

# Chichester District Council

The Cabinet

9 January 2024

## Commuted Sums Spending Policy (Affordable Housing)

### 1. Contacts

#### Report Authors:

Louise Williams – Affordable Housing Enabling Officer  
Telephone: 01243 534561 E-mail: [lowilliams@chichester.gov.uk](mailto:lowilliams@chichester.gov.uk)

Mark Bristow- Principal Affordable Housing Enabling Officer  
Telephone: 01243 534553 E- mail: [mbristow@chichester.gov.uk](mailto:mbristow@chichester.gov.uk)

#### Cabinet Member:

Cllr David Betts - Cabinet Member for Housing, Revenues and Benefits  
E-mail: [dbetts@chichester.gov.uk](mailto:dbetts@chichester.gov.uk)

### 2. Recommendation

#### That Cabinet recommend to Council:

- 2.1 The adoption of a Commuted Sums Spending Policy (Affordable Housing) as attached at appendix 1.
- 2.2 That delegated powers are given to the Director of Housing and Communities, following consultation with the Cabinet member for Housing, Revenues and Benefits, to make minor amendments to the policy.

### 3. Background

- 3.1 Under current planning policy in the Chichester Plan Area a percentage of affordable housing contribution is sought on all developments where there is a net increase of 11 or more dwellings. In rural areas a percentage of affordable housing is sought on all developments with a net increase of between 6 and 10 units. This is taken in the form of a financial contribution (known as a commuted sum) towards affordable housing in the District on completion of the development. In cases where the proportion of affordable housing results in a requirement for a fraction of a unit, the fraction is also sought as a commuted sum.
- 3.2 Commuted sums are ring fenced to provide affordable housing to meet local housing needs within the district (in both plan areas). The allocation and expenditure of commuted-sum payments are agreed and authorised at an appropriate level to the value of the sum being sought. As part of the approval process, it must be demonstrated that value for money will be achieved, and the assets will be preserved as affordable housing in perpetuity or that any grant subsidy is recycled within the district should the asset be lost to the open market.

3.3 Commuted Sums are used to enable affordable housing schemes to come forward that are experiencing viability issues so long as they meet at least one of key criteria outlined in the policy (see Appendix 1, page 2).

3.4 To be eligible to apply for commuted sums funding the applicant must be a Registered Provider, or not for profit housing organisation, a Community Land Trust, or other Community Led Housing Group. In addition, the Council itself could apply for funding of housing projects for example in the provision of additional Temporary Accommodation.

#### **4. Outcomes to be achieved.**

4.1 The policy will enable officers to assess applications for funding fairly and consistently, whilst ensuring monies are directed to address the district's housing needs that may otherwise be difficult to meet.

#### **5. Proposal**

5.1 To provide support and financial assistance where schemes may not otherwise be viable, those schemes that align with current housing need, for example 1 bedroom, properties for social rent. At the time of writing this Report, 59% of those on the Council's Housing Register are seeking a 1-bedroom property. As the Registered Providers do not usually permit under occupation these needs cannot easily be addressed by allocating a property with more bedrooms.

5.2 It is proposed that where committed commuted sums remain unspent after 3 years the Council reserves the right to withdraw the funding. Applicants will be able to re-apply should the scheme continue to be actively progressed. This is to ensure there is an active programme of affordable housing delivery for our communities and Commuted Sums funding provision allocated and spent accordingly based on the criterion as set out in Appendix 1. A 3-year period has been selected as it broadly aligns with the length of time planning permission needs to be commenced.

5.3 That the policy will require planning consent to have been granted before an application for funding will be considered. This is to reduce the risk of non-delivery within the given time limits.

5.4 The policy will require one grant application is made to cover a whole scheme to prevent applicants making multiple applications for the same development.

#### **6. Alternatives Considered**

6.1 The Council could choose to continue without a policy in place, however this could leave the Council open to challenge if decisions are based on officer judgment only.

6.2 The Council could consider adopting a more stringent policy; however, this would potentially curtail flexibility and could result in fewer schemes and fewer homes being delivered.

#### **7. Resource and Legal Implications**

7.1 Once commuted sums have been received there is a deadline for expenditure (usually outlined in each S106 agreement). Commuted sums must be spent or allocated by this date or the funds may need to be returned. Regular monitoring of the sums available and those allocated takes place between the Housing Delivery Team and the Planning Obligations Monitoring & Implementation Officer.

7.2 It is considered that there are no legal implications arising from this policy.

## 8. Consultation

8.1 The Cabinet Member for Housing, Revenue and Benefits, Director for Housing and Communities and Divisional Manager have all been consulted. This paper was previously presented at the Housing and Communities Panel on the 2 November 2023 where feedback and support for this policy were received from members.

## 9. Community Impact and Corporate Risks

9.1 Commuted sums are used to bring forward affordable housing on small, unviable sites (such as those in rural areas) to convert affordable rents to social rents, or to support community led housing projects or specialist housing. The provision of such affordable homes has a positive impact on local communities and in some cases (such as rural areas) enable communities to remain sustainable.

## 10. Other Implications

	Yes	No
<b>Crime and Disorder</b>		√
<b>Biodiversity and Climate Change Mitigation.</b> The provision of new energy efficient homes.	√	
<b>Human Rights and Equality Impact.</b> The provision of new safe and secure homes for a range of communities that could facilitate the provision of specific housing to meet locally identified needs.	√	
<b>Safeguarding and Early Help</b>		√
<b>General Data Protection Regulations (GDPR)</b>		√
<b>Health and Wellbeing.</b> The provision of secure, affordable homes which enable people to remain in their local communities, increasing a sense of belonging and reducing anxieties created through insecure tenancies.	√	
<b>Other</b> (please specify)		

## 11. Appendices

Appendix 1 - Allocation and Expenditure of Commuted Sums for Affordable Housing Policy

## 12. Background Papers

None