



HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.2 (v)
27 APRIL 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; JMS, (FORMER JOHN MANSFIELD SCHOOL SITE), DAMSON DRIVE, PETERBOROUGH, PE1

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 £430,500 is sought for 10 shared ownership homes, at JMS, Damson Drive, Peterborough. A Business Case for this proposal is attached as exempt Appendix 1.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Chris Boden, Lead Member for Housing and Chair of Housing and Communities Committee
Lead Officer:	Roger Thompson, Director of Housing and Development

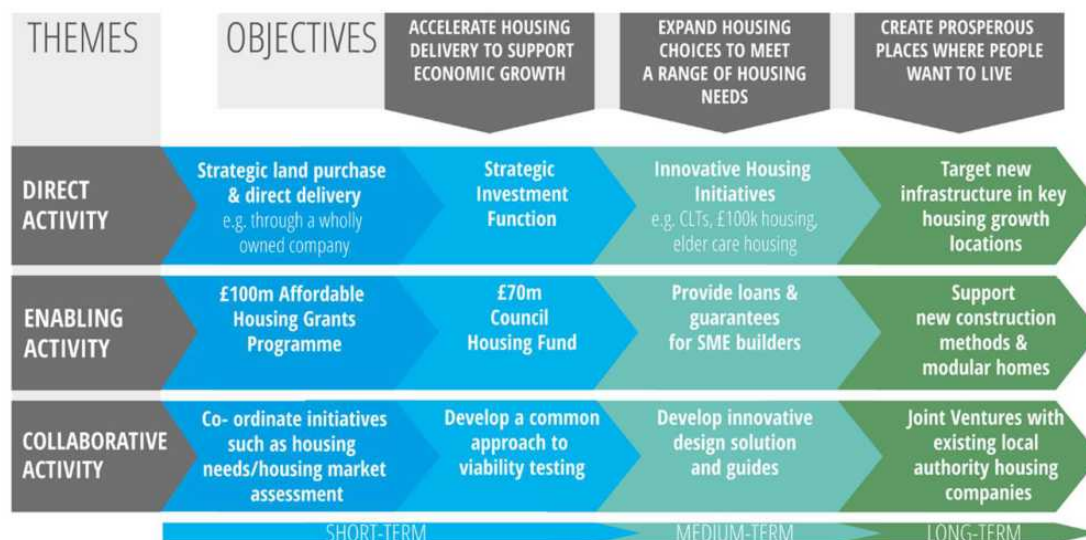
Forward Plan Ref: 2020/004 Key Decision: Yes	
<p>The Housing and Communities Committee is recommended to:</p> <p>(a) Commit grant funding of £430,500 from the £100m Affordable Housing programme to enable delivery of 10 additional shared ownership homes at JMS, Damson Drive, Peterborough.</p>	<p>Voting arrangements:</p> <p>Simple majority of all Members</p>

2. 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.

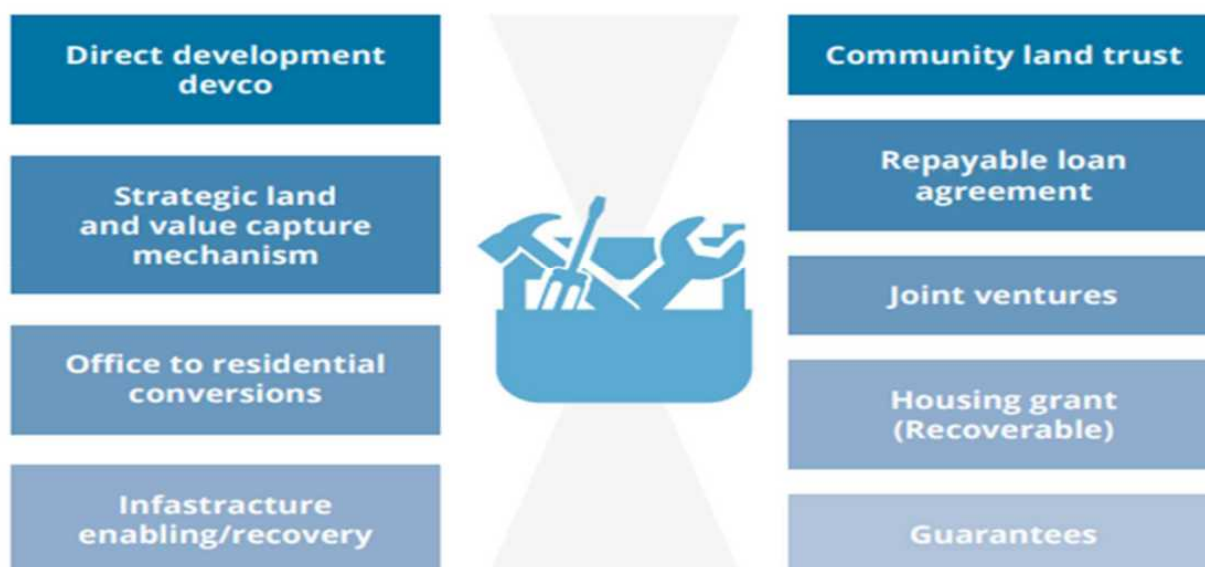
Combined Authority Housing Programme

- 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 below:



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 on a quarterly basis with the most recent provided as a report on today's agenda. Both the £100m & £70m programmes (within the overall £170m programme) are still on track to achieve their targets by March 2022.

3. PROPOSED SCHEME FOR APPROVAL

JMS, DAMSON DRIVE, PETERBOROUGH. PE1

- 3.1. Keepmoat Homes Limited are applying for the affordable homes grant and will construct and market the shared ownership homes under the Heylo Home Reach Shared Ownership scheme. The homes will transfer to Heylo Housing association and the grant obligations will transfer from Keepmoat to Heylo through a Deed of Adherence between CPCA and Heylo. This mirrors the form of contract that Keepmoat have with Homes England.
- 3.2. Detailed Planning Approval was granted on 3rd November 2017. The development started on site on 9th February 2018.
- 3.3. The site was due to complete from Q1 21/22, subject to Covid-19 delays.
- 3.4. All of the homes are converted from Open Market Sale units and would be unviable without the allocated grant.
- 3.5. The shared ownership tenure will help diversify the home ownership offer on the site and accelerate the delivery of new homes in the Peterborough area, through the delivery of a complementary tenure to the open market sale homes on the scheme

Figure 1: JMS, Damson Drive, Peterborough (PCC)



3.6. The site is well situated near major roads and access to the Midlands and the East.

3.7. The tenure is all shared ownership with differing sizes.

Dwelling type	M2	Tenure type	quantity
2 x 2b/3p	63.5	Shared ownership	2
7 x 3b/4p	79.10	Shared ownership	7
1 x 4b/5p	95.5	Shared ownership	1
			10

About Keepmoat

3.8. Keepmoat Homes are a Homes England Investment Partner and an Unregistered body. Their shared ownership and affordable homes programme (SOAHP) contract with Homes England is the Transfer Contract, whereby they bid for and secure SOAHP funding and on completion of the final units in the firm scheme, they transfer the SOAHP obligations onto the end-user Landlord (Heylo) through a Deed of Adherence between the funder and Heylo.

3.9. Heylo is one of current providers of affordable housing, known to our affordable housing programme.

3.10. To date they have secured over £4m in SOAHP funding from Homes England to deliver over 100 shared ownership and affordable rented units working with Heylo and Local Authority partners.

3.11. Keepmoat Homes are already on site, delivering the scheme. They have more than sufficient capacity, both administratively and financially, to deliver the balance of the scheme quickly, providing much-needed additional houses for the local community and other first-time buyers.

3.12. The Housing Enabling Officer for Peterborough City Council was happy to support the site. These units provide additionality over and above s.106 requirements and will help to assist eligible households into affordable homeownership.

Additionality, Case for Combined Authority funding & Programme

3.13. The proposed scheme offers the following:

- Contractual agreement with Keepmoat and Heylo anticipated on completion, as per arrangement with Homes England – through a Deed of Adherence.
- The CPCA grant will enable an additional 10 affordable units to be provided, as part of the CPCA 2000 start on site homes target by March 2022.

Proposed Conditions of Grant Approval

3.14. It is proposed that the grant of £430,500 will help with the delivery of 10 new affordable homes at JMS, Damson Drive, Peterborough to be approved subject to the following conditions: -

Pre-contract:

Confirmation of agreed site ownership and start on site.

Post contract but pre draw-down of grant:

- i. evidence of Deed of Adherence with Heylo.

SIGNIFICANT IMPLICATIONS

4. FINANCIAL IMPLICATIONS

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

4.2. Supporting this application will approve £430,500 grant from the Affordable Housing Programme at an average grant rate of £43.5k per unit for each unit of affordable housing.

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 Affordable Housing Grants approved by Board as at March 2020	25	1,176	24,096,506
Less: Sage Scheme no longer available	-1	-11	-330,000
Total before April 2020 Committee	24	1,165	23,766,506
PROPOSED SCHEME FOR April 2020 Committee APPROVAL			
Brampton Park, Hunts	1	6	270,002

St Thomas Park, Ramsey	1	10	476,997
Heylo sites – Larkfleet	1	32	1,379,072
Roman Fields, Paston, Peterborough	1	23	1,000,500
JMS, Damson Drive, Peterborough	1	10	430,500
Total Affordable Housing Grants if approved by Board	29	1,246	27,323,577

Affordable Housing:
AVERAGE GRANT
RATE PER UNIT* £21.9k

Loan & Toolbox capital committed (from £40m revolving fund)	5	53	51,167,000
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TOTAL IF MARCH 2020 SCHEME IS APPROVED	34	1,299	78,490,577
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5. LEGAL IMPLICATIONS

- 5.1. The Cambridgeshire and Peterborough Combined Authority Order 2017 granted the Combined Authority a general power of competence. This power permits the Combined Authority to make grants to housing providers in order to deliver the terms of the devolution deal signed with Government.

6. APPENDICES

Appendix 1 – Exempt from publication - Business Case including supporting evidence.

<u>Background Papers</u>	<u>Location</u>
Housing Strategy September 2018	<u>CA Board September 2018</u>
£100m Affordable Housing Programme Update Mar 2020	<u>CA Board Mar 2020</u>