



Report To:	Full Council
Date:	11 th November 2024
Subject:	Affordable Housing Capital Scheme
Purpose:	To add to the Capital Programme the financial capacity to support the delivery of Affordable Housing through the use of commuted sums
Key Decision:	N/A
Portfolio Holder:	John Baxter, Portfolio Holder – Housing
Report Of:	John Leach, Deputy Chief Executive – Communities
Report Author:	Stuart Horton, Strategic Housing Manger
Ward(s) Affected:	N/A
Exempt Report:	No

Summary

The Council holds commuted sum funding contributed by housebuilders to assist Registered Providers and developers when there is an opportunity to deliver more affordable housing that otherwise wouldn't happen to help meet housing need.

The Council is currently considering opportunities to deploy this funding but in order to do so need to have this funding available within its capital programme.

Committed sums are held on trust by the Council and can only be used in accordance with the purpose for which they were received. In some cases, if they are not used by a certain date then they must be returned to the original developer who made the contribution (Under S.106).

Recommendations

That the Council:

1. Approves the addition of £1,074,000 to the Capital Programme for the purpose of supporting the development of Affordable Housing; and

2. Approves the use of £1,074,000 from the commuted sum affordable housing funding held in reserves to support this activity.

Reasons for Recommendations

There is a high demand for affordable housing in the borough to meet housing need, currently there are 1253 households on the Boston Housing Register. The Council hold the funding provided by developers in lieu of affordable homes which is specifically for the provision of new affordable housing. In order to move matters forward funds are required to be in the budget so that they are available as needed.

Other Options Considered

Do nothing – not recommended as the Council would not be able to deploy the funding to deliver the new affordable homes which help meet housing need.

1. Background

- 1.1 The Council receives commuted sum funding from housebuilders when, for various reasons, affordable housing S106 planning contributions i.e. new affordable homes, are not able to be delivered on sites.
- 1.2 This funding is held by the Council to assist with the delivery of new affordable homes. To do this the council engages with Registered Providers and developers to identify when additional funding would increase the number of new affordable homes able to be delivered to help meet housing need.
- 1.3 In order to deploy this funding it is necessary that it is within the Council's Capital Programme so this report facilitates this occurring.

2. Report

Discussions are currently underway with registered affordable housing providers, with housing stock already in the Borough, who are in advanced discussions with a developer to acquire a site to provide a significant number of affordable homes which will deliver a mix of older persons accommodation, general needs social rented properties, Rent to Buy and Shared Ownership homes.

- 2.1 Viability assessments, which include costs from the builder for the construction of the site's infrastructure etc, properties and other associated costs indicate that the site is not viable and would need additional support to proceed. Viability assessments are currently being independently reviewed to confirm the viability position.

- 2.2 The Council would need to confirm it can provide the necessary gap funding before the end of the financial year. This is in order to deliver the new affordable properties within Homes England's current funding round requirements. For the Council to be in a position to do this budget needs to be made available in the Capital Programme which will be financed from the commuted sums balances the Council owns and which this report brings into effect.
- 2.3 Once this scheme has been added to the capital programme further detailed consideration will be required of a variety of matters in order to proceed with any project and this will be subject to further decision-making processes.

3. Conclusion

- 3.1. There is a significant need for new affordable homes in the Borough and these funds will be used to deliver affordable housing within the Borough over the next 2-3 years.
- 3.2. The Council holds £1,404,782.19 of uncommitted commuted sum funding for the delivery of new affordable housing in reserves some of which needs to be used for this purpose by November 2026.
- 3.3. For an affordable housing scheme to be able to progress and deliver new affordable homes, the Council needs to be a position to agree and provide the necessary gap funding before the end of the financial year which the recommendation, subject to further decisions, allows to happen, if agreed.

Implications

South and East Lincolnshire Councils Partnership

No significant implications identified.

Corporate Priorities

The Sub-regional Strategy 2024/25 – 2028/29 Priority - Healthy Lives, says - We will “..... deliver affordable housing based on housing needs now and in the future”

Staffing

No significant implications identified.

Workforce Capacity Implications

No significant implications identified.

Constitutional and Legal Implications

Any payment of the grant funding to a developer to allow new affordable homes to proceed is subject to subsidy control and a signed Grant Funding Agreement.

Data Protection

No data protection issues are noted as part of the development of this report.

Financial

The financial implications are set out within the report.

Risk Management

None other than those identified elsewhere within the implications.

Stakeholder / Consultation / Timescales

Consultation has taken place with the Portfolio Holder for Housing and the Leader of the Council

Reputation

Supporting the delivery of new affordable homes for rent and shared ownership is likely to have a positive impact on the council's reputation.

Contracts

None.

Crime and Disorder

New affordable homes security requirements will be in accordance with any planning and building regulation requirements.

Equality and Diversity / Human Rights / Safeguarding

No significant implications identified.

Health and Wellbeing

The provision of new affordable housing is shown to have a positive impact on the health and wellbeing of residents.

Climate Change and Environmental Implications

New affordable homes will be built to the latest building regulation requirements with the planning permission considering any environmental implications.

Acronyms

None

Appendices

None

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

A report on this item has not been previously considered by a Council body.

Approval

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