



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Housing and Communities Committee Minutes

Meeting: Monday 6 September 2021

Venue: Council Chamber, Fenland Hall

Time: 10.00am – 11.46am

Present:

Councillor Lewis Herbert – Chair and Member for Cambridge City Council
Councillor Lucy Nethsingha – Cambridgeshire County Council
Councillor Anna Bailey – East Cambridgeshire District Council
Councillor Ryan Fuller – Huntingdonshire District Council
Councillor John Howard – Peterborough City Council
Councillor John Batchelor – South Cambridgeshire District Council
Councillor Dee Laws – Fenland District Council

Apologies:

Councillor David Ambrose-Smith – East Cambridgeshire District Council
Councillor Steve Allen – Peterborough City Council
Councillor Alison Whelan – Cambridgeshire County

Part 1 - Governance Items

14. Apologies for Absence and Declarations of Interest and Announcements

Apologies received from Councillor Steve Allen, Councillor John Howard attended as substitute. Councillor Ambrose Smith, Councillor Anna Bailey attended as substitute and Councillor Alison Whelan, Councillor Lucy Nethsingha attended as substitute.

Councillor Anna Bailey declared an interest as a Trustee of the East Cambridgeshire Community Land Trust.

The Chair updated the Committee on a letter received by the Combined Authority from MP Luke Hall confirming £18.7 million out of the £45 million that had not yet been paid for the five-year Affordable Housing programme, that they had committed to. We do not know the detail behind the commitment and that officers were seeking

further clarification from MHCLG and that this would be covered further in item 3.2 on the agenda.

15. Minutes of the Housing and Communities Committee meeting on 21 June 2021 and Actions

The minutes of the meeting on 21 June 2021 were approved as an accurate record.

The action log was noted.

16. Public Questions

No public questions were received.

17. Housing and Communities Committee Agenda Plan

The Chair highlighted that the November meeting will be last chance to raise any housing projects that would be able to proceed by the March 2022 deadline.

It was resolved to note the agenda plan.

18. Combined Authority Forward Plan

It was resolved to note the Forward Plan.

Part 2 – Recommendations to the Combined Authority Board

19. £100k Homes Policy Closure

The Committee received a report that an update on the current position of £100k Homes and how the policy to encourage delivery of units was being affected by the introduction of national planning policy, specifically the First Homes Policy which had many similarities to the CPCA's £100k Homes Policy.

Introducing the report the Director of Housing and Development explained that the governments First Homes Policy was very similar in its nature to the £100k Homes Policy. He explained that the First Homes Policy had been introduced under the new National Planning Framework. He explained that Ministry for Housing Communities and Local Government (MHCLG) had stipulated that any funding received in 2021-22 by the Combined Authority was not to be used on future loans and that the money should be put into the Housing grant funding programme. He explained that therefore this left no route by which the Combined Authority could deliver the £100k Homes programme. He highlighted that there had been a significant amount of interest in the £100k Homes Scheme therefore there would

need to be a communication to these individuals about the change in emphasis that the Combined Authority was proposing.

Discussing the report:

- A Member commented that she understood why the government had not supported the £100k Homes Scheme as it has always given an enormous amount of subsidy to a small amount of people, and was relieved to see that the Combined Authority were not proceeding with the scheme.
- A Member highlighted their disappointment on the closure of the scheme. She acknowledged that the First Homes Policy included many of the principles of the £100k Homes Policy and that she was pleased the government were bringing the policy forward. She highlighted that it would take time for First Homes to come forward. She commented that there had been a misrepresentation of the £100k Homes Policy and the delivery schedule. She explained that East Cambridgeshire District Council had adopted its own Allocations Policy for £100K Homes and would continue to deliver them until the First Homes Policy was rolled out. She explained that East Cambridgeshire had the first eight £100k Home in Fordham as outlined in the report. She highlighted that in the next few weeks they would be inviting expressions of interest for Alexander House in Ely.
- A Member highlighted an error in the second part of the recommendation that which should have read £100k Homes and not First Homes.
- A Member commented that the four £100k Homes that had been developed in South Cambridgeshire had already been converted into First Homes. He commented that there was a substantial difference between the First Home and £100k Homes, in that £100k Homes was a fixed amount of money which did not work across the entire County given the differing costs of land and building.
- A Member commented that he was not disappointed with the policy going and had raised concerns about it in the past. He acknowledged that the principle of the policy was right and it was regrettable that there was nothing to replace the scheme beyond the governments First Homes Policy. He commented that the Combined Authority should be going above and beyond what the government was already doing.

In bringing the discussion to a close the Chair commented that he would not dwell on issues under the previous administration and that there needed to be a focus on the delivery of the housing that the Combined Authority had received the funding for. He asked the Director of Housing and Development to include the offer from East Cambridgeshire District Council in the communication out to individuals that had expressed an interest in £100K Homes. **ACTION**

It was resolved by majority to:

Approve and recommend the report regarding ceasing the promotion and implementing the closure of the £100k Homes policy to the CPCA Board.

Communicate with all those who have registered an interest on the £100k Homes scheme and advise of the affordable housing schemes already being supported by the CPCA with contact details.

Part 3 - Programme Delivery

20. Eight Combined Authority Affordable Housing Principles 2022 to 2025

The Committee considered a report that outlined eight principles for Affordable Housing delivery for the period 2022 to 2025, subject to Government continuing to fund the £100m Affordable Housing programme.

Introducing the report, the Chair commented that affordable housing remained a central priority for the Combined Authority and that the Combined Authority expressed an aspiration to build with MHCLG and that he hoped that the current funding allocation would not limit hopes and ambitions for future housing projects. The Chair highlighted that there were different focuses and interventions in different parts of the County. He commented that to achieve the GVA targets all types of housing was required. The Chair praised the work of the Housing team on their achievements so far but highlighted that if government limited the future funding then the Combined Authority would be limited in the projects it could take forward. He explained that he was impressed with the depth of the response to the consultation on the draft principles. He explained that the next steps would be further dialogue with MHCLG regarding further funding, and then come back with a fuller strategy for the Committees input and go out to registered providers and the voluntary sector for their inputs.

In discussing the report;

- A Member commented that from his Districts point of view there needed to be a fundamental change in how the grant funding was allocated as the £45,000 cap did not work for Greater Cambridge, Cambridge City and South Cambridgeshire and there needed to be much more flexibility. He commented that there was mention of supporting those on the lowest income which the current provision of housing did not support. He explained that he would like to see funding devolved to the District Councils.
- A Member expressed his concern that not enough of the feedback from the consultation had been included in the principles and because of this he could not support the approval of the principles as they currently stood.
- A Member explained that she welcomed the principles and was happy to take them forward as they stood but acknowledged that there was a lot more work to be done.

- A Member commented that the principles did not translate to a balanced approach across the Districts. She explained that it should be up to each District area to determine its housing provision and that the Combined Authority's role was to provide additionality. She commented that affordable rent did not suit every area and that the prevention agenda was crucial to take the pressure of homelessness. She expressed her concerns in relation to the understanding of Community Land Trusts and the importance of the trusts being community lead. She explained that East Cambridgeshire District Council had written to the Mayor about taking back resource in-house to support Community Land Trusts. She stated that she would not support the agreement of the principles as they currently stood.
- A Member expressed their view that it was up to each District to determine its housing provision and what was needed in the community. She highlighted the challenges in Fenland in relation to viability.

Bringing the debate to a close, the Chair explained that the principles were not finalised and that further input was required following discussions with MHCLG. He explained that the Combined Authority would write to MP Luke Hall with a proposition going forwards and that this would be discussed at the next Leaders Strategy meeting. He would then come back to Committee in November with an update. He highlighted the importance of working together to secure a funding base.

A member requested that the first two recommendations be voted on separately to the third recommendation, which the Chair accepted.

It was resolved unanimously to:

- endorse affordable housing (AH) delivery as a continuing priority for the Combined Authority (CA),
- recognise that further additionality on affordable housing by the CA is dependent on decisions still to be advised by MHCLG including their contributions to be confirmed to the CA successfully completing its 2017 to 2022 delivery, and their willingness to fund an ongoing delivery 2022 to 2025 affordable housing programme,

The third recommendation was rejected as follows:

- support the eight principles below, as informed and improved by constituent council input. Recognising that there will be a wider consultation with councils, affordable housing providers, and others when we achieve in principle Government support for 2022 to 2025 delivery.

21. £100m Affordable Housing Programme Update

The Committee received a report which provided an update on the Affordable Housing Programme being led by the Combined Authority.

Introducing the report the Director of Housing and Development stated that some of the report had been superseded by the letter that had been received from the Minister. He stated that the previous discussions with MHCLG had set out a number of conditions for the receipt of funding which were highlighted in 2.2 of the report. He explained that on the basis of the funding that had been proposed being approved for the top 18 schemes detailed in appendix 2 of the report and assuming that our deliver partners were able to deliver by 31 March 2022, the schemes could be delivered and that currently he was not aware whether MHCLG would provide an extension to the end date of the programme. He explained that there were some concerns with the five schemes in the further pipeline and that officers had not given up on the schemes and would be pursuing them in further discussions with MHCLG. He highlighted the reduction in the proposed grant rate on the scheme at the former East Anglia galvanizing works previously approved at Housing and Communities Committee on 9 November 2020 from the level of £3,830,725 (equating to £49,750 per unit) to £3,464,615 (equating to an average rate of £44,995 per unit). He clarified that 4 out of 5 of the loans highlighted in the financial implications of the report were going to plan and that one scheme had slipped in relation to timescales which was the Ministry of Defence site as there was a delay in the disposal of the affordable housing units which he hoped would be resolved by the November Committee. He stated that they had sought clarity from MHCLG on the ability to substitute schemes.

In discussing the report;

- A Member stated that the Combined Authority had gone well beyond its requirements in relation to affordable housing and did not agree with the argument given by MHCLG. The Director of Housing and Development stated that there was an ongoing dialogue with MHCLG and that this would be discussed further at the next Leaders Strategy meeting in terms of the direction of future discussions.
- A Member queried the process for identifying projects in particular the three projects in South Cambridgeshire. The Director of Housing and Development explained that there was consultation with the relevant District Housing teams in terms of what could be added to the pipeline and the programme. He stated that they had received one response from South Cambridgeshire on a scheme added to the programme with the further two schemes identified at a wider level from developers and contractors. He explained that the Combined Authority Housing team would welcome a more detailed dialogue with the South Cambridgeshire Housing team.

In bringing the debate to a close the Chair thanked officers for the hard work that they had put into the programme so far and stated that the Committee would be updated on any further dialogue with MHCLG in the coming weeks.

It was resolved unanimously to:

- a) Note the report.
- b) Note a reduction in the proposed grant rate on the scheme at the former East Anglia galvanizing works previously approved at Housing and Communities Committee on 9 November 2020 from the level of £3,830,725 (equating to £49,750 per unit) to £3,464,615 (equating to an average rate of £44,995 per unit).

22. £100m Affordable Housing Programme Scheme Approvals – Heylo: SN Developments & Larkfleet

The Committee considered a report which sought grant funding from the Combined Authority's Affordable Housing Programme of £1,209,000 for 27 new homes for shared ownership units in East Cambridgeshire with the SN Developments site (11 new units), and Peterborough City Council and Fenland District Council areas with the additional Larkfleet sites (16 units).

Introducing the report officers explained that any approval be subject to MHCLG's decision on current funding and would replace two possible non-performing sites at March Town Centre (Hereward Hall and Queens Street). Officers commented that this would amount to 38 units lost in total and would be replaced by Heylo SN developments and Larkfleet additional units of 27. The previous sites had a grant approval of £1,600,000 (£760,000 + £840,000), and Heylo was requesting £1,209,000 of the £1,600,000 returning to the Housing grant pot.

It was resolved unanimously to:

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

23. £100m Affordable Housing Programme Scheme Approvals - Bayard Plaza

The Committee considered a report which sought grant from funding from the Combined Authority's Affordable Housing Programme of £1,800,000 for approximately 40 new flats in the Peterborough region.

Introducing the report officers explained that the site was being delivered by the Brightfield Group, who had converted an old office to residential units. Officers clarified that 40 market units would be converted to affordable rental to buy and therefore available at an affordable rent for up to 20 years. Officers explained that the units would be delivered to a high specification, with open plan living arrangements which helped with heating and energy efficiencies.

In discussing the report:

- A Member highlighted that the government had not been keen in the past on the Rent Plus Model and questioned whether it should be put forward. The Director of Housing and Development explained that this had been the case but that there had received significant amounts of information that there had been support for the model in the past by Ministers and that they would be discussing the proposals with MHCLG as an option to see if it could be supported going forwards. The Chair stated that rent plus gave individuals flexibility which made a good option.
- A Member stated that they agreed that the Rentplus option should be explored and that it was a generally secure way of providing affordable housing.

It was resolved by majority to:

- a) Committing grant funding of £1,800,000 from the £100m Affordable Housing programme to enable delivery of 40 new affordable flats of the rent to buy product at Bayard Plaza, Peterborough, with Rentplus. Subject to confirmation of the release of balancing monies for the £100m programme from BEIS & MHCLG and MHCLG approving the Rentplus delivery model. Rentplus will be required to offer these properties through the Council's Choice Based Lettings scheme.

24. £100m Affordable Housing Programme Scheme Approvals - YBS with Rentplus

The Committee considered a report which sought grant from funding from the Combined Authority's Affordable Housing Programme of £4,320,000 for 96 flats, from the former office building the Yorkshire Building Society, Lynch Wood, Peterborough.

Introducing the report officers explained that this would be an office to residential conversion permitted development, which would be acquired by Rentplus.

It was resolved by majority to:

- a) Committing grant funding of £4,320,000 from the £100m Affordable Housing programme to enable delivery of 96 affordable new homes, with Rentplus, in Peterborough. Subject to confirmation of the release of

balancing monies for the £100m programme from BEIS & MHCLG and MHCLG approving the Rentplus delivery model. Rentplus will be required to offer these properties through the Council's Choice Based Lettings scheme.

Part 3 – Date of the next meeting

25. It was resolved to:

Note the date of the next meeting as Wednesday 3 November 2021.