



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

## Housing and Communities Committee Minutes

Meeting: Wednesday 9 March 2022

### Present:

Councillor Steve Allen - Peterborough City Council  
Councillor David Ambrose-Smith - East Cambridgeshire District Council  
Councillor Jon Neish - Huntingdonshire District Council  
Councillor Lewis Herbert - Chair and Member for Cambridge City Council  
Councillor Samantha Hoy - Fenland District Council  
Councillor Lucy Nethsingha - Cambridgeshire County Council

### Apologies:

Councillor Denise Laws - Fenland District Council  
Councillor Ryan Fuller - Huntingdonshire District Council  
Councillor Alison Whelan - Cambridgeshire County Council  
Councillor John Batchelor - South Cambridgeshire District Council

## Part 1 - Governance Items

### 45. Apologies for Absence and Declarations of Interest and Announcements

Apologies received from Councillor Denise Laws substituted by Councillor Samantha Hoy, Councillor Ryan Fuller substituted by Councillor Jon Neish and Councillor Alison Whelan substituted by Councillor Lucy Nethsingha.

Councillor Lewis Herbert declared an interest in item 2.1 on the agenda as his partner was a Board Member for Cross Key Homes.

### 46. Minutes of the Housing and Communities Committee meeting on 10 January 2022 and Actions

The minutes of the meeting on 10 January 2022 were approved as an accurate record.

The action log was noted.

### 47. Public Questions

No public questions were received.

## Part 2 - Programme Delivery

### 48. Implementation Update of the 2021-22 Affordable Housing Programme

The Committee received a report that gave an update on the implications for the revised Affordable Housing Programme for the period April 2021 to March 2022 and potential implications for the Combined Authority for its housing activity from April 2022 onwards.

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

- The 'original' Affordable Housing Programme that ended on 31 March 2021 had 37 schemes with allocated funding, totalling 733 housing units started on site with 335 of those homes now completed. The schemes in the 'original' programme had £26.1 million of grant committed to them and included the five loan schemes originally intended to be part of a revolving fund.
- For the Affordable housing programme in its new form for the period April 2021 to March 2022 there were 18 potential schemes delivering 1,188 units to be supported and financed with £18.7 million of additional grant funding. The Combined Authority expected to deliver 839 unit starts requiring approximately £6 million of additional grant funding.
- The anticipated additional affordable housing unit numbers being delivered for the original period March 2017 to March 2022 was expected to be 1,572 units. There was a risk around the six projected schemes starting on site by 31 March 2022. The Combined Authority were confident that all would start on site by 31 March 2022. The average grant subsidy per unit was approximately £40,000.
- Five schemes comprising 244 additional affordable housing units in the 2021/22 affordable housing programme had started on site.
- There were six housing schemes still to officially start on site before 31 March 2022 and the current status of each was outlined in the report.
- A paper on what the future options and what the role might be for the CPCA in housing was in the CPCA forward plan to go to Board on 1 June 2022. Prior to this it was intended to hold a workshop with CPCA constituent officers and housing delivery partners to hear views and test opinion, to be followed with a workshop with Housing Committee and Board Members. Invitations and a programme for this activity would be issued in due course.

Discussing the report Members:

- Sought further clarity on the schemes highlighted in paragraph 2.15 of the report that were still officially to start on site. In particular the Chair sought further details on the Northminster Scheme. The Director of Housing and Development explained that the Northminster grant was just over £12.5 million and the latest information that the Combined Authority had received was that the Asbestos stripping had been done and there had been some initial works starting to happen on site but had been advised that the full start would be on 14-15 March 2022.
- Queried whether the Stanground Project had received planning approval. Officers clarified that Peterborough City Council Housing Officers were still expecting to hear from the Planning Officers. The Director of Housing and Development stated that this would be followed up and an update provided to the Committee as soon as possible. **ACTION**
- Questioned how much of a risk there was with the remaining schemes still to start on site and what actually constituted a start on site. The Director of Housing and Development clarified that there did not need to be a physical start on site as long as the main contract was instructed for the initiation of the development, that this would count as a start on site.
- Queried when members would receive further information on the upcoming workshops. The Director of Housing and Development explained that there were ongoing discussions regarding the dates and format of the sessions and that the dates would be circulated to Members within the week along with some additional paperwork. He explained that relevant information from the initial officer workshop would be circulated to Members ahead of their workshop. He explained that the output from both of the workshops would then be fed into the report going to the Combined Authority Board on 1 June.

It was resolved unanimously to:

- a) Note the progress in delivering the CPCA 2021/22 Affordable Housing Programme.

## 49. Housing Loans Update Report

The Committee considered a report that provided an update on the current position concerning receipt of loan repayments that were required to fund the 2021-2022 Affordable Housing Programme.

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

- The revolving fund initiative committed a total of £51.167 million through five loans to development companies to fund delivery of 54 affordable units. In

August 2020, the Combined Authority Board approved loan extensions and interest free periods to reflect the detrimental impact upon delivery of projects caused by the Covid pandemic.

- The table at 2.6 of the report highlighted the headline detail of each loan. Officers in particular highlighted the following points with regards to each loan:
  - East Cambridgeshire Trading Company (ECTC) received a loan of £6.5 million for 19 Affordable units at West End Gardens in Haddenham. There were no anticipated problems associated with this scheme and the loan was due to be paid by 31 March 2023.
  - Laragh Development received a loan of £4.84 million for four affordable units at their scheme at Forehill in Ely. In January 2022 the Combined Authority Board agreed a further three-month extension to the loan, due to the impact of the COVID pandemic. The scheme consists of 21 market units and at 28 February 13 units had been exchanged, seven were reserved and one agreed sale had fallen through. The loan was expected to be repaid by 7 May 2022. Officers were closely monitoring the project and conducting routine inspections.
  - Laragh Developments received a loan of £5.78 million for five affordable units at Linton Road, Great Abington and the loan was repaid earlier than the redemption date of 24 May 2022.
  - Laragh Developments received a loan of £9.64 million for ten affordable units at Histon Road, Cambridge and the loan was expected to be repaid by March 2023 in advance of the loan repayment date.
  - East Cambridgeshire Trading Company (ECTC) received a loan of £24.4 million to refurbish 92 former MOD homes at the at the Former MoD site in Ely including 15 affordable units that were proposed to transfer to a Community Land Trust. On the 28 February 2022 the balance of the loan was £21.522m and that the loan was forecast to be circa £2 million behind what had been forecast and that there was a high probability that the full cash flow would not be achieved and repayment by March 2023 was considered to be at risk. Officers were informed that £410,000 had been removed from the construction project to reflect that some units were to be sold as seen, accelerate the cashflow. Additional options available to the borrower include refinancing, portfolio transfer, accelerating volume of sales with a block investment sale or utilising company reserves to clear the balance. The loan was due to be repaid by 21 March 2023 and no direct intervention could be taken by the Combined Authority unless the loan was defaulted. ECTC had been asked to confirm that they were considering other contingency measures and what they might be. Officers continued to monitor the situation and would provide updates to the Committee.

Discussing the report Members:

- Queried what actions the Combined Authority had taken to discuss with ECTC about the repayment and questioned whether they were being open and communicative with regards to their contingency plans. Officers confirmed that the situation was being closely monitored and that officers were receiving regular monitoring reports and that the Director of Housing and Development had written to the Managing Director of ECTC to enquire as to what further contingency measures were being considered and that officers would report back to Committee on the outcome of these discussions. The Director of Housing and Development clarified that the Combined Authority had also written to the Board of ECTC and they had been advised that there was a plan being developed and that the Combined Authority would be advised of the plan over the next few months. The Director of Housing and Development stated that in the last few weeks they had seen a pickup in sales and that this needed to be maintained. A Member queried whether this matter should be referred to the Audit and Governance Committee. The Chair stated that the Chief Executive was involved and that there had not been a formal report to the Board but that there was a need for a clear response from ECTC. The Director of Housing and Development explained that if there were more applications for funding and not enough money coming back in from loans, there would be enough capacity in CPCA budgets to act as a bridging mechanism to ensure that there was enough money to keep the housing programme progressing. A Member commented that this would mean that the CPCA could be in a position of subsidising loans which was not an acceptable situation. The Chair explained that historically the toolkit that was developed to support the housing programme supported these loans and the Board agreed the loans and the Combined Authority were now in the position that new affordable housing needed to be funded from the loan returns as this is what the Government had requested as the CPCA would not be receiving any additional funding for this. The Member representing East Cambridgeshire District Council explained that he had just received an update from ECTC and 55 of the units had now been sold that would bring forward £12.4 million and that it was the legal side of the sales that was taking it time and that he did not see that there would be a problem meeting the loan deadline.

In bringing the debate to a close the Chair explained that the loans needed to be monitored by the Committee on a regular two monthly basis and that in the future Housing may be combined with another activity. The Director of Housing and Development explained that he would provide a loan update to the Committee in May. **ACTION**

It was resolved unanimously to:

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

## 50. 2021-22 Affordable Housing Programme Scheme Approvals - Wisbech Road, March – Sage

The Committee received a report that sought agreement to an uplift in grant funding on the Affordable Housing Scheme at Wisbech Road, March, from £4,542,000 to £5,248,700 for the delivery of 118 new homes, through the new Housing Provider Sage Housing.

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

- The site at Wisbech Road, March was given approval at Housing Committee on 11 November 2019. The site had planning consent for 118 units. The previous provider was Funding Affordable Homes Housing Association (FAHHA), which eventually could not deliver the scheme through as a result of a lack of a funding solution, putting the delivery of the scheme at risk and causing the project to be released.
- Sage Housing replaced FAHHA and were willing to deliver the housing – as 100% affordable housing scheme, at a 64%/36% tenure mix of affordable rent and shared ownership, this equated to 76 affordable rent and 42 for shared ownership homes.
- The grant rates at the time of the initial approach in November 2019, were lower and had increased to make the scheme viable. Sage had asked for a grant uplift, making the average grant rate £44.48k. As the site had planning consent and a contractor already on board, they were ready to start on site by the end of March 2022.
- All 118 homes would be delivered by support of the grant. The grant would enable the mixed tenure of the scheme for a much-needed area. The units were all over 90% of NDSS standards.
- The Department for Levelling Up and Housing and Communities (DLUHC) have agreed to the uplift in principle, pending the Housing and Communities Committee approval.

Discussing the report Members:

- Queried whether the scheme on Wisbech Road was wholly affordable housing. Officers explained that the change gave a mix of shared ownership and affordable rent and that there were other developments on Wisbech Road in March.
- Welcomed the scheme and highlighted the real need for the Scheme in Fenland and in particular the shared ownership.

It was resolved unanimously to:

Agree to an uplift in grant funding on the affordable housing scheme at Wisbech Road, March, from £4,542,000 to £5,248,700 for the delivery of 118 new homes, through the new housing provider Sage Housing. (DLUHC have agreed to the uplift in principle, pending the Housing and Communities Committee approval.)

## 51. North East Cambridge Update Report

The Committee considered a report that gave an update on the progress with the North East Cambridge area, and the Housing Infrastructure Fund programme delivery.

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

- Large 250 acre site across North East Cambridge, south of the A14, encompassing the Science Park, St Johns Innovation Park, Cambridge Business Park (jointly owned by Cambridge City Council and Anglian Water) and Cambridge Regional College. The plan was to bring forward as a preferred site for just under 8,500 homes.
- At the moment residential development in this area was very restricted because of the ozone and the Waste Water Plant. Redevelopment would be enabled by the relocation of the Plant.
- Three key projects closely related to the development of the area were;
  - North East Cambridge Area Action plan – led by Greater Cambridge Shared Planning Service. The North East Cambridge Area Action Plan was approved at draft Regulation 19 stage by both South Cambridgeshire District Council, and Cambridge City Council in January 2022. In line with the statutory requirements for this plan, it would now be paused pending the submission, and determination of the Development Consent Order for the Relocation project.
  - Cambridge Waste Water Treatment Plant Relocation Project – led by Anglian Water. The third, and final statutory stage for consultation on the CWWTP launched at the end of February and would last for nine weeks. The Development Consent Order (DCO) was expected to be submitted to the Planning Inspectorate (PINS) in Autumn 2022. Once accepted it enters an examination process where Interested Parties are invited by PINS to provide their views.
  - NEC Core Site Development – led by Cambridge 4 LLP , a joint venture between Anglian Water and Cambridge City Council (with reserved matters to Cambridge City Council and Anglian Water), with master developers U&I and TOWN. This project was in its very early stages and a public launch took place in February 2022. Focus on

communications and engagement at this early stage. This is a long - term project and housing would not be occupied until 2028.

It was resolved unanimously to:

- a) Note the update report on the progress for North East Cambridge Core Site development.

## 52. Housing and Communities Committee Agenda Plan

It was resolved to note the agenda plan.

## Part 3 – Date of the next meeting

53. Members agreed that the meeting due to take place on 20 April was no required and could be removed from the diary and that an update on the Housing Loans would be circulated to the Committee in May. The Chair explained that if there was any urgent business that needed to be heard by the Committee ahead of the next scheduled meeting, a special meeting would be called. Otherwise, there may be an informal meeting only, on future housing strategy. The Chair highlighted the difficulties in ensuring the meeting was quorate due to the number of apologies and substitutes for the meeting.

It was resolved to:

Note the date of the next meeting as 11 July 2022