



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

Agenda Item No: 2.5 (ii)

£100 Million Affordable Housing Programme: Alconbury Weald, Rentplus

To:	Housing and Communities Committee
Meeting Date:	15 March 2021
Public report:	This report contains an appendix which is exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption outweighs the public interest in publishing the appendices.
Lead Member:	Councillor Chris Boden Lead Member for Housing and Chair of Housing and Communities Committee
From:	Roger Thompson, Director of Development and Housing
Key decision:	Yes
Forward Plan ref:	2021/014
Recommendations:	<p>The Housing and Communities Committee is recommended to:</p> <p>a) Committing grant funding of £989,325 from the £100m Affordable Housing programme to enable delivery of 22 additional affordable homes, with a range of rent to buy homes at Alconbury Weald, Huntingdonshire.</p>
Voting arrangements:	A simple majority of all Members

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 A grant from the Combined Authority's Affordable Housing Programme of £989,325 is sought for 22 additional affordable Homes, all rent to buy units at Alconbury Weald, Huntingdonshire.

2. Background

- 2.1 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.
- 2.2 The Combined Authority Housing Strategy 2018 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.
- 2.3 The proposed site requesting grant from the £100m Affordable Housing Programme is Alconbury Weald, Hunts. This site is currently near completion and consists of 22 units originally intended as open market to become new affordable homes.
- 2.4 Below is a table referring to the unit types, size, and tenure types. They refer to Nationally Described Space Standards. All the units are over and above NDSS, some very significantly.

Description/ Type of unit	Number of Units	Size (sqm)	NDSS (National Described Space Standards) Standard (sqm)	Meets NDSS.	% of NDSS
SHARED OWNERSHIP					
3 X 1B/2P	3	52	50	Y	104
1 X 1B/2P	1	58	50	Y	116
3 X 1B/2P	3	62	50	Y	124
1 X 1B/2P	1	65	50	Y	130
1 X 2B/3P	1	74	61	Y	121
2 X 2B/3P	2	75	61	Y	123
6 X 2B/3P	6	76	61	Y	125
2 X 2B/4P	2	83	79	Y	105
3 X 1B COACH HOUSE	3	75	58	Y	129
Total	22				

- 2.5 The units are all currently market units, so would be delivered over and above the requirement of the S106 affordable requirement. The units would be available to local people with a local connection working in conjunction with Huntingdonshire. The units can be targeted to whoever the Local Authority deem appropriate.

Rentplus

- 2.6 The tenants move into the homes and rent for a period of 5/10/15 or 20 years, Rentplus's model is predicated on a quarter of the scheme being disposed every 5 year. Whilst the rent is at either LHA (Local Housing Allowance) or 80%, whichever the lower they cover off any service charges or ground rents and encourage applicants to clear debt and save towards the end goal of purchasing their own home.
- 2.7 When they purchase Rentplus will gift them a 10% deposit which enables them to go to any high street lender and secure a mortgage. They are supported throughout their whole tenancy through a partner housing association (likely to be Catalyst), giving tenants all the support they need. This makes the product more affordable than a traditional shared ownership model.
- 2.8 The Housing Enabling Officer for Huntingdonshire is supportive of the provision and the need for these units, as it will allow people to rent units, with the options to eventually buy them. The units would be available to local people with a local connection working in conjunction with Huntingdonshire District Council. The units can be targeted to whoever the Local Authority deem appropriate. They would be happy to enter into an agreement for the monies to be recycled by rentplus for further schemes in the CPCA area once units are sold, potentially providing further affordable accommodation.

Significant Implications

3. Financial Implications

3.1 **Additionality case for Combined Authority Funding**

The CPCA (Cambridgeshire and Peterborough Combined Authority) grant will enable the creation of **an additional 22 unit tenure conversion** from market housing to rent to buy units at Alconbury Weald, to be provided as part of the CPCA 2000 starts on site homes target by March 2022.

A conversion from market to affordable units offers clear additionality.

3.2 **Proposed Condition of Grant Approval**

It is proposed that the grant of £989,325 will help with the delivery of 22 tenure conversion homes, subject to the following conditions: -

After execution of the grant funding agreement but pre-draw-down of phased grant payments by way of two (2) instalments:

- i. To provide grant draw down, once start on site has been confirmed.

- ii. To provide grant draw down once practical completion has been established.

3.3 Supporting this application by providing £989,325 from the Affordable Housing Programme is at an average grant rate of £44.9k per unit.

	Number Schemes Approved	Number of Affordable Units Funded	CPCA Funding Committed £
Total after Jan 2021 Committee	49	1,741	60,999,099
Total due to losses of units/approved schemes	2	78	3,365,000
Total before Mar 21 Committee	47	1,663	57,634,099
PROPOSED SCHEME FOR March 2021 COMMITTEE APPROVAL			
Heylo Portfolio - 4 sites CPCA	1	60	2,168,625
Alconbury Weald - Rentplus	1	22	989,325
Total Affordable Housing Grants if approved by Board	49	1,745	60,792,049

Affordable Housing:
AVERAGE GRANT
RATE PER UNIT* £34.8k

Maximum Net Loan Value

Loan & Toolbox capital committed (from £40m revolving fund)	5	55	39,846,817
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Total Loan Value Excluding repayments £51.1m

TOTAL IF MAR 2021 SCHEME IS APPROVED	54	1,800	100,638,866
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4. Legal Implications

- 4.1 The recommendation accords with the Combined Authority's powers under Part 4 Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251).

- 4.2. 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. Other Significant Implications

- 5.1 None

6. Appendices

- 6.1 Appendix 1 - Exempt papers, including the Business Case, and any supporting evidence.

7. Background Papers

- 7.1 None

Web link or address where it can be obtained:

72 Market Street
Ely
Cambridgeshire CB7 4LS