



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

HOUSING AND COMMUNITIES COMMITTEE

Date: Monday, 11 November 2019

14:00 PM

Democratic Services
Dermot Pearson
Interim Monitoring Officer

The Incubator
Alconbury Weald
Cambridgeshire
PE28 4WX

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

AGENDA

Open to Public and Press

Part 1: Governance

- | | | |
|------------|---|---------------|
| 1.1 | Apologies for Absence and Declarations of Interest | |
| 1.2 | Minutes - 9 October 2019 | 5 - 6 |
| 1.3 | Public Questions | |
| 1.4 | Housing Committee - Terms of Reference Report | 7 - 14 |

1.5	Housing and Communities Committee Agenda Plan	15 - 18
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Part 2: Programme Delivery

2.1	£70 million Cambridge City Council Programme Update	19 - 44
2.2 (i)	£100m AHP Scheme Approvals Great Whyte, Ramsey	45 - 54
2.2 (ii)	£100m AHP Scheme Approvals Bretton Court, Bretton Centre, Peterborough	55 - 64
2.2 (iii)	£100m AHP Scheme Approvals Wisbech Road, March	65 - 72
2.3	£100 million Affordable Housing Programme Update	73 - 84
2.4	Housing Needs Analysis - Verbal Update	

Part 3: Date of Next Meeting

13 January 2020

The Housing and Communities Committee comprises the following members:

Councillor Graham Bull

Councillor David Ambrose-Smith

Councillor Roger Hickford

Councillor Denise Laws

Councillor Mike Sargeant

Councillor Bridget Smith

CLlr Irene Walsh

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

Clerk Name: Tamar Oviatt-Ham

Clerk Telephone: 01223 715668

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



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY
HOUSING AND COMMUNITIES COMMITTEE: MINUTES

Date: 9 October 2019

Time: 14:00pm to 14:20pm

Present: Councillors Graham Bull (Chairman) Ryan Fuller, Samantha Hoy and Bridget Smith

Apologies: Councillor Denise Laws

19. APOLOGIES AND DECLARATIONS OF INTERESTS

Apologies were received from Councillor Denise Laws, substituted by Councillor Samantha Hoy.

20. MINUTES

The minutes of the meeting held on 3 April 2019 were agreed as a correct record and signed by the Chairman.

Councillor Smith queried progress on the Housing Needs Analysis detailed in the minutes. The Committee requested an update at their next meeting.

ACTION

21. PUBLIC QUESTIONS

No public questions

22. AGENDA PLAN

The agenda plan was noted, taking into account the additional report on Housing Needs Analysis requested for the next meeting.

The Director of Housing and Development explained that there was an expectation that Grant Applications would be a standing item on the Committee agenda Plan going forwards.

23. £100M AFFORDABLE HOUSING SCHEME APPROVALS WHADDON ROAD, MELDRETH – SOUTH CAMBRIDGESHIRE – SETTLE

The Committee received a report delegating approval of a grant of £215,000 from the £100m Affordable Housing Programme to enable delivery of five new affordable homes at Whaddon Road, Meldreth, South Cambridgeshire, to the Housing and Communities Committee.

In presenting the report the Director of Housing and Development explained that

Agenda Item: 1.2

the five new affordable homes would be delivered by Settle. The site had full planning consent for five homes, four apartments and one bungalow which had been granted in December 2018 and that this would be made up of four affordable units and one shared ownership. Settle had applied to the Combined Authority for a grant of £215,000. This represented an average grant of £43,000 per unit. He clarified that the scheme had some additional costs attached to it, and that this was one the reason the decision had been referred by the Board to the Committee. The development was small therefore there were no economies of scale. Access to the site required the bridging of a culvert and there were additional costs associated with connecting the site to the sewage system. The Combined Authority were confident with the unit costs they had been given. He also explained that the other reason for referral to the Committee for decision was to ensure that the new properties were occupied by local residents or individuals with a strong connection to the village.

In discussing the report Members:

- Reiterated the need for the properties to be occupied by local residents and acknowledged that this was part of constituent councils' housing policies. Councillor Smith highlighted that there was a current need of 45 affordable rental homes in Meldreth and that she welcomed the development. Councillor Fuller explained that it was not always the case that affordable housing would just be restricted to local residents and there was a need for mixed and balanced communities. In support of Councillor Fuller's and Smith's comments, Councillor Hoy explained that housing needs in Fenland were different and in such a case they would be looking at a more regenerative project and that each Council had their own Housing Policies.

It was resolved unanimously to:

Commit grant funding of £215,000 from £100m Affordable Housing programme to enable delivery of five new affordable homes at Whaddon Road, Meldreth, South Cambridgeshire.

24. DATE OF NEXT MEETING

Members noted the date of the next meeting as 11 November 2019.

Chairman



HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 1.4
11 NOVEMBER 2019	PUBLIC REPORT

THE TERMS OF REFERENCE OF THE HOUSING AND COMMUNITIES COMMITTEE

1.0 PURPOSE

- 1.1. At its meeting on 25 September 2019 the Combined Authority Board agreed amendments to the Constitution which created new governance arrangements for the Combined Authority. The new arrangements took effect on 1 November 2019 and include significant delegation of decision making to the Housing and Communities Committee. This report sets out the new arrangements as they affect the Committee.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Graham Bull
Lead Officer:	Dermot Pearson, Interim Legal Counsel
Forward Plan Ref: N/a	Key Decision: No
The Housing and Communities Committee is recommended to: (a) Note the new governance arrangements for the Committee.	Voting arrangements Simple majority of all Members

2.0 BACKGROUND

- 2.1. At its meeting on 25 September 2019 the Combined Authority Board agreed amendments to the Constitution which created new governance arrangements for the Combined Authority. The new arrangements took effect on 1 November 2019. The new arrangements work by reserving some matters to the Combined Authority Board and delegating decision making on other matters to

the Committee, subject to the Mayor's powers. The information set out below is limited to issues relevant to the Committee.

Matters Reserved to the Combined Authority Board

- 2.2. The adoption of certain plans, strategies and frameworks, and their amendment or withdrawal is reserved to the Combined Authority Board. Those plans and strategies include:
 - 2.1.1 The Business Plan and business cases for key priority projects identified in the Business Plan;
 - 2.1.2 The Housing Strategy;
 - 2.1.3 The Assurance Framework; and
 - 2.1.4 The Monitoring & Evaluation Framework.
- 2.3. This means that while the Committee may make recommendations on those reserved matters to the Combined Authority Board, the final decision on those matters is reserved to the Board. Key projects within the Business Plan include the Affordable Housing Programme, £100k Homes and Community Land Trusts.
- 2.4. Other matters reserved to the Combined Authority Board which relate to the work of the Committee include:
 - 2.4.1 Approving budget allocations for feasibility work from the non-transport feasibility fund;
 - 2.4.2 Approving business cases and loans to third party businesses including wholly owned subsidiaries;
 - 2.4.3 Approving applications to bid for external funding where there are wider budgetary implications, or the bid relates to a matter outside the strategic framework.
 - 2.4.4 Establishment of Trading Companies;

Matters Delegated to the Committee

- 2.5. The Committee has responsibility for agreeing housing and community policies within the budget and policy framework. This includes responsibility for ensuring all programmes and projects comply with the Assurance Framework and that they are monitored and evaluated in accordance with the Monitoring and Evaluation Framework. In any case where a proposal which the Committee would like to pursue does not fall within its delegated powers it can initiate proposals for the Combined Authority Board to approve.
- 2.6. The main limitation upon the delegated powers of the Committee is that it must ensure all programmes and projects are within the scope of the strategic and budget framework approved by the Combined Authority Board. Subject to that limitation the Committee's responsibilities include:

- 2.6.1 Overseeing the development and management of the Housing Strategy and any other key strategies reserved to the Combined Authority Board, including consultation and engagement processes, and making recommendations to the Board.
 - 2.6.2 Overseeing the development of, and approving all policies arising from the Housing Strategy.
 - 2.6.3 Ensuring all programmes and projects are within the scope of the strategic and budget framework approved by the Board.
 - 2.6.4 Ensuring effective engagement and consultation is in place and can be evidenced.
 - 2.6.5 Approve the commissioning of delivery partners where this is required,
 - 2.6.6 Authorise the staged release of budget for housing projects to be funded from:
 - 2.6.6.1 The £100m Affordable Housing Programme, allocated for affordable housing within the Cambridgeshire and Peterborough Combined Authority area to include £60m grant funding and the £40m revolving funding allocated to the Housing Company; and
 - 2.6.6.2 The £70m Affordable Housing Programme allocated to Cambridge City Council.
 - 2.6.7 Acting as Accountable Body for the release of the Housing Infrastructure Funding for the Cambridge Northern Fringe East housing project.
 - 2.6.8 Considering the Business Plan, Annual Accounts and Shareholders Agreement for the Combined Authority Housing Company and making recommendations to the Board.
 - 2.6.9 Overseeing the development of and approving all other housing and community programmes and projects not reserved to the Board including but not limited to those relating to Culture and Tourism and overseeing delivery of the Connecting Cambridgeshire Project by Cambridgeshire County Council:
- 2.7. Chapter 10 of the Constitution (Housing and Communities Committee) is set out in full in the Appendix to this report.

3.0 FINANCIAL IMPLICATIONS

- 3.1. As set out in the body of the report, expenditure by the Committee must be within the Business Plan and funded from the Medium Term Financial Plan.

4.0 LEGAL IMPLICATIONS

- 4.1. The legal implications are set out in the body of the report. If decisions are made which are not in accordance with the Constitution they may be subject to legal challenge on that basis.

5.0 APPENDICES

5.1. Appendix – Chapter 10 of the Constitution (Housing and Communities Committee)

<u>Background Papers</u>	<u>Location</u>
Report to the meeting of the Combined Authority Board on 25 September 2019 – Governance (Decision Making) Review – and Decision Summary	Report 25 September 2019 Decision Summary [Item 1.7]

Chapter 10 - Housing and Communities Committee

1. Governance

1.1. The Combined Authority has appointed a Housing and Communities Committee. The committee is an executive committee of the Combined Authority Board. It takes decisions within the strategic and budgetary framework agreed by the Combined Authority Board.

2. Introduction

2.1. The Housing and Communities Committee operates within the terms agreed by the Combined Authority Board.

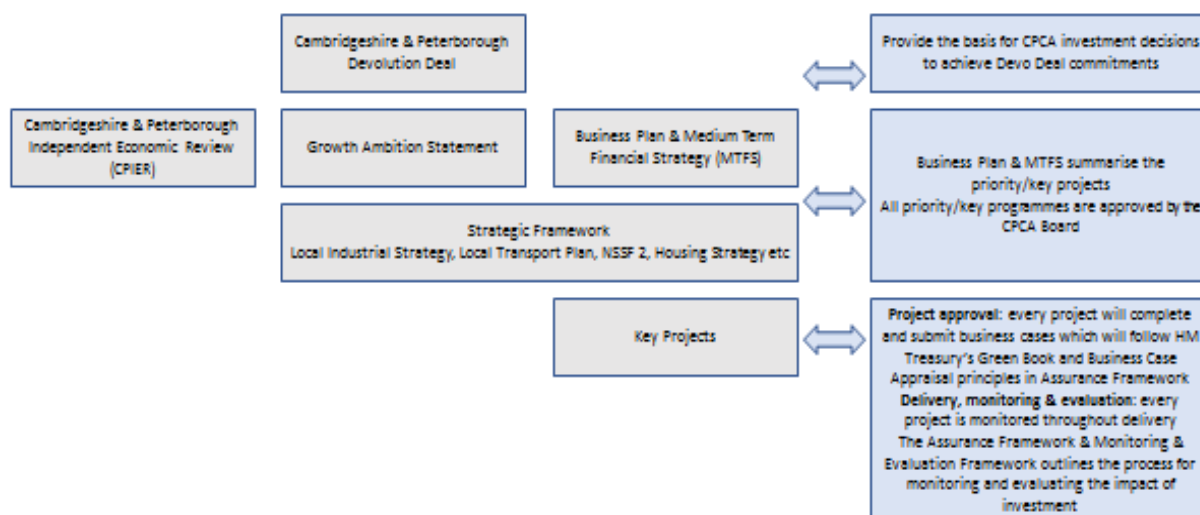
2.2. The Combined Authority Board retains responsibility for agreeing its strategies, key priority projects and the budget as set out in Chapter 4 of the Constitution (for example Annual Business Plan, Medium Term Financial Strategy and the Housing Strategy). These are known as 'reserved matters' or "the budget and policy framework".

2.3. The Committee has responsibility for agreeing housing and community policies and projects within the budget and policy framework set by the Combined Authority Board.

2.4. The Committee shall have responsibility for ensuring all programmes and projects comply with the Assurance Framework, and that they are monitored and evaluated in accordance with the Monitoring and Evaluation Framework.

2.5. The Committee can initiate proposals for the Combined Authority Board to consider.

2.6. The budget and policy framework is summarised below:



3. Terms of Reference

Functions

3.1. The Housing and Communities Committee may make recommendations on the following matters to the Combined Authority Board (reserved matters):

- (1) Housing Strategy
- (2) Any other matters reserved to the Combined Authority Board.

3.2. The committee shall exercise the Combined Authority's functions for the following:

3.2.1. Oversee the development and management of the Housing Strategy and any other key strategies reserved to the Combined Authority Board, including consultation and engagement processes, and making recommendations to the Board.

3.2.2. Oversee the development of, and approve all policies arising from the Housing Strategy.

3.2.3. Ensure all programmes and projects are within the scope of the strategic and budget framework approved by the Board.

3.2.4. Ensure effective engagement and consultation is in place and can be evidenced.

3.2.5. Approve the commissioning of delivery partners where this is required,

3.2.6. Authorise the staged release of budget for housing projects to be funded from:

(a) £100m Affordable Housing Programme, allocated for affordable housing within the Cambridgeshire and Peterborough Combined Authority area to include:

- £60m grant funding - £40m revolving funding, allocated to the Housing Company

(b) £70m Affordable Housing Programme allocated to Cambridge City Council.

3.2.7. Act as Accountable Body for the release of the Housing Infrastructure Funding for the Cambridge Northern Fringe East housing project.

3.2.8. Consider the Business Plan, Annual Accounts and Shareholders Agreement for Cambridgeshire and Peterborough Combined Authority Development Company and make recommendations to the Combined Authority Board.

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

(a) Culture and Tourism

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

3.2.10. Ensure all programmes and projects comply with the Assurance Framework and are monitored and evaluated in line with the Monitoring and Evaluation Framework.

3.2.11. Matters initiated by the committee can be referred to the Board.

3.2.12. The Combined Authority Board may decide to refer further individual matters to the committee.

4. Strategic and Budget Framework

4.1. The Committee should ensure schemes contribute and meet the targets in the agreed strategic and budget framework. Any decisions must be within the parameters agreed by the Board.

5. Accountability

5.1. The committee is accountable to the Combined Authority Board.

6. Membership

6.1. The Housing and Communities Committee shall comprise eight members to include the Mayor or his/her nominee and a Board Member from each of the seven constituent councils or their nominee. The Chair must be a Board member.

6.2. Where the Mayor does not take up his/her appointment on a committee. The membership shall be seven members comprising a Board member from each of the seven constituent councils or their nominees.

6.3. The Combined Authority Board shall appoint the committee and substitute members. With the exception of the Chair, Board members may nominate another member from their constituent council to be a member of the committee in their place. The Board member shall also nominate a named substitute member. Nominations are in consultation with the Mayor and subject to approval by the Board. In principle, neither the Mayor nor the Board will seek to exercise their voting rights to veto or vote against the appointment of constituent council members to executive committees. See also Chapter 11, paragraph 2 of the procedure rules of executive committees and Chapter 4 paragraph 4.4.

6.4. Co-opted Members of the Combined Authority Board should receive an open invite to all executive committees to enable them to attend for items of interest. If a co-opted member wishes to attend and speak at the meeting, they should notify the relevant Chair prior to the meeting. The rights and responsibilities of co-opted members as set out in the relevant paragraphs in chapter 2 paragraph 5 of the constitution apply to committees.

7. Lead Director

7.1. The Lead Director for the Committee is:

(a) Director Housing

8. Working Groups

8.1. The Committee may establish informal working groups to assist with the delivery of its objectives. These groups are non-decision making groups of Members of the Committee and officers.

8.2. The remit and terms of reference for any such subordinate body shall be approved by the committee.

HOUSING AND COMMUNITIES COMMITTEE AGENDA PLAN

Updated on 21 October 2019



Notes

Committee dates shown in bold are confirmed.

Committee dates shown in italics are TBC.

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

* indicates items expected to be recommended for determination by Combined Authority Board

+ indicates items expected to be confidential, which would exclude the press and public.

Draft reports are due with the Democratic Services Officer by 10.00 a.m. eight clear working days before the meeting.

The agenda dispatch date is five clear working days before the meeting.

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

- Minutes of previous meeting and Action Log
- Agenda Plan

Committee date	Agenda item	Lead officer	Report to CA Board for decision	Reference if key decision	Deadline for reports	Agenda despatch date
11.10.19	£70m Cambridge City Council Affordable Housing Programme: Update	Roger Thompson	No	N/A	29.10.19	01.11.19
	£100m Affordable Housing Programme Update	Roger Thompson	No	N/A		

Committee date	Agenda item	Lead officer	Report to CA Board for decision	Reference if key decision	Deadline for reports	Agenda despatch date
	£100m Affordable Housing Programme Scheme Approvals – November 2019 i. Great Whyte, Ramsey ii. Bretton Court, Peterborough iii. Wisbech Road, March	Roger Thompson	No	2019/051		
	£100 Affordable Housing Programme Update	Roger Thompson	No	N/A		
	£70m Cambridge City Council Affordable Housing Programme Update	Roger Thompson	No	N/A		
	Housing Needs Analysis - Update	Roger Thompson	No	N/A		
13.01.20	£70m Cambridge City Council Affordable Housing Programme Update	Roger Thompson	No	N/A	17.12.19	03.01.20
	£100m Affordable Housing Programme Update	Roger Thompson	No	N/A		
	£100m Affordable Housing Programme Scheme Approvals – January 2020 i. Land west of the A1198, Godmanchester	Roger Thompson	No	2020/001		
09.03.20	£70m Cambridge City Council Affordable Housing Programme Update	Roger Thompson	No	N/A	25.02.20	28.02.20
	£100m Affordable Housing Programme Update	Roger Thompson	No	N/A		

Committee date	Agenda item	Lead officer	Report to CA Board for decision	Reference if key decision	Deadline for reports	Agenda despatch date
	£100m Affordable Housing Programme Scheme Approvals – March 2020 TBC	Roger Thompson	No	2020/004		
27.04.20	£70m Cambridge City Council Affordable Housing Programme: Update	Roger Thompson	No	N/A	14.03.20	17.03.20
	£100m Affordable Housing Programme Update	Roger Thompson	No	N/A		
	£100m Affordable Housing Programme Scheme Approvals – April 2020 TBC	Roger Thompson	No	TBC		

To be programmed:



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.1
11 November 2019	PUBLIC REPORT

£70m Cambridge City Council Affordable Housing Programme Update

1.0 PURPOSE

- 1.1. This report provides an update on the £70 million Affordable Housing Programme being led by Cambridge City Council as part of the Devolution Deal for Cambridgeshire and Peterborough.
- 1.2. The update is based on the report 'Update on the Programme to Build New Council Homes Funded through the Combined Authority' presented to Cambridge City Council Housing Scrutiny Committee on 26 September 2019. The full report is attached as Appendix 1.
- 1.3. Cambridge City Council provides performance updates to the Combined Authority on its housing programme and the next is proposed to be in March 2020.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Graham Bull, Lead Member for Housing and Chair of Housing and Communities Committee
Lead Officer:	Roger Thompson, Director Housing and Development
Forward Plan Ref: n/a	Key Decision: No
The Housing and Communities Committee is recommended to: (a) Note the report on spend and outputs for the £70 million Affordable Housing Programme, and the detail of schemes as provided within Cambridge City Council	Voting arrangements A simple majority of all members.

2.0 BACKGROUND

- 2.1. The Affordable Housing Programmes for both the Combined Authority and City Council run for five years from 1 April 2017 to 31 March 2022.
- 2.2. The Combined Authority is the Accountable Body for the Devolution Deal and all funding that comes from Government as a result. Cambridge City Council makes claims against expenditure incurred within its programme to the Authority on a quarterly basis and provides performance updates on the same frequency.

3.0 FINANCIAL PERFORMANCE

- 3.1. Cambridge City Council is forecasting a total spend of £120 million on its housing programme, comprising £70 million grant via the Combined Authority plus £50 million City Council resources including Right to Buy receipts and HRA funding. This figure is set to rise to £136 million with the inclusion of a new scheme at Campkin Road.
- 3.2. At its meeting of 29 May 2019, the CPCA Board agreed the profile as shown in Table 1) below for the City Council's £70 million affordable housing programme expenditure and specifically a budget of £20,608,045 for the financial year 2019/20, which includes £1,505,274 brought forward from 2018/19.

Table 1) City Council Devolution Affordable Housing Programme Budget Profile 2017-22

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	Totals
Revised Profile Sept 2018 (Budget)	584,175	15,057,000	21,907,000	27,781,000	4,670,825	70,000,000
Revised Profile April 2019 (Outturn & new Baseline)	584,175	13,551,726	20,608,045	26,914,823	8,341,231	70,000,000
Variance +/-	0	-1,505,274	-1,298,955	-866,177	3,670,406	0

- 3.3. Cambridge City Council has made claims to the Combined Authority under this programme to Sept 2019 totalling £16,427,192 of expenditure to date. The next is due in January 2020.

4.0 OUTPUTS PERFORMANCE

- 4.1. An update on Cambridge City Council's £70 million affordable housing programme is provided as Appendix 1) to this report, including details of all sites currently included within the programme. Appendix 2) provides a list of all

homes to be delivered and affordable homes within the City Council Housing Development Agency's Delivery Plan.

Starts on Site

- 4.2. Since the last update to Housing Committee, the identification and approval of named schemes within the City Council's programme has increased to 546 homes to start on site by 31 March 2022, against its target of 500 new affordable homes. This includes a new scheme at Campkin Road. The risk that the Cambridge City programme will not reach 500 or more starts by March 2022 is therefore low.
- 4.3. The programme update provides a profile for Starts on Site. 134 starts were achieved to the end of March 2019. 191 starts are forecast for 2019/20 of which 15 have started, which will bring the cumulative total to 325 forecast by year end March 2020.

Completions

- 4.4. The programme has so far delivered 12 completed units, 2 to year end 2018/19 and 10 units have completed since last reporting in July 2019 at Nuns Way and Wiles Close. A further 2 completions are due in 2019/20 and 77 in 2020/21.

5.0 FINANCIAL IMPLICATIONS

- 5.1. There are no financial implications other than those set out in the body of the report.

6.0 LEGAL IMPLICATIONS

- 6.1. The obligations within the devolution deal require the Combined Authority to ensure the funds are spent in line with its Assurance, Monitoring and Evaluation Frameworks.
- 6.2. 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.

7.0 APPENDICES

- 7.1. Appendix 1 – Cambridge City Council £70 million affordable housing programme update to Housing Scrutiny Committee 18 June 2019

7.2. Appendix 2 – City Council Programme Delivery Plan (Scheme List)

<u>Source Documents</u>	<u>Location</u>
Cambridge City Council Housing Scrutiny Committee 18 June 2019 (Item 11)	https://www.cambridge.gov.uk/
DCLG Approved Business Case	Cambridgeshire and Peterborough Combined Authority, Alconbury Enterprise Campus, Alconbury Weald, Huntingdon PE28 4XA
Devolution Deal 2016	
Assurance Framework	
Monitoring and Evaluation Framework	http://cambridgeshirepeterborough-ca.gov.uk/

Item

Update on the Programme to Build New Council Homes Funded through the Combined Authority

To:

Councillor Richard Johnson, Executive Councillor for Housing
Housing Scrutiny Committee 26/09/2019

Report by:

Claire Flowers, Head of Housing Development Agency
Tel: 01223 - 457928 Email: claire.flowers@cambridge.gov.uk

Wards affected:

All

Not a Key Decision

1. Executive Summary

- 1.1 This report provides an update on the programme to deliver 500 Council homes with funding from the Combined Authority.
- 1.2 All 500 homes have now been identified and the HDA is focusing its efforts on delivering the schemes in the programme.
- 1.3 The Council now has 162 Council rented homes being built on site and is forecasting a further 176 due to start by the end of financial year 2019/20.
- 1.4 14 homes of the City Council programme have now been completed across three sites.

- 1.5 There has been a change in the approach to contract arrangements for schemes developed by the Cambridge Investment Partnership which is detailed in Appendix 3.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Note the continued progress on the delivery of the Combined Authority programme.
- 2.2 Note the funding structure for the Combined Authority programme.
- 2.3 Approve the revised approach to land transactions for schemes developed by the Cambridge Investment Partnership as described in Appendix 3.

3. Background

- 3.1 In June 2019, the Housing Scrutiny Committee was provided with a report showing progress against the Combined Authority target of 500 Council rented homes.
- 3.2 The report confirmed that the 500 home target is now forecast to be exceeded with a total programme outturn of 537 homes net gain.
- 3.3 The Housing Development team have progressed the identified schemes as forecast with some minor revisions to the overall programme, raising the current total outturn to 546 homes.

4. Combined Authority

- 4.1 The Council's housing programme is part funded by a £70million grant from the Cambridgeshire & Peterborough Combined Authority.

- 4.2 Quarterly grant claims are made to the Combined Authority in arrears. Cambridge City Council drew down £2,291,290 in the first Quarter of 2019/20 and is forecasting a further £18,824,136 of grant drawdown by end March 2020.
- 4.3 To date Cambridge City Council has drawn down £16,427,192 with the remaining £53,572,809 due to be drawn down by financial year end 2021/22
- 4.4 Provision of a quarterly report from Cambridge City Council against the £70m programme is one condition of the original grant from the Combined Authority. The most recent report to the Combined Authority was made on the 3rd of April 2019 and replicated the information provided to the Housing Scrutiny Committee on the 12th March 2019.

5. Delivery Programme

- 5.1 The delivery programme provided in June 2019 included 537 (net gain) Council homes to be delivered on named sites through the devolution programme. The committee noted some minor alterations to individual scheme outturns but otherwise the programme was on track.
- 5.2 Since June the development of all named housing schemes has been progressed (see items 7 and 8). Further revisions to forthcoming schemes have since been made. The programme outturn is now 546 Council rented homes (net gain) due to an increase of seven homes on the design of the proposed scheme at Colville Road Phase 2 and the planning approval of the combined scheme at Mill Road.
- 5.3 In June the final scheme in the 500 Programme, the redevelopment of Campkin Road, was approved by Housing Scrutiny Committee. The entire 500 programme is therefore approved with a capital budget allocated. All but five schemes have now received planning permission and only two have yet to be submitted for planning approval.

5.4 Appendix 1 shows the current programme, which now shows the total market housing provided as well as the net gain of Council homes. Appendix 2 shows the approved budgets per scheme and the net cost to the Council's Housing Revenue account.

5.5 In summary since the June Housing Scrutiny Committee:

- Completions of 10 homes at Nuns Way and Wiles Close
- Planning approval for the combined Mill Road site
- Planning committee approval for the Cromwell Road site
- Planning approval for the Akeman Street site
- Planning application made for Coleville Road scheme
- Campkin Road approved by full Council

6. Profile of Start on Sites

6.1 The start on site profile for the 500 devolution programme is shown in table 1. This is based on all the named schemes being delivered.

6.2 The Housing Development team are continuing to over-programme and explore additional sites to allow for slippage of existing schemes and allow others to come forward should additional funding opportunities present themselves.

6.3 Since the last update in June 2019, a more detailed scheme at Colville Road has been drawn up. This provides seven additional Council rented homes on the site. This scheme has been submitted for planning.

6.4 The proposed scheme at the Meadows Centre and Buchan Street has been delayed following a decision to review the proposals for the sites a second public consultation is being arranged. The planning application

will now be submitted in November 2019 with Start on Site has been re forecast as June 2020.

6.5 The scheme at Clerk Maxwell road has not yet been determined by the planning department , the Start on Site now been re forecast for 2020/21.

6.6 As below, the overall programme shows an outturn of 546 new homes commencing construction by March 2022.

6.7

Table 1: Start on Site Forecast Profile

Year	2017/8 (actual)	2018/19 (actual)	2019/20 (forecast)	2020/21 (forecast)	2021/22 (forecast)
Number of starts	2	132	191	221	0
Cumulative total	2	134	325	546	546

7. Start on Sites Achieved 2019/20

7.1 15 homes have started on site since the beginning of financial year 2019/20. This reflects all 5 garage and infill sites being delivered as a single scheme by CIP. In total therefore the number of starts achieved in total at the time of this report stands at 176, or 35% of the total programme.

7.2 The schemes that have met the start on site requirement since the start of the 500 programme are as follows:

7.2.1 Schemes Completed Total 12 homes

- **Uphall Road:** this scheme was completed in January 2018 and was the first project completed by the Cambridge City Council Housing Maintenance & Assets team.

- **Nuns Way & Wiles Close:** Handover was taken in August 2019 of ten new build homes at Nuns Way & Wiles Close. This scheme, under construction since January 2019, represents the first completions of the 500 programme in 2019/20.



Nuns Way, August 2019

7.2.2 Schemes on Site: Net gain 164 homes.

- **Mill Road:** This is a mixed tenure scheme formerly on the Council's Mill Road Depot site. The second phase of the scheme received planning permission in June 2019 and the total scheme will deliver 118 new build Council homes. Works are progressing on site with first completions expected to be in Quarter 2 2020.



Mill Road, August 2019

- **Anstey Way:** This regeneration scheme is delivering 56 Council homes in total (a net gain of 29) all for rent. 12 homes here are specifically for the over 55s. The build is on programme with construction now having reached roof level (see picture below). The practical completion date of April 2019 is anticipated to be brought forward to the current financial year.



Anstey Way, August 2019

- **Ditchburn Day Centre / Community Rooms:** Following the purchase of this centre from Cambridgeshire County Council, HSC approved the redevelopment of the site for 2 Council homes in September 2018. The homes are being delivered by Cocksedge, who were already engaged in the refurbishment of Ditchburn Place. The original Ditchburn Place refurbishment scheme completed in August 2019 and the two Combined Authority funded homes are expected to hand over at the end of September 2019.
- **CIP small sites package:** this group of five garage and infill sites have started on site.. Demolition work has now commenced on all five sites with the build programme due to complete by August 2020. In total the package will provide 15 homes, all for Council rent.;
 - **Queens Meadow:** This scheme will deliver two homes.
 - **Markham Close:** this scheme will deliver five homes.
 - **Gunhild Way:** this scheme will deliver two homes.

- **Colville Road Garages:** this scheme will deliver three homes.
- **Wulfstan Way:** this scheme will deliver three homes.

8. Update on other approved schemes:

8.1 Schemes target to Start on site in 2019/20 with planning permission

- **Cromwell Road:** the planning committee approved this scheme in June 2019 to deliver a scheme of 295 homes. The scheme will deliver 118 new Council rented homes as well as market housing, new public open space and an early years/community centre. Demolition work has commenced on site and construction of the new homes is programmed to commence by the end of financial year 2019/20. The scheme is being delivered through CIP.
- **Ventress Close:** the scheme replaces two existing Council homes and will deliver 15 new Council rented homes, for a net gain of 13. Planning permission for this scheme was achieved in March 2019 and start on site is likely to be achieved ahead of the October 2019 forecast.
- **Akeman Street:** This regeneration scheme received planning permission in July 2019. Delivered through CIP, it will replace two existing Council homes commercial units and community centre with a new Council rented development of 14 homes, community centre and replacement shops for a net gain of 12. Start on Site is forecast for September 2019. Work is currently underway on a temporary community facility at an existing property in the same street.
- **Kendal Way:** planning permission was obtained in 2017 for the development of two homes on this site. The Housing Development team are currently reviewing the proposals. Start on Site has been provisionally pushed back to early 2020.

- **Kingsway Medical Centre:** this scheme is being delivered by the Housing Maintenance & Assets team. It will deliver four new Council rented homes through the conversion of a former surgery. Planning permission for this scheme was achieved in April 2019 and start on site is expected by the end of financial year 2019/20.

8.2 Schemes target to start on site in 2019/20, planning submission made:

- **Tedder Way:** this scheme comprises two homes for Council rent and was originally planned for delivery by the Council's Housing Maintenance & Assets team but has since been passed back to the Housing Development team. The target to achieve planning permission has been pushed back to October 2019 pending further feedback from the planning team. Resources are now being re-allocated to deliver this scheme and the Start on Site has been provisionally pushed back to early 2020.
- **Clerk Maxwell Road:** This is a private scheme being brought forward by Hill Residential. Committee approval was secured in January 2019 to acquire the 14 S106 affordable homes included in this scheme. Hill submitted a planning application in December 2018 - this is awaiting a planning committee decision.
- **Colville Road phase 2:** this regeneration scheme, delivering a gain of 49 Council rented homes, was approved by the Housing Scrutiny Committee in January 2019. Following a scheme revision in response to pre-application planning advice, a planning application has been submitted. A public consultation took place in May 2019 and there has been on-going work with those residents who will need to move home as a result of this scheme. The number of homes has i

8.3 Schemes approved by the Executive Councillor. Not submitted for planning.

- **Meadows & Buchan:** this scheme, which comprises the regeneration of two community centres and their environs, was approved by HSC in January 2019 and will deliver 106 Council rented homes. A public consultation took place in March 2019 and suggested revisions to the scheme are currently being incorporated into a planning application. A further public consultation is being arranged. The forecast for planning submission in November 2019.
- **Campkin Road:** This scheme was approved for development by both Housing Scrutiny Committee and Full Council in June 2019. It will replace an existing Council housing scheme at Campkin Road with a modern scheme which will increase the Council's housing stock by 50 homes. Pre-application discussions are continuing, particularly in relation to surface water issues, which could reduce the number of homes delivered.

9. Delivering Accessible Housing

9.1 Cambridge City Council is committed to providing a range of housing options for residents with limited mobility. The Council adheres to the accessibility standards laid out in the Local Plan 2018. This requires 100% of new build Council homes to be M4(2) (accessible and adaptable dwellings), and 5% of new build affordable homes to be M4(3) (wheelchair user dwellings).

9.2 There are currently 28 fully adapted wheelchair user dwellings planned in the programme (see table below). This along with meeting the local plan of delivering all homes to be accessible and adaptable will mean the requirement to provide 5% wheelchair user homes will be met.

9.3 Table 2: Wheelchair user homes

	Total Council rented homes (100% M4 (2) wheelchair adaptable)	Total M4 (3) wheelchair user homes in designs
Mill Road phases 1 & 2	118	7

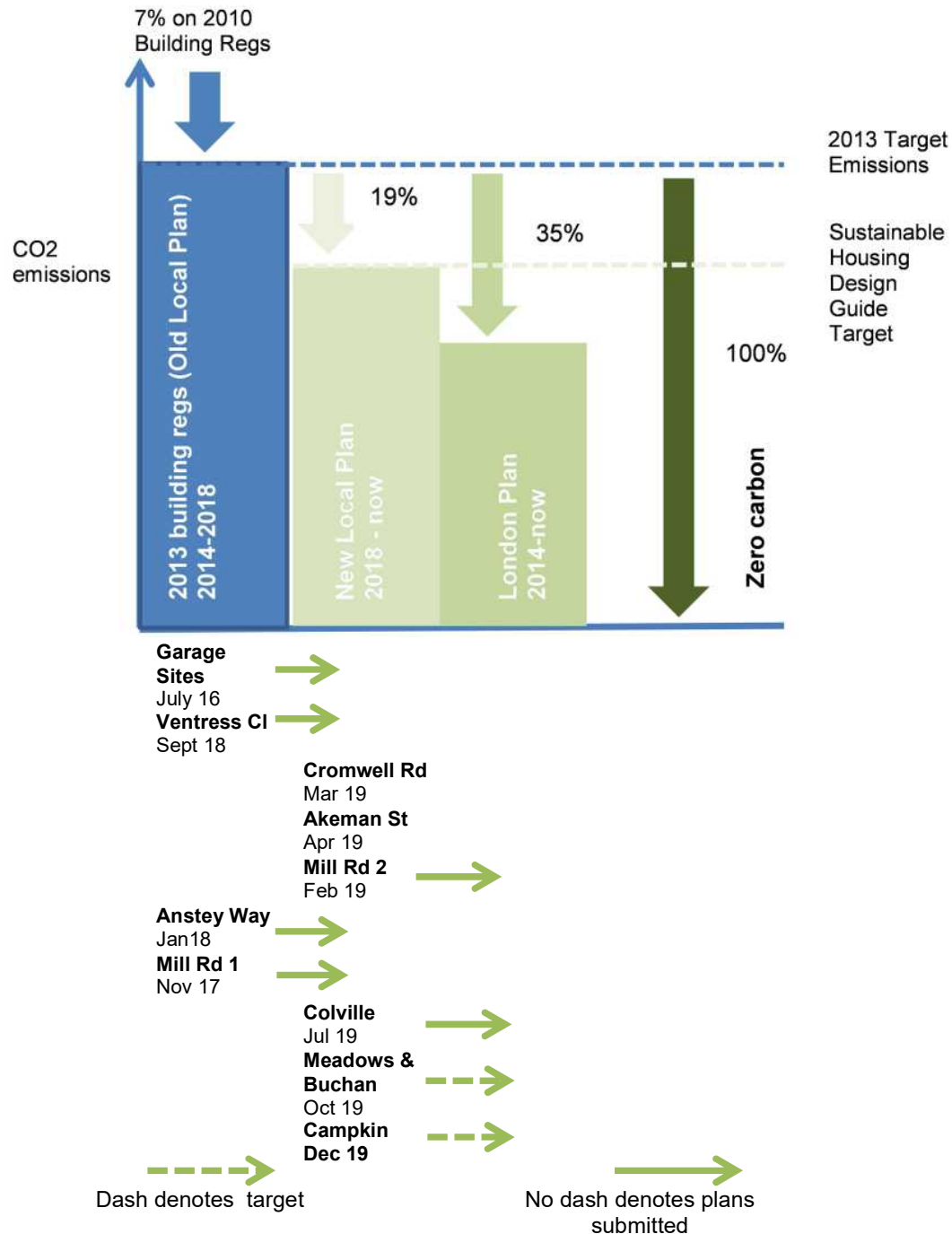
Anstey Way	56	3
Cromwell Road	118	6
Colville Road Ph 2	69	4
Campkin Road	75	3
Meadows & Buchan	106	5

10. Sustainability

10.1 The Council's commitment is for all developments that are part of the Council's Housing Programme to adhere to the 2017 Sustainable Housing Design Guide. This covers a number of areas including: energy and water; space standards and biodiversity. The Sustainable Housing Design Guide targets are now part of the 2018 Cambridge Local Plan. Currently out for consultation is the draft Greater Cambridge Sustainable Design and Construction Supplementary Planning Document (SPD).

10.2 The challenge of climate change is leading to steady improvements in reducing CO2 emissions heading towards zero carbon. The table below highlights how the Cambridge programme has consistently moved ahead of required national standards. The schemes are listed under the required standard at the grant of Planning Permission. The green arrows indicate the standards achieved. The standards are:

- Current national standard (in blue)
- 2016 Cambridge Local Plan which exceeds national minimum standards by 19%
- The London Plan which exceeds national minimum standards by 35%



10.3 The table below highlights the ten schemes and how they are meeting or exceeding the Sustainable Housing Design Guide (part of the 2018 Cambridge Local Plan) and the draft Greater Cambridge Sustainable Design and Construction SPD:

Scheme	Mandatory Sustainability Standard	Actual Sustainability Standard	Key Sustainability components
Mill Rd 1 Anstey Way Garage Sites Ventress Cromwell Rd Akeman	10% on-site renewable energy	19% reduction in carbon emissions	<ul style="list-style-type: none"> • Fabric First • MVHR • Solar PV • Battery Storage
Mill Rd 2 Colville	19% reduction in carbon emissions	35%-40% reduction in emissions	<ul style="list-style-type: none"> • Fabric First • MVHR • Solar PV • Combined Heat and Power
Meadows and Buchan (proposed) Campkin (proposed)	19% reduction in carbon emissions	35%-40% reduction in emissions	<ul style="list-style-type: none"> • Fabric First • MVHR • Solar PV • Air Source Heat Pumps • Battery Storage

10.4 In summary, the Cambridge Local Plan, the Sustainable Housing Design Guide and the draft Greater Cambridge Sustainable Design and Construction SPD have higher sustainability standards than national standards. Of the ten CIP sites in development:

- All sites are achieving higher sustainability standards than national standards.
- All sites are achieving the draft Greater Cambridge Sustainable Design and Construction SPD
- Four are achieving or being designed to achieve higher sustainability standards than the Cambridge Local Plan, the Sustainable Housing Design Guide and the draft Greater Cambridge Sustainable Design and Construction SPD

- 10.5 The designs for the two sites which have not been submitted for Planning yet - Meadows & Buchan, and Campkin Road - are being considered to attain standards close to the London Plan.
- 10.6 As the grid is becoming greener as more electricity is generated through more wind power and solar PV the government is looking to change the way how carbon emissions are calculated in buildings. Both the London Plan and the draft Greater Cambridge Sustainable Design and Construction SPD are looking to include this calculation change which will mean gas is no longer a viable low carbon heating source. Instead, Air Source Heat Pumps as well as Solar PV and battery storage is likely to be the most effective low carbon option.
- 10.7 The process of developing the approach to sustainability is being considered further to include review of practical use and cost for residents, on-going maintenance requirements and costs, and monitoring of systems and their performance.

11. Risks

Risk	Likelihood	Impact	Mitigation
Not achieving the 500 homes target	Low- current programme has 537 homes identified and approved for development.	Med- impact would be delivery of a lower number of much needed homes and reputational risk in the Councils ability to deliver and therefore attract future grant funding.	Programme level monitoring of delivery. Strategy is to exceed target. All schemes have now secured a capital budget for delivery and updated in MTFS as required.
Land Assembly issues delaying start	Medium - a number of the schemes in the programme	High- if vacant possession or access not achieved the	Council putting in place resources to support residents to

on sites	require purchase of land/property from 3 rd parties	scheme cannot be developed.	move. Process also in place to use statutory powers if required.
Cost increases on approved projects	Medium – design revisions requested as part of the planning process may increase the cost of individual housing schemes i.e. tighter air quality requirements will require more sophisticated infrastructure which will lead to higher cost.	Medium - depending on the extent of the additional cost this may be managed within scheme level contingency approved in 2019 Budget Setting Report.	Initial budgets either developed with Hill or Employers Agent. Cost plans are regularly reviewed and updated. SDLT implications have been reviewed as part of the MTFS.
Planning	Medium - on-going resourcing issues within the planning team risk delay to progress of schemes. The Meadows & Buchan scheme is facing public opposition which poses a risk to the 500 programme.	High- if planning is not achieved the scheme cannot be delivered.	Concerns over planning resource have been escalated to Strategic Director level. HDA, senior officers and Councillors continue to engage with public concerns over the Meadows Scheme

Sales risk – exposing Council cash flow forecast	Medium – Housing market fluctuations are beyond Council control but do occur over long periods and affect the entire economy.	Medium – new homes are expensive but retain considerable inherent value and have other uses than market sale.	Commission of private sector sales team and engagement with private sector partners to monitor market fluctuations.
Decanting residents / leaseholders	Low – decanting process has been agreed with City Homes and no evident delays have come up to date	High – regeneration schemes will not be progressed if residents are not decanted.	Close cooperation with City Homes has been agreed; departments liaise and jointly attend interviews with residents.

11.1 Appendix 3 details the proposed arrangements for transfer of sites to for the Cambridge Investment Partnership for development, this is based on the latest legal and tax advice. This has been used to update the budgets within the MTFS.

12. Implications

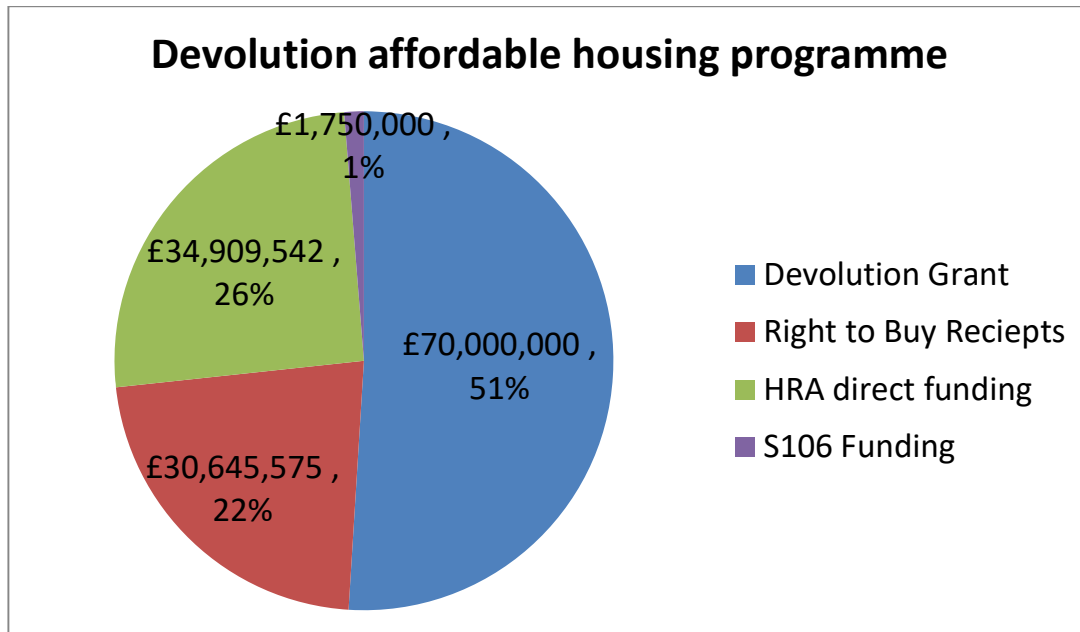
(A) Financial Implications

The Devolution Housing Grant and Right to Buy Receipts will be the main source of funding for schemes in the Rolling Programme that progress into development. However, scheme funding will be confirmed should a scheme be brought to the Committee for scheme specific approval.

Currently the 500 programme has a total approved HRA budget of £137,148,220.00. This is broken down by source:

- Funding provided by the Combined Authority grant
- Funding provided from Section 106 agreements
- Funding provided by Right to Buy receipts

- Funding provided direct from HRA Capital



(B) Staffing Implications

The scheme on the Rolling Programme will be project managed by the Cambridge City Council Housing Development Agency in liaison with City Homes; Housing Maintenance & Assets; and the Council's corporate support teams. Some of the schemes are being delivered through the Cambridge Investment Partnership.

(C) Equality and Poverty Implications

The development framework for new housing by the Council, approved at the March 2017 Housing Scrutiny Committee was informed by an EQIA. Each scheme specific approval is informed by an EQIA if current residents are required to move.

(D) Environmental Implications

There are no environmental implications of this report. Each scheme specific approval will cover any environmental implications.

(E) Procurement Implications

Appendix 3 provides an updated approach to the Cambridge Investment Partnership land transaction and is based on legal advice. Specific legal advice will also be taken on each project and transaction.

(F) Consultation and communication

There are no consultation and communication implications of this report. The development framework for new housing by the Council approved at the March 2017 Housing Scrutiny Committee sets out the Council's commitment to involve residents in new housing schemes.

(G) Community Safety

There are no community safety implications for this report. Each scheme specific approval will cover any community safety implications.

13. Background papers

Background papers used in the preparation of this report:

- a) 19/06/18 HSC report
- b) 17/09/17 Strategy and resources Cambridge Investment Partnership land transactions.

14. Appendices

- (a) Appendix 1: Programme milestone summary
- (b) Appendix 2: Programme finance summary
- (c) Appendix 3: Land transactions Cambridge Investment Partnership

15. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Claire Flowers, Head of Housing Development Agency, tel: 01223 - 457928, email: claire.flowers@cambridge.gov.uk.

HDA Delivery Programme	09/09/2019										
Scheme Name	Ward	Net Affordable	Market homes	Total homes	Delivery	Committee	Approval date	Planning Submitted	Planning Granted	Est. SOS	Practical Completion
BUILD COMPLETED											
Uphall Road	Romsey	2	0	2 E & F	HSC		Mar-15	Aug-16	Dec-16	Jun-17	Jan-18
Nuns Way & Wiles Close	Kings Hedges	10	0	10 Tender	HSC		Mar-15	Aug-16	Jul-17	Jan-19	Sep-19
Sub total		12	0	12							
ON SITE											
Anstey Way	Trumpington	29	0	56 CIP	HSC		Mar-17	Jan-18	Jul-18	Oct-18	Apr-20
Mill Road phases 1 & 2	Petersfield	118	118	236 CIP	S & R		Nov-17	Dec-17	Jun-18	Aug-18	Sep-21
Colville Garages	Cherry Hinton	3	0	3 CIP	HSC		Sep-17	Sep-18	Nov-18	May-19	Jul-20
Queens Meadow	Cherry Hinton	2	0	2 CIP	HSC		Jun-17	Dec-17	Jul-18	May-19	May-20
Markham Close	Kings Hedges	5	0	5 CIP	HSC		Jan-18	May-18	Oct-18	May-19	Aug-20
Gunhild Way	Queen Ediths	2	0	2 CIP	HSC		Jan-18	Jul-18	Oct-18	May-19	Aug-20
Wulfstan Way	Queen Ediths	3	0	3 CIP	HSC		Sep-17	Oct-18	Jan-19	May-19	Jul-20
Ditchburn Place Community Rooms	Petersfield	2	0	2 Tender	S & R		Sep-18	Aug-18	Nov-18	Jan-19	Sep-19
Sub total		164	118	309							
PLANNING APPROVED											
Kendal Way	East Chesterton	2	0	2 TBC	HSC		Mar-15	Aug-16	Feb-17	Jan-20	Jan-21
Ventress Close	Queen Ediths	13	0	15 CIP	HSC		Mar-17	Sep-18	Mar-19	Sep-19	Oct-20
Akeman Street	Arbury	12	0	14 CIP	HSC		Jun-18	Apr-19	Jul-19	Sep-19	Nov-20
Kingsway Medical Centre	Arbury	4	0	4 CCC M&A	HSC		Sep-17	Sep-18	Apr-19	Nov-19	Apr-20
Cromwell Road	Romsey	118	177	295 CIP	S & R		Mar-18	Mar-19	Jun-19	Jan-20	Sep-22
Sub total		149	177	330							
SUBMITTED FOR PLANNING											
Tedder Way	Arbury	2	0	2 TBC	HSC		Mar-15	Mar-17	Nov-19	Apr-20	Jan-21
Clerk Maxwell Road	Newnham	14	21	35 S106	HSC		Jan-19	Dec-18	Jan-20	Apr-20	Jul-21
Colville Phase 2	Cherry Hinton	49	0	69 CIP	HSC		Jan-19	Jul-19	Nov-19	Apr-20	Jan-22
Sub total		65	21	106							
COMMITTEE APPROVED											
Meadows and Buchan	Kings Hedges	106	0	106 CIP	HSC		Jan-19	Nov-19	Mar-20	Jun-20	Nov-21
Campkin Road	Kings Hedges	50	0	75 CIP	HSC		Jul-19	Dec-19	Mar-20	Aug-20	Jun-22
Sub total		156	0	181							
GRAND TOTAL		546	316	938							

Progress to 500 Starts on site	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
By year	2	132	191	221	0	0
Cumulative total	2	134	325	546	546	546

Started on site
176
35%

Progress to 500 completions	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
By year	2	0	12	77	287	168
Cumulative total	2	2	14	91	378	546



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.2 (i)
11 NOVEMBER 2019	PUBLIC REPORT Appendix 1 to this report is exempt from publication because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act. It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information.

£100M AFFORDABLE HOUSING PROGRAMME SCHEME APPROVALS

GREAT WHYTE, RAMSEY - PLATFORM HOUSING GROUP

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. Grant from the Combined Authority Affordable Housing programme of £600,000 is sought for 15 affordable units at 94 Great Whyte, Ramsey, to be delivered by Platform Housing Group. A Business Case for this proposal is attached as exempt Appendix 1.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Graham Bull, Lead Member for Housing and Chair of Housing and Communities Committee

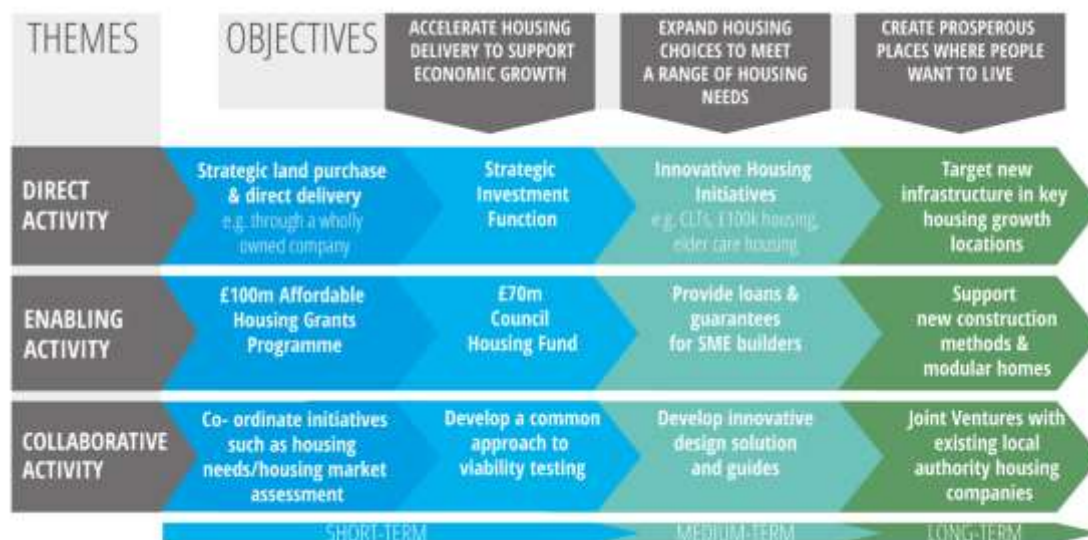
Lead Officer:	Roger Thompson, Director of Housing and Development
Forward Plan Ref: 2019/051	Key Decision: Yes
<p>The Housing and Communities Committee is recommended to:</p> <p>(a) Commit grant funding of £600,000 from the £100m Affordable Housing programme to enable delivery of 15 new affordable homes at 94 Great Whyte, Ramsey.</p>	<p>Voting arrangements:</p> <p>Simple majority of all Members</p>

2. BACKGROUND

- 2.1. The Mayor and the Combined Authority are committed to accelerating affordable housing delivery to meet local and UK need and support economic growth in the region.

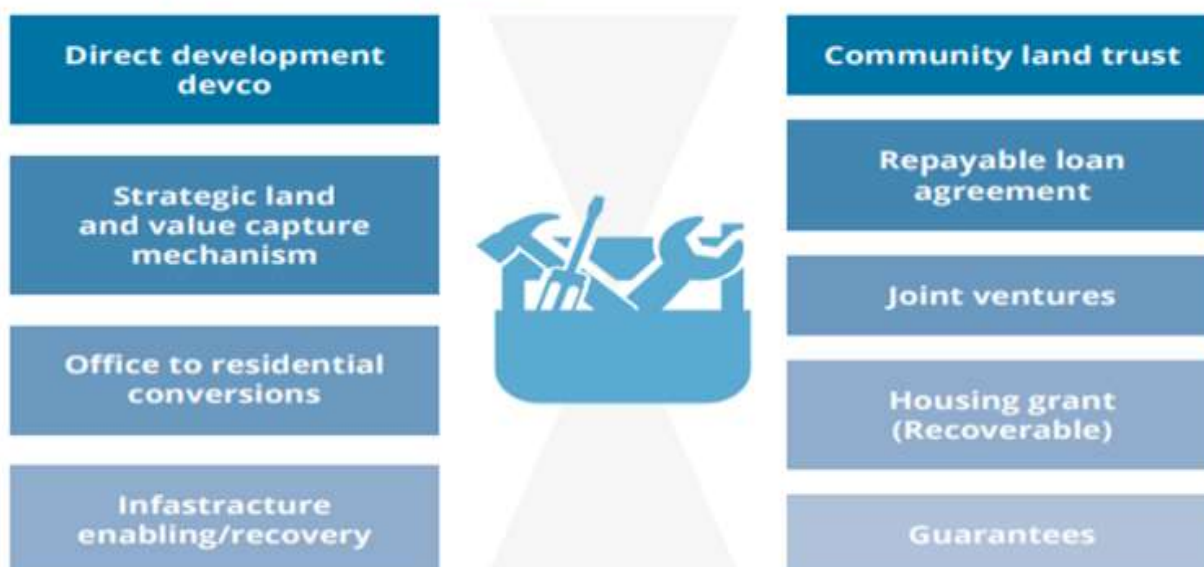
Combined Authority Housing Programme

- 2.2. In 2017, the Combined Authority successfully negotiated £170 million from Government for delivery of an ambitious housing programme providing 2,500 new affordable homes by March 2022.
- 2.3. Within this programme, £100 million is available to be used across the Combined Authority area to deliver 2,000 affordable homes and £70m is available to Cambridge City Council to deliver 500 new council homes.
- 2.4. The Housing and Development Team at the Combined Authority is working with officers in all partner local authorities (via the Cambridgeshire and Peterborough Housing 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.
- 2.5. The Combined Authority Housing Strategy was approved by the Board in September 2018 and included three core objectives as illustrated in the figure below:



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

A flexible multi-toolkit approach



2.7. Full performance updates relating to the programme are presented to the Housing and Communities Committee on a quarterly basis with the most recent provided as a report on today's agenda. Both the £100m & £70m programmes (within the overall £170m programme) are on track to achieve their targets by March 2022.

3. PROPOSED SCHEME FOR APPROVAL

94 GREAT WHYTE, RAMSEY – PLATFORM HOUSING GROUP

- 3.1. Platform Housing Group has applied to the Combined Authority for £600,000 grant to deliver 15 new affordable homes as part of a development of 32 new homes.
- 3.2. Planning application 15/02384/FUL was regarding a Change of use of land, demolition of existing warehouse/store buildings and portable cabin. Construction of a housing development consisting of 32 dwellings with associated vehicular/pedestrian access and landscaping. 94 Great Whyte Ramsey received full planning consent in June 2018.
- 3.3. 94 Great Whyte, Ramsey, is next to the local Fire Station and Elsie Court. It is one of the main streets in Ramsey, with an array of alternative shops, and businesses. To the south east of Peterborough and north east to Alconbury, Ramsey is set in the countryside within easy reach of the A1 (M).



- 3.4. Platform Housing is working in conjunction with Minster Developments which has agreed a purchase price with the land owner. Solicitors have been appointed by all parties and are working towards exchange. Completion is targeted for mid-November.

- 3.5. Platform Housing are asking for a grant to be provided – to acquire 15 units for affordable housing on the site. This does entail 1 x 2b/3p bungalow, 8 x 2b/4p houses and 6 x 3b/5p houses at affordable rent rates.
- 3.6. Affordable rental levels will be capped at the local housing allowance level.
- 3.7. Platform is applying to the Combined Authority for a £600,000 grant to deliver 15 new affordable Homes for affordable rent. This represents an average grant per unit of £40,000.

Dwelling Type	m ²	Gross Sq.Ft	Quantity
1 x 2b/3p bungalow	67	67	1
8 x 2b/4p houses	64.6 -74.8	663.6	8
6 x 3b/5p houses	85-103.7	553	6
15			

Figure 2. Site plan,



Figure 3:- The Site

Entrance from the site to main road



Figure 4:- The Site

Currently occupied with derelict empty factories.



The site is brownfield

About Platform Housing Group

3.8. Waterloo Housing and Fortis Living joined forces as two strong and ambitious businesses, with a clear synergy and alignment in culture and vision, to create Platform Housing Group (PHG).

- 3.9. As one of the UK's biggest housing associations with a portfolio of over 44,000 homes. With a significant affordable homes' development programme, Platform Housing Group is well placed to play a lead role in helping the local communities where we work to flourish and grow.
- 3.10. To provide up to 2,000 new homes each year by 2023, over 18,000 new homes in their first 10 years and a mixed programme of new homes across a range of tenures for people in housing need.
- 3.11. Platform Housing propose starting on site in Quarter 4, 2019-2020, with practical completion to be Quarter 2, 2020-2021, which is a 9 month build programme.
- 3.12. The new affordable homes will be managed by Platform Housing Group formerly Waterloo Housing and Fortis Living.
- 3.13. The Housing Enabling officer for Huntingdonshire DC was happy with the mix of housing on the scheme.

Additionality / Case for Combined Authority funding

3.14. The proposed scheme offers the following additionality:

- The original planning consent required 40% of the units to be affordable, now 100% of the units will be affordable.
- The scheme will deliver 15 new homes for Affordable Rent in an area of housing need. The 15 affordable rental units will be available in accordance with the lettings policy agreed with Huntingdonshire District Council.
- The scheme is anticipated as being delivered by Quarter 2 2020/2021.
- The site is currently consented for 32 units of which 15 are affordable homes and the remainder will be shared ownership units for sale. The CA grant will enable 15 affordable rented units to be provided, with the remainder available for shared ownership sale.

Proposed Conditions of Grant Approval

3.15. It is proposed that the grant of £600,000 for delivery of 15 new affordable homes at 94 Great Whyte, Ramsey be approved subject to the following conditions;

Pre-contract:

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

Post contract but pre draw-down of grant:

- i. evidence of site ownership due for Mid - November
- ii. evidence of start on site.

SIGNIFICANT IMPLICATIONS

4. FINANCIAL IMPLICATIONS

- 4.1. The applicant has provided a scheme Business Case and its supporting documentation, attached as exempt Appendix 1 to this paper.
- 4.2. Supporting this application will approve £600,000 grant from the Affordable Housing Programme at an average grant rate of £40k per unit for affordable rented units.
- 4.3. The impact on this funding on the programme is set out below:

	Number Schemes Approved	Number of Affordable Units Funded	CPCA Funding Committed £
Total Affordable Housing Grants approved by Board	17	908	13,723,206
Total Loan & Toolbox capital committed (from £40m revolving fund)	3	38	35,740,000
TOTAL PRIOR TO NOV 2019 BOARD	20	946	49,463,206
PROPOSED SCHEME FOR SEPT 2019 BOARD APPROVAL			
Great Whyte, Ramsey Affordable Housing Grant (CPCA Board 11 November 2019: Agenda Item 3.1(a))	1	15	600,000
Total Affordable Housing Grants if approved by Board	21	923	14,323,206
Affordable Housing: AVERAGE GRANT RATE PER UNIT*			(14,323,206/923) =15,518
Loan & Toolbox capital committed (from £40m revolving fund)	3	38	35,740,000
TOTAL IF NOV 2019 SCHEME IS APPROVED	24	961	50,063,206

5. LEGAL IMPLICATIONS

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

6. APPENDICES

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

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



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.2 (ii)
11 NOVEMBER 2019	PUBLIC REPORT Appendix 1 to this report is exempt from publication because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act. It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information.

£100M AFFORDABLE HOUSING PROGRAMME SCHEME APPROVALS

BRETTON COURT, BRETTON CENTRE, PETERBOROUGH, MEDESHAM HOMES LLP.

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. Grant from the CPCA Affordable Housing programme of £1,687,500 is sought for 45 affordable units at Bretton Court delivered by Medesham Homes. A Business Case for this proposal is attached as exempt Appendix 1.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Graham Bull, Lead Member for Housing and Chair of Housing and Communities Committee
Lead Officer:	Roger Thompson, Director of Housing and Development

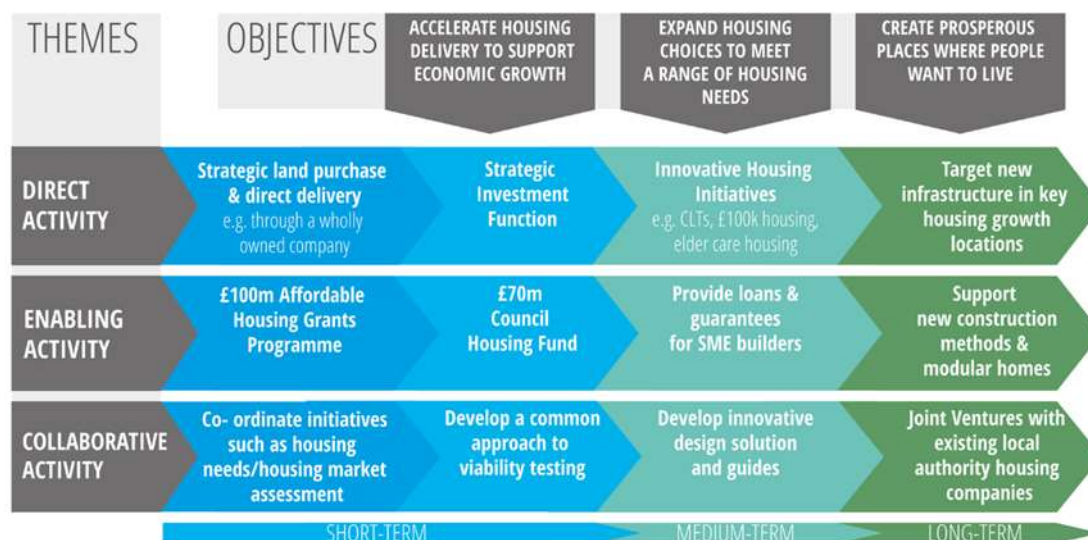
Forward Plan Ref: 2019/051 Key Decision: Yes	
<p>The Housing and Communities Committee is recommended to:</p> <p>(a) Commit grant funding of £1,687,500 from the £100m Affordable Housing programme to enable delivery of 45 new affordable homes ranging from 1 and 2 beds flats, at Bretton Court, Bretton Centre, Peterborough.</p>	<p>Voting arrangements:</p> <p>Simple majority of all Members</p>

2. BACKGROUND

- 2.1. The Mayor and the Combined Authority are committed to accelerating affordable housing delivery to meet local and UK need and support economic growth in the region.

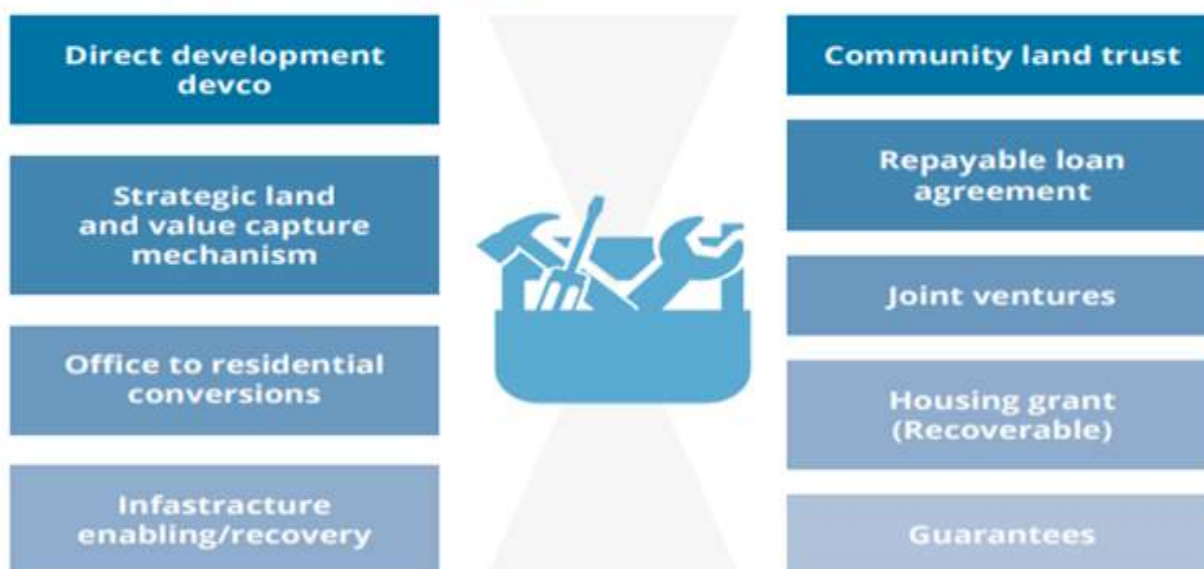
Combined Authority Housing Programme

- 2.2. In 2017, the Combined Authority successfully negotiated £170 million from Government for delivery of an ambitious housing programme providing 2,500 new affordable homes by March 2022.
- 2.3. Within this programme, £100 million is available to be used across the Combined Authority area to deliver 2,000 affordable homes and £70m is available to Cambridge City Council to deliver 500 new council homes.
- 2.4. The Housing and Development Team at the Combined Authority is working with officers in all partner local authorities (via the Cambridgeshire and Peterborough Housing 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.
- 2.5. The Combined Authority Housing Strategy was approved by the Board in September 2018 and included three core objectives as illustrated in the figure below:



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

A flexible multi-toolkit approach



2.7. Full performance updates relating to the programme are presented to the Housing and New Communities Committee on a quarterly basis with the most recent provided on 10 July 2019. Both the £100m & £70m programmes (within the overall £170m programme) are on track to achieve their targets by March 2022.

3. PROPOSED SCHEME FOR APPROVAL

BRETTON COURT, BRETTON CENTRE, PETERBOROUGH – MEDESHAM HOMES

- 3.1. Medesham Homes has applied to the Combined Authority for £1,687,500 grant to deliver 45 new affordable homes, ranging from 1 and 2 bed flats. The Combined Authority Affordable Housing grant will therefore be used to convert the units that were originally intended to be market units to Affordable Rent. A business case and supporting information are attached as a confidential appendix to this paper.
- 3.2. The scheme has a Permitted Development Approval for the Conversion of the Bretton Court Office Block and a Full Planning Approval for the residential conversion of the upper floors of the Roundhead Public House, together with new second floor extension.
- 3.3. Medesham Homes LLP has acquired the two adjacent buildings from Peterborough City Council and a separate Freehold Owner. They are about to enter into a JCT Building Contract for the scheme conversion. The start on site is imminent, December 2019

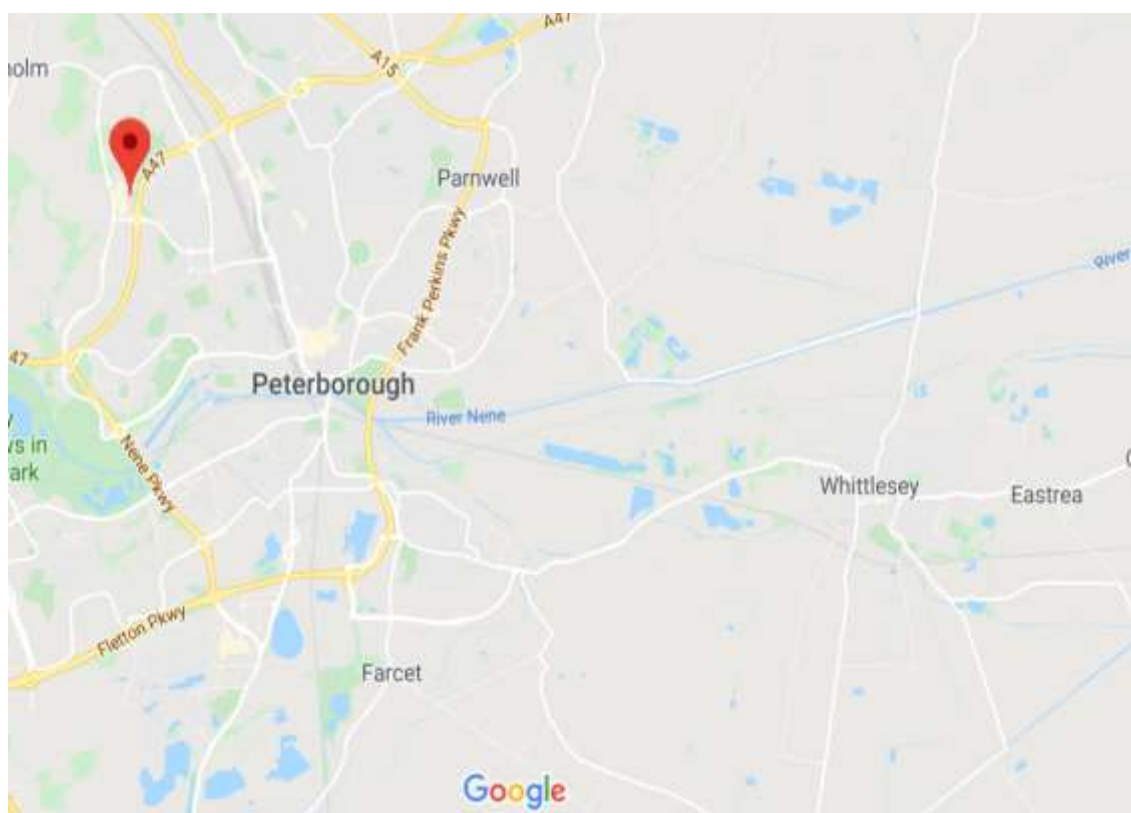


Figure 1. Site location (Google Maps)

- 3.4. Medesham Homes did have the option to develop the flats for sale but have opted for providing 1 and 2 bed flats for affordable rent.
- 3.5. The site is on the north west fringes of Peterborough and is close to the A47 and other main roads.
- 3.6. The accommodation will comprise of 45 one and two bed flats, 38 are to be one bedroom and 7 two-bedroom flats.
- 3.7. JCT Design and Build contract will be with R G Carter who will engage existing local supply chains to deliver the project, with practical completion Q4 2020/21.

Dwelling Type	m ²	Gross Sq.Ft	Quantity
38 x 1 bed flats		-	38
7 x 2 bed flats		-	7
			45

Figure 2: - Site plan – aerial view

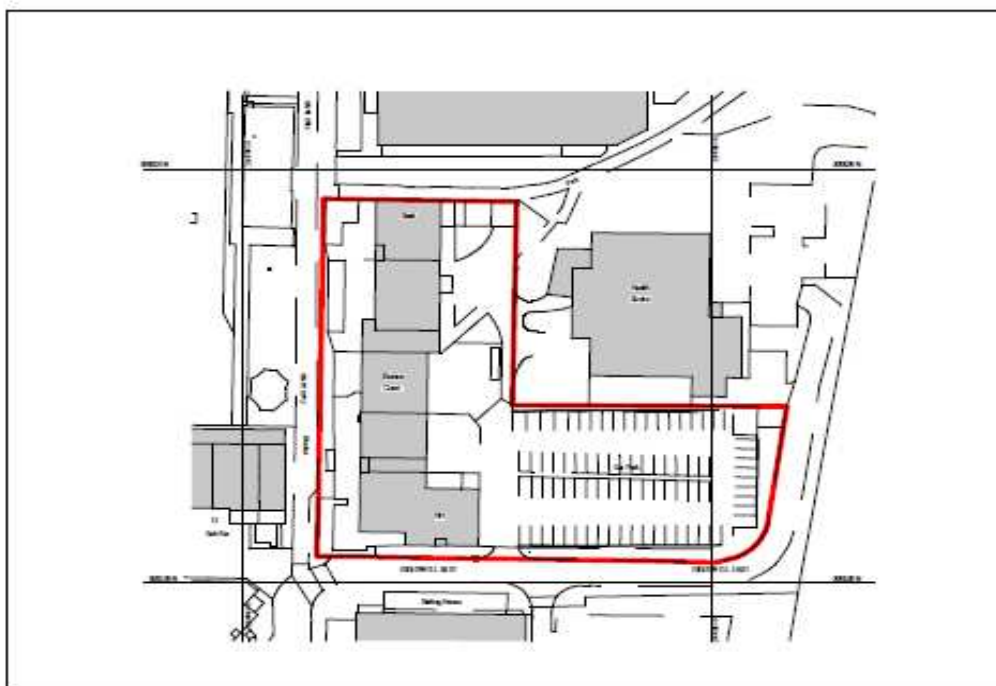
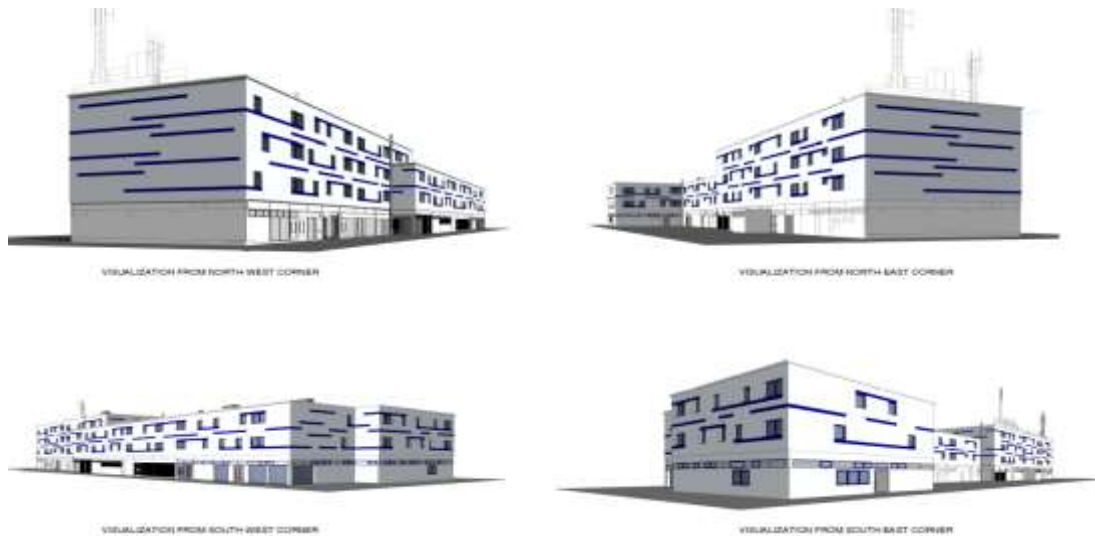


Figure 3: - The Site drawings



About Medesham Homes LLP

- 3.8. Medesham Homes LLP has acquired the two adjacent buildings from Peterborough City Council and a separate freehold Owner, and they have entered into a JCT Building Contract for the scheme conversion.
- 3.9. Medesham Homes is an exciting development partnership between Peterborough's largest housing association Cross Keys Homes and Peterborough City Council.
- 3.10. Established in 2016 to deliver quality affordable homes throughout Peterborough and beyond, they aim to tackle affordable housing issues and longer-term homelessness problems through their ambitious development programme.
- 3.11. With extensive experience of delivering affordable developments and providing long-term housing management services, Medesham Homes is a not-for-profit partnership with a vested interest in helping communities thrive. Drawing funds from right to buy receipts, the scheme is designed to provide attractive, affordable units.
- 3.12. The scheme is part-funded by sale proceeds from Preserved Right to Buy transactions received by the Peterborough City Council from Cross Keys Homes under the terms of the Large-Scale Voluntary Stock transfer agreement entered in 2004.

- 3.13. It was considered that the proposal, along with the former prior approval application would bring a vacant building back into beneficially use, provide much needed housing accommodation and an improvement to the visual amenity of the area by converting the vacant and deteriorating public house. The proposal therefore accords with policy LP8 of the Adopted Peterborough Local Plan (2019).
- 3.14. The site has approval of permitted development for Office Conversion for the Bretton Court Office block and a full planning approval for residential conversion of the upper floors of the Roundhead Public House, with a new second floor.
- 3.15. The whole site will provide an additional 45 rented units of one and two bed flats in a busy area of Peterborough, close to transport links and other facilities such as health centre and shopping.
- 3.16. The Housing and Strategic Planning Manager for Peterborough has commented on this scheme of 45 rented homes and believes this to be a valuable contribution towards meeting the pressing need for affordable rented homes in this area. There is a great need for one and two bed flats for the area, in relation to the housing need. This will help with reducing the numbers on the housing waiting list, as well as helping families who are homeless.

Additionality / Case for Combined Authority funding

3.17. The proposed scheme offers the following additionality:

- The scheme will deliver 45 new homes for Affordable Rent in an area of housing need. The 45 affordable units will be available in accordance with the lettings policy agreed with Peterborough City Council. The scheme is 100% affordable.
- The scheme is anticipated as being delivered by Quarter 4 2020/2021.
- The CA grant will enable 45 affordable rented units to be created as affordable housing, from an under-utilised and antiquated office property.

Proposed Conditions of Grant Approval

3.18. It is proposed that the grant of £1,687,500 for delivery of 45 new affordable homes at Bretton Court, Bretton Centre, Peterborough to be approved subject to the following conditions;

Pre-contract:

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

Post contract but pre draw-down of grant:

- i. evidence of site ownership and contract for scheme conversion

- ii. evidence of completion on site.

SIGNIFICANT IMPLICATIONS

4. FINANCIAL IMPLICATIONS

- 4.1. The applicant has provided a scheme Business Case and its supporting documentation, attached as exempt Appendix 1 to this paper.
- 4.2. Supporting this application will approve £1,687,500 grant from the Affordable Housing Programme at an average grant rate of £37.5k for each rented unit.
- 4.3. The impact on this funding on the programme is set out below:

	Number Schemes Approved	Number of Affordable Units Funded	CPCA Funding Committed £
Total Affordable Housing Grants approved by Board	17	908	13,723,206
Total Loan & Toolbox capital committed (from £40m revolving fund)	3	38	35,740,000
TOTAL PRIOR TO NOV 2019 BOARD	20	946	49,463,206
PROPOSED SCHEME FOR NOV 2019 BOARD APPROVAL			
Great Whyte, Ramsey Affordable Housing Grant (CPCA Board 11 November 2019: Agenda Item 3.1(a))	1	15	600,000
Bretton Court, Bretton Centre, Peterborough Affordable Housing Grant (CPCA Board 11 November 2019: Agenda Item 3.1 (a))	1	45	1,687,500
Total Affordable Housing Grants if approved by Board	22	968	16,010,706
Affordable Housing: AVERAGE GRANT RATE PER UNIT*			(16,010,706/968) =16,539.99
Loan & Toolbox capital committed (from £40m revolving fund)	3	38	35,740,000
TOTAL IF NOV 2019 SCHEME IS APPROVED	25	1006	51,750,706

5. LEGAL IMPLICATIONS

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

6. APPENDICES

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

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



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.2 (iii)
11 NOVEMBER 2019	PUBLIC REPORT Appendix 1 to this report is exempt from publication because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act. It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information.

£100M AFFORDABLE HOUSING PROGRAMME SCHEME APPROVALS

WISBECH ROAD, MARCH, PE15 8EY

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. Grant from the CPCA Affordable Housing programme of £4,542,000 is sought for 118 affordable units at Wisbech Road, March delivered by Funding Affordable Homes Housing Association. A Business Case for this proposal is attached as exempt Appendix 1

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Graham Bull, Lead Member for Housing and Chair of Housing and Communities Committee

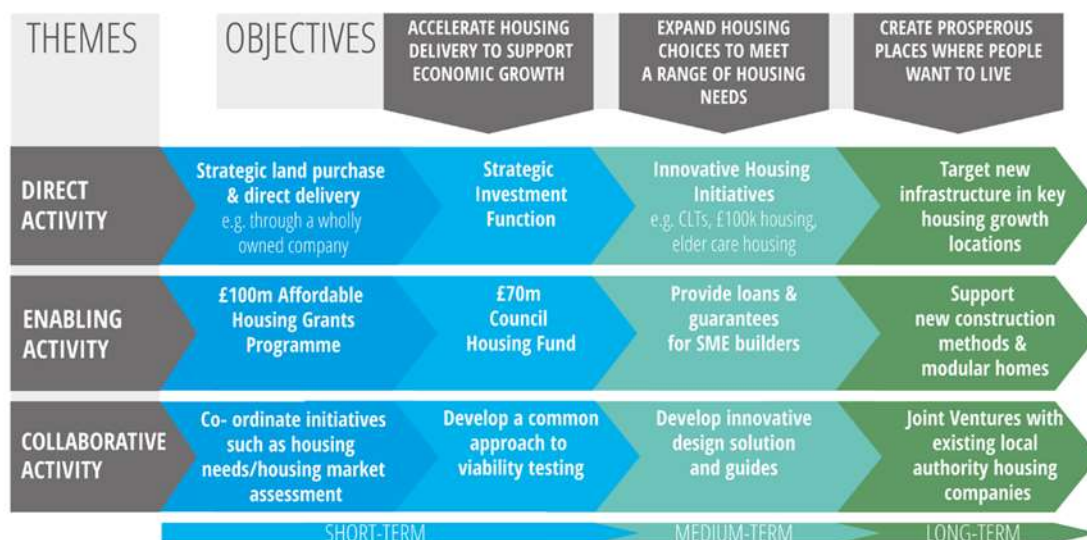
Lead Officer:	Roger Thompson, Director of Housing and Development
Forward Plan Ref: 2019/051	Key Decision: Yes
<p>The Housing and Communities Committee is recommended to:</p> <p>(a) Commit grant funding of £4,542,500 from the £100m Affordable Housing programme to enable delivery of 118 new affordable homes of 2,3 and 4 bed homes of affordable rent and shared ownership homes.</p>	<p>Voting arrangements:</p> <p>Simple majority of all Members</p>

2. BACKGROUND

- 2.1. The Mayor and the Combined Authority are committed to accelerating affordable housing delivery to meet local and UK need and support economic growth in the region.

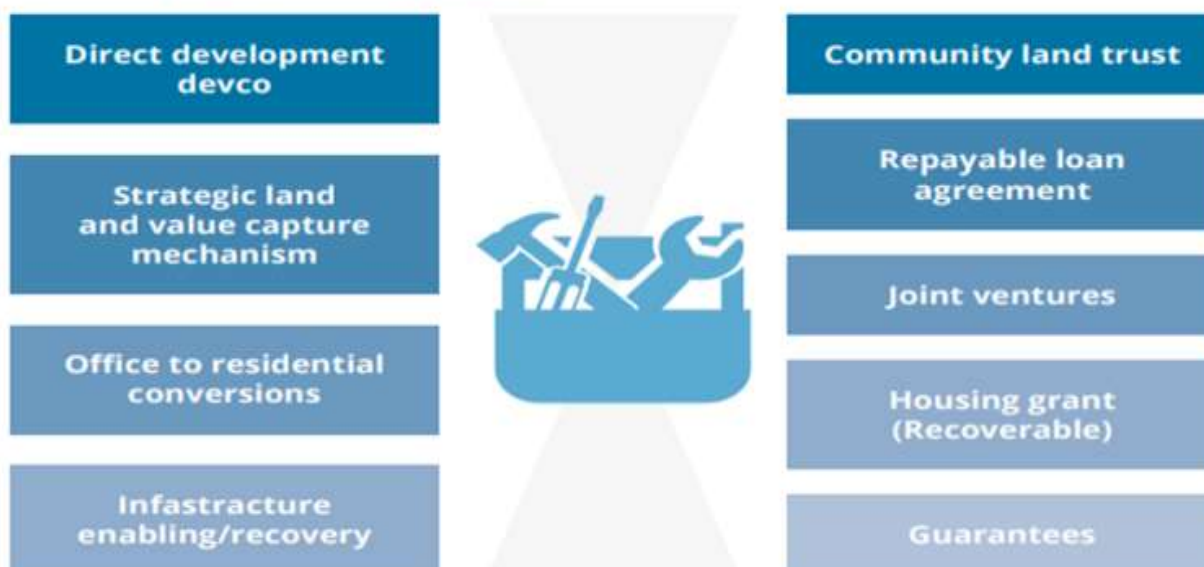
Combined Authority Housing Programme

- 2.2. In 2017, the Combined Authority successfully negotiated £170 million from Government for delivery of an ambitious housing programme providing 2,500 new affordable homes by March 2022.
- 2.3. Within this programme, £100 million is available to be used across the Combined Authority area to deliver 2,000 affordable homes and £70m is available to Cambridge City Council to deliver 500 new council homes.
- 2.4. The Housing and Development Team at the Combined Authority is working with officers in all partner local authorities (via the Cambridgeshire and Peterborough Housing 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.
- 2.5. The Combined Authority Housing Strategy was approved by the Board in September 2018 and included three core objectives as illustrated in the figure below:



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

A flexible multi-toolkit approach



- 2.7. Full performance updates relating to the programme are presented to the Housing and Communities Committee on a quarterly basis with the most recent provided on 10 July 2019. Both the £100m & £70m programmes (within the overall £170m programme) are on track to achieve their targets by March 2022.

3. PROPOSED SCHEME FOR APPROVAL

WISBECH ROAD, MARCH

- 3.1. Funding Affordable Homes has applied to the Combined Authority for £4,542,000 grant to deliver 118 new affordable homes on a windfall site in March. All 118 homes will be delivered by support of the grant. This is a private windfall site, where the homes would have been mostly for outright sale. Through their investment and CPCA grant support they are enabling the delivery of an all affordable housing scheme. The grant will enable a mixed tenure affordable housing scheme to be delivered with many homes for Affordable rent. A business case and supporting information are attached as a confidential appendix to this paper.
- 3.2. Outline Planning Permission granted and Reserved Matters Application to be submitted in November 2019. Final Planning decision is expected in March 2020.
- 3.3. The development site is in Wisbech Road, March, to the east of Peterborough City and north east to Huntingdon and on the outskirts of March. Good road connections are the A141 to get to the site.

Figure 1. Site location (Google Maps)



- 3.4. The site is located within walking distance of March town centre which offers a full range of local services and employment opportunities. Within walking distance of the site there is a supermarket, a range of retail shops, doctor's surgery, library, schools and offices.
- 3.5. The scheme is designed to National Space Standards where possible and is a mixed housing offer based on Local Authority demand and inclusion of homes for a range of housing demand.
- 3.6. The accommodation comprises of 98 affordable rents homes and 20 shared ownership homes. It comprises 2 and 3 bedroom homes, the additionality of the site would include 118 homes. This is a windfall site for the Fenlands Area.
- 3.7. Heads of Terms have been agreed and being signed with the landowner. Conditional exchange of contracts to be completed by January 2020.
- 3.8. All 118 homes will be delivered by support of the grant, as mentioned the site is privately owned and where the homes would have been mostly for outright sale. The grant will enable the mixed tenure of the scheme for a much-needed area.

Dwelling Type	m ²	Gross Sq.Ft	Quantity
2 bed (3 types)		-	90
3 bed (2 types)		-	28
			118

Figure 2: - Site plan – aerial view



- 3.9. The housing team at Fenlands District Council have been consulted. The current mix reflects Fenlands District Council comments, having removed any flats and focussing on 2, 3 and 4 bed houses.
- 3.10. Following recent discussions, it has been agreed that the scheme will operate under a Local Lettings Policy. The purpose of this policy is to let the homes to a wide demographic and economic range to create a balanced and sustainable community. This also supports the introduction of some homes to be sold as shared ownership.

About Funding Affordable Homes Housing Association

- 3.11. Working in partnership with housing associations, local authorities, house builders and developers, Funding Affordable Housing is building a large diversified portfolio of freehold properties offering economies of scale and future value enhancement and realisation.
- 3.12. The strategies include affordable homes for:
- Long-term rent (based on income and need)
 - Shared Ownership (allowing residents to increase their proportion of ownership over time)
 - Specialist accommodation (where additional support is required)
- 3.13. One of the subsidiaries within the Funding Affordable Homes group is the Housing Association 'FAHHA'. As a Registered Provider of affordable housing FAHHA it is a regulatory requirement to publish individual items of development expenditure in excess of £500.

Additionality / Case for Combined Authority funding

- 3.14. The proposed scheme offers the following additionality:
- The scheme will deliver 118 new homes whereby a large proportion is at Affordable Rent in an area of housing need. The 98 affordable rental units will be available in accordance with the lettings policy agreed with Fenlands District Council and 20 shared ownership units.
 - The scheme is anticipated as being delivered by Quarter 2 2022/2023, July 2022.
 - All 118 homes will be delivered by support of the grant. This is a private windfall site, where the homes would otherwise be mostly for outright sale. Through their own investment and CPCA grant support they can enable the delivery of an all affordable housing scheme.
 - The grant will enable a mixed tenure affordable housing scheme to be delivered with many homes for Affordable rent.

Proposed Conditions of Grant Approval

3.15. It is proposed that the grant of £4,542,500 for delivery of 118 new affordable homes at Wisbech Road, March be approved subject to the following conditions;

Pre-contract:

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

Post contract but pre draw-down of grant:

- i. evidence of site ownership
- ii. evidence of planning consent, due at the end of March 2020.
- iii. evidence of start on site.

SIGNIFICANT IMPLICATIONS

4. FINANCIAL IMPLICATIONS

4.1. The applicant has provided a scheme Business Case and its supporting documentation, attached as exempt Appendix 1 to this paper.

4.2. Supporting this application will approve £4,542,000 grant from the Affordable Housing Programme at an average grant rate of £38.5k for each unit.

4.3. The impact on this funding on the programme is set out below:

	Number Schemes Approved	Number of Affordable Units Funded	CPCA Funding Committed £
Total Affordable Housing Grants approved by Board	17	908	13,723,206
Total Loan & Toolbox capital committed (from £40m revolving fund)	3	38	35,740,000
TOTAL PRIOR TO NOV 2019 BOARD	20	946	49,463,206
PROPOSED SCHEME FOR NOV 2019 BOARD APPROVAL			
Great Whyte, Ramsey Affordable Housing Grant (CPCA Board 11 November 2019: Agenda Item 3.1(a))	1	15	600,000

Bretton Court, Bretton Centre, Peterborough Affordable Housing Grant (CPCA Board 11 November 2019: Agenda Item 3.1 (a))	1	45	1,687,500
Wisbech Road, March Affordable Housing Grant, (CPCA Board 11 November 2019: Agenda Item 3.1 (a))	1	118	4,542,000
Total Affordable Housing Grants if approved by Board	23	1086	20,552,706
Affordable Housing: AVERAGE GRANT RATE PER UNIT*			(20,552,706/1086) =18,925.143
Loan & Toolbox capital committed (from £40m revolving fund)	3	38	35,740,000
TOTAL IF NOV 2019 SCHEME IS APPROVED	26	1124	56,292,706

5. LEGAL IMPLICATIONS

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

6. APPENDICES

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

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



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.3
11 November 2019	PUBLIC REPORT Appendix 2 to this report is exempt from publication because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act. It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information.

£100m Affordable Housing Programme Update

1.0 PURPOSE

- 1.1. This report provides an update on the £100 million Affordable Housing Programme being led by the Combined Authority. Appendices 2 and 3 to this report contain commercially sensitive information and are exempt from publication.
- 1.2. The Housing and Communities Committee receives regular performance updates on expenditure and delivery of outputs (new homes) relating to the £100 million Affordable Housing Programme. The next update is proposed to be in March 2020.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Graham Bull, Lead Member for Housing and Chair of Housing and Communities Committee
Lead Officer:	Roger Thompson, Director Housing and Development
Forward Plan Ref: n/a	Key Decision: No

<p>The Housing and Communities Committee is recommended to:</p> <p>(a) Note the report on spend and outputs for the £100 million Affordable Housing Programme.</p> <p>(b) Note the forward pipeline of sites with affordable housing.</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>
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2.0 BACKGROUND

- 2.1. The Combined Authority's Affordable Housing programme runs for five years from 1 April 2017 to 31 March 2022 with the ambition to deliver a minimum of 2,000 new affordable homes.
- 2.2. It is anticipated that over its lifetime, the programme will support a mixed portfolio of schemes including strategic sites and projects brought forward by housing associations, developers and Community Land Trusts (CLTs). It includes the intended use of grant and a revolving fund to help unlock sites and deliver additional affordable housing, alongside other tools to support and enable housing delivery.
- 2.3. The Affordable Housing Programme currently has 20 schemes with allocated funding, of which 11 are in contract.
- 2.4. The programme pipeline has further schemes at various stages of development and due diligence which will be brought to Committee or Board when ready. This includes opportunities for Combined Authority investment into large-scale or 'strategic sites' across Cambridgeshire and Peterborough.
- 2.5. As part of monitoring arrangements for the Devolution Deal, Government undertakes an annual review of progress with representatives from the Combined Authority, Ministry of Housing, Communities and Local Government (MHCLG) and Department for Business, Energy and Industrial Strategy (BEIS). The first meeting for the 2019 Annual Review took place in September, following which additional information has been provided and a follow up meeting is planned for later in November.

3.0 FINANCIAL PERFORMANCE

- 3.1. Grant investment approved for Affordable Housing schemes to date is £13.7 million, with a further £35.5 million approved as revolving fund funding. A total of £49.2 million has therefore been allocated to schemes to date, most on a recycling basis. A list of the 20 schemes with Combined Authority Board or Committee approval is attached as Appendix 1.
- 3.2. Of this, £35.5 million has been contractually committed, comprising £4.6 million in grants and £30.9 million in loan funding. £13.7 million has yet to be

contracted. We anticipate that a further £6.25m of that will be contracted before the next committee date.

- 3.3. £2.4 million in grant and £24.4 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 for providers to supply supporting evidence of project expenditure and delivery milestones having been met to enable prompt payments.
- 3.4. We also provide in Appendix 3 a summary cashflow of the anticipated drawdown of the schemes that have been approved by board to come from the £40m revolving fund. At present the maximum drawdown is forecast to be approximately £30m in December 2019, so there is still opportunity with headroom to find and deliver more revolving fund schemes.

4.0 PROGRAMME DELIVERY

- 4.1. The Affordable Housing Programme currently has 20 schemes with allocated funding, of which 11 are in contract. Five schemes have completed in some form, with two schemes due to complete in the next few months. 202 housing units have started on site to date and 48 homes delivered. We have had confirmation that in January 2020, 234 affordable housing units will start on site at Northstowe simultaneous to the starting of the Mare Fenn flood remediation works. In total 946 units have been approved by the Board and we are chasing those schemes and providers to deal with pre-construction issues as quickly as possible, to commence starts on site.

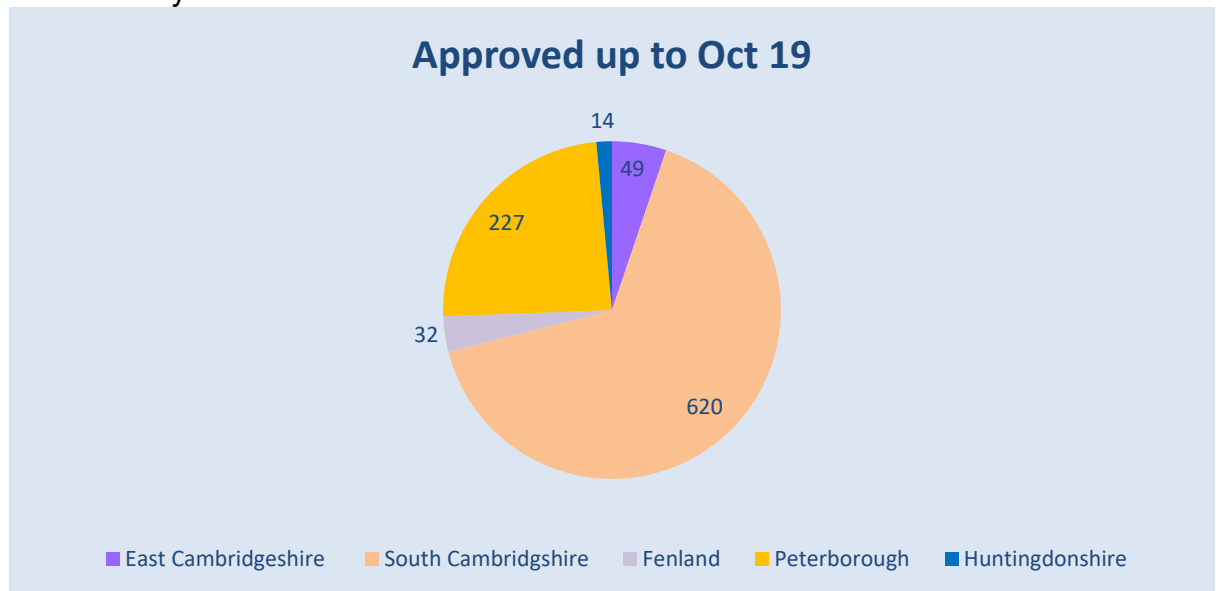
- 4.2. Scheme approvals since July Housing Committee;

- (a) Werrington, Peterborough – Funding Affordable Homes HA will deliver 88 new homes for Affordable Rent. Grant from Combined Authority approved £3,845,600
- (b) Crowland Road, Peterborough – Medesham will deliver 25 homes for Affordable Rent. Grant from Combined Authority approved £875,000
- (c) Drake Avenue, Peterborough – Crosskeys Homes will deliver 33 new homes for Affordable Rent. Grant from Combined Authority approved £1,430,154
- (d) Whaddon Road, Meldreth – Settle homes will deliver 4 new homes for Affordable Rent and 1 new home for Shared Ownership. Grant from Combined Authority approved for £215,000.

- 4.3. Scheme Withdrawals since July Housing committee:

- (a) Station Road, Thorney – Prospective acquisition to acquire a 5.1 acre site, withdrawn from transaction following pre-contract due diligence, issues with securing vacant possession, adequate highways access solution and planning following adoption of new local plan.

- 4.4. In total £6,365,754 has been approved since reporting to July Housing Committee, to deliver an additional 151 new affordable homes.
- 4.5. Figure 1) below shows the current distribution of the 946 approved units by local authority.



Starts on Site

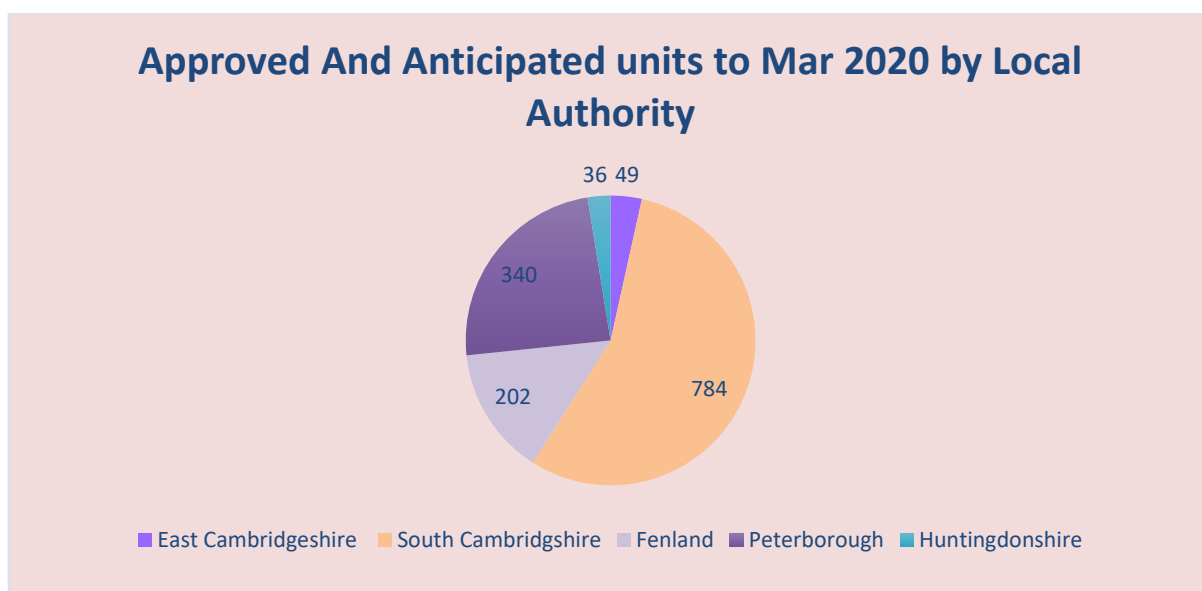
- 4.6. There have been 202 Starts on Site to date with the most recent scheme started at Crowland Road in Peterborough (at developers risk subject to Combine Authority contract).
- 4.7. We have had confirmation that in January 2020, 234 affordable housing units will start on site at Northstowe, simultaneous to the starting of the Mare Fenn flood remediation works.
- 4.8. East Cambs Trading Company confirmed start on site of 15 affordable units in August as a result of the refurbishment of the former MOD site in Ely.
- 4.9. We anticipate more starts on site in early 2020 up to the Combined Authority year end March 2020 business plan target of around 600 units.

Completions

- 4.10. The programme has so far delivered 48 completed units. Most recently since we last reported to July committee, 12 units at Snowley Park and 15 units at Willingham have completed.
- 4.11. A further 20 homes are due to complete before the next committee date, 8 homes in Burwell, East Cambridgeshire being delivered by Hastoe and a further 12 homes are programmed to complete at Snowley Park, Fenland being delivered by Cross Keys Homes.

Forward Programme and Pipeline Development

- 4.12. There are 3 new schemes for grant being recommended to committee at the Nov 19 meeting, totalling 178 units from an additional £6,829,500 of proposed grant funding. The cumulative impact of those schemes once approved will be reported at the next performance update to committee.
- 4.13. Schemes totalling an additional 287 units are currently under active consideration by Combined Authority officers (where the Housing and Development Team is in active discussions with applicants regarding proposed schemes) and we expect to come forward for Committee or Board approval before March 2020. The projected distribution of units by local authority area for both approved schemes, units being considered at Nov 19 committee and units under consideration before Mar 2020 is shown in Figure 2) below.



- 4.14. There are over 3,000 affordable units in the Cambridgeshire and Peterborough Affordable Housing programme pipeline which is updated by local authority housing officers. With a discount applied for risk for up to 70% of those units not actually getting to the point of coming into the Combined Authority programme, around a further 1200 units could be delivered from this pipeline using devolution funds.
- 4.15. Therefore at this stage we are still confident that the programme target of a minimum of 2,000 new affordable homes will be delivered as starts on site by 31st March 2022. The pipeline list is attached as Appendix 2 (Exempt). We are expecting an acceleration in starts on site, with a target of 600 by end March 2020.
- 4.16. In addition to identified schemes, there may be opportunities for CA investment into schemes or phases as part of delivery of large-scale or 'strategic sites'

across Cambridgeshire and Peterborough. The Combined Authority is engaged in early-stage dialogue with a range of organisations. Strategic sites have the potential to deliver significant numbers of new homes. Some of the new homes might be deliverable within the £100m Affordable Housing Programme period to March 2022, for example potential affordable units at Wyton Airfield and the CLT scheme at Kennett in East Cambs.

- 4.17. Further opportunities will be identified during the programme across the range of development toolbox methodologies. We monitor housing sites that are currently on the market and upon which we review if any housing toolbox action might be considered appropriate if the market might be considered as failing to deliver.

Communicating the Opportunity

- 4.18. 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.

- 4.19. 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

- 4.20. The Combined Authority programme is facing pressure from Providers' ability to seek funding from other sources – primarily Homes England. The current Homes England Shared Ownership and Affordable Homes Programme ends in March 2021 and providers are keen to take up and deliver on their full obligations within that programme, as their performance will impact on future funding allocations.

- 4.21. There is currently a higher than usual market risk, with a slowdown in the market since September 2018 making registered providers more nervous about making decisions to proceed, particularly with schemes that involve shared ownership units.

- 4.22. Officers from the Housing and Development Team meet Homes England staff regularly to share intelligence and monitor the impacts of the respective programmes.

5.0 FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications other than those covered in the body of the report.

6.0 LEGAL IMPLICATIONS

- 6.1. 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.
- 6.2. 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.

7.0 APPENDICES

- 7.1. Appendix 1 – Combined Authority Affordable Housing Programme - Approved Schemes October 2019
- 7.2. Appendix 2 – exempt from publication – Affordable Housing Programme Pipeline
- 7.3. Appendix 3 - £40m revolving fund summary cashflow forecast

<u>Background Papers</u>	<u>Location</u>
<i>DCLG Approved Business Case</i> Devolution Deal 2016 Assurance Framework	Cambridgeshire and Peterborough Combined Authority, Alconbury Enterprise Campus, Alconbury Weald, Huntingdon PE28 4XA http://cambridgeshirepeterborough-ca.gov.uk/

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	Notes:
Soham	PGH	East Cambs	8	8	26/07/2017	01/09/2017	8	31/08/2018	31/08/2018	8	£ 120,000	£ 120,000		Completed
Littleport	CHS	East Cambs	16	5	26/07/2017	01/08/2017	5	31/10/2018	18/11/2018	5	£ 97,500	£ 97,500		Completed
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		Completed
Willingham	CKH	South Cambs	22	15	26/07/2017	31/03/2018	15	01/05/2019	15/07/2019	15	£ 525,000	£ 525,000		Completed
Burwell	Hastoe	East Cambs	8	8	26/07/2017	15/02/2018	8	30/09/2019	31/10/2019		£ 330,000	£ 231,000		Completing Nov 2019 - Awaiting confirmation & PC claim anticipated
Perkins	CKH	Peterborough	104	54	26/07/2017	31/10/2018	54	31/10/2019	30/04/2020		£ 1,700,000	£ 1,190,000		Completing Apr 2020
Snowley Park	CKH	Fenland	37	24	26/07/2017	01/10/2017	24	31/05/2019	31/12/2019	12	£ 150,000	£ 75,000		First 12 units completed, rest completing by Dec 2019
Papworth	Flagship	South Cambs	61	9	26/07/2017	TBA		TBA	TBA		£ 114,000	£ -		Flagship started scheme. Awaiting clarification whether still progressng with grant agreement, pending S106 with council
Whittlesford	possibly L&G AH (was clarion)	South Cambs	60	43	31/10/2018	TBA		TBA	TBA		£ 1,634,000	£ -		Alternative provider is now seeking to progress site, awaiting outcome of their interest
Springfield Ave March	Clarion	Fenland	40	8	27/02/2019	30/10/2019		TBA	31/10/2020		£ 440,000	£ -		Planning now secured draft grant agreement issued
Belle Vue Stanground	Medesham	Peterborough	30	21	29/05/2019	31/05/2019	21	30/11/2019	27/03/2020		£ 735,000	£ -		Funding agreement completed 08/10/19, started on site, first payment claim awaited
Luminus HDC Sites	Chorus (Luminus)	Huntingdonshire	14	14	26/06/2019	30/11/2019		TBA	30/11/2020		£ 618,800	£ -		Draft funding agreement expected to complete Nov 19
Mare Fen Northstowe (Infrastructure Grant)	Homes England	South Cambs	3500	540	28/03/2018	30/11/2019		TBA	30/11/2020		£ 760,152	£ -		Grant Agreement completed 24/05/19; SoS for infrastructure & 243 AH units confirmed Jan2020
Werrington, Peterborough	Funding Affordable Homes HA	Peterborough	88	88	31/07/2019	01/10/2020		TBA	31/03/2022		£ 3,845,600	£ -		Planning Application being prepared
Crowland Road, Peterborough	Medesham	Peterborough	35	25	31/07/2019	31/07/2019	25	31/01/2020	31/07/2020		£ 875,000	£ -		Draft funding agreement issued, completion expected Nov 19, started on site
Drake Aveniue, Peterborough	CKH	Peterborough	33	33	31/07/2019	01/10/2020		TBA	01/10/2021		£ 1,430,154	£ -		Planning application being prepared by CKH
Whaddon Road, Meldreth	Settle (NHH)	South Cambs	5	5	09/10/2019	31/01/2020		TBA	30/11/2020		£ 215,000	£ -		Draft funding agreement issued, surveys may delay SOS to early 2020
Sub-total Housing Grants			4085	908			168			48	£ 13,723,206	£ 2,371,500		
Loan or other Toolbox Investments														
Haddenham CLT (Loan)	ECTC/PGH	East Cambs	54	19	27/06/2018	05/09/2019	19	30/06/2020	30/04/2021		£ 6,500,000	£ 1,300,000		Completed Facility Agreement, First drawdown made 31/5/19
Ely MOD Site (Loan)	ECTC/PGH	East Cambs	92	15	28/11/2018	31/07/2019	15	30/11/2019	31/12/2020		£ 24,400,000	£ 23,054,321		Completed Facility Agreement, First drawdown made 31/7/19
Alexander House Ely (Loan)	Laragh Developments	East Cambs	25	4	26/06/2019	30/11/2019		30/11/2020	31/12/2020		£ 4,550,000	£ -		In Legals for Facility Agreement, exchange expected Nov 19, Start on site Dec 19
Sub-total Toolbox Investments			171	38			34				£ 35,450,000	£ 24,354,321		
Programme Totals			4256	946			202			48	£ 49,173,206	£ 26,725,821		

£40m Revolving Fund Cash Flow Projection (Net)

