



HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.4 (iv)
09 NOVEMBER 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.

**£100M AFFORDABLE HOUSING PROGRAMME SCHEME APPROVALS
(NOVEMBER 2020) - SPRINGFIELD AVENUE, MARCH, FENLAND.**

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 £1,560,000 is sought for a further 32 additional affordable rented units, at Springfield Avenue, March.**
- 1.4. A new Business Case for this proposal is attached as exempt Appendix 1. This is a supplementary grant request for a site which has converted all units from shared ownership to affordable rented units, as in agreement by the District Council.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor 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: 2020/062	Key Decision: Yes
<p>The Housing and Communities Committee is recommended to:</p> <p>(a) Commit grant funding of £1,560,000 from the £100m Affordable Housing programme to enable delivery of an additional 32 affordable rented homes at Springfield Avenue, March, Fenlands - Subject to confirmation of the release of balancing monies for the £100m programme from BEIS & MHCLG.</p>	<p>Voting arrangements:</p> <p>Simple majority of all Members</p>

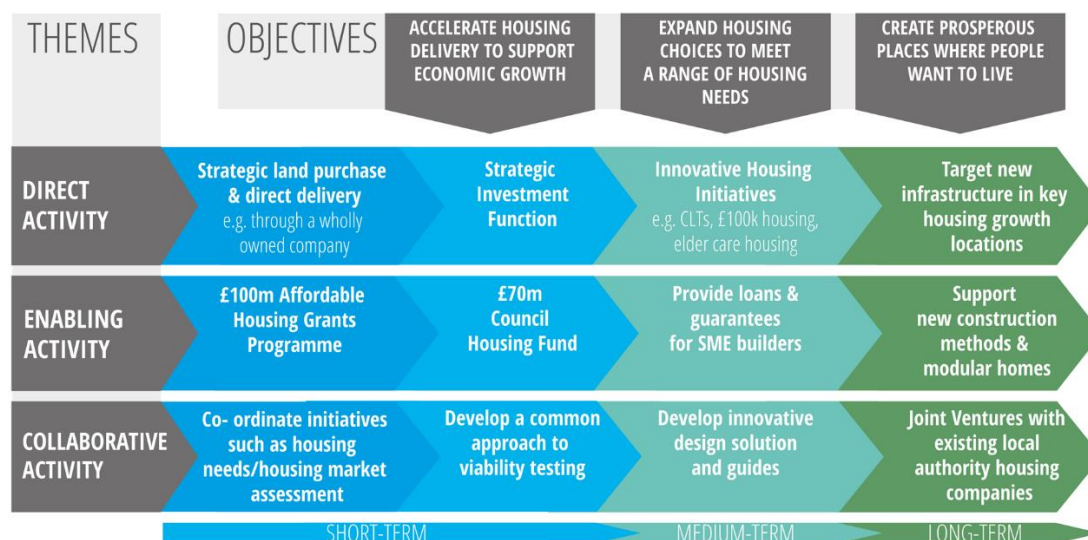
2.0 BACKGROUND

- 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.
- 2.2. Springfield Avenue currently has 8 units approved to be funded by CPCA, from the February 2019 board meeting. A grant was approved for £440,000 for 8 additional social rented units.

Combined Authority Housing Programme

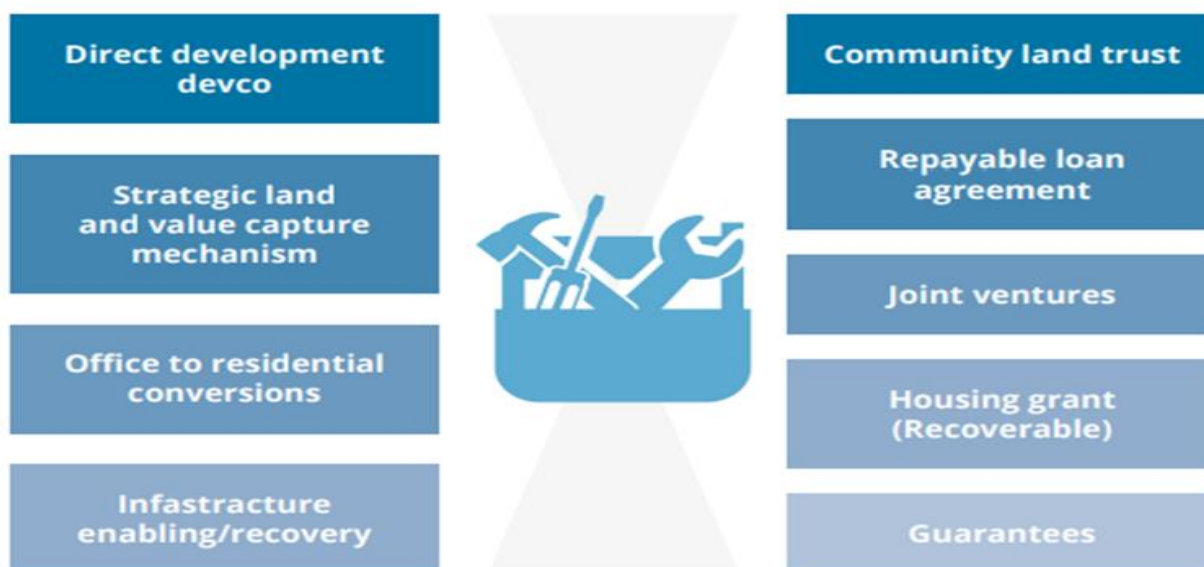
- 2.3. In 2017, the Combined Authority successfully negotiated £170 million from Government for delivery of an ambitious housing programme providing 2,500 new affordable homes by March 2022.
- 2.4. Within this programme, £100 million is available to be used across the Combined Authority area to deliver 2,000 affordable homes and £70m is available to Cambridge City Council to deliver 500 new council homes.
- 2.5. 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.

2.6. The Combined Authority Housing Strategy was approved by the Board in September 2018 and included three core objectives as illustrated in the figure overleaf:



2.7. 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



2.8. Full performance updates relating to the programme are presented to the Housing and Communities Committee at every meeting. 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

SPRINGFIELD AVENUE, MARCH. FENLANDS.

- 3.1. Springfield Avenue is currently on our Affordable Housing Programme.
- 3.2. The previously approved project of 8 social rented units started to develop problems in delivery. After lengthy investigations by the developer and discussions with the District Council and the CPCA a proposal has come forward for the whole site to be converted to a 100% affordable rented site. Therefore, an additional grant of £1,560,000 for 32 additional units is requested, making the total scheme 40 units with a grant total of £2,000,000 (£440,000 already approved and £1,560,000 of new grant money being requested).
- 3.3. Clarion Housing have now acquired the site and have been in discussion with Fenland District Council. As a result it has been agreed to convert all 40 units to being affordable rented units.
- 3.4. The proposal will enable a further 32 units, to bring forward the site of 40 units in total.

Figure 1: - Springfield Avenue, March



Figure 2: - Site Plan



Figure 3: – site



Figure 4: – site



3.5. Attached is a property schedule of the full scheme of 40 affordable rented units at Springfield Avenue, March.

Description/ Type of unit	Number of Units	Size (sqm)	NDSS Standard (sqm)	Meets NDSS	¹ % of NDSS
Affordable Rent					
1 bed flat/2p	2	51.5	50	Yes	103
1 bed flat/2p	2	61	50	Yes	122
2 bed flat/3p	2	61.6	61	Yes	100
2 bed flat/4p	2	75.9	70	Yes	108
2 bed houses/4p	20	79	79	Yes	100
3 bed houses/5p	12	93.8	93	yes	100
Total	40			Yes	

About Clarion Housing Group

3.6. Clarion Housing Group comprises the country's largest housing association, Clarion Housing, with 125,000 homes nationwide. They are also a leading developer, with an aim to build 50,000 homes over ten years.

3.7. Their affordable homes portfolio of over 125,000 homes spans across the country, with significant stock groupings in many of the major towns and cities.

¹ Numbers are rounded up in some instances.

They work closely with Homes England and the Combined Authority and local authority partners and house builders to deliver a substantial affordable homes programme.

- 3.8. Springfield Avenue, March has had several major issues which has delayed the development from proceeding, such as Gas Main running through the site and now the site has becoming increasingly non-viable.
- 3.9. The Housing Enabling Officer for Fenlands District Council has confirmed her support for this bid. The opportunity to change this scheme to a fully rented tenure scheme is very welcome and the range of property sizes will be beneficial to meeting needs on the housing register.

Additionality / Case for Combined Authority funding

3.10. The proposed scheme offers the following additionality:

- The CPCA has agreed a grant in February 2019 to provide for 8 social rented units on the site initially.
- This further grant will enable an additional 32 affordable rented units to be provided, and converting the 8 units for social rent to an affordable rent to make the site more viable, and to become part of the CPCA 2000 start on site homes target by March 2022.
- **This is a greenfield site, surrounded by a current housing estate. The total site will provide 40 units and be a 100% affordable windfall housing site, as all the units will be converted to an affordable rent product with no market housing.**

Proposed Conditions of Grant Approval

3.11. It is proposed that the grant of £1,560,000 will help with the delivery of an additional 32 affordable rented homes within the CPCA region to be approved subject to the following conditions: -

After execution of the grant funding agreement but pre draw-down of phased grant payments by way of two (2) instalments:

- i. evidence of start on site
- ii. evidence of practical completion

SIGNIFICANT IMPLICATIONS

None.

4.0 FINANCIAL IMPLICATIONS

4.1. The applicant will provide new a scheme Business Case, with the necessary documentation and this will be presented as Appendix 1.

4.2. Supporting this application will approve an additional grant of £1,560,000 from the Affordable Housing Programme at an average grant rate of £48.750k 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 before Nov 2020 Committee	33	1,536	39,698,271
PROPOSED SCHEME FOR NOVEMBER 2020 COMMITTEE APPROVAL			
9-17 HAWES LANE, WICKEN, EAST CAMBRIDGESHIRE.	1	16	640,000
MORE'S MEADOW, GREAT SHELFORD, SOUTH CAMBRIDGESHIRE	1	21	1,008,000
ALL ANGELS PARK, HIGHFIELDS, CALEDCOTE	1	5	247,999
SPRINGFIELD AVENUE, MARCH	1	32	1,560,000
Total Affordable Housing Grants if approved by Board	37	1,610	43,154,270

Affordable Housing:
AVERAGE GRANT
RATE PER UNIT*

£26.8k

Maximum Net Loan
Value

Loan & Toolbox capital committed (from £40m revolving fund)	5	53	39,846,817
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Total Loan Value Excluding repayments £51.1m

TOTAL IF NOV 2020 SCHEME IS APPROVED	42	1,663	83,001,087
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5.0 LEGAL IMPLICATIONS

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

6.0 APPENDICES

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

<u>Background Papers</u>	<u>Location</u>
Housing Strategy September 2018	<u>CA Board September 2018</u>