



Agenda Item No: 3.2 (ii)

2021/22 Affordable Housing Programme: Land at Potton End, Eltisley

To: Housing and Communities Committee

Meeting Date: 10 January 2022

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 appendix.

Lead Member: Councillor Lewis Herbert

From: Roger Thompson – Director of Housing & Development

Key decision: Yes

Forward Plan ref: 2021/038

Recommendations: The Housing and Communities Committee is recommended to:

- a) Commit grant funding of £545,000 from the CPCA 2021/22 Affordable Housing programme to enable delivery of 9 new affordable homes, comprising 7 affordable rented and 2 shared ownership homes, at Eltisley in South Cambridgeshire.

This is a proposed substitute scheme for other sites that are no longer progressing in the 2021/22 CPCA affordable housing programme. The funding will be transferred across accordingly, subject to a substitution approval from DLUHC which has been requested and upon which we are awaiting approval.

Voting arrangements: A simple majority of all Members present and voting

1. Purpose

- 1.1 The Combined Authority successfully secured £18.7m million from Government to deliver additional affordable homes across Cambridgeshire and Peterborough for the year 2021/22.
- 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 2021/22 affordable housing programme.
- 1.3 Hastoe have requested a grant of £545,000 from the Combined Authority's Affordable Housing Programme that will support the delivery of 9 units (2 Shared Ownership homes and 7 affordable rented units) in South Cambridgeshire, by way of much needed additional affordable housing.
- 1.4 This site is a rural exception site and not untypically presents challenges on financial viability. The Average grant rate is £60,600. This is above the guidance level set by DLUHC but we are requesting their approval through treating this as an exception as the programme draws to an end.

2. Background

- 2.1. The Housing and Development Team at the Combined Authority is working with officers in all partners 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. Hastoe are now looking to deliver 9 additional homes for Affordable provision, subject to the successful application for grant assistance from CPCA in line with this bid submission. Hastoe have stated that they will use £90,000 of their RCGF (recycled capital grant funding), towards the development of the site.
- 2.4. This site would not be viable without the CPCA grant funding opportunity. This is a rural exception site in South Cambridgeshire, which addresses an identifiable local housing need, thus not being able to change more market homes to affordable homes. The site will be providing 12 homes overall, with 3 remaining as open market homes and to be retained by the landowner.
- 2.5. The scheme has planning permission. An option agreement is in place to purchase the affordable units on the site and will be entered into once the funding is secured. The scheme has been competitively tendered and is able to start by March 2022, if not sooner. A section 106 is also in place. These properties will be built to the Future Homes Standard

(the new Hastoe Standard) and all of the units will have air source heat pumps, with the aim of using renewable energy sources, to combat climate change.

- 2.6. All units are of a Nationally Described Space Standards. All units are M4 (2), Category 2 for accessibility. All homes will be delivered in one tranche. The rents will be in line with LHA ranging from £165.85 for a 2b/4p bungalow, for a 3b/5p the rent will be £195.46 with service charges included in the rent.
- 2.7. Hastoe Housing Association is an organization that the CPCA have worked with previously, having provided affordable housing on a site at Burwell earlier in the programme. Hastoe is a housing association which specialise in rural sustainable homes. They own and manage over 7,500 high quality homes for affordable rent, shared ownership and lease across the east and west of England, their primary aim is to enable local people to remain within their communities.
- 2.8. The Housing Enabling officer for South Cambridgeshire District Council states the additionality achieved by CPCA funding these 9 units, is very welcome. This will provide much needed housing in an identifiable area of South Cambridgeshire. Being a rural exception site does address local housing need.

Significant Implications

3. Financial Implications

3.1 **Additionality case for Combined Authority Funding**

The proposed scheme offers the following additionality:

By supporting the creation of 9 new homes for shared ownership and affordable rent in South Cambridgeshire the CPCA is enabling delivery of a small wholly affordable scheme that will not be viable without the grant support.

Proposed Condition of Grant Approval

It is proposed that the grant of £545,500 will help with the delivery of 9 additional new homes.

After execution of the grant funding agreement by 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 due to practical completion has been established.

3.2 Supporting this application by providing £545,000 from the current Housing Programme is at an average grant rate of £60.6k per unit.

	Number Schemes Approved	Number of Affordable Units Funded	2021/22 programme CPCA Funding Committed £
Previous Schemes SOS to March 2021 programme	37	733	26,094,770
Previous schemes in Nov 2021	17	1061	42,837,698
Total units lost & monies returned (loss of East Anglian Galvanizing Works scheme)		77	remove funding £3,464,615
Total units lost in 21/22 programme, includes Northminster 38 units & Littleport Ely (loss of 1 unit)		39	remove funding £1,550,500
Remove Werrington Dec 21	-	60	2,622,000
Remove Great Haddon Dec 21 (revised)		58	2,194,333
Total of schemes approved 21-22	11	827	33,006,250
PROPOSED SCHEME FOR JANUARY 2022 COMMITTEE APPROVAL			
GREAT HADDON, OFF LONDON ROAD, YAXLEY, PETERBOROUGH (REVISED)	1	49	1,886,500
LAND AT POTTON END, ELTISLEY	1	9	545,000
Total Affordable Housing Grants if approved by Board	13	885	35,437,750

Affordable Housing 2021/22 prog AVERAGE GRANT RATE PER UNIT £40,043

TOTAL IF JANUARY 2022 SCHEMES APPROVED	50	1,618	61,532,528
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4. Legal Implications

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

5. Other Significant Implications

- 5.1 None

6. Appendices

- 6.1 Appendix 1 - Exempt from publication - Business Case including supporting financial, business and commercial evidence.

7. Background Papers

- 7.1 None