

HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.2 (i)
22 JUNE 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.

ROMAN FIELDS, PASTON, PETERBOROUGH – HEYLO SITE

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. A grant from the Combined Authority Affordable Housing programme of £645,000 is sought for 20 additional shared ownership units at Roman Fields, Paston, 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: 2020/038	Key Decision: Yes
The Housing and Communities Committee is recommended to:	Voting arrangements Simple majority of all Members

a) Commit grant funding of £645,000 (equating to £32,250 per unit) from the £100m Affordable Housing programme to enable delivery of 20 additional shared ownership homes at Roman Fields, Paston, Peterborough.	
--	--

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.

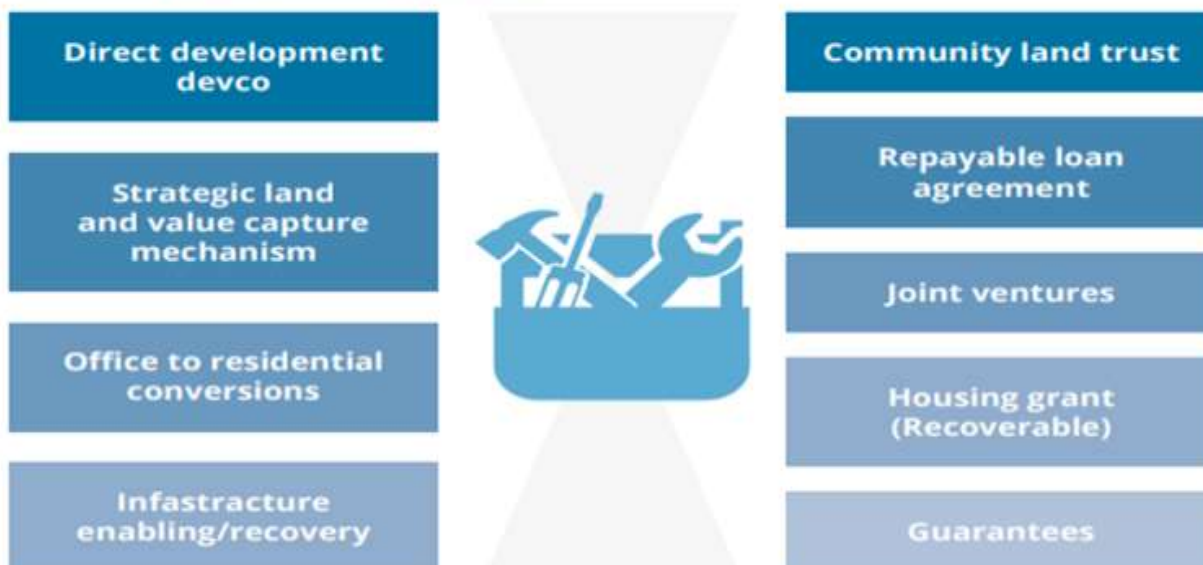
Combined Authority Housing Programme

- 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 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 on track to achieve their targets by March 2022.

3.0 PROPOSED SCHEME FOR APPROVAL.

ROMAN FIELDS, PASTON, PETERBOROUGH.

- 3.1. Heylo Homes has applied to the Combined Authority for a £645,000 grant to deliver 20 additional shared ownership units as part of a development site. The site is currently under development by Keepmoat with 457 new homes in a mix of tenures and bedroom types.
- 3.2. Heylo Housing will acquire the properties once shared ownership purchasers have been identified at the stage of onward sales completion. The property will be simultaneously transferred to Heylo Housing Registered Provider Limited who will issue a shared ownership lease to the purchaser.
- 3.3. Detailed Planning Approval was granted on 11th August 2017 and the Reference is: 16/01197/REM. The development started on site in September 2017.
- 3.4. The site is divided into three phases, and this phase is currently ready to be occupied. All of the additional affordable 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.
- 3.6. Figure 1 – Roman Fields, Paston, Peterborough.



- 3.7. The Keepmoat site is situated in the north of Peterborough.
- 3.8. The dwellings are all shared ownership and a mixture of 3 and 4 bed houses.

Dwelling type	M2	NDSS	¹ % of NDSS	Tenure type	quantity
7 x 3b/4p	79	84	94%	Shared ownership	7
7 x 3b/4p	88	84	105%	Shared ownership	7
3 x 3b/4p	76	84	91%	Shared ownership	3
1 x 3b/4p	80	84	95%	Shared ownership	1
2 x 4b/6p	108	106	102%	Shared ownership	2
					20

Figure 2 - Site Plan of Roman Fields, Paston, Peterborough.



¹ Numbers are rounded to nearest digit

Figure 3 – Site plan and unit position.



H – signifies Heylo properties

About Heylo Homes.

- 3.9. Heylo Homes was established in partnership with Lancashire County Council's Pension Fund in 2014. Heylo is a Homes England Investment Partner and all new homes are managed by Heylo Housing Registered Provider Ltd, a registered provider with Homes England. Heylo does not undertake direct development but has an established track record of working with the house building industry to increase delivery of affordable home ownership with a portfolio of 3,500 properties and a further 1,000 in the pipeline.
- 3.10. Heylo is specialist shared ownership provider. Heylo has branded its product Home Reach, it is shared ownership using the Homes England standard form of lease and is fully compliant both with Homes England and NPPF definitions of affordable and intermediate housing, as well as being acceptable to mortgage lenders.
- 3.11. This proposal is for Heylo to work with the house builder Keepmoat Homes to enable increase the supply of affordable home ownership through shared ownership on this site which is currently under development. Delivery will be additional to S106 planning requirements.
- 3.12. The Housing Enabling officer for Peterborough District Council has indicated that she is happy and supports the homes coming through, including with the mix of

housing on the scheme, as it helps increase the supply of suitable accommodation in the City. This will benefit the need for the area and for the people in Peterborough more generally.

Additionality / Case for Combined Authority funding

3.13. The proposed scheme offers the following additionality:

- Heylo has agreed Heads of Terms with Keepmoat to acquire these 20 properties in making up this proposal.
- The CPCA grant will enable an additional 20 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 £645,000 will help with the delivery of 20 new affordable homes at Roman Fields, Paston, Peterborough be approved subject to the following conditions.

Pre-contract:

Confirmation of site ownership.

Post contract but pre draw-down of grant:

Evidence of site ownership.

SIGNIFICANT IMPLICATIONS

None.

4.0 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 £645,000 grant from the Affordable Housing Programme at an average grant rate of £32.25k 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 April 2020	28	1,246	27,312,271
Less: Papworth Scheme no longer available	-1	-9	-114,000
Total before June 2020 Committee	27	1,237	27,198,271
PROPOSED SCHEME FOR JUNE 2020 COMMITTEE APPROVAL			
ROMAN FIELDS, PASTON, PETERBOROUGH	1	20	645,000
Total Affordable Housing Grants if approved by Board	28	1,257	27,843,271

Affordable Housing:
AVERAGE GRANT
RATE PER UNIT* £22.2k

Loan & Toolbox capital committed (from £40m revolving fund)	5	53	51,167,000
---	---	----	------------

TOTAL IF JUNE 2020 SCHEME IS APPROVED	33	1,310	79,010,271
--	-----------	--------------	-------------------

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 Part 4, Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251). This power permits the

Combined Authority to make grants to providers in order to deliver the terms of the devolution deal signed with Government.

- 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
£100m Affordable Housing Programme Update April 2020	CA Board April 2020

