

## SUBSIDY CONTROL ANALYSIS

Grant recipient: **Peterborough Investment Partnership (PIP)**

Grant: £14,031,750

### Legal Basis

Cambridgeshire and Peterborough Combined Authority (CPCA) is publishing information in relation to the grant to **PIP** as required by Article 369 of Chapter 3 to Part 2 of the UK-EU Trade and Cooperation Agreement (TCA). This transparency notice provides information on how the Grant meets subsidy principles set out in Article 366 of Chapter 3 to Part 2 of the TCA which are now binding under domestic law by virtue of s.29 of the European Union (Future Relationship) Act 2020.

In line with transparency requirement, this decision will be published by the CPCA, and information provided to BEIS as required. The award of Grant is made by the Combined Authority pursuant to Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017.

Grant funding for this matter was approved on 21<sup>st</sup> June 2021 ([Document.ashx \(cmis.uk.com\)](#))

### Purpose of the Grant

THE CPCA is making funding available, in the form of a non-repayable Grant, to the PIP, a Limited Liability Partnership

The Grant will assist in providing **353** homes on the site known as **NORTHMINSTER, PETERBOROUGH** in the sum of £**14,031,750** for the provision of affordable housing.

The provision of the subsidy is part of the CA's wider strategy to encourage the construction of at least 2000 affordable housing units across the CA's region. This opportunity is particularly attractive as (i) it provides "additionality" because the units at Northminster, Peterborough is now being currently allocated as a 100% affordable housing site (and so would be in addition to the 2000 units otherwise planned) and (ii) it provides a new product "Build to Rent" that enables those who are in need of affordable housing will be able to afford the units in question at lower than 80% of market rents, with a longer security of tenure (3-5 years). The lack of affordable housing is a well understood problem across the UK and is particularly acute in East of England amongst other places, which includes the CA's area, see Commons Library Briefing, April 2021 ([What is affordable housing? \(parliament.uk\)](#))

### Grant assessment

The amount of grant is calculated on a sliding scale on a per unit basis, i.e., the amount of grant is limited to what will be required to deliver each unit. The number of units to which the grant is applied is the multiplier.

The intervention is proportionate given that the amount of subsidy as calculated on a per unit basis (i.e., per dwelling) is comparable with the support provided to Registered Providers, limited companies and charities for similar purposes. The Grant Agreement commits the PIP to procure that the housing is let at "private affordable rents", in accordance with its operating model.

The Council will implement a robust assurance process as part of the claim procedure. This will ensure that all costs claimed will be eligible in accordance with the funding agreement. The maximum average per unit contribution is £39,750k. If there is a requirement for a higher level of intervention, then PIP will be required to justify the higher per unit subsidy.

### **Beneficiaries**

The residential units the subject of the subsidy is one and two-bedroom flats built for the city centre area of Northminster. The PIP requested assistance for funding as they were not a registered provider and could not apply to Homes England, and therefore approached CPCA as a possible scheme to be funded from the £100m Affordable Housing Programme.

The subsidy is designed to encourage the development of land and the acquisition of affordable housing in the CPCA's area.

In the absence of the subsidy, it is unlikely that those 353 homes would not be built for a lengthy period of time. As beneficiary, PIP would not be able acquire the land and the site to develop 353 homes without some form of help from the subsidy.

There is no obvious alternative means by which the objective in this instance could be achieved. The main beneficiary of the subsidy are future local occupiers of the units. These are being developed for people on low incomes, young professionals and key workers, who wish to obtain affordable housing within the city centre, close to amenities, and work opportunities.