

## SUBSIDY CONTROL ANALYSIS

Grant recipient: **GTC**

Grant: £675,000

### Legal Basis

Cambridgeshire and Peterborough Combined Authority (CPCA) is publishing information in relation to the grant to **GTC** as required by Article 369 of Chapter 3 to Part 2 of the UK-EU Trade and Cooperation Agreement (TCA). This transparency notice provides information on how the Grant meets subsidy principles set out in Article 366 of Chapter 3 to Part 2 3.4 of the TCA which are now binding under domestic law by virtue of s.29 of the European Union (Future Relationship) Act 2020.

In line with transparency requirement, this decision will be published by the CPCA, and information provided to BEIS as required. The award of Grant is made by the Combined Authority pursuant to Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017.

Grant funding for this matter was approved by the Housing Committee on 21<sup>st</sup> June 2021 ([Document.ashx \(cmis.uk.com\)](#) )

### Purpose of Grant

THE CPCA is making funding available, in the form of a Grant, to GTC.

The Grant will assist in providing **15 Almhouses** on the site known as DOVEHOUSE COURT, HIGHT STREET, GIRTON in the sum of £675,000 for the provision of affordable housing.

The provision of the subsidy is part of the CA's wider strategy to encourage the construction of at least 2000 affordable housing units across the CA's region. This opportunity is particularly attractive as (i) it provides "additionality" because the units at Girton are not currently allocated as affordable housing (and so would be in addition to the 2000 units otherwise planned) and (ii) it provides a new product that enables those who are not able to purchase homes in the commercial market to do so at a discounted price. The lack of affordable housing is a well understood problem across the UK and is particularly acute in East of England amongst other places, which includes the CA's area, see Commons Library Briefing, April 2021.

### Grant Assessment

The intervention is proportionate given that the amount of subsidy as calculated on a per unit basis (i.e., per dwelling) is comparable with the support provided to Registered Providers, limited companies and charities for similar purposes. The Grant Agreement commits GTC to procure that the housing is let at affordable rents unless and until the housing is sold to the tenants or otherwise in accordance with its operating model.

The Council will implement a robust assurance process as part of the claim procedure. This will ensure that all costs claimed will be eligible in accordance with the funding agreement. The maximum average per unit contribution is £45k. If there is a requirement for a higher level of intervention, then GTC will be required to justify the higher per unit subsidy.

## **Beneficiaries**

The residential units the subject of the subsidy is one-bedroom almshouses (or one-bedroom flats) built for the current town parish area. The developer requested assistance for funding as they were not a registered provider and could not apply to Homes England, and therefore approached CPCA as a possible scheme for funding from the £100m Affordable Housing Programme.

The subsidy is designed to encourage the development of land and the acquisition of housing for affordable housing in the CPCA's area.

In the absence of the subsidy, it is unlikely that that the 15 homes would not be built for some period of time. As beneficiary, GTC would not be able to acquire the 15 homes without some form of help from the subsidy.

The GTC had approached various parties in order to help with development costs, such as Homes England who refused their application, as they were not a Registered Provider. They have a business case, whereby they needed assistance to development on a brownfield site to acquire more almshouses for people over 55+.

There is no obvious alternative means by which the objective in this instance could be achieved. The main beneficiary of the subsidy is for the future occupiers of the units. These will not have developed and therefore would not allow people over 55 to downsize or acquire units to live in. Without this there would be no help with downsizing of elderly people and the releasing of family housing within the area.