

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	ENVIRONMENT, HEALTH AND HOUSING COMMITTEE	11 JUNE 2019	4
EXPRESSIONS OF INTEREST TO ALLOCATE FUTURE SECTION 106 FUNDING			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

On the 26th November 2014 Cabinet approved the appointment of a temporary project officer/consultant that sought to enable affordable homes to be delivered using existing commuted sum reserves which at that time stood at £2.4m. A report on the outcomes from this project was presented to Environment, Health and Housing Committee for information on the 7th June 2016. These funds have now been spent or committed, resulting in delivery of 109 affordable rented units within Fylde since 2014/15.

The project recommended that future S106 funds could be targeted in a strategic manner by delivering high quality affordable housing on more marginal brown-field sites, providing local regeneration, whilst at the same time providing much needed affordable homes on a small scale in areas of priority need.

In order to develop a strategic approach to the allocation of future S106 funds the Housing Service are requesting that Registered Providers submit expressions of interest for consideration, prior to submitting full funding applications. This will assist in developing a strategic approach to the allocation of future funds in line with the recommendations made. Current S106 funds available total £1,531,642.

RECOMMENDATIONS

The Committee is recommended

1. To note the contents of the report;
2. To approve the adoption of a strategic approach to the allocation of future S106 funds by requesting Registered Providers of Affordable Housing submit Expressions of Interest prior to full funding submissions being made.

SUMMARY OF PREVIOUS DECISIONS

Cabinet 26th November 2014

It was RESOLVED:

1. To approve the use of S106 monies to facilitate the appointment of the temporary project officer/consultant on the terms outlined in the report;
2. To approve the appointment of a temporary project officer/consultant for a maximum period of 6 months to produce a deliverable S106 funded Affordable Housing Programme for the Borough; and
3. To approve a fully- funded revenue budget increase for the total sum of £25,000 (£16,000 in 2014/15 and £9,000 in 2015/16) to fund the costs of the temporary project officer/consultant for a maximum period of 6 months to be met from the S106 Affordable Housing receipts in respect of the agreements as identified at Appendix 2 of the report.

Information Item - Outcome From Section 106 Affordable Housing Project

The purpose of the information report was to update members on progress regarding the use of existing and future Affordable Housing committed sum reserves. Attached as an appendix to the report was the outcomes from the Section 106 Affordable Housing Project which had been delivered by way of a 6 month temporary appointment of an external housing consultant with a particular background in the development and delivery of Affordable Housing. The objectives of the contract were set out in the report together with details of the background to the project, the changing national situation and the positive outcomes of the S106 project.

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services (Value for Money)	✓
Delivering the services that customers expect of an excellent council (Clean and Green)	✓
Working with all partners (Vibrant Economy)	✓
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	✓
Promoting Fylde as a great destination to visit (A Great Place to Visit)	

Expression of interest's to apply for S106 funds

1. Background

Section 106 funds are financial contributions from private housing developers, in lieu of affordable housing being delivered on site. Policy INF2, Developer Contributions within the Local Plan to 2032 advises, "subject to viability, development will normally be expected to contribute towards the mitigation of its impact on infrastructure, services and the environment and contribute towards the requirements of the community". Contributions may be secured through a planning obligation and provide contributions to affordable housing within Fylde.

On the 26th November 2014 Cabinet approved the appointment of a temporary project officer/consultant that sought to enable affordable homes to be delivered which would be grant funded using existing S106 funds which at that time stood at £2.4m.

The objectives of the project were to identify 'Brownfield' development opportunities in order to make best use of available land resources to achieve localised regeneration. These funds have now been spent or committed on affordable housing schemes within the borough as detailed in Table 1.

The project recommended that future S106 funds could be used to target marginal brown field sites, providing local regeneration, whilst at the same time providing much needed affordable homes on a small scale in areas of priority need.

Table 1: Section 106 Schemes delivered

Year	Scheme	Registered Provider	Tenure and units delivered
2014/15	St Davids Road Depot, St Annes	New Fylde Housing/ Progress	32 Affordable Rent
2015/16	Former Kwik Save Site St Davids Road, St Annes	Great Places	15 Affordable Rent
2017/18	YPAD, St Albans Road, St Annes	YMCA	12 Affordable Rent 18-25 year olds
2018/19	Keenans Mill, St Annes	Progress Housing	26 Affordable Rent
2018/19	Sunnybank Mill, Kirkham	ForViva	12 Affordable Rent

2018/19	93 St Albans Road, St Annes	ForViva	2 Affordable Rent
2019/20	Methodist Church, St Annes	Great Places	10 Affordable Rent
TOTAL			109

2. Strategic Approach to future commitments of S106 funds

In order to take forward the recommendations from the S106 project there is a need to develop a strategic approach to using future S106 funds to deliver affordable housing across the borough Fylde. Current S106 funds available total £1,531,642.

Expression of interests are now being asked from Registered Providers in advance of a full submission for S106 funds to support development being made. These expressions of interest will be assessed and taken before Environment, Health and Housing Committee to determine if the scheme meets the priorities for the funding.

Registered Providers will need to evidence they already have affordable housing stock within Fylde and that local management arrangements are in place. It is preferred that Registered Providers are registered as a partner in the Choice Based Letting (CBL) Scheme MyHomeChocieFyldeCoast. If Providers current stock levels are not sufficient to formally become a partner with the scheme, that they have an allocation arrangement in place for affordable homes developed in Fylde with a partner of the (CBL) scheme.

Each scheme will be assessed under the following five criteria:

1. Brownfield site – any previously developed land that is not currently in use, whether contaminated or not.
2. Local regeneration to an area – to support environmental, economic and social well-being of an area, and the sustainability of local communities
3. Value for money – consideration of match funding available from other sources that will enable the development, for example Homes England funding and private finance raised by the Registered Provider. S106 funds are usually provided at a rate of £50,000 per unit delivered off site, and this will be the maximum available per unit.
4. Tenure to be Social or Affordable rent – Affordable and social rented housing is let by private registered providers of social housing to households that are eligible for social rented housing. Affordable rent is not more than 80% of the local market rent (including services charges, where applicable). Guideline target rents are determined through the national rent regime for social rented housing that are agreed by the local authority and Homes England.
5. Evidence of a need for affordable housing provision – The proposed scheme should take into account levels of housing need for development as determined by the Strategic Housing Market Assessment and Local Plan to 2032. In addition details of households registered for re-housing through MyHomeChoiceFyldeCoast will be considered to establish if the proposed size of units and location will meet housing need within Fylde.

IMPLICATIONS	
Finance	There are no financial implications arising from this report at this stage.
Legal	None
Community Safety	Funding focussed on regeneration of areas
Human Rights and Equalities	None
Sustainability and Environmental Impact	Funding focussed on regeneration of areas
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
<u>Cabinet</u>	26 th November 2014	To approve the appointment of a temporary project officer/consultant for a maximum period of 6 months to produce a deliverable S106 funded Affordable Housing Programme for the Borough
<u>Environment, Health and Housing Committee</u>	7 th June 2016	Outcome From Section 106 Affordable Housing Project