

TO: THE MONITORING OFFICER
(TOM CLARK, SOLICITOR TO THE COUNCIL)

RECORD OF ACTION TAKEN BY A CABINET MEMBER
UNDER DELEGATED POWERS

Subject: Funding for Blackwell Farm Road	
Cabinet Member: Andrew MacNaughton	
Has the Cabinet Member received a report prior to making the decision?	Yes
In the case of a key decision where the Cabinet Member has received a report, please state the date a copy of the report was made available to the Chair of the relevant Scrutiny Committee and placed in the public domain:	NA
Record of decision taken:	
Date of decision: 11-4-2019	
Statement of reasons for making the decision: To authorise the use of £400,000 from commuted sums ring-fenced for affordable housing to support the development of 10 affordable homes at Blackwell Farm Road, East Grinstead.	
Alternative options considered and rejected: If the funding is not provided, the affordable housing would not be delivered. The alternative is to sell the site to a private developer but this would not deliver the affordable housing because the site is below the threshold required by the District Plan.	
Code of Conduct Interest of Cabinet Members? If yes, please advise on the nature and whether dispensation in place	
Is the decision to be protected from call-in? (i.e if any delay would seriously prejudice the Council's or the public's interest) - see Scrutiny Procedure Rule 14 (M)	
If so, please state:	

Signed: 
Cabinet Member

This record must be forwarded immediately to the Monitoring Officer (TC) and copied to the relevant Cabinet Member.

For Monitoring Officer

Date of publication of Member Information Service Bulletin	
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Date of decision can be implemented (on the Thursday after publication of the Member Information Service Bulletin, unless already protected from call-in)	
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FUNDING AFFORDABLE HOUSING AT BLACKWELL FARM ROAD, EAST GRINSTEAD

REPORT OF: Judy Holmes, Assistant Chief Executive,
Contact Officer: Emma Shuttleworth, Business Unit Leader for Housing
Email: emma.shuttleworth@midsussex.gov.uk
Tel: 01444 477431
Wards Affected: Ashplats
Key Decision No

Purpose of Report

1. To seek the approval of the Cabinet Member for Housing and Planning to use £400,000 of commuted sums from the Council's approved capital budget for affordable housing to enable the delivery of affordable housing at Blackwell Farm Road, East Grinstead.

Recommendations

2. **It is recommended that the Cabinet Member for Housing and Planning approve the payment to Guinness Housing Association of £400,000 from the Council's approved capital budget for affordable housing, to assist in the provision of 10 affordable homes at Blackwell farm Road, East Grinstead.**
 3. **That the Cabinet Member agree that the Council enters into a funding agreement with Guinness Housing Association for the use of these monies. This funding agreement will be subject to planning permission being granted.**
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Background

4. This is a site owned by Mid Sussex District Council (MSDC) which has been approved for disposal on the basis that the provision of affordable housing exceeds the District Plan Policy requirement of 30% and provides 100% affordable housing, comprising 10 affordable units as set out in the table below.

Tenure	Property Type
Affordable Rent	4 x 2 bed houses
	3 x 3 bed houses
Shared Ownership	3 x 3 bed houses

5. Like many 100% affordable housing developments, despite anticipated indicative grant from Homes England, additional subsidy is required to make the scheme financially viable. The proposed funding arrangements are set out below based on projected build cost, and include anticipated Homes England Grant, MSDC contribution, Guinness Housing Association contribution from their recycled capital grant fund and shared ownership sales.

Homes England grant	£511,000
Mid Sussex District Council funding	£400,000
Guinness Housing Association Recycled Capital grant	£1219000

Shared ownership sales	£270,000
Total estimated scheme cost including £400,000 payment to MSDC for the site	£2,400,000

6. If approved the Council's contribution would come from the commuted sums provided by developers in lieu of on-site provision of affordable housing which is ring-fenced specifically for the provision of affordable housing on alternative sites and included in the Council's approved capital budget. Payment would be made upon completion in 2020/21. Currently there is £1,800,000 held in commuted sums.

Policy Context

7. The provision of affordable housing is a key objective of the Council. The need for affordable housing continues to outstrip demand. This proposal provides an opportunity to increase the number of affordable homes in an area of significant need.

Other Options Considered

8. The Council could decide not to provide this funding, but this would put the scheme at risk. The alternative to accepting Guinness's proposals would be to seek to dispose of the site on the open market and apply the District Plan affordable housing policy. However, this is unlikely to bring forward any affordable units as the size and scale does not trigger the affordable housing policy requirement.
9. If the number of units could be increased it is highly likely that the developer will argue it is not viable to provide any affordable homes. Further marketing of the site to other housing associations for 100% affordable housing is also unlikely to achieve a different outcome.

Financial Implications

9. There is budgetary provision to meet the recommended payment.

Other Material Implications

10. None.