

Mole Valley District Council

Decision: Housing Capital Grant Allocation £1.12m – to be invested with the Clarion Housing Group to enable the development of 16 x two bedroom flats for affordable rent.

(i) Details of decision

Allocate of £1.12m affordable housing capital grant to invest with Clarion Housing Group towards the development of 16 x two bedroom flats for affordable rent at the land adjacent to Prime House, Challenge Court, Barnett Wood Lane, Leatherhead. This proposal supports the Council's priority to enable the development of new affordable homes.

(ii) Reasons for decision

Clarion Housing Group has entered into an agreement to purchase 16 x two bedroom flats that are to be developed at the land adjacent to Prime House. The development was granted planning permission (MO/16/1940) on 1 March 2017.

The flats will all be for affordable rent and will assist the Council to meet the needs of households waiting for two bedroom accommodation on the Housing Register, these households also include homeless families the Council has accepted a legal responsibility to house and are living in emergency accommodation. There are currently 170 households waiting for two bedroom homes.

Clarion's total scheme cost for the development is £4.3m. The capital investment of £1.12m towards the development can be met from the affordable housing capital budget that is funded from £5.3m capital set aside for investment to enable the development of new affordable homes. The £5.3m is made up of £2.9m remaining from the Large Scale Voluntary Transfer capital receipt for affordable housing and £2.4m held from section 106 affordable housing capital contributions collected through the planning system. The section 106 payments must be spent within five years of receipt otherwise they must be returned to the planning applicant.

This investment to enable 16 affordable housing flats works out at £70,000 per unit and similar investments during 2016/17 have ranged from £60,000 to £80,000 per unit.

Clarion will be required to enter into capital grant and nominations agreements to protect the Council's investment. The Council will have 100% nomination rights on first let and 75% thereafter. Payment will be made to Clarion in two instalments, 50% at start on site and 50% on practical completion. Evidence will be required to demonstrate that each stage has been achieved for payment to be made.

Officers have delegated authority in the constitution to make this decision in consultation with the Executive Member for Communities, Services and Housing and as the amount to be allocated is over £100,000 the officer decision is recorded in this document. The Executive Member Councillor Corinna Osborne-Patterson was consulted on 10 April 2017 and confirmed her agreement on 24 April 2017.

(iii) Details of any alternative options considered and rejected

None

(iv) Conflicts of Interest and any Dispensations Granted

None

Decision taken by:

(i) Name: Alison Wilks

(ii) Job Title: Strategic Housing Manager

Date of Decision: 24 April 2017

Date of Publication of Record of Decision: 25 April 2017