

£100 Million Affordable Housing Programme: Heylo 2 sites – SN Developments and Larkfleet additional units

To: Housing and Communities Committee

Meeting Date: 6 September 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 Lead - Member for Housing and Chair of Housing and Communities Committee

From: Roger Thompson, Director of Development and Housing

Key decision: Yes

Forward Plan ref: 2021/012

Recommendations: The Housing and Communities Committee is recommended to:

- a) Commit grant funding of £1,209,000 from the £100m Affordable Housing programme to enable delivery of 27 affordable homes, with shared ownership units in Peterborough, East Cambridgeshire and Fenlands. This will replace the two sites from our March Town Centre sites which, if possible, will be substituted. **Subject to confirmation of the release of balancing monies for the £100m programme from BEIS & MHCLG and MHCLG confirming that CPCA having the ability to substitute non-progressing sites from the original 2021/22 programme.**

Voting arrangements: A simple majority of all Members

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 two schemes 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 £1,209,000 is sought for 27 new homes for shared ownership units in East Cambridgeshire with SN Developments site (11 new units), and Peterborough and Fenland council areas with the additional Larkfleet sites (16 units).

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 approximately 27 new homes in around Cambridgeshire and Peterborough region. These sites are with SN developments within East Cambridgeshire (11 units) and the remaining units are in Peterborough and Fenland which are on the Larkfleet sites (8 in PCC and 8 in the Fenlands), which Heylo have been acquiring units previously before. They are requesting grant of £1,209,000. All these units will be shared ownership, under the Heylo brand of Home Reach.
- 2.4 Any CPCA approval will be subject to MHCLG's decision on current funding and will replace two possible non performing sites at March Town Centre (Hereward Hall & Queens Street). They amount to 38 units lost in total and being replaced by Heylo SN developments & Larkfleet additional units of 27. The previous sites had a grant approval of £1,600,000 (£760,000 + £840,000), and Heylo is requesting £1,209,000 of the £1,600,000 returning to the Housing grant pot.
- 2.5 Below is a table referring to the unit types, size, and tenure types. They refer to Nationally Described Space Standards. (All figures are rounded up or down to nearest whole number)

Description/ Type of unit	Number of Units	Size (sqm)	NDSS Standard (sqm)	Meets NDSS	% of NDSS
SN Developments					
4x 2b/4p Houses	4	79-80	79	Y	100-101%
7x 3b/5p Houses	7	94	93	Y	101%
Larkfleet homes					
Abbey Park					
2 x 3b/5p homes	2	87	93	N	94%
Whittlesey Green					
2 x 3b/5p	2	85-91	93	N	92-98%
4 x 3b/4p	4	83	84	N	99%
2 x 2b/3p	2	67-74	70	Y	96-106%
Harriers Rest					
4 x 3b/5p	4	85-91	93	N	91-98%
2 x 2b/4p	2	83	79	Y	105%
Total	27				

- 2.6 Heylo Housing is specialist shared ownership provider. Heylo has branded its product Home Reach, it is shared ownership using the Homes England standard form 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.
- 2.7 This proposal is for Heylo to work with this house builder to enable an increase in the supply of affordable home ownership through shared ownership, on this site currently under development. Delivery will be in addition to affordable housing planning requirements.
- 2.8 The Housing Enabling officer for Peterborough District Council, confirmed her support for Heylo's proposal seeking funding to deliver 4 x 3 bed houses and 2 x 2 bed houses for shared ownership tenure at Harrier's Rest in Wittering. These units will add to the 30% affordable housing already secured through planning gains obligation for this scheme and therefore bring a further additionality to the affordable housing delivery programme for Peterborough.
- 2.9 The Housing Enabling Officer for East Cambridgeshire District Council, confirmed her support for Heylo's proposal seeking funding to deliver 11 houses for shared ownership and therefore this will bring additionality to the affordable housing delivery programme for the Haddenham area, and it will help address the need of suitable accommodation within the area.
- 2.10 The Housing Enabling Officer for Fenlands District Council, confirmed her support for Heylo's proposal seeking funding to deliver 6 x 3 bed houses and 2 x 2 bed houses for shared ownership tenure at Whittlesey Green, Whittlesey. These units will add to the 25% affordable housing already secured through planning gains obligations for this scheme and therefore bring a further additionality to the affordable housing delivery programme in Fenland.

3. Financial Implications

3.1 Additionality case for Combined Authority Funding

The proposed scheme offers the following additionality:

- The CPCA are happy to support the creation of 27 new homes of shared ownership units in the East Cambridgeshire, Fenlands and Peterborough Councils.
- Full planning consent has been secured for all these sites and they are currently under development. The properties are not subject to any existing S106 or affordable housing requirements. All Larkfleet schemes are currently on site.
- The SN Developments are due to start on site during September 2021.

Proposed Condition of Grant Approval

It is proposed that the grant of £1,209,000 will help with the delivery of 27 new homes.

After execution of the grant funding agreement – Grants will be released on a quarterly basis on the completion of the units, of the individual sites.

3.2 The CPCA grant will enable an additional 27 affordable units to be provided as part of the CPCA 2000 starts on site homes target by March 2022.

3.3 Supporting this application by providing £1,209,000 from the current Housing Programme is at an average grant rate of £44,778k per unit.

	Number Schemes Approved	Number of Affordable Units Funded	CPCA Funding Committed £
Previous Schemes SOS		733	
Previous schemes in June	18	1918	47,586,441
Total units lost & monies returned	2	38	1,600,000
Total of schemes approved 21-22	16	1,147	45,986,441
PROPOSED SCHEME FOR SEPTEMBER 2021 COMMITTEE APPROVAL			
HEYLO SITES, WITH SN DEVELOPMENTS & LARKFLEET	1	27	1,209,000
Total Affordable Housing Grants if approved by Board	17	1,174	47,195,441

Affordable Housing:
AVERAGE GRANT
RATE PER UNIT*

£40.2k

TOTAL IF SEPTEMBER 2021 SCHEME IS APPROVED	17	1,907	47,195,441
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4. Legal Implications

- 4.1 The recommendation accords with the Combined Authority's powers under Part 4 Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251) and the CPCA Constitution Chapter 10 para.3.2.6(a).

5. Other Significant Implications

- 5.1 None

6. Appendices

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

7. Background Papers

- 7.1 None