

**NOTICE OF DELEGATION OF DECISION TO CABINET MEMBER BY STRONG LEADER**

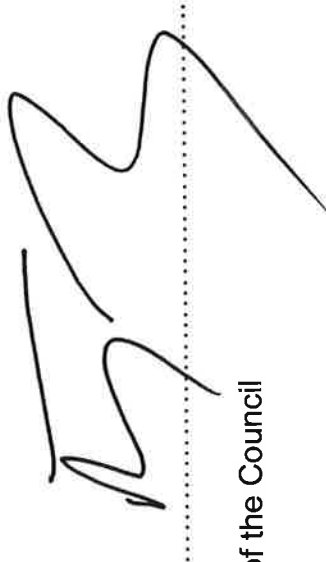
Section 15(4) of the Local Government Act 2000, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1<sup>st</sup> December 2010, the Council adopted the Strong Leader Model for Corporate Governance 2011 as required under Part 3 of The Local Government and Public Involvement in Health Act 2007 (The 2007 Act).

I, Marcus Hart, as Strong Leader, delegate the decision to agree the s106 funding agreement for supporting Registered Providers delivering rented units to the Cabinet Member detailed below:

Cabinet Member- Councillor Nathan Desmond

14.04.16

Dated:



Signed:

Leader of the Council

**NOTICE OF DECISION OF CABINET MEMBER**

Pursuant Section 15(4) of the Local Government Act 2000, as amended by section 63 of the Local Government and Public Involvement in Health Act 2007, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1<sup>st</sup> December 2010, the Council adopted the Strong Leader Model for Corporate Governance 2011 as required under Part 3 of The Local Government and Public Involvement in Health Act 2007 (The 2007 Act).

In accordance with the authority delegated to me by the Leader, I have made the following decision:

| Subject   | Decision   | Reason for decision   | Date for Decision to be taken |
|---|--|---|-------------------------------|
| S106 contribution to the development and purchase of housing for rent | To agree with the proposal to support the development of affordable housing for rent at Springhill Rise, Bewdley, an Existing satisfactory Dwelling and future housing developments. | This decision allows CHG to convert units for shared ownership to affordable housing for rent to better meet the needs of households on the Council's Housing Register. It will also allow for the purchase and/or conversion of a three bedroom property for Nightstop to use. | 22.4.16.                      |

**I confirm that the appropriate statutory officer consultation has taken place with regard to this decision.**

Dated:

22/04/16

Signed:



Councillor Nathan Desmond, Cabinet Member for Resources

**WYRE FOREST DISTRICT COUNCIL**

**Strong Leader Report – April 13<sup>th</sup> 2016**

**PROPOSED ALLOCATION OF S106 AFFORDABLE HOUSING CONTRIBUTION  
TO COMMUNITY HOUSING GROUP**

| OPEN                    |             |
|-------------------------|-------------|
| <b>DIRECTOR:</b>        | Mike Parker |
| <b>CONTACT OFFICER:</b> | Kate Bailey |
| <b>APPENDICES:</b>      | None        |

**1. PURPOSE OF REPORT**

- 1.1 To agree the proposed allocation of s106 affordable housing contribution to Community Housing Group (CHG) in relation to the capital costs for units at Springhill Rise, Bewdley and the purchase of an Existing Satisfactory Dwelling (location to be agreed).
- 1.2 To agree the delegation of authority to the Director of Economic Prosperity & Place in consultation with the Chief Financial Officer and Cabinet Member for Housing, Health & Wellbeing to make further awards of grants to Registered Providers from the s106 monies set aside to support new affordable housing provision.

**2. RECOMMENDATION**

**The Cabinet Member for Resources is asked to decide that:**

- 2.1 **That delegated authority is granted to the Director of Economic Prosperity & Place in consultation with the Chief Financial Officer and Cabinet Member for Housing, Health & Wellbeing to allocate the total £298,750 Section 106 Funding to the Capital Programme in 2016/17 to be spent as follows:**
  - a) **Firstly to make an award to CHG in respect of the Springhill Rise Property of between £112k and £128k;**
  - b) **Secondly, to make an award to CHG to purchase an existing satisfactory dwelling of £30k;**
  - c) **Finally to make further awards of grants to Registered Providers for the support of new affordable housing of £28k to £32k per property (depending upon application) up to the overall funding value of £298,750 after taking account a) and b) above and also in respect of any further commuted sums for affordable housing received by the Council under the terms of section 106 agreements.**

**3. BACKGROUND**

- 3.1 The new Objectively Assessed Housing Needs technical paper has identified that over 80% of the households on the council's housing register (Home Choice Plus) can't afford to purchase a property at shared ownership / help to buy or starter homes levels.

- 3.2 The recent changes to the Affordable Housing Programme, funded through the Homes and Communities Agency, mean there is no longer any government funding for general needs affordable or social rent new build properties.
- 3.3 In the last three years 365 units of affordable housing for rent and shared ownership have been delivered in Wyre Forest through a combination of HCA and Registered Provider (RP) funding. The lack of government grant for rented units will place an increasing burden on the council as it struggles to accommodate those households from the waiting list who are unable to afford to purchase a property even at a subsidised cost. By utilising accumulated s106 funding it will be possible to ensure a small number of rented units, on RP shared ownership new build sites, are available for those who are unable to afford home ownership.
- 3.4 The Council has been working in partnership with Nightstop to purchase a property to provide supported accommodation for homeless young people. The Council, on behalf of Nightstop, have been able to secure revenue funding to provide tenancy support via a Big Lottery Grant (for five years) and CHG have agreed to purchase a property on the Council's behalf to accommodate the young people but will need additional capital funding to do so.
- 3.5 CHG are currently bringing forward a number of small sites for redevelopment, primarily to deliver shared ownership and will bid for HCA funding where applicable for these. However they recognise that a large number of households in Wyre Forest can't afford to purchase a property / obtain a mortgage and so are keen to utilise other available sources of funding to bring forward homes for rent.

#### **4. KEY ISSUES**

- 4.1 The Springhill Rise development comprises 16 two and three bedroom houses. The Council is proposing to make a contribution of between £112k to £128k for four, two bedroom houses to convert them from shared ownership to rented. The grant for the ESD will be for £30k and will enable CHG to purchase a three bedroom property on the open market, estimated cost approximately £150k and renovate it so it is up to current standards. If it is not possible to purchase an appropriate property CHG may consider converting an existing dwelling within their own stock for this purpose.
- 4.2 In order to continue to utilise accumulated s106 monies it is proposed that the Council will offer grants of between £28 – £32k per property upon application, to deliver affordable / social rented units where RPs are building units in a location and of a size that is in demand from households on the housing register.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 The recommendations allow timely spend of the Section 106 funding budget allocated to the Capital Programme of £298,750 with the aim of supporting delivery of approximately 10 units of affordable rented property. This funding will be allocated initially in 2016/17 and any unspent sums will be transferred to 2017/18 at year end. The schemes will be delivered as soon as practically possible.
- 5.2 Recommendations 2.1 (c) also allows for allocation of further relevant Section 106 funding to make further awards of grants to Registered Providers for the support of new affordable housing of £28k to £32k per property (depending upon application).

**6. LEGAL AND POLICY IMPLICATIONS**

6.1 None.

**7. EQUALITY IMPACT NEEDS ASSESSMENT**

7.1 There are no equality impact issues to be addressed.

**8. RISK MANAGEMENT**

8.1 There is a risk to the Council if it is unable to deliver affordable housing for rent that more households are unable to afford accommodation due to the high number of households currently approaching as homeless or on the housing register who cannot afford to purchase a property.

**9. CONCLUSION**

9.1 The proposed allocation of s106 funding supports the Council's Housing Strategy.

**10. CONSULTEES**

10.1 Corporate Leadership Team.

**11. BACKGROUND PAPERS**

11.1 Worcestershire Housing Strategy 2010 - 2015