



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 5.1
25 MARCH 2020	PUBLIC REPORT <i>The report to the Transport and Infrastructure Committee on 6 March 2020 contained appendices 1 and 3 which were exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)). Two further exempt appendices (appendices 5 and 6) are appended to this report and are exempt from publication on the same basis.</i>

£100M AFFORDABLE HOUSING PROGRAMME (NON-GRANT): CAMBRIDGE CITY, HISTON ROAD, DEVELOPMENT LOAN TO LARAGH HOMES

1.0 PURPOSE

- 1.1. To seek approval from the Combined Authority Board for the provision of a 30 month repayable loan facility capped at £9.637m to Histon Road Development LLP for the development of a 27 unit housing scheme at 295-301 Histon Road, Cambridge, CB4 3NF.
- 1.2. The loan will be used to acquire the land and develop the site of 27 housing units that will include 10 affordable residential units.
- 1.3. Through this transaction the site will be delivered, without which the developer has advised that this will not happen due to constraints of a lack of funding from traditional High Street lenders and willing equity partners in the current economic climate.
- 1.4. Providing the loan will enable 10 affordable units to be delivered under the current S106 agreement, without which the scheme will not proceed in the foreseeable future. No grant is requested or involved.
- 1.5. The loan will be secured against a first charge on the land on which the property sits.

1.6. These proposals were discussed at the Housing and Communities Committee meeting on 9 March 2020 where they were endorsed by a majority of those present.

1.7. The report to the Housing and Communities Committee can be viewed at:

[https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/VewMeetingPublic/mid/397/Meeting/1957/Committee/65/SelectedTab/Documents/Default.aspx](https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1957/Committee/65/SelectedTab/Documents/Default.aspx)

Item 2.1 refers.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Chris Boden, Lead Member for Housing
Lead Officer:	Roger Thompson, Director of Housing and Development
Forward Plan Ref: 2020/012	Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <p>(a) Approve the provision of a loan facility of £9.637m to Histon Road Developments LLP for a scheme of 27 units based on the heads of terms detailed in exempt Appendix 1.</p> <p>(b) Delegate authority to the Director of Housing and Development, in consultation with the Lead Member for Housing, the Monitoring Officer and the Lead Member for Investment and Finance, to conclude any necessary legal documentation, including the determination of the interest rate to be charged and the security for the loan by way of a first charge upon the land.</p>	<p>Voting arrangements</p> <p>A simple majority of all Members</p>

2.0 CONSIDERATIONS

2.1 For the purposes of the board an executive summary of the financial proposition is attached in exempt Appendix 5.

- 2.2 The £40m revolving fund cumulative cashflow has been risk assessed in the event of delayed re-payments from the existing loan portfolio. This is shown in exempt Appendix 6.

3.0 APPENDICES TO THE REPORT TO THE HOUSING AND COMMUNITIES COMMITTEE 9 MARCH 2020

- 3.1 Exempt Appendix 1 - Heads of Terms for Loan Agreement between CPCA and Histon Road Developments LLP
- 3.2 Appendix 2 – Site location plan
- 3.3 Exempt Appendix 3 – Borrower’s Business Plan
- 3.4 Appendix 4 - £40m revolving fund cumulative cashflow
- 3.5 Exempt Appendix 5 - Executive summary of financial position
- 3.6 Exempt Appendix 6 - £40m revolving fund cumulative cashflow including delayed repayments risk

Public appendices are available to view at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1957/Committee/65/SelectedTab/Documents/Default.aspx>

Item 2.1 refers.

<u>Background Papers</u>	<u>Location</u>
Reports and minutes of the Combined Authority Board 26 September 2018	<u>Combined Authority Board 26 September 2018</u>