

Item

Update on new build council housing delivery



To:

Councillor Gerri Bird, Executive Councillor for Housing
Housing Scrutiny Committee 24/01/2022

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. 502 homes have been completed across 13 sites under the City Council programme, with 260 being net new Council homes
- 1.3. In parallel with this committee report quarterly update statistics for the Councils Affordable housing delivery will be published to the Councils website to facilitate public perusal.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1. Note the continued progress on the delivery of the approved housing programme.

3. Reporting

- 3.1 This is a regular quarterly report showing progress on the City Council's new housing developments.

4 Delivery Programme

4.1 The current delivery programme confirms

- the 500 devolution programme consisting 930 (including market sale) homes in total and 538 net affordable homes
- the 10-year New Homes Programme consisting of 343 homes with scheme approval, delivering 117 net Council rented HRA homes.

The tables below show the breakdown of homes and the stage they are at:

500 Homes Programme- net	Completed	On site	Approved	Totals
Total Homes	502	426	2	930
Replacement homes	-31	-45	0	-76
Market Sale	-211	-105	0	-316
Net new Council rented HRA homes	260	276	2	538
% of target				108%

10yr New Homes Programme	Completed	On site	Approved	Totals
Total Homes	0	154	189	343
Replacement homes	0	0	-71	-71
Affordable (80% of market rents)	0	-61	-94	-155
Market Sale	0	0	0	0
Net new Council rented HRA homes	0	93	24	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 homes (not HRA)	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 Budget Setting Report to this Committee includes all financial information for respective scheme budgets and net cost to the Council's Housing Revenue account.

5 Profile of Start on Sites

Table 1: Start on Site Forecast Profiles for Council rented affordable homes in HRA.

500 Programme (net of replacements)

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	0	2
Cumulative total	2	161	319	522	536	537	538

10yr New Homes Programme (net of replacements and 80% market rents)

Forecast Progress	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Starts by year	10	67	30	10	0	0	0	0
Cumulative total	10	77	117	117	117	117	117	117

6 Scheme details

6.1 Schemes Completed:

Scheme Name	Net Affordable	Market Sale	Replacement	Delivery	Completion Date
Uphall Road	2	0	0	E&F	Jan-18
Nuns Way & Wiles Close	10	0	0	Tender	Aug-19
Ditchburn Place Community Rooms	2	0	0	Tender	Sep-19
Queens Meadow	2	0	0	CIP	Jun-20
Anstey Way	29	0	27	CIP	Jun-20
Colville Garages	3	0	0	CIP	Jul-20
Gunhild Way	2	0	0	CIP	Jul-20
Wulfstan Way	3	0	0	CIP	Sep-20
Markham Close	5	0	0	CIP	Sep-20
Ventress Close	13	0	2	CIP	Feb-21
Akeman Street	12	0	2	CIP	May-21
Mill Road	112	116	0	CIP	In progress
Cromwell Road	65	95	0	CIP	In progress
Total	260	211	31		

6.2 Schemes on Site:

Scheme Name	Social, LHA and 60% of Market rent	80% Market Rent	Market Sale	Practical Completion	Programme status
Mill Road	6	0	1	Jan 23	Handover dates reforecast but remain subject to change.

Cromwell Road	53	0	60	Mar-23	Handover dates reforecast but remain subject to change.
Colville Phase 2*	47	0	0	Jan-23	Handovers expected in January.
Meadows and Buchan	106	0	0	Aug-24	Progressing to programme currently. First handovers early 2023
Campkin Road*	50	0	0	Apr-23	Scheme remains as programmed
Clerk Maxwell Road	14	0	25	Mar-23	Timeline for March 2023 completion remains as forecast
L2 Orchard Park	30	45	0	Nov-23	On programme currently
The Mews, Histon Road	10	0	0	Feb-23	Theft-related delays have required reforecasting of Completion
Fen Road – PHPP	12	0	0	Nov-23	Start on Site reached August 2022.
Colville Road Phase 3*	32	16	0	May-24	Start on Site reached September 2022
Ditton Fields - PHPP	6	0	0	Sep-23	Start on Site reached September 2022
Borrowdale - PHPP	3	0	0	Sep-23	Start on site reached October 2022
Total	369	61	86		
New HRA stock	430				
Less replacements	61				
Total new net provision	369				

Schemes marked * include replacement homes.

6.3 Approved schemes;

Scheme Name	Social, LHA, 60% of Market rent	80% Market Rent	Market Sale	Start on Site	Programme status
Kendal Way	1	0	0	May-23	Revised SOS. Planning Approval received June 2022
Aragon Close - PHPP	0	7	0	Apr-23	Resolution to grant Planning Received October 2022
Sackville Close - PHPP	0	7	0	Apr-23	Resolution to grant Planning Received October 2022
Aylesborough Close Phase 2 – PHPP*	41	29	0	Apr-23	Resolution to grant Planning Received October 2022
Tedder Way	1	0	0	May-23	Planning Approved November 2022
Paget Rd - ERDF Net Zero	2	2	0	Dec-23	Revised unit mix detailed in Part 6.5. Revised SOS Forecast
St Thomas Rd - ERDF Net Zero	8	0	0	Dec-23	Scheme details remain under review through design process

Fanshawe Road *	44	49	0	Jan-24	Decanting underway. Planning submission forecast for early 2023
Total	97	94	0		
New HRA STOCK	191				
Less replacements	55				
TOTAL net new provision	136				

Schemes marked * include replacement homes.

7 New Programme Funding

7.1 Funding is being provided for the following schemes through the Grant Agreement with Homes England as signed for the 21-26 HE Affordable Homes Programme for Continuous Market Engagement:

- Colville Road Phase 3,
- Fen Road,
- Ditton Fields,
- Borrowdale.

7.2 Further submissions for grant funding will be submitted to Homes England as additional schemes receive Resolution to Grant Planning. Outcomes of funding bids will be reported to this Committee as received.

7.3 A Bid for infrastructure funding under the Brownfield Land Release Fund 2 (BLRF2), delivered by the One Public Estate (OPE) Programme, has been successful. Funding has been allocated to support demolition and infrastructure costs at the 100% affordable housing scheme at Aylesborough Close Phase 2.

8 Delivering Accessible Housing

8.1 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.

8.2 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					
10yr 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 Private tenure do not conform to M4(2)

9 Sustainability

9.1 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.

9.2 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

Current 2018 Cambridge Local Plan minimum target	65	19%	110	10%	n/a
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10.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-	Medium - depending on the extent of the additional cost this may be managed within scheme level	Cost plans are regularly reviewed and updated, and contracts are fixed price to the council.

Risk	Likelihood	Impact	Mitigation
	related cost increases and now supply chain cost increases. Delays on SOS due to funding uncertainties increase potential for risk	contingencies approved in Budget Setting Report.	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.	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	Medium – 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 and 54% of properties sold at Cromwell Rd.	Medium –reliant on sales income to support programme currently, however bulk of sales now completed on committed sites.	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.
Decanting residents / leaseholders	Medium – Full decant of schemes within the 500 programme has now been reached. 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	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. 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. Additional resource to support this has been allocated.
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	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	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

Risk	Likelihood	Impact	Mitigation
	programme schemes not yet secured, other than that committed by the Council. The business plan for the MTFS assumed grant.	delivered may need to change.	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.

11. New programme – Work in progress

- **Garages at Corner of East Road and St Mathews Street** – Scheme specific report is being presented to this January 2022 Meeting of the Committee for decision.
- As previously reported options are under consideration at **Hanover and Princess Court and Ekin Road estates** – There are no recommendations at this point. Resident engagement is on-going.
- **East Barnwell local centre** – Following the approval in September 2022 there has been subsequent approval by the County Council in support of this project. Local stakeholder engagement is on-going. A further report will be presented with scheme proposals and impact on the HRA in 2023.
- There has been a recent acquisition of land at **Murketts, Histon Road** by the Cambridge Investment Partnership, proposals for the affordable housing on this site will be presented at a future committee.

12.Implications

(A) Financial Implications

The Budget Setting Report to this Committee includes all financial information for respective scheme budgets and net cost to the Council's Housing Revenue Account.

(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 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 (21/48/HSC) 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.

13.Background papers

Background papers used in the preparation of this report:

- 22/45/HSC: Update on new build council housing delivery
- 21/48/HSC: Report on progress toward HRA Estate Regeneration programme Including a report on a proposed scheme at Aylesborough
Close

14.Appendices

14.3 Appendix 1: Programme milestone 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 – 457 928, email: claire.flowers@cambridge.gov.uk.