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D. Steve,

Thank you for your letter of 20 October, following my meeting with Cambridgeshire and Peterborough Leaders to discuss your proposals for a devolution deal. It was an excellent discussion and I appreciated hearing the details of your proposals and seeing the enthusiasm to work with Government in this area.

I am writing to you to set out further details of the Government's current position in relation to the Housing elements of the Cambridgeshire and Peterborough Deal.

As you are aware, the Cambridgeshire and Peterborough Devolution Deal includes two specific proposals for housing:

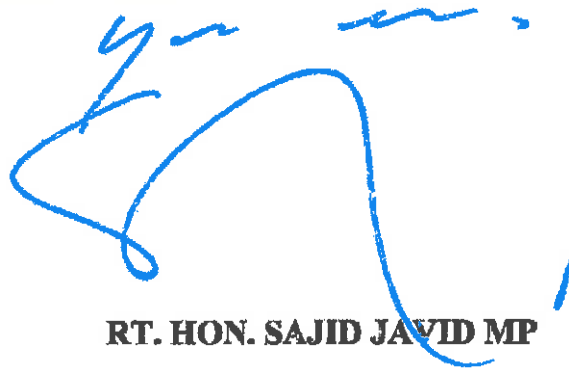
- A £70m capital fund over five years ring-fenced for Cambridge to meet housing needs, recognising the exceptional market conditions in Cambridge.
- Recognising the high levels of growth and exceptional housing market conditions in Greater Cambridge, the Government will provide £100m housing and infrastructure fund to help deliver infrastructure for housing and growth and at least 2,000 affordable homes. The Combined Authority will have flexibility over the right tenure mix to meet the needs of Cambridgeshire and Peterborough, which could include affordable rental homes as well as affordable home ownership.

The Government's willingness to devolve these funds is dependent on both funds being delivered in line with the single pot assurance framework. The £100m fund is subject to the presentation of a robust business case which will be assessed using the key criteria of affordability in housing markets.

I have been provided with information on the work that you have undertaken with my officials to develop a business case and a delivery plan for delivering at least 500 new affordable homes in Cambridge and at least 2,000 affordable homes in Cambridgeshire and Peterborough. My initial view of this work is that it:

- Articulates the challenges facing the Cambridgeshire and Peterborough's housing market and how the proposed funding can help to address affordable housing issues in your area.
- Offers the basis of a convincing plan for how this new housing development will be prioritised, funded and delivered within the timeframes set out.
- Provides a strong indication that we will be able to work towards an agreed business case in the coming months, with the release of these funds to your area also subject to the completion of other wider processes (including national and local agreement to the new governance arrangements, overall implementation plan, assurance framework, and monitoring and evaluation processes). My officials will continue to work closely to support your officers on each of these.

The Government remains strongly committed to enabling you to take forward this important element of your Devolution Deal. Cambridgeshire and Peterborough's deal is one of the most ambitious deals nationally and represents an important part of this Government's approach to devolving powers from Whitehall to deliver a successful and balanced economy.



RT. HON. SAJID JAVID MP