

## **Affordable Housing Section 106 Commuted Sums Grant Policy & Guidance**

***Applicants are strongly advised to review the guidance note below, along with the [Housing Delivery Strategy](#), prior to submitting an application.***

### **Introduction**

1. The delivery of high-quality Social & Affordable homes is of great strategic importance to the councils. Homes which are affordable, and delivered to high design and environmental standards, have a significant impact on quality of life for the councils' 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 councils receive commuted sums (financial contributions) in certain circumstances, in lieu of the on-site delivery of affordable housing. These sums are made available to enable the delivery of further Social & 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.
4. The section 106 funding is ring fenced as set out in the relevant legislation.  
<https://www.gov.uk/guidance/planning-obligations>

### **Applying for Grant Funding**

5. The councils may make funds available to enable the delivery of new Social & Affordable housing where proposals can demonstrate a significant contribution to meeting housing needs in the district in a way that addresses the key areas contained in this document. Project proposals are expected to align with the key priorities of the councils' [Housing Delivery Strategy](#). These are:
  - Delivers truly affordable housing in perpetuity
  - Delivers social rent
  - Meeting current and future housing need (including from the councils' housing needs register)
  - In an area where there is a high level of demand and deficit of supply
  - Supports community led housing initiatives
  - Meets net zero or better carbon build standards
  - Not able to access Homes England funding

6. It is important that any application for grant funding demonstrates that it contributes to meeting the majority of these priorities before it can be considered. Significant weight will be given to how a project proposal meets these priorities in assessing applications.
7. In addition to the above strategic priorities, all proposals must comply with relevant Local Plan policy requirements, Homechoice agreements, building regulations, the [Nationally Described Space Standards](#) and seek to achieve maximum household occupation through appropriate bedroom sizes.

### **Eligible Costs**

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

### **Application Assessment and Criteria**

9. 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, financial robustness and grant requirement.
10. 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 structure**

- Organisational & Governance Capacity
- Financial Viability & Value for Money
- Project Planning & Delivery Readiness

#### **Scheme Features**

- Community & social impact
- Design & sustainability

#### **Strategic fit**

- Affordability & Tenure Impact
- Strategic Alignment & Community Leadership

11. **Specifically for applications related to homes to be provided in South Oxfordshire district,** any projects that propose gas heating will automatically be given a score of zero in this category, and the applicant will be requested to submit a revised application with a low carbon heating source. Greater weight will be given to housing schemes that can clearly demonstrate and evidence that the resulting scheme will be considered net-zero.
12. **Specifically for applications related to homes to be provided in Vale of White Horse district,** the council's objectives to deliver sustainable developments that have appropriate adaptations that help mitigate against the impacts of climate change and deliver net zero. Greater weight will be given to housing schemes that can clearly demonstrate and evidence that the resulting scheme will be considered net-zero.

### Financial Appraisal

13. 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 Royal Institute of Chartered Surveyors (RICS) valuation
    - Independent RICS valuation per unit
    - Gross Development Value valuation
    - Contractor selection process
    - Contractor tender process
    - Contractor cost analysis
  - b) Analysis of development cost information. Ensure the cost analysis meets scheme design and minimum build standards, including meeting all environmental standards.
  - c) Assess the amount of grant funding required, supported by evidence demonstrating that the scheme depends on this funding to be viable.
  - d) Financial risk review
    - Governance
    - Financial robustness
    - Project management
14. The councils' affordable housing team will review the financial information provided.
15. At each review point a negative outcome will present the opportunity for the applicant to resubmit or amend their application based on the feedback received.

### Scoring

16. Applications must meet the essential criteria and address the key strategic priorities of the councils' [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

<b>Governance</b>	Score (0-5 points)
<b>Governance &amp; Delivery</b>	
Organisational & Governance Capacity	
Financial Viability & Value for Money	
Project Planning & Delivery Readiness	
<b>Scheme Features</b>	
Community & Social Impact	
Design & Sustainability	
<b>Strategic Fit</b>	
Affordability & Tenure Impact	
Strategic Alignment & Community Leadership	

17. Applications will be assessed by officers within the affordable housing team using only the information provided. No assumptions will be made, and each category will be scored on a scale of 0–5, reflecting how closely the project aligns with the criteria outlined above.

Scoring system:

- **0 – None**  
No relevant information provided, or the question has not been answered.
- **1 – Minimal**  
Very limited information. Response shows little understanding or relevance.
- **2 – Basic**  
Some relevant points included, but lacks detail, clarity, or evidence.
- **3 – Good**  
A solid response that addresses the question clearly with appropriate detail.
- **4 – Strong**  
A well-developed response with clear examples and strong evidence.
- **5 – Excellent**  
A comprehensive response with clear, relevant examples and strong demonstration of skills or experience.

For example, a lower score (0–1) would reflect little or no Social & Affordable housing being provided, with minimal consideration of tenure. A mid-range score (2–3) would show some provision of Social & Affordable homes, meeting basic requirements but with limited scale or impact. Higher scores (4–5) are awarded where there is a strong level of alignment with all priorities in the councils' [Housing Delivery Strategy](#), such as indicated in paragraph 5.

### **Documentation required with the application.**

The applicant must ensure that the documentation provided with the application is sufficient and detailed enough to enable the councils to make a 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 the scoring or rejection of the application. The following documents must be included in any submission, in addition to other supporting documents.

- Project Plan (timelines, milestones, actions, aims)
- Financial Appraisal (land acquisition, build costs, planning fees, legal costs)
- List of grant funding received in last 3 years (and from whom)
- Planning status or Decision Notice
- Title Register (if applicable)
- Approved Site Layout/Masterplan
- Copy of Section 106 Agreement

18. All scores, together with a summary of the application, will be reviewed by a Section 106 steering group. This review ensures that scoring has been applied consistently, is reasonable, and can be clearly justified.
19. The application will undergo legal due diligence throughout the process and must receive legal approval before progressing through the democratic decision-making process.
20. Upon approval from the Section 106 steering group and completion of satisfactory legal due diligence, the application will be progressed through the relevant democratic process.

### **Grant Funding Agreement and Payment of Grant**

21. 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 councils have 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.
22. Applicants should note that the councils will require a restriction to be placed on the title of any property utilising any grant funding requiring the councils' permission in the event of any disposals. Where a recipient body is not a Registered Provider, the councils will ordinarily require a legal charge on the relevant land.

23. Grant will either be paid in stages throughout the life of the development phase, or upon scheme completion. These will be identified within the grant agreement which will be set out in advance to enable the recipient to take legal advice. Where payment occurs in stages, these will typically comprise up to five milestones payments, with total grant payable apportioned between them.

### **Application Process and Timeframes**

Once you submit your application, it will go through the following stages:

#### **Application Acknowledgement**

You will receive a confirmation email to confirm that your application has been received.

#### **Initial Review (within 15 working days)**

Your application will be reviewed by the team within 15 working days of submission. If any additional information is needed, you will be contacted by email.

#### **Notification of Outcome (within 10 working days of review)**

You will be informed of the outcome of the initial review within 10 working days. If your application progresses to the next stage, further guidance will be provided.

#### **Final Decision**

Applications that progress will go through the required democratic decision-making process. You will be kept informed of expected timeframes, and all applicants will be notified once a final decision has been made.

*If you have any queries or require assistance with your application, please contact us at [affordablehousingteam@southandvale.gov.uk](mailto:affordablehousingteam@southandvale.gov.uk).*