

Public
Key Decision – Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title: Affordable Housing Delivery

Meeting/Date: Overview & Scrutiny Panel (Performance & Growth) – 4th December 2024
Cabinet – 10th December 2024

Executive Portfolio: Executive Councillor for Economy, Regeneration & Housing

Report by: Pamela Scott - Regeneration & Housing Delivery Manager

Ward(s) affected: All

Executive Summary:

This report is intended to advise members of the work undertaken by the Strategic Housing Team and to provide an update on the delivery of affordable housing in Huntingdonshire.

It will advise of the different workstreams within the team and how we support the ambition of Huntingdonshire Futures and the Corporate Plan. Specific areas covered in the report are:

- The delivery of affordable housing
- The role of Homes England
- Rural Housing
- Local Authority Housing Fund
- Longhurst Contract
- The new Housing Strategy 2025-2030
- Affordable Housing Advice Note, which is a Corporate Plan action.

Recommendation(s):

The Cabinet is:

RECOMMENDED

To note the contents of the report and the appendix - The Affordable Housing Advice Note.

1. PURPOSE OF THE REPORT

- 1.1 To advise members of the work undertaken by the Strategic Housing Team and to provide an update on the delivery of affordable housing in Huntingdonshire.

2. BACKGROUND

- 2.1 During 2023 several reports were brought to Cabinet on the subject of Affordable Housing, namely The Tenancy Strategy, First Homes Position Statement and the Mid Term Review of the Housing Strategy; more recently in July 2024 a paper was brought to Cabinet on the Local Authority Housing Fund, these reports are attached for reference.
- 2.2 This report aims to provide an overview of the service currently being delivered by the Strategic Housing Team, providing detail on how affordable housing is funded and the different mechanisms used to deliver homes.

3. DELIVERY OF AFFORDABLE HOUSING – THE STRATEGIC HOUSING ROLE

- 3.1 The Strategic Housing Team has established good working relationships with key Registered Providers (RP's) working in the district. Through these partnerships and working with Landowners and Housebuilders we are able to deliver affordable housing, meeting the need of applicants registered for housing.
- 3.2 Since 2020/2021 the Council has delivered a total of 1,885 homes, which includes the delivery of 703 homes last year which is the most the Council, working in partnership with RP's has delivered in one single year. Many of these homes are either funded through Homes England or as part of S106 negotiations on private development sites.
- 3.3 Our main developing RP partners are Longhurst, Accent, Orbit, Stonewater, BPHA and Cross Keys Homes. Places for People are the RP that owns and manages the former Huntingdonshire housing stock, for their new provision they are currently concentrating on redeveloping land in their ownership, for example garage sites, rather than actively sourcing new sites.
- 3.4 Historically, in terms of affordable housing we have also worked with Cambridgeshire and Peterborough Combined Authority (CPCA) when they were provided with grant from Central Government to deliver affordable housing in the region; whilst this is not the case at the present time we continue to work with them in a housing capacity through regional activity.
- 3.5 The Council has in recent years had a good record of delivering affordable housing and maintaining successful partnerships with RP's, in the main we are securing policy level (40%) affordable housing on eligible developments. In common with other Local Authorities, the exception to this is Growth Sites, due to major infrastructure requirements, for example

Alconbury Weald is currently providing 10-12% affordable housing whilst Wintringham is delivering 23.9%. For this year we are currently expecting the delivery of c 300 homes although caution should be exercised as sites can meet delays whilst others can deliver ahead of time, so this is subject to change. There is a healthy pipeline for 2025/2026 with a total of 341 homes already planned or started on site, with confirmed delivery through our liaison with planning on our growth sites.

Homes England

- 3.6 Homes England is the UK Government's Housing Agency, responsible for increasing the supply of affordable housing, improving existing housing stock and supporting home ownership. It was established in 2018 and evolved from the Homes and Communities Agency, its key functions are 1/ Land Acquisition and Development, 2/ Affordable Housing Investment, 3/ Loan Programmes for Developers, 4/ Partnerships with Local Authorities.
- 3.7 The Council working with RP's and Homes England (HE) has enabled a very significant pipeline of affordable housing securing grant subsidy. S106 Homes are not eligible (if just 40% affordable housing is provided) for grant subsidy. HE takes the view that Local Authority policies should secure the affordable housing without recourse to grant, whereas grant can be secured if there is additionality above the percentage level secured through planning. On sites being delivered by RP's known as Land Led schemes, they are able to negotiate a grant figure based on the cost to deliver the scheme. In many case developments requiring 40% affordable housing have been secured to deliver 100% of the dwellings for affordable housing. On one site currently in development in Huntingdon a total of £15m grant has been secured to deliver 178 homes. Affordable housing is currently being delivered across the district including, St Neots, Huntingdon, St Ives, Bury and Upwood.
- 3.8 There has been recent coverage in the National press regarding difficulties that Local Authorities are experiencing in delivering homes as part of S106 sites, this relates to RP's being financially stretched or having costly obligations to improve housing stock. For HDC some of our RP's are Strategic Partners of HE and this status attracts grant investment upfront with flexibility on how the funding is spent across their development pipeline, rather than the traditional 50:50 split at start on site and completion. This has resulted in some of our partners preferring to divert resources to directly providing affordable housing on their sites rather than acquiring completed homes from developers / housebuilders. For HDC this is not yet a critical issue, whilst there have been instances of only a few RP's submitting offers to acquire S106 homes, with the teams influence we have been able to direct housebuilders to RP's that are able to agree terms. This is something we continue to monitor.

Rural Housing (Exception Sites)

- 3.9 The Council enables rural housing to assist provision of affordable housing for those who have links with our villages. Policy LP28 in our Local Plan covers this:

“A proposal for housing will be supported on a site well-related to a built-up area, as an exception to the requirements of relevant policies, where it can be demonstrated that:

a. at least 60% (net) of the site area is for affordable housing for people with a local connection;

b. the number, size, type and tenure of the affordable homes is justified by evidence that they would meet an identified need arising within the settlement or nearby small settlements (as defined in 'Small Settlements') through a local needs survey or other local needs evidence;

c. the remainder of the site area is available as open market housing or plots suitable for custom or self-build homes tailored to meet locally generated need; and

d. the amount of development and location of the proposal is sustainable in terms of:

i. availability of services and existing infrastructure;

ii. opportunities for users of the proposed development to travel by sustainable modes;

and

iii. effect on the character of the immediate locality and the settlement as a whole. Mechanisms, including planning conditions/ obligations, will be put in place to ensure that the affordable housing is delivered and remains affordable in perpetuity or for the appropriate period as applicable to the form of housing. To ensure that market housing and affordable housing elements are delivered concurrently a planning condition will be applied.

- 3.10 The policy is intended to primarily provide rural housing for people with a connection to the village under consideration. The connection can be, by living in the village, having previously lived in the village, having close relatives living in the village or having an employment connection. It is essential that formal evidence of need is provided, and this should be by way of a local Housing Needs Survey. To ensure independence, the survey is carried out by Cambridgeshire ACRE, this survey is usually funded by the RP or Landowner. The Council will work with the Parish Council, RP, Landowner and other stakeholders. The affordable housing should occupy not less than 60% of the proposed net site area and the remainder will comprise market housing.

Enabling Role

- 3.11 The wider enabling role goes beyond traditional housing activities, it involves understanding the relationship between planning and the economy and between regional and sub regional pressures. It must ensure that housing is integrated as a key component in wider Planning and Economic development and therefore the team supports our planning and economic development teams in a wide array of strategy work

including planning and transport policy, economic growth strategies within the Council and with partner Local Authorities and the Combined Authority.

- 3.12 The activity of the team supports the Corporate Plan and Huntingdonshire Futures Strategy as part of its place shaping role; the team falls within the Place Directorate which ensures strong leadership across Housing, Planning, Economic Development, Regeneration and Climate objectives.
- 3.13 At a Regional level the department is involved in the Housing Board for Cambridgeshire and Peterborough and leads the Enablers forum. The team liaises with other departments in the Council and supports cross cutting activities
- 3.14 In terms of the current Local Plan, the main policies for affordable housing are:
- LP24 – Affordable housing provision, requiring for sites of 11 or more homes or exceeding an area of 1001m², that 40% of the homes are provided as affordable housing,
 - LP25 – Housing Mix, addressing housing need, appropriate mix of housing, accessible and adaptable homes and custom build homes,
 - LP28 – Rural Exceptions Housing (see 3.9).
- 3.15 The Local Plan is currently under review, as part of this work we will support the Local Plans team to develop a Local Housing Needs Assessment, which will update previous Strategic Housing Market Assessment and the Housing Needs of Specific Groups Report by G L Hearn in October 2021.
- 3.16 On the 30th July 2024 the Deputy Prime Minister announced consultation on changes to the National Planning Policy Framework and other aspects of the planning system including, the introduction of strategic planning, changes to fees and thresholds for National Strategic Infrastructure projects. The consultation closed on the 24th September 2024. This consultation is borne out from the Government ambition to build 1.5m new homes over the next five years.

Local Authority Housing Fund (LAHF) Round 1,2,3

- 3.17 As stated in the report to Cabinet in July 2024, the Council has been participating in Round 1 of the LAHF, which provided funding to local authorities to source funding for families in housing need who have come to the UK via Ukraine and Afghanistan resettlement and relocation schemes. HDC was awarded funding to deliver 21 homes under Round 1 and have been working with Stonewater Housing Group to acquire these properties. The Council has confirmed its agreement to participate with the Round 3 scheme which is concentrated on the Afghan citizens resettlement scheme, which requires the Council to acquire in partnership a total of four homes, of which one should be for temporary accommodation. We are currently contacting RP's to see who would be interested in working with the Council as Stonewater have advised that they do not intend to participate in Round 3.

Longhurst

- 3.18 The Council has been in contract with Longhurst Housing Group to deliver a package of nine sites delivering c100 homes; permission was granted by the Council to dispose of these sites for the delivery of affordable housing. In the Spring of this year Longhurst approached the Council with a request to vary the terms of the contract to reflect the change in economic situation, we expect that this matter will be finalised in November 2024 and a submission of a planning application for the Station Road, Warboys site by March 2025.

Housing Strategy 2025 – 2030

- 3.19 The current Housing Strategy ends in 2025, whilst the Council completed a mid term review of the current Housing Strategy in June 2023, please see attached link, it will be necessary to complete a new Housing Strategy next year. To support this activity work will commence in January 2025 to start to gather data and relevant documents to inform a draft of the strategy which can be consulted on with RP partners, other Local Authorities, Cambridgeshire County Council, the Combined Authority and other Stakeholders. This strategy will not only enable us to update our housing data for the district, including the type, size and tenure required but will also enable us to align the work with the Corporate Plan and Huntingdonshire Futures Pride In Place journey.

Affordable Housing Advice Note

- 3.20 Members will note that the report includes an appendix known as the Affordable Housing Advice Note, this has been completed to support the activity of the team and to provide a consistent and transparent explanation on how affordable housing is delivered in Huntingdonshire.
- 3.21 The note provides a summary of HDC's main requirements for new affordable housing provision on development sites in the District. The advisory note needs to be read in conjunction with planning policies stated in 3.14. It is hoped that this will provide further clarity on the policies contained within the Local Plan for Developers, RP's and Landowners and strengthens advice on the type of enquiries received within planning and strategy teams.

4. COMMENTS OF OVERVIEW & SCRUTINY

- 4.1 The comments of the relevant Overview and Scrutiny Panel will be circulated to the Cabinet in advance of the meeting.

5. KEY IMPACTS / RISKS

- 5.1 This report is for information only and to share with members the role of the Housing Strategy Team and how it delivers new affordable housing for Huntingdonshire.

6. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 6.1 The activity of the Strategic Housing Team supports the delivery of the Corporate Plan under the Priority of “In creating a better Huntingdonshire for future generations” under the outcome of “Improving Housing”.

7. HEALTH IMPLICATIONS

- 7.1 Within the Health and Wellbeing Integrated Care Strategy, there is a priority of, “Reducing poverty through better housing, employment and skills” this report supports this Strategy.

8. ENVIRONMENT AND CLIMATE CHANGE IMPLICATIONS

- 8.1 In February 2023 the Council formally approved the Council’s Climate Strategy this recognises that the current cost of living and climate crisis require joint attention to support the wellbeing of residents and businesses. In passing the strategy the Council committed to not only delivering the strategy but also making decisions that wherever possible seek to contribute to positive and social benefits. The delivery of good quality, secure accommodation for residents supports this ambitions.

9. REASONS FOR THE RECOMMENDED DECISIONS

- 9.1 This report supports the delivery of action 18 and 20 of the Council’s Corporate Plan.

10. LIST OF APPENDICES INCLUDED

Appendix 1 – Affordable Housing Advice Note

11. BACKGROUND PAPERS

[Report Template for Cabinet / Committee Reports](#) – Local Authority Housing Fund July 2024

[Report Template for Cabinet / Committee Reports](#) – Tenancy Strategy July 2023

[Report Template for Cabinet / Committee Reports](#) – Mid Term Review Housing Strategy June 2023

[Report Template for Cabinet / Committee Reports](#) – First Homes Position Statement June 2023

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