

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 24/09/2020

Report by:

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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 80 Homes have now been completed across 8 sites under the City Council programme. 27 of these have replaced homes demolished to accommodate redevelopment, with the further 53 being net new Council homes.
- 1.3 The Council currently has 270 Council rented homes being built on site, with a further 193 starts expected by the 2020/21 financial year end.
- 1.4 542 new Council homes have now gained Planning Approval, reaching and exceeding the goal of 500 homes target as part of the devolution deal.

- 1.5 Recovery from the delays caused by Covid -19 pandemic has been swift, and programme timeline is an average one month behind original scheduled dates. Social distancing requirements on sites remain in place as well as outbreak planning for individual sites.
- 1.6 The modular housing programme has progressed to planning submission on three sites, and the Council is currently in the process of selecting a charity partner who will take on the ownership and housing management of the modular homes.

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 This is a quarterly report showing progress against the Combined Authority target of 500 Council rented homes.

4. Combined Authority

- 4.1 The Council's housing programme is part funded by a £70million grant to date this has been paid via the Cambridgeshire & Peterborough Combined Authority in arrears.
- 4.2 Quarterly grant claims are made in arrears against the Devolution funding to the Combined Authority. There is £53,000,000 to be claimed from the Combined Authority with £30,434,354 claimed to date. A further £17,000,000 has been paid directly to the City Council from MHCLG for 2020/21, with £956,695 of this invested to date. Cambridge City Council utilized £1,913,389 of funding in respect of the first quarter

of 2020/21, with £5,477,048 anticipated to be drawn down/utilized in respect of the second quarter.

- 4.3 To date Cambridge City Council has drawn down/ utilized £31,391,049 of Devolution funding, with the remaining £38,608,951 due to be drawn down/utilized by financial year end 2022/23.
- 4.4. A review with MHCLG and the Combined Authority to report progress was held on 8th September 2020.

5. Delivery Programme

- 5.1 The delivery programme provided in June 2020 confirmed that the devolution programme consisted of 546 Council Homes- this figure has not changed.
- 5.2 Appendix 1 shows the current programme, which 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 2. This is based on all the named schemes being delivered.
- 6.2 The total starts on site stands at 323, or 65% of the total programme. For the current 2020/21 financial year, the first starts on site are currently scheduled for October 2020 (99 new dwellings over two schemes)
- 6.3 As below, the overall programme shows an outturn of 546 new homes commencing construction by March 2022.

Table 2: Start on Site Forecast Profile

Progress to 500 starts on site	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Starts by year	2	132	189	193	28	0
Cumulative total	2	134	323	516	546	546

7. Scheme details

7.1 Schemes Completed: Net gain 53 homes.

- **Uphall Road:** this scheme of two homes was completed in January 2018 and was the first project completed by the Cambridge City Council Housing Maintenance & Assets team.
- **Nuns Way & Wiles Close:** Handover was taken in August 2019 of ten new build homes at Nuns Way & Wiles Close. All ten units are now tenanted.
- **Ditchburn Place Community Rooms:** Two additional Council homes within the Ditchburn Place sheltered housing scheme were completed here in September 2019 and are now tenanted.
- **Anstey Way:** This regeneration scheme, completed in June 2020, has delivered 56 Council homes in total (**a net gain of 29**), all for rent. All homes have successfully handed over and residents moved in.
- **Gunhild Way:** this scheme was developed as part of the CIP small sites package, and completed in July 2020, delivering two homes.
- **Colville Road Garages:** this scheme was developed as part of the CIP small sites package, and completed in July 2020, delivering three homes.



Colville Garages, July 2020

- **Queens Meadow:** this scheme was developed as part of the CIP small sites package, and completed in July 2020, delivering two homes.
- **Wulfstan Way:** This scheme was developed as part of the CIP small sites package and has completed in September 2020, delivering three homes.

7.2 Schemes on Site: Net gain 270 homes.

7.2.1 Project updates

- **Mill Road:** This is a mixed tenure scheme formerly on the Council's Mill Road Depot site. The second phase of the scheme received planning permission in June 2019 and the total scheme will deliver 118 new build Council homes. Current completion is envisioned to be December 2021. Handover of the first 4 completed affordable homes are scheduled for September 2020. Some of the first for sale homes have completed and residents moved in over the summer.



Mill Road, July 2020

- **Markham Close:** This scheme is being developed as part of the **CIP small sites package** and will deliver five homes. Completion is expected in September 2020.
- **Cromwell Road:** This scheme will provide 295 homes on the former Ridgeons site on Cromwell Road. 118 of these will be new Council rented homes, with the other properties being sold on the open market. New public open space and an early years facility/community centre will be provided. Construction started in December 2019 after demolition of the current buildings on site. Current completion is envisioned to be December 2022.
- **Ventress Close:** This estate regeneration scheme replaces two existing Council homes and will deliver 15 new Council rented homes, for a net gain of 13. Construction commenced in October 2019. Current completion is envisioned to be May 2021.
- **Akeman Street:** This estate regeneration scheme will replace two existing Council homes, commercial units and community centre with a new Council rented development of 14 homes, community centre and replacement shops for a net gain of 12 council homes. Construction commenced in October 2019, with the existing

community centre relocated to a temporary replacement facility on the same street. Current completion is envisioned to be July 2021.



Akeman Street, August 2020

- **Kingsway Medical Centre:** This scheme is being delivered by the City Council's Housing Maintenance & Assets team, delivering four new Council rented homes through the conversion of a former surgery. Work on site is subject to significant delay due to issues raised by UK Power Network which despite significant follow-up have not yet been resolved. Completion of the scheme is currently scheduled for May 2021 but is subject to review once issues with UK Power Network are resolved.

7.3 Approved schemes; Nett gain 219 new homes

7.3.1 Schemes target to Start on site in 2020/21 with planning permission:

- **Colville Road phase 2:** this regeneration scheme, replacing 20 existing homes and delivering a gain of 49 Council rented homes, received planning permission in November 2019. Progress has been made with the decanting of existing households, with only a single leaseholder still to move. The blocks are no longer being used as part

of the rough sleeper programme so as soon as the last resident has moved out the works can commence. The start on site is scheduled for October 2020.

- **Campkin Road:** This scheme will replace an existing Council block at Campkin Road with a modern scheme, increasing the Council's housing stock by 50 homes. There are two leaseholders and seven tenants that are yet to find alternative accommodation and the current COVID-19 shutdown has meant moving house is more difficult. Some tenants are shielding, but efforts are being made to find alternative accommodation. Currently, due to the COVID-19 pandemic and high need for accommodation of at-risk groups, Campkin Road is being used as temporary housing and this use will continue during this time of heightened need. The start on site is scheduled for October 2020, however this is dependent on achieving vacant possession.
- **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. Planning committee Approval for this scheme was granted in July 2020, and a current Start on Site is scheduled for December 2020.
- **Meadows & Buchan:** These schemes, which comprise the development of a new community centre as well as improvements to open space, were approved by HSC in January 2019 and are expected to deliver 106 Council rented homes. The Resolution to grant planning was approved for The Meadows site on August 4th, 2020 at the first meeting of the new Joint Development Control Committee, made up of Cambridge City Council and South Cambridgeshire District Council, as it crosses council boundary areas. Buchan Street received the resolution to grant planning permission on August 5th, 2020 from Cambridge City Council.

The two existing community facilities will be replaced with a modern sustainable community hub, which will include large, flexible multi-purpose spaces that can be used to provide pre-school, children, family and youth activities, classes such as IT, or health and rehabilitation fitness classes.

The Meadows site will also provide 78 new one- and two-bedroom apartments for council rent and the Buchan Street site will see 28 one- and two-bedroom council rented flats built. Five of the flats

across these schemes will be adapted for wheelchair users. Start on site is anticipated for January 2021.

7.3.2 Schemes target to start on site in 2020/21, planning submission made:

- **Tedder Way:** This scheme comprises development of two homes for Council rent. Officers are reviewing the initial proposals following discussion with planners and looking at the comments received from local neighbours.
- **Kendal Way:** permission was obtained in 2017 for the development of two homes on this site. The Housing Development team are continuing to review proposals as planning permission for the site has now lapsed. There is an ongoing risk to this scheme due to an unresolved boundary dispute which has delayed the development. Options of what can be done are being reviewed to see if there is a way to progress a development on this site.
- **Other new sites:** There are several land purchases being progressed and work to assess sites in the Council ownership as part of a wider piece of work on options for a further Council housing programme. Further scheme specific approvals are being sought under separate Agenda Items in this September 2020 meeting of the HSC.

8 Update on the Modular Housing project

- 8.1 In January 2020 the Housing Scrutiny Committee delegated authority to the Strategic Director, in consultation with the Executive Councillor, to approve sites to develop as “pod” schemes in support of Hill’s Foundation200 modular housing project. Three small sites in Council ownership will be developed as housing for applicants on the housing register with a history of homelessness and will be managed in partnership with a local charity.

- 8.2 The first phase of the project aims to deliver 16 one-bedroom modular homes on Council land. All three sites have been selected on existing City Council garage blocks:

Northfield Avenue Garages – will deliver 6 modular homes. A planning application has been submitted and is due to be determined in September 2020. Delivery is now expected by November 2020.

Dundee Close Garages – will deliver 4 modular homes. A planning application has been submitted and is due to be determined in September 2020. Delivery is forecast for December 2020.

Barnes Close Garages – will deliver 7 modular homes. A planning application has been submitted and has been given a determination deadline for October 2020.

- 8.3 The Council is currently selecting a charity partner who will take on the housing management and ownership of the modular homes and work with the Housing Advice team to jointly allocate suitable residents to each scheme.
- 8.4 The HDA is working with the Estate Regeneration Scheme (EIS) to ensure that where residents in the vicinity of the modular homes have been affected by the loss of the garages, new parking facilities will be made available to the community.

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. 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).

9.2 There are currently 27 fully adapted wheelchair user dwellings planned in the programme (see table below). 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.

9.3 Table 2: Wheelchair user homes

	Total Council rented homes (100% M4 (2) wheelchair adaptable)	Total M4 (3) wheelchair user homes	Total 1 bed M4 (3)	Total 2 bed M4(3)
Mill Road phases 1 & 2	118	5	5	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

9.4 A new M4(2) home at Queen's Meadow is in the process of being adapted to receive an accessible ground floor shower to suit the needs of the new tenant.

10. Sustainability

10.1 The Council's commitment is for all developments that are part of the Council's Housing Programme to adhere to the 2017 Sustainable Housing Design Guide. This covers a number of areas including: energy and water; space standards and biodiversity. The Sustainable Housing Design Guide targets are now part of the 2018 Cambridge Local Plan. Currently out for consultation is the draft Greater Cambridge Sustainable Design and Construction Supplementary Planning Document (SPD).

10.2 The table below highlights the Council's forthcoming schemes and how they are meeting or exceeding the Sustainable Housing Design Guide

(part of the 2018 Cambridge Local Plan) and the draft Greater Cambridge Sustainable Design and Construction SPD.

Scheme	Mandatory Sustainability Standard	Actual Sustainability Standard (reduction from 2013 building regulations)	Key Sustainability components
Mill Rd Phase 1 Anstey Way Garage Sites Ventress Cromwell Rd Akeman	10% on-site renewable energy	19% reduction in carbon emissions	<ul style="list-style-type: none"> • Fabric First • MVHR • Solar PV • Battery Storage
Mill Rd Phase 2	19% reduction in carbon emissions	35%-40% reduction in emissions	<ul style="list-style-type: none"> • Fabric First • MVHR • Solar PV • Combined Heat and Power
Colville Road Campkin Road (proposed) Meadows & Buchan (proposed)	19% reduction in carbon emissions	35%-40% reduction in emissions	<ul style="list-style-type: none"> • Fabric First • MVHR • Detailed assessments in progress

10.3 Detailed assessments remain in progress in relation to Colville Road, Campkin Road and Meadows & Buchan, seeking to determine the best mix of energy sources and technologies taking into account a range of factors:

- Carbon emissions reduction performance
- Energy consumption
- Resident heating bills
- Technical complexity and implications (including ultimate maintenance costs to the Council)

10.4 Buro Happold have been commissioned to develop a new Sustainable Housing Design Guide for a future housing programme. This will be presented to the HSC once complete.

11. Risks

Risk	Likelihood	Impact	Mitigation
Not achieving the 500 homes target	Low- current programme has 546 homes identified, with 544 approved for development. While delays have been minimal, there remains a risk of delays to Start on Site at those schemes not yet on site.	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 in place. Strategy is to exceed target. All schemes have now secured a capital budget for delivery and updated in MTFS as required. In addition, the site at Orchard Park purchased through CIP will deliver further affordable homes as a contingency.
Land Assembly issues delaying start on sites	Med – Properties at Campkin Road still to be acquired and 1 at Colville Road.	High- if vacant possession or access is not achieved the scheme cannot be developed.	Council has an officer in post to support move. Process also in place to use statutory powers if required.
Cost increases on approved projects	Medium – Only one scheme now remains in planning phase. COVID-related delays, subsequent decreased works capacity and supplier disruption remain a risk.	Medium - depending on the extent of the additional cost this may be managed within scheme level contingency approved in 2020 Budget Setting Report.	Initial budgets either developed with Hill or Employers Agent. Cost plans are regularly reviewed and updated. Latest budgets reviewed as part of BSR and remain under review for updating in the upcoming MTFS. Regular updated risk management budgeting completed as part of Covid-19 risk work across the Council.
Planning	Low – a single scheme does not yet have planning permission and another has had a planning permission expire.	Low - While planning needs to be achieved for schemes to be delivered, the 500-target has already been reached with a total of 542 now having obtained planning.	Review required on remaining 2 small sites without planning.

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. Current circumstances may exacerbate such fluctuations or delay buyer activities in the short-medium term.	Medium – new homes are expensive but retain considerable inherent value and have uses other than market sale.	Mill road sales have launched regular reporting through CIP processes on sales. Strategy for Cromwell road in development. Regular updates received in the market for sales of these sites.
Decanting residents / leaseholders	Med– decanting process has been agreed with City Homes there are some residents at Campkin Road unable to move as they are shielded during the pandemic.	High – regeneration schemes will not be progressed if residents are not decanted.	Officer in place to work with residents. Position to be reviewed as guidance on moving is updated.

12. Implications

(A) Financial Implications

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.

Currently the 500 Programme has a total cost to date, or approved HRA budget going forward, of £140,758,796, including some re-provision of existing dwellings.

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

The general fund has also supported the delivery of the programme through it's investments through the Cambridge Investment partnership at Mill Road and Cromwell Road.

(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

Advice specific to each project.

(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) 23/06/2020 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.