



HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.2 (iii)
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.

**NORWOOD ROAD, MARCH, HEReward HALL, MARCH & QUEENS STREET,
MARCH. (WITHIN THE TOWN CENTRE OF MARCH)**

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 £3,520,000 is sought for 90 additional units with a mix of 70 affordable rented and 20 shared ownership, at 3 sites (Queens St, Norwood Road & Hereward Hall), March Town centre. 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
	Voting arrangements Simple majority of all Members

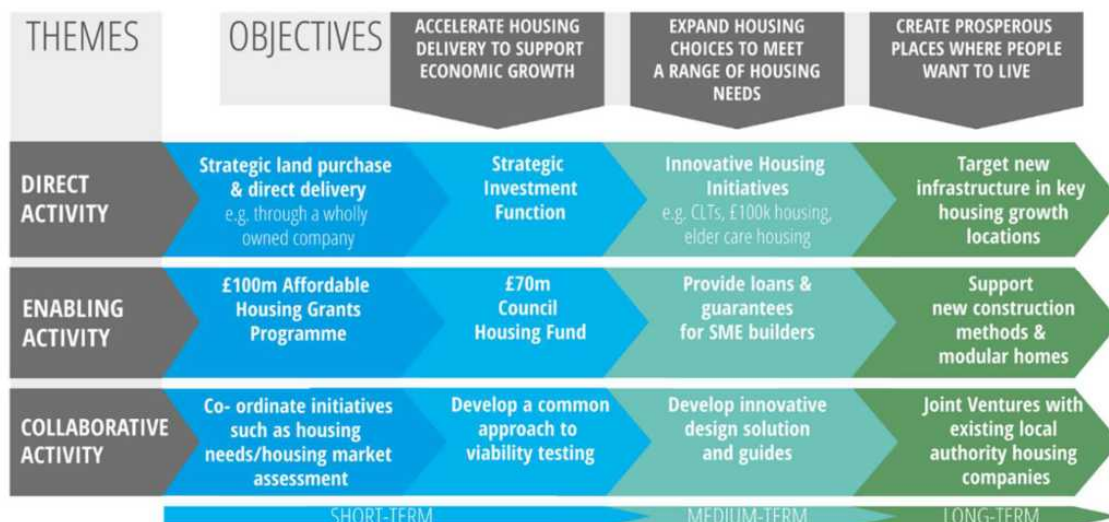
<p>The Housing and Communities Committee is recommended to:</p> <p>a) Commit grant funding of £3,520,000 from the £100m Affordable Housing programme to enable delivery of 90 additional units, with a mix of 70 affordable rented and 20 shared ownership homes within March Town Centre.</p>	
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2.0 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.

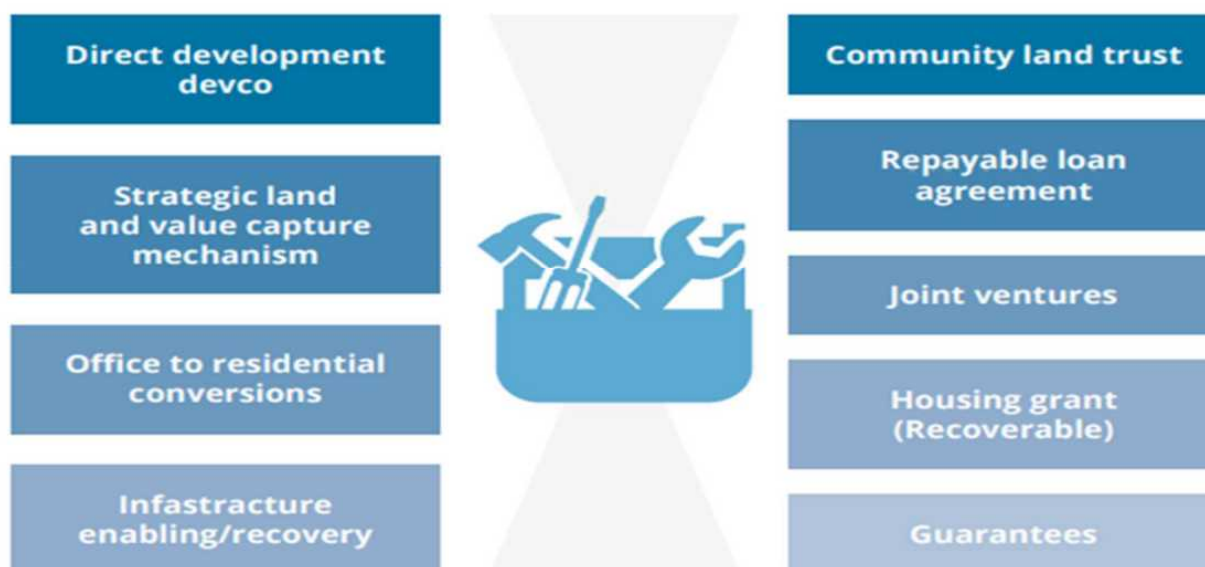
Combined Authority Housing Programme

- 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

QUEENS ST, NORWOOD ROAD AND HEReward HALL – MARCH TOWN CENTRE.

- 3.1. These three sites have been on the CPCA pipeline since November 2019 and are ready to progress with the support of positive collaboration from Fenland District Council.
- 3.2. The sites are zoned for residential use, planning applications are submitted and a decision on detailed planning approval to be expected in the next few weeks. The land will be purchased and completed by December 2020.
- 3.3. Heads of Terms are being agreed with the Landowner, with a conditional exchange of contracts provisionally targeted for September 2020.
- 3.4. Start on Site is expected by Feb 2021,
- 3.5. All 90 homes will be delivered by support of the grant. These are windfall sites, where all the homes would otherwise have been for outright sale. Through CPCA grant support, we are enabling the delivery of a 100% affordable housing scheme.

3.6. Figure 1 – Hereward Hall & Queen Street

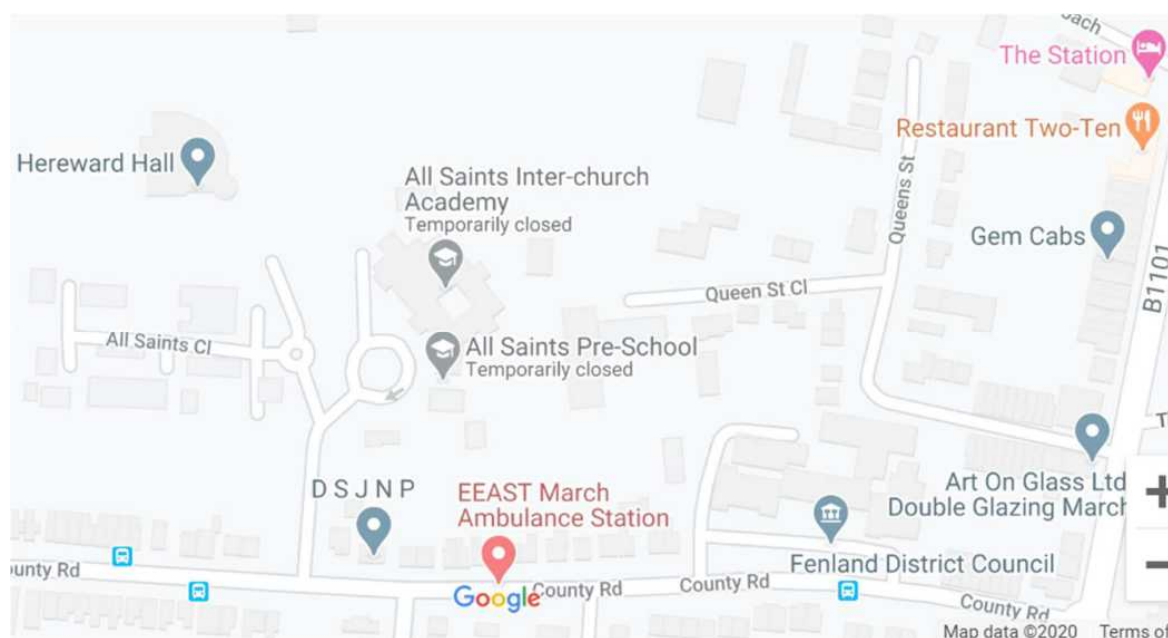


Figure 2:- Norwood Road.



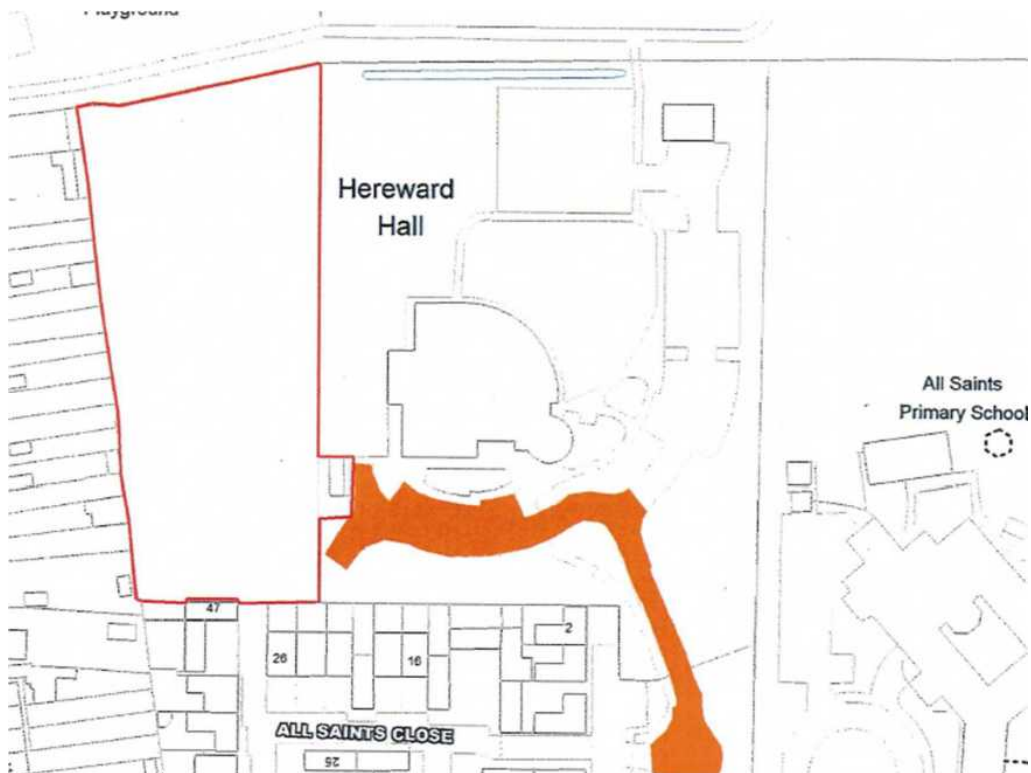
Map 1:- Norwood Road, March - site boundary.



Map 2:- Queens Street. March. Site Boundary.



Map 3:- Hereward Hall. Site Boundary.



- 3.6 A The housing on offer will have a mix of sizes, based on local authority demand and includes homes for range of housing demand. The scheme is to be designed to achieve passive (i.e. non-technical solutions) high sustainability features and to have high energy efficiency levels to reduce fuel poverty.
- 3.7. The sites are all located within walking distance of March Town Centre, which offers a full range of local services and employment opportunities. Within walking distance of the sites there is a supermarket, a range of retail shops, doctor's surgery, library, schools, and offices.
- 3.8. Below are the dwelling types, sizes by square metre.

Description/ Type of unit	Number of Units	Size (sqm)	NDSS Standard (sqm)	Meets NDSS	¹ % of NDSS
Rented					
2b/3p	30	74	70	Y	106%
3b/5p	33	85	93	N	91%
4b/6p	7	102	106	N	96%
Shared ownership					
2b/4p	10	74	79	N	94%
3b/5p	10	82	93	N	88%
Total	90				

- 3.9. The dwellings are a mixture of rented and shared ownership homes ranging from 2-4 bedroom.

About Funding Affordable Homes Housing Association.

- 3.12 FAHHA seeks to increase the supply of affordable homes by providing the forward funding to enable new properties to be built and managed by established housing associations.
- 3.11 Funding Affordable Homes is a social impact company which builds and acquires affordable housing to deliver financial and social returns for both communities and investors.
- 3.12 They invest directly in affordable homes typically taking a freehold interest and working across different strategies to enhance diversification and broaden the social delivery.
- 3.13 In each instance, FAHHA enters into long-term management contracts or leases with Housing Associations or other regulated organisations, these agreements cover the provision of tenant services. They are a for profit organization much the same as some of our other partners.

¹ Numbers are rounded up in some instances.

3.12. The Housing Enabling officer for Fenland District Council supports the schemes and the homes coming through. She was also happy with the mix of housing on the scheme, as it helps increase the supply of suitable accommodation in the district. This will benefit the need for the area and for people in the Fenlands.

Additionality / Case for Combined Authority funding

3.13. The proposed scheme offers the following additionality:

- The CPCA grant will enable an additional 90 affordable units to be provided, as part of the CPCA 2000 start on site homes target by March 2022.
- No market sale on this site and these sites are considered as part of a windfall to the area.

Proposed Conditions of Grant Approval

It is proposed that the grant of £3,520,000 will help with the delivery of 90 new affordable homes from the 3 sites in the vicinity of March Town Centre to be approved subject to the following conditions.

Pre-contract:

- Detailed planning approval being obtained.
- Completion of the land purchase.

Post contract but pre draw-down of grant:

Evidence of start on site, due to be February 2021.

SIGNIFICANT IMPLICATIONS

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 a £3,520,000 grant from the Affordable Housing Programme at an average grant rate of £39,100 per unit.

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
ALCONBURY WEALD, ALCONBURY	1	94	4,425,000
MARCH TOWN CENTRE, QUEENS ST, NORWOOD RD & HERWARD HALL	1	90	3,520,000
Total Affordable Housing Grants if approved by Board	30	1,441	35,788,271

Affordable Housing:
AVERAGE GRANT
RATE PER UNIT* £24.8k

Loan & Toolbox capital committed (from £40m revolving fund)	5	53	51,167,000
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TOTAL IF JUNE 2020 SCHEME IS APPROVED	35	1,494	86,955,271
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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 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

5. 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