

Report to Greater Cambridge City Deal Executive Board

Supplementary Report to Six Month Report on Housing

National housing, planning and welfare policy is changing radically and this report up-dates the published Six Month Report on Housing.

The requirement for Registered Providers and stock retaining local authorities like the City Council and South Cambs DC to reduce rents by 1% per annum each year for four years is in the Welfare Reform & Work Bill going through parliament with a view for the rent reductions to be implemented from April 2016. Other government proposals are included in the Housing Bill published in October 2015. The extension of the Right to Buy to tenants' of housing associations funded by the sale of high value Council housing has been the subject of a much publicised 'voluntary agreement' between the government and housing associations. Housing associations and stock retaining local authorities are revisiting their business plans to assess the impact of the proposals. The consequence for the City Council and South Cambs as social landlords is dramatic. The City Council will need to find £6m savings over the next four years and in the worst case scenario there will be a £156m hole in its 30 year business plan. The projected loss for South Cambs over 30 years may amount to as much as £135m. Both Councils have put a pause on any new commitments to build new Council housing.

Housing associations are similarly reviewing their business plans and anticipating reducing services. There is a current hiatus in commitment to new social housing schemes although it is emerging that many housing associations are planning to continue their development programmes by substituting new social rented housing with intermediate housing products such as shared ownership and 80% market rent.

In the meantime the Shadow Officer Board for the Housing Development Agency (HDA) has met for the first time. Despite the potential loss of funding through the City Council and South Cambs Housing Revenue Accounts, the Officer Board has concluded that there is enough business through the management of existing commitments and immediate next priority schemes to sustain the HDA for at least three years. The published report provides a summary of the numbers of new housing these commitments will produce.

The Officer Board has concluded that a 'soft' approach to the establishment of the HDA as shared service would be favourable. This would entail current employees remaining with their respective employers with a view to moving direct to company model by the end 2016. It has been agreed for the City Council to be the 'employing authority' for any new employees. The Officer Board would welcome the establishment of a Member Reference Group to oversee the development of the HDA and Terms of Reference for both the Shadow Board and the Member Reference Group are being prepared.

The City Council's Director of Customer and Community Services is to progress any organisational changes with a view to circulating a consultation paper to staff in November 2015.