

Item

Update on new build council housing delivery



To:

Councillor Gerri Bird, Executive Councillor for Housing and Homelessness
Housing Scrutiny Committee 20/06/2023

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. 721 homes have been completed across 15 sites under the City Council programme, with 382 being net new Council homes.
- 1.3. An additional funding bid has been submitted to Homes England for the 100% affordable regeneration scheme at Aylesborough Close Phase 2. Further submissions for grant funding will be submitted to Homes England as additional schemes receive Resolution to Grant Planning, and outcomes of these bids will be reported to this Committee as received.
- 1.4. Funding of £4,968,683 from DLUHC has been formally allocated toward the delivery of homes earmarked for Afghan and Ukrainian refugees. This is being progressed through a mix of existing on-site housing delivery and open market housing acquisitions.
- 1.5. *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 539 homes with scheme approval (14 of which are market acquisitions earmarked for refugee accommodation). This currently delivers:
 - 151 net new Council rented HRA homes at Social rent or 60% of Market rent (Subject to Final Design ahead of formal planning submission).
 - 179 net new home to be let at 80% of Market rent. (Subject to Final Design ahead of formal planning submissions).

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

500 Homes Programme	Completed	On site	Approved	Totals
Total Homes	721	207	2	930
Replacement homes	51	25	0	76
Market Sale	288	28	0	316
Net new Affordable HRA homes	382	154	2	538
% of target				108%

10 Yr New homes programme	Completed	On site	Approved	Totals
Total Homes	0	154	385	539
Replacement homes	0	16	137	153
Intermediate (80% of market rents)	0	61	118	179
Market Sale	0	0	56	56
Net new Affordable HRA homes	0	77	74	151
% of target				15%

Modular Homes Project	Completed	On site	Approved	Totals
Total Homes	16	0	4	20
Replacement homes	0	0	0	0
Market Sale	0	0	0	0
Net new homes	16	0	4	20

LAHF Refugee Housing	Completed	In process/ On site	Approved	Totals
Total homes	0	25	5	30
Existing pipeline	0	16	0	16
Acquisitions	0	9	5	14
Net new Affordable HRA homes	0	9	5	14

4.2 Appendix 1 shows the current programme, indicating total housing provided per scheme as well as the net gain of affordable rented Council homes. The HRA Budget Setting report approved by full Council in February 2023 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	536	538

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

New programme affordable starts on site	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Starts by year	10	67	26	48	0	0	0	0	0
Cumulative total	10	77	103	151	151	151	151	151	151

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	118	118	0	CIP	External works and handover of underground car park remain ongoing. Final external works and landscaping forecast across summer 2023.
Cromwell Road	116	170	0	CIP	In progress
Colville Phase 2	43	0	20	CIP	In progress
Meadows and Buchan	22	0	0	CIP	In progress
Total	382	288	51		

6.2 Schemes on Site:

Scheme Name	Social, LHA and 60% of Market rent	80% Market Rent	Market Sale	Replacement	Practical Completion	Programme status
Cromwell Road	2	0	7	0	Jun-23	Block B (23 units) was handed over on April 2023. Block C handed over May 2023. External roadway and landscaping works will continue through Summer 2023
Colville Phase 2	4	0	0	0	Aug-24	Remaining 4 completions to coincide with Colville Phase 3 completion.
Meadows and Buchan	84	0	0	0	Dec-24	Demolition underway at both Buchan Street and old Meadows Community Centre.
Campkin Road	50	0	0	25	Jul-23	Scheme completion reforecast to July 2023 following subcontractor delays.
Clerk Maxwell Road	14	0	25	0	Jul-23	Completion and handover reforecast to July 2023 due to supply issues.
L2 Orchard Park	30	45	0	0	Feb-24	Contract extension of time agreed to February 2024, following significant

Scheme Name	Social, LHA and 60% of Market rent	80% Market Rent	Market Sale	Replacement	Practical Completion	Programme status
						delays related to subcontractor liquidation and staffing shortages.
The Mews, Histon Road	10	0	0	0	Jul-23	Delays in formalising final documentation prior to handover.
Fen Road	12	0	0	0	Nov-23	On programme. First block watertight
Colville Road Phase 3	32	16	0	16	Jul-24	On programme. Handover reforecast to contract end date
Ditton Fields	6	0	0	0	Oct-23	On programme. Framing progressing well. Handover reforecast to contract end date
Borrowdale	3	0	0	0	Sep-23	On programme. Framing progressing well.
LAHF Refugee Housing	14	0	0	0	Nov-23	1 Purchase completed (works outstanding before letting), 8 further acquisitions agreed subject to surveys. A further 16 homes reallocated across existing pipeline (excluded here to avoid duplication of figures).
Total	261	61	32	41		

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	Jul-23	SOS revised due to both delays in repricing and ongoing boundary dispute.
Aragon Close	0	7	0	0	Aug-23	Significant archaeological finds have resulted in need for further investigations. Planning underway to coordinate studies with demolition and removal of hardstanding ahead of Start on Site. SOS Date at Risk, currently reforecast to August subject to final confirmation
Sackville Close	0	7	0	0	Aug-23	Significant archaeological finds have resulted in need for further investigations. Planning underway to coordinate studies with demolition and removal of hardstanding ahead of Start on Site. SOS Date at Risk, currently reforecast to August subject to final confirmation
Aylesborough Close Phase 2	41	29	0	33	Jul-23	Archaeology completed with minimal finds. Waste strategy currently under reassessment prior to entering into main works contract

Scheme Name	Social, LHA and 60% of Market rent	80% Market Rent	Market Sale	Replacement	Start on Site	Programme status
						and start on site. Bid submitted to Homes England for funding, outcome awaited.
Tedder Way	1	0	0	0	Jul-23	Start on site date revised due to delays in repricing.
Paget Rd	2	2	0	0	Apr-24	Planning submission reforecast to allow further scheme design.
St Thomas Rd	8	0	0	0	May-24	Planning submission reforecast to allow further scheme design.
Fanshawe Road	44	49	0	22	Jul-24	Decanting of tenants progressing well. Planning Authority Design Review Panel has required amendments to development plan. Now forecast for planning submission July 23.
East Road garages	16	0	24	0	Jul-24	Target planning application submission date in July 2023 subject to the completion of all design work.
Hanover and Princess	82	0	56	82	Jan-25	Work in progress to review the scheme options and to consider how housing might be best delivered.
Hills Avenue Roughsleeper Pods	4	0	0	0	Nov-23	Planning Submitted. Planning decision date may proceed ahead of schedule.
Total	199	94	80	137		

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:

- L2 Orchard Park, Colville Road Phase 3, Fen Road, Ditton Fields, Borrowdale, Aragon Close, Sackville Close.

7.2 An additional funding bid has been submitted to Homes England for the 100% affordable regeneration scheme at Aylesborough Close Phase 2. Further submissions for grant funding will be submitted to Homes England as additional schemes receive Resolution to Grant Planning, and outcomes of these bids will be reported to this Committee as received.

7.3 Funding has been allocated to support demolition and infrastructure costs at the 100% affordable housing scheme at Aylesborough

Close Phase 2 through the Brownfield Land Release Fund 2 (BLRF2), delivered by the One Public Estate (OPE).

- 7.4 Funding of £1,000,000 has been allocated through the CPCA to fund Capital Investment at the Fanshawe Road Redevelopment Scheme.
- 7.5 Funding of £4,968,683 from DLUHC has been formally allocated toward the delivery of homes earmarked for Afghan and Ukrainian refugees. This is being progressed through a mix of existing on-site housing delivery and open market housing acquisitions.

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 Housing schemes which remain under pre-planning design are noted as TBD and firm figures will be incorporated as these proceed or Planning Consideration.
- 8.3 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		

	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)
Tedder Way	1	1					1
Kendal Way	1	1				1	
Clerk Maxwell*1	14	0					
10 Yr New homes programme							
L2 Orchard Park*2	73						
Colville Road Phase 3	48	2			2		
Histon Road*1	10						
Fen Road	12	2				1	1
Ditton Fields	6						
Aragon Close	7						
Sackville Close	7						
Borrowdale	3						
Aylesborough Close Phase 2	70	3		2	1		
Paget Rd	4	0					
St Thomas Rd	8	TBD	TBD	TBD	TBD	TBD	TBD
Fanshawe Road	93	TBD	TBD	TBD	TBD	TBD	TBD
East Road	16	TBD	TBD	TBD	TBD	TBD	TBD
Hanover and Princess	82	TBD	TBD	TBD	TBD	TBD	TBD
Hills Avenue Roughsleeper Pods	4	0					
LAHF Refugee housing *3	14	0					
TOTAL	1015	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)

*3: Refugee housing indicates net new stock to avoid duplication of existing pipeline homes

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 (The Mews) which meets the Local Plan is an off the shelf s106 scheme not designed by the council.

9.2 The council now has 250 homes in development which are targeting Passivhaus or equivalent performance levels.

	Development targets									
	HSC target					Progress to date against target				
	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>	
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
East Rd Garage	28	35%-40%	90	20%	0.5 or less	TBD	TBD	TBD	TBD	TBD
Hanover and Princess Court	TBD									

Current 2018 Cambridge Local Plan minimum target	65	19%	110	10%	n/a
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10.Risks

Risk	Likelihood	Impact	Mitigation
<p>Cost increases on approved projects</p>	<p>5 - Certain Risk of increased budget requirements due to Brexit, Ukraine War and inflation and supply chain cost increases are being encountered. Staffing and materials shortage and delays on SOS due to funding uncertainties increase potential for this risk.</p>	<p>4- Significant disruption 1. Committee approval needed for additional capital funding 2. Unplanned public expenditure 3. Loss of value for money 4. Reputation risk to Council 5. Reduction in overall delivery achievable</p>	<p>1. Cost plans are regularly reviewed and updated, and contracts are fixed price to the council. 2. Latest budgets consistently reviewed as part of BSR and MTFS Process. 3. Regular updated risk management budgeting completed as part of risk reviews work across the Council. Supply chain and materials concerns under close monitoring. 4. Committee approval to progress schemes ahead of firm grant certainty mitigates cost increases ahead of entering into build contracts. 5. Depending on the extent of the additional cost this may be managed within scheme level contingencies approved in Budget Setting Report.</p>
<p>Securing Planning Permission on new schemes</p>	<p>2 - Some possibility 1. Failure in obtaining planning permission or Conditions signoff cause delays and increase costs. 2. Delays in receiving a planning decision lead to increased costs being incurred and delays in submission of Funding Bids. 3. Additional time and effort required to redraft plans should revised applications be required.</p>	<p>3 - Noticeable effect Schemes are developed with planners through the pre-application process. Lack of planning resource and Planning Department staff shortages or substitution would lead to delays in arranging for the pre app meetings, and subsequently planning submissions and approvals.</p>	<p>1. Pre-app process used effectively, and schemes aim to be policy compliant. 2. Build in of additional lead time where required to ensure schemes progressing within target schedules 3. Ensuring officers and councillors are involved in decision making from project early stages</p>
<p>Sales risk – exposing Council cash flow forecast</p>	<p>1 - Little chance 1. deceleration of sales / purchase/ acquisition cycle while City Council is reliant on sales income to support programme currently, however bulk of sales now completed on committed sites. 2. Depreciation of assets</p>	<p>3 - Noticeable effect 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 over 90% of properties sold at Cromwell Rd.</p>	<p>1. Regular updates received in the market for sales of sites. All homes at Mill Road are now sold and Cromwell Road sales are progressing with reporting through CIP processes on sales(90% sold). Currently values are being achieved in line with appraisal and sales rate in line with expectations. 2. Close engagement with market through private sector partners 3. Share risk with private sector partners 4. Financial and sensitivity analysis for the new project site selections, before project starts.</p>

Risk	Likelihood	Impact	Mitigation
Decanting residents / leaseholders	<p>3 - Strong possibility</p> <p>1. regeneration schemes will not be progressed if residents are not decanted.</p> <p>2. complication in buybacks where Leaseholders face difficulties for obtaining new mortgages for their onward purchase, in non-portable cases</p> <p>3. Redevelopment of estates with high % Leasehold ownership poses greater risk of CPO proceedings being required</p>	<p>3 - Noticeable effect</p> <p>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</p>	<p>1. Decant and rehousing officers regularly liaising with residents requiring decanting to ensure successful rehoming.</p> <p>2. 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>3. Additional resource to support this work allocated.</p>
Not securing necessary grant for new schemes	<p>2- Some possibility</p> <p>In case the 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.</p>	<p>3 - Noticeable effect</p> <p>HE Grant funding now secured on 7 schemes approved under the new 10yr programme, with additional funding allocated from separate streams at Fanshawe Rd, Aylesborough, and for Refugee housing. Remaining grant across new programme schemes not yet secured, other than that committed by the Council. The business plan for the MTFS and BSR assumes grant.</p>	<p>1. Continual discussions with Homes England and other funding bodies 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.</p> <p>2. A recent report from DLUHC has additionally highlighted major risk to the governments Affordable housing programme if grant rates remain static against current inflation.</p>
Labour market/materials/build prices increasing	<p>5- Certain</p> <p>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</p>	<p>4 - significant disruption</p> <p>services or materials shortages may lead to delays in project delivery and an overall increase on programme cashflow. Fixed price Contracts where utilised are minimizing cost risks which lie with CIP.</p>	<p>1. 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.</p> <p>2. Key packages are being procured as early as possible. Hills existing supply chain relationships are being used to ensure service.</p>
Insufficient Project Management Resource to complete programme	<p>1 - Little chance</p> <p>1. Inability to properly manage projects</p> <p>2. Council entering into contractual obligations without proper oversight</p>	<p>3 - noticeable effect</p> <p>Too many schemes brought forward to be managed by existing team and staff overworked. Also there are increased need in adding data and compliance and fire safety statutory requirements to the projects</p>	<p>1. Appointment of new consultants</p> <p>2. Resourcing fund for new recruitments to ensure capacity</p>
Future anti-development campaigns	<p>4 - Probable</p> <p>1. Potential for reputational damage for HDA and Cambridge City Council</p> <p>2. unexpected extended time frame for the project</p> <p>3. complications in submission of the scheme for planning</p>	<p>3 - Noticeable effect</p> <p>increase in number of leaseholders/ freeholders in new larger schemes increases risk of push back against potential redevelopment activities</p>	<p>1. Establishing focussed steering groups early where necessary</p> <p>2. Focus on early public engagement via different events and consultations</p> <p>3. potential development to be informed by detailed options appraisals</p>

Risk	Likelihood	Impact	Mitigation
	consideration and funding approval		

11. New programme

11.1 Work in progress

- **Hanover and Princess Court** – At the HSC in March the Council approved the principle of redevelopment of Hanover and Princess Court.

As previously reported the viability is challenging. The development proposal in the options appraisal is the 138 unit scheme; work is now in progress to review the scheme and the options and to consider how numbers might be increased. The decision on three London Plane trees within the site is a key issue.

Decant is well advanced but there are still significant numbers of leasehold flats to be repurchased. The Council will as on other schemes seek to proceed by agreement but a CPO in relation to some leasehold interests may well be required.

- **East Barnwell local centre** – Pre-application meeting on relocation of bowls club, tennis court and MUGA has been positive.

This scheme has now been considered by the Planning Authorities' Design Review Panel, with support gained for the overall aim, however some work remains around finalising the scheme design ahead of a planning submission now targeted in September 2023.

- **Ekin Road** - Work on the options appraisal for this estate is continuing. The work is not currently expected to complete until June 2024. Council officers remain in contact with residents and interested parties through the established Liaison Group.

12 Implications

(A) Financial Implications

The HRA Budget Setting Report approved in February 2023 includes all financial information for respective scheme budgets and net cost to the Council's Housing Revenue Account.

Further review of overall budget and financial position will be incorporated into the September 2023 HRA Mid Term Financial Statement.

(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:

- 23/12/HSC - June 2023 Regular Update on new Build Housing Delivery
- 23/4/CNLa - Executive Councillor for Housing: HRA Budget Setting Report (BSR) 2023/24

14 Appendices

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 Ben Binns, Head of Housing Development Agency, email: ben.binns@cambridge.gov.uk.