



**GREATER
CAMBRIDGE
CITY DEAL**

Securing future prosperity

Report To: Greater Cambridge City Deal Executive Board 10 November 2016

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

Greater Cambridge Housing Development Agency – Six Month Update

1. To provide an update on the work of the Housing Development Agency (H DA).

Recommendations

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

Reasons for Recommendations

3. The report is for information.

Executive Summary

4. Approval was given in July 2015 to set up the H DA. A report was presented to the Board in July 2016 covering the set up period. This report is the first intended to be submitted on a six monthly basis on the operational development of the H DA and progress in relation to its objectives.
5. This report provides;
 - An update on the 2016.17 Business Plan Action Plan
 - Progress report on committed schemes.
 - Progress report on future opportunities
6. The main activities during the six months April to September 2016 have been;
 - Establishing the governance arrangements
 - Approving the 2016.17 Business Plan
 - Recruiting to the staff team
 - Delivering the committed programme of schemes
 - Working directly on the process to secure housing grant under the Devolution Agreement – this will be significant in terms of meeting the H DAs objectives
 - Securing approval for and working to set up an Investment Partnership for the City Council – this will be significant to achieve the aim of the H DA to drive the pace and certainty of new housing delivery.

Background

7. The H DA has been operating since April 2016 when the Managing Director was appointed. During this period, the H DA has been functioning as an informal shared service while consideration is given to the advantages and disadvantages of moving forward as a local authority owned company as opposed to a formal shared service.

Considerations

8. **Six Month Up-date**

Progress with the 2016.17 Business Plan Action Plan

9. Appendix 1 summarises progress against the Action Plan. Key points to note are:
10. **Governance** – The H DAs shadow Management Board established in 2015 has dropped its ‘shadow’ label and meets quarterly as the H DAs Management Board. It is made up of Alex Colyer (Executive Director - Corporate Services, SCDC); Stephen Hills (Director of Housing, SCDC); Chris Malyon (Section 151 Officer, Cambridgeshire County Council); Ray Ward (Strategic Director, Cambridge City). Tanya Sheridan (Director, City Deal) attends as an observer. A Member Reference Group met for the first time in May 2016 and also meets quarterly. Its Members are Cllr Kevin Price (Cambridge City) (Chair); Cllr Paul Walsh (Cambridgeshire County Council); and Cllr Christopher Cross (SCDC).
11. **H DA Business Plan 2016.17** – This was approved by the Management Board and Member Reference Group in May 2016.
12. **H DA as a shared service or as a company** – Legal advice is being provided by Walker Morris. A Workshop was held on 10 October involving the Management Board and Member Reference Group. The next step is for the Managing Director to submit a proposal to the Management Board for their consideration and recommendation to the Member Reference Group. If the H DA is to become a company, a formal decision by each Council partner will be required. The target date to become a company if agreed is April 2017.
13. **Branding and Marketing** – Work has begun with a target of having a logo and basic communication material in place by January 2017 in preparation for the potential launch of the company from April 2017. The intention is to establish a clear and separate identity for the H DA but one that is aligned with the City Deal branding. The City Deal team are assisting with this process.
14. **People** – Stage 1 of the recruitment plan for 2016.17 has been completed. Sabrina Walston was confirmed as the Assistant Managing Director in June 2016. Gill Anderton and Nicola Hillier have been confirmed in their positions as Housing Development Managers taking a lead role for schemes in South Cambs and the city respectively. Babette Lind joined the H DA as Business and Systems Support Officer in July 2016. Stage 2 of the recruitment plan is under way and an advert is out for a Construction and Technical Lead.
15. In August 2016, the Management Board and Member Reference Group approved that South Cambs District Council’s Self/Custom Build Service should become part of the H DA. The Self Build service finds sites and facilitates planning approval for people who wish to build or project manage their own home. Gill Anderton has been

instrumental in developing this service and it was agreed that it sensible for Gill to continue to be line manager, as well as recognising that there are significant synergies with the work of the H DA in terms of finding new sites for housing and taking the sites through the planning process.

16. The H DA has embarked on an organisational development programme. Business and management consultants, Magela, has been commissioned to assist with this process. Magela is providing initial input in respect of individual and team competencies; individual and team skills and development plans; and team building.
17. **Office and Business Support** – A new project appraisal and management system has been bought, called Proval. This will significantly aid the productivity and efficiency of team and is already proving very useful in the appraisal of new opportunities. The different IT systems operating across South Cambs and the City Council is proving a challenge as the H DA moves towards a single shared information system for the team.

Progress Report on Committed Schemes

18. Appendix 2 provides an up-date on the committed schemes that the H DA is currently working on.
19. The following table summarises the current position of schemes;

Stage of Development	Schemes	New Homes
Complete first six months 16.17	3	63
On site and expected to complete 16.17	6	157
On-site and expected to complete 17.18	1	208
Start on site expected 16.17	1	22
Planning approval achieved 16.17	1	8
Pre-planning stage	11	373

Note – The above does not include a refurbishment project that the H DA is undertaking on behalf of the City Council. This is due to start on site in December.

20. The H DA has secured two additional projects that were not on the 'committed scheme' list at the start of the year as follows;
 - Initial project management work on the City Council's land at Cambridge Fringe North East.
 - Initial appraisal work for the Cambridge and Peterborough Foundation Trust on their Ida Darwin site in Fulbourn.

Pipeline Schemes

21. The H DAs target is to work on schemes that deliver 250 home a year. The current committed programme will sustain the H DA team at its current capacity until 2018.19. The operational target thereafter is to secure schemes that will deliver 250 starts on site a year thereafter.

22. The following table the current position with pipeline schemes.

Target Group	Estimated Homes by Starting on Site		
	18.19	19.20	20.21
County Schemes	0	0	0
City and SCDC Housing Revenue Account (HRA)	103	6	48
City General Fund	30	0	0
City and SCDC Housing Companies	0	0	0
Partner Schemes	0	0	0
Totals	133	6	48

23. The above is a cautious estimate.

24. Should it be agreed, Devolution Housing Grant provides the opportunity to drive more starts for the City Council's HRA in 2019.20 onwards. The H DA has been instrumental in the negotiation to establish the housing element of the Devolution Agreement. The £70m grant proposed for the city will allow starts on 500 new homes over a five year period. Not all prospective schemes have yet been finalised or profiled in terms of start on site. A number of opportunities exist on City Council General Fund too. These are not all shown in the table above as it is too soon to add with any certainty.

25. The H DA has been working for the City Council to establish and Investment Partnership with house-builder, Hill. This is a joint venture that will allow the City Council to capture more of the up-lift in value from a development on its land, sharing in risk and also reward and benefitting from the capacity and expertise working with one of the local leading house-builders. It is possible that Hill will also bring some of its own land opportunities to the Investment Partnership. This will be a key partnership facilitated by the H DA that will drive the pace and delivery of new housing in the city.

26. A number of potential schemes provide the opportunity for investment by SCDC and the City Councils' Housing Companies. These too have not been included in the table. The H DA has completed an appraisal for a 39 unit scheme for the SCDC company. This is currently being considered by its senior staff. The H DA is also currently exploring a 15 unit opportunity for the City Council's company.

27. The County has recently withdrawn four of its eight schemes that it had originally asked the H DA to project manage leaving it with three schemes to progress. One scheme was withdrawn early in 2016. The H DA recommended a course of action for this scheme and County colleagues chose to take this forward themselves. The latest three schemes to be withdrawn were given a lower priority for the H DA to progress. County colleagues are now choosing to take these schemes forward through their own development company. No new County schemes are therefore shown for start on site from 2018.19 and beyond.

28. The Board will be well aware of the issues of the five year land supply for SCDC. This in turn has constrained the H DA in progressing any significant work on Rural Exception sites. Once the Devolution Agreement has been settled and the Investment Partnership has been set up, the H DA will turn its attention to how it may work positively to secure Rural Exception sites once the Local Plan review has been concluded.
29. Finally, although no numbers are shown against the Partner Scheme line in the table above, around 30 potential schemes have been identified for the H DA to continue to work through and assess the probability of their deliverability.

Implications

30. 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

31. The Board is reminded that it has agreed to provide £400,000 revenue funding for the H DA. £200,000 of this is budgeted to be spent in 2016.17 and the balance in 2017.18.

Consultation responses and Communication

32. Not applicable

Background Papers

H DA Business Plan 2016/17

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