



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

HOUSING AND COMMUNITIES COMMITTEE

Date: Monday, 06 September 2021

Democratic Services

Robert Parkin Dip. LG.
Chief Legal Officer and Monitoring Officer

10:00 AM

72 Market Street
Ely
Cambridgeshire
CB7 4LS

Fenland Hall County Road, March PE15 8NQ
[Venue Address]

AGENDA

Open to Public and Press

Part 1: Governance Items

1.1 Apologies for Absence and Declarations of Interest

At this point Members must declare whether they have a disclosable pecuniary interest, or other interest, in any of the items on the agenda, unless it is already entered in the register of members' interests.

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1.3 Public Questions

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	Part 4: Date of Next Meeting 3 November 2021	

The Housing and Communities Committee comprises the following members:

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

COVID-19

The legal provision for virtual meetings no longer exists and meetings of the Combined Authority therefore take place physically and are open to the public. Public access to meetings is managed in accordance with current COVID-19 regulations and therefore if you

wish to attend a meeting of the Combined Authority, please contact the Committee Clerk who will be able to advise you further.

Councillor Lewis Herbert

Councillor Steve Allen

Councillor David Ambrose-Smith

Councillor John Batchelor

Councillor Ryan Fuller

Councillor Denise Laws

Councillor Alison Whelan

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**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Housing and Communities Committee Minutes

Meeting: Monday 21 June 2021

Venue: Main Hall, Burgess Hall Events and Conference Centre, One Leisure, Westwood Road, St Ives PE27 6WU

Time: 2pm – 3.55pm

Present:

Councillor Lewis Herbert – Chair and Member for Cambridge City Council
Councillor Alison Whelan – Cambridgeshire County Council
Councillor David Ambrose- Smith – East Cambridgeshire District Council
Councillor Ryan Fuller – Huntingdonshire District Council
Councillor Steve Allen – Peterborough City Council
Councillor John Batchelor – South Cambridgeshire District Council
Councillor Chris Boden – Fenland District Council

Apologies:

Councillor Dee Laws – Fenland District Council

Part 1 - Governance Items

1. Appointment of the Chair

Councillor Lewis Herbert was appointed as the Chair of the Housing and Communities Committee at the Annual Combined Authority Board Meeting on the 2nd June 2021.

2. Apologies for Absence and Declarations of Interest and Announcements

Apologies received from Councillor Dee Laws, Councillor Chris Boden attended as substitute.

No declarations of interest were made.

3. Minutes of the Housing and Communities Committee meeting on 15 March 2021 and Actions

The minutes of the meeting on 15 March 2021 were approved as an accurate record.

The action log was noted.

4. Public Questions

No public questions were received.

5. Housing and Communities Committee Agenda Plan

It was resolved to note the agenda plan.

6. Combined Authority Forward Plan

It was resolved to note the Forward Plan.

Part 2 - Programme Delivery

7. Connecting Cambridgeshire Update

The Committee received a report that updated the Committee on the Connecting Cambridgeshire programme over the last year and informed the Committee a refreshed strategy that would be presented in November 2021.

During the last year there had been significant COVID challenges to ensure digital infrastructure was there for those who needed it.

During discussion of the report:

- Attention was drawn to areas such as Huntingdonshire and market towns where their distance from urban conurbations resulted in poor fibre optic broadband coverage. The presenting officer informed the Committee that internet providers had been approached to better understand their roll out plan and identify providers that were entering the marketplace. A list of providers would be made available to the Committee once it had been collated.
- A request was made for maps to be included within the report that was scheduled to be presented to the November Committee that provided information on areas that had poor commercial coverage, together with full fibre mapping and delivery programme.

- The rural communities surrounding Peterborough were noted and information sought for what provision there would be for farmsteads and remote properties. The presenting officer commented that there were a number of rural communities that suffered from poor coverage and it would be addressed through the strategy refresh in November.
- Mobile phone and 5g coverage was highlighted as a particular issue in St Ives and market towns and questioned whether there was a proactive plan for improving coverage in such areas. The presenting officer explained that there were limitations through what could be achieved in terms of market intervention. Work was being undertaken regarding 5g and how it could be rolled out further and faster in such areas as it was understood that market towns were not a priority for providers. Existing blackspots were known and had been addressed with Ofcom. Members noted that 4g and 5g used the same infrastructure and therefore coverage would be automatically improved for both.

It was proposed by Councillor Fuller seconded by Councillor Boden that the recommendation be put to the vote.

It was resolved unanimously to:

- a) Note the progress of the Connecting Cambridgeshire Digital Infrastructure Programme during 2020-2021 and the plans to November 2021
- b) Note and endorse the proposal to bring forward a refreshed Digital Infrastructure Strategy for 2021-2025 for approval to the Committee in November 2021

8. Implementation of the revised £100m Affordable Housing Programme

The Committee considered a report relating to the implementation of the £100m Affordable Housing Programme. The Programme was intended to run for 5 years, concluding in 2022. However, the Ministry for Housing, Communities and Local Government (MHCLG) had determined that the programme would end as of March 31st, 2021 and a new scheme would be brought forward for the 2021/22 financial year. The response to the conditions of the new scheme were contained within the report the Cambridgeshire and Peterborough Combined Authority (CPCA) has confirmed it will invest all returning capital by recycling it into the scheme.

The Committee noted that the Cambridge City programme had also ceased and funds held by the CPCA had been transferred to Cambridge City Council.

Members noted the update provided in the report regarding programme delivery and the risks attached to the programme, the primary of which being funding and reputational damage.

During discussion Members:

- Noted that the CPCA had submitted funding requests prior to being informed that the MHCLG was not in favour of 'rent-plus' schemes. The CPCA had sought decisions on quick wins for more detailed discussions to take place at a later date.
- Drew attention to the overall funding that had been drawn on and questioned whether it reflected the slowness of developers. Members noted that £21.6m had been committed so far, however, not all the money was paid upfront. Payments were made in three parts and the payment structure had been highlighted to MHCLG as the programme would contain lag from approval to construction.
- Noted that the CPCA still had a pipeline of potential development opportunities that it was seeking to add to. This illustrated to MHCLG that there were opportunities not identified by Homes England.
- Drew attention to the risks contained within the report and questioned whether paragraph 2.17 suggested that providers may have capacity issues. Members noted that there was a risk attached to both and that so long funding was supplied, whether that funding was provided by the CPCA or Homes England was not important.
- Noted that the existing schemes were of good quality, however, there was an intention to present a fresh set of proposals for discussion with MHCLG. There was a focus on approved schemes to ensure that they were expedited. New schemes were important as occasionally approved schemes were unable to be progressed. Every scheme that had been approved by the Committee should be fought for as there were many good schemes. The role of local MPs in lobbying the Government was emphasised. The Committee noted that a request had been made to MHCLG to add a provision to substitute a scheme if one fell through which would not require the approval of MHCLG providing it was still within the agreed parameters.

It was proposed by Councillor Boden and seconded by Councillor Ambrose – Smith to put the recommendation to the vote.

It was resolved unanimously to recommend that the CPCA Board:

Approve the proposals for the Affordable Housing Programme being discussed with MHCLG.

9. £100m Affordable Housing Programme Scheme Approvals – June 2021 - Fairbarn Way, Chatteris (Fenland)

The Committee received a report that sought the committal of grant funding for 50 affordable homes at Fairbarn Way, Chatteris. The presenting officer informed the Committee that it was anticipated that the planning application was likely to be determined within the next few weeks with work commencing on site by January 2022.

During discussion:

- A Member commented the development was much needed in the Chatteris area and highlighted how the housing market differed in the area to the rest of the county. Officers echoed the varying market across the county and undertook to repeat an information session that was provided to Members in January 2020. **ACTION**
- A Member expressed disappointment regarding the size of the properties would only be 88% of the recommended national space standards. Members noted that national space standards were not mandatory, and they varied between local authorities. It was confirmed that the size was compliant with Fenland District Council policy.
- The Committee noted that the scheme would provide additionality of 50 affordable homes that would go towards the overall target.

It was proposed by Councillor Boden and seconded by Councillor Ambrose Smith to put the recommendation to the vote.

It was resolved unanimously to:

To commit grant funding of £2,082,000 from the current Housing programme to enable delivery of 50 affordable homes, with a range of affordable rented and shared ownership homes at Fairbairn Way, Chatteris, Cambridgeshire. Subject to confirmation of the release of monies for the 2021/22 affordable housing programme from MHCLG.

10. £100m Affordable Housing Programme Scheme Approvals – June 2021 - Dovehouse Court, 14-16 High Street, Girton (South Cambs)

The Committee received a report that sought grant funding for 15 affordable almshouses at High Street, Girton. The proposed scheme consisted of 15 affordable rented units for ages 55 and over. Planning permission had been granted and it was anticipated that work would commence on site in late July 2021.

During discussion Members:

- Noted that the charity had approached Homes England regarding funding and had been directed to the CPCA as funding was required.
- Noted that the charity was looking to assist people aged 55 and over in the local area with downsizing and that tenancies were restricted to local people.

It was proposed by Councillor Batchelor seconded by Cllr Ambrose Smith that the recommendation be put to the vote

It was resolved unanimously to:

To Commit grant funding of £675,000 from the current Housing programme to enable delivery of 15 affordable almshouses, at Dovehouse Court, 14-22 High Street, Girton, South Cambridgeshire. Subject to confirmation of the release of monies for the 2021/22 affordable housing programme from MHCLG.

11. £100m Affordable Housing Programme Scheme Approvals – June 2021
- Northminster, Peterborough. (Peterborough)

The Committee considered a report that sought grant funding from the current housing programme to enable the delivery of 353 homes. The rents would be affordable private rents, ideal for key workers and young professionals.

During discussion of the report:

- A Member drew attention to the installation of gas boilers in each flat and questioned why they were being installed given they were being phased out. The presenting officer confirmed that she understood the development to be energy efficient and would confirm whether gas boilers were being installed. **ACTION**
- A Member commented that the site would have a significant positive affect on Peterborough city centre and recognised the complexity of the housing market.
- Commenting on the report, a Member questioned why the CPCA would be supporting people that could afford commercial rents.
- A Member queried the additionality the development would bring. Officers confirmed that additionality was the full 353 units. Officers explained that the development was seeking to address market-led demands.
- Commenting on the report, a Member highlighted that people on the housing list are not necessarily unable to afford accommodation. It would be expected that people on the housing list would be contacted to achieve security of tenancy.
- Members noted that project milestones were being reviewed in order for a planning application to be made by 9th July 2021.

It was proposed by Councillor Boden and seconded by Councillor Fuller that the recommendation be put to the vote.

It was resolved by majority to [6 in favour, 0 against, 1 abstention]:

To commit grant funding of £14,031,750 from the current Housing programme to enable delivery of 353 affordable private rented homes at Northminster, Peterborough. Subject to confirmation of the release of monies for the 2021/22 Affordable Housing programme from MHCLG.

12. Rebel Acres Cooperative Start-up Grant

The Committee received a report that sought the approval of the award of a start-up grant to Rebel Acres Cooperative.

During discussion Members:

- Questioned whether there was a requirement that any funding provided must be spent within the Peterborough City Council area. Officers explained that the cooperative consisted of Peterborough residents or people that had a strong connection through work. It would be dependent on finding appropriate land for development.
- Welcomed the aspiration of the cooperative, however, there had to be a caveat regarding the location should be within the CPCA area.

It was proposed with the agreement of the Committee to add the following wording to the recommendation – “subject to a location within the Combined Authority Area being sought”

It was proposed by Councillor Boden and seconded by Councillor Whelan that the recommendation be put to the vote.

It was resolved by majority [6 in favour 0 against 1 abstention] to:

Approve the award of £5,000 to Rebel Acres Cooperative **subject to a location within the Combined Authority area being sought** under the Community Housing Start-up Grant Fund.

Part 3 – Date of the next meeting

13. It was resolved to:

Note the date of the next meeting as Monday 6th September 2021.



Housing and Communities Committee Action Log


Purpose:

The action log records actions recorded in the minutes of the Housing and Communities Committee meetings and provides an update on officer responses.

Minutes of the meeting on 21 June 2021

Minute	Report title	Lead officer	Action	Response	Status
9.	£100m Affordable Housing Programme Scheme Approvals – June 2021 - Fairbarn Way, Chatteris (Fenland)	Roger Thompson	A Member commented the development was much needed in the Chatteris area and highlighted how the housing market differed in the area to the rest of the county. Officers echoed the varying market across the county and undertook to repeat an information session that was provided to Members in January 2020.	An information session has been set up for Thursday 9 September at 11am	Closed

11.	£100m Affordable Housing Programme Scheme Approvals – June 2021 - Northminster, Peterborough. (Peterborough)	Azma Ahmad-Pearce	A Member drew attention to the installation of gas boilers in each flat and questioned why they were being installed given they were being phased out. The presenting officer confirmed that she understood the development to be energy efficient and would confirm whether gas boilers were being installed.	An email response was sent to Committee on 13 July confirming that there will <u>be no gas boilers</u> placed into Northminster, as they intend to use renewables and electricity, as gas is being phased out. One of the retailers may use gas for cooking purposes, but none of the homes.	Closed
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HOUSING AND COMMUNITIES COMMITTEE AGENDA PLAN	Updated on 24 August 2021		 CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY
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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 Authority Constitution](#) in Chapter 6 – Transparency Rules, Forward Plan and Key Decisions, Point 11.

- * 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
- CPCA Forward Plan
- Housing and Communities Committee - Agenda Plan

Committee date			Key Decision	Ref	Final Deadline for reports	Agenda despatch date
06.09.21	Affordable Housing Principles	Cllr Lewis Herbert	No	N/A	25.08.21	27.08.21
	£100M Affordable Housing Programme Update	Roger Thompson	No	N/A		
	£100k Homes Policy Closure	Roger Thompson	No	N/A		
	£100M Affordable Housing Programme Scheme Approvals – September 2021	Azma Ahmad - Pearce	Yes	2021/012		
03.11.21	£100M Affordable Housing Programme Update	Roger Thompson	No	N/A	22.10.21	26.10.21
	£100M Affordable Housing Programme Scheme Approvals – November 2021	Azma Ahmad - Pearce	Yes	TBC		
	Community Land Trusts Update	TBC	No	N/A		
	Connecting Cambridgeshire Strategy Review	Noelle Godfrey	No	N/A		
10.01.22	£100M Affordable Housing Programme Update	Roger Thompson	No	N/A	17.12.21	21.12.21
	£100M Affordable Housing Programme Scheme Approvals – January 2022	Azma Ahmad - Pearce	Yes	TBC		
	Community Land Trusts Update	TBC	No	N/A		

Committee date			Key Decision	Ref	Final Deadline for reports	Agenda despatch date
09.03.22	£100M Affordable Housing Programme Update	Roger Thompson	No	N/A	25.02.22	01.03.22
	£100M Affordable Housing Programme Scheme Approvals – March 2022	Azma Ahmad - Pearce	Yes	TBC		
	Community Land Trusts Update	TBC	No	N/A		
	Northern Fringe Progress Report	Fiona Bryant	No	N/A		
20.04.22	£100M Affordable Housing Programme Update	Roger Thompson	No	N/A	08.04.22	12.04.22
	£100M Affordable Housing Programme Scheme Approvals – March 2022	Azma Ahmad - Pearce	Yes	TBC		
	Community Land Trusts Update	TBC	No	N/A		

£100k Homes Policy Closure

To:	Housing and Communities Committee
Meeting Date:	6 September 2021
Public report:	Yes
Lead Member:	Councillor Lewis Herbert, Lead Member for Housing & Communities
From:	Roger Thompson - Director
Key decision:	No
Forward Plan ref:	N/A
Recommendations:	<p>The Housing and Communities Committee is requested to;</p> <p>Approve and recommend the report regarding ceasing the promotion and implementing the closure of the £100k Homes policy to the CPCA Board.</p> <p>Communicate with all those who have registered an interest on the First Homes scheme and advise of the affordable housing schemes already being supported by the CPCA with contact details.</p>
Voting arrangements:	A simple majority of all Members

1. Purpose

- 1.1 This report provides an update on the current position on £100k homes and how the policy to encourage delivery of units is being affected by the introduction of national planning policy, specifically the First Homes Policy which has many similarities to the CPCA's £100k homes policy.
- 1.2 It is noted that the objectives of the £100k homes programme were worthy, but the scale of the delivery was limited and the funding resources that enabled the loans to deliver the majority of the £100k homes opportunities are now no longer available. Various reduced cost purchase options for local people are a key part of the Schemes that CPCA want to see started in the future, subject to the funding position with MHCLG.
- 1.3 The Mayor recognises that the national First Homes policy, which came into effect for all planning authorities from 28 June 2021, goes a long way to addressing the demand for affordable housing for sale. This has reinforced the Mayor's opinion that the CPCA should step away from the £100K Homes policy and allow the Government to deliver First Homes at scale directly through the local planning authorities. The Mayor notes the priority the Government has placed on social rent properties and intends to focus on working with partners to develop policies which will deliver affordable housing to those in greatest need, as well as achieving more lower cost homes for purchase through planning gain on new development.

2. Background to the £100k Homes Policy

- 2.1. In January 2020 the Combined Authority Board approved a Business Plan that facilitated the delivery of £100K Homes across Cambridgeshire and Peterborough. Since the announcement of the scheme 3,093 people have registered to have interest in the scheme.

In September 2020 the Housing and Communities Committee adopted the £100K Homes Allocation Policy which provided the eligibility and scoring criteria to enable an individual or individuals to acquire a £100K Home.

During the operation of the policy the Combined Authority secured a first site in Fordham, East Cambridgeshire; delivered by Scottsdale LLP (a joint venture between Hills and the landowner). 8 1-bed flats were made available to buyers that could demonstrate eligibility, from 207 eligible applicants who applied. Scottsdale LLP were able to deliver these properties without funding intervention from the Combined Authority, i.e. there was no loan financing or grant provided. There has been some delay in lenders seeking to understand the new housing product, but these now appear to be resolved and the latest situation is;

- 5 applicants have mortgage offers and are progressing to purchase
- 1 mortgage application is awaiting decision
- 2 applicants have mortgages in principle

Three other sites were identified as possible sites to deliver more £100K Homes; Great Abingdon (South Cambridgeshire District Council), Histon Road, Cambridge (Cambridge City Council) and Alexander House, Ely (East Cambridgeshire District Council).

- Great Abingdon- The £100K Home element of this site is now being delivered as a First Homes scheme. There is no ongoing involvement from the Combined Authority.
- Histon Road, Cambridge- The £100K Home element of this site is no longer being delivered and is anticipated to be purchased by Cambridge City Council and delivered through a different affordable housing tenure. There is no ongoing involvement from the Combined Authority.
- Alexander House, Ely- The 4 unit £100K Homes element of this site is intended to be delivered. Laragh Homes is working with East Cambridgeshire District Council who will be responsible for the allocation of the properties and will apply the covenant that enables the Council to nominate (where relevant) purchasers of the units in the future. There will be no ongoing involvement from the Combined Authority.

Three loans were granted to Laragh homes to develop schemes which were intended to deliver £100k homes (these are in the list at the bottom of Appendix 1). Those Homes will still be delivered as affordable homes, or where in East Cambridgeshire as £100k homes as they have adopted that policy. Those loans are progressing and should be re-paid as planned and previously advised to the board. However as part of our ongoing affordable housing programme MHCLG have specifically instructed that when the money from these loans is re-paid it is to be used for grant payments to deliver the CPCA Affordable housing programme.

Changes to National Planning Policy

- 2.2. On 28 June 2021 the Government made changes to the National Planning Policy Framework and introduced the First Homes Policy. This change in policy places a mandatory requirement for a local planning authority to secure 25% of their affordable housing stock as First Homes. First Homes is Discounted Market Sale Housing available to those who are eligible at a 30% discount on open market value.

As many developers will have been preparing planning applications under different assumptions, the new requirement for 25% First Homes will not apply to sites with full or outline planning permissions already in place or determined (or where a right to appeal against non-determination has arisen) before 28 December 2021 (or 28 March 2022 if there has been significant pre-application engagement). However, local authorities should allow developers to introduce First Homes to the tenure mix if they wish to do so.

What is a First Home?

- 2.3. First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of 'affordable housing' for planning purposes. Specifically, First Homes are discounted market sale units which:
- a) must be discounted by a minimum of 30% against the market value;
 - b) are sold to a person or persons meeting the First Homes eligibility criteria;
 - c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,
 - d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).

First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.

Implications of First Home?

- 2.4. Members may recall that the Combined Authority launched the £100K Homes policy to provide an opportunity for buyers to enter the market and enable them to live and work locally. The First Homes Policy is almost identical to the £100K Homes Policy, in that it is Discounted Market Sale Housing in perpetuity. Each local authority will have the option to develop a local connection policy and this is matter for each local authority, not the Combined Authority.

Recommendation

- 2.5 As the First Homes Policy is now a mandatory requirement for local authorities it is recommended that the Combined Authority ceases promoting the £100K Homes Policy and creating units branded as £100k homes.

In practical terms this means that the Combined Authority will:

- Close the £100K Homes website
- Stop inviting expressions of interest for the properties
- Advise those who have expressed an interest to make individuals aware of the change and inform them of First Homes

Risks and Issues

- 2.6 There are reputational risks and this needs to be mitigated through an effective communications strategy, specifically articulation about the introduction of the national First Homes policy. Communications will be managed by the CPCA communications team with the support of the housing team.

3. Financial Implications

- 3.1. The £100k homes policy had a budget of £30k p.a. allocated to it from the January 2020 CPCA Board Approval. As of the end of July none of this had been spent, although a further sum of £9,000 may be required in completing the Fordham unit sales. The balance of this budget, along with future year's allocations is no longer expected to be required.

4. Legal Implications

- 4.1 There are no new implications. The obligations within the devolution deal require the Combined Authority to ensure the funds are spent in line with its Assurance and Monitoring and Evaluation Frameworks.

- 4.2. 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.

5. Other Significant Implications

- 5.1 There are no other significant implications.

6. Appendices

- 6.1 None

7. Background Papers

- 7.1 None

Eight Combined Authority Affordable Housing Principles 2022 to 2025

To:	Housing and Communities Committee
Meeting Date:	6 September 2021
Portfolio Holder:	Councillor Lewis Herbert, Lead Member for Housing and Communities
Lead Officer:	Roger Thompson, Director of Housing and Development
Key decision:	No
Forward Plan ref:	N/A
Recommendations :	<p>The Housing and Communities Committee is recommended to:</p> <ul style="list-style-type: none">- endorse affordable housing (AH) delivery as a continuing priority for the Combined Authority (CA),- recognise that further additionality on affordable housing by the CA is dependent on decisions still to be advised by MHCLG including their contributions to be confirmed to the CA successfully completing its 2017 to 2022 delivery, and their willingness to fund an ongoing delivery 2022 to 2025 affordable housing programme- support the eight principles below, as informed and improved by constituent council input. Recognising that there will be a wider consultation with councils, affordable housing providers, and others when we achieve in principle Government support for 2022 to 2025 delivery. (Significant additional detail from council responses will be added when these principles are later developed into a fuller strategy, then reported to Committee and Board.)
Voting arrangements:	A simple majority of all Members.

1. Purpose

- 1.1 To outline eight principles for Affordable Housing delivery for the period 2022 to 2025, subject to Government continuing to fund this programme. That future programme depends first on maximising funding approvals secured before March 2022 and second on securing a three-year programme supported by MHCLG covering the remainder of the second CPCA mayoralty.
- 1.2 As reported by the Director in his update report, we await Ministerial confirmation on the now pressing immediate asks of Government. The CA have an update meeting scheduled for Friday the 10 September on that with MHCLG officers ahead of an expected formal response, and wider discussions.

2. Background

- 2.1 “Compassion, Co-operation and Community” are central Mayoral priorities and are nowhere more important than in the additionality role of the CA in maximising delivery of affordable housing locally.
- 2.2 In 2017, the Combined Authority obtained the first tranches of £100m as part of the Devolution Deal, recognising that affordable housing was and remains a core challenge faced by the CA and all its members councils.

“Recognising the high levels of growth and exceptional housing market conditions in Greater Cambridge, the Government will provide £100m housing and infrastructure fund to help deliver infrastructure for housing and growth and at least 2,000 affordable homes. The Combined Authority will have flexibility over the right tenure mix to meet the needs of Cambridgeshire and Peterborough.”

CPCA Devolution Deal July 2016

The July 2017 CA report on housing strategy was one of several, and provided a valuable evidence base on housing and tackling disadvantage at the start of the first Mayoral term. [Combined-Authority-July-2017-Agenda.pdf \(cambridgeshirepeterborough-ca.gov.uk\)](https://www.cambridgeshirepeterborough-ca.gov.uk/combined-authority-july-2017-agenda.pdf) pages 92 to 117. It's focus included

- the link between housing challenges and wider inequality.
- the critical role of affordable housing supply to sustainable economic development and increased GVA per capita.
- different housing markets in each part of the CA, with distinct affordability challenges.
- a particular affordability challenge in the south of the county, increased by the continuing rapid rate of economic and jobs growth there.

- 2.3 The central target needs to be to help those least able to afford housing, including a renewed focus on schemes for affordable rent delivery. Provided further funding is

confirmed, there will be increased co-operation and outward partnership working by the CA, particularly with local councils, and with the whole range of Cambridgeshire housing organisations, and wider potential funders and partners. As with funding and delivery to date, the terms of Government funding, and any cap on the gap funding to be provided, will also shape sound schemes that the CA can develop and approved to maximise new, additional affordable homes in future years.

- 2.4 Discussion with MHCLG will continue, and the CA will be transparent and clear in our asks in maximising affordable housing in line with MHCLG funding and timing expectations; the CA will also discuss ways to add to work and funding by others including Homes England.

3. Eight Affordable Housing Principles 2022 to 2025

- 3.1 Below is a set of eight principles to assist discussions with Government and others, and to shape potential delivery 2022 onwards, led by the skilled CA team. Should the discussions with MHGCL prove fruitful, these principles will be subject to further development within a detailed strategy, and subsequent future decisions by the CA Housing Committee and Board.
- 3.2 In the time available, the amendments in response to comments from member councils have been modest. Significantly more detail, including from several councils who proposed additional principles, will be incorporated into a new CA affordable housing strategy after the CA hears back from MHCLG on funding hopefully in the next month, providing greater certainty.
- 3.3 With the new Mayoral term, the eight principles and this report provide an accessible summary to support discussions with MHCLG. They underline the renewed CA commitment to affordable housing and to extending the programme to the end of the current term, and will assist discussions and work needed if the CA is to secure the funding needed to extend the current programme.

1. Focus delivery and funding on affordable housing additionality. Prioritising housing for those on the lowest incomes compared to housing costs in the area they live.

The CA will continue to target a wide variety of affordable housing types where initiatives and the leverage of funding merit intervention and use of scarce resources. However, affordability including affordable rent homes for those on lowest incomes relative to housing costs will be the top priority.

Quality of internal housing space and design standards, and contributions to the environment and community from developments will be assessed for future projects to be supported, using a detailed checklist and guidance to be developed through consultation, building on improved national and local design guidance.

The needs of different and distinct geographic housing markets across the CA area will be taken into account, in supporting delivery across each area of the CA, including adding Cambridge City into the new programme as their current funding also ends March 2022.

2. Additionality to delivery by others, to maximise new affordable housing.

The CA will focus on needs and opportunities not met by others, and alternative funding routes, including;

- a) CA-wide funding opportunities and the ability to work collectively to lever in additional infrastructure and other strategic funds, where affordable housing can be an additional objective.
- b) Potential contribution from other CA or external funding bids, allocated directly to affordable housing and/or housing projects, or where this can be added to wider project objectives.

3. Be realistic in the forthcoming strategy about what the CA can best add, and communicate that clearly to Government, member councils, housing providers and our wider community.

The pre-condition is that the CA wins MHCLG confidence in the quantity, value and quality of 2017 to 2022 (Phase One) delivery, followed by discussions on further Government funding for affordable housing delivery, whether from MHCLG, Homes England and the Arc, or internal CA resources.

Depending on funding available, the CA will invite fresh proposals for affordable housing from Local Authorities, Registered Providers, Housing Associations, developers and other providers, but only where the CA can provide real additionality in line with the revised strategy.

The CA will work through existing housing networks and make selected additions. Including an event to be organised by the CA on its future affordable housing deliver, with councils, providers and wider stakeholders.

4. Assist certain projects to achieve a greater affordable housing percentage or earlier delivery, and assist the wider use of appropriate public land for affordable housing.

Where it can add value, and only with the agreement of the local council concerned, the CA will undertake selective reviews if invited by Local Planning Authorities, councils, developers and others for larger developments on maximising the % and/or earlier delivery of affordable housing.

Every scheme has its own viability dynamic and sensitivity, while percentages of up to 50% are possible on some southern Cambridgeshire developments. However in some other locations higher percentages are far more challenging.. Indeed in some areas it is a struggle to secure even the basic affordable policy provision to meet existing local planning policy requirements. Investigation of re-phasing housing to achieve earlier development of affordable housing is a further opportunity although it is acknowledged that this will impact upon a developers cashflow so every case should be negotiated on its own merits.

5. Reposition the CA to increase collaboration and co-operation with housing delivery partners.

There will be an additional focus, making full use of the skills of the CA housing team, on

- co-operation with partners and councils, including in seeking to secure external funding and resources, land or scheme approvals.
- working with Councils, voluntary organisations and existing partnerships to assist people who are unintentionally homeless, and to assist rough sleepers off the streets, including expanding the role of modular housing.
- developing an evidence-based CA-wide strategy and dataset with all partners that recognises the wide-ranging nature of other affordable housing challenges including key worker housing, specific needs of different age groups, and opportunities for employers with land to directly assist their staff. Incorporating relevant reports by the CA and others in the past few years.

6. Support “Local Community Supported Housing” schemes that deliver affordable housing.

Continued CA resourcing and support will be provided for these initiatives, including Community Land Trusts (CLTs), housing co-operatives, self-build, and Rural Exception and entry-level sites that deliver affordable housing needed by their communities, where schemes

- a) actively engage community/ies, and
- b) focus on the greatest affordability challenges in chosen locations, including addressing affordability needs in rural parts of the CA area, as central objectives.

Existing CLT projects and commitments by the CA will be reassessed against a new set of principles, to be developed and then reported to the CA Housing Committee.

7. Support wider initiatives that will accelerate housing delivery.

Given the current challenges and delays to wider housing delivery, including an increasing shortage of skilled construction workers, and material shortages

- a) The earlier CA work on modular housing delivery will be reassessed and the CA will target opportunities for partnerships to overcome obstacles with district councils, social enterprises/charities and private sector partners. Modular homes may also specifically benefit single people in need of housing.
- b) Local construction skills training initiatives will be supported, working with a skills development partner, with the aim of producing low carbon, improved living and community environments for tenants and residents.

- c) Construction and delivery options will be assessed to seek to make use of land which would not otherwise be available for housing, permanently or temporarily. This will require significant collaboration and partnership working with local councils, particularly around development and planning control.

8. Adopt, as a new CA priority, addressing climate change, net zero carbon, and biodiversity in all new CA-funded housing.

There will be a central focus on the twin climate change and biodiversity emergencies and the achievement of net zero carbon. Including to achieve major progress to both net zero and increased biodiversity before 2030.

Low energy usage and a focus on measures to eliminate fuel poverty will feature strongly in future development that the CA funds, assisted by expected improved Government regulations and incentives. Improved design and technology opportunities will also be addressed.

4. Financial Implications

- 4.1 Progress and future funding awaits Government decisions first on what funding will be available to deliver the current programme to March 2022, and then the planned ask from the CA for a 2022 to 2025 funding of additional affordable homes. A fuller strategy will be developed when the prospect of that future funding is confirmed, to define the ask by the CA, with input from all councils and wider partners.

5. Legal Implications

- 5.1 No legal Implications identified at present.

6. Other Significant Implications

- 6.1 There are no other significant implications.

7. Appendix

- 7.1 Appendix 1 “Responses Document - Draft Affordable Housing Principles Consultation” 10 August 2021, which summarises responses from all seven CA member councils to an earlier draft on future affordable housing principles.

8. Background Papers

- 8.1 None

APPENDIX ONE

DRAFT AFFORDABLE HOUSING PRINCIPLES

CONSULTATION RESPONSES FROM THE SEVEN CA LOCAL AUTHORITIES

10 August 2021

The Combined Authority's (CA's) current Affordable Housing Programme will expire in April 2022. At a recent leader's strategy meeting it was proposed that the CA should adopt eight affordable housing delivery principles that will support a bid for Government funding to deliver affordable housing from 2022 to 2025.

Constituent authorities were consulted about the proposal on 29 June 2021 using an internet platform called 'Smart survey'. Subsequent informal workshop meetings were then offered to each consultee to ensure that issues and observations were understood and recorded clearly. Final responses were invited by 30th July 2021.

The table below summarises the responses that were received and the content of each response can be found in this document.

Consultee	Officer Contact	Written response	Workshop	Pages
Cambs County	Emma Fitch	Received	16 July 2021	2-7
SCDC	Peter Campbell	Received	Not requested	8-11
Cambridge City	Claire Flowers	None submitted	22 July 2021	12-14
FDC	Dan Horn	Received	Not requested	15-19
HDC	Frank Mastrandrea	Received	Not requested	20-23
ECDC	Kim Langley	Received	Not requested	24-26
PCC	Michael Kelleher	Received	Not requested	27-30

CONSULTATION RECORD

DRAFT AFFORDABLE HOUSING PRINCIPLES

Consultee: Cambridgeshire County Council

A written submission was received from Cllr Nethsingha, Leader of the Council and a follow up workshop was attended by Emma Fitch, Assistant Director – Planning, Growth and Environment, Place and Economy.

The following comments were made in response to each of the proposed draft principles:

1. Affordability for those on lowest incomes as top priority, plus quality of new indoor environments and the contribution of new housing to enhance and create community will be assessed on all Phase Two projects.

Consultee comments:

A balance will need to be made to address housing needs across all those unable to afford housing, rather than just those on low income. The mix of tenure will also influence the level of associated infrastructure requirements, which will in turn impact on the Section 106 (S106) contribution provision sought (see our response to Principle 2 'Additionality' and Principle 4 'Reviews and developer contributions in other areas of the CA' below).

It would be helpful to understand what is meant by 'quality of new indoor environments', as this could relate to minimum space standards and / or accessibility standards – including access to digital infrastructure etc.; so it would be helpful to clarify.

The County Council is committed to addressing social immobility, eradicating poverty, and ensuring there is equality of opportunity for our residents to thrive. Fundamental to that is the ability for residents to live in warm, affordable, permanent, and secure housing, in communities that feel, and are, safe and connected. We want all of our residents to live in a community that gives them security and social interaction, and where they can access services and support locally in ways that make most sense to them.

This proposed core principle is key to achieving this ambition. Those on the lowest incomes are often in vital frontline roles, including those in the health and care sectors, the hospitality industry, and in the distribution and supply chain sector. These sectors require a stable and secure workforce spread across all of the CPCA footprint, with genuinely affordable housing being at the very core of achieving this.

Affordability must also cover Fuel Poverty. If the Affordable Housing (AH) provision is not viewed from the lens of energy efficiency and decarbonised heating systems, the vulnerable and poor in our society will have unnecessary future costs for fuel.

In principle 8 below on Net-Zero Carbon, we suggest it is ranked the highest priority in this list. The vulnerable and poor are the most at risk communities from the costs and impacts of climate change impacts yet the least able to pay.

2. The core focus is additionality to delivery by others, to maximise additional new affordable housing in line with

- a) funding opportunities and requirements, including any support from MHCLG to assist from the original 2017 funding allocation if not fully committed
- b) the adoption of an updated and revised CA housing strategy
- c) additionality opportunities to be identified, including assisting councils review upwards affordable housing %s where worth reviewing on major developments.

Consultee comments:

This is something that Cambridgeshire County Council officers have been suggesting for some time on S106 sites in Fenland, where the District Council prioritises affordable housing over infrastructure. We have seen this most recently with the Wisbech Road, March development, where the Education service is being asked to cross-subsidise the Housing Association to provide affordable housing in excess of policy. In cases like this it is entirely right, as we have suggested, that agencies like the Combined Authority (CA), Homes England (HE) and local housing authorities step up and provide the grant and gap funding to deliver projects and their policy objectives and not pass the cost to other organisations; particularly where the S106 contributions increase based on the tenure and can deem projects unviable.

To help clarify what is being proposed and in what circumstances it would also be helpful to understand if the reference to 'major developments' in point c) will be taken from the planning definition for housing set out in the Town and Country Planning (Development Management Procedure) (England) Order 2010 (as amended) i.e. (c)(i) the number of dwellinghouses to be provided is 10 or more; or (ii) the development is to be carried out on a site having an area of 0.5 hectares or more and it is not known whether the development falls within sub-paragraph (c)(i); or whether this has an alternative meaning in this context? Also, whether the driver is seeking to address under provision levels in some areas or more to address viability?

3. The CA will be realistic about what it can best add, and communicate that clearly to Government, partners and the whole community.

It will follow on from winning MHCLG confidence in the quantity, value and quality of Phase One delivery, followed by discussions on further Government funding for CA AH delivery, including from MHCLG, Homes England and the Arc. Depending on funding anticipated to be available, the CA will engage councils, Registered Providers and Housing Associations/charities particularly local ones, developers and other providers of AH but only where the CA can provide real additionality.

Consultee comments:

In addition to the eight key core principles set out and the opportunities that exist within them to support the viability and delivery of affordable housing, we would recommend that six more areas are considered by either building them into the existing eight core principles or creating additional ones. These six areas are described at the end of this document*.

In addition to the above it would also be helpful to understand what is meant by 'only where the CA can provide real additionality' – once defined how will this be measured, and how will it influence what parts of Cambridgeshire will receive such support?

4. Where it can add value and this is supported by councils/developers, the CA will offer reviews with Local Planning Authorities, councils, developers and others for larger developments on maximising the % of affordable housing in other development in the CA area as a central part of developer contributions, recognising that %s of up to 50% are possible in some high value locations with additional potential development value, plus potential for higher %s in most other CA areas too. Discussion on re-phasing such schemes to achieve earlier development of AH is a further opportunity.

Consultee comments:

The County Council is often in a position where there is a challenging viability balance between

- (i) policy compliant affordable housing, and
- (ii) infrastructure requirements to enable sustainable/safe/capacious development.

A key example is Waterbeach, where officers have dealt with this challenge in two different ways, the first consent (Urban and Civic) leaning more to Affordable Housing (AH), and the second (RLW) providing mechanisms to help restore the infrastructure balance.

Our officers certainly support the AH mission and do what we can to unlock sites that can facilitate AH. However, we would emphasise that the planning gain pie is finite, and the County Council cannot avoid the other infrastructure cost burdens (transport/education) that are essential to enable credible development. Close work with the Local Planning Authorities (LPAs) and the CA will be key to ensure we all strike the right balance and deliver across the priorities.

Noting the challenge on viability set out above in relation to this core principle, the suggestion that the AH % can be increased in areas of high value is too simplistic. If the % is increased that is a cost to the developer. More affordable housing will not be paid for by increasing gross development value (GDV) on market units and will only be achieved by lower margins (which are effectively protected) or with a reduction in other planning gains. Perversely increased AH would lead to more school aged children than market housing but with less planning gain to mitigate, making “Additionality” important in high and low value areas, as already noted under core principle two above.

The delivery of AH should be the key emphasis here and support to the viability issues already set out in principle two above, to avoid the County Council needing to pick up the infrastructure bill as a result of this outcome. The Government methodology for viability economics for new developments are outdated, they do not reflect the existential crisis of Climate Change and Biodiversity Emergencies. It will be important to discuss with government a new model for development economics starting with AH.

5. There will be an additional focus on

- co-operation with partners and councils, including in helping secure external funding and resources, land or scheme approvals
- working with existing partnerships. Councils, voluntary organisations and funding sources to assist people who are unintentionally homeless, and to assist rough sleepers off the streets.

This will be an additional proposal to Government seeking funding plus building on established support and generosity from several developers, and the wider development sector

- a CA-wide strategy and dataset with all partners that recognises the wide ranging other AH challenges including key worker housing, and opportunities for employers with land directly to assist their staff.

Consultee comments:

Reference is made to homelessness, rough sleepers and key workers, but there is currently no mention of Special Needs housing (elderly persons, dementia care, care leavers, disabled and mental health etc), all of which fall to some extent within the social care elements within the County Councils remit. More effort is therefore needed on delivering accessible and adaptable housing standards.

We welcome the commitment set out in this principle to work alongside and as part of existing partnership arrangements that seek to address and prevent homelessness. This is a complex area, with many people facing multiple challenges which, combined, result in their homelessness. For others, the impact of the pandemic on their employment, and the impending reduction in Universal Credit payments, will likely lead to a rise in homelessness presentations to local housing authorities. For some, the direct and immediate support of their local housing authority is sufficient to address their situation, but for many a more collaborative approach across the public and not for profit sectors is often required, and the CPCA's role in supporting this through the attraction of inward investment to increase housing supply, the support of the system to increase employability and earnings, and investment in community infrastructure to create opportunities would be very welcome.

The County Council also has statutory responsibilities for both adults and children's social care. For children, this includes those being cared for as they transition into adulthood and independence, and those with special educational needs and disabilities. For adults, this includes older people, people with additional needs or disabilities, victims of domestic abuse, and carers. In all cases, a joined-up strategy to meet the long term housing needs of these vulnerable groups is vital if we are to establish strong, diverse and resilient communities, and a county where all of our residents have an equal set of opportunities to succeed.

6. There will be an ongoing focus on Community Land Trusts plus housing co-operatives that deliver affordable housing, but with revised expectations on outputs and governance, so they are community-led and focused on greatest AH challenges in their location as their two central objectives, and existing CLT projects and commitments by the CA will be reassessed against a new set of principles.

Consultee comments:

Community Land Trusts (CLTs) represent just one option available to deliver AH, so alternative delivery opportunities should not be ignored at this stage. Furthermore, it would be helpful to understand what the 'new set of principles' is likely to include and if these will include access to green infrastructure and connectivity to existing community services etc.

7. The earlier CA work on modular housing delivery will be reassessed and the CA will target opportunities for partnerships along with district councils, social enterprises/charities and private sector partners, including tendering for a lead modular production and skills development partner, with the aim of producing low carbon, improved living and community environments for tenants and residents, and with a particular focus on opportunities with constituent councils to help

- single people and couples
- people made unintentionally homeless or in temporary accommodation or currently rough sleeping

and make use of land which would not otherwise be available for housing, permanently or temporarily.

Consultee comments:

All forms of modern methods of construction should be explored and linked in with principle eight below and the need to ensure that digital connectivity for such projects is not missed. This is closely linked to supply chain capability and capacity. Investment into the skills agenda, in particular for low carbon and environmental services for new developments as well as greater numbers of off-site manufacturing facilities, along with a better understanding of the carbon emissions reductions this can bring for the construction industry.

8. There will be an increased focus on achievement of net zero carbon, and low energy usage in all future development that the CA funds, assisted by expected improved Government regulations and incentives, and improved design and technology opportunities.

Consultee comments:

This core principle is fully supported and should appear higher up the list to avoid it being considered as a bolt on or lower priority, especially given the climate change aspirations of the County and the declared climate change emergency in our area. Local Area Energy Planning, including connections to district heating should be scoped for new AH. How will housing design and construction reduce energy demand, for example, passivhaus energy standards for AH to reduce future fuel poverty and where and how will low carbon energy supplies be planned and delivered on-site. It will be important to look for the opportunities to link to existing and proposed energy developments being brought forward by the County Council, and other organisations, through private wires; especially as it is noted that reducing the carbon footprint of new houses is expensive. The cost of carbon must be included in the economic models for AH and their development. This core principle must be factored into the other seven core principles. An understanding of how this core principle will be balanced with 'additionality' for example, particularly in areas of the county where viability is already an issue, will need to be explained further and new models found.

*Continuation of response to principle 3 above:

In addition to the eight key core principles set out and the opportunities that exist within them to support the viability and delivery of affordable housing, we would recommend that six more areas are considered by either building them into the existing eight core principles or creating additional ones:

1. Reference to digital infrastructure is currently missing. Without the inclusion of this important element of infrastructure delivery there would be a lost opportunity; especially as there is already poorer connectivity for social housing, which is why it should be specifically referenced. As the Housing and Communities is the overseeing Committee for Connecting Cambridgeshire, this important element of work needs to be added, and emphasis placed on its delivery.
2. Using our environment to create great places. Fundamentally people want to live in nice places. That means greening and culture. The County Council has had some great experiences with U&C planning to use heritage to develop a sense of place at Alconbury and Waterbeach. We would therefore also suggest promotion of open space, tying into the social and green prescribing agendas that are becoming more important by the day. The pandemic has also shown the importance of green and open spaces in peoples' physical and mental health and wellbeing, and this needs to be available to all if we are to deliver a sustained economic and social recovery. Adding high quality Natural Capital, e.g. trees and planting into places also helps manage heat island effect from Climate Change (urban areas overheating such as experienced in Canada this summer) which is likely to become more prevalent. This also helps with the natural capture and storage of carbon emissions.

3. Managing flood risk and climate change. We're being told that in the future most of our rainfall will come in two months of the year. Houses incorporating property level resilience (PLR) for example and natural flood risk management on major developments will therefore be key and link into our climate change emergency principles. Increasing foul drainage capacity, stopping development where the systems cannot handle it and stopping shared drainage solutions are also key to ensuring that we get the right infrastructure, in the right place, at the right time to support these AH principles.
4. Water. We need to manage our water resources properly and need to ensure our housing stock delivers this, with water capture, differentiation between grey and drinking water etc. We need a way of capturing heavy rainfall events for use, not shoving it all out to sea, so should all developments in future have large scale rainwater capture and storage as part of their flood management and natural capital such as trees and planting to capture and hold as much rainwater as possible to benefit locally. Given that many of the occupants of AH will be on lower incomes it is even more important to ensure that we get this element right from the outset.
5. The Biodiversity Emergency applies to all development. AH has a role delivering into biodiversity net gain and the 'Doubling Nature' commitment. This is an important element that must not be ignored when planning for the delivery of AH.
6. At present the core principles do not reference 'climate change' or the need to ensure that the AH delivered takes account of this.

CONSULTATION RECORD

DRAFT AFFORDABLE HOUSING PRINCIPLES

Consultee: South Cambridgeshire District Council

A written response was received from Peter Campbell, Head of Housing that was copied to Cllr John Batchelor, Lead Cabinet Member for Housing.

The consultee hopes these comments are helpful and seen as constructive, and looks forward to developing these issues further.

The following general comment was made:

Whilst we are pleased to see a set of principles for the Affordable Housing Programme and are pleased to be able to contribute to the consultation we feel that the principles presented are a mix of principles and potential policy actions.

We would prefer that the principles of the policy are set out initially and the policy actions derived from these.

We suggest that the principles of the Programme should be explicit and be based around:

1. Transparent Decision Making
2. Decision making backed by evidence.
3. Developing a strategy that establishes the priorities for the CA housing programme
4. Demonstrable value
5. Increased quality of new homes, and
6. Focussing on projects where the CA investment can make a difference.

In order to meet these principles, we suggest the following actions:

1. That priority is given to developing a CA housing strategy which will identify the priorities for the next five years. This recognises that differences exist across the CA region and look at a more flexible approach
2. That a scoring matrix (based on the agreed priorities of the CA and a common financial assessment) is developed for all requests for funding to ensure that all bids are assessed on the same basis.
3. That clear business cases are developed using a standard template and metrics and these, together with the scoring matrices, are presented to members to assist the decision making
4. Consideration should be given to a funding model that moves away from fixed grant funding and towards a more flexible system that considers gap funding to make supported schemes viable.
5. That the CA develop a standard minimum specification for new housing this could include, for example space standards, an assessment of accessibility and energy efficiency measures. This specification should be above any standards contained within local plans.
6. There needs to be consideration given to what is considered as additionality, does this just mean additional number of properties, or could it mean more energy efficient, more affordable (for example social rent rather than affordable rent) etc.

The following comments were made in response to each of the proposed draft principles:

1. Affordability for those on lowest incomes as top priority, plus quality of new indoor environments and the contribution of new housing to enhance and create community will be assessed on all Phase Two projects.

Consultee comments:

Yes we agree there should be a focus on lowest income. We are unsure what is meant by indoor environments, but if this suggests a move towards higher quality homes, we support this.

2. The core focus is additionality to delivery by others, to maximise additional new affordable housing in line with

- a) funding opportunities and requirements, including any support from MHCLG to assist from the original 2017 funding allocation if not fully committed
- b) the adoption of an updated and revised CA housing strategy
- c) additionality opportunities to be identified, including assisting councils review upwards affordable housing %s where worth reviewing on major developments.

Consultee comments:

- a. Agree
- b. Agree
- c. Assume that this means focussing on additionality above what can be achieved through s.106 agreements we agree, but please see the point above that additionality may be more than just an increase in numbers.

3. The CA will be realistic about what it can best add, and communicate that clearly to Government, partners and the whole community.

It will follow on from winning MHCLG confidence in the quantity, value and quality of Phase One delivery, followed by discussions on further Government funding for CA AH delivery, including from MHCLG, Homes England and the Arc. Depending on funding anticipated to be available, the CA will engage councils, Registered Providers and Housing Associations/charities particularly local ones, developers and other providers of AH but only where the CA can provide real additionality.

Consultee comments:

Agree, great communication and developing a joint vision are essential.

4. Where it can add value and this is supported by councils/developers, the CA will offer reviews with Local Planning Authorities, councils, developers and others for larger developments on maximising the % of affordable housing in other development in the CA area as a central part of developer contributions, recognising that %s of up to 50% are possible in some high value locations with additional potential development value, plus potential for higher %s in most other CA areas too. Discussion on re-phasing such schemes to achieve earlier development of AH is a further opportunity.

Consultee comments:

Whilst we support a move to increase the number of s106 affordable housing on schemes it is unclear what role the CA is proposing for itself. Further clarification is required.

5. There will be an additional focus on

- co-operation with partners and councils, including in helping secure external funding and resources, land or scheme approvals
- working with existing partnerships. Councils, voluntary organisations and funding sources to assist people who are unintentionally homeless, and to assist rough sleepers off the streets.

This will be an additional proposal to Government seeking funding plus building on established support and generosity from several developers, and the wider development sector

- a CA-wide strategy and dataset with all partners that recognises the wide ranging other AH challenges including key worker housing, and opportunities for employers with land directly to assist their staff.

Consultee comments:

Agreed. However, in many cases there are established partnerships and joint working across the CA area. We welcome the opportunity to work with others, but recommend that where possible this is done through existing structures.

6. There will be an ongoing focus on Community Land Trusts plus housing co-operatives that deliver affordable housing, but with revised expectations on outputs and governance, so they are community-led and focused on greatest AH challenges in their location as their two central objectives, and existing CLT projects and commitments by the CA will be reassessed against a new set of principles.

Consultee comments:

It is unclear why CLTs are given particular attention. More clarification is required.

7. The earlier CA work on modular housing delivery will be reassessed and the CA will target opportunities for partnerships along with district councils, social enterprises/charities and private sector partners, including tendering for a lead modular production and skills development partner, with the aim of producing low carbon, improved living and community environments for tenants and residents, and with a particular focus on opportunities with constituent councils to help

- single people and couples
- people made unintentionally homeless or in temporary accommodation or currently rough sleeping

and make use of land which would not otherwise be available for housing, permanently or temporarily.

Consultee comments:

Whilst we agree that modular housing is a solution that can work to provide accommodation quickly and easily especially in confined sites in urban areas and meanwhile use, it is not always the best option for all locations. We are also aware that there are several organisations offering this solution (including building their own homes) across the region.

Our preference would be to reword this issue along the line of “we will aim to support innovation solutions that offers accommodation to groups of people who have high or complex needs”. This feel this will give more flexibility.

The proposed new housing strategy should draw out the groups of people with high and unmet housing needs, but these may include people who are homeless, rough sleepers, gypsy and travellers and people fleeing domestic violence

We are also very aware that in some cases that capital spend on innovative new housing also needs to be matched by revenue funding to keep services running.

8. There will be an increased focus on achievement of net zero carbon, and low energy usage in all future development that the CA funds, assisted by expected improved Government regulations and incentives, and improved design and technology opportunities.

Consultee comments:

Agreed, reducing carbon use is increasingly important and we would hope that the standard minimum specification referred to earlier would reflect this.

CONSULTATION RECORD

DRAFT AFFORDABLE HOUSING PRINCIPLES

Consultee: Cambridge City Council

A workshop was attended by Claire Flowers, Head of Housing Development.

The following comments were made in response to each of the proposed draft principles:

1. Affordability for those on lowest incomes as top priority, plus quality of new indoor environments and the contribution of new housing to enhance and create community will be assessed on all Phase Two projects.

Consultee comments:

This principle is agreed. Cambridge City Council (Cambridge CC) would be willing to assist in developing an appropriate assessment methodology if required.

2. The core focus is additionality to delivery by others, to maximise additional new affordable housing in line with

a) funding opportunities and requirements, including any support from MHCLG to assist from the original 2017 funding allocation if not fully committed

b) the adoption of an updated and revised CA housing strategy

c) additionality opportunities to be identified, including assisting councils review upwards affordable housing %s where worth reviewing on major developments.

Consultee comments:

This principle is agreed.

3. The CA will be realistic about what it can best add, and communicate that clearly to Government, partners and the whole community.

It will follow on from winning MHCLG confidence in the quantity, value and quality of Phase One delivery, followed by discussions on further Government funding for CA AH delivery, including from MHCLG, Homes England and the Arc. Depending on funding anticipated to be available, the CA will engage councils, Registered Providers and Housing Associations/charities particularly local ones, developers and other providers of AH but only where the CA can provide real additionality.

Consultee comments:

This principle is agreed.

4. Where it can add value and this is supported by councils/developers, the CA will offer reviews with Local Planning Authorities, councils, developers and others for larger developments on maximising the % of affordable housing in other development in the CA area as a central part of developer contributions, recognising that %s of up to 50% are possible in some high value locations with additional potential development value, plus potential for higher %s in most other CA areas too. Discussion on re-phasing such schemes to achieve earlier development of AH is a further opportunity.

Consultee comments:

This principle is agreed.

5. There will be an additional focus on

- co-operation with partners and councils, including in helping secure external funding and resources, land or scheme approvals
- working with existing partnerships. Councils, voluntary organisations and funding sources to assist people who are unintentionally homeless, and to assist rough sleepers off the streets.

This will be an additional proposal to Government seeking funding plus building on established support and generosity from several developers, and the wider development sector

- a CA-wide strategy and dataset with all partners that recognises the wide ranging other AH challenges including key worker housing, and opportunities for employers with land directly to assist their staff.

Consultee comments:

This principle is agreed.

6. There will be an ongoing focus on Community Land Trusts plus housing co-operatives that deliver affordable housing, but with revised expectations on outputs and governance, so they are community-led and focused on greatest AH challenges in their location as their two central objectives, and existing CLT projects and commitments by the CA will be reassessed against a new set of principles.

Consultee comments:

Cambridge CC officers consider that it may be appropriate for the Combined Authority (CA) to lead on CLT issues across the whole of the CA's area.

7. The earlier CA work on modular housing delivery will be reassessed and the CA will target opportunities for partnerships along with district councils, social enterprises/charities and private sector partners, including tendering for a lead modular production and skills development partner, with the aim of producing low carbon, improved living and community environments for tenants and residents, and with a particular focus on opportunities with constituent councils to help

- single people and couples
- people made unintentionally homeless or in temporary accommodation or currently rough sleeping

and make use of land which would not otherwise be available for housing, permanently or temporarily.

Consultee comments:

Cambridge CC officers agree the principle but identify a need to address construction skills as recognised in the construction agenda.

Cambridge CC has provided modular units on former garage sites to provide accommodation for homeless people and is willing to share knowledge of these initiatives.

8. There will be an increased focus on achievement of net zero carbon, and low energy usage in all future development that the CA funds, assisted by expected improved Government regulations and incentives, and improved design and technology opportunities.

Consultee comments:

This principle is agreed.

Cambridge City officers emphasise the need to support such schemes from pre-planning stages as costs have to be factored into initial design work.

Cambridge City have developed schemes that far exceed mandatory energy standards and would be willing to share knowledge.

CONSULTATION RECORD

DRAFT AFFORDABLE HOUSING PRINCIPLES

Consultee: Fenland District Council

A written response was received from Dan Horn, Head of Housing and Community Support and this was copied to Cllr Boden, Leader of the Council and Cllr Hoy, Portfolio Holder for Housing.

The following comments were made in response to each of the proposed draft principles:

1. Affordability for those on lowest incomes as top priority, plus quality of new indoor environments and the contribution of new housing to enhance and create community will be assessed on all Phase Two projects.

Consultee comments:

This principle is not agreed.

Fenland is pro housing growth and have ambitious plans to drive housing of all tenures in the area to raise the quality of life and ensure the growth is inclusive. the Combined Authority's principal remit is to achieve GVA Growth. The most effective way within the CPCA's Housing Policy to achieve that growth is not to give top priority to those on lowest incomes, but to give priority to those unable to access suitable housing who are in employment or seeking to move into or within the area for employment, which is a very different (although not mutually exclusive) target group. Such prioritisation would mean providing a broad range of affordable housing types, from social landlords and affordable rented products and below market rate private landlords, through part own-part purchase schemes, through to low cost affordable housing for purchase. Quality matters, including utilisation of space standards, are absolutely matters for each individual authority to decide upon, within the law. It should not be the function of the CPCA to seek to override those local decisions. Housing development in Fenland is more difficult to deliver than other parts of Cambridgeshire despite lower land values because house prices are lower alongside rapidly increasing construction costs remaining as high as other parts of the CPCA area. Therefore, cross subsidy is harder to achieve than other areas within CPCA and results in developers successfully reducing planning gain % levels for new affordable housing on new permissions. Despite the lower average house prices, we have great demand for affordable housing. This is because the average wage level in Fenland is lower than other parts of the CPCA area, so home ownership remains as out of reach for many Fenland residents as areas with much higher house prices. Many residents are on zero hours contracts, therefore, demand for affordable housing is growing rapidly as evidenced with our housing waiting list figures (HomeLink). In June 2020 there were 1682 Fenland HomeLink applicants (live and pending) rising to 2082 HomeLink applicants (live and pending) in June 2021, an increase of 24%. There is also significant pressure on residents being supported by the Council as they are at risk of homeless. At the time of writing we have over 24 households in bed and breakfast which is further evidence of the need for new supply to help meet the growing demand pressures. We are also concerned on new homelessness pressures falling out of the ending of the Furlough scheme leading to an increase in unemployment alongside the ending of the suspension of court action for rent arrears. As the grant supports investment over and above the planning gain obligations the grant is also important to our smaller to

medium size developers as they can risk manage the build out better through improved cash flow and reduced peak debt by a partnership with a Registered Provider partner who has secured CPCA grant. So alongside helping to meet significant demand pressures for Fenland residents in housing need it also helps drive our wider growth ambitions to deliver more market housing in the district. In summary CPCA grant investment helps speed up delivery of housing of all tenures.

2. The core focus is additionality to delivery by others, to maximise additional new affordable housing in line with

- a) funding opportunities and requirements, including any support from MHCLG to assist from the original 2017 funding allocation if not fully committed
- b) the adoption of an updated and revised CA housing strategy
- c) additionality opportunities to be identified, including assisting councils review upwards affordable housing %s where worth reviewing on major developments.

Consultee comments:

This principle is neither agreed nor disagreed.

Fenland District Council has difficulties in securing policy level affordable housing % on new development for the viability issues highlighted above. As part of the local plan development the Council have received a viability report that concludes asking for any contribution for affordable housing north of the A47 at Guyhirn is not viable. Even in the rest of the District, contributions for affordable housing were shown by the viability report to be viable only at minimal levels. This reality needs to be accepted as our starting point. It's not a starting point which may be liked by anyone, but it is a reality. The only way in which any significant affordable housing of any type will be delivered in Fenland is through subsidy using cold, hard cash, whether that is generated via the CPCA or Homes England. Insistence upon developer funded policy compliant affordable housing contributions will only result in schemes not going ahead at all, or refusals being successfully appealed on viability grounds. The current co-operation between FDC Officers and CPCA Officers in identifying developments where additionality may be achieved through selective financial intervention is the most effective way to continue.

3. The CA will be realistic about what it can best add, and communicate that clearly to Government, partners and the whole community.

It will follow on from winning MHCLG confidence in the quantity, value and quality of Phase One delivery, followed by discussions on further Government funding for CA AH delivery, including from MHCLG, Homes England and the Arc. Depending on funding anticipated to be available, the CA will engage councils, Registered Providers and Housing Associations/charities particularly local ones, developers and other providers of AH but only where the CA can provide real additionality.

Consultee comments:

This principle is agreed.

Any funding available through the combined authority is welcome and in Fenland there are opportunities for additionality to be achieved through your funding to assist the Council and partners to increase the number of affordable homes to offset those lost through successful section 106

viability challenges. The low land / property values combined with build costs that are the same as elsewhere in the CPCA area sometimes means assessment of schemes in Fenland represent poor value for money by way of average grant rate compared to higher value areas. However the need is as great if not greater when linked with some of the deprivation challenges we face compared to higher value areas. Some form of weighting for Fenland schemes to offset such a disadvantage would help mitigate against this. A one-size-fits-all approach to the assessment of the financial viability of affordable housing support schemes across the CPCA area is clearly inappropriate given the massive differences in housebuilding viability across the Combined Authority area.

4. Where it can add value and this is supported by councils/developers, the CA will offer reviews with Local Planning Authorities, councils, developers and others for larger developments on maximising the % of affordable housing in other development in the CA area as a central part of developer contributions, recognising that %s of up to 50% are possible in some high value locations with additional potential development value, plus potential for higher %s in most other CA areas too. Discussion on re-phasing such schemes to achieve earlier development of AH is a further opportunity.

Consultee comments:

This principle is neither agreed nor disagreed.

In Fenland, there are relatively few large strategic residential development sites where this approach would potentially be helpful. Nevertheless, continuation of support from the CPCA on large strategic sites in Fenland would be welcome to assist the Council on achieving its policy objectives.

5. There will be an additional focus on

- co-operation with partners and councils, including in helping secure external funding and resources, land or scheme approvals
- working with existing partnerships. Councils, voluntary organisations and funding sources to assist people who are unintentionally homeless, and to assist rough sleepers off the streets.

This will be an additional proposal to Government seeking funding plus building on established support and generosity from several developers, and the wider development sector

- a CA-wide strategy and dataset with all partners that recognises the wide ranging other AH challenges including key worker housing, and opportunities for employers with land directly to assist their staff.

Consultee comments:

This principle is agreed.

Co-operation with constituent Councils is always welcomed. CPCA to recognise that there are impending changes in the planning system that will lead to more home ownership products that constitute affordable housing for the purposes of the planning system and the resultant S106 agreements. We welcome that although this will contribute to meeting some need, and we wish to see such provision expand. However, there is also significant of the housing need in Fenland is for affordable rented as shown in the large waiting list number. The consequences of not providing enough new affordable rented is pressure on Fenland council financially to meet the needs of those threatened with homelessness, through silting up of our temporary accommodation through lack of

affordable homes supply coming available to rehouse. Therefore consideration of how additional CPCA funding can contribute to meeting this need would be welcome. We do not believe that the Housing Association Social Rented Model is the only route that should be used to address these pressures.

6. There will be an ongoing focus on Community Land Trusts plus housing co-operatives that deliver affordable housing, but with revised expectations on outputs and governance, so they are community-led and focused on greatest AH challenges in their location as their two central objectives, and existing CLT projects and commitments by the CA will be reassessed against a new set of principles.

Consultee comments:

This principle is neither agreed nor disagreed.

As yet we have no CLT activity in Fenland...instead we have had success in securing exception site development through support from RPs and parish councils. If a community would like to explore a CLT opportunity it is something the council would support through our enabling work.

7. The earlier CA work on modular housing delivery will be reassessed and the CA will target opportunities for partnerships along with district councils, social enterprises/charities and private sector partners, including tendering for a lead modular production and skills development partner, with the aim of producing low carbon, improved living and community environments for tenants and residents, and with a particular focus on opportunities with constituent councils to help

- single people and couples
- people made unintentionally homeless or in temporary accommodation or currently rough sleeping

and make use of land which would not otherwise be available for housing, permanently or temporarily.

Consultee comments:

This principle is not agreed.

The Council is currently working with an RP and a charity to develop 6 modular homes for rough sleepers and those at risk of rough sleeping and would be welcome to share the learning (subject to funding submission being successful). We have also been working with the CWA to explore new training centre to create opportunities for our residents to develop skills in MMC / green skills etc.

However, and contrary to the implication within this question, we do not view so-called "modular homes" as being second-class alternative housing provision for use of those excluded from all other housing opportunities. Modern Methods of Construction extend well beyond mere modularity. For example, for those areas with potential flooding issues, now or in the future, consideration needs to be given to homes constructed from metallic pre-constructed waterproofed shell-elements.

8. There will be an increased focus on achievement of net zero carbon, and low energy usage in all future development that the CA funds, assisted by expected improved Government regulations and incentives, and improved design and technology opportunities.

Consultee comments:

This principle is neither agreed nor disagreed.

Although supportive of the principle , the challenge in Fenland is that as a result of the viability issues mentioned earlier in this response, this principle will cost more and therefore will place pressure on average grant rates and therefore lead to further viability challenges. We would therefore suggest exploring what can be done towards net zero as an ambition rather than an absolute requirement to ensure the ability to maximise new affordable housing is not constrained.

CONSULTATION RECORD

DRAFT AFFORDABLE HOUSING PRINCIPLES

Consultee: Huntingdonshire District Council

A letter was sent directly to the Mayor from Cllr Ryan Fuller, Executive Leader of Huntingdonshire District Council who made the following comments:

Huntingdonshire welcomes proposals that will deliver additional affordable housing in our district but there is significant concern regarding some of the principles below, particularly where statements are made without the provision of evidence, such as achieving up to 50 per cent affordable housing.

The Combined Authority must recognise that planning powers sit with the individual local authorities, and the primacy of Local Plans in decision making. For that reason, the Combined Authority must be realistic in its ambition, ensure principles are deliverable and recognise the viability challenges across the whole geography in delivering much needed affordable housing and the necessary infrastructure to support our new and existing communities

The letter included an appendix with responses to each of the proposed draft principles:

1. Affordability for those on lowest incomes as top priority, plus quality of new indoor environments and the contribution of new housing to enhance and create community will be assessed on all Phase Two projects.

Response: Other - partial agreement

We would agree that there is a need for good quality affordable housing (AH) in the region. To achieve the level of numbers required to meet housing demand it is essential that we are not only supporting rented units, whether social or affordable, but recognising that low cost home ownership schemes including first homes and shared ownership play a role here. We also need to establish balanced communities, and this will not be achieved by purely supporting applications from the lowest income households.

We support the need for good design for internal and external environments, although not all authorities have adopted the optional space standards so there could be inconsistency in interpretation of this principle across the area; the optional standards need to be adopted through the local plan process. It will be important to understand how schemes will be assessed on this basis and whether there will be any similarity between other existing or evolving guides. For example, the NHF have published design guides, there are the HAPPI principles, and Homes England announced on the 29th June that they will be working with BRE and the Design Council (formerly CABE) to develop a framework of design principles. It would be helpful from a delivery perspective that there are not too many principles or design codes to follow, especially if this prevents the schemes that are brought forward by acquiring open market housing, which are then converted to AH that may not have satisfied these principles from the beginning.

2. The core focus is additionality to delivery by others, to maximise additional new affordable housing in line with

- a) funding opportunities and requirements, including any support from MHCLG to assist from the original 2017 funding allocation if not fully committed
- b) the adoption of an updated and revised CA housing strategy
- c) additionality opportunities to be identified, including assisting councils review upwards affordable housing %s where worth reviewing on major developments.

Response: Agree

We agree that there would be a benefit in reviewing the CA Housing Strategy but would query the practicality and resource implications of proposal 2c) for reviewing upwards the AH percentage on major developments in terms of revisions to S106 agreements and the willingness of developers to commit to increasing the percentage of AH in a permitted scheme unless this can be achieved through securing the additionality before planning permission is granted.

3. The CA will be realistic about what it can best add, and communicate that clearly to Government, partners and the whole community.

It will follow on from winning MHCLG confidence in the quantity, value and quality of Phase One delivery, followed by discussions on further Government funding for CA AH delivery, including from MHCLG, Homes England and the Arc. Depending on funding anticipated to be available, the CA will engage councils, Registered Providers and Housing Associations/charities particularly local ones, developers and other providers of AH but only where the CA can provide real additionality.

Response: Agree

We are supportive of this principle although would need further detail to fully understand what is meant by additionality.

4. Where it can add value and this is supported by councils/developers, the CA will offer reviews with Local Planning Authorities, councils, developers and others for larger developments on maximising the % of affordable housing in other development in the CA area as a central part of developer contributions, recognising that %s of up to 50% are possible in some high value locations with additional potential development value, plus potential for higher %s in most other CA areas too. Discussion on re-phasing such schemes to achieve earlier development of AH is a further opportunity.

Response : Other- partial support

We are uncertain about the cross-over between this and principle 2c) and what the 'other development' being referred to is. We would welcome understanding your definition of larger sites and seeing evidence that 50 per cent affordable housing on open market sites is achievable in Huntingdonshire while also delivering necessary infrastructure. We would welcome reviews of large scale proposed developments with the CA whilst still in the outline planning stage to maximise opportunities for delivery of AH and where the CPCA can provide additionality whilst recognising the need to ensure viability of delivery and the balance between providing AH and other essential infrastructure necessary to support future residents. However, the Local Plan Viability Assessment for Huntingdonshire indicated that sites in large areas of the district, particularly previously developed ones, were not viable when seeking 40 per cent AH we therefore believe that the statement regarding 'potential for higher percentages in most other CA areas too' needs to be evidenced. The rephrasing of schemes to allow for earlier AH delivery needs to take into account the desirability of balancing AH

provision with delivery of infrastructure and community facilities these are essential to start establishing new communities and sustainable transport patterns amongst residents; AH residents tend to be the bearer of issues in relation to build quality and defect management if they are the first to move on a new development and also have to live on a building site for longer than private residents.

5. There will be an additional focus on

- co-operation with partners and councils, including in helping secure external funding and resources, land or scheme approvals
- working with existing partnerships. Councils, voluntary organisations and funding sources to assist people who are unintentionally homeless, and to assist rough sleepers off the streets.

This will be an additional proposal to Government seeking funding plus building on established support and generosity from several developers, and the wider development sector

- a CA-wide strategy and dataset with all partners that recognises the wide ranging other AH challenges including key worker housing, and opportunities for employers with land directly to assist their staff.

Response: Other – partial support

We support the emphasis on additional cooperative working where this can maximise effective AH delivery. We generally welcome points raised in this section but would need further clarity on the scope of the proposed dataset to avoid duplication of existing resources. The proposal for additional focus on ‘opportunities for employers with land directly to assist their staff’ raises issues of concern regarding the sustainability and suitability of where such homes might be located, their relationship with surrounding existing land uses, access to other services and facilities for potential residents and the potential impact on surrounding locations where these are free-standing employment sites in the countryside.

6. There will be an ongoing focus on Community Land Trusts plus housing co-operatives that deliver affordable housing, but with revised expectations on outputs and governance, so they are community-led and focused on greatest AH challenges in their location as their two central objectives, and existing CLT projects and commitments by the CA will be reassessed against a new set of principles.

Response: Other – partial support

We are supportive of CLT's in principle albeit take up in the district has been low as Huntingdonshire supports the innovative delivery of affordable housing through our rural exceptions policy. We are concerned that additional assessment against a new set of principles will further discourage their delivery. Neighbourhood plans (NP) provide an alternative route for community-led identification of sites for AH but despite encouragement to explore this option no NP group in Huntingdonshire has yet wished to take on the workload involved in site selection and promotion. We would suggest that it would be sensible to commit the new principles to only new CLT's after a stated date. We would also need to be involved in the establishment of the new set of principles.

7. The earlier CA work on modular housing delivery will be reassessed and the CA will target opportunities for partnerships along with district councils, social enterprises/charities and private sector partners, including tendering for a lead modular production and skills development partner, with the aim of producing low carbon, improved living and community environments for tenants and residents, and with a particular focus on opportunities with constituent councils to help

- single people and couples

- people made unintentionally homeless or in temporary accommodation or currently rough sleeping

and make use of land which would not otherwise be available for housing, permanently or temporarily.

Response: Other – partial support

Local Planning Authorities, and Registered Providers are encouraged to support use of modular homes to speed up housing delivery, so this would be supported in principle but districts will need to be involved in the procurement process in selecting a modular contractor. We believe that a framework rather than one individual contractor would be best for this, there are already organisations that have set up frameworks that contractors can be pulled from for example LHC or National Framework Partnership (supported by the G15). We also need to understand the planning implications, especially in the siting of any modular homes and quality of the residential environment provided which should be reflected as a priority. Use of modular forms of housing construction as a method of expediting housing delivery is being investigated by the Modern Methods of Construction Taskforce established through the Budget in March 2021; outcomes from this should be explored to assist with finalising the principle. The last element of the principle is of great concern where it refers to ‘make use of land which would not otherwise be available for housing’, this would lead to direct conflict with Local Plan development strategy policies throughout the CA area and could result in housing vulnerable people in less suitable locations.

8. There will be an increased focus on achievement of net zero carbon, and low energy usage in all future development that the CA funds, assisted by expected improved Government regulations and incentives, and improved design and technology opportunities.

Response: Agree

We would agree with this principle and be supportive of its implementation, it is in line with national carbon reduction commitments. The requirement for low energy usage will help reduce the running costs of the AH provided which will be of significant benefit to residents and help with fuel poverty initiatives. As stated in our response in Principle 4 we would not wish the AH residents to be the sole “guinea pigs” of new technology initiatives.

CONSULTATION RECORD

DRAFT AFFORDABLE HOUSING PRINCIPLES

Consultee: East Cambridgeshire District Council

The following comments were made directly to the Mayor by Cllr Anna Bailey, Leader of East Cambridgeshire District Council:

Thank you for giving East Cambridgeshire District Council the opportunity to respond to your proposed Affordable Housing Delivery Principles 2022-2025.

The Council is committed to ensuring that the widest range of tenures is available throughout the district and supports affordable rent, social rent, shared ownership and discounted market sale housing products. The district has a wide range of housing needs and it is not practical or appropriate to elevate one type of need above others. We also have a focus on delivering mixed communities, ensuring that our affordable housing is delivered alongside open market housing.

This is why the Council's preferred method of delivering affordable housing is through community led development. The land value capture mechanism enables the community to decide how that value should benefit their community and provides for well balanced developments with appropriate infrastructure as well as a wide range of affordable housing tenures to suit the needs of the local community.

Stretham is an excellent example of how Community Land Trusts (CLTs) work locally. It was the first genuinely community led development in East Cambridgeshire. It is a low density, high quality scheme providing additional open space, business space, a GP surgery and affordable housing that is genuinely affordable and prioritises the needs of the people of Stretham – providing them with an opportunity to live and work locally at prices they can afford. It provides housing for the local nurse, the postman, the local farm worker. Notably, it is done with no subsidy or grant from the public purse. The CLT charge rents that are lower than the Local Housing Allowance (social rent) level and the CLT has never increased the rent to their tenants. In recognition that their tenants had a difficult year because of COVID they gave a rent free December 2020 and they did this without any grant. The significant income from the CLT owned homes is used to benefit the local community and is available in perpetuity.

Kennett will be the largest CLT in the district. A high quality, low density, near carbon neutral, infrastructure first scheme that will deliver 150 mixed tenure affordable housing units with at least 60 of the units being owned and managed by the CLT. The scheme will deliver major highway infrastructure, a local centre, business use, a new primary school, protected space to improve visibility of an ancient monument, garden village principles and many other benefits. The infrastructure will commence ahead of the housing, ensuring that this is a true infrastructure first scheme.

There are many more examples of the fantastic work that is being done by our communities; Soham Thrift CLT, Haddenham CLT, Swaffham Prior CLT. Each community doing it the way they want to because that is the entire point, it is Community Led Development. The Council does not dictate to the community, they tell us what they want and we have a planning policy to support it. Our only requirement is that they demonstrate to us that the community is involved.

East Cambs was the first Local Authority in the country to adopt a Community Led Development policy through the local plan process and is undoubtedly leading the way on Community Led Development.

We have gone one step further as a Council. There are communities out there that want to do it but simply do not have the capacity or expertise within the community to bring about community led development. So, we enabled the establishment of East Cambs CLT. This is an umbrella CLT that operates for the benefit of people in need in East Cambridgeshire and the purpose is to support affordable housing to be secured for people who live and work locally. It does not operate in competition with other CLTs but supports areas that want to benefit from community led development. ECTC, our (Trading Company that is 100% owned by the District Council and includes the development arm Palace Green Homes), has transferred its affordable housing stock to East Cambs CLT from their developments in Ely because there isn't a CLT incorporated in Ely.

I could go on - there is much more to say - about CLTs and the many benefits that this model provides. I am a passionate advocate for Community Led Development, which is why it is frustrating, and I have to be honest Nik, also insulting to read in one of the proposed principles, that 'there will be an ongoing focus on Community Land Trusts...but with revised expectations on outputs and governance, so they are community-led...' This statement demonstrates that the author has absolutely no understanding of the actual principle of **Community** Led Development, (my emphasis). It is bottom up, not top down. The statement also implies that the existing CLTs are not community led which is wholly incorrect.

The Council recognises the importance of securing affordable housing but is realistic about what can reasonably be expected from a development. We build communities that have a balance of housing mix and infrastructure need. The latter is equally important. A well served development that enables people to live and work locally plays a huge part in reducing pressure on other aspects of social need.

Increasing affordable housing levels in a development would need huge levels of subsidy to off-set the loss of value from turning an open market house into an affordable housing unit and the level of subsidy required would depend on the tenure of the affordable housing unit; shared ownership needing the least amount and social rent needing the highest amount. The loss of open market value would make it difficult, if not impossible, to deliver other priorities within a given site, for example, community centres, GPs, green initiatives, cycleways, open spaces, etc. All of these things help us to deliver healthier more vibrant communities that cater to the needs of residents and we know it is what our residents expect and deserve.

I am sure that you are aware of the First Homes Policy, which in essence replaces the £100K Homes initiative as it is a broadly similar mechanism to secure discounted market sale housing. There is a mandatory requirement that 25% of the affordable housing to be delivered on-site must be a First Home and there is no discretion, it must be done. So, on a development delivering 4 affordable housing units, 1 of these must be a First Home. This will inevitably have an impact on scheme viability and delivering the differing priorities of a given site.

We already work closely and well with our development community to achieve balanced communities in East Cambridgeshire.

I just wanted to touch on a reference in the principles to homelessness and rough sleepers. Both of these issues pose a challenge for local authorities across the country and we must do all we can to address this challenge and end the problem for good. Indeed, back in 2013 my own authority was spending more than half a million pounds a year on bed and breakfast accommodation representing a significant percentage of our total budget. I am pleased to say that since 2013 we have not placed a single person in bed and breakfast accommodation. We have done this by focusing on prevention - getting to the route of the issue as early as possible and supporting people holistically and intensively, helping them to deal with the underlying issues in their lives, including support with financial issues that require licensed financial advice. We already have a strong and regular prevention presence in

our communities in all sorts of locations, where our approach is to find and support people and families early on, before they hit crisis. We are just about to go even further with this approach, and will soon be on the road visiting our communities with our new East Cambs Community Advice Bus. I would welcome the opportunity to share our prevention approach with you in more detail as it has been hugely successful in East Cambridgeshire.

As you are aware from my recent correspondence, the Council intends to present to you and your Chief Executive, a prospectus for joint working across our priorities, which will include how we can collectively deliver genuinely affordable housing across our District, housing that is right for East Cambridgeshire residents and communities.

We note your recent request for constituent Councils to put forward new schemes for possible funding from the future Affordable Housing Programme and of course we will consider submission of schemes in East Cambs as they come forward.

In addition to presenting this response to your consultation on your principles, my Council's representatives on the Housing and Communities Committee and myself, on the Board, will of course actively engage in discussions regarding the formulation of your revised Housing Strategy.

I do believe that collectively we should not lose sight of the vision that Cambridgeshire and Peterborough local authorities, businesses, and universities set out to achieve. Our collective bold vision includes doubling GVA and accelerating the delivery of the mix of new homes and sustainable communities that Cambridgeshire and Peterborough residents demand.

CONSULTATION RECORD

DRAFT AFFORDABLE HOUSING PRINCIPLES

Consultee: Peterborough City Council

A written submission was received from Michael Kelleher, Assistant Director of Housing. The following comments were made in response to each of the proposed draft principles:

1. Affordability for those on lowest incomes as top priority, plus quality of new indoor environments and the contribution of new housing to enhance and create community will be assessed on all Phase Two projects.

Consultee comments:

Housing for people on low income is important, but this shouldn't be a priority over housing for people in greatest need. Whilst low income and housing need are often linked, they are not the same, and there are many people on medium incomes who cannot afford to buy or rent accommodation for multiple complex reasons for whom subsidised housing is essential. It is important, therefore, for affordable housing to be available for people at all price points.

It would be helpful to understand what is meant by 'quality of new indoor environments', as this could relate to minimum space standards and / or accessibility standards – including access to digital infrastructure etc.; so it would be helpful to clarify.

2. The core focus is additionality to delivery by others, to maximise additional new affordable housing in line with

- a) funding opportunities and requirements, including any support from MHCLG to assist from the original 2017 funding allocation if not fully committed
- b) the adoption of an updated and revised CA housing strategy
- c) additionality opportunities to be identified, including assisting councils review upwards affordable housing %s where worth reviewing on major developments.

Consultee comments:

Agree that additionality is crucial but what does this mean in practice over such a large geographic area given local cost differentials, existing delivery programmes and local housing need? Would a different metric, such as “return on public investment” or “cost to the public purse” be better?

What is meant by point c)? Is the reference to 'major developments' referring to the planning definition which means 10 or more dwellings or is it referring to large scale schemes like urban extensions? Is this relating to schemes where the intended affordable housing provision level is falling below policy compliant levels due to viability or just about increasing the % on schemes generally where this would be beneficial? Presumably, the assistance to local authorities would be grant funding although the funding would go to the relevant provider.

3. The CA will be realistic about what it can best add, and communicate that clearly to Government, partners and the whole community.

It will follow on from winning MHCLG confidence in the quantity, value and quality of Phase One delivery, followed by discussions on further Government funding for CA AH delivery, including from MHCLG, Homes England and the Arc. Depending on funding anticipated to be available, the CA will engage councils, Registered Providers and Housing Associations/charities particularly local ones, developers and other providers of AH but only where the CA can provide real additionality.

Consultee comments:

How will the CA determine what it can best add given that the local knowledge of housing markets and what is needed in local areas sits with each local authority? Yes, the CA will know how much funding is available and it will have funding criteria to follow, but it is only by having a mechanism of measuring the impact of its intervention at a local level that transparency on investment can be achieved. In other words, £1m in one location will not have the same impact as £1m in another location – how will these be measured and compared on an equal basis. Will local councils have the opportunity to inform how these decisions are made?

4. Where it can add value and this is supported by councils/developers, the CA will offer reviews with Local Planning Authorities, councils, developers and others for larger developments on maximising the % of affordable housing in other development in the CA area as a central part of developer contributions, recognising that %s of up to 50% are possible in some high value locations with additional potential development value, plus potential for higher %s in most other CA areas too. Discussion on re-phasing such schemes to achieve earlier development of AH is a further opportunity.

Consultee comments:

I am unclear how this principle is different from 2c) Also it talks about maximising the % of AH as a central part of developer contributions. If an increase is achieved as part of developer contributions, then the additional affordable dwellings achieved will not be eligible for grant so how will this work?

On site delivery of affordable housing should be the stated preferred position. Where a developer can demonstrate on an open book basis that viability is a block to on site provision, the off-site contributions should be ring fenced for that local authority area. As calculations for off-site contributions can, and often do, differ across local authority areas with each policy reflecting local needs and conditions it is unfair passport this to other areas. In extreme circumstances there could be time limits applied where, if off site contributions cannot be spent within the local authority in a specified time (e.g. three years) then it can be passported to another area.

5. There will be an additional focus on

- co-operation with partners and councils, including in helping secure external funding and resources, land or scheme approvals
- working with existing partnerships. Councils, voluntary organisations and funding sources to assist people who are unintentionally homeless, and to assist rough sleepers off the streets.

This will be an additional proposal to Government seeking funding plus building on established support and generosity from several developers, and the wider development sector

- a CA-wide strategy and dataset with all partners that recognises the wide ranging other AH challenges including key worker housing, and opportunities for employers with land directly to assist their staff.

Consultee comments:

Agree with the additional focus on this. A CA wide strategy is essential for the success of this and the strategy should be developed in partnership with all local authorities and key delivery partners. This sounds as if the CA is looking to develop a more enabling role which could be beneficial. More detail on what this would involve would be helpful.

6. There will be an ongoing focus on Community Land Trusts plus housing co-operatives that deliver affordable housing, but with revised expectations on outputs and governance, so they are community-led and focused on greatest AH challenges in their location as their two central objectives, and existing CLT projects and commitments by the CA will be reassessed against a new set of principles.

Consultee comments:

CLTs represent just one option available to deliver affordable housing and should be supported where local communities identify a need, however, if local communities reject the concept in favour of other models those areas should not be penalised. I would, therefore, recommend a wider review of local management options such as co-housing, tenant management organisations etc.

7. The earlier CA work on modular housing delivery will be reassessed and the CA will target opportunities for partnerships along with district councils, social enterprises/charities and private sector partners, including tendering for a lead modular production and skills development partner, with the aim of producing low carbon, improved living and community environments for tenants and residents, and with a particular focus on opportunities with constituent councils to help

- single people and couples
- people made unintentionally homeless or in temporary accommodation or currently rough sleeping

and make use of land which would not otherwise be available for housing, permanently or temporarily.

Consultee comments:

Alongside all forms of modern methods of construction, modular housing should be explored. Whilst MMC units are often more expensive to build (between 5% and 15%) they are often delivered in far shorter timeframes thereby generating income sooner and are built to precision standards which can help reduce fuel bills and the carbon footprint.

Schemes of modular units for homeless households, while a useful additional option and an attractive option in the short term. Over time if there are high concentration of such units in one area, issues with ASB and negative attention could follow. Schemes should be considered carefully and kept small.

8. There will be an increased focus on achievement of net zero carbon, and low energy usage in all future development that the CA funds, assisted by expected improved Government regulations and incentives, and improved design and technology opportunities.

Consultee comments:

This ambition – or core principle - is supported and should, in fact be the number one principle that feeds through everything else. Because reducing the carbon footprint of new houses is expensive, the cost implications of this core principle must be factored into the other seven core principles. So, for example, how will the principle of additionality compare to the principle of net zero carbon? If, for example, the CA can get more additionality by building traditional compared to the number it can achieve through MMC (which will have a lower carbon footprint), what will it aim for?



Agenda Item No: 3.2

Implementation of the revised £100m Affordable Housing Programme

To:	Housing and Communities Committee
Meeting Date:	6 September 2021
Public report:	Yes
Lead Member:	Councillor Lewis Herbert, Lead Member for Housing & Communities
From:	Roger Thompson - Director
Key decision:	No
Forward Plan ref:	N/A
Recommendations:	<p>The Housing and Communities Committee is recommended to;</p> <ul style="list-style-type: none">a) Note the reportb) Note a reduction in the proposed grant rate on the scheme at the former East Anglia galvanizing works previously approved at Housing and Communities Committee on 9 November 2020 from the level of £3,830,725 (equating to £49,750 per unit) to £3,464,615 (equating to an average rate of £44,995 per unit).
Voting arrangements:	A simple majority of all Members

1. Purpose

- 1.1 This report provides an update on the Affordable Housing Programme being led by the Combined Authority.
- 1.2 The Housing and Communities Committee receives performance updates on expenditure, delivery of outputs (new homes) and status of discussions with Ministry of Housing, Communities and Local Government (MHCLG) relating to the Affordable Housing Programme at every Committee meeting.

2. Background CPCA programme & changes by MHCLG – Programme in new form to March 2022

- 2.1. The Combined Authority's Affordable Housing programme was running for five years from 1 April 2017 to 31 March 2022 with the ambition to deliver a minimum of 2,000 new affordable homes with £100m of funding.
- 2.2. MHCLG has determined that the programme in its current form has ended with effect from 31 March 2021. MHCLG has offered a new programme of support for additional affordable housing for the period April 2021 to March 2022 with conditions that the CPCA has accepted. The CPCA's response to the conditions is listed below;
 - CPCA will invest all returning capital from its portfolio of 5 loans to local SME developers into the proposed grant programme as that capital is re-paid to CPCA. It will be solely used to support grant schemes that will maximise additional starts of affordable housing by 31 March 2022 or as soon as possible thereafter. Where loan funding will not be returned in time to invest into schemes starting by 31st March 2022, CPCA will still use such funds to support additional affordable housing grant payments that will become due after March 2022.
 - The schemes in the programme for 2021/22 will first be funded from the £55m already provided by MHCLG, except where funding is already out on loan and will not have been re-paid by 31st March 2022.
 - CPCA will only request additional funding above the £55m already received for unfunded schemes that will both deliver additional starts by 31 March 2022 and be able to demonstrate and work to an intervention rate to be capped on any one scheme at a maximum average grant rate of £45,000 per unit.
 - CPCA is prepared to provide evidence on a scheme by scheme basis as required by MHCLG of meeting the Homes England definition of Additionality, confirm the grant rate and start on site date in advance of payment being received from MHCLG.
 - In order to manage the programme, CPCA has suggested a monthly or quarterly update with summary report, including an update of the programme cashflow projection showing and capturing the actuals against the projections and also updating the projections as the delivery of the various projects progress and capital is returned from the CPCA loan book. This will identify the amount of new money required by CPCA from MHCLG on a 'forward look' throughout the next 12 months to

ensure that CPCA has access to adequate funds to meet its anticipated immediate and medium-term projected cash commitments between now, March 2022 and phased grant payments that will still be due for payment by CPCA beyond that date. The frequency of these meetings will be determined by MHCLG's requirements, although we see limited benefit in them being more frequent than monthly. Those reports and meeting minutes will act as milestones to ensure transparency supporting local and central accountability.

- For the avoidance of any doubt, upon the re-payment of the existing loan book, no money allocated to this affordable housing programme will be used for any future loans or revolving fund purposes.

2.3. The programme will continue to support a mixed portfolio of schemes including strategic sites and projects brought forward by housing associations, developers and Community Land Trusts (CLTs). The new programme only proposes the intended use of grant to enable the delivery of additional affordable housing.

2.4 We are still awaiting news of the Ministers decision on whether MHCLG are prepared to financially support the CPCA 2021/22 affordable housing programme, despite frequently emphasis to MHCLG that a decision is urgently required.

Affordable Housing Programme Delivery

2.4. The 'original' Affordable Housing Programme that ended 31 March 2021 has 37 schemes with allocated funding, totalling 733 housing units stated on site with 305 of those homes already completed, (266 units reported in June 2021) See Appendix 1.

2.6. Those schemes have £26.1m of grant committed to them and include the 5 loan schemes originally intended to be part of a revolving fund in addition to this.

2.7. For the Affordable housing programme in its new form for the period April 2021 to March 2022, Housing committee has already approved 18 schemes delivering 1,189 units to be supported and financed with £47m of grant funding. We have requested confirmation from MHCLG that they are in agreement for those schemes to proceed but, as referred in 2.4, we have yet to receive the minister's decision.

2.8. The proposed programme for 2021/22 is in Appendix 2. MHCLG indicated that they were prepared to recommend that the Minister supports the continuation of all the schemes that the CPCA Housing and Communities Committee has already approved that were due to start in 2021/22 being the 770 units listed in the top part of the table requiring a further £31.0m. If that is all the Minister is prepared to support the total cost will be £57m, requiring only £2.1m of additional money above the £55m already received (excluding admin costs where we are requesting £420,000 pa on top, to enable delivery through the existing housing team resources).

2.9. There are 3 schemes totalling 419 units at a cost of £16.9m approved at 21 June Housing and Communities Committee that are also conditional upon MHCLG offering additional finance. We understand that MHCLG have reported this to the Minister without recommendation to see if he might be prepared to support. If he does, then the new money

required above £55m will be £19.0m (£2.1+£16.9).

- 2.10. MHCLG have said that they are not prepared to recommend the 5 schemes listed as 'Further proposed pipeline 21/22' at the bottom of the schedule to the Minister, citing the fact that they do not like the Rentplus model on which 4 of the schemes are based. This has come as a surprise to Rentplus who say they have support from previous housing ministers and MHCLG officers and are requesting a discussion once the initial decision from the Minister on the other schemes is known. If we could eventually get support for all those schemes later in the year, the cost of those is £23.8m.
- 2.11. If the whole proposed 2021/22 programme as shown in Appendix 2 was being delivered the total amount of new money would be £42.8m (£2.1+£16.9+£23.8) above the £55m already received, excluding the admin cost support. We would deliver 1,727 units in the 2021/22 year and 2,460 units in total since the start of the affordable housing programme. A detailed cashflow that provides the timing of the projected re-payments from the 5 loans and payments of the various grants is provided in Appendix 3.

Communicating the Opportunity

- 2.12. The Combined Authority actively promotes the opportunities presented by the Affordable Housing Programme across sector networks including the Housing Board, Homes for Cambridgeshire and Peterborough and local National Housing Federation meetings.
- 2.13. The Housing and Development Team meets with landowners, housebuilders, private developers and other stakeholders on a regular basis to encourage proposals to come forward for investment from the Affordable Housing Programme.

Risks and Issues

- 2.15. The 2021/22 programme is still subject to outstanding approval by MHCLG upon which we have chased numerous times and requested a meeting. We now understand that a meeting with MHCLG is likely to take place on the 10th September. The programme will require additional capital for grant funding, over and above the £55m already received.
- 2.16. The 18 schemes already approved by Housing committee need to progress to start on site as planned, as will the 5 schemes not yet approved.
- 2.17. The CPCA programme faces pressure from Providers' ability to seek funding from other sources – primarily Homes England. The new Homes England Affordable Homes Programme 2021-2026 has had grants allocated and providers will be keen to take up national allocations and deliver on their full obligations. Officers from the Housing and Development Team meet Homes England staff regularly to share intelligence and monitor the impacts of the respective programmes and markets.
- 2.18. The programme has suffered reputational damage from the publicity surrounding the changes by MHCLG and the continuing delay in knowing the outcome of the ministerial decision on whether or not the CPCA 2021/22 programme will be financially supported is further eroding the programmes reputation and credibility.

- 2.19 **We are starting to reach a potential tipping point on some schemes whereby without knowledge of the ministerial decision and position to provide funding then schemes will be lost to the CPCA 2021/22 programme. Either there will not be enough time left to start on site by March 2022 or the applicants will seek funding from more certain sources like Homes England.**

Proposed Reduction in the Approved Grant Rate on the former East Anglia galvanizing works scheme

- 2.20 Housing Committee are asked to note a reduction in the level of the grant previously approved by the committee on the scheme at the former East Anglia galvanizing works. The grant level approved by Housing and Communities Committee on 9 November 2020 was £3,830,725 (equating to £49,750 per unit). This is being reduced to £3,464,615 (equating to an average rate of £44,995 per unit). This has been discussed and accepted by the applicant as part of the process of maintaining this scheme in the proposed CPCA 2021/22 Affordable housing programme that is currently with MHCLG awaiting ministerial approval. Without the reduction in the grant rate to a rate per unit below £45,000 per unit the scheme would have had to be removed and lost altogether from our 2021/22 programme.
- 2.21 Committee is being asked to note this reduction.

Affordable Housing Programme Pipeline & Potential Beyond March 2022

- 2.22 The current pipeline of schemes is attached in Appendix 3. From this we believe there is a potential case to request a further programme from government for an affordable housing programme to deliver 1,000 additional affordable units over a period from April 2022 to March 2025.
- 2.23 We are seeking to arrange a meeting with MHCLG to discuss this potential and will report back to committee once we have some initial feedback. This is anticipated as being likely to take place on 10th September 2021.

3. Financial Implications & Loan Book Performance

- 3.1 Appendix 1 shows the amount of money committed to the programme to March 2021 along with the amount of money actually paid to date and the balance remaining to be paid.
- 3.2 Grant investment approved for Affordable Housing schemes to 31st March 2021 is £26.1million, with a further £51.1 million approved for the loan book, the intention being that the new drawdown will not significantly exceed £40m.
- 3.3 £12.6 million in grant and £39.8 million in loan has been paid to date. As the Combined Authority is its own accountable body for the purposes of its funding from Treasury, every payment made to schemes must be capable of being scrutinised by independent auditors. We have set up as simple a process as we can within the scrutiny requirements for

providers to supply supporting evidence of project expenditure and delivery milestones having been met to enable prompt payments.

- 3.4. 4 of the 5 loans in the loan book are proceeding in line with the revised Covid-19 impact delivery programmes as advised and approved by the board on 5th August 2020. (the loans are listed on the bottom table in Appendix 1 and are all expected to repay in full).
- 3.5. The exception is the ECTC loan on the MOD site at Ely where the projected repayment profile is slipping behind that anticipated. This is for two reasons. There has been a delay in the sale of the 15 affordable housing units in the scheme. We are advised that this is expected to be resolved and the substantial capital payment received from the sale of those units before the next housing committee meeting. We will continue to closely monitor the progress of that transaction. The second reason is a slower than projected rate of sale of the market units over the past 6 months. The loan is due to be re-paid by no later than 31 March 2023 and we will continue to monitor ECTC's performance closely to meet that deadline. There are currently 7 market units reserved and going through the acquisition process. Of those, 1 has exchanged and should complete before the committee meeting and 4 market sale units are expected to complete in the next 3-4 weeks. Receipts from those will help bring the anticipated repayment profile back towards what was projected. For the avoidance of any doubt ECTC are not defaulting on the loan and it is still expected to be re-paid in full by 31st March 2023. A default will only occur if the loan is not re-paid in full by 31st March 2023. We will continue to monitor and report to Committee on the progress of the repayments.
- 3.6. Repayments are being received from the schemes at Haddenham, MOD Ely and Great Abingdon as market and affordable rental sales complete. We expect more payments in the next few weeks and months as market unit sales are progressing towards completion, particularly on the schemes being developed by Laragh homes at Great Abingdon and Forehill, Ely as those schemes reach practical completion. Confidence of the return of capital and interest on all 3 of the above is good.
- 3.7. The Laragh Homes scheme at Great Abingdon due for practical completion in November 2021 has announced that all of the private sale houses have been reserved "off plan" and most have now exchanged.
- 3.8. The Laragh Homes scheme at Forehill Ely has announced many units being reserved off plan and exchanged. Completion is expected in December 2021.
- 3.9. The scheme at Linton Road, Cambridge is not yet at a stage where units are nearing completion for unit sales and loan repayments to be made. The contractor has reported some labour shortage issues and is seeking to resolve this to avoid a delay to the target practical completion date of October 2022.

4. Legal Implications

- 4.1 There are no new implications. The obligations within the devolution deal require the Combined Authority to ensure the funds are spent in line with its Assurance and Monitoring and Evaluation Frameworks.

- 4.2. 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.

5. Other Significant Implications

- 5.1 There are no other significant implications.

6. Appendices

- 6.1 Appendix 1 – Combined Authority Affordable Housing Programme - Approved and Started on Site Schemes to March 2021
- 6.2 Appendix 2 - Proposed Combined Authority 2021/22 Housing Programme
- 6.3 Appendix 3 – Current Affordable Housing Pipeline

7. Background Papers

- 7.1 None

Affordable Housing Grants																				
Scheme Name	Provider / Lead Partner	Local Authority	No. of Units Enabled (Whole Scheme)	No. of units funded	Funding Approved Date	Start on Site Date	Start on Site - Units Claimed	First Handover Date (If known)	Final Completion Date	Actual Completions to Date	CPCA Funding	Paid to Date	RAG & Contracted (C)	Notes:	SOCIAL RENTED	RENTED	SHARED OWNERSHIP	Remaining Amounts to make 2021/2022	Dates 2021/2022	Dates 2022 onwards
Soham	PGH	East Cambs	8	8	26/07/2017	01/09/2017	8	31/08/2018	31/08/2018	8	£ 120,000	£ 120,000	C	Completed		8				
Littleport	CHS	East Cambs	16	5	26/07/2017	01/08/2017	5	31/10/2018	18/11/2018	5	£ 97,500	£ 97,500	C	Completed			5			
Victoria Way, Melbourn	CHS	South Cambs	24	8	26/07/2017	01/08/2017	8	01/05/2019	30/06/2019	8	£ 133,000	£ 133,000	C	Completed			8			
Willingham	CKH	South Cambs	22	15	26/07/2017	31/03/2018	15	01/05/2019	15/07/2019	15	£ 525,000	£ 525,000	C	Completed		15				
Burwell	Hastoe	East Cambs	8	8	26/07/2017	15/02/2018	8	30/09/2019	19/12/2019	8	£ 330,000	£ 330,000	C	Completed		8				
Perkins, Phase 1, Newark Road, Peterborough	CKH	Peterborough	104	54	26/07/2017	31/10/2018	54	01/02/2020	30/06/2020	54	£ 1,700,000	£ 1,700,000	C	Completed		54				
Snowley Park	CKH	Fenland	37	24	26/07/2017	01/10/2017	24	31/05/2019	09/12/2019	24	£ 150,000	£ 150,000	C	Completed		24				
Belle Vue Stanground	Medesham	Peterborough	30	21	29/05/2019	31/05/2019	21	30/11/2019	14/02/2020	21	£ 735,000	£ 735,000	C	Completed		21				
Luminus HDC Sites	Chorus (Luminus)	Huntingdonshire	14	14	26/06/2019	27/01/2020	14	31/12/2020	31/05/2021	7	£ 618,800	£ 464,100	C	Funding agreement completed on 1st Feb and started on site, first claim 6/3/2020 for half of grant. Oak St, Stilton complete September 2020. Further 4 units completed 5/3/21. Second claim made for 25% - £154,700. 11/3/21.	14			£ 154,700	Jul-21	
Crowland Road, Peterborough	Medesham	Peterborough	35	25	31/07/2019	31/07/2019	25	01/06/2020	19/06/2020	25	£ 875,000	£ 875,000	C	Completed Jun 2020		25				
Drake Avenue, Peterborough	CKH	Peterborough	33	33	31/07/2019	19/01/2021	33	01/09/2022	01/09/2022		£ 1,430,154	£ 715,077	C	GFA signed. Contractors on site preparing site & SOS. 19/1/21. 1st claim in 15/3/21.		33		£ 715,077	Oct-22	
Whaddon Road, Meldreth	Settle (NHH)	South Cambs	5	5	09/10/2019	23/11/2020	5	30/09/2021	30/09/2021		£ 215,000	£ 107,500	C	First grant draw down made 1/12/2020. Paid 1st drawdown 23/12/20.		4	1	£ 107,500	Oct-21	
94 Great Whyte, Ramsey	Platform Housing	Huntingdonshire	32	15	11/11/2019	17/03/2020	15	30/06/2021	30/06/2021		£ 600,000	£ 300,000	C	SOS 17th March 2020. £300,000 paid in grant draw down		15		£ 300,000	Jul-21	
Middlemoor Road, St Mary's, Ramsey	Places For People (ex-Chorus) (Luminus)	Huntingdonshire	11	11	13/01/2020	25/03/2021	11	31/01/2022	31/01/2022		£ 509,000	£ -	C	SOS due on 25/3/2021. 8/3/21. 3 milestone payments requested. 21/4/21. GFA signed 31/7/21.	8		3	£ 509,000	Mar-22	
Bretton Court, Bretton Centre	Medesham	Peterborough	45	45	11/11/2019	16/09/2020	45	30/09/2022	30/09/2022		£ 1,687,500	£ -		Potential option for demolition & new devt being considered. Asbestos work & strip out commenced 16/9/20, with the purpose of refurb or demolition. GFA final due to be agreed and for signing. 27/1/21.		45		£ 1,687,500	May-21	Nov-22
Alconbury, Alconbury Weald/ Manderville Place, Brampton	Heylo	Huntingdonshire	22	22	13/01/2020	31/01/2018	22	20/06/2020	31/6/2021	20	£ 819,800	£ 819,800	C	GFA signed 14/5/20. Units partially completed. 18 units from Alconbury Weald and 4 from Manderville Place. 22 units in total. 4 Manderville sold, 11 from A/W 7/10/2020. Paid invoice 22/12/20. 16 build and complete, sale in September 21. 10/8/21			22			
Alconbury Weald, Parcel 4, Ermine Street, Alconbury Weald.	CKH	Huntingdonshire	13	7	09/03/2020	01/02/2020	7	30/09/2020	31/10/2020	7	£ 245,000	£ 245,000	C	Units completed 28th of September 2020. Claim form recd 19/10/2020.			7			
Brampton Park, Brampton, Hunts	ReSI	Huntingdonshire	39	6	27/04/2020	01/02/2020	6	30/09/2020	30/09/2020	6	£ 270,002	£ 270,002	C	Completed			6			
St Thomas Park, Ramsey, Hunts. (Linden Homes)	Heylo/Linden Homes	Huntingdonshire	94	10	27/04/2020	01/01/2020	10	31/08/2020	30/03/2021	10	£ 476,997	£ 476,997	C	Completed docs to follow, 9 sold or STC, 1 reserved. All build complete. 7/10/20. Grant claim recd 16/3/21			10			
Whittlesey Green, Fenland/ Harriers Rest, (Lawrence Rd) Wittering & Sandpit Road, Thorney, Peterborough & Cromwell Fields, Bury, Hunts	Heylo/Larkfleet	Fenland/ Peterborough/Hunts	430	32	27/04/2020	01/02/2020	32	01/01/2021	01/04/2022	10	£ 1,367,766		C	GFA signed and dated 19/11/2020. All 14 units completed by Aug 21, sale complete for Sandpit Road. 1 build Cromwell Fields, all build complete Oct/Nov 21. Harriers Rest completion Oct/Nov 21 and Mar 22. Whittlesey Green 6 built and sold, 1 STC and further 3 due to		32	£ 1,367,766	Jun-21	Jun-22	
Roman Fields, Paston, Peterborough.	Keepmoat	Peterborough	457	23	27/04/2020	01/01/2018	23	01/03/2022	01/06/2022	19	£ 1,000,500	£ 750,375	C	GFA completed 10/8/2020.. Grant draw down recd, for 75% of the grant. Paid 1st claim 17/9/20. 6 sold 1/2/21. 19 sales and complete, 1b&c in July and 1 B & C in Aug 21, 2 B & C Jan 22. 10/8/21.			23	£ 250,125		Aug-22
JMS, Damson Drive, Peterborough, PE1	Keepmoat	Peterborough	116	10	27/04/2020	09/02/2018	10	01/04/2021	14/04/2021	10	£ 412,998	£ 412,998	C	GFA completed 10/8/2020. Devt completion 14/4/21. Claim form recd, clawback has been deducted, grant claim in for £90k+, new amended final payment is £90,123. Total sum £412,998. Completed			10	£ 90,123	Apr-21	
Roman Fields, Paston, Peterborough.	Heylo	Peterborough	457	20	22/06/2020	01/01/2018	20	01/07/2020	01/08/2020	20	£ 645,000	£ 645,000	C	Completed			20			
Alconbury Weald, Parcel 6, Alconbury.	MAN GPM	Huntingdonshire	94	94	22/06/2020	07/01/2021	94	30/06/2021	30/06/2022		£ 4,425,000	£ 2,212,500	C	Signed GFA 7/1/21, units started on site. 1st half of grant claim recd. Paid towards s/o units. 3/3/21. Other claim form in, to be paid week 8/3/21.		65	29	£ 2,212,500		Aug-22
Wicken, East Cambridgeshire	Cambridge Housing Society	East Cambs	16	16	09/11/2020	31/03/2020	16	30/09/2021	31/10/2021		£ 640,000			GFA ready for signing and finalising. 25/2/21		11	5	£ 640,000	May / Dec 21	
More's Meadow, Great Shelford,	CLT/Parochial Charity	South Cambs	21	21	09/11/2020	13/01/2021	21	31/03/2022	31/03/2022		£ 1,008,000	£ 504,000	C	GFA signed on 12/1/21. Contractors appointed, finishing design and build, site being cleared & prepared. 13/1/21. 1st Grant claim recd. 15/3/21		21		£ 504,000		May-22
All Angels Park, Highfields, Caldecote.	Heylo	South Cambs	5	5	09/11/2020	01/04/2020	5	01/10/2021	01/10/2021		£ 247,999		C	Units already started on site. GFA signed 31/7/21			5	£ 247,999	Dec-21	
HUSK sites (5 infill sites)	CKH	Peterborough	19	19	09/11/2020	22/03/2021	19	31/03/2022	31/03/2022		£ 665,000			GFA to be agreed, hoarding due up by Monday and letter of intent agreed with Mears. 16/3/21.				£ 665,000	May-21	May-22
Sandpit Road, Thorney, Peterborough	Heylo/Larkfleet	Peterborough	5	5	09/11/2020	01/02/2020	5	01/05/2021	01/05/2021		£ 237,804		C	GFA signed on 12/1/21. Units will be sales complete Aug 21.			5	£ 237,804	Jun-21	
PFP HDC Sites, Phase 2	Chorus (Luminus) PFP	Huntingdonshire	15	15	11/01/2021	05/03/2021	15	31/03/2022	30/04/2022		£ 749,000		C	HCC to agree for monies to be given. 10 units have started on site, with the further 5 later this month. 5/3/21. 3 milestone payments requested. 21/4/21. GFA Signed 31/7/21.	15			£ 749,000	May-21	Jun-22

Heylo 4 sites, Bayard Plaza, Pemberton Park, Alconbury Weald & Judith Gardens	Heylo	HDC,PCC, ECDC	60	60	15/03/2021	01/01/2021	60	31/03/2022	31/03/2022	2	£2,168,625			Approved at Committee, need to agree GFA and sign. 2 sold and complete in AW. 6 sales and completion in Sept 21. B & C 32. PP B&C end of 21, JG B&C - Dec 21, 5 SSTC.			60	£2,168,625	May-21	May-22			
Alconbury Weald	Rentplus	Huntingdonshire	22	22	15/03/2021	01/01/2019	22	31/03/2021	31/05/2021		£989,325			Approved at Committee, need to agree GFA and sign. Nearing the completion of the GFA. 4/5/21.			22	£989,325	Jul-21				
			2309	678			678			279	£26,094,770	£12,588,849			37	349	273	£13,596,044					
Loan or other Toolbox Investments														Net Drawdown									
Haddenham CLT (Loan)	ECTC/PGH	East Cambs	54	19	27/06/2018	05/09/2019	19	30/06/2020	31/03/2023	11	£6,500,000	£4,599,123	C	Variation to facility completed, ongoing monthly drawdowns, first 11 affordable units completed. Market unit sales 6 completed, 4 others reserved,some before PC and exchanging shortly.		17	2						
Ely MOD Site (Loan)	ECTC/PGH	East Cambs	92	15	28/11/2018	31/07/2019	15	30/11/2019	31/03/2023	15	£24,400,000	£22,493,393	C	Variation to facility completed. ongoing monthly drawdowns, all affordable units completed, 10 market unit sales received , 6 units reserved, 16 units rented out, all 15 affordable units preparing for sale/transfer			15						
Alexander House (Forehill) Ely (Loan)	Laragh Developments	East Cambs	25	4	26/06/2019	07/01/2020	4	31/01/2021	07/02/2022		£4,840,000	£3,973,064	C	First drawdown made 07/1/20, ongoing monthly drawdowns. Variation to facility completed. Market unit sales being reserved and 8 units exchanged, 4 additional affordable homes included, completion expected Dec 21.			4						
Linton Road, Great Abingdon (Loan)	Laragh Developments	South Cambs	15	7	27/11/2019	28/02/2020	7	31/03/2021	24/05/2022		£5,780,000	£4,038,562	C	Ongoing monthly drawdowns, variation to facility completed. All market units now reserved, 6 exchanged. 3 affordable units sold mid cons to SDC & 270k received projected completion Nov 2021		2	5						
Histon Road, Cambridge (Loan)	Laragh Developments	Cambridge City	27	10	25/03/2020	08/04/2020	10	31/08/2021	07/05/2023		£9,647,000	£4,712,811	C	Ongoing monthly drawdowns, variation to facility completed.PC targeted at Oct 2022.		7	3						
Sub-total Toolbox Investments			213	55			55				£51,167,000	£39,816,953			0	26	29						
Programme Totals			2522	733			733			305	£77,261,770	£52,405,802			37	375	302						

Scheme Name	Brief Description	Provider / Lead Partner	LA	No. Units in whole scheme	No of additional affordable housing units to be funded and claimed by CPCA AHP within 2021/22	Status P = Proposed PA = Pipeline & CPCA Approved C = Contracted	CPCA Funding approval date (if approved)	Target CPCA Funding approval date (i.e. Housing committee)	Target MHCLG Approval Date (ASAP or other)	Starts on Site date	Completion Date	Proposed funding	Payment Phasing	Expected mid phase payment date	Final Payment Date same as completion date (detail if different)	Intervention rate for Scheme (=M/F)	Social Rented	Rented	Shared Ownership	CPCA assessed Additional ity* "test" met	CPCA assessed Start on Site* achievable by 31 March 2022.	Notes
CPCA HOUSING COMMITTEE APPROVED SCHEMES 2021-22																						
Staniland Court, Werrington, Peterborough	new development	Funding Affordable Homes HA	Peterborough	60	60	PA	01/07/2019	01/07/2019	28/05/2021	31/10/2021	31/12/2022	£ 2,622,000	50 / 50	n/a	Yes	£ 43,700		60		Yes	Yes	Planning decision expected May 21
Wisbech Road, March	development on greenfield site	Funding Affordable Homes HA	Fenlands	118	118	C	11/11/2019	11/11/2019	30/04/2021	30/09/2021	31/08/2023	£ 4,542,000	25/50/25	n/a	Yes	£ 38,492		98	20	Yes	Yes	Contract signed yet to SOS
Rear of 26-34 High Street, Stilton, Hunts	back of high street	CKH	Hunts	70	42	PA	13/01/2020	13/01/2020	09/06/2021	30/10/2021	30/09/2022	£ 1,570,000	50/50	n/a	Yes	£ 37,381		10	32	Yes	Yes	Yet to contract but dates agreed in principle. Final RM and conversations with developers of confident start.
33 a) Norwood Road, (March Town Centre)	infill site	Funding Affordable Homes HA	Fenlands	50	50	PA	22/06/2020	22/06/2020	09/06/2021	31/03/2022	31/12/2023	£ 1,920,000	50/50	n/a	Yes	£ 38,400		30	20	Yes	Yes	Ongoing resolutions with This Land, around engineering problems on two sites.
33 b) Hereward Hall, March Town Centre	infill site	Funding Affordable Homes HA	Fenlands	19	19	PA	22/06/2020	22/06/2020	09/06/2021	31/03/2022	31/03/2023	£ 760,000	50/50	n/a	Yes	£ 40,000		19	0	Yes	Yes	Ongoing resolutions with This Land, around engineering problems on two sites.
33 c) Queens Street, March Town Centre	infill site	Funding Affordable Homes HA	Fenlands	21	21	PA	22/06/2020	22/06/2020	09/06/2021	31/03/2022	31/12/2022	£ 840,000	50/50	n/a	Yes	£ 40,000		21	0	Yes	Yes	Ongoing resolutions with This Land, around engineering problems on two sites.
Stanground, Peterborough	brownfield site	CKH	Peterborough	26	26	PA	22/06/2020	22/06/2020	28/05/2021	31/08/2021	31/12/2022	£ 1,170,000	50/50	n/a	Yes	£ 45,000		26	0	Yes	Yes	Gone to planning and contractors procurement underway, and confident of SOS by Aug 21
British Sugar Way, Oundle Road, Peterborough	brownfield site	CKH	Peterborough	74	74	PA	09/11/2020	09/11/2020	28/05/2021	31/08/2021	01/06/2024	£ 3,040,000	50/50	n/a	Yes	£ 41,081		45	29	Yes	Yes	In for Reserved Matters, contractors are with Vistry. Confident of SOS is Aug 21.
Perkins, Phase 2, Newark Road, Peterborough	brownfield site	CKH	Peterborough	96	96	PA	09/11/2020	09/11/2020	30/04/2021	31/05/2021	31/03/2023	£ 3,740,000	50/50	n/a	Yes	£ 38,958		38	58	Yes	Yes	Planning consent given, contractors Vistry imminent SOS, May 21.
Old Motel Site, North Street, Stilton, Hunts.	old motel site	CKH	Hunts	10	10	PA	09/11/2020	09/11/2020	09/06/2021	31/01/2022	31/01/2023	£ 420,000	50/50	n/a	Yes	£ 42,000		5	5	Yes	Yes	Redesign of site, therefore delay for SOS.
Station Road, Littleport, Ely. East Cambridgeshire	greenfield site	CKH	East Cambs	37	37	PA	09/11/2020	09/11/2020	09/06/2021	30/09/2021	30/09/2023	£ 1,373,743	50/50	n/a	Yes	£ 37,128		20	19	Yes	Yes	Outline planning, design needed, entering into contract with contractor
Land Rear of High Street, Needingworth, Hunts	back of high street	CKH	Hunts	45	45	PA	09/11/2020	09/11/2020	09/06/2021	31/10/2021	31/01/2023	£ 1,775,000	50/50	n/a	Yes	£ 39,444		20	25	Yes	Yes	In for RM, contract with Vistry. Confident SOS is Oct 21.
Wisbech Road, Littleport, Ely	greenfield site	Funding Affordable Homes HA	East Cambs	37	37	PA	11/01/2021	09/11/2020	09/06/2021	31/01/2022	30/06/2023	£ 1,534,526	25/50/25	n/a	Yes	£ 41,474		28	9	Yes	Yes	May planning submission, decision in Aug, SOS Jan 22.
Great Haddon, London Road, Yaxley, Peterborough	urban extension	CKH	Peterborough	347	58	PA	11/01/2021	11/01/2021	30/04/2021	31/08/2021	01/02/2026	£ 2,194,333	50/50	n/a	Yes	£ 37,833		17	43	Yes	Yes	Confirmation of approval of grant, urgently required.
Former East Anglia Galvanizing Works, Oundle Road, Peterborough	brownfield site	Colliers	Peterborough	77	77	PA	09/11/2020	09/11/2020	09/06/2021	31/01/2022	31/12/2023	£ 3,464,615	50/50	n/a	Yes	£ 44,995		54	23	Yes	Yes	Originally at £49k per unit, after discussion, the grant has been reduced to £44.9k per unit
	sub-total				770							£ 30,966,217										
CERTAIN PIPELINE FOR 21/22 to Jun Housing Committee																						
Northminster	new development	PIP	Peterborough	354	354	p	21/06/2021	21/06/2021	09/06/2021	15/11/2021	31/03/2025	£ 14,160,000	35/35/30	TBC	yes	£ 40,000		300	54	Yes	Yes	Application confirmed
14-16 High Street, Gorton, Cambridge. CB3 0PU	new development	CLT	South Cambs	15	15	P	21/06/2021	21/06/2021	09/06/2021	23/06/2021	30/06/2022	£ 675,000	50/50	n/a	Yes	£ 45,000	15			Yes	Yes	CLT site has planning consent and is ready to SOS, grant application form received.
Fairbarn Way, Chatteris, CB6	new development	FAHHA	Fenlands	50	50	p	21/06/2021	21/06/2021	09/06/2021	31/03/2022	30/09/2023	£ 2,082,000	25/50/25	n/a	yes	£ 41,640		42	8	Yes	Yes	Grant application received
	sub-total				419							£ 16,917,000										
FURTHER PROPOSED PIPELINE 21/22																						
Heylo CPCA	various sites for tenure conversion	Heylo	various	100	100	p	no	08/11/2021	18/10/2021	09/11/2021	31/03/2023	£ 4,470,000	100	n/a	yes	£ 44,700			100	Yes	Yes	Discussions had - confident 100 more units are likely.
Churchgate House, Peterboro	resi tenure conversion	Rentplus	Peterborough	86	86	p	no	08/11/2021	30/08/2021	31/03/2022	31/03/2024	£ 3,870,000	100	n/a	yes	£ 45,000			86	Yes	Yes	Grant rate uncertain until further information received.
Elm Low Rd, Wisbech (Seagate Homes)	new development	Rentplus	Fenlands	175	175	p	no	08/11/2021	18/10/2021	31/03/2022	31/03/2025	£ 7,875,000	100	n/a	yes	£ 45,000			175	Yes	Yes	Grant rate uncertain until further information received.
Bayard Plaza, Peterborough	resi tenure conversion	Rentplus	Peterborough	41	41	P	no	06/09/2021	30/08/2021	already started	already completed	£ 1,800,000	100	n/a	yes	£ 45,000			41	Yes	Yes	MHCLG will not fund Rentplus product
YBS, Lynch Wood, Peterborough	resi tenure conversion	Rentplus	Peterborough	136	136	p	no	06/09/2021	30/08/2021	31/07/2021	31/01/2022	£ 5,760,000	100	n/a	yes	£ 42,360			96	Yes	Yes	Grant rate uncertain until further information received. Loss of 40 units to be picked by another RP.
	sub-total				538							£ 23,775,000										

Total
Programme
SOS

1727

Total
Programme
Funding

£ 71,658,217

Average
Intervention
Rate for
Programme
(not accounting
for tenure)

£ 954,587

15

833

843

41,492.89

Start on site	<p>As set out in the Homes England Capital Funding Guide; the start on site milestone is triggered by the building contractor taking possession of the site or property, and the provider and builder having both signed the building contract and start on site works have commenced.</p> <p>Start on sites works are defined as:</p> <ul style="list-style-type: none"> a) Excavation for strip or trench foundations or for pad footings b) Digging out and preparation of ground for raft foundations c) Vibroflotation, piling, boring for piles or pile driving d) Drainage works specific for the buildings forming part of the Firm Scheme or e) Such works of demolition or service diversion as are expressly and strictly contemplated in the Finance – Grant Claims and Payments section <p>https://www.gov.uk/guidance/capital-funding-guide/9-finance</p>
Additionality	<p>CPCA should retain the project records and assessment that enabled confirmation that this test is being met.</p> <p>In line with the Homes England Capital Funidng Guide - schemes should show evidence of additional affordable housisng supply. Funding should not be used for regeneration, or the replacement of existing affordable housing. CPCA should retain the project records and assessment that enabled confirmation that this test is being met.</p>

CPCA HOUSING GRANT PROGRAMME APPLICATION PIPELINE - Updated 29/7/21											
Scheme Name	LA	Provider	Planning Status	No of Units - Whole scheme	No of Units - To be funded	Estimated SOS date	Status 29 July 2021	RAG Status	Red site not likely	Yellow site - likely with problems	Green site - more likely
Kennett - village extension	ECDC	Palace Green Homes	Granted subject to completion of S106. S106 signed April 2020.	500	150	01/01/2022	Community Land Trust. Outline approved but reserved matters outstanding. s106 is signed, Pre-app on mix of housing, RM in due course. Additionality needs to be proven.		150		
North Ely, Phase 3 Lynn Road, Endurance Estates site	ECDC	Taylor Wimpey	Outline	258	26	TBC	potential to recoup some of the funding if land values improve via site viability review mechanism, s106 issues, with 10% affordable housing required on site. Additionality needs to be proven		26		
North Ely, 3A Orchard Green, Lynn Road (Phase 2), Endurance Estates site	ECDC	VistryLinden Homes	OUTLINE	258	46	TBC	Onsite dealing with infrastructure, and currently in for Reserved Matters. 18% of affordable housing has been agreed. No RP involved yet. Additionality needs to be proven		46		
Ely Extra Care, Lynn Road	ECDC	Cross Keys Homes	OUTLINE (Pending Reserved Matters Decision. Forms part of Phase 3 North, Ely)	75	75	TBC	This will provide a much needed extra care scheme - additionality needs to be proven along with definition of Affordable product.		75		
Ely MOD Infill Development (playing fields Heaton Drive, Ely) to remove	ECDC	Palace Green Homes	Still pending decision	53	10	31/05/2022	Potential grant to add an additional 10 units above planning requirements, and pending a decision with planning.			10	
Land adj 8 Hall Barn Road, Isleham	ECDC	tbc	OUTLINE (Pending Decision)	14	4	TBC	PP granted 2/3/2018. New application for planning submitted in 2020 for 17 dwellings. Still pending decision, but finalising s106, additionality needs to be proven.		4		
Soham Eastern Gateway	ECDC	This Land	In planning 19/01600/ESHYB pending	540	70	30/06/2022	There are still planning and infrastructure provision issues to be resolved indicating that SoS is still a way off for this scheme. In planning since Nov 19. Still pending a decision, additionality to be proven.		70		
New Road, Haddenham	ECDC	Heylo	in planning	24	11	31/12/2021	SN Developments in negotiations with Heylo to acquire 11 units for grant.				11
Marrowway Lane, Witchford	ECDC	Accent	OUTLINE approved	42	13	2022	Talks with ECDC and developer re development. Approved DPA waiver. Accent looking to talk on all 40 dwellings as affordable, additionality needs to be proven and CPCA can assist.			13	
Blackberry Road, Soham	East Cambs	Orbit	unknown	149	30	TBC	was intially rejected in 2018, due to overdevelopment issues - pending an appeal resolution. 20% for affordable housing with 8 self build.				0
Chewell Lane, Haddenham	East Cambs	Orbit	Outline	34	10	2022	will require RM, as it has outline planning for residential.				10
Heaton Lane, Ely	East Cambs	Palace Green Homes	Pending decison	53	16	2022					16
High Flyer Farm, Ely	East Cambs	Clarion	Approved	200	28	2021/22?	currently having a deed of variations and discharge of conditions before going on site.				28
Station Road, Haddenham	East Cambs	Accent	Pending Reseved Matter Approval	48	14	2022	Pending RM, has outline planning				14
Whittlesey Green	FDC	Heylo/Larkfleet	full	8	8	on site	8 additional properties from Larkfleet site to be purchased by Heylo. Application has been received and is being considered, part of a remit from Heylo				8
Elm Low Road, Wisbech (Seagate Homes)	FDC	Seagate Homes/Rentplus	in planning	175	175	31/03/2022	Rentplus are looking to acquiring the additional units for CPCA, opportunity to be delivered.				175
Wimblington	FDC	CHS	pre planning	14	14	01/04/2023	Possible rural exception site, at very early stages. 10 rented and 4 shared ownership units.			14	
Yaxley Road, Holme	HDC	Cross Keys Homes?	Outline to be approved imminently.	10	6	31/08/2022	Planning approved in principle - may come forward for programme deadline after Mar 2022			6	
Wintringham Park	HDC	CKH	Outline application	2,800	30	on site	s106 agreed for 490 homes. Maybe more additionality if viability challenges are accepted.			30	
Tunkers Lane, Ramsey,	HDC	tba	outline	87	87	01/01/2023	RP looking at 100% affordable housing on this site. RM required, looking at SOS Feb/Mar 22.			87	
Alconbury Weald Key Phase 1	HDC	CKH	Outline	879	88	31/07/2022	To explore further potential of increasing AH units above agreed S106. Some affordable housing has been funded - further options could be possible.			88	
Hemingford Grey RES	HDC	Accent	No application yet	20	12	30/11/2022	12 months, Potential rural exception sites				12
Alconbury Weston RES	HDC	Cross Keys	No application yet but informal planning advice secured.	15	9	30/09/2022	12 months, Potential rural exception sites				9
Somersham RES	HDC	tba	No application yet, but planning advice secured	30	22	30/09/2022	12 months, Potential rural exception sites				22
Garage Sites St. Neots	HDC	Chorus	No application yet, but planning advice secured	25	25	30/09/2022	18 months, development on existing land in RP ownership				25
Larkfleet site (various)	PCC	Larkfleet	full	50	50	TBC	going through corporate review, awaiting what may follow.		50		
Northborough	PCC	CKH	outline	18	18	01/07/2022	Will be after Mar 22			18	
Barnack Village	PCC	CKH	pre planning	7	7	01/10/2022	own land, purchasing further land, infill site.		7		
Great Haddon, Phase 2 - O & H site	PCC	CKH	in planning	560	100	31/01/2022	currently in planning at final stages for consent. With O & H part of the site. 200 units in total but 100 are under s106, and the additionality is a further 100 to CPCA with grant.				100
Hargate & Hempsted Ward site	PCC	CKH	Pre-planning	90	90	01/07/2023	possibilities on a site but needs pre-planning support. 70 to 90 units, and in the pipeline for SOS April 23.				90
Bretton Court, Phase 2	PCC	Medesham	Pre-planning	40	40	31/12/2022	Phase 2 of Bretton Court, going for pre-app			40	
Bretton Court, Phase 3	PCC	Medesham	Pre-planning	39	39	31/12/2022	Phase 3 of Bretton Court, going for pre-app			39	
Midgate House	PCC	Rentplus	permitted development	85?	85	30/06/2022	Numbers yet to be confirmed. Design and units sizes been challenged, by CPCA and PCC. Housing Company will re-approach.			85	
Bayard Plaza, Peterborough	PCC	Rentplus	full PD	41	41	on site	Rentplus are looking to acquire some units on the site.				41
Yorkshire Building Society (YBS), Lynch Wood, Peterborough	PCC	Rentplus	permitted development	136	136	30/09/2021	permitted development of an old office building with parking grounds for housing development. Recently vacated, and would be considered by Rentplus.				136
Churchgate House, Peterborough	PCC	Rentplus	permitted development	86	86	31/03/2022	Another permitted development by Brightfield Group, 3rd project, after YBS. Rentplus project.				86
Wittering RAF	PCC	PCC	permitted development	81	81	31/01/2022	Empty available housing at RAF Wittering and would require grant.				81
Former Gloucester Sites, Shrewsbury Road	PCC	CKH	TBC	36	36	31/03/2022	new site for additionality a grant is required. Has outline planning, will require RM.				36
Newborough, Peterborough	PCC	CKH	TBC	17	17	31/10/2022	new site, has no planning consent, but will be affordable housing, and currently agreeing HOTs. 8 affordable rent and 7 shared ownership.				17
Liberty Global site	PCC	Liberty Global	pre-app	80	80	30/03/2023	A potential to be a 100% affordable housing site.			80	
Phase 1, West Cambourne	SCDC	St Arthurs Homes	PP	969	110	on site	Big site, with the potential to achieve 110 depending on costs per unit. Taylor Wimpey and Bovis homes due on site.			110	
Meadowcroft Way, Orwell	SCDC	SCDC	Planning Application Submitted	4	4	Dec-21	9-12 months build				4
Papworth	SCDC	Rentplus/Brightfield	permitted development	70	70	30/04/2022	permitted development of a hospital grounds for housing development. Recently vacated, and would be considered.				70
CLT											
Swaffham Bulbeck	ECDC	CLT	outine	48	45	31/03/2022	3 self builds and 45 units will be affordable - however additionality will have to be proven				45
Wiberton & Streatham	ECDC	CLT	outline	115	35	31/03/2023	a further 115 plot with 35 affordable and additionality will have to be proven as 75 will be market housing.				35
Manor Farm Phase 4	ECDC	CLT	PP	100	29	on site	23 units on first 3 phases achieved a further 6 units on Phase 4, additionality will have to be proven				29
Little Thetford	ECDC	CLT	pre-app	?	?	TBC	need to get planning application in for housing by March 22, as have funding from HE to achieve this, the additionality will have to be proven.			?	
Houghton & Wyton	ECDC	CLT	pre-app	tbc	17	tbc	3 parcels, Parcel 1 - completed, parcel 2 in planning and Parcel 3 in development by Morris Homes - additionality has yet to be proven. Start up grant to be agreed.				17
				8635	2069				206	620	1117

£100 Million Affordable Housing Programme: Heylo 2 sites – SN Developments and Larkfleet additional units

To: Housing and Communities Committee

Meeting Date: 6 September 2021

Public report: This report contains appendices which are exempt from publication under 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)). The public interest in maintaining the exemption outweighs the public interest in publishing the appendices.

Lead Member: Councillor Lewis Herbert Lead - Member for Housing and Chair of Housing and Communities Committee

From: Roger Thompson, Director of Development and Housing

Key decision: Yes

Forward Plan ref: 2021/012

Recommendations: The Housing and Communities Committee is recommended to:

- a) Commit grant funding of £1,209,000 from the £100m Affordable Housing programme to enable delivery of 27 affordable homes, with shared ownership units in Peterborough, East Cambridgeshire and Fenlands. This will replace the two sites from our March Town Centre sites which, if possible, will be substituted. **Subject to confirmation of the release of balancing monies for the £100m programme from BEIS & MHCLG and MHCLG confirming that CPCA having the ability to substitute non-progressing sites from the original 2021/22 programme.**

Voting arrangements: A simple majority of all Members

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 This report provides the Committee with two schemes for approval of grant funding in the context of the overall investment pipeline for the Combined Authority's £100m programme.
- 1.3 A grant from the Combined Authority's Affordable Housing Programme of £1,209,000 is sought for 27 new homes for shared ownership units in East Cambridgeshire with SN Developments site (11 new units), and Peterborough and Fenland council areas with the additional Larkfleet sites (16 units).

2. Background

- 2.1 The Housing and Development Team at the Combined Authority is working with officers in all partners local authorities (via the Cambridgeshire and Peterborough Housing Committee) 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.
- 2.2 The Combined Authority Housing Strategy 2018 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.
- 2.3 The proposed site requesting for grant from the current Housing Programme is for approximately 27 new homes in around Cambridgeshire and Peterborough region. These sites are with SN developments within East Cambridgeshire (11 units) and the remaining units are in Peterborough and Fenland which are on the Larkfleet sites (8 in PCC and 8 in the Fenlands), which Heylo have been acquiring units previously before. They are requesting grant of £1,209,000. All these units will be shared ownership, under the Heylo brand of Home Reach.
- 2.4 Any CPCA approval will be subject to MHCLG's decision on current funding and will replace two possible non performing sites at March Town Centre (Hereward Hall & Queens Street). They amount to 38 units lost in total and being replaced by Heylo SN developments & Larkfleet additional units of 27. The previous sites had a grant approval of £1,600,000 (£760,000 + £840,000), and Heylo is requesting £1,209,000 of the £1,600,000 returning to the Housing grant pot.
- 2.5 Below is a table referring to the unit types, size, and tenure types. They refer to Nationally Described Space Standards. (All figures are rounded up or down to nearest whole number)

Description/ Type of unit	Number of Units	Size (sqm)	NDSS Standard (sqm)	Meets NDSS	% of NDSS
SN Developments					
4x 2b/4p Houses	4	79-80	79	Y	100-101%
7x 3b/5p Houses	7	94	93	Y	101%
Larkfleet homes					
Abbey Park					
2 x 3b/5p homes	2	87	93	N	94%
Whittlesey Green					
2 x 3b/5p	2	85-91	93	N	92-98%
4 x 3b/4p	4	83	84	N	99%
2 x 2b/3p	2	67-74	70	Y	96-106%
Harriers Rest					
4 x 3b/5p	4	85-91	93	N	91-98%
2 x 2b/4p	2	83	79	Y	105%
Total	27				

- 2.6 Heylo Housing is specialist shared ownership provider. Heylo has branded its product Home Reach, it is shared ownership using the Homes England standard form lease and is fully compliant both with Homes England and NPPF definitions of affordable and intermediate housing, as well as being acceptable to mortgage lenders.
- 2.7 This proposal is for Heylo to work with this house builder to enable an increase in the supply of affordable home ownership through shared ownership, on this site currently under development. Delivery will be in addition to affordable housing planning requirements.
- 2.8 The Housing Enabling officer for Peterborough District Council, confirmed her support for Heylo's proposal seeking funding to deliver 4 x 3 bed houses and 2 x 2 bed houses for shared ownership tenure at Harrier's Rest in Wittering. These units will add to the 30% affordable housing already secured through planning gains obligation for this scheme and therefore bring a further additionality to the affordable housing delivery programme for Peterborough.
- 2.9 The Housing Enabling Officer for East Cambridgeshire District Council, confirmed her support for Heylo's proposal seeking funding to deliver 11 houses for shared ownership and therefore this will bring additionality to the affordable housing delivery programme for the Haddenham area, and it will help address the need of suitable accommodation within the area.
- 2.10 The Housing Enabling Officer for Fenlands District Council, confirmed her support for Heylo's proposal seeking funding to deliver 6 x 3 bed houses and 2 x 2 bed houses for shared ownership tenure at Whittlesey Green, Whittlesey. These units will add to the 25% affordable housing already secured through planning gains obligations for this scheme and therefore bring a further additionality to the affordable housing delivery programme in Fenland.

3. Financial Implications

3.1 Additionality case for Combined Authority Funding

The proposed scheme offers the following additionality:

- The CPCA are happy to support the creation of 27 new homes of shared ownership units in the East Cambridgeshire, Fenlands and Peterborough Councils.
- Full planning consent has been secured for all these sites and they are currently under development. The properties are not subject to any existing S106 or affordable housing requirements. All Larkfleet schemes are currently on site.
- The SN Developments are due to start on site during September 2021.

Proposed Condition of Grant Approval

It is proposed that the grant of £1,209,000 will help with the delivery of 27 new homes.

After execution of the grant funding agreement – Grants will be released on a quarterly basis on the completion of the units, of the individual sites.

3.2 The CPCA grant will enable an additional 27 affordable units to be provided as part of the CPCA 2000 starts on site homes target by March 2022.

3.3 Supporting this application by providing £1,209,000 from the current Housing Programme is at an average grant rate of £44,778k per unit.

	Number Schemes Approved	Number of Affordable Units Funded	CPCA Funding Committed £
Previous Schemes SOS		733	
Previous schemes in June	18	1918	47,586,441
Total units lost & monies returned	2	38	1,600,000
Total of schemes approved 21-22	16	1,147	45,986,441
PROPOSED SCHEME FOR SEPTEMBER 2021 COMMITTEE APPROVAL			
HEYLO SITES, WITH SN DEVELOPMENTS & LARKFLEET	1	27	1,209,000
Total Affordable Housing Grants if approved by Board	17	1,174	47,195,441

Affordable Housing:
AVERAGE GRANT
RATE PER UNIT* £40.2k

TOTAL IF SEPTEMBER 2021 SCHEME IS APPROVED	17	1,907	47,195,441
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4. Legal Implications

- 4.1 The recommendation accords with the Combined Authority's powers under Part 4 Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251) and the CPCA Constitution Chapter 10 para.3.2.6(a).

5. Other Significant Implications

- 5.1 None

6. Appendices

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

7. Background Papers

- 7.1 None

£100 Million Affordable Housing Programme: Bayard Plaza, Rentplus

To:	Housing and Communities Committee
Meeting Date:	6 September 2021
Public report:	This report contains appendices which are exempt from publication under 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)). The public interest in maintaining the exemption outweighs the public interest in publishing the appendices.
Lead Member:	Councillor Lewis Herbert Lead Member for Housing and Chair of Housing and Communities Committee
From:	Roger Thompson, Director of Development and Housing
Key decision:	Yes
Forward Plan ref:	2021/012
Recommendations:	<p>The Housing and Communities Committee is recommended to:</p> <p>a) Committing grant funding of £1,800,000 from the £100m Affordable Housing programme to enable delivery of 40 new affordable flats of the rent to buy product at Bayard Plaza, Peterborough, with Rentplus. Subject to confirmation of the release of balancing monies for the £100m programme from BEIS & MHCLG and MHCLG approving the Rentplus delivery model. Rentplus will be required to offer these properties through the Council's Choice Based Lettings scheme.</p>
Voting arrangements:	A simple majority of all Members

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 This report provides the Committee with one scheme for approval of grant funding in the context of the overall investment pipeline for the Combined Authority's £100m programme.
- 1.3 A grant from the Combined Authority's Affordable Housing Programme of £1,800,000 is sought for 40 flats, as a rent to buy product at Bayard Plaza, Peterborough, near the town centre. This is an office to residential project, which is near completion.

2. Background

- 2.1 The Housing and Development Team at the Combined Authority is working with officers in all partners local authorities (via the Cambridgeshire and Peterborough Housing Committee) 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.
- 2.2 The Combined Authority Housing Strategy 2018 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.
- 2.3 The proposed site requesting for grant from the current Housing Programme is for approximately 40 new flats in the Peterborough region. This site is being delivered by Brightfield Group, who have converted an old office to residential units. The grant requested to acquire these units is £1,800,000. Forty market units will be converted to affordable rental to buy and therefore available at an affordable rent for up to 20 years.
- 2.4 The units are delivered to a high specification, with open plan living arrangements which help with heating and energy efficiencies.

Internal photos of the units, dining area and bedroom.



2.5 Below is a table referring to the unit types, size, and tenure types. They refer to Nationally Described Space Standards. (rounded up)

Description/ Type of unit	Number of Units	Size (sqm)	NDSS Standard (sqm)	Meets NDSS	% of NDSS
Bayard Plaza					
3 x 1b/2p	3	53.6	50	Y	107.2%
11 x 2b/3p	11	55-59	61	N	90.2-96.7%
5 x 2b/3p	5	60	61	N	98.4%
8 x 2b/3p	8	61-70	61	Y	100-115%
6 x 2b/4p	6	70-80	70	Y	100-114%
5 x 2b/4p	5	80-90	70	Y	114-129%
1 x 2b/4p	1	90.1	70	Y	129%
1 x 2b/4p	1	100.1	70	Y	143%
Total	40				

- 2.6 The tenants move into the homes and rent for a period of 5/10/15 or 20 years, Rentplus's model is predicated on a quarter of the scheme being disposed every 5 years. Whilst the rent is at either LHA (Local Housing Allowance) or 80%, whichever the lower they cover off any service charges or ground rents and encourage applicants to clear debt and save towards the end goal of purchasing their own home.
- 2.7 When they purchase Rentplus will gift them a 10% deposit which enables them to go to any high street lender and secure a mortgage. They are supported throughout their whole tenancy through a partner housing association (likely to be Catalyst), giving tenants all the support, they need. This makes the product more affordable than a traditional shared ownership model.
- 2.8 The Housing Enabling Office for Peterborough, confirms that as Bayard Plaza is a city centre office to residential Permitted Development scheme of 102 apartments, which is exempt from the requirement to provide affordable housing through planning obligations. Heylo has already received CA funding to deliver 40 units for shared ownership in this scheme. The proposal from Rentplus would provide 40 further units for Rent to Buy tenure which is another affordable home ownership product. Applicants for the Rent to Buy units will need to meet income and employment status criteria to be eligible (the average household income required to be eligible for a Rentplus unit is £31,600) and therefore these

dwellings will not assist the council with meeting the most pressing needs of homeless households or low-income households on the housing register but would still allow some people to acquire the units if they are employed with sufficient income. The presence of Rentplus as a provider at Bayard Plaza would be beneficial in managing the stability of occupancy for the scheme as a whole and therefore the overall impact of this scheme in this city-centre location.

- 2.9 If the CA is minded granting fund these schemes it would be beneficial if conditions could be applied requiring Rentplus to offer these properties through the Council's Choice Based Lettings scheme so that eligible households can apply and enter into an appropriate nominations agreement to ensure those in greatest need have an opportunity to access the properties.
- 2.10 Both parties will work together to achieve a nominations agreement in line with Peterborough and Rentplus requests, as far possible.

Significant Implications

3. Financial Implications

3.1 **Additionality case for Combined Authority Funding**

The proposed scheme offers the following additionality:

- The CPCA are happy to support the creation of 40 new homes of rent to buy product in the Peterborough Council area.

It is proposed that the grant of £1,800,000 will help with the delivery of 40 new homes. -

After execution of the grant funding agreement – the grant will be released on the completion of the sale of the units to Rentplus.

- 3.2 Supporting this application by providing £1,800,000 from the current Housing Programme is at an average grant rate of £45k per unit.

	Number Schemes Approved	Number of Affordable Units Funded	CPCA Funding Committed £
Previous Schemes SOS		733	
Previous schemes in June	18	1918	47,586,441
Total units lost & monies returned	2	38	1,600,000
Total of schemes approved 21-22	16	1,147	45,986,441

PROPOSED SCHEME FOR SEPTEMBER 2021 COMMITTEE APPROVAL			
HEYLO SITES, WITH SN DEVELOPMENTS & LARKFLEET	1	27	1,209,000
BAYARD PLAZA, PETERBOROUGH, RENTPLUS	1	40	1,800,000
Total Affordable Housing Grants if approved by Board	18	1,214	48,995,441

Affordable Housing:
AVERAGE GRANT
RATE PER UNIT* £40.4k

TOTAL IF SEPTEMBER 2021 SCHEME IS APPROVED	18	1,947	48,995,441
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4. Legal Implications

- 4.1 The recommendation accords with the Combined Authority's powers under Part 4 Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251) and the CPCA Constitution Chapter 10 para.3.2.6(a).

5. Other Significant Implications

- 5.1 None

6. Appendices

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

7. Background Papers

- 7.1 None

£100 Million Affordable Housing Programme: YBS (Yorkshire Building Society), Lynch Wood, Peterborough PE2 6WZ - Rentplus

To: Housing and Communities Committee

Meeting Date: 6 September 2021

Public report: This report contains appendices which are exempt from publication under 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)). The public interest in maintaining the exemption outweighs the public interest in publishing the appendices.

Lead Member: Councillor Lewis Herbert - Lead Member for Housing and Chair of Housing and Communities Committee

From: Roger Thompson, Director of Development and Housing

Key decision: Yes

Forward Plan ref: 2021/012

Recommendations: The Housing and Communities Committee is recommended to:

- a) Committing grant funding of £4,320,000 from the £100m Affordable Housing programme to enable delivery of 96 affordable new homes, with Rentplus, in Peterborough. **Subject to confirmation of the release of balancing monies for the £100m programme from BEIS & MHCLG and MHCLG approving the Rentplus delivery model. Rentplus will be required to offer these properties through the Council's Choice Based Lettings scheme.**
- b)

Voting arrangements: A simple majority of all Members

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 This report provides the Committee with one scheme for approval of grant funding in the context of the overall investment pipeline for the Combined Authority's £100m programme.
- 1.3 A grant from the Combined Authority's Affordable Housing Programme of £4,320,000 is sought for 96 flats, from the former office building the Yorkshire Building Society, Lynch Wood, Peterborough. This will be an office to residential conversion permitted development, which will be acquired by Rentplus.

2. Background

- 2.1 The Housing and Development Team at the Combined Authority is working with officers in all partners local authorities (via the Cambridgeshire and Peterborough Housing Committee) 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.
- 2.2 The Combined Authority Housing Strategy 2018 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.
- 2.3 The proposed site requesting for grant from the £100m Affordable Housing Programme is the former Yorkshire Building Society, Lynch Wood, Peterborough. The site has recently become vacant, and Brightfield Group are looking to purchase the site and convert the site into 96 residential units, there is also a car park at the back which they looking to discuss with house builders or an RP to construct a further 40 units, in the form of houses, which will happen at a later stage.
- 2.4 Below is a table referring to the unit types, size, and tenure types. They refer to Nationally Described Space Standards. (rounded up)

Description/ Type of unit	Number of Units	Size (sqm)	NDSS Standard (sqm)	Meets NDSS	% of NDSS
YBS					
26 x1b/2p	26	49	50	N	98%
70 x 2b/3p	70	60	61	N	98.4%
Total	96				

- 2.5 The units are marginally smaller against NDSS, but as a permitted development, it is not mandatory. They are a rent to buy product rather than an affordable rented development, whereby the NDSS requirements would be in place.

Photos of the site



- 2.6 With Rentplus, the tenants move into the homes and rent for a period of 5/10/15 or 20 years, Rentplus's model is predicated on a quarter of the scheme being disposed every 5 years. Whilst the rent is at either LHA (Local Housing Allowance) or 80%, whichever the lower, they cover off any service charges or ground rents and encourage applicants to clear debt and save towards the end goal of purchasing their own home.
- 2.7 When the tenant is ready to purchase, Rentplus will gift them a 10% deposit which enables them to go to any high street lender and secure a mortgage. They are supported throughout their whole tenancy through a partner housing association (likely to be Catalyst), giving tenants all the support, they need.
- 2.8 The Housing Enabling Officer has confirmed that YBS is a Permitted Development scheme that is also exempt from planning obligations to provide affordable housing. The proposal from Rentplus to deliver all 96 units as a wholly Rent to Buy tenure scheme. This tenure offers a route to affordable homeownership. Because applicants for Rent to Buy are required to meet income and employment status criteria to be eligible (the average household income required to be eligible for a Rentplus unit is £31,600) these dwellings will not assist the council with meeting the most pressing needs of homeless households or low-income households on the housing register.
- 2.9 The housing enabling officer commented; If the CPCA is minded granting funds to these schemes, it would be beneficial if conditions could be applied requiring Rentplus to offer these properties through the Council's Choice Based Lettings scheme, so that eligible households within PCC housing waiting list, can apply and Rentplus and PCC enter into an appropriate nominations' agreement, to ensure those in greatest need have an opportunity to access the properties.

- 2.10 Both parties will work together to achieve a nominations agreement in line with Peterborough and Rentplus requests, as far possible.

Significant Implications

3. Financial Implications

3.1 Additionality case for Combined Authority Funding

The proposed scheme offers the following additionality:

- The CPCA are happy to support the creation of 96 new homes for rent to buy product in the Peterborough Council area.

It is proposed that the grant of £4,320,000 will help with the delivery of 96 new homes.

After execution of the grant funding agreement – the grant will be released on the completion of the sale of the site to Rentplus.

- 3.2 Supporting this application by providing £4,320,000 from the current Housing Programme is at an average grant rate of £45k per unit.

	Number Schemes Approved	Number of Affordable Units Funded	CPCA Funding Committed £
Previous Schemes SOS		733	
Previous schemes in June	18	1918	47,586,441
Total units lost & monies returned	2	38	1,600,000
Total of schemes approved 21-22	16	1,147	45,986,441
PROPOSED SCHEME FOR SEPTEMBER 2021 COMMITTEE APPROVAL			
HEYLO SITES, WITH SN DEVELOPMENTS & LARKFLEET	1	27	1,209,000
BAYARD PLAZA, PETERBOROUGH, RENTPLUS	1	40	1,800,000
YORKSHIRE BUILDING SOCIETY, PETERBOROUGH	1	96	4,320,000
Total Affordable Housing Grants if approved by Board	19	1,310	53,315,441

Affordable Housing:
AVERAGE GRANT
RATE PER UNIT*

£40.7k

TOTAL IF SEPTEMBER 2021 SCHEME IS APPROVED	19	2,043	53,315,441
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4. Legal Implications

- 4.1 The recommendation accords with the Combined Authority's powers under Part 4 Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251) and the CPCA Constitution Chapter 10 para.3.2.6(a).

5. Other Significant Implications

- 5.1 None

6. Appendices

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

7. Background Papers

- 7.1 None

