the update information in this report in future be published on the Council website, rather than in formal committee papers. While the exact format remains to be identified, these updates will be in an accessible format and published at a similar frequency as reports currently presented to this committee. This online reporting will include all key reporting metrics which have been reported to this committee to date.
- 3.6. This change is in line with best practice in the sector and will aid in making the information more widely and more easily accessible to the public as well as to all Councillors. Members of this committee will be alerted when updates are published on the Council's website [and will be able to raise questions about them directly with officers or at committee meetings.

4.. Delivery Programme

4.1. The current delivery programme confirms

4.1.1.the 500 devolution programme consisting of 538 net affordable homes,

4.1.2.the 1,000 Homes development programme consisting of 346 homes, with breakdowns as below:

500 Homes Programme	Completed	On site	Approved	Totals
Total Homes	363	565	2	930
Replacement homes	-31	-45	0	-76
Market Sale	-166	-150	0	-316
Net new Affordable HRA homes	166	370	2	538
% of target				108%

1000 Homes Programme	Completed	On site	Approved	Totals
Total Homes	0	97	246	343
Replacement homes	0	0	71	71
Intermediate (80% of market rents)	0	45	110	155
Market Sale	0	0	0	0
Net new Affordable HRA homes	0	52	65	117
% of target				12%

Modular Homes Project	Completed	On site	Approved	Totals
Total Homes	16	0	0	16
Replacement homes	0	0	0	0
Market Sale	0	0	0	0
Net new HRA homes	16	0	0	16

- 4.2. Appendix 1 shows the current programme, indicating total housing provided per scheme as well as the net gain of Council homes. The Report to this Committee on the Mid Term Financial Statement includes all financial information for respective scheme budgets and net cost to the Council's Housing Revenue account.

5.. Profile of Start on Sites

- 5.1. The start on site profile for the 500-devolution programme is shown in table 1. The total starts on site currently stand at 536, i.e. 107% of the total programme target of 500 homes.
- 5.2. The new 1000 homes programme is progressing well. Following the June 2022 adoption of a revision to the Rent Setting Policy, 272 net new council homes have been approved by the Executive Councillor, with 117 of these being delivered at Social rents or at a rent set at 60% of market rent and counting to toward the 1,000 homes target.
- 5.3. A further report on a proposed redevelopment opportunity at East Barnwell is being brought forward for consideration at this Committee meeting under separate Agenda Items.

Table 1: Start on Site Forecast Profiles

500 Programme

Progress to 500 starts on site	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Starts by year	2	159	158	203	14	1	1
Cumulative total	2	161	319	522	536	537	537

1000 Programme

Progress to 1000 starts on site	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Starts by year	10	67	40	0	0	0	0	0
Cumulative total	10	77	117	117	117	117	117	117

6.. Scheme details

6.1. Schemes Completed:

Scheme	Ward	Net Affordable	Total affordable Homes	Sale	Delivery	Completion Date
Uphall Road	Romsey	2	2	0	E & F	Jan-18

Nuns Way & Wiles Close	Kings Hedges	10	10	0	Tender	Aug-19
Ditchburn Place Community Rooms	Petersfield	2	2	0	Tender	Sep-19
Queens Meadow	Cherry Hinton	2	2	0	CIP	Jun-20
Anstey Way	Trumpington	29	56	0	CIP	Jun-20
Colville Garages	Cherry Hinton	3	3	0	CIP	Jul-20
Gunhild Way	Queen Ediths	2	2	0	CIP	Jul-20
Wulfstan Way	Queen Ediths	3	3	0	CIP	Sep-20
Markham Close	Kings Hedges	5	5	0	CIP	Sep-20
Ventress Close	Queen Ediths	13	15	0	CIP	Feb-21
Akeman Street	Arbury	12	14	0	CIP	Jun-21
Mill Rd (Partial)	Petersfield	55	55	62	CIP	In Progress
Cromwell Road (Partial)	Romsey	28	28	104	CIP	In Progress
Total		166	197	363		

6.2. Schemes on Site:

6.2.1. Industry-wide issues affecting both cost and delivery due to labour and materials shortages remain a risk to overall delivery. These factors remain closely monitored with mitigation measures in place.

6.2.2. The latest handover schedule for 22/23 is shown in attached Appendix 1, Table 3.

Scheme Name	Social, LHA and 60% of Market rent	80% Market Rent	Market Sale	Replacement	Practical Completion	Programme status
Mill Road	63	0	56	0	Dec-22	Handover dates reforecast but remain subject to change.
Cromwell Road	90	0	73	0	Feb-23	Handover dates reforecast but remain subject to change.
Colville Phase 2	47	0	0	20	Oct-22	Scheme currently on target.
Meadows and Buchan	106	0	0	0	Aug-24	Progressing to programme currently. First handovers late 2022.
Campkin Road	50	0	0	25	Apr-23	Scheme remains as programmed
Clerk Maxwell Road	14	0	25	0	Mar-23	Timeline for March 2023 completion remains as forecast
L2 Orchard Park	30	45	0	0	Sep-23	Additional unit acquisition agreed. Scheme currently on target
The Mews, Histon Road	10	0	0	0	Jan-23	Nearing completion with handovers

						forecast to be completed by Jan-23
Fen Road - PHPP	12	0	0	0	Nov-23	Start on Site reached August 2022.
Total	422	45	154			

6.3. Approved schemes;

Scheme Name	Social, LHA and 60% of Market rent	80% Market Rent	Market Sale	Replacement	Start on Site	Programme status
Kendal Way	1	0	0	0	Jan-22	Planning Approval received June 2022
Tedder Way	1	0	0	0	Apr-22	Planning committee date forecast for Oct-22
Colville Road Phase 3	32	16	0	16	Sep-22	Contract signed and Planning conditions being signed off ahead of Start on Site. Site now fully decanted. Funding secured.
Ditton Fields - PHPP	6	0	0	0	Sep-22	Contract signed and Planning conditions being signed off ahead of Start on Site. Funding secured
Aragon Close - PHPP	0	7	0	0	Apr-23	Planning Committee Decision delayed, now forecast for October 2022
Sackville Close - PHPP	0	7	0	0	Apr-23	Planning Committee Decision delayed, now forecast for October 2022
Borrowdale - PHPP	3	0	0	0	Oct-22	Contract signed and Planning conditions being signed off ahead of Start on Site. Funding secured
Aylesborough Close Phase 2 - PHPP	41	29	0	33	Apr-23	Planning Committee Decision delayed, now forecast for October 2022
Paget Rd - ERDF Net Zero	2	2	0	0	Apr-23	Revised unit mix detailed in Part 6.5
St Thomas Rd - ERDF Net Zero	8	0	0	0	Jul-23	Scheme details remain under review through design process
Fanshawe Road -	44	49	0	22	Oct-23	Decanting of tenants underway. Detailed design in process with planning submission

						forecast for December 2022
Total	138	110	0	71		

Amendments to Approved Schemes

6.4. St Thomas and Paget Rd garage sites

6.4.1. As reported to the June meeting of this Committee, the budget amount and overall apportionment for the two schemes at St Thomas and Paget Street has been revised in line with detailed planning work undertaken.

6.4.2. It has been confirmed that anticipated gap funding to cover the increased costs of delivering these two schemes to net zero has not been secured. This has significant cost implications which need to be considered in the below summary of amendments, made in line with ensuring that these schemes remain financially viable. Submission of bids for funding through Homes England's CME programme remains envisioned in line with the scheme by scheme bid submissions being progressed.

6.4.3. While much headway has been made, this design work has indicated further variance required to the approved budgets and details of these housing schemes as set out below:

6.5. Paget road

6.5.1. Detailed design at Paget Road has indicated a revised unit mix, delivering 4 houses, a reduction of 3 units against the original proposal.

6.5.2. These are however larger homes than originally anticipated and are indicatively progressing as 4x 3-bedroom 5-person homes. As at March 2022 there are 321 households on the Housing registered eligible for 3-bedroom homes, and the ability to deliver these larger houses is key in addressing this need.

6.5.3. Delivering 3-bedroom and larger homes on flatted development schemes/regeneration schemes which face significant decant and buyback costs, while maintaining financial viability, is a significant challenge to the Council. Targeting these larger homes where these

can be most favorably delivered is an important factor in the review of this scheme.

6.5.4. In line with the revised variable rental regime adopted for the programme in the June meeting of this Committee, it is revised that this scheme be delivered with 2 units at Social rents, and 2 units at 80% of market rent, rather than at a median rent of 60% of market as originally proposed.

6.5.5. It remains forecast that these homes can be delivered to net zero standard within the approved budget.

6.6. St Thomas Road

6.6.1. It became evident through the design process and consultation with the Highways Authority that to allow redevelopment, the existing access to this site required significant widening.

6.6.2. Council officers have been engaging with the owners of the property adjacent to the access road at 8 St Thomas Road, and following negotiations a purchase of this property by the council has been agreed through Delegated Authority.

6.6.3. While this is being purchased as a 4-bedroom home, the site redevelopment will require removal of a southern 1-bedroom extension and the incorporation of a portion of the garden into the proposed development.

6.6.4. It is not expected that this property should remain within Council stock, but that the home would be resold on the open market as a 3-bedroom home to return a capital receipt to the Council.

6.6.5. The Committee is requested at this time to approval an increase to the approved budget by £848,000 to £2,953,000 to account for this acquisition and associated costs.

6.6.6. It is additionally important to note that design work continues to ensure that unit size and housing mix most appropriate to this site will be delivered. A revision of housing delivery at this site to accommodate 11 homes was identified in the Report to this committee in June 2022 and work remains in progress to investigate whether this number of homes may be achievable against the original target of 8 homes.

6.6.7. Work additionally continues to ensure that sustainability standards to be delivered (in line with the approval of this site as a net zero pilot site) can be delivered viably. Any further revisions to this delivery scheme will be reported to this committee as work progresses.

6.7. Fanshawe Road

6.7.1. The decant buyback budget for leasehold properties at Fanshawe was set based on figures from E&F's Codeman system. This advised that there are 5 x 1 bed and 5 x 2 beds. The internal Orchard system does not hold information on Leasehold properties in this regard.

6.7.2. The first valuations have come back and it has become apparent that all the Leasehold properties are 2 bedroom homes. This means that there is currently a shortfall in the approved budget, with 5 indicating a differential of £120k-130k each due to this size variance.

6.7.3. It is therefore requested that the Approved budget be increased to £28,578,000.00 to account for this additional cost. This is an increase of £640,000.00 against the budget as approved by this committee in June 2022 and covers the additional associated costs of the increased property values expected.

7.. Update on the Modular Housing project

7.1. As at July 2021, 16 modular homes have now been completed through work conducted by the HDA and Hill Partnerships Foundation 200 programme.

7.2. Council Officers continue to work with It Takes a City to identify potentially suitable sites for further modular home delivery, utilizing their expert understanding of site requirements which will deliver success long term accommodation.

7.3. It is hoped that this workstream will be progressed and that consultation with interested parties will be undertaken across the remainder of the year, as staffing capacity allows.

8.. New Programme Funding

- 8.1. On the basis of the revised rental mix as adopted in June 2022, Homes England have confirmed further grant allocations for the affordable housing schemes at Colville Road Phase 3, Fen Road, Ditton Fields and Borrowdale.
- 8.2. This additional funding falls within the Grant Agreement with Homes England as signed for the 21-26 HE Affordable Homes Programme for Continuous Market Engagement.
- 8.3. Allocation of this Grant has validated the decision to proceed with these schemes in lieu of certainty on grant allocation, taken by this Committee in June 2022, and provides valuable certainty on delivery viability across the new housing programme.
- 8.4. Further submissions for grant funding will be submitted to Homes England as additional schemes receive Resolution to Grant Planning. Forthcoming bids include Aragon Close, Sackville Close, and Aylesborough Close Phase 2, with these schemes expected to proceed for planning approval consideration in October 2022.
- 8.5. A Bid for infrastructure funding has been submitted to One Public Estate to support demolition and infrastructure costs at the 100% affordable housing scheme at Aylesborough Close Phase 2.
- 8.6. A decision by OPE is expected to be made by October 2022, and this Committee will be updated on the outcomes. This funding does not exclude this scheme from eligibility for funding through Homes England's CME programme as envisaged.

9.. Opportunities for new housing sites

- 9.1. A Detailed reports covering East Barnwell is being brought to this meeting of the Committee, inclusive of an update on the work being undertaken at Ekin Road.

9.2. Hanover and princess Court

- 9.2.1. At the HSC in January 2022 the Executive Councillor also approved the development of a project plan for appraisal work on Hanover and Princess Courts including the development of plans for communication and engagement with residents and owners and associated parties.
- 9.2.2. The option to retain the site is being considered in terms of:

- maintain as existing;
- maintain as existing and improve / retrofit;

9.2.3. The option to redevelop the site is subject to analysis of constraints, pre-planning consultation and design development. Currently it is expected that redevelopment would replace the existing number of Affordable homes on the site with no net gain.

9.2.4. Resident engagement is being undertaken through:

- Letters to residents
- Drop-in sessions
- Direct engagement with individual residents
- On-line feedback opportunities
- Two steering group meetings
- Further consultation events

9.2.5. The drop-in sessions have been successful. Direct engagement has been very successful – there has been contact with residents of 94 of the flats. The take-up of the steering group has been low and it was agreed to follow up the very successful event in November 2021 with further events of a similar kind. There were further events in August and at the beginning of September. Survey responses were significantly reduced – in large part reflecting departures from the estate – and broadly confirmed the picture of a majority supporting redevelopment but a significant minority opposed. Feedback from Consultation is attached as Appendix 2.

9.2.6. While it was anticipated that a full report on the options appraisal be submitted for this Committee Cycle, the decision has been taken to withdraw the item, to allow for further time to receive and collate responses and to allow further detailed consideration work. This work thus remains in progress and a full report on the options appraisal and final recommendations will be brought to a future meeting of this Committee.

9.2.7. While a final outcome is awaited, a budget allocation has been earmarked within the HRA MTFS being submitted to this Committee

meeting to allow for meeting the highest possible cost implication of regeneration of this site, being the redevelopment option.

- 9.2.8. To date, 62 existing tenants have registered on Homelink and 29 of these have moved from the estate. A further 15 tenants have moves agreed in principle to either existing Council properties or to the new developments.
- 9.2.9. In terms of leaseholders, we have received instruction from 11 (8 non-resident, 3 resident) to organize a valuation of their property with a view to surrendering their leases. We have completed 3 surrenders and 8 are currently in process.

9.3. Garage Block – corner of East Road and St Matthews

- 9.3.1. Following a partial collapse due to high winds in February 2022, demolition of the block of 116 individually let garages was instructed due to the building becoming unsafe. Demolition work began in March with initial works carried out to remove the eight affected garages, followed by the removal of all vehicles and stored items.
- 9.3.2. The garage block has now been demolished in its entirety and utilities disconnected. Arrangements are in place for the site to be left vacant and secured as of week 8th August.
- 9.3.3. Alongside the above, design work for the site is ongoing and it is expected that a further update and application for funding will be made at the January meeting of the HSC. Ahead of that date there will be extensive public consultation within the surrounding estate, as it is hoped that redevelopment of the garage site will form part of a wider programme of estate improvements.
- 9.4. The Council through the Cambridge Investment Partnership Joint Venture with Hill continue to investigate opportunities for purchase of external development sites.
- 9.5. A decision to approve the purchase of a land parcel for development was approved by the Strategy and Resources Committee in June 2022 and is in process.

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). Some of the developments attained planning on the pre-2018 local plan but the designs were changed to ensure M4(2) was adhered to and an enhanced M4(2) was also provided.

10.2. There are currently 34 fully adapted wheelchair user dwellings and 5 enhanced M4(2) adapted homes held within the HSC-approved delivery schemes as per below:

Table 2: Wheelchair user homes

	Total Council rented homes (at least 100% M4 (2) wheelchair adaptable)	Of which M4 (3) wheelchair user homes	Of which Enhanced (M4(2) 1 bed	Total 1 bed M4 (3)	Total 2 bed M4(3)	Total 3 bed M4(3)	Total 4 bed M4(3)
500 programme							
Mill Road phases 1 & 2	118	3	5	3	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	
Clerk Maxwell*1	14	0					
1000 programme							
L2 Orchard Park*2	73						
Colville Road Phase 3	48	2			2		
Histon Road*1	10						
Fen Road - PHPP	12	2				1	1
Ditton Fields - PHPP	6						
Aragon Close - PHPP	7						
Sackville Close - PHPP	7						
Borrowdale - PHPP	3						
Aylesborough Close Phase 2 - PHPP	70	3		2	1		
Paget Rd - ERDF Net Zero	4	0					
St Thomas Rd - ERDF Net Zero	8	TBD		TBD	TBD	TBD	TBD
Fanshawe Road	93	TBD		TBD	TBD	TBD	TBD
TOTAL	899	34	5	15	15	2	2

*1: S106 acquisition

*2: South Cambridgeshire; 2x homes proposed originally for market sale do not conform to M4(2)

11.. Sustainability

11.1. The Council's 2021 Sustainable Housing Design Guide continues to guide all new schemes and the table below confirms that all schemes apart from one significantly exceed current Local Plan policy requirements. Histon Road which meets the Local Plan is an off the shelf s106 scheme not designed by the council.

11.2. Progress against the proposed standard stated in the HSC reports is very encouraging with most targets on track. At Paget Rd and St Thomas's Road developments the design team continue to investigate the feasibility of delivery to net zero.

11.3. The council now has 213 homes in development which are targeting Passivhaus or equivalent performance levels.

	Development targets									
	HSC target					Progress to date				
	Energy	Carbon	Water	Bio-diversity	Car park ratios	Energy	Carbon	Water	Bio-diversity	Car park ratios
<i>What is it?</i>	<i>Energy per m²</i>	<i>Carbon Emissions below 2013 building regs</i>	<i>Litres per person per day</i>	<i>% uplift</i>	<i>No. of car bays per home</i>	<i>Energy per m²</i>	<i>Carbon Emissions below 2013 building regs</i>	<i>Litres per person per day</i>	<i>% uplift</i>	<i>No. of car bays per home</i>
Scheme										
L2	45	35%-40%	110	0%	0.34	45	35%-40%	110	0%-10%	0.34
Colville Road Phase 3	45	35%-40%	100-110	10%	0.5	45	35%-40%	100-110	10%	0.5
Mews Histon Rd	65	19%	110	n/a	0.7	65	19%	110	n/a	0.7
Fen Road	28	35%-40%	100	10%	1	28	35%-40%	100	10%	0.9
Ditton Fields	28	35%-40%	100	10%	1	28	35%-40%	100	10%	1
Aragon Close	28	35%-40%	100	10%	1	28-35	35%-40%	100	20%	1
Sackville Close	28	35%-40%	100	10%	1	28-35	35%-40%	100	20%	1
Borrowdale	28	35%-40%	100	10%	0.66	28	35%-40%	100	10%	0.66
Aylesborough	28	35%-40%	90	20%	0.5 or less	28-35	35%-40%	90-100	20% some offsite	0.4
Paget Road (Net Zero)	15	100%	80	20%	0.5 or less	15-28	50%-100%	90	20% some offsite	0.5-0.6
St Thomas Road (Net Zero)	15	100%	80	20%	0.5 or less	15-28	50%-100%	90	20% some offsite	0.5-0.6

Fanshawe	28	35%-40%	90	20%	0.5 or less	TBD	TBD	TBD	TBD	TBD
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Current 2018 Cambridge Local Plan minimum target	65	19%	110	10%	n/a
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12.. Risks

Risk	Likelihood	Impact	Mitigation
Cost increases on approved projects	Medium– Risk remains of increased budget requirements due to COVID-related delays/ rescheduling or Brexit-related cost increases and now supply chain cost increases. Delays on SOS due to funding uncertainties increase potential for risk	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, and contracts are fixed price to the council. Latest budgets consistently reviewed as part of BSR. Regular updated risk management budgeting completed as part of risk reviews work across the Council. Supply chain and materials concerns under close monitoring. Committee approval to progress schemes ahead of firm grant certainty mitigates cost increases ahead of entering into build contracts.
Securing Planning on new schemes	Medium – Schemes are developed with planners through the pre-application process and meet or exceed the Councils policies and risk in this regard I slow. However risks of delays in obtaining Planning Committee decisions due to planning staff capacity is being encountered and as such the likelihood is now revised to Medium.	Medium- not securing planning would cause delays and increase costs for a revised application. Delays in receiving a planning decision lead to increased costs being incurred and delays in submission of Funding Bids.	Pre-app process used effectively, and schemes aim to be policy compliant. Build in of additional lead time where required to ensure schemes progressing within target schedules
Sales risk – exposing Council cash flow forecast	Low – Housing market fluctuations are beyond council control and current circumstances may exacerbate such fluctuations or delay buyer activities in the short-medium term. Market sales have however performed well with all plots at Mill Rd now sold	Medium – new homes are expensive but retain considerable inherent value and have uses other than market sale.	All homes at Mill Road are now sold. and Cromwell Road sales are progressing with reporting through CIP processes on sales. Regular updates received in the market for sales of these sites. Currently values are being achieved in line with appraisal and sales rate in line with expectations.

Risk	Likelihood	Impact	Mitigation
	and 54% of properties sold at Cromwell Rd.		
Decanting residents / leaseholders	<p>Low – Full decant of schemes within the 500 programme has now been reached.</p> <p>Decant of Schemes under the 1,000 programme is on-going and if this is not achieved on time there will be impact on the costs of the project</p>	High – regeneration schemes will not be progressed if residents are not decanted.	<p>Decant and rehoming officer regularly liaising with residents requiring decanting to ensure successful rehoming. Decanting and liaison with tenants started early on in the development process. CPO and NOSP process outlined to be proceeded as necessary on future schemes.</p> <p>Additional resource to support this has been built into the budget for Hannover and Princess Court.</p>
Not securing necessary grant for new schemes	Medium- Grant funding now secured on 5 of the 12 schemes approved under the new 1,000 programme. Remaining grant across new programme schemes not yet secured, other than that committed by the Council. The business plan for the MTFS assumed grant.	High - if grant is not secured or at a lower level the business plan may need to be reviewed and the level of housing and tenure delivered may need to change.	Continual discussions with Homes England are providing greater security on grant funding ability. Issues in securing the level required to support the costs of developing in Cambridge are an issue, and we will continue to review assumptions in the business plan as negotiations develop. A recent report from DLUHC has additionally highlighted major risk to the governments Affordable housing programme if grant rates remain static against current inflation.
Labour market/materials/build prices increasing	Medium/High – situation is being proactively managed and is currently seen as a short-term risk, which must be managed, but may impact programme if not price	Medium/High – services or materials shortages may lead to delays in project delivery and an overall increase on programme cashflow. Contracts with the council are fixed price minimizing cost risks which lie with CIP.	Fixed price contracts and liaising working closely with Hill to ensure all materials are placed and ordered as soon as reasonably possible and stock-piled on site or using additional storage as required. Key packages are being procured as early as possible. Hills existing supply chain relationships are being used to ensure service.

13.. Implications

(A) Financial Implications

13.1. 500 Programme

13.1.1. 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.

13.1.2. Currently the 500 Programme has a total cost to date, or approved HRA budget going forward, of £140,390,810, including some re-provision of existing dwellings.

13.1.3. The Council's housing programme is part funded by a £70 million grant, which to date has been paid via a combination of the Cambridgeshire & Peterborough Combined Authority and DLUHC. At the time of writing this report, all of the £70 million has been received, with £38 million via the Combined Authority and £32 million directly from DLUHC.

13.1.4. By end of 2020/21 all Devolution funding had been received by the Council, whether via quarterly claims to the Combined Authority, or directly from DLUHC.

13.1.5. As of 31 March 2022, £51,258,108.93 of the funding has been utilised in the delivery of new homes, with £18,741,891.07 held in balances to fund the completion of the programme from April 2022 onwards.

13.1.6. 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

13.1.7. 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 Colville

3, Meadows and Buchan schemes, through enabling of land supply and reprovision of community facilities for the duration of on-site activities.

13.2. 1000 programme

13.2.1. For the 1,000 programme a further funding allocation of £4,013,000 has now been approved by Homes England under the Continuous Market Engagement Programme. The total allocated grant now stands at £8,843,000, with £3,218,150 having been drawn down to date.

13.2.2. Funding for the new programme is being conducted on a scheme by Scheme basis through Homes England's CME, as eligible schemes obtain planning approvals. Lack of an agreed programme level funding does mean that the council incurs risk of not receiving funding, and the overall programme remains in review as grant outcomes are decided.

(B) Staffing Implications

13.3. 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.

13.4. For the MTFs, additional resource to support resident engagement and decanting activities has been built into the budget for Hannover and Princess Court.

(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 now additionally informed by an EQIA as it proceeds for Committee approval.

(D) Net Zero Carbon, Climate Change and Environmental Implications

There are no environmental implications of this report. Each scheme specific approval will cover any specific implications.

(E) Procurement Implications

Advice specific to each project.

(F) Consultation and communication

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.

An updated Regeneration policy outlining procedure for resident engagement was approved by the September 2021 meeting of this Committee (Item 12) and guides all resident involvement exercises.

(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:

- 21/49/HSC: report on net zero carbon pilot schemes at Paget Road and St Thomas Road
- 22/31/HSC: Report on proposed development at Fanshawe Road
- 22/32/HSC: Update on new build council housing delivery

15.. Appendices

15.1. Appendix 1: Programme milestone summary

15.2. Appendix 2: Hanover Court and Princess Court Feedback Report

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 – 457 928, email: claire.flowers@cambridge.gov.uk.