



Report To: Cabinet
Lead Officer: Director of Housing

07 February 2018

Delivery of Cambridgeshire and Peterborough Combined Authority Affordable Housing Programme

Purpose

1. For Cabinet to note that officers will be seeking approval from Council for South Cambridgeshire District Council to act as the lead partner for the delivery of the £100m affordable housing programme on behalf of the Cambridgeshire and Peterborough Combined Authority (CPCA).
2. This is not a key decision.

3. Recommendations

It is recommended that Cabinet notes that a report will be taken to full Council in February 2018 detailing the partnership agreement with the CPCA and arrangements in place should the Council continue to deliver the CPCA affordable housing programme.

Reasons for Recommendations

4. South Cambridgeshire have led on the housing stream to date, working to secure the £170m and the delivery of the Mayor's 100-day targets for housing. This has helped raise the profile of the Council which has earned a national reputation as a forward thinking and outward looking council and one that is serious about delivering on housing. To take on the delivery role for the £100m affordable housing programme would further cement this reputation.
5. The additional resources associated with delivering this programme will be met in full by the CPCA.

Background

6. The CPCA has the responsibility for the delivery of the £170m affordable housing programme. This includes reporting back to DCLG and ensuring that the delivery of the project is in line with the approved Business Case and the approved Quality Assurance Framework and the Monitoring and Evaluation Framework.
7. The CPCA will act as a commissioning body and will not directly deliver this programme. The options are to commission the work from one of the partner councils or from an external agency such as a specialist consultancy. The ring-fenced £70m will be delivered by Cambridge City.

8. The CPCA has asked South Cambridgeshire DC to take on the role of delivering the £100m programme. This principle has previously been endorsed by Council and forms part of the 2017 - 2022 Corporate Plan; *Homes for our Future, lead the Combined Authority's housing investment programme*. Now that the CPCA is established and the elected Mayor is in post a formal decision is now required.

Considerations

9. South Cambridgeshire have led on the housing stream to date, working to secure the £170m and the delivery of the Mayors 100-day targets for housing. This has helped raise the profile of the Council which has earned a national reputation as a forward thinking and outward looking council and one that is serious about delivering on housing. To take on the delivery role for the £100m affordable housing programme would further cement this reputation.
10. One of the current roles of the Housing Director is to build positive and constructive working relationships with external bodies such as the Homes England (formerly the Homes & Communities Agency), the Ministry of Housing, Communities and Local Government (formerly the DCLG), other neighbouring councils, active housing associations and developers. All of these relationships will be enhanced by taking the lead on the £100m programme.
11. The positive delivery of the project would place the Council in a strong position to bid for future funding opportunities as a track record on delivery is an important strength to be able to demonstrate.
12. Hosting a team of skilled and qualified housing delivery staff will help with the informal development of ideas and good practice within the Council's own housing team at a time when there is a renewed focus on creative thinking to support the development of commercial ideas to generate income for the Council.
13. By taking on a key delivery role for CPCA the Council will be a key player in the shared endeavour of the CPCA in addition to its role as one of the partner authorities.
14. The Council has already worked closely with the CPCA and with specialist consultants to establish a delivery framework to ensure that the funding is committed to appropriate schemes in a transparent way. This builds on the work already encapsulated within the approved Business Case.
15. The partnership agreement document will be taken to the CPCA Board on 28th February for the CPCA decision. A copy of this document shall be made available for the February Council meeting.

Options

16. Cabinet has the option to endorse a report to be taken to full Council in February 2018 detailing the partnership agreement with the CPCA and arrangements in place should the Council continue to deliver the CPCA affordable housing programme.

17. Whilst the commitment will be to a four year programme, 2018/19 to 2021/22, the delivery of this partnership arrangement will be kept under review and the Council has the option to withdraw from the agreement with three months notice at any time.
18. Alternatively, Cabinet may wish to draw to an end the Council's direct involvement in delivery of the affordable housing programme and at the end of March 2018 to hand back to the CPCA for allocation of the programme to another local authority or external agency.

Implications

19. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered.

Financial

20. The CPCA will still hold the £100m and make all of the payments, the Council's role will be to host the team that will determine subject to approval, which schemes for affordable housing can be funded so the Council can lead on this project without having to get involved in the detailed accounting aspects of the work or having responsibility for the funding decisions.
21. As noted under staffing, below, the full cost of hosting the delivery team, including a time allocation for the Director of Housing, will be met by the CPCA.

Legal

22. The CPCA have been granted the powers to receive the £100m fund from the Government to be spent on the funding the start on site of at least 2,000 additional affordable homes by 31 March 2022.
23. The business case approved by the DCLG as part of the overall devolution settlement assumes that the CPCA or one of the partner councils will be responsible for delivery of the programme.
24. The cost of specialist legal advice in respect of individual funding decisions has been incorporated onto the overall budget cost of delivering the programme.
25. Article 11.04 of the constitution ("Delegation To and From Other Local Authorities" provides that the decision whether or not to accept such a delegation from another local authority shall be reserved to the Council meeting.
26. S101(13) LGA 1972 provides that the definition of a Local Authority includes a Combined Authority.

Staffing

27. The advice of external consultants is that a small team of up to 4 staff will be required to deliver the programme. It is proposed that the work begins with two staff; a senior development officer supported by an experienced project manager. The senior officer will report to the Council's Director of Housing.
28. This will keep the fixed costs down whilst extra resources can be flexibly obtained by procuring the services of a specialist consultancy.

29. The cost of hosting the staff necessary to deliver the £100m programme will be met in full by the CPCA. There will also be a budget allocation to account of the time spent by the Council's Director of Housing in managing this team which means that the work of the Director can be backfilled so that the Council will continue to be able to deliver its other work.

Risk Management

30.

Risk	Mitigation/Considerations
If there is a failure of delivery for whatever reason there may be reputational damage for the Council.	<p>The Council needs to put in place by April 2018 the right resources to deliver this programme</p> <p>Having committed in principle to deliver this programme already on behalf of the CPCA in February 2017 and having led on the development of the DCLG Business case, the reputational damage of not proceeding will be a greater risk.</p>
Time spent by the Director of Housing whilst recompensed financially, could be sent on pursuing other projects of benefit to the Council (opportunity cost).	This is offset by the extra value that comes from having a director playing a key role at the heart of an important shared agenda. The housing needs of the district cannot be met in isolation so building positive relationships with delivery partners and central Government is a critical part of the Director of Housing role.
There may be incidental costs (in staff time) to the Council that would be difficult to quantify and recover from the CPCA.	This is always the case to some degree with shared activity and is offset by the incidental value from having the activity based within the Council.
In leading on the delivery of the project there may be some criticism for other partners should the funding allocation to South Cambridgeshire schemes be seen as disproportionate.	All schemes will be funded in line with the CPCA's adopted framework and funding decisions will be made by the CPCA not South Cambridgeshire directly. South Cambridgeshire are in effect only hosting the delivery team.
The formal partnership agreement with the CPCA may become too onerous and the Council may feel unduly under pressure from the CPCA	This is offset by ensuring that the agreement is proportionate to the task and is agreed by the CPCA and South Cambridgeshire in a way that reflects the spirit of cooperation inherent in the nature of any successful combined authority activity.

31. ***Equality and Diversity***
None

32. ***Climate Change***
None

33. ***Consultation responses (including from the Youth Council)***
None

Effect on Strategic Aims

Aim 1 current Corporate Plan - Homes for our Future, Lead the Combined Authority's housing investment programme.

Aim 2 new Corporate Plan – Connected Communities, SCDC leads successful strategic partnerships.

Background Papers

Minutes of Cabinet meeting 9/2/17, item 7.

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