

## PERTH AND KINROSS COUNCIL

## Enterprise and Infrastructure Committee

20 November 2013

**EXTENSION OF TIMESCALES FOR THE USE OF AFFORDABLE HOUSING  
DEVELOPER CONTRIBUTION COMMUTED SUMS AT MUIRTON, PERTH FOR A  
DEVELOPMENT OF AFFORDABLE HOUSING**

**Report by Executive Director (Environment)**

This report recommends the approval of an extended date by which previously agreed commuted sums funds can be claimed. The funds will help to deliver affordable housing at Muirton, Perth.

**1. BACKGROUND / MAIN ISSUES**

- 1.1. Commuted sums have been accepted from developers in lieu of the provision of the affordable housing contribution on or off site since May 2006. The Enterprise & Infrastructure Committee on 17 January 2007 (Art. 07/72) agreed that commuted sums collected in accordance with the affordable housing policy will be spent either in delivering affordable housing on the ground or in assisting in the implementation of the affordable housing policy. A number of specific uses for commuted sums were agreed and these are the basis against which applications for funding from the commuted sums account are assessed.
- 1.2. The Council Meeting of 21 February 2007 (Art. 07/49) further agreed to delegate powers to the Executive Director (Environment) to approve grants up to a maximum of £200,000 per site. Where a grant application submitted by registered Social Landlord (RSL) is for over £200,000, the power to approve these applications is with the Enterprise & Infrastructure Committee.
- 1.3. The Enterprise & Infrastructure Committee on 7 November 2012 (Art. 12/505) approved Caledonia Housing Association's application for the use of £250,000 from affordable housing developer contributions to enable the delivery of 25 affordable homes at Muirton, Perth.
- 1.4. Paragraph 3.6.1 of that report set out the date by which funds are to be payable and states:
 

*"The funds will be required to be transferred to Caledonia Housing Association in March 2013; this corresponds with the Council's Strategic Local Programme (SLP) and the Housing Association Grant (HAG) funding which will be paid by the Scottish Government to the project."*
- 1.5. This date has now passed and it is necessary to revisit the previous decision to ensure that, if it remains appropriate to continue to allocate funds to the project, a new date by which the funds should be claimed is set.

## **2 PROPOSALS**

- 2.1 Caledonia Housing Association in partnership with Fairfield Housing Association had a previous grant application for £250,000 approved from the affordable housing developer contributions fund. The grant is to aid the development of 25 affordable homes in phase 5A at Muirton in the Perth Housing Market Area. The dwellings will be for social rent.
- 2.2 The proposal was felt to meet a priority need in the Perth HMA and the proposal could not be delivered for the Council's priority social rent tenure without the use of the commuted sums.
- 2.3 Following the Committee's approval of the grant application, a confirmation letter was sent to the applicants on 21 November 2012 which set out the amount of funding allocated, the necessary information needed to claim the funding and a date of the 31 March 2013 by which the funding should be claimed.
- 2.4 The date by which the funding should be claimed was informed by the applicant's work programme at that time.
- 2.5 The applicant was verbally advised in May 2013 that the date by which the funds should be claimed had passed. The applicant has since advised that whilst delays have occurred in the work programme, the commitment to the project and the numbers of units involved in the project, as well as the mix of funding needed to deliver the project remains unaltered. The applicant has suggested that the date by which the funds should be claimed should be extended to the end of March 2014, and this is considered to be reasonable.

## **3. CONCLUSION AND RECOMMENDATION(S)**

- 3.1 Because of delays in progressing development, the commuted sum grant agreed for Caledonia Housing Association's Muirton Development in Perth has remained unclaimed. The project is still programmed for delivery and the amount and type of affordable housing to be delivered by the funds remain unaltered.
- 3.2 The project continues to feature in the Council's Strategic Housing Investment Plan with delivery programmed for 2013/14.
- 3.3 The Enterprise and Infrastructure Committee is therefore recommended to agree to the extension of the period by which the funds are to be claimed until the end of March 2014 in accordance with the applicant's revised work programme.

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**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Jim Valentine	Executive Director	<b>8 November 2013</b>

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

*The undernoted table should be completed for all reports. Where the answer is 'yes', the relevant section(s) should also be completed*

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	<b>Y</b>
Corporate Plan	<b>Y</b>
<b>Resource Implications</b>	
Financial	<b>N</b>
Workforce	<b>N</b>
Asset Management (land, property, IST)	<b>N</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>N</b>
Strategic Environmental Assessment	<b>N</b>
Sustainability (community, economic, environmental)	<b>N</b>
Legal and Governance	<b>N</b>
Risk	<b>N</b>
<b>Consultation</b>	
Internal	<b>N</b>
External	<b>N</b>
<b>Communication</b>	
Communications Plan	<b>N</b>

### 1. Strategic Implications

#### Community Plan / Single Outcome Agreement

- 1.1 The “Attractive, Welcoming Environment” section of the document sets out targets for the delivery of affordable housing. Agreeing that the commuted sums collected by the Council can be used as set out in the report will help to achieve this.

#### Corporate Plan

- 1.2 The Corporate Plan sets out that the Council will look to increase the identification of effective housing land supply and the availability of affordable housing. Agreeing that the commuted sums collected by the Council can be used as set out in the report will help to achieve this.

## **2. Resource Implications**

### Financial

2.1 None.

### Workforce

2.2 None.

### Asset Management (land, property, IT)

2.3 None.

## **3. Assessments**

### Equality Impact Assessment

3.1 None.

### Strategic Environmental Assessment

3.2 None.

### Sustainability

3.3 None.

### Legal and Governance

3.4 None.

### Risk

3.5 None.

## **4. Consultation**

### Internal

4.1 None.

### External

4.2 None.

## **5. Communication**

5.1 None.

## **2. BACKGROUND PAPERS**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.