

Chichester District Council

THE CABINET

3 November 2020

Allocation of Commuted Sums to Deliver Affordable Housing

1. Contacts

Report Author:

Ivan Western – Housing Delivery Manager
Telephone: 01243521164 E-mail: iwestern@chichester.gov.uk

Cabinet Member:

Alan Sutton - Cabinet Member for Housing and Community Services
Telephone: E-mail: asutton@chichester.gov.uk

2. Cabinet recommendations to Council:

- 2.1. **The allocation of commuted sums of £100,000 to Stonepillow to enable the acquisition of a property in Chichester to provide move-on accommodation for Rough Sleepers**
- 2.2. **The allocation of commuted sums of £100,000 to Chichester Greyfriars Housing Association to support the construction of five one bedroom flats at Royal Close, Chichester.**

3. Background

- 3.1. The Council's Housing Strategy contains commitments to develop 1,000 new affordable homes for local people by 2025 and to reduce the incidence of rough sleeping. The two schemes put forward here support these objectives.
- 3.2. The proposed grants would come from 'commuted sums' which have been paid by private developers. The Council negotiates the payment of a financial contribution from a developer in lieu of providing affordable housing as part of a new development scheme. This is either in circumstances where the provision of affordable housing on a specific site might be undesirable or impractical or where the calculation of the affordable housing results in a fraction of a unit.
- 3.3. The property StonePillow wish to acquire is currently leased to Stonepillow by a private owner who now wishes to sell the property for family reasons. The house is in generally good order and has been offered to Stonepillow at what is considered to be a fair market price. The property plays a valuable role within Stonepillow's portfolio and provides long term options within Stonepillow's accommodation pathway. It is envisaged that, subject to contract, the purchase of the property could proceed this year.

- 3.4. The Council previously agreed to provide a grant of £160,000 to Chichester Greyfriars at Royal Close in March this year. This is being used to support the provision of 8 flats which are now in construction and should be completed early next year. Under Phase 2 of this scheme the Association is seeking an additional £100,000 to provide 5 additional flats. The total cost of Phase 2 of the scheme is estimated to be £895,000. Greyfriars already have a grant allocation of £350,000 from Homes England and will contribute £445,000 from their own reserves. The additional grant of £100,000 from the Council will help the Association to make the new homes available at social rents which are expected to be around £460 pcm. This will make the new homes far more affordable for residents living on low incomes.

4. Outcomes to be Achieved

- 4.1. Stonepillow's acquisition of the property in Chichester will ensure the long term availability of a three bedroom house capable of providing settled accommodation for three single adults who have experienced homelessness.
- 4.2. Chichester Greyfriars' scheme will provide five new flats for older people at social rents. These flats will be allocated to local people via the Council's Homemove Scheme.

5. Proposals

- 5.1. It is proposed that the Council should provide grants to:
- Stonepillow to acquire a three bedroom home for use as move on accommodation at affordable rents
 - Chichester Greyfriars Housing Association to provide 5 new flats for older people as part of their Royal Close scheme.

6. Alternatives Considered

- 6.1. Stonepillow had applied for government funding for the purchase of the property concerned as part of the *Next Steps* programme earlier this year. Although most elements of this bid were successful - notably an allocation of £300,000 towards the development of additional accommodation and services at the Stonepillow Lodge – the grant requested for this purchase was not forthcoming. Hence the recommendation for it to be included within this grant allocation. If Stonepillow is unable to secure the purchase of the house it will be sold with vacant possession with the resultant loss of three bed spaces of move-on accommodation for rough sleepers.
- 6.2. Ideally Chichester Greyfriars would have liked to secure a higher level of grant per unit than the £20,000 being proposed here. Officers nevertheless consider that this level of support is reasonable, given the Association's capacity to draw on its own reserves.

7. Resource and Legal Implications

- 7.1. The funds being recommended have been expressly paid to the Council for the purposes of providing affordable housing and must be spent within specified periods.

7.2. No funding will be provided until schemes have been completed.

8. Consultation

8.1. No consultation has taken place regarding the Stonepillow proposal as this scheme is already in operation.

8.2. The Greyfriars' scheme was the subject of consultation with residents and ward councillors who are supportive of the scheme.

9. Community Impact and Corporate Risks

9.1. Both schemes support the Council's strategy to deliver more affordable housing and eliminate rough sleeping.

10. Other Implications

Are there any implications for the following?		
	Yes	No
Crime and Disorder	Yes	
Climate Change and Biodiversity.		No
Human Rights and Equality Impact		No
Safeguarding and Early Help		No
General Data Protection Regulations (GDPR)		No
Health and Wellbeing	Yes	
Other (please specify)		

11. Appendices

None

12. Background Papers

None