

SUBJECT:	<i>Review of Affordable Housing Payments</i>
REPORT OF:	<i>Councillor Paul Kelly – Portfolio Holder for Healthy Communities</i>
RESPONSIBLE OFFICER	<i>Martin Holt – Head of Healthy Communities</i>
REPORT AUTHOR	<i>Melissa Sparks – Housing Enabling Officer (01494 732785) – msparks@chiltern.gov.uk</i>
WARD/S AFFECTED	<i>All</i>

1. Purpose of Report

To provide an update of the affordable housing schemes delivered through the Housing Commuted Sums derived from developers and consider future opportunities to deliver affordable housing.

The PAG is asked to advise the Portfolio Holder on the following recommendation(s):

RECOMMENDATIONS to Cabinet that

- 1. Cabinet agrees to the continued operation of the Acquisition, Equity Loan and Downsizing schemes within the current allocated funding levels.**
- 2. Cabinet agree to allocating the available £3.6M Affordable Housing Contributions (commuted sums) for opportunities that arise by working in partnership with Registered Providers , other public bodies and or developers to provide grant funding to deliver affordable rented properties on-site or to purchase temporary accommodation to support homelessness services.**

Cabinet to consider the advice of the Portfolio Holder and any comments arising from the PAG.

2. Reasons for Recommendations

The recommendation is intended to ensure the Council can continue to secure a supply of additional affordable housing and can ensure that it is making the best use of all funding allocations that are using the Affordable Housing Contributions (commuted sums).

3. Content of Report

The Core Strategy adopted in 2011 and the Affordable Housing Supplementary Planning Document adopted 2013, introduced a commuted sum policy allowing developers to make a financial contribution in-lieu of on-site provision of affordable housing.

3.1 In 2011 the Cabinet approved 4 schemes to deliver affordable housing units through the use of commuted sums:

a) The **Acquisition** programme delivered by L&Q, to buy back ex-social housing to increase the supply of affordable rented accommodation. To-date 36 properties have been purchased. A third programme of purchases is currently in place and requires £80K commuted sum subsidy per unit.

b) The provision of **Your Choice Equity Loans** delivered by Catalyst Housing enables first-time buyers access to an equity loan to purchase housing on the open market; the loan is repayable

to the Council on sale of the property. The scheme has enabled 25 households to access accommodation. The original scheme funding has been exhausted however 7 equity loans have been redeemed which will allow £296,806 (original loan plus 50% profit share) to be recycled through the current scheme.

c) **Downsizing** – The ‘incentive to move’ scheme offers existing Registered Provider tenants, and incentive payment of up to £7K to downsize to smaller, 1 bedroom accommodation. The scheme does not add to the supply of affordable rented units but attempts to make best use of the existing stock by freeing up larger properties. Three moves have been made with this scheme for the year 2016/17 leaving approximately £12K of the revised £60K of approved funding.

d) **Incentive to Purchase** – this scheme was ceased in July 2016 due to limited take-up.

3.2 As at 30th April 2017, since January 2011 the commuted sums position was as follows:

Committed Sums	£
Sum Received	8,877,438
Sum Spent	4,004,606
Committed funds (not yet spent)	1,222,054
Uncommitted Funds	3,650,778

3.3 The position as at 30th April 2017 for expenditure and delivery for each of the following approved schemes since 2011 is as follows:

Scheme	Sum Allocated	Sum Spent	Committed Funds (not yet spent)	Delivery since 2011
Property Acquisitions Phases 1,2 &3	£3,145,000	£2,480,000	£665,000	36 affordable rented properties
Your Choice Equity Loan	£1,060,000 £296,806	£1,047,460 £0	£12,540 £296,806	25 equity loans Redeemed Loans and profit share to be recycled
Downsizing – existing tenants	£60,000	£47,292	£12,708	12 existing family sized properties made available for re-letting
Incentive to Purchase – existing tenants	£40,000	£40,000	£0,000	1 existing family sized property made available for re-letting – scheme ceased July 2016.
Former SGT Site	£235,000	£0	£235,000	Funding agreement – subsidy for 106 agreement – 12 properties for affordable

				rent - completion due mid-June 2017
L&Q Garage site (Hanbury Close)	£160,000	£160,000	£0	3 properties were converted to affordable rent from market sale in a garage site redevelopment by L+Q
Total	£4,996,806	£3,774,752*	£1,222,054	

**the sum spent figure in this table does not include internal charges or valuation fees*

- 3.4 There are no commuted sums imminent for payment at the time of writing the report.
- 3.5 Potential commuted sums from planning permissions where development has not started (and therefore not guaranteed) amount to approximately £1.8M.
- 3.6 For the financial year 2016/17 only 12 units of affordable housing were reported as completed (against an annual target of 22). Four of the units were new-build properties delivered by L&Q on infill sites. The remaining 8 consisted of 5 purchases by L&Q and 3 Your Choice equity loans.
- 3.7 There are currently four new-build developments on-site which are scheduled to deliver 174 affordable housing units over the next two years:

Former SGT site, Institute Road, Taplow	12 units for affordable rent
Institute Road, Taplow Rural Exception Site	5 units for affordable rent 7 units for shared ownership
The Mill site, Taplow	40 units for affordable rent (55 years+ priority) 20 units for shared ownership
Denham Media Park, Denham Green	63 units for affordable rent 27 units for shared ownership

4. Corporate Implications

Reports must include specific comments addressing the following implications;

- 3.1 *Financial*
- 3.2 *Legal*
- 3.3 *And where appropriate; Crime and Disorder, Environmental Issues, ICT, Partnership, Procurement, Social Inclusion, Sustainability*

5. Links to Council Policy Objectives

This should be a brief statement identifying the elements of the Community or Corporate Plan the report aims to advance and which specific Council policies it may address or relate to.

Key Objectives available here:

<http://www.southbucks.gov.uk/prioritiesandperformance>

Background Papers:	None
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