



CABINET

14 September 2011

A Meeting of the CABINET will be held on Wednesday, 21st September, 2011, 6.00 pm in Committee Room 1 Marmion House, Lichfield Street, Tamworth

A G E N D A

NON CONFIDENTIAL

1 Apologies for Absence

2 Corporate Update

Title: Staffordshire Alcohol Misuse Project – Tamworth Pilot

Presenter: Karen Adderley

3 Minutes of the Previous Meeting (Pages 1 - 4)

4 Declarations of Interest

To receive any declarations of Members' interests (personal and/or personal and prejudicial) in any matters which are to be considered at this meeting.

When Members are declaring a personal interest or personal and prejudicial interest in respect of which they have dispensation, they should specify the nature of such interest. Members should leave the room if they have a personal and prejudicial interest in respect of which they do not have a dispensation.

5 Matters Referred to the Cabinet in accordance with the Overview and Scrutiny Procedure Rules

None

6 Budget and Medium Term Financial Planning Process (Pages 5 - 16)

(Report of the Leader of the Council)

- 7 Quarter 1 2010/11 Performance Report** (Pages 17 - 56)
(The Report of The Leader of the Council)
- 8 Charges for Legal Work** (Pages 57 - 62)
(The Report of the Portfolio Holder for Corporate Services and Assets)
- 9 Local Authority Mortgage Rate for Mortgages granted Under Housing Act, 1985** (Pages 63 - 66)
(The Report of the Portfolio Holder for Corporate Services and Assets)
- 10 Disposal of Council Owned Garage Sites for the Development of Affordable Housing** (Pages 67 - 76)
(Report of the Portfolio Holder for the Quality of Life and the Portfolio Holder for Corporate Services and Assets)
- 11 Landlord Services Co-regulation and requirement for the Tenants Services Authority** (Pages 77 - 120)
(Report of the Portfolio Holder for the Quality of Life)
- 12 Housing & Health Strategy** (Pages 121 - 186)
(Report of the Portfolio Holder for Quality of Life)
- 13 Council Housing Finance Reform** (Pages 187 - 254)
(Report of the Portfolio Holder for the Quality of Life)
- 14 Revised Financial Assistance Policy and Empty Homes Policy** (Pages 255 - 314)
(Report of the Portfolio Holder for Quality of Life)
- 15 Tamworth and Lichfield Economic Strategy** (Pages 315 - 338)
(Report of the Portfolio Holder for Economic Development and Enterprise)

Yours faithfully



Chief Executive

People who have a disability and who would like to attend the meeting should contact Democratic Services on 01827 709264 or e-mail committees@tamworth.gov.uk preferably 24 hours prior to the meeting. We can then endeavour to ensure that any particular requirements you may have are catered for.

To Councillors



MINUTES OF A MEETING OF THE CABINET HELD ON 31st AUGUST 2011

PRESENT: Councillor D Cook (Chair), Councillors R Pritchard, S Claymore, M Oates and J Garner

The following officers were present: Anthony E Goodwin (Chief Executive), John Wheatley (Deputy Chief Executive and Corporate Director (Resources)), Anica Goodwin (Assistant Chief Executive), Rob Barnes (Deputy Director (Housing and Health)), Robert Mitchell (Deputy Director (Community, Partnerships and Development)), Matthew Bowers (Head of Strategic Planning and Development), Michael Buckland (Head of Revenues), Jane Eason (Senior PR Officer), Stephanie Ivey (Children and Young Person Officer) and Jon Lord (Development Plan Manager)

40 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor B Beale

41 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 20 July were approved and signed as a correct record.

(Moved by Councillor J Garner and Seconded by Councillor R Pritchard)

42 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

43 ANNUAL REVIEW 2010/11

The report of The Leader of the Council informing Cabinet of the contents of the Annual Review before publication was considered.

RESOLVED: That Cabinet approves the Annual Review such that it can be published without delay.

(Moved by Councillor D Cook and seconded by Councillor M Oates)

44 SAFEGUARDING CHILDREN AND VULNERABLE ADULTS

The Report of the Portfolio Holder for Quality of Life seeking to secure Members' approval to adopt the revised Children and Vulnerable Adult Protection Policy (CVAPP) was considered.

RESOLVED: That:

- 1 The draft Safeguarding Children and Vulnerable Adults Protection Policy be approved, and;
- 2 The implementation of the policy and promotion of attendance at the Safeguarding Children and Vulnerable Adults Protection training associated with this policy be endorsed.

(Moved by Councillor M Oates and seconded by Councillor J Garner)

45 INCREASE IN DISABLED FACILITIES GRANT BUDGET TO REFLECT CONTRIBUTIONS

The Report of the Portfolio Holder for Quality of Life seeking Member approval to increase the Disabled Facility Grant budget to reflect contributions received was considered.

RESOLVED: That an increase in the Disabled Facilities Grant element of the Capital Programme budget by £69,000 to reflect the contribution of £50,000 received from the Primary Care Trust and £19,000 additional grant allocation from Communities and Local Government be approved.

(Moved by Councillor M Oates and seconded by Councillor J Garner)

46 TAMWORTH CORE STRATEGY: PROPOSED HOUSING POLICY CONSULTATION RESPONSES

The Report of the Portfolio Holder for Economic Development and Enterprise seeking Member's consideration to the responses to the consultation on the Core Strategy Housing Policies carried out between February-April 2011 and the next stage in the process to deliver a sound Core Strategy was considered.

RESOLVED: That responses to the Core Strategy Housing Policy Consultation be endorsed and, the suggested Borough Council responses outlined in Appendix A of the report, along with the accompanying Sustainability Report as set out in Appendix B be approved.

(Moved by Councillor S Claymore and seconded by Councillor J Garner)

47 INFRASTRUCTURE DELIVERY PLAN

The Report of the Portfolio Holder for Economic Development and Enterprise updating Members on the development of the Infrastructure Delivery Plan and seeking approval from Members to start work on the evidence base and option appraisal for the Community Infrastructure Levy (CIL) was considered.

RESOLVED: That:

- 1 The progress made to date on the Infrastructure Delivery Plan be endorsed, and;
- 2 The progression of an evidence base and option appraisal for the Community Infrastructure Levy be approved.

(Moved by Councillor S Claymore and seconded by Councillor M Oates)

48 WRITE OFFS 01/04/2011 - 30/06/2011

The Report of the Portfolio Holder for Corporate Services and Assets providing members with details of write offs from 1 April 2011 to 30 June 2011 was considered.

RESOLVED: That Members endorse the amount of debt written off.

(Moved by Councillor R Pritchard and seconded by Councillor J Garner)

Leader

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DATE OF COMMITTEE

21st September 2011

REPORT OF THE LEADER OF THE COUNCIL

TITLE OF REPORT

BUDGET AND MEDIUM TERM FINANCIAL PLANNING PROCESS

EXEMPT INFORMATION

None

PURPOSE

To seek agreement to the proposed budget and medium term financial planning process for General Fund and the Housing Revenue Account for 2012/13.

RECOMMENDATIONS

That the proposed process for the General Fund and Housing Revenue Account Budget and Medium Term Financial Planning Process for 2012/13 be adopted.

EXECUTIVE SUMMARY

In light of the national economic situation and the significant constraints in public spending following the 2010 Comprehensive Spending Review (CSR) in these times of Government austerity, a measured approach to budget setting will be necessary, constrained by the pace of further grant funding reductions - as any growth proposals would require compensating reductions in other budget areas & services. A commitment was made as part of the 2011/12 budget process to protect front line services (as far as possible) together with locality working (with ongoing support for the most vulnerable and those affected by the recession).

The Council has sufficient funds held in reserves and balances which will allow it to plan its approach to budget setting in the short term following the voluntary redundancy programme and series of ongoing short-term and long-term activity reviews identified to help the Council cope with grant & income reductions in the coming years.

The attached Project Plan at **Appendix A** lists the stages, deadlines and the responsible officers for the production of the budget and medium term financial plan. **Appendix B** contains an outline of the process whilst **Appendix C** shows the flow of key stages over the process period.

Members are asked to endorse the process to be followed.

RESOURCE IMPLICATIONS

There are no financial or resource implications arising from the implementation of the Budget and Medium Term Planning Process.

LEGAL/RISK IMPLICATIONS BACKGROUND

It is considered that a Medium Risk to the achievement of the planned timetable exists due to the potential for a delay in the:

1. provision of information and advice from managers;
2. publication of Revenue Support Grant (RSG) and Housing Revenue Account (HRA) Self-Financing Reform information.

SUSTAINABILITY IMPLICATIONS

None

CONCLUSIONS

Members are asked to endorse the process to be followed.

BACKGROUND INFORMATION

Budget and Medium Term Financial Planning Process

Budget Process Approach

In light of the national economic situation and the significant constraints in public spending following the 2010 Comprehensive Spending Review (CSR) in these times of Government austerity, a measured approach to budget setting will be necessary, constrained by the pace of further grant funding reductions - as any growth proposals would require compensating reductions in other budget areas & services. There are significant uncertainties over future grant levels which, for 2012/13 should be clarified when the provisional settlement is published in November - followed by final grant notifications expected in January.

A commitment was made as part of the 2011/12 budget process to protect front line services (as far as possible) together with locality working (with ongoing support for the most vulnerable and those affected by the recession).

The Council has sufficient funds held in reserves and balances which will allow it to plan its approach to budget setting in the short term following the voluntary redundancy programme and series of short-term and long-term activity reviews identified to help the Council cope with grant & income reductions in the coming years.

As part of the budget process Policy Changes are required in order to amend base budget provision. As grant and other income levels are reducing, where increased costs are unavoidable then managers should identify compensatory savings. Where savings are identified they must be accompanied by a robust implementation plan. Robust Business Case templates (as previously issued) will have to be submitted to Budget Review Group (BRG) for all Policy Change submissions (Revenue and Capital).

A more detailed summary of the process is attached at **Appendix A** with an outline of the process and flow chart of the process being shown at **Appendix B and C**.

Budget Consultation

For 2012/13 a range of consultation has been planned to gauge residents', business and other core stakeholders' views on the Council's priorities to achieve the 'Vision' considering areas of spending or where savings could potentially be made.

The consultation, detailed at **Appendix D**, will include;

- Local residents / Citizens Panel - Website questionnaire, Focus Group;
- Council Tenants - Focus Group;
- Business Community - Online Questionnaire/focus group;
- Voluntary and Community Sector - Focus Group;
- Youth Council/Schools & Young People - Focus Group;
- On-line 'Blog' - a more informal opportunity for residents to give more general views on what they think of the services Tamworth Borough Council provides and where they think improvements need to be made.

Timetable

Significant milestones in the process, detailed at **Appendix A**, are planned as:

- a) Consultation process - results to Cabinet 12th October 2011;
- b) 5-year forecast to BRG 10th November 2011;
- c) Provisional RSG settlement assessment to BRG December/January 2011;
- d) Base budget and technical adjustments to Cabinet 23rd November 2011;
- e) Cabinet proposals to a Joint Scrutiny Committee (Budget) / Leaders Workshop 8th December 2011;
- f) Final Budget and Medium Term Plan reports to Cabinet 22nd February 2012;
- g) Budgets set at Council 28th February 2012.

It should be noted that the complexity of some of the issues and the reliance on the Government for RSG data to report might mean that some reports have to be treated as urgent items and/or are considered at a later meeting.

REPORT AUTHOR

Phil Thomas 709239

LIST OF BACKGROUND PAPERS

None

APPENDICES

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Budget and Medium Term Financial Planning Process for the year 2012/13			
	Project Plan	Deadline	Responsible Officer/s
1	<p>Review of the 2011/12 process, formulation of 2012/13 process and report to BRG 15th September 2011, Cabinet 21st September 2011, including:</p> <ul style="list-style-type: none"> • Review of potential budget issues (BRG 11th August 2011); • The Budget Consultation process (BRG 11th August 2011). 	01/09/2011	DD CFER / Financial Accountant
2	<p>Policy Changes</p> <ul style="list-style-type: none"> • Circulation to Directors of provisionally approved policy changes for 2012/13 onwards - for confirmation or otherwise; • Any unavoidable cost increases arising from, for example, legislative or demand led changes (e.g. reduced income), be identified and included together with completion of 2010/11 outturn review; • Return of completed responses with Business Cases completed for new proposals, to Corporate Accountancy for collation 23rd September 2011; • Meeting of CMT to review all Revenue Policy Changes proposals on 10th October 2011; • Responses to be presented to BRG 10th November for initial consideration. 	26/08/2011	Financial Accountant
3	<p>Consideration of responses – including an analysis of the impact of such on the overall financial position of the Council at CMT 7th November, BRG 10th November and Cabinet 23rd November 2011, to formulate/consider budget proposals in detail prior to Joint Scrutiny Committee (Budget) / Workshop review 8th December 2011.</p>	23/09/2011	Deputy Director/Accountants
4	<p>Capital Programme</p> <ul style="list-style-type: none"> • Directors to review & confirm the provisionally approved capital schemes already contained within the 5 year capital programme (including a 'block allocation' for Cabinet approval of new schemes during the year); 	06/10/2011	DD CFER / Financial Accountant
		02/11/2011	Deputy Director/Accountants
		19/10/2011	Deputy Director/Accountants

	Project Plan	Deadline	Responsible Officer/s
	<ul style="list-style-type: none"> Formulation of new 5 year programme including appraisal forms etc to be submitted to the Asset Strategy Group (ASG) prior to submission to BRG; Capital Programme report to CMT 7th November, BRG 10th November 2011. 	26/10/2011	Deputy Director/Accountants
	Charges for Services – Updated recharges basis adjusted for any structural issues, proposals to be discussed at CMT 21 st November, base recharges to be completed by 30 th September 2011 to allow consultation period (to December 2011).	02/11/2011	Deputy Director/Accountants
5	State of Tamworth Debate, to inform the budget process.	30/09/2011	Deputy Director/Accountants
6	Budget Consultation – Cabinet receive 12 th October 2011, the results of the consultation process,	25/10/2011	CMT
7	Consideration of the adjusted base budget, at CMT 7 th November / BRG 10 th November / Cabinet 23 rd November 2011.	07/10/2011	Corporate Consultation Officer
8	A meeting of Cabinet on 1 st December 2010 to receive/confirm budget proposals for Joint Scrutiny Committee (Budget) / Workshop consideration.	31/10/2011	CDR/DD CFER/Accountants
9	Joint Scrutiny Committee (Budget) / Workshop 8 th December 2011.	18/11/2011	CDR/DD CFER
10	Council Tax Base – Adoption of the Council Tax Base Calculation for 2012/13 - to Cabinet 23 rd November 2011.	25/11/2011	Leader
11	Provisional HRA reform self financing settlement implications - to CMT on 5 th December / BRG 5 th January 2011.	09/11/2011	Head of Revenues
12	Initial Provisional RSG settlement implications - to CMT on 5 th December / BRG 5 th January 2011.	30/11/2011	DD H&H / DD CFER / Chief Accountant
13	Draft Final Budget Reports to BRG 5 th January 2012 / Cabinet 11 th January 2012 and Joint Scrutiny Committee (Budget) 24 th January 2012.	30/11/2011	DD CFER/Accountant
14	Implications of the final RSG & HRA reform self financing Settlement information to be considered/built into the budget proposals (as soon as available).	30/12/2011	CDR/DD CFER
15	Final Budget Report including base budget to CMT on 13 th February / BRG 16 th February / Cabinet 22 nd February 2012.	When available	CDR/DD CFER/Accountant
16	Final budget reports considered by Cabinet on 22 nd February 2012 who would recommend a budget to the Council meeting on 28 th February 2012.	08/02/2012	CDR/DD CFER
17		08/02/2012	CDR/DD CFER

The Budget and Medium Term Financial Planning Process

Reasons for Producing Budgets

Budgets are required to plan for forthcoming activities in meeting the objectives of the Council as a whole. Legally, the Council is required by legislation to set its budget (balanced funding/spend) and the associated Council Tax by 11th March each year.

The budget represents the Council's plans in financial terms and acts as a method of measuring performance against the achievement of these objectives. Variances from the budget are highlighted to Senior Management and Members on a monthly basis.

Budgets assist in bringing together views, opinions and decisions of all stakeholders such as Members, Local Residents, Focus Groups and the Business Community.

The Budget Process

The budgets for the next financial year are compiled in the 'budget process' that runs mainly from September to March each year (some preparatory work / forecasts are prepared from July).

Day to day responsibility for setting budgets and financial performance monitoring may be delegated to appropriate line managers/senior officers, as appropriate.

A brief summary of the stages involved in the budget process are as follows:

- **Review / Formulation of Budget Process**

Following a review of the previous year's process, the outline process to be followed is formulated / agreed by the Budget Review Group (BRG) and Cabinet.

- **Consideration of Policy Changes**

Planned changes to services (provisionally approved during the previous budget process) are issued for confirmation. Budget Managers are also required to consider any unavoidable increased costs (arising from, for example, legislative or demand led changes e.g. reduced income) and targets for budget savings. They will be aware of the objectives of the Council as a whole within the Corporate Plan and should therefore be looking to incorporate changes or additions into their future plans.

- **Capital Programme**

Managers are asked to review provisionally approved schemes (within the medium term capital programme) and submit new / revised capital appraisal forms for consideration, and prioritisation within available resources, by CMT, Deputy/Assistant Directors, the Asset Strategy Group and BRG.

- **Budget Consultation**

For 2012 a range of consultation has been planned to gauge residents', business and other core stakeholders' views on the Council's priorities to achieve the 'Vision' considering areas of spending or where savings could potentially be made.

The consultation will include;

- Local residents / Citizens Panel - Website questionnaire, Focus Group;
- Council Tenants - Focus Group;
- Business Community - Online Questionnaire/Focus Group;
- Voluntary and Community Sector - Focus Group;
- Youth Council/Schools & Young People - Focus Group;
- On-line 'Blog' - a more informal opportunity for residents to give more general views on what they think of the services Tamworth Borough Council provides and where they think improvements need to be made.

- **Formulation of Budget Forecast & Base Budgets**

Managers should consider their future activities and spending requirements before discussions with their Accountant.

Managers should identify any minor changes in expenditure or income or highlight other areas of concern with their Accountant prior to the finalisation of the base budget working papers. Regular review / monitoring during the year assist in this process.

It is important that managers assess budget figures carefully and do not merely increase the original budgets by the given inflation percentage. Managers should consider the previous year's level of expenditure when looking at budgets and decide if this is to be a normal level or an exception. A zero based budgeting approach to deliver service needs is required especially in a period of resource constraints.

In the main, the recalculation of the base budget involves changes that have already been approved or are outside the control of managers (e.g. inflation, pay award etc). Major alterations to budgets or proposals involving significant changes in service delivery need to be raised and submitted for approval through the policy changes process.

It should be borne in mind that financial guidance requires budget managers to be consulted (by the relevant accountant) in the preparation of the budgets for which they will be held responsible and that they are required to accept accountability for their budgets and the service to be delivered.

As part of the Governance process, there is a responsibility for Budget Managers to ensure that they are consulted and confirm that their budgets are accurate, complete and acceptable.

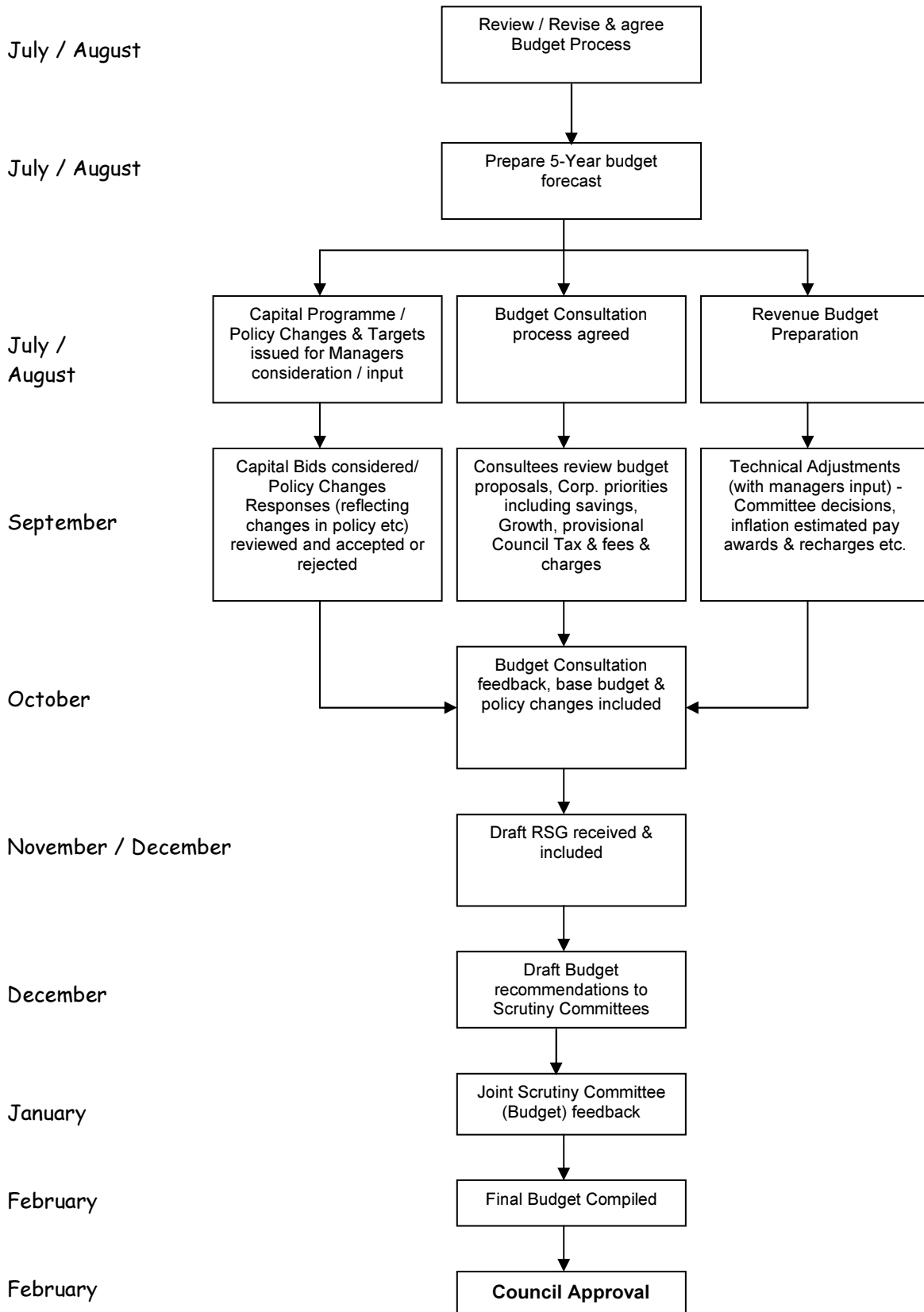
- **Compilation of Overall Budget figures**

Once all the budget working papers have been prepared, an overall net expenditure figure for the Council can be assessed in terms of affordability and whether funding for these levels of expenditure is available. It may be that Managers would be required to identify savings in their budgets, dependant on guidance from Senior Managers and Members.

- **Final Budget Approved by the Council in February**

The final budgets are approved by Members at the Cabinet meeting, usually in February. No further amendments can be made after this point. The full Council approves the budget at its meeting in February.

The Budget & Medium Term Financial Planning Process



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Tamworth Borough Council 2012/2013 Budget Consultation

Background

As part of a regular annual process Tamworth Borough Council reviews its Council Tax and Charges strategy for the development of the budget. This process ensures that funding is put into areas of highest priority. An important element of this process is to understand the views of residents, tenants, businesses, and local voluntary groups on what these priorities are.

Overview

Consultation on the key issues affecting the 2012/2013 budget consultation will be carried out through focus groups, a blog and an online survey. Focus groups will be held with residents, tenants, public and third sector, businesses and young people. Residents will be recruited through the citizen's panel, tenants will be recruited through the tenant participation database, businesses will be recruited through the think local database and young people will be recruited through schools.

There will be two online surveys. A survey that is tailored for businesses and a full survey aimed at residents. The online residents survey will be promoted using social networking/media sites and through email contact databases. The business survey will be promoted through business social networking sites and business email contact databases.

The two approaches (focus groups and surveys) will be consistent, following the same question set. The blog will be more informal where residents can give more general views on what they think of the services Tamworth Borough Council provides and where improvements need to be made.

Time Table

Planning	from 1 st July 2011
Blog	launched 1 st August 2011
Online survey (Residents)	launched 1st September 2011
Online survey (Businesses)	launched 1st September 2011
Focus groups	completed by 16th September
Surveys taken offline	16 th September 2011
Report	by 7 th October 2011

Objectives

- Identify important priorities to target for savings
- Advise on acceptable levels of fees, charges and council tax

Focus groups and will be run in-house by Charlotte Green with support from the Performance and Corporate relations team. A mix of internal and external venues will be used for the focus groups, as appropriate.

A small budget has been set a side within the Corporate Consultation budget to undertake this work.

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21st September 2011

REPORT OF THE LEADER

TITLE OF REPORT Quarter 1 2011/12 Performance Report

EXEMPT INFORMATION

Not applicable

PURPOSE

This report aims to provide Cabinet with a performance and financial health-check.

RECOMMENDATIONS

That Members;

1. Approve the virement of £100,000 in respect of the Asbestos Testing and Removal capital programme budget, to the four capital schemes detailed within the body of the report, to enable improved financial monitoring.
2. Give retrospective approval for the creation of the Temporary Reserve for 'Icelandic Impairment/Interest', as a result of changes to Icelandic Banking impairment valuations, in the sum of £473,726.26 as detailed within the body of the report.
3. Endorse the contents of the report.

Executive Summary

This report looks at

Part 1

1. Performance management framework,
2. Corporate consultations,
3. Corporate communications,
4. Corporate risks,
5. Corporate plan scorecard of performance indicators,
6. Directorate Updates.

Part 2

The financial health-check.

RESOURCE IMPLICATIONS

The financial implications are contained within recommendations 1 and 2 above

LEGAL/RISK IMPLICATIONS BACKGROUND

Not applicable

SUSTAINABILITY IMPLICATIONS

Not applicable

CONCLUSIONS**BACKGROUND INFORMATION**

See attached documents

REPORT AUTHOR

John Day

LIST OF BACKGROUND PAPERS**APPENDICES**

Quarter 1 2011/12 Performance Report

Part 1 Performance Health check

1 Performance Management Framework

Review of progress against the performance management framework show that the PDR process has now commenced with the Chief Executive undertaking those of CMT. Following this, the cascade down can begin. This has resulted in a delay in the creation of the training plan.

All other items are on track.

2. Corporate Consultation update

Citizens Panel

The panel now has 567 members. The Tamworth Listens Facebook page has 484 friends.

The next citizens panel questionnaire is due to go out in September.

Tamworth Listens

An informal drop in event was held in the town centre for the start of 'Cabinet on Tour'. The next event is 'Speed Date your Services' which is being held on Thursday 22nd September.

Place Survey

A new place survey has been built with additional questions. This is available on the website and will be promoted in various ways.

Link Survey

A survey looking at how people travel between the town centre and Ventura Park. 440 responses were received for this survey. Analysis is being undertaken.

Polling District and Polling Station review

A review of polling station venues within the Tamworth Constituency.

Upcoming Consultation

Budget consultation.

3. Corporate Communications update

During the period 68 press releases were issued, resulting in 406 pieces of coverage.

We also carried out live blogs, video and tweets from the elections, which resulted in more than 1,500 hits on the day of the elections and the following day. There was a live housing blog with the portfolio holder for Quality of Life and Housing staff.

The BBC filmed at Tamworth Castle in preparation for the Staffordshire Hoard exhibition at Tamworth. Videos were produced which included the St George's Day, Saxon re-enactors, supporting the BMX play track and the new TIC opening.

The Tamworth Borough Council website remains ranked second in Google searches for Tamworth, averaging around 18,000 unique users a month, which is an increase of around 1,000 a month on the previous quarter. Housing, Council Tax and jobs remain the most popular searches.

4. Corporate Risks

A thorough review of the corporate risk register is currently underway. A draft has been circulated to Corporate Management Team for comment and a working group has been set up to assess the risks. It is planned that the corporate risk register will be reported to the next Cabinet meeting with the performance report

5. Corporate Plan Scorecard of Performance Indicators

Further to Corporate Management Team on the 4th July and the Corporate Performance Officer's subsequent meetings, a scorecard of indicators has now been established to measure progress against the new strategic priorities.

This has been reviewed by the Corporate Management Team and is attached.

6. Directorate Updates

Assistant Chief Executives

Following an external review of the role of the Chief Executive, a number of options exploring how the role could be delivered were explored. Once the review was completed, Appointments and Staffing Committee made the decision to recruit internally to the vacancy. Subsequently, full Council appointed Tony Goodwin as its new Chief Executive in July.

Over 200 members of staff attended the AGM where the new vision and priorities for Tamworth were presented together with updates on corporate projects such as Transforming Tamworth, Agile Working, the Budget process and the implications of Big Society and the new Localism Bill. Feedback from the event will help shape future events.

Transforming Tamworth continues with a second group of officers receiving training in Systems Thinking. In addition, a number of officers have also had the opportunity to undertake an NVQ which will recognise and reward their learning and development throughout the programme.

The Support Services review is currently at the stage where all managers are reviewing how they deliver their services. It is anticipated that initial recommendations will be presented to the Budget Review Group in October.

Mod Gov, a web based system, has now been implemented by Democratic Services. This enables for the more efficient planning, compilation, circulation, sharing and authorisation of reports. Other features include receipt and publish to website of electronic petitions and the publishing of member's register of interests.

The local elections and referendum took place in May. The annual canvass has now commenced and work continues on this, culminating in the publication of the electoral register in December.

Tensor (a web based time recording system) went live with a 'self serv' option which allows staff to manage their own time recording and annual leave. This system has replaced the very outdated labour intensive clock card system and provides managers with more information to manage working time and attendance.

Housing and Health

Work has continued on the Housing and Health strategy and the Strategy will now be presented to Cabinet of 21st September. This strategy will direct housing activity across all tenures within the borough and with good housing being a contributory factor to good health will link to health outcomes. This development of the Strategy has attracted attention at a Regional and National level.

The Local Investment Plan has now been approved by Cabinet and work is underway with Registered Providers to implement the plan. This is a key document for informing the HCA about our investment needs around housing and affordable housing. The LIP will now need to become more focused on identified development sites in Tamworth following further guidance from the HCA.

The review of garages and garage sites continues. A number of sites have been identified as potentially suitable for re-development. A report will be submitted to Cabinet in September to consider the disposal of these sites to RP's for the purpose of developing affordable housing. Following this RP's will undertake further more detailed site suitability assessments prior to a final decision being made in respect of development of the sites.

Anti-social behaviour policies and procedures were developed with the aim to meet the respect standard and will ensure landlord services support the co-located team at the police station. The Landlord Services team are working closely with other agencies at the Community Safety Hub and have full involvement in joint briefings and joint operations to tackle anti social behaviour and reduce crime.

Work continues with relation to energy efficiency with the launch of the Heatseekers scheme. Additionally, the Council is working with new partners to further develop the HEAT scheme and its approach to affordable warmth.

The approach to Empty Properties in the private sector continues to be developed and refined in line with best practice. The Council has already met its target to bring 10 properties back into use during the current financial year. A new Empty Homes Policy and Financial Assistance package is being submitted to Cabinet in September.

The Tamworth Homelessness Prevention Programme is being further developed to incorporate health professionals and community groups in addition to local schools and youth clubs in order to encourage a genuinely preventative approach to homelessness.

Work continued on private sector housing standards involving licensing of houses in multiple occupation. The team have also been involved in high profile prosecutions.

The transfer of Homelink alarm services to WEL was completed. This has been very successful with all customers transferring seamlessly to the new provider.

Independent survey was commissioned and overall satisfaction with Landlord Services has increased from 65% (2008) to 75% (2011). The report highlights overall satisfaction with sheltered housing services is 93%.

Landlord services continue to improve service delivery on core housing functions maximising income to the council and improving the quality of life of customers. Examples include:-

- ✓ reducing void turnaround from 28 days (outturn 2009/10) to 21 days (outturn 2010/11)
- ✓ reducing the level of arrears to 1.56%, collecting 100.25% of the overall rental and arrears income
- ✓ Improving repairs satisfaction by completing repairs right first time and increasing appointments

Achievement of accreditation against the Centre Sheltered Housing Studies meeting key service outcomes against the quality assessment framework

Independent assessment of the allocations policy concluding that this could be rated as good by inspectors and satisfaction with the finding a home service up to 88%

Approval of a new repairs policy that will see a handyperson service introduced in 2012, continuing to meet the decent homes standard

Procurement of a new Repairs and Investment contractor has continued with completion of the initial bidding stages.

Launch of the local offers and full review of service standards in April 2011 linked to an improved co-regulatory and democratic framework

Continued deliver of the landlord financial inclusion strategy with over a ¼ million personal debt secured for customers and over £100k extra benefit taken up maximising' customers' income.

Assets and Environment

The joint waste collection service continues to run successfully and has maintained the increase in recycling rates noted at year end when compared to this time last year; this is matched by data confirming more residents are requesting a larger blue bin. The residual waste collection figures continue to reduce slightly from the same period as last year.

The Streetscene team continue to strive to keep the town a tidy place. Those indicators that measure cleanliness i.e. litter, detritus and fly posting are still performing better than the national average, with the exception of graffiti which is still marginally below the national

average, however is still classified as “good”. During the first quarter this year’s “In Bloom” entry has been judged, with the results due to be announced during September.

It is encouraging to know that both the year 2 Apprentices have been offered full time positions within the team, after successfully achieving their NVQ level 2 qualifications in horticulture

Dog fouling still appears to be the hottest topic for the enforcement team to deal with and as an education measure various ward campaigns are underway to increase awareness. Littering is less of an issue but trends indicate it will increase during quarter 2 and will need additional management to prevent a visible increase.

The new Market Contract commenced on the 1st April, and the operator has already demonstrated their commitment to our market by revamping some of the stalls by investing in new canopies. There has also been an increase in the number of occupied stalls.

Communities, Planning and Partnership

Community Safety

There have been recent challenges in relation to acquisitive crime (in particular burglary) and the recent public unrest which affected local capacity. It is pleasing to report that there were no instances of civil disorder or mass criminality in Tamworth. The Community Safety Hub has conducted an evaluation and feedback from staff and stakeholders indicates strong support for the Hub and the benefits it has delivered for those involved. The Hub has been visited by a number of senior Police and Local Authority Officers from outside the Borough as an example of best practise. Operation TARPA has been successful and has links with the Strategic Partnerships task and finish project into Alcohol Misuse which is in its final stages.

Community Development

The review of Locality Working is well underway with research and data being assembled and analysed prior to drafting the Cabinet report. The Community Development Team will remain at full strength with external funding being used to extend the temporary contract for the temporary community development officer post until 30th March 2012. The community development manager is involved in reviewing the implications of the big society and localism and Tamworth Borough Council is well placed to evidence a track record of community involvement.

Strategic Planning

The work to assess the viability of Anker Valley is well developed, with initial assessments completed and further work commissioned to consider land values and house sales values. There have been further discussions with Henry Boots Developers in relation to the Gungate site. Development Control performance is good and a recent benchmarking project shows us to be good value for money. The Economic Development team have developed the BEP into a truly business led organisation and is in the process of supporting the BEP in finalising the new Economic Development Strategy for Tamworth and Lichfield. The ambitious Enterprise Belt application through the LEP was not successful so attention is now focused on deriving maximum benefit from the vanguard EZ in Birmingham.

Community Leisure

A Canoe Club has been established at the Castle Grounds Activity Centre and use of the facilities continues to increase i.e the increased usage of the Crazy Golf where small improvements have been made to the course. Two new open air gyms have also been installed; at Dosthill Park and Wigginton Park. The Free Swimming scheme is well established at Wilnecote Community Leisure Centre and usage figures are good. Relationships with external providers and contacts remain very strong with regular updates with SnowDome and Tamworth Golf Centre. Public concerns over the Golf Course are being managed and investigated as they arise.

Sports Development

The summer PlaySport scheme is in full swing with reasonable take up of places. As usual an annual review of the scheme will assess its success and options for future delivery. Take up of the adult participation classes is still very good with Zumba ever popular. A recent Charity event organised via the Mayor was supported by the team. Work to support clubs is ongoing with plans to establish an Archery club.

Arts and Events

The spring and summer programme has been very popular and sales have been reasonable given the economic climate. The B Glee and arts development programme have had a positive response and local arts groups have been well supported. The summer events programme is in place with the Summer Festival being Saxon themed. The UltraSound music festival is being managed and regulated with the Events team leading on this process. The new What's On Guide has been published and well received.

Castle

The Castle has been awarded a £1million Heritage Lottery Award and has also been awarded the Sandford Award for its Education programme. Attendance and satisfaction performance is good. The Hoard arrives in late August and preparations for its arrival have dominated the last two months. Ticket sales look set to be a sell out with visitors from across the Country coming as well as a large number of local residents reserving tickets. The Council's new replica Helmet, Sword, Shield and costume have been delivered and will be unveiled at the Exhibition. The new book 'Tamworth the Ancient Capital of Mercia' has been completed and is on sale at the TIC, Castle and Library.

Children and young people

The review of the Council's Safeguarding procedures is due at Cabinet on the 31st August 2011. The Council has, through the Children and Young Persons Officer, provided advice and training to public, private and community groups including Level 1 training. The Turnaround project and Families First pilots are developing well and while there are significant issues these are being dealt with and outcomes for children and families are being improved.

Partnership Development and Voluntary Sector

The new Tamworth Strategic Partnership is being supported to establish the task and finish groups. The Alcohol task and finish project which acted as a pilot is near to completion and the findings and recommendations will be discussed at the Tamworth Strategic Partnership

meeting in September 2011. The Tamworth Strategic Partnership will also be asked to consider the tender specifications for two new services at its meeting in September.

The Council's contracts with the voluntary sector are being managed and the six month presentations to the Commissioning Board from providers are due in September. The assessment of the monitoring reports shows delivery against the contracts is good with only minor issues to be addressed.

The Voluntary/Community Sector itself is reporting back tough times and the Council continues to support the sector with advice and guidance and through the small grants scheme.

Place Steering Group

The Place Steering Group has launched the new town branding and rolled it out in a number of documents and electronic materials. The Steering Group will finalise the Place Plan in the Autumn. Works to improve the Ventura traffic flow have been completed and went very well. Further work is underway to consider the links between Ventura and the Town as part of the Gateways project.

Corporate Finance, Exchequer and Revenues

During the 1st Quarter, the Corporate Finance, Exchequer & Revenues service has:

- Prepared the 2010/11 Draft Statement of Accounts before the statutory deadline of 30th June – made available on the website - together with a two page summary of the accounts.

The achievement of this important document to deadline is the culmination of two years work, not only by the finance team but also cooperation and input from key staff and managers across the Council.

As required by the Government, the 2010/11 accounts have been prepared under International Financial Reporting Standards (IFRS). The introduction of IFRS has significantly changed the way that Local Authority accounts are prepared and a large number of areas are subject to different accounting treatments to those in the past. The conversion process involved a considerable amount of additional work impacting on resources, budgets and other areas such as systems and processes.

- As part of the Council's financial management & reporting processes, the Provisional Revenue and Capital Outturn for 2010/11 were considered by Cabinet on 29th June;
- Prepared the Annual Report on the Treasury Management Service and Actual Prudential Indicators 2010/11 for Cabinet endorsement in July & Council approval in September;
- Procurement launched three major OJEU projects - Housing Repairs & Investment; Gas Heating Installation & Maintenance; and CDM (Construction, Design & Management) Consultancy;
- Implemented parallel running for electronic payslips from June 2011 thereby generating efficiency savings;

- Completed statutory year end payroll returns to HMRC & the Pension Fund before the statutory deadline;
- Continued sound performance, with robust income collection given the economic climate - achieving collection rates for the first quarter, in line with 2010/11 levels, of 29.7% for Council Tax and 30.2% for Non-Domestic Rates;
- Progressed the Transforming Tamworth process within Revenues – process maps have now been completed for 4 of the 6 processes being reviewed. 2 of these processes have been closed off as they are considered to have little or no waste in the process. The other 2 will be measured and potential improvements will be considered. It is likely that this will revolve around e-enhancements. The 2 remaining process maps will be completed shortly for the critical friends to observe and measure.

Business Processes

Local Land and Property Gazetteer Performance Indicators

- On the new performance indicator for this year (comparison between the National Street Gazetteer and the National Land and Property Gazetteer) – April = Bronze, June = Silver
- Basic Land and Property Unit Classification – already achieved gold standard but now 100%
- Council tax match rate – achieved highest match rate between Council tax and Local Land and Property Gazetteer in the West Midlands. The only local authority with 100% match rate.

Census

- Early indication from the Census point to higher than average response rate.

Deployments

- e-Payslips
- Mod.Gov

Service Delivery

- £6.6K Reimbursement from Virginmedia for non delivery of service
- Relocation of TIC to Phil Dix Centre
- Taken on University Placement Student for 48 weeks
- Successful assessment against ISO standards

FINANCIAL HEALTHCHECK REPORT – QUARTER 1, PERIOD 3, JUNE 2011

Executive Summary

This section to the report summarises the main issues identified at the end of June 2011. Details relating to the summary including Directorate commentaries can be obtained from Phil Thomas, Corporate Accountancy Extension 239.

Summary action sheets showing agreed action points to address issues raised are attached at **Appendix A**.

General Fund

Revenue

- The General Fund has a favourable variance against budget at period 3 of £78k.
- The projected full year position identifies a projected unfavourable variance against budget of £52k or a 0.56% over-spend to budget.
- This projection has highlighted several budget areas for concern (detailed at **Appendix B** and within the Report) though we are a quarter of the way through the year and projections may change, ongoing investigations into these areas have been initiated to mitigate the levels of the deficits.
- A balance of £101k was held in the General Contingency Budget at the end of June 2011,

Capital

- Capital expenditure incurred was £44k compared to a profiled budget of £837k.
- It is predicted that £1.647m will be spent by the year-end compared to a full year budget of £1.793m (this includes re-profiled schemes from 2010/11 of £517k).
- A summary of Capital expenditure is shown at **Appendix D**.

Treasury Management

- At the end of June 2011 the Authority had £17.44m invested in the money markets (excluding the £4.92m which is classified as sums at risk invested in Icelandic Banks). The average rate of return on these investments is 1.16% though this may change through the year if market conditions ease. At this point it anticipated that our investments will earn approximately £180k compared to the budgeted figure of £256k an estimated shortfall of some £76k. Details of our current investments and the situation with our Icelandic investments can be found at **Annex 1**.

- Borrowing by the Authority stood at £20.392m at the end of June 2011, all being long term loans from the Treasury Public Works Loans Board. The average rate payable on these borrowings equates to 6.62%. At this point it is projected that interest payments will be £1.347m compared to a budget of £1.731m, assuming that the £7.1m new borrowing requirement included within the base budget, for is not taken. Details of our current borrowings can be found at **Annex 3**.
- A more detailed summary of the Treasury Management situation together with current economic forecasts provided by our Treasury Management Consultants Sector can be found at **Appendix E**.

Balances

Balances on General Fund are projected to be in the region of £3.760m at the year-end from normal revenue operations compared to £3.191m projected within the 2011/12 budget report.

There is also currently a balance unallocated of £256k within the Repairs and Renewals Fund.

Housing Revenue Account (HRA)

Revenue

- The HRA has a favourable variance against budget at Period 3 of £173k.
- The projected full year position identifies a favourable variance against budget of £262k. Individual significant budget areas reflecting the variance are detailed at **Appendix B** and within the body of the Report.

Capital

- Housing Capital expenditure of £857k has been incurred as at the end of Period 3 compared to a profiled budget of £1.242m.
- It is predicted that £4.435m will be spent by the year-end compared to the full year budget of £4.450m (including £172k re-profiled from 2010/11);
- Members are being requested to approve the vire of £100k in respect of the Asbestos Testing and Removal project to other programmed schemes, as the project works are being undertaken as part of these other schemes. Details of the request are noted within the detail, shown later in this report.
- A summary of Capital expenditure is shown at **Appendix D**.

Balances

- Balances on the Housing Revenue Account are projected to be in the region of £4.670m at the year-end compared to £4.268m projected within the 2011/12 budget report.

Balance Sheet Reporting

In order to improve the information provided regarding the financial standing of the Council as at the end of the period, **Appendix C** shows an extract of the Council's balance sheet. This includes movements in balances from the start of the year in areas such as Long Term Investments and Debtors, Current Assets and Liabilities, Long Term Liabilities and Financing and Earmarked Reserves held. At this stage the table is being developed as an improvement to the reporting process, and as such reflects a 'snapshot' at this point in time.

FINANCIAL HEALTHCHECK REPORT – QUARTER 1, PERIOD 3 JUNE 2011

This section of the report highlights the main issues identified, CMT and Members are asked to note the contents of the report and agree action points to address the issues raised.

Issues Identified

The financial performance review has focussed on the following key areas, on which further work is being undertaken:

- Review of the actual activity to budget for the period;
- A projection of the actual activity to budget for the year;
- Identification of potential issues for action;
- This is the first monitoring report of the year and issues regarding budget profiles and previous year's accruals, may distort the reported figures to some extent, though the majority of these issues will have been adjusted for manually.

General Fund – Revenue

- The position at the end of June 2011 shows a favourable situation of £78k under-spend.
- The projected full year position identifies an unfavourable variance against budget of £52k.

Significant items currently identified relating to overspends/under achievement of income are,

- Outside Car Parks - £101k. Increased parking at Spinning School Lane has had an adverse impact on other parking sites (£80k). There has also been a substantial increase in Business Rates costs (£21k) following creation of additional parking spaces at Spinning School Lane. Investigations are underway to establish if the costs can be recovered from the site developer.
- Treasury Management - £64k. Net overspend mainly as a result of the decision to delay budgeted external borrowing resulting in lower external interest payments (£384k) but a reduction in the sum chargeable to the HRA in respect of Item 8 dr (£367k). The continuing lower level of money market interest rates has also resulted in a projected shortfall in our investment income (£76k) by year end.
- Industrial Property Management - £26k. Projected shortfall in rental income based on current occupation levels.
- CCTV - £21k. Employee costs - Long Term sickness being covered by overtime.
- Public spaces - £15k. Sponsored Roundabouts (£11k) - no income can be expected until the issue with Valuation Office regarding rates is resolved. There is also an unbudgeted Business Rates cost for Advertising Rights for Roundabouts within the Borough (£4k).

- Tourist Information Service - £13k. Employee costs - Additional hours worked re TIC relocation and training.
- Commercial Property Management - £13k. Projected shortfall in rental income based on current occupation levels.
- Street Wardens - £11k. Employee costs – a full establishment means that budgeted savings included within the budget in respect of vacancy allowance, will not be achieved.

Significant items mitigating the financial impact of the above and contributing to the period position,

- Benefits - £139k. Based on current level of activity as submitted in the DWP Estimate Claim as at end June.
- Environmental Health - £85k. Employee costs - 2 vacant posts - subject to service re-alignment. Further vacant post to be filled in August. One officer on maternity leave.
- Amington Depot - £19k. Employee costs - vacant posts - subject to review.

General Fund – Capital

- The position at the end of June shows an under-spend to profiled budget of £793k, mainly due to slippage on spend compared to predicted expenditure profiles at this early stage of the year.
- The projected full year position identifies a projected net under-spend of £4k, based on initial reassessment of programmed spend. This is due to a projected saving on the Benefits IEG4 e-Claim

There is also a projected requirement to re-profile £142k into 2012/13 re;

1. Housing Repair Assistance Grant funding scheme £19k, as the project is due to be phased over two financial years.
2. Private Sector Coalfields Fund grants, £123k, as again projects are to be identified and undertaken in future years.

Housing Revenue Account – Revenue

- The position at the end of June shows a favourable situation of £173k.
- The projected full year position identifies a favourable variance against budget of £262k.

Significant items currently identified relating to overspends/under achievement of income are,

- HRA Subsidy - £226k. Additional amount payable as a result of continuing low interest rates and the Authorities Capital Financing Requirement being increased by the capitalisation of Icelandic investments, which has the effect of reducing the interest rate that is used to calculate the HRA's capital charge, which then reduces the amount claimable against Subsidy.
- Garage Rents - £34k. Rental income shortfall due to the continuing increase in voids. The use of garage sites is currently being reviewed.

Significant items mitigating the financial impact of the above and contributing to the predicted out-turn position,

- Item 8 DR Interest Charges - £367k. Reduction in the amount budgeted as a result of continuing low interest rates and the change in our Capital Financing Requirement mentioned above.
- Council House Rents - £149k. Projected outturn over recovery against budget partly due a quicker turnaround of void properties reducing overall void levels.

Housing Revenue Account – Capital

- The position at the end of June shows an under-spend to profiled budget of £385k, spread over a number of schemes which appear to have been delayed in relation to the original expenditure profiles planned.
- The projected outturn is showing a net £15k under-spend to budget at this stage, which is in respect of estimated savings on the Upgrade to Homelink Equipment project.
- There are also projected overspends on four other schemes within the programme, however, the Asbestos Testing and Removal budget for 2011/12 of £100,000 is currently showing an under-spend, as the works relate to the removal of asbestos in properties currently receiving other types of Decent Homes improvement works. To improve recording of costs against each work type, Members are to be requested to approve the vire of the asbestos budget to the following programmed schemes as detailed;

1. Bathroom Refurbishments	£26,330
2. Upgrade to Electrical Installations	£20,000
3. Kitchen Refurbishments	£41,340
4. Disabled Adaptations	£12,330

APPENDIX A

REF	ACTIVITY	OPTIONS	AGREED ACTION	ACTION BY / WHEN	PROGRESS
1	FINANCIAL ISSUES				
1.1	Budget Monitoring & Control		It will be expected that any Directorate overspends (budget v actuals) will be financed from within Directorates (including other proposals) and not from Corporate / General Balances unless prior approval has been authorised (CMT).	Directors, AD's & Budget Holders	Ongoing
1.2	<u>Forward Look:</u> – Medium Term Financial Strategy (MTFS)		Investigation into significant variances, to identify reasons for the changes and implement 'lessons learned' to reduce the risk of future occurrences.	Findings incorporated within Budget Review Groups provisional consideration for the impact on 2012/13 (onwards) financial planning.	BRG will be given report on out-turn situation for consideration and implications for the MTFS

Appendix B

GENERAL FUND 2011/12	YTD Outturn	Projected Outturn @	Comments
	Period 03	Period 03	
	Over/(Under) Spends £000's	Over/(Under) Spends £000's	
CHIEF EXECUTIVE'S OFFICE			
<i>Head of Customer Services</i>			
Tourist Information Service			
Salaries Overtime	5	5	Additional hours worked re TIC relocation and training Casual staff costs incurred re TIC relocation in excess of budgetary provision
Wages	8	8	
<i>Head of Organisational Development</i>			
Human Resources			
Salaries	5	(8)	Underspend expected at year end due to HR Advisor leaving to take redundancy earlier than originally planned
Training and Development			
NVQ Training	6	0	Commitment raised for NVQ training which is to be part-funded from budget currently held in reserve awaiting release
<i>Solicitor and Monitoring Officer</i>			
Electoral Process			
Rents	(10)	0	Costs re polling stations met in part by Government Grant re AV referendum
Software Support Licences	9	0	Commitment re Mod Gov software which is to be funded from budget currently held in reserve awaiting release
Election Staff	(10)	0	Costs met in part by Government Grant re AV referendum
Land Charges			
Central Land Charges	(5)	0	Income received above budget to date
Other minor non-significant variances	3	0	
CHIEF EXECUTIVE'S OFFICE	11	5	
CORPORATE DIRECTOR RESOURCES			
<i>DD - Corporate Finance, Exchequer & Revenues</i>			
Corporate Core			
Subscriptions - Corporate	(4)	(5)	Reduced cost subscriptions
Corporate Finance			
Audit Fee	9	0	Late receipt of invoices to profile
Treasury Management			
External Interest Payable	(97)	(384)	£7.1m new borrowing not yet taken
Interest Payable to HRA	2	6	Higher level of HRA balances
Interest Payable to Reserve	0	(1)	Continuing lower interest rate levels
Housing Revenue Account	92	367	£7.1m new borrowing not yet taken
Misc Interest & Dividends	18	76	Shortfall on investment income
<i>AD Business Processes</i>			
Civil Contingencies			
Civil Contingencies Contribution	(7)	(7)	Rebate against annual contribution to Civil Contingencies Unit

	Over/(Under) Spends £000's	Over/(Under) Spends £000's	Comments
ICT and Transformation			
Salaries	9	0	Impact of budgetary funding shortfall ('vacancy allowance') on fully staffed unit
Ordnance Survey Sheets	(5)	0	Profile issue
Communications	19	0	Payments for annual services made in advance of profiled budget, including £11.8k for GCSX services which is an additional cost this year
Software Maintenance	6	0	Profile issue
Head of Benefits			
Benefits	(22)	(139)	Based on DWP Estimate Claim as at end June
Other minor non-significant variances	(2)	0	
CORPORATE DIRECTOR RESOURCES	18	(87)	
ASSETS AND ENVIRONMENTAL SERVICES			
Asset Management - Admin			
Salaries	2	7	Due to inclusion of vacancy allowance in budget
Commercial Property Management			
Rental Income	3	11	Based on current level of occupation
Industrial Properties			
Rental Income	21	24	Based on current level of occupation
Provision for Bad debts	(14)	0	Saving at period, potential for full requirement by year end
Public Conveniences			
Salaries	3	12	Higher than expected payment for overtime to cover staff absences
Outside Car Parks			
Rates	21	21	Substantial increase in costs following creation of additional parking spaces at Spinning School Lane - May be able to recover from Henry Boot
Fees & Charges	10	80	Increased parking at Spinning School Lane has had an adverse impact on other parking sites.
Amington Depot			
Salaries	(5)	(19)	Vacant posts - subject to review
Marmion House			
Redundancy	(5)	(3)	Saving - costs charged into previous year
Electricity	(6)	0	Profile issue, should be fully expended by year end
Environmental Health			
Salaries	(28)	(85)	2 vacant posts - subject to service re-alignment. Further vacant post to be filled in August. One officer on maternity leave
Cemeteries			
Salaries	(7)	0	Unspent backfill /actuarial strain less than accrued for

	Over/(Under) Spends £000's	Over/(Under) Spends £000's	Comments
Public Spaces			
Sponsored Roundabout	3	11	No income can be expected until the issue with VO regarding rates is resolved
Equipment Furniture & Materials	7	0	Profile issue, should be fully expended by year end
Commercial Refuse/Waste Disposal	9	0	Profile issue, should be fully expended by year end
TBC Highways Maintenance			
Agency Maintenance of Roads/Areas	(14)	0	Profile issue, should be fully expended by year end
Sports Pitches			
Water Charges	5	0	Profile issue, should be fully expended by year end
Street Wardens			
Salaries	3	11	Due to inclusion of vacancy allowance in budget
CCTV			
Salaries	3	11	Long Term sickness being covered by overtime
Other minor non-significant variances	3	19	
ASSETS AND ENVIRONMENTAL SERVICES	14	100	
HOUSING & HEALTH			
General Fund Housing			
Salaries	(16)	0	Vacant posts, now filled
Payments For Temporary Staff	25	0	Temporary agency staff covering vacancies
Homelessness			
Provision for Bad Debt	(9)	0	Provision based on current level of arrears
Bed & Breakfast Cost	(15)	0	Prevention schemes have reduced use of Bed & Breakfast accommodation
Bed & Breakfast Income	17	0	Reduced income offsets reduced expenditure
Homelessness Prevention Schemes			
Sanctuary Scheme	(5)	0	Demand led scheme
Homelessness Strategy			
Homelessness Prevention	(13)	0	Initial projects now identified and approved
Government Grants	(19)	0	Further reports to be submitted for approval to spend remaining grant
Health Agenda			
LSP Project Funding	(6)	0	Profiling issue
Other minor non-significant variances	(23)	0	
HOUSING & HEALTH	(64)	0	

	Over/(Under) Spends £000's	Over/(Under) Spends £000's	Comments
COMMUNITIES, PLANNING & PARTNERSHIPS			
<i>Development Control</i>			
Salaries	(5)	0	Maternity leave and post vacant for 2 months
Fees & Charges Planning Apps	(9)	0	One major application. Not forecast to continue
<i>Dev. Plan Local & Strategic</i>			
Salaries	(4)	(7)	A post has been vacant for 6 weeks. New post holder is not in supperann scheme also budget allows for market supplement which no longer applies
<i>DD - Communities, Planning & Partnerships</i>			
Salaries	2	6	Full establishment, no savings against vacant post budgeted saving reduction
<i>Partnership Support & Development</i>			
Salaries	1	5	Full establishment, no savings against vacant post budgeted saving reduction
<i>Locality Working - Belgrave</i>			
Education/Campaigns/Initiatives	(7)	0	Profile issue. Consideration of profiling underway following prudent approach to spending
<i>Locality Working - Amington</i>			
Education/Campaigns/Initiatives	(6)	0	Profile issue. Consideration of profiling underway following prudent approach to spending
<i>Assembly Rooms</i>			
Salaries	2	6	Full establishment, no savings against vacant post budgeted saving reduction
Fees-Lettings	(9)	0	Profile Issue. Invoices are being raised in advance of event. Additional income has been received from SS College but it is too soon to forecast any income above budget at year end.
<i>Pleasure Grounds</i>			
Salaries	0	8	Full establishment, no savings against vacant post budgeted saving reduction. Also additional hours being worked to deliver projects funded by PCT
Misc Contributions	0	(7)	Income to be received for PCT to deliver health referrals
<i>Castle & Museum</i>			
Wages	2	5	Using casuals to cover part time vacancy
Admission Fees	(5)	2	Profile issue. Not expected to continue due to free admission to Hoard Exhibition and Building work following successful HLF bid
<i>Peaks Swimming Provision</i>			
Misc Interest & dividends	1	5	Lower interest on investment balances due to continuing exceptional low interest rates.
<i>Community Leisure</i>			
Salaries	0	6	Full establishment, no savings against vacant post budgeted saving reduction

	Over/(Under) Spends £000's	Over/(Under) Spends £000's	Comments
Admin/Management support			
Salaries	(21)	0	Vacant post. Future use of budget subject to discussion by Senior management/Members
Other minor non-significant variances	1	6	
COMMUNITIES, PLANNING & PARTNERSHIPS	(57)	35	
SUMMARY TOTAL GENERAL FUND	(78)	52	

HOUSING REVENUE ACCOUNT	Over/(Under) Spends £000's	Over/(Under) Spends £000's	Comments
HOUSING & HEALTH			
General - Business Support			
Salaries	(7)	0	Vacant posts
Payments For Temporary Staff	6	0	Temporary agency staff covering vacancies
Audit Fee	5	0	Profiling issue
Allocations			
Financial Incentive to Move	(5)	0	Demand led & dependant on suitable properties
Estate Management			
Employee costs	12	0	Sickness/Vacancy covered by temporary agency staff
Magnolia			
Employee costs	6	0	Sickness/Vacancy covered by temporary agency staff
Thomas Hardy Court			
Fixtures & Fittings	(15)	0	Reserve from 2010/11 to cover cost of heating repairs
Tenant Participation			
Community Events	(5)	0	Plans for further events underway
Housing Advice			
Sanctuary Scheme	(5)	0	Demand led scheme
Repairs Contract			
Consultants Fees	(8)	0	Work on Repairs policy to be finalised
HRA Summary			
Contribution the Repairs Account	(72)	0	Multiple Contracts, of which the Planned Maintenance contract is currently £39K under spent and the Misc budget is £48K under spent Additional amount payable as a result of continuing low interest rates and the Authorities Capital Financing Requirement being increased by the capitalisation of Icelandic investments, which has the effect of reducing the interest rate that is used to calculate the HRA's capital charge, which then reduces the amount claimable against Subsidy.
HRA Subsidy	56	226	

	Over/(Under) Spends £000's	Over/(Under) Spends £000's	Comments
Item 8 Debit	(92)	(367)	Reduction in the amount budgeted as a result of continuing low interest rates and the change in our Capital Financing Requirement mentioned above
Rents	(37)	(149)	Projected outturn over recovery against budget partly due a quicker turnaround of void properties reducing overall void levels
Garage Rents	8	34	Rental income shortfall due to the continuing increase in voids. The use of garage sites is currently being reviewed
Interest on Balances (Item 8 CR)	0	(6)	Increased income from higher level of balances
Other minor non-significant variances	(20)	0	
HOUSING REVENUE ACCOUNT	(173)	(262)	

Balance Sheet Extract Period 03, June 2011

		Balance as at 01/04/11	Balance as at 30/06/11	Movement in Year to Date
Investments				
<i>(Excluding Icelandic 'Sums at Risk')</i>	Short Term	12,993,300	17,453,277	+ 4,459,978
	Long Term	0	0	+ 0
Debtors	General Fund Invoices Outstanding	761,387	579,577	- 181,810
	<u>less</u> bad debt provision for invoices Outstanding	(62,425)	(62,721)	- 296
	HRA Invoices Outstanding	86,940	13,666	- 73,275
	<u>less</u> bad debt provision for invoices Outstanding	(5,971)	(3,260)	+ 2,711
	Housing provision for Bad Debts	(743,463)	(729,960)	+ 13,503
	Benefit Government debtor	657,443	634,922	- 22,521
Creditors	Invoices received not paid	8,688	3,276	- 5,413
	Accruals	(624,175)	(242,882)	+ 381,293
Reserves		(7,905,787)	(7,416,161)	+ 489,626
Capital Receipts	General Fund	(1,386,587)	(1,386,587)	+ 0
	Housing	(520,369)	(574,119)	- 53,750
Collection Fund				
CTAX	Arrears	1,245,940	1,160,266	- 85,674
	Credits & Prepayments	(549,174)	(239,728)	+ 309,446
NNDR	Arrears	1,034,693	855,736	- 178,957
	Credits & Prepayments	(447,695)	(67,787)	+ 379,908
Housing				
HRA RENT	Arrears	838,355	956,213	+ 117,858
	Prepayments	(354,377)	(309,274)	+ 45,103
Homelessness	Arrears	181,259	183,064	+ 1,805
	Prepayments	(9,114)	(8,993)	+ 121

CAPITAL PROGRAMME 2010-11 SUMMARY

Period 3 - Ledger Info @ 08/08/11

Directorate	Budget b/f from 10/11	11/12 Predicted Spend	11/12 Project Budget (Incl b/f from 10/11)	Predicted Re-profile to 12/13	11/12 Resultant Variance	YTD Actuals	YTD Accruals	YTD Actuals + Accruals	YTD Budget	YTD Variance
	£	£	£	£	£			£	£	£
CORPORATE SERVICES	71,340	152,230	156,340	0	-4,110	8,254.42	5,434.77	13,689.19	92,590	-78,901
COMMUNITY SERVICES	446,070	1,494,290	1,636,390	142,100	0	25,303.48	4,797.14	30,100.62	744,640	-714,539
GENERAL FUND TOTALS	517,410	1,646,520	1,792,730	142,100	-4,110	33,557.90	10,231.91	43,789.81	837,230	-793,440
HOUSING REVENUE ACCOUNT	172,360	4,434,600	4,449,600	0	-15,000	836,357.41	20,638.60	856,996.01	1,241,670	-384,673
TOTAL APPROVED CAPITAL	689,770	6,081,120	6,242,330	142,100	-19,110	869,915.31	30,870.51	900,785.82	2,078,900	-1,178,113
Specific Project Contingencies	130,000	0	130,000	0	-130,000	0.00	0.00	0.00	130,000	-130,000
TOTAL (incl spec' contingencies)	819,770	6,081,120	6,372,330	142,100	-149,110	869,915.31	30,870.51	900,785.82	2,208,900	-1,308,113
GF General Contingency	40,000	0	40,000	0	-40,000	0.00	0.00	0.00	40,000	-40,000
Invest To Save Contingency	160,000	0	160,000	0	-160,000	0.00	0.00	0.00	160,000	-160,000
ALL CAPITAL	1,019,770	6,081,120	6,572,330	142,100	-349,110	869,915.31	30,870.51	900,785.82	2,408,900	-1,508,113

Treasury Management Update – Quarter 1 - 2011/2012

CIPFA (the Chartered Institute of Public Finance and Accountancy) issued the revised Code of Practice for Treasury Management in November 2009; it recommends that members should be updated on Treasury management activities at least twice a year, but preferably quarterly. This report therefore ensures this Council is implementing best practice in accordance with the Code.

1. Economic background:

The first quarter of 2011/12 saw:

- The economic recovery struggle to regain momentum;
- Conditions on the high street deteriorate;
- Mixed signals on the strength of the labour market recovery;
- Public sector borrowing come out disappointingly high;
- The near-term outlook for CPI inflation deteriorate further;
- The Monetary Policy Committee move away from raising interest rates;
- UK equities stay broadly flat over the quarter and gilt yields fall;
- Economic growth slow in the US and euro-zone.

The economic recovery has been struggling to regain momentum after underlying activity more or less stagnated between October and March. The additional bank holiday for the Royal Wedding pulled down both industrial and services output in April. But the CIPS/Markit business surveys have failed to pick up by much since. An average of the surveys over the last three months point to quarterly GDP growth in Q1 of just 0.3% - less than half its trend rate.

The industrial recovery appears to have lost momentum quite quickly. The CIPS/Markit manufacturing survey has fallen to a level consistent with falls in manufacturing output. The output expectations balance of the CBI industrial trends survey has fallen more modestly, but has nonetheless dropped for the past three months in a row.

Meanwhile, the consumer outlook has darkened. The pick-up in the consumer sector seen during the spring appears to have been only temporary, reflecting the good weather and extra bank holiday. Retail sales volumes fell in May, more than reversing April's increase. The CBI's distributive trades survey fell in June. And a number of well-known retailers have recently fallen into administration.

Consumers appear to be reacting to the squeeze on their real incomes. Household real disposable incomes fell by 0.8% in the last quarter on 2010/11. Inflation is outpacing average earnings by about 2.5%. Consumer confidence also fell back in June and remains consistent with further falls in consumer spending.

Meanwhile, the news on the labour market has been mixed. The Workforce Jobs measure of employment rose strongly in the last quarter on 2010/11. But the timelier Labour Force Survey measure flattened off in April and May. And the number of job vacancies continued to fall throughout the quarter. The claimant count measure of unemployment also continued to rise over the last three months. This only partly reflected a rise in the number of lone parents claiming Jobseeker's Allowance due to recent benefit changes.

The housing market has continued to tread water. The number of mortgage approvals for new house purchase was broadly unchanged over the quarter at a very low level of just 46,000 or so. House prices have also remained broadly flat. The Nationwide index ended the second quarter at about the same level as it ended the first.

Meanwhile, net trade looks unlikely to provide as big a contribution to GDP growth in Q1 as it did in the last quarter on 2010/11. Net trade boosted quarterly GDP growth by some 1.4%, however, the trade deficit was unchanged in April compared to March.

The weakness of the economy appears to be having some adverse effect on the public finances. Borrowing in the first two months of the fiscal year totalled £27.4bn, compared to last year's £25.9bn. It is early days but, at this rate, borrowing will overshoot the OBR's Budget full-year forecast of £122bn.

Oil prices rose but then fell back during the quarter, and so ended Q1 at \$113 per barrel, close to the level seen at the end 2010/11. Agricultural prices fell sharply over the past quarter.

But the near-term outlook for inflation has deteriorated further. Although CPI inflation held steady at 4.5% in May, it now looks likely to rise to 5.5% or even higher within the next few months. Food price inflation is likely to rise further. And Scottish Power announced in June a 19% rise in gas prices and 10% rise in electricity prices to take effect in August. Other utility suppliers are likely to follow suit.

Households' inflation expectations rose sharply in June. But so far, there are no signs of any pick-up in pay growth. The median pay settlement was unchanged at 2.5% in May.

Most Monetary Policy Committee members still think that the rise in inflation will be only temporary and that inflation will fall back sharply next year. So despite the worsening of the near-term inflation outlook, the weakness of the activity data has pushed most members further away from an interest rate rise.

Some members have even started to discuss the prospect of giving the economy more support. Admittedly, the hurdle for more quantitative easing will be quite high. However, it is certainly possible if the economy remains as weak as we expect.

In financial markets, the FTSE 100 finished the quarter at around 5,950 – about the same level as at the end of the last quarter. This was broadly in line with international stock markets – the S&P500 was also little changed over the period. Ten year gilt yields fell from 3.69% to 3.38% on the back of a drop in interest rate expectations. At the end of March, markets were expecting interest rates to have risen by this July. But now they expect rates to stay on hold until July next year. Meanwhile, sterling was broadly unchanged against the dollar at about \$1.60, and fell only a touch against the euro.

In the US, the recovery also appears to have lost a significant amount of momentum. The ISM manufacturing index fell sharply in May and reversed only a fraction of this drop in June. Payrolls employment rose by a disappointing 54,000 in May. Meanwhile, the euro-zone economy expanded at a healthy pace in the last quarter on 2010/11, but recent falls in most leading indicators suggest that growth is slowing there too. Germany has continued to outperform the rest of the region. The risk of an imminent Greek disaster appears to have eased, but European policymakers' inability to deal with the crisis quickly and effectively is hitting the rest of the periphery.

2. Interest rate forecast:

The Council's Treasury adviser, Sector, provides the following forecast:

Sector's Interest Rate View												
	NOW	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
Sector's Bank Rate View	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%
5yr PWLB Rate	3.12%	3.55%	3.65%	3.75%	3.90%	4.00%	4.15%	4.25%	4.45%	4.60%	4.65%	4.75%
10yr PWLB View	4.45%	4.75%	4.75%	4.80%	4.95%	4.95%	5.00%	5.05%	5.15%	5.20%	5.25%	5.25%
25yr PWLB View	5.24%	5.40%	5.40%	5.40%	5.40%	5.40%	5.45%	5.50%	5.50%	5.50%	5.60%	5.65%
50yr PWLB Rate	5.20%	5.40%	5.40%	5.40%	5.40%	5.40%	5.45%	5.50%	5.50%	5.50%	5.60%	5.65%

- The Sector central forecast is for a November 2011 first increase in Bank Rate but with reservations that it could well slip back in time, unless there is some good news on the UK economic recovery before then.
- Sector has undertaken its normal quarterly review of interest rate forecasts after the issue of the Bank of England's quarterly Inflation Report. The key Bank of England comments are shown below:
 - Mervyn King said after the May Inflation Report was published that 'Bank Rate cannot stay down indefinitely' but this does not equate to saying 'there will be a first increase in Bank Rate in November 2011'. Financial markets have over-reacted to this statement.
 - Continuing wage freezes / low pay settlements
 - BoE forecasts for the speed of recovery and of increases in GDP growth rate have consistently been over optimistic since the recession started in 2009
 - CPI will blip up in 2011 due to temporary supply side shock factors but these will drop out within 12 months - as will VAT increases
 - Unless the output gap is closed (unlikely for some considerable time) inflation will eventually fall below target
 - CPIY (CPI less the effects of increase in indirect taxation) has been at or below 2% during 2010 and under 2.9% in 2011

Summary outlook

- The key question is how quickly, and strongly, will the UK economy respond to the positive stimulus from low Bank Rate, quantitative easing and the devaluation of sterling?
- Negative growth of -0.5% in Q4 2010/11 was a huge shock; +0.5% (quarter on quarter) in Q1 2011 meant that growth had been flat for six months. A marginal upgrading of Q1 growth figures will have only a marginal effect on the big picture for the UK but there is considerable uncertainty as to how the UK economy will evolve in the coming months.
- US Q1 growth of only 1.8% (on an annualised basis) was also a disappointment despite non-farm payroll data showing improvement.
- China and India have embarked on a major thrust to cool their over-heating economies and so may depress the rate of world economic growth.
- An anaemic economic recovery is probably the most likely outcome in the UK and US, after the initial rebound in 2010, for the next three to four years; recovery is likely to be slower and more protracted than normal business cycle recoveries as this is a financial crisis recovery where lack of credit is still stifling growth.
- The Bank of England is likely to determine that further increases in CPI in 2011, towards 5%, as being due to one off factors that will drop out of the index within 12 months, so underpinning the view that inflation will be back to near target within a two to three year time horizon.
- This does assume that raised inflation expectations do not feed through into a significant increase in the general level of wage settlements.
- There has been a significant erosion of the confidence of financial markets in the EU handling of the peripheral debt crisis. There is now a major and escalating risk that the Greek, Irish, Portuguese debt crisis may not be contained and could lead to debt restructurings that could do significant damage to banks which already have weakened balance sheets. It is worth noting that many western governments have already exhausted their capacity to increase government debt to again bail out banks further damaged by any such future events and to counter the dampening of economic growth that would follow.

Upside risks to central forecast

- Bank Rate cuts do finally succeed in feeding through to stimulate a strong economic recovery.
- A major increase in UK exports due to the circa 20% depreciation of Sterling over the last two years and import substitution by UK produced goods and services - assuming a reasonably strong economic recovery in US, EU and emerging markets
- Corporate profitability has improved considerably since the recession due to cost cutting; many larger corporate balance sheets are now awash with cash. This could fuel an increase in investment expenditure and also M&A (merger and acquisitions) activity i.e. drive share prices higher and give investors a feel good factor (to spend more?)

Downside risks to central forecast

- Chinese and Indian economies are now over-heating; Chinese authorities spooked by inflation over 5%. The Chinese central bank has raised the central rate four times and increased bank reserve requirements six times since October 2010 to curtail bank credit creation capacity. This could lead to increased volatility or an outright fall in commodity prices.
- UK emerging market funds are finding it difficult to place the huge investment cash flows they are receiving; Chinese investors with surplus cash are investing it in property and shares as if it is a one way bet! Ideally, there needs to be a rebalancing of Chinese spending on retail sales as opposed to the creation of asset price bubbles in property and shares.
- US economy has disappointed in Q1 2011 limping along at 1.8% annual growth rate after a strong Q4 2010 at 3.1%
- US (and UK) have exhausted their capacity for any further fiscal stimulus for their economies
- US is still not even on the starting line for dealing with cutting back a massive annual fiscal deficit; cut backs to come are likely to dampen the economy further
- Banks have major risk exposure to a fraught housing market where house prices have gone down 8.2% in the 12 months to April 2011, have fallen 29.5% since the peak in June 2006, where 29.5% of mortgages are now in negative equity and there is no imminent turn around in sight for the housing market
- Peripheral European economies' crisis requires the European Central Bank to adopt a more pragmatic stance to debt restructuring: the longer the delay, the bigger the potential fallout.
- UK consumer confidence at very low levels whilst major cuts in Government expenditure and public sector jobs still to feed through fully into the economy and to dampen growth over the next few years.
- Despite the private sector creating more jobs than the public sector is cutting, the high current total level of unemployment of around 2.5m means that it will take several years to reduce total unemployment down to pre recession levels.
- No significant growth in personal disposable income likely for a couple of years due to:
 - Continuing wage freezes / low pay settlements
 - Inflation exceeding wage increases so disposable income is being eroded
 - Increases in taxation The UK growth forecast for 2011 was downgraded from 2.6% to 2.0% in the latest Inflation Report.
 - Mortgagors coming off cheap fixed rate mortgage deals onto standard variable rates.
- House prices have fallen to their lowest level since July 2009 and no turn around is in sight in the current economic climate.
- Consumers are focused on reducing over-borrowing by repaying debt rather than spending and are fearful of eventual increases in Bank Rate sending mortgage standard variable rates (SVRs) up in parallel; rebuilding of consumer balance sheets will increase the savings ratio and depress consumer expenditure.
- Banks are still heavily focused on rebuilding their balance sheets – RBS and Lloyds still have massive maturing wholesale borrowing to refinance; the Bank of England Special Liquidity Scheme (SLS) ends in Jan 2012; the BoE has lent

£185bn to banks and building societies which must be repaid. The BoE has indicated there will be no extension of this timeframe for the SLS.

- Eventual reversal of Quantitative Easing by selling gilts etc will take cash out of the economy and restrict credit growth; gilt sales will need to be sensitively timed considering the huge level of gilt sales already planned just to fund each year's deficit.

3. Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2011/12, which includes the Annual Investment Strategy, was approved by the Council on 22nd February 2011. It sets out the Council's investment priorities as being:

- Security of Capital;
- Liquidity; and
- Yield

The Council will also aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover short term cash flow needs but also to seek out value available in significantly higher rates in periods up to 12 months with highly credit rated financial institutions, using Sector's suggested creditworthiness approach, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Sector: this applies in particular to nationalised and semi nationalised UK banks.

A full list of investments held as at 30th June 2011, are shown in **Annex 1**.

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30.06.2011.

Investment rates available in the market have continued at historically low levels. The average level of funds available for investment purposes during the quarter was £16.2m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme. The authority holds approximately £7m core cash balances for investment purposes (i.e. funds available for more than one year).

Investment performance for quarter ended 30.06.2011

Benchmark	Benchmark Return	Council Performance	Investment Interest Earned
7 Day LIBID	0.46%	1.16%	£47.8k
3 Month LIBID	0.70%		

As illustrated, the authority outperformed the benchmark. The Council's budgeted investment return for 2011/12 is £272k, and performance for the year is anticipated to be some £87k below budget, if interest rates remain at their current level for the rest of the year.

4. New borrowing:

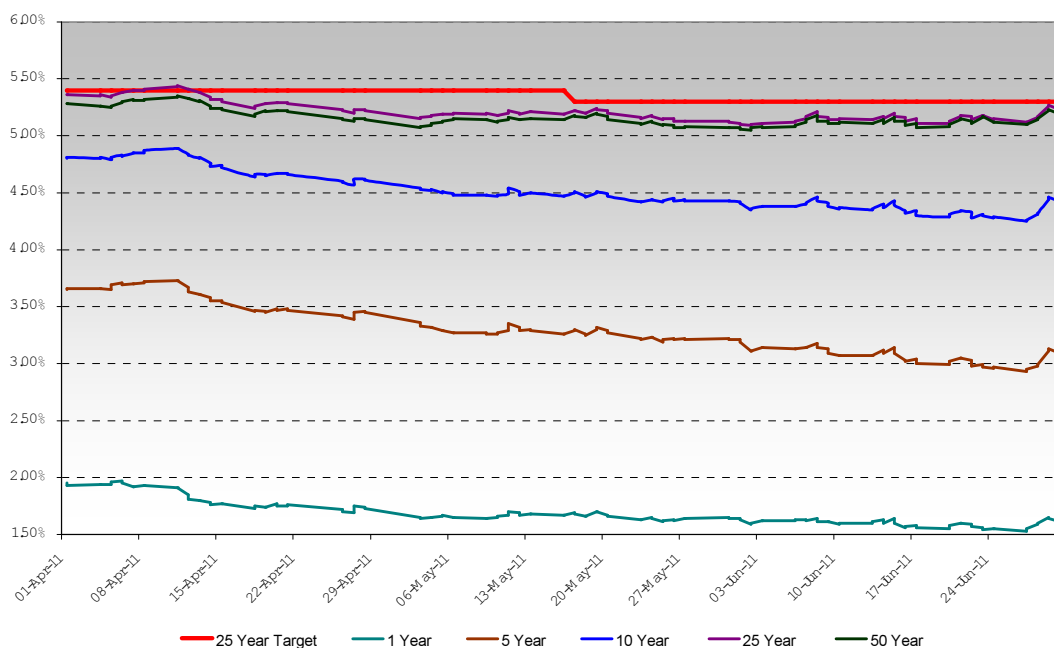
No new borrowing was undertaken during the quarter.

As shown below, most interest rates have generally been on a slightly positive stable trend during the quarter across all bands. The low points during the quarter were seen in the early part of January. The high points were seen in early to mid February.

It is anticipated that further borrowing may be undertaken during this financial year but the level will be partially dependent on the outcome of the Icelandic Supreme Court ruling in relation to our recovery of the sums at risk with the Icelandic bank Glitnir.

PWLB rates quarter ended 30.06.2011

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.53%	2.93%	4.25%	5.09%	5.05%
Date	27/06/11	27/06/11	27/06/11	02/06/11	02/06/11
High	1.97%	3.73%	4.89%	5.44%	5.35%
Date	06/04/11	11/04/11	11/04/11	11/04/11	11/04/11
Average	1.69%	3.29%	4.51%	5.22%	5.16%



Borrowing in advance of need. This Council has not borrowed in advance of need during the quarter ended 30.06.2011. This situation may be reviewed due to the requirements of the new Housing Subsidy finance reform which comes into force on the 1st April 2012.

5. Debt Rescheduling

Debt rescheduling opportunities have been limited in the current economic climate and consequent structure of interest rates following increases in PWLB new borrowing rates in October 2010. No debt rescheduling was undertaken during the quarter ended 30.06.2011.

6. Compliance with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved TMSS.

During the financial year to date the Council has operated within the Treasury limits and Prudential Indicators set out in the Council's TMSS and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators are shown in **Annex 2**.

Investments held as at 30th June 2011:

Borrower	Deposit £	Rate %	From	To	Notice
Bank of Scotland	2,000,000	2.05	08/03/2011	06/03/2012	-
Lloyds TSB Bank	1,000,000	1.90	05/10/2010	05/10/2011	-
Lloyds TSB Bank	2,000,000	1.85	05/11/2010	04/11/2011	-
Santander	3,000,000	1.14	11/05/2011	11/08/2011	-
Nationwide Building Society	1,000,000	0.75	16/05/2011	16/08/2011	-
Nat West	1,995,999	0.80	-	-	On call
Nat West	2,000,001	0.90	-	-	30 days
Santander	999,000	0.75	-	-	On call
Deutsche Bank - MMF	3,449,000	0.62	-	-	On call
Total	17,444,000	1.16 (avg)			

The table below shows the situation with the Council's Icelandic investments as at the end of June.

As part of the final account process, revised recovery expectations were received from the Administrators of the Icelandic bank Kaupthing Singer and Friedlander from 71% to 82%, which resulted in a change to the capitalisation value previously included in the accounts.

Even though the change was based on the Administrators latest current projections, it is recognised that the new 'potential' recovery levels may not materialise.

It was considered prudent therefore to create a reserve in the sum of £473,726.26 and hold this sum until final values are established, which is estimated to be in the early part of 2013.

As the new projections were received after Cabinet approved the creation of reserves in relation to 2010/11, on the 6th April 2011, Members are to be requested to give retrospective approval for the creation of this reserve.

ICELANDIC BANKING SITUATION (30/06/2011)

	Deposit with;	Ref Number	Date Invested	Amount	%
1	GLITNIR	1696	10/10/2007	1,000,000	
	GLITNIR	1715	31/08/2007	1,000,000	
	GLITNIR	1754	14/12/2007	1,000,000	
	Total Principal			3,000,000	
	Interest due at point of administration (contractual/default)			473,985	
	Total of Claim			3,473,985	
	Repayments Received to date			0	0.00
	Outstanding at 30/06/2011			3,473,985	

- Local Authority creditor status as 'Priority Depositors' has been confirmed, however, other creditors are contesting decision. Icelandic Supreme Court will give final verdict in late September 2011.
 - Best case recovery 100%, Worst case recovery 29% (approximately)

2	Heritable Bank	1802	12/09/2008	500,000	
	Heritable Bank	1803	15/09/2008	1,000,000	
	Total Principal			1,500,000	
	Interest due at point of administration 07/10/2008			5,127	
	Total of Claim			1,505,127	
	Repayments Received to date			-848,273	56.36
	Outstanding at 30/06/2011			656,855	

- Administrators paid a further dividend of £61k in July 2011
 - Current indications project an 85% recovery of our investments

3	Singer & Friedlander	1716	31/08/2007	1,000,000	
	Singer & Friedlander	1740	31/10/2007	1,000,000	
	Singer & Friedlander	1746	14/01/2008	1,000,000	
	Total Principal			3,000,000	
	Interest due at point of administration 08/10/2008			175,256	
	Total of Claim			3,175,256	
	Repayments Received to date			-1,841,648	58.00
	Outstanding at 30/06/2011			1,333,608	

- Current indications project an 82% recovery of our investments
 - A further dividend distribution is planned for early October 2011

Summary

Total Principal	7,500,000	
Interest due at point of administration (contractual/default)	654,368	
Total of Claim	8,154,368	
Repayments Received to date	-2,689,921	32.99
Outstanding at 30/06/2011	5,464,447	

- 1 Registered Bank in Iceland - In Administration under Icelandic Law
LA creditor status will determine potential recovery level
- 2 Registered Bank in UK - In Administration in UK by Ernst & Young
Under English Law
- 3 Registered Bank in UK - In Administration in UK by Ernst & Young
Under English Law

Prudential Indicators – As at 30th June 2011

Prudential Indicator	2011/12 Indicator £'000	Quarter 1 – Actual £'000
Capital Financing Requirement (CFR)	27,034	27,034
Gross borrowing	27,228	20,392
Investments	18,200* ₁	17,444* ₁
Net borrowing	9,028	2,849
Authorised limit for external debt	36,100	36,100
Operational boundary for external debt	22,600	22,600
Limit of fixed interest rates based on net debt	14,570	9,920
Limit of variable interest rates based on net debt	2,737	2,039
Principal sums invested > 364 days	3,500	0
Maturity structure of borrowing limits (upper limits)		
Under 12 months	20%	0%
12 months to 2 years	20%	0%
2 years to 5 years	25%	15%
5 years to 10 years	75%	10%
10 years and above	100%	75%

Notes to Prudential Indicators:

*1 Excludes Icelandic investments at risk

<u>Borrowing from PWLB</u>				
<u>Loan Number</u>	<u>Rate</u>	<u>Principal</u>	<u>Start</u>	<u>Maturity</u>
468372	11.625%	1,000,000	29/03/1990	18/08/2015
468478	11.750%	2,000,000	23/04/1990	18/02/2017
475875	8.875%	1,200,000	29/04/1995	25/04/2055
478326	8.000%	1,000,000	17/10/1996	17/10/2056
479541	7.375%	1,000,000	28/05/1997	28/05/2057
479950	6.750%	2,000,000	02/10/1997	03/09/2057
481087	5.625%	3,000,000	22/06/1998	22/06/2058
481641	4.500%	1,400,000	09/10/1998	09/10/2058
483694	4.875%	92,194	21/12/1999	18/10/2059
484204	5.125%	2,000,000	20/04/2000	18/10/2015
488835	5.000%	2,000,000	01/07/2004	01/07/2034
490815	4.250%	1,000,000	24/11/2005	24/05/2031
494265	4.430%	2,000,000	21/01/2008	01/01/2037
494742	4.390%	700,000	15/08/2008	15/08/2058
Total		20,392,194		

Corporate Scorecard of Performance Indicators

Approachable, Accountable and Visible

	Result	Period	Frequency	Source
Budget Council Tax and Rent set by 11th March each year	Completed	2010/11	Annual	TBC
Upper quartile performance in both NDR and Council Tax			Annual	TBC
Spending maintained within approved budget and without significant underspends (+ or - 5%)			Monthly	TBC
Achievement of an unqualified audit opinion on the financial statements	Yes	2010/11	Annual	TBC
Draft Statement of Accounts to be prepared by 30th June each year	Yes	2010/11	Annual	TBC
To have satisfactory arrangements to secure economy, efficiency and effectiveness in our use of resources	Yes	2010/11	Annual	TBC
The number of eligible voters	58804	Q1 2011-1;	Quarterly	TBC
Voter turnout	36.78%	May-11	Annual	
By 2015, increase the percentage of people who feel they can influence decisions in their locality	29%	2010/11	Annual	TBC
Percentage of canvas forms returned		2010/11	Annual	TBC
Performance against corporate customer service standards				
Visiting Marmion House - Resolution at first point of contact	80%	2010/11	Annual	TBC
Phoning Marmion House - Calls answered within 20 seconds	95%	2010/11	Annual	TBC
Tell us enquiries	567	2010/11	Annual	TBC
Maintain accreditation against ISO20000	Yes	2010/11	Annual	TBC
Maintain accreditation against ISO27001				
Freedom of Information Requests Responded To Within legislative timescales	97.22%	Jan-11	Monthly	TBC
Transforming Tamworth Targets			Annual	TBC
Support Services Review Targets			Annual	TBC
Increase the percentage of residents year on year who express satisfaction with council services	66.40%	2010/11	Annual	TBC
				Place Survey

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Cabinet

21 September 2011

Report of Portfolio Holder for Corporate Services & Assets

Charges for Legal Work

Purpose

The Legal and Democratic Services Team currently undertakes a significant amount of legal work at the request of third parties. This service is provided free of charge to those third parties and is run at a cost to the Council.

The purpose of this report is to advise Members of the current position, the nature of the work undertaken and the resource implications. The report will enable Members to consider the options and agree recommendations which will have the following effect :-

1. Provide limited additional income to the Council which can be used to off- set direct cost of providing the particular service requested.
2. Create and implement standard charging for certain areas of legal work.
3. Align our Council's service provision with the approach taken by many other authorities around the country.

Recommendations

Members are requested to endorse the content of this report and approve the following:-

- 1. To approve the general principle of imposing a charge for discretionary legal services.**
- 2. Create a standard form of response to leasehold enquiries and impose standard fees as detailed at appendix 1.**
- 3. To implement standard charges for the areas of legal work in accordance with the schedule at appendix 1 attached to this report**

Resource Implications

Recommendation number 1 - will allow the Solicitor to the Council & Monitoring Officer to impose a charge when requested to undertake a piece of work not included in the schedule at appendix 1. These charges need to be reasonable and based on a calculation of the cost to the Council providing the service and in the event of any challenge, the Council will have to be able to justify the level of charge.

Recommendation number 2 - there are limited resource implications. Some work will require to be undertaken to create a standard form of response to leasehold enquiries. This can be done by reference to that information required to be provided under Statute and by reference to previous requests, and by using our research of other authorities.

Recommendation number 3 - there are limited resource implications. Third parties will require to be notified upon any request for work to be undertaken, of the standard charge and to collect that fee either prior to or upon completion of the work being undertaken. Research and consideration of the charges has already been calculated at an appropriate fee to ensure that the proposed charge can be justified.

Financial Implications

There is no specific expenditure required to implement the recommendations.

That said and based upon past enquiry levels, it is estimated that additional income of approx. £4k per annum could be achieved. However, there can be no guarantees of the level of income following the imposition of charges for these areas of work. Although it is highly likely that there will be some income, the numbers of requests do fluctuate and whilst, in most cases, will proceed regardless of the imposition of a charge, the numbers are to a greater extent market driven and cannot be depended upon.

Legal/Risk Implications

Recommendations number 1 and number 3 – the Council does have the power to charge for discretionary service. This power can be found in Section 93 of the Local Government Act 2000. The proposed fees can be justified in terms of the work undertaken.

Recommendation number 2 – the Council is legally obliged to provide certain information to leaseholders under the Housing Act 1985 and this can be done by way of a standard response sheet for which a fee to cover the cost involved can be charged.

Background

General legal work - There are a number of areas of legal work which are undertaken within Legal and Democratic Services, generally at the request of third parties. The schedule at appendix 1 shows a range of tasks. This is not an exclusive list and is purely indicative hence the need for the first recommendation.

This work can take up a substantial amount of Officer time and currently no charges are imposed on the third party making the request.

Much of the work flows from transactions being undertaken by a solicitor on behalf of an individual. For example, when an individual sells their home which was previously a Council house, if there have been any alterations or additions these will have required consent from the Council and frequently, this has not been obtained at the time. There is an urgent need for the consent to enable the sale to progress and the Council is asked to provide retrospective consent to avoid a delay in the sale.

The proposal to implement some standard charges for the provision of certain legal services is in line with the approach taken by other departments across the Council.

Customer Services have adopted standard charges for the provision of photocopying to members of the public at the Tourist Information Centre and Environmental Health have a policy on charging, these charges cover a wide range of services provided by the Environmental Health team.

Provision of Landlord information – replies to leasehold enquiries -

The Council does not currently charge for the provision of information to individuals and their solicitors concerning their lease. The landlord's leasehold enquiries are questions that are sent to the Council in its capacity as the Landlord, when an individual is selling their leasehold property. The questions can range in length from between two and nine pages.

The Housing Act 1985 provides that the freeholder (Council) must give certain information. A reasonable charge can be made for this. The proposal is to create a standard response sheet which will provide all of the statutory information and is sufficient for any sale. It is proposed that a fee is made for this service. See details at appendix 1. However, additional questions may be raised and if so, these will be responded to with an additional fee per question.

The process will improve the speed of response to leasehold enquiries since delays will not be incurred by waiting for Officer time to deal with individual questions. For a set fee a standard response sheet will be immediately sent and this will be quicker than the current process which involves officers in Legal, Housing, Revenues and Property Teams.

The Law / Our Powers

General legal work –

With regard to the proposal for charges for legal work, other than the provision of standard landlord information, these services are discretionary and the Council is not required by statute to provide them.

Section 93 of the Local Government Act 2000 provides local authorities with a statutory power to charge for the provision of discretionary services.

Charges under Section 93 need to be reasonable and based on a calculation of the cost to the Council providing the service and in the event of any challenge, the Council will have to be able to justify the level of charge.

Provision of Landlord information – replies to leasehold enquiries -

The Council is required under the Housing Act 1985 to give the information and this Act does allow the Council to impose a reasonable charge, provided that it can be justified in terms of the officer time taken to deal with the request.

The areas of work for consideration are as follows:-

1. Dealing with a receipt for notices of assignment/transfer/charge which are received when a leasehold property changes hands or is mortgaged. Often the lease will make provision for a set fee to be paid to the Council and this can vary considerably depending on the age of the lease. The fee could be anything between £7.50 and £25 but frequently the lease does not specify a fee.
2. Retrospective consent is required in the event that a previously owned council property with covenants imposed in the deeds which prevent change to that property by way of alterations, building, addition of sheds etc. When an owner comes to sell the property the intended purchaser will require to be satisfied that consent has been obtained from the Council for all such works. The owner is therefore required to contact the Council at that time to seek the consent. This consent is currently provided free of charge.
3. Consent for tree works/removals. Again, this consent will be required because of covenants contained in the original transfer deed on the sale of a right to buy property. Please note that this does not cover tree preservation orders.
4. Letters of postponement. These are required in respect of the Council's statutory discount charge which is registered against a property following a sale on the right to buy scheme. This registered charge protects our position with regards to the repayment required of the statutory discount which has been allowed, within five years of the date of sale. However, the Council is required to postpone that charge in favour of a mortgage taken by the owners of the property in certain circumstances, particularly with regards to home improvement works. The new mortgage company will require their charge to take priority over existing charges on the property title register.
5. Rights of first refusal/certificates of compliance. Again, these are linked to the relevant clauses contained in the original transfer deed on a sale of a 'right to buy property'.
6. General deed related enquiries which are usually with reference to boundary ownership.

A calculation has been undertaken to ascertain the approximate numbers with regard to the areas of work referred to above, which have been carried out within the last two years. The chart below provides these details.

	2010/April 2011	2009/2010
Leasehold Enquiries	42	37
Retrospective Consent	5	7
Tree consents	4	5
Letters of Postponement	3	6

Rights of Refusal/Certificates Compliance	First of	4	6
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Conclusions

The provision of numerous responses to leasehold enquires at no cost to the individual, takes up valuable officer time and cannot be sustained. A streamlined approach of a standardised form of reply, giving all statutorily required information, at a basic charge to cover the cost to the Council of providing the service together with an option of raising additional enquires for response again, at a basic additional cost, will reduce unnecessary demands on officer time and provide the public with a more efficient service by obtaining the essential information without delay.

It is hoped to improve service delivery by improving efficiency and standardisation of documentation, thus providing the customer with a better service. The level of fees is reasonable and can be justified.

For the discretionary areas of the Council's work it is appropriate that those requiring the service should be responsible for the cost of the same to avoid the burden falling on the wider community. Where statute provides that a reasonable charge may be made, again, it is appropriate that the Council seek to recover the cost of providing the service.

Report Author

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List of Background papers

Local Government Act 2000
Housing Act 1985

Appendices

Appendix I Schedule of proposed charges

**APPENDIX 1
SCHEDULE OF PROPOSED CHARGES**

Task	Approximate Quantity	Approximate Time (Minutes)	Proposed Charge (£)
Leasehold Enquiries	Regularly one a week at least	This is difficult to quantify accurately due to involvement of several service areas but is believed to be 60 – 180 for full set of Enquiries	85
Additional Leasehold Enquiries - per question		15 - one question.	20
Receipt of Notice of Assignment/Transfer/Charge		30 - 60	25
Certificate of Compliance/Right of First Refusal	Fluctuates – depends on housing market	30 - 60	30
Letters/Deeds of Postponement	Fluctuates – depends on housing market	30 - 60	30
Retrospective Consents	Fluctuates – depends on housing market	30 – 60	30
Tree removal works/consents	Rarely required	30	30
Land/property/ boundary ownership	Regularly – one or more a week	30 - 60	30
Copying of documents	Involves retrieval of deed, examination and	15 - 30 Plus 10p per A4 page or 20p per A3 page	15 - 30

	photocopying		
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21 September 2011

Report of the Portfolio Holder, Corporate Services & Assets

Local Authority Mortgage Rate for Mortgages granted Under Housing Act, 1985

EXEMPT INFORMATION

None

PURPOSE

The purpose of this report is in accordance with section 438 of the Housing Act 1985 to make the statutory declaration of the local authority mortgage interest rate from 1 October 2011.

Executive Summary

In accordance with section 438 of the Housing Act 1985 with effect from 1 October 2011 the Authority interest charged on Council mortgages changes from 7.17% to 6.87%.

RECOMMENDATIONS

The Cabinet is recommended to endorse: -

- **The statutory declaration of interest to be charged at 6.87%**
- **The rate is reviewed again every 6 months.**

For the following reason:

To comply with statutory requirements of the Housing Act 1985

RESOURCE IMPLICATIONS

There are no significant resource implications

LEGAL/RISK IMPLICATIONS BACKGROUND

Adopting the recommendation ensures the Authority complies with legislation. See Appendix A.

SUSTAINABILITY IMPLICATIONS

None

CONCLUSIONS

The statutory declaration of interest is to be charged

BACKGROUND INFORMATION

Authorities are required to charge whichever is the higher of:

1. The standard national rate, which is set by the Secretary of State, or
2. The applicable local average rate based on the Authority's own borrowing costs and a small percentage (0.25%) for administration.

The Council currently has a portfolio of 5 mortgages with a total amount outstanding of £45,664.63.

The standard national rate last declared by the Secretary of State after taking into account rates charged by building societies is 3.13%.

The applicable local average rate for Tamworth Borough Council is the Council's local average rate 6.62% plus 0.25% being 6.87%.

The mortgage interest rate that will be applied from 1 October 2011 will be 6.87% as it is the higher of the standard national rate and the local average rate.

REPORT AUTHOR

Michael Buckland

LIST OF BACKGROUND PAPERS

APPENDICES

Risk assessment form

RISK ASSESSMENT FORM

Appendix A



Organisation / department / function / project;

Business Objective: To set the Authority's Mortgage interest Rate

Completed by: Michael Buckland Date completed: 2 September 2011

o	Risk & Impact (Threat/Opportunity to achievement of business objective)	Assessment of Gross Risk			Risk Treatment Measures Implemented	Assessment of Current Risk [With control measures implemented]			Action Plans for Additional Treatment Measures	Timescale
		Impact (Severity) [I]	Likelihood (Probability) [L]	Risk Score [xL]		Impact (Severity) [I]	Likelihood (Probability) [L]	Residual Risk Score [xL]		
	That the Authority does not comply with legislation in respect of mortgage interest rates charged.	1	3	3	Interest rates are reviewed and set in accordance with legislation.	1	1	1	Set process in place to review interest rates 6 monthly	Six monthly

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DATE OF COMMITTEE
21st September 2011

REPORT OF THE PORTFOLIO HOLDER QUALITY OF LIFE AND PORTFOLIO HOLDER
CORPORATE SERVICES AND ASSETS

TITLE OF REPORT

Disposal Of Council Owned Garage Sites For The Development Of Affordable Housing

EXEMPT INFORMATION

None

Purpose

To agree in principle to the disposal of 26 Council owned garage sites for the purpose of developing affordable housing as per the previous cabinet decision to disinvest in sites that are uneconomical to retain. By disposing of underused garage sites in this way the Council is making best use of its assets in increasing the supply of affordable housing and helping to deliver against corporate priorities. Further site evaluation and feasibility assessments are required before a final decision is taken in respect of the disposal of these sites. This will incorporate the potential to develop specialist housing provision for older people and vulnerable residents and enable the Council to deliver against priorities identified in the Local Delivery Plan as approved by Cabinet in June 2011. Additionally this action will support the delivery of the Council's corporate priorities.

A further report on the wider retention arrangements for the remaining 63 sites will be presented to Cabinet in November including investment and management options. These will include an assessment of the potential for open market sale or alternative uses for individual sites.

RECOMMENDATIONS

- ✓ **That Cabinet agrees in principle to the disposal of 26 garage sites to partner Registered Providers (RPs) to develop affordable housing**
- ✓ **That authority is delegated to the Portfolio Holder Quality of Life and Portfolio Holder Corporate Services and Assets to agree final decisions relating to the disposal of garage sites following further feasibility assessments**
- ✓ **That a further report is submitted to Cabinet in November to agree a strategy for investment in the retained garage stock and potential disposal of sites not suitable for affordable housing development.**

RESOURCE IMPLICATIONS

In February 2011 Cabinet approved a commitment to the development of Affordable Housing on underused garage sites and requested that an initial assessment of site suitability be conducted with Registered Provider (RP's) partners. This work is now completed and a schedule of 26 sites to be taken forward for further detailed evaluation is attached at Appendix A.

The estimated total value of the garage sites being considered for disposal is £688,100. This is an estimated valuation based on the potential value of the sites if disposed of on the open market for the purpose of residential development. As detailed site evaluation has not been undertaken and as planning permissions are not currently in place the actual current marketable value of the sites is significantly less. It should also be noted that under current pooling rules if any of these sites were sold on the open market the Council would only receive a proportion of the receipt, currently 50% of the proceeds from the sale of land can be retained. It is intended to make available the land at zero cost to partner RP's for the

purpose of providing affordable housing and providing that the Council is given full nomination rights this would be classed as exempt from the pooling requirement. Whilst this represents a notional loss of the Capital value of the land for the Council this is offset by the ensuing community benefits.

Further value for money consideration include:

- It is likely the estimated value of £688k would not be realised commercially due to the nature of the sites involved
- Any affordable units developed will be available to the Council for nomination from the Housing register
- Additional units of affordable housing will help to meet the needs of homeless households and reduce cost to the Council in managing homelessness
- There are costs of demolition and clearance which will be met by the RPs
- The sites can not currently be let in their current state and some sites have been identified as having social problems in relation to anti social behaviour and therefore currently have a negative impact on the community
- By reducing the garage stock overall investment can be focused on retaining other sites that have longer term sustainable benefits
- The partner Registered Providers are paying for all related feasibility, legal and planning costs in relation to the future development

The 26 sites under consideration have been identified as sites for disinvestment due to under-use, high void levels and maintenance issues. There will be a loss of income, however the majority of the rental loss from these sites has already been built into existing budgets.

In taking forward these sites for the development of affordable housing, the supply of affordable housing options available to local people will be increased. This will assist the Council in preventing cases of homelessness and provide local people with a long term housing solution that will also encourage positive health and wellbeing outcomes. The RPs will grant 100% nomination rights in return for the investment of land.

In terms of the costs of homelessness, it is estimated that the costs to the Council of a household becoming homeless is £5,300. If it is assumed some of the housing generated is utilised to house homeless / potentially homeless households, the disposal of these sites will generate value for money outcomes for the council as well as positive housing and health outcomes for local residents.

Additionally, it should be noted that the use of the garage sites to develop affordable housing is likely to generate considerable inward investment into Tamworth. Based on current estimates from RP partners, delivery of the proposed 87 unit included in the attached development schedule would attract around £2,340,000 in Homes and Communities Agency (HCA) Grant and a total net investment from RP partners of £5,340,000.

Any new housing developed on these sites would attract New Homes Bonus with an additional enhancement of £350 included for each dwelling built as they would be affordable homes.

It should be noted that all of the above is based on successful development of all sites for affordable housing. There are a number of key pieces of work which will need to be undertaken which will impact on this including site investigation and consultation.

LEGAL/RISK IMPLICATIONS BACKGROUND

In order to progress activity to submission of this report, partner RPs have engaged architects and other partners and have subsequently taken the project forward to this point at their own risk. As the viability to develop each of the identified sites is taken forward following approval to dispose, partner RPs will meet all legal costs arising from this activity at no cost to the Council.

Financial risks associated with this project will be accommodated by partner RPs with the Council supporting applications for HCA grant and other sources of funding to support delivery.

A key risk to the delivery of affordable housing on these sites will be the availability of funding.

Risks to the Council should disposal / development not go ahead are increased levels of void garages on these sites with associated problems of ASB, deterioration of the environment, loss of inward investment and partner support to deliver affordable housing and environmental improvement and additional pressure on the existing housing stock. Additionally, there is a risk that residents may be concerned that plans to redevelop garage sites have been formulated without their knowledge. It is important to note that the decision to redevelop any of the sites identified in the development schedule will be subject to completion of detailed feasibility studies, specific member approval and the usual planning processes. As part of this process the needs and views of local residents will be fully considered.

SUSTAINABILITY IMPLICATIONS

There are inevitable benefits of delivering affordable housing on the identified garage sites, namely:

1. contributing to healthier outcomes
2. economic regeneration of deteriorating open spaces
3. efficiency savings in relation to revenue and maintenance costs associated with managing difficult to let and problem garage sites
4. compliments overall garage strategy that deals with disinvestment, retention and proposals for future change of use (report to follow)

These and other associated outcomes would contribute towards the delivery of key priorities identified by the Tamworth Strategic Partnership and adopted by Tamworth Borough Council.

CONCLUSIONS

Disposal of council owned garage sites to develop affordable housing would make a cost effective and positive contribution to meeting housing need in Tamworth. Additionally, wider issues concerning improving health outcomes, environmental improvement and economic regeneration will be addressed.

BACKGROUND INFORMATION

In February 2011 Cabinet approved a commitment to the development of Affordable Housing on underused garage sites and requested that an initial assessment of site suitability be conducted with Registered Provider (RP's) partners. This work is now completed and a schedule of 26 sites to be taken forward for further detailed evaluation is attached at Appendix One.

In parallel with the above assessment work has been ongoing to develop a retention strategy for the remaining garage units owned by the Council. This strategy will be the subject of a further report to Cabinet in November 2011.

Work is ongoing with the Council's Registered Provider partners to develop the sites identified within Appendix A. Much work remains to be done but at an early stage, it has been agreed with RP partners that the Council will have 100% nomination rights to any new affordable dwellings developed on these garage sites. Council owned garage sites have been identified in the Local Investment Plan as being high priority for development and represent one of many options to take forward in order to increase the supply of affordable housing in Tamworth. The Homes and Communities Agency are aware of progress made regarding the garage sites and RP partners have indicated they will be seeking HCA resources to assist in the delivery of affordable housing on these sites. Should development take place on these sites as planned, this will make a valuable contribution to increasing the supply of affordable housing for local people and contribute to the wider priorities and outcomes identified by the Tamworth Strategic Partnership.

REPORT AUTHOR
Steve Pointon

LIST OF BACKGROUND PAPERS

APPENDICES
A. Development Sites Schedule

Appendix A. Development Site Schedule

Site No.	District	Road	Development Potential		Risks/Constraints	Notes & Approximate site valuation
			Number	Type		
426	Coton Green	Shelley Drive	3	2B4P Houses	<ul style="list-style-type: none"> Footpath Status Overlooking 	£15,000
632	Coton Green	Kipling Rise/Keats Close	5	2B4P Houses	<ul style="list-style-type: none"> Access to electric sub station Turning head 	£100,000
641	Coton Green	Bloomfield Way x 2 A B	2 0	2B4P Houses 0	<ul style="list-style-type: none"> (B) Not practical for development 	£34,250
639	Coton Green	Fontenaye Road	2	2B3P Bungalows	<ul style="list-style-type: none"> Overlooking/separation distance 	
7429	Leyfields	Thackeray Drive	3	2B4P Houses	<ul style="list-style-type: none"> Existing 4-storey maisonettes Drying/garden area Sub-station 	Potential site includes garages, car parking and drying areas. £9,250
431	Leyfields	Thackeray Drive	3	2B3P Bungalows	<ul style="list-style-type: none"> Service Yard to shops Overlooking from sheltered housing Overlooking to existing bungalows 	£500
428	Leyfields	Thackeray Drive/ Masfield Drive	3 2 4	2B3P Bungalows 2B3P Flats 1B2P Flats	<ul style="list-style-type: none"> Prominent corner 4 storey maisonettes 	£9,250

Site No.	District	Road	Development Potential		Risks/Constraints	Notes
			Number	Type		
434	Leyfields	Masefield Drive/ Burns Road	0	-	<ul style="list-style-type: none"> Open space – not for development 	To be retained
439	Leyfields	Tennyson Avenue	4	2B4P Houses	<ul style="list-style-type: none"> Noise from railway 	Near station – very good access to town. £16,500
625	Leyfields	Milton Avenue	4	1B2P Flats	<ul style="list-style-type: none"> Limited narrow access 	£10,000
419	Gillway	Hawthorne Avenue	3	2B4P Houses	<ul style="list-style-type: none"> General needs prohibited by very limited access Sloping site 	Consider for supported housing use/bungalows. General family may not be acceptable. £52,500
422	Gillway	Chestnut Avenue	4 or 4	2B3P Bungalows 2B4P Houses	<ul style="list-style-type: none"> Narrow site at front Multiple access to rear Queensway 	Consider extending allotments/bungalows £15,500
423	Gillway	Chestnut Avenue	2 or 2	2B3P Bungalows 2B4P Houses	<ul style="list-style-type: none"> Poor access visibility Significant level change Existing garage s/e corner/access Public right of way? 	Challenging for development. £68,500
633	Gillway	Cherry Tree Walk	4 or 4	2B4P Houses 2B3P Bungalows	<ul style="list-style-type: none"> Existing garage s/e corner/access Public right of way? 	£72,000
634	Gillway	Hilltop Avenue	4	2B4P Houses	<ul style="list-style-type: none"> Existing rights of access to garages 	£72,000

Site No.	District	Road	Development Potential Risks/Constraints		Risks/ Constraints	Notes
			Number	Type		
468	Colbourne Road	Colbourne Road	3 or 4	2B4P Houses 2B4P Slim Houses	<ul style="list-style-type: none"> Maintaining access to allotment gardens 	£37,500
457	Kettlebrook	Broadsmeath	0	-	<ul style="list-style-type: none"> Existing open space not appropriate for development 	Extend car parking and provide some planting.
458	Kettlebrook	Broadsmeath	3	2B4P Houses	<ul style="list-style-type: none"> Managing rear access path/security 	£11,700
459	Kettlebrook	Broadsmeath	2	2B4P Houses	<ul style="list-style-type: none"> Maintaining access to rear of Nos. 42/50 	Car parking/adopted highway. £9,150
460	Kettlebrook	Broadsmeath	0	-	<ul style="list-style-type: none"> Existing open space not appropriate for development 	
635	Kettlebrook	Stonepit	0	635 (A)	<ul style="list-style-type: none"> End of cul-de-sac need to be retained 	Unlikely for development
636	Kettlebrook	Stonepit	0	636 (B)	<ul style="list-style-type: none"> Existing electric sub-station making development impossible without major cost 	Subject to route of Cables and loss of parking
640	Kettlebrook	Lower Park	1	2B4P House	<ul style="list-style-type: none"> Only parking available 	Unlikely for development £10,000

Site No.	District	Road	Development Potential		Risks/Constraints	Notes
			Number	Type		
449	Ferrers Road	Ferrers Road	2 or 3	2B3P Bungalows 2B4P Houses	<ul style="list-style-type: none"> Level changes/overlooking Existing access to 2 No. private garages? 	Access drive to be reviewed £12,250 If existing garages access retained - difficult to develop £20,000
637	Ferrers Road	Ferrers Road	2	2B4P Houses	<ul style="list-style-type: none"> No vehicular access 	Courtyard parking to flats – through arch? £19,750
453	Glascote	Chapelon	2 4	2B4P Houses 1B2P Flats	<ul style="list-style-type: none"> Existing tree Overlooking/separation distance 	Opportunity for 2 No. 2B4P Disabled Bungalows with car ports. £12,750
474	Glascote	Kilbye Close	0	-	<ul style="list-style-type: none"> Parking/hammerhead 	Demolish garages as car parking
622	Glascote	Dunedin	0	-	<ul style="list-style-type: none"> Existing access to private garages Right of way – footpath status. Large extension to church 	Unsuitable for development Sell to church
638	Glascote North	Neville Street	0	-		

Site No.	District	Road	Development Potential		Risks/Constraints	Notes
			Number	Type		
474	Wilnecote	Castle Road/ Beauchamp Road	0		<ul style="list-style-type: none"> Open space to be retained 	
475	Wilnecote	Beauchamp Road	2	2B4P Houses	<ul style="list-style-type: none"> Maintaining access to garage on southern boundary Very narrow site 	£30,000
476	Wilnecote	Arden Road	3	2B3P Slim Bungalows		Development potential questionable. £14,500
642	Wilnecote North	Waveney	0	0	<ul style="list-style-type: none"> Too small to develop 	
643	Wilnecote North	Thurne	2	2B4P Houses	<ul style="list-style-type: none"> Existing access retained 	£30,000
75						£688,100

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21st September 2011**REPORT OF THE PORTFOLIO HOLDER QUALITY OF LIFE****TITLE OF REPORT**

Reform of Social Housing Regulation – Landlord Services co-regulation and role of the Tenants Services Authority (TSA)

EXEMPT INFORMATION

None

PURPOSE

- ❖ To update Cabinet on the interim arrangements for landlord regulation in relation to the TSA (1/7/11-31/3/12)
- ❖ To set out the proposed changes within the Localism bill to Landlord Regulation from April 2012
- ❖ To set out Landlord Services response to the above changes and ensure that tenants are at the heart of influencing, shaping and scrutinising services in line with legislative and best practice requirements

RECOMMENDATIONS

1. To endorse the interim position regarding the TSA from 1st July 2011 – 31st March 2012
2. To delegate authority to the Portfolio Holder of Quality of Life and Deputy Director of Housing and Health to agree consultation responses to the changes to the regulatory framework for tenants'
3. To agree that the Tenant Regulatory & Improvement Team within Landlord Services will oversee compliance with the regulatory requirements within the TSA's code ensuring tenants' shape, influence and scrutinise service improvement

RESOURCE & FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report. Approval and preparations are already well advanced in terms of modernising the tenant participation team, extending the remit from one of tenant capacity building and information giving to ensuring tenants have meaningful engagement, opportunities for participatory budgeting and scrutinising service delivery. Appointments and Staffing Committee have already approved management changes to the Landlord Management Structure and the new Tenant Regulatory and Improvement Team has been modernised to ensure that it can respond to the above challenges.

LEGAL/RISK IMPLICATIONS BACKGROUND

Failure to adhere to the Regulatory framework, set out by the TSA, could still result in a short notice inspection if it is assessed as a serious failing. Going forward there will be consultation on a revised regulatory framework for landlords and in the context of localism tenants will be expected to inform, challenge and scrutinise their landlord services. Failure to demonstrate this will be evidence of non-compliance and could trigger HCA inspections, even when the TSA is abolished.

SUSTAINABILITY IMPLICATIONS

Responding to localism will put customers at the heart of influencing service delivery. Ownership of community based solutions will help build balanced and sustainable communities.

BACKGROUND INFORMATION

The Localism Bill was published in December 2010. This set out the proposals with the potential to shift power from Central Government to local people. The Bill includes wide ranging freedoms and flexibilities for local government; new rights and powers for communities and opportunities for wider reform to housing, planning and democratic processes. The detail of this is currently being assessed by the Deputy Director of Communities and Partnerships, this report is therefore concerned with the changes to social housing regulation which is just one of the areas within the Localism Bill, set to take effect from April 2012. In response to the Coalition Government's proposals to abolish the TSA and move the regulatory function to the Homes & Communities Agency (HCA) they have issued an interim paper, following a period of consultation, on the inspection arrangements pending formal commencement of the Localism Act.

MATTERS FOR CONSIDERATION

Interim Arrangements for the TSA (1/7/11 – 31/3/12)

Investigating regulatory concerns: inspecting TSA standards was published in July 2011 and is attached. Essentially the key points to note, whilst section 201-203 of the Housing & Regeneration Act 2008 remain in force, are:-

- ❖ There will not be a programme of inspections. Inspections will be generally commissioned on a short notice basis and the Audit Commission will continue to be the TSA's first choice
- ❖ The principal test for an inspection will be whether the landlord is failing to meet the TSA's standards and will therefore not be routine. The purpose will be to assess whether there is a "serious failure and/or detriment" to the tenants as opposed to sharing comparative practices and information.
- ❖ Inspections that are commissioned will focus on specific areas, agreed with the organisation prior and only where a clear brief that addresses the specific concern has been identified.
- ❖ The regulatory framework setting out the national standards, on which the local offers were based remains in force and is likely to be supported going forward. However the HCA will consult on a new regulatory framework later in 2011 depending on the progress of the Localism Bill, it is recommended that the Portfolio Holder can agree Landlord Services response to consultation in due course.

Localism Impact for Social Housing Regulation

The bill will reform the way social housing is regulated. *The Plain English Guide to the Localism Bill* published by the CLG in June 2011 confirmed that it will be a legislative requirement for tenants to have clear powers to hold their landlords to account. Landlords will be expected to support tenant panels in order to demonstrate that they influence, shape and scrutinise services.

As part of the Annual Report in 2009/10, Cabinet approved the co-regulatory framework for tenants to achieve this level of engagement. This is now well established and Tamworth's Landlord Services have a good basis by which to demonstrate that tenants have this opportunity. In order to comply with the spirit of Localism in relation to this particular aspect, it will be necessary to re-enforce this approach and ensure that it is reviewed and tenants have an opportunity to inform the democratic decision making process.

The bill will abolish the TSA and transfer the remaining functions to the HCA. It is envisaged that the HCA will intervene on issues of "serious detriment" potentially around economic or consumer failings of the landlord. On the basis that this will not be routine the expectation is that under localism tenants and customers will fill the gap that regulators previously filled. The detail to this is yet to be confirmed but Landlord Services will respond to consultation and it is recommended that this is delegated to the Portfolio Holder, in conjunction with the DD Housing & Health, to agree.

The definition of “serious detriment” or failing is yet to be clarified. But it is reported in the professional press that failing to ensure tenants are empowered and engaged could be an example especially if raised through collective tenants and/or members *call to action* - or triggered by the Independent Housing Ombudsman. It is therefore crucial that the Landlord team responsible for tenant involvement oversee and respond to these regulatory requirements and ensure that the existing co-regulatory model continues to be developed and enhanced to ensure it meets statutory and regulatory requirements.

On the basis that an inspection is likely to be seen as an indicator of failing going forward, it is crucial that Tamworth Landlord Services maintains and improves on tenant engagement. Cabinet have already approved the production of an Annual Report for 2010/11, which is set to be distributed in September, and this will continue to reflect the importance of this work

The team are already working with national tenant organisations (Tenants and Residents of England (TAROE); National Tenants Voice (NTV) and TPAS) to research and implement best practice in relation to regulatory models. The TSA commissioned these groups earlier in the year to report best practice in relation to the annual reports and learning from ‘best in class’ will ensure the service is not only compliant but really does give effect to localism and putting tenants at the heart of what it seeks to achieve.

It is therefore recommended that the work required continues to be undertaken to ensure the council’s service is not put at risk.

REPORT AUTHOR

Tina Mustafa ext 467

LIST OF BACKGROUND PAPERS

APPENDICES

Investigating Regulatory Concerns July 2011 TSA A Plain English Guide to the Localism Bill June 2011 CLG

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Investigating regulatory concerns:

inspecting the TSA standards

Investigating regulatory concerns: inspecting the TSA standards

Tenant Services Authority consultation

March 2011

Investigating regulatory concerns: inspecting the TSA standards

Tenant Services Authority consultation

March 2011

TSA consultation statement

Please respond by	10 June 2011
Please respond to	Amanda Newton Tenant Services Authority 4th Floor One Piccadilly Gardens Manchester M1 1RG Email: inspectionconsultation@tsa.gsx.gov.uk If you would like to discuss any issue raised in this document before sending your response, please contact our Customer Services Team on 0845 230 7000, who can refer you to the relevant TSA officer.
Why we are asking for views	<p>This consultation is on proposals for how we intend to specify the way inspections are carried out from 1 July 2011. We propose to use our existing approach for inspections of Section 194 standards (governance and financial viability) as the basis for inspections of Section 193 standards (also called housing or landlord services).</p> <p>We propose to commission inspections using a brief that requires the inspector to investigate our specific concerns about the provider's compliance with the TSA standards and regulatory requirements. This will replace the Key Lines of Enquiry methodology.</p> <p>The consultation includes a set of principles that will frame the way individual briefs are drawn up.</p>
Consultation questions	<p>Do you support the proposed arrangements and principles for the way TSA will commission inspections from July 2011 onwards?</p> <p>Do you have any comments on the proposed approach to providing transparency to a provider about the focus of its inspection?</p>

The context for consultation	<p>The Regulatory Framework for Social Housing in England from April 2010, and the annexes to it, set out our general approach to intervention and enforcement and guidance on how we intend to use our inspection power. This consultation does not propose changes to this established framework which, in relation to inspection, is articulated principally in chapter 6 and guidance note 9 of the regulatory framework.</p> <p>Inspections are currently carried out under interim arrangements published in a joint TSA/Audit Commission Transition Statement (November 2010). Following consultation, these proposals will replace those transitional arrangements.</p>
Status of consultation	<p>This consultation is about the way TSA commissioned inspections are carried out within the existing statutory framework. This is not, therefore, a statutory consultation but we are adopting a 12-week consultation period in order to allow stakeholders adequate opportunity to contribute their views on our proposals.</p>
Who is being consulted	<p>We are seeking views from tenants, providers, lenders and other stakeholders with an interest in social housing.</p>
How we are consulting	<p>We are consulting primarily through publication of this document which is published electronically. We can provide assistance on this document if required. Please contact our Customer Service Team on 0845 230 7000.</p>
Time to respond	<p>We aim to follow cabinet office guidance to allow a 12-week response time for all consultations. The time period for responses to this consultation is 12 weeks.</p>
Taking account of your views	<p>Our consultation questions are set out on page three.</p>

We expect we may receive different views about our proposals. This means that we may not be able to do everything that everyone wants. The TSA will have to decide, taking account of the views we receive, and of our legal objectives, duties and powers, what is the best way to proceed.

We intend to publish a decision statement in June 2011 and to bring the new inspection arrangements into effect on 1 July 2011.

1 Introduction

1.1 The TSA's Regulatory Framework for Social Housing in England from April 2010 established:

- Standards that registered providers are expected to achieve
- How the TSA monitors performance against the standards, based on our commitment to co-regulatory principles and supporting providers' self-improvement
- How the TSA uses our statutory powers to investigate and consider regulatory responses to potential or actual breach of the standards.

1.2 Where we have reason to suspect that there is risk of standards not being met, we have a range of regulatory responses and interventions that are available to us, one of which is inspection. Our stated approach is to use our statutory inspection power as a regulatory investigative tool. The key parts of the regulatory framework that are particularly relevant are:

- Chapter 6: The overarching principles for use of our regulatory, enforcement and general powers
- Annex 1, Guidance Note 9: Use of our Inspection Power (section 201-203, Housing & Regeneration Act 2008)
- Chapter 4: How we commission housing inspections from the Audit Commission

1.3 We have also published a transitional statement¹ describing how, when an inspection is necessary, it would be commissioned and carried out using parts of the Audit Commission's key lines of enquiry (KLOEs) tailored to the specific parts of the TSA standard(s) where we have cause for regulatory concern.

This consultation

1.4 This consultation describes proposals to revise the current arrangements for commissioning inspections. It completes a commitment made in the regulatory framework to carry out a review of the inspection methodology i.e. the way inspections are carried out. It is intended that, following consultation, the proposals will replace or supersede the interim arrangements in the transition statement.

1.5 The proposals in this consultation will operate within the statutory and regulatory framework as set out in chapter 6 and guidance note 9. This consultation does not introduce amendments to those. Guidance note 9 is reproduced in the Annex to this document for reference (it was consulted on in 2009/10 within the regulatory framework).

1.6 We expect the revised commissioning approach to take effect from 1 July 2011 and to last until further notice. We anticipate this means in practice these arrangements will be in place at least until April 2012.

¹ The November 2010 Transition Statement
http://www.tenantservicesauthority.org/upload/pdf/TSA-AC_Joint_statement_11-2010.pdf

1.7 We also expect these proposals, while grounded in the current regulatory arrangements, will be a good foundation for the future as indicated in the Government's October 2010 Review of social housing regulation and inspection. In respect of the regulator's inspection power, the Review concluded that:

- the regulator will retain its power to commission inspections of registered providers, however it should only do so where it has grounds to suspect failure against the standards
- having regard to the Government's announcement to abolish the Audit Commission, the regulator will in future need an ability to procure inspections from alternative sources

1.8 Government's proposals are currently subject to Parliamentary process in the Localism Bill which signals some new or changed priorities for the social housing regulator. These are discussed briefly, in the context of future use of inspection, towards the end of this document. They are unlikely to come into effect until April 2012 and until that date the provisions of the 2008 Act continue to apply.

2 Proposed arrangements for commissioning inspections from July 2011

2.1. The proposals in this consultation cover arrangements the TSA will use for commissioning inspections under the 2008 Act in its current form.

2.2. For standards set under Section 193 of the Act (housing services standards that apply domain-wide to all social housing providers), the Audit Commission retains the right of first refusal on inspections commissioned by the TSA. In the event that they decline to take the commission, the TSA may arrange for another person to carry out the inspection. Procurement of inspection services other than from the Audit Commission will be carried out in accordance with TSA's corporate procedures. In all cases, these consultation proposals will replace the current approach, which uses KLOEs for inspections of landlord services.

2.3. The proposals also cover the arrangements² the TSA uses for commissioning inspections where necessary of registered providers on Section 194 standards (currently the Governance and Financial Viability standard that applies to private registered providers i.e. not local authorities). The Audit Commission's right of first refusal does not extend to these inspections.

² TSA's regulatory framework guidance note 9, reproduced in the Annex to this document

2.4. The TSA proposes the following principles that will apply following consultation, from July 2011 onwards:

1. All inspections will be carried out within the terms specified in the TSA's guidance on the use of its inspection power and also within the powers on inspection contained in sections 201-203 of the Housing and Regeneration Act 2008.
2. Inspections will not be routine, but will be used to establish whether providers are compliant with TSA standards and regulatory requirements where we have reason to believe a provider may be failing in this.
3. Inspection will provide a clear, evidence-based, independent assessment of compliance with the standards and regulatory requirements.
4. Inspections that are commissioned will focus on those areas where concerns have been identified. Our stated approach to regulatory engagement with providers means that in most cases concerns will have been discussed with a provider before we make a decision on whether to commission an inspection.
5. The TSA will commission an inspection by **establishing a brief** that addresses the specific concerns identified in relation to the published TSA standards and regulatory framework. For Section 193 standards, this will replace the key lines of enquiry based methodology.
6. The key principle in drawing up the brief for an inspection will be to investigate compliance with the TSA's requirements as expressed in its standards and regulatory requirements. The principal test will be:
 - is the provider meeting its commitments under specified TSA standard(s)?

7. The brief will require the inspector(s) to give an opinion on whether a standard or specific requirement has been breached, and provide evidence in support of this opinion. The final judgement on whether there is in fact a breach of a standard or specific requirement is a decision that will rest with the TSA.
8. As well as the service areas subject to inspection, the brief will set out matters such as reporting timetables, interim reports, fees and cost control.

2.5. There will not be a programme of inspections. Inspections will generally be commissioned on a short notice basis as they are at present.

2.6. When the TSA has decided to commission an inspection, and has provided a brief to the commissioned inspector, it will notify the provider of:

- the reason why it has commissioned an inspection
- the TSA standards to which the inspection relates; and
- the brief provided to the commissioned inspector as the basis for the inspection

2.7. The commissioned inspector will then make arrangements directly with the provider for carrying out the inspection, including confirmation of dates and any requirements for information or access to services necessary to fulfil the brief, in accordance with the inspector's powers under the 2008 Act.

2.8. The commissioned inspector will aim to carry out the inspection in an efficient way

that minimises the administrative impact on the organisation, while ensuring it investigates the issues that have led to the inspection being commissioned.

What will the inspection look for

2.9. As described in Section 1 above, individual inspections will be bespoke to the specific presenting concerns at the provider. This has led us to conclude that there is little value in establishing and maintaining a comprehensive “off the shelf” set of questions (or an inspection methodology similar to the KLOEs) that ranges across the entire standards framework. This is re-inforced by consideration that the volume of inspection activity overall has diminished significantly (compared to pre-2010 levels) and the focus is on compliance rather than comparisons of performance.

2.10. Therefore, we propose that the **brief** (see para 2.4 point 6 above) will in future establish the remit and detailed scope of the inspection. This has been the basis of our existing approach to Section 194 inspections.

2.11. The brief will not be drawn up in isolation: it will be based on the regulatory engagement that has been carried out with the provider. Our regulatory concerns will in most cases have been discussed with providers before we consider commissioning an inspection. In the further interests of transparency, regulators will where practicable discuss the brief with the provider during the commissioning process, and we will consider any comments the provider wishes to make on the brief.

There may be some circumstances where this is not possible or appropriate because we need to act speedily and decisively to protect the interests of tenants and the taxpayer.

2.12. We are confident that these arrangements, together with the principles established in para 2.4 above will provide clear expectations for providers and their stakeholders in the specific circumstances where the TSA considers it necessary to carry out an inspection.

Consultation questions:

Do you support the proposed arrangements and principles for the way TSA will commission inspections from July 2011 onwards?

Do you have any comments on the proposed approach to providing transparency to a provider about the focus of its inspection?

3 Looking ahead

2012 onwards: the Localism Bill

3.1 The Localism Bill, published in November 2010, is currently progressing through Parliament. The proposals include formalising the classification of standards set by the regulator as either “economic matters” or “consumer matters” with regulation of consumer matters to include greater local accountability mechanisms, leaving the regulator in a more reactive role for only serious

failures. The Bill proposes that a higher threshold is set for the regulator's intervention on consumer matters based on the seriousness of the impact on tenants of the failure.

3.2 The proposals to limit the circumstances when the regulator may use its monitoring and enforcement powers in respect of consumer matters (Section 193 standards) will mean that the regulator will only be able to use these powers where there are reasonable grounds to suspect there has been – or that there is a risk of – a breach of a standard(s) resulting in a serious detriment to tenants.

3.3 We anticipate in due course there will be a need to refresh our regulatory framework to take account of these and any further changes to our powers and how we may use them. We therefore intend to consult on redrafting our framework later in 2011 dependent on the progress of the Bill through Parliament. We will set out at that time arrangements for further review where necessary of matters affecting inspection.

3.4 In the meantime we consider that the approach set out in this consultation and our specific proposals for commissioning arrangements, while established within the remit of the current 2008 Act, will stand in good stead in the overall direction of travel indicated in the Localism Bill.

Fees

3.5 The 2008 Act provides for the regulator to charge fees for inspections, subject to consultation and an Order by the Secretary of State.

3.6 We plan to consult on prospective arrangements for a charging regime later during 2011, which will address fees across the regulatory framework.

Annex

TSA Regulatory Framework Guidance Note 9 (published March 2010)

This Guidance is reproduced here for information only. It is not part of this consultation. It forms part of the regulatory framework that was consulted on during 2009/10. It remains in force. We know that some of the terms used, such as Comprehensive Area Assessment and Local Performance Framework, are now out of date. We intend to deal with any amendments that are necessary to this and other guidance notes in due course. Any changes are unlikely to take effect before April 2012.

Guidance on Housing and Regeneration Act 2008 sections 201 to 203: inspection

Purpose

1 This document gives general advice and guidance on how the TSA may exercise its power on inspection. This is a regulatory power and is set out in chapter 6 and sections 201 to 203 of the Housing and Regeneration Act 2008 (the Act). It may be exercised in relation to all registered providers. This document should be read in conjunction with The Regulatory Framework for Social Housing in England from April 2010, which sets out the objectives and principles that underpin the TSA's approach.

Background and context to the use of the power

2 The TSA will use the inspection process to assess performance against national standards and to inform key parts of our regulatory assessment. A provider is responsible for ensuring that the organisation achieves the standards. In circumstances where there may have been a failure against a standard, where the affairs of a provider may have been mismanaged, or to verify performance against any of the standards, the TSA may exercise the power to inspect. The TSA will commission and decide the scope of the inspection.

Potential triggers to the exercise of the power

3 Section 201 of the Act specifies that the TSA may arrange for a person to inspect:

- a provider's performance of its functions in relation to the provision of social housing
- the financial or other affairs of a provider

4 The TSA is likely to exercise the power predominantly in circumstances where it has reason to believe that a provider is failing to meet one or more of the standards, and it is necessary to establish whether or not this is the case before assessing if further action is necessary. Examples of such circumstance might include:

- evidence on performance against national standards from a provider's self-assessment or other indicators of performance

- evidence from a provider's annual reports to tenants on performance against standards
- regulatory concerns arising from complaints about service delivery or a reference from the Ombudsmen
- where we have grounds to suspect that improvement by the provider has not resulted in compliance with the standards or is not doing so in a timely way
- indicators of financial problems or poor financial management from a provider's financial returns to the TSA
- evidence of impropriety (including fraud)
- whistle blowing involving allegations of a serious nature
- performance issues arising from Comprehensive Area Assessment that relate to providers

Scope

5 The main purpose of an inspection is to assess a provider's performance in relation to standards set under sections 193 and 194 of the Act. The power may be exercised in relation to all providers including a non-profit registered provider, a for-profit registered provider and a local authority provider. An inspection of the social housing activities of a local authority provider will include liaison with managing agents where management services are provided by an arm's length management organisation (ALMO), a tenant management organisation (TMO), or other manager under contract.

The power

Who can conduct an inspection?

6 If the main purpose of an inspection is to assess a provider's performance in relation to standards set under section 193 of the Act, the TSA is required to first invite the Audit Commission to carry it out. Should the Audit Commission decline to do so the TSA may arrange for another person, an appropriate professional expert, to carry out the inspection. The TSA can appoint any appropriate person to conduct an inspection with the exception of a member of its own staff.

Inspections by the Audit Commission

7 It is for the TSA to decide whether an inspection is needed and its scope, taking into account the particular circumstances of the provider. Where the inspection is to be carried out by the Audit Commission, the TSA will identify the provider, the services for inspection and the main focus of the inspection. The TSA expects that the Audit Commission will usually obtain all the supporting information it requires for the inspection from the provider in accordance with its own procedures, and using the powers to obtain specified information and documents in the Act only if it is necessary to do so. The TSA will provide any relevant supporting information it holds to the Audit Commission. The Audit Commission will ensure that inspections are delivered in a timely, efficient and cost-effective way. In practice, particularly in circumstances where the TSA believes that there may have been a failure against a standard, it will ensure that the inspection

is focussed on the potential failure. This is likely to be through a short-notice inspection. The TSA and the Audit Commission will work together to deliver inspections within the terms of any Memorandum of Understanding agreed between the two organisations from time to time.

The local performance framework for local authorities

8 In the local performance framework all inspection activity is subject to a “gate-keeping” function. This is designed to ensure that inspection activity across inspectorates is managed effectively. The Audit Commission is responsible for gate-keeping all inspections of local authorities following consultation with other inspectorates who work within the local performance framework. In practice this means the Audit Commission would inform the TSA if it intends to decline any request for an inspection or delay its implementation, and the reasons for that decision.

Inspections by an appropriate professional expert

9 Again it is for the TSA to decide whether an inspection is needed and its scope, taking into account the particular circumstances of the provider. Where the inspection is to be carried out by bodies or individuals other than the Audit Commission the TSA will ensure that the inspector is qualified for the intended purpose of the inspection. The inspection will be focussed on any potential failure against a standard. The TSA will set the brief and the terms of reference for the inspection, including the main

focus and any specific matters to be inspected. These will include the timetable for completion of the inspection and the reporting arrangements. The TSA will agree the inspector’s remuneration. The TSA expects the provider to give all the background information required for the inspection to the inspector on a timely basis. The TSA will give support to the inspector in circumstances where it is necessary to use the powers to obtain specified information and documents in the Act. The TSA will provide any supporting information it holds to the inspector. The inspector will ensure that the inspection is delivered in a timely, efficient and cost-effective way, and the TSA will monitor the inspector’s progress in order to achieve these outcomes.

Notification and initial contact with the provider

10 The TSA will notify the provider about an inspection. It will also agree the arrangements for the inspection with the inspector and the provider based on the particular circumstances of the case. The TSA will expect the inspector to then make contact with the provider in order to agree the detailed practical arrangements associated with the inspection.

An inspector’s powers

11 Section 203 of the Act sets out an inspector’s powers. In summary these are:

- to require a person to provide specified documents or information. The TSA would

expect a provider, or its agents, to produce information and documents when requested to do so by the inspector as listed in section 107 (1) (see the guidance note on s107). Where the provider does not do so, the inspector may by notice require the information and documents to be produced

- to enter premises occupied by the provider at any reasonable time
- to inspect copy or take away documents found on the premises. This includes all relevant documents held by the provider, including documents stored on computers
- to inspect any computer on which documents have been created or stored
- to require any person, including any person having charge of a computer, to provide such facilities or assistance as the inspector reasonably requests

Where the Audit Commission carries out the inspection, the inspector will be authorised in writing by the Audit Commission to exercise the powers set out in section 203 of the Act. Where an appropriate professional expert carries out the inspection, the inspector will be authorised in writing by the TSA to exercise the powers set out in section 203 of the Act.

Giving draft reports to the provider

12 The Audit Commission has its own procedures for sharing its inspection reports with a provider in draft form, and for considering and responding to challenge to its findings by a provider. In those cases where the Audit Commission carried

out the inspection, the TSA would expect the Audit Commission to follow its own procedures. In those cases where an appropriate professional expert carried out the inspection, the TSA will require the inspector to give the provider an opportunity to comment on the draft report.

The inspection report

13 The Act requires that the appointed inspector produce a written report. The TSA will ensure that a copy of the report is given to the provider together with its own assessment of the outcome. The Act makes provision for both the TSA and the inspector to have discretion to publish the report, and the TSA will take into account all relevant factors in coming to a decision on publication, including all legal requirements and commercial confidentiality. In those cases where an appropriate professional expert carried out the inspection, the TSA will consider whether to publish the report, and where it decides that it would be appropriate to do so, it will determine the basis on which the report is published having taken account of the views of the inspector and the provider.

14 The Audit Commission has its own procedures for publishing inspection reports and in those cases where the Audit Commission carried out the inspection, the TSA would require the Audit Commission to publish the report in line with those procedures and as reflected by the MoU between the commission and TSA.

15 In all cases the TSA will expect the inspection to be concluded as quickly as possible in

order that any remedial action that is necessary can be taken swiftly.

Follow-up action

16 The TSA will consider whether it is necessary to follow up an inspection report with the provider. Where the inspector's report makes recommendations we would expect the provider to make proposals for how it will achieve them. The TSA will consider the proposals and monitor the provider's progress towards achieving them. Where an inspection demonstrates a failure against a standard or mismanagement in the affairs of a provider, the TSA may consider further action against the provider, including the possible exercise of one or more of its enforcement powers. Where an inspection has been undertaken by the Audit Commission, the TSA may commission it to carry out follow up work as part of its assessment of the effectiveness of any remedial work that the TSA required as a result of that inspection. The TSA will ensure that inspection findings are reflected in any published regulatory judgement where they are material and its overall assessment of the provider is changed as a result of them.

17 In considering the outcome of the inspection, the TSA will assess any wider implications for the management and governance of the provider.

The costs of an inspection

18 The Act makes provision for the TSA to reimburse the costs incurred by the Audit

Commission in carrying out an inspection and for payment to an appropriate professional expert. It also makes provision for the Secretary of State by order to authorise the TSA to charge fees for inspections. The Secretary of State has not made such an order, so the TSA will not charge fees for inspections carried out during 2010-11. The CLG and TSA will consult about charging fees at a future date.

Sanctions for failing to co-operate with an inspector

19 The Act makes provision for the TSA or the Director of Public Prosecutions (or someone else with their consent) to bring proceedings in circumstances where a person without reasonable excuse obstructs an inspector exercising the powers set out in section 203 (4-8) of the Act.

What the TSA expects from the provider

20 The TSA expects a provider that is subject to inspection to:

- co-operate fully with the TSA and the inspector
- give access to premises, staff and tenants where required to the inspector
- provide information and documents to the inspector on a timely basis
- provide facilities and assistance to the inspector when requested
- not to publicly comment on the findings of an inspection until the report is in the public domain

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Investigating regulatory concerns: inspecting the TSA standards

This consultation is on proposals for how we intend to specify the way inspections are carried out from 1 July 2011. We are adopting a 12-week consultation period in order to allow stakeholders adequate opportunity to contribute their views on our proposals.



A plain English guide to the Localism Bill Update



A plain English guide to the Localism Bill

Update

June 2011
Department for Communities and Local Government

Department for Communities and Local Government
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Website: www.communities.gov.uk

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Foreword

“The time has come to disperse power more widely in Britain today.”

The Prime Minister and the Deputy Prime Minister, Coalition Agreement, May 2010

For too long, central government has hoarded and concentrated power. Trying to improve people’s lives by imposing decisions, setting targets and demanding inspections from Whitehall simply doesn’t work. It creates bureaucracy. It leaves no room for adaptation to reflect local circumstances or innovation to deliver services more effectively and at lower cost. And it leaves people feeling ‘done to’ and imposed upon - the very opposite of the sense of participation and involvement on which a healthy democracy thrives.

I have long believed there is a better way of doing things. Eight years ago I wrote a book called *Total Politics* which set out the case for a huge shift in power - from central Whitehall, to local public servants, and from bureaucrats to communities and individuals.

Today, I am proud to be part of a Government putting this vision into practice. We think that the best means of strengthening society is not for central government to try and seize all the power and responsibility for itself. It is to help people and their locally elected representatives to achieve their own ambitions. This is the essence of the Big Society.

We have already begun to pass power back to where it belongs. We are cutting central targets on councils, easing the burden of inspection, and reducing red tape. We are breaking down the barriers that stop councils, local charities, social enterprises and voluntary groups getting things done for themselves.

But we can go a lot further by changing the law. The Localism Bill was published in December 2010. It sets out a series of proposals with the potential to achieve a substantial and lasting shift in power away from central government and towards local people. They include: new freedoms and flexibilities for local government; new rights and powers for communities and individuals; reform to make the planning system more democratic and more effective, and reform to ensure that decisions about housing are taken locally.

This document summarises each of the main ideas proposed in the Bill, and explains the overall difference that they could make. I am looking forward to a great debate about them in parliament over the coming months.

I also hope to see a debate in the wider country - among councils, community groups, volunteers, social activists and many more people - about how they can seize the opportunities this historic Bill represents, and use the rights and freedoms it offers to make a difference in their community.

A handwritten signature in black ink that reads "Greg Clark". The signature is written in a cursive style with a large, sweeping initial "G".

Rt Hon Greg Clark MP, Minister of State for Decentralisation

About this guide

This document describes the main measures of the Localism Bill under four headings:

- new freedoms and flexibilities for local government
- new rights and powers for communities and individuals
- reform to make the planning system more democratic and more effective
- reform to ensure that decisions about housing are taken locally

The proposals described in this document are subject to parliamentary debate. They can only be put into practice when parliament agrees to them. The will be discussed at length by both the House of Commons and the House of Lords. You can read more about how a Bill becomes law on the parliament website at the address below:

<http://www.parliament.uk/about/how/guides/factsheets/legislation/l1/>

Members of parliament can suggest changes to the Bill. This document describes what the Bill looked like in May 2011, after being debated and amended by the House of Commons; it does not reflect any changes that may be made later on.

This document is designed to give an overview only. You can read the Bill and its explanatory notes in full, and follow its progress through parliament, on the parliament website at the address below:

<http://services.parliament.uk/bills/2010-11/localism.html>

The document *Decentralisation and the Localism Bill: an essential guide* also gives further background. It explains how the principles that underpin the Localism Bill also inform other government policies:

<http://www.communities.gov.uk/decentralisationguide>

New freedoms and flexibility for local government

Local government plays a crucial role in the life of the nation. It is directly responsible for important public services, from street lighting, to social care, to libraries and leisure centres. It makes sure that other services work together effectively for the good of the community. And with councillors elected by and accountable to local people, local government provides democratic leadership.

The Government is committed to passing new powers and freedoms to town halls. We think that power should be exercised at the lowest practical level - close to the people who are affected by decisions, rather than distant from them. Local authorities can do their job best when they have genuine freedom to respond to what local people want, not what they are told to do by central government. In challenging financial times, this freedom is more important than ever, enabling local authorities to innovate and deliver better value for taxpayers' money.

The Localism Bill contains a number of proposals to give local authorities new freedoms and flexibility.

General power of competence

Local authorities' powers and responsibilities are defined by legislation. In simple terms, they can only do what the law says they can. Sometimes councils are wary of doing something new - even if they think it might be a good idea - because they are not sure whether they are allowed to in law, and are concerned about the possibility of being challenged in the courts.

The Government thinks that we need to turn this assumption upside down. Instead of being able to act only where the law says they can, local authorities should be free to do anything - provided they do not break other laws.

The Localism Bill includes a 'general power of competence'. It will give local authorities the legal capacity to do anything that an individual can do that is not specifically prohibited; they will not, for example, be able to impose new taxes, as an individual has no power to tax.

The new, general power will give councils more freedom to work together with others in new ways to drive down costs. It will give them increased confidence to do creative, innovative things to meet local people's needs. Councils have asked for this power because it will help them get on with the job. The general power of competence does not remove any duties from local authorities - just like individuals they will continue to need to comply with duties placed on them. The Bill does, however, give the Secretary of State the power to remove unnecessary restrictions and limitations where there is a good case to do so, subject to safeguards designed to protect vital services.

Similar powers are being given to Fire and Rescue Authorities.

Abolition of the Standards Board

Councillors play a crucial role in local life. The people who elect them have the right to expect the highest standards of behaviour. The Government thinks it is important to have safeguards to prevent the abuse of power and misuse of public money. Currently, all local authorities must, by law, have a code of conduct and a standards committee to oversee the behaviour of their councillors and receive complaints. A central body, the Standards Board for England, regulates each of these committees.

In practice, however, this system of safeguards is ineffective. It is too easy for people to put forward ill-founded complaints about councillors' conduct. Lengthy debates about petty complaints or deliberately harmful accusations can undermine people's faith in local democracy and put them off standing for public office.

In the Localism Bill, the Government will abolish the Standards Board regime. Instead, it will become a criminal offence for councillors to deliberately withhold or misrepresent a personal interest. This means that councils will not be obliged to spend time and money investigating trivial complaints, while councillors involved in corruption and misconduct will face appropriately serious sanctions. This will provide a more effective safeguard against unacceptable behaviour.

Clarifying the rules on predetermination

In parallel with the abolition of the Standards Board, the Government intends to use the Localism Bill to clarify the rules on 'predetermination'. These rules were developed to ensure that councillors came to council discussions - on, for example, planning applications - with an open mind. In practice, however, these rules have been interpreted in such a way as to reduce the quality of local debate and stifle valid discussion. In some cases councillors have been warned off doing such things as campaigning, talking with constituents, or publicly expressing views on local issues, for fear of being accused of bias or facing legal challenge.

The Localism Bill will make it clear that it is proper for councillors to play an active part in local discussions, and that they should not be liable to legal challenge as a result. This will help them better represent their constituents and enrich local democratic debate. People can elect their councillor confident in the knowledge that they will be able to act on the issues they care about and have campaigned on.

Directly elected mayors

Almost every major city in the world has a powerful executive mayor. Evidence suggests that mayors can provide visible local leadership, strengthen economic growth, and boost democratic engagement. There are currently only a dozen elected mayors in England. The Government thinks that a new generation of elected mayors with wide-ranging responsibilities and powers could raise the profile of English cities and strengthen local democracy.

The Localism Bill will give more cities the opportunity to decide whether they want a mayor. After the Bill has been passed, the Government intends to make the council leaders in the largest cities 'shadow mayors'. This will give local people an insight into what it is like to be governed by a mayor. Each city will then hold a referendum on local election day in May 2012 to decide whether to have an elected mayor for the long term. For areas that vote in favour, mayoral elections will then be held at the same time as local elections in May 2013. People in other areas of the country will be able to use existing laws to call for their own referendum on whether to have an elected mayor.

London

The Localism Bill will pass greater powers over housing and regeneration to local democratically elected representatives in London. It will empower the democratically elected Mayor to carry on housing investment activities currently carried out by the Homes and Communities Agency, and the economic development work done by the London Development Agency.

New rights and powers for communities

Greater freedom and flexibilities for local government are vital for achieving the shift in power the government wants to see. But, on their own, these measures will not be enough. Government alone does not make great places to live, people do. People who look out for their neighbours, who take pride in their street and get involved - from the retired teacher who volunteers in the village shop once a month, to the social entrepreneur who runs the nursery full time.

Until now, however, many people have found that their good ideas have been overlooked and they have little opportunity to get on and tackle problems in the way they want. Voluntary and community groups often find that their potential contribution is neglected, when, in fact, they carry out some of the most innovative and effective work in public services and we should be encouraging them to get more involved.

We want to pass significant new rights direct to communities and individuals, making it easier for them to get things done and achieve their ambitions for the place where they live.

Community right to challenge

The Government thinks that innovation in public services can offer greater value for taxpayers' money and better results for local communities. The best councils are constantly on the look out for new and better ways to design and deliver services. Many recognise the potential of social enterprises and community groups to provide high-quality services at good value, and deliver services with and through them.

In some places, however, voluntary and community groups who have bright ideas find that they do not get a proper hearing. The Localism Bill will give these groups, parish councils and local authority employees the right to express an interest in taking over the running of a local authority service. The local authority must consider and respond to this challenge; and where it accepts it, run a procurement exercise for the service in which the challenging organisation can bid. This will make it easier for local groups with good ideas to put them forward and drive improvement in local services.

Community right to buy (assets of community value)

Every town, village or neighbourhood is home to buildings or businesses that play a vital role in local life. They might include meeting rooms, swimming pools, village shops, markets or pubs. Local life would not be the same without them, and if they are closed or sold into private use, it can be a real loss to the community.

In many places across the country, when local amenities have been threatened with sale or closure, community groups have taken them over. In some cases, however, community groups who have attempted to take assets

over have faced significant challenges. They often need more time to organise a bid and raise money than the private enterprises bidding against them.

Proposals in the Localism Bill will require local authorities to maintain a list of assets of community value. Communities will have the opportunity to nominate for possible inclusion the assets that are most important to them. When listed assets come up for sale or change of ownership, community groups will have time to develop a bid and raise the money to buy the asset when it comes on the open market. This will help local communities keep much-loved sites in public use and part of local life.

Local referendums

In many other countries around the world, communities have the right to put any local issue to a local vote. The ability to trigger a referendum can enliven local democratic debate and give people a way of making their voice heard on the issues that are close to their heart. Currently, in this country, communities can only trigger a local referendum in limited circumstances, and on a very limited range of questions. The Localism Bill will give local people the power to initiate local referendums on local issues that are important to them. Local authorities and other public bodies will be required to take the outcome of referendums into account and consider what steps, if any, they will take to give effect to the result.

Right to approve or veto excessive council tax rises

Local government derives a significant proportion of its revenue from council tax. The money raised through council tax is spent on supporting vital local services. But it is important that council tax is set at a rate which has the support of local people, and that their taxes are carefully managed by authorities on their behalf.

Currently, central government has the power to 'cap' council tax rises. If Ministers think that local authorities are increasing taxes excessively they can stop them doing so. But we think that local people should decide whether to accept an excessive council tax increase.

The Localism Bill will therefore give local communities the power to decide. The Secretary of State will determine a limit for council tax increases which has to be approved by the House of Commons. If an authority proposes to raise taxes above this limit they will have to hold a referendum to get approval for this from local voters who will be asked to approve or to veto the rise. This means that local authorities will need to convince local voters, rather than central government of the case for excessive rises in council taxes.

Reform to make the planning system clearer, more democratic and more effective

The planning system helps decide who can build what, where and how. It makes sure that buildings and structures that the country needs (including homes, offices, schools, hospitals, roads, train lines, power stations, water pipes, reservoirs and more) get built in the right place and to the right standards. A good planning system is essential for the economy, environment and society.

There are, however, some significant flaws in the planning system as it stands. Planning does not give members of the public enough influence over decisions that make a big difference to their lives. Too often, power is exercised by people who are not directly affected by the decisions they are taking. This means, understandably, that people often resent what they see as decisions and plans being foisted on them. The result is a confrontational and adversarial system where many applications end up being fought over.

The Localism Bill contains proposals to make the planning system clearer, more democratic, and more effective.

Abolition of regional strategies

'Regional strategies' were first required by law in 2004. These strategies set out where new development needs to take place in each part of the country. They include housing targets for different areas, set by central government. Local communities had relatively limited opportunities to influence the strategies.

The Government thinks that this centrally-driven approach to development is bureaucratic and undemocratic. Rather than helping get new houses built, it has had the effect of making people feel put upon and less likely to welcome new development.

The Secretary of State has already written to local authorities to tell them that the Government intends to abolish regional strategies. The Localism Bill will fulfil this intention, and get rid of the law that requires regional strategies.

Neighbourhood planning

Instead of local people being told what to do, the Government thinks that local communities should have genuine opportunities to influence the future of the places where they live. The Bill will introduce a new right for communities to draw up a 'neighbourhood development plan'.

Neighbourhood planning will allow communities to come together through a local parish council or neighbourhood forum and say where they think new houses, businesses and shops should go – and what they should look like.

These neighbourhood development plans could be very simple, or go into considerable detail where people want. Local communities would also be able to grant full or outline planning permission in areas where they most want to see new homes and businesses, making it easier and quicker for development to go ahead.

Provided a neighbourhood development plan is in line with national planning policy, with the strategic vision for the wider area set by the local authority, and with other legal requirements, local people will be able to vote on it in a referendum. If the plan is approved by a majority, then the local authority will bring it into force.

Local planning authorities will be required to provide technical advice and support as neighbourhoods draw up their plans. The Government will also fund sources of help and advice for communities. This will help people take advantage of the opportunity to exercise influence over decisions that make a big difference to their lives.

Community right to build

As part of neighbourhood planning, the Bill gives groups of local people the power to deliver the development that their local community want. They may wish to build new homes, businesses, shops, playgrounds or meeting halls. A community organisation, formed by members of the local community, will be able to bring forward development proposals which, providing they meet minimum criteria and can demonstrate local support through a referendum, will be able to go ahead without requiring a separate traditional planning application. The benefits of the development, such as new affordable housing or profits made from letting the homes, will stay within the community, and be managed for the benefit of the community. There will be support for communities wishing to bring forward development under the community right to build, providing information, advice and signposting to relevant expertise.

Requirement to consult communities before submitting very large planning applications

To further strengthen the role of local communities in planning, the Bill will introduce a new requirement for developers to consult local communities before submitting planning applications for very large developments. This will give local people a chance to comment when there is still genuine scope to make changes to proposals.

Strengthening enforcement rules

For people to have a real sense that the planning system is working for them, they need to know that the rules they draw up will be respected. The Localism Bill will strengthen planning authorities' powers to tackle abuses of the planning system, such as making deliberately misleading planning applications.

Reforming the community infrastructure levy and other local finance considerations

As well as being able to influence planning decisions, local people should be able to feel the benefits of new development in their neighbourhood. Local authorities are allowed to ask developers to pay a levy when they build new houses, businesses or shops. The money raised must go to support new infrastructure - such as roads and schools. This is called the community infrastructure levy.

The Localism Bill proposes changes to the levy to make it more flexible. It will allow the money raised to be spent on maintaining infrastructure, as well as building new infrastructure. It will give local authorities greater freedom in setting the rate that developers should pay in different areas. And crucially, the Bill will give the Government the power to require that some of the money raised from the levy go directly to the neighbourhoods where development takes place. This will help ensure that the people who say 'yes' to new development feel the benefit of that decision.

Sometimes the provision of extra resources to a local or neighbourhood level can be what makes the difference between a proposed development being workable, or not. For example, a new housing development might create extra traffic on existing local road. Without mitigating measures, the development might produce too many strains on infrastructure and too many problems for local people to be acceptable. If, however, extra money available from the new homes bonus were to be invested in, say, a new roundabout and traffic calming measures, then the development might be acceptable.

The case law already suggests that planning authorities may take such local finance considerations into account in making their planning decisions. However, there has been some confusion on this point. The Bill makes clear that if local finance considerations, including the community infrastructure levy and the new homes bonus, are relevant to local planning decisions then they must be taken into account. This provides reassurance to decision-makers, and clarity to local communities about how decisions are being taken on their behalf. Payments must be relevant to the planning application being considered otherwise they cannot be taken into account.

Reform the way local plans are made

Local planning authorities play a crucial role in local life, setting a vision, in consultation with local people, about what their area should look like in the future. The plans local authorities draw up set out where new buildings, shops, businesses and infrastructure need to go, and what they should look like.

The Government thinks it is important to give local planning authorities greater freedom to get on with this important job without undue interference from central government. The Localism Bill will limit the discretion of planning

inspectors to insert their own wording into local plans. It will also ensure that rather than focussing on reporting progress in making plans to central government, authorities focus on reporting progress to local communities.

Duty to cooperate

Not all planning decisions can, or should, be made at a neighbourhood or local level. In many cases there are very strong reasons for neighbouring local authorities, or groups of authorities, to work together on planning issues in the interests of all their local residents. This might include working together on environmental issues (like flooding), public transport networks (such as trams), or major new retail parks.

In the past, regional strategies formed an unaccountable bureaucratic layer on top of local government. Instead, the Government thinks that local authorities and other public bodies should work together on planning issues in ways that reflect genuine shared interests and opportunities to make common cause. The duty will require local authorities and other public bodies to work together on planning issues.

Nationally significant infrastructure projects

Some planning decisions are so important to our overall economy and society that they can only be taken at a national level. These include decisions on nationally significant infrastructure projects such as major train lines and power stations. Currently, these decisions lie in the hands of an unelected public body, called the Infrastructure Planning Commission. It is not directly accountable to the public. The Government thinks that these important decisions should be taken by Government ministers, who are democratically accountable to the public. The Localism Bill will abolish the Infrastructure Planning Commission and restore its responsibility for taking decisions to Government ministers. It will also ensure the national policy statements, which will be used to guide decisions by ministers, can be voted on by Parliament. Ministers intend to make sure that major planning decisions are made under the new arrangements at least as quickly as under the present system.

Reform to ensure that decisions about housing are taken locally

Social housing provides eight million people in England with a decent home at a rent lower than they would be able to find in the private rented sector. It can make an immense difference to their health, happiness and quality of life, and have significant wider consequences for their families, neighbours and employers.

But the current social housing system has some fundamental flaws. The rules are too rigidly set by central government, so that councils find it hard to adapt and meet local needs. Social landlords don't have enough discretion over how they manage their housing in the best interest of their local community. And in some cases social housing rules actually trap people in difficult circumstances - making it hard to move for work, for example - with the result that the system fails the very people it is designed to help.

The Localism Bill proposes reforms that will mean more decisions about housing are taken locally, and make the system fairer and more effective.

Social housing tenure reform

Currently, social landlords are normally only able to grant lifetime tenancies. Sometimes this can mean that people acquire a social home at a moment of crisis in their life, and continue to live there long after their need for it has passed. Meanwhile there are people waiting for a social home who face much more difficult circumstances. This is unfair, and represents a poor use of valuable public resources.

The Government has made clear that it will protect the security and rights of existing social housing tenants, including when they move to another social rent home. However, proposals in the Localism Bill will allow for more flexible arrangements for people entering social housing in the future. Social landlords will be able to grant tenancies for a fixed length of time. The minimum length of tenancy will be two years, and there is no upper limit on the length of tenancy. Councils will continue to be able to offer lifetime tenancies if they wish. More flexible tenancies will allow social landlords to manage their social homes more effectively and fairly, and deliver better results for local communities.

Social housing allocations reform

At the moment almost anyone can apply to live in social housing, whether they need it or not. As social housing is in great demand and priority is rightly given to those most in need, many applicants have no realistic prospect of ever receiving a social home. The current arrangements encourage false expectations and large waiting lists.

The Bill will give local authorities greater freedom to set their own policies about who should qualify to go on the waiting list for social housing in their area. This means that they will be able, if they wish, to prevent people who have no need of social housing from joining the waiting list. Authorities will continue to be obliged to ensure that social homes go to the most vulnerable in society and those who need it most.

Reform of homelessness legislation

People who experience a homelessness crisis need somewhere suitable to live. Councils have a duty to house people who are eligible, in priority need and unintentionally homeless; and this duty will remain in place. Central Government will also continue to fund support and advice to prevent homelessness and rough sleeping.

However, under the current rules, people who become homeless are able to refuse offers of accommodation in the private rented sector, and insist that they should be housed in expensive temporary accommodation until a long-term social home becomes available. This can mean that in some circumstances people in acute, but short-term housing need, acquire a social home for life, although they may not need one, while other people who do need a social home in the longer term are left waiting.

The Localism Bill will let local authorities meet their homelessness duty by providing good quality private rented homes. This option could provide an appropriate solution for people experiencing a homelessness crisis, at the same time as freeing up social homes for people in real need on the waiting list.

Reform of council housing finance

The Localism Bill will change the way social housing is funded to pass more power to a local level. Currently, local authorities collect rent from their social tenants and then send the money to central government. Central government collects all the money raised this way into a single pot. Local authorities are then paid a sum out of the pot each year for the upkeep, renovation and repair of social homes.

In the future, instead of having to send the money raised by rent to central government and wait to see each year what share they get allocated back, councils will be able to keep the rent and use it locally to maintain their social homes. This will give them a more predictable and stable basis to plan for the long term.

National home swap scheme

There are lots of reasons why people move house; to take up a new job, to be nearer to family members who need care, to give a young family more space to grow or to find a smaller, more manageable home in later life. Evidence suggests, however, that it is less straightforward for people who live in social housing to move than for other people. Fewer than one in twenty households move within the social housing sector each year, for example, compared to almost one in four private renters.

The Localism Bill will pave the way for a national home swap scheme. This would enable people who would like to swap their social home to access details of all other tenants who may be a suitable match. This has the potential to enable social tenants to find a home that better meets their needs and to exercise greater control over their lives.

Reform of social housing regulation

The Bill will reform the way that social housing is regulated. The Bill will provide social tenants with stronger tools to hold their landlords to account. Landlords will be expected to support tenant panels - or equivalent bodies - in order to give tenants the opportunity to carefully examine the services being offered. The Bill will also abolish the Tenant Services Authority and transfer its remaining functions to the Homes and Communities Agency.

The Bill will also change the way that complaints about social landlords are handled. Currently, there are two separate ombudsmen (the Local Government Ombudsman and the Independent Housing Ombudsman) handling social tenants' complaints about their landlord. In the future, a single watchdog (the Independent Housing Ombudsman) specialising in complaints about social housing will ensure greater consistency across the sector.

The overall effect of the Bill

Taken together, the measures in the Bill mean:

New freedoms and flexibilities for local government

The Bill will:

- give local authorities everywhere the formal legal ability and greater confidence to get on with the job of responding to what local people want
- cut red tape to enable councillors everywhere to play a full and active part in local life without fear of legal challenge
- encourage a new generation of powerful leaders with the potential to raise the profile of English cities, strengthen local democracy and boost economic growth
- reform the governance of London so that more power lies in the hands of elected representatives who are democratically accountable to London's citizens

New rights and powers for local communities

The Bill will:

- make it easier for local people to take over the amenities they love and keep them part of local life
- ensure that local social enterprises, volunteers and community groups with a bright idea for improving local services get a chance to change how things are done
- give people a new way to voice their opinions on any local issue close to their heart
- enable local residents to call local authorities to account for the careful management of taxpayers' money

Reform to make the planning system clearer, more democratic and more effective

The Bill will:

- place significantly more influence in the hands of local people over issues that make a big difference to their lives
- provide appropriate support and recognition to communities who welcome new development
- reduce red tape, making it easier for authorities to get on with the job of working with local people to draw up a vision for their area's future
- reinforce the democratic nature of the planning system - passing power from bodies not directly answerable to the public, to democratically accountable ministers

Reform to ensure that decisions about housing are taken locally

The Bill will:

- enable local authorities to make their own decisions to adapt housing provision to local needs, and make the system fairer and more effective
- give local authorities more control over the funding of social housing, helping them to plan for the long term
- give people who live in social housing new ways of holding their landlords to account, and make it easier for them to move

This is, in sum, a Bill with the potential to effect a significant change in national life, passing power to a local level, creating space for local authorities to lead and innovate, and giving people the opportunity to take control of decisions that matter to them.

The Government has already begun consultation on how it might use some of the powers and provisions contained in the Bill - so that when the Bill is approved by parliament, it will be possible to make the most of the opportunity it presents to achieve widespread, swift and lasting change.

Together with other, wider Government reforms, putting the Bill into practice will represent a major milestone towards the transfer of power and control set out in the coalition agreement.

You can find updates about various consultations about the use of the powers in the Localism Bill and about the Department for Communities and Local Government's wider work, at the address below:

<http://www.communities.gov.uk/corporate/whatsnew>

Annex A – questions and answers about the Localism Bill

What does the Localism Bill mean for local authorities?

- Through this Bill, we are freeing local government from central and regional control, scrapping national targets and removing pointless and prescriptive duties which have held local government back. In addition, we are giving local authorities the long awaited general power of competence which marks a transformation in the relationship between central and local government by allowing local authorities power to do anything an individual can do. This Bill will:
 - give local authorities confidence in their legal capacity to act both for their communities and in their own interest
 - repeal a petitions scheme which is unnecessarily cumbersome and bureaucratic; and abolish the centralised standards board regime, giving councils the freedom to adopt codes of conduct whilst introducing new measures to make it a criminal offence to fail to register or declare a personal interest without good reason
 - give councils flexibility to manage their own finances on social housing and manage stock including ending the unpopular housing revenue account subsidy
 - free local planning authorities from top down, centrally imposed targets, ensuring planning decisions are made by people who are democratically accountable and through genuine collaboration with local people

What does the Localism Bill mean for local communities?

- The Government is committed to the decentralisation of power and devolving power from government directly to individuals and local communities. This is about putting people back in control of decision making and handing power directly to people encouraging them to take greater responsibility for their area. Specifically, the Bill creates several new rights for communities:
 - Right to challenge: In some places, social enterprises deliver public services at high quality and at good value for taxpayers' money. In others, however, they find their bright ideas fall on deaf ears. Social enterprises, volunteers groups, parishes and local residents' groups everywhere will, in future, have the right to insist that the council give their proposal serious consideration through the 'right to challenge'.

- Right to buy (assets of community value): We will introduce a new right for community groups to ask local authorities to designate assets of community value. This will mean that when buildings and businesses that are important to local people - such as pubs and meeting halls - come up for sale, community groups will have the time to put together a credible bid.
- Neighbourhood planning: We will introduce new rights for communities to shape their local areas through neighbourhood planning. Communities will be able to use neighbourhood development plans to set policies for the development and use of land in their neighbourhoods and through the use of neighbourhood development orders can permit development – in full or in outline.
- Referendums: A new right for local people to require their council to put local issues to a referendum, where there is a strong call through a local petition; and for local people to veto excessive rises in their council tax themselves via referendums, replacing the old centralised capping regime.

What role does this leave for the Secretary of State for communities?

- This is a decentralising and deregulatory Bill which takes power from the centre and puts it back in its rightful place with local people and local communities. The Secretary of State is, therefore, rightly surrendering powers that predecessors have had. For example, the Secretary of State will no longer be able to put a cap on local council tax and will no longer control the planning system through bureaucratic regional strategies.

The Secretary of State will though take on a new role in driving devolution, for instance, powers to devolve powers to mayors, to prescribe the operational detail of new rights to ensure so that they are usable, and to remove burdens or further delegate powers to local authorities or local communities. For example, the general power of competence ('barrier buster' power) gives the Secretary of State the power to remove unnecessary restrictions and limitations that are restricting the use of the general power of competence where there is a good case to do so, subject to safeguards designed to protect vital services.

There are also a small number of safeguards, which we would expect to be used rarely (if ever) that would allow the Secretary of State to deal with unintended consequences of the devolutionary measures.

What does the Localism Bill mean for growth?

- Localism is about liberating the natural desire of local communities to become more prosperous. The notion that communities choose decline and reject prosperity is perverse, wrong-headed and not based on evidence. Evidence from the UK and overseas shows that local communities need the right mixture of powers, incentives and accountability to maximise their prosperity.

For example:

- McKinsey (2010) argues that “*A key impediment to the growth of the UK’s leading cities has been a lack of sufficient control at the local level.*” We will tackle that through this Bill.
- Cheshire and Magrini (2005) show that devolving economic policy-making to natural economic areas can create better local economic outcomes. Local enterprise partnerships reflect natural economic geographies rather than remote regional structures.

What does the Bill mean for local services?

- Both coalition parties have been talking about localism for many years – the concept of the Big Society pre-dates the financial crisis. We believe central Government has become too big, too interfering, too controlling and too bureaucratic. This has undermined local democracy and individual responsibility, and stifled innovation and enterprise within public services. We will look to redress the balance of power and responsibility through our decentralisation programme, of which the Bill is a key part. The Bill will enable local authorities to innovate and offer better services and does not weaken the current duties on local authorities to provide core services.

Will the Bill create a postcode lottery?

- Allowing different parts of the country to do things differently is not the same as a postcode lottery. A lottery is random and people on the receiving end are powerless. Our decentralisation programme and the measures in this bill are actually the opposite – it is giving people more power than ever before over decisions that affect them and their communities. No doubt people will choose to do things differently, but through choice, not a ‘lottery’.

I am a social tenant – what does the Bill mean for my tenure?

- There will be no change for existing tenants. And for new tenants, landlords will of course have discretion to offer, not only some, but all their new tenancies on a lifetime basis, if they so choose. This is about making the system much more flexible for landlords and tenants, allowing us to help the many people who are inadequately housed, or stuck on waiting lists, or overcrowded. We are not ending tenancy for life.

DATE OF COMMITTEE

21ST September 2011

REPORT OF THE PORTFOLIO HOLDER QUALITY OF LIFE

TITLE OF REPORT

Draft Healthier Housing Strategy and Action Plan

EXEMPT INFORMATION

None

PURPOSE

The purpose of this report is to approve the draft Healthier Housing Strategy (attached at Appendix A) and Year 1 Action Plan (attached at Appendix B). The draft will be subjected to further consultation with key stakeholders and will be amended as required to reflect the views of partners. However, on approval of this version of the draft Strategy and Action Plan, it is not anticipated that any of the identified key challenges, priorities or proposed approach will be changed as these have been agreed with partners following consultation on previous versions of the draft.

RECOMMENDATIONS

That Council approves the draft Healthier Housing Strategy and Year 1 Action Plan.
That Council delegates authority to the Portfolio Holder Quality of Life to agree any required amendments to the draft Strategy and Action Plan following further consultation with key stakeholders.

RESOURCE IMPLICATIONS

Delivery of actions contained within the Year 1 Action Plan will rely on existing resources in terms of staff time, existing budgets and the support of partner organisations as well as national agencies such as the Homes and Communities Agency. Where there is a resource implication for delivery of a specific action, either in terms of a financial or staffing resource, this will be incorporated into a more detailed project plan that will, if required, be subject to separate member approval.

As the Strategy Action Plan is consistent with identified business plan objectives, resource implications will also be dealt with for Year 1 of the action plan via this route and in subsequent years it is intended the development of the Directorate Business Plan will be directly linked to the formulation of the revised Strategy Action Plan following its annual review and refresh.

Effective monitoring arrangements as set out in the Strategy and highlighted in the background information below will ensure delivery of outcomes and identify any resource requirements that have either impeded progress or are likely to be required for future projects as the Council's approach to housing and health is further developed over the coming years.

LEGAL/RISK IMPLICATIONS BACKGROUND

All legal and risk implications associated with the delivery of the Healthier Housing Strategy will be dealt with as required via specific project plans and member approval as has been the case when delivering key actions identified in previous housing and homelessness strategies. Additionally, on approval of this draft, a full Risk Assessment, Equalities Impact Assessment and Health Impact Assessment will be undertaken that will highlight any key risks that will need to be addressed. Key risks identified to date as part of the Strategy development process include:

- Availability of funding to deliver key projects/actions
- Additional pressures arising from continued economic difficulties faced by local

residents

- The impact of new government legislation relating to housing, welfare benefits and planning reform
- Insufficient buy-in from partners to assist in delivery of the Strategy

SUSTAINABILITY IMPLICATIONS

Delivery of priorities and outcomes identified in the Healthier Housing Strategy will contribute to improved health outcomes for local residents and contribute to the economic regeneration of localities. These and other associated outcomes would contribute towards the delivery of key priorities identified by the Tamworth Strategic Partnership and adopted by Tamworth Borough Council.

CONCLUSIONS

The Healthier Housing Strategy is intended to direct housing activity in Tamworth that will deliver positive outcomes that contribute to the health and wellbeing of residents living in the Borough. The Strategy supports the delivery of key priorities identified by the Tamworth Strategic Partnership and will drive the development of the Council's approach to housing and health over the coming years. Having a yearly action plan that is refreshed on an annual basis to incorporate business plan objectives, emerging national policy and feedback from customers will ensure the Strategy remains relevant to the needs of the people of Tamworth.

BACKGROUND INFORMATION

Following member approval to proceed with the development of a Housing and Health Strategy in March 2010, considerable research and consultation has been undertaken with partners and members of the public to develop the Healthier Housing Strategy and Year 1 Action Plan.

The Strategy describes how we will contribute to achieving the vision and priorities identified by the Tamworth Strategic Partnership. Delivery of the Strategy will ensure that:

- There are suitable homes for everyone
- Homes are healthy, warm and safe
- People are able to maintain an independent and healthy lifestyle
- Neighbourhood environments enable safer and healthier communities

The Strategy and Action Plan will be reviewed on an annual basis to ensure performance has been monitored to deliver intended outcomes, the Strategy remains relevant and compliant with emerging government policy initiatives and is updated with a refreshed Action Plan that further assists in the development of the Council's approach to housing and health.

This draft is a deliberately shorter document than previous versions and takes into account feedback received from partners and issues concerning the accessibility of Council documents. The final Strategy when published will be supported by a suite of documents that will provide further detail on the challenges faced in Tamworth relating to housing and health, how the Strategy was developed and the evidence that was utilised to develop our priorities.

The production of the draft has been fully supported by health colleagues and other partners and has generated interest at a regional level and with the Department of Health. It is anticipated the Strategy will drive the Council's approach to housing and health and assist in the development of effective joint working that enables the pooling of resources, capacity and skills to deliver positive, value for money outcomes for the people of Tamworth.

REPORT AUTHOR

Steve Pointon

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Housing LIN Briefing Paper Two: Public health and housing: we can get it right

APPENDICES

A Draft Healthier Housing Strategy

B Draft Healthier Housing Strategy Action Plan (Year 1)

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BRIEFING PAPER TWO

Public health and housing: we can get it right

This paper is one of four briefings on personalisation, public health reform, and the emerging primary and secondary health care landscapes by the Housing LIN. These accompany the recent Chartered Institute of Housing paper, 'Localism: delivering integration across housing health and care', supported by the Housing LIN.

The other briefings in this series are:

Briefing No.1 - Housing support and personalisation: practical advice for the current moment

Briefing No.3 - The new NHS commissioning landscape and its impact on housing and care for older people

Briefing No.4 - Opportunities to Improve Health and Wellbeing: Integrating Secondary and Acute Health Care and Housing in the New NHS

Produced for the Housing Learning & Improvement Network by
Gill Leng, Gill Leng Housing Solutions Ltd



Supported by the Chartered Institute of Housing

July 2011

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About the Author

Gill Leng is the Director of GLHS (www.gillleng.co.uk). She works across housing, health, social care and criminal justice sectors, enabling commissioners and providers to work together to understand and plan for people’s housing needs and aspirations whilst improving health and wellbeing outcomes.

Acknowledgements

With thanks to Jeremy Porteus at the Housing Learning and Improvement Network for commissioning and editing this paper and to Sarah Davis at the Chartered Institute of Housing for her helpful comments.

1. The purpose of the briefing

In light of proposed health reforms, specifically the introduction of a new public health service for England within a local government setting, this briefing provides housing commissioners and providers with the information they need to develop the local approach to housing so that it contributes to public health outcomes.

Whilst the Housing LIN audience is primarily interested in the health and wellbeing of older people, this paper is written on the basis that choices made at an earlier stage in life impact on quality of life when people are older. For this reason, the content is concerned with public health and adult life, not just older age.

On the basis that “health is everybody’s business” this briefing does make some reference to health reforms to the NHS, for example the introduction of clinical commissioning groups¹, insofar as they relate to public health. Further information on wider health reforms is provided in the accompanying Housing LIN briefings.

In more detail this paper covers:

- An introduction to public health, key concepts and the main players
- A summary of the main themes of public health reform and what will be different as a result
- Information about public health and housing policy proposals relating to mental health and older people
- A summary of the evidence base for housing and health; health reform is based upon this, amongst other information about the wider determinants of health

Throughout this briefing reference is made to evidence, guidance and information to enable local areas to connect housing and public health more effectively.

Recommendations are also made for local action by housing commissioners and providers. ‘Housing’ includes all professionals working in sector eg, planning policy, environmental health practitioners and not just those who work with individuals who have specific health needs.

¹ The government has accepted a recommendation from the NHS Future Forum, following the ‘listening exercise’, to widen involvement in clinical commissioning from just GPs, to include doctors and nurses, other specialists, users and carers

2. An introduction to public health

It is important that the housing sector has a common understanding of what public health is, where it has come from and what practitioners are interested in. This section presents the public health definition and domains of public health practice, the key concepts that underpin public health activity, and it provides an introduction to the key players in the public health sector (an important source of information and evidence).

2.1 Public health definition and history

The common definition of public health is:

"The science and art of preventing disease, prolonging life, and promoting health through the organised efforts of society"

Public health is concerned with the health improvement and protection of groups of people (populations), not individuals – the Faculty of Public Health refer to this as ‘the bigger picture’.

Public health originated in the mid-19th century as social reformers sought to tackle the cause of infectious diseases such as cholera and tuberculosis; poor housing, poor sanitation and overcrowding. Disease was argued to be the main reason for poverty.

Much of what we do in the housing sector was born out of the public health movement. Town planning came from a desire to replace slums with well-designed cities and suburbs, and the Public Health Act 1848 introduced the forerunners of today’s environmental health practitioners. Public health was the responsibility of local authorities until 1974, when most of the public health function was transferred to the NHS (environmental health remained with the local authority)ⁱ. Proposals for reform will see the return of most of this function to the local authority, a welcome return for public health and local government.

2.2 The framework for public health practice

We all have a role to play in public health – ‘health is everybody’s business’; the Marmot Reviewⁱⁱ *Fair Society, Healthy Lives* (this underpins current health reforms) says that housing practitioners are part of the public health workforce.

As public health pulls together people from a wide range of disciplines, three domains in public health practice were developed in 2005 to aid a common understanding of the public health systemⁱⁱⁱ:

- *Health improvement* is concerned with addressing inequalities, the wider determinants of health, for example housing and employment, and lifestyles
- *Improving services* is concerned with effectiveness and efficiency, audit and evaluation, service planning, equity and governance
- *Health protection* is concerned with infectious diseases, chemicals and poisons, radiation, emergency response and environmental health hazards

These three domains are used as the basis for training and qualifications in the public health profession.

2.3 Key concepts in health

It will be useful for those working in housing to understand some of the terminology used in public health so we can communicate what we do in these terms.

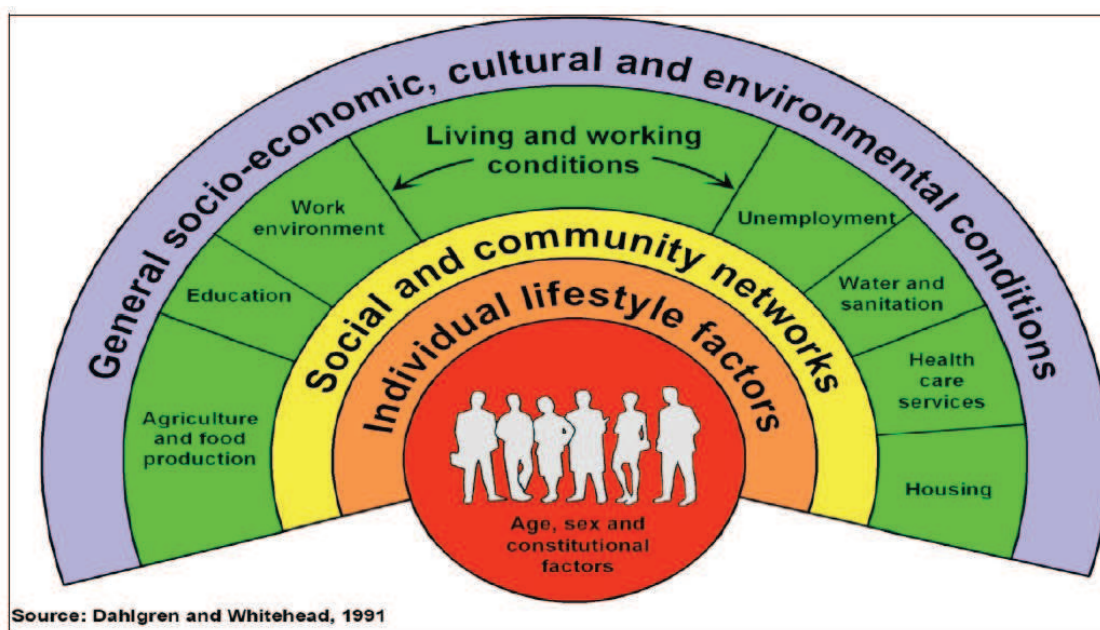
Health inequalities are avoidable inequalities in health between groups of people arising from inequalities within and between societies. Social and economic conditions and their

effects on people's lives determine their risk of illness and the actions taken to prevent them becoming ill or treat illness when it occurs^{iv}.

There is a *social gradient in health*. Those living in the most deprived neighbourhoods die earlier and spend more time in ill health than those living in the least deprived neighbourhoods. Such health inequalities are determined by social and environmental inequalities; those living in the most deprived neighbourhood are more exposed to environmental conditions, which negatively affect health.

Life expectancy and disability-free life expectancy are affected by a wide range of factors, including the home and neighbourhood environment. The Marmot review concluded that these factors – *social and economic determinants of health* – must be addressed if we are to overcome health inequalities. Dahlgren and Whitehead's model is commonly used to show the wider determinants of health.

Figure 1 The determinants of health



Public health seeks to apply '*proportionate universalism*' in its interventions, an approach advocated by the Marmot Review and earlier research. Interventions should be proportional to the social gradient. Focussing on population-wide interventions alone is likely to result in widening inequalities as more advantaged populations take up opportunities, whilst focussing on very disadvantaged groups is likely to miss the bulk of the problem – these groups are often too small to make a difference.

2.4 The main players

The Faculty of Public Health (www.fph.org.uk) was established in 1972 and sets UK standards for public health training and has an advocacy role. It aims to:

- promote, for public benefit, advances in public health
- maintain the highest possible standards of public health practice and competence
- give authoritative guidance and advocate on public health issues

The UK Public Health Association or UKPHA (www.ukpha.org.uk) was formed by the coming together of three organisations in 1999 to unite the public health movement in the UK. A multidisciplinary membership organisation it seeks to promote the development of healthy

public policy at all levels of government and across all sectors and acts as an information platform and aim to support those working in public health both professionally and in a voluntary capacity.

The Royal Society for Public Health or RSPH (www.rsph.org.uk) was formed in October 2008 with the merger of the Royal Society of Health (RSH) and the Royal Institute of Public Health (RIPH). A membership organisation with over 6,000 members (open to anyone working in the area of public health) it provides qualifications and conferences and plays an advocacy role.

The Association of Directors of Public Health (www.adph.org.uk) is the representative body for Directors of Public Health (DsPH). It aims to improve and protect the health of the population through collating and presenting the views of DsPH; influencing legislation and policy; facilitating a support network for DsPH; identifying their development needs; and supporting the development of comprehensive, equitable public health policies. There has been an Association for Directors of Public Health or their equivalent for more than 150 years (the current form has been in place since 1989).

The Chartered Institute of Environmental Health (www.cieh.org) was established in 1883 (reflecting its origins in public health) and sets standards, accredits and provides courses and qualifications and provides information, evidence and policy advice. It aims to enhance health through improved physical environment, social environment, lifestyles within a framework of sustainable development.

The NHS Confederation (www.nhsconfed.org) also has a perspective on public health that is interesting to follow given that clinicians will have a greater role in public health when reforms are in place.

3. Public health reform

3.1 What public health reform is aiming to achieve

The government wants to “*improve and protect the nation’s health and to improve the health of the poorest, fastest*”. The role of public health is most succinctly described by the proposed public health outcomes framework^v:

- Domain 1 – Health protection and resilience: protecting people from major health emergencies and serious harm to health
- Domain 2 – Tackling the wider determinants of ill health: addressing factors that affect health and wellbeing
- Domain 3 – Health improvement: positively promoting the adoption of ‘healthy’ lifestyles
- Domain 4 – Prevention of ill health: reducing the number of people living with preventable ill health
- Domain 5 – Healthy life expectancy and preventable mortality: preventing people from dying prematurely.

The public health framework links to those for the NHS and social care, enabling commissioners and providers to come together where input from a number of areas is needed to achieve success.

The public health white paper, *Healthy Lives, Healthy People*^{vi}, presents an approach to public health that recognises different stages in people’s lives (as recommended by the Marmot review):

1. Starting well – the focus is on pregnant women, infants and parenting, particularly maternal mental health, smoking and obesity, and relationships
2. Developing well – the focus is on children and young people, particularly accidents, risk taking related to drugs, alcohol and STIs and mental health
3. Living well – the focus is on adult lifestyles and factors such as smoking, obesity, mental health, alcohol and drug use
4. Working well – the focus is on reducing working-age ill-health, particularly mental ill-health
5. Ageing well – the focus is on the ageing population, particularly mental and physical wellbeing to prevent dementia, depression, accidents and deaths from the cold

These stages are reflected in supporting policy eg, the child poverty strategy emphasises the public health role in ‘starting well’, whilst the mental health strategy (discussed later) refers to all stages.

Recommendations

1. The housing sector needs to consider its role in relation to each of the five public health outcome domains, and related outcomes in the NHS and social care frameworks, if it expects to engage health partners in a dialogue about working together. This is an exercise that would be usefully undertaken at a local level, perhaps through a strategic housing partnership, with elected members and health colleagues, with reference to existing publications on the subject such as the National Housing Federation’s *‘Invest in Housing: Invest in Health’*^{vii}. The approach being taken in south Essex through their *Commission of Enquiry into Co-operation between housing, health and adult social care*^{viii} might also be useful to consider.
2. Considering housing’s role in relation to each of the life stages will be helpful to working with health partners and is likely to reveal areas for improvement, for example, can we offer more or something better at the ‘living’ and ‘working well’ stages in life to prevent ill-health at a later stage? Again, a useful approach would be to explore this as a partnership at a local level, making sure that representatives from across the housing sector ie, strategy and policy, spatial planning, environmental health, and service delivery, are involved. (The Housing LIN welcomes any examples of such partnership working for future case studies)

3.2 The main themes of public health reform

The proposed reforms to achieve these outcomes are described in the public health white paper, *Healthy Lives, Healthy People*. This is intended to build on principles established in the *NHS White Paper Equity and Excellence: Liberating the NHS*^{ix} and in the *Vision for Adult Social Care: Capable Communities and Active Citizens*^x. The *Health and Social Care Bill*^{xi} includes the legislative changes required to enable reform. Amendments have been made to reform proposals, primarily in relation to primary care, following the government’s ‘listening exercise’. These are found in *Government response to the NHS Future Forum report*^{xii}. Together these documents reflect that the government expects to see the following changes.

A more efficient and effective health service

Although there is a real term increase in spending, the health sector is still expected to achieve billions of pounds in savings to reinvest in other activities (this is the focus on the government’s QIPP^{xiii} programme: Quality, Innovation, Productivity and Prevention – pronounced ‘quip’). This reflects the government’s number one priority – to reduce the deficit in a ‘fair and responsible way’. In practice, this is resulting in efficiency savings and some

redundancies from the Department of Health, PCTs and Strategic Health Authorities, in advance of new commissioning arrangements being finalised, such as GP consortia. There is a danger that experience and expertise will be lost from the sector. Existing PCT public health teams are also expected to change, with reductions likely.

The government's model is for action to be based on robust evidence of needs, enabling targeted interventions. The Health and Social Care Bill strengthens the existing 2007 statutory requirement to produce a Joint Strategic Needs Assessment (JSNA): an assessment intended to provide a comprehensive picture of the health and wellbeing needs of the population. The revised duty will require commissioners to apply the JSNA, informing a new statutory Joint Health and Wellbeing Strategy and all local commissioning, including public health. The government, in its response to the NHS Future Forum, has strengthened the requirement for NHS commissioning to pay attention to the JSNA and joint health and wellbeing strategy, with Boards now expected to be involved in the process of developing clinical commissioning plans. This is expected to enable more effective, joint and integrated, commissioning.

Local Government Improvement and Development (LGID²) has provided a best practice guide on JSNAs. This guidance and a new report by the Chartered Institute of Housing^{xiv}, supported by the Housing LIN, advocates for a link between the assessment and housing intelligence – a shared understanding is more likely to inform effective joint approaches to reducing inequalities and improving outcomes. It recommends that the JSNA should help inform local housing commissioning.

It is worth noting that the use of evidence of need is not new in public health, where need is assessed alongside the cost and benefits of interventions. Health economics is a core part of public health qualifications, with opportunities for practitioners to specialise in this field. For the housing sector this presents a challenge to working with public health commissioners – it's not enough for us to know there is a problem: we also need to know that it will be worth taking action to address it ie, what savings and benefits will be delivered?

Recommendations

3. Commissioning in the housing sector is under-developed when compared to health and social care sectors, with skills and expertise developing only under the Supporting People programme. With reduced capacity and capability in both local government and health it would make sense for local areas to explore opportunities to bring commissioning resources together, considering approaches to integration already in development eg, LB Hammersmith and Fulham^{xv}.
4. Housing commissioners, with provider partners, should work with health colleagues to develop sources of intelligence that are capable of informing all forms of local commissioning, beginning with the Joint Strategic Needs Assessment and local assessments of housing need and demand.
5. Housing commissioners and providers should work together to establish a local evidence base of 'what works' and the potential savings that can be achieved through housing interventions, for use in discussion with health colleagues. There are national sources of evidence (see later section) and tools that can be applied locally, for example the CIEH's Housing Health and Safety Rating System cost calculator^{xvi} and Foundation's Future HIA connecting with health and care^{xvii} report. It is likely however that the housing sector will need to revisit its approach to performance management and evaluation in order to develop the evidence further. The LGID's Measuring impact in health improvement An accessible guide for health practitioners^{xviii} will also be useful to those working in housing.

² Local Government Improvement and Development www.idea.gov.uk

Individuals and communities should be supported to become confident and capable of getting involved in shaping services in their local area (and possibly delivering services too), to take informed decisions about their own lives and to be able to hold other decision makers to account. The government's response to the NHS Future Forum report strengthened the role of the public and users, requiring the new Health and Wellbeing Boards to involve them in developing their health and wellbeing strategy and introducing an explicit requirement that local HealthWatch membership is representative of different users, including carers.

The government's model is to take a less intrusive approach to people's health, applying behavioural intelligence to understand how to change people's behaviour with less intervention from the state. This approach is based on the Nuffield Council of Bioethics' Ladder of Interventions (www.nuffieldbioethics.org). Action will range from 'do nothing' in circumstances where behaviour trends are minor and fizzle out to 'eliminating choice' in circumstances to unacceptable hazard or risk, for example making seatbelts compulsory. The provision of information and advice is the second stage on the ladder; health reforms assume that more emphasis will be placed on this.

Eliminate choice
Restrict choice
Guide choice by disincentives
Guide choice by incentives
Guide choice by changing the default policy
Enable choice
Provide information

Nuffield Council of Bioethics' Ladder of Interventions

Information and advice provision is expected to play a greater role. An NHS strategy for information and advice will be published in Autumn 2011. In the meantime the government has recently confirmed that it will continue to fund FirstStop^{xix} (an independent, free service offering advice and information for older people, their families and carers). An interim report of an evaluation of this scheme is available^{xx}, with a final report expected in June 2011: this may provide useful recommendations for local commissioners and providers.

Accountability arrangements for public health decisions are not yet finalised. With public health responsibility returning (in the main) to local government the intention is that individuals will be able to hold their democratically elected members to account.

Recommendations

6. Localism, Big Society, personalisation are also themes in housing reform. There will be merit in considering how the health and housing sectors can come together locally to support individuals and communities to take control and make informed choices, particularly as the housing sector has a good track record in engagement and empowerment. A 2010 report produced by Leeds Metropolitan University, *Engaging the public in delivering health improvement*^{xxi}, provides some useful suggestions for action to enable the public to take on new roles in public health, whilst the South Essex Commission of Enquiry mentioned under recommendation 1 also looked at a public engagement campaign.
7. Jointly commissioning information and advice provision is an area for local discussion with health and social care colleagues. There's a danger that local resources – including the voluntary and community sector – will be uncoordinated, and that the public will be overwhelmed and/or receive conflicting information and advice. It would be useful to refer to HACT's Fit for Living Network *position statement on information*

and advice^{xxii} which advocates for integrated, independent and trustworthy services, and describes the ideal situation and the challenges to overcome. Reference to the First Stop evaluation previously mentioned, and an evaluation of Care and Repair's earlier housing options initiative^{xxiii} would also be useful.

8. It is also worth considering the application of the 'Ladder of Interventions' in housing terms, particularly as reduced public spending, housing and welfare reform require changes in behaviour if they are to be successful: people will need to make different choices in relation to their housing circumstances and we should consider which interventions will be the most effective in enabling this. For example, an older homeowner may need to consider the use of their own assets eg, equity in their home, to fund repairs or adaptations, whilst some households eg, those under-occupying a home in receipt of housing benefit, will need to consider downsizing if income is insufficient to meet their current housing costs. How people will respond to these changes is something that concerns everyone in the housing sector, and there are clear health implications too, for example a house move may cause stress and anxiety for a vulnerable household, disconnecting them from social networks and access to services and amenities. The recent report of qualitative findings^{xxiv} commissioned as part of the Dilnot Commission on Funding of Care and Support^{xxv} considers attitudes towards planning and preparing for the future and provides useful insight for housing and health sectors.

A sustainable and resilient economy

To enable greater choice a diverse market of providers is needed. To achieve savings a more competitive market is required. Health and social care reforms seek to achieve a different market place. The public sector will not be the 'default' provider of services in the future, supporting the government's ambition to rebalance the economy across sectors.

In public health, the introduction of a new ring-fenced public health budget for local authorities is intended to encourage innovation in commissioning: a proportion of the budget will be payable as a reward for progress on specific public health outcomes. The health premium, driven by a formula, has been subject to consultation and it remains an area of concern for local government and the health sector: it's not yet clear how areas with the greatest inequalities to address will fare.

The ring fenced budget is intended to enable authorities to procure services from a wide range of providers and incentivise and reward those organisations for improving health and wellbeing outcomes and tackling inequalities (payment by results).

The government is also keen for the voluntary, community and social enterprise sector organisations to play a part, not just in terms of providing services but also in enabling community capacity and expertise to contribute to health prevention, for example through volunteering, peer support, befriending and social networks. The imminent Open Public Services White Paper (expected July 2011) is expected to elaborate on the market place.

Finally, the Marmot review estimated that the inequality of illness costs the economy between £56bn and £60.5bn a year in lost productivity, lost taxes, increased welfare and benefits payments, and health costs of treating ill-health. Health reforms are expected to contribute to reducing this cost, particularly through enabling local areas to lead on public health matters.

Recommendations

9. Consideration to the provider market is an area for development in local housing commissioning and it would make sense to consider whether commissioning expertise can be shared with health, building on any commissioning expertise developed through housing support commissioning as a result of the Supporting People programme (for district authorities this expertise will be at the county council level). Examples of positive practice in Supporting People included support to voluntary and community sector organisations to enable them to develop, compete and deliver outcomes for a competitive price. HACT's evaluation of whether this approach is sustainable (Sustaining diversity through collaborative tendering^{xxvi}) is a useful reference point and it advocates for improvements in commissioning approaches
10. Local housing commissioners could explore how to make the most of the wider contribution the sector has to offer improvements in both health and economic outcomes, working with health partners and providers. A good example of a joint approach can be found in Thanet, Kent where the local authority is working with the PCT amongst others to address significant socio-economic disadvantage through a range of interventions that include housing regeneration, tackling low skills and worklessness and addressing significant health inequalities. Housing service providers also have much to offer the economy^{xxvii}, from being major employers in local areas and nationally, with considerable purchasing power, to providing services to tenants and customers to enable them to access skills and employment opportunities. Making the link between housing, health and the economy will be important if the housing sector wishes to attract government attention (The case for investing in London's affordable housing^{xxviii})

3.3 What the new commissioning 'architecture' will look like

At the moment, Primary Care Trusts are responsible for commissioning public health services. Reforms bring the abolition of PCTs and the introduction of a new public health service, with commissioning undertaken by three organisations working together (these are based on proposals for consultation³):

- Upper tier and unitary local authorities will commission public health services, through Health and Wellbeing Boards. From April 2013, there will be a new public health duty requiring steps to improve the health of their population to be taken.

The same local authorities will employ a Director for Public Health (DPH) (employment will be joint with Public Health England). The DPH will play an integral role in promoting joint working, and advocating for the public's health, and will provide an annual report on the health of the local population.

The proposed local authority public health commissioning areas include seasonal mortality, accidental injury prevention, public mental health, drug and alcohol misuse, physical activity, health at work, prevention and early presentation, community safety and violence, social exclusion and children's public health from 5 to 19 years (the NHS commissioning board will be responsible for under 5s).

- Public Health England (PHE) will directly fund and commission some services eg, national campaigns on nutrition or infectious disease; directly provide some services for example the functions currently carried out by the Health Protection Agency; and

³ Proposals for which organisation should commission public health activity has recently been consulted on: Healthy lives, healthy people: consultation on the funding and commissioning routes for public health, www.dh.gov.uk/en/Consultations/Liveconsultations/DH_122916

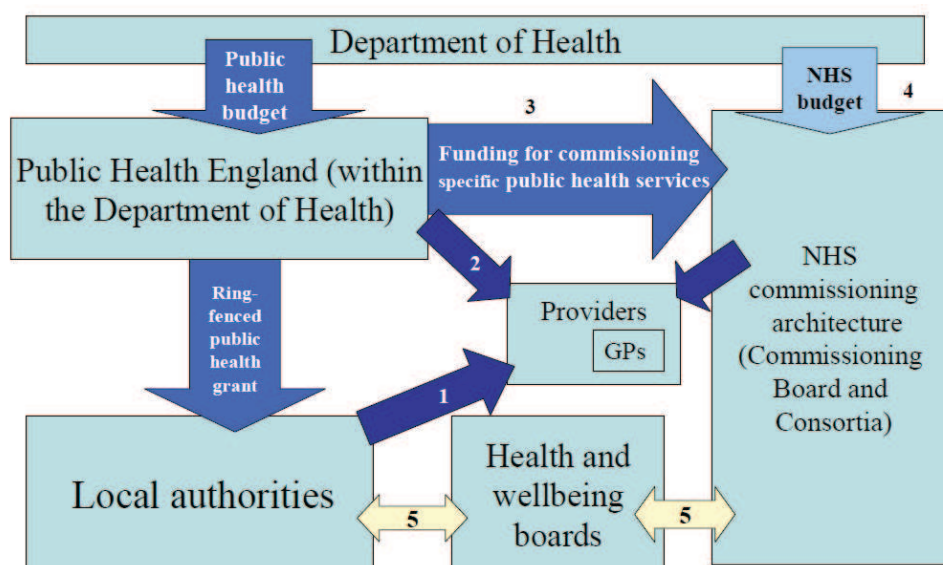
directly provide some activity which will be exercised locally, for example via the local networks of Public Health England Health Protection Units.

PHE will be accountable to the Secretary of State for Health, with a mission to achieve measurable improvements in public health outcomes, provide effective protection from public health threats and to 'inspire, challenge and commission' partners from all sectors.

- The NHS Commissioning Board will be asked by Public Health England to take responsibility for commissioning some public health interventions or services funded from the public health budget (primarily population interventions such as screening programmes); it is assumed that the Board will ask clinical commissioning groups to undertake this role locally, as far as possible.

Public health work integral to primary care provision will continue to be funded from within the overall resources used by the NHS Commissioning Board, for example health checks by GPs, preventative services provided by dentists under their NHS contracts etc. NHS commissioning will be informed by public health expertise from the local DPH and PHE, and through the provision of intelligence and data on population health issues.

Figure 2 The proposed flow of the public health budget⁴ from the Department of Health across the system



Extract from: *Healthy Lives, Healthy People: consultation on the funding and commissioning routes for public health* (Department of Health, 2010)

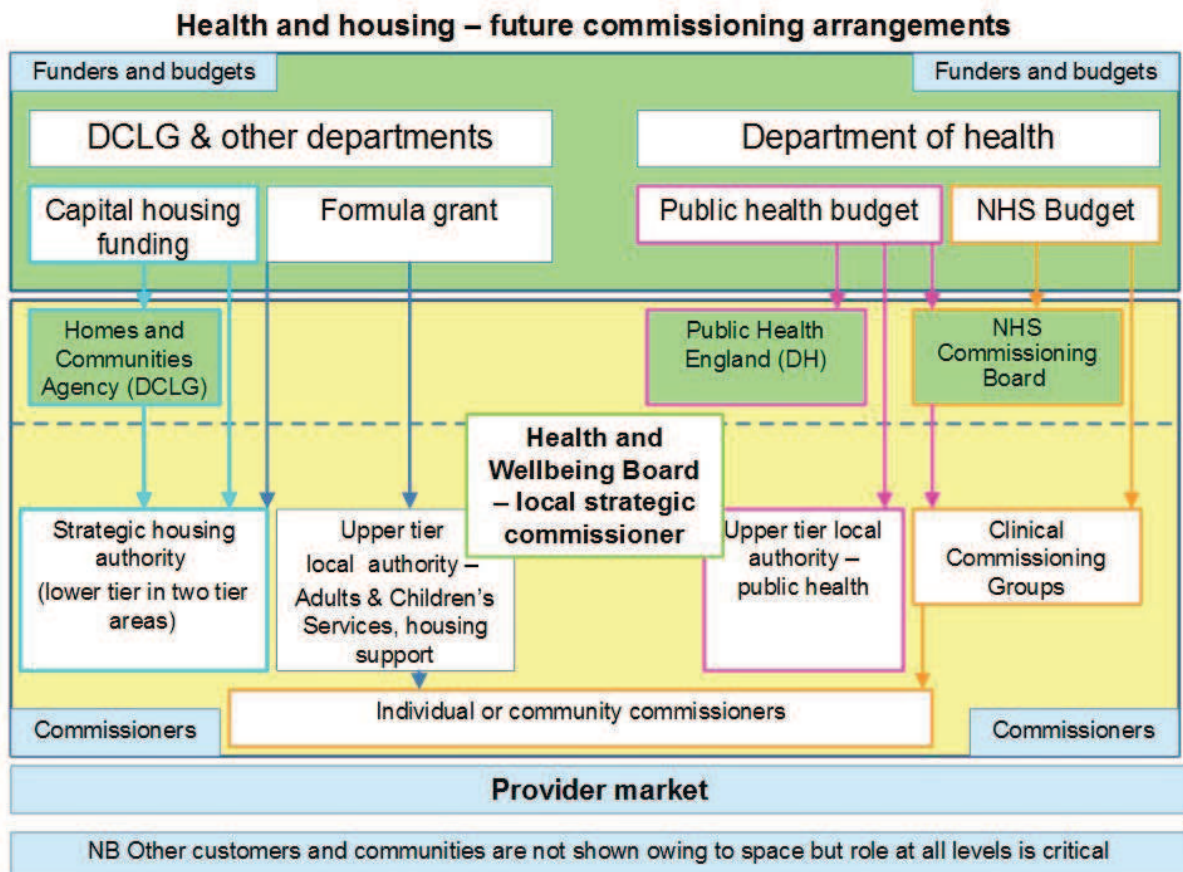
NB this will be updated to reflect clinical commissioning groups in place of GP consortia

The joint, statutory, health and wellbeing strategy, to be developed by the health and wellbeing boards with regard to the joint strategic needs assessment, will be the framework for commissioning plans for public health, the NHS and social care, and any other services that the board agrees are relevant, for example housing.

⁴ Other sources of funding for local authority public health roles is not included here eg, health protection, housing, leisure; local authorities are free to integrate this funding locally

Recommendations

11. New organisations, roles and responsibilities in health require new or revised relationships with housing. Local housing commissioners and providers should together consider how they can take a co-ordinated approach to engaging the health sector locally, starting with the Health and Wellbeing Board and Director of Public Health. Agreeing a local communication and engagement plan and/or protocol (two-way) with the health sector (including clinical commissioning groups) would be a useful exercise, particularly as reform is still underway and it is useful for the housing sector to understand what this means locally, and to contribute relevant information and support. There's a real risk that, in our desire to make our voice heard, the housing sector will inundate health with information about what we have to offer and requests for meetings. This will not be appreciated at a time when resources are stretched, and when individuals are facing cultural change, for example GPs have just had responsibility for their patients and not for the health of the local area, whilst elected members and clinical commissioners have not had cause to come together in the past.



3.4 The public health and housing role in outcomes for populations

This section looks at the government's policy proposals for specific populations, where this has been published, focussing on the role of public health and the housing sector contribution to public health outcomes.

Mental health

The Public Health White Paper emphasises the need to improve mental wellbeing and prevent mental ill-health throughout life, not just physical health. Public mental health will be one of the commissioning responsibilities for the local authority. The expectations are that prevention and early intervention will:

- Improve educational attainment, behaviour and self-esteem for children and young people
- Reduce absences from work
- Reduce re-offending behaviour
- Reduce rapid declines in the health and wellbeing of older people (and dependency)

The government's strategy, *No health without mental health*^{xxix} and the supporting document *No Health Without Mental Health: Delivering better mental health outcomes for people of all ages*^{xxx} describe six specific outcomes and how these will be achieved. National implementation will be overseen by the Cabinet sub-Committee on Public Health, and mental health will be a key priority for Public Health England (PHE is expected to support local authorities to make public mental health part of public health). The new local health and wellbeing boards and directors of public health are also expected to treat mental health as a priority.

Public health is particularly expected to play a role achieving three of the six objectives (outcomes):

- **More people will have good mental health:** public health is expected to play a considerable role in improving mental wellbeing and preventing mental ill-health, at different stages of life, ranging universal public health and early years education programmes at a neighbourhood and local authority level, focussing particularly on disadvantaged families, to 'ageing well' programmes for people as they get older.
- **More people with mental health problems will recover:** public health will have a role in improving the wider environment (the determinants) to enable recovery, for example the home, employment etc,
- **More people with mental health problems will have good physical health:** public health will tackle the contributory factors to poor physical health for people with a mental health problem, such as smoking.

The strategy also describes a number of housing-sector related contributions to these outcomes:

- Home visiting and improved home safety contribute to prevention for children and their parents
- Young homeless people are at particular risk of developing mental ill-health and targeted activity is needed
- Volunteering and informal and community education programmes improve mental wellbeing, particularly for groups such as homeless people
- Warm homes initiatives support mental wellbeing for older people
- Access to programmes and education in, or close to, the home is important

The government will publish a series of public mental health reviews of the evidence for preventing mental illness and promoting mental health in 2011 which should provide more ideas to inform links between public health and housing activity. In the meantime a report produced by Local Government Improvement and Development and the Department of Health, and researched and written by the new economics foundation, *The Role of Local Government in Promoting Wellbeing*^{xxxv}, provides some examples of the housing sector contribution. The report also highlights that housing is one of ‘the most important levers for wellbeing’, that preventable health problems impact on the cost of providing housing, and that housing is in local government control⁵.

Recommendations

12. In the majority of local areas the primary housing contribution to mental health is likely to be the provision of housing support (recent reports have been produced by the National Housing Federation and University of York^{xxxii}) and homelessness services to people with a mental health problem. However, there is clearly a greater role for the housing sector to play and locally commissioners and providers should be looking at how this can be enabled effectively, thinking about the mental health and wellbeing of the wider population.

Although the National Mental Health Development Unit ended earlier this year, the resources it developed are still intended to support the government’s plans. The website (www.nmhd.org.uk) provides a useful source of guidance and supporting tools, for example the Mental Wellbeing Checklist^{xxxiii}. The NHS Confederation’s report Public mental health and well-being – the local perspective^{xxxiv} also provides useful evidence and case studies, as does Liverpool’s Public Health Observatory report on Wellness Services: Evidence based review and examples of good practice^{xxxv}

Older people

Public health is expected to play a major leadership role in preventing a decline in health associated with ageing, promoting and enabling active ageing and tackling inequalities. The integration of public health at a local level with social care, transport, leisure, planning and housing is expected to keep people connected (avoiding loneliness and isolation), active, independent and in their own homes, supporting the government’s aim to ‘help elderly people live at home for longer’

Public health is expected to:

- Enable communities and volunteers to help themselves. Gloucestershire Village Agents (www.villageagents.org.uk) is used as an example of volunteers to identify and work with excluded older people, with cost-effective impacts on mental health, falls prevention and home safety^{xxxvi}. DWP will be providing grants to voluntary and community sector groups to carry out this role
- Keep people at home, for example through falls prevention, nutritional advice and using community resources to prevent isolation
- Provide evidence based preventative services such as information and advice or services aimed at minimising disability, deterioration or dependency.

⁵ Strategic housing authorities are lower tier local authorities ie, districts in two tier areas, unitaries and metropolitan boroughs.

A number of housing-sector related contributions have been identified to support 'ageing well':

- Designing neighbourhoods and houses to support people's health, such as Lifetime Homes (this standard remains an important part of the Code for Sustainable Homes).
- Enabling warm homes, for example through the winter fuel allowance and warm homes initiatives (Warm Front until 2012/2013, the Green Deal from 2012 and the new Energy Company Obligation which will focus particularly on the needs of the most vulnerable and on those in hard-to-heat homes)
- Housing support, disabled facilitations and investment in decent homes are expected to enable people to remain living in their own home as they get older

Recommendations

13. Although the increasingly larger older population is not news to the housing sector, there is perhaps still some way to go in terms of planning and provision, particularly as reductions in public sector spending mean there is greater pressure to enable people to remain in their own homes, living independently, using their own resources as far as possible. It's likely that local housing commissioners and providers will already be focusing on these issues but it would be worth reviewing whether this focus is balanced to include households who are not yet in need of housing, social care or health services ie, there remains potential for them to be enabled to meet their own needs. These households will include homeowners (the majority of home owners are older people), who are less likely to be on the radar of public services. Reference has already been made to HACT's Fit for Living Network^{xxxvii} position statement on information and advice provision but statements on the role of housing providers in enabling older low income homeowners to repair and adapt their homes, innovative funding options for older home-owners to repair and adapt their homes are also worth reading.

4. The housing and health connection – the evidence base

Although much has been written about the relationships between housing and health, it is only in recent years that the cost to health arising from housing problems has been researched in any depth⁶, despite recommendations in a 2005 NICE report on the matter^{xxxviii}. Bearing in mind the need to combine evidence of need with the benefits from intervention in making decisions about whether to take action, the housing sector needs to become fluent in the use of evidence such as that presented here.

To understand the links, this section summarises the main relationships and, where available, the associated cost to health and social care of housing issues. It draws on the Marmot Review *Fair Society, Healthy Lives* (the evidence base for the government's health reforms) and other relevant research reviews (these are referred to in the end notes). Another useful starting point for public health evidence is NHS Evidence - National Library for Public Health^{xxxix}: this is due to be updated in 2011. This section also makes reference to additional resources that will enable housing and commissioners to address the challenges.

⁶ This is primarily as a result of the introduction of the Housing Health and Safety Rating System, a new risk assessment tool used to assess potential risks to the health and safety of occupants in residential properties in England and Wales introduced by the Housing Act 2004 (implemented from April 2006), and its use in the English House Condition Survey. The introduction of the Supporting People programme also provided an opportunity to collate evidence of efficiencies through preventative services.

4.1 Housing conditions

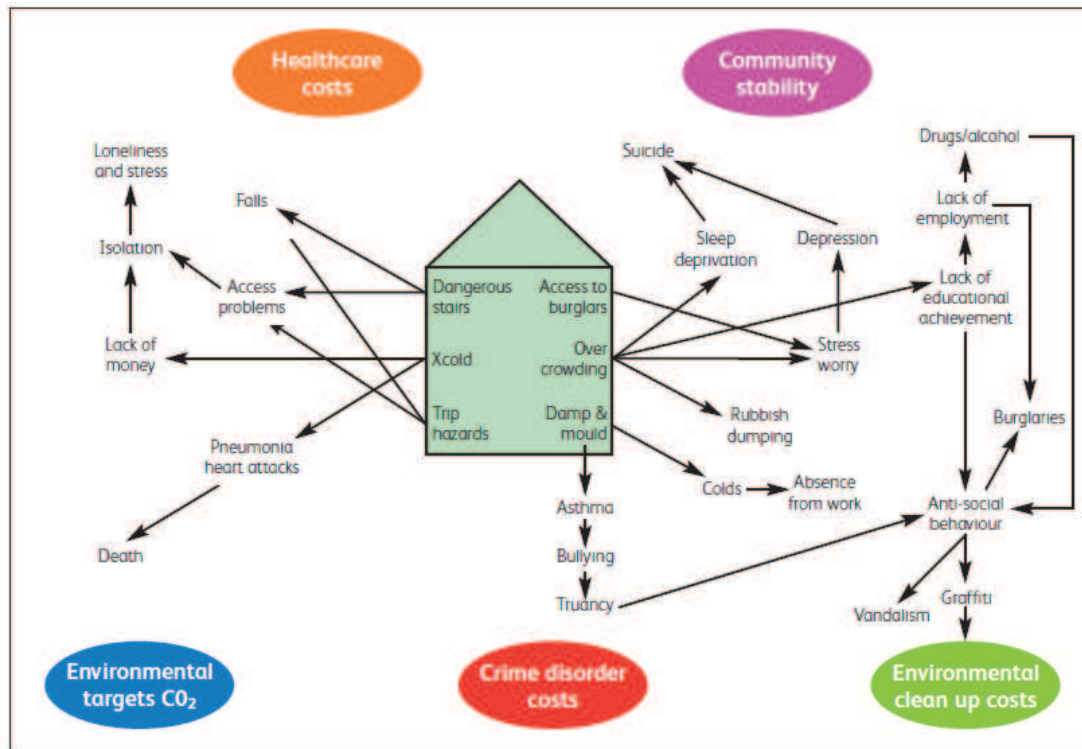
Housing-related hazards that increase the risk of illness include damp, mould, cold, structural defects.

- Cold housing is thought to be the main reason for up to 40,000 additional (excess winter) deaths reported each year between December and March. Cold homes are linked to increased risk of cardio-vascular, respiratory and rheumatoid diseases, as well as hypothermia and poorer mental health. Excess winter deaths become significant for those in the 45+ age group, with a marked increase in risk for those over the age of 85. Very young children and those with a disability or long-term illness (households who spend longer in their home) are also disproportionately affected. The BRE estimates that the cost of not improving poor housing⁷ to the average SAP rating to the NHS is £145 million^x
- Being able to afford to keep a warm home, particularly a home that is difficult to heat, is a key factor in the health of older people and workless households. The risk of fuel poverty is higher in rural areas, whilst two-thirds of fuel poor households are owner occupiers. Fuel poverty is expected to increase as energy costs rise. The risk to health of 'energy precariousness'^{xii} (a term reflecting that the main problem is that the home is hard to heat) is considered to be much greater than those recorded by excess winter deaths⁸, as households choose to save energy which increases the risk of accidents, poor air quality and damp.
- Structural defects increase the risk of an accident (such as poor lighting, or lack of stair handrails); 45% of accidents occur in the home and accidents are in the top 10 causes of death for all ages. The majority of injuries to people aged 75 and older occur at home. Unintentional injury is a leading cause of death among children and young people aged 1–14, with one million visits to accident and emergency departments by children every year arising from the injuries in the home^{xiii}. The annual cost to the UK government from falls in those aged 60+ is £1 billion with the average cost of a single hip fracture estimated at £30,000. This is five times the average cost of a major housing adaptation (£6,000) and 100 times the cost of fitting hand and grab rails to prevent falls.
- In 2010, the Building Research Establishment (BRE)^{xiiii} calculated that poor housing cost the NHS at least £600 million per year in England, based on data from the English House Condition Survey, with the total cost to society each year estimated to be greater than £1.5 billion. A 2011 BRE/Shelter Cymru report about housing in Wales concluded that poor housing costs the NHS in Wales £67 million per year, with the total cost to society of poor housing, including factors such as children's poor educational attainment and reduced life chances, estimated at around £168 million a year.
- The private rented sector contains the highest proportion of non-decent homes. Overall, the BRE estimates that it would cost £17.6 billion to achieve 100% decency in the private sector. Lack of investment in homes now may result in increased costs in the future - 80% of current housing will still be in use in 2050

⁷ Poor housing is defined as housing which fails to meet the statutory minimum standard for housing in England, as assessed by the Housing Health and Safety Rating System.

⁸ David Ormandy, professorial fellow at the University of Warwick and Head of the WHO Collaborating Centre for Housing Standards and Health, with Véronique Ezratty of the Medical Studies Department of edf, is working on a paper on 'energy precariousness'

The following diagram from the CIEH summarises the links between the home and health.



Extracted from Good Housing Leads to Good Health, CIEH 2008

Further evidence and resources

- Sheffield Hallam University has undertaken a number of research projects for local authorities and housing providers, ranging from a health impact assessment of Sheffield's housing strategy^{xliv} to the more recent report for Leeds, *A cost-benefit analysis of Leeds Housing Stock, beyond the Housing Health and Safety Rating System*.
- The CIEH's *Good Housing Leads to Good Health: a toolkit for environmental health practitioners*^{xlv} is a useful resource, recently supplemented by a more recent report for the CIEH undertaken by the Building Research Establishment presenting the health costs of cold housing^{xlvi}.
- The Department of Health's Health Inequalities Team produced a 'how to' guide in April 2010, *How to reduce the risk of seasonal excess deaths systematically in vulnerable older people to impact at population level*^{xlvii}. This remains relevant in today's climate of efficiencies and intelligent commissioning.

4.2 Housing in the wider environment

- The environmental elements that have a significant impact on health^{xlviii} are:
 - Outdoor air pollution, particularly for cardio-respiratory mortality and morbidity
 - Open/green space brings direct benefits to physical and mental health and wellbeing
 - Transport in terms of enabling access from home to employment, education, social networks and services (important to reduce isolation and improve opportunities) and in terms of road traffic accidents

- Low levels of social integration, and loneliness, significantly increase mortality. In neighbourhoods that are perceived to be less safe and/or where there are no community facilities there are usually fewer opportunities for integration, for example through volunteering,
- Fear of crime and harassment, and the presence of needles and syringes impact on mental wellbeing^{xlix}. Noise from neighbours also has a negative effect.
- A lack of attention to health and health inequalities in the spatial planning process can lead to unintended and negative consequences. Planning interventions to encourage active travel such as better walking and cycling routes, reducing car speed to improve road safety, and improving public transport (reducing traffic) to reduce air pollution will reduce health inequalities.

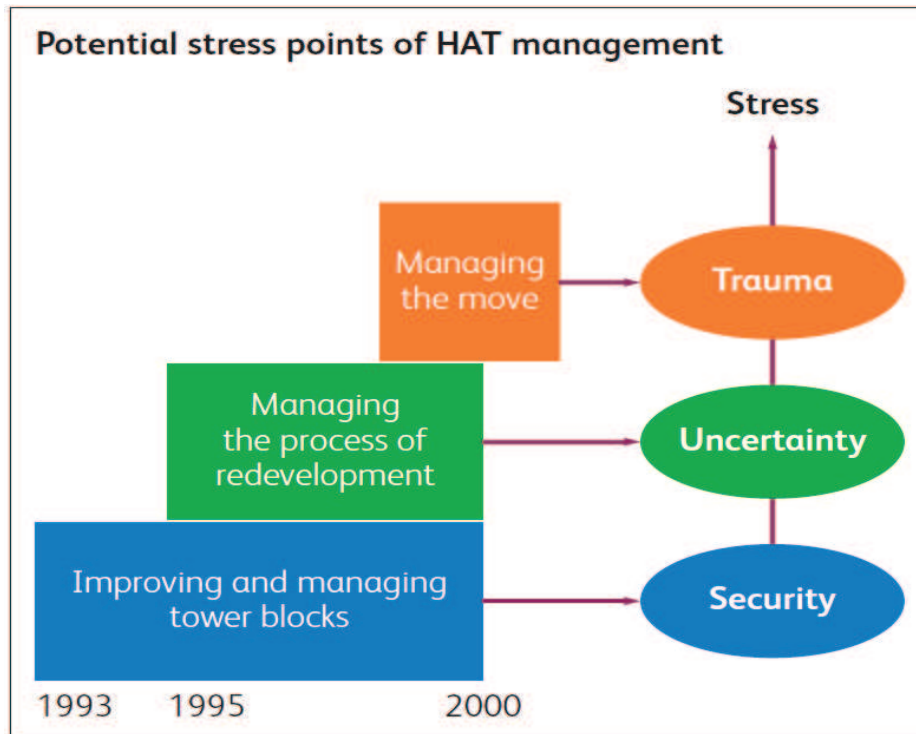
Further evidence and resources

- The Spatial Planning and Health Group (formerly a NICE Programme Development Group) has published *Steps to Healthy Planning: proposals for action*ⁱ. Further evidence is also available from SPAHGⁱⁱ including the research report *Spatial Planning and Health: The cost-effectiveness of integrating health into the planning process*ⁱⁱⁱ produced by NICE PDG and University of the West of England.
- The Hyde Group commissioned the Town and Country Planning Association (TCPA) to develop *Spatial Planning for Health: A guide to embedding the Joint Strategic Needs Assessment in spatial planning*ⁱⁱⁱⁱ to promote the contribution of well-planned developments in achieving long term health and well-being outcomes. It refers to other published guidance and advice and makes recommendations for improvements in aligning planning and health processes.
- The CIEH's 2007 *Commission on Housing Renewal and Public Health*^{iv} report looks specifically at the positive and negative environmental and health impacts of clearance, presenting the arguments for and against clearance and recommending improvements in the strategic approach taken by local authorities. Despite limited opportunity for renewal today recommendations remain relevant to strategic planning for wider geographic areas.

4.3 Security of tenure and tenancy sustainment

- Housing supply affects health, with a considerable number of households living in temporary accommodation and in overcrowded homes
- Lack of security of tenure and short tenancy durations found in the private rented sector may contribute to mental health problems and discourage tenants from taking up home improvement initiatives, reporting problems to a landlord, for fear of being evicted; investing in rented homes.
- Access to housing support and advice and information about income is particularly important to families with young children and for 16 – 25 year-olds
- People who feel that they do not control life circumstances – for example, where they live or the quality of their home - are at risk of mental illness, depression, but they are also at risk of physical illness. The process of changing someone's housing circumstances, for example through the renewal process, can also introduce stress and trauma.

Figure 3



Housing and Health in Liverpool, Sheffield Hallam University

4.4 Households and communities with additional health needs

Many population groups have additional health needs, such as older people, people living with disability or mental illness, ethnic minority groups, homeless households, refugees and asylum seekers, Gypsies and Travellers. Evidence includes:

- Homeless people attend Accident and Emergency five times as frequently as the non-homeless, implying a total of around 53,000 attendances annually by homeless people, costing around £5 million per annum^{iv}.
- Older people are particularly at risk of health problems relating to accidents and cold homes, whilst loneliness and isolation can contribute to dementia and cognitive decline over the age of 65, and also have an impact on likely recovery from illness
- Children living in social housing are at increased risk of multiple disadvantage in adulthood. Children in bad housing are more likely to have mental health problems, such as anxiety and depression, to contract meningitis, have respiratory problems, experience long-term ill health and disability, slow physical growth and delayed cognitive development^{vi}.
- There is a relationship between the population of social housing and health disadvantage; a 'residualisation' effect has resulted in concentrations of disadvantaged groups with higher rates of unemployment, ill health and disability than the average for the rest of the population. This has arisen through a combination of limited housing supply and policy

Further evidence and resources

- The 2007 report *Better outcomes, lower costs: Implications for health and social care budgets of investment in housing adaptations, improvements and equipment: a review of the evidence*^{vii} is still regarded as a relevant reference point for evidence of the savings to be gained through adaptations.

5. Conclusions

The length of this briefing and extensive list of references should give an indication of the strength of the connection between housing and health, and how critical it is in the current economic and political climate that the housing sector considers how working with public health can more effectively prevent, and address, health inequalities and improve health outcomes.

Different ways of working are needed. Recommendations and practice examples in this report support the development of more effective, outcomes based and intelligent, local commissioning that builds on existing capacity and expertise in housing, health and social care sectors. Local areas need to take a hard look at their local housing commissioning arrangements and assess whether these will achieve the desired outcomes, in this case health and wellbeing (including economic wellbeing) outcomes. Commissioning isn't new and it isn't rocket science but it will make a difference: health reforms present an opportunity.

About the Housing Learning and Improvement Network

The Housing LIN is the leading professional 'knowledge hub' for over 5,700 housing, health and social care professionals in England. We have strong links with government, trade and professional bodies and leading industry players across the public, private and third sectors. Our aim is to:

- raise the profile about the housing and care needs and aspirations of older people
- act as a champion for the work on housing with care organisations in the sector
- provide latest publications and tools that can support the way you improve, plan, commission, promote and/or deliver your services
- help you to respond to, inform and influence policy and practice developments and what older people say about service quality
- give you access to our national and regional activities, and
- enable you to benefit from the latest ideas, tools and resources in the field to help raise standards.

For further information about the Housing LIN and to access its comprehensive list of on-line resources, visit www.housinglin.org.uk

The Housing LIN welcomes contributions on a range of issues pertinent to Extra Care housing. If there is a subject that you feel should be addressed, please contact us.

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Healthier Housing Strategy 2011-2014

‘One Tamworth, Perfectly Placed’

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Foreword

Everyone should have a warm, safe and secure home. This has been known since the 1800's, when action was taken to clear slums to improve health and wellbeing, and more recent research has highlighted the importance of a home to our quality of life. This strategy recognises this relationship - it is a healthier housing strategy.

Our strategy builds on the success of our previous strategy and evidence from new research and public consultation, but it recognises there is a long way to go before everyone has the same opportunities of a home and healthy life. Building new homes is not going to resolve housing need alone – we know existing housing must contribute more – but there is work to be done to improve housing conditions, to enable greater access and for homeowners and tenants living in the private rented sector to be supported to sustain their home, health and wellbeing.

This document describes what we would like homes and housing services to look like in the future and what we will be focussing on over the next three years. This won't be an easy task: there is much less public money available and the shape of public services is changing considerably, particularly health services. This new strategy is innovative in its approach and contributes to the five areas outlined in the Public Health Outcomes Framework .It considers how addressing the quality of the indoor environment and factors relating to the broader social and behavioural environment such as overcrowding, sleep deprivation, and neighbourhood quality can have a positive impact on the health and well being of the population. Individuals and communities will need to play a greater role if we are to be successful, and they will also have a role in making sure that we take the right action.

We will also need to work in greater partnership with stakeholders in the borough, from private landlords and developers to health and social care partners. Our action plan, to be reviewed annually, will provide an opportunity for these partnerships to consider whether we are on course for success, if we are using our combined resources in the best way, or if something different should be done.

Our Healthier Housing Strategy provides a clear description of what we want to see in the future and how we will get there. We are confident we will improve health and wellbeing through our plans and hope that you will join us in delivering the vision.

We would like to thank the following partners for their contribution to the development of this strategy, and commitment to its delivery:

South Staffordshire Primary Care Trust

Signed off by .Portfolio Holder, PCT and commendation by KS DoH.

Executive Summary

Our Vision for Tamworth

The vision for Tamworth is *'One Tamworth, Perfectly Placed'*. In more detail we want:

- A safe environment in which local people can reach their full potential and live longer, healthier lives.
- A sustainable and thriving local economy, a more aspirational and competitive place to do business

This strategy describes how we will contribute to achieving the vision and priorities. In particular we will work together to ensure:

1. There are suitable homes for everyone

- There is a greater choice of homes
- Households are able to move to a quality, affordable, home
- People are able to afford a wider range of housing options

2. Homes are healthy, warm and safe

- Homes in all tenures will be safe, warm and well-maintained
- People take responsibility for improvements in the quality of their home environment

3. People are able to maintain an independent and healthy lifestyle

- There is a reduction in all forms of homelessness
- Vulnerable people are supported to live independently
- People are able to make informed decisions to improve their housing circumstances

4. Neighbourhood environments enable safer and healthier communities

- Homes of all tenures are in well-designed and managed neighbourhoods
- People and communities are able to take control and responsibility for their neighbourhoods

Improving health

Poor health in Tamworth is a particular challenge to achieving our ambitions and in developing the strategy we have considered what we can do to address identified public health ambitions and outcomes as highlighted below:

1. Protect people from further harm to their health
2. Address factors, such as poor condition housing, that can affect health and wellbeing

3. Promote healthy lifestyles
4. Prevent ill-health
5. Prevent people from dying prematurely

How we have developed this strategy

The Council has been working with partners and residents to develop this strategy since 2010.

People in Tamworth spend significantly more time in ill or poor health compared to other areas in the West Midlands and poor housing conditions will further affect their quality of life. We decided to make sure that any action we take to meet people's housing needs and aspirations should consider how we can improve health.

The process of developing this strategy began with external support from the NHS Health Inequalities National Support Team which identified actions we could put in place. A workshop with partners followed and a project group was established to lead the development of the strategy.

The council commissioned initial research to identify the specific health issues that we could address through housing activity. We consulted widely with partners, housing and health staff and the public to ask what was important to them – over 300 people gave us their opinions. We reviewed feedback from earlier surveys, such as a survey from 2009 about the recession, the Council's Place Survey, and a consultation with young people about homelessness.

A further event was held in February 2011 to present all the findings from the above work to partners and a first draft strategy was produced in May 2011. Feedback from that document has led to a number of changes and this revised strategy reflects what people have told us.

You can find out more about how we developed this strategy here www.tamworth.gov.uk

How we will make sure our strategy is a success

It is crucial that delivery of this strategy and action plan is managed and reported to a variety of audiences. The headline key performance information will be published quarterly to the web using the Council's performance tool which is called Covalent. This report will also be used for:-

- ✓ Quarterly reports to the Housing and Health Delivery Group and all housing partners via the Tamworth Strategic Partnership (TSP) "Task and Finish" groups and other housing partnership meetings
- ✓ Regular reports to the TSP
- ✓ Monthly performance meetings with the Portfolio Holder for Quality of Life

- ✓ Quarterly updates to Tamworth Borough Councils Corporate Management Team
- ✓ An annual performance report to the Councils Cabinet, Partners and Customers
- ✓ An annual review of the Strategy and agreement of refreshed annual action plan

The appropriate service managers have been identified and have responsibility for ensuring the information is loaded onto Covalent. Additionally the actions contained within the Action Plan directly inform the Housing Service business plans and will have an indirect impact on the delivery of other key services provided by the Council and its partners.

Reports on progress made will be communicated to the Staffordshire Health and Wellbeing Board and Local Economic Partnership (via the Business Enterprise Partnership) with the right representation at these meetings and active input into joint working initiatives.

Additionally, a set of indicators will be developed as per the Strategy Action Plan to help determine the impact housing has on health over time.

1. Challenges faced in Tamworth

This chapter describes the challenges evident in Tamworth relating to housing which will impact on a person's health and wellbeing. These need to be overcome to allow us to achieve our vision. Further evidence of the issues can be found here

www.tamworth.gov.uk

The key housing challenges in Tamworth are:

1. Households are unable to access suitable and affordable housing, particularly those who are in poor or ill health (**Access**)
2. Poor conditions exist within some of the housing stock in Tamworth with a disproportionate amount of older people living in non decent and unsuitable homes, including owner occupiers (**Aspects**)
3. Some households need support to enable them to sustain a healthy home and lifestyle and there are challenges to sustainability (**Individual Behaviour**)
4. In some areas the community and neighbourhood environment is having a negative impact on quality of life (**Neighbourhood**)

Below is a summary of the evidence that has helped us to identify the main challenges.

- The population of Tamworth Borough is 75,300 people, which is expected to grow to approximately 81,200 by 2033. The population is ageing, with the number of people above the age of 65 expected to increase by up to 9,400 people by 2033. The numbers of those below the age of 65 is expected to reduce by approximately 3,600 people, with a significantly lower number of young people aged 16-24.
- The ethnicity of the population is approximately 94% White British.
- Life expectancy is an indicator of overall health of the population. In Tamworth this ranges from 78.2 years for males and 81.2 years for females. There is also a difference in life expectancy between the most deprived ward (Belgrave), and the least deprived ward (Trinity)

Households are increasingly unable to access suitable and affordable housing, particularly those who are in poor or ill health (Access)

Need and demand

- In June 2011 2,186 people were registered on the waiting list for social housing, an increase of 352 since February 2010 (14% growth). Over a third of those on the register are currently living in insecure accommodation, for example in temporary accommodation, but a quarter are residing in the private rented sector.

- Overcrowding in the private sector is between 1.9% and 3.1%ⁱ, or between 490 and 770. A greater proportion of these live in North West of the borough, incorporating Mercian and Castle Wards
- Tamworth has the 4th lowest average household income of the districts of Staffordshire. 53% of households are unable to afford entry-level housing.
- 8 out of the 10 wards in Tamworth have a higher rate of Jobseekers Allowance claimants than Staffordshire (3%), although the worklessness rate has decreased in the last 12 months. Youth unemployment has historically been an issue in Staffordshire, and the recent economic recession has made the problem worse. Skill levels in Tamworth are lower than in Staffordshire (in 2009, 21.1% of the population held no qualifications), and there is a lower (but increasing) rate of self-employment.
- Glascote and Belgrave have the lowest incomes in the Borough, with 45% of the adult population in Glascote living in an income deprived family.
- The government is changing the amount of income that will be paid through benefits to households who need assistance, including housing benefit. It is also changing how people will be paid their benefit;
 - Social tenants housing benefit will be paid based on an 'appropriate' sized homes – any household under-occupying a home will have their benefit reduced
 - For social and private tenants who share their home with other adults who are reasonably expected to pay a contribution of the housing cost, it will be assumed that this contribution is higher than it is now and benefits will be reduced
 - For private tenants there are new caps on the amount of housing benefit that could be paid based on the number of bedrooms. Further caps will be introduced for social and private rented tenants by 2013.
 - For private tenants aged 25 to 35 housing benefit will be based on a single room in a shared housing. An initial assessment of the people affected by this change has identified 50 individuals in Tamworth who may be at risk of being unable to meet their housing costs.
- Evidence suggests that the economic downturn has had a bigger impact on homes for sale at the cheaper end of the market, with house prices at this end of the market falling by 8.1%, compared to a 4% fall in price for homes in the middle of the house price range. Some households may have a mortgage that is greater than the value of their home and will be unable to sell without losing money.

Supply

- There are 31,390 homes in Tamworth. Compared to the national picture, there is a slightly higher proportion of owner occupation in Tamworth (70.7% compared to 67%), a lower proportion of private rented homes (9.5% compared to 16%) and

higher proportion of social rented homes (19.8% compared to 17%)ⁱⁱ. This means people have different options to choose from compared to other areas

- House prices and affordability varies across Tamworth. The areas where homes are cheaper to buy are Wilnecote, Stonydelph and Glascote. These areas also face greater deprivation and shorter life expectancy.
- There are 6,230 social rent homes in Tamworth. Only a proportion of these become available for people from the waiting list to move into every year. In 2010/11 this was around 435 (general needs) homes. The number of social rent homes available each year appears to be decreasing; in 2010 the council let 305 homes, in 2009 this figure was 399, a decrease of 25%. The government's new 'affordable rent' model will also reduce the number of social rented homes available as a proportion will be changed to a higher rent (up to 80% of market rent). It will be harder for people on the waiting list to get access to a social rent home.
- The number of homes to rent in the private sector in Tamworth is small, despite a 4% growth between 2001 and 2010. . As it is increasingly difficult to access to social housing, and very difficult to get a mortgage to own a home, there are more people competing to live in the private rented sector. This will particularly affect households on a low income, such as younger people. To rent privately in Tamworth, households would require an annual income of £23,754 for a 2 bed property, however 39.4% of households have incomes below that amount.
- The number of homes sold in Tamworth has declined since 2006, from 1,639 homes to just 594 in 2010. Sales in neighbouring authorities saw a slight increase in 2010. This is related to a decrease in the number of new build homes in the borough, from a high of 452 new homes in 2006/07 to 137 in 2010/11.
- An assessment of the number of homes that should be built in Tamworth suggests that 145 affordable homes should be built per year – 2,130 by 2026. The current estimate of all new housing supply (not just affordable homes) suggests that 3,100 units could be delivered by 2026. Since 2009 113 new affordable homes have been built. In 2011/12 it is likely that there will be less than 20 units built; of which 10 will be low cost homeownership.
- There are few areas in Tamworth where housing can be developed. Large areas of land are subject to flooding and there is a greenbelt area to the south of the town. There are very few remaining opportunities for further large scale development on brownfield sites.

Health impact

- Housing costs and affordability have been shown to be associated with increased levels of anxiety and depression.
- People living in unsuitable accommodation may be exposed to greater health risks associated with anxiety and depression and increased levels of substance misuse including alcohol and smoking. There are a number of medical research

sources indicating that re-housing to a suitable home significantly reduces anxiety, depression and improve mental well being.

- Some households can find it difficult to access appropriate housing and support services and subsequently this may lead to poor access to healthcare services. This in turn could lead to late presentation of illness resulting in poor health outcomes. Gypsies, Travellers and Travelling Showpeople typically experience higher levels of health problems than members of the non travelling population, a result of poor living conditions and limited access to health services.
- Overcrowded households can cause tensions that can affect a range of issues including educational attainment, loss of privacy, domestic violence and a range of health related problems including mental ill health, childhood development and an increased risk of accidents.

Poor housing conditions exist within some of the housing stock in Tamworth with a disproportionate amount of older people living in non decent and unsuitable homes, including owner occupiers

Need and demand

- 2,240 vulnerable households live in non-decent homes in the private sector, of which almost a third are a low income (less than £15,000). 2,550 (10.3%) households live in fuel poverty in Tamworth and this is likely to increase as the price of energy is set to increase.
- Approximately 570 people over 75 are living in homes that fail the Decent Homes Standard, due to excess cold or heat, damp and mould (thermal comfort). The Excess Winter Deaths rate in Tamworth varies considerably year on year, but the average rate for all people is 13.1% and for over 65s is 17.7% - on average 23 people die each year from excess cold.
- The population is projected to see significant increases in the number of older people. More than 70% of Tamworth's older population is in the "younger" age group of 60-75 which results in forecasts for an increasing older population, both in absolute numbers and proportionately. Approximately 1,500 people over 75 are living in social housing and 2,700 are owner occupiers. Of those aged 85 and over, 54% are owner occupiers and wish to remain so. 27.3% of the older population live in social rented housing 10.5% of the older population are single pensioner households with 41.3% living in under occupied housing
- There are over 2,000 households with children in poor housing in Tamworth. There are 7 neighbourhoods in Tamworth that are in the top 10% experiencing the lowest levels of child well-being). These are located in the wards of Amington, Belgrave, Bolehall, Castle, Glascote, Mercian, Spital, Stonydelph and Wilnecote.

Supply

- 6,310 (25.1%) homes in the private sector fail the current standard for a decent home, with a greater proportion of these private rented homes. This reflects

national trends of the worse conditions being in the Private Rented Sector. 3,750 homes failed the standard due to thermal comfort, and 3,320 failed because there was a hazard dangerous to the people living there (category 1). There are more non-decent homes in the North West area, which incorporates Mercian and Spital Wards.

- In March 2010 all of the council's homes met the Decent Homes Standard. However, investment is needed to maintain and improve upon this standard.

Health impact

- Hazards in the home significantly impact on the health of those living there. These include thermal comfort, indoor pollution, space and overcrowding, security light and noise, infection (related to sanitation, water supply, drainage etc) and accidents such as fires, trips and falls. They can impact on physical health in terms excess winter deaths, respiratory infections, coronary heart disease, strokes and accidents in the home and on mental well being caused by increased anxiety, social isolation and stress levels.
- Difficult choices caused by a reduction in household income may compromise a household's ability to maintain their home to a decent standard, resulting in increased levels of accidents, poorly heated homes or physical deterioration of properties and neighbourhoods and associated poor health outcomes.
- The likelihood of accidents occurring in the home may be increased as a consequence of lifestyle (e.g. smoking, alcohol misuse, DIY activity, preparation of meals, drying clothes in front of fires) as much as defects in the building itself.

In some areas the community and neighbourhood environment is having a negative impact on quality of life (Neighbourhood)

- 18.1% of the population live in areas which are amongst the 20% most deprived neighbourhoods in the borough, within Amington, Glascote, Stonydelph, Belgrave and Castle. Life expectancy is 8 years lower for men and 7 years lower for women in these areas compared to the least deprived areas.
- At the end of March 2011 there were 259 long term empty properties in the private sector. Disused garage space, indefensible space and a lack of car parking provision contribute to a poor quality environment and fear of crime.
- There a 60.3 incidents of anti social behaviour per 1,000 resident population in 2008/09 which is significantly higher than the Staffordshire County figure of 46.5 per 1,000.

Health impact

- The physical and built environment and perceptions of crime and disorder are significant determinants on an individual's health and wellbeing. A poor visual environment is linked with the increased likelihood of residents experiencing high anxiety levels. It can also limit a healthy lifestyle by its lack of support for physical

activity (e.g. walk-ability, access to open space) and access to services (e.g. health services, shops, schools, community centres). The physical environment can be adversely affected by empty or dilapidated properties or can be positively enhanced by well designed housing.

- Personal behaviour within the home and perceptions of what constitutes an acceptable lifestyle may also impact on the quality of life and wellbeing on neighbours and the wider community. Family and individual values and lifestyles may influence behaviours (e.g. domestic abuse, excessive noise, use of gardens, visitors to properties), and cause friction between neighbours, anti-social behaviour, failed tenancies, unstable neighbourhoods and deterioration in the emotional wellbeing of residents.

Some households need support to enable them to sustain a healthy home and lifestyle (Individual)

Need and demand

- There has been a significant rise in the number of households approaching the council for assistance to alleviate homelessness, with 91 applications in 2010/11 compared to 68 in 2009/10. From April to June 2011 there were 31 applications to the council for homelessness assistance, compared to 11 for the same period in the previous year. This is a similar picture across the country and it is expected to continue for the foreseeable future. It relates primarily to the economic climate. Tamworth is a 'hotspot' for repossessions (8th in the UK and 1st in the West Midlands). Repossessions are expected to rise when interest rates go up.
- There is evidence to suggest that there are higher levels of disability within BME communities in Tamworth, but appropriate adaptations are not accessed.
- There are between 15,700 and 18,700 residents with mental ill-health in the borough. 23 (out of 50) neighbourhoods are in the top 30% where young people are most at risk of mental health, well above the county average. Nine of these areas are the top 10% most at risk, within the wards of Belgrave, Glascote, Spital, Stonydelph and Wilnecote. Between 90 and 100 people with mental health distress require some kind of housing related support
- There has been an increase in domestic violence, from 311 incidents in 2008/09 to 353 in 2009/10. The rate per 1,000 population is 4.7, which is 39% higher than the county rate (3.4). Domestic violence is more prevalent in Leyfields, Glascote Heath, Stonydelph and Amington.
- The number of drug offences recorded in Tamworth has increased by 89% in the past 12 months and the rate per 1,000 population is 150% higher than that of the county as a whole. Alcohol related violence increased by 22% during 2009/10. There were about 1,100 hospital stays for alcohol related harm in 2009/10.
- The older population accesses health services more frequently than other households, often caused by housing related accidents or factors. In terms of

accidents, most fatal falls are in the over 75's, and occur on stairs and steps, making housing design a vital issue.

- Tamworth has a higher teenage pregnancy rate than both Staffordshire and England. Teenage parents are more likely not to have attained educational qualifications, to be out of work, dependent on income support and more likely to require additional support services. There are risk factors that increase the possibility of a young person becoming a parent, such as alcohol and drugs misuse which could lead to unsafe sexual behaviours.
- 18% of children are living in poverty in Tamworth, with an increased prevalence in the Glascote ward.

Supply

- Housing support services enable vulnerable people to live independently. The way in which these services are funded changed in 2010. Although Staffordshire County Council has kept the funding at the same level for 2011/12 this may not continue, and the money can now be used for any local activity, not just housing support
- There is greater competition for affordable homes and vulnerable households may find themselves living in the private rented sector where there are higher levels of poor condition homes

Health impact

- An inability to maintain independent living affects the emotional, spritual and physical wellbeing, with people feeling out of control, insecure, fearful of what the future might hold and more vulnerable to hazards inside and outside the home.
- An increase in homelessness will make individuals and families more vulnerable to chronic illness, injury from assault, psychiatric illness, and drug and alcohol problems. Early death can result from hypothermia, pneumonia or suicide. There is higher smoking prevalence and low GP registration as well as links to accidents, infectious diseases, poor nutrition and low immunisation rates.

3. Our outcomes in more detail

3.1 Suitable homes for everyone

The activities we describe in this chapter will enable people to find a suitable home that meets their needs and aspirations, and has a positive effect on their health and wellbeing.

What should be in place if we want to achieve the outcome?

A wide range of homes are needed of different types, tenure, size, location and affordability, to meet different housing needs and aspirations, and enable healthy lifestyles and economic wellbeing. Outcomes you could expect to see are:

- New homes are designed to meet identified individual and family needs and aspirations and be located in the right places, connected to the services people need to enjoy a good, healthy, quality of life
- New affordable homes are developed to meet the needs of households who are unable to meet their own needs without assistance
- New homes are built to the lifetimes homes standard to enable active ageing and independent living
- New and existing homes should provide choice to older adults with varying care needs, enabling them to live as independently as possible in their own self contained homes, and have 'round the clock' access to care and support should be available, tailored to each resident's needs (flexi-care). Specialist provision should be available for those suffering dementia
- Gypsies, Travellers and Travelling Showpeople have access to good quality site provision and services
- Under-occupied social and affordable homes are released for use by larger households by enabling moves by residents to smaller accommodation in these or other affordable tenures (overcrowding will reduce)
- Empty homes are brought back into use through enforcement, the use of subsidy and loans, investment from home owners or from other partners e.g. housing associations
- Quality temporary and supported accommodation is available to households who need it. Households who are ready to move on are able to access affordable, decent, accommodation, in a location that will enable them to continue their progress to independence, with support where required
- Information, advice and support enables households on a low income or in receipt of welfare benefits to improve their household income, lifestyles and housing choices through access to education, training and employment

To enable this offer the following is needed:

- Integrated working between housing, planning, health (including other public services) and economic development at a local, county and sub-regional level, with a specific focus on infrastructure, design and regeneration
- A cross tenure, robust, approach to data collection about housing need and demand, cross referenced to available health and economic data
- A common, public, understanding of the need and demand for homes in Tamworth to enable local people to support new development
- Engagement with the public and stakeholders, including the 60-64 year old population to understand need and demand, and to identify their requirements for older age
- A clear and simple planning system that supports sustainable development, healthy homes and neighbourhoods and economic prosperity
- A good understanding, and use, of available resources to meet needs eg, land, assets, government subsidy, planning contributions, New Homes Bonus etc, and innovation in how resources can be deployed in different situations
- Clear strategic direction for the introduction of affordable rent homes and use of fixed term and flexible tenancies in Tamworth

What challenges do we need to overcome?

Major reform of the planning system is intended to simplify the process and enable speedier housing development. Local people are expected to play a greater role in planning in their areas, following consultation, in return for an incentive (the New Homes Bonus).

Tamworth Borough Council looked at the provision of new affordable housing through a study in 2010 which concluded that requiring affordable housing to a good standard, whilst asking the developer to contribute to development of the wider community may affect the viability of developing new housing. Therefore the Council will not meet the need for affordable housing through the development of private housing schemes alone: alternative funding sources will be needed e.g., the New Homes Bonus.

An assessment of the need for residential and transit pitches for Gypsies, Travellers and Travelling Showpeople suggests that although pitches are needed (14 in total up to 2026), it may not be possible to meet these within Tamworth, as a result of a limited supply of suitable land. The council has a policy which is designed to assist in the provision of sites for the Travelling Community.

Funding for affordable housing was cut from £8.4 to £4.5 billion in 2010 as part of the Coalition Governments drive to cut spending. Changes have been proposed that will result in higher rents being charged in new homes and new tenancies ('affordable rent' for Social Housing will be up to 80% of the cost of renting a home in the private sector). More investment from banks and other private sector lenders is expected and social landlords may sell homes or land to add to their funding to build and develop new homes. As the result of the changes there is likely to be less supported housing as this type of accommodation is costly to provide. The new model is also likely to result in fewer, if any, developments of new supported housing as the level of income this accommodation generates is insufficient once service charges and support costs are included. Government policy currently dictates that Councils are unable to charge 'affordable rents'. 'Affordable rent' is likely to be unaffordable to low income households who are not in receipt of full housing benefit.

The private rented sector will need to play a greater role in accommodating households in housing need. Councils will be able to offer suitable accommodation in the private sector to homeless households without requiring the applicant's agreement. As this sector is small in Tamworth it will be unlikely that there will be enough accommodation to meet needs.

Tamworth is projected to see the largest increase in older people in Staffordshire by 2030. Tamworth also has the highest proportion of older people over the age of 85 in home ownership, of which many are non-decent (see Healthy Homes). There is a need for a range of options for older people, with integrated care and support, yet capital and revenue resources have reduced. 552 flexi-care housing units are needed by 2020 in the borough, of which 243 should be for rent. The council is looking to remodel existing accommodation before building new homes.

There are other households with particular health related needs who will require some housing in the future, perhaps with some form of support attached and/or suitable for people with a physical or sensory disability. 80% of people with a learning difficulty will require housing options with the many requiring some form of housing related support.

What are we already doing that we will continue and what new opportunities exist?

The Core Strategy is a spatial planning document that describes how Tamworth's ambitions will be achieved through the use of land, buildings and infrastructure, including establishing the number, location and type of new housing to be delivered. The Core Strategy is in development and is scheduled to be adopted by the council by December 2012. Based on current evidence, the Core Strategy anticipates that 2,900 new homes will be delivered by 2026. In developing the Core Strategy consideration has been given to a number of options to meet the demand for housing, particularly as development land is in short supply. To put it into context, the only site with the capacity to deliver a substantial number of new homes (up to 1,150) is Anker Valley and the remaining homes would need to be delivered on smaller sites across the borough. If additional new housing demand is identified, other delivery options would need to be considered including:

- A higher density of homes could be developed. However, people generally aspire to live in more spacious neighbourhoods and demand for high density areas is currently low. Increasing densities is also unlikely to lead to a significant increase in supply.
- Developing homes on employment land. However, this is likely to affect the current lack of local job opportunities and increase the number of people living in the area but commuting out of the area for work.
- Developing on open space. This is likely to reduce the amount of open space available to residents and impact on creating sustainable, healthy, communities
- Seeking new homes to be built in neighbouring authority areas. Subject to the level of future housing need being agreed, this option would need to be discussed and agreed with adjoining local authorities

The Core Strategy will also set out the size and type of housing required to reflect local needs. It has been agreed to commission a more up to date evidence base of housing need to support establishing tenure type and mix and location in the context of government's housing, welfare and health reforms. The outcomes of this study will be used to provide the evidence base for related Core Strategy housing policies.

It is likely that The Core Strategy will require that new housing developments:

- Include 30% affordable homes on developments of 15 or more homes
- Include 20% affordable homes on developments of 5 -14 new homes
- Provide financial contributions equivalent to 10% of affordable homes where developments are for up to 4 new homes

The current Local Plan (the Core Strategy will replace this) says that appropriate housing will be built to meet the needs of an ageing population requiring specialist needs and support or care. This includes the requirement for homes that are suitable to meet the needs of older people, persons with disabilities, and chronic medical conditions.

In 2010/11 27 affordable homes for rent were developed in partnership with Waterloo Housing Association and council-owned sheltered housing scheme, Thomas Hardy Court, was remodelled into an Extra Care Scheme. £858,684 of Homes and Communities Agency funds was spent in Tamworth in 2010/11.

The priorities for future investment in affordable homes have been identified and are described in the Southern Staffordshire Local Investment Plan (LIP) which includes Cannock Chase, Lichfield, and South Staffordshire. The LIP aims to ensure that all residents in Southern Staffordshire have access to good quality, appropriate and affordable housing and can thrive in safe, healthy and prosperous communities. The Plan recognises housing's significant role in contributing to and enhancing the social, health, economic and environmental wellbeing of residents. Whilst each local authority area has its own issues, priorities are broadly similar:

- Increasing housing choice to meet local housing needs and aspirations
- Targeting poor quality housing and raising housing standards
- Reducing and preventing homelessness
- Ensuring a variety of housing and support options are available for our more vulnerable residents
- Encouraging thriving and sustainable communities

There is work to be done by the LIP partners to decide how priorities will be achieved with significantly reduced funding from the government. The Council is currently considering how best to use the New Homes Bonus. Although it is an incentive to communities to support development, with limited money for both public services and new homes it is important that the right balance is struck.

The Council continues to work to regenerate the most deprived neighbourhoods and improve the supply of affordable homes. A review of the Council's assets has identified number of under-used garage sites and work is underway with other social landlords to look at developing these sites (the Council will provide the sites for free).

Housing supply and housing services have a clear contribution to make to economic resilience and growth beyond ensuring that new housing is built. Although this hasn't always been recognised nationally, there are two opportunities for us align what we do in housing to contribute more to economic ambitions:

- A new Local Enterprise Partnership (LEP) was set up in late 2010 and aims to promote and realise economic growthⁱⁱⁱ. This business-led partnership is developing a strategy, focussing on business, people and place. There is an opportunity, working with the LEP, to develop housing services to enable those on low-incomes and unemployed households to access training and employment, and for investment in housing improvements to contribute to local businesses.
- The Tamworth Strategic Partnership has a number of economic aims, including developing skills and creating quality employment locally. Tamworth's Business Enterprise Partnership has recently developed a strategy to engage with the business sector and it will act as a coordinator for discussions between the Council and business partners locally, for example the Council's housing team. There is an opportunity for the council to engage with the business sector on health and housing issues, particularly to enable a healthy workforce.

At the end of March 2011 there were 259 long term empty properties in the private sector. The council has restructured its private sector housing service to be more effective in bringing empty properties back into use. A full time Empty Property and Landlord Liaison Officer has been employed to increase the supply of good quality private rented properties and £70,000 has been provided to offer grants and loans to bring empty properties back into use. There have been 4 empty properties brought back into use in 2011/12 so far without any financial incentives.

The Council introduced a choice based lettings scheme in April 2010 to enable people to access social rented homes more easily, and so they can see that homes were being allocated fairly. Initial findings are that there has been a 25% reduction in

the turnover of council-owned homes as people are able to choose where they live and then stay there. An independent review of the scheme in 2011 has resulted in a number of recommendations for improvement which will be adopted this year. Work has already started to test a new agreement between the council and other social landlords to make sure affordable homes are easily accessed. Work is also underway to look at how affordable and decent homes in the private rented sector could be accessed by people through the choice based lettings scheme.

In future, as a result of the government's proposals for social housing reform, the council will have greater freedoms to decide who is able to access affordable homes. Social landlords and council's own landlord service will also be able to decide how long tenancies will be granted for. The council, working with other landlords, will develop the best approach to meeting housing needs fairly in Tamworth.

The council enables move-on from supported housing. There is an agreement with support providers, the County Council and partners have produced a good practice guide and the county housing support strategy has built upon this.

The council also encourages and enables under-occupiers to release family homes. There is an Incentive to Move scheme where £1,000 is offered for the tenant to move to a new property, or a removal service will be arranged and paid for.⁴

What will we do over next 3 years?

Tamworth Borough Council will complete and adopt the Core Strategy. Action to develop community support for development will be identified and implemented.
Work with the local health and economy to identify how priorities in the Local Investment Plan can be delivered with reduced government funding, for example through the use of rent income for council homes, New Homes Bonus, bringing empty homes back into use
Take action to increase the availability of land for new housing development, for example we will identify and make use of under-used council owned land
Work with neighbouring authorities and Gypsy, Traveller and Travelling Showpeople communities to identify potential housing sites to meet identified need
Develop a co-ordinated approach to enable flexi care housing to be developed, alongside other housing options for people as they get older
Work with private landlords and other partners to develop and improve private rented homes so they contribute to meeting housing need more effectively. This will be done in partnership with the business sector.
Work with the business sector through the Business Enterprise Partnership and Local Enterprise Partnership to improve the health and housing offer to economic ambitions.
Make effective use of the social and 'affordable rent' housing stock, for example through the development of a tenancy strategy and improvements to the choice based lettings scheme
Develop the housing options service to enable people to improve their own housing circumstances and home, and to meet their own needs for example by providing information on low cost home ownership and options in the private rented sector, and enabling access to employment opportunities.

3.2 Healthy homes

The activity we describe in this section will contribute particularly to preventing and reducing the impact of poor quality home environments on health and wellbeing.

What should be in place if we want to achieve the outcome?

Decent, safe and energy efficient housing is necessary for physical, emotional and social wellbeing. Action in this area is likely to improve health outcomes for local people more than any other area of housing activity. For homes to be healthy for people living in all tenures:

- New homes will be energy efficient and sustainable – carbon neutral where possible. Existing homes in all tenures will be energy efficient and people will be able to keep their home warm, reducing fuel poverty and excess winter deaths
- Existing homes in the private sector will be good quality and free from hazards that increase the risk of illness e.g., damp and mould and accidents
- Homes in the social rented sector, temporary accommodation and supported housing meet a decent standard
- Indoor air quality is improved and noise pollution is reduced, contributing to fewer respiratory problems and improving wellbeing respectively
- People feel safe in their home as measures to improve home security are in place
- People understand the effect living conditions and hazards have on their health and are able to take action to address these, for example to prevent accidents

To enable the offer the following is needed:

- A good understanding of housing conditions in the private (rented and home ownership) and social housing sectors
- Information, advice and clear signposting to services that enable people to improve the condition of their home
- Knowledge of households and communities whose health is more likely to be affected by unhealthy homes, who may be less able to improve their circumstances, for example older people, and who will benefit from co-ordinated, targeted, action to address the greatest health inequalities eg, in the most deprived wards
- Planning design guidance for new and existing homes supports improvements in energy efficiency and will contribute to tackling climate change

- Joint working with Staffordshire County Council and health commissioners to improve the quality of homes and prevent ill-health
- A good understanding, and use, of available resources to meet needs e.g., the Green Deal, the Feed in Tariff (FIT) scheme etc

What challenges do we need to overcome?

There is no government funding available to improve housing conditions in the private sector: in previous years funding has been available. The council and other public sector partners have limited resources.

Private rented homes will need to play a greater role in meeting housing needs as there is limited social, affordable housing. The economic climate may mean that people cannot afford to maintain their home. The condition of owner-occupied homes lived in by older people is a particular concern. We will need new ideas and sources of funding to ensure that housing condition – and health – does not deteriorate.

External regulation of the public sector is reducing. Regulation of social rented homes now focuses primarily on business viability. National research recommendations to regulate the private rented sector are also not being pursued. The council, communities and customers, will need to take more of an interest in the quality of homes in the future, particularly where public money is being spent, for example through the payment of housing benefit for rent in the private rented sector. We will need to build on existing structures e.g. tenants forums and the private landlord accreditation scheme to enable this.

In March 2011 there were an estimated 76 Houses in Multiple Occupation (HMO) in Tamworth, of which 16 HMOs have been licensed as required by legislation in order to ensure decent standards. The introduction of the single room rent for households under 35 years old by the government may increase demand for shared accommodation (HMOs). Not only will it be important to ensure these homes are of good quality and managed well, it will be important to consider alternatives where sharing accommodation is unsuitable for vulnerable households who may find living with other people affecting their mental health and wellbeing. The council has targeted households at immediate risk from welfare reform and the new housing needs survey will seek to understand more about specific demand from this household group.

Changes in personal circumstances and fluctuations in income due to job loss or proposed changes to welfare benefits may affect people's ability to meet their housing costs, in turn affecting their health and wellbeing. For example, rising fuel costs have forced a number of households who previously would not have been in fuel poverty into a situation where they may need to make difficult choices between heating their home adequately and other priorities such as providing members of the household with a healthy diet.

To date the Warm Front grant has been available to help low income and vulnerable households improve energy efficiency. This grant is being replaced by the 'Green

Deal’– improvements will be paid for through energy bills. Vulnerable people may need support to understand the change and private landlords are likely to need encouragement to allow their tenants to have improvements. The council is looking at the role it will play in the Green Deal and how it will work with energy companies to identify vulnerable households and homes that are ‘hard to heat’, using data available from Energy Performance Certificates.

Environmental attitudes amongst residents of Tamworth are less ‘green’ than the rest of the county as highlighted in a recent survey^{iv}; it will be a greater challenge to increase interest and change behaviours. This is critical as existing homes have the greatest contribution to make to carbon targets.

A particular health issue that arises from the condition of housing in Tamworth are accidents arising from falls (37%) with around 70% occurring in people aged 65 and over, with higher hospital admission rates for accidents in Tamworth than the England average. Most fatal falls are in the over 75’s, and occur on stairs and steps, making housing design a repair issue. The County Council offers a falls service and, in Lichfield, has successfully launched a service to all GPs so they are able to refer people for assessments and improvements. The Council is proposing that a similar service is provided in Tamworth as part of the Lets Work Together initiative. Falls training has been provided to housing agencies, the council and fire service.

What are we already doing that we will continue and what new opportunities exist?

The Core Strategy will include appropriate policies and design guidance will be developed to ensure that new homes are built to an appropriate energy efficient standard, in sustainable locations.

The recently completed Private Sector Stock Condition Survey provides an up to date picture upon which we can plan and take action. This will build on existing work such as landlord accreditation, and partnership working through the landlords’ forum and the National Landlords Association.. The council has provided a dedicated officer to oversee this work.

The council has taken a pro-active approach to enforcement. In 2010/11 89 homes were made free of serious hazards as a result of enforcement action. Tamworth is the only council in Staffordshire where a landlord has been prosecuted for failure to provide adequate standards.

Assistance to homeowners will be enabled through the Home Improvement Trust, replacing Kickstart (loans are provided to improve housing conditions). There is a Handypersons Service and the Council currently provides Home Assistance Grants (these are likely to be replaced by loans). The Home Energy Advice Line is also targeted to home-owners and private rented homes.

Tamworth Strategic Partnership aims to raise the aspiration and attainment levels of young people. The quality of the home environment has an impact on this ambition; cold, damp and cramped conditions, shared with other members of the family when

over-crowded, are not conducive to study. The action we describe to reduce over-crowding presented in section 5.1 will go some way to alleviate this.

Building on the achievements of recent years (all social rent homes met the decent homes standard in 2010), sustaining levels of decency remains a priority. A change in how council-owned homes are funded will be implemented from April 2012; rent will be kept by the council to invest in homes and services. Although the change means the council will take on a considerable amount of debt (£60 million: the priority will be to ensure that this is paid off), in previous years a proportion of rent from council-owned homes went to the government. The new arrangement will be better for the council and tenants. A new, long term, business plan will be developed.

The Tamworth Household Sustainable Energy Action Plan sets out action to tackle fuel poverty and improve energy efficiency and to contribute to outcomes identified within the Tamworth Climate Change Strategy. Home Energy Advice Tamworth (HEAT) was established in August 2009, providing a helpline to encourage energy efficiency and tackle fuel poverty in the private sector. Since its launch in excess of 350 installations of cavity wall and loft Insulation have been made into homes. A number of customers have also been referred to health services through this work, and staff have been trained to recognise households who could benefit from improvements to their home.

Although temporary accommodation is used to accommodate homeless households in an emergency, there is a possibility that an increase in homelessness may lead to the use of more temporary accommodation. We will need to ensure housing conditions are of an acceptable standard.

What will we do over next 3 years?

Develop the planning policy framework and implement this to ensure that all new development is in accordance with this and the latest design standards
Implement the Household Sustainable Energy Action Plan and make improvements to the HEAT scheme, recognising the introduction of the Green Deal.
Revise the Council's Financial Assistance Policy and improve awareness of assistance available to home owners and private tenants
Work with private landlords, for example through the Landlord's Forum, to develop existing mechanisms such as the Landlord Accreditation Scheme to attract more landlords, and possible lettings agents.
Develop and deliver the council's business and investment plan for council owned homes, in partnership with tenants to ensure standards are maintained
Provide information and advice to tenants, homeowners and landlords to enable them to make their homes safe and secure, enabling access to measures such as smoke or carbon monoxide detectors

3.3 People are able to maintain an independent and healthy lifestyle

The activity we describe in this section will contribute particularly towards helping people to maintain independent lifestyles, for example people who have limited mobility, or who are unable to be active in the community and make social connections.

What should be in place if we want to achieve the outcome?

Over time people's circumstances change, as people get older, have a family, gain or lose employment. For some, their independence and quality of life may be affected. Homes and housing services can enable people to remain independent, and to lead a healthy lifestyle. To achieve this:

- Good quality information is widely available to enable people to manage their own housing circumstances without assistance
- Good quality advice and support is accessible and available to people who need assistance in order to meet their housing need. Households are supported in order to prevent homelessness wherever possible
- Support is available to enable people to regain their independence, sustain their tenancy, and/or maintain their independence in the longer term
- Assistance is available to households who need to adapt their homes in order to remain living there independently, or to access more suitable accommodation if this is more appropriate
- Housing customers, including those living in temporary and supported housing, are able to access health and leisure services, information and advice, in order to improve their health and wellbeing

To enable this offer the following is needed:

- A good understanding of the housing and health needs of people and households who are more vulnerable to crises and/or at risk of losing their independence, shared with others eg, health and social care commissioners
- An understanding of the external drivers that impact on people's housing circumstances eg, the economy, through partnership working, and of people's attitudes and behaviour in order to influence them more effectively
- Joint commissioning between housing, health and social care, and those working in the criminal justice sector to tackle behavioural issues such as drug and alcohol abuse, anti social behaviour
- Customer use of housing services is recorded, particularly housing advice services, in order to inform decisions about the use of resources and to improve service delivery

- People are able inform and shape the services they need, choosing what they want wherever possible

What challenges do we need to overcome?

Recession and welfare reform are affecting personal circumstances. Fluctuations in income due to job loss, for example, may affect people's ability to meet their housing costs, resulting in homelessness. Section 4 describes how homelessness in Tamworth and across the country is increasing. There are health impacts: the likelihood of accidents occurring in the home may be increased as a consequence of personal behaviour related to stress eg, smoking or alcohol misuse and, as the health of homeless people and life expectancy is generally worse than the general population, increased homelessness may contribute to an increase in health issues, placing additional demands on housing and related services such as the NHS and voluntary sector. It is a priority for resources to remain directed towards homelessness prevention.

The government's social housing reforms will enable social landlords to introduce fixed term or flexible tenancies, so that best use is made of limited social and affordable rent housing. The minimum length of this type of tenancy is expected to be five years (in exceptional circumstances this can be 2 years). Towards the end of the tenancy there will be a review to establish if the household's circumstances have changed and whether the home remains the most suitable option. Security of tenure has an impact on health and wellbeing, with insecurity raising anxiety levels, and moves meaning potential disconnection from health services and social networks. It will be important that the council, health partners and social landlords work together so that health is considered in the process of developing and implementing tenancy policies locally.

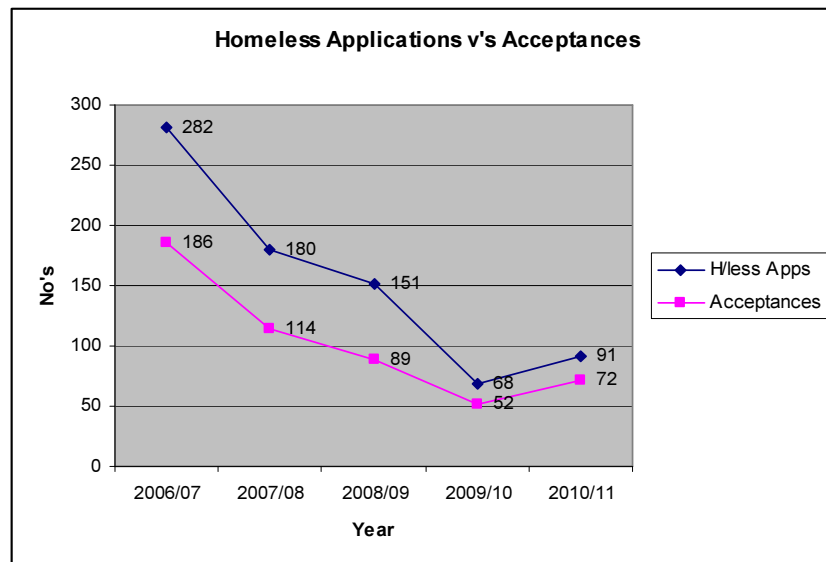
Although Staffordshire County Council and Tamworth Borough Council has maintained funding in 2011/12 for housing support and homelessness, significant reductions in public sector funding for the longer term may mean that this position will change in the future. Funding for disabled facilities grants is a more immediate concern, as demand is outstripping supply: a budget of £290,000 for 2011/12 will be fully committed by September 2011. The Private Sector Stock Condition Survey estimates that the council and partners will need to spend just over £3.8m on adaptations over the next 5 years. Work is needed to ensure that what is available is used fairly, and that health and social care partners contribute funding where the outcomes evidently reduce demand for their services eg, hospital admissions. Health partners currently contribute £50,000 to the budget.

Reforms to social care are intended to enable people who need care to maintain their dignity and respect, giving individuals more control over the services they receive, for example through the use of personalised budgets. Whilst improving choice and control is positive, it also presents a challenge; people will need information about what services are available, and how their health and care needs are affected by their housing circumstances. This will need integrated working between housing, health and social care commissioners.

Section 5.1 describes the need for flexi-care homes in Tamworth by people as they get older and for people with a learning disability. People living in other forms of accommodation access a range of services at the moment, for example support in sheltered housing, assistive technology, community alarms, handypersons services, home improvement agencies, and floating support. Shifting to more flex-care accommodation may affect demand for these services. Given resource pressures care will need to be taken to manage the resources currently available is so that people are not negatively affected.

What are we already doing that we will continue and what new opportunities exist?

In 2007 the council introduced a more preventative approach to homelessness, for example it completed 3 mortgage rescues, enabling homeowners who are struggling to pay their mortgage to remain in their home. We adopted a revised homelessness strategy in 2009. Homelessness and the use of temporary accommodation have reduced (although we are now seeing an increase).



Source: P1E statistics

Vulnerable households are being supported during the recession. Additional council funding has been made available to the Citizen’s Advice Bureau to provide services for residents with financial difficulties, in addition to the established court desk service that prevent homes from being repossessed. The council is also in the process of improving prevention services from the voluntary sector. The council’s landlord service continues to support tenants in financial difficulties in the form of financial inclusion support from dedicated officers .

Staffordshire’s Housing Support and Independence Strategy 2011-2014, Focusing on the Future aims to enable every citizen in Staffordshire to live as independently as possible, increasing their choice, control and improving their experience of services. For this to happen there needs to be new collaborative ways of working and developing local partnerships that produce a range of services for people to

choose from and providing opportunities for full participation in the community in which they live.

Significant government health reforms are being implemented. Maintaining independence and enabling healthy lifestyles will, in future, be of particular interest to Staffordshire County Council as it has a new responsibility for public health. It is also of interest to a new partnership, the Health and Wellbeing Board, which will be responsible for a health and wellbeing strategy, and clinical commissioning groups (GPs and other clinical health professionals e.g., doctors and nurses in hospitals). There is an opportunity to align and enhance our work in this area in partnership with others, particularly as health reforms assume that people will need to change their behaviours. Social landlords and housing support providers are in a good position to offer preventative and community health services as well as support and care.

Mental health is as important as physical health. Preventing and responding to mental health problems is important to improve educational attainment, behaviour and self-esteem for children and young people, reduce absences from work, reduce re-offending behaviour, and reduce rapid declines in the health and wellbeing of older people (and dependency). The new Staffordshire Health and Wellbeing Board has identified mental health as a priority: it will be important that we work with them to shape the housing contribution which could include home visits; home safety improvements; working with young homeless people; enabling people to volunteer; warm home initiatives for older people (see section 5.2) and access to programmes and education in, or close to, the home (covered in 5.1 and 5.4).

As part of the council's commitment to working with health partners the Tamworth Homelessness Education Prevention Programme was introduced in 2010 and visits schools and works with young people to prevent homelessness. This has been expanded to provide homelessness awareness sessions at local hospitals and health centres, preventing patients being discharged with no home to go to, or to an unsuitable home. We will develop this to ensure that outcomes for people supported through this route are the contributing to improved health and wellbeing.

There is an early eviction protocol in place between the Council's landlord service and the Housing Advice Team. Improvement is needed to ensure that positive outcomes are achieved as a result of this arrangement, and to extend arrangements to other social landlords in Tamworth.

The Council will be working with a range of partners on the Lets Work Together Scheme to develop a service where any professional that enters homes can identify other issues that may have an impact on the Health and Wellbeing of that tenant or resident and refer them to the relevant agency. This scheme has been endorsed by the TSP and has the support of all relevant agencies.

What will we do over next 3 years?

Review the council's approach to disabled facilities grants and assistance in light of increasing demand and the positive outcomes for housing, health and social care
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Review and revise the council's housing advice services to provide universal and targeted information and advice services that will enable people to improve their own
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housing and health circumstances, prevent homelessness and make best use of resources
Deliver the existing homelessness strategy action plan and review and develop a revised strategy and associated action plan in partnership with others (this will include improvements to eviction protocols, for example)
Commission services as appropriate to respond to housing issues, eg, debt
Improve monitoring and performance management arrangements to ensure housing services are responsive to changes in housing need, achieve positive outcomes for customers and deliver mutual benefits to all partners eg, housing, health and care

3.4 Neighbourhood environments that enable safer and healthier communities

Activity described in this chapter will improve the neighbourhood environment so that it has a positive impact on health and wellbeing.

What should be in place if we want to achieve the outcome?

The environment around the home has an impact on health and wellbeing. To achieve this, the housing offer will ensure that:

- The environment around the homes is improved so it is free from pollution and crime and offers access to open and green space
- People are able to easily access employment, education and other essential services and amenities from their home
- Neighbourhoods support social and community networks
- Anti-social behaviour and other forms of crime are tackled
- Local residents are able to engage in decisions about their neighbourhood environment and to influence the use of resources to improve things
- Communities are supported to develop and maintain a strong sense of identity and spirit

To enable this offer the following needs to be in place;

- Housing input from the council and its partners is needed in Tamworth's approach to working at a local, neighbourhood, level
- Partners in housing and community safety sector work together to address issues that affect the quality of life for residents eg, anti-social behaviour
- Neighbourhood management is co-ordinated amongst partners. Action to address inequalities in the most deprived neighbourhoods is co-ordinated and targeted.

- Spatial planning policy ensures quality neighbourhood design, with access to open spaces, safe walking and cycling routes and connections to services and amenities

What challenges do we need to overcome?

A number of neighbourhoods face a range of inequalities, from poor health and housing, anti-social behaviour and domestic violence, unemployment and low levels of educational attainment.

A recent assessment of open spaces in Tamworth found that areas of poor quality open space in some areas of the Borough such as Coton Green and Perrycrofts, around Ventura Park Belgrave and Two Gates, whilst Stonydelph lacks an urban park. A deficiency in play space in all areas except the east can be addressed by requiring new developments in these areas to include a play area or contribute towards enhancement of existing play spaces in need of improvement.

A recent local transport survey identified that 57% of people do not have access to a car. Older people report particular difficulties in accessing public transport, for example it is difficult to walk to the bus stop or get on the bus, whilst taxis are felt to be expensive. Easy access to local health services from the home is important if people are to remain living independently in the community. Planning policy for new homes will need to consider this whilst action is taken to improve access for residents living in existing homes.

What are we already doing that we will continue ie, we'll build on it/it is sustainable?

Staffordshire County Council and Tamworth Borough Council have been targeting services to address disadvantage within defined communities. Within Tamworth there are 4 distinct neighbourhoods which have been identified as priority areas - Amington, Belgrave, Glascote, and Stonydelph. This approach – referred to as locality working – is being reviewed at the moment but it is likely that a plan will be developed for each of the areas to direct resources. Neighbourhood management is also being considered. We will need to consider how housing activity can contribute to ambitions for these areas, bearing in mind that housing priorities may not be in the same area, for example poor housing conditions may exist elsewhere in the borough.

In developing the Core Strategy, options for housing and town centre regeneration plans we will need to understand the impact of new development and population growth on the need for health services. There is an opportunity to do this through new partnerships with health, as part of the Tamworth Strategic Partnership.

Delivering the Local Investment Plan described in section 5.1 will go some way to improve the quality of neighbourhood environments in Tamworth. For example our planned work to develop new homes through the use of council owned assets such as under-used garage sites which are known to attract crime. The design of new neighbourhoods could include access to healthier food options eg, by influencing

shop owners to improve the quality of what they provide to customers. Action to bring empty homes back into use will also contribute to a better environment.

The Tamworth Strategic Partnership is implementing a 'Total Place' approach to tackling alcohol misuse, crime and anti-social behaviour in Tamworth, and developing early interventions to tackle youth crime. This approach brings together resources from a number of partners, including those working in the housing sector, to overcome challenges and achieve outcomes. The council and its landlord service both have anti-social behaviour policies that explain the action that will be taken should someone demonstrate this behaviour.

A 'hub' of services including housing, social care, and the fire service, has been located at Tamworth Police Station to target areas where there are high levels of crime. This approach will be developed to become more strategic and preventative (at the moment the focus is on responding to specific cases).

Over two fifths of Tamworth's population believe that clean streets are the environmental aspect that makes somewhere a good place to live. We will be able to build on this interest, working with housing customers who feel the environment is important to encourage others to play a role in maintaining clean and safe neighbourhoods.

What will we do over next 3 years?

Deliver housing regeneration priorities identified in the Local Investment Plan and by the Local Enterprise Partnership
Ensure that new housing developments take health implications into consideration through joint work between council planning services and health partners
Take action to improve access to services for households who may lose their independence, for example by introducing or promoting alternative forms of transport to older people
Identify the housing contribution that can be made to delivering plans for neighbourhoods, particularly those facing the greatest inequalities
Continue to work in partnership with others to prevent and respond to anti-social behaviour

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Strategy outcome/ priority	Objective	Action	Activities we will undertake	Responsible Body	Accountability/ Governance arrangements	
1. There are suitable homes for everyone (access)	There are more homes suitable to meet different aspirations and needs	Develop and adopt the Core Strategy	Complete and submit the Core Strategy for examination and subsequent adoption Monitor its implementation through the planning application process to ensure its policies are delivering housing need and aspirations	Development Plan Team	Development Plan Team business plan	
			Undertake a housing market and needs assessment	Housing Strategy Team	Housing Strategy Business Plan	
		Deliver priorities within the Local Investment Plan	Work with the HCA and developer partners to develop a local delivery plan with development partners Review availability of funding mechanisms i.e. NHB etc Conduct feasibility studies of Council owned sites for regeneration to link decent homes, worklessness & tenure diversification Take forward the council-owned garage sites project to identify land for new housing (to incorporate specialist provision where appropriate) Assess potential to use HRA funding for development Take forward any section 106 opportunities to deliver affordable housing (to incorporate specialist provision where appropriate) Work with neighbouring authorities to identify suitable gypsy and traveller sites Develop co-ordinated approach to the delivery of flexi care housing and other housing options for older people	Housing Strategy Team	Local Investment Plan (LIP) delivery plan	
	Make better use of the private sector to meet housing need and demand		Bring empty properties back in to use through advice, Financial Assistance or direct intervention (Enforcement)	Bring empty properties back in to use through advice, Financial Assistance or direct intervention (Enforcement)	Housing Advice Team, Housing Strategy Team	Housing Strategy Business Plan
			Increase supply of long term private rented tenancies (12 months or more) to assist in discharging the homelessness duty by working with Private Sector Landlords	Increase supply of long term private rented tenancies (12 months or more) to assist in discharging the homelessness duty by working with Private Sector Landlords		
	Make better use of social and affordable rent homes		Develop and improve the Private sector leasing scheme and increase the numbers of properties on the PSL scheme by working with Empty Property Owners and Private Sector Landlords	Develop and improve the Private sector leasing scheme and increase the numbers of properties on the PSL scheme by working with Empty Property Owners and Private Sector Landlords		
			Develop a tenancy strategy with social landlords to provide direction to the use of fixed term tenancies in social housing stock, and conversions from social rent to affordable rent	Develop a tenancy strategy with social landlords to provide direction to the use of fixed term tenancies in social housing stock, and conversions from social rent to affordable rent	Housing Strategy Team	Housing Strategy Business Plan
			Work with partners to consider the use of flexibilities within the Localism Bill to better manage social and affordable housing to meet needs	Work with partners to consider the use of flexibilities within the Localism Bill to better manage social and affordable housing to meet needs		

Households are able to move to a quality, affordable, home to meet needs	Improve mechanisms by which households are able to access accommodation	Further develop the allocations policy and Finding a Home CBL scheme in light of recommendations from the impact assessment, and to increase access to other tenures for example to include accredited private sector landlords. Develop & promote approach to housing options that is focused on earlier interventions, helps people to plan ahead & provides broader advice to include home ownership (e.g. Firstbuy) options, private sector options, mortgage product advice & advice on downsizing etc.	Housing Advice Team	Housing Advice Business Plan
		Enable mobility between social housing providers	Landlord Services, Housing Advice Team	Landlord Services Business Plan
		Develop an improved incentive to move scheme	Landlord Services	Landlord Services Business Plan
	Identify and enable households living in inappropriate homes to recognise why the issue exists and work through to find an appropriate solution to meet their needs	Further develop and expand the bond scheme to offer to social tenants in unsuitable accommodation	Housing Advice Team	Housing Advice Business Plan
		Train front line staff to identify inappropriate accommodation (including overcrowded housing)	Housing Advice, Landlord Services	Housing Advice Business Plan, Landlord Services Business Plan
		Raise public and partner awareness of the relationship between housing condition and health, and how this can be addressed	Housing Strategy	Housing Strategy Business Plan
People are able to afford a wider range of housing options	Enable people to improve their household income	Establish ways to encourage unemployed tenants and residents into work Maximise incomes of Council tenants by referral to the appropriate money advice services to ensure income maximisation	Landlord Services, Housing Advice Team	Landlord Services Business Plan
	Work with the business sector to improve the health and housing offer to economic ambitions.	Participate in the emerging LEP housing group Lobby for housing activity to be included in the LEP strategy Discuss with private landlords their business support requirements and enable these to be met through the BEP and LEP	Business Enterprise Partnership and Local Enterprise Partnership	

2. Homes are healthy, warm and safe (aspects)	Homes will be safe, warm and well-maintained	New housing development proposals will be encouraged in sustainable & accessible locations	<p>Relevant policy included in Core Strategy</p> <p>Relevant guidance included in Place Making & Design Supplementary Planning Document</p> <p>Building Control to stay up-to-date with latest building techniques & ensure regulations are met</p> <p>Ensure all new development is in accordance with policies & latest design standards</p>	SPDS (Development Plans, Building Control, development Management) Housing Strategy Team	SPDS (planning) Business Plan, Housing Strategy Business Plan
	Improve housing conditions in the private sector	<p>Agree & implement Y1 Household Sustainable Energy Action Plan</p> <p>Revise Financial Assistance Policy & improve awareness of assistance available to home owners & tenants</p> <p>Further develop the Landlord Accreditation Scheme</p> <p>Increase the number of Landlords Accredited in the Borough</p> <p>Explore the feasibility of accrediting letting agencies</p> <p>Further develop the landlord forum</p> <p>Launch the first landlord expo</p>	Housing Strategy Team; HEAT partners; Property Services; private landlords; Homeowners	Housing Strategy Business Plan	
	Improve housing conditions in social housing	<p>Develop and deliver the council's business and investment plan for council owned homes, in partnership with tenants to ensure standards are maintained</p> <p>Put in place mechanisms in place to check that conditions in TA, provided outside of the Tamworth Borough meet the legal minimum standard</p>	<p>Landlord Services, Private Sector Housing, Property Services, Housing Advice Team</p> <p>Private Sector Enforcement Team</p>	<p>Property Services Business Plan, Landlord Services Business Plan, Private Sector Team Business Plan</p> <p>Housing Advice Business Plan</p>	
Households take responsibility for improvements in the quality of their home environment	Promote measures by which people can improve their living conditions and reduce	Work in partnership to deliver home repairs via the Home Improvement Trust	House Proud; Spirita; Housing Strategy Team; Property Services; Staffs CC and SPDS	Housing Strategy Business Plan	

<p>3. People able to maintain an independent and healthy lifestyle (Individual behaviour)</p>	<p>There is a reduction in all forms of homelessness</p>	<p>Homelessness prevention activities are improved/increased</p>	<p>Provide information and undertake publicity with partners and offer advice to tenants, homeowners and landlords to enable them to make their homes safe and secure, enabling access to measures such as smoke or carbon monoxide detectors Promote home security Install gas check/CO2 detectors in all homes Encourage ventilation within the home and healthier use of the home Encourage households to install measures to prevent fire and accidents in the home Further develop partnership approach to improve home safety</p>	<p>Fire Service, Property Services, Private Sector Housing Team,</p>	
			<p>Review Housing Advice operational systems in line with Transforming Tamworth project Utilise prevention tools available to prevent repossessions and evictions Delivery of interim, updated Homelessness Strategy action plan & refresh Strategy in line with DCLG guidance Further develop homelessness prevention pre eviction protocol to incorporate registered providers in the Borough</p>	<p>Housing Advice Team; Housing Strategy Team</p>	<p>Housing Advice Team Business Plan; Housing Strategy Team Business Plan</p>
			<p>Promote Housing Advice Services to encourage pre-crisis approaches</p>	<p>Housing Advice Team</p>	<p>Housing Advice Team Business Plan</p>
			<p>Further develop THEPP as a prevention tool, including the hospital discharge process</p>	<p>Housing Strategy Team</p>	<p>Housing Strategy Business Plan</p>

		<p>Commission a revised Debt Service Provider in the voluntary sector and explore the potential to extend provision of this service to Council Tenants</p> <p>Publicise and refer service users to the newly commissioned debt advice service provider</p>	Housing Strategy Team, Landlord Services	Housing Strategy Business Plan, Landlord Services Business Plan
	<p>Understand and monitor the needs of vulnerable people</p>	<p>Actively monitor all approaches to the councils housing and other advise services (independently of the housing waiting list and P1E monitoring system), and outcomes from interventions</p> <p>Conduct a rough sleeper's estimate in partnership with appropriate agencies</p> <p>Monitor failed tenancies approaching for review</p> <p>Review approach to delivery of Disabled Facilities Grants & Disabled Facilities Adaptations</p>	Housing Advice Team	Housing Advice Team Business Plan
	<p>Assistance is targeted to people with a disability</p>	<p>Ensure that support needs are properly assessed</p> <p>Improve information and signposting for vulnerable people</p> <p>Improve joint working with partners</p>	Property Services; Landlord Services; Housing Strategy Team	Landlord Services Business Plan; Housing Strategy team BP
	<p>Ensure that vulnerable people are given the support to sustain tenancies</p>	<p>Ensure that support needs are properly assessed</p> <p>Improve information and signposting for vulnerable people</p> <p>Improve joint working with partners</p>	Housing Advice Team	Housing Advice Team Business Plan
	<p>Target information and advice to those who need it most</p>	<p>Increase supply of long term private rented tenancies (12 months or more) to assist in discharging the homelessness duty by working with Private Sector Landlords</p> <p>Make access to health services for households living in temporary accommodation easier</p>	Housing Advice Team; Housing Strategy Team	Housing Advice Team Business Plan; Housing Strategy Team Business Plan
	<p>Enable access to health and leisure services for housing customers</p>	<p>Train housing staff to recognise health issues and signpost to the lifestyle service</p>	PCT; Housing Advice Team	Housing Advice Team Business Plan
	<p>Promote healthy living</p>	<p>Promotion of public health issues to customers within the home and signpost to the Lifestyle Service (healthy eating, smoking cessation)</p>	Housing	Housing business plans
	<p>People are able to make informed decisions to improve their housing circumstances</p>		PCT, Housing Advice Team, Landlord Services	Landlord Services Business Plan; Housing Advice Team Business Plan Housing Strategy team BP

4. Neighbourhood environments that enable safer and healthier communities (Neighbourhood)	Homes are in healthy environments	Planning policy and practice enables new homes to be developed in healthy environments	<p>PCT engage with Strategic Planning and Development Service to ensure development plan policies take account of health implications</p> <p>PCT engage with Strategic Planning and Development Service to ensure Infrastructure Planning includes health infrastructure</p> <p>PCT ensure new development is in accordance with policies</p> <p>Tackle ASB by ensuring Council tenants fulfil their tenancy & contractual obligations</p> <p>Work in partnership with stakeholders (ASB Hub) and residents to reduce ASB</p> <p>Appoint a dedicated ASB officer</p> <p>Development of estate management activity</p> <p>Estate caretaking service linked to property repairs & handy person service</p> <p>Housing Services contribute to the Lets Work Together Project and locality working initiatives</p>	SPDS (Planning): PCT	SPDS (planning) Business Plan; Health plans?
	People and communities are able to take control and responsibility for where they live	Regenerate priority areas	See actions to deliver LIP and LEP priorities in section 5.1	Housing Strategy Team	LIP delivery plan
5. Governance, monitoring & annual strategy action plan review	The Healthier Housing Strategy is delivered as per annual action plan & clear accountability is established via effective performance monitoring arrangements	Arrangements are put in place that ensure effective monitoring of delivery, review progress & report back to the TSP	<p>Establish multi-agency Housing & Health Group to monitor performance on quarterly basis</p> <p>Measures of success are agreed & indicators are loaded onto Covalent</p> <p>Quarterly performance report to Tamworth Strategic Partnership</p> <p>Annual review of action plan undertaken</p>	Deputy Director Housing & Health; Housing Strategy Team; PCT	Tamworth Strategic Partnership
6. Effective monitoring of the impact housing activity has on health & wellbeing in Tamworth	To understand over time & be able to measure how housing activity positively contributes to improved health outcomes	Develop a set of readily understood, easily measured, regularly updated, health related housing indicators, and produce a regular housing and health bulletin	Production of a 6 monthly housing bulletin	Housing Strategy Team; PCT	Health & Housing Group

21st September 2011

**REPORT OF THE PORTFOLIO HOLDER QUALITY OF LIFE
COUNCIL HOUSING FINANCE REFORM**

EXEMPT INFORMATION

None

PURPOSE

- To update Cabinet regarding the implementation of Council Housing Finance Reform (CHFR)
- To agree a waiver to financial guidance in the retention of the services of Sector Group to provide advice and support in the development of the Council's Treasury Management Strategy
- To agree key principles in relation to the development of the Council's 30 year business plan as set out in this report
- To approve the implementation plan shown at **Appendix Four**

RECOMMENDATIONS

- That Cabinet agree a waiver to financial guidance in the retention of the services of Sector Group to provide advice and support in the development of the Council's Treasury Management Strategy
- That Cabinet agree the key principals which will guide the development of the Council's 30 year business plan as set out in this report
- That Cabinet agree the implementation plan shown at **Appendix Four**

RESOURCE IMPLICATIONS

The proposal received by Sector Group to support the development of Treasury Management Strategy has a cost of £6k. This can be met from within existing HRA resources.

The implementation of HRA reform will involve the Council's borrowing liability relating to the HRA rising to a minimum of £66.6m with the potential for this figure to increase to £78.4m. The current settlement figure payable to the Government by 28th March 2012 is £43.7m for which additional borrowing will need to be sourced. It is essential that the Council receives detailed and expert advice in developing its Treasury Management strategy for the HRA. Relatively small benefits in relation to interest on borrowing will have significant financial impact whilst the advantages of improved interest rates must be set against any associated risks. The cost of employing Sector Group to provide advice and reassurance therefore represents Value for Money. This decision represents a waiver to Financial Guidance.

Council Housing Finance Reform is a major project and the commitment of human resources to achieve a successful implication cannot not be underestimated.

The proposal to commence a stock condition survey making use of temporary staffing resources will result in expenditure during the current financial year 2011/2012. A total of £41K (£20.5 reserve and £20.5K budget) is already allocated for the purpose of completing a stock condition survey. Expenditure will be met from within this budget.

An updated longer term business plan for the HRA will be developed (as well as one for the usual medium term planning period) and reported to Members as part of the budget process for 2012/13

LEGAL/RISK IMPLICATIONS BACKGROUND

Please see risk assessment attached.

SUSTAINABILITY IMPLICATIONS

CHFR has the potential to provide substantial investment in the Council's Housing asset and local neighbourhoods. An effective, balanced business plan will provide the framework for good maintenance and improvement of Council homes, finance for environmental works to improve neighbourhoods, improvements in energy efficiency and the potential for renewal of poor housing.

The implementation of a self financing system provides the Council with greater ability to plan and predict future resources and to make informed investment decisions over the long term.

CONCLUSIONS

CHFR represents a major undertaking for the Council and has significant risks.

The Council, Council tenants and Tamworth residents stand to benefit from the implementation of CHFR through increased investment the housing stock and environment, potential for renewal in neighbourhoods and improved services. In addition the Council will benefit from increased certainty in relation to future funding. This certainty must be balanced against the fact that the Council has no external safety net in relation to HRA funding.

BACKGROUND INFORMATION

Background

On 30 June 2010 members received a report outlining the basis of Government proposals to reform the current system of financing for Council housing. An outline 'offer' was issued in April 2011 providing Councils with an opportunity to consider the impact of reform on their own financial plans. The financial settlement remains in draft until a final determination is issued to Council's in February 2012.

Guidance has been issued by CLG on the 30th July 2011 detailing further the issues for consideration by Local Authorities in implementing CHFR and setting out the timetable for implementation. This guidance is attached at **Appendix One**. In light of this guidance Local Authorities are now fully informed as to the timetable for implementation and the requirements of Government in relation to these plans.

In preparation for the implementation of reform the Council has engaged financial consultants to support the development of an HRA Business Plan which will be supported by a long term financial plan. Initial financial modelling has been undertaken and key issues for the Council have been identified. A briefing provided by the Council's financial consultant is attached at **Appendix Two**.

The Government intends to legislate for the implementation of CHFR via the Localism Bill. Government clearly view the reforms as closely linked to the principals of localism and as such has been clear that it expects Council's to ensure that tenants are directly involved in developing the business plans and investment decisions made as a result of CHFR. Reform is not optional and is set to take place in accordance with the timescale set out by Government.

Outcome of the initial Financial Modelling

Page 188

A briefing by the Council's financial consultants is shown at **Appendix Two**. This provides an outcome of the initial financial modelling based on the draft settlement figures provided by

Government.

The principal details of the current offer are that:

- The Council's debt ceiling is £78.4m
- The Council currently has a HRA debt liability of £22.9m
- The amount which the Council will be required to pay to Government under the settlement is £43.7m (equating to a £66.6m total HRA debt liability)
- The Council will therefore effectively be taking on an additional 43.7m of debt
- The difference between the amount which the Council will pay to the Government (the opening debt) and the debt ceiling of £78.4m is £11.8m. This figure is therefore potentially available as additional borrowing (ie- borrowing headroom).

Based on the current figures and assumptions made within the modelling the Council has a fully funded HRA for 30 years with the possibility of significant surpluses accumulating over this period. The Council has the opportunity to borrow an extra £11.8m over and above what will be required to be paid to central government. This provides an opportunity for the Council to borrow against future income in order to deliver its housing priorities.

Under the current subsidy system the Council had identified a funding shortfall of £1.3m occurring by 2016/17 (with an £8.1m shortfall over 10 years). The implementation of CHFR will therefore have a positive impact in relation to the Council's housing financial position. However it should be noted that the forecasts are based on the current draft settlement figures. As identified in **Appendix 2** these figures are likely to be subject to change. It is therefore possible that the position could worsen once a final settlement is reached.

In addition the initial modelling has been based on a number of assumptions and work will now be required to develop and refine the data. Key strategic decisions remain which will also impact on the shape of the Council's Business Plan and will inform the financial modelling going forward. These issues are considered below:

Key Issues

In implementing Council Housing Finance Reform there are a several linked work streams which must be delivered. These issues are itemised and considered separately below.

1. Developing a long term financial plan for the HRA and supporting business plan

Following the implementation of Council Housing Finance Reform the Council will have greater autonomy for and certainty over its finances. However, the Council will also be entirely responsible for the management of its resources over the long term. Decisions relating to use of resources will therefore be supported by a 30 year financial forecast and HRA Business Plan.

The Business Plan will detail the Council's vision and plans for the Council housing stock including setting out how it will invest in the stock, how services will be developed and improved and how tenants will be actively involved in decisions relating to the management and maintenance of their homes. The business plan will set the priorities which will drive the allocation of the available funding and set the parameters which the treasury management strategy will follow.

Broadly the business plan must balance the relative priority of the following areas:

- **Investment in the housing stock**

The Council has a responsibility to ensure that the housing stock is maintained and that components are renewed or replaced when required. The basic requirement for investment in the stock is driven by the Government Decent Homes Standard. However this is a basic and limited standard which does not match the expectations or the needs of tenants and does not address wider stock maintenance and investment issues. The Council will need to consult with tenants to establish the investment priorities for the stock and to develop a standard for investment which meets the needs and

expectations of tenants.

Currently the outline financial modelling has been based on the investment requirements identified with in the last stock condition survey undertaken by the Council. Since this time the Council has made significant value for money savings and has also been forced to reduce its investment in the housing stock due to financial constraints. In particular the Council has been unable to make any meaningful investment into the environment surrounding Council homes. The Council will need to review these investment decisions in the light of CHFR.

In addition, to support ongoing stock investment decisions, the Council will need to update stock condition information and, over time develop a detailed asset management strategy for the housing stock. In the past the Council has undertaken stock condition surveys on the basis of a 10% sample of properties by archetype. This sample data is then cloned through the stock to provide an indication of investment needs. Whilst this supports broad investment planning decisions this approach has some drawbacks. Firstly, the use of cloned data means that there is a margin of error in relation to individual property investment needs. Secondly CLG have indicated that in the future it will expect Council's to allow for depreciation based on individual property components. It will be beneficial for the Council to gain a more complete record of properties than can be achieved through a small sample of properties.

It is suggested that to ensure that the Council is able to gain a more complete picture of the condition of the stock an increased proportion of the housing stock is subject to survey. It is therefore intended to achieve a survey of a minimum of 80% of the housing stock over the next 12 months. This data will be used to inform a comprehensive asset management strategy.

- **Delivering and Improving services**

The Business Plan will set out the Council's priorities and plans for the delivery and continuous improvement of services to tenants. A comprehensive Landlord Services Improvement plan already exists and this will be reviewed and revised with tenants to form the basis of the Business Plan.

The Business Plan will show how services will be delivered to reflect the priorities and needs of tenants and how delivery of these services helps in meeting corporate priorities.

- **Investing in housing renewal**

In June 2011 Cabinet approved the Local Investment Plan which set out ambitions for new affordable housing development and housing renewal within the borough.

To support the delivery of the ambitions laid out in the plan Cabinet requested that feasibility studies be undertaken to review the potential for housing renewal to be undertaken. If these ambitions were achieved this would achieve a number of key objectives including dealing with stock investment issues and making a major contribution to the Council's wider aims and priorities.

The potential for housing renewal to deliver new Council Housing is currently being explored. However, for this ambition to be realised it will be necessary for the Council to make provision in its financial plan to support these aims. If the Council's ambitions for redevelopment of some stock are realised then this will lead to a loss in Council housing numbers overall. This will impact on the future viability of the HRA Business Plan. It will therefore be important if these ambitions are to be realised for the Council to make allowance within its Business Plan and financial strategy for investment to re-provide Council

owned housing.

The HRA Business Plan must therefore balance these priorities and allocate available resources accordingly. This will in turn drive the treasury management strategy and guide key financial decisions. It is therefore proposed that the HRA Business Plan is developed in accordance with the following aims:

- To meet and build on the Decent Homes Standard in relation to investment in the Housing Stock
- To invest in the environment surrounding Council homes
- To develop and improve services in accordance with the needs and expectations of tenants
- To provide the opportunity for renewal of neighbourhoods as identified in the Local Investment Plan and the re-provision of Council homes where this supports corporate priorities and the requirements of the HRA business plan

Taking these into account, an updated longer term business plan for the HRA will be developed (as well as one for the usual medium term planning period) and reported to Members as part of the budget process for 2012/13.

2. Developing a Treasury Management Strategy for the HRA

While the Council already approve a Combined Annual Treasury Management Strategy for General Fund & HRA alongside the Budget Setting report in February, to support the aims of the Business Plan the Council will require a Treasury Management Strategy for the HRA. In essence this Strategy will show how the Council will manage its borrowing over the life of the forecast period and involves two entirely different issues.

Firstly on the debt settlement date, the Council will be required to make a payment to CLG which will increase the HCFR. Secondly, during the course of 2012/13, the Council (as it will have a positive HRA CFR on 1st April 2012) will need to consider whether its borrowing (or alternative form of finance) should either:

a) be disaggregated in order to create separate HRA and Non-HRA borrowing pools; or

b) otherwise determine how the HRA should in future be recharged in respect of its share of debt financing costs.

The implementation of CHFR leads to an unprecedented level of borrowing for the Council and it is considered essential that the Council receives expert advice and guidance in relation to these issues. A proposal has been sought from Sector Group who currently provide the Council with advice regarding a number of financial issues. It is proposed that the Council appoint Sector Group at this time to advise on the development of a Treasury Management Strategy and to support decisions regarding borrowing. This represents a waiver to financial guidance as competitive quotes have not been sought for this work. However, this is justified given the expertise of Sector Group in this field, their knowledge of the Council's finances and the need for advice to be provided in a short timescale to enable timely implementation of CHFR. The cost of this appointment can be met from within existing budgets.

Debt Settlement

On the debt settlement date Tamworth Borough Council will, as an authority with an existing borrowing/debt liability, be required to make a payment to CLG (in respect of the allocation of additional HRA debt liability and new borrowing - which we have discretion to decide as to the means of funding).

There will be full access to PWLB, where required. However, LAs are required to notify CLG regarding their likely requirements before 31st January 2012. The other options to raise the funds include **Page 104** (from banks) or bonds – which could potentially offer more competitive rates of interest. An outline of the Bond route is shown at **Appendix Five** to this report.

In view of anticipated changes in interest rate levels by the debt settlement date, the use of advance borrowing may be considered appropriate/prudent. However, under present HRA Determination rules this is likely to cause an increase in the proportion of debt financing costs borne by the General Fund (the cost of carry).

There have been no indications from CLG to facilitate forward borrowing in a manner which allows for this to be accompanied by HRA Item 8 charge increases coupled with associated subsidy cover (all that is perhaps required is for the estimated future amount of debt settlement liability to be treated as part of the adjusted CFR used for CRI purposes). There should be sufficient surplus monies available within the present subsidy process for the government to be able to facilitate this.

For borrowing in advance, the Council would need to ensure the necessary powers to borrow were in place, although this is not envisaged to represent a problem. The Authorised Limit, associated Prudential Indicators and borrowing in advance of need policy would require revision by Council.

Disaggregating

Disaggregating of HRA proportion of existing borrowing and separation of all new borrowing.

It is intended that external borrowing in existence on the debt settlement date should be either separated or otherwise accounted for in a manner which enables the HRA to be responsible for the cost of that borrowing thereafter, and to control how it should be managed. Similarly, all new borrowing after the settlement date should be related to either GF or HRA.

This is considered by CLG to be necessary in order to overcome shortcomings within the present CRI arrangements, which are felt to act as a disincentive to new capital investment in view of adverse financial implications.

CIPFA were requested to provide guidance as to how the process might be applied. It is evident that CLG are prepared to accept that discretion should be given regarding the manner in which this is achieved.

CIPFA Guidance

Provided that this is an accepted approach, it is likely to be possible to arrive at a process which removes the main anomalies or incorrect procedures or assumptions which exist within the present recharge arrangements.

The fundamental principles outlined for disaggregating are that there should be no detriment to General Fund, and that there should be broad equity between HRA and GF. All future new or replacement borrowing should be allocated specifically between GF and HRA, together with any under-funded proportion of debt liability, or internal borrowing, properly identified between GF and the HRA.

CIPFA has identified three different approaches that might be adopted as follows:

(i) Two Pool Option - Long term borrowing within the existing loan portfolio should be physically split between HRA and GF in the case of PWLB loans.

Such splitting would need to take place after the PWLB loans have been top-sliced on the debt settlement date. It is considered that such a physical split would facilitate, for example, rescheduling of the HRA proportion of an existing loan independently of any corresponding decision being considered appropriate in respect of the GF proportion. Although importantly there is no express new facility to charge or credit the HRA with interest arising from penalties or discounts from its pool. This may be implicit to the reforms. In addition the current rescheduling regulations only apply to the General Fund as the Item 8 determinations covered the HRA.

For any short term borrowing or under-funded debt (internal borrowing), they suggest a recharge to the HRA based upon their assessed share of this, and relying on an assumption that this has been facilitated by the availability of largely GF balances and

reserves etc. The HRA recharge would be carried out as part of the interest on balances calculation that is made at present.

(ii) Three Pool Option - An alternative would be a three pool approach, under which only new borrowing carried out on or after the debt settlement date would be separated between HRA and GF pools. Existing loans would only form part of these two separate pools once they fall due for repayment, or are prematurely repaid. Separate consideration would be given to the method by which the HRA share is arrived at, and also whether an ongoing recharge should be made on a fixed or variable basis.

(iii) One Pool Option - A third option would be the one pool approach, which would continue to reflect the present type of recharge arrangements, possibly using a continued form of CRI calculation. CIPFA has provided their view on the pros and cons of each of these approaches, and favour option (i), but ***the Council will need to review each option to ensure the most appropriate one is used. A number of modelled approaches will be needed.***

Future Demolition of properties

The settlement from Government will be based on the base data provided by the Council in an audited form by October 2011. A key factor in assessing the Council's settlement figure will be the rental income it can expect to receive from its stock of properties. Government have recognised that this could change over time if Council stock reduces as a result of demolition or disposal. An opportunity has therefore been provided for Council's to exclude properties from the base data where there are well advanced plans in place which will result in overall stock reduction.

In order to make such exclusions the guidance requires that consultation must have been undertaken with the individual tenant and a firm decision to demolish must have been made by the Council. As previously discussed the Council has outlined its ambitions in its Local Investment Plan to test the feasibility of undertaking housing regeneration. However no plans are in place to demolish any property and it is therefore not considered that the Council will be in a position to exclude any property from the base data. Should any future plans result in the demolition of properties and net reduction in the stock then the financial implications of this would form part of the feasibility study and business case informing the decision.

3. Developing Governance Structures

Within the attached consultants report the Council is advised that it should establish appropriate governance structures to manage the financial decisions which will affect the HRA in the future. This is for two reasons:

- To establish an auditable process that demonstrates that there is a focus on the needs of the HRA in making decisions
- To ensure that HRA 'ring fencing' is preserved

These structures must be linked to tenant co-regulatory structures and decisions linked to the requirements of tenants. The Council has well developed tenant co-regulatory structures in place and a strong record of involving tenants in decision making. Consultation with tenants regarding CHFR has already begun and tenants views will influence investment and service delivery issues.

Programme for Implementation

The Council has made good progress in its preparation for the transition to the new system and recent Government guidance confirm the approach taken to date. The latest guidance from CLG provides a clear roadmap for Council's in achieving the implementation by 28th March 2012.

issuing of notifications from CLG.

REPORT AUTHOR

Robert Barnes: Deputy Director Housing and Health

LIST OF BACKGROUND PAPERS

APPENDICES

Appendix One: CLG Guidance

Appendix Two: Report of financial consultant

Appendix Three: Risk Assessment

Appendix Four: Implementation Plan

Appendix Five: Bond Example

Self-Financing: Planning the transition

Self-Financing: Planning the transition

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Also accompanied is a separate document containing working drafts of the associated determinations (see paragraph 1.2 for more details as to their scope).

Chapter 1

Scope and status of this publication

1.1 This document updates the policy and implementation arrangements set out in the document *'Implementing Self-financing for Council Housing'* published on 1 February, 2011 at: www.communities.gov.uk/housing/socialhousing/. The purpose of this document is to:

- Provide local authorities with the information they need to prepare for and achieve a successful transition to self-financing, taking account of all the issues raised so far particularly in response to *'Implementing Self-financing for Council Housing'*.
- Provide an update on the wider policy and accounting context within which self-financing will operate.

1.2 The publication is accompanied by the following documents:

- A summary which could be used to explain the reforms to tenants or other interested groups
- Working drafts of the legal 'determinations'. These comprise:
 - Settlement Payments Determination – the calculation of the self-financing valuation and the settlement payments and the arrangements for making these payments
 - Limits on Indebtedness Determination – the limit on the amount of housing debt that each local housing authority can hold under self-financing and the formula by which this will be calculated; and
 - Item 8 Credit and Debit Determinations – calculation of the sums to be credited or debited to the Housing Revenue Account under item 8 of Part I and II of Schedule 4 to the 1989 Act for the year 2012-2013 and subsequent years. This controls the operation of the 'ring-fence' which keeps Housing Revenue Account revenue separate from other council revenue.
- Refreshed Demolitions Guidance (this has already been issued via email on 1 July).

1.3 The Department for Communities and Local Government welcomes any questions or comments on the details contained in this document from local authorities, tenant organisations or individual tenants. If you have any queries or suggestions you would like to make, please contact councilhousingfinance@communities.gsi.gov.uk.

- 1.4 The Department's officials will continue to welcome opportunities to meet with local authorities and tenants and other interested parties to help ensure a successful transition to self-financing, including the form of the determinations. To this end the Department will run **two events on preparing for self-financing on the 23 and 30 September** at Eland House, Bressenden Place, London, SW1E 5DU. These events are open to all stock-owning authorities and more details will be circulated closer to the time.

Future communication and engagement with councils

In order to ensure a smooth transition to self-financing it is imperative that we are able to reliably communicate with individual councils. As such can each council send through the **contact details** of their **housing portfolio lead, their head of housing and a senior finance officer who will be taking responsibility for the payment or debt write-off**.

The address to send these details through to is:

councilhousingfinance@communities.gsi.gov.uk

It would be very useful when communicating this information if you could confirm whether your council would like to be represented at the events in September and if so who would like to attend.

Chapter 2

Executive summary

- 2.1 We are now in the detailed implementation phase of the reform. The Localism Bill, which provides the powers needed to make the changes, is progressing through Parliament.
- 2.2 Key milestones are set out below (a more detailed timeline is set out at the end of Chapter 5):

Date	Activity or deadline
<i>Early July 2011</i>	'2012 B1 form' available on LOGASNET for local authorities to submit data to DCLG on their stock
<i>End August 2011</i>	Uncertified data for self-financing submitted by local authorities to the Department
<i>August 2011 onwards</i>	Local authority certified data provided
<i>September 2011</i>	Local authorities making a payment complete a questionnaire on plans for raising the payment sum. This questionnaire will be jointly issued by the Chartered Institute of Public Finance and Accountancy, the Local Government Association and the Department
<i>October 2011</i>	Final auditor-certified data submitted by local authorities
<i>November 2011</i>	Consultation on self-financing determinations
<i>January 2012</i>	Final self-financing determinations published
<i>February 2012</i>	Local authorities set budgets and agree borrowing
<i>28 March 2012</i>	Payments between the Department, the Public Works Loan Board and local authorities to enable the start of self-financing
<i>1 April 2012</i>	Self-financing goes live

2.3 This document sets out the key outstanding elements of the self-financing settlement and the detailed arrangements for its implementation.

- Chapter 3 provides answers to the outstanding issues in relation to the valuation methodology
- Chapter 4 sets out how the limit on indebtedness will be calculated
- Chapter 5 sets out the payment arrangements
- Chapter 6 provides information on closing the subsidy system and the treatment of payments related to self-financing
- Chapter 7 describes the accounting and regulatory framework for self-financing
- Chapter 8 outlines proposals to improve accountability to tenants together with the revised Decent Homes standard
- Chapter 9 sets out the wider policy context for the implementation of self-financing

Chapter 3

The valuation

This chapter answers the outstanding issues raised in relation to the valuation methodology.

Key points include:

- the data inputs to be used in the draft determinations
- confirmation of the position on demolitions following advice circulated to councils on 18 May 2011
- how we are adjusting the model to compensate councils for the continuing pooling of Right to Buy receipts
- Caps and Limits compensation
- a description of the treatment of new-build properties.

3.1 Overall approach to setting the valuation

On 1 February 2011, the department published *'Implementing Self Financing for Council Housing'*. This set out the approach we would use to value the stock of each local authority. The methodology was expanded on in the accompanying financial model, report and user guide.

We encourage all local authorities to begin developing their business plans for self-financing based on the indicative valuations published in this February document. The indicative figures will change before the draft self-financing determinations are issued in November 2011, but in many cases, councils should be able to predict movements based on actual and forecast changes to key national, local and regional variables (see the next section, 3.1.1, on input data for information on exactly what input variables will be used to set the valuation). We therefore advise authorities to stress-test their business plans. In particular this process should involve examining the potential for new data to change the value of the settlement payment.

Between the draft and final determinations numbers, it is unlikely that any of the macro-economic or regional adjustment data inputs will alter. We also expect the consultation on the draft determinations to focus on the calculation of councils' individual settlements. This is because the methodology reflected in the determinations reflects the outcome of

our two consultations on firstly the principles of the Housing Revenue Account reform and secondly a detailed approach to self-financing (as well as the key issues that have been raised following the *Implementing self-financing for Council Housing document*). As such the only difference between the draft and final determinations should be as a result of corrections.

As we have stressed throughout the development of self-financing, if you identify any queries or concerns please contact the Department. In the first instance can you contact councilhousingfinance@communities.gsi.gov.uk

As mentioned earlier in the document, we will also be holding events in the Department on the 23 and 30 September on preparing for self-financing which are open to all stock-owning authorities for which more details will be provided shortly.

3.1.1 Input Data

The financial model published in February used data from the 2011-12 Housing Revenue Account subsidy determination¹. This included information on the average guideline rent and formula rent and on allowances for management, maintenance and major repairs.

For the self financing determinations, we will use input data on rents and allowances from a 'shadow' 2012-13 subsidy determination. The necessary information from local authorities will be collected through the 2012 base data form which (as set out in the February document) has been revised for 2012-13, in order to collect a small amount of additional information that is required to set up self-financing.

This 2012-13 'shadow' subsidy determination will update the other input variables, including the BCIS *Price Adjustment Factors*² (used to regionally adjust building costs), the Area Cost Adjustment factors³ and crime statistics published by the Home Office. The Department for Communities and Local Government's Indices of Deprivation are not published regularly and the 2007 data remains current. The latest information on re-lets and voids will be used from the base data return.

The Retail Prices Index inflation figure used in the shadow Housing Revenue Account subsidy determination will be the outturn statistics for September 2011.

As in previous subsidy determinations, the Gross Domestic Product deflator, used in setting costs, will be a forecast for the 2012-13 financial years available in time to put into the draft determination.

¹ See <http://www.communities.gov.uk/publications/housing/hrasubsidydeterminations1112>

² Data will be used from the BCIS Surveys of Tender Prices publication May 2011

³ Area Cost Adjustment factors published by in the Local Government Finance Report, Personal Social Services Older People, Annex H: <http://www.local.communities.gov.uk/finance/1112/lgfr1112s/index.htm>

We do not expect to revise the inflator or deflator between the draft and final determinations. This will give councils the certainty about their valuations and settlement payments that they need to plan.

3.1.2 Data collection

The 2012 base data return is now live on our data collection site, Logasnet. Local authorities are required to submit their 2012 base data return by 31 August, 2011. The deadline for submission of certified returns is 10 October, 2011.

Subject to local agreements with auditors to provide the certified data by the 10 October deadline, the Department will extend the deadline for providing evidence on planned demolitions beyond the 31 August deadline for submitting un-certified returns. Please see the guidance in Annex B for more details.

Under self-financing, the Department will continue to collect some data on local authorities' housing stock, including the actual rents charged. This data will be collected by the Department's Housing Analysis and Surveys division. This will be used for statistical purposes and for setting the housing benefit 'limit rent'.

3.1.3 Audit qualifications

Following the receipt of certified base data returns by 10 October 2011, the Department may need to follow up audit qualifications with authorities and with their auditors. This will be in line with normal processes but will be accelerated because of self-financing. Local authorities should ensure that they and their auditors are aware of this and that sufficient resource is available to deal with queries. Where the Department remains unsatisfied with the quality of data, we will use assumptions that protect the Exchequer.

3.1.4 Stock assumptions

Authorities should all complete their base data returns using dwelling data as at **1 April, 2011**. The details of how this information will be collected and the associated evidence requirements are given in the demolition guidance at Annex B.

RIGHT TO BUY SALES

The 2012 Spending Review announced that the pooling of Right to Buy receipts would continue. In the light of the decision, the February policy document said that a forecast of Right to Buy sales would be built into the valuation to compensate local authorities for the lost income from these properties.

A national forecast of Right to Buy sales has been developed, based on an extrapolation of current Right to Buy volumes. This will be disaggregated between regions based on the proportion of national Right to Buy sales in the region over the last three years. It will then be distributed in proportion to the stock levels of local authorities within the region. This is estimated to be worth £862m on current data.

Due to the inherent difficulty of producing accurate projections, given the relatively low numbers of sales involved and volatility between years, we decided that a standard methodology should be applied in making forecasts. This is consistent with the approach taken to many of the other factors affecting the valuation.

The Right to Buy forecasts will be updated based on outturn 2010-11 Right to Buy sales data. The forecasts will begin from 1 April, 2011.

Appropriations

The base data return (B1) asks councils whether they intend to undertake appropriations (i.e. transfers between the General fund and the Housing Revenue Account) before the end of 2011-12. Councils must have informed us through this route by 31st August 2012 (the deadline for submitting the un-certified base data form) if they intend to do so. We will then engage further with those councils that have signalled their intent.

This will enable us to take account of the change in dwelling numbers arising from appropriations in 2011-12 and to adjust the Subsidy Capital Financing Requirement used in calculating the self-financing settlement payment to reflect the appropriate share of the value of the asset.

3.1.5 Rental assumptions

The self-financing valuation assumes that councils will set their rents in line with the Government's national social rent restructuring policy. This policy assumes the following:

- that guideline rents will converge with formula rents in 2015-16
- rent increases of just above inflation year on year after 2015-16
- a limit on individual annual rent increases of RPI + 0.5% + £2 per week up to convergence and thereafter for annual increases in formula rents of RPI + 0.5%.

The housing benefit 'limit rent' will continue to ensure the Exchequer does not meet the extra costs of rents which are set above policy levels. Government does not have any plans to change the national rent policy set out above. It will however continue to collect data on actual rents charged to help inform the development of any future rent policy. In addition, the Department retains the power to direct the regulator to set a rent standard, but in the council sector, unlike the housing association sector, it has no plans to do so.

In the context of the development of the Universal Credit model, the Department for Communities and Local Government and the Department for Work and Pensions continue to work closely together to achieve the aim of protecting landlord income whilst at the same time achieving greater individual responsibility for tenants in managing their budgets.

3.1.6 Caps and Limits

In line with social rent policy, the valuation assumes constraints on increases in individual rents as they move towards convergence with the formula rent. Under the subsidy system, councils are compensated for lost income in applying this policy through 'Caps and Limits' compensation. The compensation in the self-financing model is based on an extrapolation of the average difference between constrained and unconstrained rents.

Some local authorities have expressed concern that the compensation in the model does not adequately reflect the position of their housing stock. The alternative would be to attempt to take into account the difference between actual rents charged and the potential unconstrained rent for every property in the country. A forecast built this way would be impractical and very complex to audit. It would also be likely to over-compensate councils. This is because as tenants move on, re-let properties can be immediately charged at formula rent for the new tenants. We have therefore decided to retain the approach set out in *'Implementing Self-financing for Council Housing'* i.e. compensating councils for the average difference between constrained and unconstrained rents.

3.2 Cost assumptions

3.2.1 Other reckonable expenditure

The valuation will take account of the costs of leases which are currently supported with Housing Revenue Account subsidy, up to the date of the next rent renewal. This information will be collected for the period 2012/13 to 2041/42 on the base data return. On renewal, it will be for a council to decide whether it wishes to renew a lease and at what price it is prepared to do this.

3.2.2 Premiums

The self-financing valuation will take account of the costs of premiums for the early redemption of loans which are currently supported with Housing Revenue Account subsidy, where these premiums were incurred before 1 February 2011 – the date the February policy document was published. In future, the local authority will get all the benefit of any savings in interest rates so there will be no need for government to pay the premiums.

3.3 New-build properties

Local authorities have been able to apply for an exclusion from the Housing Revenue Account subsidy system for new homes. This allows councils to use the operating surpluses from those homes to finance the debt on them. New-build properties held outside the Housing Revenue Account subsidy system through those agreements should not be included in the base data return. Under self-financing, councils will continue to be able to apply for an exclusion from pooling the receipt from a Right to Buy sale of a new-build home. We are taking powers in the Localism Bill to do this after the subsidy system ends (see section on consents and disposals in Chapter 9 for more details).

Chapter 4

Limit on Indebtedness (“the borrowing cap”)

This chapter sets out how the limit on indebtedness will be calculated. More details are included in the accompanying draft determination.

Self-financing must not jeopardise the Government’s first priority, which is to bring borrowing under control. Self-financing will give council landlords direct control over a very large rental income stream. Borrowing financed from this income must be affordable within national fiscal policies as well as locally. We will therefore limit the debt that can be supported from the Housing Revenue Account in each local authority. Ministers have stated during the passage of the Localism Bill that we will not subsequently reduce the aggregate borrowing cap, or the borrowing caps for individual councils, which are set out in the original self-financing determinations. Councils will therefore be able to plan ahead on the basis of those caps.

The Localism Bill contains powers which will allow the Secretary of State to limit the amount of housing debt that each local authority can hold and to set a formula for measuring compliance with this limit.

4.1 The measure of housing debt

We will use the Housing Revenue Account Capital Financing Requirement as the measure of housing debt in each local authority for purposes of testing compliance with the debt limit.

Councils are familiar with this debt measure. However, if it becomes apparent that councils are developing financing models which undermine the purpose of the debt cap in controlling public borrowing for housing, we will consider using a different measure of housing debt in order to prevent this.

4.2 The limit on housing debt

The maximum amount of housing debt that each local authority can hold under self-financing will be the higher of:

- The self-financing valuation for the local authority plus any capital financing provided by the local authority before 1 April, 2012 to support a new build scheme under a contract with the Homes and Communities Agency. (Capital financing to support a new build scheme is defined as the capital contribution agreed in contracts with the Homes and Communities Agency for new build schemes and which will have been provided to those schemes prior to 1 April 2012. It does not include the value of any land that the local authority has put into the scheme)
- Where the local authority is making a self-financing settlement payment to the Secretary of State, the end-year Housing Capital Financing Requirement for 2011-2012 plus the value of the payment
- Where the local authority is receiving a settlement payment from the Secretary of State, the end-year Housing Capital Financing Requirement for 2011-2012 less the value of the payment.

A local authority will be in breach of the limit if its housing debt exceeds its debt limit on the final day of any financial year. It will not be in breach where housing debt exceeds the limit at any other time during the year.

A working draft of the limits on indebtedness determination is attached as part of the draft self-financing determinations published as a separate document. We intend to formally consult on the determinations in November 2011 but would welcome views from the sector on the current version.

Chapter 5

The payment arrangements

This chapter sets out the payment arrangements and what local authorities need to do to achieve a successful transition.

Key points include:

- the payment date of 28 March 2012
- adjustments we will make to subsidy payments for 2011-12 as a consequence of this early payment
- why it is important to have an overall picture of sources of funding
- arrangements for local authorities wishing to borrow funds
- The Public Works Loan Board's variable rate loan for self-financing
- arrangements for local authorities having debt paid off.

5.1 The payment date

Subject to Royal Assent of the Localism Bill, the payments enabling the start of self-financing will take place on **28 March, 2012**. On this date local authorities will either:

- make a payment to the Department for Communities and Local Government, or
- receive a payment from government – in most cases this will be a redemption of debt held with the Public Works Loan Board

The consultation determinations (and subsequent final determinations) will set out the settlement payments. A working draft of the determinations, without numbers, has been published separately to accompany this document.

5.2 Payment date consequential

The date of 28 March, 2012 enables all the money to be raised and paid within the same financial year, and before the start of self-financing on 1 April 2012. Completing all the payments in the same financial year helps aggregate accounting by the Treasury – a key advantage given the significance of these payments to the national fiscal position.

As the transaction date is four days before the start of self-financing, there will be a financial cost or benefit for each council. We intend to make two changes to achieve neutrality for councils and for government in comparison with a 1 April payment date:

- We will amend the Housing Revenue Account Subsidy determination 2011-12 so that subsidy entitlement for this year is adjusted to take account of four days' interest on the settlement payment. The interest rate used for local authorities receiving a settlement payment will be their consolidated rate of interest. This reflects the fact that the settlement payment will be used to pay down existing debt. The interest rate used for local authorities due to make a payment will be the Public Works Loan Board 30 year maturity borrowing rate, as councils will generally have to take on new borrowing to fund the payment. We plan to make these adjustments through an additional subsidy payment run in March 2012. We will write to local authorities beforehand to let them know of the amount and purpose of the additional item
- We will amend the 2011-12 Item 8 determination so that interest due (or received) on settlement payments before 1 April, 2012 can be charged (or credited) to the Housing Revenue Account. This will also enable local authorities borrowing funds in advance of the transaction date to charge the costs arising after the date of Royal Assent to the Housing Revenue Account (but not to get these paid through subsidy).

Some local authorities have asked whether the settlement payment will be reflected in the Housing Capital Financing Requirement, which measures housing debt. Funds used to make the settlement payment will not count towards housing debt this year because it is not being used for the acquisition of an interest in housing or land. We will not amend the definition for 2011-12 because we do not want the settlement payment to have any impact on the Housing Revenue Account this year except for the interest adjustments which are described above. However, we will be amending the definition of the Housing Capital Financing Requirement so that it includes funds used for the settlement payment from 1 April, 2012 (see section 7.3 for more details).

5.3 The importance of accurate aggregate forecasting

We currently estimate that there will be approximately £13.2 billion paid to government on 28 March. We expect that most of this will be borrowed from public or private sources. There are a number of reasons why it is important for government to have an overall picture of borrowing sources:

- to assist government's debt and cash management
- to distinguish the short term impacts of reform of council housing finance from longer term economic trends

- to aid operational planning for Her Majesty's Treasury and the Public Works Loan Board.

To achieve a good understanding of the aggregate picture, the Department working with the Local Government Association and the Chartered Institute of Public Finance and Accountancy will seek early indications about how local authorities are planning to raise the funds for the settlement payments. Local authorities will not be asked to commit to a particular route of funding. Government recognises that much of the information on local authority plans may be commercially sensitive, especially for those who are looking at private sector borrowing. We will not release this information or share individual responses beyond the purposes listed above.

We will ask local authorities about their current plans later this summer. This will inform the Treasury's autumn forecast. We will ask local authorities to update us on their plans early in the new year.

5.4 Ensuring payment on the day

Local authorities must make cleared funds available to the Department on 28 March. The Department will be working with paying local authorities to set up Direct Debit or CHAPs arrangements in advance. Where payments are made by CHAPs local authorities should aim to have issued instructions by midday or earlier if possible.

Local authorities should notify their banks in advance of settlement payments being made on 28 March to ensure that any safety-valves to avoid large erroneous payments do not prevent the transactions. The Government is taking powers in the Localism Bill to charge interest and other costs in the event of late payments.

Local authorities who wish to pay in advance of 28 March are welcome to do so although it would be helpful if they would notify the Department prior to payment.

5.5 Borrowing to finance the transaction

Local authorities are responsible for their own treasury management including how, where and when they raise the money to finance the settlement payments. We advise local authorities to explore the options now rather than waiting for either the draft or final determinations. However, we do not consider it to be prudent for local authorities to borrow for self-financing in advance of Royal Assent of the Localism Bill.

5.6 Arrangements for local authorities wishing to borrow funds from the Public Works Loan Board

Local authorities borrowing from the Public Works Loan Board will generally have to do so within the Board's published lending arrangements. However, the lending arrangements are being varied in two important respects, one concerning the channel by which the local authority will borrow, the other concerning available facilities.

5.6.1 Loan application arrangements

The Board normally receives and agrees loan applications by telephone. However, because of the likely volumes arising from self-financing, they will temporarily arrange for local authorities who are due to make a settlement payment to be able to make loan applications via their pages on the Debt Management Office's website. The web-based approach will be simple to use and will offer security to industry-standard. It will not hold bank account details – these will be subject to separate private procedures for confirmation.

During the period leading up to the self-financing payment date, the web-based application will be available during business hours and will be the expected route for such authorities to apply for loans. The process will involve completing a simple template that will replicate the steps in a telephone application.

Prospective users of the website will be required to pre-register and will be trained in the application's use. The Public Works Loan Board's telephone desk will be open for any early repayments and for other borrowing.

Further details of the new arrangements and the plans for implementing them will be notified to local authorities in due course, including registration details and training for users. It is important that each local authority provides a named contact who will be responsible for the payment (as set out at the end of Chapter 1 of this document). Local authorities will need to make their own delegation and authorisation arrangements to cover the unexpected absence of this contact around the payment date.

A DETAILED TIMELINE IN THE RUN UP TO PAYMENT DAY

The following is a timetable for processing a loan application. It includes illustrative dates shown for those authorities planning to pay the Department on the same day as receiving funds from the Board. Those authorities who borrow in advance of the payment date and place the funds on deposit in the meantime must withdraw the funds from deposit in good time. A deposit facility (the Debt Management Account Deposit Facility) run by the Debt Management Office is available to local authorities that have made the necessary arrangements with the Debt Management Office in advance.

- **Working Day 1** (Monday 26 March 2012 at the very latest): borrower completes and submits web-form for loan application, and receives an acknowledgement from the system that the application has been successfully submitted. Borrowers will also be able to use the system to view the status of their application(s).
- **Working Day 2** (Tuesday 27 March 2012 at the very latest): the Public Works Loan Board confirms to the designated recipient the agreement to lend, by email⁴. This will support the local authority's own internal processes and controls.
- **Working Day 3** (Wednesday 28 March 2012 at the very latest):
 - At or near the start of business the Board credits funds to the authority's pre-notified account by CHAPs
 - The Board posts the loan confirmation letters
- **On Wednesday 28 March 2012** local authorities make payments to the Department via electronic payment systems such as 'CHAPS' or Direct Debit (see section 5.4 on 'ensuring payment on the day' for more details).

5.6.2 Temporary arrangements for the early repayment of variable rate loans

To help local authorities' treasury management, the Public Works Loan Board will, in the period leading up to the self-financing payment date, after Royal Assent is achieved for the Localism Bill, permit borrowers to take out a variable rate loan which may be repaid within the first twelve months of the date of advance. This facility will be available only to local authorities as part of their borrowing to finance their self-financing payment to the Department. It will be for borrowers to decide how to make best use of this facility but it may help a local authority bridge to the gap between when its self-financing payment is due and when it would prefer to raise long-term finance.

This is a deviation from normal Public Works Loan Board practice as it does not normally advance loans for less than a year or accept the early repayment of a loan which has run for less than a year (or has less than a year to run). These variable rate loans will otherwise be in accordance with the prevailing general lending arrangements in respect of such matters as fees and frequency of resets.

The early repayment of a variable-rate loan attracts a minimal premium or discount. Indeed, if early repayment coincides with a rate-reset – or 'roll-over' – day the premium or discount and accrued interest due are nil, as the borrower merely repays the principal outstanding at par.

⁴ This represents a slight change from established practice in that the 'call-back' is usually made on the day of agreement and by telephone. However, the authorised dealer entering the loan application will have already received the acknowledgement from the system that the application had been successfully submitted. The standard practice of subsequently confirming the terms of the advance in a hard-copy letter will continue unaltered.

5.6.3 Raising funds – procurement issues

A number of local authorities have asked about procurement rules. Local authorities must take their own legal advice, but we would note that raising money from the private sector, either through bonds or some other arrangement, is excluded from the requirements of Public Contracts Regulations 2006 (regulation 6(2)(h)).⁵ However, local authorities will want to ensure that the process they choose provides best value for money.

5.7 Arrangements for local authorities having debt paid off

The authorities with Public Works Loan Board debt will have that debt reduced by a lump-sum payment made by the Department. This payment will cover the amount of principal outstanding with the authority, plus any premiums/discounts due in accordance with normal lending rules⁶. The authority will be responsible for paying the accrued interest due.

The Department will have notified the Board of the final self-financing settlement sums for each authority as soon as these are published. A calculation will be carried out by the Board so that payment is apportioned or 'top-sliced' across an authority's portfolio. The Board will also calculate the premiums/discounts due and the Department will meet these costs on top of the settlement payments in its payment to the Board.

The Board will calculate the amount of accrued interest due from each local authority. The local authority must provide them with the names of the officers who are to be notified on Monday 26 March, 2012 of the amount to be paid on Wednesday 28 March, 2012 in respect of accrued interest.

5.8 Special cases

We have identified a small number of local authorities where the payment from government may exceed the amount of debt that they hold with the Public Works Loan Board. We are discussing with these local authorities how best to make the payment. If other local authorities expect to be in this position they should contact the Department as soon as possible, so that we can discuss the options. Where local authorities have Public Works Loan Board debt, this will be cleared before other options are considered in order to ensure consistency of treatment with other local authorities.

⁵ The full wording of the exemption states 'for the financial services in connection with the issue, purchase sale or transfer of securities, or other financial instruments in particular transactions activities by the contracting authorities to raise money or capital'

⁶ There is one exception to the usual Public Works Loan Board procedure: the discount rate to be used in calculating the premium/discount due on any variable rate loans in a local authority's portfolio will be that in force when the calculation is made rather than that on the day of settlement, as is normally the case. The change is being made to relieve potential operational pressure. The financial effect will be neutral.

THE TIMETABLE FOR THE TRANSACTION IS PLANNED TO BE AS FOLLOWS:

- By close of business on Friday 23 March, 2012 – the Department will have advised the Public Works Loan Board of the settlement sums for each authority
- By close of business on Monday 26 March, 2012 – the Board will notify each authority of the amount the Department will pay in debt redemption on its behalf on 28 March, 2012 and the amount of accrued interest due from the each authority on the same day. The Board will also confirm the premiums/discounts that the Department will be due to pay or receive.

On Wednesday 28 March:

- The Department will pay the due amounts of principal and premiums to the Board
- Each authority will pay the Board the accrued interest due, aiming to make these payments by mid-day
- The Board will record the relevant reductions in the recipients' debt once all the amounts due have been received.

5.9 The overall transition timetable

Date	Activity or deadline
<i>Early July 2011</i>	'2012 B1 form' available on LOGASNET for local authorities to submit data to DCLG on their stock
<i>End August 2011</i>	Data for self-financing submitted to DCLG
<i>August 2011 onwards</i>	Local authority certified data provided
<i>September 2011</i>	Local authorities making a payment receive and return a questionnaire seeking indicative plans as to how much, from where and when they intend to borrow. This questionnaire will be jointly issued by the Chartered Institute of Public Finance and Accountancy, the Local Government Association and the Department
<i>10 October</i>	Deadline for submission of auditor-certified data to the Department
<i>November 2011</i>	Consultation on self-financing determinations Public Works Loan Board issues user information
<i>January 2012</i>	Final self-financing determinations published Local authorities making a payment receive and return a questionnaire seeking firmed up plans on how much and from where they intend to borrow. The Department will follow up as needed in February/March. Public Works Loan Board website opens for business
<i>Early February 2012</i>	Consult on special determinations for subsidy payment adjustments in 10/11 (in light of 28 March payment date)
<i>February 2012</i>	Local authorities set budgets and formally approve borrowing plans
<i>End February</i>	Issue special determinations for subsidy payment adjustments in 10/11
<i>Mid March</i>	10/11 subsidy adjustments for the 4 days' interest are made
<i>28 March 2012</i>	Series of transactions between the Department, the Public Works Loan Board and local authorities to enable the start of self-financing
<i>1 April 2012</i>	Self-financing goes live
<i>March 2013</i>	Cut-off for final payments under the subsidy system.

Chapter 6

Closing down the subsidy system

This chapter provides information on the arrangements for closing down the subsidy system and the treatment of Decent Homes and Private Finance Initiative payments.

6.1 The overall arrangements for closing down the subsidy system

From 1 April 2012, subject to Parliamentary approval of the powers in the Localism Bill, the Housing Revenue Account subsidy system will be replaced by self-financing. However, as with previous years, there will be residual payments and claims with respect to the previous year, as well as unresolved issues from earlier years. There are saving and transitional provisions in the Localism Bill which allow us to retain the powers needed to deal with over or under-payments of subsidy.

The 201103 form will be issued as usual for return by the end of September 2012 and the final form, the 201104, will be issued for certification by the auditor by the end of December 2012. This will prompt the majority of final adjustments in January 2013. However, there will be a concluding payment/claim run in early 2013, probably in February or March, for final settlement of subsidy payments and claims following auditor certification and resolution of any auditor qualifications.

Where audit qualifications have led to suspension of payments to local authorities, or local authorities have withheld payments to the Department pending resolution of any disputes, as is the standard practice it will be for the Department to take a view on further action.

We will need to keep the current arrangements for BACS payments and Direct Debits open, and to retain local authorities' bank details for this purpose until the final transactions are completed. Local authorities should continue to advise the subsidy team of any changes to bank details that arise during this period.

6.2 Support available from the Department

The subsidy team, in collaboration with the LOGASnet team, will be working throughout the remainder of 2011-12, and beyond as necessary to resolve all outstanding overdue receipts and to clear all outstanding issues such as suspensions/abatements. We will close down subsidy years where these currently remain open as soon as all issues are resolved.

Local authorities should contact the subsidy team if they have any outstanding queries or issues around Housing Revenue Account subsidy as soon as possible with a view to early resolution as we move to the new system.

The Department will write to local authorities at the end of February 2012 with further detail on timings and arrangements for final payments.

6.3 Remaining work related to the Housing Revenue Account

The Department will maintain a residual capacity to deal with issues related to the Housing Revenue Account. There will continue to be a contact point in the Department for issues such as directions on transfers of assets or funds across the ring-fence and any Housing Revenue Account policy issues.

The Department will continue to deal with applications to the Secretary of State to close Housing Revenue Accounts following transfer and to hold and account for properties outside the Housing Revenue Account ringfence.

There will also be support for handling longer-term issues such as reviewing the need to update secondary legislation and guidance, including the Guidance for Valuers on Stock Valuation for Resource Accounting, the Housing Revenue Account (Accounting Practices) Directions and the Housing Revenue Account Manual, which provides definitive guidance on keeping the account, as necessary.

6.4 Related payments: Decent Homes payments in 2012/13

We previously said we were minded to adjust the debt settlement figure to reflect Decent Homes Backlog funding allocations for 2012-13. We no longer intend to make payments this way. In order to simplify the process and make it more transparent, the self-financing settlement payments will not take account of these sums. Decent Homes backlog funding for 2012-13 will be paid as grant early in April 2012. In London, grant will be paid by the Greater London Authority, elsewhere in England it will be paid by the Homes and Communities Agency.

We will ensure that these grants are used for the purposes intended. We intend to make a direction under Item 9⁷ which requires this sum to be credited to the Housing Revenue Account and a direction under Item 8⁸ to require this sum to be subsequently debited from the Housing Revenue Account and paid into the Major Repairs Reserve.

⁷ Item 9 of Part 1 of Schedule 4 to the Local Government and Housing Act 1989

⁸ Item 8 of Part 2 of Schedule 4 to the Local Government and Housing Act 1989

6.5 Related payments: Private Finance Initiative payments

Subsidy payments for Housing Revenue Account Housing Private Finance Initiative schemes are currently included in the Housing Revenue Account subsidy calculation. We announced in *Implementing self-financing for council housing* that we will continue to pay this separately as a revenue subsidy. From the start of self-financing the Department intends to pay this subsidy as a grant using powers in section 31 of the Local Government Act 2003. We will also amend the item 8⁹ credit determination to provide for this payment to be credited to the Housing Revenue Account.

Councils with Housing Revenue Account Housing Private Finance Initiative schemes that reach contract signature after 31 March will not have had their Major Repairs Allowance reduced to reflect the properties included in the Private Finance Initiative contract. The subsidy that is paid will be adjusted to take account of Major Repairs Allowance included in the self-financing valuation for properties that are subsequently included in a Private Finance Initiative contract.

⁹ Item 8 of Part I of Schedule 4 to the Local Government and Housing Act 1989

Chapter 7

Accounting and regulatory framework

This chapter describes the accounting and regulatory framework for self-financing. It covers:

- depreciation and impairment
- separating housing and general fund debt
- the operation of the housing ring-fence and the revised Item 8 credit and debit determinations
- Minimum Revenue Provision.

7.1 Depreciation and impairment

Under the current housing finance system councils must put some of their income each year into a 'Major Repairs Reserve'. Money put into this pot can then only be spent on major repairs or on repaying housing debt. This ensures that councils make appropriate provision for capital works – and that money needed for a future capital programme is not spent earlier on other things. Under self-financing, it will be even more important that councils set aside this money. We therefore intend to retain the principles of the Major Repairs Reserve.

The subsidy system requires councils to put at least as much money into the Major Repairs Reserve as their Major Repairs Allowance – this is the amount government assumes a council needs to spend on capital works when it calculates subsidy entitlement. There will not be a Major Repairs Allowance under self-financing. The amount to be paid into the Major Repairs Reserve must therefore be drawn from a local assessment of capital spending needs.

This assessment should be based on the amount which needs setting aside for depreciation, namely the cost of replacing or renewing all the time-limited components of the stock plus an amount for the fabric of the building. If the components are replaced at the end of their lifespan then it is expected that the fabric of the building will have a long life. As the self-financing valuation is based on an updated Major Repairs Allowance which is built up using the same method in respect of components, we expect that the need to spend in local plans will be broadly similar to the figure funded in the self-financing valuation.

Under the subsidy system, councils have been required to put a figure equivalent to their depreciation into the Major Repairs Reserve, but have then been allowed to 'reverse out' any difference between that and the Major Repairs Allowance. In future, councils will need to develop a component-based approach to depreciation in order to comply with accountancy standards. There should be no difference between this and the need to spend on major repairs identified in the business plan, which is itself based on the cost of replacing and renewing components. We therefore see no need longer term to have a mechanism which prevents the full depreciation charge from hitting the Major Repairs Reserve.

However we recognise that councils will need time to implement component-based depreciation. There are also issues to be resolved, including the link between depreciation and stock valuations (and revaluations) and how impairments are dealt with. The Chartered Institute of Public Finance and Accountancy consulted on proposals in February and will issue a further consultation on this shortly. We expect this to propose a five-year transitional period during which councils may choose to use the uplifted Major Repairs Allowance in the self-financing valuation as the figure which must be funded in the Major Repairs Reserve. They will also be able to reverse out the effect of impairments as a below the line adjustment in the Statement of Movements on the Housing Revenue Account balance sheet. Authorities will still be able to transfer amounts in excess of depreciation to their Major Repairs Reserves.

7.2 Separating out housing debt

The February policy document published by the Department identified potential benefits from a separation of housing and other local authority debt. In particular, we thought this could help longer term planning and treasury management. The February consultation by the Chartered Institute of Public Finance and Accountancy included proposals for separating housing debt from other council debt and to replace the average interest rate (the Consolidated Rate of Interest) with a charge that reflects the actual interest rates on loans earmarked to the Housing Revenue Account.

The Government and the Chartered Institute want councils to have the flexibility to develop an approach to treasury management that meets local needs, subject to the principle that there should be a fair apportionment of costs and risks between the General Fund and the Housing Revenue Account.

The Chartered Institute of Public Finance and Accountancy will be seeking further views this summer on options for managing debt under self-financing.

7.3 The Housing Revenue Account ring-fence

The Housing Revenue Account ring-fence ensures that money raised from tenants' rents is not used to cross-subsidise the General Fund and that council tax is not used to cross-subsidise council housing. This ringfence will continue after the introduction of self-financing.

Some technical changes are needed to the rules that govern the operation of the ring-fence to take account of the self-financing settlement payment and the new approaches to depreciation and debt management proposed above. As such we have reviewed the contents of the 'Item 8' determination, which deals with the movement of money across the ring-fence. A revised working draft Item 8 has been published as a separate document. We will consult on the revised Item 8 as part of our formal consultation on the self-financing determinations in the autumn but we would welcome views now on the current version.

The Item 8 determination will continue to specify the items that can be debited or credited to the Housing Revenue Account, but in most cases it will require councils to follow proper practice in calculating the appropriate amounts to credit or debit, rather than setting out a detailed set of rules and formulae. Guidance from the Chartered Institute of Public Finance and Accountancy will strengthen the definition of proper practice in this area. The debt cap and the definition of debt will be set out in the 'limit on indebtedness' determination. A working draft of this determination is also published for comments.

It should not be necessary to issue new determinations each year.

7.4 Minimum Revenue Provision

Some local authorities have raised concerns about the impact of the self-financing payments on the obligation to make a Minimum Revenue Provision within the General Fund. We will amend the guidance on Minimum Revenue Provision to ensure that self-financing does not affect this. The draft amendment we propose to make is inserted below:

DCLG GUIDANCE ON MINIMUM REVENUE PROVISION

<http://www.communities.gov.uk/documents/localgovernment/pdf/1502003.pdf>

Additional guidance is to be included in this document as follows:

In Part 1 (informal commentary), after paragraph 39, the following paragraph is to be inserted-

“ Housing Revenue Account Reform Exercise

39A. This initiative, on 1 April 2012, entails new debt being incurred by certain authorities, some with a previously negative Housing Revenue Account CFR. The ensuing increase in their overall CFR would potentially raise their MRP liability – in some cases from nil to a significant level. The Secretary of State considers that, given the special circumstances of the exercise, such a consequence should not be imposed upon authorities. He therefore makes the formal recommendation (Part 2, paragraph 19(b) below) that, for the purposes of determining MRP, this increase in the CFR may be ignored, thus avoiding any impact on the revenue budget. ”

In Part 2 (statutory guidance), at the end of paragraph 19(b), the following sentence is to be added-

“Any increase in the CFR arising from the HOUSING REVENUE ACCOUNT reform exercise undertaken on 1 April 2012 may be ignored for the purposes of determining MRP.”

We will not be changing the rules to require Minimum Revenue Provision within the Housing Revenue Account. Any authority which chooses to include provision within its business plan will be able to do so.

Chapter 8

Improving accountability and transparency to tenants and maintaining the Decent Homes standard

The chapter provides information on the wider context for self-financing including empowering tenants and the continuing importance of accommodation meeting the Decent Homes standard. It covers:

- proposed changes to standards expected by the regulator designed to increase tenant empowerment
- proposed changes to the quality of accommodation standard (the 'Decent Homes' standard)
- transparency around service charges

8.1 Greater accountability to tenants

The Government is currently consulting on draft directions from the Secretary of State to the Social Housing Regulator (*Implementing social housing reform: directions to the Social Housing Regulator* – published 7 July). This includes a proposed direction on tenant involvement. This would support effective scrutiny by tenants by setting the expectation that local authorities (and other registered providers) should provide timely, useful information about their performance. There is also an expectation that providers issue an annual report to tenants, in a form which providers should agree with their tenants in advance. The presentation of financial information in a form which is useful to tenants will be a key element of this. To support tenant involvement, the Government will be funding a residential training programme. This will encourage social tenants to play a bigger role in their communities through, for example, effective scrutiny, challenge and tenant panels.

The Government's draft direction to the Regulator also proposes that the Regulator should set a standard to encourage social landlords to give tenants opportunities to form tenant panels – enabling them to hold landlords to account and help resolve tenant complaints.

The Regulator could use its monitoring and enforcement powers to address serious failure by landlords against these new standards.

8.2 Providing accommodation that meets the Decent Homes standard

The Department is also consulting on a draft direction for the Regulator on the 'quality of accommodation' standard. The previous standard focused on landlords achieving 100 per cent decency by December 2010. The great majority of social housing met the standard before this date and social landlords' statistical returns show that 92 per cent were expected to meet the standard by April 2011.

The new standard will specify that social landlords will be expected to maintain their stock at a decent level, investing capital and using their asset management strategy to ensure pre-emptive improvements are delivered so that their homes do not fall into a non-decent state. Only in exceptional circumstances will temporary exemptions to the standard for specific homes be given¹⁰.

8.3 Increasing transparency over service charges for secure tenants

In addition to the rent, local authority secure tenants are usually liable to pay service charges. Service charges will vary depending upon the services the tenant receives. Typical services are CCTV, grounds maintenance, heating and hot water. This means that different tenants may receive different types of service and therefore different bills. Charges of this kind can be an area of dispute between tenants and their landlord, and, where costs appear to have been unreasonably incurred or apportioned, can give rise to concerns.

The Landlord and Tenant Act 1985 sets out information that tenants (other than secure tenants) can expect to receive from their landlord. (Please see sections 18 to 25 of the Act.) Local authorities are not required to provide this information to their secure tenants although long leaseholders are entitled to such information. In the interests of greater transparency and accountability, local authorities are asked to consider how they can comply in so far as practicable with requirements of Act in respect of secure tenants. This would mean that secure tenants receive similar information about their service charges to other social housing tenants.

Many local authorities already provide fuller information about service charges, consult tenants and give an opportunity to ask questions about them. Local authorities will already be providing information to their long leaseholders and could mirror this practice in relation to their secure tenants.

¹⁰ Some landlords particularly in the local authority sector had formal agreements that some of their stock would be made decent after this date. The extensions granted to these landlords still stand.

Some of the practice that local authorities could introduce includes:

- consulting tenants on the level of service charges
- providing details of how the service charges are calculated and the services that are covered – this may include separating and itemising service charges
- providing estimates in advance of bills where appropriate
- attributing costs to individual homes if appropriate (for example in cases where heating is provided through district heating schemes) though the local authority will want to take account of practicalities and costs)
- providing opportunities for tenants to obtain further information and to challenge the level of service charges.

The important principle is that local authorities set reasonable and transparent service charges which reflect the service being provided to tenants.

As far as possible, there should be a level playing field for all social tenants regarding information and consultation on service charges. We hope to achieve this by working with local authorities to ensure that good practice guidance is available.

Chapter 9

Related policy developments

This chapter sets out the wider policy context for the implementation of self-financing.

Key points include:

- a more detailed description of government's policy on stock transfers
- proposed changes to the consents and disposals regime

9.1 Transfer policy

9.1.1 The overall approach

The Government considers that self-financing gives all stock owning councils a viable long term future and it is the assumed solution for maintaining their stock in good repair.

Under self financing, whole and partial stock transfers remain an option for councils and their tenants. However, the Government's policy on the extent of financial support for transfers has changed to better align it with funding for self financing.

Although value for money has been a consideration in transfers prior to the development of self financing, more generous settlements had often been funded to meet tenant aspirations.

Given the current fiscal climate, a more rigorous approach is required. The Government's starting point for consenting to transfers, set out in a number of recent publications, is that the transfer business plan in aggregate should be justifiable in comparison with the financial settlement for self financing.

As was the case previously, overhanging debt will only be repaid if it is debt owed to the Public Works Loan Board.

9.1.2 What councils need to demonstrate in order to secure a transfer

Councils considering transfer as an alternative will need to demonstrate what additional investment transfer could deliver and how they would fund any proposals. In considering transfer proposals the Department will take the self-financing valuation as the norm, taking account of any Decent Homes backlog and any additional factors such as different tax treatment which would affect a valuation.

If there is any gap between the two approaches, the Department expects that the receiving Housing Association or the transferring council will bridge that gap using corporate financial support, reserves, land or other assets. Councils and tenant advisors should explain this at the start of any option appraisal and make clear to tenants and the Department where the financial support will be coming from.

Financial parameters such as the voids, inflation and discount rates for transfer must be justified against those used in the modelling for self-financing.

The self-financing valuation is based on a formulaic approach and it may be possible for a council to demonstrate that there are costs not fully reflected in the formulae, or that some stock may need regeneration rather than repair. In such cases, the Department may agree that the transfer valuation can take into account such factors, but this will be the exception rather than the rule.

In addition, there must be clear supporting evidence of such need and explanations of why re-profiling spend, or using existing borrowing headroom, is not possible. In all cases there will be a presumption that there is a robust asset management plan in place that ensures stock does not continue to be refurbished if there is a valid case for disposal or regeneration.

Those authorities that are currently discussing potential transfers with the Homes and Communities Agency and the Department will need to take a “twin-track” approach, i.e. planning to deliver self financing as well as any transfer activity, so that self financing can proceed if for any reason the transfer is delayed or rejected.

The Housing Transfer Guidance will be revised and re-issued this autumn to reflect what has already been announced in Written Ministerial Statements and self financing policy documents, including this publication. As part of this revision, an appropriate format for collecting more detailed revenue/expenditure information will be included as part of the redrafted Transfer Manual (to replace the Decent Homes focussed Single Transfer Model).

The Homes and Communities Agency, as well as revising this guidance, will continue to have an active role in analysing transfer proposals. Councils considering full or partial stock transfers should engage early with the Agency

9.1.3 The use of any receipt

Under the subsidy system, if a council gets a receipt from a voluntary transfer of part of its stock to another social landlord, government reduces the amount of housing debt which it supports by the same amount. We therefore expect councils to use this receipt to pay down housing debt, otherwise other income within the Housing Revenue Account would have to be diverted to support this debt.

The financial impact of a partial transfer under self-financing will be similar. In this case the council will lose the operating surpluses from those properties rather than revenue subsidy from government. The receipt from the transfer should reflect the amount of debt which those surpluses were supporting. To maintain viability of the existing stock we therefore expect that the receipt will continue to be used to pay down Housing Revenue Account debt under self-financing.

9.2 Consents and disposals policy

As we announced in *"Implementing Self-Financing for Council Housing"* we wish to enable the effective management of council housing assets. In particular we want local authorities to have greater control over when to dispose of such assets.

9.2.1 Reducing the need to seek Secretary of State's consent

We will therefore be consulting this summer on proposed changes to the General Consents issued under section 32 of the Housing Act 1985. Our main proposal is to remove the requirement to seek the specific consent of the Secretary of State to any disposal at market value except where a) such a disposal would result in a secure tenant becoming the tenant of a private landlord or b) a disposal would be to a subsidiary of the local authority. We also propose to give greater freedom for local authorities to dispose at less than market value where they consider it appropriate to achieve wider objectives.

9.2.2 Clarifying the position regarding the pooling of receipts

We will, at the same time, consult on up-dating the regulations governing the pooling of receipts arising from such disposals. Our aim is to make the regulations clearer and to ensure that our proposed greater freedom to dispose does not inadvertently disadvantage any authority. Receipts from non-Right to Buy (or similar) sales will continue to be retained by local authorities provided they are spent on affordable housing, for regeneration purposes, or for paying off Housing Revenue Account debt. However, we will seek views on amending the regulations to make clear our policy objective that the requirement to surrender 75 per cent to central government shall apply only to receipts arising from Right to Buy sales or sales that are Right to Buy in all but name (i.e. sales to existing council tenants). Sales at market value to other purchasers could be retained provided it is spent on affordable housing, regeneration projects or paying off housing debt.

9.2.3 Timing of implementation

We propose that the changes to the General Consents and the revised regulations come into effect to coincide with the beginning of self-financing.

Annex A

Summary of self-financing for tenants

Changes to how council housing finance is managed

The Government is proposing changes to the way it and your council share the cost of council housing. This document sets out what those changes will be. None of these changes affect your tenancy or the rent you pay.

Introduction

The Housing Revenue Account Subsidy System is the current system for managing the financing of council housing. Under this system, major financial decisions about council housing management are made by central Government and there is comparatively little control in the hands of councils. This makes it difficult for councils to plan for the long term to ensure that decisions about what and how services are delivered are linked directly to local needs.

The Government has committed to replacing the current system with a new arrangement that will enable councils to keep all the money they receive from rent and use it to maintain their homes. This means that council housing will be focused on what is needed locally and councils can make best use of their housing resources.

How is the current system working?

Under the current system – the Housing Revenue Account Subsidy, the Government calculates the spending needs of each local authority and compares it with their rental income. If a council's rental income falls short of its spending needs, the Government provides subsidy to make up the shortfall. If a council's rental income exceeds its spending needs, the excess is fed back into the subsidy system to help provide for those councils requiring subsidy. If any money is left over, it is returned to Government – this is increasingly the case as costs have been assumed to be fixed and rental income assumed to increase above inflation each year.

Why the Government wants to change this system

- The current system is complex and does not deliver sufficient funding for councils to manage and maintain their homes to a good standard
- It does not support tenant involvement in decisions about their homes and locality
- Councils can not undertake proper business planning due to the annual nature of the system
- The system assumes unrealistically low expenditure needs and so generates a large surplus for central government and accommodation that is not always adequately maintained.

Local authorities say, and the Government agrees, that every council is different and no two councils have the same needs. Services need to be right for each council. Government wants a solution that will work for all and is fair to both tenant and taxpayer. Government is therefore shifting power from the centre to councils through the new self-financing system.

The objectives of the self-financing system

The objectives of self-financing are to:

- make the system more flexible and fair, giving councils the power to make the best use of their housing stock, in a way which best meets the needs of individual households in their local area
- enable tenants and local taxpayers to hold their landlord to account for the cost and quality of their housing.

How will the new housing finance system be introduced?

The Government is changing the law to deliver this change from April 2012. The new Localism Bill contains provisions that will bring in the new self-financing system and abolish the current annual system.

How will the Self-financing system affect councils?

- Self-financing will affect the housing revenue account of the 171 councils, who have council housing stock, but will not impact on their general finances, or on other councils
- Implementing self-financing involves a reallocation of housing debt based on whether the valuation of each council's housing business is higher than their existing debt. Where the value is higher than the level of debt, the council will pay the difference to central government. Where it is lower, central government will pay the difference to the council
- Councils will only be asked to take on extra debt if their council housing will generate sufficient income to meet it after costs are met. The debt will not impact on what is delivered to you as tenants
- In order to ensure that the country does not get into any more debt than we can afford at least initially, councils will be given a limit to how much more money they can borrow (a borrowing cap)
- Her Majesty's Treasury have announced that the payment to government of 75 per cent of the net receipt from Right-to-buy sales will continue. This was a necessary decision taken during a difficult Spending Review. Local authorities will still keep 25 per cent of the receipt and 100 per cent of the receipt from other sales provided it is spent on new social housing, regeneration projects or paying off debt. The Department for Communities and Local Government has reduced the level of debt that local authorities will take on under self-financing by £862 million as compensation for the likely loss of rental income from Right-to-buy sales (based on historic sales patterns).

How will the Self-financing system affect you personally?

- You will benefit because self-financing provides the opportunity for business planning to be guided by local priorities, rather than central government rules
- You will benefit because councils will have more money to spend on council houses
- You will also be able to trace a clear connection between the rents charged locally and the service provided. Councils will publish annual, transparent information on charges and costs.

What won't change?

- Your rights as tenants – such as right to repair, and right to buy/acquire will not change
- Your landlord will not change – self-financing does not change your housing provider in anyway
- Your rent – the level of rent you pay will continue to be a decision for your council.

For more information – Ask your council housing officer or see the Department's website: www.communities.gov.uk/publications/housing/socialhousing/ for further details.

Annex B

Guidance on Reflecting Demolitions in the Valuation

Self-financing will enable all councils to develop a long term asset management strategy. That strategy should include plans to demolish or replace stock based on local decisions about viability and future needs. Over the longer term, it is right that these asset management decisions should take account of the full potential of the existing stock to generate income. However, we are aware that the Housing revenue Account subsidy system currently meets some of the costs of demolition schemes, and that councils with firm plans for demolitions may have assumed that subsidy in their plans. We do not want self-financing to destabilise these plans. This note sets out how we intend to avoid this situation. The department reserves the right to the final decision on stock numbers included for authorities.

Current position

Self-financing means councils will take greater control of their stock and the income and debt associated with it. Therefore, over the longer term, council plans which include demolitions will need to take account of any operating surpluses those homes are contributing to the Housing Revenue Account and the amount of debt that this operating surplus is supporting. This will in effect make explicit some costs of these schemes that are currently met through a hidden subsidy paid through the Housing Revenue Account subsidy system. We think it is right that the value for money case for a scheme should in future reflect these costs.

However, we recognise that over the near term councils may have made firm plans to demolish properties based on assumptions about income and debt servicing as under the current Housing Revenue Account subsidy system. We do not want changes to the council finance system to destabilise these plans. Therefore, we are prepared to adjust the settlement where there are firm plans to demolish properties in the early years of self-financing.

This document sets out the process for reflecting demolitions in the valuation including: handling disposals and demolitions before commencement of Self-financing; the relevant time period after commencement; the definition of demolitions; evidence requirements and the data collection and auditing process.

Demolitions

Discussion with councils has indicated the relatively long time horizons over which demolition plans are conducted. Conversely, evidence points to the increasing uncertainty of plans as we move into the future. Giving due consideration to these points the Department has decided to reflect demolitions in the valuation where the property becomes void (and there is a formal decision to demolish it) within **five years of the commencement of self-financing.**

- Unoccupied properties which the authority had **resolved, before 1 April 2011,** should be demolished, should be excluded from the dwelling count on the Base Data Return as has always been the case under the subsidy system. Auditors may choose to test that this number has been recorded correctly.
- **Unoccupied properties** where a **resolution to demolish was made after 1 April 2011 but before the return of the certified Base Data Return** are subject to the evidence and audit requirements as set out below. These planned demolitions should be recorded at cell SF000SR on the 2012 Base Data Return.
- **Occupied properties** where a **resolution to demolish has been made by the time the Base Data Return is certified and submitted (10 October at the latest)** are subject to the evidence and audit requirements as set out below. Planned demolitions of properties occupied at 1 April 2011 taking place in 2011-12 should be recorded at cell SF000SR on the 2012 Base Data Return. Planned demolitions of dwellings occupied at 1 April 2011 and taking place in 2012-13, 2013-14, 2014-15, 2015-16 or 2016-17 should be recorded in the cell corresponding to the relevant year (SF001DE to SF005DE). Properties should be recorded at the point at which they will become void – i.e. the point at which no further rental income would be received from the dwelling. So if a dwelling is to be decanted in 2013-14 and demolished in 2014-15 it should be recorded against 2013-14 (cell SF002DE). The relevant section from the Base Data Return is shown in table 1.

Deadline for Evidence Requirements

Previous demolition guidance (issued 18 May 2011) indicated that evidence would be required by 31 August 2011. The department is prepared to relax this requirement, where such information will become available up to 10 October provided that this can be agreed between authorities and their auditors. Where this additional flexibility will be helpful authorities should agree with their auditors when they will provide the evidence and ensure this allows sufficient time for the Base Data Return to be certified. There cannot be flexibility around the 10 October 2011 deadline for certified base data returns as this is vital to ensuring self financing can be delivered on time.

Evidence Requirements and Data Collection

Tenant specific consultation and a formal council decision to demolish the property will form the basis of the evidence requirements.

The original guidance stated that tenant specific consultation must have been undertaken and the results published as of the 31st August 2011 (the deadline for submitting the B1 form). As the Department is now relaxing the deadline for evidence requirements you may, subject to agreement with your auditor, include proposals for which evidence of the intention to demolish will become available anytime up to 10 October 2011. Please be aware that this is the final deadline for having the certified data available for Self-financing. You will need to build in contingency to your consultation and resolution plans as no extension can be offered. Following the consultation the council must still have firm plans to void the property in advance of demolition by 31 March 2017.

Tenant specific consultation should take the form of a completed consultation which covered all the tenants whose properties the council plans to demolish and is seeking agreement to include in the valuation. The documentation must specify the properties that are due to be demolished, for example by listing addresses, building names or providing maps. Consultation can take many forms. It should outline the demolition plans at a level of detail so as to indicate a clear intention.

Evidence Requirements for Void Properties

Clearly, there cannot be a consultation for an unoccupied property. Where an unoccupied dwelling is part of a block where a consultation has taken place resulting in a resolution to demolish, this will be sufficient. Where the demolition of an unoccupied dwelling could be achieved without decanting any other dwellings then no consultation is required but a resolution to demolish must be in place.

Disposals

The valuation will be adjusted to take into account disposals taking place after 1 April 2011 and before 31 March 2012 only.

We will require details of the number of dwellings disposed of (other than qualifying disposals [SSVT's/LSVT's] or Right-to-Buy Sales) in 2011-12. Such disposals (e.g. market sales) should also be recorded at cell SF000SR on the Base Data Return. The department will require evidence that consent to the disposal has, or will be, granted.

The department will make adjustments to the self financing settlement for **qualifying disposals** (SSVT's or LSVT's) taking place in 2011-12. The department will require information on the number of properties transferring and any capital receipt arising from the transfer but this will not be collected through the Base data return. You should instead

record a “Yes” response to question SF001SR on the Base Data Return and ensure you engage with the department at an early stage.

Properties which will be sold under the **Right-to-Buy should be ignored**; the department will make standard assumptions concerning Right-to-Buy sales.

Appropriations

The department will make adjustments to the self financing settlement for appropriations into or out of the HRA. The department will require information on the number of properties transferring and any capital receipt arising from the transfer but this will not be collected through the Base data return. You should instead record a “Yes” response to question SF002SR on the Base Data Return and ensure you engage with the department at an early stage.

Next steps

Data will be collected and certified through the usual advance base data return process. The base data form for the self-financing settlement 2012-13 (the 2012B1) will be available for completion and certification on LOGASnet **from 30 June, 2011**. As outlined elsewhere in this guidance:

- Void properties where a resolution to demolish exists at 1 April, 2011 should be removed from the stock count
- Demolitions and non-qualifying disposals (other than RTB’s) taking place in 2011-12 should be recorded at cell SF000SR
- Authorities undertaking qualifying disposals in 2011-12 should record “Yes” in cell SF001SR
- Authorities undertaking appropriations in 2011-12 should record “Yes” in cell SF002SR
- Demolitions taking place after self financing where evidence is available (where appropriate) and a resolution is in place should be recorded in cells SF001DE to SF005DE

Table 1: Annotated Illustration of Additional Section of the B1 Form (the 2012B1)

Planned stock reductions for 2011-12

SF000SR
 Properties becoming void in advance of demolition or disposals of properties (other than qualifying disposals [SSVT's, LSVT's] or Right to Buy sales) included in the local authority's dwelling count at cell F001DP on this form that have taken place, or are planned to take place, after 1 April 2011 and before 31 March 2012.

SF001SR
 Have you or do you intend to undertake any qualifying disposals (SSVT and LSVT) between the 1 April 2011 and 31 March 2012 inclusive?

SF002SR
 Have you or do you intend to undertake any appropriations between the 1 April 2011 and 31 March 2012 inclusive?

Planned demolitions from 2012-13

Evidence of planned demolitions

Cells SF001DE to SF005DE should record any firm plans for demolitions after 1 April 2012 in line with DCLG guidance.

SF001DE
 1 April 2012 and 31 March 2013

SF002DE
 1 April 2013 and 31 March 2014

SF003DE
 1 April 2014 and 31 March 2015

SF004DE
 1 April 2015 and 31 March 2016

SF005DE
 1 April 2016 and 31 March 2017

The deadline for completing and certifying the form is 31 August, 2011. The department is content to allow evidence pertaining to planned demolitions to be submitted for certification purposes after this date provided that authorities can agree this with their auditors.

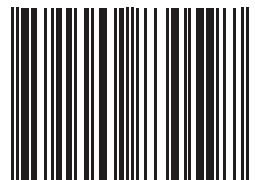
The deadline for returning the 2012B2 form certified by your auditor, to the Department for Communities and Local Government is 10 October, 2011. Any queries should be sent to the usual council housing finance email address:

CouncilHousingFinance@communities.gsi.gov.uk

Clarification of Other Issues Arising from Communication with Councils

During the Department's exercise to gather information regarding this policy, a number of key issues arose:

- *Demolitions versus transfer:* Some councils have supplied us with the details of properties that will be transferred to Housing Associations. In many cases the housing association will then demolish and redevelop. Disposals and transfers up to commencement of Self-financing will be dealt with in the usual manner and require normal approval from the Department. These will then be reflected in the valuation. *Stock that will be transferred or disposed of after commencement of self-financing will not be covered by these provisions, even where the intention is for the properties to be demolished after the disposal.* Councils with stock that cannot be let should consider whether it qualifies to be excluded from the base data for the calculation of HRA subsidy. If it does, this would take it out of the self-financing valuation.
- *Year a demolition is assumed to take place:* In line with current subsidy guidance the demolition should be counted in the year in which the property becomes void in advance of the demolition.



Appendix Two

Tamworth Borough Council: update of HRA Self Financing Business Plan model

The baseline model has been updated to start at 2011/12, set to provide for the assumptions set out below and reconciled to the 2011/12 HRA budget and capital programme. The latest version represents the current understanding of the baseline for the HRA subject to review work which may be needed around a number of key areas in preparation for self financing:

- Developing approaches to splitting management costs to allow the modelling of different types of expenditure in different ways
- Developing a more detailed rent forecast which has regard to individual property convergence and the split of rents and additional charges
- Understanding how capital works on the stock have affected the long term stock survey needs and phasing
- The calculation of a suitable charge for depreciation (long term major repairs) for the stock and confirmation of the charge for non dwellings
- The splitting of debt into a separate HRA pool and the circumstances of the forthcoming self financing transaction.

A review meeting will take place on 16th June to work further on the baseline and develop action planning for bringing the business plan and model forward for decision in the autumn. This note summarises progress.

Macro assumptions

The main assumptions utilised in the model are scheduled below.

- 4,525 total properties with 5 annual Right to Buys – all retained RTB receipts (ie 25% of the overall total) available for HRA capital finance.
- Self financing settlement £78.438m from April 2012 with a debt cap at the same amount – this is likely to increase with the final settlement for April 2012 as RPI inflation is greater than assumed in the national model that was published on 1st February.
- Actual opening debt below subsidy settlement by c£11.8m giving significant additional borrowing headroom in the plan from the outset.
- Total capital needs are £165m over 30 years (£36k/unit at today's prices) based on the Stock Condition Survey of August 2009 adjusted for the capital programme for 2011/12; procurement fees of 8% have been added from 2012/13 to the end of the plan – this also provides an element of cost uplift since the date of the survey. There is a need to understand the impact of work done on the stock since the date of the survey and how this has affected future needs and phasing.
- The 4 years capital programme need from 2012-2016 therefore is built from the survey, with elemental renewals phased evenly, and totals £35.3m. This would represent a significant draw on borrowing headroom and revenue contributions if programmed at this level.

- Beyond 2016, capital spend per the stock survey reduces – there may therefore be options to further smooth investment needs over a period longer than 4 years from 2012.
- In year one, depreciation is included at £2.83m; in subsequent years, depreciation is included at the uplifted MRA from the settlement - £4.2m. A review is required to support the future calculation of depreciation.
- Revenue non-rent income and management and maintenance have been rolled forward with inflation: total net M&M spend is £7.3m in 2011/12 compared to £7.8m provided for in the settlement; the plan therefore continues to benefit financially from relatively low M&M spend compared to the funding provided for.
- Long term interest rates are 6% and general inflation 2.5% - the current interest rate is relatively high at 5.75% due to the treasury management position of the council – it has been assumed that the new debt will come on stream at or around that level and provided for a gradual increase in rates over the first 5 years.
- Rent increases are based on an assumed even trajectory to rent convergence in 2016 – ie that the c£3 catch up to formula rents will be gradually achieved over the period to 2016; there is a need to understand further the underlying property and service charge position.

Summarising outputs

The 4 year capital need (2012-2016) based on the stock survey as adjusted is summarised as follows with the potential sources of finance. Decisions around the deployment of resources will affect the size and nature of the programme – there is however the potential to increase the programme beyond current levels

Description	Programme included * £m
Programme	35.2
Depreciation (set aside for major repairs) *	18.8
Receipts	0.3
Available revenue contributions	7.6
Use of borrowing headroom	8.5
Total resources	35.2

* the increase in depreciation effectively replaces current RCCOs

There are therefore a range of substantial sources of finance to enhance investment in the stock – alternatively these might be committed to other priorities eg services or in providing new homes. Alternatively, if future resources are committed immediately to reducing borrowing, the opening debt can be covered down to zero within 23 years.

There is however no requirement to bring debt down – in fact the case for maintaining debt at a managed level whilst additional surpluses and current accumulated reserves are committed to expanded programmes is strong. A key aspect of the preparation for

self financing should focus on gaining a sense of priorities from stakeholders and members in where to deploy additional resources.

The overall outputs represent essentially a similar prognosis as the work which was undertaken last year in response to the prospectus produced by the previous government. There do however remain some uncertainties around the outcome of some of the major assumptions made. The impact of recent work on investment needs is important on an ongoing basis as well as being clear about the possible detailed scenarios arising from future debt and treasury management. The charts overleaf summarise the updated baseline position.

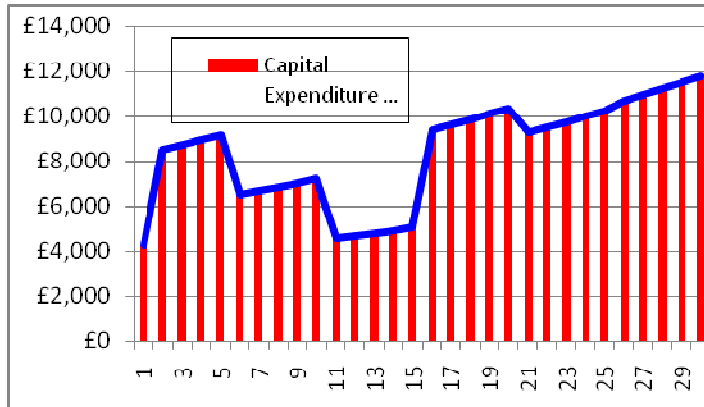
In preparing for self financing, the council might also consider the format of the documentation required to support decision making, especially as time will be limited in the autumn when the draft final settlement is published. Some of the key financial inputs can be worked up (debt charges and preparing for the transaction, depreciation) as soon as possible. Although the settlement numbers will change, and it is difficult to be too precise about what those changes might be, many are considering it appropriate to develop some form of 'plan' to gain member and tenant support for decision making across the summer.

Key Actions

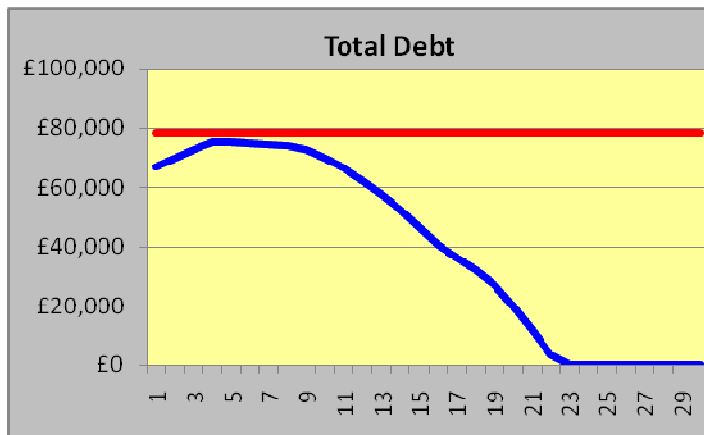
Key actions for Tamworth Borough Council to work through include:

- To develop and implement a strategy for engaging tenants, members and other key stakeholders in the development of the business plan particularly around the priorities for using the headroom and potentially increased resources.
- To map out the governance arrangements that will be used to oversee the housing business.
- To think through the options for borrowing the additional money (£44m) and formulating a treasury strategy to optimise further investment and repayment decisions.
- To review asset management plans including stock condition information to inform capital spend profile within the plan. The plan will provide considerable opportunities for investment in housing and wider regeneration and these should be explored along with options for new build, investment in services and how the resources within the plan might make a wider contribution to the objectives of the council.
- To review the policy on charging depreciation in light of any professional guidance.

Capital programme vs resources



Plan based on stock condition survey as adjusted; fully financed all years.



Debt can be repaid comfortably within 30 years if required following drawdown assumed to meet spending needs in the early years – the critical period is years 6-15 when spending needs are lower than resources generated and debt can be brought down – alternatively reserves built for the future.

The plan is therefore quite tight in the early years if the spending needs from the stock survey are factored in. Headroom grows over time - the real terms present value of unused surpluses is c£30m over the 30 years.

Steve Partridge
CIH June 2011

RISK ASSESSMENT FORM

Organisation / department / function / project: _ COUNCIL FINANCE HOUSING REFORM _

Business Objective: CHFR IMPLEMENTATION _____

Completed by: ___Rob Barnes _

Date completed: __5th September 2011

No	Risk & Impact (Threat/Opportunity to achievement of business objective)	Assessment of Gross Risk			Risk Treatment Measures Implemented	Assessment of Current Risk [With control measures implemented]			Action Plans for Additional Treatment Measures	Timescale
		Impact (Severity) [I]	Likelihood (Probability) [L]	Risk Score [IxL]		Impact (Severity) [I]	Likelihood (Probability) [L]	Residual Risk Score [IxL]		
1	Insufficient internal resources to implement CHFR	4	4	16	Ensure project is recognised as highest priority and strategically critical. Use of external support where necessary Clear tasking of relevant officers	4	1	4		
2	Changing position in relation to Government guidance/policy	3	2	6	Support of external consultants to ensure that new guidance/policy is available early and that analysis is available	2	2	4		
3	Late issue of determinations/guidance	4	3	12	Regular updating of plan. Ensure that need for flexibility in governance arrangements is in place. External support to assist in sensitivity planning	2	3	6		
4	Difficulty in engaging tenants on relevant issues	4	1	4	Engagement through TCG and co-regulation framework	1	1	1		

5	Expectations are not managed	3	2	6	Regular briefings to BRG, all members seminar, report to Cabinet, briefings to tenants	2	2	4	
6	Final determination differs greatly from planned figure	3	2	6	Sensitivity analysis by external consultants. Manage expectation-clear in all reports that figures can change. Understand within plan what will be lost if less finance available	2	1	2	
7	Maintaining clarity re ring fencing	3	3	9	Regular briefings to BRG. Develop HRA management board.	3	2	6	
8	Borrowing not available	4	1	4	Early indication to PWLB of borrowing intentions. External support from consultants	1	1	1	

COUNCIL HOUSING FINANCE REFORM IMPLEMENTATION PLAN

Appendix 4

Milestone/Action	Owner	Start	Finish
Submit contact information to CLG	RB	25 th August 2011	25 th August 2011
Submit un-audited base data	LC	1 st August 2011	31 st August 2011
Briefing key Cabinet members	RB	30 th September 2011	30 th September 2011
Attend CLG events	SG	3rd September 2011	23rd September 2011 30 th September 2011
Identify the cost of any early redemption of loans currently attributable to the HRA	SG	3rd September 2011	30 th September 2011
Report to Cabinet re: Update and Strategic Decisions	RB	25 th August 2011	21 st September 2011
Completion of CLG questionnaire regarding intention of where and when borrowing will take place	SG	1 st September	31 st September
Submit audited base data	LC	31 st August 2011	10 th October 2011
Review and Update Stock Condition Information including 'major' items- eg paved assets	AB	25 th August 2011	23 rd September 2011
Assess impact of RPI figure outturn (September 2011)	SG	1 st October 2011	31 st October 2011
Tenant consultation regarding overall priorities and service investment	TM	12 th September	28 th October 2011

Tenant consultation regarding investment plan (Tamworth Standard)	PW	2011 12 th September 2011	28 th October 2011
Update Financial Forecast	RB	1 st November 2011	30 th November 2011
SP seminar for all members	RB	1 st November 2011	30 th November 2011
Formal consultation on determination by CLG and assess impact of draft determination	LP	1 st November 2011	30 th November 2011
Draft Business Plan	RB	1 st September 2011	30 th November 2011
Establish HRA management board	RB	1 st September 2011	30 th November 2011
Assess impact of Final Self Financing determinations published	LP	1 st January 2012	30 th January 2012
Report to Cabinet- agree Business Plan/Treasury Management/Financial Forecast	RB	1 st December 2012	11 th January 2012
Report to full Council	SG	1 st January 2012	28 th January 2012
Update CLG on plans to finance CHFR		1 st February 2012	28 th February 2011
Special determinations issued for subsidy payment adjustments			28 th February 2012
Subsidy adjustments for 4 days interest are made		1 st March 2012	'Mid' March 2012
Payment made to CLG		1 st March 2012	28 th March 2012
Self financing goes live		1 st April 2012	1 st April 2012

Appendix Five

Bonds are public debt securities, i.e. loans evidenced by certificates that can be traded on financial markets. Governments are the largest issuers of bonds, with the UK's issuance, known as gilt-edged securities or gilts, having recently topped £1 trillion. Bonds are also issued by supranational entities, companies and local authorities. Pension funds are the largest holders of bonds, although many other public and private bodies, as well as individuals, hold bonds for investment purposes.

Potential Advantages /Benefits				Disadvantages / Risks																								
<p>Interest Rate: Bond yields are often quoted as a spread above the nearest gilt, i.e. the lowest risk bonds. An individual local authority bond would typically trade around 0.75% above the gilt yield. A larger regional issue could trade around 0.60% above the gilt yield. This compares favourably with the margin currently charged by the PWLB (1.00% above the gilt yield) A comparison of PWLB vs Bond issues is displayed below:</p> <table border="1"> <thead> <tr> <th>Borrowing requirement (£m)</th> <th>PWLB 25 year loan interest pa (£000's)</th> <th>Individual LA Bond interest pa (£000's)</th> <th>Regional Issue interest pa (£000's)</th> </tr> </thead> <tbody> <tr> <td>300</td> <td>16,260</td> <td>15,510</td> <td>15,060</td> </tr> <tr> <td>250</td> <td>13,550</td> <td>12,925</td> <td>12,550</td> </tr> <tr> <td>200</td> <td>10,840</td> <td>10,340</td> <td>10,040</td> </tr> <tr> <td>150</td> <td>8,130</td> <td>7,755</td> <td>7,530</td> </tr> <tr> <td>45</td> <td>2,440</td> <td>2,327</td> <td>2,259</td> </tr> </tbody> </table> <p>Savings of approaching £100k pa could be made.</p>				Borrowing requirement (£m)	PWLB 25 year loan interest pa (£000's)	Individual LA Bond interest pa (£000's)	Regional Issue interest pa (£000's)	300	16,260	15,510	15,060	250	13,550	12,925	12,550	200	10,840	10,340	10,040	150	8,130	7,755	7,530	45	2,440	2,327	2,259	<p>Costs: Bonds are almost always issued in conjunction with an investment bank, which can also underwrite the issue. The bank's fees will be substantial, especially for an underwritten issue. Other costs include: legal fees, printing costs, a listing fee and a depository fee (all can be amortised over the life of the bond) Total fees typically range between 10 and 20 basis points.</p> <p><i>As a lower cost alternative to a publicly listed bond issue, it is possible to arrange a private placement of a bond with a single or small group of investors, such as pension funds. The success and interest rate of placements are entirely dependent upon investor appetite and the distribution ability of the investment bank. In addition, stipulations can be written into such bonds to allow partial buy-back if one or more local authority wished to re-finance its borrowing requirement at a later date. Such stipulations would impact upon the rate quoted.</i></p>
Borrowing requirement (£m)	PWLB 25 year loan interest pa (£000's)	Individual LA Bond interest pa (£000's)	Regional Issue interest pa (£000's)																									
300	16,260	15,510	15,060																									
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150	8,130	7,755	7,530																									
45	2,440	2,327	2,259																									
<p>Early Redemption: Issuers can buy their own (public issue) bonds on the market at the current price, a considerable advantage in comparison to PWLB loans which are repaid at a spread below the gilt yield, i.e. at higher cost. <i>(However, the bond documentation and stock exchange rules often place restrictions on the amount, price and conduct of bond buy-backs.)</i></p>				<p>Credit ratings: investors will accept a lower rate of return from rated bonds, so it is usually cost effective for the issuer to obtain and maintain a rating. Credit ratings for a relatively simple organisation like a local authority may cost between £10,000 and £50,000 per year to obtain and maintain, depending on the agency. (A private placement may not require credit rating.)</p>																								

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21 September 2011

REPORT OF THE PORTFOLIO HOLDER FOR QUALITY OF LIFE**Empty Homes and Financial Assistance Policy****EXEMPT INFORMATION**

None

RECOMMENDATIONS

That Cabinet approves the revised Financial Assistance Policy attached at Appendix 1

That Cabinet approves the Empty Homes Policy attached at Appendix 2

That Cabinet endorse the progress made on returning Empty Homes into use

PURPOSE

The purpose of this report is to approve a revised version of the Financial Assistance Policy due to the inclusion of financial assistance geared towards preventing homelessness, the ending of the Kick Start Partnership and the introduction of the Home Improvement Trust and changes in the way Empty Homes Grants are delivered. Additionally, to approve the Empty Homes Policy and advise members to date of the progress made on returning Empty Homes back into use in the private sector.

RESOURCE IMPLICATIONS

Delivery of these policies will be met from within previously approved budgets.

There are therefore no direct resource implications arising as a result of this report.

LEGAL/RISK IMPLICATIONS BACKGROUND

The Regulatory Reform Order (England and Wales) (Housing Assistance) 2002 requires all Councils to produce a Financial Assistance Policy which sets out how they intend to provide financial assistance under this order. Without a policy the Council would be unable to administer a Financial Assistance Scheme. Where financial assistance is provided without a policy the Council could be open to legal challenge. The Council has already adopted a policy and this report recognises the changes in the way Financial Assistance is delivered by the Council.

Risks to reputation may arise in taking enforcement action on an empty property or, in not doing anything thus allowing a dwelling and the surrounding area to deteriorate. Risk may be minimised by showing that the council has a consistent approach to empty homes as set out in the new policy and that the Council has exhausted all other options prior to any enforcement action being taken and that this approach is consistently applied.

SUSTAINABILITY IMPLICATIONS

By delivering financial assistance and returning empty homes back into use this contributes to the preventing homeless and providing much needed affordable housing in Tamworth.

CONCLUSIONS

Bringing Empty Homes back into use is an important area of activity for the Council with the potential to increase the supply of housing within the Borough.

This report outlines changes to the Council's Financial Assistance Policy which will increase

effectiveness in bringing Empty Homes back into use and maximising the delivery of rented housing within the borough.

The Empty Homes policy sets out the Councils approach to bringing vacant residential dwellings back into use. The application of this policy supports an enabling approach with the Council working closely with owners to facilitate best use of vacant dwellings. Application of the Policy will provide a consistent approach with enforcement action on empty homes remaining as a measure of last resort.

Finally it highlights the progress and successes relating to ongoing activity to bring empty homes back into use.

BACKGROUND INFORMATION

In 2010 Cabinet approved a new Financial Assistance Policy. This Policy has been reviewed to take account of the end of the Kick Start partnership and its imminent replacement with the Home Improvement Trust, the inclusion of Homelessness Prevention Financial Assistance into the policy and changes in the way Empty Homes Grants are delivered.

Historically the Council received funding through CLG to enable the provision of Home Repairs Assistance Grants to private home owners whose homes failed to meet the basic standards of decency or fitness. These grants were open to all home owners meeting a specific set of means tested criteria.

In 2009 funding for these grants were withdrawn from Local Authorities and paid directly into the Kick-start Loan scheme. Funding is no longer available for Kick-start and as a result the Kick-start partnership is ceasing to exist with no new applications from 1st April 2011.

In response to the loss of Kick-start a capital budget of £120,000 per annum has been agreed at Cabinet for the next four years. An alternative scheme to Kick-start is available and is administered by the Home Improvement Trust. The Home Improvement Trust offers equity loans to homeowners over the age of 60. The packages are available to homeowners and are tailored to meet specific needs. Loans will be delivered in a manner which seeks to ensure that the security of tenure is not jeopardised. The trust operates a no repossession policy. The Financial Assistance Policy has therefore been amended to reflect this change in delivery of funding for Private Sector home owners.

Work undertaken by the Housing Strategy team indicates that there are approximately 250 empty homes in Tamworth. Many of these are transactional which means they are on the market to be sold or are going through legal processes. These properties are likely to return to residential use without intervention. However, there are a number of properties which have been empty for a significant period of time and for which the owners have no plans. Often this is due to a lack of available capital to undertake essential improvements to the property to make it habitable. The Council's Financial Assistance Policy attached at Appendix 1 will enable the provision of grants of up to £10k to ensure that such properties can be brought back into use. The grants are given on the basis that the property becomes a private rented home, at Local Housing Allowance rent levels, and the Council is granted three years nomination rights. In addition to the benefits to neighbourhoods in reducing the number of empty homes this will enable the Council to provide much needed affordable housing and reduce homelessness. In addition the Council will require the owners to become an accredited landlord or employ a reputable letting agent to manage the property on their behalf.

Also attached at Appendix 2 to this report is the Council's Empty Homes Policy. This policy outlines the various practical services the Council can provide to support the owners of empty homes to bring them back into use.

Over the past six months the Council has successfully brought 10 empty homes back into use through a variety of means. The Council has a target to bring 10 properties back into use for 2011/2012. This target is therefore expected to be exceeded by the end of the year.

REPORT AUTHOR

Steve Pointon

LIST OF BACKGROUND PAPERS

None

APPENDICES

Financial Assistance Policy Appendix 1

Empty Homes Policy Appendix 2

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Strategic Housing Service

Financial Assistance Policy

V2 – August 2011

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DRAFT

Section 1- Introduction

The Council has powers under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 to provide assistance to homeowners to help improve and maintain their homes and must have a policy which sets out what the Council offers.

This document is that policy and summarises:

- the assistance that the Council has decided to make available under the Order
- a description of the assistance
- who can get the assistance
- What works are eligible
- where financial assistance is offered – how much can be offered and if required how the money is paid back

The Council will respond to all enquiries it receives for assistance and try wherever possible to respond positively to owners needs.

This policy should be read alongside Tamworth Borough Councils related Strategies, in particular the Homelessness Strategy 2009 -2012 and it has a significant role to play in addressing the following priorities of the Council's new Housing and Health Strategy:

- To increase options to access a healthy home
- Improve housing conditions and standards to contribute to healthy outcomes for people
- To create and sustain thriving social environments and safer and healthier communities where people want to live
- Supporting people to maintain sustainable accommodation to contribute towards healthier lifestyles

Section 2 – The Policy

The Government has stated that all local authorities must provide some form of assistance and Tamworth Borough Council recognises this objective. However, the fundamental principle remains that responsibility comes with ownership of property and the obligation for the upkeep or maintenance of private residential property ultimately rests with the owners. Tamworth Borough Council agrees with this fundamental principle but it is accepted by the Council that some owners may not always be able to fund the necessary improvement works required and it is recognised that often the most vulnerable members of society are those least able to fulfil these obligations. This policy document outlines the range of financial assistance products available to owner occupiers and private rented tenants to assist with this.

Provision of financial assistance to homeowners is discretionary and is therefore subject to funds being available. For this reason provision of assistance may be limited or discontinued at any time. The one exception to this is the Mandatory Disabled Facilities Grants where funds must be made available to provide this assistance within a time limited period.

2.1. Policy Aims and Objectives

The aims of this policy are:

- To enable Tamworth Borough Council to tackle private housing where the home does not meet the legal minimum standard and residents improve their health and wellbeing
- To provide financial assistance for people with disabilities to enable them to adapt their homes to meet their needs
- To work with owners of empty properties to allow them to bring their properties back into use as affordable housing

Council policy is aimed at using the available funding innovatively and smarter to achieve Value for Money and target resources to those in greatest need.

The key objectives of this policy are to:

- Ensure assistance is directed to those in greatest need and at greatest risk
- Target assistance to ensure homes are free from Category 1 hazards and utilise the HHSRS to prioritise action, make homes safer and reduce the risk of accidents occurring
- Improve energy efficiency in dwellings and decrease incidences of fuel poverty
- Enable people to live independently for as long as possible in their homes
- Encourage higher accommodation standards in the private rented sector (PRS)
- Increase availability of accommodation to house those in housing need
- Deliver an advice, assistance and signposting package to residents and tenants in the private sector

Section 3 - What assistance is available?

Tamworth Borough Council provides homeowners with assistance to maintain their homes in a safe condition, in a reasonable state of repair that is suited to their needs.

Underpinning this policy is that primary responsibility to maintain private homes lies within the homeowners. However the Council will support fulfilling this responsibility by offering advice and assisting them to use their own

resources to fund repairs and improvements and making financial assistance available where this is not possible and the resources are available.

This hierarchy of assistance is set out in Figure One below and will be followed in **all cases**:

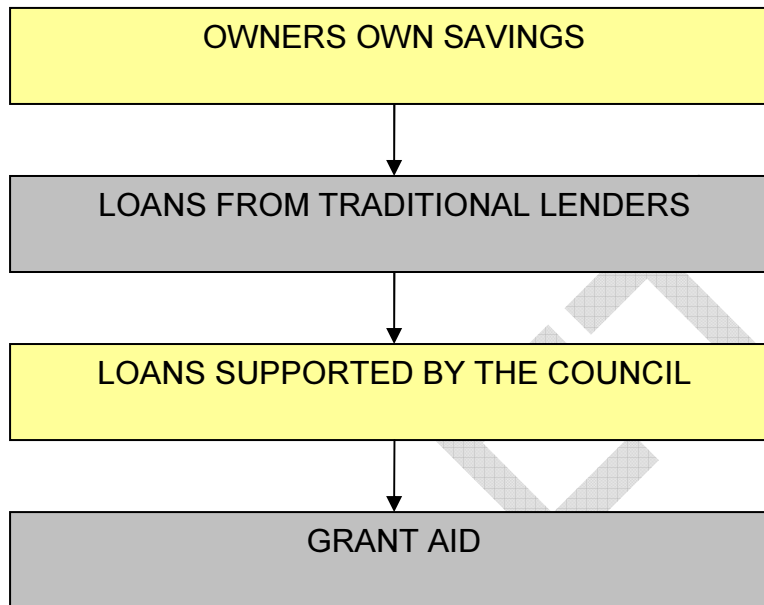


Fig 1

Grants will only be offered as a last resort; however all of the financial assistance contained within this document are intended to be flexible and can be used at the Councils discretion to meet the aims and objectives set out within this policy.

Section 4 - Policy Development

This policy has been produced in line with the priorities set out in the Housing and Health Strategy which was developed in consultation with public, private and voluntary sector organisations and a cross section of the public and gives consideration to wider priorities at national, regional and local level. It also contributes to the aims of Tamworth Borough Councils Homelessness Strategy, and addresses wider corporate priorities.

This policy will be subject to periodic reviews and amended where there are significant changes in delivery of any form of Financial Assistance by the Council or national and regional policy.

4.1 Delivering the Policy Objectives

This policy will be delivered through the provision of advice and education and where the criteria are met and the resources are available through financial assistance.

Advice and Education:

The Council in all instances will offer general help and advice, along with the provision of information on a range of topics, to assist people in the private sector to maintain and improve their properties. It is anticipated that the type and levels of advice will develop and evolve over time. Wherever possible, the Council will provide such information free of charge.

In addition, the Council will undertake specific targeted education campaigns in order to achieve certain objectives, e.g. improving domestic energy efficiency. The provision of advice and education may, or may not be linked to financial assistance.

Provision of Financial Assistance:

Where required and where the resources are available the council will offer financial assistance. The forms of assistance offered are:

- Mandatory Disabled Facilities Grant (DFG's)
- Home Improvement Trust Loan
- Home Repair Assistance Grant
- Empty Homes Assistance Grant
- Advice and Education

These are described in more detail in the next section

Section 5 - Summary of assistance available

This is a summary of the assistance that may be available. Any assistance given may have further Terms and Conditions attached to them and where there are the Council will ensure that these are issued to the applicant in writing prior to any assistance being given.

Additionally there may be a land charge placed against the property. Advice and guidance will be given relating to this but in all instances the Council will advise the applicant to take independent financial and legal advice.

5.1 Mandatory Disabled Facilities Grant

What is a Disabled Facility Grant?

Disabled Facilities Grants are mandatory grants administered by local housing authorities to help fund the provision of adaptations to enable disabled people to live as comfortably and independently as possible in their homes (including those living in park homes, caravans and houseboats).

Scope of assistance, eligibility, amount of assistance, fees, charges and conditions attached will be determined in accordance with the Housing Grants, Construction and Regeneration Act 1996 and relevant Guidance.

Eligible work is wide-ranging, providing for access to the home and basic facilities within it, for example: providing ramps, door widening, stair lifts and level access showers. The grant is subject to an assessment of need and a financial means test (although not where the grant is for a child). In England the current maximum limit for the grant is £30,000.

Who can get a Disabled Facility Grant?

All owner-occupiers and tenants are eligible for the grant provided that they are able to satisfy the criteria. Landlords' may apply for a grant on behalf of a disabled tenant but must satisfy the same requirements. Occupants of park homes and houseboats can also apply for DFGs. Tamworth Borough Council will continue to work in partnership with both the Occupational Therapists who assess the homeowner or tenant to determine if a DFG is required and Spiritia, the Home Improvement Agency (HIA), which helps vulnerable clients through the process.

What can be done with a Disabled Facility Grant?

Eligible works are:

- Facilitating access and provision
- Making a dwelling or building safe
- Making a room usable for sleeping
- The provision of bathroom facilities
- Facilitating the preparation and cooking of food
- Improving heating, lighting and power
- Works to enable the disabled person to care for dependents
- Improving common parts of the building
- Ensuring reasonable access to the garden

What about contributions?

As part of an application for a mandatory DFG, a test of resources must be carried out in order to assess the amount, if any, that the applicant must contribute to the cost of the works. The means test applies to the disabled person and any partner. The applicant is required to provide information about all sources of income and all savings, and to provide evidence to support the information given.

Applicants in receipt of the following benefits are not subject to the full means testing and will not be required to pay any initial contribution towards the grant, unless the grant exceeds the maximum £30,000 value:

- Income Based Job Seekers Allowance
- Income Support
- Guaranteed Pension Credit
- Housing Benefit or Local Housing Allowance
- Council Tax Benefit

- Working Tax Credit (with a disability element) and with an income below £15,050
- Children's Tax Credit and with an income below £15,050
- Attendance Allowance
- Those in receipt of the full care and mobility components of Disability Living Allowance

In addition, means testing will not apply if the disabled person is a child that meets the defined criteria.

Does any money have to be paid back?

Where the cost of the DFG exceeds £5,000, Tamworth Borough Council is able to place a local land charge against the property (limited to a maximum charge of £10,000); repayable if the property is sold within ten years. This applies only to owner occupiers. In each case the Council will take account of the individual circumstances of an applicant in deciding whether the charge should be made.

What if more work is required?

There is an expectation that the initial adaptation will meet the long term needs of the client, to prevent successive applications. However, it is accepted that further adaptations may be required for a disabled person who has a deteriorating condition. The Council will make every attempt to expedite procedures and work to achieve interim solutions, where delays are inevitable.

There is no restriction on DFGs for the same property, and depending on the time lapse between applications, there is provision for any means tested contribution made on the first grant not to be taken into account on a subsequent application.

What if there is a more suitable property elsewhere?

Where it is deemed to be more appropriate, financial assistance can be given to enable a move to a more suitable property, rather than undertaking work to adapt an existing property.

5.2 Home Improvement Trust

What is the Home Improvement Trust?

The Home Improvement Trust allows homeowners over the age of 60 to access to funding to assist with repairs, improvements or adaptations to the home. The Scheme is run by a not for profit company with the aim of enabling the homeowner to remain living safely and independently in their home. The scheme works by allowing for part of the value of the home to be turned into a loan to meet the costs of works that require undertaking. A full illustration of the options will be provided to the owner of the property and the homeowner is encouraged to discuss available options with family and an independent financial advisor.

Who can get a loan from the Home Improvement Trust?

Any homeowner aged 60 or over or if under the age of 60 registered disabled

What can be done with Home Improvement Trust Loan?

The homeowner can undertake any works with the loan

What can be borrowed and how is it paid back?

The Home Improvement Trust offers 3 main loan options for homeowners. These are:

Capital and Interest Loan

This is a loan usually for middle to higher income borrowers and the borrower pays both capital and interest on the loan. The length of time the over which the money can be borrowed will be agreed and the shorter the period the higher the monthly repayments will be but it will then be repaid sooner. The loan can be repaid in full at any time.

Lifetime interest only loan

This is usually for lower income borrowers where the borrower pays only the interest on the loan each month. The interest is paid until the property is sold and the money initially borrowed (the capital) does not reduce and is repaid when your house is no longer the main home and is sold.

When the property is sold the Bank or Building Society will take the amount of the original loan plus any outstanding interest to repay the loan.

At any time the loan can be repaid with no extra charges.

Lifetime no service loan

There are no repayments on this type of loan and the loan with the accrued interest only needs repaying when the home is no longer the main home and is sold. What is left over will depend on the value of the house and how it has altered over the life of the loan product.

However the product is flexible and repayments can be made earlier, with the interest coming off first, followed by the capital, or the option of paying off the loan in full with no penalty for early repayment other than in the first year which would equate to 2% of the original loan.

Any income and the value of the home are taken into consideration when deciding how much can be borrowed. The minimum loan is for £3,000 up to 55% of the current property value as long as the homeowner has the ability to pay the loan back.

With all Home Improvement Trust products there is a no repossession, no negative equity guarantee

5.3 Home Repair Assistance

What is a Home Repair Assistance Grant?

The purpose of the Grant is to provide financial assistance to Owner Occupiers or Private Tenants (Landlord permission must be obtained where the property is rented) that have a category 1 Hazard present in their property, to enable them to live more comfortably in their home without any risk to their health and safety. If the client matches the criteria listed below an HHSRS inspection is carried out. Only where there is a category 1 Hazard present will the grant claim continue. If the hazard in the home is not a category 1 then the Council will signpost the client to other agencies such as Age Concern, The Handyperson Service, Warm Front and Health through Warmth etc

Who can apply for a Home Repair Assistance Grant?

To apply for a HRA grant the applicant must match the following criteria:-

Must be aged 18yrs or older

Must be an Owner Occupier or Private Tenant

Must have lived in the property as their main residence for a minimum of 3yrs

Must prove that they have less than £6000 in savings and investments

Must be claiming one or more of the following nominated benefits:

- Income Support
- Income-based Job Seekers Allowance
- Housing Benefit
- Council Tax Benefit
- Disabled persons Tax Credit

- Working Tax Credit *
- Child Tax Credit *
- Attendance Allowance
- Disability Living Allowance

* With a household income of less than £16,040.00 pa (proof will be required)

The applicant will also need to provide proof of ID, either a Driving Licence, Passport or Birth Certificate.

What works can be done with a Home Repair Assistance Grant?

The Home Repairs Assistance Grant is aimed at helping address any category 1 Hazards identified under the Housing Health and Safety Rating System.

If the client is requesting help with heating or to replace a boiler then they will be signposted to Warm Front or Health through Warmth.

How much is available?

The maximum Grant available is £5000 over any 3 year period

How to apply

It is the client's responsibility to obtain 2 x quotes for the work if their application is successful. The cheapest quote will be used although the client could pay the difference if they wanted to go with the higher quote (The Council will only pay the cheapest price).

Once the work is completed the Council will inspect and pass for payment. If the client requests a supplementary or interim payment an additional visit will be carried out beforehand. The builder will be paid directly.

The applicant can only apply for a HRA Grant if there is one or more category 1 Hazards in their property and will only be used as a last resort where all other forms of funding have been explored and will be subject to the council's resources.

5.4 Empty Homes Assistance Grants

What is an Empty Homes Grant?

Tamworth Borough Council offers homeowners financial assistance to bring empty homes back into use. This will contribute to returning vacant premises back into usable housing whilst also meeting Tamworth Borough Council's aim of making the best use of existing stock and improving standards within the Private Rented Sector.

Who can apply?

Applications will only be considered:

- From applicants aged 18 or over
- The empty home must have been empty for 12 months or more
- Where the works undertaken will bring the property up to the legal minimum standards free from any category 1 hazards under the Housing Health Safety Rating System and be undertaken in line with current building and planning regulations
- Where the applicant has been the owner for 12 months or more

What can be done with an Empty Homes Assistance Grant?

Works eligible for assistance could include:

- Any works which if not carried out would leave a category 1 hazard present in the property
- Any works undertaken must bring the property up to the legal minimum standard

How much is available?

The total maximum amount of assistance available under this scheme is £10,000.

Does the grant have to be repaid?

Any grant given will be on the condition that once the works are completed that the Council will have nomination rights to the property for 3 years. The Council will nominate tenants from its housing waiting list and the owner will be paid rent at Local Housing Allowance rates.

A land charge will be placed against the property and this charge will remain in force until the end of the grant period or until the owner repays the grant in full prior to the end of the 3 years. After the 3 year period the charge will be removed and the property returned to the owner and the grant will not need to be repaid.

It will be expected that the owner will either become an accredited landlord on the Tamworth Landlord Accreditation Scheme or place the property with a reputable letting agent

5.5 Preventing Homelessness

Tamworth Borough Council may have financial assistance available to help prevent people from becoming homeless. These include

- **Repossession Prevention Fund**

This fund is a discretionary scheme that allows Tamworth Borough Council to make small grants or loans, on a discretionary basis, to households facing eviction. Under this scheme Tamworth Borough Council could provide assistance up to £5000.

To be eligible for a grant or loan from the Repossession Prevention Fund the household would usually contain someone vulnerable. This could mean someone elderly or disabled, or the household could include children.

Money advice would also have to be obtained from the councils preferred debt advisor to determine if their household is eligible for the grant or loan. The grant or loan could be used by borrowers to reduce or clear the arrears on mortgage or rent and thereby avoid eviction.

A loan from the Repossession Prevention Fund is considered to be a last resort when there are no other options available to avoid eviction. In most cases a loan would be paid directly to the mortgage lender, or landlord, rather than to the homeowner.

In instances where a grant is given this is not repayable and where a loan is given this will be an interest free loan.

- **Mortgage Rescue Scheme**

The Mortgage Rescue scheme is aimed at some homeowners on relatively low incomes. To be eligible the household must contain someone who is deemed to be in priority need. This could be someone who is elderly, disabled, pregnant or who has dependent children. Under this scheme loans are made to homeowners either to reduce the mortgage on their property or to clear it entirely. In the latter case the homeowner will then become a tenant of a registered social landlord and will cease to pay the mortgage and will pay rent.

- **Homelessness Prevention Fund**

The purpose of the fund is to enable the Council to make a relatively small payment (up to £200) in order to prevent homelessness. This will be a single interest free repayable payment which should be paid as soon as practicable.

The Homelessness Prevention Fund should only be used in circumstances where all other available prevention tools have been considered and have been found to be inappropriate or ineffective to resolve the homelessness crisis of the household presenting. The Fund should only be used when by so doing, the medium (3 months), or long term (6 months +) accommodation needs of the household will be met.

The Fund will only be used for households who demonstrate that they are likely to fall into a priority need group if a formal homelessness assessment were to be made.

Payment will not be offered where the applicant cannot repay the loan and where appropriate a referral will be made to a debt advice service.

If money is given under this scheme and the household then becomes homeless then they may be seen to have made themselves intentionally homeless and may not get further assistance from the Council.

- **Bond Scheme**

Tamworth Borough Council provides a written contract of guarantee to the landlord in place of a deposit which covers against rent arrears, loss or damage to the property to the value of no more than eight weeks rent and will last for 6 months from the date of contract.

At the end of the period the tenant should have saved enough to pay the deposit to the landlord.

Eligibility

The Bond Scheme can help if:

- The applicant is over 18
- They live in Tamworth
- Wish to live in Tamworth
- Have savings of less than £1,000
- Are able to meet the monthly rental costs

Applying to get on the scheme

An application form should be completed and returned with additional information to support the application and an assessment will then be made as to the eligibility of the applicant for the scheme.

5.6 Advice and Education

Tamworth Borough Council works with partners to offer general help and advice on a range of topics to assist people in the private sector to maintain and improve their properties including:

- **Handyperson Scheme**

This is provided through Spirita the Home Improvement Agency (HIA) and is available to help with small repairs and maintenance work and minor adaptations. The service is available to older people or disabled people of any age regardless of tenure and you will be required to pay for any materials

which the Handyperson will purchase and collect. There is a nominal charge for work undertaken which is normally around £10 per hour but this would be agreed prior to the work taking place.

- **Energy Efficiency**

Energy advice is available to residents within the Borough to help tackle cold related ill health, reduce fuel poverty and promote energy conservation.

Advice can be given on various forms of heating, insulation and renewable energy sources available, costs and possible savings that could be made by having the measures installed. In certain circumstances grants may be awarded to help pay for the measures to be installed.

Schemes are available for homeowners and those privately renting and the Tamworth Borough Council will offer advice and assistance and make referrals to these schemes as a first option.

The schemes available are:

- **HEAT (Home Energy Advice Tamworth)**

HEAT (Home Energy Advice Tamworth) was launched by Tamworth Borough Council in August 2009. HEAT provides information on government grants for free or discounted home energy efficiency measures such as loft insulation, cavity wall insulation and the replacement of broken or faulty heating systems. These measures could be free if you are 70 or older or in receipt of qualifying benefits. The scheme is also able to refer to the following schemes; alternatively these schemes can be accessed directly.

General advice through this scheme is also available to help residents determine how their fuel bills are worked out and whether it is beneficial for them to switch providers and how they go about this switch. The HEAT scheme also looks at affordable renewable energy sources and can provide guidance on appropriate sources such as solar panels, wind turbines and other renewable energy systems.

- **Warm Front**

The Warm Front Grant is a Government-funded initiative and the scheme is managed by EAGA. Homeowners and those privately renting can apply for a Warm Front Grant of up to £3,500 for traditional central heating systems or up to £6,000 if the heating system is oil fired. To qualify the person must live in their own home or rent from a private landlord and the home must have a SAP rating of 55 or less and in receipt of a qualifying benefit.

If eligible an assessor will visit the home to assess the SAP rating and determine the level of works required and can offer advice and assistance about the following improvements:

- Loft Insulation
- Draught proofing
- Cavity Wall Insulation
- Hot Water Tank Insulation
- Installation of heating
- **Health through Warmth**

This scheme is for people of any age who have cold and damp related illness, own their own home, or rent from a private landlord, and is in need of heating and/or insulation measures. Clients are likely to have a low household income with little or no savings.

Where a caller calls the HEAT line they will be assessed to determine if they are eligible for both Warm Front and Health through Warmth and where required a referral can be made

- **Energy Suppliers**

Many energy suppliers run their own energy efficiency schemes and can offer advice and guidance to homeowners and those privately renting about energy saving initiatives they may have.

The aim of all of these initiatives is to make homes warmer, healthier and more energy-efficient and to meet energy efficiency targets. These options will be explored with homeowners and those living in private rented accommodation before any other financial assistance or Home Repair Assistance Grant is considered.

- **Assistance for Landlords**

The Council has a Landlord Accreditation Scheme which aims to improve both the physical and management standards of the private rented sector within Tamworth. This is accomplished not only through the provision of encouragement, support and incentives but also by actively working with and recognising those landlords who are willing to attain and adhere to good property standards and management practices.

Section 6 - Supervision of works

It is the responsibility of the applicant to obtain quotes (where required). The legal and contractual relationship with regard to the works to be carried out is between the applicant and the contractor/agent, and not between the Council and the contractor/agent. All eligible works must be carried out by a contractor whose quote accompanied the application, unless an alternative quote is submitted and approved by the Council. Where the appropriate works undertaken must be insured, the contractor must provide a recognised warranty for any works.

Section 7 - Confidentiality

All personal information relating to customers will be treated with the utmost confidentiality both by Tamworth Borough Council and its partners or agents. This includes information covering the customers name and their families names and addresses, the nature of any disability they or any member of their family have, the type and cost of work carried out on their behalf, their financial or family circumstances, the fact that they are a customer of Tamworth Borough Council, information regarding any grant or other financial assistance they have received or applied for and any other information that might reasonably expect to be kept confidential. The Council has to collect information of this nature to enable work to be carried out in customer's homes and we will ensure that this information is managed fairly, lawfully and in line with the guidance set out within the Data Protection Act 1998.

The Freedom of Information Act enables anyone to request information from a public authority. When a request is made the Council has a duty to respond to the request within 20 days as well as providing advice and assistance to people who have requested information.

Section 8 – Equalities and Diversity

It is Tamworth Borough Councils policy that no person shall receive less favourable treatment or is disadvantaged by any circumstances, conditions or requirements that cannot be justified.

Section 9 – Monitoring this policy

This policy will be monitored and reviewed annually or more frequently if required, to evaluate its relevance and effectiveness. Any significant changes will be submitted to cabinet for approval and thereafter published as a revision to the policy. This will include the affects of any major changes to legislation.

To assist with service improvements and develop this policy in the future all those receiving assistance will be asked to complete and return a customer satisfaction form with the aim of achieving high levels of customer satisfaction.

Section 10 – Further information

For information about this Policy, Empty Homes Assistance or Energy Efficiency contact Tamworth Borough Councils Housing Strategy Officer:

In Writing:

Marmion House, Lichfield Street, Tamworth, Staffordshire, B79 7BZ

By telephone:

01827 709286

By email:

Claire-keeling@tamworth.gov.uk

For enquiries about Home Repair Assistance Grants and Disabled Facilities Grants contact Tamworth Borough Councils Housing Grants Officer:

In Writing:

Marmion House, Lichfield Street, Tamworth, Staffordshire, B79 7BZ

By telephone:

01827 709470

By email:

amanda-matthews@tamworth.gov.uk

For information about the Private Sector Leasing Scheme, Bond Scheme or Private Sector Tenant issues please contact the Housing Advice Team:

In Writing:

Marmion House, Lichfield Street, Tamworth, Staffordshire, B79 7BZ

By telephone:

01827 709439

By email: sue-hipps@tamworth.gov.uk

OTHER USEFUL CONTACTS

www.tamworth.gov.uk

HEAT freephone direct: **0800 043 2815**

Home Improvement Agency: **0800 587 1460** email hiainfo@aol.com

Glossary

Older Person

A person will be considered to be elderly if they are over 60 years of age

Vulnerable Household

The definition of vulnerable household will be that contained in DCLG document "A Decent Home: Definition and Guidance for Implementation" June 2006.

Category One Hazards

For the purposes of this policy the definition of Category One Hazard under the Housing Health and Safety Rating System is that contained in Section 2 of the Housing Act 2004.

Owner

For the purposes of this policy the definition of "owner" is the same as that contained in Section 99 of the Housing, Grants, Construction and Regeneration Act 1996.

Owner-Occupier

For the purposes of this policy the definition of owner-occupier means a person who resides at the defined dwelling as his only or main residence

Appendices

Appendix A

Types of Assistance available

Financial Assistance					
Type of assistance available	Product information	Eligibility	Other information	Cost	Key Outcomes
Disabled Facilities Grants	To provide adaptations for disabled applicants	DFGs are available to owner occupiers, tenants or landlords whose tenants have been assessed as having a need by an Occupational Therapist	<p>Eligible works are works that are required to provide essential adaptations for people with disabilities to access the facilities within their permanent place of residence</p> <p>Work must be necessary and appropriate and meet the needs of the individual</p> <p>It should be reasonable to carry out the work given the age and condition of the property</p> <p>Where it is not reasonable or practicable then assistance can be offered</p>	<p>Grants are awarded subject to a test of resources(not for children) This may mean that some of the cost may need to be met by the applicant</p> <p>Maximum grant is £30k</p>	To enable independent living

			to assist a move to a more suitable property		
Home Improvement Trust Loans	This is financial assistance for those with equity in their properties	Available to homeowners over the age of 60 or if they are under 60, registered disabled, who have equity in their property	Home Improvement Trust Loans are repaid via one of the following methods, interest only, interest and capital or lifetime loans which repays when the homeowner disposes of the property, when the property is sold, on transfer of the property, on request of the homeowner or when the homeowner dies	None	To enable homeowners to achieve Decent Homes Standard or address Category 1 hazards To enable owner occupiers to remain in their own homes
Home Repair Assistance Grant	To provide eligible homeowners with assistance to ensure the home meets the legal minimum standard and is free from Category 1 hazards	Available to homeowners who are unable to access a commercial loan product or with no equity in their property Homeowners must be on a means tested benefit Homeowners must	Priority will be given to applicants where there is the existence of one or more Category 1 HHSRS hazards.	Grant conditions state that if the property is sold on in three years then the full grant must be repaid There is no contribution required unless the cost of the works is above £5,000 and then it will be the responsibility of the	Homes are improved to meet the legal minimum standard and are free from Category 1 hazards

		<p>be over the age of 18</p> <p>They must live in the property as their only or main residence and have an owners interest</p> <p>Homeowners must not have any more than £6k in savings</p>		homeowner to meet the excess cost	
Empty Homes Assistance	<p>Assistance available to bring empty homes back into use, contributing to bringing properties back into use and contribute to the provision of affordable housing and improving standards in the Private Rented Sector</p>	<p>The property must have been empty for 12 months or more</p> <p>The grant must bring the home up to the legal minimum standard</p>	<p>Where assistance is given the homeowner must allow the Council nomination rights for 3 years and will receive rent at the Local Housing Allowance Rate</p>	None	<p>Making best use of the existing stock</p> <p>Meeting the legal minimum standard for housing</p> <p>Increasing the supply of affordable housing in Tamworth</p>

Advice and Guidance					
Type of assistance available	Product information	Eligibility	Other information	Cost	Key Outcomes
Repossession Prevention Fund	A discretionary grant or loan of up to £5,000 to prevent repossession or eviction from the home	Available to anyone who may be faced with repossession or eviction	May be offered as either a grant or loan	This may be offered as a grant where there are no costs or a loan which is repaid interest free	Repossession or eviction is prevented
Mortgage Rescue Scheme	A scheme where loans are made to homeowners either to reduce the mortgage on their property or to clear it entirely. In the latter case the homeowner will then become a tenant of a registered social landlord and will cease to pay the mortgage and will pay rent.	Homeowners on a low income with someone in the home who is deemed in priority need	The tenant ceases to pay the mortgage and pays rent to the Registered Social Landlord	No cost	Repossession is prevented and the homeowner can remain in their own home as a tenant
Homeless Prevention Fund	The Council can make a payment of up to £200 to prevent homelessness	The loan will only be made where it is deemed that the applicants would be a priority need if a full	If the homeowner subsequently becomes homeless then it will be deemed intentional	Once circumstances allow the loan must be repaid but is interest free	Homelessness is less likely allowing the homeowner to remain in their

		homeless application was made	and will receive limited help from the Council		home
Bond Scheme	<p>Tamworth Borough Council provides a written contract of guarantee to the landlord in place of a deposit which covers against rent arrears, loss or damage to the property to the value of no more than eight weeks rent and will last for 6 months from the date of contract.</p> <p>At the end of the period the tenant should have saved enough to pay the deposit to the landlord.</p>	<p>The bond Scheme can help if:</p> <ul style="list-style-type: none"> • The applicant is over 18 • They live in Tamworth • Wish to live in Tamworth • Have savings of less than £1,000 • Are able to meet the monthly rental costs 	<p>At the end of the period the tenant should have saved enough to pay the deposit to the landlord</p>	No cost	<p>This allows tenants to access the Private Rented Sector where they may be able to afford the rent but cannot save a deposit</p>
Advice and Assistance	<p>The Council will provide homeowners and private landlords in Tamworth with advice and information about improving and maintaining their</p>	<p>Available to all homeowners, tenants and landlords within Tamworth</p>	<p>The Council will offer advice on:</p> <p>Home Improvements</p> <p>Adaptations</p>	Free Service	<p>Decent Homes that are well maintained</p> <p>People empowered to remain in their</p>

	homes.		<p>Hazards and defects around the home</p> <p>Empty Properties</p> <p>Landlord Accreditation</p> <p>HMO Licensing</p> <p>Enforcement</p> <p>Decent Homes that are well maintained</p>		<p>own homes</p> <p>Reduction in Council funding if homes are maintained properly</p>
Handyperson Service	The Handyperson Service is available to help residents carry out small repairs, maintenance work or minor adaptations	Available to older or disabled persons	The customer must be unable to complete the work themselves, not have family or friends who could complete the job for them or the finances to carry out the job	A small charge which will be agreed prior to any work starting	<p>May prevent homes from falling into disrepair</p> <p>Enables independent living</p>
Energy Efficiency and Affordable	Home Energy Advice Tamworth (HEAT)	Available for all owner occupiers and private rented	None	Free of charge	To help reduce fuel poverty and promote energy

Warmth		tenants of Tamworth			conservation
	Warm Front Grant	Warm Front is available to all homeowners who are over the age of 60 and those who have young children under the age of 16 and who are in receipt certain means tested benefits	None	<p>The Warm Front Grant provides a package of heating and insulation improvements up to the value of £3,500 for traditional heating systems and up to £6,000 for oil fired heating systems</p> <p>Applicants may be required to pay additional money where the costs exceed the maximum grant</p>	To make homes warmer, more energy efficient and reduce incidences of fuel poverty
	Health through Warmth	All residents but must have a health condition made worse by cold damp living conditions	None	Applicants may be required to pay additional money where the costs exceed the grant	To make homes warmer, more energy efficient and reduce incidences of fuel poverty

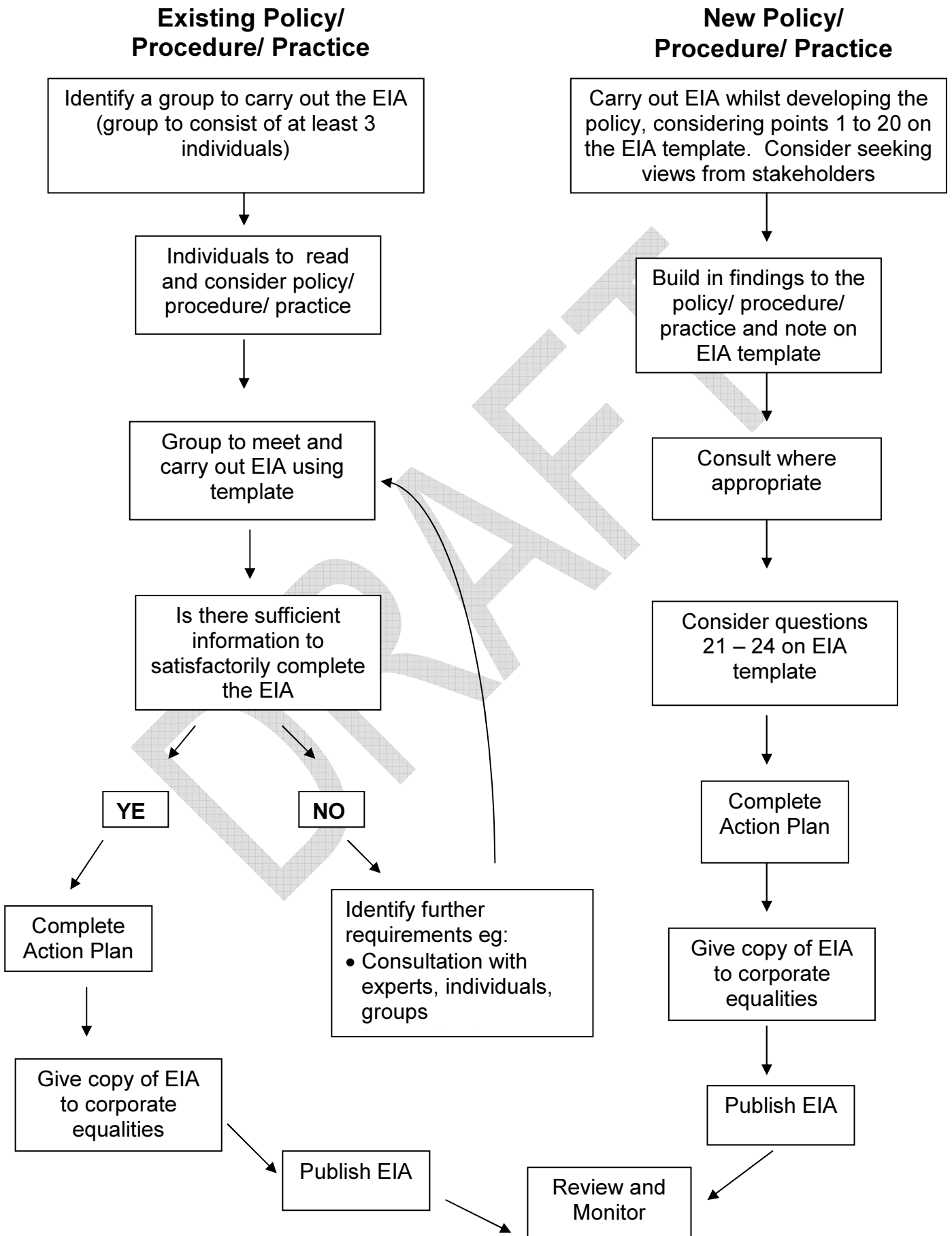
Appendix B
Equalities Impact Assessment

Tamworth
Borough Council



Equality Impact Assessment Toolkit

Equality Impact Assessment Procedure



Equality Impact Assessment Template

Name of policy/ procedure/ practice to be assessed	Financial Assistance Policy		Date of Assessment	24 March 2009	
Is this a new or existing policy/ procedure/ practice?	New	Officer responsible for the Assessment	Claire Keeling	Department	Housing Strategy
1. Briefly describe the aims, objectives and purpose of the policy/ procedure/ practice?	The policy sets out the advice and financial assistance available to homeowners, private sector tenants and landlords to improve homes to Decent Homes Standards, reduce the number of category 1 or 2 hazards as defined by the HHSRS present in properties, make the best use of existing stock, improve the energy efficiency of the housing stock and reduce incidences of fuel poverty and contribute to independent living				
2. Are there any associated policy/ procedure/ practice which should be considered whilst carrying out this equality impact assessment?	This policy will be linked to the new Tamworth Borough Council Housing and Health strategy, the Homelessness Strategy 2009 – 2012 and all other policies relating to these documents and any subsequent documents produced				
3. Who is intended to benefit from this policy/ procedure/ practice and in what way?	Those who are intended to benefit from this policy are vulnerable homeowners, private rented tenants and landlords. Advice, assistance and financial assistance will be available to ensure that those who are defined as vulnerable within the Private Sector can access the necessary resources to ensure that their properties meet the Decent Homes Standard and that there are no category 1 or 2 hazards as defined by the HHSRS in the properties				

4. What are the desired outcomes from this policy/ procedure/ practice?	To improve the existing private sector housing stock within Tamworth and provide warm comfortable living conditions improving the health and wellbeing of owner occupiers and private rented tenants
5. What factors/ forces could contribute/ detract from the outcomes?	Lack of resources to deliver the financial assistance, lack of financial support for the policy, poor marketing of the assistance available, lack of officer awareness
6. Who are the main stakeholders in relation to the policy/ procedure/ practice?	Private sector homeowners, tenants and landlords.
8. Which individuals/ groups have been/ will be consulted with on this policy/ procedure/ practice?	<p>Please explain</p> <p>The Housing Strategy Team in conjunction with the Tamworth Borough Council undertook a Private Sector Housing Consultation Event to which a number of key stakeholders were invited and consulted on about the Private Sector Housing Strategy 2009 – 2012. Central to this strategy is the delivery of Advice, Assistance, Grants and DFGs, which is the subject matter of this policy and all comments and suggestions relating to these areas have been considered when formulating this document.</p>

<p>9. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact on racial groups?</p>	Y	N	<p>Please explain, your reasoning, giving details of existing evidence (either presumed or otherwise).</p> <p>The policy is not designed to have any differential impact on any racial groups as the focus is on the buildings and improving standards of accommodation.</p> <p>However we recognise that where English is not a first language this may be an issue for some groups. The document will contain translation information to ensure that where this is an issue it can be addressed and all groups can have access to the policy and any associated documents</p>
<p>10. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to gender?</p>	Y	N	<p>Please explain, your reasoning, giving details of existing evidence (either presumed or otherwise).</p> <p>Again the policy is not designed to impact in any differential way based on gender as the focus is on the buildings and improving standards of accommodation.</p> <p>However it is recognised that there are gaps in the knowledge held about the diversity of the population within Tamworth and this is to be addressed through key actions contained within the Housing Strategy</p>
<p>11. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to them being transgender or transsexual?</p>	Y	N	<p>Please explain, your reasoning, giving details of existing evidence (either presumed or otherwise).</p> <p>Due to insufficient knowledge about these groups within Tamworth it is not known if the policy could have a differential</p>

			impact when being delivered – However the policy is designed not to impact differentially on this specific group of individuals as there is a focus on improving buildings and the health and safety of occupants
12. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to disability?	Y	N	<p>Please explain, your reasoning, giving details of existing evidence (either presumed or otherwise).</p> <p>This policy will have a differential impact due to disability as a central part of this policy is about the delivery of Disabled Facilities Grants which is mandatory funding to enable those with disabilities to live independently via the provision of disabled adaptations – This is not a concern however – this is policy designed to assist those with disabilities</p>
13. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to sexual orientation?	Y	N	<p>Please explain, your reasoning, giving details of existing evidence (either presumed or otherwise).</p> <p>Again this policy is not designed to impact differentially based on sexual orientation as the focus is on the buildings and improving standards of accommodation</p> <p>However it is recognised that there are gaps in the knowledge held about the diversity of the population within Tamworth and this is to be addressed through key actions contained within the Housing Strategy</p>

<p>14. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to age?</p>	Y	N	<p>Please explain, your reasoning, giving details of existing evidence (either presumed or otherwise).</p> <p>This policy could impact differentially based on age as a number of the criteria set for the grants are aimed at those who are older or younger. These criteria in some cases are set by organisations external to Tamworth Borough Council i.e. Warm Front</p>
<p>15. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to religious belief?</p>	Y	N	<p>Please explain, your reasoning, giving details of existing evidence (either presumed or otherwise).</p> <p>This policy is not designed to have a differential impact due to religious belief as the focus is on the buildings and improving standards of accommodation. However it is recognised that for some religions access to some loan products may be in conflict with their religious beliefs and so therefore the financial assistance contained within this document may not be accessible to all. Where this may be the case appropriate advice will be sought from agencies that are able to assist</p>
<p>16. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact on Gypsies/ Travellers?</p>	Y	N	<p>Please explain, your reasoning, giving details of existing evidence (either presumed or otherwise).</p> <p>This policy will not have a differential impact on Gypsies or travellers as the policy is aimed at all tenures including those who live in caravans, houseboats or park homes as well as traditional bricks and mortar homes</p>

<p>17. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to dependant/caring responsibilities?</p>	<p>Y</p>	<p>N</p>	<p>Please explain, your reasoning, giving details of existing evidence (either presumed or otherwise).</p> <p>This policy is not designed to have a differential impact on those with dependent or caring responsibilities as the focus is on the buildings and improving standards of accommodation</p> <p>However it is recognised that there are gaps in the knowledge held about the diversity of the population within Tamworth and this is to be addressed through key actions contained within the Housing Strategy</p>
<p>18. Are there concerns that the policy/ procedure/ practice <u>could</u> have a differential impact due to them having an offending past?</p>	<p>Y</p>	<p>N</p>	<p>Please explain, your reasoning, giving details of existing evidence (either presumed or otherwise).</p> <p>Again this policy is not designed to have a differential impact on those with an offending past as the focus is on the buildings and improving standards of accommodation</p> <p>However it is recognised that there are gaps in the knowledge held about the diversity of the population within Tamworth and this is to be addressed through key actions contained within the Housing Strategy</p>

<p>19. Are there concerns that the policy/ procedure/ practice could have an impact on children or vulnerable adults?</p>	<p>Y</p>	<p>N</p>	<p>Please explain, your reasoning, giving details of existing evidence (either presumed or otherwise).</p> <p>Yes this policy will have a differential impact on children or vulnerable groups as the focus of the policy and the subsequent delivery is to ensure that those who are vulnerable living in the private sector are targeted to reduce incidences of fuel poverty and address standards of accommodation for those least likely to be able to maintain their accommodation</p>
<p>20. Does any of the differential impact identified cut across the equality strands (e.g. elder BME groups)?</p>	<p>Y</p>	<p>N</p>	<p>Please explain</p> <p>Yes as many of the groups who access the services may be in more than one of these groups, however it is anticipated that wherever financial assistance is targeted it is done so within the grant or loan conditions</p>
<p>21. Could the differential impact identified in 9 – 20 amount to there being the potential for adverse impact in this policy/ procedure/ practice?</p>	<p>Y</p>	<p>N</p>	<p>Please explain</p> <p>Yes there could be an adverse impact as the policy is targeting finite resources at vulnerable people within the private sector meaning that potentially a number of people who may be eligible for a financial assistance may be unable to access funds required due to funds already being committed.</p>

<p>22. Can this adverse impact be justified:</p> <ul style="list-style-type: none"> • on the grounds of promoting equality of opportunity for one group? • For any other reason? 	Y	N	<p>Please explain for each equality heading on a separate piece of paper (questions 9 – 20).</p> <p>Yes there is a recognition from Central Government that those who are defined as vulnerable should be targeted to ensure that their properties meet Decent Homes Standard and incidences of fuel poverty are reduced. DFGs are mandatory Grants that Local Authorities must deliver to enable older and disabled people to live independently. There is also a drive to ensure that Empty Properties are utilised effectively</p>
<p>23. As a result of carrying out the equality impact assessment is there a requirement for further consultation?</p>	Y	N	<p>Please explain</p> <p>Yes further consultation on the Policy is necessary as consultation is an ongoing process throughout the life of the document.</p> <p>However there are also provisions relating to the delivery of financial assistance set out in the RRO which must be adhered to and taken into consideration when any consultation is undertaken in relation to this document</p>
<p>24. As a result of this EIA should this policy/ procedure/ practice be recommended for implementation in it's current state?</p>	Y	N	<p>Please explain</p> <p>Yes as it is a complete document which has been completed in line with the Private Sector Housing Strategy</p>

PLEASE COMPLETE THE FOLLOWING ACTION PLAN FOR ALL IMPACT ASSESSMENTS

Equality Impact Assessment Action Plan

Complete the action plan demonstrating the changes required in order to meet TBC's commitment to equality and diversity. The action plan must contain monitoring arrangements, the publishing of results and the review period required for this policy.

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ACTION/ ACTIVITY	RESPONSIBILITY	TARGET	PROGRESS
Ensure that the document is accessible to all by providing it in as many formats as possible i.e. recorded, Braille etc.	Tamworth Borough Council, Housing Grants Officer	September 2010 and then ongoing	
Ensure that evidence and data relating to housing need is collected and analysed around the particular groups highlighted within the EIA i.e. sexual orientation, transgender/transsexual and religious belief	Housing Strategy Team, Tamworth Borough Council, Housing Grants Officer	See actions within the Housing and Health Strategy action plan	
Monitoring arrangements:		Data collected quarterly	
Publication:			

Review Period:		Reviewed 12 monthly unless otherwise stated	
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Expand as appropriate

Signed
(Completing Officer).....

Date

Signed
(Head of Department)

Date

Signed
Corporate Diversity/ Equality

Date

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Empty Homes Policy



July 2011

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1. Introduction

In Tamworth there are around 250 long term empty properties – these are properties that have been left empty for 6 months or longer and in an area where demand for decent affordable housing outstrips supply this means that 250 empty homes is an unacceptable situation given this pressure for housing.

Evidence shows that just one empty property in a neighbourhood could attract anti social behaviour, fly tipping, attract vandalism and make neighbouring properties unattractive to let or sell. This effect of neglected empty properties on neighbourhoods is well known, and returning them to use can restore the image of and confidence in surrounding housing.

Additionally, bringing empty properties back into housing use, reduces the pressure to build on green field sites, and can contribute to the supply of affordable housing.

Bringing empty homes back into use is a key action in Tamworth Borough Councils Housing and Health Strategy and this policy sets out the Councils approach to achieving this aim therefore providing much needed affordable accommodation for those in housing need in Tamworth and improving neighbourhoods where there are empty properties.

2. Aims and Objectives

The aim of this policy is

To reduce the number of Long Term Empty Homes in Tamworth by working with owners to discourage them from leaving the homes empty and by returning them back into use providing decent affordable housing.

The objectives of this policy are

- To identify long term empty properties using a number of methods
- To provide advice and assistance, including financial assistance, where possible, to those wishing to bring empty properties back into use
- Where necessary use enforcement action to bring the properties back into use

3. Defining an Empty Property

It is important to define which properties are affected by this policy, and those, which are not. For the purposes of this document empty properties are those which:

Have been unoccupied for six months or more

AND

There is little reasonable prospect that the owner will be able to remedy the circumstances without advice, assistance or support.

4. Why is there a need to bring empty homes back into use?

In Tamworth demand for good quality affordable housing outstrips supply and the evidence shows why it is important that empty homes, alongside other measures such as new builds, should be brought back into use.

Evidence from the Empty Homes Agency indicates that the number of empty properties in Tamworth decreased between 2008 (237 long term empties) down to 154 in 2009. A decrease from 2.19% of the Housing Stock down to 1.79%, with the 2010 Private Sector Stock Condition Survey putting this figure at 150. However the most recent Council Tax records (August 2011) puts the number of Long Term Empty Properties at around 250.

There are 22,190 owner occupied homes in Tamworth, which represents 70.7% of the total housing in the Borough. (Source; 2010 Private Sector Stock Condition Survey)

The Private Rented Sector (PRS) is very small in Tamworth with 9.5% of properties privately rented (Source; 2010 Private Sector Housing Stock Condition Survey), a growth since the 2001 census which estimated the PRS at 5.6% of the total housing stock and even with the increase in private rented stock still well below the national average of 12% as reported in the 2006 English House Condition Survey. A pressure on the housing stock within Tamworth is this lack available rented accommodation in the private sector. This limited stock leads to higher rent levels and can remove this as an affordable housing option for low-income families.

Given that any housing stock is empty in an area where demand outstrips supply, combined with a need for 142 extra units of housing (Source; 2010 Housing and Health in Tamworth – Linking Housing Markets and Health Data), there are potentially 250 (Council Tax Data as at August 2011) long-term empty properties.

During 2010/11 Tamworth Borough Council accepted xx households as homeless and there are currently xx households on the housing register, waiting to be re-housed (June 2011).

Analysis of the emerging empty properties database has show that empty properties are distributed evenly across the Borough regardless of the length of time they have been vacant, indicating that localized market failure is not a significant causal factor.

Reducing the number of empty properties will provide an additional resource for those in housing need, reducing the requirement to build on Green Field

sites and making the best use of the housing stock in Tamworth, thus helping to address housing need and meeting demand for good quality affordable housing.

5. The Approach to Empty Homes

Tamworth Borough Council's general approach to empty homes is a three step approach:

- Identify
- Encourage
- Enforce

5.1 Identify

Long term empty homes are initially identified via Council Tax records. The Council Tax Team provides the Strategic Housing Service with a list of empty properties on a monthly basis. This data is analysed and sorted and compared to previous month's data to identify homes no longer on the list, new homes that have fallen into the definition of empty for longer than 6 months and continuing cases

5.2 Encourage

If the property is shown to be empty the Landlord Liaison and Empty Homes Officer will first send out a letter with a questionnaire to establish contact with the owner and determine why the property is empty, and what steps if any the owner is taking to return the property back into use.

The approach here is to offer more than one solution to an empty home. Being able to offer a flexible range of solutions should achieve greater success in reducing the number of empty properties. Once contact is made owners are advised of the options available to them.

How quickly private landlords are able to do any of this will generally depend on the condition of the property. The Strategic Housing Service will carry out inspections and will advise on the assistance available based on individual circumstances.

5.3 Enforce

Tamworth Borough Council will endeavour to encourage and facilitate owners of empty properties to bring them back into use. However, it is recognised that the authority may have to undertake enforcement action to deal with certain properties. A combination of housing, environmental health, planning and building control legislation may be used if necessary to either improve the visual appearance, safety and security of the building, pending its reoccupation or to force the owner to bring the property back into use.

6. The Policy in Action

This policy is intended to achieve its aim by bringing all partners involved together to tackle the problem of empty homes including council departments, landlords, housing associations, community groups, letting agents, financial institutions and the owners of empty properties.

It tackles the problem by working with owners to encourage them to make constructive use of the empty property they own. As a last resort the council could use its enforcement powers to ensure that individual problem properties are returned to use.

The policy also supports the newly emerging Housing and Health Strategy. A key issue identified within this strategy is the lack of affordable housing in Tamworth. This combined with the lack of land availability for new build properties, which are often unaffordable for many, this policy contributes to the aim of making the best use of existing stock to provide decent affordable accommodation, focusing the limited resources of the Council to where they can be used most effectively and to co-ordinate the efforts of all involved.

6.1 Identify the property

The Local Government Act 2003 allows Councils to use information held for Council Tax purposes to identify empty properties and their owners. Tamworth Borough Council has created a database of vacant homes to record details of empty homes and monitor progress. This is updated monthly from Council Tax records. This information is used to contact owners to find out why their properties are standing empty, and to design approaches to assist them to bring them back into use. Each month a letter is sent to the owners of the new properties identified along with a survey to determine the owner's intentions for the property. In this letter Tamworth Borough Council outlines the options available to the Empty Property Owner and how the Council can assist the owner to bring the property back into use by offering advice and assistance.

6.2 Solutions to Tackling Empty Homes

Tamworth Borough Council will in the first instance always try to work with the Empty Home owner to give advice and assistance and try to find a solution to bringing the empty home back into use. This could include the following but this list is not exhaustive:

6.2.1 Empty Homes Assistance Grants

Tamworth Borough Council has a limited number of grants available to return empty properties back into use. These are given per property and are available up to a maximum of £10,000 and where the property has been empty for 1 year or longer.

If a grant is given the property then the Council will have nomination rights to the property for 3 years and a charge will be placed against the property for the duration of the grant term. Once the term of the grant is completed the charge is removed from the property and the owner is then free to do what they wish with the home. Additionally it is a condition of the grant that the owner either becomes an accredited landlord or alternatively employs a letting agent to manage the property on their behalf.

Before a grant is considered the Deputy Director of Housing and Health will determine if the Council would require nomination rights and this decision will be made based on:

- The owners preference
- An impact assessment undertaken on the property
- Evidence from the Councils Housing Register and the need for the type of property

Once this is completed and the Council is satisfied that the property is suitable then in order to qualify for a grant the owner must provide the Council with the following documents:

- Evidence that the applicant is the owner of the property
- Evidence that the applicant has no savings
- Evidence that the applicant has tried to access a traditional high street loan but have been unable to do this

And where there is a Mortgage on a property

- A letter from their bank to confirm that the Council can have nomination rights
- Evidence that there are no outstanding arrears on the property

Once the above is satisfied and an application has been submitted, the Landlord Liaison and Empty Homes Officer and a Private Sector Housing Officer will visit the property with the owner and produce a schedule of works which both parties agree on. This schedule must outline the works required to bring the home up to the legal minimum standard i.e. free from any category 1 Hazards under the Housing Health and Safety Rating System.

A letter will then be sent to the owner detailing the works required and 3 quotes must be returned to the Council detailing the cost of the works. In all instances the Council will pay the cheapest quote. If the owner wants any additional works undertaken then it will be the owner's responsibility to ensure that they have sufficient funds to pay for this.

Works must not be undertaken until such time as the Council has given the authority for the work to begin. Once the works are completed the Council will inspect the works to ensure that they have been completed satisfactorily and in line with the schedule of works. Where the Council is not satisfied with the works it is expected that remedial works will be undertaken and the Contractor will not be paid until such time as the Council is satisfied with the work. Once the Council is satisfied with the work the Contractor should invoice the Council and the contractor will be paid directly. Where the costs of works exceed the amount of grant the property owner should arrange to pay the contractor separately.

6.2.2 Let the Property Vacant

Tamworth Borough Council will provide advice on housing standards, good housing management practices, setting up tenancies, finding suitable tenants for the property and whether the owner may wish to place the property on the Private Sector Leasing Scheme or the Bond Scheme. If the landlord would prefer to use a letting agent rather than joining the PSL or Bond Schemes, the Strategic Housing Service can supply information on local agents and the typical costs and services provided.

6.2.3 Convert the Property or Change of Use

Empty space over shops, redundant town centre office accommodation, former schools, traditionally constructed commercial buildings or other vacant facilities may lend themselves to conversion to some form of accommodation. The Council can advise on the planning implications of a change of use for such premises and the opportunity to develop associated land with new housing.

6.2.4 Help to Sell the Property

The owner can choose to sell their property through the traditional route via an estate agent, or via a property auction. The Council can offer advice and support where this may be required.

6.2.5 Bond Scheme

The guarantee will cover against rent arrears, loss or damage to the property to the value of not more than the equivalent of eight weeks rent and will last for a period of six months from the date of the contract.

It is anticipated the operation of the Bond Scheme, with its guarantee to the value of not more than the equivalent of eight weeks rent, will provide landlords with genuine tenants in need of housing. At the end of the six-month period it is envisaged that the tenant(s) and the landlord will come to an agreement concerning the deposit in advance.

The tenant(s) is / are encouraged to save the required amount for a deposit over the six months when the Council provides the guarantee to the

landlord. The guarantee will last for a period of six months from the start date of the contract.

At the end of this period, it is the responsibility of the tenant(s) to pay the deposit to the landlord.

7. Enforcement Action

Where the owner may be unco-operative or, the Council after a thorough investigation, is unable to trace the owner of the empty property there are a number of enforcement options open to the Council which they may choose to pursue.

Enforcement will usually take the form of one or more of the following:

- Town and Country Planning Act section 215 Notice.
- Building Act 1984 section 79 Notice.
- Enforced Sale.
- Empty Dwelling Management Order.
- Compulsory Purchase Order.

7.1 Town and Country Planning Act Section 215 Notices

If the Empty Home or its land adversely affects the amenity of the area a notice can be served under the Town and Country Planning Act 1990 Section 215 to undertake steps to improve the appearance of the EP or its land.

Powers to serve this notice lie with the Planning Enforcement Team.

7.2 Building Act 1984 Section 79 Notice

If the Empty Home is in a ruinous or dilapidated condition and is seriously detrimental to the amenities of the neighbourhood, the Local Authority can order the owner:

- To execute works of repair or restoration
- To demolish the building and remove any associated materials

Powers to serve this notice lie with the Planning Enforcement Team.

7.3 Enforced Sale

When a debt is owed to the Council and all reasonable attempts have been made to recover this debt, the Council can force the sale of the Empty Home under The Law and Property Act 1925 (Power of Sale). The debts are recovered on sale of the property. However this method does not guarantee that the home is bought back into use.

7.4 Empty Dwelling Management Orders

The Council can take over the management of the property using an Empty Dwelling Management Order (EDMO) under Part 4 of the Housing Act 2004. A management agreement or framework should be in place before any EDMOs are made.

An interim EDMO allows the Council 12 months to secure the occupation of the home.

If no progress is made within 12 months, the Council can apply for a final EDMO which lasts up to 7 years, but can go up to 21 years and involves the Council taking over full management of the property.

7.5 Compulsory Purchase Order

Under section 17 Housing Act 1985 or section 226 Town & Country Planning Act 1990, the Council has the power to compulsorily purchase the property where the owner is not willing to sell by agreement. The home is then sold on. The local authority may wish to put conditions on the purchase such as the new owners will not own the freehold unless the property is bought back into use within 12 months.

All enforcement methods are highly labour intensive, lengthy and expensive for the Council; they will only be considered when all other options have been thoroughly exhausted.

Tamworth Borough Council is keen to work with the owners of empty homes and will use in all instances encouragement and assistance to ensure they are making the most out of their assets.

7.6 Community Right to Reclaim Land

The Community Right to Reclaim Land is a legal power that anybody can use to force the sale of publicly owned empty property or abandoned land in England and Wales. It enables anybody to request that the Secretary of State (or Minister in Wales) investigate why publicly owned properties or land have been left empty, and gives power to the Secretary of State to force the sale of the property or land.

The power draws on powers from the 1980 Local Government Planning & Land Act. The power was previously known as the Public Request Ordering Disposal (PROD). The Community Right to Reclaim Land is effectively the same power, although the government has announced that further changes amendments to the legislation are proposed.

The Secretary of State can order public authorities to dispose of empty property or land. Where this happens, the land or homes are usually sold to the open market. This legal power covers a large proportion of, but not all publicly owned property in England and Wales. Property directly owned by government departments, Housing associations, and some of the assets of

the Homes and Communities Agency are exempt. In the case of empty, publicly owned buildings, applications can be made to the regional Government Office to request the sale of the property (a 'Public Request for Order of Disposal').

8. Future Work

Tamworth Borough Council recognises the need for an ongoing commitment to bringing empty homes back into use within the borough. As part of the new Housing and Health Strategy there is a commitment to develop and progress the empty homes work.

9. Reviewing the policy

The policy will be reviewed annually or sooner should there be any major changes in National or Local policy. Where minor changes are required to the policy this will be undertaken with the agreement of the head of service and the Portfolio Holder for Housing and Health.

10. Complaints

Tamworth Borough Council has an established corporate complaints procedure for dealing with complaints. Information on how to make a complaint is outlined in a complaints leaflet that is available at all Tamworth Borough Council Offices and on the website.

11. Further information

If you would like further information about this policy, would like to report an Empty Property, or if you own an empty property and would like some advice and assistance then contact Tamworth Borough Councils Housing Strategy Team

In writing

Marmion House, Lichfield Street, Tamworth, Staffordshire, B79 7BZ

By telephone

01827 709345

By email

marilyn-mcnally@tamworth.gov.uk

You can also get more information or report an empty home on line at www.tamworth.gov.uk

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21st September 2011

REPORT OF THE PORTFOLIO HOLDER FOR ECONOMIC DEVELOPMENT AND ENTERPRISE**Endorsement of the Business and Economic Partnership's Economic Strategy for Tamworth and Lichfield****EXEMPT INFORMATION**

N/A

PURPOSE

To seek endorsement of the Strategy and associated next steps.

RECOMMENDATIONS

1. That Cabinet endorses the Strategy in terms of its overall vision, key themes, issues and priorities.
2. That Cabinet also endorses the next steps in developing the action plans with partners within the BEP and the Councils participation in this process.

RESOURCE IMPLICATIONS

1. There are no immediate financial implications of the Strategy, as the BEP and its activities are facilitated by established pooled economic development budgets within the Shared Service administered by Tamworth Borough Council.
2. The Strategy is seeking to influence other partnerships' programmes and activities, and in particular the LEPs, who have applied for funding to expand existing business support activities or instigate new programmes of activity. If successful, this will leverage in new funding sources into the LEPs and lead to the provision of new business support services for Tamworth based businesses that were hitherto not available to them.
3. The BEP is currently facilitated through the officer time of Tamworth Borough Council's Economic Development Manager and Officer, provided through the Shared Service in Economic Development with Lichfield District Council. No additional human resources will be required over and above this in order to support the BEP in facilitating the delivery of this strategy.

LEGAL/RISK IMPLICATIONS BACKGROUND

The BEP is currently an unincorporated voluntary partnership which is facilitated by Tamworth Borough Council as part of the Shared Service. A Service Level Agreement (SLA) for the operation of the Shared Service is in existence and is currently being reviewed, which included an indemnities clause. A professional indemnity insurance policy has been procured (£1m cover, £1K excess) and is currently being reviewed as part of the SLA review process.

SUSTAINABILITY IMPLICATIONS

1. The objective of the Strategy is to promote inward investment, indigenous business growth and new business start ups, but only on a sustainable basis so that the businesses and jobs thus created are around for the long term.
2. The creation of increased local job opportunities will decrease the need for out commuting and promote more sustainable forms of transport, such as walking, cycling, rail and buses.
3. Businesses will be encouraged to adopt more sustainable business practices, including product/process enhancements, waste management and energy consumption.
4. Through the creation of a local business network, businesses and public bodies will be encouraged to adopt more sustainable procurement practices, increasing business opportunities to local companies and reducing the transport impact of businesses.
5. Residents will be encouraged to use local facilities, such as shopping, thereby reducing travelling and the resultant environmental impact.

CONCLUSIONS

This strategy is the culmination of many months of working alongside and consultation with local businesses and partner organisations within the BEP. It represents a thorough analysis and view of the local economy, identifying in particular its strengths, weaknesses, opportunities and threats across 5 key priority themes, and through this analysis, has established an overall vision and key economic issues and outcomes that need to be addressed across the 5 themes in order to achieve sustainable economic and business growth. Cabinet should therefore approve the recommendations highlighted above.

BACKGROUND INFORMATION

The BEP is the primary vehicle for the Tamworth and Lichfield area through which public sector agencies engage with businesses in a coordinated fashion and through which businesses can influence economic agendas, policies and activities. As such, it is well placed to bring together the views of the public and private sectors and articulate this into an economic strategy for the area that all partners and businesses can then sign up to.

The BEP therefore decided to formulate an Economic Strategy in early 2011 and formed a small 'Task and Finish Group' consisting of key business partners, alongside officers from the Shared Service in Business Partnerships and support. In addition, a secondee from Business Link West Midlands was secured to undertake the preparatory work for the Strategy.

STRATEGIC & GOVERNANCE CONTEXT

The BEP formerly coordinated its activities to support the local economy within the framework of the previous Local Area Agreement (LAA) across Staffordshire. In addition, there was a whole regional tier of economic development in the form of the Regional Development Agency (RDA), Advantage West Midlands. Since the Coalition Government came to power, this landscape has completely transformed, with LAAs and RDAs being swept away, and policies centred around localism emerging, including the advent of the new Local Enterprise Partnerships (LEPs). Tamworth Borough is only officially part of 1 LEP, the Greater Birmingham and Solihull LEP, but also engages with the one covering Stoke on Trent and Staffordshire. Lichfield District is officially part of both these LEPs

The BEP has responded well to this new landscape and is carving an effective role for itself in contributing to both LEPs, particularly in terms of articulating the economic significance of the area, representing local businesses and influencing the LEPs' emerging priorities and programmes. This Strategy will therefore prove critical in contributing to the developing LEP agendas.

through sustainable business development and growth, which reflects both the urban and rural dimensions to the Tamworth and Lichfield area.

It is important to note that the Strategy is being developed in two distinct phases, of which this Strategy document represents the first phase. This involves the setting of an overall economic vision for the area, alongside 5 key themes around which issues and priorities can be grouped based on acknowledged strengths and weaknesses. The vision and key themes have been developed using a thorough assessment of the local economy and economic intelligence available through partners and businesses.

The following economic vision has been agreed:

“Building on the excellent location to live and work, communication links with the whole country and local skilled workforce, we will provide an environment that encourages and actively supports all new and existing businesses, with a view to developing areas of excellence.”

The 5 key themes identified as priority areas for action are as follows:

1. Supporting our Businesses
2. Place Promotion
3. Infrastructure to support business
4. Town Centres
5. Workforce Development

The strategy document, which is attached to this report as **Appendix 1**, is based around theme sections for each of the above. In formulating each theme section, the BEP has sought to keep the document as easy to digest as possible, using a simple SWOT (**S**trengths, **W**eaknesses, **O**pportunities, **T**hreats) analysis as the basis for identifying clear priority issues and desired outcomes.

STRATEGY NEXT STEPS AND DELIVERY

This Strategy has now been endorsed by the BEP Board at its meeting on 15th August 2011 and was distributed to BEP partners and local businesses at the end of August. The BEP Board has also begun to consider the next stage of the Strategy, which will focus on how the BEP will be able to influence, facilitate and develop programmes of activity to address the identified key priorities within the 5 key themes. The BEP Board has appointed ‘Theme Champions’ for each key theme, who have been tasked with formulating a proposal for developing an action plan for their respective themes.

In looking at how the Strategy should be delivered, it should be recognised that the local economy is part of the collective responsibility of a wide number of organisations, partnerships and businesses and will not be the sole domain of the BEP. As such, it is the overall aim of this strategy to ensure that all said organisations, partnerships and businesses are working towards the same economic aspirations.

The BEP, as the only local partnership that brings together all parties with an interest in the local economy, recognises its main strength as its ability to work across all sectors, acting as a coordinating voice and central focal point for any decisions or actions related to the local economy. Therefore it will work closely with all interested parties to coordinate the delivery of this strategy. It will also ensure that the Strategy and its future action plans support and influence the wider economic ambitions of both the Greater Birmingham and Stoke and Staffordshire LEPs.

It is envisaged that this coordinated response will achieve both the aspirations of the Public and Private Sectors and will help to cement a partnership for the future sustainable economic growth for the area.

REPORT AUTHOR

James Roberts, Economic Development & Enterprise Manager

LIST OF BACKGROUND PAPERS

Tamworth and Lichfield Economic Strategy 2011 (Appendix 1)

APPENDICES

Tamworth and Lichfield Economic Strategy 2011 (Appendix 1)

TAMWORTH AND LICHFIELD ECONOMIC STRATEGY 2011

FOREWORD

It has always been envisaged by the Business and Economic Partnership (BEP) that the key to improving the economic prosperity of the area was a well defined and agreed strategy for both the Public, Private and Third sectors.

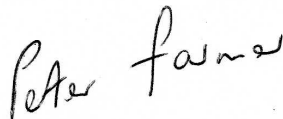
In the past we have relied too heavily on public bodies identifying issues without necessarily ensuring that the private sector has bought into them and the corrective action identified. This may well have led to misunderstandings and possibly a waste of valuable resources.

We now have the opportunity to correct this with the strategy you will find enclosed. The development of this paper has been carefully constructed using expertise from both the private and public sectors.

This economic strategy is the missing link that will join together a number of important initiatives that the BEP has already identified. These include the Business Networks Forum (a voice for local businesses) and the formation of the Business Coordination Group (a voice for public bodies). Both of these will play an integral part in the future delivery of the actions that will be developed as result of this strategy.

It will also be the fundamental cornerstone that underpins a number of the key objectives for both the Tamworth Strategic Partnership (TSP) and Lichfield Local Strategic Partnerships (LLSP).

We have a unique opportunity to make a difference to the area where we both work and live. This strategy will not be easy to implement but if we work together we are already half way there.



Peter Farmer (Chair of the BEP)



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1. Introduction

This strategy has been formulated by The Business and Economic Partnership (**BEP**) in Tamworth and Lichfield following the extensive involvement of businesses and key partners within the BEP and a wider consultation exercise with local businesses and partners. The BEP is a group of public, private and voluntary organisations and businesses that has been established to support and develop the economy across the Borough of Tamworth and District of Lichfield.

Founded in April 2009 following the establishment of a shared service in economic development between Tamworth Borough Council (**TBC**) and Lichfield District Council (**LDC**), the BEP articulates the priorities, needs and economic significance of the Tamworth and Lichfield area. It acts as the primary vehicle through which public sector agencies engage with businesses in a coordinated fashion and conversely through which businesses can influence agendas, policies and activities to support businesses and the local economy.

The BEP is unashamedly business led. It benefits from the active participation of a wide variety of local businesses across the Tamworth and Lichfield area, which includes the offices of the Chair and the 2 Vice Chairs being held by local business people. The agenda and direction of the BEP are therefore geared towards meeting the priorities and needs of the business community and a variety of mechanisms have been designed to ensure that this is the case.

As a result, the focus of this strategy is on the overarching objective of supporting sustainable business growth and development as this is going to be how economic prosperity can be most effectively encouraged. Through increasing wealth creation and job opportunities, this will naturally yield other social and community benefits and contribute to the quality of life of the area, its image and perception in the wider world.

2. The strategic and governance context

Since its foundation, and indeed before that in the guise of the former separate district based economic partnerships that then came together to form the BEP, the BEP has been coordinating activities to support the local economy within the context of the Staffordshire County based 'Local Area Agreement' (**LAA**), as well as the two district based Local Strategic Partnerships (**LSP**), which set a rigid framework of targets and objectives.

In addition to that, before the new localism agenda introduced by the present government, there existed a whole tier of economic development at the regional level, in particular in the form of the Regional Development Agency (**RDA**), Advantage West Midlands (**AWM**).

Since the coalition government came into office in May 2010, this landscape has been drastically changed. Firstly, the requirement for areas to produce LAAs has been removed, which left the BEP without any clear performance framework within which to operate. The two district LSPs, the Lichfield Strategic Partnership and Tamworth Strategic Partnership, are still in existence, but with the demise of the LAA, LSPs have greater freedoms to direct partnership activities according to more locally driven priorities and targets. As far as both LSPs are concerned, the BEP is acknowledged as the main strategic body for coordinating actions to support the local economy and lead business engagement across the 2 districts.

Perhaps more importantly though, the whole regional tier of governance has been swept aside, with RDAs, and therefore AWM, in the process of being phased out. In their place, the government has asked more locally defined areas beneath the former regional level to come together to form Local Enterprise Partnerships (**LEPs**) across England, based on real 'functioning economic areas'.

LEPs are a partnership between local businesses, local authorities and other organisations to act as the driving force in local economies. 33 LEPs have since been formed, with 6 in the West Midlands, including one for Greater Birmingham and Solihull (**GBS**) which includes parts of Southern Staffordshire, including Tamworth Borough and Lichfield District. A further LEP has been formed in Stoke on Trent and Staffordshire, although only Lichfield District Council has been an active part of that LEP up until now. The existence of 2 LEPs covering the Tamworth and Lichfield area in part reflects the complex economic geography of Southern Staffordshire as an area that lies on the edge of a major urban conurbation but which also forms part of a shire county.

The BEP sees itself playing a critical role in contributing to both local LEPs, particularly in terms of articulating the economic significance of the Tamworth and Lichfield area, representing the views of local businesses, influencing emerging Economic Strategies and facilitating delivery of programmes and actions that will encourage wider economic prosperity.

3. Why do we need a strategy and what are its principles and aims?

In order to be able to effectively respond to the economic situation of the area, as well as rise to the opportunities created by the new partnership landscape and the removal of previous more rigid delivery frameworks, it is clear that Tamworth and Lichfield needs to establish a clear sense of direction for its local economy.

The overall aim of this strategy is to promote a stronger, more resilient local economy through sustainable business development and growth, which reflects both the urban and rural dimensions to the Tamworth and

Lichfield area. In order to achieve this, this first stage of the strategy will:

- set a strategic economic vision for the Tamworth and Lichfield area which is more focussed on identifying and developing key business sectors of importance to the local economy,
- exploit and develop the main attributes of the area in terms of being a place that is good for business development and enhance the overall reputation and image of the area,
- influence the immediate priorities of the two local LEPs and directly contribute to LEP workstreams,
- be based on an assessment of the state of the local economy and the collective knowledge of local businesses and partners regarding economic and business issues and priorities,
- highlight key themes around which issues and priorities can be grouped based on the acknowledged strengths and weaknesses of the area, along with an assessment of the current and future economic opportunities that have been identified,
- focus businesses and partner organisations to work together on common areas of priority and need where coordination of effort at the local level will be desirable and feasible. This will lead to more efficient use of resources, removal of duplication and ultimately decreased confusion amongst the business community.

A second stage of the strategy will then be developed, focusing solely on how the BEP will be able to influence, facilitate and develop programmes of activity to addresses the identified key priorities.

4. The economic context

A thorough assessment of the local economy has been carried out, based on available economic data sets and statistics, as well as the local knowledge of BEP partners. A summary of key economic headlines is included below. (Key statistics can be found in Appendix 1 on page 20.)

- Education attainment levels in all qualification 'levels' are lower than the West Midlands and UK average apart from in NVQ1 or equivalent.
- Residents' weekly wages are higher than the West Midlands average but lower than the UK as a whole.
- Workplace weekly wages in the area are marginally lower than the West Midlands average and significantly lower than the UK average.

- The percentage of people claiming Jobseekers allowance is 2.8% of the working age population. This is better than the West Midlands average of 4.7% and the UK average of 3.7%. (May 2011, Nomis)
- The percentage of people claiming Employment Support Allowance, formerly incapacity benefit, is 5.3% of the working age population. This is better than then West Midlands average of 6.8% and the UK average of 6.6% (November 2010, Nomis)
- The area has approximately 7300 businesses.
- The majority of businesses, 64%, employ between 0-4 people.
- 3% of the business population employ more than 100 people, though 35% of the total number of employees work in these businesses.
- The key business sectors located in the area are:
 - Construction
 - Warehouse, distribution and logistics.
 - Manufacturing and engineering.
 - Professional services (e.g solicitors / accountants)
 - Tourism and hospitality

5. Vision and Key Themes

Through a workshop with members of the BEP and based on the above economic analysis, the following economic vision was agreed:

"Building on the excellent location to live and work, communication links with the whole country and a local skilled workforce, we will provide an environment that encourages and actively supports all new and existing businesses, with a view to developing areas of excellence."

In addition to, and based on the key economic issues identified via the economic analysis and the collective knowledge of local businesses and partners, 5 key themes were identified as priority areas for action:

1. Supporting our Businesses
2. Place Promotion
3. Infrastructure to support business
4. Town Centres
5. Workforce Development

These themes reflect a desire expressed by BEP partners and businesses to focus on the key determinants of business growth and success, alongside those positive or attractive attributes and features of

the Tamworth and Lichfield area as a place which, if further enhanced, will lead to the following:

- Greater inward investment into the area, with an accent on attracting high growth / value added sectors and new industries.
- An enhanced 'enterprise culture', leading to higher rates of new business formations, survival rates and new job opportunities.
- Further growth amongst indigenous businesses and a resultant growth in employment opportunities for local people.
- An enhanced reputation for Tamworth and Lichfield as a place in which it is 'easy to do business', with a well connected and supported, thriving business community which offers a multitude of business opportunities and is sustainable as a strong economy for the foreseeable future.

In identifying the 5 key themes for the Tamworth and Lichfield Economic Strategy, careful thought has been given to ensure that they are compatible with the priority programme areas of the local LEPs and will contribute to the wider economic ambitions of the LEP areas. However, the 5 themes are also reflective of the distinctive characteristics of Tamworth and Lichfield as a more local economic area, as well as the more specific needs of the local business community and the different level of resources available to partners.

6. Theme Structure

In formulating the 5 theme papers, it has remained a principle desire to make the strategy as easy to digest and engage with as possible, with a particular accent on identifying clear priorities and outcomes. For this reason, each paper follows the same, clear structure and deliberately avoids going into large amounts of detail and explanation.

Each paper starts with a simple definition of its main theme. This is then followed by a SWOT analysis relating to that theme, which acts as the context setter, succinctly painting the picture of the situation for Tamworth and Lichfield as things stand at the present time. Based on each SWOT analysis, a list of the key priority issues has been drawn out, around which some form of collective action is deemed desirable in order to enhance the local economic situation.

Finally, and based on these priority issues, a set of key outcomes has been formulated on which future **actions** will be based. It will then become the job of the BEP to identify how partners and business can work collectively to deliver these outcomes and draw up more detailed action plans for each theme.

Theme 1: Supporting Our Businesses

1. What do we mean by Supporting our businesses?

This theme will focus on business support services, which means any kind of service whose objective is to assist businesses in their day to day operations, to start up, grow and develop. This will include services provided by both the public and private sectors and those that are provided free of charge or are paid for.

2. SWOT analysis

<u>Strengths</u>	<u>Weaknesses</u>
<ul style="list-style-type: none"> • Think Local 4 Business offers a platform to coordinate services • Development of the BEP as the coordinator of the local business voice, particularly via the Business Networks Forum • Business Brief as a means to disseminate information on business support • Clear commitment by public sector to coordinate activities through the BEP • A coordinated shared service across two local authority areas, focusing on Economic Development • Role of the BEP in representing local Business views and needs 	<ul style="list-style-type: none"> • Previous regional business support service (Business Link) is disappearing without any replacement local service • Fragmented, dispersed and confusing array of services. • No centralised business advisor or facilitation service • Lack of knowledge and understanding of general local business needs & drivers • Lack of knowledge and understanding of specific sector based needs within the local business community • Lack of engagement with local higher education institutions such as universities and colleges, and a consequential poor innovation offer • Lacking physical infrastructure to support businesses, e.g. start up units / centres, appropriate conference centres
<u>Opportunities</u>	<u>Threats</u>
<ul style="list-style-type: none"> • To tailor make a local business support service based on local business needs • Ability to further develop www.ThinkLocal4Business.co.uk to become a business support and engagement hub • Development of LEP wide business support programmes • Harnessing of local business expertise to support other local businesses • Potential creation of a Social Enterprise to deliver appropriate Business Support and advice • Coordination role of BEP in identifying and defining local 	<ul style="list-style-type: none"> • Very diverse business population with equally diverse needs • Poor reputation of Business Link brand • Uncertain, irregular and Insufficient funding for Business support activities • Political change leading to a shift in central government policy and approach to Business Support • Varied, uncoordinated agencies attempting to access funding to deliver Business Support in varying forms across the Region

• Business Support delivery	
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3. **Key issues and priorities**

1. Lack of understanding of business support needs and how these differ across different business sectors and types.
2. Confusion amongst businesses about the services on offer and where to go to for assistance.
3. Lack of coordination of business support between organisations and providers.
4. A face to face on the ground local business advisor service is no longer available.
5. There is a need to shape emerging proposals for LEP wide business support programmes to ensure they meet local needs, as well as ensure that the LEPs provide comprehensive and readily accessible information on business support and are able to signpost businesses to appropriate programmes and organisations.
6. There is a perception by a significant number of businesses that Business Support of varying forms should be free of charge.
7. Lack of appropriate physical infrastructure to support business, such as by encouraging the development of flexible workspace, conference facilities or business incubation units.

4. **Objective**

To support business through the creation of a powerful network that promotes use of local resources and expertise, and provides clear easy access to business support provided through other organisations, such as the Greater Birmingham and Solihull LEP.

5. **Desired Outcomes**

1. Better intelligence on the needs of the local business community.
2. A clearer, more easily accessible system for businesses to receive the business support they need.
3. A stronger and wider offer of flexible workspace, incubation units and conference facilities.
4. A localised, on the ground and coordinated “business mentor” offer.

Theme 2: Place Promotion

1. What do we mean by Place Promotion?

This theme will focus on how the area is marketed both to inward investors and indigenous businesses, highlighting why Tamworth and Lichfield is a good place to do business.

2. SWOT analysis

<u>Strengths</u>	<u>Weaknesses</u>
<ul style="list-style-type: none"> • Excellent physical location in close proximity to a variety of large urban centres • Excellent transport links, M42, A5, M6 Toll, A38, West Coast Main Line etc. • Strong heritage and tourism offer which links to the tourism offers in both the Birmingham conurbation and Staffordshire. • Strong Destination Management Partnerships and inward investment agencies in both Birmingham and Staffordshire • Increased level of development activity locally (Defence Medical Services, Ventura Park, Lichfield City Centre etc.) • Proximity to Birmingham and the Black Country, whilst offering the advantages of a rural area • BEP well placed to champion the area and promote its benefits to businesses, through its business ambassadors and the Business Brief • Comparatively low overhead costs for businesses when compared to other locations in the region • Diversity of business population and types of business units available. • Availability of development land 	<ul style="list-style-type: none"> • No coordinated message as to what the area offers for business. • No development of a distinctive 'USP' • No clear idea why businesses (might) want to locate and grow in the area • No clear sectoral strategy • Lack of understanding and knowledge of which type of companies we wish to attract to the area • Lack of engagement with land and property owners and commercial agents • Dated commercial premises stock in certain areas • Poor current town centre offer • Lack of information on available land and property • Lack of funds to invest in promoting the area • Lack of system to identify inward investors and growing / potential high growth companies • Lack of any 'after care' service for businesses locating here • Fragmented approach to Tourism across the area • Lack of clear promotional messages to businesses.
<u>Opportunities</u>	<u>Threats</u>
<ul style="list-style-type: none"> • Link to LEP initiatives to promote the LEP areas • Key development sites to come forward (Gungate, Bitterscote, existing industrial estates, Fradley Park etc.) • Enterprise Zone status (Enterprise Belt) • Availability of development land. • Further development of the Town Centres and Tourism offer 	<ul style="list-style-type: none"> • Strong competition from other areas • Lack of confidence in the market and access to finance to stimulate investment

3. Key issues and priorities

1. Lack of understanding of different types of investor and business needs and the key motivations that drive investment decisions.
2. Lack of knowledge and understanding around the key sectoral strengths of the area, the potential for targeting certain sectors and matching the locational advantages the area could offer to these sectors.
3. Lack of a clear and coordinated marketing message to those businesses seeking to invest, grow or develop in the area.
4. Lack of communication with local landowners, developers and agents to ensure that information on developments and opportunities is understood and readily available and their needs are represented.
5. Role of the LEP to ensure that the benefits of the area are incorporated in any LEP wide promotional initiatives.
6. Maximise the potential benefits of enterprise zone status, including opportunities to leverage in new sources of funding to support investment.
7. Dated and unsuitable commercial stock in some areas.
8. Lack of a strong representation to champion the area as a great place to locate and grow a business

4. Objective

To maximise inward investment and local business growth, particularly in key priority sectors, based on the key locational advantages of the area, (Note: priority sectors will be identified based on analysis of business, economic and demographic intelligence)

5. Desired Outcomes

1. A more attractive area for business to locate to alongside a better image and profile.
2. A clear and coordinated marketing message promoting the area.
3. A clear understanding of the target investor market for the area.
4. Better availability of information about Tamworth and Lichfield as a place to do business.
5. Improved channels of communication between the key people involved in influencing and affecting the local economy.
6. Further promotion of tourism as a direct benefit to business.
7. Maximisation of opportunities offered by enterprise zones to promote the area presented.

Theme 3: Infrastructure to support business

1. What do we mean by Infrastructure to support business?

This theme refers to all of the physical support that needs to be in place to support local business start ups, growth, development and investment. This would include such things as appropriate facilities, physical environment, housing, transport links, commercial buildings, communication and utilities.

2. SWOT analysis

<u>Strengths</u>	<u>Weaknesses</u>
<ul style="list-style-type: none"> • Good selection and choice of commercial areas • Good connectivity to road and rail networks • Strong heritage and visitor economy offer • Strong leisure offer • Good availability of potential development land • Comparatively low overhead costs for businesses when compared to other locations in the region 	<ul style="list-style-type: none"> • Poor Rural access to broadband for businesses • Dated and inadequate commercial property offer in some areas • Lack of consistency in quality of industrial areas due to organic development over a period of years e.g. poor roads, security and signage • Housing affordability across the area • Lack of public transport to commercial and other key employment areas • Sporadic mobile broadband coverage
<u>Opportunities</u>	<u>Threats</u>
<ul style="list-style-type: none"> • Development of Whittington Barracks as the Defence Medical services headquarters for all of the Armed Forces and supporting businesses including the medical sector • Further development of heritage and visitor economy due to Staffordshire Hoard and Mercian Trail • Redevelopment schemes in town / city areas • Development of shared ownership schemes to meet affordable housing demand • Increased business home working • Flexibility offered by housing rental market • Enterprise Zone status (Enterprise Belt) • Development of conference facilities and incubation units / flexible workspace • Development of more sustainable transport options e.g. electric vehicles • Implications of and coordination of 	<ul style="list-style-type: none"> • Decline and stagnation of town / city centres and villages across the area. • Housing affordability across the area • Government funding cuts. • Delay in physical development schemes, due to recession and commercial viability • Ability to attract investment due to continuing caution in market place • Increased congestion and traffic on the road network • Costs of energy and utilities. • Ageing utilities network • Implications of local and national infrastructure projects

local and national infrastructure projects	
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3. **Key issues and priorities**

1. Inconsistent quality and suitability of commercial units and varied quality of available development land.
2. Mixed quality of some industrial areas, with poor signage, security, maintenance and general appearance.
3. Difficulties for locally employed workforce to buy local properties due to difference in wage levels, house prices and affordable housing.
4. Significant decline in local urban centres and lack of forthcoming investment.
5. Poor broadband access in rural areas.
6. Pressures on commuters and businesses of travel costs, congestion and environmental issues.

4. **Objective**

A consistently good quality of business related infrastructure that directly supports the needs of the local business community and its workforce, and underpins the sustainability that is needed for growth.

5. **Desired Outcomes**

- A coordinated register of available land for development and available commercial premises.
- An improved communications network, with faster speeds, wider rural coverage and better access to broadband networks, including mobile.
- Improved quality of commercial areas
- Increased availability and improved transport links to existing and future employment.
- Increased balanced supply of housing of different types and tenures with appropriate prices, affordable to the maximum amount of people.
- Maximisation of opportunities for increased employment and business development from enterprise zone status.

Theme 4: Town Centres

1. What do we mean by Town Centres?

This theme focuses on the key issues facing all of the main town / city centres in the area, including Tamworth, Lichfield City and Burntwood.

2. SWOT analysis

<u>Strengths</u>	<u>Weaknesses</u>
<ul style="list-style-type: none"> • Compact centres with good flexible parking • Good heritage and visitor economy offer • Good locations and links to transport networks • Good network of local independent traders • Reputable, strong markets including speciality and farmer markets • Affluent and widespread catchment area • Good leisure and open space facilities within or close to centres 	<ul style="list-style-type: none"> • Low spending in centres by residents • Declining retail offer in centres. • Perceived high rents & business rates • Demise of traditional town centre shops and brands. E.g. Woolworths, TJ Hughes • Competing with out of centre shopping parks • Lack of appropriate units to attract key national retailers • • Redevelopment schemes delayed due to viability and inability to obtain commercial funding • Lack of coordination with variety of owners of town centre properties and land • Poor reputation of centres due to current retail offer • Lack of engagement with town / city centre businesses • Poor signage and lack of public facilities
<u>Opportunities</u>	<u>Threats</u>
<ul style="list-style-type: none"> • Further development of leisure offer • Further development of heritage and tourism offer • Identified redevelopment schemes in place • Opportunities for mixed use development: housing, retail, office and leisure • Further enhancement of public realm. (physical environment such as, signage, lighting, benches, public toilets etc.) • Further development of the night time economy • Potential to generate new sources of funding to support town / city centres, such as Business Improvement Districts (BIDS) • Further development of town 	<ul style="list-style-type: none"> • Delay in physical development schemes, due to recession and commercial viability • Inability to attract investment due to continuing caution in the market place • Government funding cuts. • Government changes to planning policy • Competition and opposition to regeneration and development from other local centres • Difficulty in assembling land for development due to ownership issues • Increase in internet based shopping.

centre management schemes	
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3. Key issues and priorities

1. Lack of interaction with and understanding of the needs of businesses based in centres.
2. Lack of interaction with and understanding of the needs, plans and desires of land and property owners, investors and potential developers.
3. Change in focus for larger retailers from smaller town centre units to larger units on retail parks or edge of centre locations.
4. Decline of traditional town centre retailers.
5. Market caution in investment due to difficulties with access to finance and the commercial viability of local town centre “regeneration” schemes.
6. Change in Government policy on planning, focusing on creating jobs, which won't necessarily be specific to the needs and development of vibrant town / city centres.
7. Limited links between tourism activities and town / city centre businesses.

4. Objective

Thriving and sustainable town / city centres that meet the needs of local residents, workforce and visitors adding to a stronger reputation and image of the area.

5. Desired Outcomes

1. Better intelligence on town centre land and property ownership and interaction with respective owners.
2. A coordinated approach to attracting investment and strengthening business development in town centres.
3. Better intelligence on the needs of town centre businesses, independent retailers and their customers.
4. An improved reputation and image of the centres locally, regionally and nationally.
5. An agreed long term strategy for the approach towards town / city centres.

Theme 5: Workforce Development

1. What do we mean by Workforce Development?

This theme will focus on the employment needs of the local business community, focusing on what skills and training are needed for now, the future and how local employment and enterprise can be encouraged.

2. SWOT analysis

<u>Strengths</u>	<u>Weaknesses</u>
<ul style="list-style-type: none"> • Varied and diverse business population offering a variety of jobs • Good access to employment areas, locally, regionally and nationally • Good working relationships between some public sector bodies in the area • High educational attainment and qualifications levels in some areas • Both LEPs responding to the workforce skills agenda through formation of Employment and Skills Boards 	<ul style="list-style-type: none"> • Local educational attainment levels in some wards is poor. • Low aspiration levels in some wards • Poor basic skills and lack of work readiness in some wards • Business caution in employing new staff due to, red tape, staff suitability, costs and risk to business. • The skills and training needs of every business are varied and hard to identify. • Training and skills agenda is a large and complex area, hard for businesses to understand or connect with • Training provision is not coordinated for businesses. • Lack of practical understanding about what business training needs are. • Lack of apprenticeships offered by local businesses. • Lack of understanding of Government support for unemployment and related benefits.
<u>Opportunities</u>	<u>Threats</u>
<ul style="list-style-type: none"> • Growth and take up of apprenticeship schemes • Signs of local growing development and increasing inward investment • Encouraging local procurement and local employment on development sites • Improving private sector growth and increasing business start up. • Improving and creating links with Further and Higher Education bodies • Increased relevance and understanding of self employment 	<ul style="list-style-type: none"> • Funding cuts for training and skills providers • Lack of training provider willingness to coordinate services to businesses • Graduate migrations • Limited skills available in SMEs for business development, growth, employment and management/ leadership

<ul style="list-style-type: none"> • Employment and skills board to be created across the LEP area, with a Southern Staffordshire focus • Involvement of third sector employers in skills delivery and employment opportunities 	
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3. Key issues and priorities

1. Lack of knowledge and understanding of basic employment needs for individual businesses.
2. Lack of knowledge and understanding of specific needs of businesses in specific sectors.
3. Lack of knowledge and understanding of barriers to employment / employing local residents within locally based businesses.
4. Lack of coordination of all available support and training to businesses about workforce development in the area.
5. Lack of coordinated communication to local businesses about appropriate training and support opportunities and vice versa.
6. Low levels of interaction with local further and higher education establishments, particularly regional Universities.
7. Lack of knowledge and understanding by local residents of the types of employment opportunities on offer in the area.
8. Need to link to and influence the emerging LEP wide strategies and initiatives on employment and skills.

4. Objective

A motivated and capable workforce with the right work ethos, access to the right training and the skills to support their development and the needs of the local business community.

5. Desired Outcomes

1. Strong synergies and dialogue between skills and training providers and businesses
2. Better intelligence on business needs regarding skills, abilities, roles and expertise.
3. A clear, easily accessible system for businesses to receive information on the training and skills they need.
4. A clear message to local residents about local employment opportunities and the courses available to equip them to fill these.

THE NEXT STEPS - DELIVERY

The compilation of this strategy has taken several months to get to this stage and the complex nature of the original terms of reference resulted in various changes during its evolution.

Bearing this in mind, we believe that the final document is clear and concise and focuses on the priorities and issues which need to be acted upon to ensure economic development and growth. It has been deliberately constructed to demonstrate the overriding outcomes that are needed to address these issues.

During the coming months, consultation will take place with both the Public and Private and Voluntary Sectors, to agree the actions needed to support the the second stage of this strategy, namely its implementation and delivery.

Although the BEP has devised this strategy and will be sponsoring its implementation, in devising actions to support the delivery of the strategy, it should be recognised that the local economy is part of the collective responsibility of a wide number of organisations, partnerships and businesses and will not, and cannot, be the sole domain of the BEP. As such, it is the overall aim of this strategy to ensure that all said organisations, partnerships and businesses are working towards the same economic aspirations.

In terms of delivery, it should be noted that the BEP will have limited ability to directly deliver actions itself due to its nature as a partnership and constrained resources. That said, where it does have resources, it will ensure that these are put to the most effective use to support the aspirations of the strategy, and will also explore opportunities to work with other partners to maximise the impact of any activities that it directly delivers. Beyond that, the BEP, as the only partnership which brings together all parties with an interest in the local economy, is well placed to play a role to influence, facilitate and coordinate any activities that are required to address the economic priorities expressed in this strategy.

The BEP therefore recognises its main strength as its ability to work across all sectors, acting as a coordinating voice and central focal point for any decisions or actions related to the local economy. Therefore it will work closely with all interested parties to support the economy, including; businesses, individuals, public sector bodies, educational and voluntary sector organisations.

The actions developed as part of the second stage of the strategy will:

- Be relevant to current and existing activity – linking up current activity on projects, groups and programmes, making them more

efficient and appropriate to the Economy and partners and removing duplication.

- Be relevant to as many priorities as appropriate.
- Be achievable, deliverable and not overly ambitious.

The BEP will continue to facilitate this with the help of the Business Networks Forum from the private sector and the Business Coordination Group from the public sector. It will also ensure that the agreed strategy including its future action plans support the wider economic ambitions of both the Greater Birmingham and Stoke and Staffordshire LEPs.

It is envisaged that this coordinated response will achieve both the aspirations of the Public and Private Sectors and will help to cement a partnership for the future sustainable economic growth for the area.

Of course, any strategy and action plan can only be 'snapshots' of circumstances and aspirations at the time they are written, so with that in mind, the BEP will continue to monitor local economic circumstances and business needs and aspirations via the mechanisms just described. This will allow the strategy and action plans to be further developed and adapted to ensure that they continue to work towards the desired outcomes.

It is however important to remember that any action plan to achieve an outcome will need to be resourced. Your help in supporting this and its implementation will be crucial if we are to achieve the results we all aim for.

Appendix One – Economic Statistics

	Lichfield	Tamworth	Total	%	West midlands	%	UK	%
Total population	98700	76000	174700	n/a	5455200		60462600	n/a
Population 16-64	61400	49900	111300	n/a	3464052		39179765	n/a
Economically active	49800	35900	85700	77	2570327	74.2	29854981	76.2
Economically inactive	13100	14000	27100	24	893725	25.8	9324784	23.8
NVQ 4 and above	18000	8400	26400	24	900654	26.0	12263266	31.3
NVQ 3 and above	31400	18100	49500	44	1572680	45.4	19981680	51.0
NVQ2 and above	43800	30400	74200	67	2165033	62.5	26367982	67.3
NVQ1 and above	54100	37600	91700	82	2670784	77.1	31422171	80.2
No qualifications	4700	7800	12500	11	523072	15.1	4427313	11.3
Earnings by residence								
Full time male	£554.10	£503.90	£529.00	n/a	£503.90	n/a	£ 541.90	n/a
Full time female	£523.60	£384.10	£453.85	n/a	£401.90	n/a	£440.00	n/a
Earnings by workplace								
Full time male	£518.30	£446.90	£482.60	n/a	£502.80	n/a	£540.50	n/a
Full time female	£374.60	£376.90	£375.75	n/a	£400.00	n/a	£439.80	n/a
JSA* Claimants (May 2011)	1502	1596	3098	2.8	162810	4.7	1449651	3.7
ESA** Claimants (November 2010)	2980	2920	5900	5.3	235556	6.8	2585864	6.6

All %s are of total of working age population 16-64.

* Jobseekers Allowance
Claimants

** Employment support
allowance.

All figures taken from www.nomisweb.co.uk