

Report to Cabinet

21st March 2019

By the Cabinet Member for Community & Wellbeing



DECISION REQUIRED

Not Exempt

Allocation of Section 106 Commuted Sum funding for Saxon Weald

Executive Summary

Horsham District Council and Saxon Weald have a longstanding record of collaborative working. This approach has, in part, enabled the Council to achieve the high number of affordable homes provided in the district year on year.

Working in partnership with Council Officers and with grant funding from Section 106 commuted sum funds, an opportunity to maximise the number of affordable rented homes has been identified.

Saxon Weald are proposing to deliver four sites of accommodation within the district which would deliver 84 rented homes.

Planning applications are being considered for four sites which would see the delivery of a mix of homes from one bedroom flats to three bedroom houses. These homes are across three sites in Horsham and one in Rudgwick.

Redevelopment of the four sites would enable provision of the following:

One Bed Flats	Two Bed Flats	Two Bed Houses	Three Bed Houses	Total
17	44	14	9	84

Saxon Weald have submitted planning applications under references DC/18/2747, DC/18/2748, DC/19/0153 with one pending submission. All applications are subject to the usual planning considerations and consultation.

The Council will receive 100% initial nomination rights to the properties and 75% subsequent nomination rights to the scheme secured through a scheme specific nominations agreement.

The Afford Housing constructed by the grant funding by the Council will be secured in perpetuity through a separate legal agreement.

Recommendations

Cabinet is asked to:

- i. Approve the expenditure of £1,658,000 (subject to planning permission) which is funded from Section 106 receipts secured for new affordable housing. This funding will enable the development of 84 new affordable rented homes at:
 - Blenheim Road, Horsham
 - Pathfield Close, Rudgwick
 - Bennetts Road, Horsham
 - Page Court, Horsham

Reasons for Recommendations

- i) To assist the Council in achieving its target of delivering 240 affordable homes a year.
- ii) To assist Saxon Weald to deliver much needed affordable accommodation for persons in housing need on the Council's housing register.

Background Papers

Affordable Housing Investment Report – considered by Cabinet November 2017

Wards affected: Holbrook West
Horsham Park
Rudgwick

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Background Information

1 Introduction and Background

- 1.1 The purpose of this report is to seek the Cabinet's approval to grant fund the development of eighty four new affordable rented homes by Saxon Weald across four sites:

Blenheim Road, Horsham
Pathfield Close, Rudgwick
Bennetts Road, Horsham
Page Court, Horsham

- 1.2 These affordable rented units will directly reduce the number of households on Horsham Housing Register with an identified housing need.

2 Relevant Council policy

- 2.1 District Plan - *Provide access to appropriate and affordable housing*
- 2.2 The Council's Housing Strategy 2013-15 states that in order to meet current and projected housing need in the District, 240 affordable homes a year should be delivered. This scheme contributes to that target provision.
- 2.3 Cabinet noted the content of an Affordable Housing Investment paper November 2017 which confirmed the Council's commitment to support Registered Providers with S106 commuted sums funds to deliver affordable rented homes.

3 Details

- 3.1 The four sites are subject to planning permission and will be considered in accordance with planning policies and have included pre application community consultation by Saxon Weald.
- 3.2 Three sites have been submitted for planning consideration with the fourth anticipated to be submitted late March / April 2019.
- 3.3 If the sites obtain planning permission the Council will fund 50% of the funding required per scheme when the development starts on site and the remaining 50% of site specific funding at the point of practical completion.
- 3.4 A legal agreement will be entered into to secure the funded units remain as affordable rented homes in perpetuity.

4 Next Steps

- 4.1 Saxon Weald are to secure planning permission on the four proposed sites. Funding will be paid as described in section 3.3.
- 4.2 Once completed, the Council's housing team will nominate households from its housing register to the vacant properties. The nominations rights will be secured through a site specific nominations agreement.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

- 5.1 The Community & Wellbeing PDAG was consulted 4th March 2019 and were supportive of the proposal to allocate the appropriate commuted sums.

6 Other Courses of Action Considered but Rejected

- 6.1 Not supporting the scheme would result in the level of proposed affordable homes not being delivered and the additional affordable rented homes not being provided to assist those with a housing need on the Council's Housing Register.

7 Resource Consequences

- 7.1 The Council has a capital budget for Housing Enabling Grants. This is funded from Section 106 receipts which have been secured through the planning system and the money is used exclusively for the provision of affordable housing in the District. It is proposed that the grant of £1,658,000 for this new affordable housing development is paid from this budget. The capital budget for housing enabling grants in 2019/20 is £1m. The proposed timing of the payments will mean that £829,000 is spent in 2019/20 and £829,000 in future years. Therefore the proposed expenditure would fall within the limits of the approved 2019/20 capital programme.

8 Legal Consequences

- 8.1 The Council has a general power of competence under Section 1 Localism Act 2011 and specific powers under the Housing Act 1985 and the Local Government Act 1988 to provide financial assistance to facilitate the provision of housing. Grant is being allocated in accordance with the criteria in which it has been received, "For the delivery of affordable housing".
- 8.2 The Council has powers to restrict the use of land pursuant to S106 of the Town and Country Planning Act 1990 (as amended by the Planning and Compensation Act 1991). A legal agreement will be entered into by the Council and Saxon Weald which secures the funded units of affordable rent in perpetuity.

9 Risk Assessment

- 9.1 There are no direct risks associated with this report.

10 Other Considerations

- 10.1 Access to housing is vitally important to preventing people from turning to crime
- 10.2 The Council is obliged (a) to give positive effect to the Convention rights and (b) not to infringe those rights as scheduled in the Human Rights Act 1998. Of particular relevance to the proposal are Article 8 (right to respect for private and family life) and Article 1 of the First Protocol (right to property). Hyde Housing will have primary responsibility – however, the Council will be deemed to have met its statutory duty under the 1998 Act.

As said, the Council is required to consider not only the detrimental effects on citizens' Convention rights but also positively to enhance those rights. Providing

affordable housing through the scheme highlighted in this report will enable those in need to have a home of their own.

- 10.3 The scheme will contribute to meeting the housing need of persons in the District.
- 10.4 Delivering affordable housing and preventing homelessness are fundamental to establishing and maintaining sustainable communities.