



Environment & Sustainable Communities Committee

29 Jan 2025

Title: Use of Grant for Heylo units - Jan 2025

Report of: Azma Ahmad-Pearce – Programme Manager

Lead Member: Councillor Bridget Smith, Lead Member for Environment & Sustainable Communities

Public Report: Yes

Key Decision: Yes

Voting Arrangements: Yes – simple majority

Recommendations:

- A The Environment and Sustainable Communities Committee is asked to approve
- a) the use of £230,500 grant on 7 units of accommodation in Peterborough, with the units to be provided as shared home ownership by Heylo as part of the Affordable Housing Programme.

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

- 1 Achieving good growth – providing the 1400+ homes as agreed by the CPCA and providers.
- 2 Enabling resilient communities – providing suitable housing and ensuring communities are robust

1. Purpose

- 1.1 To seek agreement on funding for 7 additional units with a housing provider – Heylo, part of Heylo Housing Group Limited.
- 1.2 The provision of an additional 7 units in Peterborough as shared ownership homes will commit the remaining Affordable Housing funding allocation.

2. Proposal

- 2.1 That funding is provided to allow Heylo to acquire 7 additional units from ‘off the shelf’ units at a total grant cost of £230,500.

3. Background

3.1	<p>The Affordable Housing Programme started in 2017 with the objective to deliver 2000 houses. There were 1450+ units committed by 2022. The Programme has since been managed to redeploy grant if units on original sites have not proceeded.</p> <p>The funding originates from the £100m Affordable Housing Programme and includes a small portion of clawback funds as well as the remaining Garages site allocation, which would have been returned to the Ministry of Housing, Communities and Local Government (MHCLG) if left unspent. To prevent this, the Combined Authority proposes to utilise the funds to support affordable housing initiatives in Peterborough, ensuring the original allocation is effectively used.</p>
3.2	<p>Heylo have been asked to acquire units from “off the shelf accommodation” to complete the use of remaining grant, principally monies released by Cross Keys Homes from the non-progression of the “Garages site” in Peterborough, plus underspend and clawback. The remaining grant is £231,150. The units will be one of Heylo providers/housebuilders, who will deliver the units.</p> <p>The following seven units have been identified by Heylo:</p> <ul style="list-style-type: none">• Fletton Folly – 1 shared ownership property 1 x 3bed/5person• Haddon Peake – 4 shared ownership properties 1 x 3b/4p 1 x 3b/6p 2 x 4b/8p• Hampton Water – 2 shared ownership properties 1 x 1b/2p 1 x 3b/4p <p>The units are currently in construction. The average grant requirement is £32,929 for each shared ownership home. The total grant required is £230,500.</p>
3.3	<p>The units are solely for shared ownership properties, although these homes will be constructed within wider developments that include market sales homes. It is anticipated that purchasers will acquire 50% initial shares. The unsold equity is therefore expected to be 50%. A rent of 2.75% will be payable by purchasers on the unsold equity with annual reviews set at CPI + 0.5%. It is anticipated that eligible purchasers will acquire 50% shares.</p>
3.4	<p>Peterborough City Council confirmed their support for Heylo's funding bid to deliver 7 shared ownership dwellings across the sites of Fletton Folly, Haddon Peake and Hampton Waters. These units will provide additionality and further enhance the Affordable Housing Programme in Peterborough.</p>

4. Appendices

4.1	None
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5. Implications

Financial Implications

5.1	<p>The £230,500 grant funding is within the remaining allocation of £231,150, which includes some small amount of clawback and the remaining Garages site grant underspend.</p>
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Legal Implications	
5.2	A standard CPCA Grant Funding Agreement (GFA) will be issued.
Public Health Implications	
5.3	There are no known public health implications.
Environmental & Climate Change Implications	
5.4	There are no new Environmental or Climate change implications.
Other Significant Implications	
5.5	None
Background Papers	
5.6	None