

HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.2 (ii)
22 JUNE 2020	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.

ALCONBURY WEALD, ALCONBURY – MAN GPM

1.0 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. A grant from the Combined Authority Affordable Housing programme of £4,425,000 is sought for 94 additional affordable units with a mix of 65 affordable rented and 29 shared ownership, at Alconbury Weald, Alconbury. A Business Case for this proposal is attached as exempt Appendix 1.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Chris Boden, Lead Member for Housing and Chair of Housing and Communities Committee
Lead Officer:	Roger Thompson, Director of Housing and Development
Forward Plan Ref: 2020/038	Key Decision: Yes
The Housing and Communities Committee is recommended to:	Voting arrangements

<p>a) Commit grant funding of £4,425,000 from the £100m Affordable Housing programme to enable delivery of 94 additional units, with a mix of 65 affordable rented and 29 shared ownership homes at Alconbury Weald, Alconbury.</p>	<p>Simple majority of all Members</p>
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2.0 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.

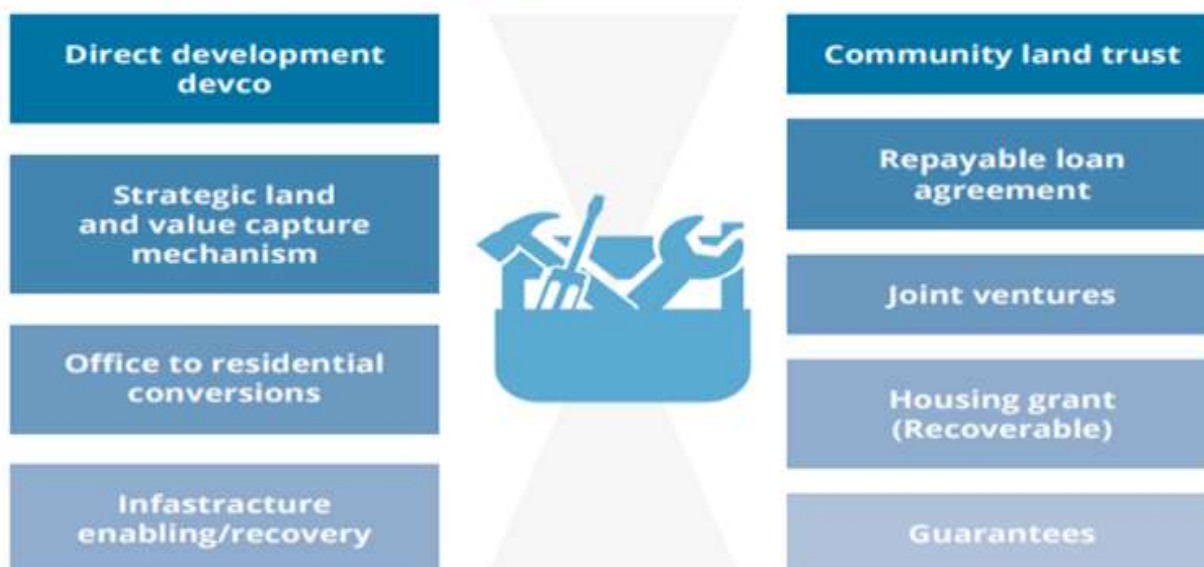
Combined Authority Housing Programme

- 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.

3.0 PROPOSED SCHEME FOR APPROVAL.

ALCONBURY WEALD, ALCONBURY.

- 3.1. The whole site is divided into many phases. This is site is Parcel 6 and the properties are being built by Crest Nicolson. The site has Housing Association properties being delivered under a S106 with Cross Key Homes, as well as Heylo and Man GPM all on this site.
- 3.2. Crest Nicholson secured full planning consent for this site and the site is currently under development. These additional properties are not subject to any existing S106 or affordable housing requirements.
- 3.3. Alconbury Weald is new development site within the Huntingdonshire district area, which requires much needed housing, just north of Huntingdon.
- 3.4. Man GPM have secured the site and are developing 124 units in total, 94 will be affordable housing as affordable rented and shared ownership homes.
- 3.5. Figure 1 – Alconbury Weald.



- 3.6. Below are the dwelling types, sizes by square metres and how different they are from NDSS.

Unit Name	Description/ Type of unit	Number of Units	Size (sqm)	NDSS Standard (sqm)	Meets NDSS	¹ % of NDSS
Block C Type B	1B.2P Apartment	3	47.2	50	No	94.4%
Block C Type A	1B.2P Apartment	2	47	50	No	94%
Block A Type K	1B.2P Apartment	3	47.2	50	No	94.4%
Block A Type L	1B.2P Apartment	3	47.2	50	No	94.4%
Block A Type A	1B.2P Apartment	4	47	50	No	94%
Block C Type C	2B 3P Apartment	3	61.2	61	Yes	100%
Block C Type J	2B 3P Apartment	2	61.1	61	Yes	100%
Block C Type F	2B 3P Apartment	1	65.2	61	Yes	107%
Block A Type C	2B 3P Apartment	4	61.5	61	Yes	100%
Block A Type F	2B 3P Apartment	3	65.2	61	Yes	107%
Block A Type D	2B 3P Apartment	2	60.5	61	No	99.1%
Block A Type E	2B 4P Apartment	1	79	70	Yes	113%
Sandown	2B 3P House	24	71.1	70	Yes	102%
Loft 1 (Velux) V2	2B 3P House	2	63.2	61	Yes	104%
Loft 1 V1	2B 3P House	2	63.2	61	Yes	104%
Hartley	3B 5P House	12	91.1	93	No	98%
Elsenham	3B 5P House	8	97.9	93	Yes	105%
Stanton	3B 5P House	6	86	93	No	92.5%
Huntingdon	3B 6P House	14	93.9	102	No	92.1%
Chalgrove	3B 6P House	7	110	102	Yes	108%
Townhouse V2	4B 8P House	13	144.8	130	Yes	111%
Townhouse V1	4B 8P House	5	146.8	130	Yes	113%
Total		124				

3.7. The dwellings are a mixture of rented and shared ownership homes ranging from 1-4 bedroom.

¹ Numbers are rounded up in some instances.

Figure 2 - ²Site plan of Alconbury Weald, Parcel 6.



- 3.8. Above is the site plan for the site and the yellow shaded ones are the Man GPM units, the remainder are Cross Keys Homes, Heylo Homes and the market sale.

About Man GPM.

- 3.9. Man GPM is a for profit organization providing housing, they are a responsible investment fund focussed organization, with an objective to create affordable and inclusive mixed tenure communities.
- 3.10. Their investment model involves exploring ways to deliver new supplies of affordable housing for low cost rents and home ownership. They will work with Registered Providers using leases to maintain units for a minimum of 10 years.
- 3.11. The organization wishes to increase supply of affordable housing, reduce fuel poverty, building for life, support health & well-being, remove any historic 'stigma' associated with living in "social housing", and provide sustainable cities and communities.
- 3.12. Man GPM is in the process of gaining Registered Provider status.

² All yellow shaded units are Man GPM

- 3.13. The Local Authority states that due to the infrastructure costs at Alconbury Weald, it is receiving only 10 to 12.5% affordable housing overall. Any additional provision with the assistance of the CPCA is welcomed. In this case, Man GPM has agreed that the affordable homes (94 units) will be made available to Huntingdonshire District Council based on households from a variety of groups, ranging from those on the Council's Housing Register seeking affordable housing for rent, and those seeking Low Cost Home Ownership (in the form of Shared Ownership).
- 3.14. The Local Authority have also agreed in general terms, that they would seek the accommodation of Key Workers based in Huntingdonshire and (if funding is approved) look forward to working with Man GPM and their appointed managing agent to agree those detailed processes.
- 3.15. The Housing Enabling officer for Huntingdonshire District Council supports the homes coming through, he was also happy with the mix of housing on the scheme. The Council therefore fully support this initiative, which significantly increases the supply of affordable housing at Alconbury Weald, Huntingdonshire.

Additionality / Case for Combined Authority funding

3.16. The proposed scheme offers the following additionality:

- Man GPM has agreed Heads of Terms with Crest Nicolson to acquire the site of 192 units.
- The CPCA grant will enable an additional 94 affordable units to be provided, as part of the CPCA 2000 start on site homes target by March 2022.

Proposed Conditions of Grant Approval

It is proposed that the grant of £4,425,000 will help with the delivery of 94 new affordable homes at Alconbury Weald, Alconbury to be approved subject to the following conditions.

Pre-contract:

Confirmation of site ownership, from Crest Nicolson.

Post contract but pre draw-down of grant:

- i. evidence of start on site
- ii. evidence of practical completion

SIGNIFICANT IMPLICATIONS

None

4.0 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 £4,425,000 grant from the Affordable Housing Programme at an average grant rate of £47k per unit for each unit of affordable housing.
- 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 as at April 2020	28	1,246	27,312,271
Less: Papworth Scheme no longer available	-1	-9	-114,000
Total before June 2020 Committee	27	1,237	27,198,271
PROPOSED SCHEME FOR JUNE 2020 COMMITTEE APPROVAL			
ROMAN FIELDS, PASTON, PETERBOROUGH	1	20	645,000
ALCONBURY WEALD, ALCONBURY	1	94	4,425,000
Total Affordable Housing Grants if approved by Board	29	1,351	32,268,271

Affordable Housing:
AVERAGE GRANT
RATE PER UNIT* £23.9k

Loan & Toolbox capital committed (from £40m revolving fund)	5	53	51,167,000
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TOTAL IF JUNE 2020 SCHEME IS APPROVED	34	1,404	83,435,271
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5.0 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 Part 4, Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251). This power permits the Combined Authority to make grants to providers in order to deliver the terms of the devolution deal signed with Government.

5.2 The meeting shall be conducted in accordance with Parts 2 and 3 of the Local Authorities and Police and Crime Panels (Coronavirus)(Flexibility of Local Authority and Police and Crime Panel Meetings)(England and Wales) Regulations 2020

5.0 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 April 2020	CA Board April 2020