

**Bracknell Forest Council
Record of Decision**

Work Programme Reference	I108117
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1. **TITLE:** Allocation of S106 Commuted Sum Monies (Bay House and Barn Close)
2. **SERVICE AREA:** People
3. **PURPOSE OF DECISION**

To approve the spend of secured Section 106 affordable housing commuted funds to support the redevelopment of two Silva Homes sites to create 51 additional social rented homes for applicants on the Council's housing register.

4. **IS KEY DECISION** Yes
5. **DECISION MADE BY:** Executive

6. **DECISION:**

- 1 That spend of up to £500,000 to Silva Homes from the Section 106 affordable housing commuted fund be approved, to support the development of 51 additional social rented homes for households on the Council's housing register; and,
- 2 That payment YN654 (TRL) of £478,511.73 and part of payment YN717 (Christine Ingram Gardens) of £50,501 be approved to fund the proposed spend.

7. **REASON FOR DECISION**

There is a shortfall in all types of affordable homes for rent to meet the needs of households on the housing register. This proposal by Silva Homes will provide an additional 51 one- and two-bedroom social rented homes. The Council's contribution will help meet a shortfall in funding for the proposal and, more importantly, unlock a much larger sum of grant funding provisionally agreed by Homes England.

The Council holds over £3,845,921.96 of uncommitted Section 106 affordable housing contributions. £529,012.73 of this amount is restricted to funding Registered Provider affordable housing (i.e. it cannot be used to fund Council-led development or acquisitions).

Without the financial support of the Council and Homes England, it would not be possible for Silva Homes to proceed with the proposed development. Social rents are significantly lower than affordable rents at 80% of the local market rent and much higher levels of grant/subsidy are needed to make them viable. Without the Council's funding, the scheme would incur financial losses and Silva Homes would need to pursue alternative options involving a reduction in social rented homes and a switch towards more shared ownership homes.

8. **ALTERNATIVE OPTIONS CONSIDERED**

The Section 106 funding proposed for this development can only be used for Registered Provider development. There are currently no alternative options for the use of this 'restricted' funding.

9. **DOCUMENT CONSIDERED:** Report of the Executive Director: People

10. **DECLARED CONFLICTS OF INTEREST:** None.

Date Decision Made	Final Day of Call-in Period
29 September 2022	6 October 2022