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Housing Scrutiny Committee

HSC/1

Tuesday, 21 November 2023

HOUSING SCRUTINY COMMITTEE

21 November 2023

5.30 - 7.09 pm

Present: Councillors Pounds (Chair), Robertson (Vice-Chair), Griffin, Holloway, Martinelli, Thittala Varkey, Tong, Porrer and Swift

Executive Councillors: Bird (Executive Councillor for Housing and Homelessness) and S. Smith (Executive Councillor for Finance and Resources)

Tenant/Leaseholder Representatives:

Amiteye (Tenant Representative), Best (Leaseholder Representative), Powell-Hardy (Tenant Representative) and Minns (Tenant Representative)

Present (virtually): Christabella Amiteye (Tenant Representative), Diane Best (Leaseholder Representative)

Officers:

Director of Communities: Sam Scharf

Interim Director of Place: Suzanne Hemingway

Assistant Director, Development, Place Group: Ben Binns

Assistant Director, Housing and Homelessness: Samantha Shimmon

Senior Housing Development Manager: Jim Pollard

Committee Manager: Sarah Steed

Meeting Producer: Boris Herzog

FOR THE INFORMATION OF THE COUNCIL

23/46/HSC Apologies

Apologies were received from Councillor Lee, Councillor Porrer attended as his Alternate. Councillor Swift was present in place of Councillor Wade who could no longer be a member of Housing Scrutiny Committee as she was now an Executive Councillor.

Tenant Representatives Christabella Amiteye and Diane Best attended the meeting virtually which meant they could participate in debate but could not vote.

23/47/HSC Declarations of Interest

Name	Item	Interest
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Councillor Tong	23/50/HSC	Personal: Had worked with Abbey People in the past and had attended their 10 th Anniversary Event.
Councillor Porrer	23/50/HSC	Personal: Was a member of Planning Committee. Noted that the report related to the HRA budget implications and would only discuss issues in relation to this.

23/48/HSC Minutes

The minutes of the meeting held on 19 September 2023 were approved as a correct record and signed by the Chair.

23/49/HSC Public Questions

The text of the public question was published on the meeting page available via: [Agenda for Housing Scrutiny Committee on Tuesday, 21st November, 2023, 5.30 pm - Cambridge Council](#)

The responses to the public question and supplementary question are detailed below:

The Executive Councillor for Housing and Homelessness responded:

- i. They had worked with ward councillors and officers to bring forward the review of potential options for Ekin Road.
- ii. There had been an independent survey undertaken and the communications company had knocked on every door to get feedback from all residents.
- iii. The results of the survey would be published in advance of the next Resident Liaison Group meeting.
- iv. Three quarters of the residents had engaged with the council. Councillors had attended consultations and they had offered to visit any resident who was concerned about the Ekin Road review.
- v. Noted that a proposal for Ekin Road hadn't been approved. When there was a proposal for redevelopment, council officers would consider how many residents may have to move out. Consideration would be given to how much time would be needed, whether there were new council homes being built nearby or what individual needs were. The Council had considerable experience in working with tenant and leasehold households throughout the moving process.

- vi. If the East Barnwell development was approved by the committee, then this may be a moving option for residents if redevelopment for Ekin Road was approved.
- vii. The council had a significant number of properties in the Barnwell area.
- viii. The survey highlighted that some Ekin Road residents did not wish to remain living at Ekin Road and would be seeking properties elsewhere in Cambridge.
- ix. The Council would help leaseholders and freeholders who were looking to purchase a new home in the city by working with partners to identify possible opportunities.
- x. The two redevelopment options looked at the possible purchase of freehold and leasehold properties. The council had undertaken compulsory purchase orders (CPOs) that had been confirmed by the Secretary of State. It had not been necessary to proceed to the end of the CPO process and evict anyone from their homes. This was due to the successful negotiations with residents. If redevelopment was approved at Ekin Road, then the council would work with homeowners to reach a solution. There are very clear regulations on the use of CPOs that protected homeowners and the council.
- xi. Had attended the initial consultation event and would be attending the next Ekin Road Liaison Group meeting.
- xii. Had full confidence in the team of officers and their partners who had a significant track record of managing estate regeneration projects. They had experience in taking more than 800 council homes through the planning process. Over 100 households had been helped to move to enable these developments. In addition to these sustainable homes, the council had provided new shops, four new community centres and other community facilities such as pre-schools, new parks and play areas.

Supplementary public question:

- i. It was 18 months into the process and residents hadn't seen much of the Councillors.
- ii. There was 5 degrees of separation between the company doing the survey and Councillors.
- iii. Noted that it had been said that every door had been knocked on, but this did not mean that every household had been consulted.
- iv. Had spoken with a household that Sunday and they had no idea that a survey was being undertaken.
- v. Questioned why it was one response per household and not a response per person.
- vi. Asked if the Council had undertaken a successful CPO for a freehold property.

- vii. Noted reference had been made to properties being available because of the East Barnwell redevelopment but commented that this redevelopment was 5 years away from completion.
- viii. Noted the Information Commissioner had issued a notice requiring the release of documents for a freedom of information request response.

The Assistant Director of Development responded:

- i. Advised that the documents referred to regarding the freedom of information response had been released, one of which had already been published on the Council's website.
- ii. The Council had experience with CPOs and had sought legal advice when required. The Council had never had to proceed fully with a CPO as successful negotiations had taken place with the homeowner.

The Executive Councillor for Housing and Homelessness responded:

- i. To manage responses, it was reasonable to proceed on a response per household rather than a response per person.
- ii. Noted comments made regarding availability of housing at East Barnwell not being available for 5 years and commented that no decision had been made regarding Ekin Road and therefore the requirement for alternative housing may not arise for the same period of time or longer.

23/50/HSC Report on Redevelopment Scheme at East Barnwell

Matter for Decision

Following the completion of the report 'East Barnwell Development & Regeneration Project: Masterplan for East Barnwell' work has continued in conjunction with the County Council and the Cambridge Investment Partnership (CIP) to bring forward a scheme to provide for the regeneration of the centre of Barnwell to include:

- A community centre
- A library
- A pre-school facility
- Commercial premises
- Open space
- High quality sustainable housing including affordable housing

Decision of Executive Councillor for Housing and Homelessness

- i. Approved that a scheme be brought forward for Sites 1 and 2 and included in the Housing Capital Programme, with the latest capital budget being £50,306,000 to cover all site assembly, construction costs, professional fees and further associated fees, to deliver a 100%

affordable housing scheme which meets the identified need in Cambridge City. Budget will be drawn down from the sum already earmarked and approved for investment in new homes.

- ii. Authorised the Assistant Director in consultation with the Executive Councillor for Housing to approve variations to the scheme including the number of units and mix of property types, sizes and tenure as outlined in this report.
- iii. Approved that delegated authority be given to the Executive Councillor for Housing in conjunction with the Assistant Director to enable Sites 1 and 2 to be developed through Cambridge Investment Partnership (CIP) subject to a value for money assessment to be carried out on behalf of the Council.
- iv. Delegated authority to the Assistant Director to commence Compulsory Purchase Order (CPO) proceedings on leasehold properties to be demolished to enable the development, should these be required.
- v. Delegated authority to the Assistant Director to serve initial Demolition Notices under the Housing Act 1985.
- vi. Delegated authority to the Head of Housing to approve a local lettings plan for the proposed development on Sites 1 and 2.

Decision of Executive Councillor for Finance and Resources

- vii. Approved that within the scheme to be brought forward for Sites 1 and 2 the following community facilities should be provided:
 - a. A community centre.
 - b. A library.
 - c. A pre-school facility.
 - d. A bowling green and pavilion (at the Abbey Leisure Complex).
 - e. An extended Multi-Use Games Area to include provision for tennis (at the Abbey Leisure Complex).
 - f. Addition play facilities at Peverel Road Recreation Ground.
- viii. Noted that the budget for the community facilities of £4,169,072 has been recommended to Council through the General Fund Medium Term Financial Strategy process (this being the gross cost of the community facilities; note that off-setting financial contributions were forecast at £704,000 which create an estimated net cost of £3,465,072; this did not take into account the value of the development of Site 3).
- ix. Authorised the Assistant Director in consultation with the Executive Councillor to agree the terms of an agreement with the County Council and to enter into that agreement for:
 - a. the transfer of Site 3.

- b. the granting of a long lease on the proposed library and pre-school facility at a peppercorn but subject to a service charge.
 - c. the granting of a license to landscape the Highways Land.
 - d. the recognition by the County Council of the City Council's beneficial ownership of the existing library site.
- x. Authorised the Assistant Director in consultation with the Executive Councillor to arrange for the development of a market led scheme on Site 3 by the Cambridge Investment Partnership (CIP).

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Senior Development Manager, Housing Development Agency.

The Senior Development Manager said the following in response to Members' questions:

- i. The proposals for site 3 were not as advanced as those for site 1 and 2 but site 3 could possibly be used for development of around 9 houses.
- ii. If the Homes England grant funding was not forthcoming, then the development would need to be reassessed. Noted councillors' comment that this should be included on the risk register. Pre-application discussions had taken place with the Planning Department; was cautious about the level of risk.
- iii. Noted comments made about single aspect homes. The site had a number of constraints and every effort was being made to reduce the number of single aspect homes.
- iv. Other sites had followed the council's rent policy for affordable homes which was 60% of medium market rents, this site was different to that. Was delivering 40% affordable housing at social rent; the balance would be at 80% medium market rents. Wanted to support low-income households who were not in receipt of benefits and therefore needed to have properties available at lower social rents.
- v. To calculate biodiversity net gain, the biodiversity level would be assessed now and then officers would look to see what could be delivered on the site. There would be sustainable urban drainage systems (SUDS) and rain gardens. Much consideration had been given to the layout of the public open space which was currently largely grass

- and a lot was currently closed off. Wanted to try and retain a number of the key trees. There was also an opportunity to plant more hedgerows.
- vi. Discussions had taken place with Abbey People regarding the Food Hub, there was still plenty of time to follow this up as it would follow the delivery of the community centre on site 1. Officers in the Community Services Team were also working with Abbey People regarding the Food Hub business model.
 - vii. Any variation to the delivery of 100% affordable housing on the site would need to come back to Housing Scrutiny Committee for approval.
 - viii. Commercial units were being provided within phase 1 of the development; various options for these units was being considered.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor for Housing and Homelessness approved recommendations i - vi and the Executive Councillor for Finance and Resources approved recommendations vii - x.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

23/51/HSC Housing Revenue Account (HRA) Medium Term Financial Strategy

Matter for Decision

The Housing Revenue Account (HRA) Medium Term Financial Strategy (MTFS) is one of two long-term strategic financial planning documents produced each year for housing landlord services provided by Cambridge City Council.

The HRA MTFS provides an opportunity to review the assumptions incorporated as part of the longer-term financial planning process, recommending any changes in response to new legislative requirements, variations in external national and local economic factors and amendments to service delivery methods, allowing incorporation into budgets and financial forecasts at the earliest opportunity.

Decision of Executive Councillor for Housing and Homelessness

- i. Approved the Housing Revenue Account Medium Term Financial Strategy attached, to include all proposals for changes in:
 - a. Financial assumptions as detailed in Appendix C of the document.

- b. 2023/24 and future year revenue budgets, resulting from changes in financial assumptions and the financial consequences of changes in these and the need to respond to unavoidable pressures and meet new service demands, as introduced in Section 8, detailed in Appendix E and summarised in Appendix G of the Officer's report.
- ii. Approved that delegated authority be given to the Assistant Director of Assets and Property or the Assistant Director of Development to be in a position to confirm that the authority can renew its investment partner status with Homes England.

The Executive Councillor for Housing and Homelessness recommended Council to:

- iii. Approve proposals for changes in existing housing capital budgets, as introduced in Section 9 and detailed in Appendix F of the Officer's report, with the resulting position summarised in Appendix H, for decision at Council on 30 November 2023.
- iv. Approve proposals for new housing capital budgets, as introduced in Sections 6 and 7 and detailed in Appendix E of the Officer's report, with the resulting position summarised in Appendix H, for decision at Council on 30 November 2023.
- v. Approve the revised funding mix for the delivery of the Housing Capital Programme, recognising the latest assumptions for the use of Grant, Right to Buy Receipts, HRA Resources, Major Repairs Allowance and HRA borrowing, as summarised in Appendix H.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Finance and Business Manager.

The Head of Finance and Business Manager said the following in response to Members' questions:

- i. The transformation programme was looking at the way the city operations team worked and was reviewing the services provided across responsive and void repairs. A lot of work was being done across the council to ensure quality services were being provided to tenants.

- ii. Information was provided to tenants about the financial support available to them. As part of communicating about rent increases tenants were reminded that they could speak with the council's Financial Inclusion Officers to ensure that tenants were claiming all the financial support that they are entitled to. Specialist software also enabled information to be targeted to specific groups of individuals again to ensure that they were claiming financial support where they were able to.
- iii. Rent restructuring was introduced in 2002 and this produced a calculated rent for each property the 'target or formula rent', which was initially above what tenants were paying in the vast majority of cases. Over a 10-year period tenants were moved from the rent that they were paying towards the 'target rent'. Central government stopped the ability to move tenants to target rents; this could only happen when properties became vacant. The Council would increase rent to target rents when properties were void. However currently the cost of repairing void properties was higher than the increased rental income from those properties which had been increased to target rents.
- iv. Would check after the meeting whether there was any difference in tenant's ability to pay their rent between those in affordable rented homes compared with social rented homes.
- v. There was a trade-off between increasing rents and providing improvements to homes which would reduce energy costs. Before the Autumn Statement was released the next day it was not known whether Central Government would introduce a cap on rent increases from April 2024.
- vi. Noted the net increase in council homes was relatively low but this was affected by [in some years] significant levels of tenants exercising their right to buy their property. Also a number of new homes were being provided as a result of redevelopment of existing sites, so some homes have had to be demolished in order to deliver a net gain of properties. Going forward expected to see an increase in the number of net new homes being delivered for example the East Barnwell redevelopment was expected to deliver a net gain of 110 new homes on that site and further new homes would be delivered at the Eddeva Park site. Cambridge City Council had done very well in comparison to other Councils.
- vii. The Council was working towards housing stock being EPC 'C' standard by 2035.
- viii. The rent standard allowed the council to increase rents by 'up to CPI plus 1%' (with September being the CPI used). Therefore 7.7% was the maximum that rents could be increased by next year.

- ix. The decision around market housing and rules on investments sat with the Section 151 Officer to be able to demonstrate that that any investment was not being done primarily for yield. For example, the provision of market housing on a scheme was not being done to generate profit for the council but was being done in order to deliver affordable housing.
- x. To provide a comparison of our proposed borrowing compared to other councils, we would need to individually investigate the level of borrowing other local authorities had in their business plans for new build going forward. Cambridge had moved at quite a pace in delivering new homes within the HRA and were perhaps further ahead in terms of the planned level of borrowing compared to other councils.
- xi. The Council's direct emissions target for net zero was 2030 and not 2050 as included in the report.

Post meeting clarification – The current climate change strategy includes two key items:

- The target to reduce the Council's direct emissions to net zero carbon by 2030.
- The vision to reach net zero carbon in Cambridge by 2030, subject to Government, industry and regulators implementing the necessary changes to enable the city to achieve this.

The Committee resolved to endorse the recommendation i to ii by 8 votes to 0 with 3 abstentions.

The Committee resolved to endorse the recommendation iii to v by 6 votes to 0 with 3 abstentions.

The Executive Councillor for Housing and Homelessness approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 7.09 pm

CHAIR