

AFFORDABLE HOUSING PROGRAMME 2017 - 2022
APPLICATION FOR A VARIATION TO AN EXISTING FACILITATION / LOAN AGREEMENT

Please use this template to apply to the Combined Authority for a variation to an existing facilitation/loan agreement that is supported by the Affordable Housing Programme.

| SECTION 1: Applicant Details | |
|--|--|
| Applicant organisation – name and address: | Fore Hill Ely LLP c/o Sycamore Studios New Road Over Cambs CB24 5PJ |
| Contact name, email address and telephone: | Simon Somerville-Large [REDACTED] |
| Contact's position in organisation or role in project: | Managing Director |

| SECTION 2: Scheme Details | |
|--|--|
| Scheme / site name: | Alexander House, Fore Hill, Ely |
| Site address and post code: | Alexander House, Fore Hill, Ely, CB7 4AF |
| Local Planning Authority: | East Cambridgeshire District Council |
| Total number of new homes to be delivered (all tenures): | 25 |
| Total number and type(s) of affordable homes within development: | 4 - £100k homes |

| SECTION 3: Scheme Programme | |
|--|--|
| Original & Revised Delivery Programmes | Please supply the previous delivery programme and any new programme, highlighting the variations |
| Market units started | 21 |
| Market units completed | 0 |
| Market units remaining | 21 |
| Affordable units started | 4 |
| Affordable units completed | 0 |
| Affordable units outstanding | 4 |

SECTION 4: Existing Facility & Proposed Variations

| | |
|------------------------------|---|
| Date of Facility Agreement | 7 th January 2020 |
| Amount of Loan Facility | £4,840,000 |
| Amount Drawn Down so far | £4,421,218 (exc interest, at 5 th Jan 22) |
| Current Final Repayment Date | 7 th February 2022 |
| Proposed Main Variation | Extension of maturity – from 25 months to 28 months (revised maturity 7 th May 2022), up to 28 drawdowns allowed |
| Reason | Covid 19 impact upon availability of labour and materials. Additional comments below. |
| Additional Variations | No change |
| Reasons | |

SECTION 5: Related Agreement

| | |
|----------------------|--|
| Type of Agreement | Facility Agreement |
| Date of Agreement | 7 th January 2020 |
| Proposed Variation/s | Term extension, 25 months to 28 months, maturity extension to 7 th May 22; 28 drawdowns allowed |
| Reason/s | As above |

Section 6: Development Appraisal & Other Additional Information

Please provide updated development appraisals and project cashflows to reflect the scheme's actual drawdown payments or repayments to CPCA in PDF and MS Excel formats.
Attached.

Have there been any material changes to your financial position or any other new debt or loans taken since the original application

NO

If YES, please supply appropriate detail with your application

If a variation or concession is agreed, is the borrower offering anything back? (for example in the event that the final project out-turn improves above the latest financial forecast) **Not considered likely, project out-turn will not improve above latest forecast, all but 3 units of 25 are sold**

Additional commentary from applicant to Reasons section above:

Summary:

This project has exceeded expectations regarding the successful sales programme, we have reserved or exchanged contracts on 22 of the 25 units off plan. We have exchanged contracts with buyers on 11 plots and a further 11 reservations fees have been taken, including with 3 '£100k Homes' buyers.

As such this loan will be repaid shortly from these proceeds. However a brief extension to the maturity of facility, in light of challenges caused by the pandemic in completing the project, is sought from the Authority.

Further detail:

Sales:

22 of 25 total plots are reserved (2 private units and 1 £100k home)

11 of 25 total plots have exchanged

Exchanged sales total is ahead of April 20 expectations by £330,500

Programme:

Hugely impacted in the past 2 months due to covid case rises from the Omicron variant and material availability/supply, for example a substantial decline in availability of labour on site from our key finishing subcontractors; plastering, carpentry, decorators. The completion programme came under pressure in November, December and particularly the beginning of January to reach practical completion and complete the sales of the 11 exchanged units, previously forecast for the end of January 22.

The main problems to date are the availability of materials and labour, which was difficult during the last year, but the situation got much worse in the last quarter of 2021 as demand across the world grew and covid started to impact on labour.

The consequences of the above have meant delays to materials such as steel, timber and glass, which specifically meant long delays on the steel for the staircases and balustrades, timber internal doors, flooring, window frames and the glass in the windows. Kitchen units and some white goods imported from Europe have also been delayed.

Increased demand for sub-contractors, coupled with the reduced work force from the impact of covid, has led to a reduced supply of labour for the ground works, who need to complete the access ramps, steps and car park, together with reduced labour for stud wall fixers, plasterers, carpenters and decorators. This has meant there are delays in completing the finishes internally on the flats and common areas, plus the rear access to the buildings.

However kitchens are being fitted, plastering to some units completed, scaffolding removed, external landscaping underway.

Revised expectations regarding practical completion for all units is Feb 22 to May 22 based on the current position on the ground.

Costs/Profit:

No major implications, the sales programme has been very successful, the buyers are very keen to move in, the current issue relates to the availability of finishing trades on site to complete the interior fit outs.

Conclusion:

We hope that the board can support this request, which is due to the unprecedented effects of this pandemic, which remain extremely difficult to predict. Labour availability challenges are evident across society, but of course amplified in the construction industry where any productivity from home working isn't an option. The fundamental issues remain strong with this project, sales prices and demand are in evidence, the only remaining challenge is in finishing the apartments for the buyers.


Section 7: Undertaking of Correctness & Combined Authority's Fees

The applicant undertakes, to the best of their knowledge, that the information being provided is materially and factually correct.

By submitting this application the Borrower agrees to pay the Combined Authority's reasonable administration costs for considering the application.

If any variation is agreed the Borrower shall further undertake to pay the Combined Authority's reasonable legal costs incurred in preparing and executing associated documentation.

SECTION 8: Signatures

| Name: | Position: | Signature: | Date: |
|------------------|-------------------|--|------------|
| SOMERVILLE-LARGE | MANAGING DIRECTOR |  | 11/01/2022 |
| | | | |

Please return this completed form together with any accompanying documentation by email to:

roger.thompson@cambridgeshirepeterborough-ca.gov.uk

nick.sweeney@cambridgeshirepeterborough-ca.gov.uk