

**MUNICIPAL YEAR 2017/2018 REPORT NO.**

**ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY**

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

**Contact officer and telephone number:**  
Amanda Jootun: 0208 379 2439

E mail: [Amanda.jootun@enfield.gov.uk](mailto:Amanda.jootun@enfield.gov.uk)

<b>Agenda – Part: 1</b>	<b>KD Num: 4580</b>
<b>Subject:</b> S106 – Funding for Affordable Housing	
<b>Wards: All</b>	

**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 S106 affordable contributions to support delivery of the Council's estate regeneration programme and/or 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 to deliver new affordable housing.

**2. RECOMMENDATIONS**

It is recommended that the Executive Director – Regeneration and Environment approves the:

2.1 release of £1,670,451 in Section 106 contributions received for the provision of affordable Housing in the Borough.

2.2 individual allocation of S106 monies to specific schemes.

### **3. BACKGROUND**

- 3.1. It is proposed that the Council fund new housing developments through the HRA development programme i.e. estate renewal schemes and smaller sites, or 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 under-utilised estate "infill" and garage sites and housing association led developments.
- 3.3 Funding can be allocated to existing schemes or future schemes that form part of the development pipeline and are yet to receive planning consent.
- 3.4 Housing Association developments will require funding from time to time. This will occur as and when opportunities arise and provide an opportunity to supplement 'mainstream' affordable housing grant from the GLA.
- 3.5 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 Section 106 contributions can also ensure that a greater proportion of the new homes that are delivered are affordable.
- 3.6 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.
- 3.7 The Council recognises the requirement to use the Affordable Housing Section 106 commuted sums to provide this contribution.

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

- 4.1 No other options have been considered as, unless the Section 106 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 – a situation that the Council is keen to avoid.
- 4.2 This would negate the purpose of requiring developers to contribute to the provision of affordable housing in the Borough as a result of building 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**

6.1.1 S106 Affordable Housing contributions have been received from numerous developers and are available to apply to fund the provision of new affordable housing in the Borough. With a number of development schemes underway with the HRA capital programme there is ample opportunity to apply this funding thereby protecting the ring-fenced HRA reserves.

6.1.2 As with all projects funded from S106 resources evidence of qualifying spend will be required and the governance checks and processes in place upheld to ensure the funds are applied in line with each specific S106 requirement. Expenditure incurred on these schemes will be reported as part of the regular monitoring process and drawn down from available S106 funds accordingly.

### **6.2 Legal Implications**

6.2.1 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 individual s.106 agreements. The s.106 Monitoring Officer should confirm that there is no restriction in the relevant agreements preventing or limiting the spending of the contributions in the manner set out in this report.

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

### **6.3 Property Implications**

There are no specific property implications at this stage. When individual allocations are made on a site by site basis, property implications will arise as decisions are made where to invest the s.106 contributions to best effect.

## **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. Officers will therefore prioritise expenditure that will enable the Council to achieve spend within the designated period so that it is not returned

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

### **8.1 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**

9.1 Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably because of any of the protected characteristics. We need to consider the needs of these diverse groups when designing and delivering services, so that our decisions do not unduly or disproportionately affect some groups more than others.

9.2 Whilst the proposed allocation of affordable housing S106 funds would not present specific equalities impacts at this stage; it is however recommended that each scheme within the Council's estate regeneration programme and affordable housing development schemes be reviewed, and Equalities Impact Assessments be undertaken as necessary. This will help to improve the efficiency and effectiveness of the Council by ensuring that residents and service users' needs are met through the delivery of the Council aims and objectives. It will also help ensure that the Council does not discriminate or disproportionately affect members of staff or customer groups more than others.

## **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

