



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.1
9 OCTOBER 2019	PUBLIC REPORT This report has one appendix (Appendix 1) which is exempt from publication under Paragraph 3 of 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).

£100M AFFORDABLE HOUSING PROGRAMME SCHEME APPROVALS

WHADDON ROAD, MELDRETH, SOUTH CAMBRIDGESHIRE - SETTLE

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. At its meeting on 25 September 2019 the Combined Authority Board delegated approval of a grant of £215,000 from the £100m Affordable Housing Programme to enable delivery of five new affordable homes at Whaddon Road, Meldreth, South Cambridgeshire to the Housing and Communities Committee.
- 1.3. This report recommends the approval of the grant. The scheme is to be delivered by Settle. A Business Case for the proposal is attached as exempt Appendix 1.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Graham Bull, Portfolio Holder for Housing and Chair of Housing and Communities Committee
Lead Officer:	Roger Thompson, Director of Housing and Development
Forward Plan Ref: n/a	Key Decision: No
<p>The Housing and Communities Committee is recommended to:</p> <p>(a) Commit grant funding of £215,000 from the £100m Affordable Housing programme to enable delivery of five new affordable homes at Whaddon Road, Meldreth, South Cambridgeshire.</p>	<p>Voting arrangements:</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. At its meeting on 25 September 2019 the Combined Authority Board delegated approval of a grant of £215,000 from the £100m Affordable Housing programme to enable delivery of five new affordable homes at Whaddon Road, Meldreth, South Cambridgeshire to the Housing and Communities Committee.

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 Board) 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

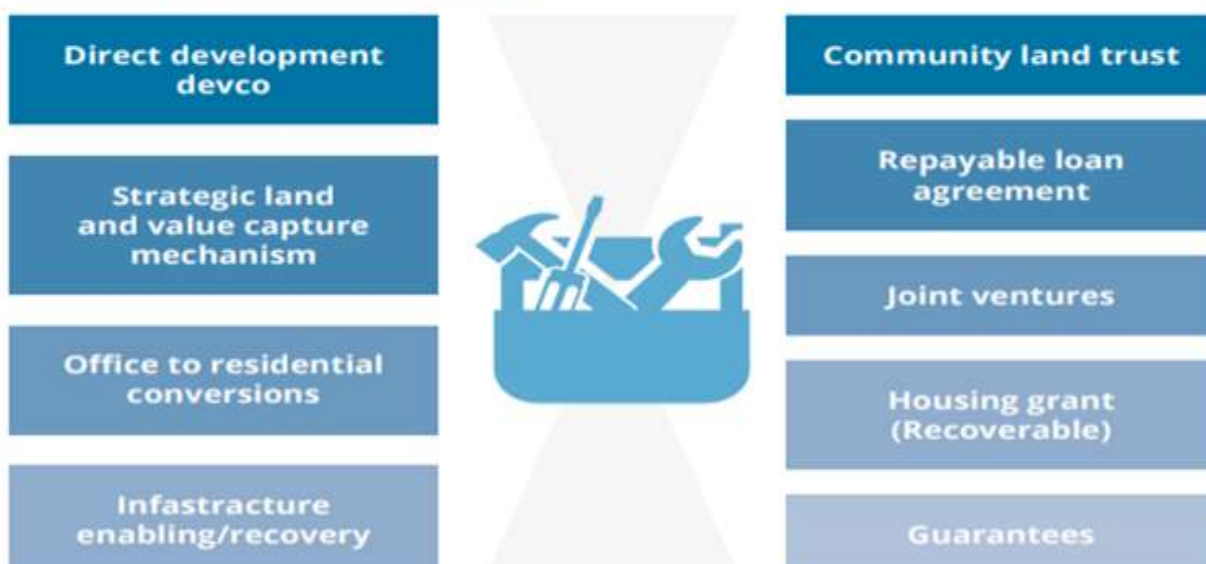
opportunities to influence, enable and accelerate delivery of new affordable housing across the Combined Authority area.

- 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 New Communities Committee on a quarterly basis with the most

recent provided on 10 July 2019. Both the £100m & £70m programmes (within the overall £170m programme) are on track to achieve their targets by March 2022. The next update will be in November 2019.

3. PROPOSED SCHEME FOR APPROVAL

WHADDON ROAD, MELDRETH, SOUTH CAMBRIDGESHIRE - SETTLE

- 3.1. The development site comprises a parcel of land which borders Whaddon Road in the north, new build properties in Burtons to the west and south and West Way, Meldreth. Full planning consent (S/2939/16/FL) for five homes (four apartments and one bungalow) was granted in December 2018.



Figure 1. Site location (Google Maps)



Figure 2. Site boundary south of Whaddon Road and east of Burtons, Meldreth



Figure 3. Site access from Whaddon Road (with new homes at Burtons in background)

- 3.2. The site currently has a Full planning consent (S/2939/16/FL) for five homes (four apartments and one bungalow) which was granted in December 2018.

- 3.3. The site was purchased in March 2019 following a bidding process. Subject to a successful tender exercise Start on Site is proposed as November 2019, with scheme completion in October 2020.
- 3.4. Affordable rental levels will be capped at the local housing allowance level.
- 3.5. Settle has applied to the Combined Authority for a £215,000 grant to deliver five new affordable Homes. This represents an average grant per unit of £43,000.
- 3.6. The construction has been tendered to 4 local contractors and the returns examined. The construction costs of £2,334m m2 are high, but this reflects some specific factors that relate to this site. Access to the site requires the bridging of a culvert and there are additional costs associated with connecting the site to the sewage system. Saller sites are normally more expensive in any event, but these exceptional costs can only be divided across the 5 units
- 3.7. The accommodation comprises 4 x 2 bed homes and 1 x 2 bed home.

Dwelling Type	m ²	Gross Sq.Ft	Quantity
2 bed flat	62	667	4
2 bed bungalow	60	646	1
			5

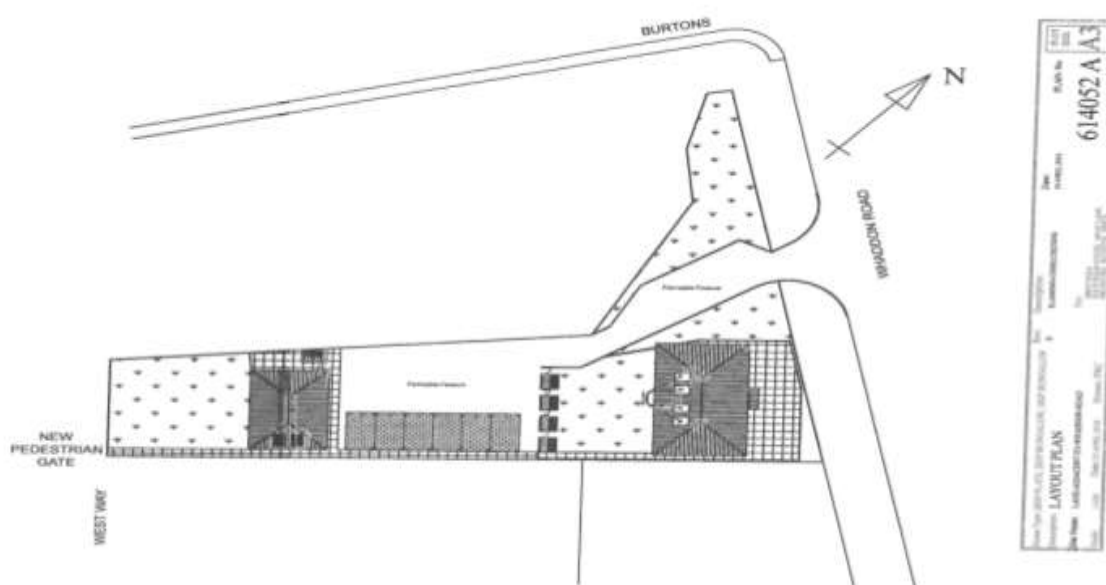


Figure 4. Site plan, Whaddon Road Meldreth

About Settle

- 3.8. Settle was previously known as North Hertfordshire Homes (NHH). NHH was formed in 2003 and became Settle in Summer 2018. The group also includes

Rowan Homes, a wholly-owned subsidiary set up in 2011 building market properties, the profits from which are used to deliver more affordable housing.

3.9. Settle is a Registered Provider with Homes England having a G1/V1 rating.

3.10. Settle will co-ordinate with the housing team at South Cambs District Council to ensure the houses are offered to local people.

Additionality / Case for Combined Authority funding

3.11. The proposed scheme offers the following additionality:

- The scheme will deliver five new homes for Affordable Rent and Shared Ownership in an area of housing need. The four affordable rental units will be available in accordance with the lettings policy agreed with South Cambs District Council.
- The scheme will provide housing that is responsive to local housing needs, see 3.10 below.
- The scheme is anticipated as being delivered by October 2020.
- This scheme was referred to the Combined Authority's Housing and Development Team following discussions with the housing officers at South Cambridgeshire District Council. South Cambridgeshire Head of Housing Strategy has confirmed: 'that it will provide much needed additional affordable housing in the village based on local housing needs. A Housing needs assessment was carried out in October 2017 which identified 45 households as being in need of affordable housing who either live in, or have a local connection to, Meldreth. The mix of affordable rented homes for 4 x 2 bedroom flats will go towards meeting this need and the shared ownership 2 bedroom bungalow will provide the opportunity for downsizing. Increasing the delivery of exception site schemes and supporting opportunities for downsizing are key priorities for South Cambridgeshire District Council and we are therefore fully supportive of the request for grant funding to enable the delivery of 100% affordable housing on this scheme'.

Proposed Conditions of Grant Approval

3.12. It is proposed that the grant of £215,000 for delivery of five new affordable homes at Whaddon Road, Meldreth be approved subject to the following conditions;

Pre-contract:

Confirmation of development programme, with a back-stop start on site of main contract no later than 31st March 2020.

Post contract but pre draw-down of grant:

- i. evidence of site ownership
- ii. evidence of start on site.

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 £215,000 grant from the Affordable Housing Programme at an average grant rate of £43k per unit. This breaks down as £45k per unit per Affordable Rent home and £35k per unit per home for Shared Ownership.
- 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	16	903	13,508,206
Total Loan & Toolbox capital committed (from £40m revolving fund)	4	56	37,007,335
TOTAL PRIOR TO SEPT 2019 BOARD	20	959	50,515,541
PROPOSED SCHEME FOR SEPT 2019 BOARD APPROVAL			
Whaddon Road, Meldreth, South Cambs Affordable Housing Grant (CPCA Board 25 September 2019: Agenda Item 3.1(a))	1	5	215,000
Total Affordable Housing Grants if approved by Board	17	908	13,723,206

Affordable Housing: AVERAGE GRANT RATE PER UNIT*			(13,723,206/908) =15,113
Loan & Toolbox capital committed (from £40m revolving fund)	4	56	37,007,335
TOTAL IF SEPT 2019 SCHEME IS APPROVED	21	964	50,730,541

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	CA Board September 2018
£100m Affordable Housing Programme Update July 2019	CA Board July 2019