



Agenda Item No: 3.2 (i)

2021/22 Affordable Housing Programme: Great Haddon, Off London Road, Yaxley, Peterborough (revised)

To: Housing and Communities Committee

Meeting Date: 10 January 2022

Public report: This report contains an appendix which is 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: 2021/038

Recommendations: The Housing and Communities Committee is recommended to:

- a) Committing grant funding of £1,886,500 from the £100m Affordable Housing programme to enable delivery of 49 additional new affordable homes.

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 funding 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 2021/22 affordable programme.
- 1.3 A grant from the Combined Authority's Affordable Housing Programme of £1,886,500 which seeks approval for grant funding that will support the delivery of a mix of 49 (forty-nine) Shared Ownership homes in Great Haddon, Peterborough, Cambridgeshire, by way of additionality.
- 1.4 This opportunity was secured by way of a partnership approach between CKH and Countryside Properties, with Countryside Properties taking the lead on the formal bid and securing acquisition of the site from O&H Hampton, the strategic land company set up to deliver the entire Southern expansion of Peterborough

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. CKH are now looking to deliver **49 homes for Affordable provision by way of additionality** (tenure conversion from Market Sale), subject to the successful application for grant assistance from CPCA in line with this bid submission. Countryside Properties will be CKH's development partner, and the scheme will be delivered by way of a development agreement for a fixed sum.
- 2.4. CKH will acquire the freehold interest in a total of 105 residential homes, which form part of a Phase 1 that extends to a total of 347 units. A total of 56 of the 105 homes are secured for affordable provision by way of a S.106 planning gain in line with Peterborough City Council's requirements set out in the adopted LDF, SPD and S.106 agreement.
- 2.5 The grant is lower than previously at £1,886,500 for 49 shared ownership homes, but in line with 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 additional costs incurred for the management of staircasing for the shared ownership units.

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
SHARED OWNERSHIP UNITS.					
2b/4person houses	18	68.93	79	N	87%
3b/5person houses	20	88.81	93	N	95%
3b/6person houses	7	116.00	102	Y	114%
4b/6person houses	4	110.00	106	Y	104%
TOTAL	49				

The Housing Enabling officer for Peterborough City Council states the additionality achieved by CPCA funding these 49 units, is very welcome. The original bid proposed to deliver 58 additional affordable homes with a mix of rented and shared ownership tenure. This revised bid seeks funding for 49 dwellings for shared ownership tenure only. She was disappointed that changes to the deal being brokered between Countryside and CKH for the affordable housing provision has meant that the original proposal is no longer a viable option. She understood however, that the revised deal is now the only option that will deliver any extra affordable housing to supplement the 16% to be provided through planning obligations and therefore support CKH's revised funding bid.

Significant Implications

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 49 new homes for shared ownership in the Peterborough City Council area. The additionality is effectively through the conversion of market units to shared ownership units.

Proposed Condition of Grant Approval

It is proposed that the grant of £1,886,500 will help with the delivery of 49 new homes.

Pre-contract: -

1. Heads of Terms agreed with the developer (Countryside Properties).
2. Legal team are about to be instructed. Contractual arrangements targeted for completion in December 2021.

3. Approval of the acquisition will be subject to various stages of CKH's internal approval process, as follows: -
4. Growth Board; November 2021.
5. Development Committee; December 2021.
6. Main Board; December 2021.
7. Reserved matters planning consent is also required, along with formalisation of the phase specific S.106 agreement.

After execution of the grant funding agreement by 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 due to practical completion has been established.

3.2 Supporting this application by providing £1,886,500 from the current Housing Programme is at an average grant rate of £38.5k per unit.

	Number Schemes Approved	Number of Affordable Units Funded	CPCA Funding Committed £
Previous Schemes SOS		733	
Previous schemes in Nov 2021	17	1061	42,837,698
Total units lost & monies returned (loss of EAGW)		remove 77	remove funding £3,464,615
Total units lost in 21/22 programme, includes Northminster, Littleport Ely (loss of 1 unit)		39	remove funding £1,550,500
Remove Werrington Dec 21	-	60	2,622,000
remove Great Haddon Dec 21		58	2,194,333
Total of schemes approved 21-22	11	827	33,006,250
PROPOSED SCHEME FOR JANUARY 2022 COMMITTEE APPROVAL			
GREAT HADDON, OFF LONDON ROAD, YAXLEY, PETERBOROUGH (REVISED)	1	49	1,886,500
Total Affordable Housing Grants if approved by Board	12	876	34,892,750

Affordable Housing:
AVERAGE GRANT RATE PER UNIT*

TOTAL IF JANUARY 2022 SCHEME IS APPROVED	12	1,609	34,892,750
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4. Legal Implications

4.1 There are no legal implications in this report.

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 There are no background papers