



**Greater Cambridge
Greater Peterborough
Enterprise Partnership**



**UNIVERSITY OF
CAMBRIDGE**



**South
Cambridgeshire
District Council**

Report To: Greater Cambridge City Deal Executive Board

18 June 2015

Lead Officer: Alex Colyer - Housing Workstream

Business Case for the formation of the Greater Cambridge City Deal Housing Development Agency

Purpose

1. To consider the Business Case for the formation of the Housing Development Agency (HDA).

Recommendations

2. It is recommended that The Board note and comment on the HDA Business Case.

Reasons for Recommendations

3. At the last meeting the Board approved funding of £200,000 in 2015/16 and £200,000 in 2016/17 to support the establishment of a City Deal Housing Development Vehicle now called the Housing Development Agency. The Board also requested a report to this cycle of meetings of the Joint Assembly and Executive Board, setting out the detailed business case for the proposal prior to consideration by the three partner Councils for decision

Executive Summary

4. The Housing Development Agency is proposed as an operational model through which the City Deal partners' collective resource in terms of land, finance and staff skills can be applied to complement the market driven housing development process and to smooth the peaks and troughs of market delivery.
5. As well as efficiency, there is the opportunity for the Housing Development Agency to deliver additional housing by working up schemes and partnerships around land and funding that would not otherwise happen.
6. The Business Case proposes a transition from existing small in-house teams managed independently by local authority partners to a single shared service model that will quickly deliver robust team capacity corralled to achieve a common purpose.
7. A target date to achieve a shared service is April 2016. In the interim it is proposed to establish an officer Board to oversee the transition that will fit with the governance structure for shared services that is emerging across the local authorities and from as early as August 2015 use a combination of existing staff and bought in resources to deliver the existing projects and programmes.

Background

8. 33,000 new homes are planned by 2031 in the draft Cambridge and South Cambridgeshire Local Plans. The delivery of these homes is dependent on market forces and as such represents a risk to the City Deal's objectives.
9. To complement market driven housing the Business Case for the Housing Development Agency is based on a target programme of the delivery of at least 4,000 homes by 2031 which equates to an average of 250 homes per year.

Considerations

10. The detailed Business Case is shown as an Appendix.

Options

11. Three ways of setting up the HDA are illustrated in the Business Case. The preferred option is Option 2, the Shared Service Model, as this is the quickest way for the HDA to become operational. This model will quickly deliver robust team capacity corralled to achieve a common purpose minimising due diligence in respect of human resource and legal work associated with the set-up of a new legal company structure. This would not preclude a move to Option 3 in due course which is the establishment on a wholly partner owned company.

Implications

12. 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 and other resources

13. The Business case demonstrates how the HDA will be financially self-sustaining within three years.

Staffing

14. Due process will need to be followed in respect of any existing staff that transfer to the HAD.

Risk Management

15. The Business Case illustrates headline risks in establishing the HDA.

Background Papers

Appendix A – Business Case for the formation of the Greater Cambridge City Deal Housing Development Agency.

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