



Greater Cambridge Shared Planning  
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Our Ref: JR M15/0715-346

**By email only:**

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Dear Sir/Madam

**RE: DRAFT NORTH EAST CAMBRIDGE AREA ACTION PLAN**

Thank you for the opportunity to comment on the draft of the North East Cambridge Area Action Plan (AAP). We represent **Rentplus UK Ltd**, an innovative company providing **affordable rent-to-buy housing** for hard-working people aspiring to home ownership. Rentplus provides an accessible route to achieve their dream through the rent - save - own model. Households rent the property for a defined period at an affordable rent and then receive a gifted 10% deposit upon purchase. Rentplus has recently been recognised by the National Housing Awards as the Most Innovative Home Ownership Solution for 2019.

The first section of these representations introduces the Rentplus model and sets out recent developments which underline the importance of the rent-to-buy model. The second section provides specific comments on the emerging Area Action Plan, and the contribution that Rentplus can make towards achieving the aims of the Plan.

**Introducing Rentplus**

The Rentplus model of affordable rent-to-buy aims to help those hard-working families and households unable to access ownership either through shared ownership, starter homes or homes on the open market, to overcome the mortgage 'gap'. This is achieved through a defined period of affordable Intermediate Rent at no more than 80% of local market value (including service charge) during which all Rentplus residents are able to save towards a deposit to supplement the 10% gifted deposit received from Rentplus.

It is important to note that in 2018 the National Planning Policy Framework (the 'Framework') was revised to incorporate a wider definition of affordable housing, now providing four categories; rent-to-buy is included within category d) Other affordable routes to homeownership. The revised Framework also expanded the scope of 'Affordable housing for rent' to include not just 'traditional' affordable and social rented housing, but any scheme which meets criteria where the rent is at least 20% below local market rents, where the landlord is a registered provider, and where any public subsidy is recycled for future provision. Rentplus (working with its partner Registered Providers) meets each of these criteria; it does not rely on public subsidy and therefore there is no requirement to recycle it. The then- Planning Minister confirmed in a letter in 2019 that Rentplus meets the Government's expectation of rent to buy (see **Appendix**).

In this context, the Rentplus model is a hybrid and falls within both categories of affordable housing, as either part of the 'affordable housing to rent' element, or as an 'affordable route to home ownership'. This has also been recognised by several councils such as Plymouth, West Devon, South Hams, Mid Devon, Dorset, South Somerset, Sedgemoor, Cotswolds, Cherwell, Northampton, Wellingborough and Fenland Councils, all of whom Rentplus has worked with to deliver homes in recent years.

The Rentplus model offers the opportunity for the Council and Registered Providers (RPs) to diversify the local housing offer without further recourse to public subsidy. The affordable rented period provides

families and households with security of tenure, with certainty of management and maintenance by a local partner RP, and critically the opportunity to save towards purchase. As affordable rent to buy meets needs for affordable rent (the only difference being marked by the expectation by all parties of purchase), it comes with a significant benefit of freeing up existing affordable rented homes for others in priority need, as demonstrated by Rentplus schemes across England. Rentplus works with councils across the East of England; Rentplus has worked with the Greater Cambridge authorities in recent years as well as local housing association King Street Housing Society (now part of Catalyst Housing). Rentplus is also recognised by South Cambridgeshire District Council as one of the affordable housing tenures. Rentplus has also worked with other Cambridgeshire authorities including in Fenland where new Rentplus homes have recently been delivered at Dodington.

In diversifying the overall housing mix, Rentplus can help to create mixed and balanced communities. Rentplus tenants are on a clear path to homeownership, meaning they are more likely to remain in their property for the long-term and therefore better settle into their community. This helps to create a stronger sense of place in new developments in the long run.

### Comments on the Draft Area Action Plan

Rentplus welcomes the commitment by the Greater Cambridge councils to prepare an Area Action Plan for North East Cambridge. This prominent site presents an important opportunity to provide a significant amount of new housing to meet the urgent needs of Cambridge and its immediate surroundings.

Housing affordability is a serious concern in Cambridge and South Cambridgeshire. In 2019, the ONS reported that lower quartile house prices equated to 13.51 times lower quartile earnings in Cambridge; and an equivalent figure of 10.77 times for South Cambridgeshire. Any household on a low or middle income in the City or South Cambridgeshire faces a serious challenge in affording a home without access to either substantial savings or inherited wealth. The high cost of housing makes saving for any kind of deposit – even that for a shared ownership home – very difficult for many households including those of key workers. The implications this has for the sustainable development of Greater Cambridge are well documented, with many households forced to look for housing further afield in neighbouring authorities, resulting in high levels of out-commuting. The long-standing Sustainable Development Sequence in Cambridge and South Cambridgeshire has sought to direct development to Cambridge and the edges of Cambridge in the first instance. In this context, it is important that housing in and around Cambridge is affordable to as many people as possible. This will ensure that people of all incomes in Greater Cambridge are able to live close to their place of work and moreover, access the security and long-term stake in their community that homeownership provides.

Policy 13B 'Affordable Housing' sets a requirement to deliver 40% affordable housing, of which 60% is expected to be for affordable housing for rent, and the remaining 40% for 'intermediate' tenures. The supporting text rightly identifies rent to buy as an affordable route to home ownership. The 2020 Housing Topic Paper explains that the 60:40 split between tenures delivers more affordable home ownership dwellings than either the adopted Cambridge Local Plan or South Cambridgeshire Local Plan. It also notes that this "*could help to provide a wider range of housing options beyond the more traditional shared ownership model, and also support local businesses by improving provision of housing which is accessible to a wider range of local workers.*" The Housing Topic Paper also specifically identifies rent to buy as one of the affordable ownership models.

Rentplus therefore supports policy 13B as drafted, although would welcome recognition of the role of affordable routes to home ownership within the policy itself. Similarly, the policy would benefit from additional flexibility, given the complex nature of the site, to vary the tenure mix to suit site circumstances and viability. We therefore recommend that the second paragraph of policy 13b is amended as below (additions in **bold**, deletions in ~~strikethrough~~):

*It is expected that ~~a minimum~~ of 60% of the affordable homes will be social/affordable rent (i.e. housing currently set at Social and/or Affordable Rents) to provide a balanced mix appropriate to the development but still prioritising this tenure. **The remaining affordable homes will be for affordable routes to home ownership, such as rent to buy, shared ownership, discounted market sale and other affordable routes to home ownership.***

## Summary and Conclusion

Rentplus can assist in meeting local need, allocating all of its residents through the Housing Allocation Scheme; by enabling real savings to be built while renting at an affordable rent the Council can help meet the needs of low and middle income households, providing greater choice and flexibility in the planning system.

We are supportive of the overall policy approach to affordable housing in North East Cambridge. It presents the opportunity to widen access to home-ownership, recognising that innovative models of affordable home ownership have an important role to play. Changes to the policy are recommended for clarity and flexibility. We trust the above comments are of assistance to the Council. Should the Council wish to discuss how affordable housing delivery and rent-to-buy can best meet local needs in Greater Cambridge, please get in touch. We would like to be notified of further consultations; please notify **Tetlow King Planning** as agents of Rentplus by email only to [consultation@tetlow-king.co.uk](mailto:consultation@tetlow-king.co.uk).

Yours faithfully



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Appendices: Appendix 1: Letter from Kit Malthouse MP, 2019