



HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.4 (vi)
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) - BRITISH SUGAR WAY SITE, OUNDLE 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 £3,040,000 is sought for a tenure conversion of 74 additional units, from Market Sale to a combination of Affordable Rent and Shared Ownership homes, at the British Sugar Way site, Peterborough. The land is currently a disused head office site of British Sugar PLC. Site Plans can be found at Appendix 1.**
- 1.4. **The site will provide a total of 45 Affordable Rent and 29 Shared Ownership units with no Market Sale units available.** A Business Case for this proposal is attached as exempt Appendix 2.

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

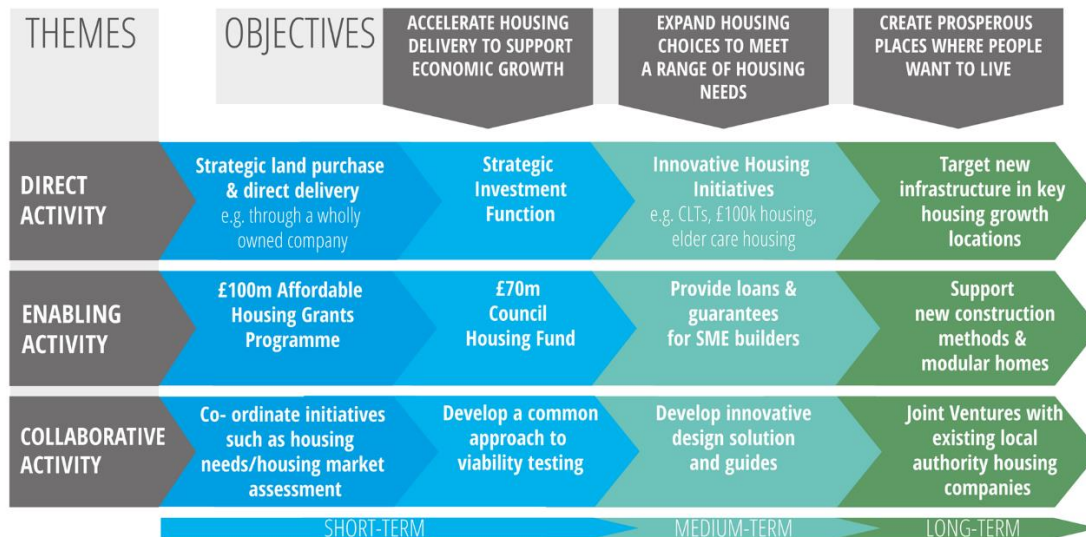
Lead Officer:	Roger Thompson, Director of Housing and Development
Forward Plan Ref: 2020/062	Key Decision: Yes
<p>The Housing and Communities Committee is recommended to:</p> <p>(a) Commit grant funding of £3,040,000 from the £100m Affordable Housing programme to enable delivery of 45 Affordable Rent and 29 Shared Ownership (74 homes in total) homes at British Sugar Way, Oundle Road, 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.

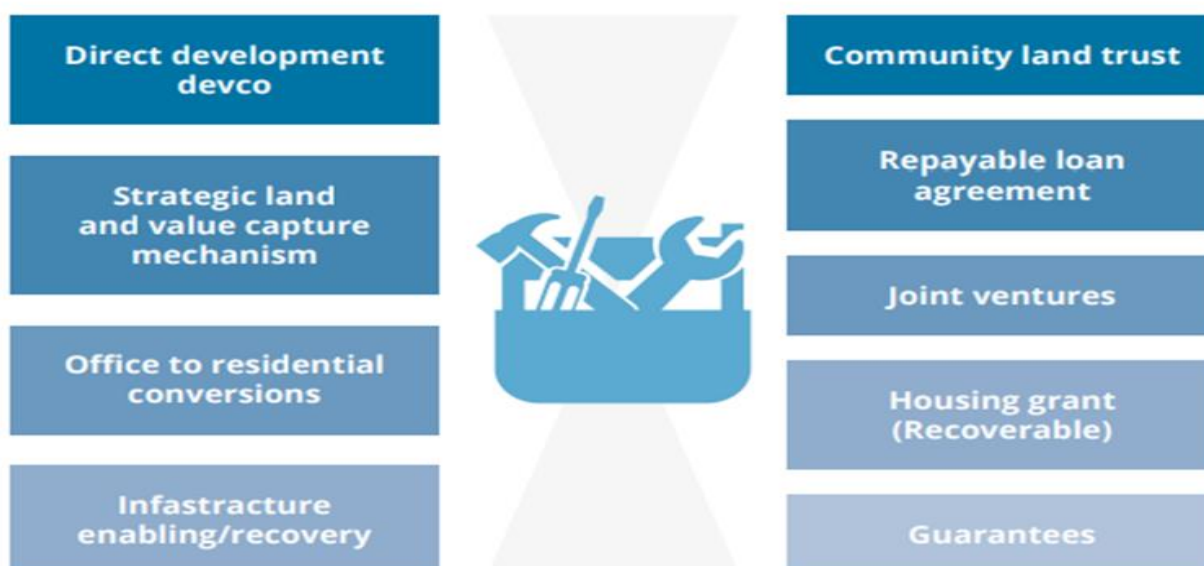
Combined Authority Housing Programme

- 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 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

BRITISH SUGAR WAY, OUNDLE ROAD, PETERBOROUGH

- 3.1. This proposal is to enable a 100% affordable housing site of 74 units, being a combination of Affordable Rent and Shared Ownership homes. The original scheme had 52 market units and 22 affordable units. The whole site will be managed and controlled by Cross Keys Homes.
- 3.2. As the site is now becoming a wholly affordable '100% windfall' site, the grant will help towards the development and delivery of 74 affordable units in total.
- 3.3. Purchasers who are currently unable to secure possession of homes at the full open market price may now purchase affordably through shared ownership.
- 3.4. The Affordable Rent homes will be let through by CKH, at LHA (Local Housing Allowance rates (including service charges).
- 3.5. The Shared Ownership homes will be sold through CKH's sales division.

Figure 1: Site Location Map



Figure 2: - British Sugar Way, Oundle Road, Peterborough Site



Figure 3: - Proposal site plan



3.6. 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					
1B/2P	6	50	50	YES	100%
2B/3P flat	6	61	61	YES	100%
2B/3P house	12	67.2	70	NO	96%
3B/5P	15	85.9	93	NO	92%
4B/6P	6	107.6	106	YES	101%
SHARED OWNERSHIP					
2B/4P	15	80.4	79	YES	101%
3B/5P	2	85.9	93	NO	92%
3B/5P	12	95	93	YES	102%
TOTAL	74				

About Cross Keys Homes

3.7. Cross Key Homes are based in Peterborough. Cross Key Homes covers a wide area, in and around Peterborough and beyond. CKH are one of our main providers of affordable housing in the CPCA district.

3.8. Currently Cross Key Homes have a few sites with CPCA, and they work closely with CPCA to ensure they provide adequate housing in the region.

3.9. The Housing Enabling Officer for Peterborough City Council confirms her support for this bid. The opportunity of having such units is very welcome and the range of property sizes will be beneficial to meeting needs on the housing register.

Additionality / Case for Combined Authority funding

3.10. The proposed scheme offers the following additionality:

- The CPCA is pleased to support an additional 74 units of shared ownership and affordable rented units in Peterborough.
- The City Council area suffers from affordability issues and shared ownership facilitates home ownership that is otherwise out of reach.
- **The site is delivering a 100% affordable housing 'windfall' scheme with no market housing.**

Proposed Conditions of Grant Approval

3.11. It is recommended that the grant of £3,040,000 is approved to enable delivery of 74 new shared ownership and affordable rented homes within the CPCA region subject to the following conditions:

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 on practical completion

SIGNIFICANT IMPLICATIONS

None.

4.0 FINANCIAL IMPLICATIONS

- 4.1. The applicant has provided a scheme Business Case and its supporting documentation, attached as confidential appendices.
- 4.2. Supporting this application will approve £3,040,000 grant, which equates to £45,000 per Affordable Rented unit and £35,000 for each Shared Ownership unit. The overall grant rate for the 74 units equates to £41k per unit.
- 4.3. The impact on these funds 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
Total Affordable Housing Grants if approved by Board	39	1,689	46,432,074

Affordable Housing:
AVERAGE GRANT
RATE PER UNIT* £27.5k

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	44	1,742	86,278,891
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5.0 LEGAL IMPLICATIONS

- 5.1. 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).
- 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