

# **New Build Council Housing Strategy 2020 - 2025**

**REPORT TO:** Cabinet 29 June 2020

**LEAD CABINET MEMBER:** Councillor Hazel Smith. Lead Cabinet Member for Housing

**LEAD OFFICER:** Head of Housing - Peter Campbell

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## **1. Executive Summary**

- 1.1 This New Build Council Housing Strategy sets out the reasons for, and context within which, South Cambridgeshire District Council (SCDC) will acquire or directly commission new build affordable homes to be owned and managed directly by the Council. It brings the strategy which was agreed in June 2015 up to date.
- 1.2 This strategy retains those elements from 2015 which are still relevant but takes account of and makes clear where there are changes to policy and practice. The 2020 New Build Council Housing Strategy will provide an updated framework for future activity, reflecting the significant changes that have taken place since the previous Strategy was written and agreed.
- 1.3 The draft Strategy was presented to Scrutiny and Overview Committee on 14 May 2020. Scrutiny Committee considered the Strategy and recommended it proceed to Cabinet.

## **2. Key Decision**

Yes

The key decision was first published in the May 2020 Forward Plan.

### **3. Recommendations**

1. Cabinet is asked to approve New Build Council Housing Strategy, and recommend it proceed to Council for adoption.

### **Reasons for Recommendations**

To give Cabinet the opportunity to consider the report before it is presented to Council.

### **4. Details**

- 4.1 The New Build Council Housing Strategy is attached as Appendix A. A summary is given here drawing out the main points in the strategy which has been developed in the context of SCDC broader aspirations.
- 4.2 Both local and national policies relating to the delivery of new affordable council housing have changed since the previous New Build Strategy was agreed in 2015. Of particular relevance for this updated strategy are the revised SCDC target to at least double Council new builds by 2024; the removal of restrictive cap on Housing Revenue Accounts (HRA) for borrowing; the mix of available sites across the District to meet the 5 year land supply requirements; and the creation of a new Investment Partnership between the Council and two development companies.
- 4.3 The Council will be guided on the selection of sites and the acquisition of homes by criteria set out in the strategy. New build homes will therefore contribute to one or more of the following:
  - Ensuring that the Housing Revenue Account budget maintains an income from rents and shared ownership sales that enable good quality services to be delivered, and help to fund future affordable housing.
  - Contributing to meeting the need for types of housing in short supply. For example, the requirement for smaller properties to meet the needs of those on the housing register, older people looking to downsize, and disabled adapted homes.
  - Better standards of housing design which contribute to lowering energy costs and meeting the Council's net zero carbon target.
  - Achieving best value in terms of the investment in new housing, related to the quality and type of housing, with agreed payback periods.
- 4.4 Funding is in place to deliver against a target of 350 new homes in the 5 years to 2024, and delivery has been on course to achieve this. Funding streams are identified in the Medium Term Financial Strategy for the Housing Revenue Account, and set out on in the table in section 4.3 in the appendix. The as yet unknown impact of the lockdown arrangements to minimise the spread of Covid-19 will need to be stress tested against this financial model.
- 4.5 The New Build Council Housing Strategy identifies a range types of sites where there will be potential opportunities to acquire new affordable Council housing.

These include land and assets such as garage sites owned by the Housing Revenue Account; Large strategic sites where affordable housing is delivered as part of the Section106 planning requirements; rural exception sites identified to meet local needs; and other sites which have been agreed to meet the 5 year land supply requirement.

- 4.6 SCDC has both the financial resources and the administrative capacity to deliver against the aspiration for at least 350 new affordable Council homes by 2024. A New Build Team, located in the Housing Service has the skills necessary to both negotiate with developers delivering S106 affordable housing and to directly commission developments on smaller sites. The new SCDC Investment Partnership will be developing sites with the potential for the Council to acquire the affordable housing; and the Ermine Street could come in on opportunities to include private rented properties in any mix.
- 4.7 As a landlord SCDC is concerned to maintain rents at an affordable level, and will set rents at no more than the long-term Local Housing Allowance, set by Government as the maximum level to be covered by Housing Benefit.
- 4.8 The implementation of the strategy will be monitored against the targets for homes built or acquired; the criteria against which decisions are made; and budget forecasts. Schemes where the payback period is more than 35 years will be agreed by the Head of Housing in consultation with the Lead Member for Housing if valued under £2 million, or Cabinet if over this amount. An annual progress report will be presented to Leadership Team and Cabinet

## **5. Implications**

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

### **Financial**

The New Build Council Housing Strategy has been fully costed. The table in Section 4.3 shows the estimated and actual costs of schemes across a 5 year period and Capital expenditure allocations against this. These funding requirements of the New Build programme will be reviewed 6 monthly as part of the overall review HRA brought to Council.

### **Legal**

There are no additional legal considerations relating to this strategy. Appropriate legal advice is sought on individual schemes as these are brought forward.

## **Staffing**

There are no additional staffing implications relating to this report.

## **Risks/Opportunity**

The corporate strategic risk register includes risks relating to the New Build programme. The Housing Service Plan provides an annual update of risks. As the programme has grown it now merits a specific, more detailed risk register for the development pipeline to be completed by April 2020 and to be reviewed twice yearly at Leadership Team.

## **Equality and Diversity**

The strategy addresses the provision of Council housing to meet specific needs, such as housing for older people who may want to downsize, or who may require adapted homes.

## **Climate Change**

We will seek through a revised housing design specification to set out the features SCDC will seek in new build purchases, aligned to the Council's green to the core objective, and contributing to moving towards net zero carbon emissions.

## **6. Alignment with Council Priority Areas**

### **Growing local businesses and economies**

A growing economy needs places for people to live close to their place of work, and able to spend in the local economy.

### **Housing that is truly affordable for everyone to live in**

This is a strategy to deliver an increasing in affordable Council housing. Setting rent at the Local Housing Allowance will keep rents at an affordable level

### **Being green to our core**

See section on climate change.

## **A modern and caring Council**

The strategy prioritises homes which are built to good design and sustainability standards and are well connected to transport and amenities. To meet local village needs it supports the development of rural exception sites.

### **7. Background Papers**

2015 SCDC New Build Strategy.

### **8. Appendices**

Appendix A New Build Council Housing Strategy

### **9. Report Author:**

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