

## CABINET

**Meeting to be held on 5 November 2014 at 4.30 pm**

**Council Chamber, Williton**

### AGENDA

1. **Apologies for Absence**

2. **Minutes**

Minutes of the Meeting of Cabinet held on 1 October 2014 to be approved and signed as a correct record – **SEE ATTACHED.**

3. **Declarations of Interest**

To receive and record declarations of interest in respect of any matters included on the agenda for consideration at this meeting.

4. **Public Participation**

The Leader to advise the Cabinet of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public wishing to speak at this meeting there are a few points you might like to note.

A three-minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue. There will be no further opportunity for comment at a later stage. Your comments should be addressed to the Chairman and any ruling made by the Chair is not open to discussion. If a response is needed it will be given either orally at the meeting or a written reply made within five working days of the meeting.

5. **Forward Plan**

To approve the latest Forward Plan published on 16 October 2014 – **SEE ATTACHED.**

6. **Cabinet Action Plan**

To update the Cabinet on the progress of resolutions and recommendations from previous meetings – **SEE ATTACHED.**

7. **Hinkley Point C Planning Obligations Board – Allocations of Community Impact Mitigation Funding**

To consider Report No. WSC 148/14, to be presented by Councillor K V Kravis, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of the report is to present the recommendations of the Hinkley Point C Planning Obligations Board, for the allocation of monies secured through the Section 106 legal agreement for the Site Preparation Works at Hinkley Point. The relevant fund is the “Community Impact Mitigation (CIM)” Fund.

**8. Council Tax Rebate Scheme – Review for 2015/16**

To consider Report No. WSC 142/14, to be presented by Councillor D J Westcott, Lead Member for Community and Customer – **SEE ATTACHED.**

The purpose of the report is to provide the Cabinet with information on Council Tax Rebate scheme in 2013/14; to advise the Cabinet of the outcome of the public response to consultation on options modelled to incentivise work and encourage people to remain in employment for the Council Tax Rebate Scheme in 2015/16; to advise the Cabinet of the changes and impact of funding arrangements on Council Tax Rebate; and to advise Cabinet of the Policy Advisory Group’s recommendations on the Council Tax Rebate Scheme for 2015/16.

**9. Council Tax Write-Off Request**

To consider Report No. WSC 147/14, to be presented by Councillor K V Kravis, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of the report is to seek cabinet approval in accordance with the Financial Regulations to authorise an individual write off in excess of £5,000.

**10. Earmarked Reserves Review**

To consider Report No. WSC 150/14, to be presented by Councillor K V Kravis, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of the report is to review earmarked reserves to ensure they are still required.

**11. New Home Improvement Agency Contract**

To consider Report No. WSC 145/14, to be presented by Councillor K H Turner, Lead Member for Housing, Health and Wellbeing – **SEE ATTACHED.**

The purpose of the report is to seek in-principle approval from the Cabinet to continue to fund the Home Improvement Agency for the next three years. The contract is being re-commissioned across Somerset and SCC who acts as lead commissioner requires a commitment from each funding partner.

**12. Invest to Save New Homes Bonus Empty Property Coordinator**

To consider Report No. WSC 146/14, to be presented by Councillor K H Turner, Lead Member for Housing, Health and Wellbeing – **SEE ATTACHED.**

The purpose of the report is to approve the proposal to employ an Empty Property Co-ordinator (EPCo). The EPCo will focus solely on interventions to

bring empty properties back into use that will have a positive and direct impact on the New Homes Bonus (NHB). The appointment will be initially fixed term for 12 months. The continuation of the post will be based on sustainability, critically the amount of NHB claimed. This will have a focus on maximising NHB, addressing housing need and standards but will also increase housing supply.

**13. Hinkley Tourism Action Plan - Allocation**

To consider Report No. WSC 151/14, to be presented by Councillor K M Mills, Lead Member for Regeneration and Economic Growth – **SEE ATTACHED**.

The purpose of the report is to consult with Cabinet on a suggested approach for commissioning Tourism Monitoring Surveys and a rapid response fund for Watchet.

**14. EDF Housing Funding Strategy**

To consider Report No. WSC 149/14, to be presented by Councillor K H Turner, Lead Member for Housing, Health and Wellbeing – **SEE ATTACHED**.

The purpose of the report is to present to Members the recommendations of the Hinkley Point Planning Obligations Board (POB) and to ask that Cabinet recommend to Full Council the approval of the attached Housing Funding Strategy (Appendix A). Four associated bids pursuant to the Housing Funding Strategy are also presented where Cabinet are asked to recommend to Full Council that the allocations are approved (Appendices B – E).

**COUNCILLORS ARE REMINDED TO CHECK THEIR POST TRAYS**

**The Council's Vision:**

**To enable people to live, work and prosper in West Somerset**

**The Council's Corporate Priorities:**

- Local Democracy:  
Securing local democracy and accountability in West Somerset, based in West Somerset, elected by the people of West Somerset and responsible to the people of West Somerset.
- New Nuclear Development at Hinkley Point  
Maximising opportunities for West Somerset communities and businesses to benefit from the development whilst protecting local communities and the environment.

**The Council's Core Values:**

- Integrity
- Respect
- Fairness
- Trust

## RISK SCORING MATRIX

Report writers score risks in reports uses the scoring matrix below

**Risk Scoring Matrix**

<b>Likelihood</b>	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
<b>Impact</b>							

<b>Likelihood of risk occurring</b>	<b>Indicator</b>	<b>Description (chance of occurrence)</b>
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

- Mitigating actions for high ('High' or above) scoring risks are to be reflected in Service Plans, managed by the Group Manager and implemented by Service Lead Officers;
- Lower scoring risks will either be accepted with no mitigating actions or included in work plans with appropriate mitigating actions that are managed by Service Lead Officers.

**CABINET****MINUTES OF THE MEETING HELD ON 1 OCTOBER 2014****AT 4.30 PM****IN THE COUNCIL CHAMBER, WILLITON****Present:**

Councillor T Taylor ..... Leader

Councillor K V Kravis  
Councillor C Morgan  
Councillor A H Trollope-Bellew  
Councillor D J WestcottCouncillor K M Mills  
Councillor S J Pugsley  
Councillor K H Turner**Members in Attendance:**Councillor A P Hadley  
Councillor R P Lillis  
Councillor P H Murphy  
Councillor K J Ross  
Councillor M A SmithCouncillor A F Knight  
Councillor E May  
Councillor D D Ross  
Councillor D J Sanders**Officers in Attendance:**Assistant Chief Executive (B Lang)  
Director of Operations (S Adam)  
Assistant Director – Resources (P Fitzgerald)  
Assistant Director – Planning and Environment (T Burton)  
New Nuclear Programme Manager (A Goodchild)  
Planning Policy Manager (N Bryant)  
Housing and Community Project Lead (A Summers)  
Economic Regeneration and Tourism Manager (C Matthews)  
Scrutiny Officer (S Rawle)  
Meeting Administrator (K Kowalewska)**CAB41     Apologies for Absence**

No apologies for absence were received.

**CAB42     Minutes of the Meeting held on 3 September 2014**

(Minutes of the Meeting of Cabinet held on 3 September 2014 - circulated with the Agenda.)

**RESOLVED** that the Minutes of the Meeting of Cabinet held on 3 September 2014 be confirmed as a correct record.

**CAB43 Declarations of Interest**

Members present at the meeting declared the following personal interests in their capacity as a Member of a County, Parish or Town Council:

<b>Name</b>	<b>Minute No.</b>	<b>Member of</b>	<b>Action Taken</b>
Councillor K H Turner	All	Brompton Ralph	Spoke and voted
Councillor D J Westcott	All	Watchet	Spoke and voted
Councillor P H Murphy	All	Watchet	Spoke
Councillor K J Ross	All	Dulverton	Spoke

**CAB44 Public Participation**

No member of the public had requested to speak.

**CAB45 Forward Plan**

(Copy of latest Forward Plan published 19 September 2014 – circulated with the Agenda.)

The purpose of this item was to approve the latest Forward Plan published 19 September 2014.

**RESOLVED** that the latest Forward Plan published 19 September 2014 be approved.

**CAB46 Cabinet Action Plan**

(Copy of the Action Plan – circulated with the Agenda.)

**RESOLVED (1)** that CAB38 – Hinkley Point C CIM Fund be deleted as actioned.

**RESOLVED (2)** that CAB40 – Blue Anchor Coastal Protection Scheme be deleted as actioned.

**CAB47 Request for Allocation of Planning Obligations Funding**

(Report No. WSC 139/14 – circulated with the Agenda.)

The purpose of the report was to make proposals for the allocation of monies secured through planning obligations to individual schemes.

The Lead Member for Resources and Central Support presented the item, providing details on the five requests for Section 106 funding. She referred to the Morrison's Section 106 Agreement advising that the remainder of the monies had to be allocated by 1 April 2015. Details were also provided on the allocated Section 106 Schedule 11 monies which gave £150,000 to leisure and recreation facilities outside the Stogursey parish, of which 10% could be used on feasibility studies.

The Lead Member proposed the recommendations contained in the report which were seconded by Councillor D J Westcott.

Members expressed support for the projects and during the debate the following main points were raised:

- A request was made for monthly feedback on how money for feasibility studies was being spent.
- Would like to see more flexibility for projects within the Section 106 stipulations going forward.
- Following concerns, questions were asked about the spending of section 106 monies for future maintenance of the Heritage Hub Project and it was suggested that an allocation be made to ring fence monies and incorporate this into the cost breakdown for the project.

**RESOLVED (1)** that it be recommended to Council that the allocation of £43,053.097 for Minehead Heritage Trail be added to the capital programme and funded from planning obligations contributions.

**RESOLVED (2)** that the allocation of £2,000 for improvements to Burgage Road Play Area at Stogursey to be added to the capital programme and funded from planning obligations contributions be agreed.

**RESOLVED (3)** that the allocation of £4,000 in respect of carrying out technical and feasibility studies relating to the Steam Coast Trail Project from the HPC Schedule 11 Para 2.2 allocation be agreed.

**RESOLVED (4)** that the allocation of £5,000 from the Employment and Skills Outreach Operational Budget to support the development of the West Somerset Our Place Project be agreed.

**RESOLVED (5)** that the allocation of up to a maximum of £10,000 from the HPC Schedule 11 Para 2.2 allocation in respect of carrying out feasibility studies relating to leisure facilities in West Somerset be agreed.

#### **CAB48 Corporate Budget Principles**

(Report No. WSC 138/14 – circulated prior to the Meeting.)

The purpose of the report was to seek agreement for a core set of budget principles which provides a framework for the Council's approach to budget setting for 2015/16 and the medium term financial plan.

The Lead Member for Resources and Central Support presented the item and drew Members' attention to the High Level Principles contained within the report; the transformation project which would look at the delivery of services across West Somerset and Taunton Deane Borough councils and the next steps timetable for the budget setting process.

The Lead Member proposed the recommendation which was duly seconded by Councillor A H Trollope-Bellew.

The Leader appreciated the work currently being undertaken by both councillors and officers and recognised that what was being achieved was a credit to the Council during the current financial challenges and uncertain times.

**RESOLVED** that the proposed framework of principles for setting the 2015/16 budget and updating the Medium Term Financial Plan be approved.

**CAB49 Scrutiny Recommendations – Quantock Hills AONB**

(Report No. WSC 140/14, circulated with the Agenda.)

The report detailed the recommendation of Scrutiny Committee to Cabinet, arising from the presentation received from Chris Edwards, Manager of the Quantock Hills Area of Outstanding Natural Beauty at the meeting of Scrutiny Committee on 7 August, 2014.

The report was presented by the Chairman of the Scrutiny Committee who drew Cabinet's attention to the resolutions made by the Scrutiny Committee, as follows:

(i) That Scrutiny Committee recognises the developments that have taken place relating to changes in funding the Quantock Hills Area of Outstanding Beauty (QHAONB) in recent years and in particular recent discussions hosted by Somerset County Council aimed at achieving a sustainable funding position going forward. Scrutiny Committee recommends that Cabinet consider maintaining the Council's contribution at least at the current level for future years if required.

(ii) That Cabinet be recommended to consider lobbying DEFRA through the LGA to secure a more sustainable funding arrangement of all AONBs, in the same way that National Parks are funded, thus recognising the value of these designated parts of England and Wales, and in the interim request Somerset County Council provide sufficient funding to sustain the operation of the Quantock Hills AONB.

The recommendation contained within the report was duly proposed and seconded.

The following main points were discussed:

- Grant funding to organisations should be considered as a whole in the wider budget setting process and Members were not in favour of separately ring fencing monies to a specific group.
- Concerns were raised regarding the lobbying of DEFRA for further funding and Members were asked to think around the issue to see what other avenues were available, and that consideration should be given to consulting with the National Association of Areas of Outstanding Natural Beauty and the Quantock Hills Advisory Committee in this regard.

Councillor P H Murphy concluded that the points raised would be taken forward and also confirmed that the Scrutiny Committee would review all external bodies funded by WSC and as part of this process a request would be made for them to submit statements of accounts. He asked Members to take into consideration the leverage effect of grant funding when deliberating the budget setting.



**RESOLVED** that the recommendations of the Scrutiny Committee as set out in paragraph 5.3 of the report be supported and considered.

**CAB50**     **West Somerset Local Plan – Request for Additional Budget**

(Report No. WSC 137/14, circulated with the Agenda.)

The purpose of the report was to seek Cabinet approval for recommendation to Council for the provision of a supplementary estimate of £74,750 in the year 2014/15. Subject to approval this budget would allow for the progression of the West Somerset Local Plan to publication.

The Lead Member for Housing, Health and Wellbeing presented the item and provided Members with the background information, highlighting that the Local Plan was coming into fruition and the costing figures were reasonable to progress the document to the examination and publication stages. He further advised that there was also a requirement to build in an annual provision in future budgets to cover costs associated with reviews, supplementary planning documents and updates once the Local Plan had been adopted. He went on to introduce and welcome Nick Bryant, the Planning Policy Manager to the meeting.

The Lead Member proposed the recommendations in the report which were duly seconded by Councillor A H Trollope-Bellew.

In response to concerns, the Lead Member for Resources and Central Support drew Members' attention to the fact that an additional sum (in the region of £10,000 per year) would be included in the Medium Term Financial Plan from 2016/17 onwards rather than having to rely on the availability of reserves.

**RESOLVED (1)** that it is recommended to Council to approve a supplementary estimate request of £74,750 to cover additional costs arising and relating to the West Somerset Local Plan preparation through to examination and beyond to adoption. Of this sum, £18,400 to be added to the Planning Policy Budget in 2014/15, with the balance of £56,350 transferred to a Planning Policy earmarked reserve to be drawn down in 2015/16.

**RESOLVED (2)** that the supplementary estimate is funded by General Fund Reserve balances.

**RESOLVED (3)** that the requirement for Local Plan funding on an ongoing basis, and support the addition of an annual provision within the Medium Term Financial Plan from 2016/17 onwards be noted.

The meeting closed at 5.45 pm



7  
Weekly version of Forward Plan published on 16 October 2014

Forward Plan Ref / Date proposed decision published in Forward Plan	Date when decision due to be taken and by whom	Details of the proposed decision	Documents and background papers to be available to decision maker	Does the decision contain any exempt information requiring a resolution for it to be considered in private and what are the reasons for this?	Contact Officer for any representations to be made ahead of the proposed decision
FP/14/12/01  6/02/2014	3 December 2014  By Councillor K V Kravis – Lead Member Resources & Central Support	Title: <b>Review of Financial Regulations [FR2]</b>  Decision: to offer comment on the Financial Regulations		No exempt / confidential information anticipated	Paul Fitzgerald, Assistant Director Resources 01823 358680
FP/14/12/02  6/02/2014	3 December 2014  By Councillor T Taylor – Leader of Council and Councillor K V Kravis – Lead Member Resources & Central Support	Title: <b>Corporate Performance &amp; Budget Monitoring Report 2014-15 – Quarter 2</b>  Decision: to provide Members with an update on progress in delivering corporate priorities, performance of council services including budgetary information and customer satisfaction.		No exempt / confidential information anticipated	Bruce Lang, Assistant Chief Executive 01984 635200
FP/14/12/03  6/02/2014	3 December 2014  By Councillor D Westcott – Lead Member for Community and Customer	Title: Consideration of nomination/s received under the Community Right to Bid Legislation  Decision: To approve community listing		No exempt / confidential information anticipated	Bruce Lang, Assistant Chief Executive 01984 635200
FP/14/12/04  6/02/2014	3 December 2014  By Councillor C Morgan – Lead Member for Environment – Hinkley Point	Title: Hinkley Point  Decision: to consider key issues relating to Hinkley Point		No exempt / confidential information anticipated	Andrew Goodchild, New Nuclear Programme Manager 01984 635245

Forward Plan Ref / Date proposed decision published in Forward Plan	Date when decision due to be taken and by whom	Details of the proposed decision	Documents and background papers to be available to decision maker	Does the decision contain any exempt information requiring a resolution for it to be considered in private and what are the reasons for this?	Contact Officer for any representations to be made ahead of the proposed decision
FP/15/1/02 6/02/2014	7 January 2015  By Councillor K V Kravis – Lead Member Resources & Central Support	Title: <b>Allocation of Section 106 funds held – Quarter 3</b>  Decision: to make proposals for the allocation of monies secured through planning obligations to individual schemes, and to update members with the current funding position.		No exempt / confidential information anticipated	Ian Timms, Assistant Director Business Development 01984 635271
FP/15/1/03 6/02/2014	7 January 2015  By Councillor K V Kravis – Lead Member Resources & Central Support	Title: <b>Draft Capital Programme 2014-15 and Capital Strategy</b>  Decision: to present the draft Capital Programme 2014/15 and draft Capital Strategy for recommendation to Council.		No exempt / confidential information anticipated	Paul Fitzgerald, Assistant Director Resources 01823 358680
FP/15/1/04 6/02/2014	7 January 2015  By Councillor D Westcott – Lead Member for Community and Customer	Title: Consideration of nomination/s received under the Community Right to Bid Legislation  Decision: To approve community listing		No exempt / confidential information anticipated	Bruce Lang, Assistant Chief Executive 01984 635200
FP/15/1/05 6/02/2014	7 January 2015  By Councillor C Morgan – Lead Member for Environment – Hinkley Point	Title: Hinkley Point  Decision: to consider key issues relating to Hinkley Point		No exempt / confidential information anticipated	Andrew Goodchild, New Nuclear Programme Manager 01984 635245
FP/15/1/06 29/04/2014	7 January 2015  By Councillor K V Kravis – Lead Member Resources & Central Support	Title: Hinkley Point C Community Impact Mitigation Fund  Decision: to agree the release of funding for the Community Impact Mitigation Fund		No exempt / confidential information anticipated	James Holbrook, Major Projects Manager (Hinkley Point) 01984 635218

Forward Plan Ref / Date proposed decision published in Forward Plan	Date when decision due to be taken and by whom	Details of the proposed decision	Documents and background papers to be available to decision maker	Does the decision contain any exempt information requiring a resolution for it to be considered in private and what are the reasons for this?	Contact Officer for any representations to be made ahead of the proposed decision
FP/15/1/07  5/06/2014	7 January 2015  By Councillor K V Kravis – Lead Member Resources & Central Support	Title: Proposed Shared Legal Services Partnership  Decision: to consider a proposal to establish a shared legal services partnership between Taunton Deane Borough Council, West Somerset Council and Mendip District Council		Exempt information relating to staffing matters	Bruce Lang, Assistant Chief Executive 01984 635200
FP/15/2/01  6/02/2014	4 February 2015  By Councillor K V Kravis – Lead Member Resources & Central Support	Title: <b>Annual Budget &amp; Council Tax Setting 2015-16</b>  Decision: to provide Members with all the information required for Council to approve the revenue budget and capital programme for 2015/16 for recommendation to Council.		No exempt / confidential information anticipated	Paul Fitzgerald, Assistant Director Resources 01823 358680
FP/15/2/02  6/02/2014	4 February 2015  By Councillor T Taylor – Leader of Council	Title: <b>Draft Corporate Plan for 2015-16</b>  Decision: to introduce the draft West Somerset Council Corporate Plan 2015/16 for recommendation to Council.		No exempt / confidential information anticipated	Penny James, Chief Executive 01984 635246
FP/15/2/03  6/02/2014	4 February 2015  By Councillor D Westcott – Lead Member for Community and Customer	Title: Consideration of nomination/s received under the Community Right to Bid Legislation  Decision: To approve community listing		No exempt / confidential information anticipated	Bruce Lang, Assistant Chief Executive 01984 635200

Forward Plan Ref / Date proposed decision published in Forward Plan	Date when decision due to be taken and by whom	Details of the proposed decision	Documents and background papers to be available to decision maker	Does the decision contain any exempt information requiring a resolution for it to be considered in private and what are the reasons for this?	Contact Officer for any representations to be made ahead of the proposed decision
FP/15/2/04 6/02/2014	4 February 2015 By Councillor C Morgan – Lead Member for Environment – Hinkley Point	Title: Hinkley Point Decision: to consider key issues relating to Hinkley Point		No exempt / confidential information anticipated	Andrew Goodchild, New Nuclear Programme Manager 01984 635245
FP/15/2/05 6/02/2014	4 February 2015 By Councillor K V Kravis – Lead Member Resources & Central Support	Title: <b>Fees and Charges</b> Decision: to propose levels of fees and charges for the period 1 April 2015 to 31 March 2016 (in some cases fee increases will be implemented earlier, this will be stated in the relevant sections of the report).		No exempt / confidential information anticipated	Paul Fitzgerald, Assistant Director Resources 01823 358680
FP/15/3/01 22/04/2014	4 March 2015 By Councillor T Taylor – Leader of Council and Councillor K V Kravis – Lead Member Resources & Central Support	Title: <b>Corporate Performance &amp; Budget Monitoring Report 2014-15 – Quarter 3</b> Decision: to provide Members with an update on progress in delivering corporate priorities, performance of council services including budgetary information and customer satisfaction.		No exempt / confidential information anticipated	Bruce Lang, Assistant Chief Executive 01984 635200
FP/15/3/02 22/04/2014	4 March 2015 By Councillor D Westcott – Lead Member for Community and Customer	Title: Consideration of nomination/s received under the Community Right to Bid Legislation Decision: To approve community listing		No exempt / confidential information anticipated	Bruce Lang, Assistant Chief Executive 01984 635200

Forward Plan Ref / Date proposed decision published in Forward Plan	Date when decision due to be taken and by whom	Details of the proposed decision	Documents and background papers to be available to decision maker	Does the decision contain any exempt information requiring a resolution for it to be considered in private and what are the reasons for this?	Contact Officer for any representations to be made ahead of the proposed decision
FP/15/3/03 22/04/2014	4 March 2015  By Councillor C Morgan – Lead Member for Environment – Hinkley Point	Title: Hinkley Point  Decision: to consider key issues relating to Hinkley Point		No exempt / confidential information anticipated	Andrew Goodchild, New Nuclear Programme Manager 01984 635245
FP/15/4/01 22/04/2014	1 April 2015  By Councillor K V Kravis – Lead Member Resources & Central Support	Title: <b>Allocation of Section 106 funds held – Quarter 4</b>  Decision: to make proposals for the allocation of monies secured through planning obligations to individual schemes, and to update members with the current funding position.		No exempt / confidential information anticipated	Ian Timms, Assistant Director Business Development 01984 635271
FP/15/4/02 22/04/2014	1 April 2015  By Councillor D Westcott – Lead Member for Community and Customer	Title: Consideration of nomination/s received under the Community Right to Bid Legislation  Decision: To approve community listing		No exempt / confidential information anticipated	Bruce Lang, Assistant Chief Executive 01984 635200
FP/15/4/03 22/04/2014	1 April 2015  By Councillor C Morgan – Lead Member for Environment – Hinkley Point	Title: Hinkley Point  Decision: to consider key issues relating to Hinkley Point		No exempt / confidential information anticipated	Andrew Goodchild, New Nuclear Programme Manager 01984 635245

Note (1) – Items in bold type are regular cyclical items.

Note (2) – All Consultation Implications are referred to in individual reports.

The Cabinet comprises the following: Councillors T Taylor, K V Kravis, K M Mills, C Morgan S J Pugsley, A H Trollope-Bellew, K H Turner and D J Westcott.

The Scrutiny Committee comprises: Councillors P H Murphy, R Lillis, M J Chilcott, M O A Dewdney, G S Dowding, J Freeman, P N Grierson, B Heywood and K J Ross.





## CABINET ACTION PLAN

Date/Minute Number	Action Required	Action Taken
<p><b>5 November 2014</b></p> <p>CAB47 Request for Allocation of Planning Obligations Funding</p>	<p><b>RESOLVED (1)</b> that it be recommended to Council that the allocation of £43,053.097 for Minehead Heritage Trail be added to the capital programme and funded from planning obligations contributions.</p>	<p>At the Council meeting on 22 October 2014 it was <b>RESOLVED</b> that the allocation of £48,053.97 for Minehead Heritage Trail to be added to the capital programme and funded from planning obligations contributions be agreed.</p>
<p>CAB50 West Somerset Local Plan – Request for Additional Budget</p>	<p><b>RESOLVED (1)</b> that it is recommended to Council to approve a supplementary estimate request of £74,750 to cover additional costs arising and relating to the West Somerset Local Plan preparation through to examination and beyond to adoption. Of this sum, £18,400 to be added to the Planning Policy Budget in 2014/15, with the balance of £56,350 transferred to a Planning Policy earmarked reserve to be drawn down in 2015/16.</p>	<p>At the Council meeting on 22 October 2014 it was <b>RESOLVED (1)</b> that a supplementary estimate request of £74,750 to cover additional costs arising and relating to West Somerset Local Plan preparation through to examination and beyond to adoption be approved. Of this sum, £18,400 to be added to the Planning Policy Budget in 2014/15, with the balance of £56,350 transferred to a Planning Policy earmarked reserve to be drawn down in 2015/16.</p> <p><b>RESOLVED (2)</b> that the supplementary estimate be funded by General Fund Reserve balances.</p> <p><b>RESOLVED (3)</b> the requirement for Local Plan funding on an ongoing basis be noted, and the addition of an annual provision within the Medium Term Financial Plan from 2016/17 onwards be supported.</p>



*Report Number:* WSC 148/14  
*Presented by:* Cllr Kate Kravis  
*Author of the Report:* James Holbrook, Major Projects Manager  
*Contact Details:*

*Tel. No. Direct Line* 01984 635218  
*Email:* jholbrook@westsomerset.gcv.uk

*Report to a Meeting of:* Cabinet  
*To be Held on:* 5<sup>th</sup> November 2014  
*Date Entered on Executive Forward Plan Or Agreement for Urgency Granted:* 29/04/2014

## **HPC PLANNING OBLIGATIONS BOARD – ALLOCATIONS OF CIM FUNDING**

### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to present the recommendations of the Hinkley Point C Planning Obligations Board, for the allocation of monies secured through the Section 106 legal agreement for the Site Preparation Works at Hinkley Point. The relevant fund is the “Community Impact Mitigation (CIM)” Fund.

### **2. CONTRIBUTION TO CORPORATE PRIORITIES**

- 2.1 The allocation of these funds will enable the Council to deliver against the Corporate Priority of *‘maximising opportunities for West Somerset communities and businesses to benefit from the Hinkley development whilst protecting local communities and the environment’*.

### **3. RECOMMENDATIONS**

- 3.1 That Cabinet makes a recommendation to Full Council to allow for the release of funds for two projects from the £3,500,000 that has been paid by EDF to West Somerset Council for the Community Impact Mitigation (CIM) Fund. This consists of:
- £9,600 (excluding VAT) for Somerset Youth and Community Sailing Association based at Durleigh Reservoir for the purchase of four new ‘Pico dinghies, covers and trollies.
  - £40,000 (excluding VAT) for Tropiquaria towards the relocation of primates’ adversely affected by the works at Washford Cross roundabout.

#### 4. RISK ASSESSMENT (IF APPLICABLE)

##### Risk Matrix

Description	Likelihood	Impact	Overall
West Somerset Council fails to deliver or meet its Corporate priorities and objectives	Possible (3)	Major (4)	Medium (12)
<i>The Council has ensured that its corporate priority for Hinkley Point C makes specific reference to maximising opportunities for West Somerset businesses</i>	Possible (3)	Moderate (3)	Medium (9)
Cabinet loses its opportunity for final approval of bids.	Possible (3)	Major (4)	Medium (12)
<i>Mechanisms are in place to ensure that Cabinet shall continue to take into account the recommendations of the Board when deciding how to apply the Community Impact Contribution and will have final approval</i>	Possible (3)	Moderate (3)	Medium (9)

- 4.1 The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.

#### 5. BACKGROUND INFORMATION

##### Community Impact Mitigation (CIM) Fund

- 5.1 Proposals are considered by the Planning Obligations Board against nine criteria outlined in the Section 106 legal agreement for the Site Preparation Works at Hinkley Point. A recommendation is subsequently made to West Somerset Council's Cabinet. Any proposals beyond £25,000 also require approval by West Somerset's Full Council.

Criteria	Evaluation Criterion
<b>Priority Impact Zones</b>	<p>Priority shall be given to those areas that are anticipated in the Environmental Statement to experience or which actually experience the greatest adverse impact from the project in accordance with the following hierarchy:</p> <ol style="list-style-type: none"> <li>1) Directly adjacent to the site</li> <li>2) Directly adjacent to the main transport routes to and from the site within West Somerset, Sedgemoor and Somerset</li> <li>3) Within West Somerset and/or Sedgemoor and directly affected by adverse impacts of the project</li> <li>4) In Somerset but beyond West Somerset and Sedgemoor and experiencing the next greatest degree of adverse impact, with projects which benefit West Somerset and Sedgemoor as well as its immediate area</li> <li>5) In Somerset and experiencing indirect adverse impacts or in relation to a measure which benefits West Somerset and/or Sedgemoor.</li> </ol>

<b>Quality of Life</b>	The principal purpose of the contribution shall be to enhance the quality of life of communities affected/potentially affected by the Project.
<b>Sustainability</b>	To what extent will the project contribute to achieving sustainable communities, contribute to regeneration objectives and raising environmental sustainability?
<b>Extent of benefit</b>	To what extent has the applicant demonstrated that the project will ensure a positive benefit and/or legacy to an adequate proportion of people within that community?
<b>Community Need</b>	To what extent has the applicant demonstrated a need for the project
<b>Community Support</b>	To what extent is there demonstrable local community and and/or business support for the project?
<b>Partner Support</b>	To what extent is there demonstrable local partner support for the project?
<b>Governance</b>	Demonstrate that good governance arrangements are in place, including financial and project management to ensure deliverability?
<b>Value for Money</b>	Can the applicant demonstrate value for money and that reasonable effort has been made to maximise the impact of any investment? Has match funding been secured where appropriate?

- 5.2 Nine applications were received and presented to the Planning Obligations Board at their October meeting.

<b>Project Name:</b>	<b>Feasibility Study for Road Improvements in Parish of Durleigh</b>
<b>Expression of Interest Ref No:</b>	<b>36</b>
<b>Organisation Applying:</b>	<b>Durleigh Parish Council</b>
<b>Issues outstanding from Eligibility Checklist:</b>	<b>Three competitive quotations, copies of relevant policies</b>
<b>Documents received:</b>	<b>Analysis of Speed Indicator Device, Annual Accounts, Standing Orders (Constitution), Local Council Insurance, Plans and Drawings, Photographs, Highway Designers Statement, Letters of Support</b>

- 5.3 This application is seeking **£20,000** to complete a feasibility study to provide a safe route for non-motorised road users (pedestrians, cyclists and equestrian) on a section of road in Durleigh.
- 5.4 The applicant submitted an Expression of Interest and a Full application form was sent out on the basis of the location of the proposal. Sedgemoor District Council Community

Development Officers have been in dialogue with the applicant to make them aware of the criteria that they would need to comply with and what type of projects are unlikely to be supported by the Planning Obligations Board.

- 5.5 The proposal is located within the 2nd level of Priority Impact Zones as it is located within the Parish of Durleigh which is adjacent to the main transport route.
- 5.6 The applicant is proposing to carry out a Feasibility Study for a perceived dangerous stretch of Spaxton Road in Durleigh between the junction of Luxborough Road and the junction of Enmore Road.
- 5.7 The applicant is unable to provide detailed costings for the Feasibility at this stage and have stated that they have been unable to secure three competitive quotes at this stage as they require guidance from Somerset County Council Highways. They have not secured any match funding and are seeking 100% of the total costs of the Feasibility Study from the Community Impact Mitigation (CIM) Fund.
- 5.8 Whilst local political support has been shown through letters of support being submitted from neighbouring parishes, district and county councillors, there is concern that the wider community have not been consulted or are aware of the proposals. The applicant has stated that there is a reluctance to consult at this stage to avoid instilling false expectations, possible confusion on the necessity of the scheme and potential public concern at the cost implications.
- 5.9 The applicant does not have experience of managing any projects of this nature before but would secure the services of a consultant.

**Planning Obligation Board Recommendation:**

- 5.10 The Board recommended refusal as the application was for a feasibility study which the Board have previously outlined in their guidance notes that they are unlikely to grant.

<b>Project Name:</b>	<b>Jubilee Clock Tower</b>
<b>Expression of Interest Ref No:</b>	<b>40</b>
<b>Organisation Applying:</b>	<b>Jubilee Clock Tower</b>
<b>Issues outstanding from Eligibility Checklist:</b>	<b>Copies of relevant policies</b>
<b>Documents received:</b>	<b>Basic accounts of income and outgoings over the last two years, Constitution, 1 quotation (justification provided), plans, planning consent, letters of support</b>

- 5.11 The applicant is seeking **£1,000** from the Community Impact Mitigation (CIM) Fund. The total cost of the project is £18,000 and the organisation has already secured £16,317 of funding. The project is to erect a clock tower on Minehead seafront to commemorate the Queens Jubilee of 2012.
- 5.12 The project is located within the administrative are of West Somerset and has been submitted as the applicant considers that there is a need for the project, notably a permanent feature within the town to mark the Queens Jubilee. In addition, the clock tower would act as a focal meeting point and create footfall for local businesses. Whilst this has been noted, the application has not made it clear to what extent there is a 'need for the

project' and whether there is public support for the project. Support has been garnered from a number of public organisations such as the Minehead Town Council. Planning Permission has also been secured from West Somerset Council.

**Planning Obligation Board Recommendation:**

- 5.13 The Board recommended refusal as there was no clear link back to the site preparation works at HPC and the project was not mitigating the impact of the development.

<b>Project Name:</b>	<b>Bartholomew Thomas Almshouses</b>
<b>Expression of Interest Ref No:</b>	<b>45</b>
<b>Organisation Applying:</b>	<b>Bartholomew Thomas Almshouses</b>
<b>Issues outstanding from Eligibility Checklist:</b>	<b>Annual Statement of profit and loss accounts, balance sheet for last 2 years, three competitive quotes, Listed Building Consent, copies of relevant policies, copy of letter of support from town/parish council</b>
<b>Documents received:</b>	<b>Constitution, One quotation</b>

- 5.14 The application is seeking **£950** for the restoration of leaded casement windows to four almshouses. The total cost of the scheme is £2,650.

- 5.15 The project is located within the administrative area of West Somerset and whilst a laudable project, the project would benefit four individual residents and have limited wider community benefit. The proposal has not scored very highly against the criteria set out in the legal agreement as limited community and partner support has been shown. There is also concern that as only one quotation has been supplied and no financial statements have been submitted, it is unclear to what extent this project can be seen as providing value for money. Although, it should be noted that the overall request for funding is relatively small compared to other applications that have been submitted.

**Planning Obligation Board Recommendation:**

- 5.16 The Board recommended refusal as the proposal would directly benefit a very small number of residents who are not currently directly affected by the site preparation works at HPC. The Board declined the application on the basis that the application does not demonstrate that there is an impact on Crowcombe from the site preparation works at HPC.

<b>Project Name:</b>	<b>Williton Bowling Club</b>
<b>Expression of Interest Ref No:</b>	<b>63</b>
<b>Organisation Applying:</b>	<b>Williton Bowling Club</b>
<b>Issues outstanding from Eligibility Checklist:</b>	<b>Copies of relevant policies, Letters of support from town/parish council, constitution</b>
<b>Documents received:</b>	<b>Annual statement/accounts, three competitive quotations, public and employers liability insurance, constitution</b>

- 5.17 The applicant is seeking £13,000 for the upgrading of a surround to a bowling green. No other funding has been secured or proposed, however the applicant has made reference to another element of the project (the purchase of a scarifier (£6,000)) which was originally

going to form an integral part of this proposal. This has been subsequently purchased directly by the club and so has been excluded from this submission.

- 5.18 The proposal is located within the administrative area of West Somerset and would benefit a bowling club which is the nearest within West Somerset to the main Hinkley Point C site. Whilst information has been submitted to meet the criteria set out in the legal agreement, limited evidence has been provided to show local community/partner support. Whilst a letter of support has been received from Williton Parish Council, it is unclear how the members club of approximately 50 members would enable the wider community to benefit from the proposal.

**Planning Obligation Board Recommendation:**

- 5.19 The Board recommended refusal on the basis of limited evidence provided to show benefit to the wider community, need and support from the community, support from partners etc. It was considered that the application was premature and could have proposed a wider membership and links to the workforce / communities most affected by the HPC project.

<b>Project Name:</b>	<b>ECHO – Portrait of a Peninsula</b>
<b>Expression of Interest Ref No:</b>	<b>65</b>
<b>Organisation Applying:</b>	<b>Theatre Melange</b>
<b>Issues outstanding from Eligibility Checklist:</b>	<b>Copy of letters of support from town/parish councils, Public Liability Insurance</b>
<b>Documents received:</b>	<b>Annual statement/accounts, previous feedback from ECHO events, Business Plan, Exeter Univeristy ECHO Evaluation, Letter of support from Stogursey Oral History Project, Governing Document</b>

- 5.20 The applicant is seeking **£31,180** to support an arts project. The total cost of the project is £36,680 and £5,000 has been raised by the organisation. The project (ECHO Portrait of a Peninsula) is based on a format previously delivered in Minehead, Watchet and Burnham on Sea. Working closely with the local community of Stogursey, Shurton, Burton, Steart and Comwich, real life stories of local people will be captured in film. The project will culminate in a public exhibition/performance event and a DVD. The project would run from December 2014 – July 2015. Film material produced will continue to be used in productions right through until 2017.
- 5.21 The proposal is located within the Parishes immediately adjacent to the main site and transport routes and would encompass a community directly affected by the works taking place at the main site of Hinkley Point C.
- 5.22 Whilst this proposal has scored very highly due to its positioning in relation to the main site, the Board questioned how, local people will become engaged in the project and whether this proposal has the support of the wider local community. The organisation clearly has strong governance arrangements in place and has extensive experience of managing comparable amounts of secured funding.

**Planning Obligations Board Recommendation:**

- 5.23 The Board recommended refusal. The Board raised concerns with regards to the lack of linkages with the HPC project, the lack of a digital platform for future use, and felt overall that the project could have delivered more.



- 5.24 The Board declined the application on the basis that aspects of this proposal have been captured elsewhere in the Section 106 legal agreement under 'Landscape and Visual' and 'Archaeological and Heritage'. It was also concluded that it was unclear how the project would engage with the wider community, including the existing power stations and the HPC project or over a longer period of change associated with the HPC build.

<b>Project Name:</b>	<b>Durleigh Reservoir</b>
<b>Expression of Interest Ref No:</b>	<b>69</b>
<b>Organisation Applying:</b>	<b>Somerset Youth and Community Sailing Association</b>
<b>Issues outstanding from Eligibility Checklist:</b>	<b>Copy of relevant policies, letters of support from town/parish council, constitution</b>
<b>Documents received:</b>	<b>Annual statement/accounts, Three competitive quotations, Public and employers liability insurance, constitution</b>

- 5.25 The applicant is seeking **£9,600**. The total cost of the project is £19,609 and the organisation has currently secured £1,000. The application is for funding to purchase four new 'Pico' dinghies, covers and trollies. This will provide the association with the opportunity to provide additional sailing places for local young people at Durleigh Reservoir.
- 5.26 The proposal is located at Durleigh Reservoir, which is in the Parish of Durleigh, directly adjacent to a main transport route as outlined in the Section 106 legal agreement. The reservoir is the closest in Sedgemoor to the main site which allows sailing to take place.
- 5.27 The proposal complies with the criteria set out in the legal agreement with the exception of 'community' and 'partner' support. No evidence has been provided to show that support has been sourced from others within the local community.
- 5.28 The information submitted to support the proposal clearly shows that the applicant is a well-managed charity with up to date financial statements and insurances in place.

#### **Planning Obligations Board Recommendation:**

- 5.29 The Board recommended approval on the basis that complied with the criteria set out in the legal agreement, although it was noted that it was disappointing to see limited evidence of wider 'community and partner support'. The Board wanted to secure confirmation as to the length of the project (i.e. that the dinghies were to be retained) in advance of any final decision being made by West Somerset Council Cabinet.
- 5.30 The Board wanted the applicant to provide a report back to POB on what impact the funding had achieved and felt that this needed to be added to the standard conditions for funding approval.

<b>Project Name:</b>	<b>Porlock Bay Shellfish Project</b>
<b>Expression of Interest Ref No:</b>	<b>73</b>
<b>Organisation Applying:</b>	<b>Porlock Parish Council</b>
<b>Issues outstanding from Eligibility Checklist:</b>	<b>Three Competitive quotes, constitution, copies of relevant policies, public liability insurance</b>
<b>Documents received:</b>	<b>Project Background and Information, Porlock Vale Parish Plan and Questionnaire, Letters of</b>

	<b>support, Project Financial Spreadsheet, Quotation, Existing Publicity, Permissions and Licenses, Site Plan, Porlock Parish Council, Financial Information</b>
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- 5.31 Porlock Parish Council are seeking **£800** (of a total cost for the project of £23,000) for the Porlock Bay Shellfish Project. The £800 applied for will specifically fund the production of a website. This will enable the project to publicise itself, be used as a communication tool and conduct business. If the Board were mindful to approve this scheme, it would not need to be presented to West Somerset Cabinet or Full Council because of the amount applied for.
- 5.32 The Parish of Porlock is located in the 3rd level of Priority Impact Zone. The village itself is located in the administrative area of West Somerset Council.
- 5.33 In relation to Hinkley Point, the applicant has outlined that the village is in a geographically remote area off the A39 and that any traffic congestion issues could affect the vitality and vibrancy of the area. Although any impacts are likely to be indirect rather than directly related to the Site Preparation Works at the main site.
- 5.34 One of the principal purposes of the fund is to enhance the quality of life of communities affected/potentially affected by the Project. In this instance the project makes reference to the issue but it is unclear how these works would enhance the quality of life of communities affected by the Project.
- 5.35 From a 'sustainability' perspective, this scheme could be transformational for the area from and Economic Development perspective and there is currently no similar industry in West Somerset.

**Planning Obligations Board Recommendation:**

- 5.36 This proposal was recommended for refusal on the basis that there was not a clear identifiable impact from the site preparation works at HPC. A recommendation was made by the Board to direct the applicant toward LARC funding (available from January 2015).

<b>Project Name:</b>	<b>Tropiquaria</b>
<b>Expression of Interest Ref No:</b>	<b>74</b>
<b>Organisation Applying:</b>	<b>Tropiquaria Ltd</b>
<b>Issues outstanding from Eligibility Checklist:</b>	<b>Three competitive quotations, Planning consents, copies of relevant policies, copy of a letter of support from town/parish council, Business Plan</b>
<b>Documents received:</b>	<b>Pre-application Planning Advice, Additional justification, (Appendix 1 and 2), Site Plan, Email of Support, Proposed Plans, Quotations, Financial Statements, Public Liability Insurance</b>

- 5.37 This proposal is seeking **£191,516** for the following works:
- Rehoming of Primates who will be adversely affected by the works at Washford Cross roundabout. Total cost: £50,000 ((including £4,333.80 contingency) including VAT)
  - Relocation of wooden fort to allow for new primate enclosures. Total cost: (£37,350 excluding VAT)
  - Double glazing of residential property (£135,000 including VAT)

- 5.38 The applicant is a prominent tourist attraction in the administrative area of West Somerset. The attraction is a wildlife and theme park located just off the A39. It is based on a 1930s art-deco BBC transmitter hall and animals are located in the main hall and in outside enclosures. There are also several play areas.
- 5.39 The applicant has previously raised concerns about the direct impact of Washford Cross works on animals that occupy the site. Particularly, Cotton-top Tamarins, Gibbons and Lemurs. The aim of the project is to rehome the affected animals elsewhere in the zoo complex, further from the development.
- 5.40 The applicant is also requesting £135,000 to install replacement windows to the main building.
- 5.41 Planning consent is required for the erection of new enclosures and this has not been applied for yet although pre-application has been sought.

#### **Planning Obligations Board Recommendation:**

- 5.42 The Board recommended partial approval for rehoming of primates that will be adversely affected by the works at Washford Cross roundabout.
- 5.43 The Board noted that this was a very unique case where the site is located directly adjacent to the construction works associated with HPC. It was noted that there would be an impact on sensitive primates in the short term and therefore the Board recommended partial approval on an exceptional basis to enable the rehoming of these primates. In advance of a final decision being made by West Somerset Council, the Board wanted information from the applicant to confirm that their application for charitable status is progressing. Planning permission will need be secured in advance of any release of funds (£50,000).
- 5.44 The Board asked WSC to write to the applicant clearly setting out the basis of the award.

<b>Project Name:</b>	<b>Allerford and Selworthy Community Hall</b>
<b>Expression of Interest Ref No:</b>	<b>79</b>
<b>Organisation Applying:</b>	<b>Allerford and Selworthy Community Hall</b>
<b>Issues outstanding from Eligibility Checklist:</b>	<b>Copies of relevant policies, copy of letter of support from town/parish council</b>
<b>Documents received:</b>	<b>Three competitive quotations, Annual Statement, Constitution.</b>

- 5.45 The applicant is seeking **£10,000**. The total cost of the project is £18,000 and the organisation has currently managed to raise £3,000. Two funders have also been approached to secure the remaining £5,000. The proposal is to renew windows and doors at Allerford and Selworthy Community Hall which are rotten.
- 5.46 The applicant has stated that the windows and doors of the original building now need replacing on the gable ends of the property. At the time of submission, no evidence had been provided to show that community/partner support was in place. However a letter of support has now been received from Selworthy and Minehead without Parish Council.
- 5.47 The submission and letter of support from the Parish Council has made a strong case as to why there is a community need for the project. However, whilst this is not disputed, it is unclear how those that will directly benefit are affected/directly affected by the Hinkley Point C development.

## **Planning Obligations Board Recommendation:**

- 5.48 This proposal was recommended for refusal on the basis that there was not a clear identifiable impact from the site preparation works at HPC. It was not clear how this scheme will enhance the life of communities affected/directly affected by the Development.

## **6. FINANCIAL/RESOURCE IMPLICATIONS**

- 6.1 As per Schedule 1 General, Para. 5.3 of the Section 106 Legal Agreement, West Somerset Council's Cabinet (and/or Full Council) are required to give final approval for the release of these monies. This follows a meeting of the Planning Obligation Board on the 07<sup>th</sup> October 2014 which agreed to the make a recommendation to Cabinet to allocate initial funds for two projects.
- 6.2 The proposal is affordable and is within the limit of the CIM fund. Appendix A show the CIM fund balance after the applications has been approved.
- 6.3 Payment will not be made until the successful applicants provide clear details of the phasing and commencement of their project. They will be phased in line with the implementation of the projects. We anticipate the first payment for the previous successful applications to be made in December.
- 6.4 The payment to the Somerset Youth & Community Sailing Association will be realised as soon as Cabinet approves the application due to the size of the bid. Payment to Tropiquaria will not commence until they secure the required planning permission as per the Board's previous recommendation.
- 6.5 It should be noted that the actual size of the CIM Fund is currently £3,735,426, which consists of the £3,500,000 as per the section 106 agreement plus inflation uplift using the agreed method, the Tender Price Index (TPI).
- 6.6 All four applications recommended for approval so far are capital expenditure and therefore will appear in West Somerset Council's capital programme. As they will all be financed by the Section 106 CIM fund, it will have no impact on the Council's own capital resources.

## **7. COMMENTS ON BEHALF OF SECTION 151 OFFICER**

- 7.1 The rules relating to the Section 106 Agreement have been adhered to by bringing this report to Cabinet for recommendation to Full Council. All monies are accounted for within the Community Impact Mitigation (CIM) Fund received from EDF and held by West Somerset Council.

## **8. EQUALITY & DIVERSITY IMPLICATIONS**

**Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.**

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

- 8.1 The Council's commitment to equalities and diversity is reflected in the Council's Core Values of the Corporate Plan.

**9. CRIME AND DISORDER IMPLICATIONS**

9.1 There are no direct implications.

**10. CONSULTATION IMPLICATIONS**

10.1 These projects have been presented to the Planning Obligations Board on 07<sup>th</sup> October 2014. The Board consists of representatives from EDF, Sedgemoor, Somerset County Council. It is chaired by West Somerset Council. The Board have made a request to Cabinet to make a recommendation to Full Council to release fund for two projects.

**11. ASSET MANAGEMENT IMPLICATIONS**

11.1 There are no direct implications.

**12. ENVIRONMENTAL IMPACT IMPLICATIONS**

12.1 There are not considered to be direct implications of approving the release of these monies associated with the Community Impact Mitigation Fund. However, there are obviously environmental impacts associated with the wider proposed development of Hinkley Point C. These have been assessed within the Environmental Statement submitted by NNB Genco with the application to carry out Site Preparation Works at Hinkley Point C (West Somerset Council Planning Application No: 3/32/10/037) and mitigation measures have been secured.

**13. LEGAL IMPLICATIONS**

13.1 These fund have been paid by a developer (NNB Genco) due to the signing of a Section 106 legal agreement for planning permission to carry out the site preparation works at Hinkley Point C (West Somerset Council Planning Application No: 3/32/10/037). As part of this legal agreement West Somerset Council shall take into account the recommendations of the Planning Obligations Board when deciding how to apply those elements of the Community Impact Mitigation Contributions (Schedule 1 – General, Para. 5.3 of the S106).

	£	£
CIM Fund starting Balance (including Inflation Uplift)		3,735,426
<u>Less previously approved allocation</u>		
Stogursey Parish Council - Burgage Road Play Area	(90,373)	
Wembdon Village Hall - New VH & Play Area	<u>(250,000)</u>	
		(340,373)
Current Uncommitted Balance		<u>3,395,053</u>
<u>Less Requested approvals</u>		
Somerset Youth & Community Sailing Association	9,600	
Tropiquaria - Relocation of primates	40,000	
		<u>(49,600)</u>
Projected Uncommitted Balance		<u><u>3,345,453</u></u>

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*Report Number:* WSC 142/14  
*Presented by:* Cllr Dave Westcott – Lead Member For Community  
*Author of the Report:* Heather Tiso - Revenues & Benefits Manager  
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*Report to a Meeting of:* Cabinet  
*To be Held on:* 5 November 2014  
*Date Entered on Executive Forward Plan* 5 August 2014  
*Or Agreement for Urgency Granted:*

## **COUNCIL TAX REBATE SCHEME REVIEW FOR 2015/16**

### **1. PURPOSE OF REPORT**

- 1.1. To provide Cabinet with information on the Council Tax Rebate scheme in 2013/14.
- 1.2. To advise Cabinet of the outcome of the public response to consultation on options modelled to incentivise work and encourage people to remain in employment for the Council Tax Rebate Scheme in 2015/16.
- 1.3. To advise Cabinet of the changes and impact of funding arrangements on Council Tax Rebate.
- 1.4. To advise Cabinet of the Policy Advisory Group's recommendations on the Council Tax Rebate scheme for 2015/16.

### **2. CONTRIBUTION TO CORPORATE PRIORITIES**

- 2.1. There are no direct links with regards to this report.

### **3. RECOMMENDATIONS**

- 3.1. That Cabinet recommends to Full Council that the 2014/15 Council Tax Rebate scheme should be retained for 2015/16.

#### 4. **RISK ASSESSMENT (IF APPLICABLE)**

**Risk Matrix**

Description	Likelihood	Impact	Overall
Council fails to agree Scheme by 31 <sup>st</sup> January 2015 which leads to default scheme and adverse effect on MTFP	4	5	20
<i>Ensure Council schedules allow prompt decision making Scheme is adopted to enable MTFP provision to be made</i>	2	4	8
Council incurs an unacceptably high-level of debt because of people's inability to make the payments particularly if the scheme is less generous	3	4	12
<i>Retain 14/15 scheme for 15/16 Council increases bad debt provision with budget</i>	2	4	8
Council fails to meet obligations under relevant equality legislation in adopting a scheme	3	4	12
<i>Carryout consultation on proposed scheme Consider the results and findings as part of the approval of any scheme Make reasonable adjustments through application of any agreed scheme</i>	2	4	8
Caseload increases (e.g. major employer loss) and/or total value of awards exceeds estimates	3	4	12
<i>Monthly review. Details provided to Scrutiny on a monthly basis</i>	2	4	8
Changes to future Government grant	3	3	9
<i>None</i>			

*Table .4.1*

- 4.1. The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.

#### 5. **BACKGROUND INFORMATION**

- 5.1. The Council Tax Benefit (CTB) scheme was abolished on 31st March 2013 and replaced by the Council Tax Rebate Scheme (CTR). The Government provide all billing authorities (and major precepting authorities) with a grant and expect Councils to design a Council Tax Rebate scheme to help those on low incomes to meet their Council Tax liability. The scheme is referred to in the Local Government Finance Act as the "Council Tax Reduction Scheme", although the Authority branded the scheme as "Council Tax Rebate". It is important to understand the Government grant will not rise each year to match demand and it is not ring-fenced.
- 5.2. Each of the major precepting authorities in Somerset receive a grant based on their current share of Council Tax receipts and therefore the County Council get the biggest share. If more residents than expected claim CTR, the major precepting authorities share the risk based on their share of council tax receipts.
- 5.3. We must agree any local scheme with the major precepting authorities i.e. Somerset County Council, Avon and Somerset Police, and Devon and Somerset Fire and Rescue Authority, and adopt it by 31 January 2015. If we cannot agree, the Government will impose a default scheme that will be much more expensive than our localised CTR scheme for 2014/15.



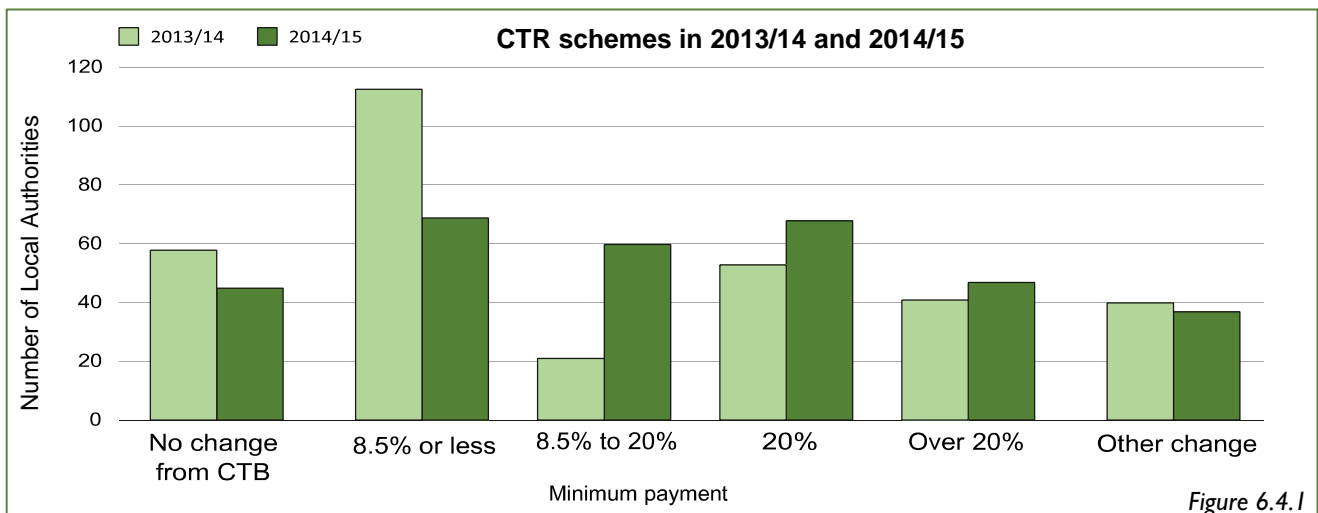
- 5.4. Schemes can be changed and what we have in place for 2014/15 does not have to remain in place for subsequent years, but we cannot change schemes mid-year.
- 5.5. We are not allowed complete freedom on the design of our CTR scheme. The Government have stipulated we must protect pensioners under the same criteria previously applying to CTB. This means there is no discretion in CTR for people over pension age, as there are nationally set entitlement rules for this group.
- 5.6. Pensioners, make up 56% of our CTR caseload, but account for 62% of spending on CTR. This means any cut in the support paid under CTR is borne by the remaining 44% of working age claimants.
- 5.7. From 1 April 2014, funding for localised CTR was incorporated in the Local Government Finance Settlement (LGFS) and is not separately identified. The grant we get does not reflect our actual expenditure. The Government stated the total level of the localised Council Tax Rebate funding would be unchanged in cash terms for 2014/15 and 2015/16. However, this is not reflected in the figures contained in the detailed calculation model available on the gov.uk website.
- 5.8. This shows CTR funding has been split between elements relating to upper and lower tier services and fire before overall reductions have been applied. In 2014-15 the *average* reductions are 10.3% for upper tier funding, 14.2% for lower tier funding and 7.8% for fire and rescue funding<sup>1</sup> (individual authority allocations vary). This means CTR funding has been reduced at authority level. Higher reductions apply for 2015-16 with 16.1% for upper tier funding, 16.3% for lower tier funding and 8.5% for fire and rescue funding.
- 5.9. In 2013/14 we received funding of £2,831,449. If we were to apply the same percentage reduction as detailed in paragraph 5.8, this will reduce funding for CTR in 2015/16 by £748k to £2,083,724 (a cut of £79k for West Somerset Council in isolation).
- 5.10. As we are prevented from reducing CTR spending for those of pension age, if we apply cuts, they must be made from the support we provide to people of working age. In 2015/16, allowing up uprating, we estimate we will pay CTR of £1,684,351.29 to our pension age customers.
- 5.11. By reducing the overall funding for CTR in 2015/16 to £2,083,724, it will mean the remaining funding for CTR for working age recipients will reduce to £399,372.71. Based on our current CTR scheme we estimate awarding £1,090,785.10 to working age recipients. This will mean we have an overall budget shortfall of £691k with West Somerset's share of that shortfall being £65k. These estimates assume caseloads remain steady.
- 5.12. Under CTB, we spent £1,360,379 in 2012/13 for people of working age. In 2013/14 we awarded CTR of £1,075,188 - a cut of 21% in support for those of working age. If we were to cut spending on CTR in 2015/16 to £399,372.71 it would **equate to a reduction in help we offer to this group of 71% in comparison to the help they received through CTB.**
- 5.13. While we have some discretion on designing our CTR scheme for people of working age, the Government say we must protect vulnerable groups. There is no definition of which groups are counted as "vulnerable" as each authority has to make its own assessment. However, the Government have highlighted Local Authority statutory duties regarding:
- Children and duties under the 2010 Child Poverty Act to reduce and mitigate the effects of child poverty
  - Disabled people and duties under the Equality Act 2010
  - Homelessness Prevention and duties under the 1996 Housing Act to prevent homelessness with special regard to vulnerable groups.

It is up to Billing Authorities to decide how they apply any such protection. Currently, our scheme considers disabled people's needs and those responsible for children. It fully ignores income from a War Disablement or War Widows Pension. Also following the Government's direction, our CTR scheme strengthens work incentives and does not discourage people to move off benefits and into work or to stay in work.

- 5.14. The Corporate Policy Advice Group met on 24 September 2014 to consider this report and were supportive of a recommendation to retain the 2014/15 Council Tax Rebate scheme for 2015/16.

## 6. CONTEXT

- 6.1. The Welfare Reform Act 2012 is the most significant change to the welfare system in decades and is transforming the current benefits system across the United Kingdom. This act included the abolition of the national Council Tax Benefit scheme, to be replaced by a local Council Tax Rebate scheme, designed and implemented by each Local Authority. Expenditure has been reduced as part of the Government's plans to reduce the national welfare bill and contribute to the budget deficit reduction, by giving councils fixed grants as opposed to them receiving full subsidy in respect of all benefit payments made.
- 6.2. In West Somerset Council, 1,430 households, where recipients are of working age, receive reduced assistance towards their Council Tax following the introduction of our localised CTR scheme. It is worth noting that in addition to the reduced support available through CTR:
- 3 are affected by the benefit cap with a reduction of £91.25 a week on average;
  - 197 are affected by the removal of the spare room subsidy receiving a reduction of £16.97 a week on average.
- 6.3. In research published by the Joseph Rowntree Foundation<sup>2</sup> it states 244 councils now require all households to pay at least some Council Tax regardless of income. It further states that in 2014/15, 2.34 million low-income families will pay on average £149 more in Council Tax each year. Of the 2.34 million affected families, 1.5 million were in poverty (measured after housing costs) and 1.8 million were workless families.
- 6.4. As the graph below shows, there has been a large drop in the number of councils with smaller minimum payments levels (of 8.5% or less); from 113 in 2013/14 to 69 in 2014/15. A minimum payment of 8.5% was common in 2013/14 because grant funding was available to councils that did not withdraw support from claimants by more than 8.5%.



- 6.5. In May 2014 the Citizens Advice Bureau (CAB) reported<sup>3</sup> that at a national level, one in five people reporting debt problems has Council Tax arrears. Gillian Guy, Citizens Advice Chief Executive, states:

*“For some households council tax bills can be the tipping point that plunges them into debt. Last year over 90,000 people came to Citizens Advice looking for help with council tax arrears as they struggle in the face of low incomes, rising prices and reduced financial support...since the end of Council Tax Benefit we’ve seen council tax arrears problems go through the roof. As their budgets shrink local authorities are increasingly stretched, but they must ensure that the resources available for their local Council Tax Support (Rebate) scheme are focussed on those who are most in need.”*

- 6.6. We have received representation from Gingerbread (a charity providing advice and support for single parents) setting out why they consider we should not include child maintenance in

our calculations for income for CTR. They state four principle reasons, arguing that including maintenance will:

- Increase the risk of child poverty among single parents - whose children are already twice as likely to live in poverty;
- Risk fewer parents seeking child maintenance payments - particularly where the payments they do get vary or often go unpaid - putting them at greater risk of financial hardship;
- Offer little savings to Councils due to the modest amounts of maintenance involved and higher administrative costs as maintenance payments can fluctuate in frequency and amount;
- Mean a double penalty on child maintenance for single parents as from 2014, the Government plans to start charging single parents who need help from the new Child Maintenance Service (a parent will have to pay 4% of their child's maintenance as a collection fee, while the paying parent will face charges of an additional 20%).

6.7. In a report<sup>4</sup> from the House of Commons Public Accounts Committee published in March 2014, it states the Department for Communities and Local Government (DCLG) were:

*“dissatisfied that 22 local authorities (of which West Somerset Council is one) had introduced schemes that counted child maintenance payments as income when calculating Council Tax Support”(Rebate).*

## **7. COUNCIL TAX REBATE SCHEME FOR 2013/14**

7.1. People of pension age were protected as required and a more generous system applied. If a person claims Pension Credit (guarantee element) there is no limit on the savings they can have and they will normally not pay Council Tax at all. Pensioners with higher incomes can also qualify, even if they do not get Pension Credit. Depending on their circumstances they can qualify for some help with their Council Tax with an income of £400 a week or more.

7.2. In designing our CTR scheme, we considered ability to pay and the collectability of the resultant Council Tax liability. For people of working age, our scheme has the following key elements:

- Maximum support is 85% of Council Tax - everyone of working age has to pay something;
- Non-dependant deductions are increased;
- No Second Adult Rebate;
- Child maintenance will count as income;
- Earned income disregards are at increased levels than those offered under CTB;
- Hardship fund of £22.5k for short-term help (this is a Collection Fund commitment and not fully funded by West Somerset Council).

7.3. On 1 April 2013, 3,531 people moved from the Council Tax Benefit scheme to the localised Council Tax Rebate scheme. During 2013/14, the average weekly CTR award for a Pension Age claim was £17.39, while for people of Working Age, it was £13.75 (with those in employment receiving an average award of £11.81 a week, and those not in employment, receiving £14.43 a week).

7.4. Other key facts on CTR caseload, spending and budgets are shown below:

Claimant type	% of total claims	Caseload at 31 March 2014	% of total spend	CTR Expenditure
Working Age (employed)	11%	378	8%	£224,378.51
Working Age (not employed)	33%	1,122	30%	£850,809.47
Pension Age	56%	1,934	62%	£1,753,368.43
<b>Total</b>	<b>100%</b>	<b>3,434</b>	<b>100%</b>	<b>£2,828,556.41</b>

Table 7.4.1

Authority	CTR Budget
West Somerset Council (9.39%)	£276,089
Parishes and the Unparished Area (4.08%)	£120,035
Somerset County Council (69.96%)	£2,057,945
Police and Crime Commissioners (11.44%)	£336,607
Devon and Somerset Fire Authority (5.13%)	£151,026
<b>Total Budget</b>	<b>£2,941,702.00</b>

Table 7.4.2

Council Tax Rebate @ 31 March 2014	
Council Tax Rebate awarded	£2,828,556.41
Council Tax Rebate Budget	£2,941,702.00
Council Tax Rebate award against budget	<b>-£113,145.59</b>
Underspend as a percentage of the budget	3.85%
<b>Average Council Tax Rebate Award (based on caseload of 3,434)</b>	<b>£823.69</b>

Table 7.4.3

7.5. Members will see from the above table that we paid out £113,145.59 less in CTR than the budget. This “underspend” equates to 3.85%. The cost of the scheme was lower than originally estimated due to a reduction in CTR recipients in comparison to CTB. Fluctuations in take up and in claimant numbers and income will impact on the overall expenditure. To put this into context, if 138 more people had claimed CTR and received average entitlement, then our budget would have been overspent.

## 8. COLLECTION ACTIVITY AND DEBT PROFILE FOR 2013/14

- 8.1. In 2013/14, we collected 96.9% of the net collectable debt due for 2013/14. This compares with 97.5% in 2012/13.
- 8.2. West Somerset Council send 17,593 Council Tax bills amounting to more than £19.5m each year. Around 19.5% of residents receive financial support through CTR, with 8.5% of residents being of working age and receiving CTR.
- 8.3. Officers also had to recover increased Council Tax from 1 April 2013 the Council decided to take advantage of new flexibilities related to second home discounts and short and long term empty properties to generate additional income. For unoccupied and unfurnished properties the changes meant Council Tax would be payable at 100% of the liability after 1 month. For those remaining unoccupied and unfurnished after 2 years, the Council decided to charge Council Tax at 150% to encourage owners to put those properties back into use. Previously, there was no Council Tax payable for unoccupied and unfurnished properties for the first 6 months.

For unoccupied furnished properties (“second homes”) Council Tax from 1 April 2013 was payable at 100% instead of 90% that previously applied.

- 8.4. As well as more income falling due from the new flexibilities on raising Council Tax, we had to collect over £285k more from working age CTR recipients than in 2012/13. Previously, this income had been automatically credited to their Council Tax accounts through the more generous CTB scheme and consequently, it created additional work for our Revenue Officers in collection activities.
- 8.5. For many customers, it was the first time they had to pay Council Tax and it was evident this caused them budgeting issues, not least because many were also affected by other welfare reform, such as the removal of the spare room subsidy and increased non-dependant deductions in Housing Benefit.
- 8.6. Revenues Officers set up special arrangements to help people struggling to pay. We routinely offered 12 monthly instalment arrangements (usually Council Tax is paid over 10 months) for customers affected by the reduced help through CTR and were quite successful in agreeing new Direct Debit arrangements.
- 8.7. Despite our best efforts, the number of customers affected by recovery action increased significantly.

	2012/13	2013/14	% change
Council Tax net collectable debt	£18,716,143	£19,588,510	4.6% ↑
Reminders and final notices issued (for all years)	10,325	12,857	24.5% ↑
Summons' issued (for all years)	778	1,012	30% ↑
Liability orders obtained	679	761	12% ↑
Cases referred to bailiffs/enforcement agents	702	879	25% ↑

Table 8.7.1

## 9. **CONSULTATION**

- 9.1. At the meeting of Council on the 20 November, 2013, members expressed concern debt levels for the CTR claimants who were in work were higher than for other profiles. Members requested further work be undertaken to ascertain if any adjustments could be made to our CTR scheme for 2015/16. It is important to note that when consultation was agreed, funding for CTR was through a specific and defined grant that on estimates that at the time, could have allowed for increased support to be allowed within the budget.
- 9.2. Members agree it is important for the scheme to aim to incentivise work and encourage people to remain in employment. It was suggested this should be used as one of the principles in carrying out the review.
- 9.3. Public consultation started on 24 February 2014 and ended on 23 May 2014. We included a consultation document with every Council Tax bill issued during annual billing for 2014/15. Therefore, every Council Taxpayer had the opportunity to comment on our proposals. We consulted on the following 3 proposals:
- Proposal 1 to increase earned income disregards
  - Proposal 2 to reduce income tapers
  - Proposal 3 to increase earned income disregards to £50 for everyone and reduce the income taper to 7.5%
- 9.4. At the closing date, we had received 69 responses to the consultation document. Of these 9 (14%) were from people currently receiving CTR. The survey results show the following:
- 77% of those responding agreed with Proposal 1
  - 74% of those responding agreed with Proposal 2
  - 71% of those responding agreed with Proposal 3

Full details of the consultation responses are shown in [Appendix 1](#).

## 10. FINANCIAL/RESOURCE IMPLICATIONS

10.1. Members should be aware our scheme automatically increases premiums and personal allowances as it links them to the Housing Benefit increases.

10.2. In September the Department for Communities and Local Government is expected to announce it will amend the Prescribed Requirements Regulations to up-rate the allowances, premiums and non-dependant deductions for pensioners for 2015-16. The Government will up-rate:

- personal allowances in line with Pension Credit rates
- most premiums in line with CPI; and
- non-dependant deductions in line with growth in eligible council tax.

2015/16 Pension Credit rates have yet to be published. The current CPI (Consumer Prices Index) rate is 2%. It is felt prudent to budget for a 1.6% increase in overall CTR expenditure.

This is to allow for 0.9% estimated increase in council tax liability for all cases, and an additional 2% increase in premiums (current CPI rate) for all non passported claims. Passported claims will not be affected by the increase in premiums as they are already receiving full benefit.

10.3. The budget for CTR is calculated by the sum of band D equivalents for CTR discretionary discounts multiplied by the equivalent number band D properties. Therefore, our budget of £2,795,094 for 2014/15 is £1,474.75 Council Tax per Band D equivalent multiplied by 1,895.30 number of Band D equivalent properties.

10.4. By running the scheme as a “discount” we share the risk of financing the costs with the other precepting authorities through the tax base calculation. The first financial impact is on the Collection Fund that is used to manage all Council Tax income, before that funding is shared between the various local precepting bodies. Given West Somerset’s share of the Collection Fund (shown in the chart below) is only 9.35%, the major element of the risk falls on the other precepting local authorities.

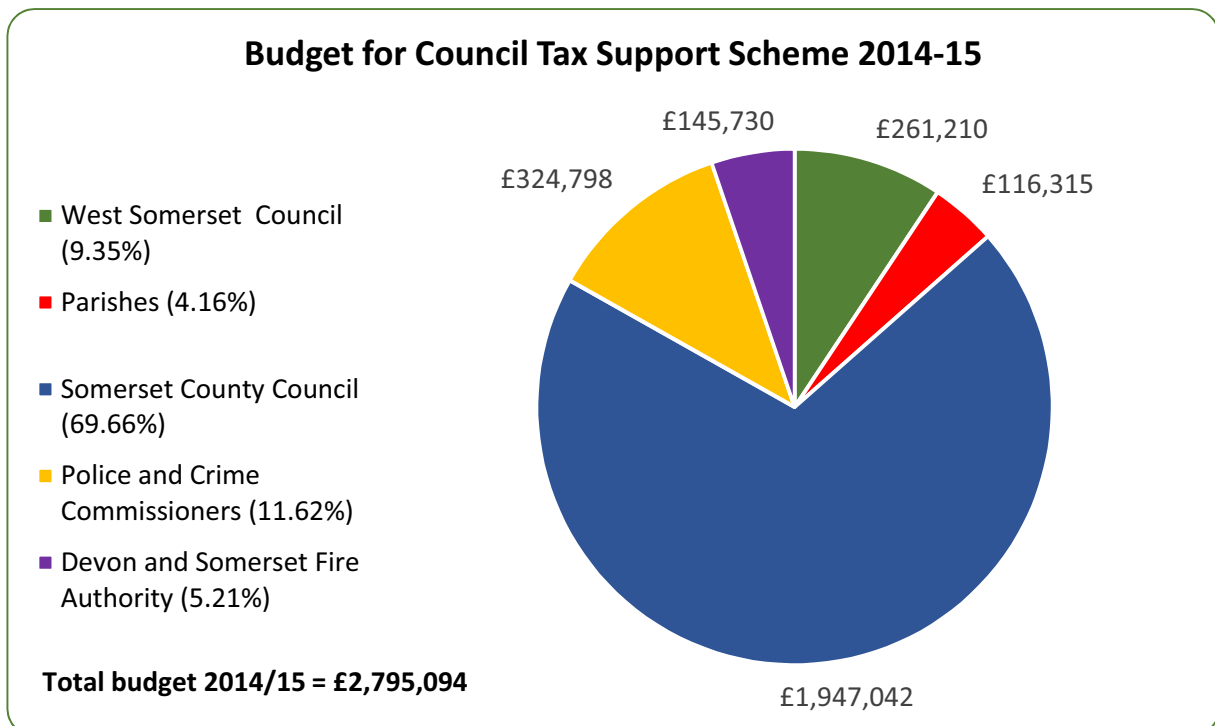
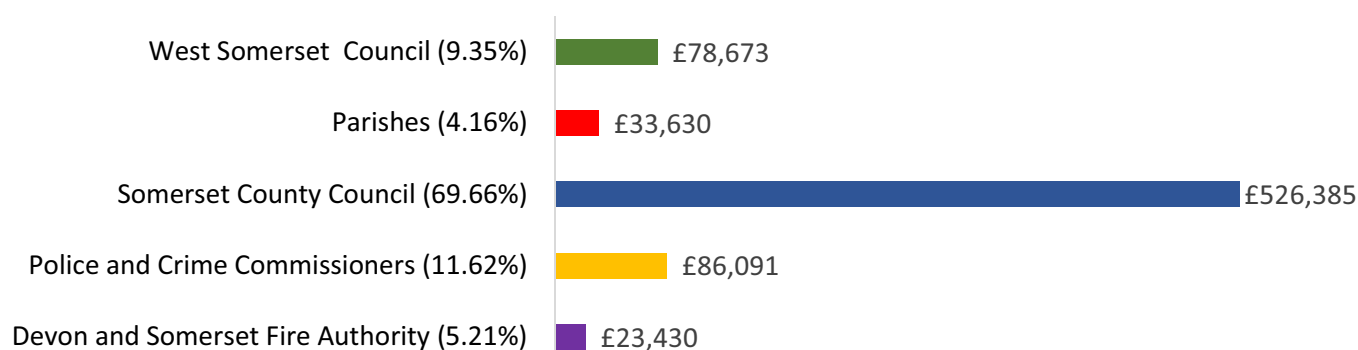


Chart 10.4.1



- 10.5. The Department for Communities and Local Government Local Government Finance Settlement 2014-15 & 2015-16 Technical Consultation advised the Government proposed to keep the level of the localised Council Tax Rebate funding unchanged in cash terms for 2014/15 and 2015/16. However, from 1 April 2014, funding for CTR is incorporated in the Local Government Finance Settlement (LGFS) and not separately identified. We have indicative figures showing the LGFS reduced significantly in both 2014/15 and 2015/16. If we apply the same reduction to the funding for CTR, it means a cut of £748k in comparison to the funding provided in 2013/14 (£78,673 cut in CTR funding for West Somerset Council alone).
- 10.6. The financing risk of the scheme is shared with other precepting Authorities through the tax base calculation. West Somerset's share of the collection fund in 2014/15 is 9.35%. The cut in individual preceptors' funding is shown in the table below.

**Cut in CTR funding based on reductions in LGFS for 2014-15 & 2015-16  
(Estimated cut in CTR funding of £748k since 2013-14)**



*Chart 10.6.1*

- 10.7. Within the 2013/14 financial settlement an amount of £110,262 was identified as being support for parishes to help mitigate the impacts of localised Council Tax Rebate (CTR). This funding is no longer separately identified.
- The Council's Funding Assessment reduced by 14.5% in 2014/15, and a further 15.6% reduction is currently included in the Provisional Settlement for 2015/16.
- 10.8. For 2014/15, Council approved the principle of applying a reduction in the amount of CTR funding passported to parishes in line with the reduction in our Start-Up Funding Assessment. This means parishes take a share of the cut in funding for CTR. The final total of CTR funding that was paid to parishes in 2014/15 is £87,530, therefore this sum is now our Base Budget assumption for this cost.
- 10.9. Members are requested to confirm the principle to be applied for 2015/16 CTR grant funding to be paid to parishes. If the preference is to apply the same principle as for 2014/15, then we would apply a reduction of 15.6% to the CTR funding passported in 2015/16 that would cost in the region of £73,200.

Alternative options that were considered last year were:

- a) reduce by the reduction in Start Up Funding Assessment, adjusted for local business rate retention figures;
- b) reduce by the same rate of reduction in Revenue Support Grant;
- c) keep at the same rate as the current year.

- 10.10. In January 2013, the Council agreed to amend the discounts and exemptions awarded to raise a significant amount of additional council tax income and to use this money to fund the localised CTR scheme to a more acceptable level of 85%. (Recommendation C93). However, the additional amount raised of £402k will not meet the expected shortfall of £748k in the funding we will receive for CTR in 2015/16 as there will be a remaining deficit of £346k.

Estimated Income Generated by Council Tax Technical Reform				
	Empty & Unfurnished Properties	Second Homes	Long Term Empty Properties	Total Additional Income
West Somerset Council (9.35%)	£20,911.18	£13,325.71	£3,383.11	<b>£37,620.01</b>
Parishes and the Unparished Area (4.16%)	£9,303.80	£5,928.87	£1,505.21	<b>£16,737.88</b>
Somerset County Council (69.66%)	£155,793.89	£98,966.58	£25,205.08	<b>£279,965.55</b>
Police and Crime Commissioners (11.62%)	£25,988.01	£16,560.94	£4,204.46	<b>£46,753.42</b>
Devon and Somerset Fire Authority (5.21%)	£11,652.11	£7,425.34	£1,885.13	<b>£20,962.59</b>
<b>Total Additional Income</b>	<b>£223,649.00</b>	<b>£142,207.45</b>	<b>£36,183.00</b>	<b>£402,039.45</b>

Table 10.10.1

- 10.11. If we allow for the reduced funding we estimate we will receive in 2015/16 and then allow for the extra income generated through technical reform, the net deficit position for each preceptor will be that shown in the table below:

	Cut in CTR funding	Extra income from technical reform	Net deficit
West Somerset Council (9.35%)	£78,673.00	£37,620.01	<b>-£41,052.99</b>
Parishes and the Unparished Area (4.16%)	£33,630.00	£16,737.88	<b>-£16,892.12</b>
Somerset County Council (69.66%)	£526,385.00	£279,965.55	<b>-£246,419.45</b>
Police and Crime Commissioners (11.62%)	£86,091.00	£46,753.42	<b>-£39,337.58</b>
Devon and Somerset Fire Authority (5.21%)	£23,430.00	£20,962.59	<b>-£2,467.41</b>
<b>Total Additional Income</b>	<b>£748,209.00</b>	<b>£402,039.45</b>	<b>-£346,169.55</b>

Table 10.11.1

- 10.12. Therefore, in changing the CTR scheme to apply any of the proposals, it will mean we are increasing the funding deficit. The financial implications for each proposal, assuming caseloads remain steady, are as follows:

	Proposal 1	Proposal 2	Proposal 3
Estimated CTR expenditure for 2015/16 allowing for inflation but based on the proposal	£2,829,350.48	£2,838,039.91	£2,862,110.61
Estimated CTR Expenditure allowing for inflation based on our current scheme	£2,775,136.40	£2,775,136.40	£2,775,136.40
<b>Increase in CTR expenditure through implementing the proposal</b>	<b>£54,214.08</b>	<b>£62,903.51</b>	<b>£86,974.21</b>

Table 10.12.1

Full details of the modelling carried out are contained in [Appendix 2](#).

- 10.13. Ideally, based on the information we now have showing the substantial reduction in CTR funding, we would be considering reducing our CTR scheme to mitigate the loss in 2015/16. However, we have already carried out consultation in preparation for potentially changing our CTR scheme for 2015/16. To carry out consultation once again on proposals that will inevitably be in opposition to the earlier exercise would be ill advised. In addition, the time remaining to carry out further consultation is extremely limited and we would face considerable risk in failing to meet our statutory obligations in conducting such an exercise effectively.



## **11. Council Tax Rebate Scheme 2016/17**

11.1. We intend to work in collaboration with the County Council (as the major preceptor) and the other Somerset District billing authorities of Taunton Deane, Sedgemoor, Mendip and South Somerset to design a “core” scheme for Somerset to redesign our CTR scheme for Working Age applicants from 2016/17 to:

- Protect applicants on a low income and those deemed to be vulnerable;
- Incentivise work and maintain levels of support to assist those on low levels of earned income;
- Reduce administration costs in anticipation of changes to administrative subsidy;
- Be delivered within existing administrative frameworks and with minimal changes to software requirements; and
- Reduce the level of expenditure across the scheme to deliver the savings required by billing and precepting authorities.

We will be obtaining assistance through a leading consultant in carrying out this work.

## **12. SECTION 151 OFFICER COMMENTS**

12.1. From 2014/15 funding for Council Tax Rebate will be incorporated into the Local Government Finance Settlement and not separately identified. The overall total for the Local Government Finance Settlement is being reduced and it is vital any financial risk in the 2015/16 Council Tax Rebate scheme is kept to a minimum.

12.2. The funding for CTR in 2015/16 will mean implementing any of the proposals will increase the funding shortfall by the amounts shown in *Table 10.12.1*. Members should also be aware there are a number of factors beyond the Authority’s control that increase demand, such as economic downturn, loss of large local employer etc. and this too will potentially increase the funding shortfall.

12.3. Indicative information received from the other Somerset billing authorities of Taunton Deane, Sedgemoor, Mendip and South Somerset show that none are likely to increase the support they provide to residents through CTR in 2015/16 as all face similar cuts in funding.

12.4. I would therefore recommend Members retain our current CTR scheme for 2015/16.

## **13. EQUALITY & DIVERSITY IMPLICATIONS**

13.1. **Members need to demonstrate they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.**

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

13.2. A thorough consultation was undertaken in August and September 2012 when we were considering implement our CTR scheme. Full details were provided in report WSC 3/13.

13.3. [Appendix 3](#) of this report updates the assessment and provides actual data against the issues originally identified.

13.4. Debt levels are broken down by claim profile in [Appendix 4](#).

#### **14. CRIME AND DISORDER IMPLICATIONS**

- 14.1. Regular liaison between the police and this authority is maintained through our Community Safety Officer. At this time, no attributable impacts upon local rates of crime and disorder have been identified.

#### **15. CONSULTATION IMPLICATIONS**

- 15.1. Consultation was undertaken on the proposals to increase support through CTR to working recipients in 2015/16. While every household was invited to participate in the consultation, we received only 69 responses from the general public (see [Appendix 1](#)).

#### **16. ASSET MANAGEMENT IMPLICATIONS**

- 16.1. The Department of Communities and Local Government has paid a grant to help billing authorities cover the cost of administering localised Council Tax Rebate schemes.
- 16.2. A decision to retain the existing CTR scheme in 2015/16 will help keep costs low as there will be no additional software changes

#### **17. ENVIRONMENTAL IMPACT IMPLICATIONS**

- 17.1. None Associated with this report

#### **18. LEGAL IMPLICATIONS**

- 18.1. Council must approve a scheme by 31 January 2015 or it will be forced to adopt the Government's default scheme. The default scheme is essentially old Council Tax Benefit scheme allowing a maximum 100% of liability as oppose to the 85% West Somerset scheme. The clear implication being the creation of a significant additional budget deficit.

### **BACKGROUND PAPERS**

<sup>1</sup> Local Government Finance Settlement 2014-15 and 2015-16 Consultation  
<http://www.local.gov.uk/documents/10180/5533246/Local+Government+Finance+Settlement+1415+1516++LGA+response+final.pdf/1ebbc901-681f-4f8b-9c92-28ec7c69cb0f>

<sup>2</sup> Joseph Rowntree Foundation - How Have Low-Income Families Been Affected by Changes to Council Tax Support?  
<http://www.jrf.org.uk/publications/low-income-families-changes-council-tax>

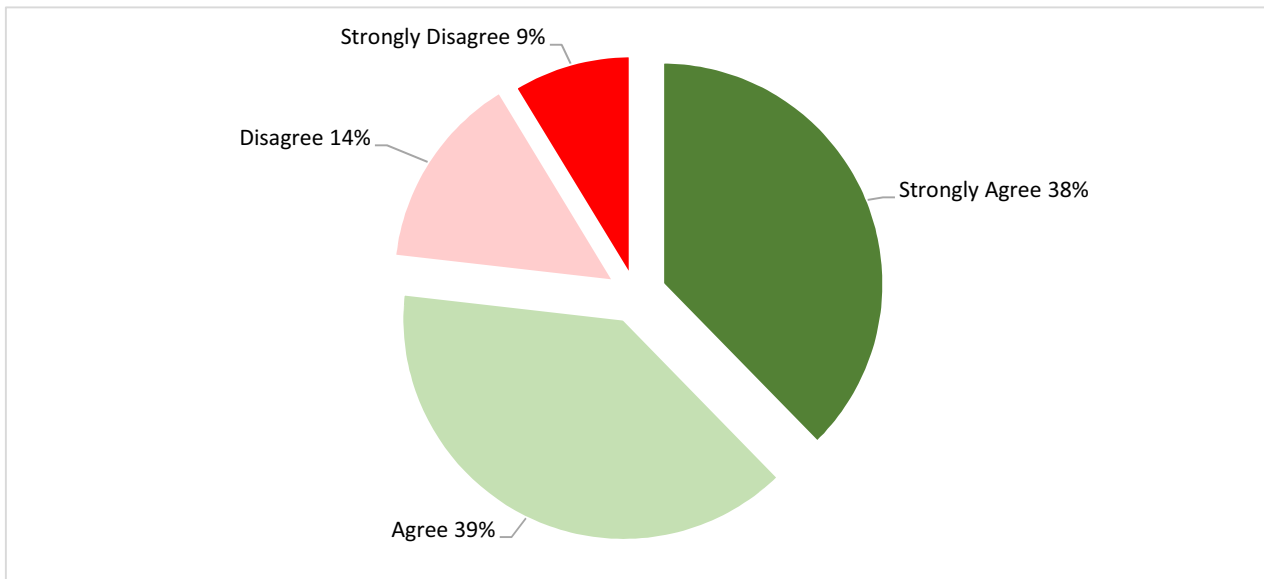
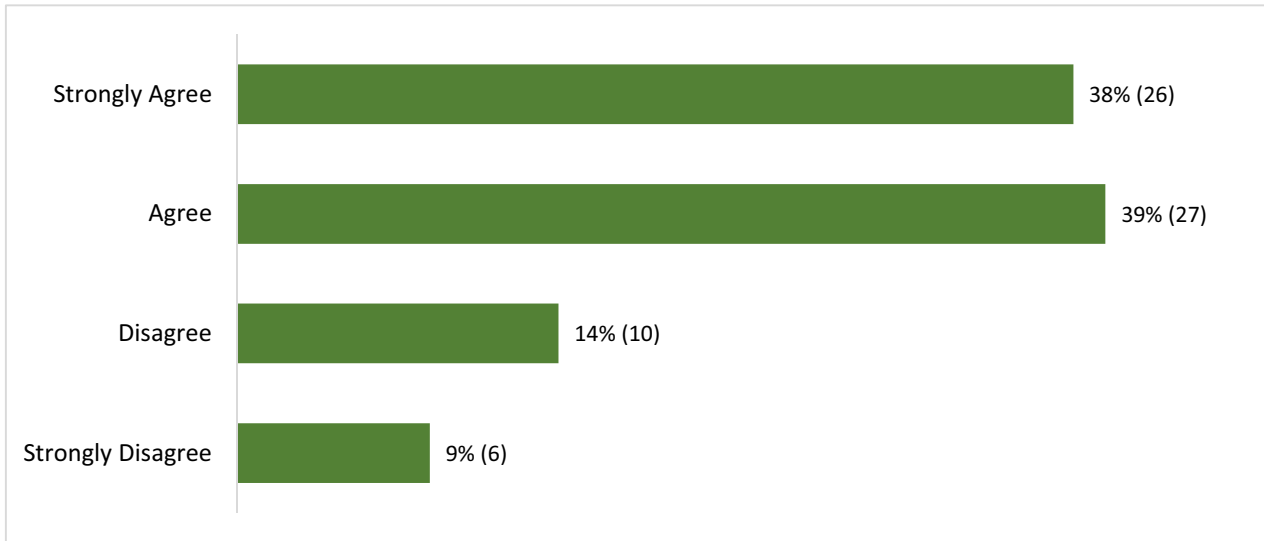
<sup>3</sup> CAB Press Release 26 May 2014 - Council tax arrears now biggest debt problem reported to Citizens Advice  
[http://www.citizensadvice.org.uk/index/pressoffice/press\\_index/press\\_office-newpage-20140526.htm](http://www.citizensadvice.org.uk/index/pressoffice/press_index/press_office-newpage-20140526.htm)

<sup>4</sup> Report from the House of Commons Public Accounts Committee  
<http://www.publications.parliament.uk/pa/cm201314/cmselect/cmpublicacc/943/94302.htm>

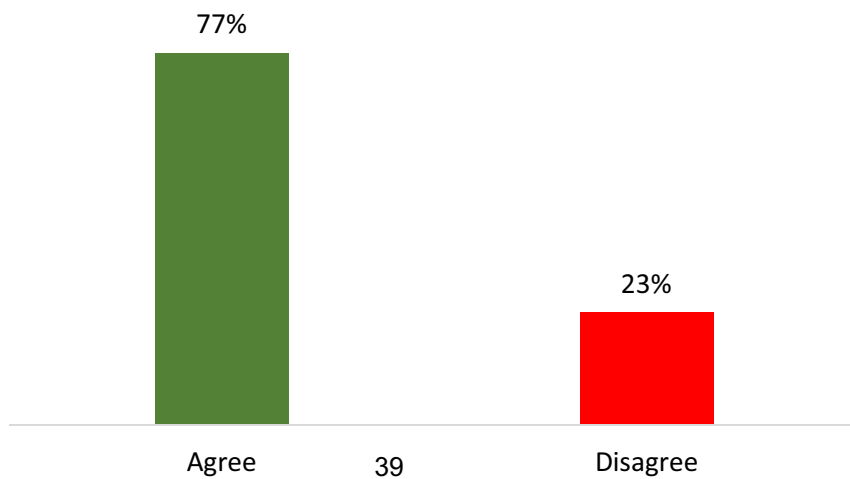
<sup>5</sup> Report from the National Audit Office - Council Tax Support, published on 13 December 2013  
<http://www.nao.org.uk/wp-content/uploads/2013/12/10316-001-Council-Tax-Book.pdf>

**Question 1**

**Do you agree with Proposal 1 to increase earnings disregards?**

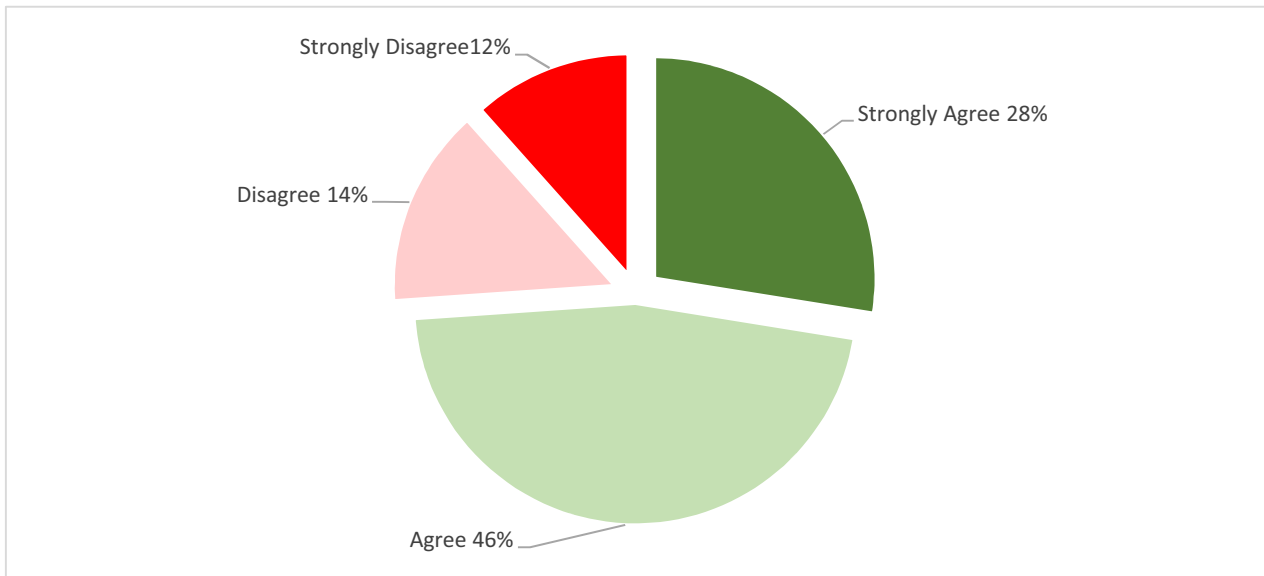
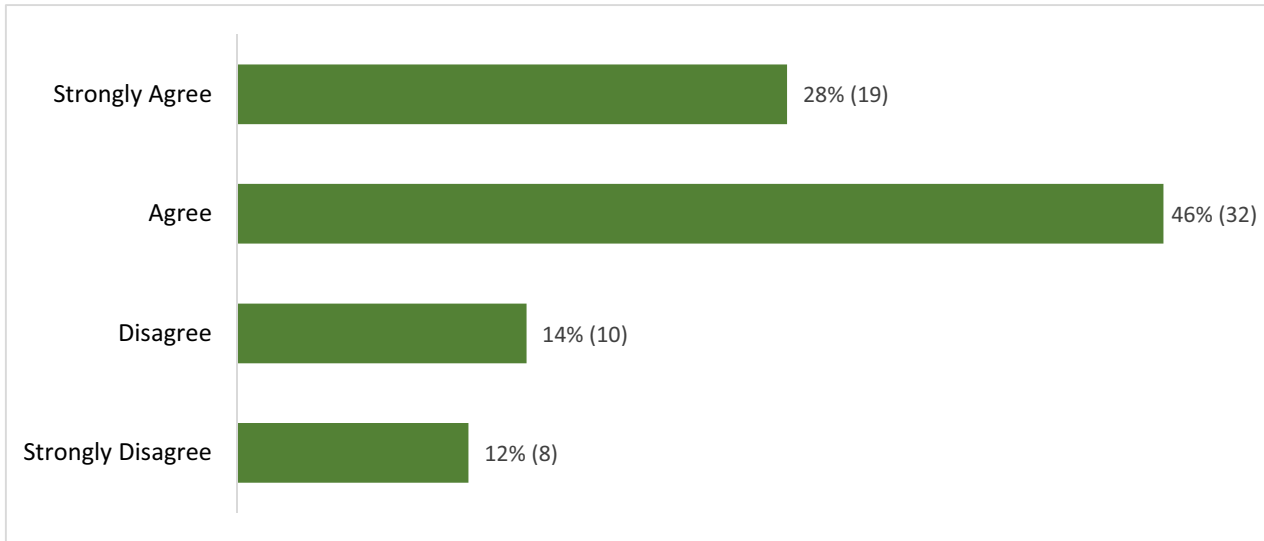


**Proposal 1 - Increase Earnings Disregards**

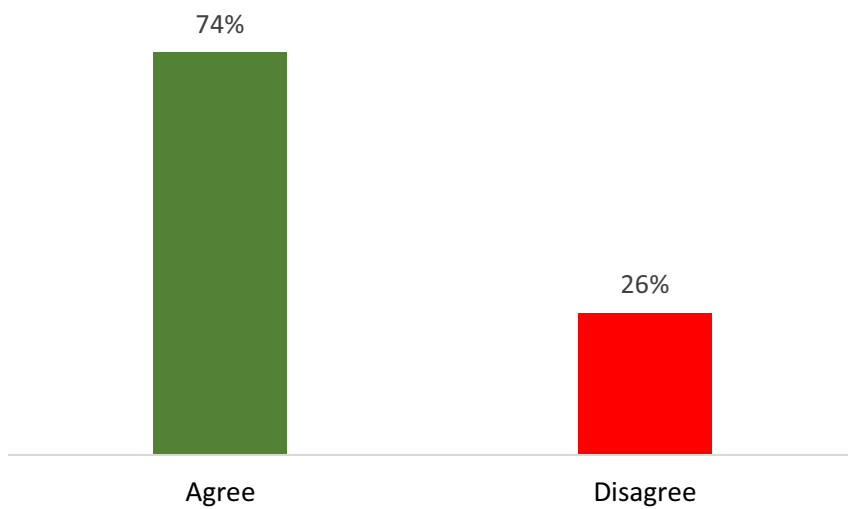


### Question 2

Do you agree with Proposal 2 to reduce income tapers?

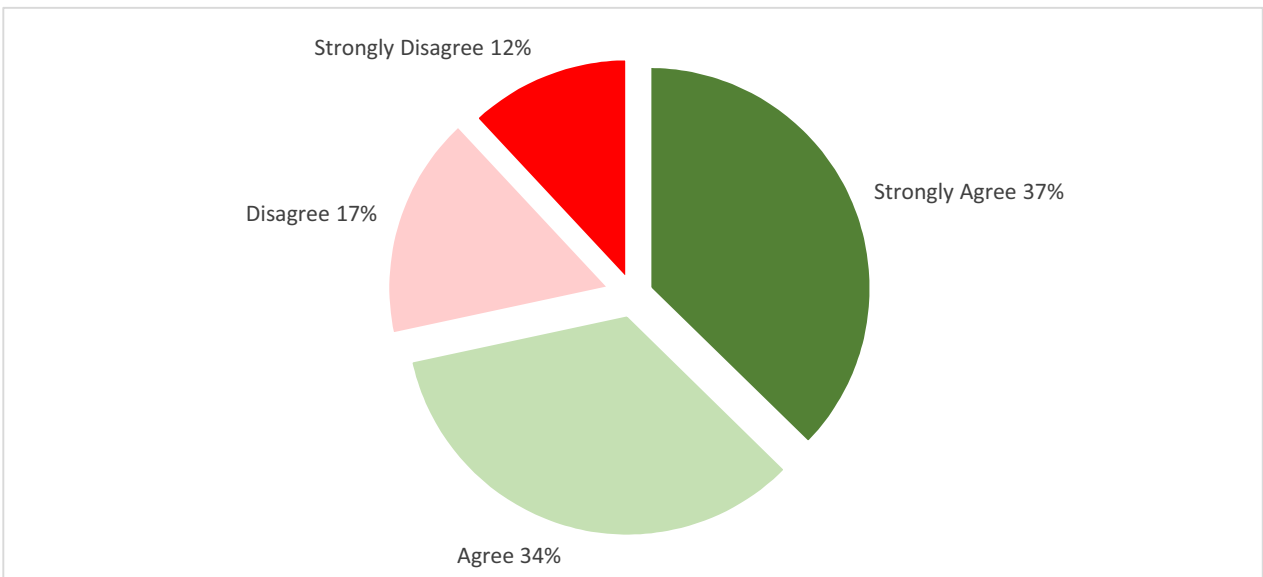
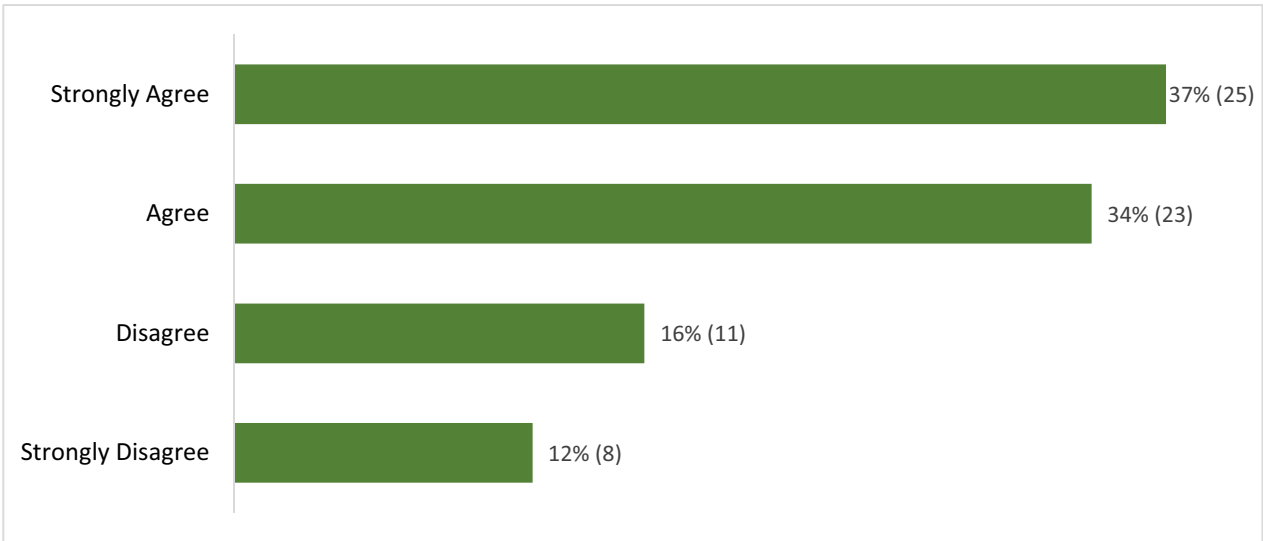


### Proposal 2 - Reduce Income Tapers

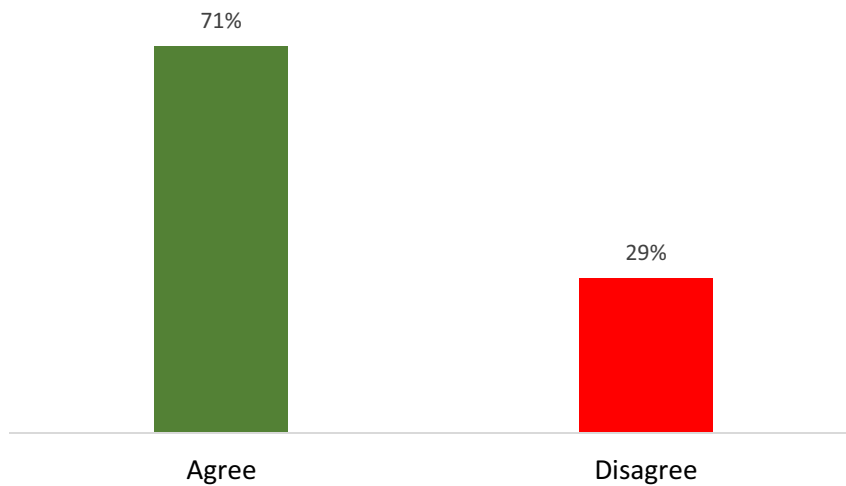


**Question 3**

**Do you agree with Proposal 3 to increase earnings disregards and reduce income tapers?**

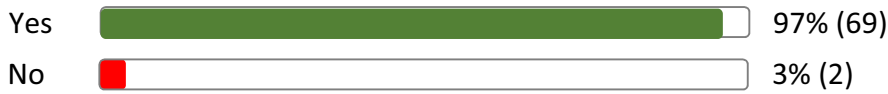


**Proposal 3 - Increase Earnings Disregards and Reduce Income Tapers**



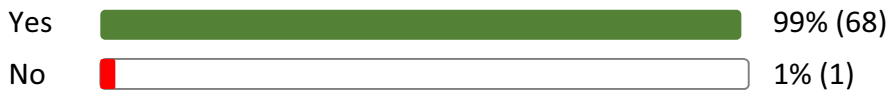
## Are you a resident of West Somerset?

### Option results



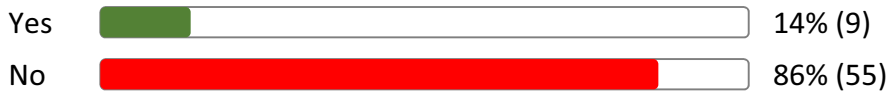
## Do you pay Council Tax?

### Option results



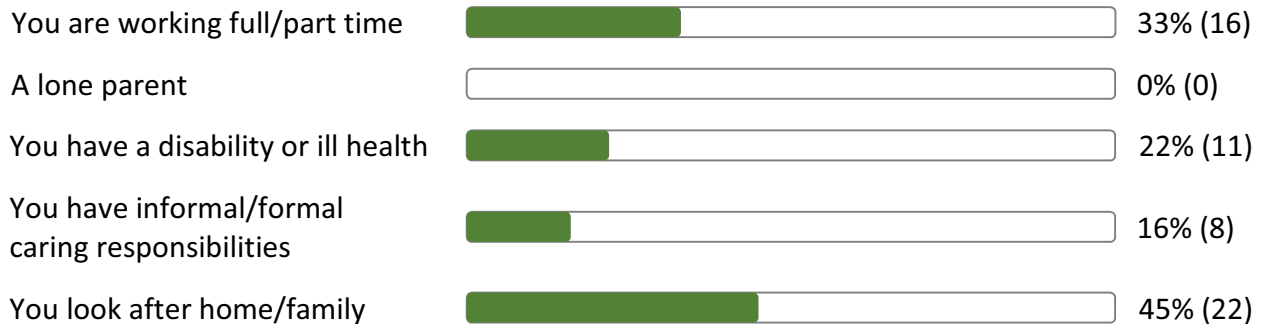
## Do you currently receive Council Tax Rebate or Housing Benefit?

### Option results



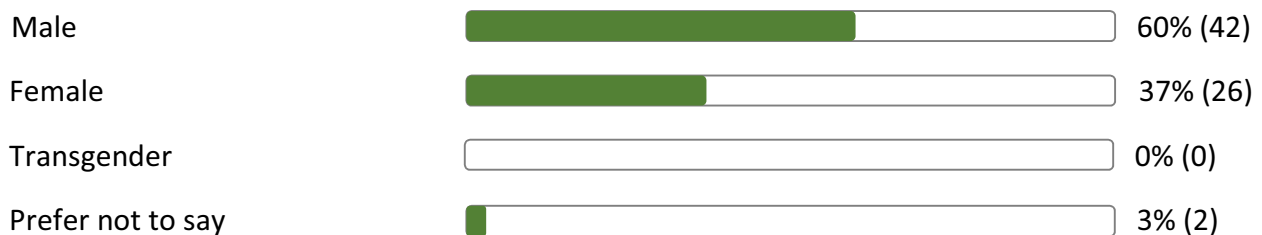
## Please tick the description that best reflects your circumstances:

### Option results



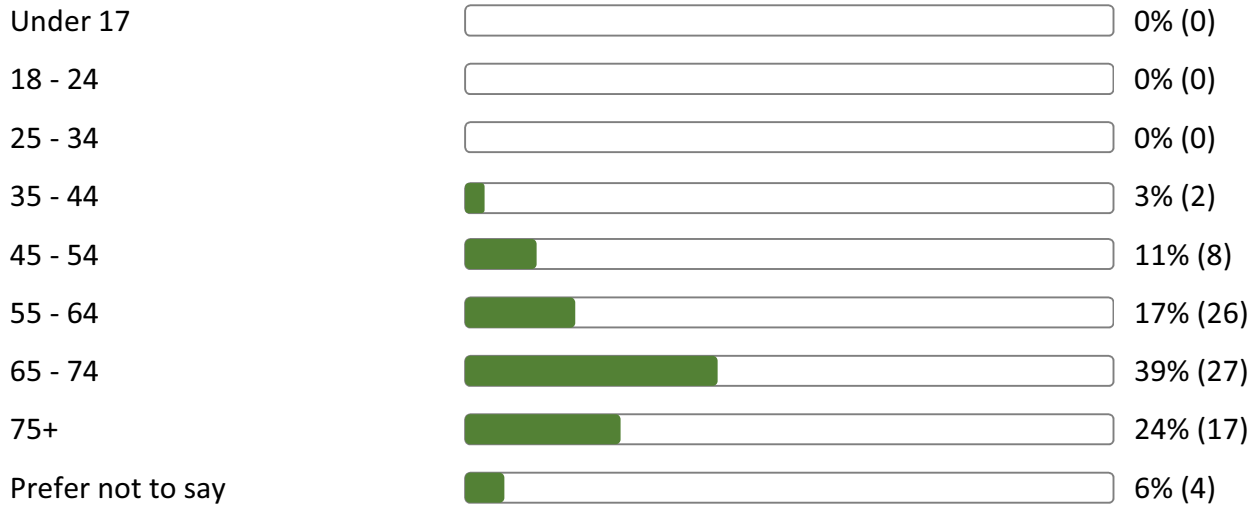
## What is your gender?

### Option results



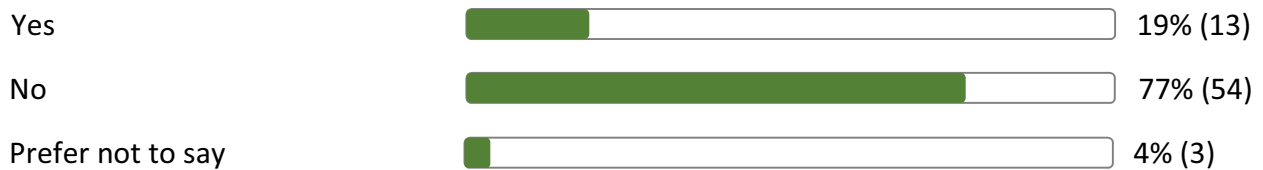
### What is your age group?

#### Option results



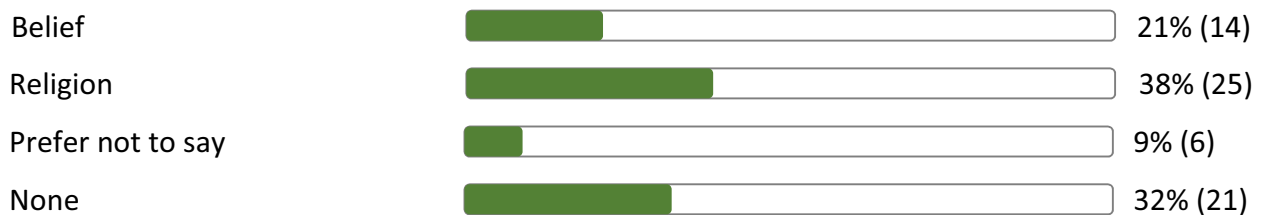
### Do you consider yourself as having a disability or long-term physical or mental health condition?

#### Option results



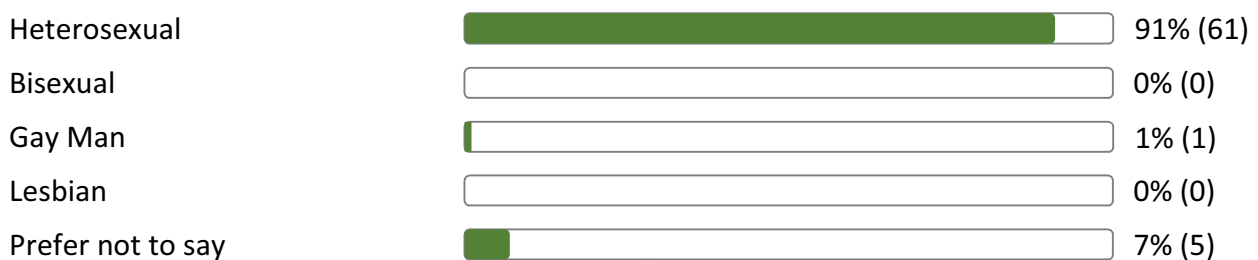
### Do you consider yourself to have a religion or belief?

#### Option results



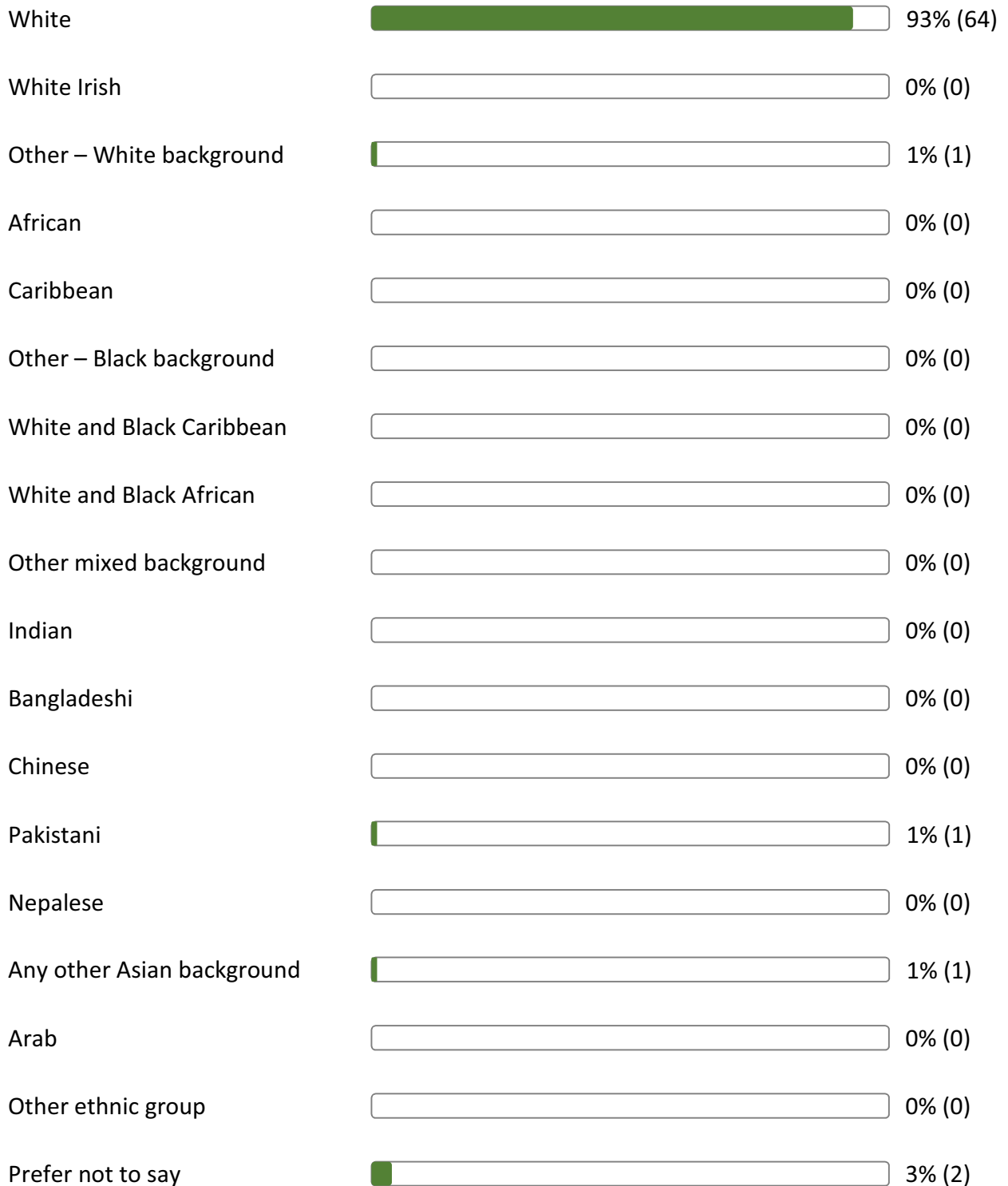
### What do you consider your sexual orientation to be?

#### Option results



## Which of these ethnic groups do you feel you belong to?

### Option results





### Current Council Tax Rebate Scheme (2014/15) modelled for inflation

			Pension Age - passported	Pension Age - non-passported	Working Age - passported	Working Age - non- passported	Totals
2014/15 Annual awards	£2,731,597.95	Number of claims	1,169	704	822	598	3,293
Estimated 2015/16 awards	£2,775,136.40	Total weekly awards	£21,881.57	£9,935.98	£12,330.11	£8,239.15	£52,386.81
Funding 2015/16	£2,083,724.00						
Estimated overspend in comparison to funding	£691,412.40	Total annual CTR	£1,140,967.58	£518,090.39	£642,927.16	£429,612.82	£2,731,597.95
Budget 2014/15	£2,795,094.00	Estimated inflation	£10,268.71	£15,024.62	£5,786.34	£12,458.77	£43,538.45
Estimated 2015/16 average award	£842.74	<b>Estimated 2015/16 awards</b>	<b>£1,151,236.29</b>	<b>£533,115.01</b>	<b>£648,713.51</b>	<b>£442,071.59</b>	<b>£2,775,136.40</b>

### Proposal 1 - Increase earned income disregard (modelled on £50 for all claims from those of working age)

			Pension Age - passported	Pension Age - non-passported	Working Age - passported	Working Age - non- passported	Totals
2014/15 Annual awards	£2,784,284.14	Number of claims	1,169	704	822	598	3,293
Estimated 2015/16 awards	£2,829,350.48	Total weekly awards	£21,881.57	£9,935.98	£12,330.11	£9,249.57	£53,397.23
Funding 2015/16	£2,083,724.00						
Estimated overspend in comparison to funding	£745,626.48	Total annual CTR	£1,140,967.58	£518,090.39	£642,927.16	£482,299.01	£2,784,284.14
Budget 2014/15	£2,795,094.00	Estimated inflation	£10,268.71	£15,024.62	£5,786.34	£13,986.67	£45,066.35
Estimated 2015/16 average award	£859.20	<b>Estimated 2015/16 awards</b>	<b>£1,151,236.29</b>	<b>£533,115.01</b>	<b>£648,713.51</b>	<b>£496,285.68</b>	<b>£2,829,350.48</b>

	Number increased	Average weekly increase	Number with no change
Single	51	£4.68	534
Lone parent	98	£2.26	311
Children	99	£4.65	205
Couple only	18	£4.42	104
<b>Total</b>	<b>266</b>	<b>£3.76</b>	<b>1,154</b>
Employed	221	£3.81	138
Self employed	48	£3.51	100
<b>Total</b>	<b>269</b>	<b>£3.76</b>	<b>238</b>
Disabled	14	£3.76	398

## Proposal 2 – Reduce income taper (modelled on 7.5% taper for all claims from those in employment of working age)

			Pension Age - passported	Pension Age - non-passported	Working Age - passported	Working Age - non- passported	Totals
2014/15 Annual awards	£2,792,728.67	Number of claims	1,169	704	822	598	3,293
Estimated 2015/16 awards	<b>£2,838,039.91</b>	Total weekly awards	£21,881.57	£9,935.98	£12,330.11	£9,411.52	£53,559.18
Funding 2015/16	£2,083,724.00						
Estimated overspend in comparison to funding	£754,315.91	Total annual CTR	£1,140,967.58	£518,090.39	£642,927.16	£490,743.54	£2,792,728.67
Budget 2014/15	£2,795,094.00	Estimated inflation	£10,268.71	£15,024.62	£5,786.34	£14,231.56	£45,311.24
Estimated 2015/16 average award	£861.84	<b>Estimated 2015/16 awards</b>	<b>£1,151,236.29</b>	<b>£533,115.01</b>	<b>£648,713.51</b>	<b>£504,975.11</b>	<b>£2,838,039.91</b>

	Number increased	Average weekly increase	Number with no change
Single	49	£4.87	536
Lone parent	102	£5.42	307
Children	46	£6.57	257
Couple only	10	£6.08	112
<b>Total</b>	<b>207</b>	<b>£5.58</b>	<b>1,212</b>
Employed	171	£5.89	188
Self employed	39	£4.25	109
<b>Total</b>	<b>210</b>	<b>£5.59</b>	<b>297</b>
Disabled	10	£7.05	402

### Proposal 3 - Reduce income taper to 7.5% taper and increase the earned income disregard to £50

			Pension Age - passportd	Pension Age - non-passported	Working Age - passportd	Working Age - non- passportd	Totals
2014/15 Annual awards	£2,816,121.00	Number of claims	1,169	704	822	598	3,293
Estimated 2015/16 awards	<b>£2,862,110.61</b>	Total weekly awards	£21,881.57	£9,935.98	£12,330.11	£9,860.14	£54,007.80
Funding 2015/16	£2,083,724.00						
Estimated overspend in comparison to funding	£778,386.61	Total annual CTR	£1,140,967.58	£518,090.39	£642,927.16	£514,135.87	£2,816,121.00
Budget 2014/15	£2,795,094.00	Estimated inflation	£10,268.71	£15,024.62	£5,786.34	£14,909.94	£45,989.61
Estimated 2015/16 average award	£869.15	<b>Estimated 2015/16 awards</b>	<b>£1,151,236.29</b>	<b>£533,115.01</b>	<b>£648,713.51</b>	<b>£529,045.81</b>	<b>£2,862,110.61</b>

	Number increased	Average weekly increase	Number with no change
Single	53	£5.47	532
Lone parent	104	£5.85	305
Children	100	£5.92	203
Couple only	18	£5.77	104
<b>Total</b>	<b>275</b>	<b>£5.80</b>	<b>1,144</b>
Employed	277	£6.14	82
Self employed	52	£4.38	96
<b>Total</b>	<b>329</b>	<b>£5.86</b>	<b>178</b>
Disabled	14	£6.73	398

## Summary of the impact of proposals for those cases where people have employment

### Number of claims with increased entitlement

Claimant type	Proposal 1	Proposal 2	Proposal 3
Single	51	49	53
Lone parent	98	102	104
Children	99	46	100
Couple only	18	10	18
<b>Total</b>	<b>266</b>	<b>207</b>	<b>275</b>
Employed	221	171	277
Self employed	48	39	52
<b>Total</b>	<b>269</b>	<b>210</b>	<b>329</b>
Disabled	14	10	14

### Average weekly increase in entitlement

Claimant type	Proposal 1	Proposal 2	Proposal 3
Single	£4.68	£4.87	£5.47
Lone parent	£2.26	£5.42	£5.85
Children	£4.65	£6.57	£5.92
Couple only	£4.42	£6.08	£5.77
<b>Average increase</b>	<b>£3.76</b>	<b>£5.58</b>	<b>£5.80</b>
Employed	£3.81	£5.89	£6.14
Self employed	£3.51	£4.25	£4.38
<b>Average increase</b>	<b>£3.76</b>	<b>£5.59</b>	<b>£5.86</b>
Disabled	£3.76	£7.05	£6.73

## West Somerset Council

### Equality Impact Analysis Record Form 2014

#### Council Tax Rebate 2013/14 end of year review

When reviewing, planning or providing services West Somerset Council needs to assess the impacts on people.

We must show we have given due regard to the General Equality Duties in relation to our policies, strategies, services and functions as set out in Section 149 of the Equality Act 2010:

The three aims we **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

Service Area: Benefits	
Name of policy/ practice/ service or function	Council Tax Rebate Scheme

#### Section 1 Why are you completing the Impact Assessment (please ✓ as appropriate)

Proposed new policy or service	Change to policy or service	Budget/Financial Decision	End of year review
			✓

#### 1.1. Information about the new policy or change to the policy (explain the proposal and reason for the change)

From 2013/14 district councils have operated localised Council Tax Rebate (CTR) schemes to provide assistance to people on low income. CTR replaced the previous Council Tax Benefit scheme that was administered by the council on behalf of the Department for Work and Pensions (DWP). Councils are responsible for the design and implementation of these schemes and need to consider if they are to be revised or replaced on an annual basis. The subsidy reimbursement for CTR reduced nationally by 10% in 2013/14 with councils having the option of funding the shortfall or designing a CTR scheme that is cost neutral. Any CTR scheme must protect pensioners at the existing level of support and incentivise return to work.

From 1 April 2014, funding for localised CTR is incorporated in the Local Government Finance Settlement (LGFS) and not separately identified. We have indicative figures showing the LGFS reduced significantly in both 2014/15 and 2015/16. If we apply the same reduction to the funding for CTR, it means a cut of £748k in comparison to the funding provided in 2013/14 (£78,673 cut in CTR funding for West Somerset Council alone). The financing risk of the scheme is shared with other precepting Authorities through the tax base calculation. West Somerset's share of the collection fund is 9.35%.

**West Somerset's Council Tax Rebate Scheme**

On 23rd January 2013 Full Council approved a scheme with the following key principles:

- Maximum Liability - Maximum award for working age claimants is 85% of the council tax liability.
- Child Maintenance - Maintenance received for a child or children, paid by a former partner is treated as income in the means test assessment.
- Non-dependant deductions - Increased non-dependant deductions
- Second Adult Rebate - Abolish Second Adult Rebate for working age claimants.
- Increased Earnings Disregard - Part of earned income is not included in the means test to calculate CTR, so incentivising work.
- Discretionary Council Tax Assistance - Creation of a discretionary hardship fund, to protect the most vulnerable. Value of the scheme is £22,500 a year.
- Sub-Tenant/Boarder Income - Disregards abolished for sub-tenant and boarder income.

On 20 November 2013 Full Council agreed to maintain the same scheme for 2014/15 with the same principles as detailed above. However, members expressed concern at debt levels for the CTR claimants who were in work and requested further work be undertaken to ascertain if any extra support could be provided. Public consultation on proposals to change the CTR scheme in 2015/16 to provide more support to recipients that are working started on 24 February 2014 and ended on 23 May 2014. Every Council Taxpayer had the opportunity to comment on the proposals.

The proposals to deliver extra help will incur additional CTR expenditure ranging from £54k to £87k in 2015/16. Implementing any of the proposals is considered against the cut in CTR funding of £748k.

## Section 2: What evidence has been used in the assessment? Attach documents where appropriate

### Overall Council Tax Rebate Caseload and Debt Profiling (December 2013)

We have undertaken debt profiling against the Council Tax Rebate (CTR) customer base and also against those customer groups impacted most by the key elements of our localised scheme.

For people not receiving CTR (Table 1), 11% had Council Tax debt, compared with nearly 17% of CTR recipients (Table 2). The average debt for people in arrears **not** receiving CTR was £412.51 - significantly higher than the average debt for CTR recipients (£219.64). The average debt across the CTR scheme for all recipients is £36.52. This is lower than average debt per house for non-CTR recipients at £56.89.

**Table 1**

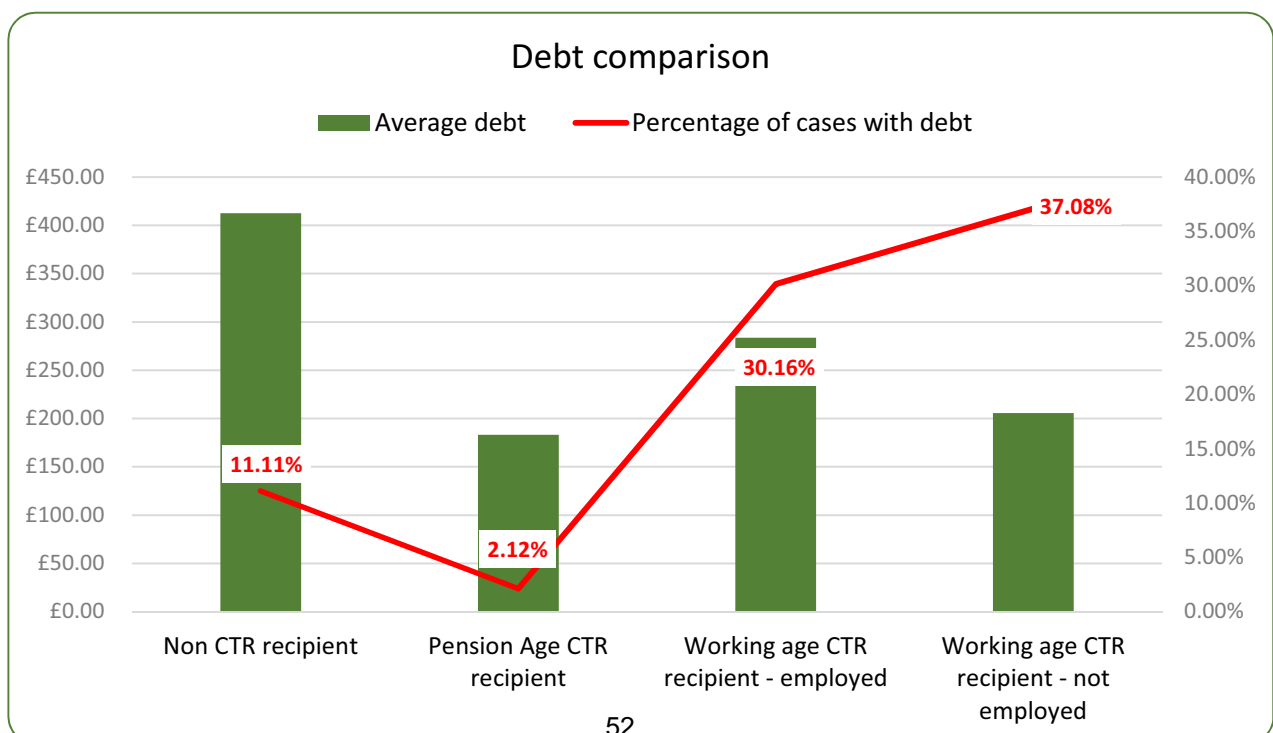
	Council Tax Accounts where CTR is <b>not</b> awarded	Number of cases with debt	Percentage of cases with debt	Average debt for those in arrears	Average debt per household	Total Debt for non-CTR cases
<b>Total for non-CTR recipients</b>	<b>14,220</b>	<b>1,961</b>	<b>13.79%</b>	<b>£412.51</b>	<b>£56.89</b>	<b>£808,926.99</b>

**Table 2**

	Number of claims	Number of cases with debt	Percentage of cases with debt	Average debt for those in arrears	Average debt for group across scheme	Total Debt
Pension Age	1,934	41	2.12%	£183.24	£3.88	£7,512.66
Working Age Employed	378	114	30.16%	£283.76	£85.58	£32,348.58
Working Age Other	1,122	416	37.08%	£205.65	£76.25	£85,551.19
<b>Total for CTR recipients</b>	<b>3,434</b>	<b>571</b>	<b>16.63%</b>	<b>£219.64</b>	<b>£36.52</b>	<b>£125,412.43</b>
Working age	1,500	530	35.33%	£222.45	£78.60	£117,899.77

The consultation undertaken from 24 February 2014 to 23 May 2014 was on proposals to provide extra help to working-age CTR recipients in employment. The number of working age CTR recipients in employment is 378, accounting for 25% of all working age recipients.

Analysis shows 30% (114) of working-age CTR recipients in employment are in debt, with an average debt of £283.76. This is £64 more than the scheme average. 37% (416) of CTR recipients not in employment had Council Tax arrears, meaning they are the most likely group to be in debt.





**Table 3**

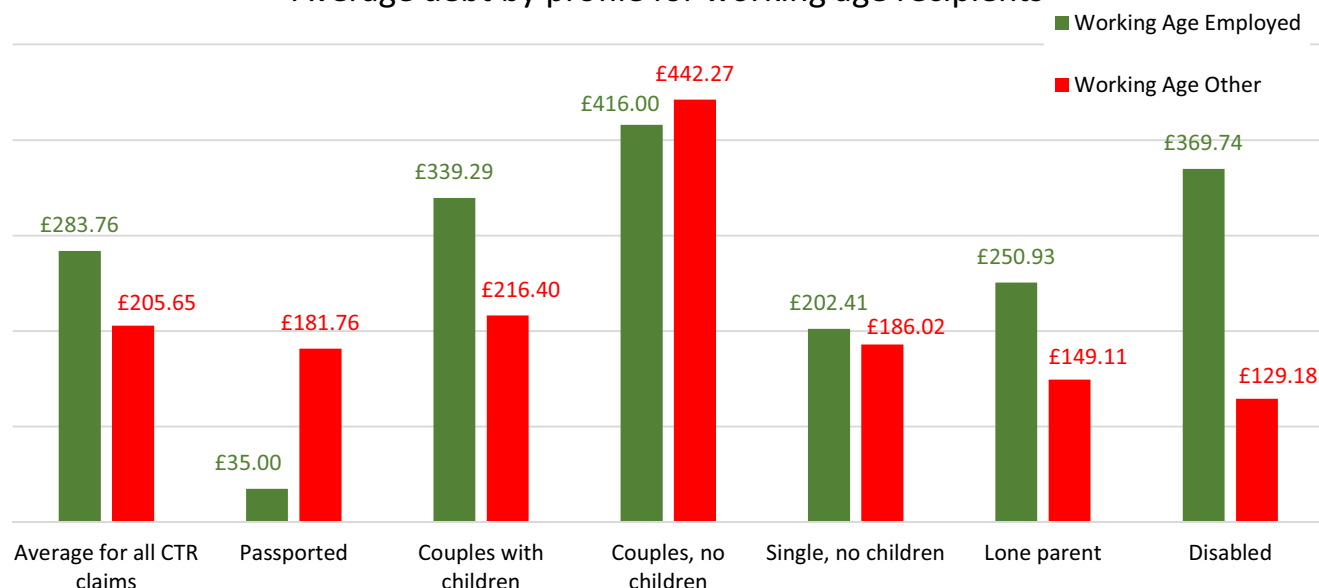
CTR Scheme	Total claims	Passported	Couples with children	Lone parents	Couples without children	Single people without children	Disabled
Pension Age	1,934	1,226	22	3	572	1,337	0
Working Age Employed	378	5	121	166	24	67	33
Working Age Other	1,122	822	221	257	115	529	398
<b>Total</b>	<b>3,434</b>	<b>2,053</b>	<b>364</b>	<b>426</b>	<b>711</b>	<b>1,933</b>	<b>431</b>

**Table 4**

CTR Scheme with arrears	Total claims with arrears	Passported	Couples with children	Lone parents	Couples without children	Single people without children	Disabled
Pension Age	41	13	0	0	15	26	0
Working Age Employed	114	1	44	45	5	20	7
Working Age Other	416	323	106	109	35	166	109
<b>Total</b>	<b>571</b>	<b>337</b>	<b>150</b>	<b>154</b>	<b>55</b>	<b>212</b>	<b>116</b>

**Table 5**

CTR average debts	All claims with arrears	Passported	Couples with children	Lone parents	Couples without children	Single people without children	Disabled
Pension Age	£183.24	£418.80	£0.00	£0.00	£203.07	£171.79	£0.00
Working Age Employed	£283.76	£35.00	£339.29	£250.93	£416.00	£202.41	£369.74
Working Age Other	£205.65	£181.76	£216.40	£149.11	£442.27	£186.02	£129.18
<b>Average debt for those in arrears</b>	<b>£219.64</b>	<b>£190.47</b>	<b>£252.45</b>	<b>£178.86</b>	<b>£374.64</b>	<b>£185.82</b>	<b>£143.70</b>

**Average debt by profile for working age recipients****Table 6**

CTR average debts by Council Tax Band	A	B	C	D	E	F	G
Pension Age	£168.58	£60.67	£96.71	£128.53	£1,431.30	£0.00	£203.43
Working Age Employed	£241.73	£266.19	£326.27	£276.83	£241.66	£409.38	£0.00
Working Age Other	£227.62	£194.24	£159.64	£267.12	£356.29	£0.00	£0.00

## Impacts of Scheme Options

**Maximum Benefit reduced to 85%** – This resulted in a substantial increase in council tax liability for working age people who claim Council Tax Rebate. This includes those who previously paid nothing. Together with the other Welfare Reform changes from April 2013 there was a cumulative effect on low paid and vulnerable households.

Table 2 shows that of working age recipients, 25% are in employment (378) while 75% (1,122) are not employed. The percentage of working age CTR claims in arrears is not significantly higher for those out of work when compared to those in work. However, the average debt for those in work is greater when compared to those not working

Table 7 compares passported cases (who historically paid nothing) and non passported cases (that are used to making a contribution). The surprising conclusion from this table is passported cases who have not previously paid anything towards the council tax have an average lower debt than non passported people who are used to making council tax payments

**Table 7**

Working Age	Number of claims	Cases with debt	Average debt for 2013/14	Total debt for CTR recipients for 2013/14
Passported	827	324	£181.31	£58,743.37
Non-passported	673	206	£287.17	£59,156.40

**Abolish Second Adult Rebate** – There is no evidence abolishing Second Adult Rebate has caused any issues. The main reason is this was not part of the main Council Tax Benefit scheme, so recipients would have income levels above Council Tax Benefit entitlement parameters.

**Increased Non-Dependant Deduction** – Our CTR scheme increased the levels of non-dependant deductions from those payable under Council Tax Benefit (CTB). Out of work non-dependants were particularly affected by this proposal, as there was a nil deduction for this group under CTB. Many non-dependants are young adults living with their parents. This change had the potential to adversely impact on family relationships, if the claimant is unable to get the required contribution from the non-dependant and subsequently had potential for increased pressure on housing availability if the non-dependant was forced to leave the family home.

Table 8 shows the number of claims with a non-dependant deduction that have council tax debt is low as is the average debt.

**Table 8**

Claims with non-dependants	Number of cases	Number of cases with debt	Average debt for 2013/14	Total debt for CTR recipients for 2013/14
Pension age	63	34	£0.00	£0.00
Working age (employed)	21	101	£32.36	£3,268.79
Working age (other)	61	358	£8.64	£3,094.86
<b>Total</b>	<b>145</b>	<b>493</b>	<b>£12.91</b>	<b>£6,363.65</b>

**Taking Child Maintenance into account** - The debt profile in table 9 shows working age customers in employment have a higher average debt in comparison to those not in employment. However, in considering the debt profile for those with children against those CTR recipients without children (Table 10), the average debt for those not working is less, as is the overall average debt.

**Table 9**

<b>Working age claims with children</b>	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total debt
Working age (employed)	287	89	31.01%	£294.61	£26,220.40
Working age (other)	478	215	44.98%	£182.29	£39,192.24
<b>Total</b>	<b>765</b>	<b>304</b>	<b>39.74%</b>	<b>£215.17</b>	<b>£65,412.64</b>

**Table 10**

<b>Working age claims without children</b>	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total debt
Working age (employed)	91	25	27.47%	£245.13	£6,128.18
Working age (other)	644	201	31.21%	£230.64	£46,358.95
<b>Total</b>	<b>735</b>	<b>226</b>	<b>30.75%</b>	<b>£232.24</b>	<b>£52,487.13</b>

Lone parents have a lower average debt and are less likely to have arrears in comparison with couples responsible for children – see tables 11 & 12 below. As lone parents are more likely to receive child maintenance, the debt profile for this group shows they are less likely than others to be adversely impacted by our scheme.

**Table 11**

<b>Lone parents</b>	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total debt
Working age (employed)	166	45	27.11%	£251.00	£11,294.80
Working age (other)	257	109	42.41%	£149.11	£16,253.39
<b>Total</b>	<b>423</b>	<b>154</b>	<b>36.41%</b>	<b>£178.88</b>	<b>£27,548.19</b>

**Table 12**

<b>Couples with children</b>	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total debt
Working age (employed)	121	44	36.36%	£339.29	£14,928.60
Working age (other)	221	106	47.96%	£216.40	£22,938.85
<b>Total</b>	<b>342</b>	<b>150</b>	<b>43.86%</b>	<b>£252.45</b>	<b>£37,867.45</b>

**Increase Earnings Disregard** - This was designed to have a positive impact and will help those on low wages. The increased disregards aim to incentivise work and encourage people to remain in employment. The level of average debt for working claims is higher than average debt for those not in employment and for pension age cases as shown in Table 13. Couples with no responsibility for children have the greatest average debt

**Table 13**

CTR average debts	All claims with arrears	Passported	Single people without children	Couples without children	Couples with children	Lone parents	Disabled
Pension Age	£183.24	£418.80	£171.79	£203.07	£0.00	£0.00	£0.00
Working Age Employed	£283.76	£35.00	£202.41	£416.00	£339.29	£250.93	£369.74
Working Age Other	£205.65	£181.76	£186.02	£442.27	£216.40	£149.11	£129.18
<b>Average debt</b>	<b>£219.64</b>	<b>£190.47</b>	<b>£185.82</b>	<b>£374.64</b>	<b>£252.45</b>	<b>£178.86</b>	<b>£143.70</b>

**Set up a Discretionary Hardship Fund** - A fund of £22,500 was created to help those most in need and the vulnerable. At 31 March 2014 there were 93 awards totalling £7,365.21. The average award is £79.20.

**Sub Tenant/Boarder Income** - All of the sub tenant and boarder income that was previously disregarded is now taken into account in the means test. The actual number of claimants affected by this change is very low and no significant impact has been identified

## Debt Profiling by Protected Characteristic

### Disability

**Table 14**

CTR recipients with disabilities	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total debt
Working age (employed)	33	7	21.21%	£369.74	£2,588.20
Working age (other)	398	109	27.39%	£129.18	£14,081.01
<b>Total</b>	<b>431</b>	<b>116</b>	<b>26.91%</b>	<b>£143.70</b>	<b>£16,669.21</b>

The average level of debt for claims receiving the disabled premium is £143.70 - significantly lower than the scheme average of £222.45 for working age claims.

### Gender

**Table 15**

Lone parents	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total debt
Working age (employed)	166	45	27.11%	£250.93	£11,291.80
Working age (other)	257	109	42.41%	£149.11	£16,253.39
<b>Total</b>	<b>423</b>	<b>154</b>	<b>36.15%</b>	<b>£178.86</b>	<b>£27,545.19</b>

The average level of debt for working age lone parents is £178.86 - lower than the scheme average of £222.45 for working age claims.

## Children and duties under the 2010 Child Poverty Act

There are 790 CTR recipients with children, accounting for 23% of all CTR recipients. None of the 25 pension age recipients with children have debt, but 304 recipients of working age have Council Tax arrears. Nearly 40% of working age recipients with children had debt totalling £65,412.64 with these arrears making up 52% of all Council Tax debt for those getting CTR support.

**Table 16**

Working age claims with children	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total debt
Pension age	25	0	0%	£0.00	£0.00
Working age (employed)	287	89	31.01%	£294.61	£26,220.40
Working age (other)	478	215	44.98%	£182.29	£39,192.24
<b>Total</b>	<b>790</b>	<b>304</b>	<b>39.74%</b>	<b>£215.17</b>	<b>£65,412.64</b>

### 3. 1. Equality Impact Assessment (by protected characteristic)

With reference to the analysis above, for each of the 'protected characteristics' in the table below please record your conclusions with evidence around equality impact in relation to the savings proposal/service change. Record negative and positive impacts.

<b>Protected Group</b>	<b>Findings</b>
Age (includes all age groups)	<p>Older people (those of pension age) are protected from any reductions under Localised CTR by the legislation and therefore the reduction in support will be borne by those of working age.</p> <p>West Somerset has a high pensioner population therefore, there will be a disproportionate effect on working age people with this policy.</p>
Disability (includes mental health)	<p>Disabled people of working age were not protected and therefore had to pay increased council tax. Disabled people have a limited ability to work and are likely to have higher level disability related living expenses.</p> <p>This group in particular find it difficult to access and sustain employment and therefore improve on their current financial situation. This group of people is less resilient to the impact of recession and unemployment and are often living in poverty. These further impacts on the individual's mental health.</p> <p>Analysis of debt carried out in reviewing the implement of our CTR scheme shows the average debt for people with disabilities is significantly lower than the scheme average. Consequently, WSC's Council Tax Rebate Policy is not disproportionately negatively impacting on this group.</p>
Gender	<p>This group of people find difficulty in gaining employment because of childcare issues.</p> <p>Lone parents in employment are quite often low earners on part time hours. Many in this group have said they would like to be working more hours but are restricted because of difficulty with childcare.</p> <p>The majority of lone parents in receipt of CTR are female.</p> <p>Analysis of debt carried out in reviewing the implement of our CTR scheme shows the average debt for lone parents is lower than the scheme average. Consequently, WSC's Council Tax Rebate Policy is not disproportionately negatively impacting on this group.</p>
Gender reassignment	<p>We have not identified any disproportionate impact with this policy in relation to Gender assignment.</p>
Marriage and civil partnership	<p>We have not identified any disproportionate impact with this policy in relation to Marriage and civil partnership.</p>
Pregnancy and maternity	<p>We have not identified any disproportionate impact with this policy in relation to pregnancy and maternity.</p>
Race (includes Gypsy and Travellers, ethnic origins, colour and nationality)	<p>Ethnicity of the claimant is not taken into consideration as part of the benefit calculation.</p> <p>West Somerset historically has a low BME (Black &amp; Minority Ethnic) population compared to the rest of Somerset.</p> <p>We have not identified any disproportionate impact with this policy in relation to race.</p>

Religion and belief including non-belief	<p>The religion or belief of the claimant is not taken into consideration as part of the benefit calculation.</p> <p>We have not identified any disproportionate impact with this policy in relation to a claimant's religion or belief.</p> <p>Many of the places of worship within West Somerset provide social outreach projects such as the Hope Centre at the Baptist Church, Minehead and the Food Cupboard at St Michael the Archangel, Alcombe. The impact of welfare reforms could see greater reliance on projects such as these, which are run by volunteers.</p>
Sexual orientation (includes heterosexual, gay, bisexual)	<p>Sexual orientation of the claimant is not taken into consideration as part of the benefit calculation.</p> <p>We have not identified any disproportionate impact with this policy in relation to sexual orientation.</p>

### Other Groups (non-statutory)

Socio-economic (low income individuals & families)	<p>West Somerset has the second lowest wage levels amongst neighbouring authorities and is significantly below county, regional and national averages. People's incomes in general are declining, yet the cost of living continues to rise. This may be a factor in the levels of debt for working claims</p>
Rural Isolation (West Somerset is a rural district with poor transport networks which can affect the way we deliver services)	<p>Because of the rural location of West Somerset access to suitable employment, training and public services is an issue for many. The rural nature of West Somerset sees many residents trapped in low paid work with little opportunity to improve on their situation. Increasing transport costs and limited public transport makes it difficult for residents to commute to better paid jobs in other parts of the County</p> <p>Many of our residents living in the deeply rural areas, live in poorly insulated properties with limited gas connection. They will have above average exposure to rising fuel costs and will be more likely to be living in fuel poverty.</p>
Carers	<p>Larger families or people with disabilities may be in larger properties to cater for disability needs and so carers are able to stay overnight.</p>
Armed Forces	<p>Veteran Benefits will continue to be fully disregarded in the means test for Council Tax Rebate.</p> <p>Our scheme does not appear to have a differential impact but we are aware some ex veterans experience mental health issues and have physical disabilities</p>
Other	<p>Many of our customers have low numeracy and literacy skills and will have been unable to engage with the consultation on this policy. Skills and qualification levels are particularly poor in the district and therefore limit people's opportunities.</p>

### 3.2: What is the cumulative equality impact of your proposal?

**You may have identified an impact on the lives of a group as a result of your individual proposal. However, taken together with other changes the cumulative impact of these decisions may be considerable and the combined impact may not be apparent where decisions are taken in isolation.**

Against a background of economic stagnation, unemployment, the rising cost of living, falling income and public spending cuts the Council faced a significant challenge to design a fair scheme with minimal impact on our customers.

The scheme encountered the anticipated high levels of enquiry in April, but these dropped significantly after a few weeks

The vast majority of customers accept they are now required to pay towards their council tax liability, and the scheme appears fair and transparent, with no official complaints being received in this respect.

There is concern about the impact of this scheme in addition to other areas of welfare reform, especially the removal of spare room subsidy. 197 cases have seen their Housing Benefit reduced, receiving an average reduction of £16.97 a week. In addition, 3 cases have been subject to the benefit cap.

The Benefits service has worked hard to keep hardship to a minimum through this difficult period for our customers. This has mainly been achieved by prompt assessment of both the Authority's discretionary schemes "Discretionary Housing Payments", and "Additional Council Tax Rebate" payments. Officers automatically check for entitlement against both schemes to ensure maximisation of household income.

The average Council Tax arrears for working CTR recipients are significantly greater than for those not in employment. Revenue Officers will use the data available through debt profiling to target support. Such support will be through identifying potential claims for Additional Council Tax Rebate, reviewing payment arrangements to allow for weekly instalments or extending payments over 12 months. Revenue Officers will routinely identify vulnerability and consequently, recovery action will be modified to adjust for individual circumstances.

#### Section 4: ACTION PLAN MONITOR

This table provides an update on the agreed action of the original Council Tax Rebate Assessment Equality Impact Assessment

Identified Issue/Negative Impact	Action needed to mitigate impact	Who is responsible	By When	Expected outcomes from carrying out action	Result
Monitoring impacts	Develop a clear monitoring criteria to identify impacts post April 2013 which includes on-going consultation with advice agencies, voluntary sector groups, Magna West Somerset and internal services who will see the effects of the scheme	P Lamb	April 2013 onwards	<ul style="list-style-type: none"> <li>Better understanding of actual impacts following introduction of the scheme</li> <li>Better understanding of the changing nature of the caseload</li> <li>Identification of future modification of the scheme</li> </ul>	<p><b>Achieved</b></p> <ul style="list-style-type: none"> <li>Regular meetings with Registered Social Landlords (Knightstone, Magna and Falcon) along with West Somerset Advice Bureau</li> <li>Monthly monitoring of CTR and all aspects of welfare reform. This is reported to Scrutiny Committee as part of the quarterly performance report.</li> </ul>
Discretionary Hardship Fund	Design and implement Discretionary Hardship Fund in conjunction with other Somerset authorities	P Lamb	April 2013	<ul style="list-style-type: none"> <li>Most vulnerable supported</li> <li>In line with the rest of Councils within Somerset</li> </ul>	<p><b>Achieved</b></p> <p>A discretionary fund, named "Additional Council Tax Rebate" was created. The policy for administering this fund was agreed by Full Council in March 2013</p>
Collection Problems	Develop a clear collection policy	S Perkins	April 2013	<ul style="list-style-type: none"> <li>Most vulnerable supported</li> <li>In line with the rest of Councils within Somerset</li> <li>Understood by local advice agencies</li> </ul>	<p><b>Achieved</b></p> <ul style="list-style-type: none"> <li>Lowering of recovery action threshold has enabled debt issues to be identified and assisted at an earlier stage</li> <li>12 monthly instalment plans introduced to make payment affordable</li> <li>Discussion at regular meetings with stakeholders</li> </ul>
Raising awareness of Welfare Reform and supporting customers through the changes	Recruitment of welfare reform assistant.	P Lamb	December 2012	<ul style="list-style-type: none"> <li>Customers supported through the transition to the new scheme</li> </ul>	<p><b>Achieved</b></p> <p>Welfare reform assistant was involved with engagement meetings with stakeholders, mail shots to those affected, design of discretionary payment schemes, refresh of web site, landlord liaison, customer enquiries</p>



**Section 5. Monitoring and review/ mainstreaming into service plans**

**Please indicate whether any of your actions have been added to service or work plans and your arrangements for monitoring and reviewing progress/ future impact?**

Actions from the EIA action plan will be included within Team Service Plans and Workplans

**Section 6: Publishing the completed assessment**

**How will the assessment, consultation & outcomes be published and communicated.**

Published as part of report to the Policy Advice Group on 24 September 2014, Cabinet on 5 November 2014 and Full Council on 19 November 2014.

**Section 7: Sign Off**

Completed by:	H Tiso
Date:	21 August 2014
Reviewed by:	S Rawle
Date:	September 2014

*Decision-making processes* **Where linked to decision on proposals to change, reduce or withdraw service/ financial decisions/ large-scale staffing restructures**

**Attached to report (title): Council Tax Rebate Scheme Review for 2015/16**

**Date of report: 19<sup>th</sup> November, 2014**

**Author of report: Heather Tiso**

**Audience for report: Full Council**

**Outcome from report being considered**

## CTR CASELOAD AND DEBT INFORMATION

Table 1 – Profile of arrears for non-CTR recipients

	Council Tax Accounts where CTR is <b>not</b> awarded	Number of cases with debt	Percentage of cases with debt	Average debt for those in arrears	Average debt per household	Total Debt for non-CTR cases
<b>Total for non-CTR recipients</b>	<b>14,220</b>	<b>1,961</b>	<b>13.79%</b>	<b>£412.51</b>	<b>£56.89</b>	<b>£808,926.99</b>

Table 2 – Profile of CTR claims with arrears

CTR Scheme	Number of cases	Cases with debt	Percentage of cases with debt	Average arrears cases	Average arrears across scheme	Total arrears
Pension Age	1,934	41	2.12%	£183.24	£3.88	£7,512.66
Working Age Employed	378	114	30.16%	£283.76	£85.58	£32,348.58
Working Age Other	1,122	416	37.08%	£205.65	£76.25	£85,551.19
<b>Total</b>	<b>3,434</b>	<b>571</b>	<b>16.63%</b>	<b>£219.64</b>	<b>£36.52</b>	<b>£125,412.43</b>

Table 3 – Profile of claims – Claim numbers

CTR Scheme	Total claims	Passported	Couples with children	Lone parents	Couples without children	Single people without children	Disabled
Pension Age	1,934	1,226	22	3	572	1,337	0
Working Age Employed	378	5	121	166	24	67	33
Working Age Other	1,122	822	221	257	115	529	398
<b>Total</b>	<b>3,434</b>	<b>2,053</b>	<b>364</b>	<b>426</b>	<b>711</b>	<b>1,933</b>	<b>431</b>

Table 4 – Profile of claims with arrears

CTR Scheme with arrears	Total claims	Passported	Couples with children	Lone parents	Couples without children	Single people without children	Disabled
Pension Age	41	13	0	0	15	26	0
Working Age Employed	114	1	44	45	5	20	7
Working Age Other	416	323	106	109	35	166	109
<b>Total</b>	<b>571</b>	<b>337</b>	<b>150</b>	<b>154</b>	<b>55</b>	<b>212</b>	<b>116</b>

Table 5 – Profile of claims – Average Debt

Scheme average debts	Scheme average	Passported	Couples with children	Lone parents	Couples without children	Single people without children	Disabled
Pension Age	£183.24	£418.80	£0.00	£203.07	£171.79	£0.00	£0.00
Working Age Employed	£283.76	£35.00	£294.61	£347.11	£202.41	£250.93	£369.74
Working Age Other	£205.65	£181.76	£182.29	£272.47	£186.02	£149.11	£129.18
<b>Average debt for those in arrears</b>	<b>£219.64</b>	<b>£190.47</b>	<b>£252.45</b>	<b>£178.86</b>	<b>£374.64</b>	<b>£185.82</b>	<b>£143.70</b>

Table 6 Claims with arrears by Council Tax Band

Scheme average debts	A	B	C	D	E	F	G
Pension Age	£168.58	£60.67	£96.71	£128.53	£1,431.30	£0.00	£203.43
Working Age Employed	£241.73	£266.19	£326.27	£276.83	£241.66	£409.38	£0.00
Working Age Other	£227.62	£194.24	£159.64	£267.12	£356.29	£0.00	£0.00

Table 7 – Passported Claims – Arrears Analysis

Scheme	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	1226	13	£418.80	£4.44	£5,444.38
Working Age Employed	5	1	£35.00	£7.00	£35.00
Working Age Other	822	323	£181.76	£71.42	£58,708.37
<b>Total</b>	<b>2053</b>	<b>337</b>	<b>£190.47</b>	<b>£31.27</b>	<b>£64,187.75</b>

Table 8 –CTR Claims with Non-Dependants– Arrears Analysis

Scheme	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	63	34	£0.00	£0.00	£0.00
Working Age Employed	21	101	£32.36	£155.66	£3,268.79
Working Age Other	61	358	£8.64	£50.74	£3,094.86
<b>Total</b>	<b>145</b>	<b>493</b>	<b>£12.91</b>	<b>£43.89</b>	<b>£6,363.65</b>

Table 9 –CTR Working age claims with children – Arrears Analysis

Scheme	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total arrears
Working Age Employed	287	89	31.01%	£294.61	£26,220.40
Working Age Other	478	215	44.98%	£182.29	£39,192.24
<b>Total</b>	<b>765</b>	<b>304</b>	<b>39.74%</b>	<b>£215.17</b>	<b>£65,412.64</b>

Table 10 –CTR Working age claims without children – Arrears Analysis

Scheme	Number of claims	Cases with debt	% of cases with debt	Average debt for those in arrears	Total arrears
Working Age Employed	91	25	27.47%	£245.13	£6,128.18
Working Age Other	644	201	31.21%	£230.64	£46,358.95
<b>Total</b>	<b>735</b>	<b>226</b>	<b>30.75%</b>	<b>£232.24</b>	<b>£52,487.13</b>

Table 11 – Lone Parent Claims – Arrears Analysis

Scheme	Number of cases	Cases with arrears	% of cases with debt	Average debt for those in arrears	Total arrears
Pension Age	3	0	0%	£0.00	£0.00
Working Age Employed	166	45	27.11%	£250.93	£11,291.80
Working Age Other	257	109	42.41%	£149.11	£16,253.39
<b>Total</b>	<b>426</b>	<b>154</b>	<b>36.41%</b>	<b>£178.86</b>	<b>£27,545.19</b>

Table 12 – Couples with children – Arrears Analysis

Scheme	Number of cases	Cases with arrears	% of cases with debt	Average debt for those in arrears	Total arrears
Working Age Employed	121	44	36.36%	£339.29	£14,928.60
Working Age Other	221	106	47.96%	£216.40	£22,938.85
<b>Total</b>	<b>342</b>	<b>150</b>	<b>43.86%</b>	<b>£252.45</b>	<b>£37,867.45</b>

Table 13 – Profile of claims – Average arrears

CTR average debts	All claims with arrears	Passported	Single people without children	Couples without children	Couples with children	Lone parents	Disabled
Pension Age	£183.24	£418.80	£171.79	£203.07	£0.00	£0.00	£0.00
Working Age Employed	£283.76	£35.00	£202.41	£416.00	£339.29	£250.93	£369.74
Working Age Other	£205.65	£181.76	£186.02	£442.27	£216.40	£149.11	£129.18
<b>Average debt</b>	<b>£219.64</b>	<b>£190.47</b>	<b>£185.82</b>	<b>£374.64</b>	<b>£252.45</b>	<b>£178.86</b>	<b>£143.70</b>

Table 14 – Claims with a Disability Premium – Arrears Analysis

Scheme	Number of cases	Cases with arrears	% of cases with debt	Average arrears case	Average arrears across scheme	Total arrears
Working Age Employed	33	7	21.21%	£369.74	£78.43	£2,588.20
Working Age Other	398	109	27.39%	£129.18	£35.38	£14,081.01
<b>Total</b>	<b>431</b>	<b>116</b>	<b>26.91%</b>	<b>£143.70</b>	<b>£38.68</b>	<b>£16,669.21</b>

Table 15 – Lone parents – Arrears Analysis

Scheme	Number of cases	Cases with arrears	% of cases with debt	Average arrears case	Average arrears across scheme	Total arrears
Working Age Employed	166	45	27.11%	£250.93	£11,291.80	166
Working Age Other	257	109	42.41%	£149.11	£16,253.39	257
<b>Total</b>	<b>423</b>	<b>154</b>	<b>36.15%</b>	<b>£178.86</b>	<b>£27,545.19</b>	<b>423</b>

Table 16 – Claims with children – Arrears Analysis

Scheme	Number of cases	Cases with arrears	% of cases with debt	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	25	0	0%	£0.00	£0.00	£0.00
Working Age Employed	287	89	31.01%	£294.61	£91.36	£26,220.40
Working Age Other	478	215	44.98%	£182.29	£81.99	£39,192.24
<b>Total</b>	<b>790</b>	<b>304</b>	<b>38.48%</b>	<b>£215.17</b>	<b>£82.80</b>	<b>£65,412.64</b>

Table 17 Arrears across total caseload by Council Tax Band

Scheme average debts	A	B	C	D	E	F	G
Pension Age	£4.46	£1.27	£1.36	£2.08	£44.04	£0.00	£50.86
Working Age Employed	£67.54	£79.68	£117.73	£77.26	£40.28	£74.43	£0.00
Working Age Other	£84.82	£78.77	£57.80	£57.76	£97.17	£0.00	£0.00

Table 18 Average non-CTR arrears

Total debt	£808,926.99		
Number of debt cases	1,961		
<b>Average debt</b>	<b>£412.51</b>	<b>% of accounts with debt</b>	<b>11.11%</b>

Table 19 – Couples without children claiming CTR – Arrears Analysis

Scheme	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	572	15	£203.07	£5.33	£3,046.02
Working Age Employed	24	5	£416.00	£86.67	£2,079.98
Working Age Other	115	35	£442.27	£134.60	£15,479.35
<b>Total</b>	<b>711</b>	<b>55</b>	<b>£374.64</b>	<b>£28.98</b>	<b>£20,605.35</b>

Table 20 – Single People without children claiming CTR – Arrears Analysis

Scheme	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Pension Age	1,337	26	£171.79	£3.34	£4,466.64
Working Age Employed	67	20	£202.41	£60.42	£4,048.20
Working Age Other	529	166	£186.02	£58.37	£30,879.60
<b>Total</b>	<b>1,933</b>	<b>212</b>	<b>£185.82</b>	<b>£20.38</b>	<b>£39,394.44</b>

Table 21 – Comparison of Working Age cases – Arrears Analysis

Scheme	Number of cases	Cases with arrears	Average arrears case	Average arrears across scheme	Total arrears
Passported	827	324	£198.11	£77.62	£64,187.75
Non-passported	673	206	£297.21	£90.97	£61,224.68
<b>Total</b>	<b>1,500</b>	<b>530</b>	<b>£495.32</b>	<b>£168.59</b>	<b>£125,412.43</b>

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*Report Number:* WSC 147/14  
*Presented by:* Councillor K Kravis, Lead Member for Resources and Central Support  
*Authors of the Report:* Steve Perkins – Senior Debt and Recovery Officer  
*Contact Details:*  
*Tel. No. Direct Lines* 01984 635247  
*Email:* [srperkins@westsomerset.gov.uk](mailto:srperkins@westsomerset.gov.uk)

*Report to a Meeting of:* Cabinet  
*To be Held on:* Wednesday 5 November 2014  
*Date Entered on Executive Forward Plan Or Agreement for Urgency Granted:* 18/9/2014

## NON RECOVERY OF DEBTS IN RESPECT OF SOMERSET COAST PRIMARY CARE TRUST

### 1. PURPOSE OF REPORT

- 1.1 To seek cabinet approval in accordance with the Financial Regulations to authorise an individual write off in excess of £5,000

### 2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 No contribution to corporate priorities.

### 3. RECOMMENDATIONS

- 3.1 To agree to write off a Council Tax balance on a single account totalling £34,423.45. Under Council Tax Regulations a demand notice (bill) is to be served on or as soon as practicable after the day the billing authority first sets an amount of Council Tax for the relevant year for the category of dwelling to which the notice relates falls. However, the Valuation Office only recently banded a domestic property going back to 1 April 1995 resulting in this very large debit being created. Under both the statute of limitations and case law from the Encon and North Somerset Motors High Court cases, whereupon they detail it is the Council's responsibility to issue a bill within a reasonable timescale, and although both of these high court cases pertain to Business Rates we would argue they set a legal precedent. Also, due to the length of time it took to raise a demand notice (bill), the actual trust deemed liable for the period in question is no longer a legal entity, therefore, a demand notice (bill) cannot be legally served. Therefore, taking all of these facts into account we request this amount be written off as an unrecoverable debt.

### 4. RISK ASSESSMENT (IF APPLICABLE)

#### Risk Matrix

Description	Likelihood	Impact	Overall
No risks identified			

## **5. SOMERSET COAST PRIMARY CARE TRUST - BACKGROUND INFORMATION**

- 5.1 On 5 May 2014 the Valuation Office created a new entry on the Valuation List for the domestic assessment called Long Stay at Williton Hospital, North Road, Williton, Taunton, Somerset, TA4 4SN. The Valuation Office backed the band H on this domestic premises from 1 April 1995. The Valuation Office deem this to be a Council Tax assessment as it someone's main residence for 60 days or more and disabled band reduction and carers forms were issued alongside a bill for £45,388.31 on 5 June 2014.
- 5.2 A telephone call with Mr Terry Hayes from Somerset Partnership NHS Foundation Trust states they should only be liable until 1 August 2011 and the previous Trust notably Somerset Coast Primary Care Trust were responsible prior to this period. It should be noted that this latter trust is no longer in existence. Records were amended resulting in a Council Tax bill being reduced to £34,423.45 to cover the period 1 April 1995 to 31 July 2011, however, the demand notice (bill) cannot be legally served on a trust that is no longer operating.
- 5.3 A letter dated 3 July 2014 confirmed that Somerset Partnership NHS Trust has no interest in the property until 1 August 2011 as a Foundation Trust they are a separate independent legal entity and are not liable for any Council Tax prior to 1 August 2011.
- 5.4 Carers form and disabled band reduction forms were issued and the charge for the period 1 April 1995 to 31 July 2011 should have been less but due to the lack of documentary evidence we cannot award any of these discounts.

## **6. FINANCIAL/RESOURCE IMPLICATIONS**

- 6.1 As is the case with all debts owed to the Authority, a relevant provision is made each year within the Statement of Accounts for bad / doubtful debts.
- 6.2 In relation to the Council Tax write-offs, appropriate provisions are made within the Authority's Collection Fund and therefore does not have a direct financial impact on the Council's revenue budget.

## **7. SECTION 151 OFFICER COMMENTS**

- 7.1 In accordance with Financial Regulations, debts in excess of £5,000 require write-off by Cabinet. This is obviously a very unusual case and to prevent an appeal and the possibility of costly High Court action, together with consideration of previous mentioned case law surrounding this particular area, I recommend this balance should be written off.

## **8. EQUALITY & DIVERSITY IMPLICATIONS**

**Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.**

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

- 8.1 None

## **9. CRIME AND DISORDER IMPLICATIONS**

- 9.1 None



**10. CONSULTATION IMPLICATIONS**

10.1 None

**11. ASSET MANAGEMENT IMPLICATIONS**

11.1 None

**12. ENVIRONMENTAL IMPACT IMPLICATIONS**

12.1 None

**13. HEALTH & WELLBEING**

Demonstrate that the authority has given due regard for:

- People, families and communities take responsibility for their own health and wellbeing;
- Families and communities are thriving and resilient; and
- Somerset people are able to live independently.

13.1 None

**14. LEGAL IMPLICATIONS**

14.1 None

**AUTHORISATION TO WRITE-OFF IRRECOVERABLE DEBT(S) OWED TO  
WEST SOMERSET DISTRICT COUNCIL OVER £5,000**

**APPENDIX A**

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**16 October 2014**

**TO: CABINET**

**1** From: 151 Officer

**2** System: Non-Domestic Rates  Council Tax  Homelessness   
(mark relevant box) Housing Benefit Debtor  Corporate Debtor  Other

**3** Debtor(s) Details:  
Name/Business SOMERSET COAST PRIMARY CARE TRUST  
Address LONG STAY AT WILLITON HOSPITAL  
NORTH ROAD  
WILLITON  
TAUNTON  
SOMERSET  
TA4 4SN

Address of Debt LONG STAY AT WILLITON HOSPITAL  
NORTH ROAD  
WILLITON

**4** Ref No:

**5** Dates/Periods relating to Debt:

**6** Total amount and individual breakdown of debt(s) to be written-off (excl VAT): **£34,423.45**  
**£1,233.68 (1995) £1,287.76 (1996) £1,326.60 (1997) £1,451.20 (1998) £1,570.30 (1999)**  
**£1,686.12 (2000) £1,805.02 (2001) £2,016.64 (2002) £2,259.40 (2003) £2,385.58 (2004)**  
**£2,460.98 (2005) £2,584.06 (2006) £2,699.46 (2007) £2,831.92 (2008) £2,898.19 (2009)**  
**£2,938.88 (2010) & £987.66 (2011)**

**7** Court Cost to be written –off (if applicable) **N/A**

**8** Recovery Action taken:

**9** Brief Reason(s) for Write-Off:

**10** I recommend that the above debt(s) be written-off as irrecoverable

Signed Shirlene Adam: \_\_\_\_\_ Date: \_\_\_\_\_

**11** Date agreed at Cabinet: ..... Minute Number: CAB.....

**Official Use Only Action taken by Officer/Section Manager: Write Off Code 511-17 (Costs 812-99)**

Actioned by ..... Date<sup>70</sup>.....  
(If applicable move summons cases to settled)

71

*Report Number:* WSC 150/14  
*Presented by:* Cllr K V Kravis, Lead Member for Resources  
*Author of the Report:* Steve Plenty  
*Contact Details:*  
     *Tel. No. Direct Line* 01984 6352 17  
     *Email:* sjplenty@westsomerset.gov.uk  
  
*Report to a Meeting of:* Cabinet  
*To be Held on:* 5<sup>th</sup> November 2014  
*Date Entered on Executive Forward Plan* 26/8/14  
*Or Agreement for Urgency Granted:*

## EARMARKED RESERVES REVIEW

### 1. PURPOSE OF REPORT

1.1 To review earmarked reserves to ensure they are still required.

### 2. CONTRIBUTION TO CORPORATE PRIORITIES

2.1 The recommendations in this report will, if approved, provide financial resources targeted to delivering the Council's 'Local Democracy' Corporate Priority and associated objectives.

### 3. RECOMMENDATIONS

3.1 Cabinet notes the outcome of the review of earmarked reserves and recommends to Full Council that surplus uncommitted funds amounting to £107,581 are returned to the General Reserve balance.

### 4. RISK ASSESSMENT (IF APPLICABLE)

#### Risk Matrix

Description	Likelihood	Impact	Overall
That the Authority has funding in earmarked reserves that are no longer required.	Likely (4)	Major (4)	High (8)
To maximise the use of available reserves.	Possible (3)	Major (4)	Medium (12)

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before and after the mitigation measures have been actioned.

## **5. BACKGROUND INFORMATION**

- 5.1 As at 31st March, the total General Fund Earmarked Reserves was £1.376m. This is equivalent to 25.7% of the Council's Net Revenue Budget, which is £5.344m.
- 5.2 A fundamental review has been undertaken of all General Fund Revenue Earmarked Reserves, with a view to all balances being returned to the General Fund unless:
- A clear commitment/obligation exists to spend the money within a defined time period.
  - It is a "trading" reserve – which exists purely to support the requirement for certain trading services to break-even over a 3 year period
- 5.3 To identify which General Fund Earmarked Reserves balances could be returned to the General Fund Reserve, each Reserve holder was interviewed and asked to provide evidence of how the Reserve balance was planned to be used.
- 5.4 These discussions identified that, of the £1.376m balance held as at 31<sup>st</sup> March 2014, £1.313m of the General Fund Earmarked Reserves are committed to be spent. An analysis of this is set out in Appendix A.
- 5.5 The £1.313m projected balance as at 31<sup>st</sup> March 2015 includes the following large balances:
- £114k – Working Neighbourhood Fund – committed to fund a post in the short term. The residual element of this is proposed to be returned to General Reserves.
  - £682k - Share of NNDR Surplus/Deficit (Provision); a new reserve required by the change in legislation in respect of Business Rates/Appeals
  - £108k – Council Tax Reform Implementation. This funds external processing.
- 5.6 It has been agreed with Reserve holders that £107,581 will be returned to General Reserves immediately following Council's approval. This figure includes the following reserves:
- £9k – Working Neighbourhood Fund. This element of the reserve is uncommitted.
  - £31k – Land Charges. Following an assessment, this element is uncommitted.
  - £62k – New Homes Bonus. There are no plans for the residual element of this reserve.
  - £5k – Council Tax Discount Scheme. Originally set aside to support claims resulting from flooding claims.

## **6. FINANCIAL/RESOURCE IMPLICATIONS**

- 6.1 Earmarked reserves should only be held where there is a clear purpose and commitment to use the funds within a planned timeframe. The Council is facing potentially significant transformation costs, and it is therefore prudent to release surplus earmarked balances to general balances, and provide greater funding flexibility in the short term.

## **7. COMMENTS ON BEHALF OF SECTION 151 OFFICER**

- 7.1 A regular review of Earmarked Reserves is best practice, ensuring that the reasons that balances are held are still valid and any no longer required are either transferred to new earmarked reserves or into the General Fund balances.

## **8. EQUALITY & DIVERSITY IMPLICATIONS**

**Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.** The three aims the authority **must** have due regard for are:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

8.1 None in respect of this report.

## **9. CRIME AND DISORDER IMPLICATIONS**

9.1 None in respect of this report.

## **10. CONSULTATION IMPLICATIONS**

10.1 None in respect of this report.

## **11. ASSET MANAGEMENT IMPLICATIONS**

11.1 None in respect of this report.

## **12. ENVIRONMENTAL IMPACT IMPLICATIONS**

12.1 None in respect of this report.

## **13. HEALTH & WELLBEING**

Demonstrate that the authority has given due regard for:

- People, families and communities take responsibility for their own health and wellbeing;
- Families and communities are thriving and resilient; and
- Somerset people are able to live independently.

13.1 None in respect of this report.

## **14. LEGAL IMPLICATIONS**

14.1 None in respect of this report.

Appendix A  
WSDC

<b>Earmarked Reserves for Revenue Purposes</b>	<b>Balance @ 31.03.2014</b>	<b>Movements 14/15</b>	<b>Committed Expenditure</b>	<b>Available to be Returned</b>
Working Neighbourhood Fund	(113,634.00)		104,630.00	(9,004.00)
Community Safety	(4,455.00)		4,455.00	0.00
Land Charges	(60,077.00)		28,530.00	(31,547.00)
Tourism	(15,911.00)		15,911.00	0.00
Seaside Towns	(20,083.00)		20,083.00	0.00
New Homes Bonus	(113,850.00)	51,820.00	0.00	(62,030.00)
Sustainability Reserve	(57,698.00)		57,698.00	0.00
Minehead Events	(9,651.00)		9,651.00	0.00
Housing Benefit Admin	(11,782.00)		11,782.00	0.00
Council Tax Reform Implementation	(49,308.00)	(59,659.00)	108,967.00	0.00
Benefits External Processing	(1,657.00)		1,657.00	0.00
DHP Reserve	(44,861.00)		44,861.00	0.00
District Election Reserve	(20,000.00)		20,000.00	0.00
Water Bathing Signs	(1,266.00)		1,266.00	0.00
Non-District Election Reserve	(15,107.00)		15,107.00	0.00
IER Reserve	(11,664.00)		11,664.00	0.00
Inspire	(7,131.00)		7,131.00	0.00
Transparency Code	(2,588.00)		2,588.00	0.00
Exmoor at your Fingertips	(1,780.00)		1,780.00	0.00
Roughmoor Signage	(1,011.00)		1,011.00	0.00
Minehead Town Centre Signage	(885.00)		885.00	0.00
Our Place	(2,500.00)		2,500.00	0.00
Eat Exmoor	(500.00)		500.00	0.00
National Grid PPA	(16,911.00)		16,911.00	0.00
CCTV	(4,000.00)		4,000.00	0.00
Homelessness Prevention	(66,120.00)		66,120.00	0.00
Section 31 - Flooding	(13,486.00)		13,486.00	0.00
Watchet Harbour Dredging	(7,500.00)		7,500.00	0.00
Planning Staff Salary	(6,000.00)		6,000.00	0.00
Coast Protection	(2,275.00)		2,275.00	0.00
Morrison's Town Centre Footpath	(6,000.00)		6,000.00	0.00
JMASS Reserve	(374,983.00)	374,983.00	0.00	0.00
Council Tax Discount Scheme	(5,000.00)		0.00	(5,000.00)
Community Right to Challenge	(8,547.00)		8,547.00	0.00
Assets of Community Value	(7,855.00)		7,855.00	0.00
Business Rates Retention Smoothing Account	(269,663.00)	(412,168.00)	681,831.00	0.00
JMASS Project Reserve	(20,200.00)		20,200.00	0.00
	<b>(1,375,939.00)</b>	<b>(45,024.00)</b>	<b>1,313,382.00</b>	<b>(107,581.00)</b>

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*Report Number:* WSC 145/14  
*Presented by:* Councillor Keith Turner  
*Author of the Report:* Simon Lewis, Assistant Director Housing & CD  
*Contact Details:*  
*Tel. No. Direct Line* 01823 356397  
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*Report to a Meeting of:* Cabinet  
*To be Held on:* 5<sup>th</sup> November 2014  
*Date Entered on Executive Forward Plan Or Agreement for Urgency Granted:* 25<sup>th</sup> September 2014

## NEW HOME IMPROVEMENT AGENCY CONTRACT

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is seek in-principle approval from the Cabinet to continue to fund the Home Improvement Agency for the next three years. The contract is being re-commissioned across Somerset and SCC who acts as lead commissioner requires a commitment from each funding partner.

### 2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 Although the proposal does not directly match a corporate priority it strongly aligns to the Council's Vision "To enable people to live, work and prosper in West Somerset."

### 3. RECOMMENDATIONS

- 3.1 The Cabinet are recommended to provide an in-principle approval to fund the new Home Improvement Agency and Integrated Community Equipment Service as shown in the following table for the years 2015/16 to 2017/18

<b>Total Contribution</b>	<b>£70,430</b>	<b>£53,825</b>	<b>£50,486</b>	<b>£49,524</b>
<b><u>West Somerset District Council</u></b>	Current (2014/15)	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Contribution (Revenue)	£33,230	£22,577	£19,238	£18,276
Fee Charge (Capital top-sliced from DFG pot)	£31,200	£28,920	£28,920	£28,920
Handyperson (Revenue)	£6,000	£2,328	£2,328	£2,328

#### 4. **RISK ASSESSMENT (IF APPLICABLE)**

##### **Risk Matrix**

<b>Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall</b>
Other District Councils object to the reduced funding commitment and do the same, reducing the viability of the overall contract	Possible (3)	Moderate (3)	Medium (9)
<i>The Council has made a strong case through JMASS and due to budget pressures why it should reduce its funding commitment to these lower levels. Overall, the District share of costs is relatively low and therefore should not impact the viability significantly</i>	Possible (3)	Moderate (3)	Medium (9)
Cabinet are unable to approve budget commitment leading to WSC being excluded from contract and unable to deliver its statutory DFG responsibilities. Council would need to buy in its own resource to manage this.	Possible (3)	Major (4)	Medium (12)
<i>Need for funding has been shared with members through Housing PAG and through Members Briefing</i>	Unlikely (2)	Major (4)	Medium (8)
New provider is unable to deliver a robust service in West Somerset	Possible (3)	Major (4)	Medium (12)
<i>A robust procurement exercise will take place to select the best provider. A performance monitoring process will be in place to hold the provider to account for delivery</i>	Unlikely (2)	Major (4)	Medium (8)

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before and after the mitigation measures have been actioned.

#### 5. **BACKGROUND INFORMATION**

- 5.1 In 2010, Somerset County Council, the Primary Care Trust, West Somerset Council, Mendip and Taunton Deane Councils commissioned Ridgeway Care and Repair (now Aster Living) to provide a contracted Home Improvement Agency (HIA) service across Somerset (excluding South Somerset). The contract was to provide a range of services with the key ones being the delivery of adaptations to vulnerable households via Disabled Facilities Grants and a Handyperson service. The service commenced in November 2010.
- 5.2 WSC has a statutory responsibility to consider an application for a Disabled Facilities Grant where an Occupational Therapist (OT) has identified the need and to ensure that the adaptation has been appropriately and adequately installed and that the Council has received value for money in tendering that work. It is common practice (and best practice) to discharge that responsibility through a Home Improvement Agency. The Council also uses the Somerset West Private Sector Housing Partnership (SWPSHP) to deliver the initiation and sign-off of this process.
- 5.3 A clause within the HIA contract allowed it to be extended after three years without going out to tender again and this was done to extend the contract until 3<sup>rd</sup> August 2014. The contract now needs to go out to full tender again and this process has started. For Somerset County Council to be able to appoint a new provider (as lead commissioner) and for the providers themselves, they need assurance that funding is available to deliver the contract. Therefore all funding partners have been requested to provide an in-principle commitment to funding this over the next three years.



- 5.4 The contract is paid for through a funding agreement between the commissioners, with the County Council paying the majority of the cost and the Districts and 'Public Health' (which now sits within the County Council) paying a smaller proportion between them.

### **PROPOSED NEW CONTRACT**

- 5.5 West Somerset Council has been represented at Commissioner Meetings by the Assistant Director for Housing and also by the SWPSHP Manager to help shape this new contract. The brief for the new commissioned contract has been widened to include the 'Integrated Community Equipment Service'. The proposed new service will offer a more integrated and inclusive 'one-stop shop' for vulnerable residents (normally elderly and/or disabled) to provide advice and support, prevent trips, falls and accidents and ensure that people are able to stay comfortable and independent in their homes for longer.

- 5.6 The new contract will include the following services:

- Information, Advice and Signposting – to enable independence, safeguarding and social and welfare needs are met. To promote choice and control for the individual. To reduce the need for care and risk of admission to hospital or care
- Retail offer of simple aids and equipment – Face to face demonstration of equipment to users and carers as well as online demonstration and assessment. User payments will be the principle funding stream.
- Handyperson Service – A maintenance service providing affordable handyperson, plumber, electrician and home maintenance. The service will also provide a home safety check and through its provision will prevent slips, trips and falls. As with the current service it will have a subsidised rate for those on qualifying benefits. The new provider will also be expected to help facilitate hospital discharge.
- Project Management of Minor Adaptations – This will be for minor adaptations (up to £4k where an occupational therapist has identified the need). This would typically include rails and banisters, steps, ramps and rails, entry phones and key safes, door widening, electrical, plumbing and carpentry work.
- Major Adaptations (Disabled Facilities Grants) – This will be for major adaptations (over £4k) where the work will be sub-contracted to local builders / contractors. The funding will principally come from disabled facilities grants and will be assessed through the occupational therapist. The providers will support applicants in securing other funding or loans where necessary, design specifications to meet the residents need (and complying with the OT recommendation), vet builders and get quotes for works, overseeing those works and jointly with OTs sign work off as complete and satisfactory with the client.
- Integrated Community Equipment Service – the Service will be required to provide a range of equipment for daily living or Reablement purposes including walking frames, pressure care, hoists, commodes, special seating, toilet seats, equipment for people with sensory losses, telecare and telehealth equipment (excluding lifeline). The service will also offer servicing and maintenance of equipment.
- Recycling and Buy Back – Providers will be expected to maximise the opportunity to recycle equipment when it is no longer required.

## 6. FINANCIAL/RESOURCE IMPLICATIONS

- 6.1 West Somerset Council is required as an active partner to contribute toward the costs of this contract.
- 6.2 The implications of not funding this service would be that the Council would need to resource the statutory disabled facilities grant (major adaptations) element internally. The Assistant Director does not believe that an equitable service (just the DFG aspect) could be delivered internally for the same financial contribution.
- 6.3 Discussions with the Housing portfolio holder and with the Somerset County Council commissioners has led to a proposed reduced level of funding from West Somerset Council compared to the current contribution. This has been based on existing budget pressure but also on the argument that we are now a shared services council and that TDBC also contributes significantly toward this contract. The proposed funding levels are as follows:

<b>Total Contribution</b>	<b>£70,430</b>	<b>£53,825</b>	<b>£50,486</b>	<b>£49,524</b>
<b><u>West Somerset District Council</u></b>	Current (2014/15)	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Contribution (Revenue)	£33,230	£22,577	£19,238	£18,276
Fee Charge (Capital top-sliced from DFG pot)	£31,200	£28,920	£28,920	£28,920
Handyperson (Revenue)	£6,000	£2,328	£2,328	£2,328

- 6.4 This equates to a reduced revenue contribution from West Somerset Council of £18,716 per annum by 2017/18 (for the contribution and handyperson combined). This includes a 5% efficiency saving year on year that has been built into the contract from 2015/16 for the Core revenue contribution.
- 6.5 The reduced Handyperson budget reflects the real challenges of delivering a handyperson service experienced by the current providers in West Somerset. The contribution still will reflect a challenging target of 300 jobs per annum.
- 6.6 The Fee Charge is an industry norm, where the Home Improvement Agency will take a proportion of the disabled facilities grant capital as a fee toward the administration. The proposed fee charge represents an average 12% charge (compared to the current 15% charge from the current providers). It reflects the £241,000 DFG settlement that the Council will receive through the Better Care Fund.

## 7. COMMENTS ON BEHALF OF SECTION 151 OFFICER

- 7.1 The request for the in-principle commitment is an important element of the procurement process for a new contract.
- 7.2 The current revenue budget for the HIA is £39,320, therefore the reduced costs provide opportunities for budget savings whilst maintaining the service. If supported the potential savings for the Revenue Budget are set out below, which would help towards the Budget Gap.

2015/16	2016/17	2017/18	Cumulative
£14,415	£3,339	£962	£18,716

7.3 The proposal also includes a reduced Fee Charge compared to current capital budget requirements, which would leave a greater proportion of the capital pot for direct provision of disabled facilities.

7.4 Members will ultimately be requested to formally approve the Budget at Full Council in February 2015, however it is important that Members are aware of the Council's financial position when considering the recommendations within this report.

## **8. EQUALITY & DIVERSITY IMPLICATIONS**

8.1 **Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.** The three aims the authority **must** have due regard for are:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

8.2 The proposed new commissioned service described in this report will provide a better service for residents of West Somerset, particularly those who are elderly and / or have a disability. It will advance equality of opportunity for people within these protected groups, supporting them to live safely, comfortably and independently.

8.3 The contracted provider will be required to comply with and have due regard to equalities legislation in delivering the service.

## **9. CRIME AND DISORDER IMPLICATIONS**

9.1 The Handyperson service is likely to include installation of measures in properties to protect against crime, such as door and window locks, security lighting as well as key safes. They will also install smoke and carbon monoxide alarms.

## **10. CONSULTATION IMPLICATIONS**

10.1 The proposal within this report was outlined at the Housing and Health Policy Advisory Group where it received support. It was also shared with members at a Members Briefing where comments from members generally supported the service and the direction for a more integrated contract in future. Both of these meetings took place on 2<sup>nd</sup> October 2014.

10.2 The SWPSHP has been heavily involved in defining the specification particularly for the minor and major adaptations provision on behalf of all of the District Councils.

## **11. ASSET MANAGEMENT IMPLICATIONS**

11.1 None applicable

## **12. ENVIRONMENTAL IMPACT IMPLICATIONS**

12.1 The new contract includes a Recycling scheme, other than this, there are no environmental considerations.

### 13. **HEALTH & WELLBEING**

Demonstrate that the authority has given due regard for:

- People, families and communities take responsibility for their own health and wellbeing;
- Families and communities are thriving and resilient; and
- Somerset people are able to live independently.

13.1 The proposed new contract will have enormous health and wellbeing benefits for local residents. It supports the three Health and Wellbeing priorities as follows:

13.1.1 People, families and communities take responsibility for their own health and wellbeing: - The contract supports the 'Prevention First' principle by providing various facilities (such as information and advice, handyperson service and a retail facility to allow residents to take action themselves to improve the safety of their own homes

13.1.2 Families and Communities are thriving and resilient: - The service will help individuals remain independent within their homes and communities.

13.1.3 Somerset People are able to live independently: - This contracted service is the most important in Somerset to meet this aim.

### 14. **LEGAL IMPLICATIONS**

14.1 Neither the contract nor the partnership agreement have been reviewed by the legal services team (Mendip District Council) however once final changes have been made on the Partnership Agreement by Somerset County Council (see para 14.3 below), it will be sent for to be reviewed before signing it.

14.2 The wording used in the terms of the contract were reviewed by TDBC Legal Services on behalf of TDBC who were happy with the contract template, although the full detailed contract including service specification was not reviewed. The technical aspects of this however have been reviewed and approved by the SWPSHP Manager and the Assistant Director for Housing.

14.3 The Partnership Agreement, which will include the funding commitment was also reviewed on behalf of TDBC by TDBC Legal Services. The solicitor was concerned that the partnership agreement was inconclusive about how SCC could hold the District Council to account if we were unable to deliver on the funding commitment made. The SCC Service Manager for the Procurement Team responded by email "The Somerset County Council process for approval to proceed to tender requires us to confirm *in good faith* that there is funding available for the duration of the contract as we can never be absolutely sure what might happen in future budget setting". She also committed to reword the Partnership Agreement to make this clearer before we signed it. Once this has been done, our respective legal teams can review this to ensure it is fit for purpose.

*Report Number:* WSC 146/14  
*Presented by:* Councillor K H Turner  
*Author of the Report:* Christine Chu Hui Davies, Strategy & Partnership Officer  
*Contact Details:*  
     *Tel. No. Direct Line* 01823 356312  
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*Report to a Meeting of:* Cabinet  
*To be Held on:* 5 November 2014  
*Date Entered on Executive Forward Plan* 3/10/14  
*Or Agreement for Urgency Granted:*

## INVEST TO SAVE NEW HOMES BONUS EMPTY PROPERTY CO-ORDINATOR

### 1. PURPOSE OF REPORT

- 1.1 The report is for Members to approve the proposal to employ an Empty Property Co-ordinator (EPCo). The EPCo will focus solely on interventions to bring empty properties back into use that will have a positive and direct impact on the New Homes Bonus (NHB). The appointment will be initially fixed term for 12 months. The continuation of the post will be based on sustainability, critically the amount of NHB claimed. This will have a focus on maximising NHB, addressing housing need and standards but will also increase housing supply.

### 2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 The report meets the Corporate Priority of Sustainable Democracy and Local Accountability by maximising income for the Council through focussing on reducing the number of empty properties (which have a negative impact on New Homes Bonus awarded to the Council).
- 2.2 The proposal also will help increase the availability of housing supply which is an objective under the 'New Nuclear Development at Hinkley' priority.
- 2.3 This would be achieved, as covered below, through working with both internal and external partners to regenerate empty properties, aiming to increase the supply of affordable private rented sector stock. For West Somerset, there is a clear focus based on mitigating the Hinkley Point C workers, with the priority on the eastern area parishes.

### 3. RECOMMENDATIONS

- 3.1 That the Cabinet approve the attached proposal to employ an Empty Property Co-ordinator across both the Councils initially for a twelve month period and then continue this if the 'invest to save' business case demonstrates that this post as a minimum pays for itself.

#### 4. RISK ASSESSMENT (IF APPLICABLE)

##### Risk Matrix

Description	Likelihood	Impact	Overall
Members do not agree the employment of a EPCO. Accordingly, the Council will suffer from reduced funding. There will also be the effects of the increasing and detrimental deficits in the private rented sector	Unlikely (2)	Moderate (3)	Low (6)
<i>That solid foundations are put in place to ensure that the proposal does not cost the Council additional funds and draws in the maximum NHB.</i>	Unlikely (2)	Moderate (3)	Low (6)
Insufficient staff resources to provide a coherent and meaningful service to empty property owners. Customers would lose interest in the product and project.	Likely (4)	Moderate (3)	Medium (12)
<i>To ensure that officers across council services and partners are identified and sufficient resources assigned and procedures tightened.</i>	Possible (3)	Moderate (3)	Medium (9)
Owners and agents offered financial assistance through Hinkley funding which later becomes unaffordable, causing owners and agents to become disincenitised	Possible (3)	Moderate (3)	Medium (9)
<i>Hinkley funding bid for Housing includes funding for this for the next two years with the potential for further funding later. However this can be reviewed if and when it happens</i>	Possible (3)	Moderate (3)	Medium (9)

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before and after the mitigation measures have been actioned.

#### 5. BACKGROUND INFORMATION

5.1 The main reasons properties are left empty are summarised below.

Person	Family	Financial	Commercial	Property
Frailty & mental health issues	Death & probate delays	High cost of renovation	Buy to leave-a term often misused as other market factors also implicated	Structural movement investigations
The enormity of the task of selling/ letting/ renovating	A reluctance to allow a family home to be used by others	Insufficient finance to renovate with an unwillingness to sell	Being used for storage, often above a shop	Significant tenant damage e.g. Following use of property to grow drugs
Abandonment often following stressful incidents	Family disputes over what to do with a property	Non-payment of rent	Significant property portfolio with inadequate systems to limit void periods	Restricted access solely through a commercial premises

Significant hoarding preventing work and access	A bad experience with a contractor or estate/ letting agent	Sufficient income to ignore the property	Security issues e.g. Above a Bank, Betting Office, Jewellers, Off Licence	Planning permission issues, appeals and development plans
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- 5.2 Since the NHB was introduced in 2011, an Empty Property Officer (EPO) was employed and managed by the Somerset West Private Sector Housing Partnership (SWPSHP). The EPO provided coverage for Taunton Deane Borough Council (TDBC), West Somerset District Council (WSDC) and Sedgemoor District Council (SDC).
- 5.3 The EPO was made redundant in 2013 by Sedgemoor District Council and this has left a gap for both TDBC and WSDC who are reliant upon a post focussing on this to ensure New Homes Bonus levels are as high as possible.
- 5.4 Discussion with SWPSHP Managers have concluded that a stronger and local focus on empty property is needed. This can be achieved through direct management of staff rather than sharing a partnership resource across 3 areas that brought with it the complications of different IT systems and processes and extensive travel.
- 5.5 The NHB is (in part) calculated based on any decrease of empty properties from the preceding year. This is reliant on figures reported on the CTB1 annual return by Council Tax as of October each year. The NHB will be paid the following March and will be paid monthly for the following 6 years. An annual decrease of just 1 empty property is typically worth a total of £7,500 - £10,000, over the 6 year period.
- 5.6 Over the past few months there has been a temporary officer (employed by SWPSHP) whose main duties are to verify new additions. The officer made contact with owners and estate agents and sent out the appropriate EP1 and EP2 letters. This has provided a stop gap to ensure there was a focus on empty properties until the NHB submission date of 30.09.2014 for 2013/14 (through CTB1). Lessons learnt from the revised role of this Temporary Officer has also provided the added impetus for the creation of the Empty Property Co-ordinator (EPCo) role.
- 5.7 From past experiences, it is imperative for the EPCo to have an effective working relationship with the Council Tax team, who are essential for the identification and reporting process of NHB claims. There is a need for both EPCo and Council Tax work to complement each other to ensure our new homes figures and empty property figures are optimising NHB claims.
- 5.8 The EPCo will also need to create and strengthen links with Critical Partners, both internally and externally that will effectively assist in bringing Empty Properties back into use, thus maximising NHB. The Critical Partners are: Legal, Planning, Environmental Health, Housing, Valuation/ Estates, Finance, local Letting/ Estate Agent, Housing Associations and Councillors.
- 5.9 Participation from these partners would also lead to better information, advice and guidance covering areas such as development advice, tax and VAT, guidance on extent of works, guidance on planning and guidance on raising finance.
- 5.10 Such a network would need a Corporate approach and is crucial as 61% of Kent County Council's (a recognised better practice authority) empty properties were brought back into use through information, advice and guidance alone.

- 5.11 The issue of threats of enforcement should be explored. However, due to financial constraints, the matter of enforcement would need wider discussion with the Housing Portfolio holder and the Cabinet as there would be the need to set a significant budget (potentially in excess of £100,000) in support of threats of enforcement.

## **6. THE BUSINESS CASE**

- 6.1 The premise of the business case is straightforward as it will be the use of a small amount of NHB to pay for an EPCo, whose key measuring outcome will be to deliver a far greater amount of NHB back into both authorities.
- 6.2 Although the business case rationale is clearly an Invest to Save, the social outcomes also tie in strongly to both WSC and TDBC's Council objectives.
- 6.2.1 Maximising income and New Homes Bonus
  - 6.2.2 Bringing empty property back into use.
  - 6.2.3 Increasing the supply of affordable housing.
  - 6.2.4 Addressing the housing supply pressures that the arrival of Hinkley workers will generate.
  - 6.2.5 Improving the 'street scene'- empty properties are often a blight on the neighbourhood.
  - 6.2.6 Linking empty properties loan arrangements to Housing Options nominations, thus taking pressure off Bed & Breakfast budgets where we are able to rehouse a vulnerable client.
- 6.3 Discussions with colleagues at both TDBC and WSDC have concluded that a 3 day per week post is sufficient. Only 1 day per week will be spent working in West Somerset which has a high number of empty properties in probate and those difficult to influence. Consultation with various WSC Officers including Heather Crockford and Anjie Devine have deemed this a suitable level of resource.
- 6.4 A full Job Description and Job Evaluation would be required. However, an indicative Grade E would cost a maximum of £15,000 (for 3 days a week), including on costs. This would normally require a contribution of around £10,000 from Taunton Deane and £5,000 from West Somerset. However Somerset County Council have been approached and have agreed to also contribute 20% toward the cost of this post, reducing the funding requirement to £8,000 for TDBC and £4,000 for WSC).
- 6.5 Based on a Band D property's Council Tax of around £1,400, and ignoring any uplift that we would receive if it were an affordable home, the District Council would receive  $£1,400 \times 80\% \times 6 = £6,720$  over the 6 years for just 1 annual reduction on the Council Tax list of empty properties. (The remaining 20%, or £1,680 is received by Somerset County Council).
- 6.6 Therefore, the business case pays for itself if we can bring back into use 1 empty property in West Somerset and 2 in Taunton Deane.
- 6.7 The targets we propose to set for this post will be significantly higher- see paragraph 8.4 below, and if successful would benefit each Council.

## **7. OTHER OPTIONS**

- 7.1 The Councils have been approached by a number of private companies offering to review and cleanse data for the 3 month period before NHB submission. The private company would take a percentage of the NHB income as their payment.
- 7.2 However, following consideration, it was decided that as both WSC and TDBC will need this resource, it seemed sensible to recommend our preferred approach of employing 1 part time staff to cover both areas.



- 7.3 Our recommended approach would also ensure that there was a resource to continually contact owners and agents throughout the year, providing a clearer focus on the issue, rather than just a 3 month period.
- 7.4 This continual focus has proved extremely successful at South Somerset District Council.
- 7.5 However, we are aware of other local Councils that have adopted the 'Private Company Data Cleansing Model' and will review their success against ours and include this in the feedback report mentioned in paragraph 5.5 below.

## **8. THE ROLE**

- 8.1 As at July 2014, Council Tax database reveals that West Somerset has 288 properties and Taunton Deane has 429 properties that have been empty for more than 6 months. Out of these numbers, there are 73 in West Somerset and 82 properties in Taunton Deane that have been empty for more than 2 years (discounting anomalies).
- 8.2 The EPCo will work within and be managed by Council Tax to:
- 8.2.1 **Maintain, monitor, validate, verify and update the database regularly.**  
The EPCo must be proactive, utilising all links and expertise to take appropriate action to safeguard against rising numbers, especially anomalies. The EPCo is heavily reliant upon capturing the natural 'churn' of properties by validating and verifying properties on the database, ensuring that updates are recorded accordingly.
- 8.2.2 **Liaising with Empty Property owners/ agents.**  
The EPCo will initiate and maintain contact with owners and agents as part of validating and verification. Imperative would be the provision of information, advice and guidance, including 'fast track' referrals to partners for more specific assistance (as below).
- 8.2.3 **Liaise with Critical Partners.**  
The EPCo will establish positive relationships, securing active involvement and ongoing support from the Partners to bring properties back into use. Critical Partners already engaged in field work will be used as part of validation and verification through site visits.
- 8.2.4 **Liaise with and work co-operatively with Housing Implementations Officer (HIO) and Hinkley funded Agencies.**  
The EPCo will establish positive relationship and work co-operatively with the HIO in order to complement and deliver on the proposals for Hinkley funded regeneration projects.
- 8.2.5 **Responsible for the accuracy of NHB claims.**  
The EPCo will assist in the submission of CTB1 as mentioned above.
- 8.3 The role is largely administrative, utilising other Council personnel and their expertise. The EPCo will also have good organisational and negotiation skills as interventions can only happen through proactive handling of cases.
- 8.4 The EPCo will be targeted to reduce the Council Tax database numbers by a moderate 5%.
- 8.4.1 Based on current figures, and discounting works to be delivered in time for CTB1 30.09.2014, West Somerset should have 273 empty properties (a reduction of 15) and Taunton Deane should have 407 empty properties (a reduction of 22) by 30.09.2015.
- 8.4.2 If the EPCo achieves these targets, it should generate an additional £249,000 NHB shared between TDBC and WSDC, and an additional £62,000 for SCC (assumption based on an average Band D property, discounting additional uplift for affordable homes).

- 8.5 There will be a report back to JMT, the portfolio-holder and Housing PAG following the submission of the CTB1 return in 2015, crucially to assess the impact of EPCo on NHB claims and a decision on its future funding.

## 9. FINANCIAL/RESOURCE IMPLICATIONS

- 9.1 The business case appears robust from a financial perspective and with the post proposed on an initial 12 month basis, the risk is limited. As a one-off call on reserves from in year underspend forecasted, this can be funded from existing funds and at this level can be approved by budget holders.
- 9.2 The proposal also promotes joint working between West Somerset and Taunton Deane, bringing the ability to engage a part time member of staff over 3 days, generally a more attractive proposition in the job market than a 1 or 2 day post.
- 9.3 It will of course be important to be able to split the costs between the two councils appropriately to ensure there is no cross-subsidy. The business case suggests that payback will occur in a short time period and this in turn may make a permanent or longer term role viable. This will of course be subject to budget considerations and will require further approval.
- 9.4 It is positive that SCC has also recognised the financial investment to save business case and agreed to fund 20% of the cost of this post, thereby reducing the up-front investment for Taunton Deane and West Somerset.
- 9.5 It will be necessary to measure the success of this post over the 12 month period in order to give a true cost benefit analysis for consideration at year end if further funding is proposed. The financial risk exposure for the councils is limited and the business case therefore appears sound.

## 10. COMMENTS ON BEHALF OF SECTION 151 OFFICER

- a. There are no substantive comments.

## 11. EQUALITY & DIVERSITY IMPLICATIONS

- a. **Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.** The three aims the authority **must** have due regard for are:
- Eliminate discrimination, harassment, victimisation
  - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
  - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it
- b. The EPCo will actively encourage owners and agents of empty properties through the provision of information, advice, guidance and assistance. It would be in both the Council's and owners and agents mutual interest to work co-operatively with each other as both would find it beneficial. Improvements in the fabric reduce signs of run down communities increasing the value of the property itself and those in the area. The EPCo will promote equality of opportunity by treating everybody fairly regardless of race, gender, disability, age, sexual orientation, religion or belief. One of the principle aims of the project is to eliminate unlawful discrimination through fairness and transparency in its application.

**12. CRIME AND DISORDER IMPLICATIONS**

- a. Reducing empty properties will also reduce the risk of crime and anti-social behaviour; in turn supporting social cohesion in the community.

**13. CONSULTATION IMPLICATIONS**

- a. Current discussion with SWPSHP Managers have concluded that a stronger and local focus on empty property is needed. This can be achieved through direct management of staff rather than sharing a partnership resource across 3 areas that brought with it the complications of different IT systems and processes (above paragraph 5.4).
- b. From past experiences, it is imperative for the EPCo to have an effective working relationship with the Council Tax team, who are essential for the identification and reporting process of NHB claims. There is a need for both EPCo and Council Tax work to complement each other to ensure our new homes figures and empty property figures are optimising NHB claims (above paragraph 5.7).

**14. ASSET MANAGEMENT IMPLICATIONS**

- a. None identified.

**15. ENVIRONMENTAL IMPACT IMPLICATIONS**

- a. None identified.

**16. HEALTH & WELLBEING**

Demonstrate that the authority has given due regard for:

- People, families and communities take responsibility for their own health and wellbeing;
- Families and communities are thriving and resilient; and
- Somerset people are able to live independently.

- a. Empty properties brought back into use will firstly reduce the housing waiting list thus reducing the impact of anxiety upon the population's health and wellbeing.
- b. Further, as these properties will be brought back into use with the aid of the Critical Partners, these should help ensure that the properties brought back into use are of a high standard for the use of our community's most vulnerable, thus encouraging independence and resilience. It is also envisioned that empty properties brought back into use will be decent quality and well managed properties in the private rented sector.

**17. LEGAL IMPLICATIONS**

- a. There are no substantive legal comments.



*Report Number:* WSC 151/14  
*Presented by:* Cllr Karen Mills – Cabinet Lead for Economic Regeneration & Tourism  
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*Report to a Meeting of:* Cabinet  
*To be Held on:* Wednesday 4 November 2014  
*Date Entered on Executive Forward Plan Or Agreement for Urgency Granted:*

## HINKLEY TOURISM ACTION PLAN - ALLOCATION

### 1. PURPOSE OF REPORT

- 1.1 To consult with Cabinet on a suggested approach for commissioning Tourism Monitoring Surveys and a rapid response fund for Watchet.

### 2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 Maximising opportunities for West Somerset communities and businesses to benefit from the nuclear development whilst protecting local communities and the environment.

### 3. RECOMMENDATIONS

- 3.1 To recommend to Council the allocation of up to a maximum of £40,000 of the Phase 2 (Part One) S106 Tourism mitigation funds for the commissioning of 2 calendar years of visitor monitoring surveys.
- 3.2 To make available an additional allocation of £5,000 to provide tourism & marketing activity for the town of Watchet to help mitigate any potential impacts incurred by the up-coming Washford Cross road junction improvements.
- 3.3 In respect of this allocation, to approve an additional expenditure budget of £45,000 to the Revenue Budget for Hinkley Tourism Action Partnership activity with a corresponding income budget of £45,000 from the S106 Contribution.

### 4. RISK ASSESSMENT (IF APPLICABLE)

#### Risk Matrix

Description	Likelihood	Impact	Overall
An inability to quantify and monitor the impacts of the HPC project upon the local tourism industry	4	4	16

<i>Baseline assessments and monitoring work undertaken to inform future decision making and correct targeting of further funding</i>	2	4	8
Watchet business community detrimentally impacted by the disruption of the Washford Cross works	3	4	12
<i>Funded action plan of support for businesses effectively implemented and delivered.</i>	3	3	9

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before and after the mitigation measures have been actioned.

## 5. **BACKGROUND INFORMATION**

5.1 Schedule 15 of the HPC Site Preparation S106 makes provision for an allocation of £160,000 payable on the implementation of Phase 2, with a further £160,000 payable on the first anniversary of Phase 2 start.

5.2 The Section 106 Agreement states that this allocation is for the purposes of the Tourism Action Partnership carrying out the **Marketing and Promotional Initiatives** and carrying out the **Tourism Monitoring Survey**. The Survey is defined as *the annual survey to identify the potential types and levels of impact of the construction and operation of the Development and/ or other elements of the project (if permitted) on tourism in Somerset and identifying the impacts that this will have on tourism as an economic sector in Somerset.*

### 5.3 **Hinkley Tourism Action Partnership (HTAP)**

This is the Partnership identified within the S106 Agreement tasked with establishing and over-seeing the delivery of a Strategy and Action Plan. HTAP is defined as *the means by which West Somerset Council, Somerset County Council and Sedgemoor District Council will come together to decide how certain elements of the tourism contribution shall be applied after requesting and taking into account representations from other representative bodies of business in the tourism sector.*

HTAP's membership has been designed to ensure that consultative mechanism is embedded in all of its activity, and therefore has extended the membership to include the Exmoor Tourist Association, Somerset Tourist Association, Exmoor National Park Authority and EDF Energy, as well as the three Councils.

### 5.4 **Tourism Strategy and Action Plan**

This is defined as *the tourism strategy and action plan which will coordinate tourism marketing and sector development activity to ensure that all activity is strategically significant, that there is no overlap between activities and that there are no significant gaps in response to the challenges and opportunities relating to the construction and operation of the Development / or other elements of the Project (if permitted)*

The HTAP Strategy and Action Plan is currently in draft form, and is very close to being ready for wider consultation and agreement. There have been previous consultation sessions held with both the local Tourism Industry, Tourism Information Centres, and elected Members (via the Policy Advisory Group). An HTAP Consultative Workshop is to be held at the Exmoor Tourism Conference on 6<sup>th</sup> November.

Ideally, HTAP would wish to have the Strategy and Action Plan agreed before requesting the drawdown of any funding, however, there is an urgent requirement to both commission the Monitoring Survey and support activity in Watchet.

### 5.5 **Monitoring Survey**

A small Working Group of HTAP was set-up to consider the scope and breadth of the survey and to take into account other information that was currently available, to avoid duplication. The following recommendation was then made to HTAP at their meeting in October 2014 and agreed as follows:- **That the services of a specialist independent and accredited research agency should be procured to carry out a Visitor Survey, analyse results, and help in designing a business survey. The agency would be specifically asked to:**

- a. Review previous relevant tourism studies (e.g. Somerset Visitor Survey 2009/10, Tourism Volume and Value Data, Exmoor Visitor Surveys) to identify baseline figures.
- b. Design a questionnaire. The questions to cover, travel experience, visitor profile changes, perceptions and motivations.
- c. Suggest a suitable timetable and different pricing options for a cluster sampling approach (e.g. 6 locations three times a year or 14 locations twice a year)
- d. Develop a smaller sample questionnaire for TIC's and others to use. There is also potential to add in the development of an online survey too.
- e. Provide reports after each 'time' the survey is carried out, and annual report that analyses the data providing conclusions and recommendations.
- f. Design a business survey questionnaire for HTAP partners to use.

It is recommended that a full procurement process is carried out for a two year contract in line with the Section 106 site prep agreement, but with the option of a four year extension to tie in with the Section 106 Development works agreement.

The brief will be written by the Tourism Officers from West Somerset Council and Sedgemoor District Council in conjunction with. Somerset County Council.

Experience (amongst the Partners) of commissioning similar surveys from a professional Company has indicated that the costs will be in the region of £20,000 per annum, though until the procurement process is undertaken it is not possible to know the exact costs. £20,000 p.a. would be the maximum amount that would be allowed for this work. In the spirit of partnership working (and sharing the work-load) Somerset County Council have agreed to undertake the procurement process.

### 5.6 **Support for Watchet and surrounding areas.**

The much needed road improvements at Washford Cross Roundabout (that have been agreed as part of the Associated Development Works within the HPC Planning Agreement) will have the unfortunate side effects of impacting on the locality throughout the anticipated 9 month construction period. Watchet will be specifically affected due to the closure of the B3190. Therefore a plan of action to support the Town during this time is being implemented and £5,000 of funding from the S106 Economic Development allocation has been ring fenced to provide specific business support. In addition to this a request was made to the last meeting of HTAP to consider releasing £5,000 of Tourism mitigation funds to provide specific marketing and promotional activity for Watchet. HTAP agreed to this.

A Group of key Watchet stakeholders has been established and is being supported by West Somerset's economic development team to establish an action plan of activity. A recent

survey has also been undertaken of Watchet businesses to better understand their concerns, as well as their ideas for what they think would help to mitigate the impact of the road closure.

A raft of interventions are being planned including Public Relations support / training for businesses / enhanced website presence and general Town improvements.

This is in addition to the general support being offered by the West Somerset Tourism Information Centres Network, as well as other more mainstreamed business support activity.

Whilst Watchet will have its own Action Plan of support, we are as mindful of the implications for Williton and Minehead, and we will continue to enhance existing economic development support and implement specific interventions where appropriate. It is envisaged that the Watchet specific initiatives will also act as a pilot for the types of activity that will need to be rolled out District wide when the main HPC works get underway. This immediate activity will also help inform future HTAP allocations going forward.

## **6. FINANCIAL/RESOURCE IMPLICATIONS**

6.1 The Phase 1 HPC Tourism mitigation Fund Contribution of £160K was received by West Somerset Council on 6<sup>th</sup> May 2014.

6.2 The Phase 2 (Part 2) allocation of £160K will be paid to WSC on 6<sup>th</sup> May 2015.

## **7. COMMENTS ON BEHALF OF SECTION 151 OFFICER**

7.1 As the accountable body for the S106 funding, the total expenditure of £45,000 will be recorded in the Council's accounts. It is important to note that the S106 funding is one-off monies and it is advisable to use this to support one-off spending in order to prevent an ongoing budgetary commitment for the Council. It is not expected that there will be any associated costs, other than staff time and minimal administration, in respect of this item.

7.2 To aid monitoring and reporting against financial approvals, it is recommended that the sum of £45,000 is added to the Revenue Budget creating an agreed budget for the expenditure, with a matching income budget of £45,000 and be funded from contributions received. This will not impact on Council's Net Budget position.

7.3 It is noted that a further £160,000 one-off receipt is due to be received in May 2015.

## **8. EQUALITY & DIVERSITY IMPLICATIONS**

8.1 **Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.** The three aims the authority **must** have due regard for are:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it



**9. CRIME AND DISORDER IMPLICATIONS**

9.1

**10. CONSULTATION IMPLICATIONS**

10.1

**11. ASSET MANAGEMENT IMPLICATIONS**

11.1

**12. ENVIRONMENTAL IMPACT IMPLICATIONS**

12.1

**13. HEALTH & WELLBEING**

Demonstrate that the authority has given due regard for:

- People, families and communities take responsibility for their own health and wellbeing;
- Families and communities are thriving and resilient; and
- Somerset people are able to live independently.

13.1

**14. LEGAL IMPLICATIONS**

13.1 The recommendations that form part of this Report are in line with the requirements of the HPC Site Preparation S106 – Schedule 15



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*Report Number:* WSC 149/14

*Presented by:* Cllr Keith Turner, Housing Portfolio Holder

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*Report to a Meeting of:* Cabinet

*To be Held on:* 5 November 2014

*Date Entered on Executive Forward Plan* 9/10/14

# EDF HOUSING FUNDING STRATEGY

## 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present to Members the recommendations of the Hinkley Point Planning Obligations Board (POB) and to ask that Cabinet recommend to Full Council the approval of the attached Housing Funding Strategy (Appendix A).
- 1.2 Four associated bids pursuant to the Housing Funding Strategy are also presented where Cabinet are asked to recommend to Full Council that the allocations are approved (Appendices B – E):
- **Appendix B: Landlord & Tenant Services** - £658,140
  - **Appendix C: Empty Property Regeneration** - £304,500
  - **Appendix D: Home Moves Plus** – £60,000
  - **Appendix E: SDC Enabling Scheme** - £192,560

## 2. CONTRIBUTION TO CORPORATE PRIORITIES

The Draft EDF Housing Funding Strategy is directly related to the delivery of the WSC Corporate Plan, and associated targets, by setting out the proposals for meeting the Corporate Priority below:

*Corporate Priority: New Nuclear Development at Hinkley Point – Objective 5: The availability of housing supply within West Somerset is increased to mitigate the extra demands linked to Hinkley Point workers.*

## 3. RECOMMENDATIONS

That Cabinet recommends to Council that the Housing Funding Strategy (appendix A) and four initial bids contained in Appendices B – E are approved.

#### 4. **RISK ASSESSMENT (IF APPLICABLE)**

##### Risk Matrix

Description	Likelihood	Impact	Overall
Work across all 3 authorities and the need to balance resources, priorities or focus from partnership in delivery of Hinkley proposals (project management, embedding legacy projects etc)	2	3	6
<i>Commitment to prioritising and resourcing Hinkley in operational arrangements</i>	1	3	3
Uncertainty over future of SWELT as delivery agent for private sector Landlord & Tenant Services	3	4	12
<i>Committing resources to Project Teams for delivery of individual proposals</i>	1	4	4
Competing agendas across the districts, compounded by different perspectives at varying levels of project management may lead to confusion or threaten partnership approach	3	4	12
<i>Clarity and openness over lines of engagement</i>	2	4	8

*The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.*

#### 5. **BACKGROUND INFORMATION – HOUSING FUNDING STRATEGY**

- 5.1** The Hinkley Housing Fund of £4m was secured to provide financial support for initiatives designed to deliver additional housing capacity in order to mitigate any potential adverse effects on the local private rented and low cost housing market that might arise from the Hinkley Point C development.
- 5.2** Appendix A (P1 of the Appendices) contains the Housing Funding Strategy, which sets out the policy context for targeting the Housing Fund contribution, and details the housing activity jointly proposed across West Somerset and Sedgemoor Districts. The funds are allocated within the Section 106 legal agreement to carry out Site Preparation Works at Hinkley Point C (West Somerset Council Planning Application No: 3/32/10/37). The legal agreement requires the Council to take into account the recommendations of the Planning Obligations Board when deciding how to apply those elements. Any decisions made by the Board also need to be referred to Cabinet/Council as required.
- 5.3** The Funding Strategy has been developed in consultation with partners across West Somerset and Sedgemoor districts. The Housing Initiatives Implementation Officer has consulted with West Somerset Members who attended the Housing & Health Policy Advisory Groups on 24 June and 2 October 2014 who gave their support to the approach outlined in the Strategy.
- 5.4** In accordance with the S106 Agreement, the views of the Planning Obligations Board have been sought in advance of presenting the proposals to Council. The Funding Strategy was presented to POB on 12 August 2014. Following discussion at the Board, the amended Strategy was presented at the subsequent POB on 7 October 2014, the Board resolved to

recommend to Cabinet that the Funding Strategy is approved.

## 6. HOUSING FUND BIDS

- 6.1 In addition to the Housing Funding Strategy, the four detailed proposals contained in Appendices B – E were also presented to POB on 7 October 2014:
- **Appendix B: Landlord & Tenant Services** – total bid for £658,140 comprising £626,800 project costs plus £31,340 admin fee
  - **Appendix C: Empty Property Regeneration** – total bid for £304,500 comprising £290,000 project costs plus £14,500 admin fee
  - **Appendix D: Home Moves Plus** – a Pilot with Magna West Somerset Housing Association (MWS) – total bid of £60,000
  - **Appendix E: SDC Enabling Scheme (The Three Crowns, Bridgwater)** - total bid for £192,560 gap funding comprising £183,390 project costs plus £9,170 admin fee.
- 6.2 The Board resolved to recommend to Cabinet that the 4 bids are approved, subject to a Risk Assessment and a set of monitoring proposals being included for each proposal, with a Viability Assessment, in addition, for Enabling bids. The Risk Assessment is attached at Appendix F, although it will continue to be updated. The monitoring proposals have subsequently been included in Section E1 of revised bids at Appendices B, C, D and E. Section G of the bid at Appendix E has been subsequently amended to include a 5% Admin Fee as agreed by the Board. (The S106 Agreement states that all bids can include the calculation of related costs of 5% of the relevant payment in addition to any payments for the purpose described in Paragraph 3.2.12 of the S106). Following agreement by POB the SDC Enabling Scheme has been subsequently amended to include the 5% admin fee which had been omitted from the original submission.
- 6.3 These proposals intend to draw down a total of £1,215,200 comprising £1,160,190 for the initiatives plus £55,010 admin fees, of the £4.004m and should provide an estimated 1,713 bed spaces across both districts.
- 6.4. The proposals are outlined below and are reflected in the Housing Funding Strategy at Appendix A. For ease of reference, the table below provides a summary of the proposals with references back to the Funding Strategy,

App *	Initiative	Housing Funding Strategy Ref		Total b/s	SDC	WSC	Total Cost £	Admin Fee £	Total bid £
		P2**	Sections						
B p20	Landlord & Tenant Services	1-8	4: Private Sector Initiatives	1560	1240	320	£626,800	£31,340	£658,140
C p36	Empty Property Regeneration	9-10		40	27	13	£290,000	£14,500	£304,500
D p48	Home Moves Plus	13	5: Social Housing	80	-	80	£60,000	-	£60,000
E p59	Enabling Fund – SDC	-	6: Enabling Fund	33	33	-	£183,390	£9,170	£192,560
<b>Totals</b>				<b>1713</b>	<b>1300</b>	<b>413</b>	<b>1,160,190</b>	<b>55,010</b>	<b>1,215,200</b>

\* App refers to the Appendix letter of this Cabinet Report followed by the page number

\*\* refers to the Summary on P2 of the Housing Funding Strategy at Appendix A of this Report

- 6.5 **Landlord and Tenant Services - see Appendix B (P20), and Section 4 of the Housing Funding Strategy for details.** Given the need to meet the potential demand in a relatively quick timeframe in the event of the works recommencing, the focus in the short-term must be on the private rented sector, already identified as the

largest potential source of housing for HPC workers, particularly to increase the supply of good quality accommodation available for everyone, but supported by a range of services to encourage landlords to let properties to local residents who may otherwise be disadvantaged. Below is an outline of the various components of the bid.

- **Somerset Homelet** is a free, easy to use, interactive, web-based “one stop shop” developed by Localpad that matches available private rented accommodation to potential occupiers. The aim is for the site to eventually advertise ALL available private lets across Sedgemoor, West Somerset and Taunton Deane. It enables:
  - Potential tenants to directly access suitable housing via search facilities individually related to their needs
  - Landlords to easily market and manage their lettings portfolio
  - Housing Options Teams to signpost customers to the website to look for their own accommodation
  - Monitoring through the comprehensive “back office” including vetting adverts, monitor lettings, and running reports as required.
- **Flexible Rent Support Scheme** – enhancing the current successful Bond Guarantee and Deposit Schemes, by covering deposits and/or rent in advance, and other fees, which is crucial in enabling potential tenants to access private rented accommodation.
- **Minor Improvement Scheme** simplifying and enhancing one consistent grant and loan product (eg £1k grant per property plus access to £15k loan at 4%) which can be used to improve properties in priority areas, for conversion to smaller units, developing 1 bedroomed accommodation and/or for owners of HMOs to improve standards, and for Energy efficiency measures.
- **Rent a Room Scheme** – to encourage the letting of spare rooms currently empty. The grant is available to bring rooms back into use. Must have adequate controllable heating and be free from Category 1 & 2 Hazards in accordance with the 2004 Housing Act. Electrical and gas safety checks must be carried out and the property fitted with suitable smoke and carbon monoxide detectors. This links up with:
- **Sustainable Management Service** – either extending the existing service with Chapter 1 and TAH or commissioning a new service to focus on rehousing clients from the Housing Register in the Hinkley priority areas.
- **Landlord Accreditation – Landlord Training** – e.g. fire service, Tenancy and Management training and access to the Landlord newsletter for consultation and to keep landlords informed of relevant initiatives and new products
- **Furniture package** – enhancing the current services provided by Engage and the Credit Union for essential furniture
- **Tenant Ready Scheme** incorporating and extending the existing Tenant Accreditation and Tenant Passport Schemes – extending to all ages to ensure that prospective tenants are able to accept and sustain an offer of tenancy.

**6.6 Empty Property Regeneration - see Appendix C (P36), and Section 4 of the Housing Funding Strategy for details.** Experience has demonstrated that empty property regeneration is very time and resource intensive. The Partnership is considering adopting the well-established Somerset Care & Repair (SC&R) model which offers a menu of services to owners of empty properties identified by the councils, in the Hinkley priority areas. There are 3 elements to the proposal:

- Empty Homes Grant for long term empty properties (over 6 months) at up to £15k per property to underwrite a SC&R scheme.
- “Help Yourself” Social Enterprise
- DIY Empty Homes Loans

- 6.7** Empty Homes Grant - financing of the works is made up of three elements: HCA loan, owner’s contribution, and LA grant, where applicable. The HCA funds are loaned to the owner as an interest free loan and repaid by the owners through the rental income. The funding is recycled over time to bring additional homes back into use, but the pot depreciates by 15% (through fees) each time. Properties are leased to SC&R and fully managed on a 7 – 15 year lease agreement. The scheme requires access to a £15k grant to be used where the total cost of the scheme exceeds the HCA loan and owner contribution, or for those developments where there is potential for conversion to maximise bed spaces. SC&R has submitted a separate bid to the Homes & Community Agency to cover the Loan element of the financing, which if successful will provide sufficient funds to offer an average loan of £11k per property or to also purchase those empty homes which require substantial renovation. It is conservatively estimated that the grant will provide 23 bed spaces over the 2 years, although projected numbers will substantially increase if the HCA funding is successful by funding additional loans and the option to purchase empty homes.
- 6.8** The SC&R model, also offers scope for “added value” to the project. This includes developing a **social enterprise “Help Yourself” model** as part of the bid, to provide education/training and employment (ETE) opportunities in construction skills to vulnerable people (e.g. young people, long-term unemployed, probation clients, former prisoners) to carry out the improvement work. An additional goal and further ‘added value’ of the Empty Homes scheme is that properties brought back into use can be used to address a range of housing needs for specific groups of clients that are seeking accommodation within the districts.
- 6.9** **DIY - Empty Homes Loans** - for those owners not interested in the SC&R model; a top up loan for properties in more substantial disrepair by enhancing the existing Wessex Home Improvement Loan of £15k @ 4% by with an additional £15k increasing the maximum loan to 30k @ 4% to bring the property back into use.
- 6.10** **Home Moves Plus - see Appendix D (P48), and Section 5 of the Housing Funding Strategy for details.** As at 30 June 2014 there were over 800 social housing tenants in Somerset under-occupying their current homes and registered on Homefinder Somerset for a move to more suitable accommodation. 60 of these were in West Somerset; 180 were in Sedgemoor with a further 238 in Taunton Deane. The majority of under-occupying tenants seek a transfer by registering on Homefinder Somerset and look for smaller properties, which increases the competition for smaller accommodation, which already comprises over 50% of housing demand. Some social housing tenants are also looking for alternative accommodation in the private rented sector, again increasing pressure on the type of housing most likely to be impacted on by the arrival of HPC workers. Mutual Exchange is more effective than transfers in making best use of existing property, enabling tenants to utilise the value of their existing tenancies, meeting at least two housing needs with every exchange or home swap and reducing competition for smaller vacancies advertised on Homefinder Somerset. However to add value to the existing scheme and be more effective housing providers need to be pro-active in delivering chains of exchanges.
- 6.11** MWS has been funding and administering a down-sizing incentive scheme since October 2011, offering financial incentives aimed at encouraging tenants living in MWS properties that are larger than they need to down-size to accommodation more suited

to their needs and their budget by reducing the financial barriers to moving. The proposal is for £60,000 over 2 years to enable MWS to employ a Home Moves Negotiator (HMN) to develop and promote a wide range of cost effective down-sizing options including exchanging homes and the empty rooms scheme. The HMN will provide the resource needed to pro-actively match accommodation needs and facilitate moves as well as providing practical help and advice to tenants on, for example, how to market their home effectively and how to organise a house move. The role will also have a 'hands on' element and be able to give practical assistance to arrange removals, re-direct mail and notify utility companies etc. The proposal includes £54,000 of MWS funding to be used on incentive payments.

**6.12 SDC Enabling Fund: see Appendix E (P59) for details.** Bid for £183,390 (plus £9,169 admin fee) to assist a developer bring forward a stalled development at the former Three Crowns Public House in Bridgwater.

**6.13** Further bids to the Enabling Fund will be made on a scheme by scheme basis.

**6.14** Future bids will be submitted for the remaining initiatives including Living Over the Shop, and First Time Buyer Loans, and other bids will be made, jointly and separately as further proposals are developed.

## **7. FINANCIAL IMPLICATIONS**

**7.1** Members will appreciate that the financing of the bids comes directly from the Section 106 agreement for Site Preparation Works at Hinkley Point C and will recall that the Section 106 agreements funds two housing officers at WSC (and equivalents at SDC) who will be responsible for delivering some of the work, working with partners to deliver some of the work and monitoring partners delivering the remaining work. As such there are no significant financial or resource implications for the Councils General Fund. The Section 106 agreement also funds a Finance Officer who will work with the Housing Team and the New Nuclear Programme Manager to track spend and delivery.

## **8. SECTION 151 OFFICER COMMENTS**

**8.1** The funding for the delivery of the Housing Strategy is from the s106 agreement for Site Preparation Works at Hinkley Point C, not the Council's own resources. However, we must be able to demonstrate to our stakeholders, in particular EDF Energy and other parties to the s106 agreement, that we have maximised the benefit from this fund in terms of mitigating of the impact of HPC on West Somerset and Sedgemoor. Within the Housing schedule set out in the s106 agreement, WSC on behalf of West Somerset and Sedgemoor District Councils received £4.004m (£3.750m plus inflation uplift), making this the largest single contribution received under the agreement.

**8.2** Many projects and initiatives that the Housing contribution will fund are extending what the Council already provides. We do need to ensure in these circumstances that we separate the Hinkley-funded services from the Council's services and separate our resources. We must ensure that the s106 contribution only funds services where it links back to the Hinkley Point C project, and avoid funding anything that the councils should and would have funded normally. Any bids to the Planning Obligations Board / Cabinet / Council will need to clearly demonstrate this distinction.

**8.3** It is noted that some of the initiatives involve paying funds to external agencies (e.g. Magna West Somerset, Wessex Home Improvement Loans) who would carry out the services on our behalf. Where this is happening, it is important to monitor their performance, in particular what or who they are funding and why to ensure effectiveness and that it relates



to Hinkley impact. We need to agree with them what information they will provide to ensure effective monitoring.

- 8.4** In the Housing Strategy, it is proposed to give out loans totalling £305k (Sedgemoor £200k and West Somerset £105k). The three loan schemes (First Time Buyer, Empty Homes, Minor Improvement fund) involve paying into a loan pool managed and administered by Wessex Homes Improvement Agency (WHIL), who would loan out the money at 4% interest. They will carry out the credit assessment to mitigate the credit risk and will recycle the loan as the borrowers repay. WHIL will keep the interest as an admin fee. The recycled funds will remain in the loan pool
- 8.5** The admin fee is the administration cost of running each scheme, either for external agencies or by the councils. Within individual schemes we will need to agree with external agencies how much we will pay for them administering the scheme and the amount of time they spend. Some elements of the Housing Strategy, such as Empty Homes, may result in small additional work some for council employees who are not funded by EDF Energy (e.g. Building council, Housing team) although this is not expected to be significant or divert from core activity.
- 8.6** At the time of writing, the councils are currently applying for up to £1.4m from the HCA and NEHP to support the Empty Homes Grant scheme. There is no guarantee that we will receive funding, as such the figures in the strategy assume that we receive no grant.
- 8.7** The demand figures for number of bed spaces/houses are only an estimate within the Housing Strategy and may be subject to change, between schemes or between Councils, projects seeking formal allocations pursuant to the Housing Strategy will be considered by the Planning Obligations Board and subsequently WSC's Cabinet and Council in due course. The strategy has been designed to be flexible depending on the demand from landlords and residents, and can be adjusted. If adjustments are required, we must ensure that both councils and their communities still get their fair share of the fund. In the event of an overspend, it is noted that over £900k of the total Housing contribution is currently unallocated.
- 8.8** Within the agreement, there is a further restriction. We can only spend a total of up to £2.000m on schemes other than Private Sector Initiatives and Social Housing services (except for Accreditation of landlords). We will need to monitor what we spend on these areas to avoid breaching this limit – Again, projects seeking formal allocations pursuant to the Housing Strategy will be considered by the Planning Obligations Board and subsequently WSC's Cabinet and Council in due course to provide a robust overview of how the money is allocated and spent.

## **9. EQUALITY & DIVERSITY IMPLICATIONS**

**Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.**

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

The Hinkley Housing Funding Strategy complies with recommendations that the Council should maximise all opportunities to monitor and measure responses and outcomes against diversity criteria to help plan future housing provision in a way that reflects the needs of all groups within the community. The proposals are intended to increase the supply of

accommodation available to all, with measures to assist vulnerable local residents access housing across West Somerset and Sedgemoor. All actions should be in compliance with the Human Rights Act.

#### **10. CRIME AND DISORDER IMPLICATIONS**

All housing developments should be designed to minimise the potential for crime and disorder. The Housing Fund proposals are designed to mitigate the impact of HPC workers on accommodation in the district, by meeting the needs and aspirations of the local community, improving the quality of housing across the district, increasing housing supply and housing options, so could be expected to have a positive impact on crime and disorder.

#### **11. CONSULTATION IMPLICATIONS**

All the proposals have been developed in consultation with Somerset West Private Sector Housing Partnership (SWPSHP), Somerset West Landlord & Tenant Services (SWELT), private sector landlords, the West Somerset Affordable Housing Group, and the West Somerset Housing Forum.

#### **12. ASSET MANAGEMENT IMPLICATIONS**

There are no direct implications

#### **13. ENVIRONMENTAL IMPACT IMPLICATIONS -**

There are no direct implications of approving the Housing allocations. However, there are obviously environmental impacts associated with the wider proposed development of Hinkley Point C. These have been assessed within the Environmental Statement submitted by NNB Genco with the application to carry out Site Preparation Works at Hinkley Point C (West Somerset Council Planning Application No: 3/32/10/037) and mitigation measures have been secured.

#### **14. HEALTH & WELLBEING**

Demonstrate that the authority has given due regard for:

- People, families and communities take responsibility for their own health and wellbeing;
- Families and communities are thriving and resilient; and
- Somerset people are able to live independently.

The Housing Fund proposals are designed to mitigate the impact of HPC workers on accommodation in the district, by meeting the needs and aspirations of the local community, improving the quality of housing across the district, increasing housing supply and housing options, so could be expected to have a positive impact on health and wellbeing.

#### **15. LEGAL IMPLICATIONS -**

These funds have been paid by a developer (NNB Genco) due to the signing of a Section 106 legal agreement for planning permission to carry out the site preparation works at Hinkley Point C (West Somerset Council Planning Application No: 3/32/10/037). As part of this legal agreement West Somerset Council shall take into account the recommendations of the Planning Obligations Board when deciding how to apply those elements of the Housing Contributions.

## APPENDIX A: Housing Funding Strategy

# HOUSING FUNDING STRATEGY

## Summary of Joint Bids by West Somerset Council and Sedgemoor District Council

### Purpose of Report:

**The Housing Fund** of £4m was secured to provide finance to deliver additional housing capacity to mitigate any potential adverse effects on the local private rented and low cost housing market that might arise from the Hinkley Point C development. The fund is provided under the Section 106 Agreement in relation to the Site Preparation Works, with a further £3.5m to be made available when EDF Energy elect to Transition to the Development Consent Order (minimum of £1m for SDC and £500,000 for WSC).

Sedgemoor District Council and West Somerset Council have been working together to agree principles and the general shape of initial proposed bids to the Housing Fund. A range of inter-dependant initiatives has been developed, designed to alleviate pressures on all sectors of the local housing markets.

The estimated costs may vary as the initiatives are progressed, and other bids will be made, jointly and separately, as further proposals are developed

**Recommendation:** that the Planning Obligations Board endorses this approach so as to simplify the subsequent approval of detailed future bids which fall within the parameters of this paper.

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### Housing Fund - Summary of Costs of Proposals

Initiative	What it is?	Total no of b/s over 2 yrs		Initial costs		Total joint costs - 2 yrs	£ per b/s	5% admin	Other resources	
		SDC	WSC	SDC	WSC					
						<i>*Note that £54k of Initiatives at 1 (£4k Local Pad licence fees on behalf of EDF) &amp; 9 (£50k for "Help Yourself" scheme) are not apportioned</i>				
Landlord & Tenant Services  S106 Initiatives: 3.2.1; 3.2.2; 3.2.4;	1. Somerset Home Let	1000 b/s	200 b/s	£10,700	£5,100	£15,800 + EDF £4,000*			SDC £4200 WSC £1600	
	2. Flexible Rent Support	50 b/s	20 b/s	£70,000	£32,000	£102,000			Current LA, Schemes, HB,LHA,DHP: £30k	
	3. Minor Improvements Fund - including	130 b/s	60 b/s	£185,000	£75,000	£260,000			Recyclable loans; WHIL Loan Pot £20,000	
	4. Rent a Room Scheme									
	5. Sustainable Management Service	60 b/s	40 b/s	£96,000	£64,000	£160,000			Ch1 TAH	
	6. Landlord Accreditation – Landlord Training	5 Training Sessions	5 Training Sessions	£5,000	£5,000	£10,000			Fire Service, NLA, staff;	
	7. Furniture package	30 packages	15 packages	£20,000	£10,000	£30,000			Credit Unions, £2,000	
	8. Tenant Ready Scheme	40 tenants	20 tenants	£30,000	£15,000	£45,000			YMCA, Probation, Hsg Options; £17k	
<b>Landlord &amp; Tenant Total</b>		<b>1240</b>	<b>320</b>	<b>£416,700</b>	<b>£206,100</b>	<b>£626,800* / 1560b/s</b>	<b>£402</b>	<b>£31,340</b>	<b>As above £74,800</b>	
Empty Property Regeneration S106:3.2.3	9. Empty Homes Grant Inc "Help Yourself" Social Enterprise	6 properties i.e. 15 b/s	3 properties i.e. 8 b/s	£90,000	£45,000	£135,000 + "Help Yourself"*£50,000			<£1.4m HCA NEHP funding; subject to successful bid	
	10. DIY Empty Homes Loans	5 properties i.e. 12 b/s	2 properties i.e. 5 b/s	£75,000	£30,000	£105,000			<£166,218 WHIL Recyclable loans	
<b>Empty Property Regeneration Total</b>		<b>27</b>	<b>13</b>	<b>£165,000</b>	<b>£75,000</b>	<b>£290,000 / 40 b/s</b>	<b>£7,250</b>	<b>£14,500</b>	<b>&lt;£1,566,218</b>	
Living over the Shop S106:3.2.3	11. LOTS Grant – SDC Pilot	10 properties 30 b/s	3 properties 8 b/s	£150,000	£45,000	£195,000 / 38 b/s	£5,132	£9,750	NEHP funding tbc	
Equity Loans;S106: 3.2.5,3.2.6	12. WHIL First Time Buyer Loans for Tenants	5 properties 12 b/s	5 properties 12 b/s	£50,000	£50,000	£100,000	£4,167	£5,000	Personal Savings; Recyclable loans; tbc	
<b>OVERALL PRIVATE SECTOR TOTAL</b>		<b>1309</b>	<b>353</b>	<b>£781,700</b>	<b>£376,100</b>	<b>£1,211,800/1662b/s</b>	<b>£729</b>	<b>£60,590</b>	<b>tbc</b>	
Under-occupation S106:3.2.7	13. Home Moves Plus Pilot - WSC	n/a	80	n/a	£60k pa	£60,000 / 80 b/s	£750	£3,000	MWS £27k pa	
<b>PS &amp; HOME MOVES TOTAL</b>		<b>1309</b>	<b>433</b>	<b>£781,700</b>	<b>£376,700</b>	<b>£1,271,800/1742</b>	<b>£730</b>	<b>£63,590</b>	<b>£54,000</b>	
Enabling Fund: S106: 3.2.8, 3.2.9,3.2.10		To be confirmed – S106 Agreement maximum				<£1,750,000				LA & HA AHP; S106
Other: 3.2.11, 3.2.12, 3.2.13		Keep under review – housing market monitoring				<£914,690 (inc admin fees)				tbc

## **1. BACKGROUND:**

- 1.1 The Housing Fund** of £4m was secured to provide finance to deliver additional housing capacity in order to **mitigate any potential adverse effects** on the local private rented and low cost housing market that might arise from the Hinkley Point C development.
- 1.2** The fund was paid to WSC for use by WSC and SDC under the Section 106 Agreement in relation to the **Site Preparation Works**. The S106 Agreement sets out a framework of the types of initiatives eligible for funding – see Section 3 below. In addition there is a further £3.5m attached to the subsequent Development Control Order (minimum of £1m for SDC and £500,000 for WSC) which will be made available when EDF Energy elect to Transition to the Development Consent Order.
- 1.3** This Housing Funding Strategy was guided by the Principles contained in the S106 Agreement which sets out a general framework for the submission and consideration of Housing Fund proposals. Proposals were developed in response to a wide range of documentary evidence, including the Local Impact Report, Corporate and Housing Strategies of both authorities, Strategic Housing Market Assessments, ongoing housing market data, and in consultation with strategic and front-line officers in a range of organisations providing housing related services in the areas likely to be impacted.
- 1.4** Proposals were developed in consultation with individual partners, Somerset West Private Sector Housing Partnership (SWPSHP), Somerset West Landlord & Tenant Services (SWELT), private sector landlords, the West Somerset Affordable Housing Group, and the West Somerset Housing Forum.
- 1.5** Mitigating any potential adverse effects on the local housing markets due to the impact of Hinkley C is a priority in the Somerset Strategic Housing Framework and supporting West Somerset Action Plan. It meets the WSC Corporate Priority: New Nuclear Development at Hinkley Point in relation to Objective 5: *The availability of housing supply within West Somerset is increased if funds become available to mitigate the extra demands of the Hinkley Point workers.* The proposals address all 4 priorities of the Sedgemoor Housing Strategy:
- Meeting the needs and aspirations of the local community
  - Improving the quality of housing across the District
  - Increasing housing supply
  - Increasing housing options

## **2 REVIEW OF FUNDING STRATEGY**

- 2.1** SDC and WSC have met regularly with partners to review the Funding Strategy recognising that the housing market is dynamic. The focus remains deliverability of the additional bed spaces required to mitigate the HPC impact.
- 2.2 Four key joint principles** were agreed by both Councils as a focus on which to develop initiatives.
- 1 to increase capacity in the private rented sector where the impact is most likely to be felt**

**2 to maintain tenants in their current tenancies to prevent homelessness and reduce “churn” in the housing market**

**3 to make better use of existing accommodation to maximise occupation**

**4 to make joint bids whenever appropriate building on our well-established partnership approach and strategic joint working processes**

**2.3** The EDFe Accommodation Strategy identified the likely sources of accommodation to be utilised by the Construction Workforce. Further recent analysis for the SDC Strategic Housing Market Assessment (SHMA) identifies the potential new timescale and the key issues in relation to those sources of accommodation. The table below demonstrates the initial early demand for accommodation and that the delivery timetable of the campus accommodation relative to the wider HPC construction programme is crucial, as any delay in delivering the campus accommodation, although unlikely, would put additional pressure on the private rented sector.

Accommodation Type	Peak Construction Workers Accommodated	Issues (NB - *NHBCW: Non home based construction workers)
Accommodation Campus	1,450 (96% occupancy rate of 1510 units)	Anticipated timing – delivery timetable relative to wider HPC programme is crucial; note initial early demand <ul style="list-style-type: none"> <li>• Mid 2016? Bridgwater College site: 150 b/s; 1700 NHBCW* = 1500 other (b/s) needed by mid-2016</li> <li>• Mid 2016? HPC &amp; Innovia 1: 910 b/s; 2700 NHBCW = 300 other b/s (total 1800 needed by mid-2016)</li> <li>• Peak – late 2016? Innovia 2: 450 b/s; 3700 NHBCW = 400 other b/s (total 2200 needed during 2017/2018)</li> </ul>
Private Rented Sector	750	<ul style="list-style-type: none"> <li>• Competition for smaller, cheaper properties, exacerbated by welfare reforms for non HPC workforce, may reduce available supply to local residents and/or drive up rents at the lower end</li> <li>• Will it provide an additional stimulant to growth in the PRS? If not then rents may rise.</li> <li>• Demand likely for furnished properties – unattractive to landlords.</li> </ul>
“Latent” Accommodation e.g. spare rooms	400	<ul style="list-style-type: none"> <li>• Potential significant supply of “spare” rooms but how to encourage people to let them out?</li> <li>• No local scheme – EDF not acting as broker, just providing accommodation list.</li> </ul>
Tourist Accommodation	600	<ul style="list-style-type: none"> <li>• Likely preference for un-serviced accommodation – campsites, caravans, holiday dwellings</li> <li>• There may be Planning issues; Seasonal – capacity likely to be greater out of season</li> </ul>
Owner Occupied Housing	500	➤ Combined market impact of owner occupier and investment demand for properties rather than HPC workforce alone.
Total	3,700	

**2.4** Recent analysis suggests around 1800 bed spaces required by mid-2016, when both the Hinkley Point Campus and first phase of the Bridgwater Campuses should be completed. Phase 2 of the Bridgwater Campus should be completed by late 2016, with a further 400 bed spaces required during 2017/18. This means a total of 2,200 additional bed spaces are needed by late 2018 dependent on the timely delivery of the Campus accommodation. We are hoping that the initiatives will deliver 1,500 additional bed spaces over the next 2 years – i.e. by mid-2016 – around 1,200 in Sedgemoor and 300 in West Somerset. It is recognised that providing additional bed spaces is more difficult, challenging and expensive in rural West Somerset, which is reflected in the funding submissions and indicative initiative apportionments. 1,500 bed spaces equates to around 650 properties, depending on their size.

## 2.5 Current evidence also suggests:

- The majority of the HPC construction workforce will be single people, increasing competition for **smaller and cheaper** accommodation; existing demand for 1 bedroomed accommodation comprises around 50% of the Homefinder Somerset Housing Register.
- The construction workforce is likely to be influenced by housing and travel costs, hence looking for cheaper properties at the lower end of the market, with a preference for proximity to the Hinkley bus routes and the Park and Ride sites at **Bridgwater and Williton** to reduce travel costs.
- As the construction workforce is more transient they are likely to be looking for **furnished accommodation** – furnished rooms, or co-renting shared furnished housing with colleagues. For various reasons (insurance, cost, servicing) furnished housing is unattractive to landlords in the current market.

## 2.6 Hence the emphasis is on providing smaller accommodation in the Priority Areas around the proposed Hinkley Point Bus Routes and Park and Ride Sites, with particular emphasis on the larger Park and Ride site around J24. To meet the timeframe, proposals have been developed in 5 key areas:

- Landlord and Tenant Services - given the need to meet the potential demand in a relatively quick timeframe the focus in the **short-term must be on the private rented sector**, already identified as the largest potential source of housing for HPC workers. Our aim is to increase particularly the supply of good quality accommodation, available for everyone supported by a range of services to encourage some landlords to let properties to local residents who may otherwise be disadvantaged.
- Another initiative to be implemented in the short term is **Home Moves Plus**, designed to reduce pressure on smaller affordable accommodation by facilitating under-occupying tenants to mutually exchange their tenancies rather than seek appropriately-sized accommodation in the private rented sector or via the housing register. Reducing the numbers of tenants seeking to move via the housing register, means that more social housing vacancies are available for 'general' applicants who are not social housing tenants and in turn there will be less need for them to meet their housing needs in the private rented sector.
- There are approximately 760 empty properties across both Sedgemoor and West Somerset. However, bringing **empty properties back into use** and facilitating **Living Over the Shop** initiatives are **medium term** - previous experience has proved that bringing empty properties back into use is extremely time and resource intensive requiring a wide range of skills.
- **Enabling new developments is longer term** but still anticipated to make a major contribution in the priority areas.
- Linked to new discounted sales properties, **Wessex Home Improvement Loans (WHIL) First Time Buyer Loans** can enable potential purchasers to top up their savings to enable them to pay the deposit required. Section 4.1 contains more information about WHIL.

## 2.7 We would also like to add value to the proposals by developing and incorporating a **social enterprise scheme (Help Yourself)** ensuring that wherever possible local residents are provided with skills and training opportunities to enable them to be utilised in carrying out improvement works and contributing to bringing more accommodation into the housing market.

### **3. REVIEW OF SECTION 106 INITIATIVES**

3.1 There are a limited number of initiatives that the funding can be used for (the references refer to the paragraph numbers within Schedule 2 of the Site Preparation Works S106 Agreement). Note that the total costs of the S106 categories 3.2.1 (Landlord Accreditation, currently £10,000), 3.2.8 (stalled development equity), 3.2.9 (levering in HCA funding), 3.2.10 (grant replacement), 3.2.11 (any other initiative), 3.3.12 (employment of officers to a maximum of £240,000), and 3.2.13 (other mitigation measures) currently total £250,000, potentially leaving £1,750,000 for enabling and all the other initiatives in these categories which together cannot exceed a total of £2m.

3.2 Our current proposals come to £1,271,800 plus a 5% administrative fee of £63,590, i.e. totalling £1,335,390 potentially leaving a minimum of round £664,610 for further initiatives in the categories not specified at 3.1 above.

3.3. The table below outlines the sections at 3.2 of the S106 Agreement in relation to the Site Preparation Works. The numbers refer to the sections within the S106. Colour coding has been used to try to help link the proposals to the Agreement.

#### **Private Sector Initiatives**

3.2.1: Accreditation of landlords

3.2.2: Stimulating new supply in the private rented sector through **financial assistance for minor improvements**

3.2.3: Bringing empty homes back into beneficial use through **financial assistance to owners**:

3.2.4: Supporting a rent deposit or guarantee scheme through the **provision of rent deposits for households moving into the private rented sector**

3.2.6: Facilitating household moves from the private rented sector into intermediate or owner occupied market accommodation through **equity loans** to residents in the owner occupied or private rented sectors;

#### **Social Housing**

3.2.5: Facilitating household moves from social rented sector into intermediate or market accommodation through **equity loans** to residents in the social rented sector

3.2.7: Tackling the incidence of under occupation in existing affordable housing stock through **payments to existing tenants to compensate them for releasing property and moving to more suitable accommodation**

#### **Enabling**

3.2.8: Equity investment into **new build housing** development schemes to assist developers in bringing forward stalled development opportunities;

3.2.9: **Levering in funding** from the Homes and Communities Agency;

3.2.10: Providing funding to act as **grant replacement** for new build housing development schemes to subsidise the provision of affordable housing developed by registered social landlords

#### **Other**

3.2.11: any other initiative that would deliver **additional housing capacity** that might be necessary;

3.2.12: the employment by the Councils of Housing Initiative Implementation Officers; and

3.2.13: the funding of other **housing mitigation measures**; such as emergency housing services.

3.4 An outline of the proposed initiatives is below. Please note that:



- These proposed costs are indicative not absolute, and may vary as the proposals are worked up further and/or that the proposals may be interchanged where it becomes clear that one is more effective than the other.
- Further bids will be made in response to the close monitoring of housing market trends and the effectiveness of these measures, including allowing for other bids to be made jointly and separately as further proposals are developed.

Initiative	Total no b/s	SDC	WSC	Cost per b/s	Total Cost	Admin fee	Total bid	Other] Contributions
Landlord & Tenant Services	1560	1240	320	£402	£626,800	£31,340	£658,140	£74,800
Empty Property Regeneration	40	27	13	£7,250	£290,000	£14,500	£304,500	<£1,566,218
Living over the Shop	38	30	8	£5,131	£195,000	£9,750	£204,750	tbc
First Time Buyer Loans	24	12	12	£4,167	£100,000	£5,000	£105,000	tbc
Home Moves Plus	80	-	80	£750	£60,000	£3,000	£63,000	£54,000
<b>Total</b>	<b>1742</b>	<b>1309</b>	<b>433</b>	<b>£730</b>	<b>£1,271,800</b>	<b>£63,590</b>	<b>£1,335,390</b>	<b>£1,695,018</b>
Enabling Fund	To be confirmed - current negotiations with HCA				S 106 Agreement max		<£1,750,000	
“Other” initiatives	Keep under review - housing market monitoring				Funding not yet committed		£914,610	
Total Housing Fund available							£4,000,000	

Further information on these proposals is contained in the Sections below:

- Section 4: Private Sector Initiatives;
- Section 5: Social Housing
- Section 6: Enabling Fund - Enabling initiatives will be presented on a scheme by scheme basis as and when details have been worked up.

3.5 In addition, the proposed initiatives deliver significant regeneration benefits alongside an increase in the overall supply of useable accommodation. The LIR identified that there is likely to be a higher demand for PRS compared to other sectors; for this reason there is a concentration on the private rented sector, in particular though landlord and tenant services initiatives; developed as an integrated package of proposals designed to increase the overall number of private rented sector bed spaces and access to a range of good quality private rented accommodation in the Hinkley priority areas. The initiatives have been chosen as they are the best use of the funding that can be delivered quickly because they are either a continuation of business as normal or can be incorporated quickly into business as normal.

#### **4. PRIVATE SECTOR INITIATIVES**

4.1. The Somerset West Private Sector Housing Partnership (SWPSHP) is a well-established and effective Partnership between Sedgemoor, Taunton Deane and West Somerset. The Partnership is responsible for delivering assistance (principally repair grants and low interest loans), Disabled Facilities Grants, enforcing housing standards, the voluntary Landlord Accreditation Scheme, bringing empty properties back into use and energy efficiency/fuel poverty. The Partnership has developed to also provide the Somerset West Landlord and Tenant Service which includes Housing Options Teams and other agencies to offer private sector landlords, tenants and owners unique access to a range of local housing products, services

and support. Services are free to the customer and specialist teams can offer personal advice and support via a dedicate website and telephone helpline and covering a wide range of housing topics. A key partner is Wessex Home Improvement Loans (WHIL), a non-profit making organisation currently funded by the authorities to deliver a comprehensive programme of grants and loans. The role and expertise of WHIL remains central to the delivery of the Minor Improvements Fund, DIY Empty Homes Loans and First Time Buyer Loans proposed below.

4.2. The Partnership has developed a number of successful schemes including the Accreditation of Landlords (ALiS) scheme, originally set up to work with private landlords and agents to encourage a vibrant, affordable private rented sector with decent properties available for all. The current ALiS scheme is tried and tested, oversubscribed and limited only by resources.

ALiS - what it does	Landlord Incentives
<ul style="list-style-type: none"> <li>➤ ALiS links Housing Standards, housing options, lettings, management, landlord and tenant support across all 3 districts, with accredited properties advertised and minimal need for expensive enforcement action.</li> <li>➤ SWPSHP provides quality information, advice and incentives to help successful businesses develop their housing portfolios.</li> </ul>	<p>Incentives available via the scheme include:</p> <ul style="list-style-type: none"> <li>➤ Grants up to £1,000 (subject to availability)</li> <li>➤ Low interest loans currently offered from 2%-4% up to £15,000 to support essential works to bring properties up to the Decent Homes Standard</li> <li>➤ Access to the Bond Guarantee Scheme and Management Service</li> <li>➤ Dedicated phone line to Housing Benefit and Housing Advice</li> <li>➤ Free advertising on Homefinder Somerset, the Somerset wide choice-based lettings scheme</li> <li>➤ Membership certificate</li> <li>➤ Energy Performance certificates at a discounted rate</li> <li>➤ A regular email updates keeping you informed of new legislation</li> <li>➤ Free copies of Assured Shorthold Tenancy and Section 21 Notices</li> <li>➤ Rent protection insurance scheme</li> </ul>

4.3 To access the Housing Fund it is recognised that partners need to demonstrate a scheme specifically increasing the number of bed spaces, especially 1B accommodation, in the Hinkley priority areas to meet the anticipated additional demand. Although indicative targets are given for each component, in reality they will overlap so may not add up exponentially.

4.4 The new initiatives will be linked in to current SWPSHP services to enhance the marketing of the package of products available to landlords. The development and implementation of new products requires additional resources; to be covered via the 5% Admin Fees.

4.5 Each initiative developed to increase the supply of good quality accommodation in the private sector is outlined further in the table below:

- **Landlord & Tenant Services**
- **Empty Home Regeneration**
- **Living Over the Shop Pilot Scheme**
- **First Time Buyer Loans for Tenants**

## 4.6 Private Sector Services

<b>LANDLORD &amp; TENANT SERVICES – Key principle of increasing the supply of decent, well-managed private rented accommodation for all S106 initiatives: 3.2.1; 3.2.2; 3.2.4</b>	<b>Total Bed Spaces &amp; Initial Costs over 2 yrs</b>		<b>Total Joint Costs over 2 yrs</b>	<b>Cost per b/s</b>	<b>5% admin</b>	<b>Other resource</b>	<b>Delivery</b>
	<b>SDC</b>	<b>WSC</b>					
<p><b>1. Somerset Homelet</b> is an easy to use, interactive, web-based “one stop shop front” developed by Localpad that matches available private rented accommodation to potential occupiers. The aim is for the site to eventually advertise ALL available private lets across Sedgemoor, West Somerset and Taunton Deane. It will enable:</p> <ul style="list-style-type: none"> <li>• Housing Options Teams to signpost customers to the website to look for their own accommodation</li> <li>• Lettings Agents and Landlords to easily market and manage their lettings portfolio, including rooms to rent</li> <li>• Potential tenants to directly access suitable housing via search facilities individually related to their needs</li> <li>• Monitoring through the comprehensive “back office” including vetting adverts, monitor lettings, and running reports as required.</li> <li>• Links to the Landlord Accreditation scheme to maintain standards</li> </ul> <p>The initial commissioning costs have been met by the local authorities (SDC, WSC and TDBC) and this bid is future marketing and administration costs. Marketing, training and support are crucial to establish Somerset Homelet as the key “shop front” for private rented accommodation in Somerset.</p> <p>This also links to the Home Moves Plus Scheme and Rent a Room Scheme by promoting an alternative option of renting out a room rather than moving to smaller accommodation</p>	<p><b>1000 b/s</b></p> <p>£4,200 Running Costs</p> <p>£6,500 Marketing Costs</p> <p>Total: £10,700</p>	<p><b>200 b/s</b></p> <p>£1,600 Running Costs</p> <p>£3,500 Marketing Costs</p> <p>Total: £5,100</p>	<p><b>£19,800:</b></p> <p>£5800 for 2<sup>nd</sup> yr running costs; £10,000 on-costs, inc marketing website, etc; + £4000 EDF Licence Fee-2yrs</p>	<p>£19,800/1200 = <b>£16.5 per b/s</b></p> <p>(Includes £4,000 for EDF 2nd yr licence fee)</p> <p><b>Excluding licence fee bed space costs £13.</b></p>	<p><b>£990</b></p> <p>£19,800/5% admin Fee Will generate additional b/s from landlords not currently engaged with the LAs -Will require admin support</p>	<p>£5,800 ie SDC £4200</p> <p>WSC £1600</p> <p>i.e. Yr 1 start up costs from LA Homelessness Budgets to enable the project to be commissioned;</p>	<p>Housing Options Team; SWPSHP;</p>
<p><b>2. Flexible Rent Support Scheme</b> - A flexible Rent Support Scheme will enable people to access the private rented sector. The Flexible Rent Support Scheme will include: -</p> <ul style="list-style-type: none"> <li>• <b>Rent in Advance (RIA) and enhanced bond scheme</b> for single non-priorities- through TAH/YMCA.</li> <li>• <b>Cash Deposits</b> – for priority households</li> <li>• <b>Other fees</b></li> <li>• <b>Top up payments</b> for rooms above LHA level/ one-off payment of the rent gap</li> </ul> <p>Both councils currently provide Bond Guarantee or Deposit Schemes, although they are not necessarily similar. It can cost in excess of £1,000 to secure private rented accommodation so access to a way of covering deposits and/or rent in advance, plus other fees is crucial in enabling potential tenant’s access private</p>	<p><b>50 b/s</b></p> <p><b>Total £70,000</b> over 2 yrs</p> <p>£35k - RIA</p> <p>£15k to meet claims</p> <p>£7.5k for Lettings</p>	<p><b>20 b/s</b></p> <p><b>Total £32,000</b> over 2 yrs</p> <p>£14k - RIA</p> <p>£8k – claims</p> <p>£10k – all fees</p>	<p>Total <b>£102,000</b></p>	<p>£102k/70= <b>£1457</b> per b/s</p>	<p><b>£5,100</b></p>	<p>£30,000</p> <p>Existing bond &amp; deposit schemes; HB, LHA, DHP;</p>	<p>Housing Options Team; Bond Officers; TAH YMCA</p>

rented accommodation.	Agency admin fees £12.5k Finder Fee						
<p><b>3. Minor Improvements Fund:</b> To stimulate new supply and improve standards in the private rented sector: Note that costs are calculated on a combination of additional bed spaces provided by existing landlords and new spare rooms including lodgings, not specifically advertising for Hinkley workers.</p> <p><b>£1k grant and access to WHIL loans of up to £15k at 4%</b> - to be used by Bond Officers and Landlord Accreditation Officer, along with the sustainable management service, to assist with improving conditions in the private sector by incentivising landlords, property owners and tenants to bring empty rooms into use and encourage them to sign up for the benefits of the Landlord Accreditation Scheme. Can also be used for conversion to smaller units, developing 1 bedroomed accommodation. The costs are estimated on a grant of £1,000 per landlord for each landlord with 50% of landlords requiring a loan averaging £5,000</p> <p><b>4. Rent a Room Scheme</b> –spare rooms currently empty. Grant available to bring rooms into use. Must have adequate controllable heating and be free from Category 1 &amp; 2 Hazards in accordance with the 2004 Housing Act. Electrical and gas safety checks must be carried out and the property fitted with suitable smoke and carbon monoxide detectors. The costs are estimated on a grant of £1,000 per landlord, with 80% of landlords having 1 room and 20% having more than 1 room.</p>	<p><b>130 b/s</b> 30 + 100 R-a-R new b/s</p> <p><b>£185,000: i.e. 30K Grant £75K Loan = £105k total</b></p> <p><b>R-a-R: £80k Grant</b></p>	<p><b>60 b/s</b> 10 + 50 R-a-R new b/s</p> <p><b>£75,000: i.e. £10K Grant £25k Loan = Total £35K</b></p> <p><b>R-a-R: £40k Grant</b></p>	<p><b>£260,000</b> £40k Grant + £100k Loan = Total £140k + Total £120k</p>	<p>£1368 £260,000/190 =</p>	<p>£13,000 Inspection visits, admin to release grants and accredit</p>	<p>£20,000 WHIL Loan Pot Recyclable loans</p>	<p>Housing Options Team, Bond Officers, Landlord Accreditation Officer; Forum 21; Home Moves Negotiator</p>
<p><b>5. Sustainable Management Service</b> – Managing accommodation primarily for vulnerable single people requires specific skills resulting in higher management costs than for family homes. A <b>sustainable tenancy management service</b> is central to attracting new landlords and retaining existing ones when encouraging lettings to more vulnerable tenants and/or those claiming benefits. The Tenancy Management service will provide support and reassurance to both landlords and tenants by providing named key workers that they can contact to help resolve any issues, whilst also providing the support that vulnerable tenants may need in order to sustain their tenancies.</p> <p>Note that the properties procured will be eligible for the Minor Improvement Fund grants and loans.</p>	<b>60 b/s</b>	<b>40b/s</b>	<p><b>£160k</b> over 2 years</p>	<p>160k/100 = £1600. per bed space</p>	£8000	Chapter 1, TAH	Chapter 1; TAH
<p><b>6. Landlord Accreditation – Landlord Training</b> Landlord Training Programme as part of ALIS incorporating fire service</p>	<b>5 training sessions</b>	<b>5 training sessions</b>	<b>£10k</b>	£1000.00 per	£500		Fire Service,

training building on existing relationships with professional partners.	<b>£5K</b>	<b>£5K</b>		session			NLA, staff
7. <b>Furniture package</b> – providing an enhanced service from current providers to enable residents to move into accommodation (e.g. Bridgwater Credit Union & Sedgemoor Loan Guarantee for essential furniture, Engage, YMCA), providing additional funds for Bond Officers to use to help people access accommodation. The calculation is number of tenants receiving furniture packages	30 packages £20k	15 packages £10k	<b>£30k</b>	£30k/45 = £666 per application over 2 yrs	£1,500	£2,000	Housing Options Team; Engage, Credit Unions
8. <b>Tenant Ready Scheme</b> – encompassing and developing the existing and successful Tenant Accreditation and Tenant Passport Schemes. The current <i>Tenant Accreditation Scheme</i> helps prospective tenants understand their tenancy responsibilities and is designed to provide reassurance to landlords but the pilot scheme is only available for under 35 year olds so additional funding is necessary to extend the age range and encompass all households. The existing pilot <i>Tenant Passport Scheme</i> provides a basic criminal record check for prospective tenants, which is supported by both private and public sector landlords. Both schemes have access to housing advice. The <i>Tenant Ready Scheme</i> would go further in supporting prospective tenants arrange bank accounts, budgeting skills, photo id, rent in advance, moving costs, access to funding for furniture, etc. This would prepare prospective tenants to access accommodation quickly, helping reduce delays and costs associated with the current high rate of refusals for Homefinder Somerset properties. The Scheme could be flexible, provided in focussed modular form (pick and mix, targeted at individual needs) or provided as a complete programme as in the current Tenant Accreditation Scheme, supported by Advice leaflets and signposting (or as a Tenant Handbook complementing the existing Landlord Handbook.	40 tenants £30k	20 tenants £15k	<b>£45k</b>	£750.	£2250	£17,000	YMCA
<b>LANDLORD &amp; TENANT SERVICES TOTAL</b>	<b>1240</b>	<b>320</b>	<b>£626,800</b>	<b>£402</b>	<b>£31,340</b>	<b>£74,800</b>	
<b>EMPTY PROPERTY REGENERATION – Key principle of bringing empty properties back into use in the Hinkley priority areas</b> <b>S106 initiatives: 3.2.3</b>							
<b>Empty Property Regeneration</b> tends to be very time and resource intensive.	<b>SDC</b>	<b>WSC</b>					
9. <b>Empty Homes Grant</b> for long term empty properties (over 6 months) at up to £15k per property to underwrite a SC&R scheme. This project builds on the success of the existing well-developed Empty Property Strategy. Our proposal is to work in partnership with Somerset Care & Repair (SC&R) to provide a management service and bring empty properties back into use with sustainable tenancies. SC&R have an established track record of delivery in neighbouring districts (Mendip and South Somerset). Financing of the works is made up of three elements; HCA loan,	15 (6) 6x £15k = £90k	8 (3) 3 x £15k = £45k	<b>£185,000</b>  £135k grants  £50k Social	£185k/23 = £8043 per bed space	£9,250	<£1.4m HCA NEHP funding if success-ful bid;	SC&R

<p>owner's contribution, and LA grant, where applicable. The HCA funds are loaned to the owner as an interest free loan and repaid by the owners through the rental income. The funding is recycled over time to bring additional homes back into use, but the pot depreciates by 15% (through fees) each time. Properties are leased to SC&amp;R and fully managed on a 7 – 15 year lease agreement.</p> <p>The scheme requires access to a £15k grant to be used where the total cost of the scheme exceeds the HCA loan and owner contribution, or for those developments where there is potential for conversion to maximise bed spaces.</p> <p>SC&amp;R has submitted a separate bid to the Homes &amp; Community Agency to cover the Loan element of the financing, which if successful will provide sufficient funds to offer an average loan of £11k per property or to also purchase those empty homes which require substantial renovation.</p> <p>It is conservatively estimated that the grant will provide 23 bed spaces over the 2 years. Projected numbers will substantially increase if the HCA funding is successful by funding additional loans and the option to purchase empty homes.</p> <p>The SC&amp;R model, also offers scope for “added value” to the project. This includes developing a social enterprise “Help Yourself” model as part of the bid, to provide education/training and employment (ETE) opportunities in construction skills to vulnerable people (e.g. young people, long-term unemployed, probation clients, former prisoners) to carry out the improvement work. An additional goal and further ‘added value’ of the Empty Homes scheme is that properties brought back into use can be used to address a range of housing needs for specific groups of clients that are seeking accommodation within the districts. Proposals are being developed in partnership with SC&amp;R, DWP, Probation and the Restore Trust for SC&amp;R to offer voluntary work placements on the project alongside their contractors. Additional support would be put in place for individuals employed on the scheme. It is important that the work placement has a pathway onto further training and/or employment; ideally at Hinkley. The pathway from the Empty Homes Project training opportunity into employment would be through the Hinkley Jobs Brokerage which contains details of all available jobs relating to Hinkley and EDF. DWP are currently working and supporting projects to improve access to Hinkley jobs for local people. There is a gap in local provision for individuals to gain practical experience following training courses. The Empty Homes Project would assist with providing that practical training resulting in obtaining CSCS cards on successful completion of the course.</p> <p>SC&amp;R would provide high levels of tenancy support including assistance with managing budgets to ensure tenancy sustainment. The properties could be used to</p>			Enterprise Training				
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address a range of housing needs in the area for specific groups, including move on accommodation from supported housing projects, housing of specific groups such as ex-offenders as well as individuals on the housing waiting list.							
<b>10.DIY -Empty Homes Loans-</b> for those not interested in the SC&R model; a top up loan for properties in more substantial disrepair by enhancing WHIL loan with an additional £15K loan @ 4% to bring the property back into use.. The number of properties is in brackets, following the number of additional bed spaces over 2 years, in addition to the numbers for the Empty Homes Grant.	12 (5) 5 x £15k = £75k	5 (2) 2 x £15k = £30	£105k,	£105k/17 = £6176.	£5250	<£166218 WHIL Loan Pot recyclable loans	SWPSHP
<b>EMPTY PROPERTY REGENERATION TOTAL</b>	<b>27</b>	<b>13</b>	<b>£290,000</b>	<b>£7,250</b>	<b>£14,500</b>	<b>1,566,218</b>	
<b>LIVING OVER THE SHOP – Key principle of bringing empty properties back into use in Bridgwater – SDC Pilot; S106 initiatives: 3.2.3</b>	<b>Total b/s &amp; Initial Costs over 2 yrs</b>		<b>Total Joint Costs-2yrs</b>	<b>Cost per b/s</b>	<b>5% admin</b>	<b>Other resource</b>	<b>Delivery</b>
<b>Living Over the Shop</b> initiatives tend to be very time and resource intensive.	<b>SDC</b>	<b>WSC</b>					
<b>1. SDC Pilot - Living Over the Shop Grant</b> – Bringing empty space above shops into use is a sustainable solution that provides significant regeneration benefits alongside an increase in the overall supply accommodation. Properties will be targeted in areas of Economic Regeneration, to bring both the commercial premises and empty space above into use. This supports corporate initiatives within the Priority 1 zone like the Eastover Regeneration Project and Bridgwater Challenge. Conversion of empty properties above commercial premises tends to be more expensive and challenging than bringing existing accommodation back into use primarily because of the increased fire protection costs required and the cost of providing direct access to living accommodation, change of use and business rates. Larger costs tend to require more attractive incentives to encourage the owners of commercial premises to bring them into use. This will be a 2 year pilot with Year 1 concentrated on SDC priority areas.  £15K grant offer to mix with SC&R Loan Funding in specified areas; No separate scheme required – provide additional funding to SC&R to take this forward as above Item 9. Grant is per property, no of properties in brackets following no b/s	<b>30 (10)</b>  10 x £15k grant= £150k;	<b>8 (3)</b>  3 x £15k grant=£45k ;	£195,000	£5,131 £195k/38	£9,750	Match funded by SC&R?	SC&R
<b>LIVING OVER THE SHOP TOTAL</b>	<b>30</b>	<b>8</b>	<b>£195,000</b>	<b>£5131</b>	<b>£9,750</b>	<b>tbc</b>	
<b>FIRST TIME BUYER LOANS – Key principle of helping tenants move into intermediate or market accommodation. S106 Initiatives: 3.2.5; 3.2.6;</b>	<b>Initial Costs</b>		<b>Total Joint Costs over 2 yrs</b>	<b>Cost per b/s</b>	<b>5% admin</b>	<b>Other resource</b>	<b>Delivery</b>
<b>12. To address the difficulties of potential low-cost home owners finding the initial 20% deposit required.</b> Affordable housing is not covered by other government schemes and lenders change criteria when affordable housing is involved. Wessex Home Improvement Loans (WHIL) can provide deposits to top	<b>SDC</b>	<b>WSC</b>					
	12 (5) 5 X £10K= <b>£50K</b>	12 (5) 5 X £10K= <b>£50K</b>	£100K	£4,167 £100k/24	£5k Additional work in assessing clients,	Prospective owner has to have some savings; loan is	WHIL

up savings – link to discounted sales in new enabling schemes in priority areas. <b>WHIL First Time Buyer Loans</b> can be used by potential purchasers to top up savings to enable them to pay the deposit on discounted sales properties – the scheme could be specifically linked and marketed to new developments. Loans are up to £15k, interest free for 2 years, than capital repayment at 4%. Costs are based on average loans of £10,000 to 10 prospective property owners over 2 years – the number of properties is in brackets following the number of bed spaces.  Note that equity loan is in wording of S106 and implies part ownership of property – WHIL loans are debt based not equity based although there must be equity to back debt – Wessex is a social enterprise not commercial.					liaising with mortgage companies (limited);	recyclable;	
<b>FIRST TIME BUYER LOANS TOTAL</b>	<b>12</b>	<b>12</b>	<b>£100,000</b>	<b>£10,000</b>	<b>£5,000</b>	<b>tbc</b>	
<b>TOTAL OF PRIVATE SECTOR INITIATIVES</b>	<b>1309</b>	<b>433</b>	<b>£1,211,800</b>		<b>£63,590</b>		

## **5. SOCIAL HOUSING**

- 5.1 As at 31<sup>st</sup> March 2014 there were over 900 social housing tenants in Somerset under-occupying their current homes and registered on Homefinder Somerset for a move to more suitable accommodation. 77 of these were in West Somerset; approximately 250 were in Sedgemoor with a further 250 in Taunton Deane. The introduction of the social housing size criteria in April 2013 has increased the numbers of tenants needing to down-size to avoid losing part of their housing benefit and getting into debt. It also makes better use of existing housing to encourage older people in family-sized social housing to move (although they are exempt from payment of the spare room subsidy) – they may consider moving to be near family, for lower energy and other household costs, easy maintenance and proximity to facilities such as shops and health centres.
- 5.2 The majority of under-occupying tenants seek a transfer by registering on Homefinder Somerset and look for smaller properties to bid for, which only serves to increase the competition for smaller accommodation, which already comprises over 50% of housing demand. Some tenants may even look for alternative accommodation in the private rented sector, again increasing pressure on the type of housing most likely to be impacted on by the arrival of HPC workers. Mutual Exchange is more effective than transfers in making best use of existing property, enabling tenants to utilise the value of their existing tenancies and reducing competition for smaller vacancies advertised on Homefinder Somerset. However to add value to the existing scheme and be more effective housing providers need to be pro-active in delivering chains of exchanges.
- 5.3 MWS has been funding and administering a down-sizing incentive scheme since October 2011. The scheme offers financial incentives aimed at encouraging tenants living in MWS properties that are larger than they need to down-size to accommodation more suited to their needs and their budget by reducing the financial barriers to moving. This in turn releases larger accommodation for households in housing need. Since April 2014, the scheme has aimed to encourage tenants to move by exchanging homes rather than by down-sizing via the Homefinder Somerset housing register. To encourage this, the scheme offers a larger incentive to tenants who exchange homes than to those who down-size via the housing register. Under the current scheme, tenants who down-size by transferring qualify for £600 for the first bedroom and £500 for each additional bedroom. Tenants who down-size via mutual exchange qualify for £800 for the first bedroom and £500 for each additional bedroom.



## 5.4 Issues:

- The current scheme relies on under-occupiers offering to move and MWS only has a very limited capacity to provide advice, support and practical assistance to make the process easier and not enough resource to target the most serious or urgent cases.
- We also know from the high rate of refusals of offers of tenancies that many tenants do not have the resources to fund moving costs (Somerset Strategic Housing Framework – West Somerset Action Plan) so could consider providing help with removals from the funding.

5.5 Mutual Exchange is more effective in making best use of existing property enabling tenants to utilise the value of their existing tenancies and reducing competition for vacancies advertised on Homefinder Somerset, which is being upgraded with a Mutual Exchange Plus module. However to add value to the existing scheme and be more effective housing providers need to be pro-active in delivering chains of exchanges, supporting tenants to move and managing expectations.

<b>HOME MOVES PLUS – Making the best use of existing tenancies to reduce pressure on Homefinder Somerset for smaller properties</b> <b>S106 Initiatives: 3.2.7;</b>	<b>Total bed spaces &amp; Initial Costs over 2 years</b>		<b>Total Joint Costs over 2 yrs</b>	<b>Cost per b/s</b>	<b>5% admin</b>	<b>Other resource</b>	<b>Delivery</b>
	<b>SDC</b>	<b>WSC</b>					
<p>WSC Pilot Mutual Exchange Plus is more effective in making best use of existing property enabling tenants to utilise the value of their existing tenancies and reducing competition for vacancies advertised on Homefinder Somerset, which is being upgraded with a Mutual Exchange Plus module. However to be most effective housing providers need to be pro-active in delivering chains of exchanges.</p> <p><u>Added Value:</u> An additional £30,000 pa for 2 years (i.e. £60,000 between 2014 and 2016) from Hinkley C Housing Fund would increase the effectiveness of the existing MWS under occupation scheme by targeting under occupying tenants in Hinkley priority areas through the employment of a dedicated Home Moves Negotiator who will develop and promote a wider range of cost effective options, including mutual exchange and/or the Empty Room Scheme, with the emphasis on pro-active facilitation to match accommodation needs and practical help and advice for tenants on effective advertising and moving.</p> <p>In addition, although the scheme will target under-occupying social housing tenants in the Hinkley priority areas, down-sizing tenants will qualify for the incentive payment by exchanging homes with any social housing tenant from Somerset, thus widening the pool of properties available and increasing the chance of securing a suitably sized home.</p>	N/A	<b>80</b>  Yr 1: 15 Yr: 65  <b>£30k pa</b>	£60,000	£750  £60k/80	£3,000	MWS - £27k pa Major Somerset housing providers–funding purchase & delivery of the Mutual Exchange Plus module of Homefinder Somerset	MWS with other providers
<b>HOME MOVES PLUS TOTAL</b>	N/A	<b>80</b>	<b>£60,000</b>	<b>£750</b>	<b>£3,000</b>	<b>£54,000</b>	

## 6. ENABLING FUND

- 6.1 Investments from the Enabling Fund are not intended to be the primary source of gap funding but will act to secure more inward investment from private and public providers. Private sector investment is most likely to come in the form of direct investment from landowners, volume house builders, institutional investors and/or affordable-housing providers. Public sector is likely to come through levering in funding from the Homes and Community Agency ('HCA'), SDC or WSC investment (from commuted s106 monies), free or discounted public land and/or other sources of public sector investment. The Enabling Fund might support wider benefits such as supporting local economic growth, area regeneration and encouraging sustainable employment (local employment, training opportunities and skills initiatives).
- 6.2 "Hinkley Deal" negotiations are currently underway with the HCA – whilst the HCA is not able to 'ring fence' resources from current programmes and doesn't have any HCA capital underspend in 2014/2015 that can be used to support Hinkley projects, it is keen to find ways to support the Hinkley partners. The partners are currently looking at ways to progress the HCA's proposals outlined below:
- Establish a Hinkley Enabling and Review Group within the HCA to review all projects for all HCA programmes within the Hinkley Impact Area;
  - Prioritise the processing of all submissions for all HCA programmes within the Hinkley Impact Area, including the AHP;
  - Provide dedicated HCA staff resource to support housing and development projects within the Hinkley Impact Area;
  - Utilise the agency's established processes and specialist expertise (such as use of the Development Partner Panel and our other expert legal and technical panels) to support the Hinkley partners to make the most effective use of the £4m from EDFe to secure urgent action on those sites that require de-risking to enable development to proceed and;
  - Hold and manage any additional capital funds made available if government decides to support the Deal with additional 'match' capital funding to the Housing Fund.
  - The agency will work closely to support the councils to deliver an acceleration of development by using these funds for forward funding site preparation and infrastructure on the difficult sites in the Hinkley Impact Area that otherwise will not come forward in the short term.
  - The proposals would operate beyond the current financial year and are therefore not limited to the current financial year.

<b>ENABLING FUND – Key principle of levering in additional investment to support housing and development projects within the Hinkley priority areas. S106 Initiatives: 3.2.8; 3.2.9; 3.2.10</b>	<b>Total b/s over 2 yrs</b>		<b>Initial Costs</b>		<b>Total Joint Costs over 2 yrs</b>	<b>Cost per b/s</b>	<b>5% admin</b>	<b>Other resource</b>	<b>Delivery</b>
	<b>SDC</b>	<b>WSC</b>	<b>SDC</b>	<b>WSC</b>					
<b>To be confirmed</b>									
A small grant based on an average £3,000 per additional affordable housing bed space (over and above existing new build programmes or those already planned to help developers with viability).									
The Enabling Fund is intended to provide confidence to RPs and developers by providing financial assistance to address difficulties in accessing (availability of) development finance faced by affordable-housing providers and/or developers on specific sites.									

6.3. The constraints on the Enabling Fund apply to the “other” initiatives at 3.2.11 and 3.2.13 of the S106 Agreement being part of the total measures that cannot exceed £2m. Any proposals under these sections are most likely to be developed in response to changes in the housing market.

## **7. EVALUATING FUNDING PROPOSALS**

7.1 Housing Fund Proposals are considered by the **Planning Obligations Board (POB)**, containing representatives from WSC, SDC, SCC and EDFe, which considers bids for the Housing Fund, Community Impact Mitigation Fund and Economic Development Fund. Proposals above £25,000 are then submitted for approval to WS Cabinet and WS Council; schedule 1 of The S106 Agreement sets out the principles for the operation of the Board, general principles and principles applying just to the Housing Contribution.

7.2 Principles applying to the administration of a number of Funds including the Housing Contribution ((Schedule 1, Section 4.1.9-12) :

- The degree of actual or potential impact may vary across the districts and the application of funds should reflect this.
- The application of funds should reflect the degree of actual or potential impact on the immediate local housing market
- Resources will be prioritised for use in areas of greatest impact with mitigation measures best suited to the geography and degree of actual or potential impact
- Priority will be given to those schemes, measures and projects that:
  - A. have been identified as priorities within Parish or Community Plans as applicable
  - B. are aligned to approved policies or plans of the local authorities
  - C. demonstrate the greatest potential to achieve mitigation of impacts, taking account of value for money
  - D. demonstrate the greatest potential to address need arising from the development and other elements of the project, taking account of value for money
  - E. demonstrate overall value for money in terms of cost and effectiveness
  - F. Demonstrate a contribution to developing and maintaining sustainable communities throughout the areas of impact
  - G. Complement other measures within the Agreement

7.3 Principles applying just to the Housing Contribution (Schedule 1, Section 4.1.16) Bids should be submitted on an application form and considered against the criteria which, although they are not required to be met should be taken into account. (Note that reference to Sections refers to those on the Funding Application Form):

- A. Priority Impact Zones
- B. Extent of benefit – recognising the principal purpose to mitigate potential adverse effects on the availability of accommodation to local residents, particularly those on lower incomes (Section C1)
- C. Sustainability - contributing to sustainable communities, regeneration objectives and achieving higher standards of environmental sustainability (Section F1)
- D. Demonstrable community and/or business support (Section C2, D1)
- E. Demonstrable local partner support (Section D2)
- F. Alignment to relevant housing strategies (Section C3)

G. Good governance arrangements including financial and project management to ensure deliverability (Section E)

H. Value for money and maximising the impact of the investment, including match funding (Section E2)

7.4: Schedule 2 – Accommodation and Housing - requires the Council to take into account the recommendations of the Board and the extent to which the relevant initiative:

- gives priority to localities within the administrative areas of West Somerset Council and Sedgemoor Council
- would maximise the cost effectiveness of the Housing Contribution;
- addresses both direct and indirect accommodation demands;
- would be responsive to changes in the housing market; and
- offers the potential for recycling the Housing Contribution so that it can be reinvested in other housing initiatives, as far as reasonably practicable and **PROVIDED THAT** any recycled monies are not considered as unspent parts of the Housing Contribution.

## **8. MONITORING**

8.1 The Delivery Steering Group meets regularly to monitor the progress of overall measures funded by the Housing Fund. For the Accommodation Dashboard, the measures currently are (by 31.3.2015):

- Additional bed spaces delivered (SDC - 800; WSC – 250)
- Match funding secured
- Downsizing Scheme – now Mutual Exchange Plus (WSC – 15 bed spaces)
- Empty Properties (WSC – 30 bed spaces)
- Enabling Fund (WSC- Watchet 120 & Williton 50 bed spaces, open market and affordable)

8.2 The current accommodation measures on the Dashboard will be supplemented by additional measures in each proposal.

8.3 The Accommodation Baseline is the year to 1 April 2014. 1<sup>st</sup> April 2014 baseline data includes:

1. Landlords Accredited – split by district. Property numbers included.
2. Empty Homes – 6 months long term empty 1<sup>st</sup> April 2014 - split by district
3. Rent deposits / guarantees / bonds. 1 year prior to 01-04-14 (monthly) looking at trends. Going forward.
4. Baseline tenure from 2011 census. HEED data back over 2 years – split by district. Going forward – 6 monthly.
5. Local pad numbers - baseline 0. Numbers split by district. Bed spaces – going forward.
6. Enabling – nos of bed spaces going forward - as funded by EDFe by district
7. Trends in rent levels. Going back 2 years to see trends. 1 bed / 2 bed – split by district
8. Nos homeless enquiries – go back 2 years and look at trends. Going forward.

**Glossary of Terms:**

**AHP:** Affordable Housing Programme  
**ALiS:** Accreditation of Landlords Scheme  
**b/s:** bed space  
**Ch1:** Chapter 1 (registered charity and social landlord)  
**CME:** Continuous Market Engagement  
**DCO:** Development Control Order  
**DIY:** Do it Yourself  
**DHP:** Discretionary Housing Benefit  
**HB:** Housing Benefit  
**HCA:** Homes & Communities Agency  
**HPC:** Hinkley Point C  
**IT:** Information Technology  
**LA:** Local Authority  
**LHA:** Local Housing Allowance  
**LOTS:** Living Over the Shop  
**MWS:** Magna West Somerset Housing Association  
**NEHP:** National Empty Homes Programme  
**NLA:** National Landlords Association  
**POB:** Hinkley Planning Obligations Board  
**SC&R:** Somerset Care & Repair  
**SDC:** Sedgemoor District Council  
**SHMA:** Strategic Housing Market Assessment  
**SWPSHP:** Somerset West Private Sector Housing Partnership  
**SWELT:** Somerset West Landlord & Tenant Service  
**S106:** Section 106 Agreement setting out framework for contribution from developers, in this case EDF  
**TAH:** Taunton Association for the Homeless (housing and support provider)  
**TDBC:** Taunton Deane Borough Council  
**WSC:** West Somerset Council  
**WHIL:** Wessex Home Improvements Loans  
**YMCA:** YMCA Somerset Coast





## APPENDIX B: LANDLORD & TENANT SERVICES

### Hinkley Point C Planning Obligation (Section 106) Funding Application Form Housing Contribution

FOR OFFICE USE ONLY			
Date Received:			
Supporting Information:		Date of issue:	
Any Conditions of Grant:		Next Decision Making Meeting date:	
Signed & dated:		Outcome / Offer:	

#### SECTION A: Applicant's Details

A1.1 Expression of Interest Reference Number:	
A1.2 Organisation Name:	Sedgemoor DC and West Somerset Council
A1.3 Position in organisation:	Strategic Housing Manager

#### SECTION B: Details of Proposed Project: **LANDLORD & TENANT SERVICES**



B1

Please explain the project and what funding is required for:

The Landlord & Tenant Services initiative has been developed as an integrated package of proposals designed to increase the overall number of private rented sector bed spaces and access to a range of good quality, private rented accommodation, in the Hinkley priority areas (centred on the park and ride sites and Hinkley C bus routes). This initiative will be offered via Somerset Homelet ([www.somersethomelet.co.uk](http://www.somersethomelet.co.uk) and supported by a range of initiatives which provide a Toolkit for Housing Options and Bond Workers to encourage and incentivise landlords to let properties to priority households in greatest housing need (as identified within Housing Strategies and Homelessness Strategy). The Toolkit includes:

- Somerset Homelet [somersethomelet.co.uk](http://somersethomelet.co.uk)
- Flexible Rent Support Scheme
- Minor Improvements Fund
- Rent a Room Scheme
- Sustainable Management Service
- Landlord Accreditation – Landlord Training
- Furniture Package
- Tenant Ready Scheme

Further Details in Appendix 1; (Source: Housing Funding Strategy S4)

B2

Which broad S106 Initiative does this project fit into?

3.2.1: Accreditation of landlords  
 3.2.2: Stimulating new supply in the private rented sector through financial assistance for minor improvements  
 3.2.4: Supporting a rent deposit or guarantee scheme through the provision of rent deposits for households moving into the private rented sector

**If a site is an affordable housing development please provide the following information (if not please continue to Section C): NOT APPLICABLE**

B3

Location of the proposed project  
 (Please attach a plan showing the area)

B4

What tenure split is feasible on the project site?

Social rent      **Yes**  **No**   
 Affordable rent  
 Shared ownership      **Yes**  **No**   
 Market rent  
 Market housing

B5

Cost per bed space

	Years	Years remaining	





B6 Does the site have the following consents? *(If you are unsure telephone: 01643 703 704, for advice)* *(Please tick as appropriate)*

Planning Permission N/A  Yes  No

Building Regulation Approval N/A  Yes  No

Listed Building Consent N/A  Yes  No

Other necessary consents *(please specify)*

B7 If you are a Housing Association or similar, you should provide contact details of the person you have liased with, from the Local Authority Strategic Housing Team.

B8 Please indicate the approximate dates of the project?

Start date:

/ /

Completion date:

/ /

## SECTION C: Details of Need



C1

Please explain how the proposal mitigates against the potential adverse effects of Hinkley Point C on the availability of accommodation to local residents, particularly those on lower incomes?

Somerset Homelet has been commissioned to increase the number of bed spaces, especially 1 bedroomed accommodation, in the Hinkley priority areas, to meet anticipated demand for smaller accommodation, including “latent” spare rooms.

Somerset Homelet is an interactive web-based IT system developed by Local Pad that matches available private rented accommodation to potential occupiers, thereby enabling landlords to easily market and manage lets. Potential tenants will be able to directly access suitable housing via search facilities individually related to their needs. The commissioning costs have been met by the local authorities. This bid provides for future marketing and administration costs.

It is anticipated that demand for accommodation will be concentrated within a narrow travel time area associated with the Hinkley C bus routes and park and ride sites.

Housing Options Teams will help vulnerable households to find and sustain accommodation by using a range of incentives and support in the Housing Options Toolkit (Appendix 1). The Toolkit is designed to encourage landlords to let to local residents who may otherwise be disadvantaged.

The Councils Local Impact Report (LIR) identified that: *“The supply and availability of housing is constrained as a consequence of construction worker demand, this will give rise to greater competition in the local housing market with other users of accommodation. Given the higher than local average wages of construction workers this is likely to have inflationary impact on rents and as a consequence will lead to:*

- *Local people unable to access local housing; and*
- *The displacement of existing residents from accommodation”*

The LIR also reports: *“The low level of rented accommodation is emerging as a key weakness within the local area where high house prices are making it difficult for young people to move into home ownership.”* Pilots of the Homelet scheme in other local authority areas suggest that web advertising can generate significant numbers of private rented bed spaces. The web-based system in Leicester experienced instant success with over 500 properties being uploaded within the first few days of going live. Currently it has 800 to 1200 properties available throughout the 8 districts that form the hub.

Specifically the Landlord & Tenant Services initiative addresses the potential adverse impact of the accommodation needs of temporary HPC workforce while not having an unreasonable adverse effect on the housing market; including the ability of those on low incomes to access the private rented sector. As the LIR says; *“of all the accommodation sectors the Councils consider the private rented sector to be the most vulnerable to the effects of the demand for temporary accommodation arising from construction workers.”* The introduction of Somerset Homelet will help in this respect.



C2 Has the project been identified as a priority within a Parish or Community Plans (as applicable)?

The project covers all the Hinkley priority areas, so is wider than Parish or Community Plans.

C3

To what extent does the proposal align with developing or approved housing strategies within the area that the proposal is located?

Mitigating any potential adverse effects on the local housing markets due to the impact of Hinkley C is a priority in the Somerset Strategic Housing Framework and supporting Sedgemoor and West Somerset Action Plans.

The initiative addresses all 4 priorities of the Sedgemoor Housing Strategy:

- Meeting the needs and aspirations of the local community
- Improving the quality of housing across the District
- Increasing housing supply
- Increasing housing options

It meets the WSC Corporate Priority: New Nuclear Development at Hinkley Point in relation to Objective 5: The availability of housing supply within West Somerset is increased if funds become available to mitigate the extra demands of the Hinkley Point workers

The range of financial incentives and practical support through the Housing Options toolkit enables priority households, as identified within both Housing Strategies and the countywide Homelessness Strategy, to find and sustain accommodation.

C4 Describe the projects benefits and what legacy it will create?

The LIR reports: *“As well as appropriate requirements and obligations, a robust plan, monitor and manage approach will be required through implementation, informed by transparent sharing of data and information.”* This will be assisted by the information available via Somerset Homelet.

A key benefit will be on-going favourable conditions for property investment in Sedgemoor and West Somerset. These initiatives will help increase the size of the private rented market, whilst improving property standards and keeping the sector affordable and accessible for single people. In the future this will lead to an increase in housing options for residents in Sedgemoor and West Somerset.

The initiative helps to meet the LIR priority to minimise the impact of Hinkley C development on local people in a number of ways; by:

- Ensuring that the development does not adversely impact on the availability or affordability of accommodation for the local community and;
- Promoting opportunities for a housing legacy that meets the needs of local people in a range of tenures.

It makes a positive contribution to the long-term housing and affordable housing objectives in Sedgemoor and West Somerset.



- C5 Please indicate existing and proposed levels of accommodation on the site:

	SDC	WSC	Total
<b>14. Somerset Homelet</b>	1000 b/s	200 b/s	<b>1,200 b/s</b>
<b>15. Flexible Rent Support</b>	50 b/s	20 b/s	<b>70 b/s</b>
<b>16. Minor Improvements Fund</b>	130 b/s	60 b/s	<b>190 b/s</b>
<b>17. incl Rent a Room Scheme</b>			
<b>18. Sustainable Management Service</b>	60 b/s	40 b/s	<b>100 b/s</b>
<b>19. Landlord Accreditation – Landlord Training</b>	5 Training Sessions	5 Training Sessions	<b>10 training sessions</b>
<b>20. Furniture package</b>	30 packages	15 packages	<b>45 packages</b>
<b>21. Tenant Ready Scheme</b>	40 tenants	20 tenants	<b>60 tenants</b>
<b>Landlord &amp; Tenant Service</b>	1,240	320	<b>1,560</b>

*Please note that although indicative targets are given for each component, in reality they will overlap so may not add up exponentially. For example one prospective tenant may take part in the Tenant Ready Scheme and then need assistance from the Rent Support Scheme to access an empty spare room, with a Furniture package and support from the Tenancy Management Service to sustain the accommodation*  
 Source: Housing Funding Strategy – p2; Housing Fund – Summary of Costs of Proposals.

## SECTION D: Community/Partner Support

- D1 To what extent is there demonstrable local community and/or business support for the project?

Proposals were developed in consultation with Somerset West Private Sector Housing Partnership (SWPSHP), Somerset West Landlord & Tenant Services (SWELT), private sector landlords, the West Somerset Affordable Housing Group, Sedgemoor Hinkley C Programme Board, the West Somerset Housing Forum and Sedgemoor Housing Programme Board.



D2

Describe what other partners will be involved including other levels of government, agencies and/or local partners etc.

Sedgemoor District Council, West Somerset Council;  
**Somerset West Private Sector Housing Partnership (SWPSHP):** a well-established and effective Partnership between Sedgemoor, Taunton Deane and West Somerset to deliver the private sector housing functions of the District Councils.

**Somerset West Landlord and Tenant Service (SWELT):** includes Housing Options Teams and other agencies to offer private sector landlords, tenants and owners unique access to a range of local housing products, services and support.

Key SWELT partners involved in the development and delivery of the proposed Landlord & Tenant Service in this Project include:

**Chapter 1:** provides decent accommodation for people that are homeless or facing homelessness by leasing property from local landlords who benefit from a guaranteed rental income and property management service.

**Taunton Association for the Homeless:** Somerset's largest charitable organisation daily supporting over 280 people – homeless or those at risk of becoming homeless. They have 15 residences in Taunton, Bridgwater and West Somerset and work with clients so they can successfully move into and maintain their own tenancies.

**Wessex Home Improvement Loans (WHIL):** a non-profit making organisation, currently funded by the authorities to deliver a comprehensive programme of grants and loans, which will be extended to cover the Minor Improvements Fund.

**YMCA Somerset Coast:** part of a consortium of housing providers working with Somerset County Council and the five district councils to deliver the P2i service which offers support for homeless and vulnerable young people aged between 16 to 24.

Other partners include:

- Private sector landlords
- Housing associations
- Fire Service
- National Landlords Association
- Local Credit Unions (Bridgwater and Moorvale)

**West Somerset Affordable Housing Group:** a wide range of public and private sector housing providers and developers

**West Somerset Housing Forum:** A wide range of statutory and voluntary agencies providing housing advice and other housing related support and services.

## SECTION E: Details of Governance



E1

Please describe how this project will be managed (including financial and project management) to ensure deliverability?

There will be a Project Team of key operational and strategic staff from both Local Authorities to ensure initiatives are developed in response to any changing needs and are embedded in both Housing Options Teams which will have responsibility for day to day management, monitoring and reporting.

This Project will come under the auspices of the **Somerset West Private Sector Housing Partnership (SWPSHP)** which is led by SDC. Sedgemoor District Council's responsibilities for this Project are being managed under a Project Framework. This reflects the benefits it must deliver and consistency with other housing related Projects and allows for inter-relationships across Projects to be efficiently managed. A Work Package is defined and assigned to a Team Leader.

- There is a Product Description for each required product, with clearly identified and acceptable quality criteria
- The reporting arrangements include the provision for raising issues and risks
- There is agreement between the Project Manager and the overall Programme Manager on project delivery
- There is agreement on the constraints, including effort, cost and targets
- The dates and effort are in line with those shown in the Stage Plan for the current management stage
- Reporting arrangements are defined; governance processes of the programme may be subject to refinement in due course.

The targets and measures for this initiative are detailed through the attached link:



Microsoft Excel  
97-2003 Worksheet

**See Appendix 2**



E2

Please describe how this proposal delivers value for money?

Indicative figures suggest that the initiative will deliver 1560 bed spaces over 2 years. This equates to an estimated cost of £399 per bed space. This is a sustainable solution that provides an increase in the overall supply of useable accommodation in a cost effective way.

Use of deposit schemes will ensure that some of the money can be recycled.

In future years adverts on Somerset Homelet may attract payment of a nominal fee which can be redirected back into the scheme to help pay for provision of the service. Somerset Homelet offers a flexible accommodation management software system which allows management and advertisement of PRS properties in the area, whilst saving valuable resources in completing administrative tasks. This will be utilised by both Councils and EDFe for their accommodation base. The procurement process was unable to identify another supplier who could offer the required services at such an affordable cost. The initiatives are focussed on helping people access and sustain accommodation, thereby also preventing the significant costs of homelessness.

E3

What risks have been identified and how will these be managed?

A project Risk Register has been created and is being maintained. Major risks detailed in the Risk Register include:

- Localpad delivery
- Bids submitted before ready
- Financial stability of Third Party providers

**\*See appendix document: Copy of POB Bids Risk Log v1**

E4

How will this project be promoted?

Marketing Strategy based on the successful implementation of Homefinder Somerset, the Somerset wide choice based lettings system for affordable homes.

Promotion through:  
 Early stage training with frontline staff  
 Launch at Somerset Landlords Forum on 16.10.14  
 SWeLT Website  
 Leaflets  
 Letting agents  
 Partner Agencies  
 EDFe induction packs  
 Officers

## SECTION F: Sustainability





F1

To what extent will the project contribute to the wider goal of achieving sustainable communities and achieving higher standards of environmental sustainability?

Financial and practical support for landlords and tenants to encourage sustainable tenancies leading to sustainable communities.

Minor Improvements Fund can be used for small environmental improvements

The initiative will provide much needed affordable rented accommodation in areas where mixed communities are encouraged. Environmental sustainability through reducing incidences of poor standards of housing, increasing social cohesion and reducing the fear of crime.

## SECTION G: Project Costs & Sources of Funding

G1 How much funding is being applied for from the Planning Obligation Board?

**£658,140 including  
£31,340 Admin Fees  
(over 2 years)**

G2 What is the total cost of the scheme/project?

**£ 732,440** (excluding VAT)

G3 How is the remainder of the project being funded:

Funder	£ (ex VAT)	Funding Secured <i>(Date secured)</i>	Anticipated <i>(Date anticipated)</i>
<b>Local Authority Contributions:</b>			
<b>Somerset Homelet</b>	<b>£5,300</b>	<b>October 2014</b>	
<b>Rent Support Scheme:</b> Current LA Bond schemes and rent support schemes	<b>£30,000</b>	<b>October 2014</b>	
<b>Wessex Home Improvement Loan – Loan Pot</b>	<b>£20,000</b>	<b>October 2014</b>	
<b>Furniture Package: Credit Unions</b>	<b>£2,000</b>	<b>October 2014</b>	
<b>Tenant Ready Scheme:</b> YMCA, Housing Options, Probation	<b>£17,000</b>	<b>October 2014</b>	
Other contributions include partners, staff and expertise resources			

Are you able to recover VAT?

G4

Yes No 

## SECTION J: Conditions of funding





By submitting this application, your organisation agrees to the following conditions (Please note that this list of conditions is not exhaustive and further conditions may be applied to your application):

*Please tick to acknowledge your acceptance*

- J1.1 We understand that submission of this form does not mean that funding will automatically be awarded.
- J1.2 We note that normally funding cannot be given retrospectively.
- J1.3 We understand that the details of our application will be available for public inspection.
- J1.4 We confirm that funding awarded will only be used for the purpose for which it is awarded, and we agree to provide evidence of eligibility for this funding and return any under spend.
- J1.5 The Planning Obligations Board has the right to publicise the project in any way it considers appropriate.

J2 Items to include with this application:


*Please tick if included*

- J2.1 Detailed Appraisal Report –Appendix 1
- J2.2 Three competitive quotes for any capital projects or financial justification supporting revenue projects.

## SECTION K: Declaration

I apply for funding on behalf of the organisation as detailed above and I declare that:

- K1 I have read and understood the conditions under which the funding is awarded.
- K2 I have noted all conditions under which the funding is made and confirm that if successful I, and the organisation that I represent, will be bound by them.
- K3 I have the authority to make this application and to accept the conditions of funding on behalf of the applicant.

<b>Signed:</b>		<b>Date:</b>	12/09/2014
Print Name	Dave Baxter		
Position in organisation:	Strategic Housing Manager		
Organisation Name:	Sedgemoor District Council		

## SECTION L: Next step

Please return the completed application form and other relevant supplementary information to:

James Holbrook, Major Projects Manager  
 West Somerset Council, West Somerset House, Killick Way, Williton, TA4 4QA  
 Email: [HinkleyCIMFund@westsomerset.gov.uk](mailto:HinkleyCIMFund@westsomerset.gov.uk)  
 Tel: 01643 703 704



## Appendix 1: Housing Funding Strategy – Landlord & Tenant Services

<b>LANDLORD &amp; TENANT SERVICES – Key principle of increasing the supply of decent, well-managed private rented accommodation for all</b> <b>S106 initiatives: 3.2.1; 3.2.2; 3.2.4</b>	<b>Total Bed spaces &amp; Initial Costs over 2 yrs.</b>		<b>Total Joint Costs over 2 yrs.</b>	<b>Cost per b/s</b>	<b>5% admin</b>	<b>Other resource</b>	<b>Delivery</b>
	<b>SDC</b>	<b>WSC</b>					
<p><b>1. Commission Localpad</b> (Somerset Homelet) – an interactive web-based IT system that matches properties with accommodation seekers. Somerset Homelet would advertise all private rented accommodation, making the same consistent offer available to everyone from one source. The Accreditation scheme can also be promoted to those landlords advertising and extended to incorporate letting agents and those with rooms to rent to ensure standards are maintained. Funds for Somerset Homelet and administration will be required and additional funding for Accreditation to undertake checks and access to loans. This also links to the Home Moves Plus Scheme (more info at 3.2.7) and Rent a Room Scheme by providing an alternative option of renting out a room rather than moving to smaller accommodation. Marketing, training and support are crucial to establish Somerset Homelet as the key “shop front” for private rented accommodation in Somerset.</p>	<p><b>1000 b/s</b></p> <p>£4,200 Running Costs £6,500 Marketing Costs Total: £10,700</p>	<p><b>200 b/s</b></p> <p>£1,600 Running Costs £3,500 Marketing Costs Total: £5,100</p>	<p>£19,800 £5800 for 2<sup>nd</sup> year running costs; £10,000 on costs, incl marketing website design, etc; £4000 for EDF Licence Fee for 2 years;</p>	<p>£19,800/1200 = £16.5per bed space (Includes £4,000 for EDF 2 year licence fee) Excluding licence fee bed space costs £13.</p>	<p>£990 £19,800/5% admin Fee Will generate additional b/s from landlords not currently engaged with the LAs -Will require admin support</p>	<p>SDC £4200 WSC £1600 i.e. Yr. 1 start-up costs from LA Homelessness Budgets to enable the project to be commissioned</p>	<p>Housing Options Team; SWPSHP;</p>
<p><b>2. Flexible Rent Support Scheme</b> - A flexible Rent Support Scheme will enable people to access the private rented sector.</p> <p>The Flexible Rent Support Scheme will include: -</p> <ul style="list-style-type: none"> <li>• <b>Rent in Advance (RIA) and enhanced bond scheme</b> for single non-priorities- through TAH/YMCA.</li> <li>• <b>Cash Deposits</b> – for priority households</li> <li>• <b>Other fees</b></li> <li>• <b>Top up payments</b> for rooms above LHA level/ one-off payment of the rent gap</li> </ul>	<p><b>50 b/s</b></p> <p>£35k - RIA £15k to meet claims £7.5k for Lettings Agency admin</p>	<p><b>20 b/s</b></p> <p>£14k - RIA £8k – claims £10k – all fees  Total £32k over 2 years</p>	<p>Total £102k</p>	<p>£102k/70= £1457 per bed space</p>	<p>£5,100</p>	<p>Existing bond &amp; deposit schemes; HB, LHA, DHP;</p>	<p>Housing Options Team; Bond Officers; TAH YMCA</p>



<p>Both councils currently provide Bond Guarantee or Deposit Schemes. It can cost in excess of £1,000 to secure private rented accommodation so assisting clients with deposits and/or rent in advance, plus other fees is crucial in enabling potential tenant's access private rented accommodation and ease the burden on the social sector.</p> <p>Evidence from websites such as Spareroom.com suggests that room rents can appear to be above the Local Housing Allowance level. If appropriate the Scheme can be used to fund top-up payments for rooms above LHA level, or, alternatively, a one-off payment of the rent gap x 6.</p> <p>More and flexible funding, which could include, credit checks and admin fees, would easily increase numbers of units procured – this involves working with landlords and is the easiest and most achievable way of getting more units into use.</p> <p>The numbers are in addition to existing bonds.</p>	<p>fees £12.5k Finder Fee Total £70,000 over 2 years</p>						
<p><b>9. Minor Improvements Fund:</b> To stimulate new supply and improve standards in the private rented sector: Note that costs are calculated on a combination of additional bed spaces provided by existing landlords, and new spare rooms including lodgings, not specifically advertising for Hinkley workers. <b>£1k grant and access to WHIL loans of up to £15k at 4%</b> - to be used by Bond Officers, and Landlord Accreditation Officer, along with the sustainable management service, to assist with improving conditions in the private sector by incentivising landlords, property owners, and tenants to bring empty rooms into use and encourage them to sign up for the benefits of the Landlord Accreditation Scheme. Can also be used for conversion to smaller units, developing 1 bedroomed accommodation. The costs are estimated on a grant of £1,000 per landlord for each landlord with 50% of landlords requiring a loan averaging £5,000</p> <p><b>10. Rent a Room Scheme</b> –spare rooms currently empty. Grant available to bring rooms back into use. Must have adequate controllable heating and be free from Category 1 &amp; 2 Hazards in accordance with the 2004 Housing Act. Electrical and gas safety checks must be carried out and the property fitted with suitable smoke and carbon monoxide</p>	<p><b>130 b/s</b> 30 + 100 R-a- R new b/s</p> <p><b>£185,000:</b> i.e. 30K Grant £75K Loan = <b>£105k</b> <b>total</b></p> <p><b>R-a-R:</b> <b>£80k</b> Grant</p>	<p><b>60 b/s</b> 10 + 50 R- a-R new b/s</p> <p><b>£75,000:ie</b> £10K Grant £25k Loan =<b>Total £35K</b></p> <p><b>R-a-R:</b> <b>£40k</b> Grant</p>	<p><b>£260,000</b></p> <p><b>£40k</b> Grant + £100k Loan = Total £140k +</p> <p>Total £120k</p>	<p>£1368 £260,000/190 =</p>	<p>£13,000 Inspection visits, admin to release grants and accredit</p>	<p>Recyclable loans  WHIL Loan Pot</p>	<p>Housing Options Team, Bond Officers, Landlord Accreditation Officer; Home Moves Negotiator</p>



detectors. The costs are estimated on a grant of £1,000 per landlord, with 80% of landlords having 1 room and 20% having more than 1 room.							
<p><b>11. Sustainable Management Service</b> – Managing accommodation primarily for vulnerable single people requires specific skills resulting in higher management costs than for family homes. A <b>sustainable tenancy management service</b> is central to attracting new landlords and retaining existing ones when encouraging lettings to more vulnerable tenants. The Tenancy Management service will provide support and reassurance to both landlords and tenants by providing named key workers that landlords can contact to help resolve any tenancy issues, whilst also providing the support that vulnerable tenants may need in order to sustain their tenancies. Note that the properties procured will be eligible for the Minor Improvement Fund grants and loans<sup>40</sup>.</p>	<p><b>60 b/s</b> <b>£96,000</b></p>	<p><b>40b/s</b> <b>£64,000</b></p>	<p>£160k over 2 years</p>	<p>160k/100= £1600. per bed space</p>	<p>£8000</p>	<p>Chapter 1, TAH</p>	<p>Chapter 1; TAH</p>
<p><b>12. Landlord Accreditation – Landlord Training</b> Landlord Training Programme as part of ALiS incorporating fire service training building on existing relationships with professional partners.</p>	<p><b>5 training sessions</b> <b>£5K</b></p>	<p><b>5 training sessions</b> <b>£5K</b></p>	<p><b>£10k</b></p>	<p>£1000.00 per session</p>	<p>£500</p>		<p>Fire Service, NLA, staff</p>
<p><b>13. Furniture package</b> – providing an enhanced service from current providers to enable residents to move into accommodation (e.g. Bridgwater Credit Union and Sedgemoor Loan Guarantee for essential furniture, Engage, YMCA). It will provide additional funds to help people access accommodation. The calculation is the number of tenants helped by a furniture package.</p>	<p>30 packages £20k</p>	<p>15 packages £10k</p>	<p>£30k</p>	<p>£30k/45 = £666 per application over 2 years</p>	<p>£1,500</p>		<p>Housing Options Team; Engage, Credit Unions</p>
<p><b>14. Tenant Ready Scheme</b> – encompassing and developing the existing and successful Tenant Accreditation and Tenant Passport Schemes. The current <i>Tenant Accreditation Scheme</i> helps prospective tenants understand their tenancy responsibilities and is also designed to provide reassurance to landlords, but the pilot scheme is only available for under 35 year olds so additional funding is necessary to extend the age range and encompass all households. The existing pilot <i>Tenant Passport Scheme</i> provides a basic criminal record check for prospective tenants which are supported by both private and public sector landlords. Both</p>	<p>40 tenants £30k</p>	<p>20 tenants £15k</p>	<p>£45k</p>	<p>£750.</p>	<p>£2250</p>		<p>YMCA</p>



<p>schemes are supported by access to housing advice. The <i>Tenant Ready Scheme</i> would go further in supporting prospective tenants arrange bank accounts, budgeting skills, photo id, rent in advance, moving costs, access to funding for furniture, etc. This would prepare prospective tenants to access accommodation quickly, helping reduce delays and costs associated with the current high rate of refusals for Homefinder Somerset properties. The Scheme could be flexible, provided in focussed modular form (pick and mix, targeted at individual needs), or provided as a complete programme as in the current Tenant Accreditation Scheme</p>							
<b>Total</b>	<b>1240</b> <b>£416,700</b>	<b>320</b> <b>£206,100</b>	<b>£622,800</b>	<b>£399</b>	<b>£31,140</b>		





## Appendix 2: Landlord & Tenant Services – Targets

<b>Appendix to Hinkley Point C Planning Obligation (Section 106) Funding Application Form: LANDLORD &amp; TENANT SERVICES</b>			
Key Principle: <b>increasing the supply of decent, well-managed private rented accommodation</b>			
<b>RAG</b>	<b>Indicator Description</b>	<b>RAG Tolerances</b>	<b>POB/ DSG/SEG Comments</b>
<b>T1</b>	<b>Target Outcome: SDC 1240 bed spaces. WSC 320 bed spaces.</b>		
<b>T1.1</b>	<b>Somerset Homelet:</b> Valid landlord adverts loaded on to the system	Green >500 6 mths after go-live Amber >250 6 mths after go-live Red <250 6 mths after go-live	
<b>T1.2</b>	<b>Flexible Rent Support:</b> Number of people assisted to access the PRS	Green >10 each quarter Red <10 each quarter	
<b>T1.3</b>	<b>Minor Improvements Fund:</b> Number of grants approved to be used to stimulate new supply and improve standards in the private rented sector.	Green 50+ bed spaces over 6 month period Amber <50 >25 Red <25	
<b>T1.4</b>	<b>Sustainable Management Service:</b> Managing accommodation primarily for vulnerable single people.	Green 25+ bed spaces each qtr. Amber <25 >10 Red <10	
<b>T1.5</b>	<b>Landlord Accreditation - Landlord Training:</b> Landlord Training Programme via ALiS	Green 5 training sessions Red <5	
<b>T1.6</b>	<b>Furniture package:</b> Number of households provided with essential furniture to enable residents to move into accommodation	Green >5 each quarter Red <5 each qtr	
<b>T1.7</b>	<b>Tenant Ready Scheme:</b> number of clients passing through existing and successful Tenant Accreditation and Tenant Passport Schemes	Green > 15 every 6 months Amber < 15 >7 every 6 months Red <7 every 6 months	



## APPENDIX C: EMPTY PROPERTY REGENERATION

### Hinkley Point C Planning Obligation (Section 106) Funding Application Form Housing Contribution

FOR OFFICE USE ONLY			
Date Received:			
Supporting Information:		Date of issue:	
Any Conditions of Grant:		Next Decision Making Meeting date:	
Signed & dated:		Outcome / Offer:	

#### SECTION A: Applicant's Details

A1.1 Expression of Interest Reference Number:	
A1.2 Organisation Name:	Sedgemoor DC and West Somerset Council
A1.3 Position in organisation:	Strategic Housing Manager

#### SECTION B: Details of Proposed Project: **EMPTY PROPERTY REGENERATION**





B1

Please explain the project and what funding is required for:

There are approximately 760 empty properties across both Sedgemoor and West Somerset. This project builds on the success of the existing well-developed Empty Property Strategy. Previous experience has proved that bringing empty properties back into use is extremely time and resource intensive requiring a wide range of skills some of which can be sought outside of the local authorities. Our proposal is to work in partnership with Somerset Care & Repair (SC&R) to provide a management service and bring empty properties back into use with sustainable tenancies. SC&R have an established track record of delivery in neighbouring districts (Mendip and South Somerset).

**Empty Homes Grant** for long term empty properties (over 6 months) at up to £15k per property to underwrite a SC&R scheme.

Financing of the works is made up of three elements; HCA loan, owner's contribution, and **LA grant**, where applicable. The HCA funds are loaned to the owner as an interest free loan and repaid by the owners through the rental income. The funding is recycled over time to bring additional homes back into use, but the pot depreciates by 15% (through fees) each time. Properties are leased to SC&R and fully managed on a 7 – 15 year lease agreement.

The scheme requires access to a **£15k grant** to be used where the total cost of the scheme exceeds the HCA loan and owner contribution, or for those developments where there is potential for conversion to maximise bed spaces.

SC&R has submitted a separate bid to the Homes & Community Agency to cover the Loan element of the financing, which if successful will provide sufficient funds to offer an average loan of £11k per property or to also purchase those empty homes which require substantial renovation.

It is estimated that the **grant** will provide 23 bed spaces over the 2 years. Projected numbers will substantially increase if the HCA funding is successful by funding additional loans and the option to purchase empty homes.

The SC&R model, also offers scope for "added value" to the project. This includes developing a **social enterprise "Help Yourself" model** as part of the bid, to provide education/training and employment (ETE) opportunities in construction skills to vulnerable people (e.g. young people, long-term unemployed, probation clients, former prisoners) to carry out the improvement work. An additional goal and further 'added value' of the Empty Homes scheme is that properties brought back into use can be used to address a range of housing needs for specific groups of clients that are seeking accommodation within the districts.

Proposals are being developed in partnership with SC&R, DWP, Probation and the Restore Trust for SC&R to offer voluntary work placements on the project alongside their contractors. Additional support would be put in place for individuals employed on the scheme. It is important that the work placement has a pathway onto further training and/or employment; ideally at Hinkley. The pathway from the Empty Homes Project training opportunity into employment would be through the Hinkley Jobs Brokerage which contains details of all available jobs relating to Hinkley and EDF. DWP are currently working and supporting projects to improve access to Hinkley jobs for local people. There is a gap in local provision for individuals to gain practical experience following training courses. The Empty Homes Project would assist with providing that practical training resulting in obtaining CSCS cards on successful completion of the course.

SC&R would provide high levels of tenancy support including assistance with managing budgets to ensure tenancy sustainment. The properties could be used to address a range of housing needs in the area for specific groups, including move on accommodation from supported housing projects, housing of specific groups such as ex-offenders as well as individuals on the housing waiting list.

**DIY - Empty Homes Loans** - for those owners not interested in the SC&R model; a top up loan for properties in more substantial disrepair by enhancing the existing Wessex Home Improvement Loan of £15k @ 4% by with an additional £15k increasing the maximum loan to 30k @ 4% to bring the property back into use.

Source: Housing Funding Strategy – Section 4

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B2 Which broad S106 Initiative does this project fit into?

3.2.2 - stimulating new supply in the private rented sector through financial assistance for minor improvements;  
 3.2.3 - bringing empty homes back into beneficial use through financial assistance to owners;

**If a site is an affordable housing development please provide the following information (if not please continue to Section C): NOT APPLICABLE**

B3 Location of the proposed project  
 (Please attach a plan showing the area)

B4 What tenure split is feasible on the project site?

Social rent      **Yes**  **No**   
 Affordable rent  
 Shared ownership      **Yes**  **No**   
 Market rent  
 Market housing

B5 Cost per bed space

	Years	Years remaining	
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B6 Does the site have the following consents? (If you are unsure telephone: 01643 703 704, for advice) (Please tick as appropriate)

Planning Permission      **N/A**       **Yes**       **No**   
 Building Regulation Approval      **N/A**       **Yes**       **No**   
 Listed Building Consent      **N/A**       **Yes**       **No**

Other necessary consents (please specify)

B7 If you are a Housing Association or similar, you should provide contact details of the person you have liaised with, from the Local Authority Strategic Housing Team.

B8 Please indicate the approximate dates of the project?

Start date:	/ /
Completion date:	/ /



## SECTION C: Details of Need

C1

Please explain how the proposal mitigates against the potential adverse effects of Hinkley Point C on the availability of accommodation to local residents, particularly those on lower incomes?

Given worker demand for bed spaces in the Private Rented Sector (PRS), it is considered that an increase in supply will provide reasonable mitigation and some security that impact will be minimised and displacement effects avoided. An early investment from this source is both deliverable and cost effective when compared to other initiatives identified in the Housing Funding Strategy and provides a significant in-road into the projected demand before the full impact is felt.

The Empty Homes initiative will provide for decent accommodation at affordable rents. The mechanism for sustaining tenancies will be enhanced through tenant accreditation and support services from the Landlord and Tenant Services initiative.

It is anticipated that demand will be concentrated within a narrow travel time area associated with the Hinkley C bus routes and park and ride sites. Suitable and appropriately located stock of existing vacant housing will be sought from existing council tax and mapping data.

As the Local Impact Report (LIR) acknowledges; “the low level of rented accommodation is emerging as a key weakness within the local area where high house prices are making it difficult for young people to move into home ownership.” Any additional capacity introduced through bringing previously empty properties back into use will help combat this weakness.

Within the LIR, the Councils, having reviewed the technical information provided by EDF with the DCO application, have concluded that there was insufficient capacity within the existing and planned local housing stock (particularly within the PRS) to accommodate the increased demand from construction workers. Any initiative that creates new bed space capacity is therefore to be welcomed and the return of wasted resource such as empty homes, which are concentrated in mainly urban centres and therefore close to or within Hinkley C priority zones, is a primary proposal.

The LIR identifies that there is likely to be a higher demand for PRS compared to other sectors. The introduction of the SC&R Scheme, which guarantees well managed, decent stock for an extended lease period and which can be targeted at those priority households (as identified within the Housing Strategies and Homelessness Strategy) most likely to be affected by displacement factors from the accommodation of Hinkley workers, is to be appreciated.



C2 Has the project been identified as a priority within a Parish or Community Plans (as applicable)?

The project covers all the Hinkley priority areas, so is wider than Parish or Community Plans.

C3 To what extent does the proposal align with developing or approved housing strategies within the area that the proposal is located?

It meets the WSC Corporate Priority: New Nuclear Development at Hinkley Point in relation to Objective 5: The availability of housing supply within West Somerset is increased if funds become available to mitigate the extra demands of the Hinkley Point workers

Mitigating any potential adverse effects on the local housing markets due to the impact of Hinkley C is a priority in the Somerset Strategic Housing Framework and supporting Sedgemoor and West Somerset Action Plans.

The initiative addresses all 4 priorities of the Sedgemoor Housing Strategy:

- Meeting the needs and aspirations of the local community
- Improving the quality of housing across the District
- Increasing housing supply
- Increasing housing options



C4 Describe the projects benefits and what legacy it will create?

The advantage of Empty Property work is that it is a priority that minimises impact on local people or in fact benefits them; it promotes opportunities for a housing legacy that meets the needs of local people in a range of tenures and it ensures town centre regeneration objectives. All priorities identified within the LIR which also relate strongly to both Council's objectives.

- Bringing empty property back into use.
- Increasing the supply of affordable housing.
- Addressing the housing supply pressures that the arrival of Hinkley workers will generate.
- Improving the 'street scene'- empty properties are often a blight on the neighbourhood.
- Linking empty properties loan arrangements to Housing Options nominations, thus taking pressure off Bed & Breakfast budgets where we are able to rehouse a vulnerable client.

A number of factors determine the types of properties to target. Programmes to create new housing from empty homes tend to either focus on those that need least work to return to use or those that seek to remove eyesores, focusing on the most derelict. There is often a good case to be made for an area approach, for example in a town centre, to maximise impact where the easy wins balance the high costs of bringing the most difficult properties back into use. This is the approach that will be adopted in the Hinkley C Priority Areas to this particular initiative.

Town centre projects will be requested to comply with town centre regeneration initiatives and design principles in order to enhance the urban landscape, for example, through sensitive and appropriate refurbishment of building façade to fit in with the end use of the building and the wider Streetscene.

The proposed 'added value' of the Empty Homes schemes will have a significant and lasting legacy for the local community in terms of creating education, training and employment opportunities. A number of agencies are working in partnership with the Empty Homes Project to maximise the outcomes and legacy of the scheme. Benefits and outcomes include reducing homelessness, reduction in reoffending, improved training and access to employment for the long-term unemployed thereby reducing reliance upon welfare benefits and ultimately reduce the cost to public services.

SC&R take on full responsibility of the refurbishment and lease from start to finish providing a guaranteed rental income for local owners and utilising local contractors to undertake the works, ensuring money stays within the local economy.



- C5 Please indicate existing and proposed levels of accommodation on the site:

Please give a breakdown (e.g. bed spaces)

	SDC	WSC	Total
Empty Homes Grant	6 properties i.e. 15 b/s	3 properties i.e. 8 b/s	9 properties 23 b/s
Incl "Help Yourself" Social Enterprise			
DIY Empty Homes Loans	5 properties i.e. 12 b/s	2 properties i.e. 5 b/s	7 properties 17 b/s

Source: Housing Funding Strategy: Housing Fund – Summary of Costs of Proposals, p2

## SECTION D: Community/Partner Support

- D1 To what extent are there demonstrable local community and/or business support for the project?

Proposals were developed in consultation with Somerset West Private Sector Housing Partnership (SWPSHP), Somerset West Landlord & Tenant Services (SWELT), private sector landlords, Forum 21, the West Somerset Affordable Housing Group, and the West Somerset Housing Forum.

- D2

Describe what other partners will be involved including other levels of government, agencies and/or local partners etc.

Sedgemoor District Council, West Somerset Council, Somerset West Private Sector Housing Partnership (SWPSHP), Homes & Communities Agency (National Empty Homes Funding) Somerset Care & Repair, Wessex Home Improvement Loans, Private sector landlords, Fire Service Local Building Contractors Department of Work & Pensions Bridgwater College Taunton Association for the Homeless Bridgwater Coast YMCA Restore Trust & Probation Forum 21

## SECTION E: Details of Governance



E1

Please describe how this project will be managed (including financial and project management) to ensure deliverability?

There will be a Project Team of key operational and strategic staff to ensure initiatives are embedded in Housing Options Teams.

This project comes under the auspices of the Somerset West Private Sector Housing Partnership (SWPSHP) which is led by SDC.

Sedgemoor District Council's responsibilities for this Project are being administered under a management framework. This reflects the benefits it must deliver and consistency with other housing related Projects and allows for inter-relationships across Projects to be efficiently managed. A Work Package is defined and assigned to a Team Leader.

- There is a Product Description for each required product, with clearly identified and acceptable quality criteria
- The reporting arrangements include the provision for raising issues and risks
- There is agreement between the Project Manager and the overall Programme Manager on exactly what is to be done
- There is agreement on the constraints, including effort, cost and targets
- The dates and effort are in line with those shown in the Stage Plan for the current management stage
- Reporting arrangements are defined; governance processes of the programme may be subject to refinement in due course.

Monitoring of the initiative will be through the attached Targets / Measures:

[Targets Measures for EH.xls](#)

See below

**Appendix to Hinkley Point C Planning Obligation (Section 106)  
Funding Application Form: EMPTY PROPERTY  
REGENERATION**

Key Principle: **bringing empty properties back into use in the Hinkley priority areas**

RAG	Indicator Description	RAG Tolerances	POB/ DSG/SEG Comments
<b>T1</b>	<b>Target Outcome: SDC 27 bed spaces. WSC 13 bed spaces</b>		
<b>T1.1</b>	<b>Empty Homes Grant:</b> Grants awarded to top-up WH loans	Green >3 every 6 mths Red <3 every 6 mths	
<b>T1.2</b>	<b>Somerset Care &amp; Repair:</b> National EH Capital Funding	Green - successful bid Red - unsuccessful bid	
<b>T1.3</b>	<b>Somerset Care &amp; Repair:</b> Properties purchased or leased	Green > 4 after 12 mths Red <2	
<b>T1.4</b>	<b>DIY Empty Homes Loans:</b> Up to £30K WHIL loan at 4%	Green >3 after 12 mths Red <3	





<p>E2</p> <p>Please describe how this proposal delivers value for money?</p>	<p>Indicative figures suggest that the initiative will deliver 40 bed spaces over 2 years. This equates to a cost of £7250 per bed space. The total number of additional bed spaces is conservatively estimated to allow for lead in time to apply for funding to extend and establish the SC&amp;R model in this area and the time it takes from initial negotiation with owners to delivery of property suitable for letting. This is a sustainable solution that provides an increase in the overall supply of useable accommodation in a more cost effective way than developing new accommodation.</p> <p>In addition, this scheme provides significant regeneration benefits (mitigating potential adverse effects to local residents), alongside an increase in the overall supply of useable accommodation. Both Councils have been successful in delivering decent homes from this source and are committed to continue securing additional rental units through this method. Controlling the process ensures that the right types of accommodation are brought back into use, or encouraged, to meet the immediate housing need.</p> <p>The use of National Empty Homes funding or WHIL loans to bring empty properties back into beneficial occupation ensures that money can be recycled into the scheme, reducing costs in the future.</p>
<p>E3</p> <p>What risks have been identified and how will these be managed?</p>	<p>A project Risk Register has been created and is being maintained. Major risks detailed in the Risk Register include:</p> <ul style="list-style-type: none"> <li>• Availability of appropriate schemes in Hinkley Priority areas</li> <li>• National Empty Homes Funding bid</li> <li>• Budgets assigned are not properly spent or accounted for</li> </ul> <p><b>*See appendix document: Copy of POB Bids Risk Log v1</b></p>
<p>E4</p> <p>How will this project be promoted?</p>	<p>Empty Property work has generated a lot of media interest in the past and has been promoted through radio campaigns and newspaper articles. The initiative will also be promoted through the SWeLT website; leaflets; Letting Agents; Empty Homes Agency; Landlord Forums, Partnership Agencies and officers</p>

## SECTION F: Sustainability





F1

To what extent will the project contribute to the wider goal of achieving sustainable communities and achieving higher standards of environmental sustainability?

The empty homes initiatives will provide much needed affordable rented accommodation in areas where mixed communities are encouraged. Environmental sustainability is achieved through reducing incidences of housing blight; achieving an improvement in business confidence and residents perception of the effect empty properties were having on their local neighbourhood. This has the knock-on effect of increasing social cohesion and lessens the fear of crime. The properties would be brought up to at least Decent Home standard which would also improve the energy efficiency rating.

The Empty Property initiative will use local contractors and will introduce a Social Enterprise Scheme (in collaboration with Job Centre+, the Restore Trust and Somerset Care and Repair) which will create or support new jobs as well as provide homes to local people. It is estimated (based on similar schemes elsewhere in the country) that for each £1 spent on interest and administration this translates to £20.26 being spent in the local economy (labour & materials)\*

\*Source: Effective Strategies and Interventions; environmental health and the private rented sector (Chartered Institute of Environmental Health)

## SECTION G: Project Costs & Sources of Funding

G1 How much funding is being applied for from the Planning Obligation Board?

**£ 304,500 including  
£14,500 admin fees**

G2 What is the total cost of the scheme/project?

**£1,930,718\*** (excluding VAT)

G3 How is the remainder of the project being funded:

Funder	£ (ex VAT)	Funding Secured (Date secured)	Anticipated (Date anticipated)
Homes & Communities Agency (National Empty Homes Funding)	*Up to £1.4M subject to successful bid	Current loan pots un-loaned are as follows: • Sedgemoor £150,235 • West Somerset £15,983	31-10-2014
SDC and WSC - loan pot held by Wessex Home Improvement Loans Ltd			Available immediately
Empty Homes Scheme to include administration costs Other contributions include partners, staff and expertise resources			



G4 Are you able to recover VAT?

Yes

No

**SECTION J: Conditions of funding**

By submitting this application, your organisation agrees to the following conditions (Please note that this list of conditions is not exhaustive and further conditions may be applied to your application):

*Please tick to acknowledge your acceptance*

- J1.1 We understand that submission of this form does not mean that funding will automatically be awarded.
- J1.2 We note that normally funding cannot be given retrospectively.
- J1.3 We understand that the details of our application will be available for public inspection.
- J1.4 We confirm that funding awarded will only be used for the purpose for which it is awarded, and we agree to provide evidence of eligibility for this funding and return any under spend.
- J1.5 The Planning Obligations Board has the right to publicise the project in any way it considers appropriate.

J2 Items to include with this application:


*Please tick if included*

- J2.1 Detailed Appraisal Report – Appendix 1
- J2.2 Three competitive quotes for any capital projects or financial justification supporting revenue projects.

**SECTION K: Declaration**

I apply for funding on behalf of the organisation as detailed above and I declare that:

- K1 I have read and understood the conditions under which the funding is awarded.
- K2 I have noted all conditions under which the funding is made and confirm that if successful I, and the organisation that I represent, will be bound by them.
- K3 I have the authority to make this application and to accept the conditions of funding on behalf of the applicant.

<b>Signed:</b>		<b>Date:</b>	15/09/2014
Print Name	David Baxter		
Position in organisation:	Strategic Housing Manager		
Organisation Name:	Sedgemoor District Council		

**SECTION L: Next step**

Please return the completed application form and other relevant supplementary information to:  
James Holbrook, Major Projects Manager



<b>Appendix 1: Housing Funding Strategy – Empty Property Regeneration</b>							
<b>EMPTY PROPERTY REGENERATION</b> – Key principle of bringing empty properties back into use in the Hinkley priority areas <b>S106 initiatives: 3.2.3</b>	<b>Total b/s &amp; Initial costs over 2 yrs.</b>		<b>Total Joint Costs over 2 yrs.</b>	<b>Cost per b/s</b>	<b>5% admin</b>	<b>Other resource</b>	<b>Delivery</b>
<b>Empty Property Regeneration</b> tends to be very time and resource intensive.	<b>SDC</b>	<b>WSC</b>					
<p><b>Empty Homes Grant</b> Empty Homes Grant for LTE properties (over 6 months) at up to £15k per property to underwrite a Somerset Care &amp; Repair (SC&amp;R) scheme. The SC&amp;R model draws down ‘National’ Empty Homes Capital funding, which is utilised to renovate properties, which are then either purchased or leased (for between 7 – 15 years) by SC&amp;R who manage them on completion. The money is loaned to the owner as an interest free loan repaid out of the rent they would otherwise receive. The funding is therefore recycled over time to bring additional homes back into use, but the pot depreciates by 15% fees each time.</p> <p>Adopting such a scheme would require capital funding for works where the total cost exceeds the loan amount; offering a menu of services to owners of empty properties identified by the councils in the Hinkley priority areas – up to £15K grant per property to top up existing National Empty Property funding.</p> <p>With the SC&amp;R model, there is also scope to develop a social enterprise “Help Yourself” model to provide training in construction skills to vulnerable people (e.g. young people, long-term unemployed, probation clients, former prisoners) to carry out the improvement work, which could include specific properties that they can then occupy.</p>	<p><b>15</b> (6) 6x £15k = £90k</p>	<p><b>8</b> (3) 3 x £15k = £45k</p>	<p><b>£185,000</b></p> <p>£135k grants £50k Social Enterprise Training</p>	<p>£185k/23 = £8043 per bed space</p>	<p>£9,250</p>	<p>HCA NEHP funding;</p>	<p>SC&amp;R</p>
<p><b>DIY -Empty Homes Loans-</b> Top up loan for properties in more substantial disrepair by enhancing WHIL loan with an additional £15K loan @ 4% to bring the property back into use. The no of properties is in brackets, following the no of additional b/s over 2 yrs., in addition to the numbers for EH Homes Grant.</p>	<p>12 (5) 5 x £15k = £75k</p>	<p>5 (2) 2 x £15k = £30</p>	<p>£105k,</p>	<p>£105k/17 = £6176.</p>	<p>£5250</p>	<p>WHIL Loan Pot – recyclable loans</p>	<p>SWPSHP</p>
<b>Total</b>	<b>27</b>	<b>13</b>	<b>£290,000</b>	<b>£7,250</b>	<b>£14,500</b>		



## APPENDIX D: Home Moves Plus

### Hinkley Point C Planning Obligation (Section 106) Funding Application Form Housing Contribution

FOR OFFICE USE ONLY			
Date Received:			
Supporting Information:		Date of issue:	
Any Conditions of Grant:		Next Decision Making Meeting date:	
Signed & dated:		Outcome / Offer:	

#### SECTION A: Applicant's Details

A1.1	Expression of Interest Reference Number:	
A1.2	Organisation Name:	Magna West Somerset Housing Association LTD (MWS)
A1.3	Position in organisation:	This project is submitted by the MWS Tenant Services Manager. The Tenant Services Manager is a senior manager position at MWS and part of the MWS management/leadership team

#### SECTION B: Details of Proposed Project: HOME MOVES PLUS



B1 Please explain the project and what funding is required for:

As at 30 June 2014 there were over 800 social housing tenants in Somerset under-occupying their current homes and registered on Homefinder Somerset for a move to more suitable accommodation. 60 of these were in West Somerset; 180 were in Sedgemoor with a further 238 in Taunton Deane. The introduction of the social housing size criteria in April 2013 has meant that under-occupying social housing tenants of working age need to down-size to avoid losing part of their housing benefit and getting into debt. The majority of under-occupying tenants seek a transfer by registering on Homefinder Somerset and look for smaller properties to bid for, which only serves to increase the competition for smaller accommodation, which already comprises over 50% of housing demand. Mutual Exchange is more effective than transfers in making best use of existing property enabling tenants to utilise the value of their existing tenancies and reducing competition for smaller vacancies advertised on Homefinder Somerset. However to add value to the existing scheme and be more effective housing providers need to be pro-active in delivering chains of exchanges.

#### Background

MWS has been funding and administering a down-sizing incentive scheme since October 2011. The scheme offers financial incentives aimed at encouraging tenants living in MWS properties that are larger than they need to down-size to accommodation more suited to their needs and their budget by reducing the financial barriers to moving. This in turn releases larger accommodation for households in housing need.

Since April 2014, the scheme has aimed to encourage tenants to move by exchanging homes rather than by down-sizing via the Homefinder Somerset housing register. To encourage this, the scheme offers a larger incentive to tenants who exchange homes than to those who down-size via the housing register.

#### The Project: Home Moves Plus

Funding is required to enable MWS to employ a Home Moves Negotiator (HMN) to develop and promote a wide range of cost effective down-sizing options including exchanging homes and the empty rooms scheme. The HMN will provide the resource needed to pro-actively match accommodation needs and facilitate moves as well as providing practical help and advice to tenants on, for example, how to market their home effectively and how to organise a house move. The role will also have a 'hands on' element and be able to give practical assistance to arrange removals, re-direct mail and notify utility companies etc. The current scheme is largely driven by and is dependant on under-occupiers offering to move. MWS has very limited capacity to work pro-actively with under-occupiers to either encourage them to move, target those most in need, or to offer advice, support and practical assistance once they decide to move. The HMN would enable us to develop the current scheme and target those most in need of a move and who face both financial and practical barriers to doing so. Currently, the majority of moves take place via transfer which is a less cost effective way of moving than via mutual exchange.

Under the current scheme, tenants who down-size by transferring qualify for £600 for the first bedroom and £500 for each additional bedroom. Tenants who down-size via mutual exchange qualify for £800 for the first bedroom and £500 for each additional bedroom.

#### The Home Moves Plus Proposal

##### Income

MWS - £27,000 pa

Housing fund - £30,000 pa

Total - £57,000 pa

153

##### Costs

£30,000 – HMN (Salary Page 49 of 88)

£27,000 – Down-sizing payments

£57,000 - Total

See also Section 5 of the Housing Funding Strategy



B2 Which broad S106 Initiative does this project fit into?

Social Housing 3.2.7  
Tackling the incidence of under-occupation in existing affordable housing stock through payments to existing tenants to compensate them for releasing property and moving to more suitable accommodation

**If a site is an affordable housing development please provide the following information (if not please continue to Section C): NOT APPLICABLE**

B3 Location of the proposed project (Please attach a plan showing the area)

\_\_\_\_\_

B4 What tenure split is feasible on the project site? \_\_\_\_\_

Social rent	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Affordable rent			
Shared ownership	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Market rent			
Market housing			

B5 Cost per bedspace

	Years		Years remaining	

B6 Does the site have the following consents? (If you are unsure telephone: 01643 703 704, for advice) (Please tick as appropriate)

Planning Permission _____	N/A <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Building Regulation Approval _____	N/A <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Listed Building Consent _____	N/A <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Other necessary consents (please specify) _____			

B7 If you are a Housing Association or similar, you should provide contact details of the person you have liased with, from the Local Authority Strategic Housing Team.

\_\_\_\_\_



B8 Please indicate the approximate dates of the project?

Start date:

_____ / _____ / _____
-----------------------

Completion date:

_____ / _____ / _____
-----------------------

**SECTION C: Details of Need**

C1 Please explain how the proposal mitigates against the potential adverse effects of Hinkley Point C on the availability of accommodation to local residents, particularly those on lower incomes?

The aim of the proposal is to make the best use of existing housing stock by tackling under occupation. Helping under-occupiers move into more suitable accommodation, frees up homes for larger households either waiting for affordable housing on the housing register or currently living in affordable housing in over crowded conditions. Freeing up these unused bedrooms and making them available to others in need reduces the pressure on the private rented sector which larger households might look to if there is a lack of availability in the affordable housing sector. Alternatively, under-occupiers may consider taking in a lodger which would also help relieve pressure on the PRS. MWS is a charitable organisation and, therefore must house people who can not afford to meet their housing needs in the private sector or who need support. The scheme, therefore, will increase the housing options open to local residents on lower incomes. The added value is that by moving to smaller accommodation or by offering a room to rent, these households will reduce their housing related costs e.g. on rent if they are currently subject to the under-occupancy charge or in lower running costs if they down-size.

C2 Has the project been identified as a priority within a Parish or Community Plans (as applicable)?

The project has been identified in the Somerset Strategic Housing Partnership – Strategic Housing Framework, West Somerset Council Comprehensive Action Plan (see below)





<p>C3 To what extent does the proposal align with developing or approved housing strategies within the area that the proposal is located?</p>	<p>Mitigating any potential adverse effects on the local housing markets due to the impact of Hinkley C is a priority in the Somerset Strategic Housing Framework and supporting West Somerset Action Plan.</p> <p><u>Somerset Strategic Housing Partnership – Strategic Housing Framework West Somerset Council Comprehensive Action Plan</u></p> <p>Key Local Principles – Make best use of existing properties</p> <p>Priority 2: to make best use of the districts housing stock</p> <p>2.2 Ensure that those already in social housing have mobility when they need it through the promotion and facilitation of mutual exchange wherever possible</p> <p>2.3 Promote the implementation of Mutual Exchange Plus including encouraging all tenants wanting to transfer to use ME+, providing information to help tenants pro-actively market their properties (eg, taking photos, property descriptions, moving checklist) and supporting multi-way exchanges.</p> <p><u>Somerset Homeless Strategy 2013 – 16</u></p> <p>Goal 3 - Maximise effective partnership working to provide cost effective and responsive services</p> <ul style="list-style-type: none"> <li>• Work collaboratively with partners to deliver value for money services and maximise funding opportunities</li> </ul> <p>It meets the WSC Corporate Priority: New Nuclear Development at Hinkley Point in relation to Objective 5: The availability of housing supply within West Somerset is increased if funds become available to mitigate the extra demands of the Hinkley Point workers</p> <p>The proposal supports Magna purpose 'To help people meet their housing needs and aspirations' and Magna's Strategic Objective 4 - to try continuously to achieve VfM in the use of our resources</p>
<p>C4 Describe the projects benefits and what legacy it will create?</p>	<p>Home Moves Plus is an effective way of making best use of existing property enabling tenants to utilise the value of their existing tenancies and reducing competition for vacancies advertised on Homefinder Somerset, which is being upgraded with a Mutual Exchange Plus module. However to be most effective housing providers need to be pro-active in delivering chains of exchanges.</p> <p><u>Added Value</u></p> <p>An additional £30,000 pa for 2 years (i.e. £60,000 between 2014 and 2016) from Hinkley C Housing Fund would increase the effectiveness of the existing MWS under occupation scheme by targeting under occupying tenants in Hinkley priority areas through the employment of a dedicated Home Moves Negotiator who will develop and promote a wider range of cost effective options, including mutual exchange and/or the Empty Room Scheme, with the emphasis on pro-active facilitation to match accommodation needs and practical help and advice for tenants on effective advertising and moving.</p>





- C5 Please indicate existing and proposed levels of accommodation on the site:

Please give a breakdown (e.g. bed spaces)

	WSC	SDC	Total - 2yrs
Home Move Plus	80*	-	80*

\*Additional bed spaces

Source: Housing Funding Strategy – p2; Housing Fund – Summary of Costs of Proposals

## SECTION D: Community/Partner Support

- D1 To what extent is there demonstrable local community and/or business support for the project?
- MWS has been running its current downsizing scheme for 3 years. It is strongly supported by the MWS Tenants' Panel and the Magna Board. The current scheme began as a pilot at the request of board members. The proposal was developed in consultation with West Somerset Housing Forum.
- From October 2011 to the present day, 118 households have benefited from the scheme (59 down-sizers and 59 households able to access suitably sized accommodation) indicating strong community support for the scheme.
- A pilot Mutual Exchange Swap Shop took place at the West Somerset Housing Fair in June 2014. The swap shop was visited by over 40 households looking to exchange homes.
- Based on this demand and analysis of households already registered to exchange homes, we plan to hold a further swapping event in Watchet on 9<sup>th</sup> October 2014.
- D2 Describe what other partners will be involved including other levels of government, agencies and/or local partners etc.
- Other social landlords will be involved as swaps will involve tenants from other landlords as well as MWS tenants.
- A new mutual exchange tool is being developed by partners across Somerset, therefore all Homefinder Somerset partners will be involved to some degree.

## SECTION E: Details of Governance



E1

There are robust management and governance arrangements in place for the existing scheme. The current budget is monitored as part of the wider housing management budget by an experienced senior manager and the management accounts are scrutinised by Magna's Finance Committee and Board. There are procedures in place for running the scheme and information leaflets for tenants. The management arrangements for any additional funding would be the same. The HMN would be part of housing management team at MWS and enjoy the benefits and support offered by a large local employer with an excellent track record in training and development.

Targets and Measures for the initiative can be found through the attached link:



Microsoft Excel  
97-2003 Worksheet

See below

**Appendix to Hinkley Point C Planning Obligation (Section 106)  
Funding Application Form: HOME MOVES PLUS**

Key Principle: **Making the best use of existing tenancies to reduce pressure on HFS**

RAG	Indicator Description	RAG Tolerances	POB/ DSG/SEG Comments
T1	<b>Target Outcome: WSC 80 bed spaces.</b>		
T1.1	<b>Home Moves Plus: Downsizing Incentive Payments:</b> Payments awarded	Green >20 every 6 mths Amber <20 >10 every 6 mths Red <10 every 6 mths	
T1.2	<b>Home Moves Plus: Mutual Exchange:</b> Number of tenants helped to move	Green >10 p.qtr. Amber <10 >5 p.qtr. Red - < 5 per qtr.	
T1.3	<b>Home Moves Plus: Bed spaces:</b> Bedrooms released for occupation as result of downsizing	Green > 10 quarterly Amber <10 >5 quarterly Red <5 per qtr.	

Please describe how this project will be managed (including financial and project management) to ensure deliverability?



<p>E2 Please describe how this proposal delivers value for money?</p>	<p>The proposal builds on an existing successful and well managed scheme and therefore the initial set up would be minimal. Procedures for running the scheme are in place and the HMN would have access to housing records, other housing staff and a specialist mutual exchange tool currently being developed across Somerset known as Mutual Exchange Plus.</p> <p>Additional income from the housing fund would build on existing capacity and enable us to target areas where family housing is most needed.</p>
<p>E3 What risks have been identified and how will these be managed?</p>	<p>The risks are minimal as there is already a tried and tested scheme in place. Magna has a robust approach to risk management and this scheme has been assessed using Magna's risk management procedures and policy.</p> <p><u>Main scheme specific risks</u></p> <ul style="list-style-type: none"> <li>• Being unable to recruit a HMN with the appropriate skills – likelihood 4 (<i>unlikely</i>) x impact 4 (<i>minor</i>). In the current economic climate it is unlikely that we will be unable to recruit to this post. Training will be provided. Risk score = 16. <b>ACCEPTABLE RISK</b></li> <li>• Budget overspend – down-sizing payments - likelihood 3 (<i>remote</i>) x impact 4 (<i>minor</i>). There are robust governance and management arrangements in place. The budget has not been overspent since the current scheme started in 2011. The current scheme guidance states that once the budget is spent the scheme stops. The schedule of incentive payments and eligibility for the scheme will be kept under review and can be altered to target those most in need if it looks like demand is greater than supply. Risk score = 12. <b>ACCEPTABLE RISK</b></li> <li>• Budget overspend – salary and associated personnel costs – likelihood 1 (<i>none or next to none</i>) x impact 5 (moderate). Salary etc costs will be budgeted and planned in advance and are set therefore the likelihood of overspend on these is none or next to none. Risk score = 5. <b>ACCEPTABLE RISK</b></li> <li>• Budget under spend – down-sizing payments – likelihood 4 (<i>unlikely</i>) x impact 4. The risk of this is reduced by having a HMN to actively promote and facilitate the scheme. Risk score = 16. <b>ACCEPTABLE RISK</b></li> <li>• Budget under spend – salary and associated personnel costs – see i. above. <b>ACCEPTABLE RISK</b></li> </ul>
<p>E4 How will this project be promoted?</p>	<p>Press releases Magna's and LA websites Homefinder Somerset website Magna's tenants magazine Via housing staff Leaflets Tenants most in need to be contacted by the HMN Home visits</p>



**SECTION F: Sustainability**

F1 To what extent will the project contribute to the wider goal of achieving sustainable communities and achieving higher standards of environmental sustainability?

1. Under the coalition governments welfare reforms, from April 2013, housing benefit payments to working age tenants under-occupying their homes reduced by 14% for 1 bedroom and 25% for 2 bedroom under-occupancy. Helping tenants to down-size will help to keep their accommodation affordable which should lower the risk of them getting into debt and losing their home.
2. Helping tenants to move into smaller accommodation and sheltered housing should mean that tenants see a reduction in energy bills and running costs, again making it less likely that they fall in to debt and get behind with their rent.
3. There is often a clash of lifestyles and differences in tolerance levels between older tenants and younger families with children. Enabling older under-occupying tenants to move to sheltered housing often alleviates problems in communities between young and old.
4. Freeing up family-sized housing for younger families with children means that local schools and colleges are better supported.
5. Freeing up family-sized accommodation for working age families' means that families have more security of tenure than in the PRS and can begin to put down roots and settle into employment which can be harder with the insecurity in the PRS or even worse in temporary accommodation.

**SECTION G: Project Costs & Sources of Funding (OVER 2 YEARS)**

G1 How much funding is being applied for from the Planning Obligation Board?

**£ 60,000** (excluding VAT<sup>1</sup>)

G2 What is the total cost of the scheme/project?

**£ 114,000** (excluding VAT)

G3 How is the remainder of the project being funded:

Funder <b>MWS</b>	£ 54,000 (ex VAT)	Funding Secured <i>(Date secured)</i> This is the current 2014/15 budget.	Anticipated <i>(Date anticipated)</i> The scheme has been funded since 2011 at a cost of £117,000
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G4 Are you able to recover VAT?

**Yes**

<sup>1</sup> WSC is unable to pay the VAT on project costs, unless the applicant is not VAT registered.



## SECTION J: Conditions of funding

By submitting this application, your organisation agrees to the following conditions (Please note that this list of conditions is not exhaustive and further conditions may be applied to your application):

*Please tick to acknowledge your acceptance*

J1.1	We understand that submission of this form does not mean that funding will automatically be awarded.	Yes
J1.2	We note that normally funding cannot be given retrospectively.	Yes
J1.3	We understand that the details of our application will be available for public inspection.	Yes
J1.4	We confirm that funding awarded will only be used for the purpose for which it is awarded, and we agree to provide evidence of eligibility for this funding and return any under spend.	Yes
J1.5	The Planning Obligations Board has the right to publicise the project in any way it considers appropriate.	Yes
J2	Items to include with this application:	<i>Please tick if included</i>
J2.1	Detailed Appraisal Reports – Appendices 1 and 2	Yes
J2.2	Three competitive quotes for any capital projects or financial justification supporting revenue projects.	N/A

## SECTION K: Declaration

I apply for funding on behalf of the organisation as detailed above and I declare that:

- K1 I have read and understood the conditions under which the funding is awarded.
- K2 I have noted all conditions under which the funding is made and confirm that if successful I, and the organisation that I represent, will be bound by them.
- K3 I have the authority to make this application and to accept the conditions of funding on behalf of the applicant.

<b>Signed:</b>	<input type="text"/>	<b>Date:</b>	<input type="text"/> / <input type="text"/> / <input type="text"/>
Print Name	<input type="text"/>		
Position in organisation:	<input type="text"/>		
Organisation Name:	<input type="text"/>		

## SECTION L: Next step

Please return the completed application form and other relevant supplementary information to:



## Appendix 1: Housing Funding Strategy – Home Moves Plus

<b>HOME MOVES PLUS – Making the best use of existing tenancies to reduce pressure on Homefinder Somerset for smaller properties</b> <b>S106 Initiatives: 3.2.7;</b>	<b>Total bed spaces &amp; Initial Costs over 2 years</b>		<b>Total Joint Costs over 2 yrs</b>	<b>Cost per b/s</b>	<b>5% admin</b>	<b>Other resource</b>	<b>Delivery</b>
	<b>SDC</b>	<b>WSC</b>					
<p>WSC Pilot Home Moves Plus is more effective in making best use of existing property enabling tenants to utilise the value of their existing tenancies and reducing competition for smaller vacancies advertised on Homefinder Somerset, which is being upgraded with a Mutual Exchange Plus module. However to be most effective housing providers need to be pro-active in delivering chains of exchanges.</p> <p><u>Added Value:</u> An additional £30,000 pa for 2 years (i.e. £60,000 between 2014 and 2016) from Hinkley C Housing Fund would increase the effectiveness of the existing MWS under occupation scheme by targeting under occupying tenants in Hinkley priority areas through the employment of a dedicated Home Moves Negotiator who will develop and promote a wider range of cost effective options, including mutual exchange and/or the Empty Room Scheme, with the emphasis on pro-active facilitation to match accommodation needs and practical help and advice for tenants on effective advertising and moving.</p> <p>In addition, although the scheme will target under-occupying social housing tenants in the Hinkley priority areas, down-sizing tenants will qualify for the incentive payment by exchanging homes with any social housing tenant from Somerset, thus widening the pool of properties available and increasing the chance of securing a suitably sized home.</p>	N/A	<b>80</b> Yr 1: 15 Yr: 65  <b>£30k pa</b>	£60,000	£750 £60k/80	£3,000	MWS - £27k pa Major Somerset housing providers – funding purchase & delivery of the Mutual Exchange Plus module of Homefinder Somerset	MWS with other providers
<b>HOME MOVES PLUS TOTAL</b>	N/A	<b>80</b>	<b>£60,000</b>	<b>£750</b>	<b>£3,000</b>		



## APPENDIX E: SDC Enabling Bid – Three Crowns Hinkley Point C Planning Obligation (Section 106) Funding Application Form Housing Contribution

FOR OFFICE USE ONLY			
Date Received:			
Supporting Information:		Date of issue:	
Any Conditions of Grant:		Next Decision Making Meeting date:	
Signed & dated:		Outcome / Offer:	

### SECTION A: Applicant's Details

A1.1 Expression of Interest Reference Number:	
A1.2 Organisation Name:	Sedgemoor District Council
A1.3	Duncan Harvey (Housing Development Manager) Strategy and Development Services Sedgemoor District Council   Bridgwater House   King Square   Bridgwater   TA6 3AR
Position in organisation:	Direct: +44 (0) 1278 436440 Mobile: +44 (0) 7876 131110 Fax: +44 (0) 1278 436423 Email: <a href="mailto:duncan.harvey@sedgemoor.gov.uk">duncan.harvey@sedgemoor.gov.uk</a>



## SECTION B: Details of Proposed Project





B1 Please explain the project and what funding is required for:

The former Three Crowns Public House, 15 St Mary's Street has lain empty, boarded and derelict for many years. The site sits close to Bridgwater town centre located in an area with many different land uses that include retail, residential and light industrial.

The public house closed as it proved no longer economically viable. The site has sadly fallen into disrepair, but if rebuilt, will see 14 new apartments along with a modern public house/restaurant built. In terms of residential development, the project would yield 14 apartments provided on a private rented basis (equating to 33 bed spaces). This helps to address housing accessibility and availability issues for local people, particularly for affordable and low cost housing, identified within the Councils Local Impact report (LIR)

This is a £1,263,390 development project requiring an investment of £183,390 to come forward. This equates to an inward investment of £1,080,000 from the private sector against a £5,557 investment per bed space provided through the Housing Fund. This connects with EDFE's Housing Strategy assumption; *"that additional housing that will be required as a consequence of the project can be delivered with a minimal level of intervention (in terms of cost per unit)."*

The site is in private ownership, with a willing end user.

The proposal would see all 14 units being provided on a private rented basis, managed by an experienced property management company with over 250 town centre properties under management. The company will commit to being an accredited landlord with Sedgemoor District Council enabling the Council to signpost people into the newly created homes.

This site is situated with the Bridgwater Town Centre boundary. In terms of its **planning status**, the site is well located to the town centre and considered a highly sustainable location (close to shops and easy walking distance to town centre and sustainable transport options including bus links, including the proposed Hinkley C construction worker bus routes). This project has full planning permission (08-12-00180).

There is no market provider interest in bringing this site forward at this time. Investigations confirm that prevailing market conditions associated with current build costs, linked to the relative low house prices make this an unattractive market driven proposition just now. Put simply, there is insufficient revenue from the sale of the homes to cover the cost of building the housing units. Nevertheless, the location and nature of the housing proposed is an attractive proposition in terms of providing a supply of smaller homes capable of accommodating single people, or smaller households, both now and when Hinkley C workers arrive.

This funding bid will allow this project to be built despite the market conditions, and provide an invaluable source of rented homes during (and beyond) the construction of Hinkley C.

In terms of **deliverability**, this project is assessed as having a high degree of certainty (assuming gap funding is provided). It is anticipated that the units will be available for occupation with 15-months of construction starting (subject to funding commitment)



B2 Which broad S106 Initiative does this project fit into?

**Enabling New Build**  
**3.2.8 stalled development equity**  
**3.2.10 Grant replacement**  
 This bid represents an equity investment into new build housing development schemes to assist the developer to bring forward a stalled development.

**If a site is an affordable housing development please provide the following information (if not please continue to Section C):**

B3 Location of the proposed project  
*(Please attach a plan showing the area)*

See attached map

B4 What tenure split is feasible on the project site?

Social rent ~~Yes~~  No   
 Affordable rent  
 Shared ownership ~~Yes~~  No   
 Market rent  
 Market housing

N-A  
  
 No, but will provide on a private rented basis, let via an accredited landlord.

B5 Cost per bedspace

£5,557	Years	Years remaining	N-A

B6 Does the site have the following consents? *(If you are unsure telephone: 01643 703 704, for advice)* *(Please tick as appropriate)*

Planning Permission	<del>N/A</del> <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Building Regulation Approval	<del>N/A</del> <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Listed Building Consent	<del>N/A</del> <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Other necessary consents <i>(please specify)</i>	None		

B7 If you are a Housing Association or similar, you should provide contact details of the person you have liased with, from the Local Authority Strategic Housing Team.

Not applicable

B8 Please indicate the approximate dates of the project?

Start date:	01/04/2015
Completion date:	31/07/2016



## SECTION C: Details of Need

<p>C1 Please explain how the proposal mitigates against the potential adverse effects of Hinkley Point C on the availability of accommodation to local residents, particularly those on lower incomes?</p>	<p>Bridgwater is the host town for the project with the anticipated influx of significant numbers of well-paid construction workers looking for accommodation in the Bridgwater area. Increasing the capacity and numbers of smaller units is considered essential in advance of this large workforce arriving. Notwithstanding EDFe intentions to provide campus accommodation, the timeframes for delivery and the capacity this accommodation will provide only strengthens the case for the provision of housing associated with this project. The two assumptions below underpin the need for this project:</p> <ol style="list-style-type: none"> <li>1. The majority of the EDFe construction workforce will be single people, increasing competition for smaller and cheaper accommodation. Already existing demand for 1 bedroomed accommodation comprises around 50% of the Homefinder Somerset Housing Register.</li> <li>2. The construction workforce is likely to be influenced by housing and travel costs, hence looking for cheaper properties at the lower end of the market, with a preference for proximity to the Hinkley bus routes and the Park and Ride sites at Bridgwater and Williton to reduce travel costs.</li> </ol> <p>There are 3614 households on Homefinder Somerset (“the waiting list”) seeking an affordable home across Sedgemoor. Of these, 1709 are specifically seeking a home in Bridgwater and 1409 (82%) require a 1 or 2 bed home (such as is proposed here).</p> <p>The supply of “smaller” housing in Bridgwater (from relets &amp; new builds) is simply not keeping pace with the increasing levels of demand. This will worsen as the numbers of construction workers looking for similar units increases. The detailed property mix has been designed to address the known local unmet need.</p>
<p>C2 Has the project been identified as a priority within a Parish or Community Plans (as applicable)?</p>	<p>The site has been identified by Sedgemoor District as being an integral ingredient in local strategies such as the Sedgemoor Core Strategy and the Sedgemoor 5-year Housing Land Supply (2014-19).</p>
<p>C3 To what extent does the proposal align with developing or approved housing strategies within the area that the proposal is located?</p>	<p>The provision of <b>housing</b> and affordable housing remains a key corporate priority for the Council. If built this proposal will also contribute to other Council priorities such as <b>efficiency</b> through significant inward investment into the district to support affordable housing growth whilst helping the authority minimise the cost of tackling issues such as homelessness etc. It will also contribute to another corporate priority of <b>regeneration</b> by ensuring this prominent site located on the heart of Bridgwater does not remain boarded up and derelict thereby contributing to physical regeneration and enhancement of this very visible site.</p>



- C4 Describe the projects benefits and what legacy it will create?
- The project will provide high quality well managed rented homes in the heart of Bridgwater directly responding to existing & anticipated future demand.
- Will increase the supply of private rented accommodation in advance of a period when demand for such accommodation will increase dramatically.
- Will increase the supply of affordable-housing for a category of household which presents the greatest level of unmet need.
- Contribute to Sedgemoor's 5 year housing land supply programme.
- Development investment and construction will inject economic benefits into the local economy associated with such development investment.
- Provide training and employment opportunities associated with construction activity.
- Remove the risk of the site becoming mothballed; sitting empty with the multitude of negative issues associated with derelict land.
- The project has the necessary development finance to come forward, with a committed housing association in place to start construction as soon as possible.
- C5 Please indicate existing and proposed levels of accommodation on the site:
- The site sits derelict, boarded up and falling into disrepair.
- The proposed redevelopment of this parcel of this town centre brownfield land will bring forward 14 apartments (equating to 33 bed spaces).

## SECTION D: Community/Partner Support

- D1 To what extent is there demonstrable local community and/or business support for the project?
- The proposals have been the subject of extensive public consultation throughout the formal planning process (with resolution to grant permission secured).
- Additional information regarding viability of this initiative can be accessed through the accompanying link:**
- [Three Crowns \(Supplementary POB Information\) 16-10-2014.docx](#)
- D2 Describe what other partners will be involved including other levels of government, agencies and/or local partners etc.
- The proposals have been shaped (through the planning process) through dialogue with statutory consultee(s) as well as with the proposed private sector housing management organisation.

## SECTION E: Details of Governance



E1	Please describe how this project will be managed (including financial and project management) to ensure deliverability?	The delivery of the project will be managed through a detailed funding agreement between the Council and developer detailing delivery and ensuring that the project is delivered in accordance with an agreed project plan.
E2	Please describe how this proposal delivers value for money?	<p>Total Scheme Cost: £1,263,390</p> <p>External Inward Investment: £1,080,000</p> <p>Gap Funding Required: £183,390</p> <p>Gap Funding Investment Equates to 14.5% of the total cost.</p> <p>For every £1 invested from the housing fund a further £6.89 inward investment will result.</p> <p>Other potential financial benefits from this in the form of circa £198,000 New Homes Bonus (NHB) – assuming HNB is still available. Monies to be paid to Council(s) that could be reinvested back into the district.</p> <p>£17,906 per year Council Tax (based on band C)</p> <p>These new homes will assist the Council to reduce the incidences of homelessness, and critically the significant cost (to the authority) of providing expensive temporary accommodation to the statutory homeless.</p>
E3	What risks have been identified and how will these be managed?	<p>A project Risk Register has been created and is being maintained. Major risks detailed in the Risk Register include:</p> <ul style="list-style-type: none"> <li>*Deliverability of the scheme</li> <li>*Developer contributions</li> </ul> <p><b>*See appendix document: Copy of POB Bids Risk Log v1</b></p>
E4	How will this project be promoted?	Unclear at this stage

## SECTION F: Sustainability



F1 To what extent will the project contribute to the wider goal of achieving sustainable communities and achieving higher standards of environmental sustainability?

This site is situated within the Bridgwater Town Centre boundary. The previous industrial use of the site was unviable and a residential proposal is deemed appropriate alternative land use by Sedgemoor District Council. In terms of its **planning status**, the site is well related to existing residential development and is a highly sustainable location (close to shop and easy walking distance to town centre and sustainable transport options including bus links). The site is close to good public transport routes and would be well placed in relation to the proposed Hinkley C construction worker bus routes. The properties will be built to a minimum level 3, Code for Sustainable Development.

- This scheme is attractive, usable and durable;
- Makes efficient and effective use of abandoned town centre brownfield land;
- Well connected to public transport and community facilities and services;
- Well integrated with and complementary to the existing built environment;

## SECTION G: Project Costs & Sources of Funding

G1 How much funding is being applied for from the Planning Obligation Board?

<b>£192,560</b> Including £9,170 admin.
--

G2 What is the total cost of the scheme/project?

<b>£1,263,390</b>
-------------------

G3 How is the remainder of the project being funded:

Funder	£ (ex VAT)	Funding Secured <small>(Date secured)</small>	Anticipated <small>(Date anticipated)</small>
ABRACORE LIMITED 72 FIELDING ROAD CHISWICK LONDON W4 1DB	£1,080,000	Secured now	N-A

G4 Are you able to recover VAT?

Yes

No

## SECTION J: Conditions of funding

By submitting this application, your organisation agrees to the following conditions (Please note that this list of conditions is not exhaustive and further conditions may be applied to your application):

*Please tick to acknowledge your acceptance*

- J1.1 We understand that submission of this form does not mean that funding will automatically be awarded.
- J1.2 We note that normally funding cannot be given retrospectively.
- J1.3 We understand that the details of our application will be available for public inspection.
- J1.4 We confirm that funding awarded will only be used for the purpose for which it is awarded, and we agree to provide evidence of eligibility for this funding and return any under spend.

<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>



J1.5 The Planning Obligations Board has the right to publicise the project in any way it considers appropriate.

J2 Items to include with this application:

*Please tick if included*

J2.1 Detailed Appraisal Report

J2.2 Three competitive quotes for any capital projects or financial justification supporting revenue projects.

## SECTION K: Declaration

I apply for funding on behalf of the organisation as detailed above and I declare that:

K1 I have read and understood the conditions under which the funding is awarded.

K2 I have noted all conditions under which the funding is made and confirm that if successful I, and the organisation that I represent, will be bound by them.

K3 I have the authority to make this application and to accept the conditions of funding on behalf of the applicant.

**Signed:**

**Date:**

15/09/2014

Print Name

Duncan Harvey

Position in organisation:

Housing Development Manager (Strategy and Business Services)

Organisation Name:

Sedgemoor District Council

## SECTION L: Next step

Please return the completed application form and other relevant supplementary information to:

James Holbrook, Major Projects Manager

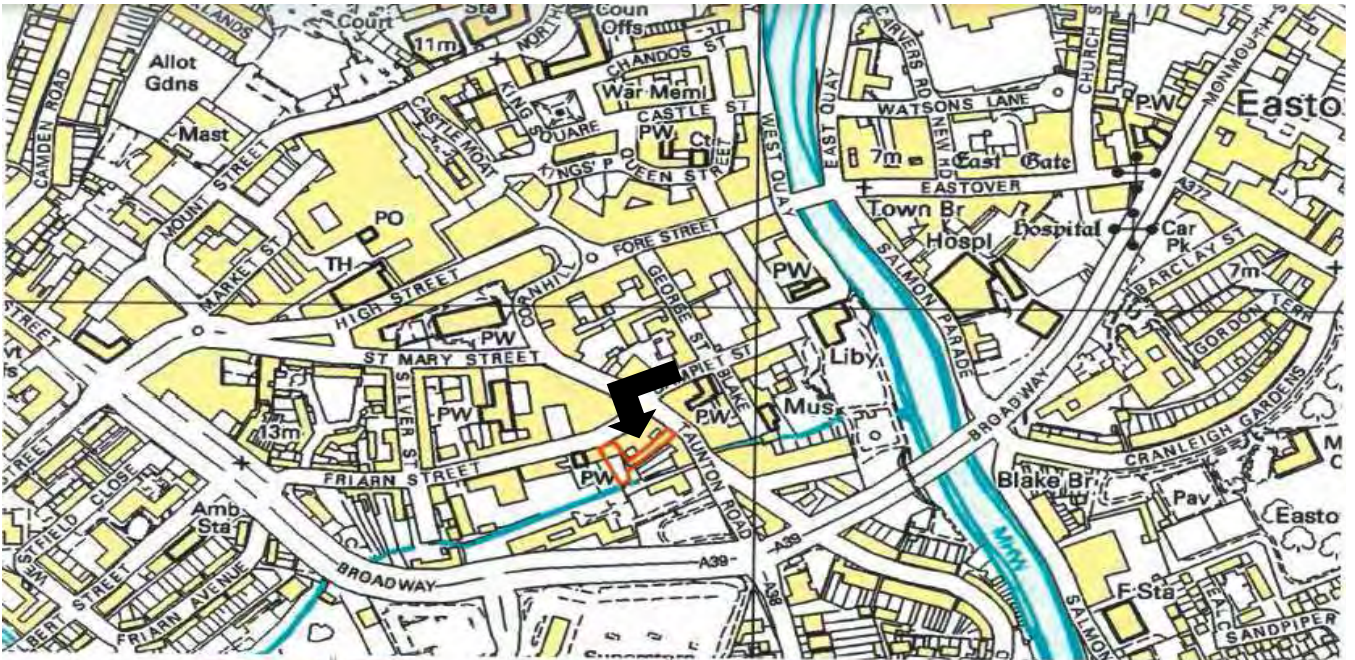
West Somerset Council, West Somerset House, Killick Way, Williton, TA4 4QA

Email: [HinkleyCIMFund@westsomerset.gov.uk](mailto:HinkleyCIMFund@westsomerset.gov.uk)

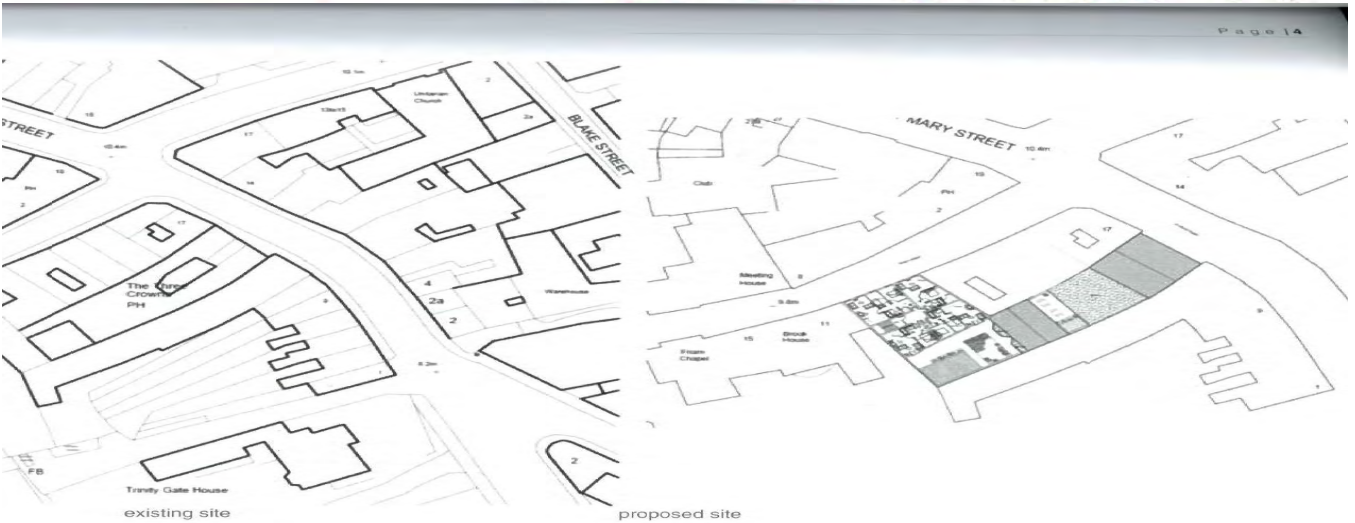
Tel: 01643 703 704

**Location Map: The Three Crowns, Bridgwater Town Centre Context**





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#### Supplementary Information as requested by P.O.B

<b>Subject:</b>	EDFe Housing Fund investment support to deliver 14 new build residential units at the former Three Crowns public house in Bridgwater.
<b>Supplemental Date:</b>	16-10-2014
<b>POB Date:</b>	07-10-2014
<b>Nos of New Homes</b>	14
<b>Project Name:</b>	<b>002 (The Three Crowns, Bridgwater)</b>
<b>Development Partner</b>	Abracore Limited, 72 Fielding Road, Chiswick, London, W4 1DB
<b>Officer Contact:</b>	Duncan Harvey (Affordable Housing Policy & Development Manager) at Sedgemoor District Council.
<b>Project Background</b>	This is an enabling new build investment bid to bring forward a stalled housing development in the heart of central Bridgwater. The former Three Crowns Public House had laid empty, boarded up and derelict



for many years. The site sits close to Bridgwater Town Centre, located in an area of mixed land usage.

The public house closed proving no longer economically viable. The site has sadly fallen into disrepair, but if built, will see 14 new apartments along with a modern public house/restaurant. In terms of residential development, the project would see 14 apartments provided on a private rented basis (equating to 33 bed spaces).

### Site Location



### Overview

The site is located in area with many different land uses that include retail, residential and light industrial.

In terms of its planning status, the site is well related to the town centre and considered a highly sustainable location (close to shops and easy walking distance to town centre and sustainable transport options including bus links, including the proposed Hinkley C construction worker bus routes). This project has full planning permission (08-12-00180).

This is a £1,263,390 development project requiring an investment of £183,390 to come forward. **Without gap funding investment, this project will not come forward as a market driven initiative.**

The site is in private ownership, with a willing end user.

The proposal would see all 14 units being provided on a private rented basis, managed by an experienced property management company with over 250 town centre properties under management. The company will commit to being an accredited landlord with Sedgemoor District Council. The Council will have formal nomination rights in terms of vacancies.

There is no market provider interest in bringing this site forward at this time. Investigations confirm that prevailing market conditions associated with current



build costs, linked to the relative low house prices make this an unattractive market driven proposition just now. Put simply, there is insufficient revenue from the sale of the homes to cover the cost of building the housing units. Nevertheless, the location and nature of the housing proposed is an attractive proposition in terms of providing a supply of smaller homes capable of accommodating single people or smaller households both now and when Hinkley C workers arrive.

This funding bid will allow this project to be built despite the market conditions, and provide an invaluable source of rented homes during (and beyond) the construction of Hinkley C.

### Finance and Viability

This is a £1,263,390 development project requiring an investment of £183,390 to come forward. **Without gap funding investment, this project will not come forward as market driven initiative.**

The figures below make no allowance for a typical developer profit, which at 20% GDV would equate to an £216,000 additional cost.

Construction costs have been benchmarked against local and national comparables.

Sales figures market tested against current development sales in the area and with input from local experts.

<b>Total Gross Development Value</b>					£	1,080,000.
Required Profit Margin, % of GDV		0%			£	.
<b>Total Investment Value</b>		100%			£	1,080,000.
<b>Sales Fees</b>						
Lettings Fees £250 per unit	£	250.00	14.00	£	4,900.00	
Furnishing Fees £1,500 per unit	£	1,500.00	14.00	£	21,000.00	
					£	25,800.00
<b>Total Build costs</b>					£	781,980.00
<b>Fees, % of Build</b>	Architect	2.00	£	22,459.80		
	Other fees	1.00	£	7,819.80		
	Engineer	1.75	£	13,684.30		
	M and E	1.75	£	13,684.30		
	CDM - NHBC	1.75	£	13,684.30		
	<b>Total</b>	<b>8.25</b>			£	72,322.10
<b>Section 106 Obligations</b>					£	12,725.00
<b>Finance Costs</b>						
Interest Charged by Bank on Land and Build from 6% rate p.a.		5.00	£	57,839.58		
Arrangement fee and facility fees 2% of maximum loan value		1.85	£	18,457.32		
					£	77,392.98
<b>Land Value</b>					£	250,000.00
<b>Planning and Fees to secure consent</b>					£	42,140.00
					£	1,282,460.
<b>Shortfall of Investment Value (Grant Required)</b>						<b>-£ 183,460.1</b>



<b>Costs</b>							
House Type	Cost	Sq. Ft.	Area	Sq. Ft.	Unit Cost	Unit Numbers	Total Costs
Build Costs - £925 per sq m (£35 per sq ft)	£	35,000	3,350		£ 713,950	-	£ 713,950
External works - Services £2,000 per unit	£				£ 2,000	14	£ 28,000
External works - Landscaping	£				£ 15,000	-	£ 15,000
External works - Demolition	£				£ 20,000	-	£ 20,000
<b>Total Build Costs</b>							<b>£ 781,950</b>
Professional Fees - 10%							£ 78,195
<b>Build Cost</b>	£	114.57	6,825			17	781,950
<b>Build Cost and Fees</b>	£	125.17	6,825			17	854,291
<b>Sales</b>							
	Rate per Sq. Ft.	Area	Sq. Ft.	Unit Value	Unit Numbers	Total Sales Area	Capital Value
<b>Open Market Sales</b>							
2 Beds 4 person (small living area) duplex no car for extra 2.0	£	157	375	£ 30,000	-	375	£ 30,000
1 bed duplex	£	175	450	£ 30,000	-	450	£ 30,000
2 beds, 3 person flat	£	145	535	£ 35,000	4	2,140	£ 140,000
1 beds flat	£	175	440	£ 15,000	5	2,200	£ 37,500
Studio flat	£	155	420	£ 25,000	3	1,260	£ 75,000
	£	158.24	6,825		14	6,825	£ 1,080,000
Letting Period Months							
First Let at End of Month							
Construction Start at month							
Construction Period Months							
<b>The Land Value/Cost is comprised of a pro-rata area calculation of :-</b>							
£235,000 for the estimated historic value plus interest etc of the 3 Crown's site							
£250,000 for option exercise price of 7 Friarn St							
<b>Total of Land Price used</b>							<b>£ 250,000</b>

### Impact

- The project will provide high quality well managed rented homes will be rented in the heart of Bridgwater directly responding to existing & anticipated future demand.
- Will increase the supply of private rented accommodation in advance of the period when demand for such accommodation will increase dramatically.
- Will increase the supply of affordable-housing for a category of household which presents the greatest level of unmet need.
- Contribute to Sedgemoor's 5 year housing land supply programme.
- Development investment and construction will inject economic benefits into the local economy associated with development investment.
- Provide training and employment opportunities associated with construction activity.



- Remove the risk of the site becoming mothballed, sitting empty with the multitude of negative issues associated with derelict land.

The project has the necessary development finance to come forward, with a committed end user in place to start construction as soon as possible.

## Tenure & Management

**Tenure:** sB1 of the bid form confirms that this proposal will deliver 14 residential units on a private rented basis (zero affordable units). The units will be let at a full market rent through an experienced property management company with over town centre 250 properties under management. This project is designed to increase the supply of rental units in the heart of Bridgwater. The Council is experiencing a particularly high level of demand for this particular type of housing (see sC1 within the expression of interest form).

**Nomination Agreement:** The Council will enter into a formal nomination agreement with Abracore to secure nomination rights for 100% of initial and future subsequent vacancies which will arise. The nomination agreement is intended to be in place for a minimum of ten years, effectively aligning with the anticipated period of greatest housing pressure during the Hinkley C construction phase.

## Draft Nomination Agreement

Whilst the nomination agreement is currently in draft and is likely to be subject to minor amendment, the following set of words will form the broad basis of the contractual nomination agreement between the parties.

### INTRODUCTION

The Landlord is registered with absolute title under title number ST [ ] 35034 to the Property. [If legal charge] [Subject to a registered charge dated [ ] in favour of [ ] (Co. Regn. No. ) of [ ] who have by the written consent appended to this Agreement consented to the Owners entering into this Agreement in the form of consent contained in the Appendix to this Agreement

The Council is a local planning authority for the area in which the Redeveloped Premises and the Property are located and a local housing authority for the purposes of the Housing Act 1985.

The Landlord has by written application no. xxxxxxxx applied to the Council to redevelop the Redevelopment Premises into fourteen residential flats which permission the Council is prepared to grant under the Section 106 Agreement subject to the Landlord entering into this Agreement to provide a property to be let at an Affordable Rent to persons nominated by the Council from its CBL System.

### AGREEMENT

Pursuant to the Section 106 Agreement the Landlord has agreed that the property shall be provided by the Landlord to be let as affordable housing at an Affordable Rent to Qualifying will be the Property.

The Nomination Rights shall be exercisable by the Council in accordance with the Procedure for the duration of the Nomination Period.

No liability shall devolve on the Council to reimburse the Landlord for any loss of rent or service charge or for any legal or other costs or fees or any other expense incurred by the Landlord arising from or in any way connected with the exercise of the Nomination Rights.



The Landlord (or designated managing agent) will manage the Property so and to ensure that it is maintained to a high repair standard acceptable to the Council. For the avoidance of doubt the Landlord's maintenance obligations shall include a requirement to annually maintain any oil or gas boiler and to provide a copy of the certificate of annual inspection and maintenance to the Tenant of the Property and on demand by the Council. Take all reasonable steps to ensure the property will not fall below the current minimum legal standards for habitation. That is in a reasonable state of repair, has adequate fire safety and amenities and meets basic standards of management. Where the property falls below the minimum legal standards, the Landlord will prepare an improvement plan which will specify how, and within what period, improvement will take place.

The Landlord shall admit the Council's representative to the Property on reasonable notice which shall not be less than forty-eight hours to examine the state and condition of the Property and the Landlord will carry out any necessary remedial works thereto of which notice in writing shall be given by the Council within ten Working Days (or such other time period as shall first be agreed between the Council and the Landlord) provided that in the case of default by the Landlord the Council may carry out the works described by the notice and the reasonable costs of the same shall be repayable by the Landlord to the Council upon demand

The Landlord shall at all times comply with the provisions of the Housing Acts and legislation that governs and informs the relationship of landlord and tenant and:

- will always act in a fair, honest and reasonable way in all dealings with tenants and will respect their rights to peaceful and quiet enjoyment of the Property;
- shall not cause harassment to the tenant or perform or procure illegal eviction;
- before proceedings for eviction are commenced the landlord shall notify the tenant and the Council in writing of any breach of the tenancy agreement that is to be used as a basis for legal proceedings against the tenant; and
- the Landlord will not refuse a tenant a reference for the purposes of securing a new tenancy of alternative accommodation without good cause

The Qualifying Person(s) will be offered an Assured Shorthold Tenancy for a minimum initial fix term of six months and:

- the Landlord will upon completion of a tenant agreement immediately provide a copy to the tenant together with a current inventory, a contact telephone number or other means of contacting the Landlord or any managing agent in an emergency and full details of what conditions are attached to the deposit or bond;
- the rent level for the Property must be agreed with the Council;
- the Landlord shall (except in an emergency) give the tenant reasonable notice of at least forty-eight hours of any request of access to the Property together with reasons for exercise such right of access
- the Landlord will promptly acknowledge all written communications received from the tenant and will respond appropriately to telephone or other verbal messages and will, when reasonably requested, provide the tenant with a written statement of their tenancy account

In the event that a dispute or difference shall arise between the parties to this



Agreement as to any matter or thing of whatsoever nature arising hereunder or in connection herewith including sums of money and the construction of this Agreement then such dispute or difference shall be resolved as follows:

any dispute in respect of the interpretation of this Agreement or the wording of any document required to be entered into between the parties under the provisions of this Agreement shall be referred to for determination by a solicitor (of not less than ten years standing) experienced in the relevant matter to be agreed between the parties or in default nominated on the application of any party by the President (or other available officer able to make such appointment) of the Law Society;

any dispute as to the Procedure shall in the first instance be referred to [ specify ]Managing Director of the Landlord and [ specify ]the Council's Housing Options Manager or such other officer of the Council as shall be nominated of the Council or their nominees who shall meet and attempt to resolve the dispute within ten Working Days upon the date of such referral PROVIDED THAT if such dispute cannot be resolved as provide for at first instance then the dispute shall be referred to the determination of a person chosen by the Chief Executive for the time being (or his duly appointed deputy) of the Chartered Institute of Housing and such person so chosen shall act as an expert and not as an arbitrator but shall consider written representation made to him/her by the parties and the costs of such person shall be borne as s(he) may determine

The Landlord shall insure the Property at its full replacement value and maintain such insurance throughout the Nomination Period and shall provide details of the insurance policy to the Council upon demand

Both parties agree with each other that in carrying out the terms of this Agreement they will have regard to the fair and equal treatment of all persons regardless of race, colour, creed, sexual orientation, age or disability and will ensure that each is fully aware of their obligations under the Sex Discriminations Act 1975, the Race Relations Act 1976, the Commission for Racial Equality Code of Practice for Rented Housing and the Disability Discrimination Act 202

#### COUNCIL AS A LOCAL AUTHORITY

Nothing contained or implied in this Agreement shall prejudice or affect the Council's rights, powers, duties and obligations in the exercise of its functions as a local authority and the same may be as fully and effectually exercised in relation to the Property as if this Agreement had not been executed by it

#### NOTICES

Any written communication or notice required by this Agreement to be sent to the Council shall be deemed to have been received if addressed to the Council's Housing Options Manager or such other officer of the Council as shall be nominated Policy and Development Manager (Strategy and Development) and sent to him/her by postal recorded delivery service and any written communication required to be sent to the Landlord shall be addressed to [ specify ]the Managing Director and shall be deemed to have been received by it if addressed to the address of the Landlord set out above in this Agreement or such other address as the Landlord notified in writing and sent by postal recorded delivery service

#### THIRD PARTIES

It is not intended that any third party shall have a right to enforce the terms of this





Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 even if the clauses contained in this Agreement are expressed to be for their benefit and nor shall any such third party have any right to be consulted nor of veto nor otherwise in respect of any future variation of this Agreement

#### CONTINUING OBLIGATIONS

The Landlord must not dispose of the Property without ensuring that the transferee or lessee first enters into a deed of covenant with the Council containing the same obligations and provisions as there are in this Agreement including this clause

Forthwith after the date of this Agreement the Landlord shall apply to the Land Registry by submitting a completed RX1 or other appropriate Land Registry form to register a restriction in the form set out in clause 7.3 below against the title to the Property provided that the Council shall ensure that any requisitions raised by H M Land Registry in connection with that application which the Landlord notifies to the Council are dealt with promptly and properly. The form of restriction shall be:

No disposition of the registered estate other than a charge by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without the written consent of the Council

At the expiry of the Nomination period the Council shall provide to the Landlord a completed and signed form RX4 or other appropriate Land Registry form to remove the restriction referred to above and shall use reasonable endeavours to assist the Landlord in removing the restriction from the title to the Property.

#### FULL AGREEMENT

This Agreement contains all the terms expressly agreed between the parties in respect of the exercise of the Nomination Rights and shall only be varied in writing and signed by both parties or on their behalf provided that this Agreement may be varied by the Council where such variation is required by statute, order, byelaw or statutory instrument which has the effect of varying or removing from the Council its statutory responsibilities

IN WITNESS whereof this Agreement has been executed as a Deed in the manner hereinafter appearing and delivered the day and year first before written

#### THE SCHEDULE (the Procedure)

Nomination Agreement: Introduction and Objectives:

The Council is committed to ensuring that the allocation of housing in Sedgemoor District ('the District') is to people in housing need and to ensuring equality of opportunity irrespective of sex, age, marital status, race, ethnic origin, creed, disability, or religion.

The Council aims to create balanced communities by making the best use of all the housing stock in the District having regard to the needs of the community. The Council is to administer the CBL Housing Register ("The Housing Register") which will incorporate any appropriate statutory requirements from which nominations will be sought.

Purpose of this Agreement:

The purpose of this Agreement is to establish procedures that will enable the Council to nominate people in housing need for units at xxxxxxxxxxxxxx,





Bridgwater ("Property"). This agreement aims to:

Ensure that 'The Landlord' supports the Council in meeting its responsibilities towards the homeless;

Ensure effective liaison & free-flow of information between the Landlord and the Council;

Ensure that the property is let without unreasonable delay;

To allocate sensitively to seek to achieve balanced communities; Identify appropriate support needs for vulnerable people to ensure suitable and appropriate lettings take place.

Term of the Agreement

Length of Agreement - this Agreement shall subsist for a period of TEN (10) years in accordance with definition ("Nomination Period").

Obligations of the Council

The Council shall maintain the CBL Housing Register ("The Housing Register")

Maintain all relevant details of Qualifying Persons applying for housing in the District and similar details in respect of any persons requiring to be on the Housing Register and shall regularly review and verify of the information held therein

Disclose all relevant information to the Landlord to enable it to fulfil its obligations hereunder

Maintain in the Housing Register as a minimum the following information:-

- (i) The name of the Qualifying Person;
- (ii) The name of the person who normally resides with the Qualifying Person as a member of his or her family, or might reasonably be expected to reside with him or her;
- (iii) The address of the Qualifying Person;
- (iv) Information which may be prescribed by the Council from time to time that will assist in determining the priority to be given to the Qualifying Person in accordance with the allocation policy;
- (v) Will make nominations as hereinafter referred to 'The Landlord';
- (vi) Will treat, save and keep all information which may come into its possession concerning any applicant or Qualifying Person confidentially in accordance with the Data Protection Act 1998

Nomination Procedure

Within twenty Working Days of this Agreement the Landlord will serve upon the Council notice that the Property is available for occupation and requesting nominations from the Council ('the Nominations Request')

On receipt of the Nominations Request from the Landlord the Council will provide details of a maximum of six suitable Qualifying Person(s) within five Working Days ('the Nominee List'). The Council will indicate a preferred nominee. Nominations will reflect the size and suitability of the Property

Within five Working Days of receipt of the Nominee List the Landlord or appointed



representative (such representative to have been notified to the Council prior to the Council's receipt of the Nominations Request) shall arrange to meet the nominees at the Property to assess their suitability

The Nominee List shall include the following information of a prospective tenant:

- (a) current address of the nominee and description of current accommodation and;
- (b) details of the number of people in the nominee's household including the age and sex of any independent children living with the nominee

If the Landlord accepts a nominee it will notify the Council within five Working Days and the occupation by the accepted nominees will commence within five Working Days or such alternative commencement date as shall be agreed between the parties

The Landlord may refuse a Nominee only on one or more of the following grounds:

- (a) acceptance of the nominee is reasonably believed to be likely to be detrimental to sustaining the existing community;
- (b) the nominee will require support to maintain the tenancy which is not available;
- (c) the nominee's circumstances have changed affecting their housing need and will advise the Council of these changes

If the Landlord refuses a nomination on the basis that in its reasonable opinion the nominees are unsuitable the Landlord will provide the Council with written reasons within five Working Days of the arranged meeting referred to in 3 above and if such refusal is accepted by the Council the Council will provide further nominations in accordance with the procedure above

Whenever the Property becomes vacant (whether by eviction proceedings or through usual termination of any previous tenancy agreement) the Landlord shall notify the Council in writing within five Working Days of the vacancy coming to the notice of the Landlord

In the event of the Council failing to make a nomination the landlord will be released from finding a tenant under the terms of this Agreement.

#### **Project Delivery Timescales**

In terms of deliverability, this project is assessed as having a high degree of certainty (assuming gap funding is provided) It is anticipated that the units will be available for occupation with 15-months of construction starting (subject to funding commitment)

Start of construction (see sB8 of the original bid): 01/04/2015

Properties ready for occupation (see sB8 of the original bid): 31/07/2016



APPENDIX F: RISK LOG

POB Bids Risk Log Updated October 2014 Version 1												
1. Risk Ref No: 2. Senior Risk Owner: 3. Next risk review date: 4. Status: (open/closed/withdrawn)	Description of Risk	Control measures already in place	Current Risk Score			Additional mitigating actions/control measures planned to achieve target score	Target Risk score			Additional Control measure owner(s)	Target Date	commentary following review, inc. date
			L	I	Combined score		L	I	Combined score			
1. POB1a 2. Dave Baxter 3. 22 January 2015 4. Open	<b>Landlord &amp; Tenant Services: Somerset Homelet:</b> Localpad folds and fails to deliver service. Website fails to function along with ability to reserve lettings. POB and partner agencies starts to question the value of Somerset Homelet and other initiatives aligned with it.	Ensure information on website is backed up and secure. Working agreements will need to be in place with all other relevant agencies for aligned initiatives. SWeLT focus on prevention and crisis management.	3	4	12	Ensure effective partnership working with Localpad and that pressure areas are identified and addressed where possible by the Board. Back up with effective terms and conditions on information ownership, so that the website effectively becomes the property of the SWeLT Board. Identify where the actions of one initiative could adversely affect the actions of another.	3	3	9	Tracy Vernon	Nov-14	
1. POB1b 2. Jerry Milton 3. 01 April 2015 4. Open	<b>Landlord &amp; Tenant Services: Flexible Rent Support:</b> Other initiatives fail to reduce pressures on the PRS and demand increases beyond the capacity of this initiative. Housing Options will start to question the value of other initiatives as the need for intervention, such as RIA, increases.	Ensure increased capacity for Flexible Rent Support. Housing Options staff have a good understanding of other, interlinked, initiatives within the Landlord & Tenant Services.	2	4	8	Ensure Landlord & Tenant Services initiatives across the 2 districts are equitable and work closely with the Housing Options team.	2	3	6	Kirsty Coles / Hannah Bryant	Mar-15	
1. POB1c 2. Chris Trevelyan 3. 01 April 2015 4. Open	<b>Landlord and Tenant Services: Minor Improvements Fund:</b> Landlord / potential landlord disengagement with the initiative would leave gaps in bedroom provision and a lack of accommodation for people looking for furnished accommodation in particular. Lack of a positive relationship with the Rent-a-Room scheme could lead to further setbacks.	PRS continued engagement with landlords on the advantages available. Create cleanliness through pertinent documentation.	3	4	12	Continuation of positive and constructive relationships with PRS landlords. Develop a business case for prospective landlords that identifies potential of room lettings. Work collaboratively with landlords and across schemes to address perceived difficulties for homeowners in letting accommodation.	2	3	6	Tracy Vernon / Anjie Devine	Apr-15	
1. POB1d 2. Chris Trevelyan 3. 01 April 2015 4. Open	<b>Landlord &amp; Tenant Services: ETK grant and access to WHIL</b> ions of up to £15K @ 4% Landlords / potential landlords disengagement from Landlord Accreditation process may compromise the standards of private rented accommodation and leave gaps in provision.	Ensure a clear and transparent dialog with PRS landlords.	3	4	12	Need to ensure risk is managed and reported throughout the monitoring process. Look at where funding has been taken up in the past and use this information when considering future use of funds.	2	3	6	Vanessa Flook / Kirsty Coles	Apr-15	
1. POB1e 2. Chris Trevelyan 3. 01 May 2015 4. Open	<b>Landlord &amp; Tenant Services: Rent-a-Room Scheme:</b> The risk is that no account taken of availability of funding or grant amount is insufficient. Good practice is lost and the offer is changed to the detriment of provision of single furnished rooms. Possible disengagement from EDFe.	Ensure potential owners of empty rooms are identified and targeted with information. The project has positive support from EDFe.	3	4	12	EDFe attendance at SWeLT Board meetings and ensure failure to take up grant funding is highlighted. Control measure cited in POB1d could also help.	2	3	6	Tracy Vernon / Anjie Devine	Mar-15	
1. POB1f 2. Chris Trevelyan 3. 01 April 2015 4. Resolved	<b>Landlord &amp; Tenant Services: Sustainable Management Service:</b> Capacity of service is exceeded by demand. Different service offer depending upon where the accommodation is. Service dependent on the local knowledge / skill set and geographical location of the provider.	Management service offered through T&H and Chapter 1 HA to cover all areas of both districts. Extra resilience provided by spreading workload across more than one Provider.	4	4	16	Close engagement and monitoring of performance of both managing agents.	2	3	6	Tracy Vernon / Vanessa Flook	Apr-15	
1. POB1g 2. Dave Baxter 3. 01 April 2015 4. Open	<b>Landlord &amp; Tenant Services: Landlord Accreditation-Landlord Training</b> That D&S Fire Services will fail to engage.	Need to ensure that the L&T service work is acknowledged within Fire Services' Work Plan. Engage and communicate with the Fire Service	2	3	6	Regular meetings with the Fire Service.	2	2	4	Chris Trevelyan	Jun-15	
1. POB1h 2. Dave Baxter 3. 01 April 2015 4. Open	<b>Landlord &amp; Tenant Services: Furniture Package:</b> Reduction in the financial stability of Bridgwater Credit Union. Leading to inability to deliver loan guarantee scheme.	Regular meetings with Credit Union on progress. Engagement with funding partners (e.g. HS) to ensure that overall capacity in the CU is sufficient to cover the scheme as well as normal CU business	3	3	9	Constant engagement with CU to ensure robustness of service	2	3	6	Tracy Vernon	Mar-15	
1. POB1i 2. Jerry Milton 3. 01 March 2015 4. Open	<b>Landlord &amp; Tenant Services: Tenant Ready Scheme:</b> Managing transitional arrangements to extend Tenant Passport and Tenant Accreditation Schemes exceeds capacity of Somerset Coast YMCA. Insufficient resource to providers to manage the risk of extending current schemes leads to patchy delivery across the two districts	Ensure sufficient resources to effect delivery. Gradual role-out to limit any capacity issues. Ensure appropriate publicity to prospective tenants.	4	3	12	Close engagement with prospective tenants through working with YMCA and Bridgwater and West Somerset Community College. Closer engagement and monitoring through SWeLT Board.	3	3	9	Tracy Vernon / Anjie Devine	Apr-15	
1. POB2a 2. Dave Baxter 3. 01 April 2015 4. Open	<b>Empty Property Regeneration: Empty Homes Grant:</b> The limited availability of appropriate empty home schemes in Hinkley Priority Areas compromises ability to deliver bed spaces. Lack of available and appropriate accommodation for those most affected by influx of Hinkley workers. The scheme will have little impact in alleviating the problems/gaps if SC&R bid for National Empty Homes Funding fails.	Ensure close working with C. Tax to help identify empty / homes in priority areas. Ensure empty homes is included in general measures put in place to minimise the impact of Hinkley. Support SC&R bid for National Empty Homes Funding and lobby HCA.	4	4	16	Identify resources through street survey and identify potential empty homes schemes in Hinkley Priority areas. Identify one contact point for SC&R liaison for funding streams and building control and planning issues. Liaise with WHIL on alternative loan funds if required.	4	3	12	Chris Trevelyan	Apr-15	
1. POB2b 2. Dave Baxter 3. 01 April 2015 4. Open	<b>Empty Property Regeneration: Social Enterprise Scheme:</b> Current SWeLT Board Members have unfair advantage through engagement with them about the plans for the scheme - distribution not equitable across DWP / Probation / Skills Development clients. Lack of Co-ordination. The validity of the work will be pulled into question	Identify coordinator - external to participating services - to identify equitable client split. Ensure dialogue with local contractors through SC&R. Engage with Hinkley Jobs Brokerage to increase chance of further employment at the end of the scheme.	4	3	12	Work with district employment, skills and development and employment and skills outreach to ensure good attention to scheme design and implementation	3	3	9	Tracy Vernon / Anjie Devine	Mar-15	
1. POB2c 2. Dave Baxter 3. 01 May 2015 4. Open	<b>Empty Property Regeneration: DIY-Empty Homes Loans:</b> Budgets assigned are not properly spent or accounted for	Track through established WHIL Consortium Activity and Capital Reporting Results. Advertise availability as part of funding offer through SC&R as appropriate	4	4	16	Actions as POB2a	3	3	9	Chris Trevelyan	Feb-15	
1. POB3a 2. Heather Croxford 3. 01 March 2015 4. Open	<b>Home Moves Plus:</b> Underoccupying tenants not interested in scheme. Unable to achieve the full pathway of services offered. Or, scheme is oversubscribed.	Utilise Magna West Somerset existing robust governance and management arrangements. Actively promote and facilitate the scheme	3	4	12	Keep schedule of incentive payments and eligibility for the scheme under constant review and alter target audience to keep demand and supply in balance	2	3	6	Anjie Devine	Feb-15	
1. POB4a 2. Phill Adams 3. 01 July 2015 4. Open	<b>Enabling Fund: Three Crowns Bridgwater:</b> Deliverability of the scheme is not realised. Developer contribution fails to materialise. Benefits of the scheme for those most affected by influx of Hinkley workers not realised.	Manage project delivery through a detailed funding agreement ensuring that the project is delivered in accordance with an agreed project plan. Manage units provided through an experienced property management company that commits to being an accredited landlord with the	3	3	9	Research and utilise robust housing needs data in order to reinforce the funding agreement with precise housing market influences	2	3	6	Duncan Haney	Apr-15	