

Agenda



Contact: Candida Basilio, Democratic Services
Telephone number: 07895 213820
Email: candida.basilio@southandvale.gov.uk
Date: 21 July 2023
Website: www.whitehorsedc.gov.uk

A meeting of the

Scrutiny Committee

will be held on Monday, 31 July 2023 at 7.00 pm
Abbey House, Abbey Close, Abingdon OX14 3JE

To watch this meeting remotely, follow this link to the council's YouTube channel:
<https://www.youtube.com/c/southandvalecommitteemeetings>

Members of the Committee:

Councillors:

Katherine Foxhall (Chair)
Judy Roberts (Vice chair)
Ron Batstone
James Cox
Amos Duveen
Oliver Forder
Hayleigh Gascoigne
Robert Maddison
Sally Povolotsky

Alternative formats of this publication are available on request. These include large print, Braille, audio, email and easy read. For this or any other special requirements (such as access facilities) please contact the officer named on this agenda. Please give as much notice as possible before the meeting.

Patrick Arran
Head of Legal and Democratic

Agenda

Open to the Public including the Press

1. Apologies for absence

To record apologies for absence and the attendance of substitute members.

2. 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.

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. Minutes of the last meeting

(Pages 4 - 7)

To adopt and sign as a correct record the Scrutiny Committee minutes of the meeting held on 12 July 2023.

5. Work schedule and dates for all Vale and Joint scrutiny meetings

(Pages 8 - 10)

To review the attached scrutiny work schedule. Please note, although the dates are confirmed, the items under consideration are subject to being withdrawn, added to or rearranged without further notice.

6. Public participation

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

REPORTS AND ISSUES FOR THE CONSIDERATION OF THE SCRUTINY COMMITTEE

7. Section 106 affordable housing funding

(Pages 11 - 25)

For scrutiny committee to review the report and recommendations of the Head of Housing and Environment and provide any comments to the Cabinet member for Affordable Housing, Development & Infrastructure before the report is presented at Cabinet.

Minutes

of a meeting of the

Scrutiny Committee



held on Wednesday, 12 July 2023 at 5.00 pm
at The Beacon, Portway, Wantage, Oxfordshire, OX12 9BX

Open to the public, including the press

Present in the meeting room:

Committee members: Councillors Katherine Foxhall (Chair), Judy Roberts (Vice-Chair), Hayleigh Gascoigne, Ron Batstone and Sally Povolotsky and Kiera Bentley (substitute)

Cabinet Member: Councillor Mark Coleman (Environmental Services)

Officers: Andrew Busby (Head of Development and Corporate Landlord), Candida Basilio (Democratic Services Officer), John Backley (Technical Services Manager), Simon Hewings (Head of Finance) and Dominic Lamb (Climate and Biodiversity Team Leader)

Also present: Councillor Patrick O'Leary

1. Apologies for absence

Apologies were received from Councillor Oliver Forder, with Councillor Kiera Bentley standing in as substitute member.

Apologies were also received from Councillor James Cox.

2. Urgent business and chair's announcements

Chair welcomed the committee and stated that there was no urgent business.

3. Declaration of interests

Councillor Sally Povolotsky declared that in relation to agenda item six, she works for Ford, and was a vehicle engineer.

4. Minutes of the last meeting

The minutes of the meeting on 30 January 2023 were agreed as a correct record and the chair will sign them as such.

5. Public participation

Mr John Salmons addressed the committee regarding agenda item six. The committee were invited to ask questions of clarification, and the chair thanked Mr Salmons for his contribution to the meeting.

6. Call in of Delegated Officer key decision: The provision of grounds maintenance, toilet cleaning and facilities service vehicles

The chair welcomed Simon Hewings (Head of Finance), John Backley (Technical Services Manager), Andrew Busby (Head of Development and Corporate Landlord), and Dominic Lamb (Climate and Biodiversity Team Leader) and Councillor Mark Coleman, Cabinet member for Environmental Services, who introduced the delegated officer key decision and gave a summary of the context of the decision.

The call-in request was made by Councillor Katherine Foxhall as chair of Scrutiny Committee, vice-chair Councillor Judy Roberts, and scrutiny committee members Councillors Hayleigh Gascoigne, Robert Maddison and Sally Povolotsky, for the following reasons:

Reason a) The rationale for the decision was unclear and further explanation was required to address the climate and ecological implications of this decision – as laid out in the officer comments.

Reason b) While this decision taken in itself is relatively minor, there are clear implications for future decision-making in relation to waste contracts (e.g. EV charging on the council estate), and the Vale's commitment in its Climate Action Plan to reducing its carbon emissions by 75% by 2025.

Members of the committee were invited to ask their questions. The following is a summary of the discussion and responses to the above reasons for the call in:

Explanation for call-in reason a)

In response to questions, officers and the cabinet member explained the rationale for the decision in more detail. The rationale was that the Pretium framework for vehicle leasing provided much more flexibility, meaning that the council could opt-out by giving 28 days' notice. This meant that the council would be able to trial a variety of different vehicles with no long-term commitment. There was financial benefit to the move – currently, the leasing day rate was higher than the new contract proposed. The decision also supported the transformation project to move grounds maintenance in-house and create efficiencies. Therefore, a delay would cause further expense. The new Pretium framework benefits were explained by officers as being a gradual move to more zero emissions vehicles, whilst reducing the cost to the public (£12k per year). Officer felt that the Pretium Framework will improve likelihood of meeting targets, as you can change vehicles as desired, and test the vehicles before commitment to purchasing in the future.

The Pretium framework had many companies listed from a shortlist of suitable options, and officers evaluated that one was easily the best option. The choices had already been through a value for money exercise. The rationale was to benefit multiple areas – for cost savings, a move towards trialling zero emissions vehicles on a flexible basis (vehicles for public toilet cleaning, facilities and parks teams are the first to become EV and can be charged in carparks) and making sure that we continue to keep grounds maintenance' operational with suitable vehicles for staff to carry out their work efficiently.

Regarding the climate implications, the Climate and Biodiversity Team Leader was present to give his views, as members were conscious of the comments provided by the Climate Action team, within the comments section of the decision notice. In 2022 the councils' climate action team commissioned the Energy Saving Trust to provide advice on how the councils' could transition towards a zero emissions fleet. The findings of this report had been used by officers to help inform decisions around the leasing and purchasing of new vehicles.

It was explained that the Climate Action team worked with all teams in the council – encouraging and advising teams to achieve the climate targets, it was a collaborative effort. The team leader acknowledged that this decision was a step towards a zero emissions fleet. Officers confirmed they worked towards targets Climate Action Plan action SD6 – To develop a business case and implement a delivery plan for council vehicles to be zero emission by 2025, where available on the market and action SD7 – Install EV charge points in council depot and other locations as necessary to meet the needs of the council fleet.

Explanation for call-in reason b) The council's carbon targets were discussed by committee. A discussion was had about the issue raised on grounds maintenance vehicles, where a variety of attachments (such as diggers, towing, mowers and trailers) made charging more complicated in public car parks, therefore options for zero emission vehicles of these nature needed to be explored further by officers. There was a lack of current suitable options on the market. Committee discussed the many variables that affect vehicle suitability. A member of committee raised the issue that as a council, we should have more knowledge of vehicle payload and usage, and whether certain vehicles were necessary.

There was discussion about vehicle routes and charging EV vehicles. It was debated that there were enough charge points in the district, however there was another view from other members and officers that the argument for charging EV vehicles on council land (such as public car parks or office car parks) was not as practical in reality. Officers explained that where there were multipurpose vehicles with trailers and other attachments, there was not enough room in standard car parks for these, and if this was put into action, the likely result would be that trailers would need to be dropped somewhere else before the vehicle charges – thus adding mileage and therefore frequency of charging. The grounds maintenance service required vehicles to have an operating range of around 100 miles, without which, EVs are impracticable because of a lack of charging infrastructure.

Cabinet member added that staff would need to be considered as they would need somewhere to park their personal vehicles before using the council maintenance vehicles.

The bullet points below summarise other points and questions raised by committee members:

- Knowledge of payload and vehicle usage was important – including future use. Officer confirmed that route data was gathered, and it was expected that feedback from operators would be gained when trialling new fleet.
- Suggestion of zero emissions subscription models as an option
- Can we potentially share charging infrastructure with other authorities? Cabinet member did suggest that this would depend on what funding would be allocated to the area for EV infrastructure.
- New fuels and technology will come onto the market, and we should be ready to consider them
- It was important to add more detail in reports and decision notices on the rationale and in particular, all the benefits of decisions (such as in-house savings, transition to zero emissions) and weighing out of options to make the process clear.
- It was acknowledged that staff needed the right tools to do their jobs effectively and that had to be considered.
- A member suggested the Climate Emergency Advisory Committee could conduct a deep dive on transition of heavy vehicles to zero emissions
- A member asked whether a cabinet advisory group was possible to report on zero emissions fleet
- A member asked whether the team would be monitoring the impact of the new arrangement, and if so, how they would be doing that. Officer confirmed they would get feedback from the operators, as well as the regular monitoring arrangements, such as journey logging and manager's meetings.

Members were assured by the officer team that there was no prevailing benefit in delaying the decision, as it had an immediate benefit in bringing more zero emission vehicles into the council's fleet, and an immediate cost saving. The 28-day opt-out meant that council had flexibility if a change to approach was needed, whilst allowing the council to trial new vehicles and decide whether they were adequate for the council's operational needs. This would allow assessment before commitment to buy vehicles.

A motion was moved and seconded, and was supported by the committee when being put to the vote:

Recommendation

In accordance with the Scrutiny Committees Procedure Rules, the Scrutiny Committee did not wish to refer the matter back to the decision-maker, therefore the decision may take effect immediately. The Head of Development and Corporate Landlord was asked to provide an update report on the use of the Pretium Framework, six months after implementation.

Note: The committee chair advised that this would be added to the committee work programme for monitoring, and that the timings of a report would be discussed to find a mutually suitable time for committee and officers.

The meeting closed at 6.20 pm

Chair:

Date:

Scrutiny work programme

20 July 2023



Agenda Item 5

MEETING	AGENDA ITEM	PURPOSE	CABINET MEMBER	CONTACT OFFICER
Scrutiny Committee 31 Jul 2023	Use of Section 106 fund to support affordable housing		Councillor Sue Caul	Paul Fielding paul.fielding@southandvale.gov.uk
Joint Scrutiny Committee 21 Sep 2023	GLL (leisure centres) performance report 2022-23		Councillor Helen Pighills	Ben Whaymand ben.whaymand@southandvale.gov.uk
Items for future meetings (dates to be determined)				
Joint Scrutiny Committee Not before 1 Sep 2023	Biffa annual contract performance		Councillor Mark Coleman	Paul Fielding paul.fielding@southandvale.gov.uk
Joint Scrutiny Committee Not before 1 Sep 2023	Community Safety Partnership annual report		Councillor Helen Pighills	Diane Foster diane.foster@southandvale.gov.uk

Page 8

MEETING	AGENDA ITEM	PURPOSE	CABINET MEMBER	CONTACT OFFICER
Joint Scrutiny Committee Not before 1 Sep 2023	Saba car park annual performance report		Councillor Mark Coleman, Councillor Mark Coleman	John Backley john.backley@southandvale.gov.uk
Scrutiny Committee 2 Nov 2023 tbc	Financial outturn report		Councillor Andy Crawford	Simon Hewings simon.hewings@southandvale.gov.uk
Scrutiny Committee 5 Feb 2024	Budget setting		Councillor Andy Crawford	Simon Hewings simon.hewings@southandvale.gov.uk
Scrutiny Committee Not before 1 Feb 2024	Leasing of vehicles for grounds maintenance		Councillor Mark Coleman	John Backley john.backley@southandvale.gov.uk
Scrutiny Committee	Corporate plan quarterly performance report	When quarterly performance management reports are reported to Cabinet, Scrutiny Committee members will be asked to review the report and confirm to the Scrutiny Chair if there are any elements of the report they wish to discuss at the next Scrutiny Committee meeting. The relevant Cabinet lead and contact officer will be notified.	Councillor Debby Hallett	Tim Oruye tim.oruye@southandvale.gov.uk

MEETING	AGENDA ITEM	PURPOSE	CABINET MEMBER	CONTACT OFFICER
Joint Scrutiny Committee	Joint Local Plan Regulation 18 Part 2 - to approve preferred options for consultation		Councillor Debby Hallett	Andrew Lane andrew.lane@southandvale.gov.uk
Scrutiny Committee	Planning transformation		Councillor Debby Hallett	Tim Oruye tim.oruye@southandvale.gov.uk

Scrutiny Report



Report of Head of Housing and Environment

Author: Nigel Bower (Housing Delivery Manager)

Telephone: 0787 264 1067

E-mail: nigel.bower@southandvale.gov.uk

Wards affected: All

Cabinet member responsible: Cllr. Sue Caul

Tel: 07771 644510

E-mail: sue.caul@whitehorsedc.gov.uk

To: SCRUTINY

Date: 31 July 2023

Grant Funding Affordable Housing

Recommendation(s)

To consider the report to Cabinet on 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 and to make any recommendations scrutiny see fit.

If the new policy is adopted by Cabinet, to bring a further report to Scrutiny in financial year 2024/25 with a review of the performance of the new policy and applications for housing grant funding.

Purpose of Report

1. The Joint Housing Delivery Strategy 2022-2024 approved on 11 November 2022 recommended a refresh of the criteria used to allocate Section 106 affordable housing funds, and the framework for allocation of funds for Vale of White Horse and South Oxfordshire District Councils. 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 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 11.5 affordable dwellings when seeking 35 per cent affordable housing. A financial contribution would therefore be payable on the 0.5).
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. 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 S106 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. It looks 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 normally 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 01 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 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."*

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 £5.4 million. This amount is less grant funding already approved by Cabinet in connection with the following schemes:

Oxfordshire Community Land Trust, Cumnor £344,000 (8 homes for rent. Joint funded with Oxfordshire Housing and Growth Deal).

Heylo Housing, various locations within the district £391,400 (45 shared ownership homes. Joint funded with Oxfordshire Housing and Growth Deal).

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. Scrutiny will appreciate that 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. Scrutiny committee may consider the report and policy and, if it considers appropriate, may make recommendations to Cabinet. Any recommendations will be reflected in the Cabinet report. 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. The revised process will also likely attract a wider range of innovative projects and contribute to increasing the supply of affordable housing in the district.

Appendix

- 1 Affordable Housing Section106 Commuted Sums Grant Policy

Background Papers

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

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

Listening Learning Leading

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

Listening Learning Leading

- 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

Listening Learning Leading

- 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)	

Listening Learning Leading

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

Listening Learning Leading

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

Listening Learning Leading

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

Listening Learning Leading

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)

Listening Learning Leading

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

--

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

Listening Learning Leading

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