

BRECKLAND COUNCIL

OPERATIONS MANAGERS – 5th DECEMBER 2007

EXECUTIVE BOARD – 17th DECEMBER 2007

CABINET – 8th JANUARY 2008

REPORT OF THE EXECUTIVE MEMBER FOR ENVIRONMENT AND HOUSING

(Author: Darryl Smith, Principal Housing Officer (Strategy and Enabling))

THE USE OF COMMUTED SUMS FROM SECTION 106 AGREEMENTS FOR AFFORDABLE HOUSING

This report seeks Cabinet approval for the use of the commuted sums which are received for affordable housing from Section 106 agreements attached to planning consents.

1. INTRODUCTION/BACKGROUND

- 1.1 The Council currently seeks the provision of affordable housing on new sites under Planning Policy Statement 3 (PPS3) which has superseded the Local Plan. Paragraph 29 allows for special circumstances where a commuted sum will be acceptable rather than the provision of completed units.
- 1.2 On these occasions a commuted sum is negotiated in lieu of the provision of affordable housing on a development site within the District. The commuted sums come with a range of conditions attached to them such as ;-
They must be used with in the parish they were obtained to provide affordable housing
They must be spent within in a timeframe (usually 5years) or returned to the developer.
- 1.3 The legal agreement for the acceptance of the commuted sums has already been approved by the Council through the Development Control Committee and the application of the adopted Planning Policies.
- 1.4 The constitution of the Council Part 4C1 Finance Procedure rules section B IV Income not provided for in the budget, requires cabinet approval for the allocation of additional income not within the budget
- 1.5 There is likely to be an increase in the number of sites that commuted sums are accepted as we move the forward with the Growth Point Status and look to creating more sustainable communities with a greater tenure mix on estates.
- 1.6 A recent audit found that we satisfactorily apply the right procedures for obtaining and monitoring the use of funds received for affordable housing

2. KEY DECISION

- 2.1 This is not a key decision.

3. COUNCIL PRIORITIES

- 3.1 The matter raised in this report falls(s) within the following council priorities:
 - A well planned place to live which encourages vibrant communities.

4. PROPOSAL

- 4.1 The monies which have been negotiated via Section 106 legal agreements can not be utilised by the Council for any other purpose than that which is within the agreement. The monitoring of the funds is carried out by the Section 106 officer within the planning team.
- 4.2 The identification and subsequent development of a scheme is carried out by the Strategic Housing team with the funds being awarded as a grant to a Registered Social Landlord to deliver the scheme. Schemes are identified to meet the Councils priority of delivering more affordable homes and relates to areas identified with housing need through the Breckland Housing Needs Survey (2007) and the Strategic Housing Market Assessment (2007) and if carried out a the Local Needs Survey for that particular parish.
- 4.3 The Council has received commuted sums on 2 schemes to date :-
Scarning £52,444.44
Thetford £141,000
There are a number that have been negotiated in recent months and there is likely to be a larger increase when we start dealing with the Thetford Growth Point area and look to create more mixed sustainable communities.
- 4.4 The proposal is for the monies received from commuted sums to be allocated to schemes through delegated authority by Cabinet to the Executive Member in consultation with the Strategic Director. This will speed up the process of progressing schemes and give some certainty to the areas where funds will be allocated.
- 4.5 Regular audits ensure that the procedure for the spending of section 106 funds is carried out correctly and in line with Council priorities.

5. OPTIONS

- 5.1 To operate within the existing Finance Procedure Rules every scheme which will be funded by a commuted sum will presented to Cabinet for approval.
- 5.2 To allow the delegation of authority for the use of the resources to be made by the Executive Member in consultation with the Strategic Director.
- 5.3 To allow the section 106 funds to be spent within the terms of the legal agreement by the Strategic Housing team without reference to Cabinet or the Executive member.

6. REASONS FOR RECOMMENDATION

- 6.1 The use of the section 106 monies has already been agreed through the signing of the legal agreement between the Council and the other parties involved. The Council are unable to use the monies for any other purpose.
- 6.2 By allocating the resources through a delegated decision with the Executive member, in consultation with the Strategic Director and Section 151 Officer would retain the finance controls of proper management of the funds but allow the flexibility of use in terms of the timing of when the monies are used.

7. RECOMMENDATION

- 7.1 I recommend that Cabinet :
a) approve the allocation of commuted sums from Section 106 agreements be made under delegated authority by the Executive Member for Environment and Housing in consultation with the Strategic Director.

Appendix A – Pro forma B

This report has taken account of the need for compliance with the Council's Equal Opportunities Policy and the requirements of Section 17 of the Crime and Disorder Act 1998 and the Human Rights Act 1998. This report raises no matters to which attention specifically needs to be drawn under the legislation.