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| <b>HOUSING AND COMMUNITIES<br/>COMMITTEE</b> | <b>AGENDA ITEM No: 2.2 (ii)</b>  |
| <b>13 JANUARY 2020</b>                       | <b>PUBLIC REPORT</b><br>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**

### **STILTON – REAR OF 26-34 HIGH STREET, PETERBOROUGH, HUNTS.**

#### **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 a proposed 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 Combined Authority Affordable Housing programme of £1,570,000 is sought for 42 units (10 units at affordable rent and 32 shared ownership) at Land to the Rear of 26-34 High Street, Stilton, Peterborough. A Business Case for this proposal is attached as exempt Appendix 1.

| <b><u>DECISION REQUIRED</u></b>   |  |
|-----------------------------------|--|
| <b>Lead Member:</b>               | <b>[TBD]</b>   |
| <b>Lead Officer:</b>              | <b>Roger Thompson, Director of Housing and Development</b> |
| <b>Forward Plan Ref: 2020/001</b> | <b>Key Decision: Yes</b>                                   |
|                                   | <b>Voting arrangements:</b>                                |

|  |                                       |
|--|---------------------------------------|
| <p>The Housing and Communities Committee is recommended to:</p> <p>(a) Commit grant funding of £1,570,000 from the £100m Affordable Housing programme to enable delivery of 42 (10 affordable rent and 32 shared ownership) affordable homes at Stilton, Peterborough, Huntingdonshire</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.

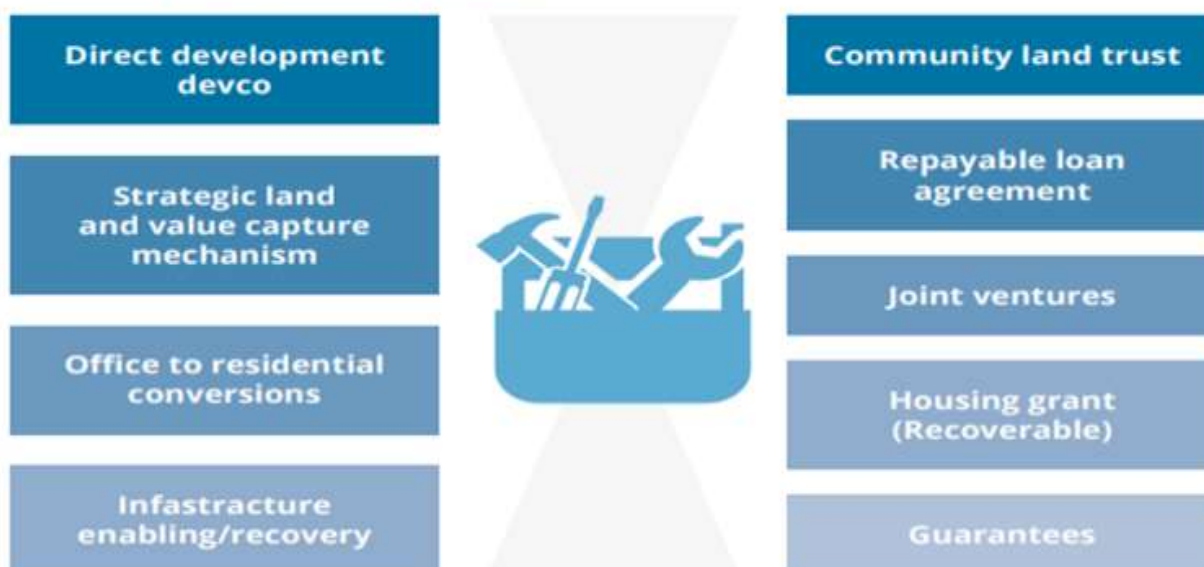
### Combined Authority Housing Programme

- 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 Communities Committee at every meeting 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. PROPOSED SCHEME FOR APPROVAL

#### **STILTON – REAR OF 26-34 HIGH STREET, STILTON, PETERBOROUGH, HUNTS.**

- 3.1. Cross Key Homes has applied to the Combined Authority for £1,570,000 grant to deliver 42 additional new affordable homes (10 affordable rent and 32 shared ownership) as part of a development of 70 new homes. The other 28 homes are part of S106 agreement.
- 3.2. An Outline Planning application 18/02192/OUT was achieved in May 2019.
- 3.3. Stilton is south of Peterborough and north of Huntingdon, it is on the A1(M). Stilton is in the Huntingdonshire district area, which requires much needed housing.



**Figure 1: - Stilton, Peterborough, Huntingdonshire.**

- 3.4. This site is to host 70 new homes and has received outline planning in May 2019. Some of these homes will be part of s106 and the remaining ones will be additional homes.
- 3.5. Heads of terms have been agreed and legals have commenced.
- 3.6. Below are the dwelling type and tenure type of the units with size.

| Dwelling Type     | m <sup>2</sup> | Type of tenure   | Quantity |
|-------------------|----------------|------------------|----------|
| 10 x 2b/4p houses | 71.1           | Affordable rent  | 10       |
| 10 x 2b/4p houses | 71.1           | Shared ownership | 10       |
| 16 x 3b/5p houses | 83.7           | Shared ownership | 16       |
| 6 x 4b/6p houses  | 95.4           | Shared ownership | 6        |
|                   |                |                  | 42       |

## **About Cross Keys Homes**

- 3.7. Cross Key Homes are based in Peterborough and have a G1 and V1 rating.
- 3.8. Cross Key Homes covers a wider area, in and around Peterborough. Stilton is south of Peterborough, but the site is in Huntingdonshire area. CKH are one of our main providers of affordable housing in the Combined Authority's area.
- 3.9. The Housing Enabling officer for Huntingdonshire DC was happy with the mix of housing on the scheme, as it helps increase the need of suitable accommodation in their borough. This would benefit the need for the area and for the people in Huntingdonshire.

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

3.10. The proposed scheme offers the following additionality:

- There is an outline planning consent on site with reserved matters to observe
- The scheme will deliver 70 properties and the site will be 100% affordable housing site with a mix of affordable rented and shared ownership properties in accordance with the lettings policy agreed with Huntingdonshire District Council.
- The Land acquisition is soon, with SOS by Q4 of 2020/2021.
- The site is currently consented for 28 units under the s106 and the remaining 42 as market housing. The Combined Authority grant will enable the additional 42 affordable units to be provided, as part of the Combined Authority's 2000 homes target 2022.

## **Proposed Conditions of Grant Approval**

- 3.11. It is proposed that the grant of £1,570,000 will help with the delivery of 42 new affordable homes at Stilton, Rear of 26-34 High Street, Peterborough to be approved subject to the following conditions;

### Pre-contract:

Confirmation of Heads of Term and legal has commenced by Mar 2020

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

- i. evidence of site ownership.
- ii. resolution of reserved matters
- ii. evidence of start on site, due in Q4 2020/21

## 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 £1,570,000 grant from the Affordable Housing Programme at an average grant rate of £37.4k 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 | Combined Authority Funding Committed £ |
|--|-------------------------|-----------------------------------|--|
| Total Affordable Housing Grants approved by Board and Committee                                  | 20                      | 1086                              | 20,552,706                             |
| Total Loan & Toolbox capital committed (from £40m revolving fund)                                | 4                       | 43                                | 41,520,000                             |
| <b>TOTAL TO DEC 2019</b>   | <b>24</b>               | <b>1129</b>                       | <b>62,072,706</b>                      |
| <b>PROPOSED SCHEME FOR JAN 2020 APPROVAL</b>   |                         | 1086                              |  |
| Middlemore Road, St Marys, Ramsey (Combined Authority Board 13 January 2020: Agenda Item 3.1(a)) | 1                       | 11                                | 509,000                                |
| Stilton, Rear of 26-34 High Street, Peterborough   | 1                       | 42                                | 1,570,000                              |
| Total Affordable Housing Grants if approved by Board and Committee                               | 26                      | 1139                              | 22,631,706                             |
| Affordable Housing: AVERAGE GRANT RATE PER UNIT*   |                         | 1139                              | (22,631,706/1139)<br>=19,869 per unit  |
| Loan & Toolbox capital committed (from £40m revolving fund)                                      | 4                       | 43                                | 41,520,000                             |
| <b>TOTAL IF JAN 2020 SCHEME IS APPROVED</b>  | <b>30</b>               | <b>1182</b>                       | <b>63,751,706</b>                      |

## 5. LEGAL IMPLICATIONS

- 5.1. The Cambridgeshire and Peterborough Combined Authority Order 2017 granted the Combined Authority a general power of competence. 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 Nov 2019 | <a href="#"><u>CA Board Nov 2019</u></a>       |