



Agenda Item No: 2.3

£100 Million Affordable Housing Programme: Gloucester Centre, Morpeth Close, Orton Longueville, Peterborough

To: Housing and Communities Committee

Meeting Date: 03 November 2021

Public report: This report contains appendices which are exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption outweighs the public interest in publishing the appendices.

Lead Member: Councillor Lewis Herbert

From: Roger Thompson – Director of Housing & Development

Key decision: Yes

Forward Plan ref: 2021/013

Recommendations: The Housing and Communities Committee is recommended to:

- a) Committing grant funding of £1,438,000 from the £100m Affordable Housing programme to enable delivery of 36 new affordable homes, as additionality on the above site, with a tenure mix of 10 affordable rented homes and 26 of shared ownership homes. DLUHC have already confirmed their approval of this as a substitute for a non-proceeding site.

Voting arrangements: A simple majority of all Members present and voting.

1. 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's Affordable Housing Programme of £1,438,000 is sought for 36 additional homes, with a mixed tenure of 10 affordable rented flats and 26 shared ownership houses, to be substituted for a non-proceeding site within the current programme.

2. Background

- 2.1 The Housing and Development Team at the Combined Authority is working with officers in all partners 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.
- 2.2 The Combined Authority Housing Strategy 2018 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.
- 2.3 The proposed site requesting for grant from the current Housing Programme is for 36 additional new homes in Peterborough. This site is being recommended as a substitute for the non-progressing site, being Station Road, Littleport, Ely which was going to deliver 39 units, being replaced by the Gloucester Centre, Morpeth Close, Orton Longueville, Peterborough which will provide 36 additional units. This site has been given approval in principle by DLUHC as a substitute. This will ensure the maximum use of the grant being made available by DLUHC in the CPCA 2021/22 affordable housing programme. The approved grant for the previous site at Station Road, Littleport, Ely, was originally £1,448,000 for 39 units. For Gloucester Centre, the grant being requested is £1,438,000 for 36 units.
- 2.4 The grant rate per unit is marginally higher, because of the new shared ownership leasing model which came into effect in April 2021. Thus, costs have increased due to this fact, whereby repair costs are incurred for the first 10 years by the Registered Provider, and there is an additional costs incurred for the management of staircasing of the shared ownership units.
- 2.5 The whole site has 100 units, 30% (30 units) are Section 106, 34 units are to be market sale which was a Vistry's bid accepted by Homes England, and the remaining 36 units, will be classed as an additionality and substituted to CPCA as additionality with tenure mix of 10 affordable rented and 26 shared ownership units.
- 2.6 This site has outline planning consent, and a section 106 agreed, but is waiting on Reserved Matters (in regard to the design, appearance and exterior aspect) which will be

concluded no later than Jan 2022, and Vistry will have to be in contract with Homes England for the site before this date.

- 2.7. Below is a table referring to the unit types, size, and tenure types. They refer to Nationally Described Space Standards. (rounded up/down accordingly)

Description/ Type of unit	Number of Units	Size (sqm)	NDSS Standard (sqm)	Meets NDSS	% of NDSS
AFFORDABLE RENTED UNITS					
2 X 1B/2P FLATS	2	51	50	Y	102%
2 X 2B/3P FLATS	2	62	61	Y	101%
3 X 2B/3P FLATS (BESPOKE)	3	73	61	Y	120%
3 X 2B/4P BUNGALOWS	3	75	70	Y	107%
	10				
SHARED OWNERSHIP UNITS.					
5 X 2B/4P HOUSES – COOPER	5	80	79	Y	101%
6 X 2B/4P HOUSES – CHERRY	6	80	79	Y	101%
4 X 3B/5P HOUSES - HAZEL	4	86.49	93	N	93%
5 X 3B/5P HOUSES - ASHER	5	95	93	Y	102%
4 X 3B/5P HOUSES - SPRUCE	4	100	93	Y	107%
2 X 4B/6P HOUSES - SPEARS	2	107	106	Y	101%
	26				
TOTAL	36				

- 2.8. These units will be developed by Vistry and managed and retained by Cross Keys Homes. This is a Homes England DPP3 site – a former redundant hospital site.
- 2.9. The Housing Enabling officer for Peterborough City Council has stated that the potential additionality achieved by CPCA for funding these 36 units, is very welcome. This will help people in Peterborough to gain access to more affordable housing.

Significant Implications

3. Financial Implications

3.1 Additionality case for Combined Authority Funding

The proposed scheme offers the following additionality:

The CPCA are being asked to support the creation of 36 new affordable homes comprising 10 affordable rented and 26 shared ownership in the Peterborough Council area which are additional on the scheme over and above the S106 requirement.

Proposed Condition of Grant Approval

It is proposed that the grant of £1,438,000 will help with the delivery of 36 new homes.

Pre-contract: -

- i. Cross Keys Homes have an internal approval to achieve, with Growth Board in, October 2021, Development Committee in November (possibly) 2021, and Main Board also in November 2021.
- ii. There is a need to acquire the site – in Quarter 3, with SOS in Quarter 4.

After execution of the grant funding agreement, 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 practical completion has been confirmed.

3.2 This application for a grant of £1,438,000 from the current Housing Programme works out at an average grant rate of £39,944 per unit. The grant for the site being replaced was £39,140 per unit at Station Road, Littleport.

	Number Schemes Approved	Number of Affordable Units Funded	CPCA Funding Committed £
Previous Schemes SOS		733	
Previous schemes in Sept 2021	19	1308	£53,315,441
Removed from CPCA figures unfunded in September 21 HCC	2	remove 136	remove funding £6,120,000
Total units lost & monies returned	1	remove 37	remove funding £1,373,743
Total units lost in 21/22 programme		110	remove funding £4,422,000
Total of schemes approved 21-22	16	1,025	£41,399,698
PROPOSED SCHEME FOR NOVEMBER 2021 COMMITTEE APPROVAL			
GLOUCESTER CENTRE, MORPETH CLOSE, ORTON LONGUEVILLE, PETERBOROUGH, PE2 7JU (possible substitute)	1	36	£1,438,000

Total Affordable Housing Grants if approved by Board	17	1,061	42,837,698
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Affordable Housing:
AVERAGE GRANT RATE PER UNIT* £40.4k

TOTAL IF NOVEMBER 2021 SCHEME IS APPROVED	17	1,794	42,837,698
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4. Legal Implications

- 4.1 The recommendation accords with CPCA's powers under Part 4 Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251).

5. Other Significant Implications

- 5.1 None

6. Appendices

- 6.1 Appendix 1 Exempt Appendix – Exempt from publication - Business Case including supporting financial, business and commercial evidence.

7. Background Papers

- 7.1 None