



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Housing and Communities Committee Minutes

Meeting: Monday 13 March 2023

Venue: Civic Suite, Huntingdonshire District Council

Time: 10.00 am - 11.00 am

Present:

Councillor Anna Bailey - East Cambridgeshire District Council

Councillor Lewis Herbert - Cambridge City Council

Councillor Bridget Smith - South Cambridgeshire District Council (Chair)

Councillor Alison Whelan - Cambridgeshire County Council

Councillor Jackie Allen - Peterborough City Council

Apologies:

Councillor Marco Cereste - Peterborough City Council

Councillor Tom Sanderson - Huntingdonshire District Council

Councillor Denise Laws - Fenland District Council

Councillor David Ambrose-Smith - East Cambridgeshire District Council

Councillor Chris Boden - Fenland District Council

Part 1 - Governance Items

91. Apologies for Absence and Declarations of Interest and Announcements

Apologies received from Councillor Denise Laws, Councillor Tom Sanderson, Councillor Chris Boden, Councillor David Ambrose-Smith substituted by Councillor Anna Bailey and Councillor Marco Cereste substituted by Councillor Jackie Allen.

Councillor Anna Bailey declared a non-statutory pecuniary interest in item 2.2 on the agenda 'Housing Loans Update' as she was the Leader of East Cambridgeshire District Council and the East Cambridgeshire Trading Company was set up by East Cambridgeshire District Council in March 2016.

Councillor Lewis Herbert declared a non-statutory pecuniary interest as he was a Future Homes Manager for Allia, a project to create module home communities for people previously homeless or rough sleeping.

92. Minutes of the Housing and Communities Committee meeting on 16 January 2023 and Actions

The minutes of the meeting on 16 January 2023 were approved as an accurate record.

The action log was noted.

93. Public Questions

No public questions were received. A comment was received from the Lead Member for Housing on the Overview and Scrutiny Committee which was read out at item 2.2 on the agenda and can be found at appendix 1 of the minutes.

Part 2 – Programme Delivery

94. Affordable Housing Programme Delivery Update – March 2023

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

In discussing the report:

- A member commented that the programme had received a hard press and that the successes of the programme should be celebrated. She thanked the outgoing Director of Housing and Development and his team for their hard work in relation to the delivery of the programme.
- A member also paid tribute to the work of the Housing team but stated that he could not accept the previous members interpretation of the programme being a success as the Combined Authority had effectively lost £40 million funding from the previous Mayors revolving fund, which equated to 1,000 affordable homes, as the loans had not been approved by Department for Levelling Up, Housing and Communities (DLUHC). He referred to his comments at past Combined Authority Board meetings in relation to this matter.

It was resolved to note the report.

95. Housing Loans 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.

A comment was received from the Lead Member for Housing on the Overview and Scrutiny Committee which was read out by the Chair and can be found at appendix 1 of the minutes.

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

- The financial balance sheet at appendix 1 of the report showed an outstanding balance of £13,521,511 as at 21 February 2023 for the loans at the former MoD site, Ely, and Histon Rd, Cambridge.
- The project at Histon Mews, Cambridge was progressing. The independent monitor suggested the project would now complete in July 2023 and the agreed redemption date of the loan facility was 7 May 2023. Forecasts showed that not enough units would be completed for sale by 7 May 2023 to fully repay the loan and interest by the due date. In this scenario the penal rate of interest under the facility agreement would be applied and the Combined Authority would need to consider commencing an action against the borrower whilst the development was nearing completion.
- The project at the MoD site in Ely showed a balance of £5,908,378 on 21 February 2023 which showed a reduction of £563,975 since the report to committee in January 2023. The project cash flow was behind forecast with six completions expected before 31 March 2023 leaving twelve units unsold, so it was unlikely that the loan would be repaid from sales proceeds. East Cambridgeshire Trading Company had confirmed that arrangements were in place to utilise a facility arranged with East Cambridgeshire District Council to ensure the loan was repaid by 31 March 2023.

In discussing the report members:

- Requested that the Audit and Governance report on the Housing Loans be circulated to the committee. **ACTION**
- The member representing East Cambridgeshire gave a further update on the MoD scheme at Ely. She confirmed that of the 15 shared ownership properties, 13 had been exchanges and completed and there were 3 remaining. She clarified that ECTC had paid £1.8 million to the CPCA in interest and this had not been covered in the report and that it would be interesting to see how much in total the CA received in interest on the loans in total. The Chair commented that she expected that this would be covered in the audit report once the housing loans programme had been reviewed.

It was resolved to:

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

96. Community Housing Support

The committee considered a report that set out a proposal to renew an arrangement with Eastern Community Homes that provided a support facility to people that express interest in progressing a community housing development scheme.

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

- The arrangements with Eastern Community Homes were coming to an end on 31 March 2023 and the officer recommendation was to discontinue the support arrangement based on the position that no further submissions for funding had been received and no further community homes had been delivered as part of the initiative as this did not demonstrate value for money.
- Since the publication of the report Eastern Community Homes had informed the Combined Authority that there were two further applications for funding in progress. Officers had reviewed the potential funding applications and advised that they did not look to be feasible.

In discussing the report:

- The Chair stated that mindful that the Combined Authority were under close scrutiny from DLUHC in relation to the affordable housing programme and needed to be cautious of supporting schemes that did not provide value for money, when money was tight. She explained that if the committee were to agree with the officer recommendation, then the leaders strategy group could look at where best the funding could be reallocated.
- A member requested that the community groups that would be affected by this decision be given an opportunity to have a say in reviewing arrangements for support going forward and sought for the decision to be deferred for a committee cycle to allow this to happen. He stated that there was still potential for some sites to be brought forward and he felt that there was not enough evidence to make the decision now and the CA should ask Eastern Community Homes to review and come back with a better offer. The Chair queried how a deferment of the decision could be managed. Officers explained that a new agreement could be drawn up for the interim period and approved by the Director under delegated authority.
- A member stated that she felt that there was a fundamental misunderstanding of how community housing worked and that East Cambridgeshire had tried and tested mechanisms in place to support community land trusts. She stated that community land trusts had formed part of the devolution deal and that the CA board in late January 2023 had reconfirmed their commitment to community lead development in its Business Plan and budget. She explained that there was no national funding pot for this type of support and that the funding, however small, was crucial in order to provide technical guidance to these groups and that working with communities could take time.

She stated that the recommendation in the report had come out of the blue and had not been discussed at a leaders strategy meeting.

- A member explained that there were real advantages in using real CLTs and good things that could be done with real community support behind them. She explained that the real issue was that the CA were not seeing anything substantial coming forwards.

An amendment to the report recommendations was put forward by Councillor Herbert and seconded by Councillor Bailey to:

- a) Defer the decision to discontinue providing a support service to community homes groups from 31 March 2023. for a three-month period to allow for engagement with local authorities, Eastern Community Homes, community organisations and Community Land Trusts.**
- b) Extend the memorandum of understanding with Eastern Community Homes for a further three months.**
- c) Report back to Housing and Communities Committee in June following the engagement process.**

In being put to the vote the amendment was carried unanimously.

A further amendment to the report recommendations was put forward by Councillor Bailey and seconded by Councillor Allen to:

- a) ~~Discontinue providing~~ Continue to provide a support service to community homes groups from 31 March 2023. following 31 March 2023.**
- b) Renew the arrangement with Eastern Community Homes to provide a support facility to groups that express and interest in progressing a community lead housing scheme.**

On being put to the vote, the amendment fell. Councillor Herbert's amendment therefore became the substantive recommendation.

It was resolved unanimously to:

- a) Defer the decision to discontinue providing a support service to community homes groups for a three-month period to allow for engagement with local authorities, Eastern Community Homes, community organisations and Community Land Trusts.
- b) Extend the memorandum of understanding with Eastern Community Homes for a further three months.
- c) Report back to Housing and Communities Committee in June following the engagement process.

97. Housing and Communities Committee Agenda Plan

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 12 June 2023