



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

Agenda Item No: 3.3 (iii)

£100m Affordable Housing Programme, Scheme Approval – Great Haddon, Off London Road, Yaxley, Peterborough.

To: Housing and Communities Committee

Meeting Date: 11 January 2021

Public report: This report contains an appendix/ appendices which are 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)). The public interest in maintaining the exemption outweighs the public interest in publishing the appendices.

Lead Member: Councillor Chris Boden Lead Member for Housing and Chair of Housing and Communities Committee

From: Roger Thompson, Director of Housing and Development

Key decision: Yes

Forward Plan ref: 2020/083

Recommendations: The Housing and Communities Committee is recommended to:

- a) Commit grant funding of £2,270,000 from the £100m Affordable Housing programme to enable delivery of 60 affordable homes, with a mixture of affordable rent and shared ownerships units in Peterborough. **Subject to confirmation of the release of balancing monies for the £100m programme from MHCLG and the release of monies from another already approved grant scheme being confirmed as not progressing, that will result in the total grant monies committed to the grant programme being no more than £60 million.**

Voting arrangements: A simple majority of all Members.

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 Housing 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's Affordable Housing Programme of £2,270,000 is sought for an additionality of 60 affordable units, 17 affordable rented units and 43 shared ownership units, which will be enabled by the CPCA grant.**

2. Background

- 2.1 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.
- 2.2 The Combined Authority Housing Strategy 2018 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.
- 2.3 The proposed site requesting grant from the £100m Affordable Housing Programme is **Great Haddon, Off London Road, Yaxley, Peterborough**. This site has outline planning consent, under reference: 09/01368/OUT granted in June 2018. No planning conditions yet discharged.
- 2.4 Phase 1 which has 347 units in total, is being developed by Countryside Properties. 60 additional units would not be delivered as affordable housing without this grant as the grant is enabling a tenure conversion from market to affordable housing units.
- 2.5 Below is a table referring to the unit types, size, and tenure types. They refer to Nationally Described Space Standards.

Description/ Type of unit	Number of Units	Size (sqm)	NDSS Standard (sqm)	Meets NDSS	% of NDSS
Affordable rent					
2 bed/4person house	3	68.93	79	N	87%
3 bed/5person house	12	83.61	93	N	90%
4 bed/7person house	2	110.74	115	N	96.3%
Shared ownership	17				
2 bed/4person house	23	68.93	79	N	87%
2 bed/4person house	3	76.36	79	N	97%
3 bed/5person house	17	83.61	93	N	90%
	43				
Total	60				

- 2.6 Rents will be set at 80% of market rent including service charges, capped at Local Housing Allowance rates.

Cross Key Homes.

- 2.7 Cross Key Homes are based in Peterborough and cover a wide area across most of the CPCA area. Cross Keys Homes is one of our main providers of affordable housing in the CPCA and have existing schemes being delivered with CPCA. They work closely with to ensure they provide adequate housing in and across the region.
- 2.8 The Housing Enabling officer for Peterborough City Council has advised that the additionality achieved by funding these 60 units is very welcome and will enable PCC's planning policy level of 30% affordable housing to be delivered on this phase of the site, rather than the considerably reduced delivery rate of 16% secured through planning in the S.106 agreement. The allocations policy can be found [here](#).

Significant Implications

3. Financial Implications

3.1 **Additionality case for Combined Authority Funding**

The proposed scheme offers the following additionality:

- **CPCA grant will enable an additional 60 units to be converted from market to affordable units, over and above the requirements of the existing S106 agreement.**

3.2 Proposed Conditions of Grant Approval

It is proposed that the grant of £2,270,000 will help with the delivery of 60 tenure conversion homes, subject to the following conditions: -

Conditionality: -

- The release of monies from another already approved grant scheme being confirmed as not progressing, that will result in the total grant monies committed to the grant programme being no more than £60 million with the inclusion of this scheme.** Upon confirmation of this, the grant agreement will be progressed, and Housing committee kept informed through the £100m Affordable housing programme update reports that are provided at every Housing Committee meeting.

Pre-contract: -

- Cross Keys Homes have internal approvals to achieve from their Growth Board, anticipated in January 2021, Development Committee anticipated February 2021, and Main Board anticipated later in February 2021.

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

3.3 Supporting this application by providing £2,270,000 from the Affordable Housing Programme is at an average grant rate of £37.8k per unit for this scheme

	Number Schemes Approved	Number of Affordable Units Funded	CPCA Funding Committed £
Total before Jan 2021 Committee	46	1,628	56,404,099
PROPOSED SCHEME FOR JANUARY 2021 COMMITTEE APPROVAL			
Wisbech Road, Littleport, East Cambridgeshire	1	38	1,576,000
Luminus sites, Phase 2, Huntingdonshire	1	15	749,000
Great Haddon, Off London Road, Yaxley, Peterborough	1	60	2,270,000
Total Affordable Housing Grants if approved by Board	49	1,741	60,999,099

Affordable Housing:
AVERAGE GRANT
RATE PER UNIT*

£35.0k

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 JAN 2021 SCHEME IS APPROVED	54	1,794	100,845,916
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4. Legal Implications

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

- 5.1 none.

6. Appendices

- 6.1 Exempt Appendix 1 – Exempt papers, including the Business Case, and any supporting evidence

7. Background Papers

- 7.1 Housing Strategy September 2018 - [CA Board September 2018](#)