



HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.2 (v)
22 JUNE 2020	PUBLIC REPORT 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.

STANGROUND, PETERBOROUGH

1.0 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. A grant from the Combined Authority Affordable Housing programme of £1,260,000 is sought for 28 affordable rented additional units. A Business Case for this proposal is attached as exempt Appendix 1.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Chris Boden, Lead Member for Housing and Chair of Housing and Communities Committee
Lead Officer:	Roger Thompson, Director of Housing and Development
Forward Plan Ref: 2020/038	Key Decision: Yes
The Housing and Communities Committee is recommended to:	Voting arrangements Simple majority of all Members

a) Commit grant funding of £1,260,000 from the £100m Affordable Housing programme to enable delivery of 28 affordable rented additional units, at Stanground, Peterborough.	
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2.0 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.

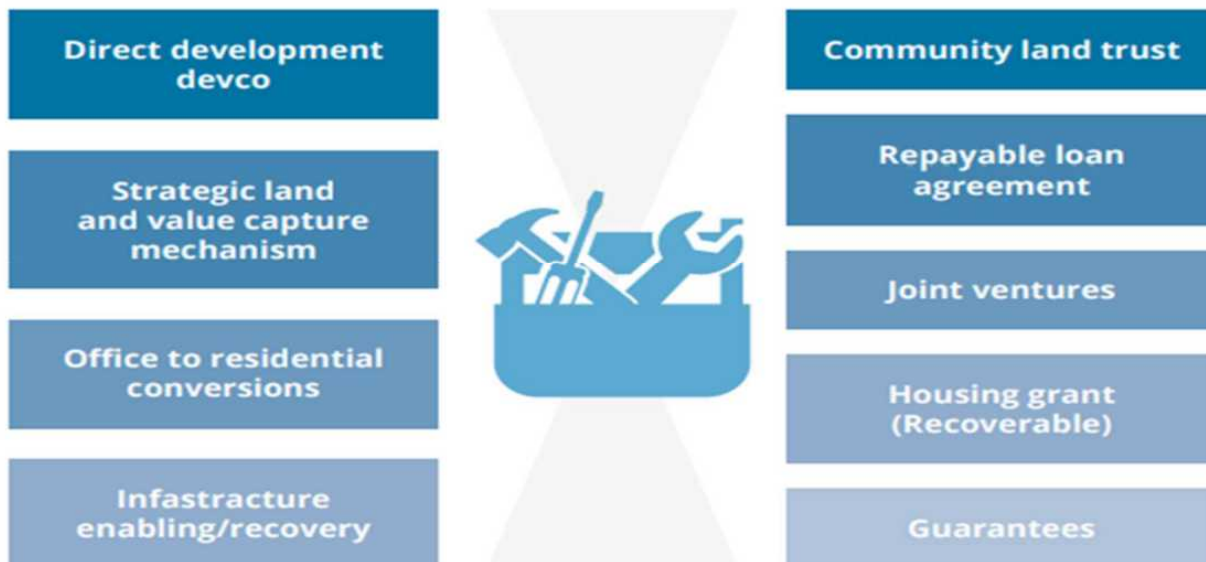
Combined Authority Housing Programme

- 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 Communities Committee on a quarterly basis with the most recent provided as a report on today's agenda. Both the £100m & £70m programmes (within the overall £170m programme) are on track to achieve their targets by March 2022.

3.0 PROPOSED SCHEME FOR APPROVAL

STANGROUND, PETERBOROUGH.

- 3.1. Currently this site has an A1 commercial use class. No current residential planning consent currently exists; therefore it will be a windfall site with 100% affordable housing.
- 3.2. Heads of terms are agreed with the vendors, and solicitors have been instructed for the acquisition of the freehold interest of the site.
- 3.3. Acquisition is hoped to be completed over the summer, subject to legals and due diligence.
- 3.4. The scheme will require internal approval by CKH's Growth Board. This is scheduled for 24th June 2020.

3.8. Below are the dwelling types, sizes by square metres, but they are all to NDSS.

Description/ Type of unit	Number of Units	Size (sqm)	NDSS Standard (sqm)	Meets NDSS	% of NDSS
affordable rent					
4 x 1b/2p flat	4	50	50	Y	100%
16 x 2b/3p flat	16	61	61	Y	100%
8 x 3b/5p house	8	99	99	Y	100%
Total	28				

3.9. The dwellings are a mixture of affordable rented flats and houses ranging from 1-3 bedrooms.

About Cross Keys Homes

3.10. Cross Key Homes covers a wide area, including in and around Peterborough. CKH are one of the main providers of affordable housing in the CPCA district.

3.11. Target milestones dates are – acquisition August 2020, Planning consent December 2020, start on site in February 2021. Practical completion March 2022.

3.13. The Housing Enabling officer for Peterborough City Council supports the homes coming through and is happy with the mix of sizes of housing on the scheme, as it helps increase the supply of suitable accommodation in the city. This will benefit the need for the area and for the people of Peterborough, especially with the supply of affordable rented units.

Additionality / Case for Combined Authority funding

3.14. The proposed scheme offers the following additionality:

- The CPCA grant will enable an additional 28 affordable units to be provided, as part of the CPCA 2000 start on site homes target by March 2022.
- This site is considered as part of a windfall site to the area.

Proposed Conditions of Grant Approval

It is proposed that the grant of £1,260,000 will help with the delivery of 28 new affordable rented homes at Stanground, Peterborough to be approved subject to the following conditions.

¹ Numbers are rounded up in some instances.

Pre-contract:

- Acquisition of the land has been completed.
- Subject to approval from CKH Board, due on 24th June 2020.
- Planning permission has been secured.

Post contract but pre draw-down of grant:

- Evidence of start on site, due to be in Q4 20/21.

SIGNIFICANT IMPLICATIONS.

None.

4.0 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 £1,260,000 grant from the Affordable Housing Programme at an average grant rate of £45,000 per unit for each unit of affordable housing.
- 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 as at April 2020	28	1,246	27,312,271
Less: Papworth Scheme no longer available	-1	-9	-114,000
Total before June 2020 Committee	27	1,237	27,198,271
PROPOSED SCHEME FOR JUNE 2020 COMMITTEE APPROVAL			
ROMAN FIELDS, PASTON, PETERBOROUGH	1	20	645,000

ALCONBURY WEALD, ALCONBURY	1	94	4,425,000
MARCH TOWN CENTRE, QUEENS ST, NORWOOD RD & HEREWARD HALL	1	90	3,520,000
RAF UPWOOD, RAMSEY ROAD, BURY, HUNTS	1	64	2,720,000
STANGROUND, PETERBOROUGH	1	28	1,260,000
Total Affordable Housing Grants if approved by Board	32	1,533	39,768,271

Affordable Housing:
AVERAGE GRANT
RATE PER UNIT* £25.9k

Loan & Toolbox capital committed (from £40m revolving fund)	5	53	51,167,000
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TOTAL IF JUNE 2020 SCHEME IS APPROVED	37	1,586	90,935,271
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5.0 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 Part 4, Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 SI 2017/251). This power permits the Combined Authority to make grants to providers in order to deliver the terms of the devolution deal signed with Government.
- 5.2 The meeting shall be conducted in accordance with Parts 2 and 3 of the Local Authorities and Police and Crime Panels (Coronavirus)(Flexibility of Local Authority and Police and Crime Panel Meetings)(England and Wales) Regulations 2020.

5. APPENDICES

Appendix 1 – Exempt from publication - Business Case including supporting evidence.

<u>Background Papers</u>	<u>Location</u>
Housing Strategy September 2018	<u>CA Board September 2018</u>
£100m Affordable Housing Programme Update April 2020	<u>CA Board April 2020</u>