



<b>HOUSING AND COMMUNITIES COMMITTEE</b>	<b>AGENDA ITEM No: 3.2</b>
<b>9 MARCH 2020</b>	<b>PUBLIC REPORT</b>  <i>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)).</i>

**£100M AFFORDABLE HOUSING PROGRAMME SCHEME APPROVALS –  
MARCH 2020 - ALCONBURY WEALD, PARCEL 4, ERMINE STREET, LITTLE  
STUKELEY, HUNTS**

**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. Grant from the Combined Authority Affordable Housing programme of £315,000 is sought for 9 shared ownership, Alconbury Weald, Ermine Street, little Stukely Huntingdonshire. 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: 2020/003</b>		<b>Key Decision: Yes</b>	
<p>The Housing and Communities Committee is recommended to:</p> <p>a) Commit grant funding of £315,000 from the £100m Affordable Housing programme to enable delivery of 9 additional shared ownership homes at Alconbury Weald, Ermine Street, Little Stukeley, Hunts.</p>		<p><b>Voting arrangements:</b></p> <p>Simple majority of all Members</p>	

## 2. 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.

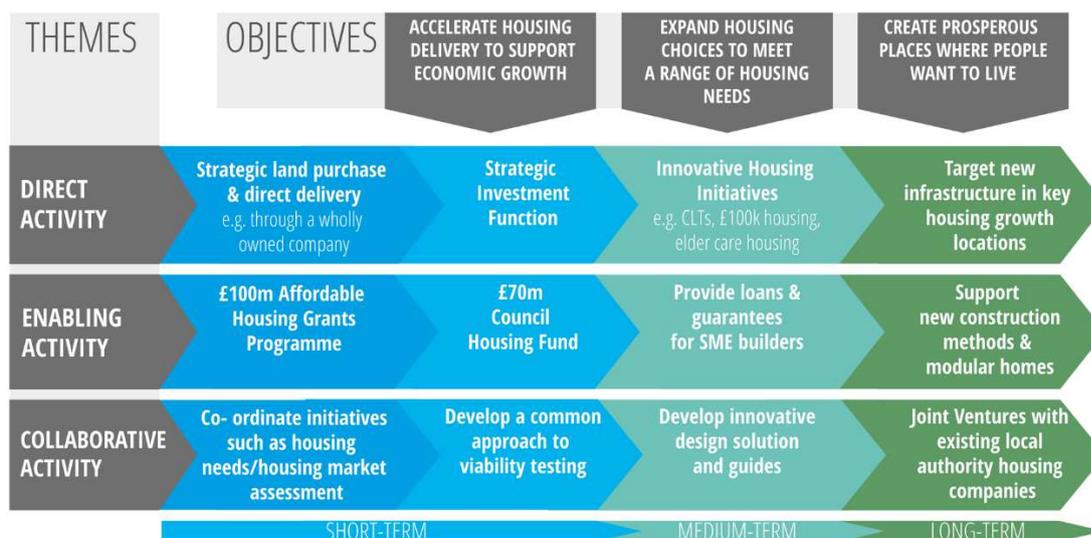
### Combined Authority Housing Programme

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.

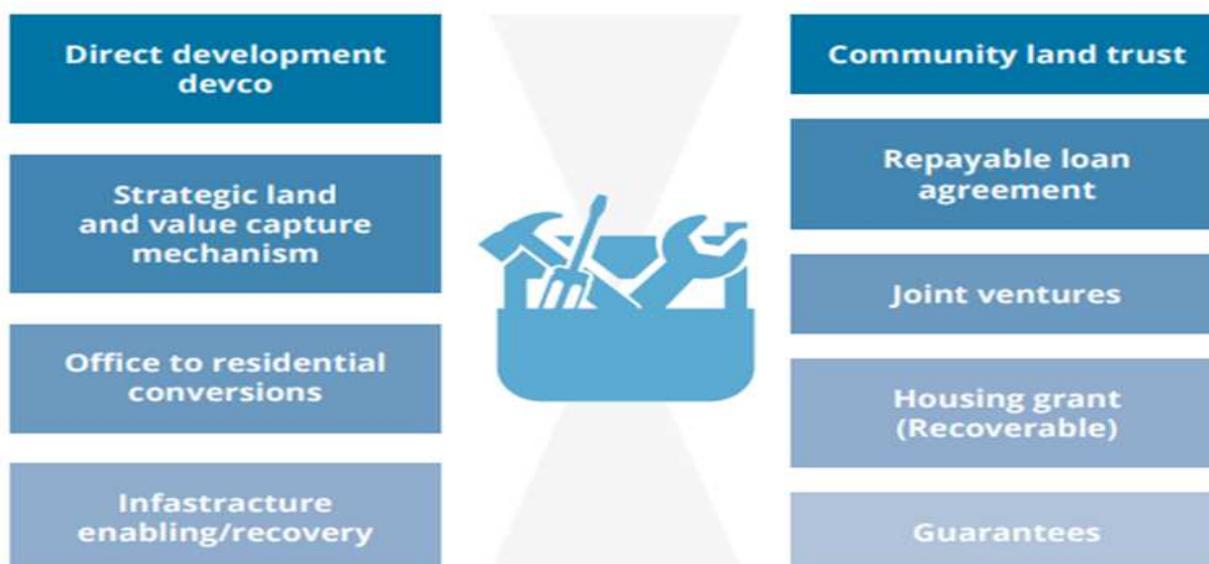
2.4. The Housing and Development Team at the Combined Authority is working with officers in all partner local authorities (via the Cambridgeshire and Peterborough Housing Committee) to identify new schemes to come forward for support from the Affordable Housing Programme. The Team is also building relationships 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 Combined Authority 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. PROPOSED SCHEME FOR APPROVAL

#### **ALCONBURY WEALD, PARCEL 4, ERMINE STREET, LITTLE STUKELEY, HUNTS.**

- 3.1. Cross Key Homes has applied to the Combined Authority for £315,000 grant to deliver nine shared ownership as part of a development site hosting approximately 101 new homes.
- 3.2. Planning has been approved Ref: 1700079REM approved on 09/08/17.
- 3.3. There are several house builders on the Alconbury Weald site, ranging from Bloor, Crest Nicholson, Redrow and Civic Living, which these units have been acquired from.
- 3.4. Alconbury Weald is a new development site within the Huntingdonshire district area, which requires much needed housing, just north of Huntingdon. This site hosts many homes which are currently occupied with a newly built school, on Ermine Street.

**Figure 1: - Alconbury Weald, Huntingdonshire.**



**Figure 2 - Alconbury Weald site, Civic Living.**



**Figure 3 – Alconbury Weald site, Civic Living**



- 3.5. Heads of term have been agreed with Urban & Civic to purchase the freehold interest in the properties and legals have commenced.
- 3.6. Solicitors have been instructed with exchange and completion due for March/April 2020.

Dwelling type	M2	Tenure type	quantity
3 x 3b/5p house	102	Shared ownership	3
6 x 3b/5p houses	110	Shared ownership	6
			9

**About Cross Keys Homes**

- 3.7. Cross Key Homes are based in Peterborough and have a G1and V1 rating.
- 3.8. Cross Key Homes covers a wider area, in and around Peterborough and beyond. CKH are one of our main providers of affordable housing in the CPCA district.
- 3.9. Currently Cross Key Homes have a few sites with CPCA, and they work closely with CPCA to ensure they provide adequate housing in the region.
- 3.10. The Housing Enabling officer for Huntingdonshire District Council was happy and supported the homes coming through. They were also happy with the mix of housing on the scheme which helps meet the need for suitable accommodation in the district. This would benefit the need for the area and for the people in Huntingdonshire.

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

3.11. The proposed scheme offers the following additionality:

- Head of Terms to be agreed.
- Approval to acquire these units will be subject to approval from CKH's Growth Board on the 26<sup>th</sup> Feb 2020
- Solicitors have been instructed. Exchange and completion due for March/April 2020.
- The CPCA grant will enable an additional nine affordable units to be provided, as part of the CPCA 2000 start on site homes target by March 2022.

## **Proposed Conditions of Grant Approval**

3.12. It is proposed that the grant of £315,000 will help with the delivery of 9 new affordable homes at Alconbury Weald to be approved subject to the following conditions;

### Pre-contract:

Confirmation of Heads of Term and CKH Growth Board agreed site ownership.

### Post contract but pre draw-down of grant:

- i. evidence of site ownership.

## **SIGNIFICANT IMPLICATIONS**

### **4. 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 £315,000 grant from the Affordable Housing Programme at an average grant rate of £35k 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	24	1,167	23,781,506
Total Loan & Toolbox capital committed (from £40m revolving fund)	4	45	41,520,000
<b>TOTAL PRIOR TO MARCH 2020 BOARD</b>	<b>28</b>	<b>1,212</b>	<b>65,301,506</b>
<b>PROPOSED SCHEME FOR MAR 2020 BOARD APPROVAL</b>			
Alconbury Weald, Ermine Street, Little Stukeley, Hunts	1	9	315,000
Total Affordable Housing Grants if approved by Board	25	1,176	24,096,506
Affordable Housing: AVERAGE GRANT RATE PER UNIT*		1,176	(24,096,506/1,176) =20,490k
Loan & Toolbox capital committed (from £40m revolving fund)	4	45	41,520,000
<b>TOTAL IF MARCH 2020 SCHEME IS APPROVED</b>	<b>29</b>	<b>1,221</b>	<b>65,616,506</b>

## 5. 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 the Cambridgeshire and Peterborough Combined Authority Order 2017. This power permits the Combined Authority to make grants to providers in order to deliver the terms of the devolution deal signed with Government.

## 6. APPENDICES

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

<u>Background Papers</u>	<u>Location</u>
Housing Strategy September 2018	<a href="#">CA Board September 2018</a>

£100m Affordable Housing Programme Update Jan 2020	<a href="#">CA Board Jan 2020</a>
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