

**Report to** Cabinet  
15 January 2020  
**Report of** Director of place

**Item**

6

**Subject** To enter into a contract to enable the council to accept Housing Infrastructure Funds in relation to Anglia Square

## KEY DECISION

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### Purpose

To enter into a contract with Homes England to allow the council to accept up to £15m Housing Infrastructure Fund (HIF) funding to enable the redevelopment of Anglia Square.

### Recommendations

To enter into a contract with Homes England to allow the council to accept up to £15m HIF funding to enable the redevelopment of Anglia Square. This is subject to securing confirmation from the site owner/developer that it is prepared to allow a restriction on title of the Anglia Square site.

### Corporate and service priorities

The report helps to meet the corporate priority of great neighbourhoods, housing and environment.

### Financial implications

The financial consequence of entering into this contract are that the council would be able to claim up to £15m from Homes England in the period between now and the end of 2023/24 financial year. The monies received would be conditioned so that they could only spent to support delivery of the proposed redevelopment of Anglia Square and regular reporting of progress would need to be made to Homes England.

**Ward/s:** Mancroft

**Cabinet member:** Councillor Kendrick - Resources

### Contact officers

Graham Nelson, Director of place	01603 212225
Tony Jones, City Growth and Development Programme Co-ordinator	01603 212234

### Background documents

None

# Report

## Introduction

1. In the Autumn of 2017 the council submitted two bids for Housing Infrastructure Fund (HIF) marginal viability funding. The Housing Infrastructure Fund is a national £5.5 billion fund designed to unlock up to 650,000 new homes by providing the infrastructure needed to unlock them. It is administered on behalf of the government by Homes England.
2. The two schemes the city council submitted bids for were Anglia Square and the Deal Ground.
3. In February 2018 it was announced that the Anglia Square bid had been successful and that £12.2m had been provisionally awarded to the council. Further information was submitted and in March 2019 Homes England confirmed that the level of funding available had been increased to £15m. There were a number of conditions attached to grant award including strict requirements for the spend of the grant within a specified period.
4. Shortly following the announcement of the increase in the level of HIF funding the Secretary of State announced he had decided to call-in the planning application for the redevelopment of Anglia Square for his own determination following a public inquiry. The delay this caused meant it would have been impossible to meet the deadline for HIF expenditure even if planning approval is issued following the public inquiry. The inquiry is due to commence in late January 2020 and a decision may be forthcoming later in the year.
5. More recently Homes England have confirmed that they are prepared to relax the timetable requirements so that if the planning application is approved by the Secretary of State there will still be sufficient time to spend the HIF money, and that they wish to formally enter into the contract with the city council promptly.

## The HIF Contract

6. The contract is between Homes England and Norwich City Council. At the time of writing the contract is still in draft form but in summary it provides for £15m to be paid to the city council to enable the delivery of infrastructure needed to enable the delivery of the Anglia Square redevelopment.
7. Funding is proposed to be spent on demolition, asbestos removal, decontamination, archaeological work, drainage and services, utilities connections, chapel relocation, on-site public realm, off-site highways and other infrastructure costs deemed to be acceptable.
8. Draw down of funding may take place in advance of spend where the claim is incurred during the same financial year. The first possible drawn down of funding will be in 2020/21 financial year. Payment will be made to infrastructure providers in arrears for the delivery infrastructure. All HIF-funded works are required to be complete by March 2024 although the outputs associated with the grant (i.e. the delivery of housing) will take longer to deliver.
9. HIF funding can only be spent on items of infrastructure which enable delivery of housing, including affordable housing. The local authority is required to ensure that the developer and/or site owner (as applicable) only use the funding for development costs in line with the milestones and cashflow supplied

in support of its contract with Homes England. It is not envisaged that any infrastructure will be delivered direct by the city council.

10. The city council has needed to supply a detailed cashflow, schedule of infrastructure delivery, assessment of state aid issues, development agreement between owner / developer and a strategy for transferring affordable housing to a registered provider in support of the contract.
11. Further and updated information will be required to be submitted prior to the drawdown of any funding. This includes details of the contracts entered into with developer and landowners etc. These contracts will not only ensure that monies can only be spent on delivering required infrastructure but also will provide for repayment of monies in certain circumstances (such as planned housing not being delivered as planned or any element of the grant being found to breach state aid).
12. It will be necessary for the council to secure a restriction on title for the site under these contracts. This is required in order to prevent unauthorised disposal of the site once HIF funded infrastructure has been delivered. This provision is required by HE to protect its grant to the local authority, and is required by the local authority to mitigate the risk of HE's clawback of funds already spent.
13. To date, the site owners (Columbia Threadneedle Investments) have been reluctant to permit the council to impose this condition upon them, however it remains a non-negotiable part of the contract and their failure to agree to the condition would jeopardise the funding. A written acknowledgement of their willingness to accept a restriction on their title has been requested in prior to cabinet. A verbal update will be given to the meeting.
14. The council is liable for monitoring delivery of HIF-funded activity, ensuring its compliance with the grant delivery agreement and reporting progress back to Homes England. This would be undertaken by council officers and the cost borne by the city council.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	15 January 2020
<b>Director / Head of service</b>	Director of place
<b>Report subject:</b>	To enter into a contract to enable the council to accept Housing Infrastructure Funds in relation to Anglia Square
<b>Date assessed:</b>	6 December 2019
<b>Description:</b>	The council is required to enter into a contract with Homes England in order to accept £15m Housing Infrastructure Fund funding. This will enable delivery of enabling infrastructure for delivery of housing at Anglia Square.

	Impact			
<b>Economic</b> (please add an 'x' as appropriate)	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Delivery of housing, retail and leisure facilities at a sustainable location in central Norwich
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Social</b> (please add an 'x' as appropriate)	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Delivery of energy efficient housing

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Development will lead to improved pedestrian, cycling and public transport facilities
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Redevelopment of a long-neglected, eyesore area of the city
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment

Positive

HIF funding will permit investment in housing in a key city regeneration site. This will permit removal of eyesore buildings, delivery of an improved public realm and retail environment, and construction of much needed housing.

Negative

Neutral

Issues