

## **Grant to East Cambs Trading Company for the provision of affordable housing**

Committee: Finance & Assets Committee

Date: 25 September 2025

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Report number: AA68

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### **1.0 Issue**

- 1.1. To consider a grant payment to East Cambs Trading Company to deliver 100% affordable housing at Phase 2 Arbour Square, Ely.

### **2.0 Recommendations**

- 2.1. Members are requested to approve a grant to East Cambs Trading Company of £72,142.61 as a contribution towards a housing development scheme delivering 100% affordable housing at Phase 2 Arbour Square, Ely.

### **3.0 Background/Options**

- 3.1. On 23 December 2016 East Cambs Trading Company (ECTC) entered into a Section 106 Agreement with the Council connected with ECTC's development at Barton Road, Ely. In accordance with policy the Section 106 Agreement provided for 30% affordable housing and in this instance, it was for the delivery of two affordable housing units on-site and an in-lieu contribution for the delivery of the third unit off-site.
- 3.2. The on-site affordable housing was delivered as one shared ownership unit and one affordable rent unit. An in-lieu contribution of £72,142.61 was paid on 13 September 2018.
- 3.3. The Council is required to spend the £72,142.61 on delivering affordable housing unit(s).
- 3.4. In August 2020 ECTC applied for planning permission for development at the site known as Phase 2 Arbour Square, Ely and on 19 February 2024 the Council approved planning permission for a 27-unit scheme, securing 33% affordable housing, i.e. policy compliant. This was secured through a Section 106 Agreement dated 19 February 2024.
- 3.5. In recent years ECTC has explored opportunities to increase the affordable housing at Phase 2 Arbour Square, Ely and it was envisaged by both the Council and ECTC that the contribution paid under the Section 106 Agreement referred to in 3.1 above could be used (subject to formal member approval) where additionality, i.e. above policy compliance, could be achieved on this development.

- 3.6. The development for 27 units commenced in March 2025 and in August 2025 ECTC entered into contract with Havebury Housing Partnership to deliver the site as a 100% affordable housing scheme which secured a tenure of social rent for all 27 units. It is anticipated that first occupations will occur in the early part of 2026.
- 3.7. ECTC's business case included an assumption that revenue for the scheme would include a contribution from the Council of £72,140.61. ECTC is aware that this assumption relies on formal approval from the Council.
- 3.8. Officers have been provided with a copy of the contract between ECTC and Havebury Housing Partnership as evidence that the site will be delivered as a wholly affordable housing site. This has been provided in the strictest of confidence as the information contained within it is commercially sensitive.

#### **4.0 Arguments/Conclusions**

- 4.1. Members are recommended to approve the grant of £72,142.61 to ECTC for the delivery of additional affordable housing at Phase 2 Arbour Square, Ely for the following reasons:
  - 4.1.1 The Council is holding £72,142.61 in Section 106 contributions which can only be spent on affordable housing provision,
  - 4.1.2 The Council had requested ECTC to explore opportunities to increase the affordable housing provision on the site over and above policy compliance,
  - 4.1.3 The site will be delivered as a 100% affordable housing scheme,
  - 4.1.4 The site has commenced and can be delivered, and
  - 4.1.5 Evidence has been provided that confirms the site will be delivered as 100% affordable housing.
- 4.2. The site has commenced, and evidence has been provided, however, if approved the Director Community will still enter into a funding agreement with ECTC to ensure that the grant is used to secure the site as 100% affordable housing.

#### **5.0 Additional Implications Assessment**

5.1

<b>Financial Implications</b> Yes- £72,142.61 to be met from Section 106 contributions	<b>Legal Implications</b> Requirement to enter into Funding Agreement	<b>Human Resources (HR) Implications</b> No
<b>Equality Impact Assessment (EIA)</b> n/a	<b>Carbon Impact Assessment (CIA)</b> n/a	<b>Data Protection Impact Assessment (DPIA)</b> n/a

#### **6.0 Appendices**

None

#### **7.0 Background documents**

Extraordinary Council- 19 June 2019  
Section 106 Agreement dated 23 December 2016