



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.5</b>
<b>28 MARCH 2018</b>	<b>PUBLIC REPORT</b>

## **£70M CAMBRIDGE CITY DEVOLUTION HOUSING PROGRAMME**

### **1.0 PURPOSE**

- 1.1. The Combined Authority successfully secured £70million from the Government as part of the devolution deal to deliver 500 council homes. This report provides an update on the Cambridge City Devolution Housing Programme.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>Martin Whiteley, Chief Executive</b>
<b>Forward Plan Ref: 2018/003</b> <i>(previously titled Housing Delivery Programme (£70m) and Delivery Partnership Agreement)</i>	<b>Key Decision: Yes</b>
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> <li>(a) Note the progress in year 1 of the programme.</li> <li>(b) Note the forward pipeline.</li> <li>(c) Agree to receive further quarterly progress reports.</li> </ul>	<p><b>Voting arrangements</b></p> <p>Simple majority of all Members</p>

(d)	Note the arrangements for a Strategic Partnership Agreement with Cambridge City Council as the Combined Authority's delivery partner for the £70m programme.	
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## 2.0 BACKGROUND AND CONTEXT

### Cambridgeshire and Peterborough 2030 Ambition

- 2.1. The Mayor and the Combined Authority are committed to accelerating affordable housing delivery to meet local and UK need and support economic growth. This is reflected in the 2030 Ambition for coordinated, interventions and investment tailored to local need across housing, transport and infrastructure, planning and land use and skills.



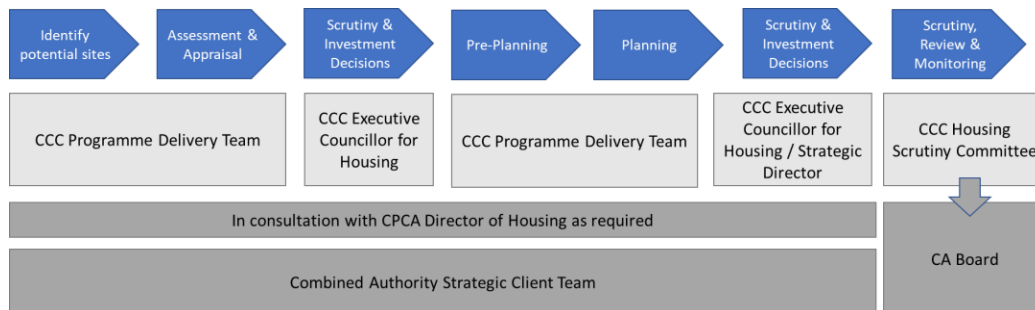
### Affordable Housing Business Case

- 2.2. As part of the devolution deal the Combined Authority received a £70million grant fund for the delivery (start on site) of 500 council homes between April 2017 and March 2022. The devolution deal provides that the £70million is ringfenced to meet the housing demand in Cambridge City. The City Council is therefore best placed to deliver the additional homes and intend to rely upon additional freedoms to use other housing resources, including receipts from Right to Buy sales to provide additional funding for the programme. Whilst the Combined Authority has overarching accountability under the Assurance Framework for the programme, the primary decision-making and governance of the programme sits within the Cambridge City Executive and its Scrutiny functions as set out in the Strategic Partnership Agreement.
- 2.3. This report provides an update on the £70m Cambridge City Devolution Housing Programme including an overview of the pipeline of future housing schemes.

## 3.0 CAMBRIDGE CITY DEVOLUTION HOUSING PROGRAMME

- 3.1. Prior to the devolution deal, Cambridge City Council had been building new council housing; this programme came to an end when nationally-imposed rent

cuts made it unviable to continue. The programme has therefore invested significant effort in identifying schemes and initiating early stage site assembly and planning to develop a pipeline of schemes for delivery. In the first year the programme has identified a number of sites and brought them forward for delivery. The figure below provides an overview of the programme.



## Programme Delivery

3.2. Appendix A provides a delivery update on the programme.

## 4.0 COMBINED AUTHORITY DELIVERY PARTNER

- 4.1. Cambridge City Council is the Delivery Partner for the £70m Affordable Housing Programme.
- 4.2. The Combined Authority Interim Housing Director, Legal Counsel & Monitoring Officer and Finance officers have been working with Cambridge City Council to develop a Statement of Partnership Working to deliver the £70m Programme. This is provided at Appendix B.

## 5.0 FINANCIAL IMPLICATIONS

- 5.1. The service delivery arrangements designed to deliver the £70m Programme have been established by the Combined Authority in partnership with Cambridge City Council. The Statement of Partnership Working sets out the management, financial and operational procedures governing service delivery as agreed by the authorities. The procedures include reporting arrangements and the payment of Housing Investment Fund monies to the City Council. Both the delivery arrangements and the Statement have been developed in accordance with the Combined Authority's Assurance, Monitoring and Evaluation Frameworks.
- 5.2. The frequency and detail of reporting the progress and cost of individual schemes and the entire programme is a matter of policy for the 'client' organisations'. In this project both the Combined Authority and the City Council are 'clients' in relation to their respective service delivery roles.
- 5.3. It is recognised that for relatively small contracts such as individual housing schemes reporting on a monthly basis is unacceptable and unnecessarily time

consuming. Therefore a bespoke reporting process has been agreed as outlined in Appendix B: Performance Management and Financial Control Framework of the Statement of Partnership Working and is commended for the agreement of the Board. The process comprises of quarterly reporting of financial information for all schemes to member/officer committees and six monthly reporting of management and financial control and operational performance on all schemes to all member committees, including the Combined Authority Board and the City Council.

- 5.4. Payments by the Combined Authority to the City Council will also take place on a quarterly basis in line with the reporting process. Payments will be made quarterly in arrears against invoices.

## **6.0 LEGAL IMPLICATIONS**

- 6.1. The devolution deal was signed by the Combined Authority in June 2016 and provided for a £20M annual gainshare fund and an additional £70M capital over 5 years, recognising the exceptional housing market conditions in Cambridge. The obligations within the devolution deal require the Combined Authority to ensure the funds are spent in line with its Assurance, Monitoring and Evaluation Frameworks.
- 6.2. The Assurance Framework, as reflected in the devolution deal, requires the Combined Authority to demonstrate that the funds have been used for the objectives of the devolution deal. The Combined Authority is assessed against these targets at the 5 yearly gateway assessments carried out with Government.
- 6.3. The Partnership Agreement therefore sets out how Cambridge City Council will work with the Combined Authority to deliver the housing needs for Cambridge so as to meet the requirements of the devolution deal and the Assurance Framework.
- 6.4. The Partnership Agreement is a memorandum of understanding which means that it operates as a statement of intent between the Combined Authority and Cambridge City Council as one of its constituent authorities. As such the Partnership Agreement is not contractual and procurement rules do not apply to the Agreement. It is expected that in the delivery of the housing programme Cambridge City Council will act in accordance with the contracting and procurement rules which apply to any commissioning it undertakes.

## **7.0 SIGNIFICANT IMPLICATIONS**

- 7.1. Cambridge City Council is expected to address any equalities and other statutory implications in the development of an equalities impact assessment for the project.

## **8.0 APPENDICES**

- 8.1. Appendix A: Cambridge City Devolution Housing Programme – Delivery Update

## 8.2. Appendix B: Statement of Partnership Working

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
<i>DCLG Approved Business Case</i> Devolution Deal 2016 Assurance Framework Monitoring and Evaluation Framework	Cambridgeshire and Peterborough Combined Authority, The Grange, Nutholt Lane, Ely CB7 4EE

## **Appendix A: Cambridge City Devolution Housing Programme – Delivery Update**

Report to: Cambridgeshire and Peterborough Combined Authority  
Report from: Cambridge City Council  
Date: 02/02/2018

### **Executive Summary**

This report provides an update to the Cambridgeshire and Peterborough Combined Authority on the delivery of the Cambridge City Council Devolution Housing Programme (£70M). It is the first in a series of regular updates which the Board will receive throughout the period of planned delivery.

In the first year of the Cambridge City Council Devolution Housing Programme a programme pipeline has been developed, the first two units have been completed and will be handed over in February, 12 units are due to start on site by the end of March 2018, planning applications have been submitted for further sites and it is expected that a further 131 homes will start on site between April and September 2018. This sees a total 145 new affordable homes in year 1 and the first half of year 2.

The programme is continuing to develop the medium and longer term pipeline. More sites have been identified and the programme is engaged in preliminary works, negotiations, site assembly etc to bring forward schemes for delivery over the period to 31 March 2022.

Cambridge City Council expects to enter into a formal partnership agreement with the Combined Authority by the end of the financial year.

### **Background**

As part of the Cambridgeshire and Peterborough Devolution Agreement, £70M has been made available by Government for the delivery of council housing by Cambridge City Council. The agreement specifies that 500 homes should be started on site between April 2017 and March 2022. The devolution deal provides additional freedoms to Cambridge City Council to use other housing resources, including receipts from Right to Buy sales, to provide additional funding for the programme, it also specifies that the primary decision-making and governance of the programme sits within the Cambridge City Council Executive and Scrutiny functions. The Combined Authority has overarching accountability for delivery.

Prior to the devolution deal, Cambridge City Council had been building new council housing; this modest programme came to an end when nationally-imposed rent cuts made it unviable to continue. The devolution programme allows a significant increase in the number of homes able to be delivered that would not have been possible without the deal. Cambridge City has invested significant effort in identifying schemes and initiating early stage site assembly and planning to develop a pipeline of schemes for delivery.

In the first year of the programme, Cambridge City Council has identified a number of sites and brought them forward for delivery. These are detailed in Tables 1 and 2.

## **Current Programme**

### **Programme Delivery Methods**

The Council's programme delivery office is the HDA – Housing Development Agency. This team is led by a Head of Service who has responsibility for the overall programme, working closely with internal and external stakeholders to accelerate delivery and ensure effective public consultation on specific sites.

The programme is currently using three routes to delivery, but may consider other options in the future.

1. **In-house delivery:** using the Council's Estates and Facilities Team to deliver directly on small sites that would otherwise be expensive to deliver. Two homes have been completed on one site at a good price (benchmarked against other recently completed schemes) with the additional benefit of providing training to apprentices. Two further sites are being delivered by this team, with the future potential to tackle small infill opportunities identified within the programme pipeline.
2. **Direct Procurement:** three garage sites have been tendered and should start on site in the new financial year once procurement concludes.
3. **Cambridge Investment Partnership (CIP):** Cambridge City Council has entered into an equal partnership with Hill Residential for joint development. Directing development through the CIP is particularly suited to the Council's larger and more complex sites, including those where market sale homes will be delivered alongside affordable homes developed to make the site as a whole viable.

### **Indicative Programme Pipeline**

During Year 1 - 2017-2018 the programme has been primarily focused on identifying suitable sites and bringing them forward through committee and pre-planning processes. Due consideration has been given to the appropriate procurement process for individual sites/bundles of sites to assist in identifying commercially viable procurement and delivery options that offer both flexibility and value for money.

Start on site delivery work has been undertaken for smaller scale developments and demolitions work as illustrated in Table 1.

Significant progress has been made with design development on a number of schemes most notably the scheme proposed on the Mill Road Depot site.

A number of schemes are being developed by the CIP for delivery. Planning submissions have been made and it is expected that (subject to planning permission being granted) start on site will commence in Spring 2018.

<b>Table 1: sites in programme at design, planning and delivery stages</b>					
<b>Schemes</b>	<b>Delivery Method</b>	<b>Site Type</b>	<b>Status</b>	<b>Net additional affordable</b>	<b>Start on Site</b>
Uphall Road	E&F Team	In-fill	Completed	2	April 2017
Kendal Way	E&F Team	In fill	Planning Approved	2	March 2018
Kingsway Flats	E and F Team	Conversion	Pre-planning	4	May 2018
Nuns Way & Cameron	Tender	Garage and Infill	Planning Approved	7	March 2018
Wiles Close	Tender	In fill	Planning Approved	3	March 2018
Tedder Way	TBC	In fill	Awaiting Planning	2	Sept 2018
Anstey Way	CIP	Demolition and rebuild	Demolition in progress	31(54 in total)	June 2018
Queens Meadow	CIP	In fill	Planning Approved	2	June 18
Ventress Close	CIP	Existing Housing	Pre-planning	13	Nov 18
Wulfstan Way	CIP	In fill	Pre-planning	3	Oct 18
Colville Road	CIP	Garages	Awaiting Planning	3	Oct 18
Mill Road	CIP	Ex-depot	Awaiting Planning	92	June 18
Gunhild Way	CIP	Garages	Pre-planning	2	Nov 18
Markham Close	CIP	Garages	Pre-planning	4	Dec 18
Akeman Street	CIP	Existing Mixed Use	Pre-planning	14	Jan 19
Hills Avenue	CIP	In fill	Pre-planning	1	TBC
<b>SUB TOTAL</b>				185 ((208 total)	

Table 2: Sites at early feasibility or under negotiation					
Potential 1	CIP	Windfall site	Negotiation	146	2019/20
Potential 2	TBC	Redevelopment Opportunity	Feasibility	100	2020
Potential 3	TBC	Existing Housing	Early Feasibility	62	
Colville Phase 2/3	TBC	Existing Housing	Feasibility	68	
Potential 5	TBC	Existing Housing	Early Feasibility	TBC	
<b>SUB TOTAL</b>				266	
<b>TOTAL</b>				<b>467</b>	

**Sites in Table 1** are all in the ownership of Cambridge City Council and have member decisions underpinning development. On these sites, work to secure the site has been completed or is well underway, for example for two larger schemes:

**Anstey Way** was identified for redevelopment under the Council's previous programme, because the bungalows on site were very small, and not fit for modern standards, also land use was poor so the site presented a redevelopment opportunity. The programme of decanting began, moving tenants to alternative homes and negotiating with leaseholders to repurchase their dwellings. Local consultation took place but the impact of national funding changes on the HRA meant that that site changes did not proceed to development.

The Site is now progressing, with demolition completed, and the planning application for replacement dwellings and additional new homes is expected to be determined in March. The CIP are ready to mobilise for a start on site in spring / early summer 2018.

**Mill Road:** This site is in the ownership of the Council, having been used for many years as the depot for operations. Services began moving off site over a year ago, with the relocation of the waste collection service to Waterbeach. The last teams to move will relocate in April/May 2018, at which point on-site demolition will be able to commence. Remediation works will also be required due to the nature of the previous uses.

The Council is bringing the site forward through CIP, for a mixed tenure development, but with an increased affordable housing level of 50%, and a focus on sustainability and quality community facilities. It is expected that the YMCA – currently located in the city centre – will relocate to new build dispersed premises at

Mill Road, as part of a land swap that releases their Gonville Place site for redevelopment within the devolution period.

This site is well located with really good access to public transport through bus and train services, and good services available nearby for residents.

**Sites in Table 2** involve a series of complex issues of land negotiations, securing vacant possession and addressing other matters prior to development; they are not yet certain for development, timescales are therefore indicative at this stage. The Council expects to make significant progress on these sites during 2018/19 and progress on timescales for delivery and programme spend will continue to be reported to the Cambridge City Council Executive and Scrutiny and to the Combined Authority Board. The programme also continues to investigate other opportunities for development, which could include the development of land owned by other public bodies.

### **Financial Modelling – Spend and Predictions**

Tables 1 and 2 above show indicative costs for schemes under development. Costs are subject to change as they progress through pre-planning and planning (e.g. the need to change designs during planning, opportunities to realise savings through effective procurement).

Schemes in Table 2 have been costed solely on an assumption of a cost per unit at this stage. Detailed costings will be brought forward as the schemes are developed and progress through planning.

Table 3 below shows the current total budgeted spend profile; devolution deal spend is summarised in the lower half of the table

Cambridge City Council is currently predicting a total spend of £129M, comprising £70M devolution grant, topped up with £59M Council resources, for the delivery of a programme yielding over 600 net additional units (replacement units on regeneration sites excluded from the total, they are funded entirely from Council resources).

It is anticipated that the pipeline and spend profile may change as schemes progress through planning and design, for example factors that may impact the spend profile include:

- Delays to start on site including securing vacant possession, obtaining planning permission and addressing site specific development constraints
- Use of CCC RTB receipts – regulations requiring us to spend these within three years of receipt will mean an uneven spend profile of RTB money impacting on the devolution spend
- Methods of delivery require different spend profiles to meet contractual arrangements. Not all sites have a confirmed method of delivery at this stage.

Regular progress reports will be provided to provide delivery assurance to Cambridge City Council Executive and Scrutiny and the Combined Authority Board.

## Cambridge City Council New Build Programme - Devolution Funded Schemes Only

New Build / Re-Development Scheme Budget	2017/18				2018/19				2019/20	2020/21	2021/22	2022/23	Total	
	Actual			Budget	Budget				Budget	Budget	Budget	Budget		
	Q1 £'0	Q2 £'0	Q3 £'0	Q4 £'0	Q1 £'0	Q2 £'0	Q3 £'0	Q4 £'0	£'0	£'0	£'0	£'0	£'0	
New Build / Acquisition / Re-Development Cash Expenditure (Net of Developer's Cross Subsidy / Notional Land Value)														
Garage Sites 2015/16 (4 sites)	13,535	8,930	2,120	498,415	522,500	522,500	522,500	522,500	0	0	0	0	2,613,000	
Garage Sites 2015/16 - Uphall Road	48,243	92,391	163,631	12,735	0	0	0	0	0	0	0	0	317,000	
Hills Avenue	0	0	0	29,170	55,013	55,013	55,013	55,013	0	0	0	0	249,220	
Queensmeadow	0	0	0	45,240	134,320	134,320	134,320	134,320	0	0	0	0	582,520	
Wulfstan Way	0	0	0	58,580	184,465	184,465	184,465	184,465	30,990	0	0	0	827,430	
Anstey Way	300,919	1,274	0	540,097	1,341,188	1,341,188	1,341,188	1,341,188	4,039,170	0	0	0	10,246,210	
Akeman Street	0	0	0	48,150	0	238,636	715,907	715,907	2,400,080	0	0	0	4,118,680	
Ventress Close	175	293,818	0	494,217	454,203	454,203	454,203	454,203	845,250	0	0	0	3,450,270	
Kingsway Clinic Conversion	0	0	0	0	102,500	102,500	102,500	102,500	0	0	0	0	410,000	
Colville Road (Garage Site)	0	0	0	49,020	195,455	195,455	195,455	195,455	35,510	0	0	0	866,350	
Mill Road	0	0	0	0	0	0	1,634,150	1,634,150	6,891,440	9,206,260	0	0	19,366,000	
Gunhild Way	0	0	0	28,680	103,343	103,343	103,343	103,343	143,670	0	0	0	585,720	
Markham Close	0	0	0	0	0	0	78,883	157,767	618,540	0	0	0	855,190	
Devolution, RTB and Re-development CIP Programme	0	0	0	0	2,575,000	2,575,000	1,475,510	1,475,510	13,764,560	35,906,900	17,239,920	9,815,980	84,828,380	
Total New Build/ Re-Development Expenditure	362,872	396,413	165,751	1,804,304	5,667,985	5,906,621	6,997,435	7,076,319	28,769,210	45,113,160	17,239,920	9,815,980	129,315,970	
New Build / Re-Development Scheme Devolution Funding	2017/18 Budget				Budget	2018/19				2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	Total
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4						
	£'0	£'0	£'0	£'0	£'0	£'0	£'0	£'0	£'0	£'0	£'0	£'0	£'0	£'0
New Build Devolution Grant Funding														
Garage Sites 2015/16 (4 sites)	(9,475)	(6,251)	(1,484)	(348,891)	(365,750)	(365,750)	(365,750)	(365,750)	0	0	0	0	(1,829,100)	
Garage Sites 2015/16 - Uphall Road	(33,770)	(64,674)	(114,542)	(8,915)	0	0	0	0	0	0	0	0	(221,900)	
Hills Avenue	0	0	0	(20,419)	(38,509)	(38,509)	(38,509)	(38,509)	0	0	0	0	(174,454)	
Queensmeadow	0	0	0	(31,668)	(94,024)	(94,024)	(94,024)	(94,024)	0	0	0	0	(407,764)	
Wulfstan Way	0	0	0	(41,006)	(129,126)	(129,126)	(129,126)	(129,126)	(21,693)	0	0	0	(579,201)	
Anstey Way	0	0	0	(167,052)	(469,416)	(469,416)	(469,416)	(469,416)	(1,413,710)	0	0	0	(3,458,424)	
Akeman Street	0	0	0	0	0	(137,181)	(429,544)	(429,544)	(1,440,048)	0	0	0	(2,436,318)	
Ventress Close	0	0	0	(68,681)	(275,550)	(275,550)	(275,550)	(275,550)	(512,785)	0	0	0	(1,683,664)	
Kingsway Clinic Conversion	0	0	0	0	(71,750)	(71,750)	(71,750)	(71,750)	0	0	0	0	(287,000)	
Colville Road (Garage Site)	0	0	0	(34,314)	(136,819)	(136,819)	(136,819)	(136,819)	(24,857)	0	0	0	(606,445)	
Mill Road	0	0	0	0	0	0	(1,143,905)	(1,143,905)	(4,824,008)	(6,444,382)	0	0	(13,556,200)	
Gunhild Way	0	0	0	(20,076)	(72,340)	(72,340)	(72,340)	(72,340)	(100,569)	0	0	0	(410,004)	
Markham Close	0	0	0	0	0	0	(55,218)	(110,437)	(432,978)	0	0	0	(598,633)	
Devolution, RTB and Re-development CIP Programme	0	0	0	0	0	0	(881,760)	(881,760)	(8,225,677)	(21,457,901)	(10,302,546)	(2,001,250)	(43,750,893)	
Total Devolution Funding	(43,245)	(70,925)	(116,026)	(741,020)	(1,653,282)	(1,790,463)	(4,163,709)	(4,218,928)	(16,996,325)	(27,902,283)	(10,302,546)	(2,001,250)	(70,000,000)	

**[DATED]**

# **STATEMENT OF PARTNERSHIP WORKING**

between

**CAMBRIDGESHIRE AND PETERBOROUGH**

**COMBINED AUTHORITY**

and

**CAMBRIDGE CITY COUNCIL**

*AN AGREEMENT BETWEEN THE AUTHORITIES TO FURTHER THE MUTUAL OBJECTIVES OF THE  
COMBINED AUTHORITY AND CAMBRIDGE CITY COUNCIL FOR THE BENEFIT OF THE RESIDENTS OF  
CAMBRIDGE*

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(APPENDIX 1)

APPENDIX B: MONITORING AND EVALUATION FRAMEWORK

APPENDIX C: DELIVERY PLAN

**THIS AGREEMENT** is dated [DATE]

**BETWEEN**

- (1) The Cambridgeshire and Peterborough Combined Authority of The Grange Nutholt Lane Ely ("**CPCA**")
- (2) Cambridge City Council, of the Guildhall, Cambridge ("**CCC**")

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***PART 1: INTERPRETING THE AGREEMENT***

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**1. Definitions**

1.1 The words below shall have the following meaning:

<b>"Assurance Framework"</b>	Means the national guidance produced by DCLG "Single pot assurance framework" dated April 2016 or its replacement guidance
<b>"Cambridge City Devolution Housing Programme"</b>	Means the programme to deliver 500 rented homes, owned by Cambridge City Council, using a mixture of devolution funding and Cambridge City Council housing resources (including RTB) as set out in the Business Case Appendix A.
<b>CCC Strategic Director</b>	Means the Strategic Director at Cambridge City Council responsible for Housing
<b>"CPCA Board"</b>	Means the meeting of the Combined Authority voting members and co-opted non-voting members chaired by the Mayor of Cambridgeshire and Peterborough
<b>Delivery Plan</b>	Means the approach and plan for the delivery of the programme as set out more fully at Appendix C

<b>"Executive Councillor for Housing"</b>	Means the Cambridge City Council Executive Councillor for Housing responsible for delivery of the programme
<b>Housing Delivery plan</b>	Means the plan for the delivery of the 500 new Council homes
<b>Housing Scrutiny Committee</b>	Means the Cambridge City Council Scrutiny Committee responsible for the overview and scrutiny of the programme. This committee meets quarterly and scrutinises decisions to be taken by the Executive Councillor.
<b>"Monitoring and Evaluation Framework"</b>	Means the Monitoring and Evaluation Framework attached at Appendix B agreed by the Combined Authority to demonstrate probity, propriety and value for money in the delivery of projects subject to the national Assurance Framework
<b>Portfolio Holder</b>	Means the CPCA representative appointed by the Mayor to lead on the Combined Authority Housing Programme
<b>"Strategic Client Team"</b>	Means the team of Combined Authority officers led by the relevant Director to monitor the delivery of the programme
<b>"Strategic Partnership Agreement (SPW)"</b>	Means this agreement between the CPCA and the Partner
<b>"Value for Money"</b>	Means the definition by the National Audit Office, being the optimal use of resources to achieve the intended outcomes; "optimal" being the most desirable possible given the expressed or implied restrictions or constraints

- 1.2 Should there be any inconsistency between the SPW and the Assurance Framework the terms of the Assurance Framework shall have precedence over the terms of the SPW.

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## **PART 2: THE PARTNERSHIP**

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### **2. THE DEVOLUTION DEAL**

- 2.1 The CPCA was established in March 2017 to deliver the terms of the devolution deal between central government and the constituent councils of Cambridgeshire and Peterborough. The devolution deal is more particularly described at:  
  
[www.gov.uk/government/publications/cambridgeshire-and-peterborough-devolution-deal](http://www.gov.uk/government/publications/cambridgeshire-and-peterborough-devolution-deal).
- 2.2 The devolution deal includes a specific commitment to deliver 500 new Council homes in Cambridge. £70M has been made available under the devolution agreement to support Cambridge City Council (CCC) in the delivery of these homes in partnership with the CPCA. This document sets out the principles of this partnership.
- 2.3 Cambridge City Council will lead on delivery of the Cambridge City Devolution Housing Programme. This programme will be governed by the assurance frameworks in place within Cambridge City Council, including its programme management approach. Investment decisions will be taken the CCC Executive Councillor, in consultation with the Housing Scrutiny Committee.
- 2.4 The CPCA is subject to the Assurance Framework which details the accountability to DCLG for funding provided to the Combined Authority. The Combined Authority has developed a Monitoring and Evaluation Framework at Appendix B to demonstrate how it will deliver the requirements of the Assurance Framework.
- 2.5 The purpose of this SPW is to ensure that the Assurance Framework and the Monitoring and Evaluation Framework is as equally applicable to CCC as to the CPCA for the Programme delivered by CCC on behalf of the CPCA.
- 2.6 Both parties acknowledge that the CPCA Monitoring and Evaluation Framework may be subject to review and amendment following changes to national guidance or law and will negotiate any amendments to this SPW arising from review with a commitment to ensuring that they do not in any way deviate from the principles and detail of the offer negotiated as part of the devolution deal.

### **3. POWERS TO DELIVER THE PROJECT**

- 3.1 The CPCA has the legal authority under the Cambridgeshire and Peterborough Combined Authority Order 2017 to deliver the programme. Cambridge City Council is the CPCA's delivery partner for the Cambridge City Devolution Housing Programme.
- 3.2 The CPCA and CCC are local authorities within the meaning of the Local Government Act 1972 and the Local Authorities (Goods and Services) Act 1970 and operate these

arrangements as public sector bodies. CCC warrants to the CPCA that it has the relevant powers to undertake the delivery of the devolution housing programme and that it has provided or obtained all necessary local authority approvals in order to do so.

3.3 The Partner Authorities wish to record the basis on which they will collaborate with each other on the Project. This SPW sets out:

- (a) the principles of collaboration;
- (b) the governance structure the Partner Authorities will put in place; and
- (c) the respective roles and responsibilities of the Partner Authorities

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### ***PART 3: PRINCIPLES OF COLLABORATION***

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## **4. Principles of collaboration**

4.1 By signing this SPW, the CPCA and CCC agree to adhere to the following principles when carrying out the Programme:

- a) Establish and abide by the governance structure as set out in Appendix A of this SPW to ensure that activities are delivered in accordance with an appropriate Assurance Framework (and any subsequent revisions);
- b) Manage and account to each other for performance of the respective roles and responsibilities set out in this SPW;
- c) Communicate openly about opportunities, major concerns and issues relating to the Cambridge City Devolution Housing Programme;
- d) Share information, materials and skills to develop effective working practices, mitigate risk and reduce cost;
- e) Ensure sufficient and appropriately qualified resources are available and authorised to fulfil the responsibilities set out in this SPW

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### ***PART 4: GOVERNANCE STRUCTURE***

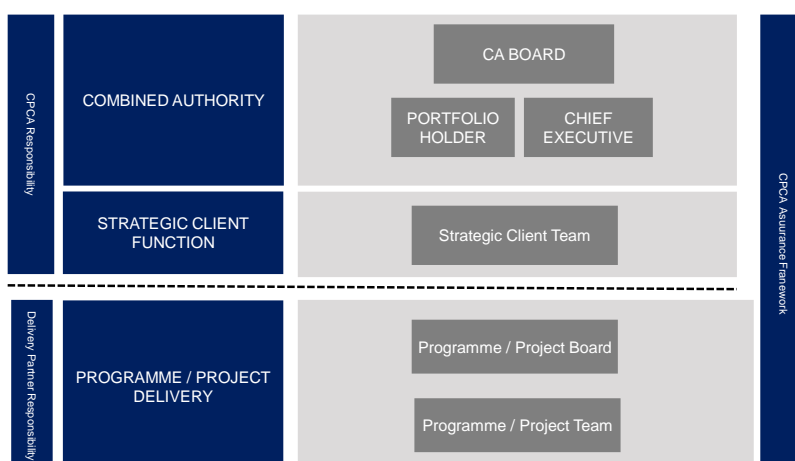
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## **5. REQUIREMENTS OF ASSURANCE FRAMEWORK**

5.1 The table 1 below sets out the governance structures of the CPCA and the high-level governance structure of the Partner necessary to meet the requirement of the Assurance Framework

Table 1

## CPCA Governance



## 6. GOVERNANCE STRUCTURE OF THE CPCA

- 6.1 Table 1 sets out how the CPCA will operate within the Assurance Framework to monitor and evaluate delivery of the Programme.
- 6.2 The CPCA Board provides strategic oversight, approves the funding transfer to CCC in accordance with the mechanisms set out in Appendix A and monitors and evaluates the delivery of the Cambridge City Devolution Housing Programme.
- 6.3 The devolution agreement with government was clear that the Cambridge City Devolution Housing Programme would be led by Cambridge City Council. Investment decisions will be approved by the Executive Councillor, with delivery delegated to the Strategic Director. The Housing Scrutiny Committee monitors and evaluates the delivery of the Programme, including consideration of individual sites' suitability for development, and the allocation of funding from the Council as well as the devolution grant.
- 6.4 Following delegation of powers, any rights or obligations of the CPCA will be read as the rights and obligations of the person to whom those powers have been delegated for the purpose of this SPW subject to any limitations placed upon that delegation by the CPCA
- 6.5 The CPCA shall discharge its annual obligation under the Monitoring and Evaluation Framework to evaluate delivery of the Programme through an annual report to the CPCA Board prepared by Cambridge City Council on behalf of the CPCA Strategic Client Team.
- 6.6 Whilst the Cambridge City Devolution Housing Programme has been approved by government for the five year period 2017 – 2022, any changes to this SPW arising

from an annual review will be discussed and agreed by the partners who will adhere to any such agreed changes.

## **7. ROLE OF PORTFOLIO HOLDER**

- 7.1 The Portfolio Holder is appointed by the Mayor of the CPCA (from time to time) to lead on a specific functional area of the CPCA.
- 7.2 The Portfolio Holder for Housing is accountable to the CPCA for the oversight of the CPCA Housing Programmes and thus for the delivery of the Cambridge City Devolution Housing Programme.
- 7.3 The Portfolio Holder is supported by the Strategic Client Team and makes recommendations to escalate risks or funding issues or any matter requiring a decision to the CPCA Board.

## **8. ROLE OF STRATEGIC CLIENT TEAM**

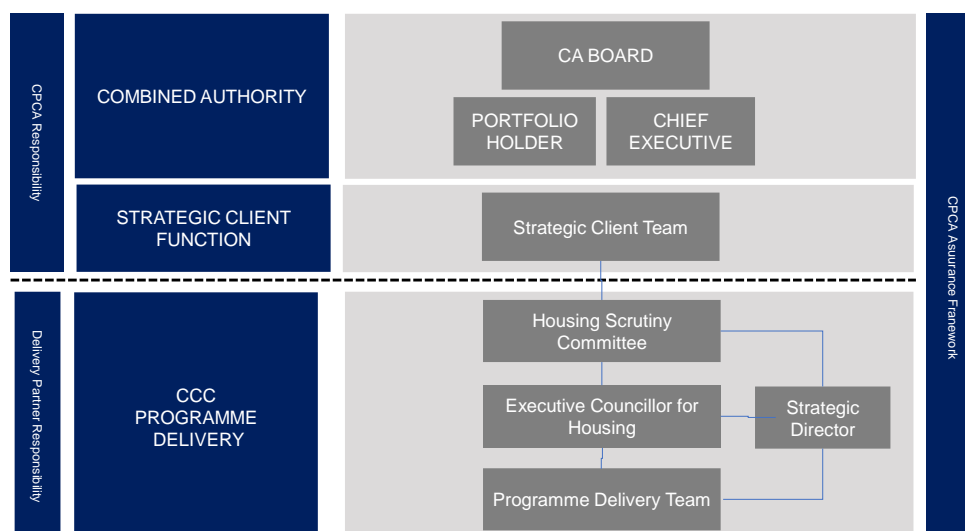
- 8.1 The Strategic Client Team is an officer group of the CPCA chaired by the relevant Director of the CPCA .
- 8.2 The Strategic Client team provides strategic management and delivery assurance of the Project and will meet regularly to monitor:
  - a) The programme delivery plan;
  - b) Key deliverables i.e. number of homes started on site, number of homes completed, milestones for homes in the pipeline
  - c) Risk and mitigation measures;
  - d) Budget and progress; and
  - e) Matters to escalate to the CPCA Board.

## **9. Governance Structure of the Partner**

- 9.1 Table 2 below sets out the governance structure of the Partner.
- 9.2 The governance mechanism for the Cambridge City Devolution Housing Programme is through the Executive Councillor for Housing and Housing Scrutiny Committee.
- 9.3 The CCC governance structure is illustrated in the figure below. CCC will use its existing committee structure processes to provide governance for the programme. CCC's experience through its direct house-building programme means that the Council has a well-established assurance framework that includes individual project option and financial appraisal; resident consultation and officer and councillor scrutiny prior to sign off by the Executive Councillor for Housing and subsequent scheme and programme monitoring. The programme will be subject to section 151

officer scrutiny; internal and external audit review; and value for money assessments.

#### CCC Governance



- 9.4 The Cambridge City Devolution Housing Programme specifies the delivery of 500 Council homes for affordable rent by Cambridge City Council, to be started on site, within a five year period from April 2017. Delivery relies on additional funding to be made available by CCC. DCLG has given specific approval for the use of this match funding, including the use of Right to Buy receipts, other Council resources and other public subsidy. Homes will be owned by CCC, rented in accordance with the CCC Allocations Policy, Rent setting policies and other CCC Housing Policies
- 9.5 Sites are approved for development by the Executive Councillor for Housing, in consultation with the Scrutiny Committee. All programme updates, consideration of milestones, risks, budget, etc are reported to Housing Scrutiny Committee before being shared with the Strategic Client Team of the CPCA.
- 9.6 As this programme is delivered using local funding as well as devolution funding, all reports will consider the total programme from a mix of funding sources. Investment decisions are taken by the Executive Councillor for Housing, who will determine investment of devolution housing funds alongside CCC resources.

## 10. Programme delivery

- 10.1 CCC acknowledges and agrees that all funding for the Cambridge City Devolution Housing Programme will be allocated to specific projects or sites in accordance with the overall programme objectives as agreed in the devolution deal (i.e. the delivery of 500 Council homes for rent). Funding allocations to specific projects will be approved by the Executive Councillor for Housing in consultation with the Housing Scrutiny Committee.

- 10.2 The Executive Councillor for Housing shall approve at regular intervals an updated version of the Housing Delivery Plan, which will be shared with the CPCA Strategic Client Function for monitoring purposes. This report will also be presented to the Portfolio Holder by CCC.
- 10.3 The key indicator of success is the number of homes started on site (in progress, or completed) at any time. CCC will report progress on the delivery of the Programme to the CPCA quarterly.
- 10.4 Any budget for staffing costs is to include incidental back office costs which should not exceed more than 2% of the total Programme funding.

## **11. Delivery Assurance**

- 11.1 CCC agrees and acknowledges that:
- a) The CCC Strategic Director is responsible for leading the Programme, agreeing and delivering against the requirements and milestones established in the programme delivery plan;
  - b) The CCC Strategic Director will provide regular reports to the Strategic Client Team for assurance purposes. These reports will be presented to the CCC Housing Scrutiny Committee before being presented to the CPCA. A CCC Strategic Director will attend any CPCA Board meetings at which such reports or assurance are due to be discussed.
  - c) The CCC Strategic Director will attend Strategic Client Team meetings on a regular basis to report on progress against the programme delivery plan.
- 11.2 In signing this SPW, CCC agrees to fully co-operate with the CPCA Board and Strategic Client Team to meet the obligations under the Monitoring and Evaluation Framework by:
- a) Adopting the overriding principle to deliver the Cambridge City Devolution Housing Programme within agreed quality, timescales and to budget;
  - b) Aligning delivery of agreed milestones to secure decision-making in a timely way;
  - c) Meeting the key performance indicators agreed with the CPCA
  - d) Ensuring the necessary technical ability, knowledge and skills amongst its team to deliver the Cambridge City Devolution Housing Programme; and
  - e) Keeping the Director and Portfolio Holder of the CPCA aware of any changes to the Programme which may impact the delivery, success, funding or timescales of the Programme and informing the Director of the CPCA of such change immediately upon becoming aware of the same

- 11.3 In signing this SPW, the CPCA agrees to fully co-operate with the Executive Councillor of Housing, Strategic Director and Delivery Team of CCC to meet the obligations to support the delivery of the Cambridge City Devolution Housing Programme by:
- a) Adopting the overriding principle to support the work of the delivery team in bringing sites forward for development;
  - b) Aligning delivery of agreed milestones to secure decision-making in a timely way;
  - c) Ensuring the necessary funding is transferred to CCC promptly on request, to support delivery of the programme. Funding will be transferred quarterly in advance based on estimated spend (with details of land acquisitions, contract payments etc as appropriate) as agreed between the CCC Strategic Director and the CPCA Strategic Client Team;
  - d) Keeping the CCC Strategic Director aware of any CPCA matters that may impact on delivery, success, funding or timescales and informing the CCC Strategic Director of such change immediately upon becoming aware of the same.

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## ***PART 5: ESCALATION & EXIT STRATEGY***

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### **12. Escalation**

- 12.1 If either Party has any issues, concerns or complaints about the delivery of the Cambridge City Devolution Housing Programme, the Parties shall seek to resolve the issue by a process of consultation between the relevant director of the Strategic Client Team and the CCC Strategic Director ("Initial Meeting").
- 12.2 If the issue cannot be resolved within one calendar month of the Initial Meeting, the matter shall be deemed to be a deadlock matter ("Deadlock Matter"). In the occurrence of a Deadlock Matter, the Partner Authorities agree that the Deadlock Matter shall be referred by either Party to senior representatives of both bodies being, the Portfolio Holder or the Chief Executive of the CPCA ("CPCA Representative") and the Leader or Chief Executive of CCC ("Partner Representative") who shall meet within one calendar month of having the Deadlock Matter referred to themselves, with a view of meeting in good faith to resolve the Deadlock Matter ("Senior Representative Meeting").
- 12.3 If the Deadlock Matter cannot be resolved within 14 days of the matter being discussed at the Senior Representative Meeting, the Parties agree that the Deadlock Matter shall be escalated to the CPCA Board for final determination. The **Parties** acknowledge and agree that the decision of the CPCA Board shall be final and binding upon each Party.

- 12.4 If either Party receives any formal inquiry, complaint, claim or threat of action from a third party (including, but not limited to, claims made by a supplier or requests for information made under the Freedom of Information Act 2000 in relation to the Project, the matter shall be dealt with by CCC as the lead partner.

### **13. Term and termination**

- 13.1 This SPW shall commence on the date of signing and shall expire on completion of the Project.
- 13.2 Either Party may terminate this SPW by giving at least three months' prior notice in writing to the other Party at any time.

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## ***PART 6: STANDARD TERMS***

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### **14. Reliance on partner procedures**

- 14.1 In the delivery of the Cambridge City Devolution Housing Programme , CCC shall rely upon its procedures to regulate:
- (a) data protection, FOI and confidentiality of information held on behalf of the CPCA
  - (b) procurement and contracting
  - (c) prevention of fraud, bribery and adherence to the Modern Slavery Act
  - (d) adherence to the Transparency Code

### **15. Publicity and branding**

- 15.1 CCC shall lead on all publicity for the Cambridge City Devolution Housing Programme in liaison with the CPCA.

### **16. Intellectual property**

- 16.1 The Parties agree that any intellectual property rights created during the Programme shall remain with Cambridge City Council. Where any intellectual property rights vest in CCC it shall grant an irrevocable licence to CPCA to use that intellectual property for the purpose of the programme.

### **17. Variation**

- 17.1 This SPW, including the Appendices, may only be varied by written agreement of the CPCA and the written agreement of the Chief Executive of Cambridge City Council

### **18. Charges and liabilities**

- 18.1 CCC is responsible for providing insurance for the duration of the Cambridge City Devolution Housing Programme
- 18.2 The Parties remain liable for any losses or liabilities incurred due to their own or their employee's actions or omissions and neither Party intends that the other Party shall be liable for any loss (other than such losses which liability can never be limited or held harmless by a Party at law) it suffers as a result of this SPW.

## 19. Status

- 19.1 This SPW is not intended to be legally binding, and no legal obligations or legal rights shall arise between the Parties from this SPW. The Parties enter into the SPW intending to honour all their obligations
- 19.2 This SPW represents the entire agreement in relation to the Programme between the Parties and replaces any previous agreement in writing or otherwise which may or otherwise exist in relation to the same.
- 19.3 Nothing in this SPW is intended to, or shall be deemed to, create any joint committee, establish any legal partnership or commercial joint venture between the Parties, constitute either party as the agent of the other party, nor authorise either of the Parties to make or enter into any commitments for or on behalf of the other party.

## 20. Governing law and jurisdiction

- 20.1 This SPW shall be governed by and construed in accordance with English law and, without affecting the escalation procedure, each party agrees to submit to the exclusive jurisdiction of the courts of England and Wales.

Signed for and on behalf of [CPCA]	
Signature:	.....
Name:	.....
Position:	.....
Date:	.....

Signed for and on behalf of [the Partner]	
Signature:	.....
Name:	.....
Position:	.....
Date:	.....
<b>CONTACT POINTS</b>	
<b>CPCA</b>	
Name:	.....
Office address:	.....
	.....
Tel No:	.....
E-mail Address:	.....
<b>the Partner</b>	
Name:	.....
Office Address:	.....
	.....
Tel No:	.....
E-mail Address:	.....

# **APPENDIX A: CAMBRIDGESHIRE AND PETERBOROUGH DEVOLUTION NEW HOMES BUSINESS CASE**

## **Appendix 1**

### **Cambridge City Housing Plan**

#### **The Delivery Plan for the £70m Devolution Housing Grant**

##### **1. Summary**

Recognising the exceptional housing market conditions in the city of Cambridge the Government has agreed to provide the Combined Authority (CA) an additional £70m capital grant over five years ring fenced for Cambridge City Council to meet housing needs. This grant will be matched with any capital receipts retained by the City Council from Right to Buy sales and will deliver at least 500 new additional affordable homes to start on site within a five-year period commencing from April 2017.

##### **2. Strategic Alignment and the Need for Intervention (Counterfactual)**

The strategic needs data highlighted in the main body of the report demonstrates that Cambridge City Council is at the epicentre of the housing affordability issue in the south of the CA, with businesses reporting impact on economic growth of the issues their staff face in obtaining housing. The Objectively Assessed Housing Need for Cambridge City is 14,000 of which 5,600 are affordable homes. The constraints of the broad market area mean that LHA rates are much lower than privately rents making private rented housing inaccessible to lower paid workers in the local economy, therefore housing social rents is the only option for many. High land and property values and high build costs mean that it is even more critical than elsewhere across the CA to utilize the Council's own land to deliver social rented housing to complement new affordable housing being brought forward by house-builders and Registered Providers. The latter require significant cross-subsidy from shared ownership and other higher cost intermediate housing to supplement the limited grant that is available.

To deliver lower cost social rented housing in Cambridge requires significant grant input. An estimate of what could be delivered as the counterfactual position would be no more than 50 homes over the five-year period. This would represent a significant imbalance in the new affordable housing that is needed in Cambridge if local growth is to be sustained.

##### **3. Delivery Programme Criteria**

Mirroring the five criteria used for the £100m fund outside of Cambridge the following illustrates the way that they will be used in the city for allocation of the £70m.

###### **Added value – Mainly;**

- Ensuring delivery of social rented housing on Council land that increases the number of homes available to rent at social rents in Cambridge;
  - The ability of the investment to stretch future development funding capacity of the local authority as a social housing provider.
- Also;

- The ability of the investment to unlock stalled or new schemes
- The ability of the investment to achieve either affordable housing policy compliant applications particularly where this may be a barrier to achieving planning approval or at a minimum to enhance the percentage of affordable housing achievable within viability calculations

**Size of site** – There will be no site size criteria in the city. The indicative programme includes sites ranging from one unit to nearly 200.

**Deliverability** - Ability to start on site in the timeframe – particularly planning certainty.

**Affordability ratios** – The programme in the city will be focused on those most in need to complement affordable housing being brought forward by others.

**Value for money assessment-** The City Council has set up a joint venture partnership with a leading local house-builder/developer, Hill, called the Cambridge Investment Partnership (CIP) (see below). It is in the interests of both parties to drive the best value for money from new developments to achieve the best return on their investments therefore, value for money will be at the core of CIPs assessment of which schemes are progresses.

#### 4. Delivery Mechanism

As mentioned above the City Council has set up a joint venture partnership called the Cambridge Investment Partnership (CIP). This will be the main delivery mechanism for the £70m. CIP will combine the Council's land assets with the development expertise and capacity of the private sector partner.

Opportunities on land that is not owned by the Council may be considered for delivery, subject to deliverability and a robust assessment of value for money. Where necessary, the Council will refer to the delivery mechanisms set out for the wider CA programme.

#### 5. Governance

The Cambridgeshire and Peterborough Combined Authority will provide overarching governance arrangements for all devolved housing grants. The Combined Authority will use the existing Cambridge City Council committee structure processes to provide governance for the Cambridge Housing Plan. Having had a direct house-building programme for the last five years the Council has a well established assurance framework that includes individual project option and financial appraisal; resident consultation and officer and councillor scrutiny prior to sign off by the Executive Councillor and subsequent scheme and programme monitoring. The Cambridge City Housing Plan will be subject to section 151 officer scrutiny; internal and external audit review; and value for money assessments.

#### 6. Risks and Dependencies

As with the £100m fund there are risks associated with the availability of building materials; planning delays and unexpected site issues. However, the formation of CIP provides a mitigation to many of the other risks highlighted in the main body of the report. Of critical value, will be access to Hill's supply chain. CIP will produce and manage a programme risk register as well as individual project risk maps.

The indicative programme shown in the table in the next section shows potential schemes that will deliver 592 additional new homes. The Council will continue to work through CIP to develop a long list of sites as a 'buffer' should some of the sites on the current list prove problematic to bring forward for whatever reason. CIP is about to refresh the Council's audit

of sites in its ownership and nine new sites have been identified since November that are now shown in the table below.

## 7. Indicative Programme and Grant Requirement

An indicative schedule of all the sites identified is set out below. The potential total number of additional homes that may be delivered on these sites is 592. This demonstrates that the CA and the Government can be confident that the City Council will deliver at least 500 new homes using the £70m devolution housing grant.

Scheme name	Total Existing CCC Rented Units	Total New Homes (number)	Net Additional Homes (number)
Anstey Way	23	50	27
Akeman Street	2	22	20
Walpole Road	0	2	2
Colville Road Ph.2 (66-80b)	21	32	11
Lichfield Road Infil	0	10	10
52 Wulfstan Way (Land to Rear)	0	4	4
Aylesborough Close Ph.2	34	40	6
Ventress Close (9-10a and adjacent land)	2	19	17
QEW GW 61 - 67	0	2	2
Hawkins Road (Garages - 1-20 & 81-91)	0	6	6
Northfield Ave Garages	0	2	2
Davy Road Garages	0	6	6
Ditton Fields 131	5	19	14
Garden/Infill (Queen's Meadow & Hills Avenue)	0	3	3
Colville Road Garages	0	4	4
Mill Road	0	84	84
Park Street Car Park	0	24	24
RW SS	12	33	21
PW ERG	0	30	30
ECW HS	0	6	6
AW ARCP	0	4	4
KHW AC	0	30	30
PW QAT	0	50	50
CW J	0	20	20
Tedder Way	0	2	2
Wiles Close	0	3	3
Kendal Way	0	2	2
Nunns Way	0	8	8
BH (NHS)	0	33	33
MC (CC)	0	25	25
BS (CC)	0	11	11
VR (NHS)	0	9	9
PS (CPO)	0	4	4
Ch WMC	0	8	8
EC Lib	0	4	4
CPFT	0	80	80
<b>Total</b>	<b>99</b>	<b>691</b>	<b>592</b>

## APPENDIX B: ASSURANCE FRAMEWORK / MONITORING & EVALUATION FRAMEWORK/ PERFORMANCE MANAGEMENT AND FINANCIAL CONTROL FRAMEWORK

### 1. Introduction and Purpose

1.1 The CPCA is responsible for monitoring progress of the objectives/deliverables set out in the devolution deal. Monitoring and evaluation reports will be provided regularly to the CPCA's governance structures to inform decision-making and if necessary additional interventions to deliver the agreed outcomes.

1.2 The Management and Financial Control Framework is designed in accordance with the Assurance, Monitoring and Evaluation Frameworks agreed by the CPCA to demonstrate probity, propriety and value for money in the delivery of projects in order to:

- **Provide local accountability** to the public by demonstrating: how devolved funding is spent and the benefits achieved; and tracking progress against local strategies and action plans. Accordingly, M&E will be important to demonstrate the value and effectiveness of local decision-making and to shape future priorities;
- **Comply with external scrutiny requirements** i.e. to satisfy conditions of the devolution deal. Specifically, M&E will be used to demonstrate local progress and delivery to senior government officials and ministers who are ultimately accountable to parliament for devolved funds;
- **Understand which policies/interventions work and are effective**; and justify reinvestment or further funding. M&E will provide a useful feedback loop and enable this to be communicated to relevant stakeholders;
- **Develop an evidence base** for input into future business cases and land use/transport models; and can also be used for developing future submissions when competing for funds. M&E will collect, collate and analyse data which can be utilised for future.

1.3 The Framework is structured around the main stages in the progress of the programme and the key events likely to occur at each stage.

- **Pre-contract** - To confirm that the project is really necessary, the selected solution meets the need in the most cost effective way and award the contract in a suitable form to the most suitable contractor at the most advantageous price.

- **Construction** - To make certain that the system of project management ensures that the work is being properly supervised and executed and ensures that where possible the project is completed on time within the tender price to a satisfactory standard.
- **Post Completion Review** - To collect all relevant information on the various stages of the project, evaluate it and use it to improve performance on any future projects.

## 2. Performance Management and Financial Control Requirements

Stage	Requirements	Monitoring activity	Owner	Reports to Frequency
<b>Pre Contract</b>	<ul style="list-style-type: none"> <li>CCC to demonstrate that appropriate contractual controls are in place with its JV</li> <li>CCC to demonstrate that management and financial controls are in place to monitor JV outputs and outcomes as applied to the project as a whole</li> <li>CCC to satisfy itself that appropriate due diligence processes are in place in the consideration of all schemes including for example the procurement and appointment of consultants</li> </ul>	Due diligence prior to investments	CCC Head of HDA  CCC Principal Accountant (Housing)  CCC Head of HDA	CCC Strategic Director  CPCA Director of Housing  Quarterly
<b>Construction</b>	<ul style="list-style-type: none"> <li>Start on sites within time and budget</li> <li>Completions within time and budget</li> </ul> <p><b>Reports to CCC Member/Officer Committees (not open to public) and to the CPCA Director of Housing</b></p> <p>For all schemes CCC will provide the following information:</p> <ul style="list-style-type: none"> <li>Quarterly financial control reporting of all schemes</li> </ul> <p><b>Reports to All Member Committees &amp; Board (open to public)</b></p> <ul style="list-style-type: none"> <li>Six monthly reporting of financial control of schemes</li> <li>Six monthly reporting of all schemes in progress</li> <li>Six monthly reporting of the status of schemes not yet started but approved for commencement</li> <li>Six monthly reporting of developing forward programme/pipeline</li> </ul>	Financial & budgetary control and tracking of financial commitments consistent with the accounting processes adopted by the CPCA  Performance information Confirmation of start on sites Confirmation of completions	CCC Head of HDA  CCC Principal Accountant(Housing)      CCC Head of HDA	CCC Strategic Director    CPCA Director of Housing Quarterly

Stage	Requirements	Monitoring activity	Owner	Reports to Frequency
	<p><b>Payment Arrangements</b></p> <ul style="list-style-type: none"> <li>• Payment quarterly in arrears</li> <li>• Submission of CCC invoices for payment quarterly</li> <li>• Adjustment invoice or credit note for actual spend in prior period</li> </ul> <p>Note: CCC has in place:</p> <ul style="list-style-type: none"> <li>• Contract management procedures</li> <li>• Cost monitoring systems</li> <li>• Governance arrangements – progress reporting: <ul style="list-style-type: none"> <li>- On an 'exception' basis, that is, regarding significant slippage, variations in cost and time;</li> <li>- In summary form in accordance with S.151 Officer requirements as to detail, format and frequency in particular drawing attention to costs compared with progress on the works, variations in time and cost, cost compared with budget etc;</li> <li>- Random 'spot check' reports on selected projects, or particular aspects of the development process.</li> </ul> </li> </ul>		CCC Principal Accountant (Housing)	
<b>Post Contract</b>	<ul style="list-style-type: none"> <li>• A detailed analysis of the financial outturn of each contract in accordance with CCC practice giving information on variations, claims and price fluctuations. Variations and claims should be investigated and the reasons for any delays caused by administrative problems detailed so that improvements can be made in the future.</li> </ul>	Tracking and confirmation of additionality achieved & overall performance	CCC Head of HDA CCC Principal Accountant (Housing)	CCC Strategic Director  CPCA Strategic Director of Housing Quarterly

Stage	Requirements	Monitoring activity	Owner	Reports to Frequency
	<ul style="list-style-type: none"> <li>The adequacy of contract documentation should be examined and points of weakness and uncertainty identified and rectified.</li> <li>The Government's National Evaluation Panel (NEP) may select projects for external post contract appraisal</li> </ul> <p>Examination of outputs and outcomes re NEP Monitoring &amp; Evaluation Strategy</p> <p><u>Outputs</u></p> <ul style="list-style-type: none"> <li>Housing units started</li> <li>Housing units completed</li> <li>Land assembled for housing development</li> <li>Planning permissions / agreements secured</li> <li>Progress against project milestones and spend profile and intermediate outcomes i.e. 'progress evaluation'</li> <li>Capacity development and partnership –to demonstrate the effects being achieved in terms of the development of local capacity, cross-area and partnership working</li> </ul> <p><u>Outcomes</u></p> <p>Theme-specific</p> <ul style="list-style-type: none"> <li>Has the project succeeded in achieving the expected benefits?</li> <li>The results of reviews of the performance of: the scheme as a whole; the management team; contractors and sub-contractors; consultants and project managers; and the management and financial control procedures applied to the project.</li> </ul>		<p>CCC Head of HDA</p> <p>CCC Principal Accountant (Housing)</p> <p>CCC Head of HDA</p> <p>CCC Principal Accountant (Housing)</p>	<p>CCC Strategic Director CPCA Director of Housing</p> <p><i>Timing: Measurable within 12 months of completion, but full effects may take time to flow through</i></p> <p>CCC Strategic Director</p> <p>CPCA Director of Housing</p> <p><i>Timing: expected to take 3-5 years to be delivered following completion</i></p>

Stage	Requirements	Monitoring activity	Owner	Reports to Frequency
	<ul style="list-style-type: none"> <li>Lessons learnt and data generated in evaluation to inform future policy</li> </ul> <p>Broader economic outcomes as appropriate and aligned to the Assurance Framework.</p>			

## **APPENDIX C: £70 MILLION CAMBRIDGE CITY DEVOLUTION HOUSING PROGRAMME - DELIVERY PLAN**

### **1.0 PURPOSE**

- 1.1 This Appendix sets out the Delivery Plan for the delivery of the £70 million Cambridge City Devolution Housing Programme.
- 1.2 The Delivery Plan will direct the activities of CCC for the duration of the Programme. The Delivery Plan will be reviewed on an annual basis as part of the annual review of the SPW.

### **2.0 BACKGROUND**

- 2.1 The Mayor and the Combined Authority are committed to accelerating affordable housing delivery to meet local and UK need and support economic growth.
- 2.2 Recognising the exceptional housing market conditions in the city of Cambridge the Government has agreed to provide the Combined Authority (CA) £70m capital grant over five years ring fenced for Cambridge City Council to meet housing needs. This grant will be matched with any capital receipts retained by the City Council from Right to Buy sales and will deliver at least 500 new additional affordable homes to start on site within a five-year period commencing from April 2017.

#### **Devolution - Affordable Housing Business Case**

- 2.3 The Business Case presented to government in January 2017 highlighted that Cambridge City Council is at the epicentre of the housing affordability issue in the south of the region, with businesses reporting its impact on economic growth and the issues their staff face in obtaining housing. The Objectively Assessed Housing Need for Cambridge City is 14,000 of which 5,600 are affordable homes. The constraints of the broad market area mean that LHA rates are much lower than privately rents making private rented housing inaccessible to lower paid workers in the local economy, therefore housing social rents is the only option for many. High land and property values and high build costs mean that it is even more critical than elsewhere across the CA to utilise the Council's own land to deliver social rented housing to complement new affordable housing being brought forward by house-builders and Registered Providers. The latter require significant cross-subsidy from shared ownership and other higher cost intermediate housing to supplement the limited grant that is available.
- 2.4 The £70m fund will be deployed in Cambridge City to start on site with 500 new council homes in the period April 2017 to March 2022.
- 2.5 The Delivery Framework outlines:
  - a. Investment criteria

- b. Delivery mechanisms
- c. Governance
- d. Milestones
- e. Performance monitoring and reporting
- f. Risks and Dependencies
- g. Quality Management
- h. Change Control

### **Investment Criteria**

2.6 The criteria for the £70m Cambridge City Devolution Housing Programme mirror the criteria used in the £100m Affordable Housing Programme:

**(a) Added value:**

Mainly:

- Ensuring delivery of social rented housing on Council land that increases the number of homes available to rent at social rents in Cambridge;
- The ability of the investment to stretch future development funding capacity of the local authority as a social housing provider.

Also:

- The ability of the investment to unlock stalled or new schemes
- The ability of the investment to achieve either affordable housing policy compliant applications particularly where this may be a barrier to achieving planning approval or at a minimum to enhance the percentage of affordable housing achievable within viability calculations

**(b) Size of site** – There will be no site size criteria in the city. The indicative programme includes sites ranging from one unit to nearly 200.

**(c) Deliverability** - Ability to start on site in the timeframe – particularly planning certainty.

(d) **Affordability ratios** – The programme in the city will be focused on those most in need to complement affordable housing being brought forward by others.

(e) **Value for money assessment-** The City Council has set up a joint venture partnership with a leading local house-builder/developer, Hill, called the Cambridge Investment Partnership (CIP). It is in the interests of both parties to drive the best value for money from new developments to achieve the best return on their investments therefore, value for money will be at the core of CIP's assessment of which schemes are progressed.

## **Delivery Mechanisms**

2.7 CCC's programme delivery office is the Housing Development Agency (HDA). This team is led by a Strategic Director who has responsibility for the overall programme, working closely with internal and external stakeholders to accelerate delivery and ensure effective public consultation on specific sites.

2.8 The programme will use three core routes to delivery:

(a) **In-house delivery:** using the Council's Estates and Facilities Team to deliver directly on small sites that would otherwise be expensive to deliver.

(b) **Direct Procurement:** This option requires significant supervision to ensure effective contract management.

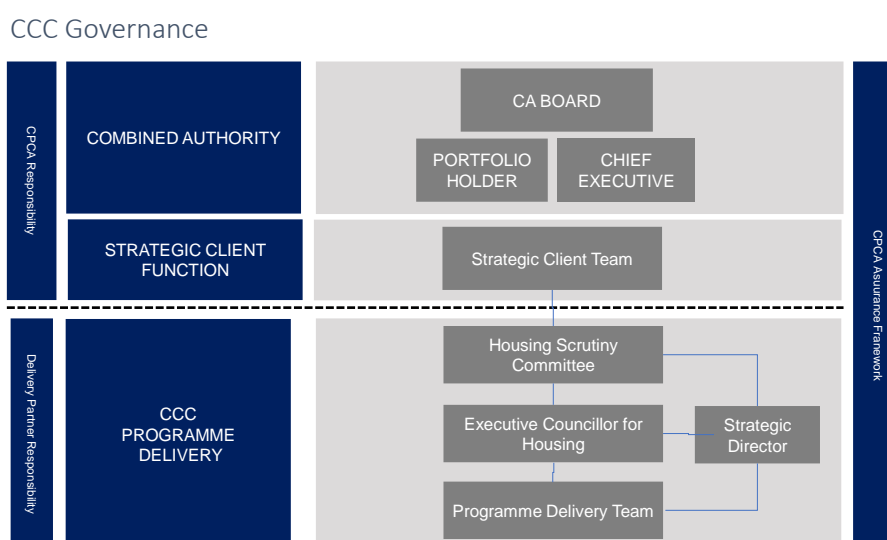
(c) **Cambridge Investment Partnership:** Cambridge City Council has set up a joint venture partnership with Hill Residential called the Cambridge Investment Partnership (CIP). This will be the main delivery mechanism for the £70m. CIP will combine the Council's land assets with the development expertise and capacity of the private sector partner. It is in the interests of both parties to drive best value for money from new developments to achieve the best return on investment. Value for money will be at the core of CIP's assessment of schemes.

## **Governance**

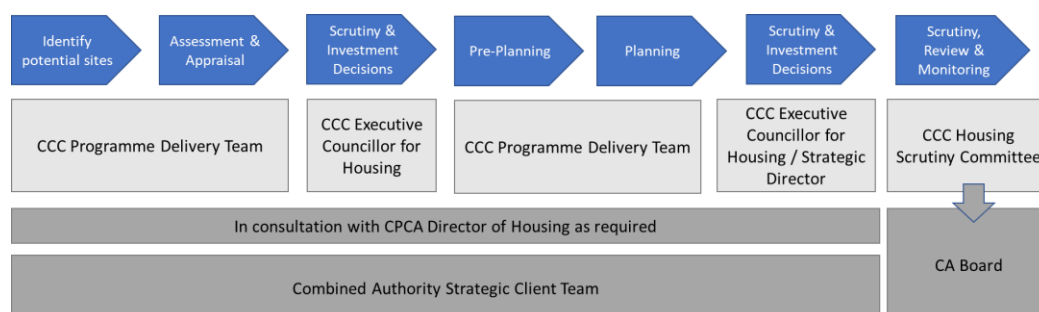
2.9 The CPCA will provide overarching governance for the £70 Cambridge City Devolution Housing Programme (alongside the £100m Affordable Housing Programme).

2.10 The CCC governance structure is illustrated in the figure below. CCC will use its existing committee structure processes to provide governance for the programme. CCC's experience through its direct house-building programme means that the Council has a well-established assurance framework that

includes individual project option and financial appraisal; resident consultation and officer and councillor scrutiny prior to sign off by the Executive Councillor and subsequent scheme and programme monitoring. The programme will be subject to section 151 officer scrutiny; internal and external audit review; and value for money assessments.



2.11 The programme flow chart in the figure below summarises the consideration of proposals and the associated governance:



2.12 The table below summarises the membership and key responsibilities for each of the governance bodies:

Governing Body	Membership	Role & Responsibilities
CPCA Board	Mayor  Leaders of the seven member local authorities	Providing strategic direction for the Housing Investment Fund Programme  Overseeing delivery of the programme

Governing Body	Membership	Role & Responsibilities
	Chair of the Greater Cambridge & Greater Peterborough LEP	Considering and approving grants, investments, and variations to individual schemes within the programme delegations outlined below
CCC Housing Scrutiny Committee	Elected members and elected tenant and leaseholder representatives	Pre-scrutiny of investment decisions taken by the Exec Councillor for Housing; scrutiny of programme delivery and budgets
CCC Executive Councillor for Housing		Providing strategic direction for the Cambridge Devolution Programme, including decisions on sites to be included and investment.
CCC Strategic Director		Oversight of programme, and investment decisions. Ensures compliance with monitoring and evaluation requirements and liaison with the CPCA.
CCC Programme Delivery Team		Day-to-day management and delivery of the Programme in accordance with the Delivery Plan. This includes: site identification and appraisal, local consultation, progression of site through the pre-planning, planning and delivery phases.

## Milestones.

2.13 The key indicator for the programme is the number of homes which are started-on site (i.e. where planning permission has been granted and construction is underway).

Start on sites will be reported to the CPCA every six months. At present, the programme for years 1 and 2 is definitive, sites for later years are indicative so milestones may be revised in consultation between the parties.

	Yr 1 2017/18	Yr 2 2018/19	Yr 3 2019/20	Yr4 2020/21	Yr 5 2021/22
April – Sept	0	20	65	65	65
Oct - March	25	105	65	65	30
Total for Year	25	125	130	130	95
Cumulative Total	25	145	275	405	500

## **Performance Management: Monitoring and Evaluation**

- 2.14 CCC monitoring and performance management arrangements will be consistent with the Assurance Framework and the Monitoring and Evaluation Framework arrangements of the CPCA.
- 2.15 Progress on the £70m Cambridge City Devolution Housing Programme will be reported regularly to Government (through the local lead in the Cities and Local Growth Unit) as part of the area's wider reporting arrangements to Government on its shared local growth and devolution programmes. This will be a responsibility of the CPCA and consists of regular reporting and annual 'conversations' to discuss progress of implementation. Any issues with the implementation of the programme will be raised as appropriate within DCLG Cities and Local Growth and Housing colleagues.
- 2.16 The monitoring arrangements for the programme are set out in Appendix B: Performance Management and Financial Control.

## **Risks and Dependencies**

- 2.17 The programme will maintain a programme risk register as well as individual project risk registers. The risk registers will be monitored by the Executive Councillor for Housing and the Housing Scrutiny Committee.

## **Quality Management**

- 2.18 All supported schemes require homes to be built to agreed housing standards as approved by CCC Housing Scrutiny Committee. This includes the Cambridge Sustainable Housing Design Guide (February 2017)). This Guide already has regard to BREEAM standards and other national guidelines and was based on the Cambridgeshire Quality Charter developed by Cambridgeshire Horizons.
- 2.19 All homes built will be subject to the national Building Regulation standards and other national regulations.
- 2.20 A sample set of properties will be visited to ensure that the required standards have been adhered to.

## **Change Control**

2.21 Delivery of the programme, including any changes required will be monitored by the Executive Councillor for Housing and the Housing Scrutiny Committee.