



Rutland County Council

Catmose, Oakham, Rutland, LE15 6HP.
Telephone 01572 722577 Facsimile 01572 758307 DX28340 Oakham

Ladies and Gentlemen,

A meeting of the **GROWTH, INFRASTRUCTURE AND RESOURCES SCRUTINY PANEL** will be held in the Council Chamber, Catmose, Oakham on **Thursday, 15th February, 2018** commencing at 7.00 pm when it is hoped you will be able to attend.

Yours faithfully

Helen Briggs
Chief Executive

Recording of Council Meetings: Any member of the public may film, audio-record, take photographs and use social media to report the proceedings of any meeting that is open to the public. A protocol on this facility is available at www.rutland.gov.uk/my-council/have-your-say/

A G E N D A

APOLOGIES FOR ABSENCE

1) RECORD OF MEETING

- i) To confirm the record of the meeting of the Growth, Infrastructure and Resources Scrutiny Panel held on 7 December 2017 (previously circulated).
- ii) To confirm the record of the meeting of the Special Growth, Infrastructure and Resources Scrutiny Panel held on 25 January 2018 (previously circulated).

2) DECLARATIONS OF INTEREST

In accordance with the Regulations, Members are invited to declare any personal or prejudicial interests they may have and the nature of those interests in respect of items on this Agenda and/or indicate if Section 106 of the Local Government Act 1992 applies to them.

3) PETITIONS, DEPUTATIONS AND QUESTIONS

To receive any petitions, deputations and questions received from Members of the Public in accordance with the provisions of Procedure Rule 217.

The total time allowed for this item shall be 30 minutes. Petitions, declarations and questions shall be dealt with in the order in which they are received. Questions may also be submitted at short notice by giving a written copy to the Committee Administrator 15 minutes before the start of the meeting.

The total time allowed for questions at short notice is 15 minutes of the total time for 30 minutes. Any petitions, deputations and questions that have been submitted with prior formal notice will take precedence over questions submitted at short notice. Any questions that are not considered within the time limit shall receive a written response after the meeting and be the subject of a report to the next meeting.

4) QUESTIONS WITH NOTICE FROM MEMBERS

To consider any questions with notice from Members received in accordance with the provisions of Procedure rule No. 219 and No. 219A.

5) NOTICES OF MOTION FROM MEMBERS

To consider any Notices of Motion from Members submitted in accordance with the provisions of Procedure Rule No. 220.

6) CONSIDERATION OF ANY MATTER REFERRED TO THE PANEL FOR A DECISION IN RELATION TO CALL IN OF A DECISION

To consider any matter referred to the Panel for a decision in relation to call in of a decision in accordance with Procedure Rule 206.

7) OAKHAM TOWN TASK AND FINISH GROUP

To receive Report No. 41/2018 from the Director for Resources.
(Pages 5 - 12)

8) QUARTER 3 FINANCIAL MANAGEMENT REPORT 2017/18

To receive Report No. 32/2018 from the Director for Resources.

1. The above report is due to be presented at Cabinet on 20 February 2018.
2. Scrutiny has requested this report so that it can review and comment on proposals before the Cabinet meeting so as to inform the decision-making process.
3. Scrutiny is asked to consider the report and provide feedback to the Portfolio Holder and Director.

(Report circulated under separate cover)

9) QUARTER 3 PERFORMANCE MANAGEMENT REPORT 2017/18

To receive Report No. 12/2018 from the Chief Executive.

1. The above report is due to be presented at Cabinet on 20 February 2018.
2. Scrutiny has requested this report so that it can review and comment on proposals before the Cabinet meeting so as to inform the decision-making process.
3. Scrutiny is asked to consider the report and provide feedback to the Portfolio Holder and Director.

(Report circulated under separate cover)

10) EXCLUSION OF PUBLIC AND PRESS

Cabinet is recommended to determine whether the public and press be excluded from the meeting in accordance with Section 100(A)(4) of the Local Government Act 1972, as amended, and in accordance with the Access to Information provisions of Procedure Rule 239, as the following item of business is likely to involve the disclosure of exempt information as defined in Paragraphs 1 and 2 of Part 1 of Schedule 12A of the Act.

Paragraph 1: Information relating to any individual.

Paragraph 2: Information which is likely to reveal the identity of an individual.

11) PRIORITISED PROGRAMME FOR SPENDING OF COMMUTED SUMS FOR AFFORDABLE HOUSING

To receive Report No. 18/2018 from the Chief Executive.
(Pages 13 - 24)

PROGRAMME OF MEETINGS AND TOPICS

12) SCRUTINY PROGRAMME 2017/18 & REVIEW OF FORWARD PLAN

To consider Scrutiny issues to review.

Copies of the Forward Plan will be available at the meeting.

13) ANY OTHER URGENT BUSINESS

To receive any other items of urgent business which have been previously notified to the person presiding.

14) DATE AND PREVIEW OF NEXT MEETING

Thursday 22 March 2018 at 7pm

Items to include:

- Terms of Reference for the Oakham Town Task and Finish Group
- Conversion of Barns

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DISTRIBUTION

**MEMBERS OF THE GROWTH, INFRASTRUCTURE AND RESOURCES
SCRUTINY PANEL:**

Mr J Lammie (Chairman)	
Mr I Arnold	Mr E Baines
Mr O Bird	Mr W Cross
Mr A Mann	Vacancy

OTHER MEMBERS FOR INFORMATION

SCRUTINY PANEL

15 February 2018

OAKHAM TOWN TASK AND FINISH GROUP

Report of the Director for Resources

Strategic Aim:	Reaching our Full Potential	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr O Hemsley, Leader and Portfolio Holder for Rutland One Public Estate & Growth, Tourism & Economic Development and Resources (except Finance and Communications)	
Contact Officer(s):	Debbie Mogg, Director for Resources	01572 758358 dmogg@rutland.gov.uk
	Natasha Taylor, Governance Manager	01572 720991 ntaylor@rutland.gov.uk
Ward Councillors	All	

DECISION RECOMMENDATIONS

That the Panel:

1. Approves the membership of the Oakham Town Task and Finish Group as detailed in section 3 of the report.
2. Provides feedback on the draft timetable for the Task and Finish Group (Section 4 of the report).

1 PURPOSE OF THE REPORT

- 1.1 To approve the membership of the task and finish group as detailed in paragraph 3 of the report.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 Full Council resolved to set up a Task and Finish Group to consider the future regeneration of Oakham Town at its meeting on 15 January 2018. A link to this meeting can be found below:

<http://rutlandcounty.moderngov.co.uk/ieListDocuments.aspx?CId=145&MId=1652>

Members expressed that the Task and Finish Group should include co-opted members from stakeholder organisations, along with elected members from

Rutland County Council.

- 2.2 The Growth, Infrastructure and Resources (GIR) Scrutiny Panel will approve the membership of the Group. Once membership has been established, the group will have a preliminary scoping meeting to decide on terms of reference. The terms of reference will then be brought back to the Growth Infrastructure and Resources Scrutiny Panel for approval (See timetable at Paragraph 4).

3 MEMBERSHIP

- 3.1 It is proposed that the Group consist of no more than 10 members. In accordance with the RCC Constitution the number of Co-opted Members cannot exceed the number of elected members. It is therefore suggested that the group consist of 6 RCC Members, 4 Co-opted Members (detailed below), plus an independent Chair with relevant experience will be sourced through the Local Government Association. Further information regarding the independent chair will be provided at the meeting.
- 3.2 Nominations for the Co-opted Members will be requested from the following organisations (Appendix A - Letter requesting nominations):
- Oakham Town Council (1 nomination)
 - Oakham Town Partnership (1 nomination)
 - Oakham Neighbourhood Plan Working Group (1 nomination)
 - Residents Group (1 nomination)
- 3.3 These organisations have been notified in advance that they will receive a formal request for nominations following the GIR Scrutiny Panel Meeting on 15 February 2018 and nominations must be provided by 2 March 2018.
- 3.4 The Chair of GIR Scrutiny Panel, Mr J Lammie, wrote to Rutland County Councillors on 24 January 2018, inviting expressions of interest for the Task and Finish Group. The following members have expressed an interest in becoming part of the Group:
- Mr O Bird
 - Mrs R Burkitt
 - Mr B Callaghan
 - Mr R Clifton
 - Mr G Conde
 - Mr W Cross
 - Mr J Dale
 - Mrs J Fox
 - Mr R Gale
 - Mr A Mann
 - Mr A Stewart

- 3.5 The Members above will be invited to the Growth, Infrastructure and Resources Scrutiny Panel on 15 February 2018, where they will be invited to make representations regarding their suitability to sit on the group. The Scrutiny Panel will then decide which of the members will take a place on the Task and Finish Group.
- 3.6 Members not appointed to the task and finish group will still have the opportunity to provide evidence and make submissions for consideration by the group as well as asking questions when the group provides update reports to the Scrutiny Panel.

4 PROPOSED TIMETABLE

January 2018	<u>Independent Chair</u> RCC Scrutiny Officer to source Independent Chair <u>Set Provisional Date for preliminary scoping Meeting –</u> W/C 5 March 2018
8 February 2018 (following publication of agenda for GIR Scrutiny Panel)	<u>Organisations contacted to give advance notice of request for nominations</u>
15 February 2018	<u>GIR Scrutiny Panel agree proposed membership:</u> <ul style="list-style-type: none"> • 4 Co-opted Members 1 from each agreed stakeholder groups • 6 Elected Members (<i>Needs to exceed number of co-opted members, so may need to be increased if number of co-opted agreed is more than 4</i>)
16 February 2018	<u>Chair of GIR Scrutiny Panel Writes to agreed stakeholder groups</u> to ask for nominations for membership of Task and Finish Group to be put forward by 2 March 2018
W/C 5 March 2018	<u>Preliminary scoping meeting</u> to agree the Terms of Reference (Meeting to take place by 9 March 2018)
Additional GIR Scrutiny Panel Meeting 22 March 2018 (<i>Proposed Date</i>)	<u>GIR Scrutiny Panel agree Terms of Reference</u>
April 2018 – September 2018	<u>Monthly meetings of the Task and Finish Group</u> to be scheduled

(6 meetings)	Standing item on GIR Scrutiny Panel and other panels (as appropriate)
	Further details to be added following scoping meeting regarding information and evidence gathering, objectives and Purpose/desired outcome.
October 2018	<u>Task and Finish Group Meet to agree final report</u>
November 2019	<u>Final Report to Scrutiny Panel(s)</u>
November/December 2019	<u>Final Report to Cabinet/Council</u>

5 FINANCIAL IMPLICATIONS

- 5.1 The independent chair for the task and finish group will attend all meetings of the task and finish group; including the preliminary scoping meeting; update reports for the GIR Scrutiny Panel; as well as the final report detailing the recommendations of the group. The independent chair will work on a consultancy basis and this will be funded from within existing budgets.
- 5.2 Clerical support for the group will be provided by the Governance Team and can be contained within existing resources.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 There is no legal provision for Task and Finish groups. This group will therefore operate within the rules set out in the RCC Constitution and all members will be subject to the RCC Members Code of Conduct.
- 6.2 The Task and Finish Group does not have decision making powers, therefore any decision (on the wording of the final report, for example) should be undertaken through consensus, not by a vote. Any recommendations arising from the group will be subject to comment and endorsement by the appropriate RCC Scrutiny Panel(s) and approval by the RCC Cabinet and/or Council.

7 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 7.1 Membership of the Oakham Town Task and Finish Group needs to be agreed before a preliminary scoping meeting can take place to establish the terms of reference for the group.

8 BACKGROUND PAPERS

- 8.1 There are no additional background papers.

9 APPENDICES

- 9.1 Appendix A – Letter to stakeholder groups inviting nominations.

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.

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On 15 January 2018, RCC Full Council resolved to form a Task and Finish Group to look into the future regeneration of Oakham Town. A link to the discussion and debate that took place at that meeting can be found at:

<http://rutlandcounty.moderngov.co.uk/ieListDocuments.aspx?CId=145&MId=1652>

The membership of the group was considered by the Growth, Infrastructure and Resources Scrutiny Panel on 15 February 2018 where it was agreed that the Task and Finish Group will consist of 6 RCC Elected Members, plus 4 co-opted members from stakeholder/community organisations. The group will be chaired by an independent representative commissioned through the Local Government Association.

We are now seeking a nomination for a representative from your organisation to join the Oakham Town Task and Finish Group.

Please note that members nominated from stakeholder/community organisations will be co-opted as members of the Task and Finish Group and must observe the RCC Members Code of Conduct (Copy attached for information).

The first preliminary scoping meeting for the group will take place on **X March 2018 at Xam/pm**. At this meeting members of the group will be asked to consider the scope and terms of reference for the group, which will then be approved by the Growth, Infrastructure and Resources Scrutiny Panel on 15 March 2018. Further meetings of the Task and Finish Group will be held monthly at dates and times to be agreed by members.

I have provided a draft timetable below for your information:

January 2018	<p><u>Independent Chair</u></p> <p>RCC Scrutiny Officer to source Independent Chair</p> <p><u>Set Provisional Date for preliminary scoping Meeting –</u></p> <p>W/C 5 March 2018</p>
8 February 2018 (following publication of agenda for GIR Scrutiny Panel)	<p><u>Organisations contacted to give advance notice of request for nominations</u></p>
15 February 2018	<p><u>GIR Scrutiny Panel agree proposed membership:</u></p> <ul style="list-style-type: none"> • 4 Co-opted Members 1 from each agreed stakeholder groups • 6 Elected Members (<i>Needs to exceed number of co-opted members, so may need to be increased if number of co-opted agreed is more than 4</i>)
16 February 2018	<p><u>Chair of GIR Scrutiny Panel Writes to agreed stakeholder groups</u> to ask for nominations for membership of Task and Finish Group to be put forward by 2 March 2018</p>
W/C 5 March 2018	<p><u>Preliminary scoping meeting</u> to agree the Terms of Reference (Meeting to take place by 9 March 2018)</p>
Additional GIR Scrutiny Panel Meeting 22 March 2018 (<i>Proposed Date</i>)	<p><u>GIR Scrutiny Panel agree Terms of Reference</u></p>
April 2018 – September 2018 (6 meetings)	<p><u>Monthly meetings of the Task and Finish Group</u> to be scheduled</p> <p>Standing item on GIR Scrutiny Panel and other panels (as appropriate)</p>
	<p>Further details to be added following scoping meeting regarding information and evidence gathering, objectives and Purpose/desired outcome.</p>
October 2018	<p><u>Task and Finish Group Meet to agree final report</u></p>
November 2019	<p><u>Final Report to Scrutiny Panel(s)</u></p>
November/December 2019	<p><u>Final Report to Cabinet/Council</u></p>

Please can you provide the name and contact details for your nominated representative by **2 March 2018** to governance@rutland.gov.uk .

Yours Sincerely

Mr J Lammie (Chair – Growth, Infrastructure and Resources Scrutiny Panel)

CABINET

20 February 2018

PRIORITISED PROGRAMME FOR SPENDING OF COMMUTED SUMS FOR AFFORDABLE HOUSING

Report of the Chief Executive

Strategic Aim:	All	
Key Decision: Yes	Forward Plan Reference: FP/011117	
Exempt Information	Yes. Appendix B of this report contains exempt information and is not for publication in accordance with paragraph 1 and 2 of Part 1 of Schedule 12A of the Local Government Act 1972.	
Cabinet Member(s) Responsible:	Mr O Hemsley, Leader and Portfolio Holder for Rutland One Public Estate & Growth, Tourism & Economic Development, Resources (other than Finance and Communications)	
Contact Officer(s):	Helen Briggs, Chief Executive	01572 758201 hbriggs@rutland.gov.uk
	James Faircliffe, Housing Strategy and Enabling Officer	01572 758238 jfaircliffe@rutland.gov.uk
Ward Councillors	All	

DECISION RECOMMENDATIONS

That Cabinet:

1. Approves the priorities in section 3 of this report.
2. Approves an affordable housing commuted sum expenditure project of £420,000 for inclusion in the capital programme.
3. Authorises the Chief Executive to allocate funding, prior to a bidding process for external grant applications, from within the £420,000 budget for an extension of a Council-owned property to create a five- or six-bedroomed house in consultation with the Portfolio Holder for Rutland One Public Estate & Growth, Tourism & Economic Development, Resources (other than Finance and Communications), subject to feasibility.
4. Authorises the Chief Executive and/or the Director of Places to undertake a bidding process for grant applications from housing associations and from within the Council, setting out in a separate document for bidders the priorities in section 3 and the details

of the scoring matrix to be used by the Council.

5. Authorises the Chief Executive and/or the Director of Places to hold informal discussions with the bidders if appropriate.
6. Requests that the Chief Executive and/or the Director of Places bring a further report to Cabinet on the outcome of the bidding process and recommending a way forward, including proposed budget recommendations.

1 PURPOSE OF THE REPORT

- 1.1 To develop a prioritised programme for spending commuted sums for affordable housing that have been collected through Planning Obligations.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 The Council currently holds a number of commuted sums from developers totalling £419,291 for the provision of off-site affordable housing, with additional payments expected over perhaps the next 18 months or so, depending on construction rates totalling £641,588 (plus indexation).
- 2.2 One of the targets in the Housing and Homelessness Strategy 2017-22 is, “To develop priorities and a programme for the spending of commuted sums for affordable housing.” This Strategy adds, “Decisions regarding affordable housing expenditure need to be made which provide good value for money, are appropriate for the local community and which are sufficiently timely to take advantage of opportunities.”
- 2.3 The proposals in this paper would help to deliver all four of the Council’s Strategic Aims:
 - Sustainable Growth
 - Safeguarding
 - Reaching our Full Potential
 - Sound Financial and Workforce Planning
- 2.4 The proposed way forward is similar to that operated by a number of other councils and includes:
 - an annual budget addressing priorities approved by Members as part of the capital programme
 - a bidding process for projects to receive funding, including external bids
 - delegated approval of individual projects including Portfolio Holder involvement and monitoring of the programme. Under RCC’s existing delegations the Chief Executive may authorise expenditure of up to £50,000.
- 2.5 The Strategic Housing Market Area assessment (SHMA) 2014 states that the majority of affordable housing need is for rented housing.
- 2.6 The funds currently held are from a wide range of open market housing schemes, with differing conditions and timescales. Subject to the normal governance approvals, it is proposed that Officers in Planning Policy will match potential

development opportunities with the conditions and expectations for the various individual commuted sums that may fund a particular project. Under the terms of the Capital Investment Strategy considered by Cabinet on 16 January 2018, this expenditure would be a service investment rather than a commercial investment.

- 2.7 The section of the Planning Obligations Supplementary Planning Document 2016 which covers the spending of affordable housing commuted sums is attached at Appendix A. This process takes account of the Housing and Homelessness Strategy and local affordable housing need, including the Strategic Housing Market Assessment, when prioritising expenditure.

3 SETTING PRIORITIES

- 3.1 These off-site contributions can play an important role in enabling specific priorities to be funded that may be hard to deliver viably on an open market development and for which sufficient Government grant may not be available. This helps to broaden the range of new affordable housing provision, through the Council having much more control over how the money is spent. Whilst the budget may appear substantial, the affordable housing commuted sums in this paper are only a relatively small part of a much larger development programme by the Council's partners which also includes homes funded by on-site developer contributions or by grant from Homes England (formerly the Homes and Communities Agency).
- 3.2 The Council's strategic Homelessness Review carried out in 2016 highlighted a need for larger properties. Currently, there are at least three households with a particularly acute need for a five or six bedroom property. Even allowing for children sharing bedrooms where appropriate, the families are generally overcrowded by at least two bedrooms currently and typically have a number of challenging or problematic issues where lack of space is a major contributing factor. Other families in Rutland may be similarly overcrowded, although with fewer other issues at present. The Housing Options team report that the number of large families in housing need is a trend and the increasing pressure from benefits changes may cause a further increase. There are only three rented affordable houses in Rutland with five or more bedrooms and turnover of these is low.
- 3.3 There is also a need for two or three dwellings for occupation typically by two residents with learning disabilities per dwelling and including staff sleeping accommodation, to enable some out of county placements to be ended in line with national policy and possibly saving the Council up to £50,000 per year per customer. It should be possible to meet some or all of this need through the use of Transforming Care Capital Grant as agreed by Cabinet on 21 November 2017 (Report No. 197/2017). However, this may not meet all of the need in the medium term and this specialist affordable housing should still be a potential priority for section 106 commuted sums.

3.4 First priority

3.5 It is suggested that the first priority be larger affordable general needs rented accommodation of five bedrooms or more, through extension, conversion, acquisition or new construction. In some existing large households, there are two or three generations of adults in the same property. Some families may be happy to move to (for instance) two three-bedroomed family houses that are close to each other, which could partially address the need for very large properties. Therefore, it is suggested that an initial target of two large properties is appropriate.

3.6 Second priority

3.7 The second priority would then be the improvement or provision of other rented affordable accommodation. This might include, for example, accommodation for people with learning disabilities, subsidy for housing associations to convert shared ownership properties to rented, or Council or external bids for a three-bedroomed family property to replace any that were enlarged.

4 DELIVERING THE PROGRAMME

4.1 There are a number of possible forms of provision, such as subsidy to housing associations for new properties (which can lever in substantial resources from the associations' borrowing power), or direct provision by the Council which tends to be more capital intensive but can sometimes deliver more quickly. The Council has considered extending an existing property which it owns. If this is shown to be feasible following further technical work, it is proposed that the funding for this could be top-sliced from the £420,000 capital budget prior to the bidding process described below. This would be to enable timely delivery, subject to planning consent.

4.2 In order to encourage further innovation and value for money, it is suggested that internal and external bids be invited in Spring 2018. Officers will score specific bids against housing need, quality, deliverability and ongoing costs/ savings. Full details of the scoring matrix will be made available when bids are invited. A clear exit strategy will be in place in case any housing for people with special needs not be required at a future date.

4.3 This broader bidding process will include a specific target of two large properties to start on site in 2018/19. The target would include any extension of a council owned property authorised prior to the bidding process. Further work would be needed before a budget could be set, but the approximate combined cost of an extension is likely to be around £115,000 if a two-storey extension is required. However, it may be the bidding process could identify efficiencies in funding or delivery and it is possible that some properties could be increased in size without the need for a two-storey extension.

4.4 There would also be the opportunity for bids to be submitted for other forms of affordable rented housing prioritised in section 3. A further report will be brought to Cabinet to confirm the prioritised scheme following the bidding process.

Timeline:		
Task	Target Date	Responsibility
Consideration by Growth, Infrastructure and Resources Scrutiny Panel	Meeting on 15 February	Chief Executive
Cabinet	Meeting on 20 February	Chief Executive
Authorisation of project to extend Council-owned property, if feasible.	Early Spring 2018	Chief Executive
Internal and external bidding process	Spring 2018	Chief Executive
Further report to be brought to Cabinet regarding proposed programme.	Early Summer 2018	Chief Executive / Director of Places
Commencement of two enlarged family houses, subject to planning.	2018	Director of Places
Other delivery	To be confirmed through bidding programme and capital programme	Director of Places

5 CONSULTATION

- 5.1 The Council consulted extensively during the production of its Housing and Homelessness Strategy and the relevant Supplementary Planning Documents. Informal discussions with housing associations show that they may have a preference for new build accommodation. The bidding process will allow a range of approaches to come forward and to be assessed for value for money.
- 5.2 Schemes regarding planning consent will be consulted upon in the normal way during the planning process.

6 ALTERNATIVE OPTIONS

- 6.1 The Council could seek to spend all the section 106 commuted sums itself, but we do not have the capacity to do this efficiently in a short period of time and still achieve value for money.
- 6.2 The Council could rely on housing associations to use all of the affordable housing commuted sums, but this would mean that the Council would not have the opportunity of delivering some of the accommodation itself in a timely way. It would also leave the Council completely reliant on external bids.
- 6.3 The Council could have less of a focus on meeting the needs of larger families through affordable housing commuted sums, but this would be harder to meet in other ways in the short term.

7 FINANCIAL IMPLICATIONS

- 7.1 The budget process being taken forward for 2018/19 has reflected the availability of this funding, but the MTFP (revenue account) or Capital programme will not show this as programmed expenditure until the spending profile is clearer, which will be later on in 2018/19. A rolling programme will be developed as further receipts come in over time. The Council will not commit this expenditure until the relevant income has been received.
- 7.2 Some large families cope well and the challenges they encounter may be limited primarily to housing and everyday financial issues.
- 7.3 However, some other large families may require social care support for a number of issues, which can be exacerbated by overcrowding. If the care of the children could not be met within a family home in the event of a family breakdown, this would be a considerable financial pressure on the Council which could total between approximately £100,000 and £300,000 per year for a family, not including Council staff time or transport costs.
- 7.4 Whilst it is good practice to spend commuted sums within five years of receipt, there is no current agreement that requires expenditure before 2020. However, the need for larger accommodation for some families is urgent. A bidding process and clear priorities will help to ensure value for money and promote timely delivery and innovation. It will be important to attract sufficient bids and to have sufficient Officer time to administer the process.
- 7.5 The Council holds commuted sums totalling £419,291 for the provision of off-site affordable housing, with additional payments expected over perhaps the next 18 months or so, depending on construction rates totalling £641,588 (plus indexation). The Council needs to ensure that these payments are spent in a timely way, ensuring value for money and compliance with the requirements of Planning Obligations. This will be monitored with the assistance of the Exacom computer system.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The Council is able to make grant payments to housing associations for rented accommodation under sections 24 and 25 of the Local Government Act 1988, using "The General Consent under Section 25 of the Local Government Act 1988 for Financial Assistance to any Person 2010".
- 8.2 This report aims to set out priorities for section 106 commuted sums for affordable housing and delegates authority to the Director for Places to undertake a bidding process and to report back to Cabinet, which would include a proposed programme for approval and a proposed budget to recommend to Council.
- 8.3 Appropriate terms and conditions will need to be included for any grant paid, including the agreement to a restriction on the property to the land the subject of the grant to protect the affordable housing use in the longer term and with provision for repayment of the grant (on a sliding scale) and removal of the restriction if the land is no longer required for affordable housing. Housing Associations have a standard term which accepts such a restriction except if they become insolvent and the land is repossessed by the mortgage lender. In this circumstance the restriction falls away and the lender is able to transfer the land

without the restriction. Entering into the Grant Agreement will be completed in accordance with the Council's Contract Procedure Rules.

- 8.4 Commuted sums under s106 agreements must be used in accordance with the terms of the agreement. The Council's standard s106 agreement states that The Affordable Housing Contribution shall be used or applied by the Council for or towards the provision by the Council or a Registered Provider of Affordable Housing within the administrative area of the Council and as such this policy would be an appropriate use of the funds received. If an alternative use is agreed as part of the s106 negotiations the funds would not form part of this general fund.
- 8.5 In line with the Council's Finance Procedure Rules, Cabinet can approve additions to the capital programme of up to £1m.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 An Equality Questionnaire has been completed. No adverse impacts were found. The main differential impact was a positive one for larger families with children which was proportionate and justified.

10 COMMUNITY SAFETY IMPLICATIONS

- 10.1 The increased provision of satisfactory housing will help to further the Community Safety priorities in the Housing and Homelessness Strategy 2017-22.

11 HEALTH AND WELLBEING IMPLICATIONS

- 11.1 The Housing and Homelessness Strategy 2017-22 states that housing is one of the 'wider determinants of health'. These proposals will help to meet the needs of those who do not have satisfactory housing. This will help to support their health and wellbeing needs, which in some cases may include social care needs.
- 11.2 The Housing Allocation Policy gives a high priority to households which have significant levels of overcrowding due to its health and wellbeing implications. The Homelessness Review 2016 highlights that there is a severe shortage of larger properties. These proposals for spending the section 106 commuted sums will help to address these needs.

12 ORGANISATIONAL IMPLICATIONS

12.1 Environmental implications

- 12.2 Depending on the scale and nature of the physical works, planning consent may be required.

12.3 Procurement Implications

- 12.4 If the Council provides a grant to a housing association under legislation that specifically permits this and the Council does not own the asset, this is different from a contract agreement. It will be down to the provider to design and deliver the affordable housing and although the Council will review the proposals to ensure value for money, it will have no control over what is built. Therefore it is not a procurement route and is outside the scope of public procurement rules. The Council will still need to ensure that the process is fair and constitutes good

value for money and that the payment remains within the exemptions in the State Aid rules. A grant agreement would be put in place to support this expenditure, with appropriate grant conditions attached to facilitate the provision of the Council's desired outcomes for the funding. This helps the Council to meet specific needs in a timely way with the assistance of its housing association partners.

- 12.5 If the Council carries out works on its own properties these would be subject to procurement by the Council in the normal way.

13 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 13.1 The proposals in this report will enable affordable housing commuted sums to be spent to meet a range of local housing need and to achieve value for money.

14 BACKGROUND PAPERS

- 14.1 'Affordable Housing Commuted Sums' summary table.

- 14.2 Homelessness Review 2016 v1.1.

15 APPENDICES

- 15.1 Appendix A. Use of commuted sums Received for Affordable Housing [extract from the Council's Planning Obligations Supplementary Planning Document, adopted January 2016]

- 15.2 Exempt Appendix – Appendix B is marked as “Not for Publication” because it contains exempt information as defined in paragraphs 1 and 2 of Part 1 of Schedule 12A of the Local Government Act 1972, namely anonymised summary information which relates to individuals' circumstances and whose identities may be likely to be revealed if this information is published locally.

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Appendix A. Use of commuted sums Received for Affordable Housing [extract from the Council's Planning Obligations Supplementary Planning Document, adopted January 2016]

- B3.5 Payments received in lieu of Affordable Housing on site will be held by the Council to be used for capital funding to enable the provision of Affordable Housing within Rutland. Unless the commuted sum is required to be set aside explicitly for a specific scheme, it may be pooled with other commuted sums for Affordable Housing and will be utilised to enable timely and efficient provision of Affordable Housing as determined by Rutland County Council. The Council may operate more than one 'pool', so that separate pools might be used if appropriate for different localities, initiatives or schemes. If a commuted sum is set aside for a specific scheme, the Planning Obligation may include provision for that sum to be pooled with other commuted sums for Affordable Housing, if the specific scheme cannot be delivered within a reasonable timescale.
- B3.6 The Council will seek to make the most effective use of any commuted sums received, taking into account the availability of suitable opportunities at the time commuted sums become available. The following list of potential spending options is not exhaustive, and may change over time, depending on needs and opportunities. Expenditure may be directly by the Council, or by other providers of Affordable Housing, which may or may not be registered.
- B3.7 Examples of how resources in the fund may be spent include:
- developing, or contributing to the development of, Affordable Housing which may be new build, or converted, or existing private sector properties purchased for use as Affordable Housing;
 - purchase of land, or options to purchase land, intended for the future development of Affordable Housing;
 - provision of necessary extensions or adaptations to existing affordable homes to make them suitable for use by some households who would otherwise have unsuitable housing.
- B3.8 'Affordable Housing' may include the provision of Gypsy and Traveller sites, where the site is suitable and there is a strongly identified local need, provided these proposals fall within the definition of 'Affordable Housing' used in this SPD.
- B3.9 'Affordable Housing' can also include the payment of funds to assist residents with the purchase of their own properties if this creates a new or vacant affordable home in Rutland that can be used for someone in need of Affordable Housing, provided these proposals fall within the definition of 'Affordable Housing' used in this SPD.

- B3.10 Policy CS11 states: “Commuted sum payments will be used where possible for the provision of affordable housing within the vicinity of the development site within a reasonable time frame. In other circumstances contributions will be pooled to provide affordable housing elsewhere in Rutland.” Normally this will be affordable housing in the local area (defined as the parish) provided it appears to the Council (acting as housing authority) that there is a reasonable prospect of construction of the affordable housing commencing within 2 years of the commuted sum being received and provided that the proposed provision would constitute good value for money. If this is not the case, the Council will consider whether provision in immediately adjacent parishes would be appropriate, practicable and good value. If provision is not readily achievable in an immediately adjacent Parish, then other locations will be considered.
- B3.11 The Council, in its role as the housing authority, will consider locations where the financial contributions may be spent (subject to planning consent where needed), depending on the availability of suitable sites or existing properties, other funding that may be required, cost and feasibility of development, sustainability, local housing need and the amount of time needed to complete the scheme.
- B3.12 It is not the Council’s intention for commuted sums received from one development to be used to finance the minimum affordable housing contribution on another development, unless the commuted sum is to be spent on a site where the housing is wholly affordable or where the commuted sum allows the construction of more rented affordable homes than would have been viable otherwise.
- B3.13 The Council will use documents such as the Local Investment Plan, the Homelessness Strategy, the Housing Strategy, the local need for Affordable Housing and the Strategic Housing Market Assessment to assist in identifying the priorities for the expenditure of commuted sums on affordable housing.

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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