



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 3.1

## 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 : The Housing and Communities Committee is recommended to:
- 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