

Putting the **HEART** into Housing

- Health & Wellbeing
- Economic Growth & Development
- Affordable Housing
- Reducing Fuel Poverty and promoting energy efficiency
- Tackling Homelessness



South Cambridgeshire District Council Council Housing – New Build Strategy 2012 - 2015



1. Introduction & Context

- 1.1 South Cambridgeshire District Council (SCDC) is well positioned to become an active development partner within the South Cambridgeshire District, and will be able to contribute effectively to regional and sub-regional agendas whilst meeting its own Business Plan Objectives and the Councils Aims and Objectives.
- 1.2 The Council will actively promote a programme to develop new council owned homes to help meet housing need across the district.
- 1.3 This strategy has been developed following the Housing Revenue Account reforms. The move to a self-financing regime has increased the Council's ability to plan investment, with potential increases in financial capacity to re-invest into our existing Council stock and provide new affordable homes.
- 1.4 The Housing Revenue Account (HRA) self financing debt settlement at the end of March 2012 has enabled the Council to identify an investment surplus that will total around £30 million by 2022. This will enable the Council to build around 200 new homes in that period, as identified in the HRA 30 Year Business Plan 2012-2042 published in February 2012.

Strategic links

- 1.5 This strategy is connected to the Council's Housing Strategy 2012-2016 that sets out a clear vision to:

“Be the best housing service by providing good quality housing across all tenures that is accessible to all – that enhances residents' quality of life, their health and wellbeing, that supports economic growth and social opportunities, alongside improved energy security and reduced carbon footprints”.

- 1.6 This is also aligned to the corporate objectives of the Council and will contribute to the wider housing agenda nationally and for the sub region. There is therefore a relationship between the New Build Strategy and the achievement of wider health and economic development goals. The following documents also link to the strategy:

- HRA 30-Year Business Plan
- Asset Management Strategy
- Garage Strategy
- Sub Regional Housing Statement
- Local Development Framework
- Affordable Housing Supplementary Planning Document
- Strategic Housing Information Portal (SHIP) containing the Tenancy Strategy
- SCDC Tenancy Policy
- Home-Link Choice Based Lettings Scheme including the Lettings Policy

- Empty Homes Strategy

1.7 The Council works closely with other local authorities through the Cambridge Sub Regional Housing Board and with the Local Economic Partnership.

Legal considerations

1.7 Legal advice will be needed to ensure that the strategic, statutory and enabling powers are appropriately distanced from the Councils' new role as provider and developer.

1.8 The Council has appointed legal professionals to assist in all aspects of the Council's development opportunities.

1.9 Advice will be sought on how the Right To Buy rules operate in relation to the different types of properties that the Council intends to build.

2. Why Build?

Objectives

2.1 There are a number of reasons why the Council wishes to build new homes which include:

- Increasing numbers of affordable homes to meet housing need
- Re-balancing of housing supply (bedroom sizes) to offset welfare benefit changes
- To make the best use of the Council's land and property assets
- Reducing fuel poverty and promoting energy efficiency
- Being able to build homes at high quality levels not achievable by others and to achieve high standards of design, construction and procurement of new homes to achieve best value for SCDC
- Improving management efficiency
- Reducing long term maintenance costs

2.2 The Council is seeking to build 200 new build homes over the next 10 years together with 200 replacement homes.

2.3 To achieve the Business Plan objectives, the strategy includes an intention to seek new opportunities and redevelop existing assets wherever possible and to be alert to opportunities for collaborative working with other registered providers, private developers and all other landowners.

2.4 The Council already has an Empty Homes Strategy and using the HRA resources at its disposal will be able to purchase up to 10 long term

empty homes from the private sector. This will generate a New Homes Bonus.

- 2.5 These homes will be refurbished and let out as temporary accommodation for homeless households thus reducing the cost of using bed and breakfast to the General Fund. At the right time the properties will be sold back onto the open market and the money recycled to bring further empty homes back into use. A £2M fund has been set up for this project.
- 2.6 The Council's £30M programme will also directly contribute to the local economy as well as helping to provide affordable homes to meet a need and to meet the shortfall in housing needed to support local economic development.
- 2.7 The establishment of a development portfolio and the potential offered by an arms length company or special purpose vehicle will allow the Council to explore new ways of generating further resources to support development and may also be able to generate an income stream to the Council to help reduce reliance on central government grant.

Housing Need/Demand

- 2.4 As at October 2012, there were 3284 households on the Housing Register looking for affordable rented accommodation; this compares with just 385 homes being let through the Home-Link Choice Based Lettings (CBL) scheme in 2011/12, which equates to about 12% of the Housing Register. In the last three years there has been between 500-600 new applications per year to the Housing Register.

Bedroom Need taken from the Housing Register		
1 Bedroom	1025	31%
2 Bedroom	1582	48%
3 Bedroom	504	15%
4 Bedroom	143	4%
5+ Bedroom	30	1%

- 2.5 This district wide analysis is frequently supplemented by the assessment of housing need for individual villages usually undertaken by Cambridgeshire ACRE.
- 2.6 The Gypsy and Traveller Accommodation needs Assessment 2012, also identifies the need for 65 new pitches to meet the current backlog and a further 20 new pitches to meet future demand by 2026.
- 2.7 The Strategic Housing Market Assessment estimates a need for an additional 1372 affordable homes to be built per annum over the next 5 years if the Council were to meet demand. This includes an estimate of the affordable homes needed to meet the housing needs of a growing local economy.

3. What to Build

Property size & type & tenure

- 3.1 In accordance with Section 3.19 of the Affordable Housing SPD, for development in the higher order settlements (i.e. the major developments, rural centres and minor rural centres) the type and size of affordable housing will be based on the characteristics of the site and the proposed development, viability, local factors and overall need across the district.
- 3.2 The tenure mix for schemes (e.g. the proportion of social rented, Affordable Rent, shared ownership etc.) will be agreed on a scheme-by-scheme basis in accordance with Section 3.9 of the Affordable Housing SPD, taking into account financial viability and housing need.
- 3.3 Within larger schemes there is the need to build a variety of properties to meet a range of needs commensurate with promoting balanced communities. Within the district however there is a significant shortage of smaller properties particularly one bed homes and the New Build Strategy needs to go some way to redressing that imbalance in the Council's own housing stock.

Allocations

- 3.4 All new affordable rented homes will be let through the Home-Link Choice Based Lettings System for the Cambridge sub region, in accordance with the Council's Lettings Policy and its Tenancy Policy.
- 3.5 Allocations for intermediate products, such as shared ownership/equity share will be advertised through the Orbit Homebuy Agents or alternative marketing activities as appropriate on a scheme by scheme basis. Qualifying applicants must be registered with Orbit Homebuy Agents.

Rents

- 3.6 As set out in the Council's Tenancy Policy, all new tenancies will be charged at target rent. There are some exemptions to this, such as some tenants transferring within the Council's housing stock.
- 3.7 If the Council decides to sign an agreement with the Homes & Community Agency to raise further investment for the provision of affordable housing it will have to agree to charge Affordable Rents. Affordable Rents could be up to 80% of market rent but likely to be within the Local Housing Allowance for housing benefit purposes.

Design standards

- 3.8 An early action will be to put in place the Councils' own Design and Quality Standards charter.
- 3.9 The Council will continue to have due regard to the standards contained at Section 3.27 of the Affordable Housing Supplementary Planning Document (SPD) and will seek to, where practically possible, to enhance those standards.
- 3.10 A Housing Quality Indicator (HQI) assessment will be carried out on all schemes and we will seek to achieve a score above the national average by incorporating the principles of the HQI system into the design brief which will be developed by our Design Team over the forthcoming months. Developers will be encouraged to have a systematic approach to achieving good quality. The principle of working towards a high level HQI score will ensure a high quality product for the end user and show our commitment to quality.
- 3.11 Lifetime Homes standards will be achieved whenever possible to meet the changing needs of our customers and to satisfy the requirements of the planning authority. The standard will be detailed in our design brief and any partnering contractor or architect will be encouraged to always have this in mind when designing new properties
- 3.12 The Council may choose in the future to become a preferred building partner with the Homes and Communities Agency (HCA). Units that benefit from grant from the HCA must be built to meet their Scheme Development Standards. SCDC want to be able to meet and wherever possible exceed these standards to ensure that we provide high quality schemes.
- 3.12 Our design brief will be continually reviewed and updated to ensure that it meets current regulations. It will seek to include examples of good practice and any partnering contractors will be encouraged to suggest changes to improve the end product.
- 3.13 Units that are secured through Section 106 sites that would not attract public subsidy of any sort will be encouraged to meet SDS standards. Whilst they may not be required to meet all aspects of the design brief they will be required to meet items considered essential to the Council and its design team.

Sustainability

- 3.14 The creation of sustainable communities is a key theme running through government policy requiring the provision of a range of house types at varying price levels, but should also provide opportunity and choice. National planning policies and our regional investment plan support these themes. New housing should provide safe and sustainable communities where people want to live.

3.15 The design charter will incorporate a section on sustainability. The objective of this will be to ensure that the properties we provide seek to contribute to the quality of life of the communities where the new homes are located, and will seek to ensure that the development meets the needs of the present without compromising the ability of future generations to meet their own needs. To ensure that new schemes are developed in a sustainable way, the ethos of sustainable development will be incorporated into the design brief and any partnering contractor that we use will be encouraged to research and adopt eco-friendly solutions.

4. Where to build?

4.1 The Council is the largest landlord within South Cambridgeshire and our primary objective is to provide new affordable housing within the South Cambs area. However opportunities may arise in the future through new partnerships which may see our landlord operations going outside of the district boundary,

4.2 There are a number of opportunities for social landlords to build new affordable homes in the District during the next 10 years. These could add up to a total pool of around 2,000 new affordable homes on sites being brought forward, for example, by private sector developers and the County Council. It is from these opportunities that the Council would seek to contribute 200 new homes.

Options

4.3 Options for development include:

- Council owned sites
- S106 opportunities
- Growth sites
- Regeneration Projects on council owned land/assets
- Rural exception sites
- Bringing long term empty homes back into use

4.4 A draft build programme for the first 3 years is detailed at Appendix C within this strategy.

4.5 The strategic site at Northstowe also presents a clear opportunity to help meet some of this need using HRA resources particularly in years 10 – 20. The planning application for Phase 1 is due to be determined in October/November 2012. The first homes are expected to start being built by 2014 with the first new homes being completed in 2015.

4.6 Subject to planning approval, Northstowe will be built out in phases in a period of around 25 years. Phase 1 is expected to deliver around 1500 homes by 2022 of which around 500 will be affordable homes.

Preparation is underway for an initial Council build of 20 – 30 homes in the Phase 1 of Northstowe with the potential for this to be increased after year 10.

- 4.7 The Council's Planning section is currently (November 2012) working through consultation responses to the plans for new development in the District. Once these responses have been analysed the information will be used to inform potential development sites that could meet the objectives of this strategy.
- 4.8 We will continue to explore other external partnerships, such as working with the County Council and the Diocese of Ely.
- 4.9 There may be an opportunity to contribute to the provision of affordable Gypsy and Traveller provision too subject to the advice from the CLG.

5. Asset Management

- 5.1 The Council owns and manages around 5850 dwellings, including sheltered housing with communal facilities, flats with leaseholders and equity share properties. Around 264 of the properties are of non-traditional construction and there are garage blocks throughout the district with widely differing levels of usage.
- 5.2 The Asset Management Strategy 2011-2015 acknowledges the need to consider best use of existing stock and to ensure value for money, which may include property disposal or redevelopment where possible.
- 5.3 Clarity is now needed on how decisions are taken in the future regarding matters which link to both the Asset Management Strategy and the New Build Strategy. This will include issues such as:
 - The replacement of existing dwellings when they are no longer viable to repair.
 - Whether to consider market sale of some properties or assets where the receipt can be better used to provide a higher quality replacement home or homes.
 - How to best utilise other small pieces of Council owned land.
 - The process for disposing of ransom strips.
- 5.4 The target date for this policy (which may require separate Portfolio Holder approval) is contained within the Action Plan.

6. Celebrating Milestones

- 6.1 There will be many opportunities to celebrate and publicise the milestones reached for each development, such as the laying of the first brick, topping out, completion of public art, etc. Each scheme will be considered on an individual basis as to what milestones to celebrate and will follow the protocol as set out at Appendix B.

7. Future considerations & Financial Resources

- 7.1 Together with our legal consultants, we will explore further the potential options available to establish a special purpose vehicle to take forward other development opportunities, such as private rented management and outright sale.
- 7.2 This action has already been identified as a Corporate Action for 2013/14. It has the potential to unlock extra funding that will provide cross subsidy to enable more homes to be built and which may also provide an income stream the Council that will help reduce reliance on central government funding.

8. Development Team

- 8.1 The lead officers to take forward the development programme will be the Director of Housing and Head of Housing Strategy and Development. They will be supported by Walker Morris, professional legal consultants and an externally appointed design team via the Council's procurement process. The full development team is listed in Appendix A.
- 8.2 The Council has the opportunity to join the Cambridgeshire Partnerships Ltd, (CPL) consortium that has been established to deliver the affordable homes programme across some of the growth sites on the fringes of Cambridgeshire and also Northstowe.
- 8.3 The Council will also explore the potential of working with other partners such as developing housing associations where this will add value.

9. Financial Viability

- 9.1 The decision to invest in the new build programme was taken as an alternative to the immediate repayment of the HRA debt settlement figure. All new developments must therefore pass a viability test, which measures whether or not the overall financial return on the new build home outperforms the value of paying down the debt.
- 9.2 There will be allowances made for exceptional cases where the viability test will not be met but where there is a pressing social or medical need as long as the overall development portfolio meets the test.
- 9.3 There are similar considerations for the asset management decisions taken for existing stock though in these cases there may be other social reason why a property is invested in. These will be addressed in the new policy noted in 5.4 above.

10. Action Plan and Monitoring arrangements

10.1 The Action Plan at Appendix D details the specific actions to be carried out over the next 12 months to take forward the New Build Strategy.

10.2 This will be monitored and reviewed on a regular basis by the Heads of Housing Group supported by the Housing Performance Improvement Team Leader. Reports on progress will be considered by the Housing Portfolio Holder on an annual basis and publicised through the appropriate media channels, such as local paper, website, newsletters, magazine, etc

10.2 The strategy will be the basis for future development decisions by the Housing Portfolio Holder and sets the agenda for the procedural and process guidance for the development function.

11. Risk Management

11.1 The Service Plan is the document where the operational risks are reviewed. There is also an Affordable Homes risk register, which seeks to control the key risks facing the service and this is refreshed quarterly. The Executive Management Team also reviews the service risk register twice per year and notable risks are also escalated to the corporate risk register, which is subject to scrutiny by internal audit on a regular basis.

11.2 In addition there will be a separate risk log for this strategy as well as individual risk logs for each development project as it commences.

Appendix A

SCDC Development Team

Director of Housing	Overall lead officer
Head of Housing Strategy and Development	Operational lead officer
Head of Housing and Property Services	Asset management lead
Head of Housing Advice and Homelessness	Allocations lead
Housing Development Officer	Project management of Council new build schemes apart from strategic growth sites
Joint Enabling and Development Officer	Project management of affordable new build schemes on strategic growth sites. Joint post with Cambridge City Council.
Housing Performance Improvement Team Leader	To lead on strategy monitoring liaison with the SHMA team and leading the Empty Homes Strategy.
Project Manager (Housing Sustainability)	Technical Support on development issues such as drainage and road layouts etc.
Walker Morris	Appointed legal advisors
TBC	Appointed Employers Agents and design champions.
HRA accountant (new post)	Internal financial advice and business development expertise

CELEBRATING PROJECT MILESTONES PROTOCOL

1. GROUNDBREAKING CEREMONY

- All council new build projects will be celebrated with a groundbreaking ceremony.
- Invitations will be organised by the Head of Housing Strategy and Development.
- The Chairman (or Vice Chairman or Housing Portfolio Holder in that order) of the Council will be formally invited to break the ground and to make a short speech to mark the start of the project.
- Other invitees will be members of the Cabinet, former Portfolio Holders associated with the development, Local Member(s), Parish Council representatives, SCDC officers and the local community.
- A press release will be issued to the PR team at SCDC.

2. TOPPING OUT CEREMONY

- Depending upon the time of year, it may be appropriate to hold a topping out ceremony for the project.
- Such a milestone, should only be celebrated if the invitees are prepared to listen and abide by the terms of the pre- health and safety talk by the contractor and that they are all wearing suitable PPE (these will be live building sites).
- The invite list should be the same as detailed in point 1 above and again a press release will be issued by SCDC.

3. HANDOVER/PRACTICAL COMPLETION

- Prior to the units being handed over to us as landlord, the Head of Housing Strategy and Development will arrange for a preview of all the completed units for members of the cabinet and the local member.
- It will also be timely to use this occasion to involve colleagues from housing management at the discretion of the Head of Housing and Property Services.

4. COMPLETION CEREMONY

- The completion ceremony will be the major milestone for the project, where everyone comes together to celebrate the conclusion of the new build.

- The Head of Housing Strategy and Development along with the Communications Manager will decide upon the most appropriate way to mark the occasion. For example, cutting a ribbon, handing keys to a new resident or planting a tree.
- Guests will include those detailed in point 1 above, along with all the contractors involved in the project.
- The Head of Housing Strategy and Development will extend invitation to others if deemed appropriate.

AFFORDABLE HOUSING DELIVERY PROGRAMME 2012/15

Site	Number of units	Anticipated start on site	Completion	Commentary
Linton Chalklands	4 x 1 bed house	April 2013	January 2014	Site owned by SCDC. Planning application submitted October 2012
Foxton	4 x 1 bed house 6 x 2 bed house 5 x 3 bed house	August 2013	June 2014	Rural exception site. Pre-app advice currently being obtained. Parish council being consulted November 2012.
Gamlingay	11 (size & mix to be confirmed)	December 2013	October 2014	Site owned by SCDC Units currently being decanted. Parish council have been consulted. Looking to develop equity share model.
Bourn	11 (size & mix to be confirmed)	March 2014	January 2015	Rural exception site Pre-app advice being obtained. Parish council consulted and supportive of proposals.
Willingham Wilford Furlong	Not known at this stage	To be confirmed	To be confirmed	Project will focus on potential regeneration of this site and may seek to provide additional homes. Meeting with local members and parish council in November 2012.
Northstowe (phase 1)	Potential for up to 20 new homes	To be confirmed	To be confirmed	Lead partner is CPL. Currently obtaining advice about joining the consortium.

ACTION PLAN

What	How	Expected Outcome	When
Appoint external Design Team	Through Council's procurement process	To facilitate the provision of new affordable homes subject to planning on sites as detailed in the Delivery Programme at Appendix C	December 2012
Identify Risk Log for the New Build Strategy to be included within the Affordable Homes Risk Register	Risk Log to identify existing commitments to CLG and within the HRA Business Plan	To follow corporate process to monitor, manage and mitigate any risk associated with not meeting existing commitments	April 2013
Agree a set of financial parameters against which all potential sites will be appraised	Design Team to develop a viability toolkit to be used as an initial assessment for development potential	To provide a clear and transparent process for identifying development potential through financial viability that provides value for customers and the Council	May 2013
Adopt a Design & Quality Standards Charter	Design Team to develop the Charter based upon advice from the Heads of Housing Group	Design & Quality Standards Charter to include the principles of the HQI system and sustainable development that will ensure high quality homes	June 2013
Adopt the Asset Management Policy	Asset Management Policy to be developed by the Head of Housing & Property Services in consultation with the Head of Housing Strategy and Development. May required Housing Portfolio Holder (HPFH) approval	To provide clarity on how decisions are taken in the future regarding matters which link to both the Asset Management Strategy and the New Build Strategy	June 2013
Explore options for setting up of a new delivery vehicle to deliver equity share, market sale and private rented properties	Identified as a Corporate Action for 2013/14 and within Affordable Homes Service Plan Director of Housing to lead. Scoping report to be produced for Cabinet approval	To address unmet housing need from across a wider set of incomes bands than those identified by affordable housing products. This is important to meet the needs of those on the lowest banding of the housing register and to meet the needs of the growing economy within the district. The Council will need to work in partnership with other public sector bodies, which may include the County Council	June 2013

What	How	Expected Outcome	When
Target to build around 200 new homes over the next 10 years together with 200 replacement homes.	As identified within the Delivery Programme which will be monitored on a regular basis by the Heads of Housing Group and reported annually to the HPFH and TPG Each development will have a separate project plan and individual risk log	Providing good quality homes that meet the housing needs of the District through a variety of tenures and property sizes	Ongoing up to 2022
Undertake and complete a review of all the development opportunities that our own land holdings present	Review & update the land appraisal undertaken in 2007. Head of Housing Strategy & Development to lead with input from the Design Team and the Head of Housing & Property Services Identified development opportunities to be managed through the Delivery Programme Other land holdings will be dealt with in accordance with the Asset Management Policy	To contribute to the Council's key objective to provide 200 new homes within the first 10 years of the New Build Strategy. Providing good quality homes that meet the housing needs of the District through a variety of tenures and property sizes Ensuring value for money to the Council through making best use of existing stock	December 2013
Explore development opportunities following the completion of the Strategic Housing Land Availability Assessment (SHLAA)	Viability/Feasibility of potential development sites identified through the SHLAA process to be explored by the Head of Housing Strategy & Development and included in the Delivery Programme where appropriate	To contribute to the Council's key objective to provide 200 new homes within the first 10 years of the New Build Strategy. Providing good quality homes that meet the housing needs of the District through a variety of tenures and property sizes	2014 onwards
Monitoring of the New Build Strategy Action Plan and Delivery Programme	Housing Performance Improvement Team Leader to provide quarterly updates to the Heads of Housing Group. Performance reported to the Housing Portfolio Holder and Tenant Participation Group (TPG) on an annual basis	To ensure the New Build Strategy is progressed on target and that the Delivery Programme is monitored and refreshed on a regular basis	First quarterly report April 2013 HPFH report November 2013