



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Housing and Communities Committee Minutes

Meeting: Monday 11 July 2022

Venue: Civic Suite, Huntingdonshire District Council

Time: 2.00pm – 2.50pm

Present:

Councillor Jackie Allen - Peterborough City Council

Councillor David Ambrose-Smith - East Cambridgeshire District Council

Councillor John Batchelor - South Cambridgeshire District Council

Councillor Lewis Herbert - Chair and Member for Cambridge City Council

Councillor Lucy Nethsingha - Cambridgeshire County Council

Councillor Tom Sanderson - Huntingdonshire District Council

Apologies:

Councillor Denise Laws - Fenland District Council

Councillor Alison Whelan - Cambridgeshire County Council

Part 1 - Governance Items

54. Apologies for Absence and Declarations of Interest and Announcements

Apologies received from Councillors Denise Laws and Alison Whelan substituted by Councillor Lucy Nethsingha.

55. Minutes of the Housing and Communities Committee meeting on 9 March 2022 and Actions

The minutes of the meeting on 9 March 2022 were approved as an accurate record.

The action log was noted.

56. Public Questions

No public questions were received.

Part 2 - Programme Delivery

57. Partial Release of Legal Charge

The Committee considered a report that sought a decision from the Committee following a request to release part of a legal charge that was held by the Combined Authority as security for a loan that was made from the 2021-2022 Affordable Housing Programme (AHP).

Introducing the report officers updated the Committee on a number of points including:

- On 28 November 2018 the Combined Authority Board approved the grant of a loan of £24.4M from the AHP to East Cambridgeshire Trading Company Limited (ECTC) to refurbish 92 former Ministry of Defence (MOD) homes including 15 affordable homes adjacent to the Princess of Wales Hospital in Ely
- The loan was secured by way of a legal charge affecting the whole of the residential site.
- A request had recently been received from the borrower requesting that the Combined Authority release part of its charge.
- The borrower had agreed terms with Cambridgeshire Community Services NHS Trust to transfer part of the site which included a derelict former social club. The NHS Trust would then commence the construction of a multi storey carpark to service the Princess of Wales Hospital that would be redeveloped.
- The land for the carpark needed to be transferred free from encumbrances, hence the request to release the charge.
- Under the arrangement the NHS Trust would simultaneously transfer a parcel of land, considered to be capable of future residential development. Both parcels of land were comparable in site area.
- A monitoring report dated 15 June 2022 confirmed that repayments were £3.5M behind anticipated cash flow. The report stated that repayment of the loan would depend on how quickly the remaining properties could be sold, and that 19 properties were yet to be reserved.
- Officers recommended that members grant conditional consent to release part of the charge, this would involve the Combined Authority benefiting from a replacement charge to be put on the land that was to be acquired by the borrower. This would mean that the CA loan security would be replaced and the NHS Trust could implement the first phase of the hospital redevelopment.

In discussing the report Members:

- Sought clarity on if the land would be transferred to East Cambridgeshire Trading Company or one of the Combined Authorities trading companies. Officers confirmed that as East Cambridgeshire Trading Company were transferring land that they owned and in return would be in receipt of an equivalent plot of land, so it was effectively a land swap. Officers explained that the land would come back to the Combined Authority if the loan was defaulted.
- Requested the legal advice on recommended option. Officers confirmed that the legal charge would be in favour of the Combined Authority. So if there was a default and the Combined Authority had to take enforcement action, and would be able to reclaim any monies owed.

It was resolved unanimously to:

- a) Grant conditional consent to release part of a legal charge applied to land at the former MOD housing site at Ely.

58. The Future of CPCA Housing Purpose and Function

The Committee received a report that sought to present Members with the potential opportunities to carry forward progress around the delivery of housing in the Combined Authority geography. The report presented a number of activities for consideration and discussion. Decisions were now required about reviewing the level of CA Housing impact and areas of focus in line with the more limited resources available in the immediate future.

In particular, the Director of Housing and Development highlighted that:

- Workshops have been held with officers f throughout the CA area and Leaders. A summary of key points from the Leaders workshop held on 6 April 2022 was detailed in appendix 1 of the report. The key housing challenges were identified as being skills, specifically including those required for modern methods of construction and housing retrofit, strategic co-ordination around specialist housing, co-ordination with infrastructure planning, development viability and funding.
- Feedback from the officer and partners workshop held on 29 March 2022 was detailed in Appendix 2 of the report.
- There was a need to maintain the oversight of the build out of the affordable housing programme and the re-payment of the Loan Book.
- The Board and Committee now needed to consider the housing purpose and function beyond this programme, taking into consideration that there was no revenue or capital support outside of the Combined Authorities existing resources.

- The recommendation was to maintain a housing presence, retaining housing officer capability and potential influence with more capability to respond to future housing Initiatives, opportunities and potential impact upon stalled sites.
- There was also a recommendation to continue to Support Community Led Housing Initiatives.
- There was no future need or justification to retain the two wholly owned companies and the recommendation was that the companies be wound up.
- As part of the future transformation programme, ask the Chief Executive organise the required resources and skills to enhance the links to growth, skills and infrastructure in the CA and to manage the resources in relation to this.

In discussing the report Members:

- Queried the time period in relation to the Chief Executives review of the required resources to undertake future activity. The Director of Housing and Development stated that there was a sense of urgency and the Interim Chief Executive was currently looking at the senior roles within the organisation, with a report to Board in July. There would be an update to Committee at its next meeting in September.
- Sought clarity on the Boards position in relation to the future purpose and function. The Chair explained that the overall position of the Board was that it there was a recognition that the role of the CA in relation to Housing had changed and there was a particular concern that the excellent work done by the Housing team on the Affordable Housing Programme so far needed to be resourced as there was £40 million of ongoing commitment. The Chair explained that the ongoing resourcing of the work could be within the CA or as an agency agreement with one of the Constituent Authorities. He explained that the Board was interested in Community Housing and there was still a specific budget that could be allocated to deliver these projects. He highlighted that there was an ongoing shortage of skilled staff in the construction sector. He commented that there were changes to some of the existing projects and the affordable housing programme and there was likely to be further changes going forwards. He clarified that there had been a good relationship with DLUC in terms of substitutions and variations, within the overall allocation of funding that they had given to the CA. He explained that the role of the Housing and Communities Committee would be part of a Governance Review at the CA in terms of the role of the Committee in the future.
- Questioned if the Chief Executive would be looking to the Constituent Authorities in relation to their expertise as part of the resourcing for future activities. The Chair explained that the CA needed to carry out the review and determine whether they still wished to carry out the Housing function internally. **ACTION**

- Queried if the loan money coming back in to the CA was already allocated to different projects. The Director of Housing and Development stated that all of the loan money was being recycled in to the grant programme.

It was resolved unanimously to:

- a) Note the proposed role for the CA in supporting the future delivery of housing, specifically to;
 - i. Maintain the oversight of the build out of the affordable housing programme and the re-payment of the Loan Book.
 - ii. Maintain a housing expertise and skills presence, retaining some housing officer capability and skills, providing capability to respond to future housing Initiatives and Opportunities, including those identified at the Member workshop.
 - iii. Ask the Chief Executive to consider how best to reduce and reorganise resources to deliver these functions as part of the future transformation programme.
- b) Recommend that the Combined Authority Board approves the wind up of the Combined Authority 100% owned company, Angle Developments (East) Limited.
- c) Recommend the Combined Authority Board approves the wind up of the Combined Authority 100% owned company, Angle Holdings Limited.

59. Affordable Housing Programme – Update on Implementation

The Committee considered a report that provided an update on the Implementation of the Affordable Housing Programme.

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

- There had been a strong end to the programme
- The outturn showed an achievement of an additional 1,449 units in the period to the end of March 2022, which was 72% towards the target of 2,000 units.
- Issues that had been encountered within the programme had been detailed in section 2.8 to 2.13 of the report.
- Monitoring of the programme would continue to all of the units had been completed.

In discussing the report Members:

- Queried the format of appendix 1 of the report which showed starts on site and whether this could now be simplified now that all schemes had started on site. The Director of Housing and Development acknowledged that the spreadsheet could now be refined and would be reviewed and recirculated to the Committee. **ACTION**

It was resolved unanimously to:

- a) Note the report.

60. Affordable Housing Programme Loans Update

The Committee considered a report that gave an update on the progress on the Affordable Housing Programme Loans.

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

- Since the last meeting the loan for the scheme at Alexander House, Forehill, Ely, by Laragh Developments for 25 units with 4 affordable units at a total of £4.84M had been repaid.
- The forecast for the loan repayment at the Former MoD site, Ely was still behind. However since the last meeting there had been a substantial number of receipts from sales on the site and were catching up with the original payment profile, with a receipt of approximately £7 million since the last meeting.

It was resolved unanimously to:

- a) Note the current position in respect of outstanding loan repayments required to fund the 2021-2022 Affordable Housing Programme.

61. £100 Million Affordable Housing Programme: Heylo Bayard Plaza, for replacement with Roman Fields, Paston, Phase 2, Peterborough

The Committee considered a report detailing

Introducing the report officers updated the Committee on a number of points including:

- The site at Bayard Plaza had only sold 12 out of 40 units to date due to valuers giving the units a low rating, compounded by the area of Peterborough in which the development was located, as this part of Peterborough was going through a regeneration and many mortgage lenders had refused buyers mortgages.

- In March 2022 Heylo approached the CA after a year of trying to encourage further sales, and requested that they relinquish the balance of 28 of the original of 40 units, but would still count the 12 units that they had sold at Bayard Plaza.
- Heylo had contacted Keepmoat who had developments at JMS Scholars and Roman Fields Paston. They came up with an agreement to reuse the grant to acquire shared ownership units at Roman Fields. The units at Roman Fields were 9 flats and 21 homes, for shared ownership, through the Heylo model of shared ownership. They would reuse the remaining grant of £896,625, plus, £109,548 from the clawback from the Larkfleet sites. This provided a grand total of £1,006,173, towards a swap of units, with the same provider, same tenure type shared ownership, for the people of Peterborough.

In discussing the report Members:

- Sought clarity on if there were proper procedures and processes in place for the transfer to happen as there had been previous issues with DLUC. The Director of Housing and Development clarified that they had approached DLUC in relation to the proposals which they had agreed to. A Member stated that Heylo were currently under investigation in relation to governance issues and queried if this would create complications for the CA. The Director of Housing and Development stated that they had received communications from Heylo regarding the situation. He had been advised that this was a first stage process and was not abnormal and currently he had no reason to believe that they would not pass the test in due course.

It was resolved unanimously to:

Approve and agree the variation to the grant agreement to account for the lack of sales at Bayard Plaza:

- a) Due to the lack of sales on the site, Heylo wishes to vary its grant agreement, as the site has not sold many, and wishes to hand the units at Bayard Plaza back to Brightfield, the developer.
- b) There is a replacement proposal to instead deliver the additional affordable units with Keepmoat, to provide new shared ownership homes, which will replace the units lost at Bayard Plaza, Peterborough, with units at Roman Fields, Paston, Peterborough.

62. Housing and Communities Committee Agenda Plan

It was resolved to note the agenda plan.

Part 3 – Date of the next meeting

63. It was noted that the next meeting would take place on 12 September 2022.