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ENTERPRISE PARTNERSHIP



UNIVERSITY OF
CAMBRIDGE



South
Cambridgeshire
District Council

Report To: Greater Cambridge City Deal Executive Board

3 November 2015

Lead Officer: Alex Colyer, Executive Director (South Cambridgeshire District Council)

Six Monthly Report on Housing

Purpose

1. To up-date the Board on progress with the Housing workstream.

Recommendations

2. It is recommended that the Board note the report.

Recommendations from the Joint Assembly:

The Joint Assembly supported the above recommendation.

Reasons for Recommendations

3. The report is provided for information and to invite comment.

Executive Summary

4. All partner authorities have approved that the City Deal Housing Development Agency be set up and the governance and staffing processes have started to establish the agency. In the meantime changes to national housing and planning policy have been announced within which the new agency will need to work.

Background

5. The Board agreed to set up a Housing Development Agency at its meeting in June 2015.

Progress Report

Context

6. The new Government has made a number of announcements on Housing, Planning and Welfare Reform that will impact on the local housing market.

7. On Housing and Planning, the Government's headline priorities are to support households who aspire to home ownership, coupled with the drive to deliver many more new homes. On Welfare Reform the objective remains to ensure it is more beneficial for working-age people to be in work rather than on benefit, as well as putting in place measures to reduce the 'benefits bill'.
8. Some of the more significant announcements include;
 - Starter Homes scheme to enable first time buyers to buy a new home at 80% of the market price.
 - Proposals to include Starter Homes on 'rural exception sites'.
 - Reduction of mortgage tax relief for buy-to-let landlords.
 - Requiring social housing providers to reduce rents by 1% per annum over the next four years.
 - Extending the Right to Buy to housing association tenants.
 - Requiring stock retaining local authorities to sell off their higher value housing to cover the cost of extending the Right to Buy.
 - Social housing tenants to pay the full market rent if the household income is greater than £30,000. Housing associations will be able to retain the additional income that accrues. Stock retaining local authorities will not.
 - Local authorities to hold a register of custom and self-builders seeking land and to bring forward plots of land to match the demand.
 - The overall benefit cap for working age claimants to be reduced from £26,000 to £20,000 per annum on a phased basis from April 2016.
9. In the above context, work is evolving to develop other shared strategic housing services (eg Housing Strategy; Housing Enabling) that would complement the establishment of the Housing Development Agency and that would be logical in relation to a single Local Plan.

Governance of the Housing Development Agency

- The establishment of the HDA was approved by the respective local authority partners by the end of July 2015.
- The aim is to formally establish the HDA by April 2016.
- A first 'shadow' HDA Board meeting has been set up for 30 September 2015. The Board comprises Director level representation from the three local authority partners. The Board will oversee the setting up of the agency; confirmation of the lead authority; the shared service legal agreement; application of employment law in respect of the transfer of existing staff and recruitment of new staff; agreement of the agency annual business plan and monitoring progress against the plan; working towards the establishment of the agency as a company.
- Of the thirteen posts indicated in the Business Plan presented to the Board in June, seven of the staff are already in post with their current host employers.
- A workshop of existing senior officers employed on housing development for South Cambs and the City was held on 7 August to consider what needed to be done now; in the next six months; and in the next the eighteen months.
- A meeting has also been held with officers from the County.

Schemes and Numbers of New Housing

10. The agencies first target is the commitment contained within the City Deal to deliver an additional 1,000 dwellings on exception sites by 2031 and beyond this to facilitate the delivery of an average of 250 new homes a year.
11. An immediate task is for the HDA is to establish the list of priority schemes to deliver. This will determine the extent of additional staff resource required and when.
12. The following table is a summary of current commitments by year of anticipated year of completion;

Area	Year	Schemes	Total	Affordable	Market
City	15.16	9	176	119	57
	16.17	3	321	161	160
South Cambs	15.16	0	0	0	0
	16.17	4	31	31	0
Totals		16	528	311	217

13. For City Deal purposes approximately 150 of the above commitments could reasonably be defined as contributing towards the 1000 additional homes target.
14. To give an early indication of other potential schemes, the HDA has identified to-date 14 schemes that would provide approximately 370 new homes of which 140 could reasonably be labelled as 'additional' homes for the purposes of the City Deal.
15. There is a longer list potential sites not counted in the above including several County sites in South Cambs and further discussions are ongoing regarding further sites. Initial conversations have been had with representatives from both Cambridge University and Bursars and a first scheme opportunity is under discussion.

Key Short Term Risks

- The new Government's announcements represent a medium to long term risk around the City and South Cambs Housing Revenue Accounts capacity to invest in new social housing.
- There is a need to establish quickly the transition arrangements to formally create the HDA by April 2016 in order to give existing staff certainty in their employment.

Profile

16. The creation of the new entity that is the HDA has generated an encouraging flurry of interest amongst property consultants, developers, house-builders and other local public sector partners. At this early stage therefore, there is optimism that the HDA

can act as a catalyst for changing relationships amongst all local parties involved in new housing delivery.

Implications

17. 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, there are no significant implications.

Background papers

No background papers were used in the writing of this report.

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