



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY
HOUSING AND COMMUNITIES COMMITTEE: MINUTES

Date: 9 March 2020

Time: 14:00pm to 16:05pm

Present: Councillor David Ambrose-Smith, Councillor Chris Boden (Chairman), Councillor Ryan Fuller, Councillor Roger Hickford, Councillor Mike Sargeant, Councillor Bridget Smith and Councillor Irene Walsh.

Apologies: None

52. APOLOGIES AND DECLARATIONS OF INTERESTS

No apologies received or declarations of interest made.

The Chairman notified the Committee that the action log at item 1.3 was not included in the original document pack so had been circulated separately, and that an updated report for item 2.1 £100m Affordable Housing Programme (Non-Grant) – Cambridge City, Histon Road, Development Loan to Laragh Homes had also been circulated.

The Chairman announced that a request from a Member of the Committee to add an urgent item to the agenda for discussion had been received. He explained that the Leader of Harlow District Council had written to Council Leaders in the East of England and Kent asking them to end placements of their housing clients in converted office blocks in Harlow. He explained that the letter was not sent to the Combined Authority, which did not have a role in such placements, but that he was aware that the Combined Authority had agreed to fund schemes which provided affordable housing via conversions of office premises in the past and that Members of the Committee had raised concerns about such developments. He also explained that he was aware of the Local Government Association's related concerns about the operation of permitted development rights in the planning system. He clarified that he had consulted with the Interim Monitoring Officer on the procedure and as the Chair had agreed that the item should be considered at the meeting as a matter of urgency on the basis that commercial to residential conversions could be controversial and raise issues about the welfare of those who lived in them and about the impact of them on the communities where they were located. He explained the urgent item would be considered at the end of the agenda.

53. MINUTES AND ACTION LOG – 13 JANUARY 2020

A Member queried why a report detailing the Communities remit of the Committee had not been brought to the meeting as detailed in action 43. The Director of Housing and Development explained that he had looked into this further and he was not aware of a specific brief in terms of the 'Communities'



element of the Committee. The Interim Monitoring Officer explained that in the Chapter 10 of the Constitution, at paragraph 3.2.9 it stated that the functions which the Committee exercised included:

Oversee the development and approve all other housing and community programmes and projects not reserved to the Combined Authority Board including but not limited to those relating to:

(a) Culture and Tourism

(b) Oversee delivery of the Connecting Cambridgeshire Project by Cambridgeshire County Council

A Member recalled that when the remit of the Committees had been discussed initially the Communities element had been tagged on to the Housing Committee as it did not naturally sit anywhere and that it would be useful to refer back to the original report on this, and for officers to report back to Committee.

ACTION

A Member sought feedback on action 49, in relation to the scheduled meeting with Government at the start of February 2020. The Director of Housing and Development explained that the meeting was positive and the Government was aware of the schemes in the £40 million Revolving Fund and understood how the money was being used. He explained that there had been interest from other Combined Authorities in relation to the set-up of the Revolving Fund. He explained that they expected to receive the next tranche of funding soon.

54. PUBLIC QUESTIONS

No public questions received.

A question was received from the Overview and Scrutiny Committee and the Chairman read out the written response (see appendix 1).

55. COMBINED AUTHORITY FORWARD PLAN

No comments were made on the Combined Authority Forward Plan.

56. HOUSING AND COMMUNITIES COMMITTEE AGENDA PLAN

Member noted that a report on the Communities element of the Committee would be added to the agenda again for the next meeting.

57. £100M AFFORDABLE HOUSING PROGRAMME (NON-GRANT) – CAMBRIDGE CITY, HISTON ROAD, DEVELOPMENT LOAN TO LARAGH HOMES

The Committee considered a report that recommended that they sought approval from the Board for the provision of a 30 month repayable loan facility capped at £9.637m to Histon Road Development LLP for the development of a



27 unit housing scheme at 295-301 Histon Road, Cambridge, CB4 3NF

In introducing the report the Director of Housing and Development explained that the loan would be used to acquire the land and develop the site of 27 housing units that would include 10 affordable residential units. He clarified that through this transaction the site would be delivered. He explained that the developer had advised that without the loan the development would not happen due to constraints of a lack of funding from traditional High Street lenders and willing equity partners in the current economic climate. He stated that the loan would enable 10 affordable units to be delivered under the current S106 agreement, without which the scheme will not proceed in the foreseeable future. He clarified that officers were currently awaiting receipt of the guarantors audited accounts so that the interest rate could be set. He explained that they may not have the figures before the March Board meeting. The Director concluded by confirming if approved, this would be the fifth scheme.

In discussing the report:

- A Member questioned why the developer was unable to borrow the money from other lenders and queried the risk to the Combined Authority in relation to the loan. The Chairman explained that officers were awaiting the audited accounts and that the final interest rate would be reflective of the risk. He explained that without the Combined Authorities support, the scheme was unlikely to go ahead. The Director for Housing and Development explained that he was confident that once the accounts had been reviewed that this would be an appropriate loan. He clarified that the land had been valued in excess of the price that they had paid which helped to secure the position.
- A Member queried where all of the check and balances would be going forwards and that an appropriate interest would need to be applied as this could sometimes be the undoing of a scheme. The Chairman explained that the Committee did not have the powers to make the decision and that this would be done at the Board meeting at the end of March. He explained that it was not anticipated that the interest rate would be too high.
- A Member sought clarity on how applications for the £40 million revolving fund would be dealt with as this scheme would mean that it had reached its limit. She also requested to see some modelling on repayments and planning regarding worse case scenarios. The Director of Housing and Development explained that the cash flow for the fund would drop off after the summer and the money was being recycled quickly. He clarified that if there was a scheme that needed to be considered by Board and the funding was not available then alternative methods of funding could be considered. He explained that a Sensitivity Analysis of the £40 million revolving fund would be produced for the March Board Meeting.

The Chairman proposed that the recommendation was amended to reflect that the Lead Member for Housing and Communities be consulted in relation to the



determination of the interest rate.

It was resolved by majority to:

- a) Recommend that the Combined Authority Board approve the provision of a loan facility of £9.637m to Histon Road Developments LLP for a scheme of 27 units based on the heads of terms detailed in exempt Appendix 1.
- b) Recommend that the Combined Authority Board delegate authority to the Director of Housing and Development, in consultation with the Lead Member for Housing and Communities, the Monitoring Officer and the Lead Member for Investment and Finance, to conclude any necessary legal documentation, including the determination of the interest rate to be charged and the security for the loan by way of a first charge upon the land.

58. £70M CAMBRIDGE CITY COUNCIL AFFORDABLE HOUSING PROGRAMME UPDATE

The Committee considered a report that provided an update on the £70 million Affordable Housing Programme being led by Cambridge City Council as part of the Devolution Deal for Cambridgeshire and Peterborough.

In presenting the report officers explained that all 500 homes had been identified and that 65% of these homes were now on site across 11 different sites, totalling 323 homes. Officers clarified that 5.4 of the report gave an update on what had been achieved. Officers explained that since the report had been written some practical completions had been achieved at Anstey Way and planning permission had been resolved for Campkin Road, which left two schemes that required planning permission.

In discussing the report:

- A Member commented that the report was well written and that they commended the speed and efficiency of the £70 million Affordable Housing programme so far.

It was resolved unanimously to:

- a) Note the report on spend and outputs for the £70 million Affordable Housing Programme, and the next report will be provided in April 2020.

**59. £100M AFFORDABLE HOUSING PROGRAMME SCHEME APPROVALS
MARCH 2020 – ALCONBURY WEALD, PARCEL 4, ERMINE STREET,
LITTLE STUKELEY**

The Committee discussed a report that requested to commit grant funding of £315,000 from the £100 million Affordable Housing programme to enable the delivery of 9 additional shared ownership homes at Alconbury Weald, Ermine



Street, Little Stukeley, Huntingdonshire.

In presenting the report officers explained that the scheme received planning permission back in 2017 and that the 9 units requested were with Civic Living and the grant for each was £35,000, and the units were to be completed in April 2020.

In discussing the report Members:

- Welcomed the additionality of the 9 shared ownership units.

It was resolved unanimously to:

- a) Commit grant funding of £315,000 from the £100m Affordable Housing programme to enable delivery of 9 additional shared ownership homes at Alconbury Weald, Ermine Street, Little Stukeley, Huntingdonshire.

60. £100M AFFORDABLE HOUSING PROGRAMME UPDATE

The Committee considered a report that gave an update on the £100 million Affordable Housing Programme.

In presenting the report the Director of Housing and Development explained that there was now a total of 28 Schemes with 15 in contract and Grant Investment of £23.8 million to date with a further £41.5 million approved in loans via the revolving fund. He clarified that the full list of schemes could be found at appendix 1 of the report and that the graphs in section 3 of the report showed how the money was being spent by area. He explained that officers were confident that the programme target of a minimum of 2,000 new affordable homes would be delivered as starts on site by 31 March 2022. He commented that the roll out of the £100k homes had received a warm engagement from the general public.

In discussing the report Members:

- A Member expressed his concerns in relation to the 2,000 homes target as currently only 547 starts on site had been achieved and there were issues in the construction industry, plus the impact that Brexit and the Coronavirus might have. The Director of Housing and Development explained that they had addressed the issues in relation to funding that had stalled the programme last year and 300 units had come through the pipeline in the last few months. He clarified that there had been no indications that there would be a drop off of schemes coming through the pipeline. The Chairman reiterated that there were more than sufficient properties in the pipeline and there was every reason to believe that the pipeline would widen. The Director of Housing and Development commented that if the private market did slow down then there would be more opportunity to convert units into shared ownership.



- A Member queried if the Combined Authority were following the same criteria as Homes England who did not provide social housing grants for Peterborough or Fenland. The Director for Housing and Development stated that the Combined Authority had not been following the same criteria and had approved grant funding in Fenland. The same Member also asked that it was recorded that he was concerned that the Combined Authority were continuing to look at deliverability rather than need and that they were not following through on the devolution deal.
- A Member commented that they found the pie charts in the report very useful. She requested a map showing numbers of houses by area and also colour coded in relation to need and affordability. **ACTION** She reiterated that it was very important that the Combined Authority could publicly state that they were spending the money well in terms of individuals who were facing unaffordability. The Chairman stated that there needed to be a balance between affordability and viability. A Member commented that there was a real risk that the Combined Authority were giving undue weight to viability. The Director of Housing and Development stated that there was currently a reasonable spread of affordable housing across Cambridgeshire and Peterborough.
- A Member commented that Stilton was referred to in the report as being in Peterborough and this was incorrect. **ACTION**

It was resolved unanimously to:

- a) Note the report outputs for the £100 million Affordable Housing Programme, and the next report will be provided in April 2020.

61. £100K HOMES AND COMMUNITY LAND TRUSTS

The Committee considered a report that gave an update on the progress and expenditure for both the £100k Homes and Community Land Trusts projects.

In presenting the report officers explained that the Business Plan for Community Land Trusts would not be going to the Combined Authority Board for approval in March. Officers explained that further consultation with the constituent authorities was needed and that officers were still in the process of recruiting to the Community Land Trusts Project Manager post. Officers commented that there had been unanimous approval at the Combined Authority Board of the £100k Homes project and there had recently been a Developers Breakfast to introduce Developers to the project which had been well received and the first £100k homes were on site in Fordham with further sites in the pipeline including potential sites in Ely, South Cambs and Cambridge City. Officers explained that there would be a formal launch of the project at Westminster next Tuesday. Officers commented that a report would be coming to the next Committee meeting on the Community Land Trusts Grant Scheme and the Allocation Policy - £100k Homes

In discussing the report Members:



- Discussed where the responsibility for regeneration sat. Officers explained that this was normally driven through local authorities and would be part of their Market Town Strategies.

It was resolved unanimously to:

- a) Note the progress and expenditure to date on £100k Homes and Community Land Trusts.

62. HOUSING COMMITTEE BRIEFING SESSION - £170 M AFFORDABLE HOUSING PROGRAMME

The Committee considered a report that supported a briefing session provided for the Overview and Scrutiny Committee on 24 February 2020 and it was agreed to cascade to members of the Housing and Communities Committee. Officers gave a presentation to Committee which can be found at appendix 2.

In discussing the report and presentation:

- A Member commented that in 2.5 of the report the Overview and Scrutiny Committee had asked whether the Combined Authority could fund a percentage of homes allocated to lifetime accessibility and CO2 reduction homes and that at previous Committee meetings he had raised the issue of complying with space standards. He commented that Homes England were keen for grants allocated for homes that conformed with space standards and wanted to know how the Combined Authorities approach compared with that of Homes England. The Chairman commented that each District Council had their own approaches relating to space standards and each scheme was looked at on a case by case basis by officers. The Director of Housing and Development explained that he was meeting Homes England in the next week and he would raise the queries regarding sustainability and space standards and report back to Committee. **ACTION**
- A Member commented that they would have written a different list of issues that had been identified in the presentation which would have been
 - Climate Crisis
 - Access to health
 - Brexit
 - High quality education

She commented that it would be useful to seek feedback from Board Members at a future leader's strategy meeting on the issues faced as the issues were not all the same throughout all of the Local Authorities.

ACTION



- A Member reiterated that planning decisions were made at a local level and that this was summed up in 2.6 of the report that the Combined Authority was reliant on local authorities planning and development control departments to deliver the necessary homes for their communities.

The Chairman proposed to amend the recommendation to read 'to note the report'.

It was resolved unanimously to note the report.

63. URGENT ITEM – LETTER FROM HARLOW DISTRICT COUNCIL

The Committee considered a letter from the Leader of Harlow District Council regarding placing families in converted office blocks in Harlow.

The Chairman explained that the more general point for discussion by the Committee was around the conversion of non-residential into residential. He explained that a conversion that had been approved previously at Committee was being reviewed by Medesham Homes and they were currently considering whether to submit a new scheme for a new build on the site to replace the existing buildings.

In discussing the letter:

- A Member queried whether the money approved for the original scheme would come back into the pot. The Director of Housing and Development confirmed that Medesham Homes would need to come back and ask for any additional money required to complete the new application.
- A Member commented that it was important that the Combined Authority invested in schemes that were good value for money and delivered good quality accommodation contributing to health and wellbeing.
- The Chairman explained that it was not one size fits all and that every scheme would need to be considered on its own merit. He commented that a blanket ban would be restrictive.
- A Member commented that there were more people living in an around towns and there had been successful conversions of offices back to residential accommodation that had been residential originally.
- A Member requested that officers speak to Homes England about whether they give grant funding for office conversions. **ACTION**
- A Member commented that conversions could be successful but that they did not agree permitted development.

In bringing the debate to a close the Chairman commented that if the Committee did find itself faced with an application for funding of an office conversion they



would need to think very carefully as no one wants sub-standard accommodation. He explained that there were no applications of this nature in the pipeline or on the horizon at the moment.

64. DATE OF NEXT MEETING

Members noted the date of the next meeting as 27 April 2020.

Chairman