



<b>HOUSING AND COMMUNITIES COMMITTEE</b>	<b>AGENDA ITEM No: 2.4 (xi)</b>
<b>09 NOVEMBER 2020</b>	<b>PUBLIC REPORT</b> 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) - FORMER EAST ANGLIA GALVANISING WORKS, OUNDLE  
ROAD, PETERBOROUGH, CAMBRIDGESHIRE.**

**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. **Request a grant from the Combined Authority's Affordable Housing Programme of £3,830,725.00 for 77 additional affordable homes comprising 54 affordable rent and 23 shared ownership units on Oundle Road, Peterborough, Cambridgeshire.**

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor Chris Boden, Lead Member for Housing and Chair of Housing and Communities Committee</b>
<b>Lead Officer:</b>	<b>Roger Thompson, Director of Housing and Development</b>
<b>Forward Plan Ref: 2020/062</b>	<b>Key Decision: Yes</b>

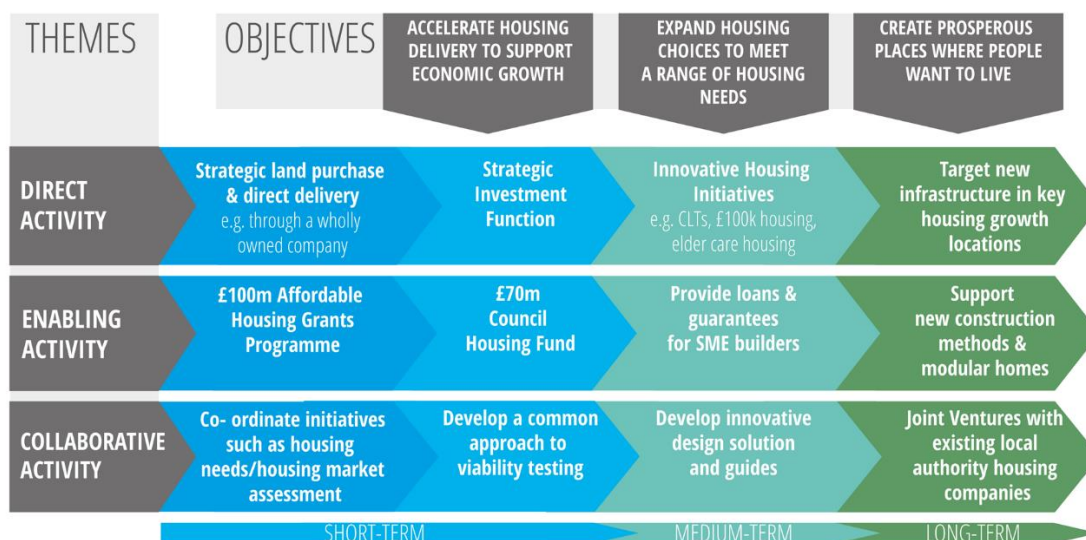
<p>The Housing and Communities Committee is recommended to:</p> <p>(a) Commit grant funding of <b>£3,830,725.00 from the £100m Affordable Housing programme to enable delivery of 77 additional affordable homes, with a mix of rented and shared ownership units at Oundle Road, Peterborough</b> - Subject to confirmation of the release of balancing monies for the £100m programme from BEIS &amp; MHCLG.</p>	<p><b>Voting arrangements:</b></p> <p>Simple majority of all Members</p>
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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.

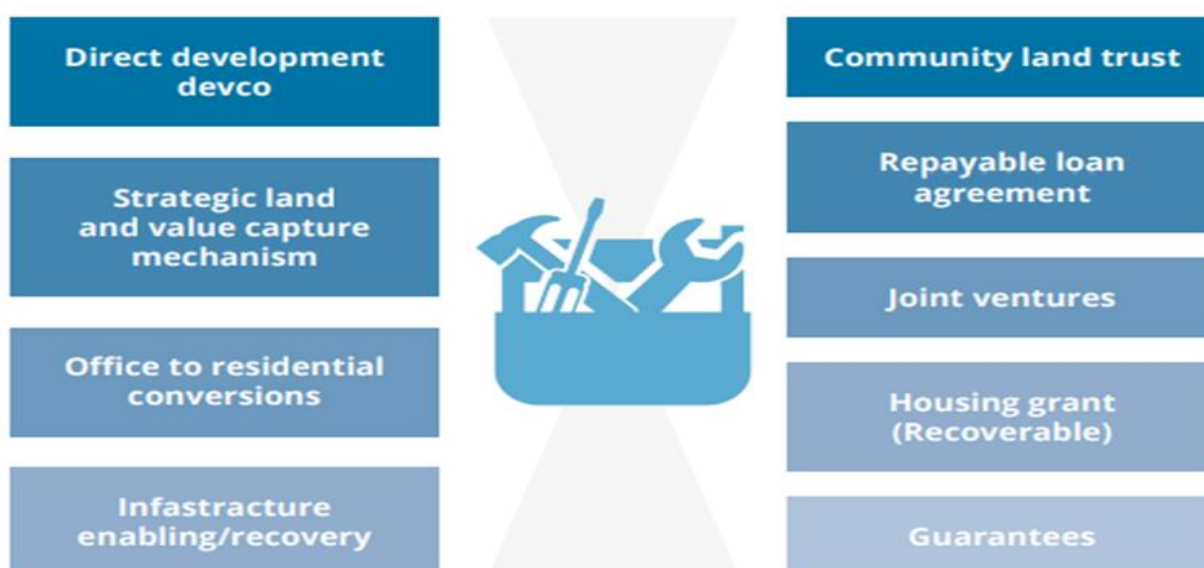
### Combined Authority Housing Programme

- 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 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

#### FORMER EAST ANGLIA GALVANISING WORKS, OUNDLE ROAD, PETERBOROUGH, CAMBRIDGESHIRE.

- 3.1. This proposal is to enable 77 additional homes to be developed in Peterborough on a redundant brownfield site within the urban area. The site is vacant, is adjacent to the city centre and close to good transport links.
- 3.2. The site benefits from an expired planning permission for residential development, reference 01/00076/OUT, granted on 4th April 2013. The planning permission for the site lapsed before the chosen cut-off date of 31st March 2018 because there were doubts about the viability of the site without grant. The landowner did not promote the site through the Peterborough Local Plan process.
- 3.3. However, Harris Lamb planning consultants have discussed the site with the local planning officers and were advised that in spite of the fact, that the allocation of the site had not been taken forward, the site might be welcomed and capable of delivery as a 100% affordable “windfall” site.
- 3.4. The site has benefited from planning permission in the past, CB Collier Peterborough Ltd are planning to provide a 100% affordable scheme, and partner with a credible Housing Association to acquire and manage the finished development.

**Figure 1: Site Plan**



3.5. The size of units is over or at 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 <sup>1</sup>
<b>AFFORDABLE RENT</b>					
3 x 4b/7p house	3	117	115	Y	102%
11 x 3b/4p house	11	84	84	Y	100%
6 x 2b/3p house	6	72	70	Y	103%
24 x 2b/3p flat	24	60	61	N	98%
10 x 1b/2p flat	10	54	50	Y	108%
<b>SHARED OWNERSHIP</b>					
4 x 3b/4p house	4	84	84	Y	100%
5 x 2b/3p house	5	72	70	Y	103%
8 x 2b/3p flat	8	70	70	Y	100%
6 x 1b/2p flat	6	54	50	Y	108%
<b>Total</b>	<b>77</b>				

### About CB Colliers Ltd

3.6. CB Colliers are a property development consultancy, backed by years of experience and a dynamic team. Lead by Charles Collier who has over 40 years construction industry experience, the team as a whole are enthused by favourable conditions in the marketplace that make this a prime time to invest in their judgement.

3.7. CB Collier Peterborough Limited are ready to submit a planning application alongside a HA/RP as soon as confirmation that a grant is approved in principal.

3.8. They will be working with a Housing Association (final selection to be confirmed) who will upon practical completion of the units acquire the freehold, to manage and regulate the properties for in perpetuity.

3.9. They are aware that the grant will be conditional on the basis that they will partner with a substantial and reliable registered provider who will manage the units thereafter, secure planning consent within a reasonable period and start on site by the end of calendar year 2021.

3.10. The Housing Enabling Officer for Peterborough City Council has confirmed that she supports this bid. The additionality of the site to provide housing for both affordable rent and shared ownership will benefit the community. She confirms that the 70/30 split is ideal, for the site.

### Additionality / Case for Combined Authority funding

3.11. The proposed scheme offers the following additionality:

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- The CPCA is pleased to support an additional 77 units for affordable rent and shared ownership in Peterborough as part of the CPCA 2000 homes target.
- **The development is on a brownfield vacant site and will be a 100% affordable housing windfall site with no market housing.**

### Proposed Conditions of Grant Approval

3.12. It is recommended that the grant of £3,830,725.00 is approved to enable delivery of 77 new affordable rented and shared ownership homes within the CPCA region subject to the following conditions: -

Prior to execution of the grant funding agreement:

- Confirmation of ownership of the site and securing full planning consent by no later than 30 September 2021.
- Confirmation to the CPCA of an appropriate Registered Provider, to be approved by the CPCA, who will take ownership of the units on completion, to maintain and regulate them accordingly.

After execution of the grant funding agreement but pre draw-down of phased grant payments by way of three (3) instalments:

- To provide 50% the grant draw down, once **start on site** has been confirmed.
- To provide 25% of the grant draw down at the **mid-term stage** when confirmed.
- To provide 25% of the grant draw down once **practical completion** has been evidenced.

### 4.0 FINANCIAL IMPLICATIONS

4.1. The applicant has provided a scheme Business Case with additional supporting documentation, attached as exempt Appendix 1 to this paper.

4.2. Supporting this application will approve a grant of £3,830,725 from the Affordable Housing Programme will achieve an average grant request rate of £49,750 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

<b>PROPOSED SCHEME FOR NOVEMBER 2020 COMMITTEE APPROVAL</b>			
<b>9-17 HAWES LANE, WICKEN, EAST CAMBRIDGESHIRE.</b>	1	16	640,000
<b>MORE'S MEADOW, GREAT SHELFORD, SOUTH CAMBRIDGESHIRE</b>	1	21	1,008,000
<b>ALL ANGELS PARK, HIHGIELDS, CALEDNOTE</b>	1	5	247,999
<b>SPRINGFIELD AVENUE, MARCH</b>	1	32	1,560,000
<b>SANDPIT ROAD, THORNEY, PETERBOROUGH</b>	1	5	237,804
<b>BRITISH SUGAR WAY, PETERBOROUGH</b>	1	74	3,040,000
<b>PETERBOROUGH HUSK SITES</b>	1	19	665,000
<b>PERKINS SITE - PHASE 2</b>	1	96	3,740,000
<b>OLD MOTEL SITE, 16 NORTH STREET, STILTON.</b>	1	10	420,000
<b>STATION ROAD, LITTLEPORT, ELY.</b>	1	39	1,448,000
<b>FORMER EAST ANGLIA GALVANISING WORKS, OUNDLE ROAD, PETERBOROUGH</b>	1	77	3,830,725
<b>Total Affordable Housing Grants if approved by Board</b>	44	1,930	56,535,799

Affordable Housing:  
AVERAGE GRANT  
RATE PER UNIT\* £29.3k

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

<b>TOTAL IF NOV 2020 SCHEME IS APPROVED</b>	<b>49</b>	<b>1,983</b>	<b>96,382,616</b>
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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.

<b><u>Background Papers</u></b>	<b><u>Location</u></b>
Housing Strategy September 2018	<a href="#"><u>CA Board September 2018</u></a>