



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 2.3 (i)

£100m Affordable Housing Programme Scheme Approvals – June 2021 Fairbarn Way, Chatteris, Cambridgeshire

To: Housing and Communities Committee

Meeting Date: 21 June 2021

Public report: This report contains an appendix/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 Communities

From: Roger Thompson, Director for Housing & Development

Key decision: Yes

Forward Plan ref: 2021/011

The Housing and Communities Committee is recommended to:

- a) To commit grant funding of £2,082,000 from the current Housing programme to enable delivery of 50 affordable homes, with a range of affordable rented and shared ownership homes at Fairbarn Way, Chatteris, Cambridgeshire. **Subject to confirmation of the release of monies for the 2021/22 affordable housing programme from MHCLG.**

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 one scheme for approval of grant funding in the context of the overall investment pipeline for the Combined Authority's affordable housing programme.
- 1.3 A grant from the Combined Authority's Affordable Housing Programme of £2,082,000 is sought for 50 new homes, with 41 affordable rented properties and 9 shared ownership properties at Fairbarn Way, Chatteris.

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 continuously seeking to build 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 to help unlock sites and deliver additional affordable housing has become the key tool.
- 2.3 The proposed site requesting for grant from the current Housing Programme is Fairbarn Way, Chatteris. This site has outline planning for 50 units and is being submitted for Reserved matters at the end of June/ early July 2021. It is expected a decision will be achieved in late Autumn 2021. The expected start on site is in January/February 2022.
- 2.4 Below is a table referring to the unit types, size, and tenure types. They refer to Nationally Described Space Standards.

Description/ Type of unit	Number of Units	Size (sqm)	NDSS Standard (sqm)	Meets NDSS	% of NDSS
Affordable rented					
9 x 2b/4p house	9	74	79	N	93.7
30 x 3b/5p house	30	85	93	N	91.4
2 x 4b/6p house	2	102	106	N	96.2
Shared ownership					
6 x 2b/4p house	6	74	79	N	93.7
3 x 3b/5p house	3	82	93	N	88.2
Total	50				

- 2.5 Funding Affordable Homes Housing Association (FAHHA) is providing a mixed housing offer based on local authority demand and inclusion of homes for a range of housing demand.
- 2.6 The scheme is to be designed to achieve passive (i.e., non-technical solutions) high sustainability features to improve the energy efficiency of the homes and reducing fuel poverty.
- 2.7 The site is located within walking distance of Chatteris town centre which offers a range of local services and employment opportunities. Within walking distance of the sites there is a supermarket, doctor's surgery, schools, and employment opportunities.
- 2.8 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.
- 2.2.0 FAHHA is a social impact company which builds and acquires affordable housing to deliver financial and social returns for both communities and investors. They invest directly in affordable homes typically taking a freehold interest and working across different strategies to enhance diversification and broaden the social delivery.
- 2.10 The Housing Enabling Officer for Fenland District Council has advised that they are happy to support the homes coming through including the mix of housing in the scheme as it helps increase the supply of needed accommodation in their borough. This would benefit the need for local people in the Fenland. It is intended that local people will occupy the housing.

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 50 new homes of a mix of additional rented and shared ownership units in Fenland.
- This site is a 100% affordable housing site to the area.

Proposed Condition of Grant Approval

It is proposed that the grant of £ 2,082,000 will help with the delivery of 50 new homes. 41 affordable rented and 9 shared ownerships in Chatteris, subject to the following conditions:

Pre-contract: -

- i) Evidence of achieving the Reserved Matters decision in time to start on site by March 2022.

After execution of the grant funding agreement but pre-drawdown of phased grant payments by way of three (3) instalments:

- i) To request and receive 25% of the grants upon start on site.
- ii) To request and receive 50% of the grant at mid phase point of the development of the site
- iii) To request and receive the final 25% of the grant at practical completion.

3.2 The CPCA grant will enable an additional 50 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 £2,082,000 from the current Housing Programme is at an average grant rate of £41.640k per unit.

	Number Schemes Approved	Number of Affordable Units Funded	CPCA Funding Committed £
Previous programme schemes SOS by March 2021	37	733	26,094,770
Total of schemes approved to start in yr 2021/22	15	767	30,797,691
PROPOSED SCHEME FOR JUNE 2021 COMMITTEE APPROVAL			
Fairbarn Way, Chatteris - FAHHA	1	50	2,082,000
Total Affordable Housing Grants for 2021/22 if approved by Committee	16	817	32,879,691

Affordable Housing 2021/22
 AVERAGE GRANT RATE PER UNIT* £40.2k

OVERALLTOTAL Affordable Housing IF JUNE 2021 SCHEMES APPROVED	53	1,550	58,974,461
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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 Exempt Appendix 1 - Exempt from publication - Business Case including supporting evidence.

7. Background Papers

None