

SUBJECT:	<i>Annual Affordable Housing Contributions Update</i>
REPORT OF:	<i>Healthy Communities Portfolio Holder Cllr Liz Walsh</i>
RESPONSIBLE OFFICER	<i>Martin Holt - Head of Healthy Communities</i>
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WARD/S AFFECTED	<i>All or specify individual wards affected by the item of report</i>

1. Purpose of Report

- 1.1. To provide Cabinet with an update of the receipt and expenditure of section 106 Affordable Housing Contributions (AHCs) in accordance with Chapter 6 the Affordable Housing Supplementary Planning Document:

RECOMMENDATION TO CABINET

To agree the allocation of Affordable Housing Contributions proposed in paragraph 3.12 subject to final decision on an individual scheme being delegated to the Head of Healthy communities in consultation with the Healthy Communities Portfolio Holder

2. Reasons for Recommendations

- 2.1. The amount of the contributions secured and how they are spent are to be recorded by Council and reported to Cabinet on a quarterly basis. Annually a capital programme for expenditure will be agreed by Cabinet and the spending of individual amounts in line with this programme will be agreed in consultation with the Council's Portfolio Holder for Healthy Communities.

3. Content of Report

- 3.1. Since July 2011 the Council has received just over £2.9m of section 106 AHCs. Expenditure has been made in relation to two schemes; a Paradigm Housing Group (PHG) Purchase Programme and an office conversion delivered by Hightown. The funding of these schemes was resolved by Cabinet at the meeting on 26 March 2013.
- 3.2. The following paragraphs summarise how further funding has been allocated to date and specifically:
- 3.2.1. the actual expenditure on schemes to-date
 - 3.2.2. the schemes where funding has been committed and not yet spent and
 - 3.2.3. the schemes that are currently under consideration for funding allocations.
- 3.3. On 10 February 2015 Cabinet resolved:

3.3.1. *That, subject to funds becoming available, £500,000 be allocated from AHCs to be made available to Registered Providers who bring forward schemes to deliver additional affordable housing in Chiltern to the authorisation of any scheme specific allocations being delegated to the Head of Service in consultation with the Portfolio Holder for Healthy Communities.*

- 3.4.** In December 2016 an allocation of £280K from the funding in was committed to a funding agreement with PHG to enable the redevelopment of Springett Place in Amersham to deliver homes for affordable rent instead of shared ownership. Completion of the properties is expected in April 2018.
- 3.5.** Of the contributions received the first and largest of these payments was £470,000 from McCarthy and Stone which was received in July 2011 and had a restriction to spend within 5 years. The contribution was used towards the funding of the schemes mentioned in 3.1
- 3.6.** The majority of contributions received do not have time-restricted spending periods, however those that do will be used towards the payment for Springett Place detailed in 3.4 which will be due for payment in April 2018.
- 3.7.** Whilst there are no time-restricted spending periods for the contributions that have been received through Unilateral Undertaking agreements, the view from Legal is that AHCs should be spent within 10 years of receipt.

Consultation

- 3.8.** Following the focus of the council in delivering affordable housing schemes to address local need a members working group has been established to review partnership arrangements, the councils land assets, and to work with others to create opportunities to deliver additional affordable housing.
- 3.9.** The Affordable Housing Members Working Group is now consulted on proposals to allocate AHCs to developments to increase the supply of affordable rented accommodation. Final decision being delegated to the Portfolio Holder for Healthy communities in consultation with the Head of Healthy communities. The Affordable Housing Action Plan detailed in Appendix 1 identifies the possible schemes that may be delivered in partnership or through the use of AHCs.

Current Proposals

- 3.10.** In March 2018 a request for funding from Paradigm Housing Group was made in respect of the Hodds Wood Road site that has achieved planning permission for 6 x 2 bedroom houses. The section 106 agreement only requires two homes to be delivered as shared ownership but Paradigm willing to deliver the other four houses as affordable rent if a subsidy of £88,000 from the AHCs budget can be used. This was agreed at the time of writing.
- 3.11.** The Council is actively considering bringing forward development on other sites it owns or is in the process of acquiring for affordable housing.

Budget

3.12. The table below summarises receipts, expenditure, commitments and balance of the AHCs.
The proposals form part the annual capital programme for expenditure.

	Scheme/Provider	Spent	Committed	Proposed	Balance
Received (2011 – March 2018)					£2,945,027
Approved and Committed	Purchase Programme (PHG)	£375,000			
	Office Conversion Chequers, Chesham (Hightown)	£365,125			
	Tenure Change Springett Place, Amersham (PHG)	£140,000	£140,000		
	Tenure Change Hodds Wood Road, Chesham (PHG)		£88,000		
	Registered Providers who bring forward schemes to deliver additional affordable housing in Chiltern (Balance of £500K agreed Feb 2015 – 3.3.2)		£132,000		
Recommended for allocation	Enabling opportunities to develop council owned land for affordable housing			£50,000	
	Enabling opportunities to acquire land for the development of affordable housing			£110,000	
	Support the change of tenure from shared ownership to affordable rented			£560,000	
	To develop affordable housing units on site at LHA rate			£560,000	
		£880,125	£360,000	£1,280,000	£424,902

3.13. The table below shows the number and tenure of homes delivered with the use of AHCs to-date.

Scheme	No. of Homes	Affordable Rent	Status
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Purchase Programme	15	15	Completed 2014
Office Conversion	22	22	Completed 2014
New build Tenure Change	11	7 4	Completion due April 2018 Anticipated completion 2019
Total	48		

4. Corporate Implications

4.1 *Financial – the AHCs are allocated to the Councils through the planning process and are to be used for the delivery of affordable housing in accordance with the Affordable Housing SPD. The funding should be allocated and spent within the time limits established through the planning process.*

4.2 *Legal Sums collected and expended will be reported quarterly to Cabinet as part of the Council's performance monitoring framework. Annually a capital programme for expenditure will be agreed by Cabinet and the spending of individual amounts in line with this programme will be agreed by the Council's Portfolio Holder for Health and Housing.*

4.3 *The ways in which the contributions are proposed to be spent will be authorised by the Head of Health and Housing in Consultation with Portfolio Holder for Health and Housing (on behalf of Cabinet). This will be done on a scheme by scheme basis in line with the agreed criteria/programme.*

4.4 *The amount of the contributions secured and how they are spent will be recorded by Council and reported to Cabinet on a quarterly basis. They will also be reported in the Council's Annual Monitoring Report. This information will be made available on the Council's website.*

5. Links to Council Policy Objectives

Promote healthy communities

6. Next Step

Following Cabinet approval of the allocation of Affordable Housing Contributions the final decision on an individual scheme is delegated to the Head of Healthy communities in consultation with the Healthy Communities Portfolio Holder. Scheme specific proposals will be presented to the Portfolio Holder following consideration by the members working group

Background Papers:	It is a legal requirement that we make available any background papers relied on to prepare the report and should be listed at the end of the report (copies of background papers for executive decisions must be provided to Democratic Services)
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