



<b>HOUSING AND COMMUNITIES COMMITTEE</b>	<b>AGENDA ITEM No: 2.2 (iv)</b>
<b>22 JUNE 2020</b>	<b>PUBLIC REPORT</b> 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.

## **FORMER RAF UPWOOD, RAMSEY ROAD, BURY, HUNTS. PE26 2XN**

### **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 £2,720,000 is sought for 64 additional affordable units with a mix of 32 social rented and 32 shared ownership at Former RAF Upwood, Ramsey Road, Bury, Hunts. A Business Case for this proposal is attached as exempt Appendix 1.

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

a) Commit grant funding of £2,720,000 from the £100m Affordable Housing programme to enable delivery of 64 additional units, with a mix of 32 social rented and 32 shared ownership homes at the Former RAF Upwood site.	
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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.

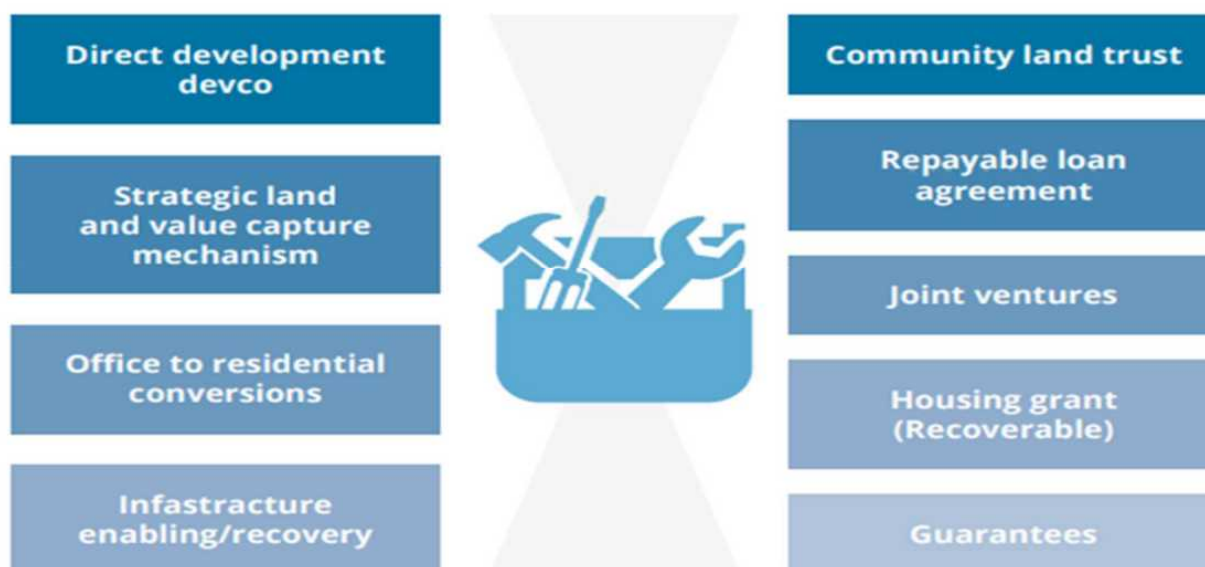
### **Combined Authority Housing Programme**

- 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



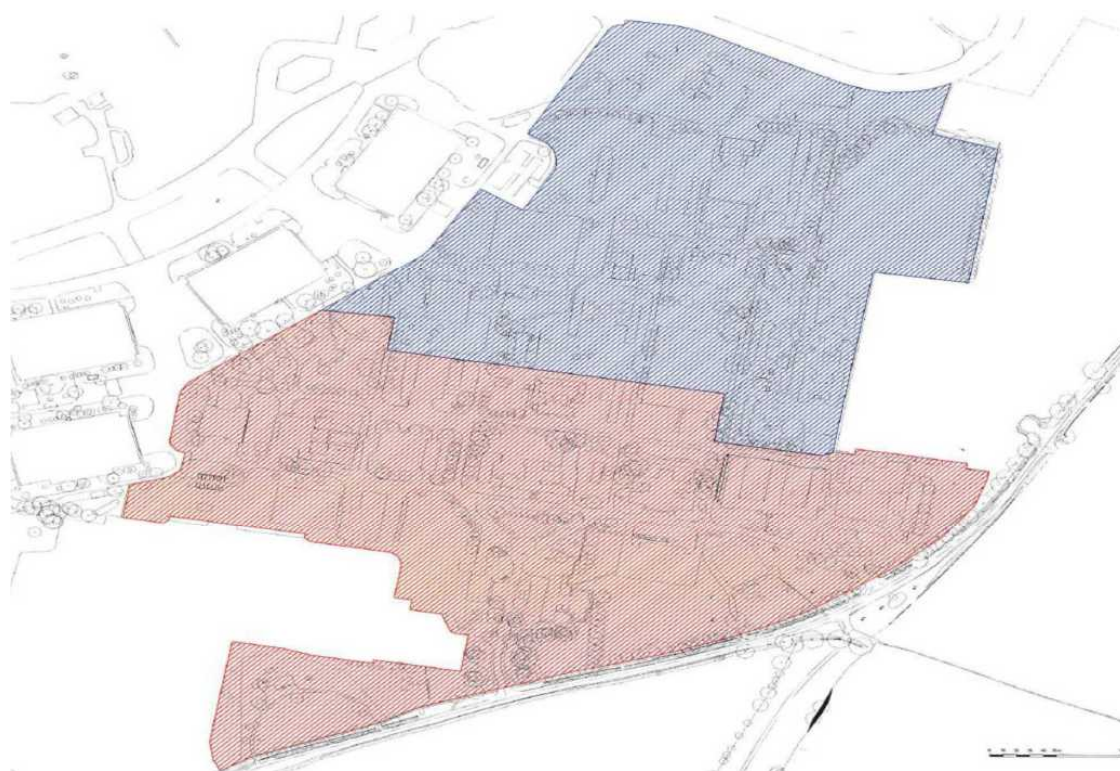
- 2.7. Full performance updates relating to the programme are presented to the Housing and Communities Committee on a quarterly basis with the most recent provided as a report on today's agenda. Both the £100m & £70m programmes (within the overall £170m programme) are on track to achieve their targets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

### **3.0 PROPOSED SCHEME FOR APPROVAL FORMER RAF UPWOOD, RAMSEY ROAD, BURY, HUNTS. PE26 2XN**

- 3.1. RAF Upwood was on our pipeline schedule as one of the sites to potentially come through as a development site. This site is to provide 160 new homes around Bury, Hunts. Sixty-four affordable homes are proposed to be supported, 32 will be social rented units and 32 will be shared ownership units. The remaining 96 will be for open market sale.
- 3.2. The site has an existing outline planning approval and reserved matters applications are in the process of being submitted. The site is impacted by a number of issues that are affecting the viability (bats, drainage, derelict buildings etc.) and a viability challenge has been submitted by Evera Homes to reduce the amount of affordable housing to 0%.
- 3.3. The Planning reference – 1201274OUT. Demolition work due to start in summer 2020. The project is anticipated to formally start in Q3 20/21, subject to the developers own Board approval.
- 3.4. Evera have submitted the reserved matter relating to viability and are waiting for the outcome of this process, from the Local Authority's planning department.
- 3.5. All 64 homes will be delivered by support of grant. This is a windfall site, where the delivery of 64 homes will support the CPCA 2000 target. Through our investment and CPCA grant support, we are enabling the delivery of the affordable housing on this scheme, where otherwise with the viability challenge no affordable housing maybe delivered.
- 3.6. Figure 1 – RAF Upwood.



Figure 2: - Boundary plan – all in red is Evera site.



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

Description/ Type of unit	Number of Units	Size (sqm)	NDSS Standard (sqm)	Meets NDSS	<sup>1</sup> % of NDSS
Social rent					
4 x 1b/2p	4	44.96	50	N	90%
2 x 1b/2p	2	46.36	50	N	93%
4 x 2b/3p	4	61.97	61	Y	102%
2 x 2b/3p	2	63.36	61	Y	104%
8 x 2b/3p	8	64.47	70	N	92%
4 x 3b/5p	4	80.27	93	N	86%
8 x 4b/6p	8	102.20	106	N	96%
Shared ownership					
20 x 2b/3p	20	64.47	70	N	92%
12 x 3b/5p	12	80.27	93	N	86%
Total	64				

3.9. The dwellings are a mixture of social rented maisonettes and houses. and shared ownership houses ranging from 1-4 bedroom.

<sup>1</sup> Numbers are rounded up in some instances.

### **About Evera and Longhurst partnership.**

- 3.10. Evera is an LLP, created and capitalised by Flagship Group, Hyde Group, Longhurst Group and Cross Keys Homes. This partnership brings together the members' skills, expertise, and local knowledge; it also offers a platform for investment in partnerships with others in the public and private sector.
- 3.11. They work with their partners as they have a good understanding of the local housing market within the Cambridgeshire & Peterborough area.
- 3.12. Evera focus on larger, phased projects to accelerate housing supply with a drive to maximise the delivery of affordable housing.
- 3.13. Longhurst Housing are looking to acquire the affordable element on the site.
- 3.14. Huntingdonshire District Council are fully aware of these proposals, having been in discussion with Evera/Longhurst for some time. The site has outline consent for 160 homes and they have submitted a Reserved Matters application which is under consideration. The site is owned by Evera.
- 3.15. Huntingdonshire District Council had thought that due to development costs, it would not have been possible to achieve delivery of the affordable housing without subsidy. The outcome of the reserved matters will advise the CPCA and Evera of the requirements for grant, either fully or pro-rata.
- 3.16. The Housing Enabling officer for Huntingdonshire District Council supports the homes coming through and is happy with the mix of units in the scheme, as it helps increase the supply of suitable accommodation in their area. They have advised that they are pleased that provision of a grant is being considered, thereby securing affordable housing. The Council therefore fully supports the bid.

### **Additionality / Case for Combined Authority funding**

3.17. The proposed scheme offers the following additionality:

- The CPCA grant will enable an additional 64 affordable units to be provided, as part of the CPCA 2000 start on site homes target by March 2022.
- Subject to the success of Evera's viability argument, his site will be considered as part of a windfall site to the area, as it has issues with viability, due to the high infrastructure costs and bats being on the site. The viability argument is for 0% affordable housing.

### **Proposed Conditions of Grant Approval**



3.18. It is proposed that the grant of £2,720,000 will help with the delivery of 64 new affordable homes at RAF Upwood, to be approved subject to the following conditions.

Pre-contract:

- As the reserved matters is still in progress, the quantum of the grant is subject to review. If the viability review is not in favour of Evera's position, and they provide affordable housing as part of s106, then the grant will be calculated pro-rata accordingly for whatever number of affordable houses are being provided above the S106 requirement..
- E.g. 64 units will be funded if they are able to prove due to viability 0% affordable housing. If the viability is not in favour of Evera's position of 0% affordable housing on site, and they are to provide say 20 affordable units under the S106, out the 64 units in question CPCA will only provide grant, to accommodate the 44 additional units.
- The project is anticipated to formally start in Q3 20/21, subject to the developers Board approval.

Post contract but pre draw-down of grant:

Evidence of start on site, due to be in Q3 20/21.

**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 £2,720,000 grant from the Affordable Housing Programme at an average grant rate of £42.5k 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
<b>PROPOSED SCHEME FOR JUNE 2020 COMMITTEE APPROVAL</b>			
<b>ROMAN FIELDS, PASTON, PETERBOROUGH</b>	1	20	645,000
<b>ALCONBURY WEALD, ALCONBURY</b>	1	94	4,425,000
<b>MARCH TOWN CENTRE, QUEENS ST, NORWOOD RD &amp; HEReward HALL</b>	1	90	3,520,000
<b>RAF UPWOOD, RAMSEY ROAD, BURY, HUNTS</b>	1	64	2,720,000
Total Affordable Housing Grants if approved by Board	31	1,505	38,508,271

Affordable Housing:  
AVERAGE GRANT  
RATE PER UNIT\* £25.6k

Loan & Toolbox capital committed (from £40m revolving fund)	5	53	51,167,000
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<b>TOTAL IF JUNE 2020 SCHEME IS APPROVED</b>	<b>36</b>	<b>1,558</b>	<b>89,675,271</b>
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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 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. APPENDICES

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

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
Housing Strategy September 2018	<a href="#">CA Board September 2018</a>
£100m Affordable Housing Programme Update April 2020	<a href="#">CA Board April 2020</a>