

# Chichester District Council

THE CABINET

1 March 2022

## Allocation of Commuted Sums to Deliver Affordable Housing

### 1. Contacts

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### 2. Recommendation:

- 2.1. That Cabinet recommend to Council the allocation of £50,000 commuted sum monies to Chichester Greyfriars Housing Association to fund the delivery of 5 social rented flats at Royal Close, Chichester.
- 2.2 That delegated authority is given to the Director of Housing and Communities to allow the payment of monies prior to practical completion to allow the trust to acquire the units subject to satisfactory discharge of planning conditions and receipt of solicitor's completion statement.

### 3. Background

- 3.1 At its meeting on 24 November 2020, the Council approved the allocation of £100,000 of affordable housing commuted sum funds for the development of 5 residential dwellings specifically for the purposes of meeting the needs of over 60's. The application is currently still in the determination process with the local planning authority and has been delayed by a number of issues, namely the requirement for nitrates mitigation. A section 106 agreement securing appropriate measures has now completed and the LPA are now in a position to determine the application favourably.
- 3.2 The provider has also been negatively affected by the increase in construction prices which have mainly occurred as a result of materials and labour shortages caused by Brexit and the Coronavirus pandemic. As such, there has been a commensurate rise in the tenders they have received from the contractors for this phase of the development.
- 3.3 Typically, the allocation of this amount may be dealt with by delegated authority of the Director of Housing and Communities. However, as there have already been funds allocated to this development, there may be a perceived aggregation. It was

thought prudent to bring this before cabinet to ensure transparency and that officer's act in accordance with the Councils adopted contract procedure rules.

#### **4. Outcomes to be Achieved**

- 4.1. Delivery of 5 no. 1 bedroom social rented flats. These will meet the needs of local people and contribute to the Council's Housing Strategy target.
- 4.2. The social rented housing will be let on assured tenancies. All units will be subject to a nomination agreement between the Council and Chichester Greyfriars.
- 4.3. The bid has been analysed to ensure it offers value for money. Over the last 5 years the average commuted sum received in lieu of an affordable housing unit has been £70,000 - £90,000 per unit. On average the subsidy granted by the Council on previous schemes is £30,000 per home. In total, the 5 units will receive £150,000 of funding equivalent to £30,000 per home. It is therefore considered that this bid is value for money and is in line with previously awarded grant requirements per home.

#### **5. Proposals**

- 5.1. To allocate a further £50,000 of commuted sums to Chichester Greyfriars to enable the delivery of 5 social rented units. This is needed as without the financial support from the Council the affordable homes will not be delivered.

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

- 6.1 It is unlikely that the scheme would be viable without the provision of the additional £50,000. Chichester Greyfriars is a relatively small provider and without the support from the Councils commuted sum funds, their ability to deliver these much-needed homes for older peoples would be limited.

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

- 7.1. The Council currently holds commuted sums still to be allocated which can be used for this purpose. Monies must be spent on affordable housing delivery within the specified timescales stated in the Section 106 Agreements of the donating sites. If a deadline is missed the developer may apply to have the agreement varied and the contributions returned.

#### **8. Consultation**

- 8.1. The City Council has been consulted on the planning application and has raised no objection.

#### **9. Community Impact and Corporate Risks**

- 9.1. The scheme will benefit the community by providing affordable homes at social rent levels in line with the Council's Housing Strategy.

- 9.2. All commuted sum spending is monitored by the Council's Planning Obligations and Monitoring Officer. Progress of projects and expenditure are subject to corporate reporting.

## 10. Other Implications

<b>Are there any implications for the following?</b> If you tick "Yes", list your impact assessment as a background paper in paragraph 13 and explain any major risks in paragraph 9		
	Yes	No
<b>Crime and Disorder</b>		x
<b>Climate Change and Biodiversity</b>		x
<b>Human Rights and Equality Impact</b>		x
<b>Safeguarding and Early Help</b>		x
<b>General Data Protection Regulations (GDPR)</b>		x
<b>Health and Wellbeing</b>		x
<b>Other</b> (please specify)		

## 11. Appendix

None

## 12. Background Papers

Allocation of Commuted Sums to Deliver Affordable Housing – 3 November 2020