

# Chichester District Council

**COUNCIL**

**1 March 2016**

## **Housing Strategy review - Proposed allocation of capital funding**

The Housing Strategy review proposes the reallocation of the following existing resources:

1. The mortgage rescue fund be renamed the Homeless Prevention Fund and that the use of these funds is widened to include preventing homelessness as a result of the welfare reforms.
2. £2,626,613 remains in the current Affordable Housing Delivery Fund, comprising £2m capital funds and £626,613 commuted sums. It is proposed to split this into two separate funds:
  - I. The Affordable Housing Grant Fund – the £626,613 commuted sums previously approved by cabinet together with a further £743,675 of commuted sums received since 2013. These funds are to be used to grant fund affordable housing provided by registered providers and community land trusts.
  - II. The Affordable Housing Capital Fund –the £2m already allocated to affordable housing delivery, the unspent Equity Loan Scheme Part 2 funds of £500,000 and receipts received from the sale of the Church Road site. To be used as a recyclable loan fund to enable the delivery of affordable housing by registered providers and community land trusts.
3. Finally it is proposed to use the unspent Equity Loan Scheme Part 1 funds of £208,000 to address excess cold and fuel poverty issues identified in the draft Private Sector Renewal Strategy and subject to a further report to be taken to Cabinet in March. (This is the amount remaining after the final equity loan was recently paid, rather than the amount of £202,875 reported to Cabinet).

It is proposed that all other allocations remain unchanged, as set out in the table below (section 7 of the Housing Strategy review).

<b>Current use</b>	<b>Capital funding at 31<sup>st</sup> March 2015 £</b>	<b>Proposed use</b>	<b>Priorities met and outcomes</b>
<b>Mandatory Disabled Facilities Grants</b> (approx. £250,000 pa of CDC funds subject to government grant funding being maintained. Total budget	4,426,400	Unchanged	Priority 2 This is a mandatory duty which enables disabled and elderly to remain independent in their own home.

c£750k pa)			
<b>Home Extensions and Conversions</b>	157,323	Unchanged	Priority 2 This enables suitable accommodation to be provided for overcrowded families requiring disabled adaptations.
<b>Under-Occupation Fund</b>	25,796	Unchanged	Priority 2 This fund primarily enables disabled facilities grant applicants to move to a home that better meets their needs.
<b>Discretionary Private Sector Renewal Grants and Loans</b> (landlord accreditation scheme, decent homes, Parity loans, HomeFinder assistance, empty homes) Profiled at £150k pa to cover the Private Sector Housing Renewal Strategy period 2016-21.	836,788	Unchanged	Priority 2 These funds help to maintain the standard of accommodation in the district, so that the capacity of existing stock is maximised.
<b>Rural Housing Partnership</b> – committed funds	459,454	Unchanged	Priority 1 These funds will enable delivery of 15 new affordable homes.
<b>Mortgage Rescue</b>	42,641	<b>Homeless Prevention Fund</b> – to include homeless prevention measures required as a result of the welfare reforms	Priority 4 These funds will be used to prevent homelessness and will save council resources i.e. staff time, homelessness applications, hostel space or b&b costs.
<b>Affordable Housing Delivery Fund</b> commuted sums within existing approved budget. <b>Additional Commuted sums received since September 2013</b>	627,613  <b>743,675</b>	<b>Affordable Housing Grant Fund</b> - Grant funding to registered providers and community land trusts for new affordable housing.	Priorities 1 & 3 These funds will enable 25-50 affordable new homes, depending on availability of government grant. They must be spent on new affordable housing.
<b>Affordable Housing Delivery Fund</b> CDC Capital	2,000,000	<b>Affordable Housing Capital Fund</b> Loans to Registered providers and community land trusts for new affordable housing.	Priorities 1 & 3 These funds will be used to create a recyclable loan fund to enable the delivery of affordable housing to meet local needs and also give the council an enhanced return on its capital. *
<b>Equity Loan Scheme Part 2</b> (Parity Trust)	500,000	<b>Affordable Housing Capital fund</b>	Priorities 1 & 3 As above*
<i>Receipts from sale of Church Road site</i>	<i>TBA</i>	<i>Affordable Housing Capital Fund (as</i>	<i>Priorities 1 &amp; 3</i> <i>As above *</i>

		<i>above)</i>	
<b>Equity Loan scheme Part 1</b> -remaining funds (£50,000 committed to an equity but not yet spent)	208,000	To address <b>excessive cold and fuel poverty</b> working with the health & wellbeing team. Subject to further Cabinet report.	Priorities 2 & 4 The funds will address issues identified in the draft Private Sector Renewal Strategy to be set out in more detail in the final report to Cabinet.

Commutated sums received in lieu of affordable housing must be spent on affordable housing delivery within 5-10 years, subject to individual agreements, otherwise the money must be returned to the developer.

Any spend over £50,000 will be subject to Cabinet approval.

Additional funds will be required for update of the Strategic Housing Market Assessment to support planning consultations & appeals; provide needs evidence & viability required to adopt National Space Standards and to more fully assess the accommodations needs of older people. This will be included in the Local Plan review.