



HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.2 (viii)
09 NOVEMBER 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.

**£100M AFFORDABLE HOUSING PROGRAMME SCHEME APPROVALS
(NOVEMBER 2020) - PERKINS (PHASE 2), NEWARK ROAD, 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. **Grant from the Combined Authority Affordable Housing Programme of £3,740,000 is sought for 96 additional homes comprising 38 affordable rent and 58 shared ownership units on Perkins site Phase 2, Newark Road, Peterborough.**
- 1.4. The site will provide a total of 96 units available.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Chris Boden, Lead Member for Housing and Chair of Housing and Communities Committee

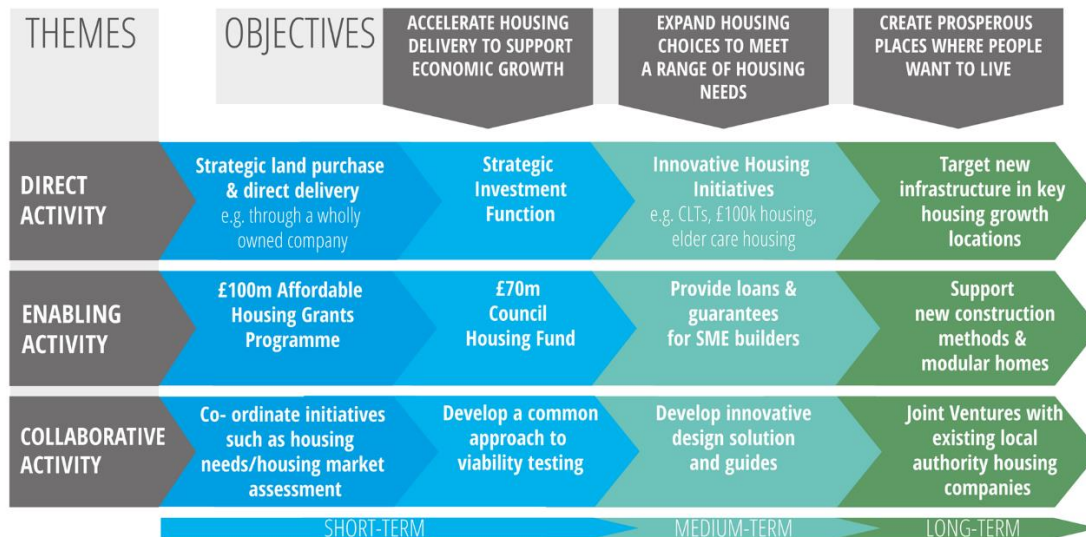
Lead Officer:	Roger Thompson, Director of Housing and Development
Forward Plan Ref: 2020/062	Key Decision: Yes
<p>The Housing and Communities Committee is recommended to:</p> <p>(a) Commit grant funding of £3,740,000 from the £100m Affordable Housing programme to enable delivery of 96 additional affordable homes, with a mix of rented and shared ownership at Perkins site, Phase 2, Peterborough - Subject to confirmation of the release of balancing monies for the £100m programme from BEIS & MHCLG.</p>	<p>Voting arrangements:</p> <p>Simple majority of all Members</p>

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.

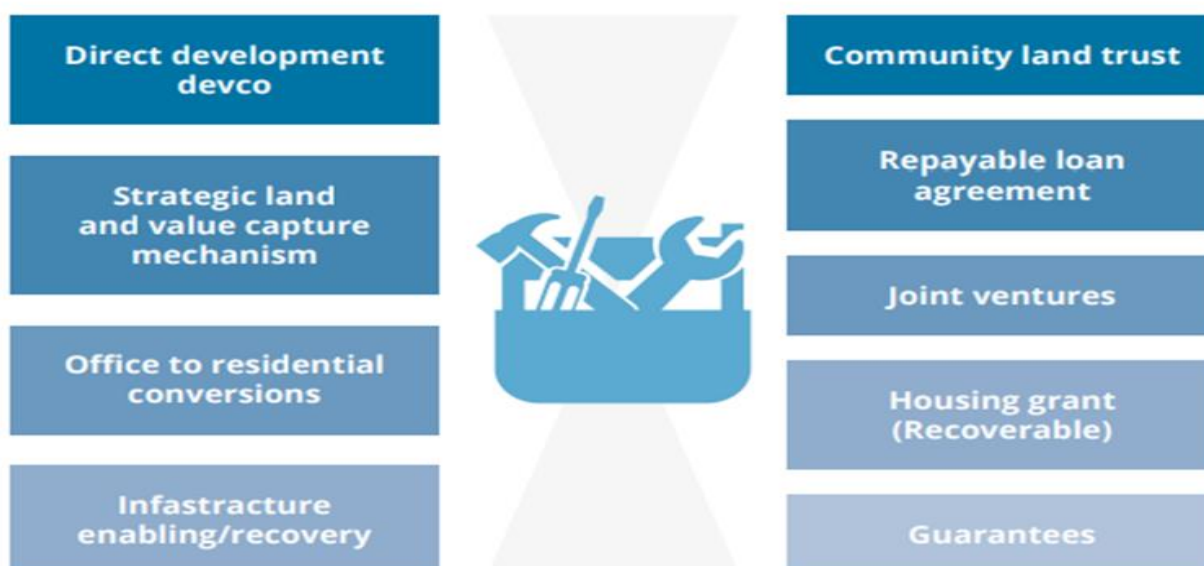
Combined Authority Housing Programme

- 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 overleaf:



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. 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

PERKINS, (PHASE 2), NEWARK ROAD, PETERBOROUGH

- 3.1. This proposal is to enable 96 additional affordable homes to be developed in Peterborough. The neighbouring Perkins Phase 1 site has completed earlier this year (July 2020). The whole site will be managed and controlled by Cross Keys Homes but was formerly owned by Perkins Engines.
- 3.2. This proposal will benefit the local communities, by way of utilising disused/redundant/void brownfield sites, within the city.
- 3.3. The site has full planning consent and planning conditions have been discharged. There is a Deed of Variation to provide 30% of affordable housing, however the intention now is for the whole site to be made 100% affordable housing site. The site is in the ownership of CKH.
- 3.4. Start on site will be Q1 2021/2022, with practical completion Q4 2022/2023, with 38 homes at affordable rent and 58 as shared ownership homes.

Figure 1: Perkins Phase 1, Peterborough. (Feb 2020)



Figure 2: - Phase 1, Peterborough Site (Feb 2020)



Figure 3: Perkins Phase 2. (Feb 2020)



3.5. The tenure, house types and size of units together with the Nationally Described Space Standards (NDSS) are shown below:

Description/ Type of unit	Number of Units	Size (sqm)	NDSS Standard (sqm)	Meets NDSS	% of NDSS ¹
AFFORDABLE RENT					
12 x 1b/2p flats	12	50.2	50	Y	100%
14 x 2b/3p flats	14	61	61	Y	100%
8 x 2b/4p house	8	70	79	N	89%
2 x 3b/5p bungalow	2	111	86	Y	129%
2 x 3b/5p wheelchair adaptable houses	2	128	86	Y	137%

SHARED OWNERSHIP					
20 x 2b/4p house	20	70	79	N	89%
24 x 3b/5p house	24	85.7	93	N	92%
6 x 3b/5p house	6	94	93	Y	101%
8 x 4b/6p house	8	110	106	Y	103%
Total	96				

About Cross Keys Homes

- 3.6. Cross Key Homes are based in Peterborough. Cross Key Homes cover a wide area n and around Peterborough and beyond. CKH are one of the main providers of affordable housing in the CPCA district.
- 3.7. Currently Cross Key Homes have several sites being delivered with CPCA support. They work closely with CPCA to ensure they provide good quality housing in and across the region.
- 3.8. The Housing Enabling Officer for Peterborough City Council has confirmed her support for this bid. This scheme provides an opportunity of using brownfield land to provide housing to benefit the community. It also promotes and will be providing much needed bungalows and wheelchair adaptable homes for applicants with disabilities.

Additionality / Case for Combined Authority funding

- 3.9. The proposed scheme offers the following additionality:
- The CPCA is pleased to support an additional 96 affordable units/bungalows in Peterborough.
 - **The site development is happening through the redevelopment of a former brownfield commercial site. The affordable housing provision is a 100% affordable 'windfall' scheme with no market housing.**

Proposed Conditions of Grant Approval

- 3.10. It is recommended that the grant of £3,740,000 is approved to enable delivery of 96 new affordable rented homes within the CPCA region subject to the following conditions: -

Prior to execution of the grant funding agreement:

- i. Confirmation of ownership or contractual control of the site.

After execution of the grant funding agreement but pre draw-down of phased grant payments by way of two (2) instalments:

- i. To provide grant draw down, once **start on site** has been confirmed.

- ii. To provide grant draw down once **practical completion** has been evidenced.

4.0 FINANCIAL IMPLICATIONS

- 4.1. The applicant has provided a scheme Business Case and its supporting documentation, attached as Appendix 1 to this paper.
- 4.2. Supporting this application with grant of £3,740,000 from the Affordable Housing Programme will achieve an average grant rate of £38,958 per 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 before Nov 2020 Committee	33	1,536	39,698,271
PROPOSED SCHEME FOR NOVEMBER 2020 COMMITTEE APPROVAL			
9-17 HAWES LANE, WICKEN, EAST CAMBRIDGESHIRE.	1	16	640,000
MORE'S MEADOW, GREAT SHELFORD, SOUTH CAMBRIDGESHIRE	1	21	1,008,000
ALL ANGELS PARK, HIGHFIELDS, CALEDCOTE	1	5	247,999
SPRINGFIELD AVENUE, MARCH	1	32	1,560,000
SANDPIT ROAD, THORNEY, PETERBOROUGH	1	5	237,804
BRITISH SUGAR WAY, PETERBOROUGH	1	74	3,040,000

PETERBOROUGH HUSK SITES	1	19	665,000
PERKINS SITE - PHASE 2	1	96	3,740,000
Total Affordable Housing Grants if approved by Board	41	1,804	50,837,074

Affordable Housing:
AVERAGE GRANT
RATE PER UNIT* £28.2k

Maximum Net Loan
Value

Loan & Toolbox capital committed (from £40m revolving fund)	5	53	39,846,817
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Total Loan Value Excluding repayments £51.1m

TOTAL IF NOV 2020 SCHEME IS APPROVED	46	1,857	90,683,891
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5.0 LEGAL IMPLICATIONS

- 5.1. The recommendation accords with CPCA's powers under Part 4 Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251).
- 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.

6.0 APPENDICES

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

<u>Background Papers</u>	<u>Location</u>
Housing Strategy September 2018	CA Board September 2018