

**New Housing Policies Consultation March 2021**  
**Response of Cambridge and South Cambridgeshire Green Parties**

We welcome this opportunity to comment on new housing policies for Cambridge and South Cambridgeshire. As a general principle, the Green Party supports a large increase in council owned and managed secure rented property backed up by community ownership cooperatives, housing associations and co-housing projects as the best fit for providing affordable housing with ethical heart to it. Although we accept that the private rented sector has a role in meeting housing need, the sector is failing to provide secure, affordable and high standard homes. Reform to housing policy is needed at national level to address this. A fundamental drawback of private rentals is that affordability cannot be guaranteed, but depends on the wider market conditions. It is also the case that some housing associations do not meet tenants' needs adequately for affordable housing, and policies must address this.

To be truly sustainable, new developments should be based around local need for housing, employment and infrastructure, not a top-down growth target. New models of planning with communities to resolve their needs for housing need to be explored. An example is Radical Roots Cooperative Housing, which gives people control over their own housing needs. Where the local councils own land suitable for building they should be supporting and developing local community groups to self-build and co own with the Local Authorities to build appropriate affordable rent housing.

**Key points:**

- We would like to see 50% of homes across the development to be provided as Affordable, rather than the 40% stated. We do not see a justification for requiring only 20% of homes in Build to Rent developments to be Affordable.
- We believe that a discount of 20% relative to the market rate is insufficient to make 'Affordable Private Rent' homes truly affordable for local people.
- It is not made sufficiently clear how these policies will help to deliver the Councils' ambitions on environmental sustainability and social equality, with vague language and a lack of substantive policies in some areas.
- We are very concerned that the Setting of Affordable Rents policy seems to demonstrate that, by the Council's own metrics, 'affordable' housing will in fact be no such thing. The justification given is that providing greater discounts would not be "viable" in terms of Registered Housing Providers' business plans. The Green Party calls for greater scrutiny of this decision.

**1. To what extent do you agree overall with the approach taken in the draft policy around development of Build to Rent schemes?**

Our overarching response is that it is not clear how much of the draft policy will actually be enforceable by the councils and how much will be negotiable with developers. The word 'should' is frequently used, as in "*Tenancies of at least three years should be offered*", "*No-one should be excluded on the basis of being in receipt of state benefits*" – does 'should' mean 'must' in this context? An example we would particularly like to draw attention to is

paragraph 12: *“Quality of schemes is important; particularly environmental standards in line with the councils’ Sustainable Design and Construction Supplementary Planning Document.”* Does this mean that developers will be contractually required to meet all standards set out in this document? The Green Party believes all new build homes must meet the highest standards of sustainability and requests clarification on this point.

We note that in the ‘justification for policy’ section, generating economic growth and creating jobs are listed as benefits of Build to Rent schemes. We contend that economic growth is not necessarily a positive thing and certainly not where it is environmentally unsustainable and/or does not benefit the majority of society. Cambridge has a housing crisis and house prices are already massively over-inflated. Over-abstraction of water is already creating problems in our region and the planned growth is going to exacerbate this. We support in depth consultation with local communities to find out what their local housing needs are, in relation to the need for housing for family members and small business and infrastructure to make communities self-supporting and sustainable to reduce the need for travel and before giving planning permission. We would also support ownership models that give control to the local community for these dwellings rather than developers and encourage models that support small local building companies to take contracts. We also support planning permission to be given to community self build projects and Co- housing.

We list below our responses to specific paragraphs within the draft policy.

- Paragraph 16: *“a minimum of 20% homes in Build to Rent developments of 10 or more homes will be required to be provided as Affordable Private Rent”*. We call for greater ambition in the provision of affordable housing. We note that 20% is the standard benchmark given in national planning guidance. Given the crisis of affordable housing in Cambridge, we would like to see a greater proportion of affordable rents provided in these developments. Paragraph 36f states that a risk of Build to Rent schemes is *“A tendency [...] to offer a lower proportion of affordable housing than in other types of development...”*. The policy seems to actively encourage this problem by requiring Build to Rent to provide only 20% affordable housing while developments as a whole are required to have 40% - what is the justification for this?
- We further note that *“40% of the homes across the whole development will be required to be provided as affordable housing”* (paragraph 31). Cambridge Green Party has previously called for 50% of new homes built to be truly affordable (2016 Manifesto, <https://cambridge.greenparty.org.uk/policies/>)
- Paragraph 15: *“The affordable housing contribution will normally be expected to be provided on-site where necessary to build or contribute to a mixed and balanced community. There may be circumstances where the councils consider a financial contribution to be more appropriate.”* We feel that further detail is needed here to ensure that local people do not lose out. It is essential that any financial contribution is sufficient to deliver the same outcomes as would have been achieved had the developer provided the affordable housing on-site. Furthermore, this money must be ring-fenced to be spent on affordable housing within the same local area.

- Similarly paragraph 23: *“Changing of Affordable Private Rent to another tenure may be permitted in some circumstances. For example [...] where it is clearly impracticable to continue to retain the dwellings as Affordable Private Rent”*. In the absence of a clear definition of ‘impracticable’ this would appear to provide a loophole for scheme providers to increase their rents to market rate in order to maximise profits.
- Paragraph 18: *“Affordable Private Rent homes must be provided at a minimum discount of 20% relevant to local market rents”*. We note this is significantly less than the affordable rent discounts for social housing in the *Setting Affordable Rents* policy (40% or 30%, discussed further under Q3 of this consultation). *Setting Affordable Rents* states that *“in considering Affordable Private Rent as part of a Build to Rent scheme, regard should be given to this policy.”* How has regard been given to this policy when setting a discount rate of 20% for affordable private rents?
- Paragraph 19: *“There should be clear arrangements for setting and reviewing rents, providing some certainty to applicants from the outset about how rent levels are likely to change.”* We agree, and would like clarification that this statement applies to all properties within Build to Rent schemes, not only to ‘affordable’ ones, as this is not clear from the draft policy.
- Paragraph 26: *“All tenants (market and affordable) should be given the opportunity to renew their tenancy at the end of their tenancy period, with tenant-only tenancy break clauses in place allowing a month’s notice any time after the first six months.”* We welcome this and would further abolish Section 21 “no fault eviction” powers for landlords.
- Paragraph 27: *“No-one should be excluded on the basis of being in receipt of state benefits.”* We welcome this and would further scrap requirements for landlords to check the immigration status of tenants.
- Paragraph 36 states that a potential risk of Build to Rent is *“A sharp increase in new residents over a short period of time. For example, at an early stage of a larger development where minimal infrastructure is in place”*. This would be a significant concern, for example, in the NE Cambridge development. To achieve ambitions for a local circular economy and sustainable transport it will be vital to have services in place before residents move in to avoid locking people into car use. What will be done to mitigate this risk in Build to Rent schemes?
- Paragraph 36f lists another risk as: *“potentially less control for councils as to who is eligible for the affordable homes compared with schemes providing an element of social/affordable rent housing.”* We agree this is a concern and are unclear whether the proposed policy is adequate to guard against this.
- Paragraph 41 states *“Supporting the local economy, and reducing reliance on private vehicle travel through good quality public transport and active travel links through well-located Build to Rent schemes are also very important.”* We agree but do not see this picked up in the actual policy. How will these aims be realised?
- Paragraph 44: *“A market report will be needed to demonstrate how a proposed scheme would meet local need and demand. The councils will consider this alongside other appropriate available evidence.”* Who will produce this report? Green policy is that housing provision targets should be based upon housing needs surveys produced or commissioned by local authorities. Commercial house builders and their representatives shall not be involved in the process of identifying potential sites or

assessing housing needs on behalf of the local community. We would add that needs assessments should be linked with social care and health policies, to ensure adequate provision of homes for those with care needs, complex disabilities, and other special needs. Housing needs should be planned on a lifetime model. For example, homes must contain enough rooms for growing families to have quiet space to do homework and for family support to be able to stay, have gardens for play and safe social interaction while parents are working in the house. Households need a spare room for storage of equipment or disabled families and downstairs shower/toilets bedroom. When families outgrow housing at the time when children leave home or a spouse dies, suitable rented accommodation needs to be available within the same community to maintain family and community support with enough room for distant relatives to stay.

- We note that the draft policy deals mainly with requirements for the initial build. What requirements will the council impose for scheme providers to ensure the properties are maintained and kept in good repair for the duration of tenancies, and how will these be enforced?

## **2. To what extent do you agree overall with the approach taken in the draft policy on Clustering and Distribution of Affordable Housing on new developments?**

We support the principle that the layout of housing developments should integrate 'affordable' housing types with market housing in ways that minimise social exclusion. We do not have any comments on the specifics of this policy. There are two general points we would like to pick up:

- Paragraph 7: *"At all stages of design, service charges levels should be considered. High service charges will increase the risk of the affordable units being unaffordable."* We note that the *Setting of Affordable Rents* policy states that the discounts provided for affordable rents should be *"inclusive of eligible property related service charges"* so we are unclear as to the meaning of this paragraph. It must not be used as an excuse for lower quality developments or standards of maintenance.
- Paragraph 24: *"The numbers in the policy are partly based on both councils previous Supplementary Planning Policies which have generally worked well"*. We would like to see the evidence that they have worked well. We are not aware, for example, of any large-scale surveys of residents of new developments to seek feedback which could feed back into planning policy.

## **3. To what extent do you agree overall with the approach taken in the draft policy on Setting of Affordable Rents?**

We welcome the recognition that Cambridge City and South Cambridgeshire District are as high affordability pressure areas, and of the impact that the recent increase in Local Housing Allowance could have on recipients of Universal Credit. We do however have concerns about the specifics of this policy.

- Crucially, this policy seems to demonstrate that, by the Council's own metrics, 'affordable' housing will in fact be no such thing. The document calculates the rent discount necessary to ensure that households on the lower quartile of household

income pay no more than 35% of their income on rent (as per Council policy). These discounts (compared to the median rent) are found to be **56%** for Cambridge and **40%** for South Cambs. However, the discounts actually proposed are **40%** for Cambridge and **30%** for South Cambs. The justification given is that providing the higher discounts would not be “viable” in terms of Registered Housing Providers’ business plans. The Green Party calls for greater scrutiny of this decision. For example, what is considered ‘viable’ – e.g. are housing providers expected to make a profit?

- As for question 1, the language used is worryingly vague. For example: “the following discount *should be considered* when determining Affordable Rents” (paragraph 8), and “The Councils *will seek* a discount resulting in affordable rent levels...” (paragraph 19). Does this policy represent any binding requirement on housing providers to set affordable rates as determined by the Council?
- Paragraph 12: “*Where the design and quality of homes is above national or local standards to help achieve the Councils’ objectives in relation to zero carbon homes and tackling fuel poverty, consideration will be given for Affordable Rents to be charged at up to 80% of a median market rent. Registered Housing Providers will need to demonstrate that the overall affordability of the home, in terms of fuel costs, etc will be sufficiently reduced so that it is cost neutral to tenants.*” We welcome this in principle as an incentive for housing providers to increase energy efficiency. However, it will be crucial to ensure that this would genuinely be cost neutral for tenants, i.e. that the reduction in energy bills received by the tenant is sufficient to offset the higher rent. The saving in energy costs must not be pocketed by the landlord. Furthermore, the whole cost of running the home must be considered, not just heating. For example, we know of households living in new sustainable builds in Trumpington who are finding cooking from scratch unaffordable, due to the high cost of running the electric cookers they have been supplied with. The situation must be regularly reviewed to check that tenants in the ‘energy efficient’ homes do not have greater total costs (rent and energy bills) compared with tenants in standard homes.

Response submitted 23 March 2021, on behalf of Cambridge and South Cambridgeshire Green Parties. Contact [ellie\\_crane@cantab.net](mailto:ellie_crane@cantab.net)