



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

<b>HOUSING AND COMMUNITIES COMMITTEE</b>	<b>AGENDA ITEM No: 2.2 (ii)</b>
<b>11 NOVEMBER 2019</b>	<b>PUBLIC REPORT</b> Appendix 1 to this report is exempt from publication because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act. It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information.

## **£100M AFFORDABLE HOUSING PROGRAMME SCHEME APPROVALS**

### **BRETTON COURT, BRETTON CENTRE, PETERBOROUGH, MEDESHAM HOMES LLP.**

#### **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. This report provides the Committee with one scheme for approval of grant funding in the context of the overall investment pipeline for the Combined Authority's £100m programme.
- 1.3. Grant from the CPCA Affordable Housing programme of £1,687,500 is sought for 45 affordable units at Bretton Court delivered by Medesham Homes. A Business Case for this proposal is attached as exempt Appendix 1.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Cllr Graham Bull, Lead Member for Housing and Chair of Housing and Communities Committee</b>
<b>Lead Officer:</b>	<b>Roger Thompson, Director of Housing and Development</b>

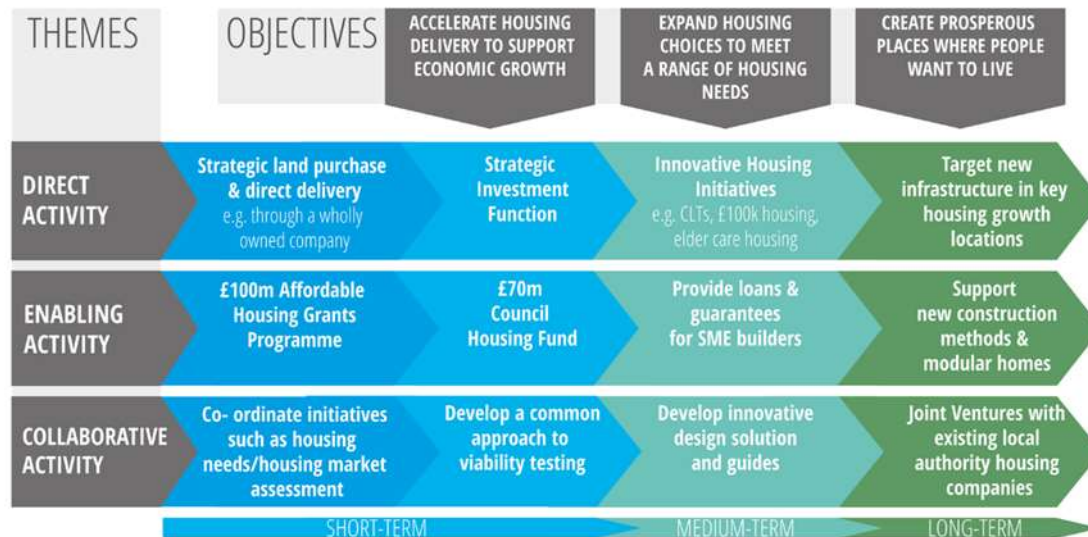
Forward Plan Ref: 2019/051      Key Decision: Yes	
<p>The Housing and Communities Committee is recommended to:</p> <p>(a) Commit grant funding of £1,687,500 from the £100m Affordable Housing programme to enable delivery of 45 new affordable homes ranging from 1 and 2 beds flats, at Bretton Court, Bretton Centre, Peterborough.</p>	<p><b>Voting arrangements:</b></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.

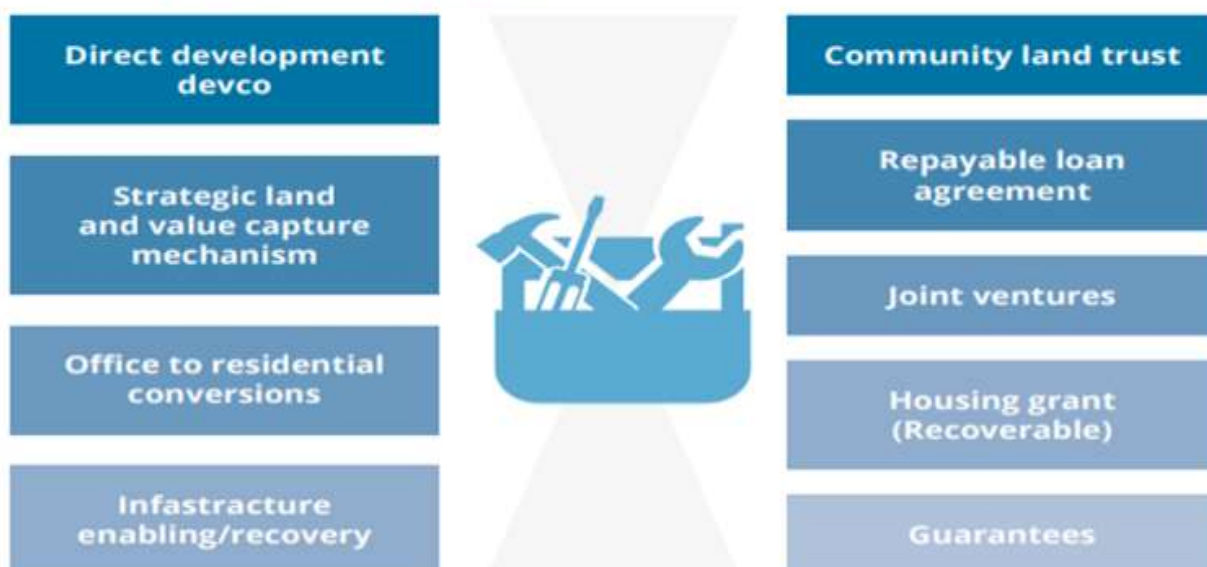
### Combined Authority Housing Programme

- 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 Committee) 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

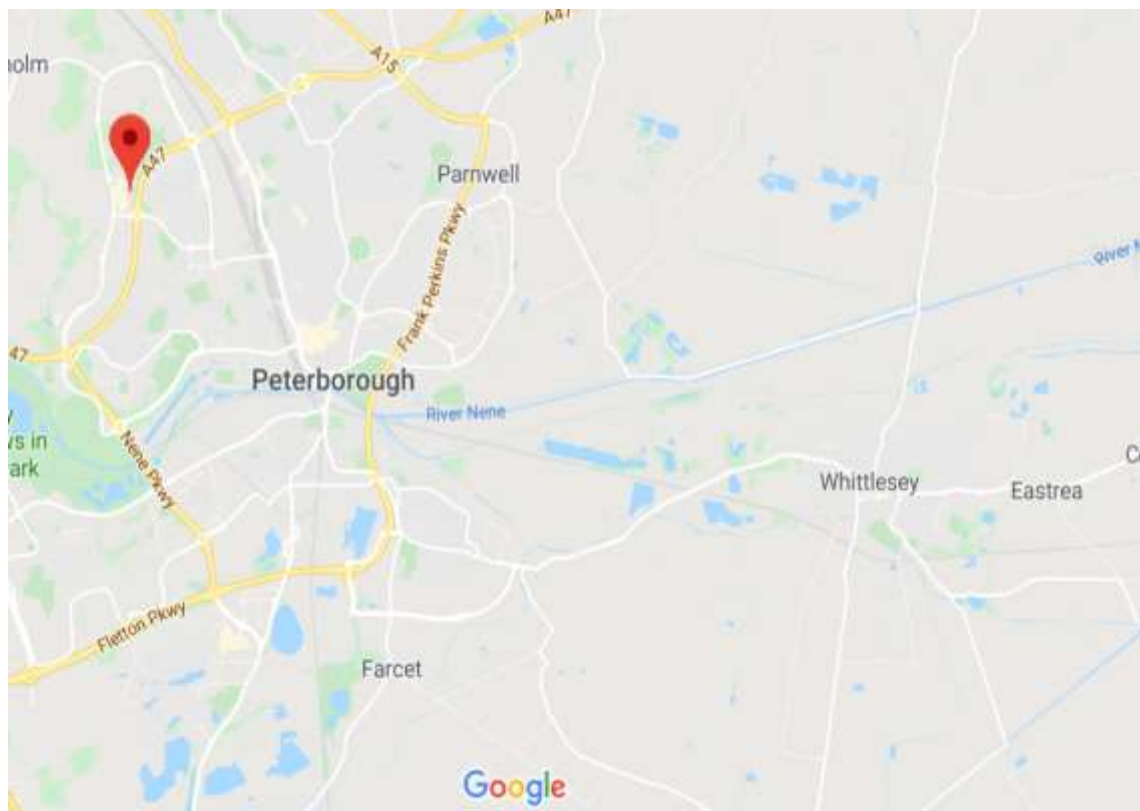


2.7. Full performance updates relating to the programme are presented to the Housing and New Communities Committee on a quarterly basis with the most recent provided on 10 July 2019. Both the £100m & £70m programmes (within the overall £170m programme) are on track to achieve their targets by March 2022.

### **3. PROPOSED SCHEME FOR APPROVAL**

#### **BRETTON COURT, BRETTON CENTRE, PETERBOROUGH – MEDESHAM HOMES**

- 3.1. Medesham Homes has applied to the Combined Authority for £1,687,500 grant to deliver 45 new affordable homes, ranging from 1 and 2 bed flats. The Combined Authority Affordable Housing grant will therefore be used to convert the units that were originally intended to be market units to Affordable Rent. A business case and supporting information are attached as a confidential appendix to this paper.
- 3.2. The scheme has a Permitted Development Approval for the Conversion of the Bretton Court Office Block and a Full Planning Approval for the residential conversion of the upper floors of the Roundhead Public House, together with new second floor extension.
- 3.3. Medesham Homes LLP has acquired the two adjacent buildings from Peterborough City Council and a separate Freehold Owner. They are about to enter into a JCT Building Contract for the scheme conversion. The start on site is imminent, December 2019

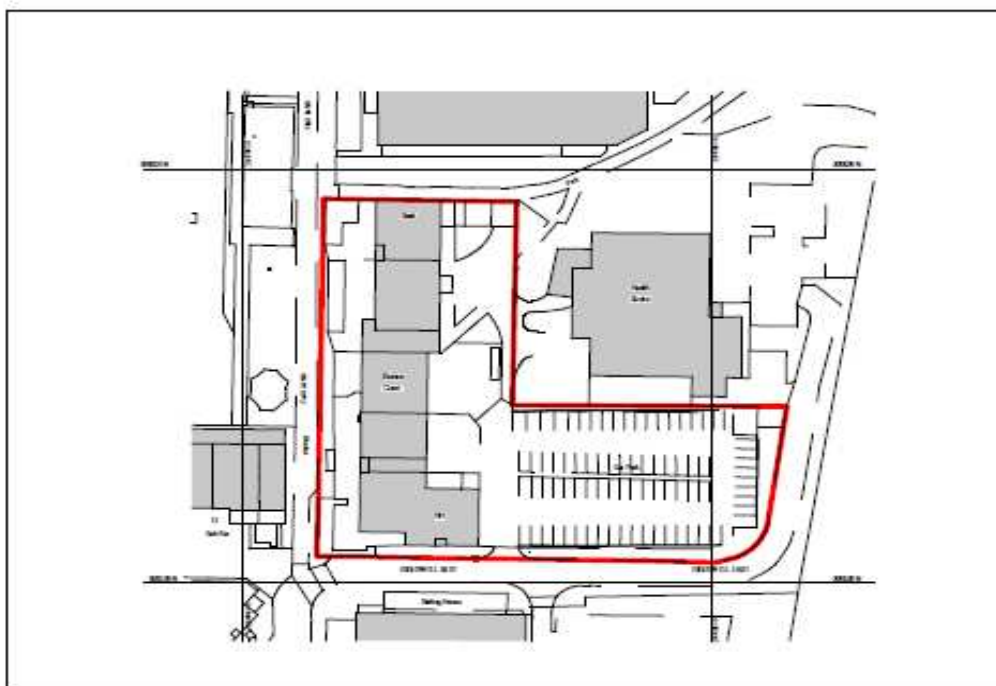


**Figure 1. Site location (Google Maps)**

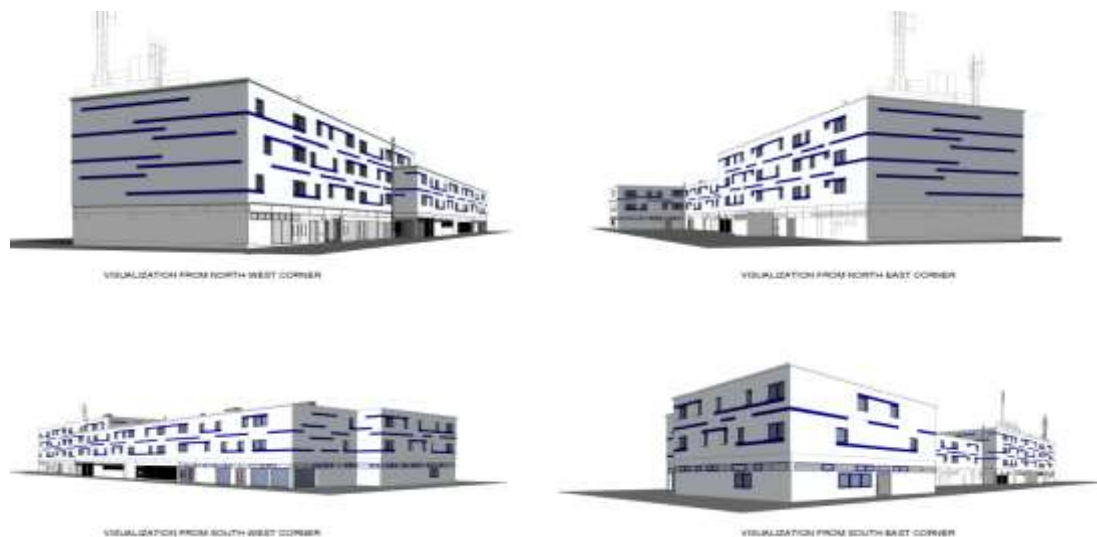
- 3.4. Medesham Homes did have the option to develop the flats for sale but have opted for providing 1 and 2 bed flats for affordable rent.
- 3.5. The site is on the north west fringes of Peterborough and is close to the A47 and other main roads.
- 3.6. The accommodation will comprise of 45 one and two bed flats, 38 are to be one bedroom and 7 two-bedroom flats.
- 3.7. JCT Design and Build contract will be with R G Carter who will engage existing local supply chains to deliver the project, with practical completion Q4 2020/21.

Dwelling Type	m <sup>2</sup>	Gross Sq.Ft	Quantity
38 x 1 bed flats		-	38
7 x 2 bed flats		-	7
			45

**Figure 2: - Site plan – aerial view**



**Figure 3: - The Site drawings**



### **About Medesham Homes LLP**

- 3.8. Medesham Homes LLP has acquired the two adjacent buildings from Peterborough City Council and a separate freehold Owner, and they have entered into a JCT Building Contract for the scheme conversion.
- 3.9. Medesham Homes is an exciting development partnership between Peterborough's largest housing association Cross Keys Homes and Peterborough City Council.
- 3.10. Established in 2016 to deliver quality affordable homes throughout Peterborough and beyond, they aim to tackle affordable housing issues and longer-term homelessness problems through their ambitious development programme.
- 3.11. With extensive experience of delivering affordable developments and providing long-term housing management services, Medesham Homes is a not-for-profit partnership with a vested interest in helping communities thrive. Drawing funds from right to buy receipts, the scheme is designed to provide attractive, affordable units.
- 3.12. The scheme is part-funded by sale proceeds from Preserved Right to Buy transactions received by the Peterborough City Council from Cross Keys Homes under the terms of the Large-Scale Voluntary Stock transfer agreement entered in 2004.

- 3.13. It was considered that the proposal, along with the former prior approval application would bring a vacant building back into beneficially use, provide much needed housing accommodation and an improvement to the visual amenity of the area by converting the vacant and deteriorating public house. The proposal therefore accords with policy LP8 of the Adopted Peterborough Local Plan (2019).
- 3.14. The site has approval of permitted development for Office Conversion for the Bretton Court Office block and a full planning approval for residential conversion of the upper floors of the Roundhead Public House, with a new second floor.
- 3.15. The whole site will provide an additional 45 rented units of one and two bed flats in a busy area of Peterborough, close to transport links and other facilities such as health centre and shopping.
- 3.16. The Housing and Strategic Planning Manager for Peterborough has commented on this scheme of 45 rented homes and believes this to be a valuable contribution towards meeting the pressing need for affordable rented homes in this area. There is a great need for one and two bed flats for the area, in relation to the housing need. This will help with reducing the numbers on the housing waiting list, as well as helping families who are homeless.

#### **Additionality / Case for Combined Authority funding**

3.17. The proposed scheme offers the following additionality:

- The scheme will deliver 45 new homes for Affordable Rent in an area of housing need. The 45 affordable units will be available in accordance with the lettings policy agreed with Peterborough City Council. The scheme is 100% affordable.
- The scheme is anticipated as being delivered by Quarter 4 2020/2021.
- The CA grant will enable 45 affordable rented units to be created as affordable housing, from an under-utilised and antiquated office property.

#### **Proposed Conditions of Grant Approval**

3.18. It is proposed that the grant of £1,687,500 for delivery of 45 new affordable homes at Bretton Court, Bretton Centre, Peterborough to 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 31<sup>st</sup> May 2020.

##### Post contract but pre draw-down of grant:

- i. evidence of site ownership and contract for scheme conversion

ii. evidence of completion 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 £1,687,500 grant from the Affordable Housing Programme at an average grant rate of £37.5k for each rented unit.
- 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	17	908	13,723,206
Total Loan & Toolbox capital committed (from £40m revolving fund)	3	38	35,740,000
<b>TOTAL PRIOR TO NOV 2019 BOARD</b>	<b>20</b>	<b>946</b>	<b>49,463,206</b>
<b>PROPOSED SCHEME FOR NOV 2019 BOARD APPROVAL</b>			
Great Whyte, Ramsey Affordable Housing Grant (CPCA Board 11 November 2019: Agenda Item 3.1(a))	1	15	600,000
Bretton Court, Bretton Centre, Peterborough Affordable Housing Grant (CPCA Board 11 November 2019: Agenda Item 3.1 (a))	1	45	1,687,500
Total Affordable Housing Grants if approved by Board	22	968	16,010,706
Affordable Housing: AVERAGE GRANT RATE PER UNIT*			(16,010,706/968) =16,539.99
Loan & Toolbox capital committed (from £40m revolving fund)	3	38	35,740,000
<b>TOTAL IF NOV 2019 SCHEME IS APPROVED</b>	<b>25</b>	<b>1006</b>	<b>51,750,706</b>



## 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.

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
Housing Strategy September 2018	<a href="#"><u>CA Board September 2018</u></a>
£100m Affordable Housing Programme Update Oct 2019	<a href="#"><u>CA Board Oct 2019</u></a>