



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

HOUSING AND COMMUNITIES COMMITTEE

Date: Wednesday, 09 October 2019

14:00 PM

Democratic Services
Dermot Pearson
Interim Monitoring Officer

The Incubator
Alconbury Weald
Cambridgeshire
PE28 4WX

**Meeting Room 1
Incubator 2, Alconbury Weald Enterprise Campus,
Huntingdon, Cambridgeshire, PE28 4WX**

AGENDA

Open to Public and Press

Part 1: Governance Items

1.1 Apologies for Absence and Declarations of Interest

1.2 Minutes - 3 April 2019

3 - 8

1.3 Public Questions

Arrangements for public questions can be viewed in Chapter 5, Paragraphs 18 to 18.12 of the Constitution which can be viewed here
- [Cambridgeshire and Peterborough Combined Authority: Constitution](#)

1.4 Housing and Communities Committee Agenda Plan

9 - 10

Part 2: Programme Delivery

**2.1 £100m Affordable Housing Programme Scheme Approvals -
Whaddon Road, Meldreth, South Cambridgeshire (Settle)**

11 - 20

Part 3: Date of next meeting:

11 November 2019

The Housing and Communities Committee comprises the following members:

Councillor Graham Bull

Councillor Ryan Fuller

Councillor Denise Laws

Councillor Bridget Smith

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

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Clerk Telephone: 01223 715668

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The Combined Authority is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.



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CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY **HOUSING AND COMMUNITIES COMMITTEE: MINUTES**

Date: Wednesday, 3 April 2019

Time: 12:30 pm to 13:09 pm

Present: Councillors Ryan Fuller, Richard Johnson and David Oliver and Charles Roberts (Chairman),

Apologies: Councillors Denise Laws and Bridget Smith

9. APOLOGIES AND DECLARATIONS OF INTERESTS

Apologies were received from Councillor Denise Laws, Councillor David Oliver attended as her substitute and Councillor Bridget Smith, and Councillor Richard Johnson attended as her substitute.

10. MINUTES – 21 NOVEMBER 2018

The minutes of the meeting held on 21 November 2018 were agreed as a correct record and signed by the Chairman. The action log was noted.

11. PUBLIC QUESTIONS

None received.

12. AGENDA PLAN

The agenda plan was noted.

13. CAMBRIDGESHIRE QUALITY CHARTER

The Committee received a report seeking approval to recommend that the Combined Authority Board adopted the Cambridgeshire Quality Charter for Growth principles to guide the Combined Authority's work in supporting new developments across the Combined Authority area. The report also sought approval to adopt a strengthened set of principles covering the topic of cohesion, and to request that the Land Commission explored how these principles would be implemented in the context of strategic sites.

In presenting the report Officers highlighted that the review had been commissioned to examine what new evidence might have shaped quality principles over the last ten years, and particularly how issues around inclusive growth and social cohesion were reflected. Officers explained that the review was supported by the Cambridgeshire and Peterborough Independent Economic Review that had called both for a review of the Charter, and an audit of how completed developments had performed against the Charter principles. Officers clarified that the review had been completed and concluded that the four sets of principles remained as relevant.

In discussing the report Members:

- Welcomed the report and commented that it was a charter of cohesion and growth that was sustainable and inclusive.
- Noted that the charter would be refined further and that the Cambridgeshire Quality Panel would explore how the additional principles on cohesion would be implemented.
- Noted that it was clear from the report where the Combined Authorities responsibilities sat and that there would be no unnecessary duplication.
- Questioned whether there would be viability issues with Developers. Officers explained that it was a voluntary process and that there would be a difference of views across different developers and the work of the panel was about cohesive and inclusive design. The Director of Housing commented that a message would need to go out to the development community to showcase the benefits of the panel and how they could support them. Officers explained that work was ongoing with the Land Commission to reinforce this approach and this would be picked up in future communications to the development community.

It was resolved unanimously to:

- (a) recommend to the Board that it adopt the Quality Charter for Growth principles (including additions in Appendix 1) to guide its work on new developments across Cambridgeshire and Peterborough;
- (b) recommend to the Board that it adopt a strengthened set of principles on cohesion as set out in Appendix 2
- (c) request the Land Commission to explore how the principles can be implemented on strategic sites;
- (d) explore with the Cambridgeshire Quality Panel how the additional principles on cohesion can be implemented in the Panel's work and;
- (e) work with the Quality Charter Steering Group to publish a refreshed Charter

14. £70M CAMBRIDGE CITY COUNCIL AFFORDABLE HOUSING PROGRAMME: UPDATE

The Committee received a report providing an update on the £70 million Affordable Housing Programme led by Cambridge City Council as part of the Devolution Deal for Cambridgeshire and Peterborough. The update was based on the report 'Update on the Programme to Build New Council Homes Funded through the Combined Authority' presented to Cambridge City Council Housing Scrutiny Committee on 12 March 2019.

In presenting the report Officers explained that schemes on site and on track included Nuns Way and Wiles Close, Mill Road Phase 1, Anstey Way and Ditchburn Day Centre

with a net gain of 132 homes. Officers clarified that schemes targeted to start on site in 2019/20 with planning submissions made included Ventress Close, Tedder Way, Kingsway Medical Centre, Mill Road Phase 2 and Clerk Maxwell Road. Officers explained that the Meadows and Buchan Scheme had been delayed due to a planned public consultation which had been launched in March 2019 and that more detail on the Campkin Road Scheme would be provided at July Committee as detailed pre – planning work was still ongoing. Officers reiterated that all planning approvals were on track to be completed by December 2019, with 132 starts on site out of 134 forecast for 2018/19, and that the forecast number of starts for 2019/20 was 311. In concluding Officers explained that all schemes were on track for practical completion by September 2022.

In discussing the report Members:

- Welcomed the reported progress on the schemes and noted that they were well on track currently, to be delivered by 2022.
- Queried whether there would be any impact on the schemes due to the uncertainty of Brexit. Officers explained that contingencies had already been built into schemes that were currently on site and bricks had already been imported from Holland. There was no space to import everything for the full three years of the schemes. Officers clarified that at this moment in time it was business as usual. Officers explained that the Council had a strong relationship with the developers and that they were confident that this would help to manage any future impacts including skills issues.
- Congratulated the City Council on work to deliver a successful bid for investment from Government's Housing Infrastructure Fund (HIF) in respect of Cambridge Northern Fringe East.
- Noted that the confirmation of the 2019/20 budget for the £70 million Affordable Housing Programme would be going to the Combined Authority Board for approval on 29 May 2019.

It was resolved unanimously to:

- (a) note the report on spend and outputs for the £70 million Affordable Housing Programme, and the detail of schemes as provided within Cambridge City Council's programme update 12 March 2019.

15. £100M AFFORDABLE HOUSING PROGRAMME UPDATE

The Committee received a report that provided an update on the £100 million Affordable Housing Programme being led by the Combined Authority.

In presenting the report Officers explained that the programme currently had 14 schemes / projects approved by the Combined Authority Board, the most recent being for a £440k affordable housing grant to Clarion Housing Group for eight homes for

Social Rent in March, approved by Board on 27 February 2019. Officers gave and update on the Affordable Rent issue that had been discussed at November's Committee meeting. Officers explained that since November, the Mayor and Combined Authority Directors had met with Government Ministers and officials to seek new legislation, and this had been prepared ready for consideration and that officials were seeking a window in April 2019 to make the Statutory Instrument, however this could still be impacted by EU Exit matters taking priority in Parliament. Due to the ongoing issue, up until December 77 units had been withdrawn from the programme and had sought funding directly from Homes England. Officers reiterated that no one had been made homeless as a result of the ongoing issue and that there had been one further withdrawal since the New Year. Officers would update on progress in relation to the legislation at the July Committee.

Officers explained that Mare Fen was due to be contracted imminently and CPCA would be funding 540 homes which would make a big difference to the programme's outputs. Two schemes had been completed to date and there were a number of schemes coming up for completion in the summer including the scheme in Willingham. Once the statutory instrument had been laid in Parliament Officers hoped then to consider new applications on to the scheme, from the end of April onwards

In discussing the report Members:

- Discussed the tenure split of schemes. The Director of Housing explained that the tenure split was not currently fixed and there was a mixture in the majority of schemes. Affordable Rent was the most popular. He explained that the Combined Authority would probably see more social rent coming through if grant was no object. Brexit and general market uncertainty had meant that Shared Ownership had not been as popular in recent months. He explained that the programme had the band width to cope with the extremities of the market and he hoped that the Combined Authority would be able to accelerate the programme in due course, when market conditions had improved.
- Questioned if there was resistance from some housing providers on social rented housing. The Housing Director explained that the cost to the programme for social rented housing could be as much as triple for the current programme average grant per unit and much longer term financing was required to enable authorities to meet all the requirements of housing waiting lists. He clarified that current work on housing needs analysis would provide clearer information on this for the future.
- Queried the issue identified in the report in relation to the providers being able to seek alternative sources of funding – primarily Homes England. Officers explained that the current Homes England Shared Ownership and Affordable Homes Programme ended in March 2021 and Providers were keen to take up and deliver on their full obligations within that programme, as their performance would impact on future funding allocations. Officers acknowledged that this was a potential risk to the Combined Authority programme and that they were meeting Homes England in April 2019 to discuss respective programmes, including the current and future implications of the Homes England programme on the ability of the Combined Authority to fund new affordable homes in Cambridgeshire and Peterborough and would report back to Committee in July 2019. Officers were also looking to hold

workshops with Housing Providers in the Combined Authority area to ensure that they understood the application process for the Combined Authority Programme.

It was resolved unanimously to:

- (a) note the report on spend and outputs for the £100 million Affordable Housing Programme. (including Appendix 1)
- (b) Note the forward pipeline of sites with affordable housing (Appendices 2 and 3 – both confidential).

16. DATE OF NEXT MEETING

Members noted the date of the next meeting as 10 July 2019. The Chairman of the Committee announced that he would be stepping down as a Councillor in May 2019 so would no longer be Chairman of the Committee. He had welcomed being Chairman and thanked the Members of the Committee for their support and input into the work of the Committee so far.

Chairman

HOUSING AND COMMUNITIES COMMITTEE AGENDA PLAN

Updated on 1 October 2019



Notes

Committee dates shown in bold are confirmed.
Committee dates shown in italics are TBC.

The definition of a key decision is set out in the Combined Authorities Constitution in Chapter 6 – Transparency Rules, Forward Plan and Key Decisions, Point 11 <http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/CPCA-Constitution-.pdf>

- * indicates items expected to be recommended for determination by Combined Authority Board
- + indicates items expected to be confidential, which would exclude the press and public.

Draft reports are due with the Democratic Services Officer by 10.00 a.m. eight clear working days before the meeting.
The agenda dispatch date is five clear working days before the meeting.

The following are standing agenda items which are considered at every Committee meeting:

- Minutes of previous meeting and Action Log
- Agenda Plan
- Performance Report

Committee date	Agenda item	Lead officer	Report to CA Board for decision	Reference if key decision	Deadline for reports	Agenda despatch date
11.01.19	£70m Cambridge City Council Affordable Housing Programme: Update	Roger Thompson		N/A	29.10.19	01.11.19
	£100m Affordable Housing Programme Update	Roger Thompson		N/A		

Committee date	Agenda item	Lead officer	Report to CA Board for decision	Reference if key decision	Deadline for reports	Agenda despatch date
13.01.20	£70m Cambridge City Council Affordable Housing Programme: Update	Roger Thompson		N/A	17.12.19	03.01.20
	£100m Affordable Housing Programme Update	Roger Thompson		N/A		
09.03.20	£70m Cambridge City Council Affordable Housing Programme: Update	Roger Thompson		N/A	25.02.20	28.02.20
	£100m Affordable Housing Programme Update	Roger Thompson		N/A		
27.04.20	£70m Cambridge City Council Affordable Housing Programme: Update	Roger Thompson		N/A	14.03.20	17.03.20
	£100m Affordable Housing Programme Update	Roger Thompson		N/A		

To be programmed:



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HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.1
9 OCTOBER 2019	PUBLIC REPORT This report has one appendix (Appendix 1) which is exempt from publication under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed - information relating to the financial or business affairs of any particular person (including the authority holding that information).

£100M AFFORDABLE HOUSING PROGRAMME SCHEME APPROVALS

WHADDON ROAD, MELDRETH, SOUTH CAMBRIDGESHIRE - SETTLE

1. PURPOSE

- 1.1. As part of the Devolution Deal, the Combined Authority successfully secured £100 million from Government to deliver 2,000 affordable homes across Cambridgeshire and Peterborough.
- 1.2. At its meeting on 25 September 2019 the Combined Authority Board delegated approval of a grant of £215,000 from the £100m Affordable Housing Programme to enable delivery of five new affordable homes at Whaddon Road, Meldreth, South Cambridgeshire to the Housing and Communities Committee.
- 1.3. This report recommends the approval of the grant. The scheme is to be delivered by Settle. A Business Case for the proposal is attached as exempt Appendix 1.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Graham Bull, Portfolio Holder for Housing and Chair of Housing and Communities Committee
Lead Officer:	Roger Thompson, Director of Housing and Development
Forward Plan Ref: n/a	Key Decision: No
<p>The Housing and Communities Committee is recommended to:</p> <p>(a) Commit grant funding of £215,000 from the £100m Affordable Housing programme to enable delivery of five new affordable homes at Whaddon Road, Meldreth, South Cambridgeshire.</p>	<p>Voting arrangements:</p> <p>Simple majority of all Members</p>

2. 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 in the region. At its meeting on 25 September 2019 the Combined Authority Board delegated approval of a grant of £215,000 from the £100m Affordable Housing programme to enable delivery of five new affordable homes at Whaddon Road, Meldreth, South Cambridgeshire to the Housing and Communities Committee.

Combined Authority Housing Programme

- 2.2. In 2017, the Combined Authority successfully negotiated £170 million from Government for delivery of an ambitious housing programme providing 2,500 new affordable homes by March 2022.
- 2.3. Within this programme, £100 million is available to be used across the Combined Authority area to deliver 2,000 affordable homes and £70m is available to Cambridge City Council to deliver 500 new council homes.
- 2.4. The Housing and Development Team at the Combined Authority is working with officers in all partner local authorities (via the Cambridgeshire and Peterborough Housing Board) to identify new schemes to come forward for support from the Affordable Housing Programme. The Team is also building relationships with landowners, developers and housing providers to seek

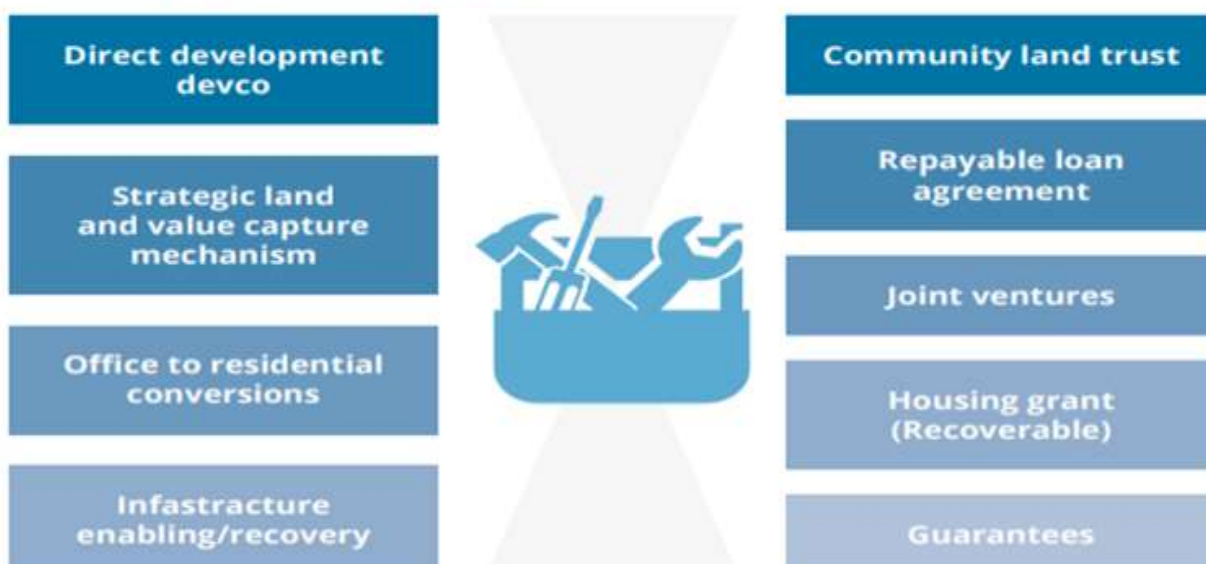
opportunities to influence, enable and accelerate delivery of new affordable housing across the Combined Authority area.

- 2.5. The Combined Authority Housing Strategy was approved by the Board in September 2018 and included three core objectives as illustrated in the figure below:



- 2.6. The Housing Strategy also approved a flexible multi toolkit approach as the most effective way of accelerating affordable housing delivery. The use of grant as a tool to help unlock sites and deliver additional affordable housing is one of these tools:

A flexible multi-toolkit approach



- 2.7. Full performance updates relating to the programme are presented to the Housing and New Communities Committee on a quarterly basis with the most

recent provided on 10 July 2019. Both the £100m & £70m programmes (within the overall £170m programme) are on track to achieve their targets by March 2022. The next update will be in November 2019.

3. PROPOSED SCHEME FOR APPROVAL

WHADDON ROAD, MELDRETH, SOUTH CAMBRIDGESHIRE - SETTLE

- 3.1. The development site comprises a parcel of land which borders Whaddon Road in the north, new build properties in Burtons to the west and south and West Way, Meldreth. Full planning consent (S/2939/16/FL) for five homes (four apartments and one bungalow) was granted in December 2018.



Figure 1. Site location (Google Maps)



Figure 2. Site boundary south of Whaddon Road and east of Burtons, Meldreth



Figure 3. Site access from Whaddon Road (with new homes at Burtons in background)

- 3.2. The site currently has a Full planning consent (S/2939/16/FL) for five homes (four apartments and one bungalow) which was granted in December 2018.

- 3.3. The site was purchased in March 2019 following a bidding process. Subject to a successful tender exercise Start on Site is proposed as November 2019, with scheme completion in October 2020.
- 3.4. Affordable rental levels will be capped at the local housing allowance level.
- 3.5. Settle has applied to the Combined Authority for a £215,000 grant to deliver five new affordable Homes. This represents an average grant per unit of £43,000.
- 3.6. The construction has been tendered to 4 local contractors and the returns examined. The construction costs of £2,334m m² are high, but this reflects some specific factors that relate to this site. Access to the site requires the bridging of a culvert and there are additional costs associated with connecting the site to the sewage system. Saller sites are normally more expensive in any event, but these exceptional costs can only be divided across the 5 units
- 3.7. The accommodation comprises 4 x 2 bed homes and 1 x 2 bed home.

Dwelling Type	m ²	Gross Sq.Ft	Quantity
2 bed flat	62	667	4
2 bed bungalow	60	646	1
			5

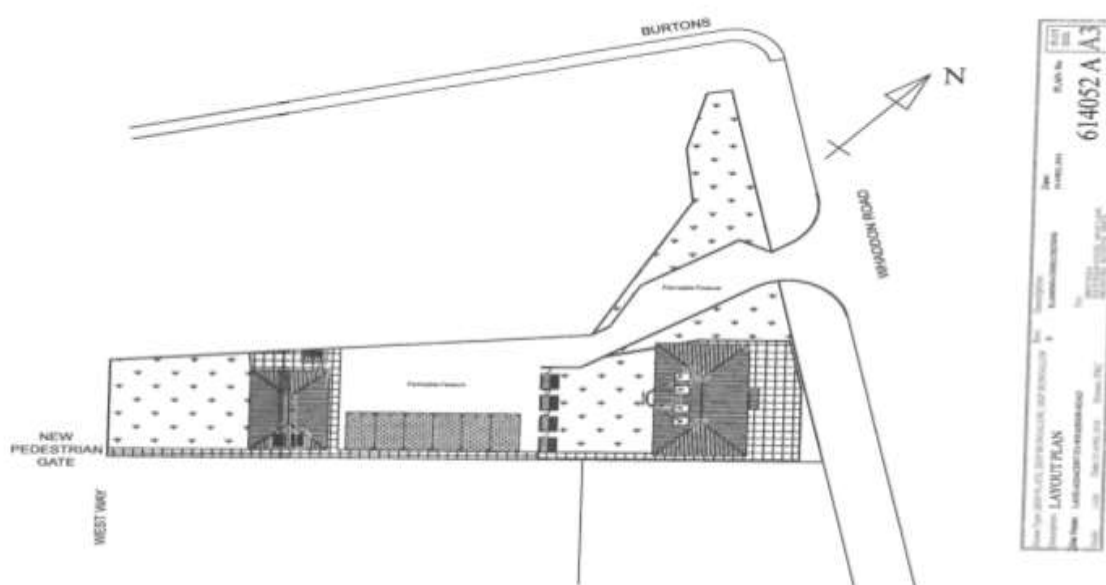


Figure 4. Site plan, Whaddon Road Meldreth

About Settle

- 3.8. Settle was previously known as North Hertfordshire Homes (NHH). NHH was formed in 2003 and became Settle in Summer 2018. The group also includes

Rowan Homes, a wholly-owned subsidiary set up in 2011 building market properties, the profits from which are used to deliver more affordable housing.

3.9. Settle is a Registered Provider with Homes England having a G1/V1 rating.

3.10. Settle will co-ordinate with the housing team at South Cambs District Council to ensure the houses are offered to local people.

Additionality / Case for Combined Authority funding

3.11. The proposed scheme offers the following additionality:

- The scheme will deliver five new homes for Affordable Rent and Shared Ownership in an area of housing need. The four affordable rental units will be available in accordance with the lettings policy agreed with South Cambs District Council.
- The scheme will provide housing that is responsive to local housing needs, see 3.10 below.
- The scheme is anticipated as being delivered by October 2020.
- This scheme was referred to the Combined Authority's Housing and Development Team following discussions with the housing officers at South Cambridgeshire District Council. South Cambridgeshire Head of Housing Strategy has confirmed: 'that it will provide much needed additional affordable housing in the village based on local housing needs. A Housing needs assessment was carried out in October 2017 which identified 45 households as being in need of affordable housing who either live in, or have a local connection to, Meldreth. The mix of affordable rented homes for 4 x 2 bedroom flats will go towards meeting this need and the shared ownership 2 bedroom bungalow will provide the opportunity for downsizing. Increasing the delivery of exception site schemes and supporting opportunities for downsizing are key priorities for South Cambridgeshire District Council and we are therefore fully supportive of the request for grant funding to enable the delivery of 100% affordable housing on this scheme'.

Proposed Conditions of Grant Approval

3.12. It is proposed that the grant of £215,000 for delivery of five new affordable homes at Whaddon Road, Meldreth be approved subject to the following conditions;

Pre-contract:

Confirmation of development programme, with a back-stop start on site of main contract no later than 31st March 2020.

Post contract but pre draw-down of grant:

- i. evidence of site ownership
- ii. evidence of start on site.

SIGNIFICANT IMPLICATIONS

4. FINANCIAL IMPLICATIONS

- 4.1. The applicant has provided a scheme Business Case and its supporting documentation, attached as exempt Appendix 1 to this paper.
- 4.2. Supporting this application will approve £215,000 grant from the Affordable Housing Programme at an average grant rate of £43k per unit. This breaks down as £45k per unit per Affordable Rent home and £35k per unit per home for Shared Ownership.
- 4.3. The impact on this funding on the programme is set out below:

	Number Schemes Approved	Number of Affordable Units Funded	CPCA Funding Committed £
Total Affordable Housing Grants approved by Board	16	903	13,508,206
Total Loan & Toolbox capital committed (from £40m revolving fund)	4	56	37,007,335
TOTAL PRIOR TO SEPT 2019 BOARD	20	959	50,515,541
PROPOSED SCHEME FOR SEPT 2019 BOARD APPROVAL			
Whaddon Road, Meldreth, South Cambs Affordable Housing Grant (CPCA Board 25 September 2019: Agenda Item 3.1(a))	1	5	215,000
Total Affordable Housing Grants if approved by Board	17	908	13,723,206

Affordable Housing: AVERAGE GRANT RATE PER UNIT*			(13,723,206/908) =15,113
Loan & Toolbox capital committed (from £40m revolving fund)	4	56	37,007,335
TOTAL IF SEPT 2019 SCHEME IS APPROVED	21	964	50,730,541

5. LEGAL IMPLICATIONS

- 5.1. The Combined Authority has authority under section 1 Localism Act 2011 to exercise a general power of competence. The Combined Authority can exercise this power by virtue of the Cambridgeshire and Peterborough Combined Authority Order 2017. This power permits the Combined Authority to make grants to providers in order to deliver the terms of the devolution deal signed with Government.

6. APPENDICES

Appendix 1 – Exempt from publication - Business Case including supporting evidence.

<u>Background Papers</u>	<u>Location</u>
Housing Strategy September 2018	CA Board September 2018
£100m Affordable Housing Programme Update July 2019	CA Board July 2019

