

## APPENDIX A

This appendix sets out the District Council's policy and procedures relating to the funding of housing projects via Section 106 affordable housing planning gains.

The appendix also provides Members with a list of example projects which have been funded in recent years and sets out the District Council's planned review of future funding priorities in light of recent changes to national Planning Practice Guidance.

### Introduction and Background

- 1 Adopted back in 2011, the District Council's Policy SP3 (Provision of Affordable Housing) of the Core Strategy requires that financial contributions must be paid on residential developments with fewer than five dwellings and that involve a net gain in the number of units on site.
- 2 A Supplementary Planning Document (SPD) for Affordable Housing was subsequently produced and this sets out how Policy SP3 should be implemented. Included in the Affordable Housing SPD is an agreed formula (equivalent of 10% affordable housing provision off-site) to be used when determining the level of funding to be paid on qualifying developments.
- 3 The Affordable Housing SPD also includes a set of approved criteria for the spending of affordable housing planning gains and these are, as follows:
  - Provision of new affordable housing in the District via a Registered Provider of social housing (including adding to provision on development sites, new stand-alone schemes and existing property purchase);
  - Initiatives to make better use of the existing stock (including tackling under-occupation and fuel poverty where it enables better use to be made of the housing stock);
  - Managing future needs for affordable housing, including homelessness prevention and benefit advisory services;
  - Assisting those in housing need to access low-cost home ownership; and
  - Supporting the development of rural exception sites to meet rural housing needs.
- 4 In 2016, Government amended its Planning Practice Guidance to include a standard threshold of ten units before any affordable housing contributions could be sought (excluding developments exceeding 1,000sqm gross floor space or if situated in Areas of Outstanding Natural Beauty).
- 5 This change in policy was originally challenged by a number of local authorities but upheld at the Court of Appeal. As a result, Government has once again adopted the affordable housing threshold within its Planning Practice Guidance and this is now a material consideration that the District

Council must have regard to when determining future planning applications in the District.

- 6 As a consequence, the District Council will no longer be able to require financial developer contributions on housing developments of ten units or under and future Section 106 affordable housing financial contributions on smaller sites will be greatly reduced.

**Investment to date**

- 7 In the three completed financial years since 2014/15 and the monies received to 30 August this year, the District Council has received a total of £4.802m and spent a total of £1.594m. In addition, a further £0.135m has been allocated for projects already agreed but not yet implemented. As at 30/08/17, the District Council had £3.6m which remains unallocated.

Year	Money received (£000)	Year	Actual spend (£000)
2014/15	724	2014/15	1,197
2015/16	654	2015/16	107
2016/17	2,561	2016/17	282
2017/18 (as at 30/08/17)	863	2017/18 (as at 30/08/17)	8
<b>Total</b>	<b>4,802</b>	<b>Total</b>	<b>1,594</b>

Note: The District Council must spend affordable housing planning contributions within 10-years of being received.

- 8 The projects set out on the following pages were funded through S106 affordable housing contributions and have, in the main, required no new development.

Initiative	Outcome
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<p>‘A Home of Your Own’ - a bespoke shared-ownership housing scheme which enabled qualifying households to buy a share in a property on the open market</p>	<p>Through an investment of £927k, the District Council secured a further £1.39m external funding for the District and this enabled 19 households to purchase a share in an existing open market property. Priority was given to those in social housing and, in doing so, the District Council was able to free-up other affordable housing for households in need. As and when households staircase up, the District Council will also receive its share of the original investment along with any uplift to be reinvested in other projects.</p>
<p>Part-funding of ‘Small is Beautiful’ scheme and a dedicated under-occupation officer</p>	<p>As per nationally, there is a high level of under-occupation in the District’s social housing stock and also a high level of overcrowding. This initiative is aimed at better matching households to housing through financial incentives and a wide-range of support services. In doing so, there is less pressure on the local housing register, fewer DFG requirements and a wide-range of other positive health outcomes which particularly relate to older people. In addition, the initiative has helped those affected by the national Spare Room Subsidy (commonly referred to in the media as the ‘Bedroom Tax’).</p>
<p>Improvement works to Sevenoaks Almshouse Charity housing stock and the creation of an additional dwelling for older people</p>	<p>Essential improvement works were funded by the District Council and this prevented the charity from having to sell some of its stock to fund the works. Additional funding also enabled the charity to create an additional apartment in the Sevenoaks Town for local older people. This project has helped to preserve much-needed affordable housing for older people in Sevenoaks.</p>
<p>Improvement works to Margaret Hyde Almshouses Charity housing stock</p>	<p>Again, essential improvement works were required to bring units up to the Decent Homes Standard and to also install a more effective sewage treatment plant to help bring operating costs down. In doing so, the charity is now in a much better position to become self-sufficient and there is no risk of loss of this valuable affordable housing stock for local older people. The District Council has also, as a direct result, explored additional affordable housing development with the charity.</p>

Initiative	Outcome
Private sector housing initiatives	These were funded with three key aims in mind - they being to improve standards in the private rented housing stock; to encourage private landlords to accept low-income and welfare-reliant households; and to support private tenants into the sector and to sustain tenancies. In doing so, there has been less consequent pressure on the District's limited social housing stock and new development.
Energy efficiency and fuel poverty measures	These were funded in order to provide more affordable private sector housing through reduced outgoings and to enable tenants to maintain tenancies with less consequent pressure on social housing. There are also wide-ranging benefits related to health and welfare with these initiatives and particularly for older people (excess winter mortality amongst older people being a key local issue, for instance).
Local housing needs study to evidence need across the District	In recent years, the District Council has had to make use of secondary data which has been often less than reliable. In order to properly strategise and prioritise future S106 funding, the study provides the evidence required. It will also enable the District Council to negotiate maximum affordable housing contributions on private developments and achieve additional housing and/or housing which better matches need into the future. This study is also a key evidence base for the District Council's new Housing Strategy and its Local Plan review.
Part-rebuild part-refurb of a supported housing facility for adults with learning disabilities at Cedar Court, Edenbridge	With project costs totalling just over £1m, the housing association was £100k short of its target. With a risk of the facility being lost to the open market, the District Council contributed £100k towards project costs and this has enabled a new scheme to be completed and with nine self-contained units. The District Council also secured additional external funding as a result and this has been used to purchase a wide-range of equipment to improve life skills for new tenants of the scheme. The scheme has also been designed to allow for a change of client groups in the future, should it be required - so this is a good long-term investment.

<b>Initiative</b>	<b>Outcome</b>
Part-funding an independent rural housing enabler	The District Council part-funds this county-wide post in order to secure independent rural housing needs surveys across the District's rural areas. In doing so, the District Council can work with parish councils and local communities to develop affordable housing specifically for those with a local connection to the respective village. This not-for-profit organisation is a key partner of the District Council and significantly valuable in its work to deliver rural housing strategy.