



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Housing and Communities Committee Minutes

Meeting: Monday 16 January 2023

Venue: Civic Suite, Huntingdonshire District Council

Time: 10.00am – 10.30am

Present:

Councillor David Ambrose-Smith - East Cambridgeshire District Council

Councillor Chris Boden - Fenland District Council

Councillor Mike Davey - Cambridge City Council

Councillor Tom Sanderson - Huntingdonshire District Council

Councillor Bridget Smith - South Cambridgeshire District Council (Chair)

Councillor Alison Whelan - Cambridgeshire County Council

Apologies:

Councillor Marco Cereste - Peterborough City Council

Councillor Lewis Herbert - Chair and Member for Cambridge City Council

Councillor Denise Laws - Fenland District Council

Part 1 - Governance Items

84. Apologies for Absence and Declarations of Interest and Announcements

Apologies received from Councillor Denise Laws, substituted by Councillor Chris Boden, Councillor Lewis Herbert, substituted by Councillor Mike Davey and Councillor Marco Cereste.

No declarations of interest were made.

85. Minutes of the Housing and Communities Committee meeting on 14 November 2022 and Actions

The minutes of the meeting on 14 November 2022 were approved as an accurate record.

The action log was noted.

86. Public Questions

No public questions were received.

Part 2 – Programme Delivery

87. Affordable Housing Programme – Update on Implementation

The committee considered a report that updated members on the progress of affordable housing programme.

Introducing the report the officer updated the committee on a number of points including:

- Highlighted that in the last report to committee Middlemoor Road had been named as the units that were changing from social rent to affordable rent which was incorrect.
- Officers had been notified by Places for People that in their scheme at Norwood Road, (Luminus site 2) and Bradshaw Close (Luminus site Phase 1) 4 units in the schemes were changing tenure from social rent to affordable rent, due to the increased cost of construction of these units. The grant remained the same.
- 499 homes had now been completed as of the end of the calendar year.
- There were numerous issues with the slippage of schemes linked to the weather, delays in securing and laying utilities, COVID and long disruptions in obtaining materials, supply chains and increased costs. This had led to the more immediate completions expected at the end of 2022 now being pushed back into early 2023, with general delays to many schemes later into 2023.
- The Deed of Novation with Sage Housing on the scheme in March, to be delivered through Sage Shared Ownership Housing, was still outstanding. This would complete later in January, pending their internal approvals process.
- The Deed of Covenants for the Northminster site had been agreed and was signed by the necessary parties on 19 December 2022. A Deed of Variation on the permitted disposal element of the site was awaited.

In discussing the report :

- The Chair queried whether keeping the four units that had moved to affordable rent as social rent would have increased the average grant rate per affordable housing unit above the £38,700. The officer clarified that this was correct and would have increased the cost above what was acceptable by government.

- A member queried the final completion date for the Great Haddon CKH, Yaxley development as 30 November 2024 as previously all completion dates were to be by the end of March 2024. The officers stated that due to the difficulties in the sector that the target date had been moved to the end of 2024-25 and that Northminster one of the larger sites was now aiming for completion at the end of 2024-25. The officer explained that the difficulties in particular, in obtaining materials, were causing delays in completions.
- The Chair commented that the difficulties in obtaining certain materials was a changing picture and queried with officers whether it was the expectation that these issues would not be resolved over a longer time period and whether the completion dates would move, and if the issue was more around the take up of housing and the market itself. The officer explained that the issues were not all in relation to materials as there had been problems with utilities, covid and staff related absence, and this was ongoing. The Director of Housing and Development also highlighted the wider skills issue in the construction industry in relation to the shortage of bricklayers, plumbers and electricians, due to being reliant on skills from abroad. He explained that it was unlikely that schemes would be able to recover time back but that it was crucial that further delays were not incurred on the programme. He explained that officers had frequent meetings with the suppliers of the different schemes to focus on delivery.
- The Chair queried what happened if there was slippage in the programme that officers felt was not justified, what comeback was there in order to ensure that sites were fully resourced. The Director of Housing and Development stated that if ultimately, if providers did not perform and meet their agreements, then mechanisms were in place in order to recoup money through the grant agreements.
- A member stated that he sat on the housing delivery board for Cambridge City Council and they had the same issue in relation to delays in materials however they had mitigated these delays by increasing costs. He queried whether this would be a possibility in relation to the programme. The chair stated that the authority was already close to the maximum intervention figure acceptable by government of £38.700 and there would be a risk of tipping over this if costs were increased. The Director of Housing and Development stated that the programme did not have any reserve or access to any additional monies to put into the programme to increase costs.
- A member sought an update on the Heylo schemes. The Director of Housing and Development explained that a more detailed update on the Heylo schemes would be included in the next update report to committee in March 2023. He explained that Heylo had communicated with the Combined Authority that they had issues with their auditing certification and an issue around their ownership. He stated that currently the Combined Authority were not aware of any operational issues and were seeking further information on the implications for the current schemes.

It was resolved to:

Note the report and the change to tenure mixes with Places For People on the scheme at Luminus Phase sites 1 and 2.

88. Housing Loans Update Report

The committee received a report that gave an update on the current position concerning receipt of loan repayments that were required to fund the Affordable Housing Programme.

Introducing the report the Director of Housing and Development updated the Committee on a number of points including:

- Repayments continued to be received on the Ely MOD scheme with just over £2.5 million being repaid over the reporting period and also ECTC at Haddenham where just over £1.4 million had been repaid. Officers were confident that the scheme at Haddenham would be repaid in full by the end of January 2023.
- The MOD Ely site was due for repaid by the end of March 2023 and officers had been in communication to seek assurances that mechanisms were in place to repay the loan in a timely manner.
- The Histon Road scheme with Laragh Homes was due to be repaid in May 2023 and had been subject to delays. All units had been reserved. Enquires had been made as to if mechanisms were in place for timely repayment of the loan but officers were yet to receive a response.

In discussing the report members:

- Queried whether the Combined Authority were going to be ridged about default dates and at what point would action be taken. The Director of Housing and Development stated that the loans would default on the date the loan was due for repayment. He explained that the legal team had a process in place around giving notice and making the borrower aware that they were in default before the stage of going to court to take action. He stated that officers took every action to ensure that the borrower did not default and if borrowers were aware that they were not likely to make the deadline that they made alternative provisions in advance to ensure that the loan could be repaid by other means.
- The chair questioned what happened to the money that came back in. The Director of Housing and Development explained that as the money came back in it was recycled to pay the grants for the affordable housing programme.

It was resolved to:

- a) Note the current position in respect of outstanding loan repayments required to fund the 2022-2023 Affordable Housing Programme.

89. Housing and Communities Committee Agenda Plan

Members noted that a Community Housing update had been added to the March meeting

It was resolved to note the agenda plan.

Part 3 – Date of the next meeting

90. It was resolved to:

Note the date of the next meeting as 13 March 2023

Key: Changes/additions in Bold