

Agenda



Listening Learning Leading

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Date: 2 August 2023
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A MEETING OF THE Cabinet

**WILL BE HELD ON THURSDAY 10 AUGUST 2023 AT 6.00 PM
MEETING ROOM 1, ABBEY HOUSE, ABBEY CLOSE, ABINGDON, OX14
3JE**

To watch this virtual meeting, follow this link to the council's [YouTube channel](#).

Members of the Cabinet

Member	Portfolio
David Rouane (Chair)	Leader of the Council
Robin Bennett (Vice-Chair)	Deputy Leader of the Council and Cabinet member for economic development and regeneration
Maggie Filipova-Rivers (Vice-Chair)	Statutory Deputy Leader of the Council and Cabinet member for community wellbeing
Pieter-Paul Barker	Cabinet member for finance and property assets
Sue Cooper	Cabinet member for the environment
Andrea Powell	Cabinet member for corporate services, policy and programmes
Anne-Marie Simpson	Cabinet member for planning
Freddie van Mierlo	Cabinet member for climate change and nature recovery

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ITEMS TO BE CONSIDERED WITH THE PUBLIC PRESENT

Reports considered with the public present are available on the council's website.

1 Apologies for absence

To record apologies for absence.

2 Minutes (Pages 4 - 12)

To adopt and sign as correct records the public minutes of the Cabinet meetings held on 22 June and 3 July 2023.

3 Declaration of interests

To receive declarations of disclosable pecuniary interests, other registrable interests and non-registrable interests or any conflicts of interest in respect of items on the agenda for this meeting.

4 Urgent business and chair's announcements

To receive notification of any matters which the chair determines should be considered as urgent business and the special circumstances which have made the matters urgent, and to receive any announcements from the chair.

5 Public participation

To receive any questions or statements from members of the public that have registered to speak.

6 Recommendations and updates from other committees

To consider any recommendations to Cabinet from other committees.

7 Grant funding affordable housing (Pages 13 - 27)

To consider the head of housing and environment's report.

8 Exclusion of the Public

To consider whether to exclude members of the press and public from the meeting for the following items of business under Section 12A of the Local Government Act 1972 as amended on the grounds that:

- (i) It is likely that there will be disclosure of exempt information as defined in paragraph 3 of Schedule 12A, and
- (ii) the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

ITEMS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

The council hereby gives notice that it intends to hold part of this Cabinet meeting in private to consider the following items for the reasons set out in the 'exclusion of the public' item above. These reports are not available on the council's website.

9 Minutes (Pages 28 - 29)

To adopt and sign as a correct record the exempt minutes of the Cabinet meeting held on 3 July 2023.

Patrick Arran
Head of Legal and Democratic

Minutes OF A MEETING OF THE



Listening Learning Leading

Cabinet

Held on Thursday 22 June 2023 at 6.00 pm
Meeting Room 1, Abbey House, Abbey Close, Abingdon, OX14 3JE

Present in the meeting room:

Cabinet members: Councillors David Rouane (Chair), Robin Bennett, Maggie Filipova-Rivers, Pieter-Paul Barker, Sue Cooper, Andrea Powell, Anne-Marie Simpson and Freddie van Mierlo

Officers: Andrew Busby (Head of Development and Corporate Landlord), Steve Culliford (Democratic Services Team Leader) and Ben Silverthorne (Trainee Democratic and Electoral Services Officer)

Remote attendance:

Officers: Patrick Arran (Head of Legal and Democratic), Jayne Bolton (Community Wellbeing Manager), Andrew Down (Deputy Chief Executive - Partnerships), Jeremy Lloyd (Broadcasting Officer), Mark Minion (Head of Corporate Services), Adrianna Partridge (Deputy Chief Executive - Transformation and Operations), Cheryl Reeves (Community Enablement Team Leader), Richard Spraggett (Strategic Finance Officer) and Mark Stone (Chief Executive)

Guests: Councillor Ken Arlett

1 Minutes

RESOLVED: to approve the public and exempt minutes of the meeting held on 9 March 2023 as a correct record and agree that the Chair signs them as such.

2 Declaration of interests

Councillor Robin Bennett declared an interest in item 8, revenue grant fund options. He was a trustee of the Berin Centre, which had been a beneficiary of the grants scheme previously.

Councillor David Rouane declared an interest in item 9, the integrated care strategy. He was the Oxfordshire district councils' appointed representative on the Integrated Care Partnership, which had developed the strategy.

3 Urgent business and chair's announcements

None

4 Public participation

Mr Adrian Townsend, a member of the public, addressed Cabinet. He presented a vote of no confidence in South Oxfordshire District Council from the parishioners of the Garsington Parish Meeting, held on 15 May 2023. The vote of no confidence related to the council's adoption of the South Oxfordshire Local Plan 2035, which allocated strategic housing sites around the fringes of Oxford. Mr Townsend asked members to (1) meet Garsington Parish Council to discuss its vision for the Northfield housing site, (2) to amend the local plan so that housing was dispersed across the district and not concentrated around Oxford, and (3) to write to the government minister to explain the reasons for a review of the local plan to stop Oxford's urban sprawl.

The chair thanked Mr Townsend for his statement and agreed to take this away for consideration. He reminded Mr Townsend that the council had started work on the next local plan, a joint plan with Vale of White Horse District Council, and urged him to take part in the new plan's consultation.

5 Recommendations and updates from other committees

Cabinet received a recommendation from the Climate and Ecological Emergencies Advisory Committee.

RESOLVED: to refer the recommendation of the Climate and Ecological Emergencies Advisory Committee below to the task group undertaking a review of the Corporate Plan for information and reflection:

“That the ‘People’s Plan for Nature’ report should form part of the evidence base for the next corporate plan to establish measurable targets, and that consideration be given to a local nature park.”

6 Grant funding affordable housing

Cabinet received the report of the head of housing and environment. This proposed a new policy, criteria and procedure for the award of section 106 funding towards affordable housing projects.

The Cabinet member for development and regeneration reported that the new chair of Scrutiny Committee had raised questions over the policy and procedure. The Cabinet member therefore proposed that Cabinet's consideration of the report should be deferred to allow Scrutiny Committee to review it and make any suggestions back to Cabinet. Cabinet members agreed with the proposal.

RESOLVED: to defer consideration of the head of housing and environment's report on grant funding affordable housing, pending a review of the report and its proposals by Scrutiny Committee.

7 Revenue grant fund options

Councillor Robin Bennett declared an interest in this item as he was a trustee of the Berin Centre, which had been a beneficiary of the grants scheme previously. He left the meeting room during consideration of this item.

Cabinet considered the report of the head of policy and programmes. This set out options for revenue grant funding beyond the current financial year. The options were to:

- A. extend the current scheme for the existing 22 organisations for a further one, two, or three years.
- B. extend the 2022-2024 revenue grant scheme for a further year (2024/25) to the current grant recipients.
- C. review and update the 2022-2024 revenue grant policy, launching the scheme for new applications in late summer 2023 for two, three or four years of funding.
- D. close the scheme

The Cabinet member for community wellbeing dismissed option A as this was not ideal financially. Option C did not allow sufficient time to review the scheme. Option D, to close the scheme, was considered inappropriate.

Instead, the Cabinet member recommended option B. This would allow time to update the current scheme policy to align with the new Corporate Plan. The new scheme could be launched to all Voluntary and Community Sector organisations in late summer 2024, with funding beginning in April 2025. Cabinet agreed, as members were keen to continue grant funding Voluntary and Community Sector organisations. This also gave the opportunity to consider aligning the scheme with the Vale of White Horse's scheme.

Cabinet asked officers to consider the best method for the Voluntary and Community Sector organisations to provide feedback on their work.

RESOLVED: to agree to:

- (a) extend the 2022/24 Revenue Grant Scheme for a further year (2024/25) to the current grant recipients;
- (b) update the current scheme policy to align with the new Corporate Plan;
- (c) launch the new scheme to all Voluntary and Community Sector organisations in late summer 2024, funding to begin in April 2025; and
- (d) consider options for the Voluntary and Community Sector organisations receiving grant funding to brief members on their work.

8 Integrated care strategy

Councillor David Rouane declared an interest in this item as he was the Oxfordshire district councils' appointed representative on the Integrated Care Partnership, which had developed the strategy. He remained in the meeting during consideration of this item.

Cabinet considered the head of policy and programmes' report. This recommended the endorsement of an Integrated Care Strategy. The report explained that the Integrated Care Board was the new National Health Service (NHS) body that received funds from NHS England and planned and bought services for West Berkshire, Oxfordshire, and Buckinghamshire. The Health and Care Act 2022 set out new statutory requirements for the Integrated Care Board, one of which was to produce an Integrated Care Strategy.

The strategy had been developed by the Integrated Care Partnership, which consisted of health and care partners across Buckinghamshire, Oxfordshire, and Berkshire West. The

strategy set out priorities to support improved health and wellbeing across the area. The vision was for residents to have the best possible start in life, to live happier, healthier lives for longer, and to get the right support when they needed it. To achieve the vision, the partnership had developed the Integrated Care Strategy, which proposed a common set of priorities that partners would work on together. The strategy had been subject to consultation. Cabinet was asked to endorse it.

Cabinet supported the endorsement of the strategy, believing it to be an important step towards the integration of local health and care services. The strategy would release funding for these services as new housing was delivered. Members also pointed to the positive climate implications of endorsing the strategy. The integration of health and care services would hopefully result in more local services being available, thereby reducing the need to travel. Cabinet looked forward to seeing the action plan to implement the strategy.

RESOLVED: to endorse the Integrated Care Strategy, as set out in appendix 1 to the head of policy and programmes' report to Cabinet on 22 June 2023.

9 Updates to the terms of reference for the Future Oxfordshire Partnership

Cabinet considered the report of the deputy chief executive – partnerships. This set out proposed changes to the Future Oxfordshire Partnership's Terms of Reference and Memorandum of Understanding. The changes were needed to reflect:

- the government's requirement that Oxfordshire County Council was responsible for the delivery of the remaining £30 million infrastructure funding;
- the adoption of the strategic vision for Oxfordshire; and
- the cessation of work on the Oxfordshire Plan 2050.

Cabinet supported the proposed changes and noted that they would need approval from all six principal councils in Oxfordshire.

RESOLVED: to approve the Future Oxfordshire Partnership's revised Terms of Reference and Memorandum of Understanding, the revisions taking effect following approval by each of the six Oxfordshire councils.

The meeting closed at 6.42 pm

Chair

Date

Minutes OF A MEETING OF THE



Listening Learning Leading

Cabinet

Held on Monday 3 July 2023 at 6.00 pm
Meeting Room 1, Abbey House, Abbey Close, Abingdon, OX14 3JE

Present in the meeting room:

Cabinet members: Councillors David Rouane (Chair), Pieter-Paul Barker, Robin Bennett, Sue Cooper, Anne-Marie Simpson and Freddie van Mierlo

Officers: Steve Culliford (Democratic Services Team Leader), and Simon Hewings (Head of Finance)

Remote attendance:

Cabinet members: Councillor Maggie Filipova-Rivers (Vice-Chair)

Officers: Patrick Arran (Head of Legal and Democratic and the Monitoring Officer), Andrew Busby (Head of Development and Corporate Landlord), Andrew Down (Deputy Chief Executive – Partnerships), Paul Fielding (Head of Housing and Environment), Jeremy Lloyd (Broadcasting Officer), Mark Minion (Head of Corporate Services), Tim Oruye (Head of Policy and Programmes), Adrianna Partridge (Deputy Chief Executive – Transformation and Operations), and Eliot Ward (Interim Masterplanning Lead)

Guests: Councillors Ken Arlett and Mocky Khan

10 Apologies for absence

Councillor Andrea Powell had sent her apologies for absence.

11 Declaration of interests

None

12 Urgent business and chair's announcements

The chair announced that an additional report had been circulated and published regarding the Local Authority Housing Fund 2. This would be considered alongside item 6 on the agenda.

13 Public participation

Cabinet received an address from one member of the public.

- (1) John Salmons made a statement regarding the proposed consideration of the office accommodation agenda item in exempt session. He believed that this item should be considered in public session. He asked the chair whether the council had a duty to

consult the public on the principle of its proposed developments before they reached the formal planning process. He believed that if the council found the public were opposed in principle to a development, it should back down accordingly.

In response the chair reported that the Cabinet report was an update on the design and programme of the proposed office accommodation, not on the principle, as the principle had been discussed at several public meetings previously.

The Monitoring Officer, Patrick Arran, reported that it was not an unlawful decision that was being considered at this Cabinet meeting. The council could lawfully exclude the public from a meeting if matters under discussion fell within the exempt criteria in Schedule 12A of the Local Government Act. Prior to publication of the agenda, he had authorised that the office accommodation report could be considered in exempt session under paragraph 3 of the criteria, as it contained commercially sensitive information. He had also weighed up the public interest in being made aware of the content of the paper against the prejudice of the public interest if the council's commercial interests were brought into the public domain. He was clear that this was not unlawful but accepted that it was unusual for a report to be considered in exempt session; this was the exception rather than the rule. Whenever possible the council would publish its reports, even if this required an exempt appendix, as was evidenced by another report on the Cabinet agenda. However, his advice was that the office accommodation report should be considered in exempt session at this time. Details of the project would be published at the appropriate time. It was a matter for Cabinet to agree to consider the report in exempt or public session under agenda item 7.

14 Update on the council's Information Technology infrastructure

Cabinet considered the head of corporate services' report, which summarised the discussions relating to the council's information technology arrangements. The report sought support to progress with the implementation of the council's previously agreed approach to create a single tenancy for its Microsoft 365 infrastructure with Vale of White Horse District Council. This was part of the councils' joint Technology Strategy, originally agreed in 2018 and re-affirmed in 2021.

Cabinet noted the options:

1. to agree to move forward with the segregation of the council's Microsoft 365 tenancy and create a stand-alone environment for South Oxfordshire and Vale of White Horse district councils.
2. wait to the end of the Capita contract in 2025.

Cabinet considered that option 1 would allow the council to progress this work quickly and that this should not wait until the contract end. It also aligned with the council's Technology Strategy and transformation programme.

RESOLVED: to

- (a) note the update set out in the head of corporate services' report to Cabinet on 3 July 2023;

- (b) reaffirm the council's intention to pursue a separate Microsoft 365 tenancy as part of the council's overall transformation programme and planned exit from the outsourced IT arrangements; and
- (c) authorise the deputy chief executive - transformation and operations, in consultation with the Cabinet member for corporate services, to take all necessary steps to implement the council's withdrawal from the shared Microsoft 365 tenancy.

RECOMMENDED to Council:

- (d) that a supplementary estimate of £326,000 be added to the 2023/24 revenue budget, funded as set out in the head of corporate services' report to Cabinet on 3 July 2023.

15 Delivery and management arrangements for council-provided Local Authority Housing Fund housing

(1) Local Authority Housing Fund

Cabinet considered the report of the deputy chief executive – transformation and operations on work being undertaken to provide homes under government's Local Authority Housing Fund scheme.

The report set out the proposed framework to deliver a target of 23 homes that met the eligibility criteria outlined within the Local Authority Housing Fund prospectus. This was in accordance with the signed Memorandum of Understanding with the Department of Levelling Up, Housing and Communities, which set out the basis for the use of the funding. The report sought approval to progress to the delivery phase.

The report outlined the work undertaken to date, including the Community Hub support. The report also set out the projected capital and revenue implications and potential risks and benefits of proceeding with the scheme. Given the capital funding and potential borrowing requirement, Cabinet would need to make a recommendation to full Council so that financial allocations could be made to allow the scheme to proceed.

The Cabinet member reported that the government scheme offered grants to councils to provide housing for Afghans and Ukrainians in the district that were at risk of homelessness. The council would receive grant funding of approximately 40 per cent of the cost of purchasing properties but would have to fund the remainder. Thereafter the homes would belong to the council. The council would need to temporarily outsource repairs and maintenance of these homes before a resource was available in-house.

Cabinet supported progressing with the Local Authority Housing Fund scheme as a matter of urgency to support those most in need. If the council did not take part in this scheme and families became homeless the council would still have a duty to house them. This scheme also supported the council's housing strategy and would provide secure accommodation at lower revenue costs than alternative housing provision.

Cabinet recognised that this was a significant undertaking for the council and thanked officers for their work in progressing the schemes in such a short timescale. Cabinet also thanked the local residents that had hosted refugee families.

RESOLVED: to

- (a) note the approach proposed for the delivery and management of the properties under the Local Authority Housing Fund scheme, noting the risks, and approve officers to proceed;
- (b) note the proposed phase one staffing structure for the delivery and management of these properties alongside those purchased or managed under other arrangements;
- (c) approve a virement from Contingency of up to £100,000 to cover potential unbudgeted revenue expenditure;
- (d) authorise the head of development and corporate landlord, in consultation with the heads of finance, legal and democratic, and housing and environment, to approve the freehold or leasehold acquisition of property under the Local Authority Housing Fund scheme following appropriate due diligence; and
- (e) note the financial and other risks presented by the decisions above, as set out in the report of the deputy chief executive – transformation and operations to Cabinet on 3 July 2023.

RECOMMENDED to Council:

- (f) to proceed the allocation of a capital budget envelope of £4.6 million, being the council's share of the purchase costs of properties bought under the Local Authority Housing Fund scheme.

(2) Local Authority Housing Fund 2

Cabinet then considered the supplementary report of the deputy chief executive - transformation and operations. This sought an additional decision to accept government grant funding made available under Local Authority Housing Fund 2, a second phase of the initial scheme. The report had been published after the Cabinet agenda as the details had only emerged from government in the preceding days. Cabinet noted that the second phase of this scheme would further support the provision of housing for the council's refugee accommodation programme.

Unlike the first phase, the Local Authority Housing Fund 2 also allowed the council to utilise the accommodation for general homelessness use and would deliver a further four homes. This would bring in government funding of £768,000 and require a recommendation to Council to add £1.92 million to the capital programme.

For the same reasons as the first phase above, Cabinet supported the proposal to accept the government funding and authorise officers to sign a Memorandum of Understanding. Doing so would allow the council to provide additional homes to support those most in need.

RESOLVED: to

- (a) accept the Department for Levelling Up, Housing and Communities' grant of £768,000 (indicative Local Authority Housing Fund 2 allocation) to deliver four homes that meet the eligibility criteria outlined within the Local Authority Housing Fund 2 prospectus, and to authorise the deputy chief executive – transformation and operations to sign the Memorandum of Understanding with the Department for Levelling Up, Housing and Communities, which sets out the understanding between both parties for the use of funding.

RECOMMENDED to Council to:

- (b) add £1.92 million to the approved capital programme, part funded by Local Authority Housing Fund 2 funding of £768,000 to purchase four homes under this scheme.

16 Exclusion of the Public

Cabinet considered whether to move into exempt session to consider the remaining agenda items. In the case of the office accommodation item, Cabinet concluded that the report was an update on the design and programme of the office accommodation and should be considered in exempt session as it contained commercially sensitive information.

RESOLVED: to exclude members of the press and public from the meeting for the following item of business under Schedule 12A of the Local Government Act 1972 as amended on the grounds that:

- (i) it involves the likely disclosure of exempt information as defined in paragraphs 3 and 5, Schedule 12A of the Act, and
- (ii) the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

17 Delivery and management arrangements for council-provided Local Authority Housing Fund housing

Cabinet noted the financial arrangements for the Local Authority Housing Fund scheme.

18 New office accommodation – design and programme update

Cabinet noted a report updating on progress with the detailed design and delivery programme for the council's new office accommodation building. Cabinet reaffirmed its previous decision to progress to the planning and procurement phases of the programme.

Cabinet Report



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Report of Head of Housing and Environment

Author: Nigel Bower (Housing Delivery Manager)

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Wards affected: All

Cabinet member responsible: Cllr. Robin Bennett

Tel: 07979 646815

E-mail: Robin.Bennett@southoxon.gov.uk

To: CABINET

Date: 10 August 2023

Grant Funding Affordable Housing

Recommendation

To adopt the revised Affordable Housing Section 106 Commuted Sums Grant Policy for the awarding of S.106 grant funding to affordable housing projects in the district.

Purpose of Report

1. The Joint Housing Delivery Strategy 2022-2024 (Approved by Cabinet on 10 November 2022) recommended a refresh of the criteria used to allocate Section 106 affordable housing funds, and the framework for fund allocation used by South Oxfordshire District Council and Vale of White Horse District Council. The changes reflect the council's desire to increase the delivery of affordable housing further, and to make the grant application process, easier and more transparent.
2. This report puts forward a set of priorities to be used to determine whether a project fits with the strategic priorities agreed in the Housing Delivery Strategy and recommends a clearer alignment between the information requested from applicants and the information used for evaluation. This will give greater clarity to applicants.

Corporate Objectives

3. Action on Climate Emergency
4. Homes and infrastructure that meet local needs.

Background

5. Section.106 (S.106) of the Town and Country Planning Act 1990 allows the Council to enter into a planning agreement with a planning applicant which sets out certain enforceable obligations. These relate to the carrying out of a development. One of these obligations can be the payment of a financial contribution in lieu of the on-site delivery of affordable housing. In most cases, this sum is a result of a 'part unit' (e.g. a development of 33 dwellings would result in 13.2 affordable dwelling when seeking 40 per cent affordable housing. A financial contribution would therefore be payable on the 0.2).
6. On a small number of occasions, a financial contribution may be accepted in lieu of any on-site delivery, and where there is a robust justification for doing so. The contribution is paid by the developer and is ringfenced for the sole purpose of contributing to the delivery of affordable housing by those that apply. The sum is normally held for a period of 10 years. If it remains unspent after that time, it may have to be returned to the developer.
7. Current guidance for S.106 funding asks applicants to provide a detailed description of their project and to address:
 - Affordability
 - Value for money
 - Community benefit
 - Environment
 - Why the project cannot be delivered without grant
8. Applicants are also asked for financial appraisal, layout, and location. The criteria is then used to evaluate the project, looking at eligibility, strategic fit, value for money, and capability, asking a series of questions which the applicant may or may not, have included on the application form. Alignment between the guidance, application form and evaluation criteria would reduce the amount of follow up work required on applications and reduce delay in processing and decision-making.
9. Based upon experiences since its introduction, there are several areas within the current application system which would benefit from updating and amending in order to ensure a more streamlined process, with clearer parameters which fully address the council's requirements. The assessment criteria is also updated as part of this review. An updated and clearer application process will form part of a greater overall drive to increase the provision of genuinely affordable homes for local households and individuals.
10. The aim is to have a policy and process for the allocation of S.106 funds which is fair, transparent, and legal and enables officers to make clear and objective recommendations for the allocations of funds within this policy, if agreed by Cabinet. It is also highly important that applications for grant funding align with the priorities of the council's recently adopted Housing Delivery Strategy, which has access to high quality affordable homes at its heart.

Proposal

11. A revised and updated S.106 commuted sum spend policy is attached as Appendix 1 of this report. If approved by Cabinet, this will replace the current framework and application process in its entirety.
12. In replacing a currently open-ended system, receipt of applications will be acknowledged within a maximum of 10 working days. Following this, applicants will be provided with a clear timescale in which the council will be able to assess the application and, if accepted, undertake the necessary due diligence, and prepare a report to Cabinet.
13. To ensure that sufficient funds are available at any given time, the council will suspend the application window on its website if funds fall below £250,000. The application window will reopen once further income has been received from S.106 contributions already secured.
14. The application process, and the criteria against which applications are assessed, is proposed to be revised as shown at Appendix 1. It contains the detailed criteria, assessment process, together with the application form, required information list, and the key requirements of a funding agreement between the council and any recipient organisation.
15. The council's website will invite prospective applicants to engage with the Affordable Housing Team in advance of submitting a formal grant funding application. This will help to identify any issues early on, and prevent applications being submitted, that will not meet the council's criteria.
16. If adopted by Cabinet, the revised arrangements will become applicable on 1 September 2023. Any applications received and acknowledged prior to this date will be considered against the original framework.

Climate and ecological impact implications

17. Significant weight will be given to applications demonstrating that they will deliver a net zero-carbon project. In addition to contributing to addressing the council's declared climate emergency, a zero-carbon home will contribute significantly to reducing running cost for the occupants. This is outlined in Paragraph 9 (scheme features) which states *"Specifically for applications related to homes to be provided in South Oxfordshire District Council, any projects that propose gas heating will automatically be given a score of zero in this category, and this issue will be highlighted in any decision report. Conversely, greater weight will be given to housing schemes that can clearly demonstrate and evidence that the resulting scheme will be considered low carbon."*

Financial Implications

18. The council's Infrastructure Obligations Team will be consulted on all projects to ensure that the proposed use meets the spending criteria of the associated S.106 contributions, and will be updated monthly on any allocation, transfer of funds and project completions, so that this can be recorded appropriately. Any funding allocations and expenditure will be captured in the statutory annual Infrastructure Funding Statement to be published in December each year.

19. The S.106 commuted sums held by the council equate to approximately £2.8 million. This amount is less grant funding already approved by Cabinet in connection with the following schemes:

Henley and District Housing Trust £450,933 (3 homes for Social Rent)
Thame and District Housing Association £765,000 (5 homes for Social Rent)
Soha £746,208 (12 homes for Affordable Rent)
SODC £500,000 (Broadway feasibility study, design etc)

20. Any council decision that has financial implications must be made with the knowledge of the council's overarching financial position. For Vale, the position reflected in the council's medium-term financial plan (MTFP) as reported to full Council in February 2023 showed that the council was able to set a balanced budget for 2023/24, but that there is expected to be a budget gap in future years. However, there is great uncertainty over this caused by a lack of clarity from government.
21. The future funding gap is predicted to increase to over £7.8 million by 2027/28, based on current cautious officer estimates of future funding levels. Whilst it is anticipated that overall funding for the council will remain relatively unchanged in 2024/25, the lack of certainty on future local government funding from 2025/26 onwards means the level of funding, and the resulting estimated funding gap, could be significantly different from current officer estimates in either a positive or negative way. Every financial decision, particularly those involving medium-term funding commitments (i.e., those beyond 2024/25), needs to be cognisant of the potential for significant funding gaps in future years

Legal Implications

22. It is open to Cabinet to set the parameters for any grant scheme and, as the report recognises, Section 106 monies should be applied for the purposes expressed in the agreement. Other than that, there are no specific legal implications arising from the recommendation in this report.

Risks

23. Sums held as S.106 financial contributions can only normally be held for a maximum of ten years. If they remain unspent after this period, they must be returned to the developer, usually with interest or indexation. Therefore, the council should actively look to appropriately expend these sums.
24. The risk of a recipient body failing to deliver homes for which it has been allocated grant, will be mitigated through terms contained within a grant funding agreement. This will include staged payments of the grant and restriction on title of the property benefiting from funding.

Other implications

25. None

Conclusion

26. The revised commuted sum policy will replace all existing guidance if adopted. The policy and accompanying procedures will provide greater clarity and transparency, and

ensure that the council's corporate objectives, and strategic aims of the Housing Delivery Strategy are more effectively met.

27. A streamlined and more transparent assessment process, combined with greater emphasis on the council's strategic housing deliver objectives will ensure a high-quality affordable product directly benefiting the council's residents.

Appendix

- 1 Affordable Housing Section106 Commuted Sums Grant Policy

Background Papers

- [Existing S106 application process](#) (available on the council's website)



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APPENDIX 1

Affordable Housing Section 106 Commuted Sums Grant Policy

Introduction

1. The delivery of high-quality affordable homes is of great strategic importance to the council. Homes which are affordable, and delivered to high design and environmental standards, have a very significant impact on quality of life for the council's residents.
2. Section 106 (S.106) of the Town and Country Planning Act 1990 allows each local authority to enter into a planning agreement with a planning applicant which sets out certain enforceable obligations. These relate to the carrying out of a development. One of these obligations can be the payment of a financial contribution in lieu of the on-site delivery of affordable housing.
3. The council currently receives commuted sums (financial contributions) in certain circumstances, in lieu of the on-site delivery of affordable housing. These sums are made available for a number of purposes, including to enable the delivery of further affordable homes. Projects should demonstrate that they are making a significant contribution to the affordable housing stock through the provision of high-quality homes which are genuinely affordable to lower income households in the area.

Applying for Grant Funding

4. The council may make funds available to enable the delivery of new affordable housing where proposals can demonstrate a significant contribution to meeting housing need in the district in a way that addresses the key areas contained in this document. Project proposals are expected to align with the majority of the key priorities below, reflecting the councils' Housing Delivery Strategy 2022-2024. These are: -
 - Delivers affordable housing
 - Delivers social rent
 - Community led
 - In area where there is a high level of demand and deficit of supply
 - Meets net zero or better carbon build standards
 - Not able to access Homes England funding
 - Meeting need from the housing register (e.g. regeneration)
 - Delivers affordable housing in perpetuity
5. It is important that any application for grant funding demonstrates that it contributes to meeting the majority of these priorities before it can be



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considered. Significant weight will be given to how a project proposal meets these priorities in assessing applications.

6. In addition to the above strategic priorities, all proposals must comply with relevant Local Plan policy requirements, building regulations, meet the Nationally Described Space Standard as a minimum, and seek to achieve maximum household occupation through appropriate bedroom sizes.

Eligible Costs

7. Grant funding is awarded in relation to identified cost elements. These are: -
 - Acquisition (usually the cost of land)
 - Works (build costs)
 - Oncosts (fees directly associated with the projects, such a planning fees)

Application Assessment and Criteria

8. Where an application is considered to contribute to meeting strategic priorities identified in the Housing Delivery Strategy, then assessment will consider factors relating to the ability to deliver and financial robustness and grant requirement.
9. The following criteria are grouped into themes. Applicants will be required to provide evidence within the application to cover all these considerations. They form part of the assessment process, and will also form part of the overall scoring assessment: -

Governance

- Governance structure
- Incorporated company
- Community led
- Registered Provider
- Capability – skills, capacity, experience

Financial Robustness and value for money

- Unit and scheme costs demonstrating VFM
- Proportion of grant funding against scheme costs
- Other sources of funding
- Robust feasibility appraisal/financial viability assessment
- Risk assessment

Project management

- Proposed site status



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- Realistic project plan
- Project management capacity
- Any milestones achieved
- Demonstration of community engagement
- Evidence of LA discussions/support

Scheme features

- Good housing type and tenure mix
- Design aligns to council policy
- Use of innovative methods
- Low, zero or negative carbon

Specifically for applications related to homes to be provided in South Oxfordshire District Council, any projects that propose gas heating will automatically be given a score of zero in this category, and this issue will be highlighted in any decision report. Conversely, greater weight will be given to housing schemes that can clearly demonstrate and evidence that the resulting scheme will be considered low carbon.

Specifically for applications related to homes to be provided in Vale of White Horse District Council, greater weight will be given to housing schemes that can clearly demonstrate and evidence that the resulting scheme will be considered low carbon.

- Added social value (e.g. use of local contractors, apprenticeships)

Financial Appraisal

10. The financial appraisal of a proposal will undergo the following review process. It is therefore important that an application is accompanied by sufficient information to allow a full appraisal to be undertaken.

- a) Application received with supporting information
 - Land acquisition and independent RICS valuation
 - Independent RICS unit GDV valuation
 - Contractor selection process
 - Contractor tender process
 - Contractor cost analysis
 - LA completed model

b) Analysis of development cost information. Ensure the cost analysis meets minimum build standards, including meeting all environmental standards.

c) Review levels of grant funding.

d) Holistic review of application



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- e) Financial risk review
 - Governance
 - Financial robustness
 - Project management
 - Scheme features

11. At each review point a negative outcome will present the opportunity for the applicant to resubmit their application with amendments based on the feedback received.

12. The councils' affordable housing team will review the financial information presented and then compare against industry standard Key Performance Indicators, such as:

- IRR - Internal rate of return
- GDV - Gross development value
- POC- Profit on cost
- CPSft – Cost per square foot/meter
- PDG - Property demand growth.

A summary of the financial appraisal will be sent to the finance team to for assessment and comments.

Scoring

13. Applications must meet the essential criteria and address the key strategic priorities of the council's Housing Delivery Strategy as outlined in this document. Where there is a limit on the availability of funds, scores will be used to rank competing applications. It is therefore important to provide as much detail as possible in the application.

Scoring Matrix

Governance	Score (0-3 points)
Governance structure	
Incorporated	
Registered Provider	
Capability – skills, capacity, experience	
Financial robustness and value for money	
Unit and scheme costs demonstrating Value for Money	
Proportion of grant funding requested (of total scheme cost)	



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Robust feasibility appraisal/financial viability assessment	
Other sources of funding	
Risk assessment	
Project management	
Proposed site status	
Realistic project plan	
Project management capacity	
Milestones achieved	
Demonstration of community engagement	
Scheme features	
Good housing type and tenure mix	
Design aligns to council policy	
Use of innovative methods	
Added social value	
Meets zero carbon or better	
Strategic	
Delivers affordable housing	
Delivers Social Rent	
Community led	
Area where high level of demand and deficit of supply	
Not able to access Homes England funding (e.g. regeneration project)	
Meeting need from housing register	
Delivers affordable housing in perpetuity	

14. Scoring will be undertaken by officers within the affordable housing team, and scores will be applied on a 0 – 3 basis for each category, depending upon how closely the various elements of a project fit with the elements above.

- 0 - Element not present / evidenced
- 1 - minimal presence / evidence
- 2 - Significant presence / evidence
- 3 - Present / fully satisfactory

For example, a proposal which meets only minimum building regulation standards is likely to score 1, whereas a zero-carbon scheme would score a 3. A development comprising all Social Rent would score 3, whereas a development comprising a mix of Affordable Rent and Social Rent may score a 2, depending upon the proportion Social Rent.

Documentation required with the application

15. The applicant must ensure that the documentation provided with the application is sufficient and detailed enough to enable the council to make a



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thorough assessment of the proposal to be able to arrive at an informed decision. Where evidence is lacking or incomplete, this will be reflected in scoring or rejection of the application. The following documents must be included in any submission, in addition to other supporting documents.

- Financial viability appraisal, including a complete breakdown of all associated costs
 - Title documents (where applicable)
 - Planning consent
 - Constitution
 - Location plan
16. All total scores, along with a summary of the application, will be reviewed by the Housing Delivery Manager and Head of Housing and Environment before progressing further to a report to Council. The purpose of this review is to ensure that scores have been reached in a reasonable way, and that they can be justified.

Grant Funding Agreement and Payment of Grant

17. Any successful applicant will be required to enter into a legally binding grant funding agreement before any funds are released. The agreement will set out the terms on which the grant is made available. The council has a legal duty to protect public funds and a contractual obligation under the S106 Agreement to ensure that the grant is used for its intended purpose. Grant will become repayable should the project not deliver as set out in the agreement, or in the event that any affordable homes delivered with the benefit of grant, cease to meet the definition of affordable housing.
18. Applicants should note that the council will require a restriction to be placed on the title of any property utilising any grant funding requiring the council's permission in the event of any disposals. Where a recipient body is not a Registered Provider, the council will ordinarily require a legal charge on the relevant land.
19. Grant will be paid in stages throughout the life of the development phase. These will be identified within the grant agreement which will be sent out in advance to enable the recipient to take legal advice. The key payment stages typically comprise five milestones, with total grant payable, apportioned between them.

Timetable and Process

20. Potential applicants for grant funding to support their affordable housing schemes should read the Housing Delivery Strategy, and this policy. Further



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advice can be sought by approaching the councils' affordable housing team at the following email address affordablehousingteam@southandvale.gov.uk

21. Following submission of a grant funding application via email (affordablehousingteam@southandvale.gov.uk), the council will acknowledge receipt of the application within 10 working days.
22. The council will provide an indication timescale at this stage. This will depend significantly upon the quality of the information provided with the application.
23. Once assessed, a report will be produced by officers (if the application is successful), which will be reviewed by Cabinet.
24. If approved by the Cabinet, a subsequent meeting of the Full Council will need to agree to allocate the funds from the Section 106 fund in most cases. The meeting date can be provided to applicants once a Cabinet resolution to approve has been made.

Date of Publication

August 2023



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Application Form

IMPORTANT

The information provided with this application will be used to determine whether the project is recommended for grant funding to the council's Cabinet. You should therefore ensure that the form is fully completed, detailing how your proposal meets the council's priorities and objectives for grant funding set out in this document. All relevant supporting documentation must be submitted with the application.

Name and address of applicant body

Contact name

Telephone

Email

RSH Registration Number (if applicable)

Site address

Summary of project

Planning reference (if applicable)



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Social Rent (yes/no)	
Affordable Rent (yes/no)	
Net-zero carbon or better (yes/no)	

Please set out how the proposals meet the council’s key priorities and objectives

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Tenure and dwelling type schedule

Tenure	1 bedroom	2 bedroom	3 bedroom	4+ bedroom
Social Rent				
Affordable Rent				
Total				

Rents (p/w)

Tenure	1 bedroom	2 bedroom	3 bedroom	4+ bedroom
Social Rent				
Affordable Rent				

Average weekly market rent

1 bedroom	2 bedroom	3 bedroom	4+ bedroom

General Needs or Supported?

General Needs	
Supported	

Project costs

Acquisition	
Build	
On-costs	
Total project costs (TPS)	

Project funding



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Grant	
Private borrowing	
RCGF	
Other public subsidy (please specify)	
Total (should equal TPS above)	

Project proposal

Net-Zero carbon or better

Please use this space to provide a full description of the project. This should include how it contributes to meeting housing need in the district, including the need for genuine affordability. You should include basic technical details in relation to heating and energy supply, such as photovoltaics or heat pumps, together with information on construction methods and any fabric first principles.

Grant requirement

In addition to providing supporting documents, please briefly explain why the project requires grant funding to enable it to proceed.

Document list

Please list the supporting documents submitted with this application.

Date

Name and signature

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item 9

Document is Restricted