

AFFORDABLE HOUSING

MEMBER OFFICER WORKING GROUP – 25 October 2011

AFFORDABLE HOUSING COMMUTED SUMS FUND – PRESENT POSITION

1. In the report to the Enterprise & Infrastructure Committee on 17 January 2007 a commitment was given to publishing an annual report on affordable housing commuted sums. The report is to be published on the Council's website and is to detail:
 - a summary of the total contribution in each Housing Market Area (HMA)
 - a summary of the total spend in each HMA
 - a record of how each commuted sum is spent
2. 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 first Annual Report was published in June 2008 covering the period May 2006 to 31 March 2008 and was updated in 2009 and 2010; copies of all reports are on the Council website. This Annual Report updates the position to 31 March 2011 and will be published on the Council's website in due course.

Commutated Sums received by HMA 2006-2011

1. The table below indicates the total commuted sums collected, the total amount spent or committed and the outstanding balance in each Housing Market Area at 31 March 2011.

| HMA | Total contributions received | Total contributions spent / committed | Outstanding balance |
|---------------|---------------------------------|------------------------------------------|---------------------|
| Eastern | £150,000 | £200,000 | -£50,000 |
| Highland | £579,750 | £226,420 | £353,330 |
| Kinross | £328,750 | £82,252 | £246,498 |
| Strathearn | £363,419 | £0 | £363,419 |
| Perth | £654,625 | £310,300 | £344,325 |
| Perth Centre | £0 | £0 | £0 |
| Miscellaneous | | £1,507 | -£1,507 |
| | | £26,689 | -£26,689 |
| | | £41,699 | -£41,699 |
| TOTALS | 2,076,544 | 820,479 | 1,187,676 |

Notes: - the miscellaneous expenditure was for the advertisement for the Affordable Housing Officer post in 2009 and the Affordable Housing Enabler post (Financial year 2009/10 & 2010/11).
For recording purposes Perth Centre is treated as a sub area of the Perth HMA

2. The negative balance in the Eastern HMA was due to overspend on one project in this area in 2008 (PHA project for 12 affordable flats in Coupar Angus). It was previously agreed by the Enterprise & Infrastructure Committee that in any individual year contributions may be aggregated for use in any of the Housing Market Areas although the aim should always be to ensure that all contributions are spent within the same HMA as they were generated within the 5 year period.

Commuted sums spend

3. The table below indicates those commuted sums which have been spent / committed and the projects to which they have been paid or are committed to in the period 01 April 2010 to 31 March 2011.

| Site sums received from | Planning ref. | Contribution amount | Spend date | Spend amount | Project ref. | Details of spend |
|--------------------------------|----------------------|----------------------------|-------------------|---------------------|---------------------|-------------------------|
| Flockhouse Farm, Blairadam | 06/02017/FUL | £31,250 | 01/09/2011 | £31,250 | 09/HHA/K/010 | 2 Swansacre |
| Kellieside, Kinross | 06/01517/FUL | £56,250 | 01/09/2011 | £51,002 | 09/HHA/K/010 | 2 Swansacre |

4. The commuted sums were both spent at the Hillcrest HA development at 2 Swansacre, Kinross. This project was for the redevelopment of a property to provide 4 social rented units, the sums were spent on development works necessary in a conservation area.
5. No commuted sums have to date been spent in the Strathearn HMA.
6. No applications have been turned down in the period 01 April 2010 to 31 March 2011.

Outstanding applications

7. There are currently no applications from Registered Social Landlords (RSLs) for the use of commuted sums outstanding. However, as the Council have recently received the outcome from the Scottish Government's Innovation & Investment Fund bids it is expected this will change as RSLs seek funding to meet development costs and work alongside the reduced HAG funding.

Current market situation

8. In the period 01 April 2010 to 31 March 2011 three commuted sum payments have been made totalling £206,625.
9. It is not anticipated that the number of commuted sum payments will improve markedly until such time as the overall market situation improves.