

## MUNICIPAL YEAR 2016/2017 REPORT NO.

### ACTION TAKEN UNDER DELEGATED AUTHORITY

**OPERATIONAL DECISION OF:**  
Director – Regeneration and  
Environment

### Contact officers and telephone number:

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Agenda – Part: 1

KD: 4327

**HOUSING DEVELOPMENT & ESTATE  
RENEWAL – Funding for Affordable  
Housing**

**Wards: All**

**Cabinet Member consulted: Cllr  
Oykener, Cabinet Member for Housing  
& Housing Regeneration**

### 1. EXECUTIVE SUMMARY

- 1.1 This report seeks approval to release monies received by the Council as affordable housing contributions under Section 106 agreements for the provision of affordable housing in the Borough.
- 1.2 It is proposed to allocate the latest s106 affordable housing receipts to support delivery of the Council's estate regeneration programme and affordable housing development schemes in partnership with our registered provider partners.
- 1.3 Spending the affordable housing contributions on these sites will ensure the Council meets the requirements in the s106 agreements which will deliver affordable housing

### 2. RECOMMENDATIONS

- 2.1 That the Director of Regeneration & Environment approves the release of £2,791,662 in Section 106 contributions received for the provision of affordable housing in the Borough to support the delivery of affordable housing as part of the Council's estate regeneration and support of housing association developments as shall be notified to him.

### **3. BACKGROUND**

- 3.1 It is currently proposed that the Council fund new housing developments through the HRA, as part of a Borough wide estate regeneration and housing development programme (schemes developed by housing association partners).
- 3.2 The proposals range from comprehensive regeneration of estates including complete demolition of existing dwellings to new mixed tenure developments on underutilised estate "infill" and garage sites and housing association led developments.
- 3.3 The other estates and sites, which have yet to secure planning consents, require further development. This is because they form part of an ongoing pipeline of Borough wide regeneration and redevelopment. Housing Association developments will require funding from time to time as and when opportunities arise and to supplement 'mainstream' affordable housing grant support partner Housing Associations are able to secure from the GLA for the delivery of affordable homes.
- 3.4 A number of ways to fund these schemes are being considered. The Council is able to contribute Right to Buy receipts on some of these sites, however, additional s106 contributions can also ensure that a greater proportion of the new homes that are delivered are affordable.

The Council is seeking to optimise the value of the sites across the programme to maximise the provision of affordable housing. S106 funds can assist the Council in providing additional *affordable* homes where Right to Buy receipts cannot be used.

- 3.5 The Council recognises the requirement to use the Affordable Housing S.106 commuted sums to provide this contribution.

### **4. ALTERNATIVE OPTIONS CONSIDERED**

No other options have been considered as, unless the s106 affordable housing contributions are used for the intended purpose, the Council shall be obliged to return the unspent amounts to developers with any accrued interest. This would negate the purpose of requiring developers to contribute to the provision of affordable housing in the Borough as a result of carrying out new developments.

### **5. REASONS FOR RECOMMENDATIONS**

To release available funds for the provision of affordable housing within the Borough.

## **6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS**

### **6.1 Financial Implications**

As explained in the report, the S106 monies are intended to be used to provide affordable accommodation in the Borough. Utilising this funding will help the Council to meet its obligations in relation to how it should be used and at the same time increase the Council's ability to maximise the number of affordable units delivered.

### **6.2 Legal Implications**

By virtue of s.106 of the Town and Country Planning Act 1990 (as amended) the Council must spend planning obligation receipts in accordance with the terms of the s.106 agreement. The s.106 Monitoring Officer has confirmed that there is no restriction in the relevant agreements that limit the spending of the contributions in the manner set out in this report.

The recommendations contained in this report are in accordance with the Council's powers and duties.

### **6.3 Property Implications**

The release of s106 contributions for the provision of affordable housing will contribute to the increase of affordable housing in the Borough.

## **7. KEY RISKS**

The risk to the Council of not using the funds for affordable housing obtained under the planning agreements is that if unspent in the period of (usually) ten years, the money must be repaid to developers with all accrued interest.

## **8. IMPACT ON COUNCIL PRIORITIES**

### **Fairness for All**

The allocation of available funding for affordable housing will increase the number of affordable homes in the Borough.

### **8.2 Growth and Sustainability**

Ensuring all properties are in beneficial use improves the streetscape in an area designated as a regeneration priority.

### **8.3 Strong Communities**

Improving housing choice and the appearance of the area assists in the creation of a stronger community.

## **9 EQUALITIES IMPACT IMPLICATIONS**

The development and refurbishment proposals will not cause a change to policy, or service delivery and therefore an Equalities Impact Assessment is not considered necessary.

## **10 PERFORMANCE MANAGEMENT IMPLICATIONS**

Not applicable

## **11 HEALTH AND SAFETY IMPLICATIONS**

Not applicable

## **12 PUBLIC HEALTH IMPLICATIONS**

12.1. There is a body of evidence which suggests that living in poor housing can lead to an increased risk of cardiovascular and respiratory disease as well as to anxiety and depression. Problems such as damp, mould, excess cold and structural defects which increase the risk of an accident also present significant hazards to health.

12.2. Proposals, therefore, to increase the supply of new affordable, good quality energy efficient housing that address fuel poverty will help to alleviate the incidence of specific illnesses and generally improve the health and well-being of those who live in the borough.

## **Background Papers**

None