

## Appendix 3

<b>TITLE</b>	Use of Commuted Sums – In Lieu of Onsite Affordable Housing Delivery
<b>DATE</b>	09/05/2018
<b>LEAD OFFICER</b>	Arron Nicholls – Senior Housing Related Support Programme Officer - Housing Services

### 1 Summary description of the proposed change

The Use of Commuted Sums policy is a new policy that identifies the circumstances in which the Council will accept commuted sums from developers in lieu of the development of onsite affordable housing. The policy also identifies the circumstances in which commuted sums will be spent.

The policy adheres to government legislation and the collection and use of any commuted sum will be in accordance with the requirements of the S106 agreement, which requires its payment.

### 2 Summary of evidence used to support this assessment

A commuted sum for affordable housing is an amount of money, paid by a developer to the council, where the size or scale of a development triggers a requirement for affordable housing, but it is not possible to deliver affordable housing on site.

The money received from developers is ring fenced and can only be used to provide affordable housing on an alternative site in the local authority

There is a continuing high need for affordable housing in Medway. The council has a target of delivering 204 affordable home per year. In order to achieve this target all funding streams for affordable homes should be explored.

To date commuted sums have been negotiated on 3 sites for the following amounts;

- Victory Pier - £500,000
- Darland Farm - £1,875,000
- Chatham Waterfront - £655,000

Consultations on this policy have taken place with Affordable Housing Providers operating in the Medway area, Legal Services and The Planning Department. The discussions highlighted some of the possible options for spending the fees included in the Policy.

# Diversity impact assessment

### 3 What is the likely impact of the proposed change?

Is it likely to :

Protected characteristic groups (Equality Act 2010)	Adverse impact	Advance equality	Foster good relations
Age			
Disability			
Gender reassignment			
Marriage/civil partnership			
Pregnancy/maternity			
Race			
Religion/belief			
Sex			
Sexual orientation			
Low income groups	✓	✓	

### 4 Summary of the likely impacts

Medway Council policy is for affordable housing to be provided on site to meet housing need and create mixed sustainable communities. However there may be some circumstances as outlined in the policy where the council is unable to negotiate affordable housing onsite. This may adversely impact low income groups as it will lead to a lack of tenure mix and affordable housing on site.

The policy will however advance equality for low income groups as it allows for an additional funding stream to be used for the provision of more affordable housing units. This will allow more low income households the chance to secure accommodation. Without the introduction of this policy funding for future affordable units could go unused or be utilised inefficiently. This would lead to a reduction in the delivery of more affordable housing units leading to a less effective performance against Council Plan targets.

# Diversity impact assessment

## 5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?

The policy has already realised actions to mitigate any adverse impacts implemented by the policy.

Medway Councils default policy is for affordable housing to be provided on site to meet housing need and create mixed sustainable communities. However It is accepted that there will be circumstances as detailed in this policy in which on site affordable housing will not be able to be negotiated. It is therefore important that community funds are utilised (where possible) to develop affordable housing to negate these instances.

The policy has ensured that the council has a robust process for determining the acceptance of commuted sums and identifies that all specific constraints such as a time limit for the sum to be spent, or restrictions around locality for alternative provision need to be adhered to.

It will be important that each specific use of the community fund is considered to ensure it is DIA compliant.

## 6 Action plan

Action	Lead	Deadline or review date
DIA to cabinet		
Policy Adopted		

## 7 Recommendation

It is recommended to proceed with the implementation of the Utilisation of commuted sums policy. The policy contains actions which mitigate any adverse impact identified.

## 8 Authorisation

Assistant Director

Date

11/5/2018

Contact your Performance and Intelligence hub for advice on completing this assessment

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C&A (Children's Social Care):	contact your usual P&I contact	
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