



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.1.2</b>
<b>31 JULY 2019</b>	<b>PUBLIC REPORT</b> <i>This report has an appendix which is exempt from publication as 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 as amended.</i>

## **£100m AFFORDABLE HOUSING PROGRAMME: SCHEME APPROVALS – CROWLAND ROAD, EYE GREEN, 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 Board 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 of £875,000 is sought from the CPCA's Affordable Housing Programme for 25 new homes for affordable rent on land at Crowland Road, Eye Green, Peterborough to be delivered by Medesham Homes LLP. A business case for this proposal is attached as exempt Appendix 1.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Cllr Graham Bull, Portfolio Holder Housing</b>
<b>Lead Officer:</b>	<b>Roger Thompson, Director of Housing and Development</b>
<b>Forward Plan Ref: 2019/037</b>	<b>Key Decision: Yes</b>
<p>The Combined Authority Board is recommended to:</p> <p>(a) Commit grant funding of £875,000 from the £100m Affordable Housing Programme to deliver 25 new affordable homes at a site in Crowland Road, Eye Green, Peterborough.</p>	<p><b>Voting arrangements</b></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 £70 million 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 Board) 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 below:

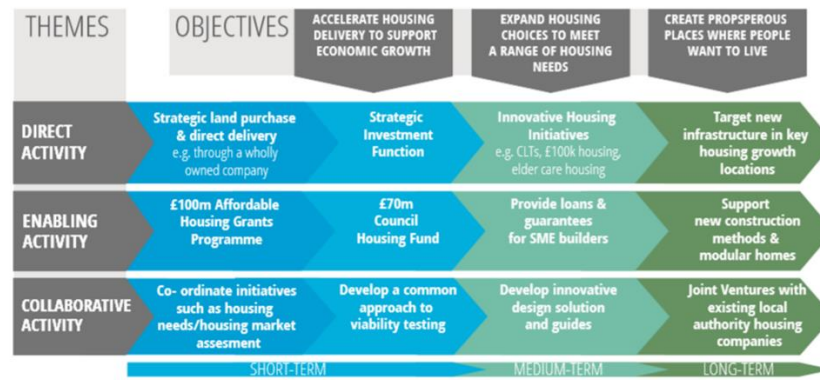


Fig 3: CPCA Housing themes and objectives/ Source: 31ten/ Inner Circle Consulting

- 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



### 3.0 PROPOSED SCHEME FOR APPROVAL – CROWLAND ROAD, EYE GREEN, PETERBOROUGH

- 3.1. The site is which is approximately 4 miles east of Peterborough City Centre on the east side of Crowland Road within Eye Green which is accessed from the A47 to the south. The development site extends to 1.12 hectares (2.77 acres):





3.2. The site has full planning permission (Feb 2019) for 35 homes in total including a S106 for 10 affordable homes:

Dwelling type	Tenure	# Units
2 and 3 bed houses for market sale	Market sale	25
2 and 3 bed houses for shared ownership sale)	Shared ownership sale	5
2 and 3 bed houses	Affordable rent	5
TOTAL		35

3.3. Medesham Homes LLP is proposing that the 25 homes for market sale are converted to 25 homes for affordable rent. The affordable rent levels will be set at the LHA rent cap within Peterborough City Council.

3.4. Work has already begun on site for the ten S106 affordable homes as illustrated in the images below.





- 3.5. The accommodation schedule of the proposed development of the 25 homes is summarised in the table below:

Dwelling type	# Units
2 bed houses (63.73 sqm)	12
3 bed houses (78.97 sqm)	5
3 bed houses (83.89 sqm)	2
3 ned houses (93.93* sqm)	1
3 bed houses (94.58* sqm)	5
TOTAL	25

\* Larger Houses designed to Lifetime Homes standards as required by Planning.

- 3.6. Medesham Homes LLP has applied to the Combined Authority for £875,000 grant to deliver 25 new affordable homes. This represents an average grant per unit of £35,000:



Scheme	# Units	Total Scheme Costs	CPCA Grant requested	Start on Site	Completion
Crowland Road, Eye Green, Peterborough	25	£4,806,000	£875,000	July 2019	July 2020

### **Additionality / Case for Combined Authority funding**

3.7. The proposed scheme offers the following additionality:

- The scheme will deliver 25 new homes for affordable rent in an area of housing need. The 25 homes will all be available for affordable rent set at the LHA rent cap within Peterborough City Council;
- Peterborough City Council has a growing need for permanent rented homes for households currently in temporary accommodation and other households on the housing register. There are 395 households and 479 children currently in temporary accommodation awaiting rehousing, and a total of 3371 households on the Peterborough housing register;
- The scheme will provide housing that is responsive to local housing needs;
- The scheme has full planning permission; the proposal converts 25 market sale homes to homes for affordable rent;
- Work has already started on site on the 10 units subject to the original S106 agreement; it is proposed that the scheme will be delivered by July 2020;
- The scheme's design and build contract is with Countryside Properties who will engage existing local supply chains to deliver the project.

3.8. Peterborough City Council, Housing and Strategic Planning Manager has confirmed the additionality provided by the scheme and support for the application. It will boost the supply of rented tenure homes in Peterborough; there is a pressing need for rented tenure homes in Peterborough arising from the high number of households in temporary accommodation awaiting rehousing, as well as other households with an identified housing need seeking assistance through the housing register. There are 395 households and 479 children currently in temporary accommodation awaiting rehousing, and a total of 3371 households on the Peterborough housing register.

"This scheme of 35 dwellings was originally granted permission as a market led scheme that would have delivered Peterborough's policy compliant 30% affordable housing provision comprising 10 affordable homes with a tenure mix of 70% rented tenure and 30% shared ownership tenure units. Medesham's proposal to deliver the site as 100% affordable homes which will all be provided as affordable rented tenure, means that the contribution that this scheme can make to assisting with the housing pressures we are trying to tackle, is greatly enhanced. The additionality to be gained from converting the market unit component of this scheme is further strengthened by the proposal to deliver all the additional 25 units for affordable rent."

## Proposed Conditions of Grant Approval

3.19. It is proposed that the grant of £875,000 for 25 units at Crowland Road, Eye Green, Peterborough be approved subject to the following conditions:

- (a) Pre-contract
  - Confirmation of the development programme for the scheme, with a back-stop start on site of no later than September 2019
- (b) Post contract but pre draw-down of grant
  - Evidence of start on site of additional 25 units.

## 4.0 FINANCIAL IMPLICATIONS

4.1. This application is supported by due diligence information which has been reviewed by The Combined Authority Housing and Finance teams. A Business Case is attached as exempt Appendix 1 to this paper which includes a summary of scheme financials.

4.2. Supporting this application will approve £875,000 grant from the Affordable Housing Programme, subject to satisfactory completion of due diligence work. The impact of this on the overall position of the £100 million Affordable Housing Programme is shown below:

	# Schemes Approved to date	# Units Funded	CPCA Funding Committed £
Affordable Housing Grants	13	757	7,357,452
Loan & Toolbox Investments	4	56	37,007,335
<b>TOTALS</b>	<b>17</b>	<b>813</b>	<b>44,364,787</b>
Proposed Schemes: Affordable Housing Grants			
Werrington, Peterborough Affordable Housing Grant (CPCA Board 31 July 2019: Agenda Item 3.1(a))	1	88	3,845,600
Crowland Road, Eye Green, Peterborough (CPCA Board 31 July 2019: Agenda Item 3.1 (b))	1	25	875,000
Affordable Housing Grants TOTAL	15	870	12,078,052
Affordable Housing Grants: AVERAGE GRANT PER UNIT			13,883
Loan & Toolbox Investments TOTAL	4	56	37,007,335
<b>TOTALS IF SCHEMES APPROVED</b>	<b>19</b>	<b>926</b>	<b>49,085,387</b>

## 5.0 LEGAL IMPLICATIONS

5.1. The Combined Authority has authority under section 1 Localism Act 2011 to exercise a general power of competence. The Combined Authority can exercise this power by virtue of the Cambridgeshire and Peterborough Combined

Authority Order 2017. This power permits the Combined Authority to make grants to providers in order to deliver the terms of the devolution deal signed with Government.

## **6.0 SIGNIFICANT IMPLICATIONS**

6.1. There are no significant implications to consider in this paper.

## **7.0 EXEMPT APPENDIX**

7.1. This paper is supported by the following appendix which is exempt from publication as 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.

(a) Exempt Appendix 1 – Business Case

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
List background papers: CA Board report September 2018	<a href="https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/913/Committee/63/Default.aspx">https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/913/Committee/63/Default.aspx</a>
Housing and Communities Committee July 2019 - £100m Housing and Communities Committee Affordable Housing Programme Update	<a href="https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/879/Committee/65/Default.aspx">https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/879/Committee/65/Default.aspx</a>