

Item

Update on the Programme to Build New Council Homes Funded through the Combined Authority

To:

Councillor Richard Johnson, Executive Councillor for Housing
Housing Scrutiny Committee 18/06/2019

Report by:

Claire Flowers, Head of Housing Development Agency
Tel: 01223 - 457928 Email: claire.flowers@cambridge.gov.uk

Wards affected:

All

Not a Key Decision

1. Executive Summary

- 1.1 This report provides an update on the programme to deliver 500 Council homes with funding from the Combined Authority.
- 1.2 All 500 homes have now been identified and the HDA is focusing its efforts on delivering the schemes in the programme.
- 1.3 The Council now has 147 Council rented homes being built on site and is forecasting a further 296 to start in 2019/20. The first completions are programmed for August 2019.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Note the continued progress on the delivery of the Combined Authority programme.
- 2.2 Note the funding structure for the Combined Authority programme.

3. Background

- 3.1 In March 2019, the Housing Scrutiny Committee was provided with a report showing progress against the Combined Authority target of 500 Council rented homes.
- 3.2 The report confirmed that the 500 home target is now forecast to be met with a total programme outturn of 536 homes.
- 3.3 In the past two months the Housing Development team have progressed the identified schemes as forecast with some minor revisions to the overall programme, raising the current total outturn to 537 homes.

4. Combined Authority

- 4.1 The Council's housing programme is part funded by a £70million grant from the Cambridgeshire & Peterborough Combined Authority.
- 4.2 Quarterly grant claims are made to the Combined Authority in arrears. Cambridge City Council drew down £13,551,727 in financial year 2018/19, slightly short of the forecast drawdown of £13,686,542.
- 4.3 To date Cambridge City Council has drawn down £14,135,901 with the remaining £55,864,098 due to be drawn down by financial year end 2021/22

- 4.4 Provision of a quarterly report from Cambridge City Council against the £70m programme is one condition of the original grant from the Combined Authority. The most recent report to the Combined Authority was made on the 3rd of April 2019 and replicated the information provided to the Housing Scrutiny Committee on the 12th March 2019.

5. Delivery Programme

- 5.1 The delivery programme provided in March 2019 included 536 (net gain) Council homes to be delivered on named sites through the devolution programme. The committee noted some minor alterations to individual scheme outturns but otherwise the programme was on track.
- 5.2 Since March the development of all named housing schemes has been progressed (see items 7 and 8). Further revisions to forthcoming schemes have since been made. The programme outturn is now 537 homes, due to an increase of 5 units on the prospective scheme at Campkin Road. A second feasibility stage scheme delivering 4 units has been removed from the programme. The resources which were intended to be used for this scheme have been re-allocated in the HRA to the Campkin Road scheme pending HSC approval.
- 5.3 The Campkin Road scheme is now the only scheme in the programme which has not received approval for a capital budget from the Housing Scrutiny Committee. The report detailing the Campkin Road scheme and requesting approval for a capital budget has been submitted to the HSC alongside this report.
- 5.4 Appendix 1 shows the current programme, which now shows the total market housing provided as well as the net gain of Council homes. Appendix 2 shows the approved budgets per scheme and the net cost to the Council's Housing Revenue account.

6. Profile of Start on Sites

- 6.1 The start on site profile for the 500 devolution programme is shown in table 1. This is based on all the named schemes being delivered.
- 6.2 The Housing Development team are continuing to over-programme and explore additional sites to allow for slippage of existing schemes and allow others to come forward should additional funding opportunities present themselves.
- 6.3 Since the last update in March 2019, a more detailed scheme at Campkin Road has been drawn up which provides an additional Council rented home on the site.
- 6.4 As below, the overall programme shows an outturn of 537 new homes commencing construction by March 2022.

Table 1: Start on Site Forecast Profile

Year	2017/8 (actual)	2018/19 (actual)	2019/20 (forecast)	2020/21 (forecast)	2021/22 (forecast)
Number of starts	2	132	311	92	0
Cumulative total	2	134	445	537	537

7. Start on Sites Achieved 2019/20

- 7.1 15 homes have started on site since the beginning of financial year 2019/20. This reflects all 5 garage and infill sites being delivered as a single scheme by CIP. In total therefore the number of starts achieved in total at the time of this report stands at 149 including the completed Uphall Road Scheme.
- 7.2 The schemes that have met the start on site requirement since the start of the 500 programme are as follows:
- 7.2.1 Schemes Completed Total 2 homes

- **Uphall Road:** this scheme was completed in January 2018 and was the first project completed by the Cambridge City Council Housing Maintenance & Assets team.

7.2.2 Schemes on Site: Net gain 147 homes.

- **Mill Road:** This is a mixed tenure scheme delivering 91 new Council rented homes. Works are on programme. The first show home is being constructed above ground and the piling for the first blocks of flats is being completed (see pictures below). Pending planning approval, the scheme is planned to be merged with Mill Road Phase 2 into a mixed tenure scheme delivering 118 Council homes. The scheme is being delivered through the Cambridge Investment Partnership (CIP). The programme shows 143 week build programme including demolitions.



General View over the site towards Houses



General View towards Flat Basement excavation

- **Anstey Way:** This regeneration scheme is delivering 56 Council homes in total (a net gain of 29) all for rent. 12 homes here are specifically for the over 55s. The build is on programme with the externals of the new scheme well underway (see picture below)



- **Ditchburn Day Centre / Community Rooms:** Following the purchase of this centre from Cambridgeshire County Council, HSC approved the redevelopment of the site for 2 Council homes in September 2018. The homes are being delivered by Cocksedge, who were already engaged in the refurbishment of Ditchburn Place. Practical completion of the final refurbished homes and the two Combined Authority funded homes is anticipated in September 2019.
- **Nuns Way and Wiles Close:** this scheme is split across two former garage sites delivering 10 new homes for rent. Marfleet Construction commenced work in January 2019, with a forecast build programme of 40 weeks. Construction is on programme with several homes completed to roof plate level.
- **CIP small sites package:** this group of five garage and infill sites have started on site. CIP have taken possession of all five sites and have commenced Start on Site. In total the package will provide 15 units, all for Council rent. They will be delivered by CIP as a single scheme, broken down as follows;
 - **Queens Meadow:** This scheme will deliver two homes.
 - **Markham Close:** this scheme will deliver five homes.

- **Gunhild Way:** this scheme will deliver two homes.
- **Colville Road Garages:** this scheme will deliver three homes.
- **Wulfstan Way:** this scheme will deliver three homes.

8. Update on other approved schemes:

8.1 Schemes target to Start on site in 2019/20 with planning permission

- **Kendal Way:** planning permission was obtained in 2017 for the development of two homes on this site. Housing Maintenance & Assets have recently advised that they will be unable to deliver this scheme and responsibility has been passed back to the Housing Development team. A tender process will be required as well as resolving a neighbour issue therefore the start on site has been provisionally pushed back to early 2020.
- **Ventress Close:** this scheme is being delivered through CIP. The scheme replaces two existing Council homes and will deliver 15 new Council rented homes, for a net gain of 13. Planning permission for this scheme was achieved in March 2019 and start on site is on track to take place in October 2019.
- **Kingsway Medical Centre:** this scheme is being delivered by the Housing Maintenance & Assets team. It will deliver four new Council rented homes through the conversion of a former surgery. Planning permission for this scheme was achieved in April 2019 and start on site is expected in summer 2019.

8.2 Schemes target to start on site in 2019/20, planning submission made:

- **Cromwell Road:** This is a major development with CIP which required a substantial land acquisition in March 2018. It will deliver 118 new Council rented homes as well as market housing on a mixed tenure site. Following a public consultation, a detailed planning

application was submitted in March 2019 with Start on site anticipated before the end of financial year 2019/20, subject to planning.

- **Akeman Street:** This regeneration scheme, which replaces 2 existing Council homes and delivers a net gain of 12 council rented homes, was approved for development in July 2018. A planning application was submitted in April 2019 and starts on site are provisionally forecast for Autumn 2019.
- **Tedder Way:** this scheme comprises two homes for Council rent and was originally planned for delivery by the Council's Housing Maintenance & Assets team. The target to achieve planning permission has been pushed back to June 2019 pending further feedback from the planning team. Housing Maintenance & Assets have recently advised that they will be unable to deliver this scheme and responsibility has been passed back to the Housing Development team. Resources are now being re-allocated to deliver this scheme and the Start on Site has been provisionally pushed back to early 2020.
- **Mill Road phase 2.** This scheme, approved for development in September 2018, will add at least 25 Council rented homes and a community centre to the overall Mill Road delivery programme. Following a public consultation, a planning application was submitted in February 2019. The application, alongside the S73 applications to integrate this scheme with Mill Road Phase 1, is expected to go to committee in June 2019.
- **Clerk Maxwell Road:** This is a private scheme being brought forward by Hill Residential. Committee approval was secured in January 2019 to acquire the 14 S106 affordable homes included in this scheme. Hill submitted a planning application in December 2018 - this is awaiting committee approval.

8.3 Schemes approved by the Executive Councillor. Not submitted for planning.

- **Colville Road phase 2:** this regeneration scheme, delivering a gain of 42 Council rented homes, was approved by the Housing Scrutiny Committee in January 2019. Following a scheme revision in response to pre-application planning advice, a revised planning application has been drawn up by CIP and is scheduled for submission in June 2019.

A public consultation took place in May 2019 and there has been on – going work with those residents who will need to move home as a result of this scheme.

- **Meadows & Buchan:** this scheme, which comprises the regeneration of two community centres and their environs, was approved by HSC in January 2019 and will deliver 106 Council rented homes. A public consultation took place in March 2019, there has been a subsequent meeting regarding the open space proposals. A planning application is targeted to be submitted later in the summer.

8.4 Schemes awaiting committee approval.

- **Campkin Road:** This scheme has had a detailed scheme with a request for capital budget drawn up. The report requesting this additional budget has been submitted to the Housing Scrutiny Committee alongside this report.

9. Delivering Accessible Housing

- 9.1 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.
- 9.2 The new local plan 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). We will be delivering this on all relevant new planning applications going forward.
- 9.3 There are currently 27 wheelchair user dwellings (fully adapted) in the programme. These are spread across the six largest sites (see table 2). This along with meeting the local plan of delivering all homes to be accessible and adaptable will mean the requirement to provide 5% wheelchair user homes will be met.
- 9.4 Table 2: Wheelchair user homes

	Total Council rented homes (100% M4 (2) wheelchair adaptable)	Total M4 (3) wheelchair user homes in designs
Mill Road phases 1 & 2	118	7
Anstey Way	56	3
Cromwell Road	118	6
Colville Road Ph 2	62	3
Campkin Road	75	3
Meadows & Buchan	106	5

10 Risks

Risk	Likelihood	Impact	Mitigation
Not achieving the 500 homes target	Low- current programme has 537 homes identified	Med- impact would be delivery of a lower number of much needed homes and reputational risk in the Councils ability to deliver and therefore attract future grant funding.	Programme level monitoring of delivery. Strategy is to exceed target.
Land Assembly issues delaying start on sites	Medium - a number of the schemes in the programme require purchase of land/property from 3 rd parties	High- if vacant possession or access not achieved the scheme cannot be developed.	Council putting in place resources to support residents to move. Process also in place to use statutory powers if required.

Cost increases on approved projects	Medium – design revisions requested as part of the planning process may increase the cost of individual housing schemes i.e. tighter air quality requirements will require more sophisticated infrastructure which will lead to higher cost.	Medium - depending on the extent of the additional cost this may be managed within scheme level contingency approved in 2019 Budget Setting Report.	Initial budgets either developed with Hill or Employers Agent. Cost plans are regularly reviewed and updated.
Planning	Medium - on-going resourcing issues within the planning team risk delay to progress of schemes. The Meadows & Buchan scheme is facing public opposition which poses a risk to the 500 programme.	High- if planning is not achieved the scheme cannot be delivered.	Concerns over planning resource have been escalated to Strategic Director level. HDA, senior officers and Councillors continue to engage with public concerns over the Meadows Scheme
Sales risk – exposing Council cash flow forecast	Medium – Housing market fluctuations are beyond Council control but do occur over long periods and affect the entire economy.	Medium – new homes are expensive but retain considerable inherent value and have other uses than market sale.	Commission of private sector sales team and engagement with private sector partners to monitor market fluctuations.

Decanting residents / leaseholders	Low – decanting process has been agreed with City Homes and no evident delays have come up to date	High – regeneration schemes will not be progressed if residents are not decanted.	Close cooperation with City Homes has been agreed; departments liaise and jointly attend interviews with residents.
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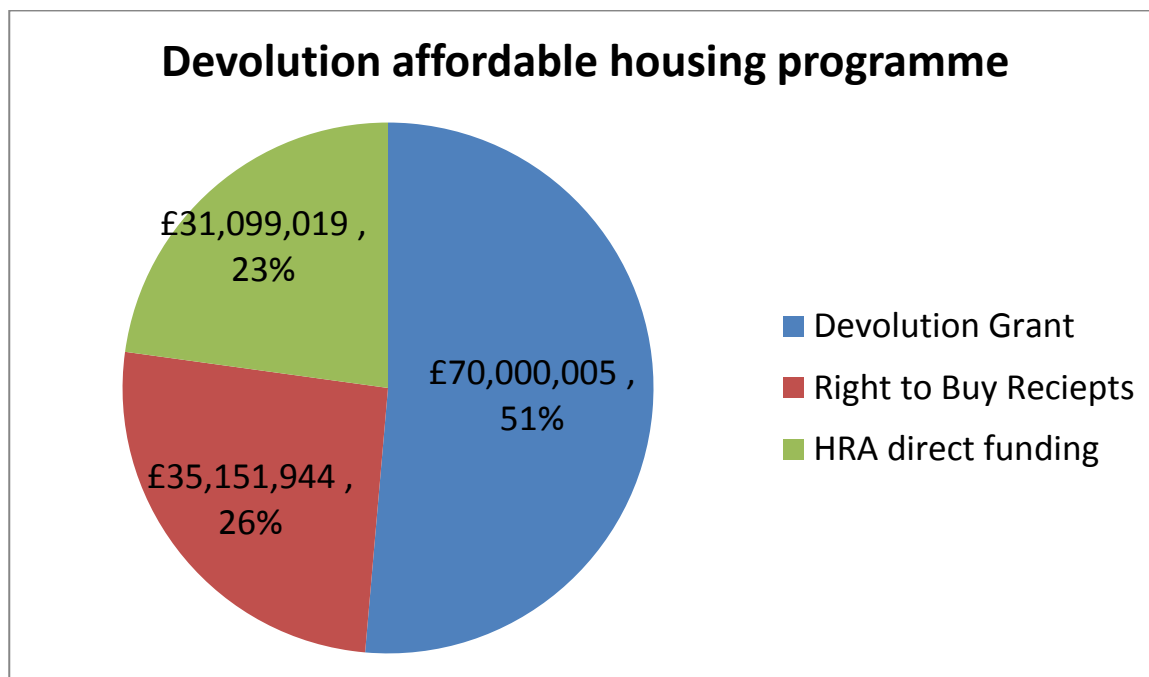
12. Implications

(A) Financial Implications

The Devolution Housing Grant and Right to Buy Receipts will be the main source of funding for schemes in the Rolling Programme that progress into development. However, scheme funding will be confirmed should a scheme be brought to the Committee for scheme specific approval.

Currently the 500 programme has a total approved HRA budget of £120,218,990. Pending approval of the Campkin Road scheme, this will rise to £136,250,968. This is broken down by:

- Funding provided by the Combined Authority grant
- Funding provided by Right to Buy receipts
- Funding provided direct from HRA Capital



(B) Staffing Implications

The scheme on the Rolling Programme 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. Some of the schemes are being delivered through the Cambridge Investment Partnership.

(C) Equality and Poverty Implications

The development framework for new housing by the Council, approved at the March 2017 Housing Scrutiny Committee was informed by an EQIA. Each scheme specific approval is informed by an EQIA if current residents are required to move.

(D) Environmental Implications

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

(E) Procurement Implications

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

(F) Consultation and communication

There are no consultation and communication implications of this report. The development framework for new housing by the Council approved at the March 2017 Housing Scrutiny Committee sets out the Council's commitment to involve residents in new housing schemes.

(G)Community Safety

There are no community safety implications for this report. Each scheme specific approval will cover any community safety implications.

13. Background papers

Background papers used in the preparation of this report:

- a) 19/03/12 HSC report

14. Appendices

- (a) Appendix 1: Programme milestone summary
- (b) Appendix 2: Programme finance 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 - 457928, email: claire.flowers@cambridge.gov.uk.