



CABINET

10 October 2012

**A Meeting of the CABINET will be held on Wednesday, 17th October, 2012, 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: Business rates Retention Scheme

Presenters: Director (Finance) and Head of Revenues

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 Consultation report (Pages 5 - 32)

(Report of the Leader of the Council)

- 7 **Business Rate Pooling Options** (Pages 33 - 68)
(Report of the Portfolio Holder for Core Services and Assets)
- 8 **Technical Reform of Council Tax** (Pages 69 - 76)
(Report of the Portfolio Holder for Core Services and Assets)
- 9 **Tamworth Local Plan Submission Version** (Pages 77 - 84)
(Report of the Portfolio Holder for Economic Development and Enterprise)
- 10 **GBSLEP Economic Strategy Consultation** (Pages 85 - 144)
(Report of the Portfolio Holder for Economic Development and Enterprise)
- 11 **Castle HLF Update and Release of Finances** (Pages 145 - 146)
(Report of the Portfolio Holder for Economic Development and Enterprise)
- 12 **Revised Approach to Landlord Accreditation** (Pages 147 - 150)
(Report of the Portfolio for Housing)
- 13 **A Social Lettings Agency for Tamworth** (Pages 151 - 228)
(Report of the Portfolio for Housing)

Restricted

NOT FOR PUBLICATION because the report could involve the disclosure of exempt information as defined in Paragraphs 1, 3 and 9 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended)

- 14 **Review of Bank Holidays** (Pages 229 - 246)
(Report of the Leader & Chairman of the Appointments and Staffing Committee)

Yours faithfully



pp 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: D Cook, R Pritchard, L Bates, S Claymore, S Doyle, M Greatorex and J Oates



MINUTES OF A MEETING OF THE CABINET HELD ON 26th SEPTEMBER 2012

PRESENT: Councillor D Cook (Chair), Councillors R Pritchard, L Bates, S Claymore, S Doyle and M Greatorex

The following officers were present: Anthony E Goodwin (Chief Executive), John Wheatley (Executive Director Corporate), Rob Barnes (Director - Housing and Health), Jane Hackett (Solicitor to the Council and Monitoring Officer), Andrew Barratt (Director - Assets and Environment), Robert Mitchell (Director - Communities, Planning and Partnerships), Michael Buckland (Head of Revenues) and Stephen Lewis (Public Health Manager)

56 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor J Oates

57 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 5 September 2012 were approved and signed as a correct record.

(Moved by Councillor R Pritchard and seconded by Councillor M Greatorex)

58 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

59 MATTERS REFERRED TO THE CABINET IN ACCORDANCE WITH THE OVERVIEW AND SCRUTINY PROCEDURE RULES

None

60 BUDGET AND MEDIUM TERM FINANCIAL PLANNING PROCESS

The Report of the Leader of the Council seeking agreement to the proposed budget and medium term financial planning process for General Fund and the Housing Revenue Account for 2013/14 was considered.

RESOLVED That the proposed process for the General Fund and Housing Revenue Account Budget and Medium Term Financial Planning Process for 2013/14 be adopted.

(Moved by Councillor D Cook and seconded by Councillor R Pritchard)

61 LOCAL AUTHORITY MORTGAGE RATE FOR MORTGAGES UNDER HOUSING ACT 1985

The Report of the Portfolio Holder Core Services and Assets seeking 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 2012 was considered.

RESOLVED: That the statutory declaration of interest to be charged at 4.72% be endorsed.

(Moved by Councillor R Pritchard and seconded by Councillor D Cook)

62 RE-INVESTING RIGHT TO BUY RECEIPTS IN AFFORDABLE HOUSING

The Report of the Portfolio Holder for Housing seeking agreement to the local retention of Right to Buy Receipts to support the delivery of affordable housing and to confirm the action of officers in signing the agreement to retain Right to Buy Receipts in order to meet CLG deadlines was considered.

RESOLVED: That:

- 1 The retention of Right to Buy receipts locally to deliver new affordable homes be agreed, and;
- 2 The actions of officers in signing the agreement with CLG to retain Right to Buy receipts locally be retrospectively confirmed by Cabinet in order to meet the Government deadline of 12 noon on 26 September 2012.

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

63 OPTIONS FOR FLEXIBLE TENURE FOR COUNCIL HOMES

The Report of the Portfolio Holder for Housing setting out the options arising from greater freedoms and flexibilities contained within the Localism Act 2011 to transform Council Housing tenure was considered.

RESOLVED: That:

- 1 The Draft Tenancy Management Policy introducing fixed term tenancies from April 2013 for all new tenancies save exceptions listed be approved. Delegating authority to the

Portfolio Holder of Housing & Director of Housing & Health, to approve any final material amendments as necessary, and;

- 2 The development of an Affordable Rent Policy during 2013/14 which assesses the financial impact and viability of charging increased rents based on the Affordable rent model be approved, and;
- 3 The route map for delivering the Tenancy Management Policy be approved, and;
- 4 Financial regulations be waived to allow Trowers & Gill Leng Consultants to advise on the legality of the policy as it is finally implemented and prepare the new fixed term tenancy agreements, with a value of work up to £6000
(Moved by Councillor M Greatorex and seconded by Councillor R Pritchard)

64 TAMWORTH LOCAL AIR QUALITY MANAGEMENT

The Report of the Portfolio Holder for the Environment and Waste Management advising Cabinet of the outcome of the updating and screening assessment for local air quality conducted in accordance with current and future Government requirements was considered.

RESOLVED:

That:

- 1 The Updating and Screening Report (USA) and recommendations, as submitted to DEFRA be approved, and by these actions take clear ownership of the final report and its conclusions, and;
- 2 The release of revenue contingency of £10k be further approved to undertake necessary air quality assessments to comply with statutory requirements.
(Moved by Councillor S Doyle and seconded by Councillor L Bates)

65 TAMWORTH CENTRE SUPPLEMENTARY PLANNING DOCUMENT

The Report of the Portfolio Holder for Economic Development and Enterprise updating Members on the response and feedback from the consultation events carried out for the Town Centre SPD and to consider an additional consultation phase to take place before the final consultation and adoption by Cabinet of the SPD was considered.

RESOLVED:

That:

- 1 The consultation events were well attended but that there was a small response from local businesses to be noted, and;
- 2 An additional consultation period to gather opinions from the private sector especially those based in the town centre, through a targeted consultation be approved

(Moved by Councillor S Claymore and seconded by Councillor R Pritchard)

EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That members of the press and public be now excluded from the meeting during consideration of the following item on the grounds that the business involves the likely disclosure of exempt information as defined in Paragraph 1 and 3, Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

66 TAMWORTH GOLF COURSE

The report of the Portfolio Holder for Economic Development and Enterprise on the need to renegotiate the lease of and regeneration of the golf course was considered.

RESOLVED: That the recommendations as contained in the report be approved.

(Moved by Councillor S Claymore and seconded by Councillor R Pritchard)

Leader

17th October 2012**REPORT OF THE LEADER****Budget Consultation 2013/2014****EXEMPT INFORMATION**

There is no exempt information

PURPOSE

To inform Cabinet of the outcomes arising from consultation undertaken with residents, tenants, businesses and voluntary sector in accordance with the Corporate budget setting process.

RECOMMENDATIONS

That Cabinet endorse the report and take account of the findings along with other sources of information when setting the 2013/14 Budget.

EXECUTIVE SUMMARY

Feedback from the Consultation process has highlighted the following:

Priorities for spending

- There are four areas which are believed to warrant additional expenditure: tackling anti-social behaviour, street cleaning, improving the economic, physical, social and environmental conditions of Tamworth and parks and open spaces.
- Around half of respondents see littering and dog fouling as a major issue in Tamworth.
- Respondents feel that spending more on areas such as sport and leisure and increasing employment will tackle issues of crime and anti-social behaviour.
- Refuse collection and recycling is seen by residents as an area where Tamworth Borough Council performs well.
- The development of the town centre is a priority for residents and businesses. There is much support for linking Ventura Park and the town centre.
- Respondents would like to see more quality employment brought into Tamworth.
- Respondents would like to see a better quality of shops in the town centre.

Charges

- Respondents would not like to see any increase in parking charges or town centre rents and would actually like to see reductions in these charges. Respondents felt that car parking should be free of charge to encourage the use of the town centre.

Saving costs

- Many respondents feel the Council should look at internal cost savings rather than cutting services or increasing charges

Council Tax

- When asked which level of increase for Council Taxes respondents would like, the majority opt for 0.67% or 1%.

RESOURCE IMPLICATIONS

There are no resource implications arising from this report.

LEGAL/RISK IMPLICATIONS BACKGROUND

It is a statutory duty to consult before the development of the budget. Budget consultation ensures our compliance with this.

SUSTAINABILITY IMPLICATIONS

There are no sustainability implications arising from this report.

BACKGROUND INFORMATION

As part of an 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.

REPORT AUTHOR

Charlotte Green – Corporate Consultation Officer

LIST OF BACKGROUND PAPERS

None

APPENDICES

Budget consultation 2013/2014 – Full report



Budget Consultation – 2013/2014

October 2012

1. Introduction

As part of our annual process, we wished to review the Council Tax and Charges strategy for the development of the Council's 2013/2014 budget and ensure that funding is put into areas of highest priority. An important element of this process is to understand the views of residents, businesses, and local community and voluntary organisations.

2. Methodology

An event was held in Ankerside Shopping Centre where the public could drop-in and talk to Cabinet Members about their priorities for spending.

In addition, there were three surveys available – one tailored for businesses, one tailored for the voluntary and community sector and one tailored for residents.

These surveys were promoted through various council-run social media sites and emailed to the citizens panel, the Think Local database and the Tamworth Council for Voluntary Service database.

220 responses were received for the budget consultation residents' survey.

21 responses were received for the business survey and 20 responses for the voluntary and community sector survey.

4. Main findings

From the questionnaires and event we have learned:

Priorities for spending

- There are four areas which are believed to warrant additional expenditure: tackling anti-social behaviour, street cleaning, improving the economic, physical, social and environmental conditions of Tamworth and parks and open spaces.
- Around half of respondents see littering and dog fouling as a major issue in Tamworth.
- Respondents feel that spending more on areas such as sport and leisure and increasing employment will tackle issues of crime and anti-social behaviour.
- Refuse collection and recycling is seen by residents as an area where Tamworth Borough Council performs well.
- The development of the town centre is a priority for residents and businesses. There is much support for linking Ventura Park and the town centre.
- Respondents would like to see more quality employment brought into Tamworth.
- Respondents would like to see a better quality of shops in the town centre.

Charges

- Respondents would not like to see any increase in parking charges or town centre rents and would actually like to see reductions in these charges. Respondents felt that car parking should be free of charge to encourage the use of the town centre.

Saving costs

- Many respondents feel the Council should look at internal cost savings rather than cutting services or increasing charges

Council Tax

- When asked which level of increase for Council Taxes respondents would like, the majority opt for 0.67% or 1%.

5. Survey results

Priorities for spending

Respondents were asked whether we should spend more, the same, or less on services from our major cost areas.

For the majority of cost areas, respondents expressed the view that spending should remain the same.

There are four cost areas where a high proportion of respondents would like to see an increase in spending; street cleaning, tackling anti-social behaviour, improving the economic, physical, social and environmental conditions of Tamworth and parks and open spaces.

Sports and leisure

Sports and leisure				
	Spend more	Spend the same	Spend less	No opinion
Residents	27%	58%	8%	7%
Business	42%	42%	16%	0%
Voluntary sector	22%	50%	11%	17%

Views of sport and leisure facilities

29% of respondents felt that the sports and leisure facilities in Tamworth needed to improve to make it a better place to live.

Many respondents recognise that there is a lot to do in Tamworth but express the view that sport and leisure opportunities, even council subsidised activities such as swimming, are too expensive to access.

"Tamworth's leisure facilities are targeted at the wealthy and therefore the few. Take a trip to Wyndley in Sutton Coldfield or Rushcliffe arena in Nottingham. These are couple of places that are genuinely affordable and offer plentiful leisure options. The Snowdome is monopolising its position as the main leisure centre, prices are ridiculous and the wide range of options is low"

Respondents feel that the council should do more to get residents to exercise as this will help address the national issue of obesity.

Residents are very proud of Tamworth Castle and are supportive of the ongoing work with the Heritage Lottery Fund.

“We have an amazing castle with a wealth of history”

Changes to expenditure

58% of resident survey respondents felt that spending levels should remain the same; a decrease of 18% on the previous year’s budget consultation. 42% of business survey respondents felt we should be spending more in this area.

Respondents felt that the council should do all it could to encourage take up of sports and leisure opportunities; whether this be better promotion of what is available or by subsidising charges to private facilities to make them more accessible.

“free gym membership or heavily subsidised for Tamworth residents. We used to have a residents leisure card scheme which you faded out”

It was suggested that we use the Olympics to make residents aware of sports and leisure opportunities which could encourage more people to exercise.

“The council should really build on the buzz from London 2012 (that must start with keeping the flags/banners along Lichfield Road and making them relevant to Tamworth and adding them elsewhere in the town). Sports are a great way to drive people on and more should be done to make the town proud of its many sports clubs”

Events

Events				
	Spend more	Spend the same	Spend less	No opinion
Residents	23%	55%	16%	6%
Business	39%	28%	22%	11%
Voluntary sector	21%	47%	16%	16%

Views of events

22% of respondents felt that community events in Tamworth needed to improve to make it a better place to live.

Many residents who attended the Tamworth Listens drop-in event praised the outdoor events and said that it was one of the things they like about living in Tamworth.

“I love the events in town and they make me really proud to be a Tammy. Thanks for the wonderful Olympic torch procession and the events over the summer in the castle grounds. They were wonderful!”

However, it was mentioned that there seemed to be fewer events in 2012 than there were in 2011. People would like to see more events in 2013.

Changes to expenditure

55% of resident survey respondents felt that spending levels should remain the same. 39% business survey respondents felt we should be spending more in this area. 47% of voluntary sector survey respondents felt that spending should remain the same.

It was suggested that we could save cost within this area by using volunteers to organise the events or by paying for them through sponsorship.

“Try to organise community events by getting community organisers trained”

“I wouldn't want to reduce the amount of events that are held as they are an excellent part of Tamworth but maybe they could be organised within reduced costs or have some sort of sponsorship funding”

Refuse collection and recycling

Refuse collection and recycling				
	Spend more	Spend the same	Spend less	No opinion
Residents	18%	78%	1%	3%
Business	21%	68%	5%	5%
Voluntary sector	0%	77%	6%	18%

Views of service

The waste collection and recycling service receives more than a 90% customer satisfaction rating.

Many feel the service has improved since the introduction of the joint service with Lichfield.

Those that are dissatisfied with the service feel that bulky item collection should not be charged for and a few express the view that weekly black bin collection should be reinstated.

“Refuse collections are best I have ever had. Pity you now have to pay to have larger items collected as more people are dumping these items on verges and roadsides”

“Bring back the free bulky item collections to discourage fly tipping and the dozens of scrap vans in the town”

Changes to Expenditure

78% of resident survey respondents felt that the same should be spent on refuse collection and recycling; an increase of 5% on the previous year. The majority view from business survey respondents and the voluntary sector respondents indicated that spending should remain the same.

Parks and open spaces

Parks and open spaces				
	Spend more	Spend the same	Spend less	No opinion
Residents	49%	45%	2%	3%
Business	26%	68%	5%	0%
Voluntary sector	26%	58%	5%	11%

Use of parks and open spaces

49% of respondents felt that the parks and open spaces in Tamworth needed to improve to make it a better place to live.

Many respondents use the parks and open spaces in Tamworth and expressed the view that the Castle Grounds was very good but that outside of this area, standards are more variable and it is these areas that require greater focus.

Changes to expenditure

49% of respondents indicated that more needed to be spent on parks and open spaces; an increase of 23% on last year's budget consultation. It was felt that open spaces needed to be better maintained and equipment in the local parks could be of a better standard.

“Let's have more areas for public recreation that are not overgrown or covered in litter”

Around a half of business and voluntary sector respondents felt the same should be spent in this area.

Street Cleaning

Street cleaning				
	Spend more	Spend the same	Spend less	No opinion
Residents	49%	48%	0%	2%
Business	33%	61%	6%	0%
Voluntary sector	16%	63%	11%	11%

Views of service

There are mixed views on the cleanliness of the borough. Some feel street cleaning is an area where the council fails to perform while others express the view that Tamworth is a clean and tidy place to live.

55% of respondents indicated that street cleaning was an area that needed to be improved to make Tamworth a better place to live.

Many of the negative comments are around litter, maintenance of verges and hedges, dog fouling and grass cuttings being left once an area has been mowed.

“clean it up and do jobs properly if grass is cut make it tidy and neat don't leave it rolling round the streets check all green areas make sure they are edged, plant flowering shrubs around the estates not just in

the Castle Grounds. Tree are great but only if they are maintained properly”

Respondents see street cleaning as a very important function and express the view that a clean town can have a massive impact on residents' sense of pride and general well being.

“Create an environment that shows that we care for one another, that we want to live in a clean and tidy environment and we are not being dictated to by big business and big government. Pick up grass cuttings, clear gutters and drains make Tamworth a cleaner and tidier environment”

Changes to expenditure

Although respondents accept that residents themselves have a responsibility to not drop litter, there is a belief that the Council should do more to improve the appearance of the local environment, particularly in local neighbourhoods.

Just under half of the residents responding to the survey would like to see more spent on street cleaning; which is a 6% decrease on last years result.

“primarily the streets need cleaning and waste bins need to be installed, as there is a sad lack of them in all areas, people drop litter as there are no bins to put it in. wining town in bloom is O.K. if the street are clean and tidy, but you clean up before you put out flowers”

“Litter is a major issue in Tamworth - you need to 'clean up' before any re-branding of Tamworth!”

The majority of the business and voluntary sector survey respondents expressed the view that spending should remain the same.

5.6 Tackling anti-social behaviour

Tackling anti-social behaviour				
	Spend more	Spend the same	Spend less	No opinion
Residents	70%	28%	1%	2%
Business	74%	16%	11%	0%
Voluntary sector	56%	33%	6%	6%

Views of service

All respondent groups felt that tackling anti-social behaviour is a key area for both the Council and the Police.

“Tackle crime and anti social behaviour. This should be a priority”

Many express the view that alcohol is a contributing factor to the anti-social behaviour in Tamworth and blame the night time economy and binge drinking culture.

“Need to tackle alcohol fuelled anti social behaviour and damage especially in town - weekends (not a good look)”

Changes to expenditure

Respondents feel that supporting other services areas such as providing more facilities and activities, particularly sports and leisure facilities for young people and working to provide more employment in the town would help address the issue of anti-social behaviour.

“The town needs full employment. Problems like anti-social behaviour is caused by idle hands and lack of hope”

“Unemployment is the biggest cause of unrest amongst younger people. Perhaps a scheme could be developed that offered out of work youngsters the chance to participate in community projects thus providing them with healthy exercise and a 'feel good factor'”

“Tamworth Police are great but they are pushed to the limits and can't work miracles. Youth need jobs, Tamworth should build more housing giving jobs and more income to the Town”

“If you 'tackle youth crime & asb and focus on this area, less time would need to be spent on the wider spectrum of alcohol abuse / vulnerability etc. Then more focus could be given to those that deserve the opportunity for 'a healthier & safer Tamworth!’”

“we feel tackling anti social behaviour direct will not solve the entire problem and community development is the key to this issue”

70% of resident survey respondents expressed the view that more should be spent in this area; a decrease of 10% on last year's budget consultation.

Almost three quarters of business survey respondents and more than half of the voluntary and community sector respondents indicated that more should be spent in this area.

Improving the economic, physical, social and environmental conditions of Tamworth

Improving the economic, physical, social and environmental conditions of Tamworth				
	Spend more	Spend the same	Spend less	No opinion
Residents	47%	42%	5%	6%
Business	68%	32%	0%	0%
Voluntary sector	61%	28%	6%	6%

Views on improving the economic, physical, social and environmental conditions of Tamworth

Respondents' main concern is about the regeneration of the town centre and they feel that this will have a positive impact for residents and visitors. Respondents still feel that town centre is in decline and only offers low end shopping. There is concern over the vacant shop units in the town centre.

Many express the view that quality employment needs to be brought into Tamworth rather than minimum wage retail employment.

“Bring proper jobs to Tamworth instead of allowing huge warehouses to be built which either stand empty or employ very few people at low wages as automation does most of the work”

Respondents feel that improving the economic, physical, social and environmental conditions of Tamworth will have a positive impact on health, well-being and prosperity of residents.

Changes to expenditure

46% of respondents to the residents' survey indicated that more should be spent on improving the economic, physical, social and environmental conditions of Tamworth

This area was more important to business and voluntary and community sector respondents, with 68% of business respondents and 61% of voluntary and community sector respondents indicating that more should be spent in this area.

Respondents still support the linking of Ventura Park and the town centre and feel doing this will help the declining town centre.

“If access between Ventura Park and the town centre was more obvious to outsiders and a pleasant walk made even better, the town centre would perhaps be given a boost. Also walk/cycle links from Sainsbury's to town centre to Ventura would help. Improvements have been made but you could do better!!”

Grants for voluntary organisations and charities

Grants for voluntary organisations and charities				
	Spend more	Spend the same	Spend less	No opinion
Residents	23%	55%	17%	5%
Business	26%	32%	26%	16%
Voluntary sector	95%	0%	0%	5%

Voluntary and community sector services

From the voluntary and community sector respondents, 63% had seen their 2012/2013 income affected by public sector cuts and 74% were anticipating the cuts would also affect their income for 2013/2014.

“we have had to cut down on the number of sessions we deliver due to the fact that we can't find funding to support them”

79% had seen and increase in the demand for the services they offer due to the recession and the effect this has had on the general public's finances.

“Voluntary sector organisations - less funding available and more competition for it; greater demand for services as their own service users are suffering. Volunteers - more people out of work, looking to enhance their employment prospects through volunteering”

Changes to expenditure

Residents recognise the value of voluntary and community sector organisations and the majority feel that spending should remain the same.

95% of voluntary and community sector respondents expressed the view that more should be spent in this area.

“Because of the all round cut backs being forced on local councils by both the government and the economic climate it is crucial that voluntary organisations and community groups are supported as much as possible to enable them to fill this void”

Commissioning services from voluntary organisations and charities

Commissioning services from voluntary organisations and charities				
	Spend more	Spend the same	Spend less	No opinion
Residents	21%	55%	16%	8%
Business	32%	32%	21%	16%
Voluntary sector	79%	16%	0%	5%

Changes to expenditure

Many respondents support the commission of services to voluntary and community sector organisations as they offer value for money and are trusted by the residents of Tamworth.

The majority of resident survey respondents expressed the view that spending should remain the same in this area. Business respondents felt that spending should remain the same or be more. Voluntary sector respondents felt that more should be spent in this area.

Housing

Housing	Spend more	Spend the same	Spend less	No opinion
Residents	40%	44%	11%	6 %
Businesses	26%	63%	5%	5%
Voluntary sector	22%	39%	17%	22%

Views on housing

57% of respondents felt that affordable decent housing needed to improve to make Tamworth a better place to live.

There is a view that there is a lack of affordable decent housing in Tamworth, private rent is too high and there are too many Houses of Multiple Occupation,

“We need more affordable housing both private and council”

“Build homes for people who cannot get mortgages before we have people living on the streets”

“I feel very worried at times about the number of flat blocks shooting up all round. Young people take them and then after children need houses with gardens for children to play. There will still be a shortage of housing and flats which will become slums”

“Housing in Tamworth is very difficult to acquire. Even if you're homeless as my son was living on streets and with friends for two months then privately rented which was very expensive”

Changes to expenditure

The majority view is that spending should remain the same in this area. However, 40% of residents feel that more should be spent on housing.

Housing advice and grants

Housing				
	Spend more	Spend the same	Spend less	No opinion
Residents	22%	50%	21%	7%
Businesses	16%	47%	32%	5%
Voluntary sector	17%	33%	28%	22%

Changes to expenditure

The majority view is that spending should remain the same in this area.

Improved access to information and customer services.

Customer services				
	Spend more	Spend the same	Spend less	No opinion
Residents	19%	61%	13%	7%
Businesses	24%	41%	29%	6%
Voluntary sector	33%	22%	33%	11%

Changes to Expenditure

The majority of respondents indicated that spending should remain the same in this area.

Business support and advice

Business support and advice				
	Spend more	Spend the same	Spend less	No opinion
Residents	29%	53%	10%	8%
Businesses	21%	58%	16%	5%
Voluntary sector	6%	56%	17%	22%

Views of service

Respondents feel this is an important area to generate prosperity within the town.

Respondents express the view that high levels of unemployment and minimum wage employment contribute to many other issues such as poor mental health, obesity and anti-social behaviour.

Changes to Expenditure

Respondents feel that the council could do more to support businesses by offering subsidies or lower rents to start up businesses.

The majority view is that spending should remain the same in this area. 29% of resident respondents and 21% of business respondents expressed the view that more should be spent in this area.

6. Making savings and reducing costs

Respondents were asked to select three service areas that they felt the council could look at to make savings and reducing costs.

Many express the view that they would not want to see any services cut and would rather the council make efficiencies within these services.

	Residents survey	Business survey	Voluntary sector survey
Sport and leisure	21%	26%	26%
Events	41%	53%	42%
Refuse collection and recycling	3%	0%	16%
Parks and open spaces	5%	11%	26%
Street cleaning	3%	0%	16%
Tackling anti-social behaviour	3%	5%	0%
Improving the economic, physical, social and environmental conditions of Tamworth	18%	16%	11%
Voluntary sector grants	34%	47%	0%
Voluntary sector commissioning	43%	37%	5%
Housing	12%	11%	11%

Housing advice and grants	35%	37%	37%
Improved access to information/customer services	42%	26%	47%
Business support and advice	36%	21%	47%

Resident survey respondents expressed the view that, if the council did have to make savings and reduce costs, the areas to look at are:

1. Voluntary sector commissioning
2. Improved access to information/customer services
3. Events

Business survey respondents expressed the view that, if the council did have to make savings and reduce costs, the areas to look at are:

1. Events
2. Voluntary sector grants
3. Voluntary sector commissioning/Housing advice and grants

Voluntary sector survey respondents expressed the view that, if the council did have to make savings and reduce costs, the areas to look at are:

1. Improved access to information/customer services
2. Business support and advice
3. Events

7. Charges

Respondents were asked to select two of the income areas where they think charges should be increased and to select two of the income areas where they think charges should be reduced.

Residents survey: charges for income areas		
	Increase Charges	Reduce Charge
Car parking	23.7%	69.5%
Public charges for leisure and other activities	54.6%	34%
Waste Management	48.7%	11.3%
Public spaces	48.7%	12.8%
Town Centre	20.4%	66.5%

Business survey: charges for income areas		
	Increase Charges	Reduce Charge
Car parking	43.8%	52.6%
Public charges for leisure and other activities	50%	36.8%
Waste Management	25%	42.1%
Public spaces	75%	5.3%
Town Centre	6.3%	57.9%

Voluntary sector survey: charges for income areas		
	Increase Charges	Reduce Charge
Car parking	38.5%	50%
Public charges for leisure and other activities	30.8%	43.8%
Waste Management	61.5%	18.8%
Public spaces	46.2%	18.8%
Town Centre	15.4%	62.5%

Many respondents felt that no increase in charges should be made because residents are already financially strained.

The majority from those that did answer this question in the resident survey expressed the view that, if the council did increase charges, the areas to look at are:

1. Public charges for leisure and other activities
2. Public spaces

Resident respondents would least want to see an increase in charges for car parking and town centre charges. Many felt that car parking charges were too expensive and expressed the view that parking should be free to encourage people to shop in the town. It was thought that a reduction in town centre rents would encourage more businesses into the town centre, helping to regenerate it.

The majority of business respondents expressed the view that, if the council did increase charges, the areas to look at are:

1. Public spaces
2. Public charges for leisure and other activities

The majority of voluntary and community sector respondents expressed the view that, if the council did increase charges, the areas to look at are:

1. Waste Management
2. Public spaces

8. Council Tax Levels

Respondents were shown a series of scenarios describing options for increase in Council Tax, as shown below:

Band B		Band D			Increase in Council Tax Income per Year £'000	4 Year Cumulative Income £'000
Increase £	Charge £	Increase £ %		Charge £		
0.77	117.09	1.00	0.67	150.55	23	92
1.17	117.48	1.50	1.00	151.05	35	138
2.91	119.23	3.74	2.50	153.29	86	344
4.65	120.97	5.98	4.00	155.53	138	550

They were also given the option of selecting a 2.5% increase as outlined in the four-year budget proposal.

Respondents were asked to consider the financial pressures the Council is under, and then asked to make a choice on their preferred level of increase.

Acceptable Council Tax increase for 2013/2014	
Option A – 0.67%	36.8%
Option B – 1%	30%
Option C – 2%	17.4%
Option D – 2.5%	12.6%
Option E - 4%	4%

Many respondents felt that there should be no council tax increase. The majority of respondents selected either a 0.67% or a 1% increase.

12.6% of respondents chose the proposed increase of 2.5%.

Data – Residents' survey

Please tell us how important our priorities under 'aspire and prosper in Tamworth' are to you, with 1 being the most important and 5 being the least important.

	1	2	3	4	5
Raise aspiration and attainment levels of young people.	58.8%	19.9%	11.6%	6.5%	3.2%
Create opportunities for business growth	53.0%	26.7%	9.7%	5.5%	5.1%
Work with businesses to create more employment locally	65.4%	16.1%	7.8%	3.7%	6.9%
Brand and market "Tamworth" as a great place to "live life to the full".	40.8%	18.8%	16.1%	8.7%	15.6%
Create the technology and physical infrastructure necessary	43.3%	27.6%	14.7%	8.8%	5.5%

Please tell us how important our priorities under 'be healthier and safer in Tamworth' are to you, with 1 being the most important and 6 being the least important.

	1	2	3	4	5	6
Tackle poor health in children	55.8%	18.9%	12.0%	6.0%	4.1%	3.2%
Improve the health of older people	45.2%	24.4%	10.1%	6.9%	9.7%	3.7%
Tackle alcohol abuse	45.2%	19.8%	11.5%	6.0%	7.4%	10.1%
Tackle crime and anti-social behaviour	67.6%	16.0%	5.9%	1.4%	3.7%	5.5%
Tackle youth crime and anti-social behaviour.	67.1%	18.5%	5.6%	1.9%	2.3%	4.6%
Protect those most vulnerable in our local communities	55.6%	20.4%	11.6%	3.7%	4.2%	4.6%

Please select FIVE things from the list below that you believe are the most important for making somewhere a good place to live.

85.6%	Low levels of crime	35.2%	Good shopping facilities	68.1%	Good job prospects
58.3%	Good health services	55.1%	Affordable decent housing	11.1%	Community events
44.0%	Clean streets	52.8%	Good parks and open spaces		
62.5%	Good education provision	23.1%	Good sports and leisure facilities		

Please tick FIVE things you feel need to improve most to make Tamworth a better place to live.

77.4%	Level of crime	37.7%	Shopping facilities	28.8%	Sports and leisure facilities
38.7%	Health service	57.1%	Affordable decent housing	82.1%	Job prospects
55.2%	Cleanliness of streets	49.1%	Parks and open spaces		
34.0%	Education provision	21.7%	Community events		

For the following services, do you think we should spend more, the same or less?

	More	Same	Less	No opinion
Sports and Leisure	27.0%	58.3%	8.1%	6.6%
Events	22.6%	54.8%	16.3%	6.3%
Refuse collection and recycling	17.8%	77.5%	1.4%	3.3%

Parks, open spaces	49.3%	45.0%	2.4%	3.3%
Street cleaning	49.3%	48.3%	0.0%	2.4%
Tackling anti-social behaviour	69.5%	27.7%	0.9%	1.9%
Improving the economic, physical, social and environmental condition of Tamworth	46.9%	42.2%	4.7%	6.2%
Grants for voluntary organisations and charities	22.9%	54.8%	17.1%	5.2%
Commissioning services from voluntary organisations and charities	20.9%	55.3%	15.5%	8.3%
Housing	39.6%	43.9%	10.8%	5.7%
Housing advice and grants	21.8%	50.0%	21.4%	6.8%
Improved access to information/customer services	19.0%	61.1%	12.8%	7.1%
Business support and advice	28.9%	53.1%	10.4%	7.6%

From the services listed below, if the Council had to make savings or reduce costs, which services do you think we should look at. Please select THREE.

21.0%	Sports and leisure	33.7%	Voluntary sector grants
41.0%	Events	42.9%	Voluntary sector commissioning
2.9%	Refuse collection and recycling	12.2%	Housing
4.9%	Parks, open spaces	34.6%	Housing advice and grants
3.4%	Street cleaning	42.0%	Improved access to information/customer services
2.9%	Tackling anti-social behaviour	36.1%	Business support and advice
17.6%	Improving the economic, physical, social and environmental condition of Tamworth		

Which TWO of the below income areas do you think the Council could/should increase charges for?

23.7%	Car parking	48.7%	Waste management	20.4%	Town centre rental (market and shop rent)
54.6%	Public charges for leisure and other activity	48.7%	Public spaces		

Which TWO of the below income areas do you think the Council could/should decrease charges for?

69.5%	Car parking	11.3%	Waste management	66.5%	Town centre rental (market and shop rent)
34.0%	Public charges for leisure and other activity	12.8%	Public spaces		

What would you consider to be an acceptable Council Tax increase for the 2013/2014 budget?

17.4%	Option A (2.00%)	30.0%	Option C (1.00%)	3.2%	Option E (4.00%)
36.8%	Option B (0.67%)	12.6%	Option D (2.50%)		

Data – Business survey

Please tell us how important our priorities under 'aspire and prosper in Tamworth' are to you, with 1 being the most important and 5 being the least important.

	1	2	3	4	5
Raise aspiration and attainment levels of young people.	52.6%	10.5%	15.8%	5.3%	15.8%
Create opportunities for business growth	42.1%	31.6%	21.1%	5.3%	0.0%
Work with businesses to create more employment locally	47.4%	21.1%	15.8%	5.3%	10.5%
Brand and market "Tamworth" as a great place to "live life to the full".	42.1%	0.0%	15.8%	21.1%	21.1%
Create the technology and physical infrastructure necessary	36.8%	15.8%	21.1%	15.8%	10.5%

Please tell us how important our priorities under 'be healthier and safer in Tamworth' are to you, with 1 being the most important and 6 being the least important.

	1	2	3	4	5	6
Tackle poor health in children	36.8%	0.0%	15.8%	21.1%	15.8%	10.5%
Improve the health of older people	31.6%	10.5%	5.3%	5.3%	47.4%	0.0%
Tackle alcohol abuse	26.3%	10.5%	5.3%	21.1%	10.5%	26.3%
Tackle crime and anti-social behaviour	63.2%	15.8%	0.0%	0.0%	10.5%	10.5%
Tackle youth crime and anti-social behaviour.	42.1%	36.8%	0.0%	0.0%	10.5%	10.5%
Protect those most vulnerable in our local communities	42.1%	0.0%	31.6%	10.5%	10.5%	5.3%

For the following services, do you think we should spend more, the same or less?

	More	Same	Less	No opinion
Sports and Leisure	42.1%	42.1%	15.8%	0.0%
Events	38.9%	27.8%	22.2%	11.1%
Refuse collection and recycling	21.1%	68.4%	5.3%	5.3%
Parks, open spaces	26.3%	68.4%	5.3%	0.0%
Street cleaning	33.3%	61.1%	5.6%	0.0%
Tackling anti-social behaviour	73.7%	15.8%	10.5%	0.0%
Improving the economic, physical, social and environmental condition of Tamworth	68.4%	31.6%	0.0%	0.0%
Grants for voluntary organisations and charities	26.3%	31.6%	26.3%	15.8%
Commissioning services from voluntary organisations and charities	31.6%	31.6%	21.1%	15.8%
Housing	26.3%	63.2%	5.3%	5.3%
Housing advice and grants	15.8%	47.4%	31.6%	5.3%
Improved access to information/customer services	23.5%	41.2%	29.4%	5.9%
Business advice and support	21.1%	57.9%	15.8%	5.3%

From the services listed below, if the Council had to make savings or reduce costs, which services do you think we should look at. Please select THREE.

- 26.3% Sports and leisure
- 52.6% Events
- 0.0% Refuse collection and recycling
- 10.5% Parks, open spaces
- 0.0% Street cleaning
- 5.3% Tackling anti-social behaviour
- 15.8% Improving the economic, physical, social and environmental condition of Tamworth
- 47.4% Voluntary sector grants
- 36.8% Voluntary sector commissioning
- 10.5% Housing
- 36.8% Housing advice and grants
- 26.3% Improved access to information/customer services
- 21.1% Business advice and support

Which TWO of the below income areas do you think the Council could/should increase charges for?

- 43.8% Car parking
- 50.0% Public charges for leisure and other activity
- 25.0% Waste management
- 75.0% Public spaces
- 6.3% Town centre rental (market and shop rent)

Which TWO of the below income areas do you think the Council could/should decrease charges for?

- 52.6% Car parking
- 36.8% Public charges for leisure and other activity
- 42.1% Waste management
- 5.3% Public spaces
- 57.9% Town centre rental (market and shop rent)

Data – voluntary and community sector survey

What type of organisation are you?

63.2%	A registered charity	5.3%	Voluntary group
0.0%	Company limited by guarantee	15.8%	Community group
15.8%	Community interest company	0.0%	Other
If other, please specify			
0.0%			

Has your income for 2012/2013 been affected by the public sector cuts?

63.2%	Yes	36.8%	No
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Do you anticipate an impact on your income for 2013/2014 as a result of the public sector cuts?

73.7%	Yes	26.3%	No
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Has the number of services your organisation is able to provide changed in comparison to 2011/2012?

26.3%	Yes	73.7%	No
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Has there been an increased demand for the services your organisation provides since the economic downfall?

78.9%	Yes	21.1%	No
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If yes, what affect has this had on your organisation?

100.0%

In your view is the current economic climate affecting your service users?

78.9%	Yes	21.1%	No
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Please tell us how important our priorities under 'aspire and prosper in Tamworth' are to your organisation, with 1 being the most important and 5 being the least important.

	1	2	3	4	5
Raise aspiration and attainment levels of young people.	78.9%	5.3%	0.0%	15.8%	0.0%
Create opportunities for business growth	22.2%	22.2%	16.7%	22.2%	16.7%
Work with businesses to create more employment locally	36.8%	5.3%	26.3%	21.1%	10.5%
Brand and market "Tamworth" as a great place to "live life to the full".	38.9%	27.8%	5.6%	22.2%	5.6%
Create the technology and physical infrastructure necessary	15.8%	31.6%	15.8%	21.1%	15.8%

Please tell us how important our priorities under 'be healthier and safer in Tamworth' are to your organisation, with 1 being the most important and 6 being the least important.

	1	2	3	4	5	6
Tackle poor health in children	50.0%	11.1%	5.6%	11.1%	16.7%	5.6%
Improve the health of older people	50.0%	0.0%	11.1%	5.6%	16.7%	16.7%
Tackle alcohol abuse	38.9%	16.7%	5.6%	11.1%	16.7%	11.1%
Tackle crime and anti-social behaviour	44.4%	27.8%	11.1%	0.0%	5.6%	11.1%
Tackle youth crime and anti-social behaviour.	50.0%	27.8%	11.1%	0.0%	0.0%	11.1%
Protect those most vulnerable in our local communities	77.8%	0.0%	16.7%	5.6%	0.0%	0.0%

For the following services, do you think we should spend more, the same or less?

	More	Same	Less	No opinion
Sports and Leisure	22.2%	50.0%	11.1%	16.7%
Events	21.1%	47.4%	15.8%	15.8%
Refuse collection and recycling	0.0%	76.5%	5.9%	17.6%
Parks, open spaces	26.3%	57.9%	5.3%	10.5%
Street cleaning	15.8%	63.2%	10.5%	10.5%
Tackling anti-social behaviour	55.6%	33.3%	5.6%	5.6%
Improving the economic, physical, social and environmental condition of Tamworth	61.1%	27.8%	5.6%	5.6%
Grants for voluntary organisations and charities	94.7%	0.0%	0.0%	5.3%
Commissioning services from voluntary organisations and charities	78.9%	15.8%	0.0%	5.3%
Housing	22.2%	38.9%	16.7%	22.2%
Housing advice and grants	16.7%	33.3%	27.8%	22.2%
Improved access to information/customer services	33.3%	22.2%	33.3%	11.1%
Business advice and support	5.6%	55.6%	16.7%	22.2%

From the services listed below, if the Council had to make savings or reduce costs, which services do you think we should look at. Please select THREE.

26.3%	Sports and leisure	0.0%	Voluntary sector grants
42.1%	Events	5.3%	Voluntary sector commissioning
15.8%	Refuse collection and recycling	10.5%	Housing
26.3%	Parks, open spaces	36.8%	Housing advice and grants
15.8%	Street cleaning	47.4%	Improved access to information/customer services
0.0%	Tackling anti-social behaviour	47.4%	Business advice and support

10.5% Improving the economic, physical, social and environmental condition of Tamworth

Which TWO of the below income areas do you think the Council could/should increase charges for?

38.5%	Car parking	46.2%	Public spaces
30.8%	Public charges for leisure and other activity	15.4%	Town centre rental (market and shop rent)
61.5%	Waste management		

Which TWO of the below income areas do you think the Council could/should decrease charges for?

50.0%	Car parking	18.8%	Public spaces
43.8%	Public charges for leisure and other activity	62.5%	Town centre rental (market and shop rent)
18.8%	Waste management		

17th October 2012**Report of the Portfolio Holder for Core Services and Assets****BUSINESS RATES POOLING - UPDATE****EXEMPT INFORMATION**

None

PURPOSE

To endorse the decision to 'pool' Business Rates under the business rate retention scheme, effective from 1st April 2013, with the Greater Birmingham & Solihull Local Enterprise Partnership pool, in order to comply with the revised deadline of 9th November, 2012 set by the Department for Communities & Local Government (DCLG) and endorse the response to the DCLG 'Business Rates Retention Technical Consultation'.

RECOMMENDATIONS**That Cabinet:**

- 1. Endorses the decision to 'pool' Business Rates under the business rate retention scheme, effective from 1st April 2013, with the Greater Birmingham & Solihull pool;**
- 2. Endorses the response to the DCLG 'Business Rates Retention Technical Consultation' document as set out at Appendices 1 and 2;**
- 3. Approves that the Chief Executive, in consultation with the Leader of the Council and Cabinet Member with portfolio for Core Services and Assets, be authorised to agree the governance arrangements for the pooling arrangement with the Greater Birmingham & Solihull pool, to submit to DCLG by the revised deadline of 9th November 2012.**

EXECUTIVE SUMMARY

At the meeting on 5th September 2012, Cabinet considered a report on the options to 'pool' business rates under the business rate retention scheme with effect from 1st April 2013 and approved that:

- Cabinet prefer pooling with the Greater Birmingham & Solihull LEP; and
- In order to give consideration to any new or updated information in the period up to the deadline of 10th September, 2012 that the Chief Executive in consultation with the Leader of the Council and Cabinet Member with portfolio for Core Services and Assets be authorised to make the final decision on pooling arrangements and submit to Department for Communities & Local Government by the appointed time (minute 54 refers).

On 10th September, the Chief Executive, following Executive consultation with the Leader of the Council and Cabinet Member with portfolio for Core Services and Assets, confirmed that Tamworth Borough Council does wish to continue to be included in the list of authorities constituting the Greater Birmingham and Solihull Pool, to be submitted to the DCLG on the 10th September 2012. Cabinet are now requested to endorse this decision. Page 33

In addition, the Executive Director Corporate Services responded to the latest consultation issued by DCLG by the deadline of 24th September 2012 – responding in the best interests of the Council as summarised the letter attached at **Appendix 1** with the formal consultation document response attached at **Appendix 2**. Cabinet are requested to endorse this response.

The response focused on the following key consultation areas:

1. Incentives;
2. Levy Methodology and the 80 : 20 two tier split;
3. Risk / Reward Shift;
4. Forecast Business Rates;
5. Substitute Funding;
6. Pooling;
7. New Homes Bonus; and
8. Expenditure Control Limits.

The consultation on pooling 'Business Rates Retention Pooling Prospectus' sets out that final proposals including governance arrangements (signed off by the Chief Executives and Section 151 officers of each of the local authorities in the pool) should be submitted by no later than Friday 19 October. It is understood that the lead authority have received correspondence from DCLG extending the deadline to 9th November 2012. In order to expedite the approval it is requested that Cabinet approve that the Chief Executive in consultation with the Leader of the Council and Cabinet Member with portfolio for Core Services and Assets be authorised to agree the governance arrangements for the pooling arrangement with the Greater Birmingham & Solihull pool - to submit to DCLG by the revised deadline of 9th November 2012.

RESOURCE IMPLICATIONS

The Local Government Resource Review including the retention of business rates will have potentially significant implications for the Council. The system will incorporate the savings required as part of the Comprehensive Spending Review but will also provide a financial incentive to councils generating business growth.

As part of this arrangement it is clear that many of the financial risks associated with collection of business rates will also be transferred to councils, although a safety net is to be put in place to deal with significant shocks (for Authorities which decide not to pool).

The deadline presents us with some challenges, given that we will still be making a decision using significant assumptions on many of the variables involved – the final picture for each Authority and pooling arrangement will not be known until the Local Government Finance Report is published in December 2012.

LEGAL/RISK IMPLICATIONS BACKGROUND

As the proposals focus on the distribution of business tax revenues, rather than changes to the system of taxation, it is not perceived that there will be any direct legal implications.

Risks associated with the business rates retention scheme include:

- a) The risk associated with the collection of business rates is clearly passing to the Authority although the new system has a 'safety net' component so that authorities are compensated if their rates income falls below 7.5% or 10% (the government has yet to decide the specific figure of their baseline spending) - if real terms business rates income across the Authorities falls, a pool has no advantage and indeed individual Districts could lose out on 'safety net' payments;
- b) The key driver of whether a pool is advantageous is whether there will be sustained positive real growth in business rates across the Authorities included;
- c) There is also a risk in relation to the uncertainty over inbuilt changes to the new system. For example it is understood the system is due to be 'reset' after a period of time i.e. 7 years and there is no clear idea of how the benefit of the additional rates income generated in the intervening time would be dealt with. There is a risk that any interim benefit will be lost after the reset, although equally authorities might benefit from a 'needs' reset;
- d) Financial modelling is based on the best estimates / interpretation of the proposals available, as provided through discussions with the GBSLEP;
- e) Impact on potential growth modelling will be impacted by the baseline figures – critical for forecasting the level of growth / levy shares.

SUSTAINABILITY IMPLICATIONS

None

REPORT AUTHOR

Stefan Garner, Director of Finance, Tel. 01827 709242

LIST OF BACKGROUND PAPERS

Local Government Resource Review – Proposals for Business Rates Retention
Business Rates Pooling, Cabinet 5th September 2012

APPENDICES

Appendix 1 - Executive Director Corporate Services' response to the latest consultation issued by DCLG

Appendix 2 – DCLG formal Consultation response document to 'Business Rates Retention Technical Consultation'

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John Wheatley
Executive Director Corporate Services



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27th September 2012

Dear Andrew

Response to Business Rates Retention Technical Consultation

Please find attached a completed response template in relation to the above consultation – required by 24th September 2012.

In addition, we support the points made by the District Councils' Network (DCN) and make the following comments.

1. Incentives

The latest proposals seem to be a significant distance from where the debate started in relation to incentives. One of the original aims was to provide a powerful incentive for local government to help facilitate growth in its business base – the latest proposals seem to fall somewhat short of this due primarily to the 50% central share calculation and subsequently the operation of levies.

We feel that there is a diluted level of incentive funding is too little to have any real influence on behaviour (see also “levy methodology” and the 80 : 20 two tier split).

Whilst recognising that the system has to operate within the national spending limits, we would request that the system does not need to allocate the proceeds from growth in business rates on the same basis as baseline funding allocations – ie, the 50% central share does not need to be applied to growth funding and should be removed or set at a more reasonable level to provide a better incentive.

2. Levy Methodology and the 80 : 20 two tier split

We support the commitment that any growth in business rates is rewarded by paying 80% to Districts and 20% to Counties.

We were very pleased to hear the Secretary of State make an emphatic commitment to this at the recent LGA Conference.

It is therefore with great disappointment that the latest proposals do not uphold this commitment when the figures are worked through the model. In cash terms, the benefits from growth are not actually paid 80/20 due to the operation of the proportionate levy calculation – indeed; the two things are mutually exclusive. We would ask that this is looked at again so that the commitment made by the Secretary of State can be upheld in terms of the actual cash that ends up coming through the system. This further damages the incentive that it is so important to give to planning authorities.

3. Risk / Reward Shift

Whilst there is recognition that there is a shift of risk from central to local government as part of the proposals, the balance of risk and reward (as outlined in the consultation) feels unfair. Local government bears too much of the downside risk whilst not benefiting enough from upward growth - this links to the comments made earlier in the 'incentives' section.

4. Forecast Business Rates

It would be very useful if CLG could provide (at the earliest opportunity) more information about what forecast business rates assumptions are to be used when estimating the national receipts from Business Rates for 2013/14 (the base year).

It appears that Councils will only get their share of growth in the rates if that growth is over and above the Treasury's very optimistic expectations of the growth in the business rates yield.

This is an important point and clearly one that potentially has a major implication for all local authorities when trying to calculate future levels of business growth (and what level of assumed growth we need to exceed before the 'incentive retained share' calculation clicks in).

5. Substitute Funding

The level of the 50% central share together with its proposed usage is an issue which we would express concern about. The proposed practice of using the central share of business rates to fund existing local government grants (eg, Council Tax Benefits) is one of the reasons why there isn't sufficient incentive left in the system.

We would ask for a commitment that the previous practice of using 100% of business rates income to fund local government is maintained and that it is done in an open and transparent way. Part of this would need to involve continuing to separately identify funding such as Council Tax Support Grant so that it can be tracked against future demand and caseload to enable future discussions about its appropriateness to be undertaken.

6. Pooling

We would ask that CLG reconsiders the position to allow local authorities to opt out of a proposed pool (once the annual grant figures are announced) without it necessarily dissolving the rest of the proposed pool.

In light of the importance of stability in pools we support three guiding principles, namely;

- a) Joining a pool should not impact on the Council's sovereignty in any way
- b) The Council should be 'no worse off' from joining a pool
- c) The rewards of growth should be distributed proportionately to those that have generated them

7. New Homes Bonus

The New Homes Bonus Scheme is increasingly being discussed as a powerful incentive to promote growth and supplement grant reductions.

Turning now to the separate consultation on the alternative we see no need to deduct the whole sum when its release will be over six years.

8. Expenditure Control Limits

The limits mentioned on page 22 are very different to those set out in the CSR. Clarification of this situation is needed.

Sufficient protection through damping arrangements for District Councils like Tamworth will be an essential part of the new system. Significant savings / cost reductions have already been made and when combined with a low local council tax level / taxbase means that, without protection to ensure authorities will not be significantly worse off, reductions in front line service provision would be a necessity.

We hope you will find all of the above of use and of course we would be happy to discuss these points at your convenience

John Wheatley

Executive Director Corporate Services & Section 151 Officer

24th September 2012

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Technical Consultation on Business Rates Retention July 2012

Response Form

The Government would like your views on whether you agree with the options presented in the Technical Consultation on Business Rates Retention. This paper was published on the 17 July 2012, and can be found at the following address:

<http://www.local.communities.gov.uk/finance/brr/sumcon/index.htm>

For convenience, this preformatted response form contains all the questions in the main consultation document. Please click on the relevant check boxes to activate the 'X' that will indicate your preference. Space is available after each question if you wish to include any additional comments to support your choice. There is no limit on the size of these spaces and the boxes will resize themselves. We also welcome any additional comments and alternative proposals, and these can be made in the section available at the end.

All responses, whether using this preformatted response form, or otherwise should reach us by **5pm on 24 September 2012**.

We particularly welcome responses submitted electronically. Please e-mail responses to BRRtechnicalconsultation@communities.gsi.gov.uk

If you are not able to respond by e-mail, please post your response to

Andrew Lock
Settlement Distribution and Policy Team
Communities and Local Government
Zone 5/J2
Eland House
Bressenden Place
London SW1E 5DU

Alternatively, they may be faxed to 0303 4443294.

Confidentiality

All information in responses, including personal information, may be subject to publication or disclosure under freedom of information legislation. If a correspondent requests confidentiality, this cannot be guaranteed and will only be possible if considered appropriate under the legislation. Any such request should explain why confidentiality is necessary. Any automatic confidentiality disclaimer generated by your IT system will not be considered as such a request unless you specifically include a request, with an explanation, in the main text of your response.

I would like my response to remain confidential (please cross)

Please say why in the box below.

Business Rates Retention Consultation Response

Name	John Wheatley
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Section 2 – Establishing the start up funding allocation and baseline funding levels

Chapter 3: Local Government Spending Control Total

Q1: Do you agree with the methodology set out above for calculating the local government spending control total?

Agree

Disagree

Any further comments

We are concerned with the amount of deductions (New Homes Bonus, Safety Net & Capitalisation) that there will be less core funding available to meet local needs. Concern is also expressed over the rolled in grants and the effect this seems to have on baseline funding and could be 'lost' especially if there are further reductions in spending levels

Q2: Do you agree with the methodology set out above for calculating Revenue Support Grant?

Agree

Disagree

Any further comments

Protection for Authorities through floor damping is essential to reduce volatility

Chapter 4: Concessionary Travel

Q3: Do you agree with the proposed approach of updating the Concessionary Travel Relative Needs Formula to use modelled boardings data?

Agree

Disagree

Any further comments

As concessionary travel costs are based on estimates rather than actuals

Q4: Or, do you think it would be preferable to keep using the existing formula?

Agree

Disagree

Any further comments

As Q3

Chapter 5: Rural Services

Q5: Do you agree that we should increase the population sparsity weighting of super-sparse to sparse areas from 2:1 to 3:1 for non-police services?

Agree

Disagree

Any further comments

Sparsity factors are not sufficient to compensate rural authorities adequately for the additional costs they face so an increase in weighting is probably warranted. Agree in principal but would question the scale of the change and it is therefore essential for floor damping to continue

Q6: Do you agree that we should double the existing Older People's Personal Social Services (PSS) sparsity adjustment from 0.43% to 0.86%?

Agree

Disagree

Any further comments

Without the specific exemption for this Authority, the doubling of the adjustment seems too high. Further detail would be welcomed

Q7: Do you agree that the proportion of the Relative Needs Formula accounted for by the population sparsity indicator under the District Level Environmental, Protective and Cultural Services block should be increased from 3.7% to 5.5%?

Agree

Disagree

Any further comments

Again, this is a significant change in weighting and we would welcome further information

Q8: Should the County level Environmental, Protective and Cultural Services indicator be reinstated at 1.25%?

Agree

Disagree

Any further comments

There is not any real justification given for re-instating it

Q9: Do you agree that we should introduce a Fire & Rescue sparsity adjustment at 1%?

Agree

Disagree

Any further comments

It would dilute existing funding available for District Councils

Chapter 6: Taking account of Relative Needs and Relative Resources

Q10: Do you agree that we should restore the level of the Relative Resource Amount in 2013-14 to that for 2010-11?

Agree

Disagree

Any further comments

As the Relative Resource Amount is designed to ensure that more grant is allocated to those authorities with a low council tax base compared to other authorities

Q11: Do you agree that we should compensate for restoring the level of the Relative Resource Amount in 2013-14 to that for 2010-11 by increasing the level of the Central Allocation only?

Agree

Disagree

Any further comments

As Q10

Chapter 7: Grants Rolled In Using Tailored Distributions

Q12: Do you agree that we should continue to distribute funding for the Grants Rolled In Using Tailored Distributions according to the methodology used in 2012-13?

Agree

Disagree

Any further comments

We would however, go further and would rather grants be paid separately & identifiable rather than consolidated as they could lose their identity following future cuts

Chapter 8: Transfers and Adjustments

Q13: Do you agree that the October 2012 pupil census should be used in the final settlement for removing these services?

Agree

Disagree

Any further comments

No comment as County function / no exemplification provided

Q14: If not, what methodology would you prefer to use?

Preference

No comment

Q15: Do you agree with the proposed methodology for removing funding for the education services currently in the Local Authority Central Spend Equivalent Grant?

Agree

Disagree

Any further comments

No comment as County function / no exemplification provided

Q16: If not, what methodology would you prefer to use?

Preference

No comment

Q17: Do you agree that funding for Local Authority Central Spend Equivalent Grant should be removed after floor damping?

Agree

Disagree

Any further comments

No comment as County function / no exemplification provided

Q18: Do you agree with the proposed methodology for rolling in the 2011-12 Council Tax Freeze Grant?

Agree

Disagree

Any further comments

No, as this would be better if separately identified.

Q19: Do you agree with the proposed methodology for rolling in the Council Tax Support Grant?

Agree

Disagree

Any further comments

No, as this would be better if separately identified.

Q20: Do you agree with the proposed approach to continue to apply a damping floor to Early Intervention Grant allocations after the removal of the 2 year old funding and the top slice?

Agree

Disagree

Any further comments

No comment as County function / no exemplification provided

Q21: Do you agree with the proposed methodology for rolling in the Early Intervention Grant excluding funding for free early education for two years olds?

Agree

Disagree

Any further comments

No comment as County function / no exemplification provided

Q22: Do you agree with the proposed methodology for rolling in Greater London Authority General Grant?

Agree

Disagree

Any further comments

No comment as GLA function / no exemplification provided

Q23: Do you agree with the proposed methodology for rolling in a proportion of the Greater London Authority Transport Grant?

Agree

Disagree

Any further comments

No comment as GLA function / no exemplification provided

Q24: Do you agree with the proposed methodology for rolling in Homelessness Prevention Grant?

Agree

Disagree

Any further comments

We would rather see this as a separate allocation as currently

Q25: Do you agree with the proposed methodology for rolling in a proportion of the Lead Local Flood Authorities Grant?

Agree

Disagree

Any further comments

Separate allocations should be maintained

Q26: Do you agree with the proposed methodology for rolling in the Department of Health Learning Disability and Health Reform Grant?

Agree

Disagree

Any further comments

Separate allocations should be maintained.

Chapter 9: Population Data

Q27: Do you agree that the preferred population measure to use is the Interim 2011-based sub-national population projections?

Agree

Disagree

Any further comments

The most up to date information available should be used

Q28: Do you agree with the hierarchy of alternative datasets which would be used if there are problems with availability of any of the data?

Agree

Disagree

Any further comments

As above

Chapter 10: Taxbase data

Q29: Do you agree that we should use aim to use the council tax base projections as the council tax base measure in order to be consistent with our proposed approach to the population?

Agree

Disagree

Any further comments

The most up to date information available should be used

Q30: Do you agree that we should switch to the November 2012 council tax base data should population estimates have to be used?

Agree

Disagree

Any further comments

The most up to date information available should be used

Chapter 11: Other Data Indicators

Q31: Do you agree that we should use data from the Inter-Departmental Business Register in the Log of Weighted Bars indicator?

Agree

Disagree

Any further comments

No material impact

Chapter 12: Distribution of Revenue Support Grant

Q32: Do you agree with the proposed methodology for distributing Revenue Support Grant in 2014-15 by scaling the 2013-14 authority-level allocations of Revenue Support Grant to the level of the 2014-15 control total for services funded through the rates retention system?

Agree

Disagree

Any further comments

We do not agree with grants being rolled in and then reduced by scaling back in future years as existing demand for specific needs will continue - this method would dilute funding for these key areas

Chapter 13: Floor Damping

Q33: Do you agree with the proposed approach for calculating floor damping in 2013-14?

Agree

Disagree

Any further comments

Protection for Authorities through floor damping is essential to reduce volatility

Q34: Do you agree with the proposed approach for allocating floor damping bands in 2013-14?

Agree

Disagree

Any further comments

Protection for Authorities through floor damping is essential to reduce volatility

Q35: Do you agree with the proposed approach to splitting 2012-13 formula grant between the service tiers?

Agree

Disagree

Any further comments

No comment - No effect for Tamworth Borough Council

Q36: If not, what methodology do you think we should use?

Preference

No comment

Chapter 14: New Homes Bonus

Q37: Do you agree that the funding for capitalisation and the safety net should be held back from the surplus New Homes Bonus funding rather than as a separate top-slice?

Agree

Disagree

Any further comments

The amount of funding being retained is unjustified.

Q38: Do you agree that the remaining funding should be distributed back to local authorities prorata to the *start-up funding allocation*?

Agree

Disagree

Any further comments

While we do not agree with the top-slice levels, any funding remaining should be returned to local authorities on a needs basis

Q84: Would you prefer that (a) only sufficient funding to finance the New Homes Bonus in each year is removed, as well as funding for capitalisation and the safety net held back, rather than (b) the full £2 billion required for the entire period is removed, and the money held-back for capitalisation and the safety net is funded through the surplus, with the remainder of the surplus being paid back through section 31 grant in proportion to the start-up funding allocation?

Agree

Disagree

Any further comments

Option (a) is the only reasonable approach.

Chapter 15: Police Funding

Q39: Do you agree with the proposal for setting out the method of calculation of the 2013-14 formula grant element of police funding allocations in a separate document?

Agree

Disagree

Any further comments

No comment

Q40: Do you agree with the proposed methodology for funding local policing bodies in 2014-15?

Agree

Disagree

Any further comments

No comment

Section 3 – Setting up the business rates retention system

Chapter 2: Determining the estimated business rates aggregate

Q41: Do you agree with our proposal not to adjust the estimated business rates aggregate (England) to take into account transitional arrangements?

Agree

Disagree

Any further comments

This would seem the simplest approach

Q42: Do you agree with our proposal to adjust the estimated business rates aggregate (England) to take into account small business rate relief?

Agree

Disagree

Any further comments

It is essential to account for reliefs given

Q43: Do you agree with our proposal to adjust estimated business rates aggregate (England) to take into account mandatory reliefs in this way?

Agree

Disagree

Any further comments

It is essential to account for reliefs given

Q44: Do you agree with our proposal to adjust the estimated business rates aggregate (England) to take into account discretionary reliefs in this way?

Agree

Disagree

Any further comments

It is essential to account for reliefs given

Q45: Do you agree with our proposal to adjust the notional gross yield figure to take account of Enterprise Zones, New Development Deals and renewable energy schemes in this way?

Agree

Disagree

Any further comments

It is essential to account for these schemes

Q46: Do you agree with our proposal to adjust the notional gross yield figure to take account of costs and losses in collection in this way?

Agree

Disagree

Any further comments

Losses in collection are audited in the NNDR 3 forms

Q47: Do you agree with our proposal not to adjust the *estimated business rates aggregate (England)* to reflect the deferral scheme?

Agree

Disagree

Any further comments

This would seem a reasonable approach

Q48: Do you agree with our proposal to adjust the *estimated business rates aggregate (England)* to take into account losses on appeal in this way?

Agree

Disagree

Any further comments

It is important that the outcome of appeals are fully reflected in the calculations so that an authority's financial position is not affected

Chapter 3: Determining proportionate shares

Q49: Do you agree with our proposal to determine billing authorities' average contribution to the rating pool using *NNDR3* forms between 2007-08 and 2011-12 (subject to a number of adjustments)?

Agree

Disagree

Any further comments

It needs to reflect the current business rates position which has reduced significantly over the past 2 years

Q50: Do you agree with our proposal to adjust the incomes for 2007-08 to 2009-10 using a local revaluation factor calculated using the methodology set out?

Agree

Disagree

Any further comments

It needs to reflect the local position

Q51: Do you agree with our proposal not to make an adjustment in the five year average for inflation?

Agree

Disagree

Any further comments

It should affect every authority equitably

Q52: Do you agree with our proposal to make an adjustment to the contribution to the pool sum in respect of the transitional arrangements in this way?

Agree

Disagree

Any further comments

It seems simplest way

Q53: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for either mandatory rate relief, or for the small business rate relief scheme when calculating the proportionate shares?

Agree

Disagree

Any further comments

There should be no local cost to the future granting of mandatory or small business rate relief as there is no discretion for authorities in awarding the relief. Entitlements are wholly determined by Government legislation, unlike discretionary rate relief. It may also potentially discourage some authorities from actively promoting the reliefs available

Q54: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for reductions for empty property rates when calculating the proportionate shares?

Agree

Disagree

Any further comments

As there should be no material effect

Q55: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for discretionary rate relief when calculating the proportionate shares?

Agree

Disagree

Any further comments

This would put a further burden on the Council and a disincentive to support the local economy / voluntary sector

Q56: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for costs of collection when calculating the proportionate shares?

Agree

Disagree

Any further comments

The collection of business rates is likely to become more difficult given

the economic and other changes planned - additional costs are likely to be incurred in recovering debts

Q57: Do you agree with our proposal to make an adjustment to the contribution to the pool sum in respect of losses in collection in this way?

Agree

Disagree

Any further comments

The whole area of losses in collection remains a concern. The proposals come into force on 1 April 2013 and the economic picture at best remains unclear. There is clearly is a financial risk transfer to local government especially should a further economic decline occur and NNDR income falls. As this becomes a core element of local government funding, the sector's financial position would be vulnerable if the economic position deteriorates further. It is suggested that this area is kept under review as the ability of an authority to maintain, let alone increase, its base would be difficult and any safety net provisions would not be sustainable

Q58: Do you agree with our proposal to make an adjustment to the contribution to the pool sum in respect of deferral in this way?

Agree

Disagree

Any further comments

Q59: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum charges on property when calculating the proportionate shares?

Agree

Disagree

Any further comments

Not material

Q60: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for prior year adjustments and interest on repayments when calculating the proportionate shares?

Agree

Disagree

Any further comments

As stated in response to Q 48, the effect of appeals and subsequent repayments, including interest, should not be to the detriment of local authorities

Chapter 4: Major precepting authority shares

Q61: Do you agree with our proposal to confirm the county share at 20% - less the percentage share that will be paid to single purpose fire authorities where the county does not carry out that function?

Agree

Disagree

Any further comments

Q62: Do you agree with our proposal to set the single purpose fire authority share at 2%?

Agree

Disagree

Any further comments

Q63: Do you agree that county councils carrying our fire and rescue functions should receive the full 20% county share?

Agree

Disagree

Any further comments

Q63A: Do you agree with the proposal that the London Boroughs should receive 60% of the billing authority business rates baseline, and that the Greater London Authority should receive the remaining 40%?

Agree

Disagree

Any further comments

No comment

Chapter 5: Treatment of City Offset and the City Premium

Q64: Do you agree with the Government's proposal to reflect the current arrangements for the City Offset by making an adjustment to the City of London's individual authority business rate baseline?

Agree

Disagree

Any further comments

No comment

Q65: Do you agree with the proposal to take account of the City Offset when calculating proportionate shares?

Agree

Disagree

Any further comments

No comment

Q66: Do you agree with the proposal to calculate the City of London's levy ratio by using its revised individual authority business rate baseline?

Agree

Disagree

Any further comments

No comment

Q67: Do you agree with the proposal to calculate the City of London's eligibility for the safety net by using its business rates income after the deduction of the City Offset?

Agree

Disagree

Any further comments

No comment

Q68: Do you agree that the City Premium should be disregarded in the definition of business rates income used in the rates retention scheme?

Agree

Disagree

Any further comments

No comment

Section 4 – The operation of the rates retention scheme

Chapter 2: Information Requirements

Q69: Do you agree with our proposals for information requirements before the start of the financial year?

Agree

Disagree

Any further comments

As current system

Q70: Do you agree with our proposals for information requirements at the end of the financial year?

Agree

Disagree

Any further comments

As current system

We have concern over any in-year changes such as large reductions in rateable value. Currently there is the NNDR2 process but the mechanism going forward is not clear within the consultation. As the Government share is now 50% there should be a means by which this can be achieved in-year to reduce the payments an authority makes

Chapter 3: Schedules of Payment

Q71: Do you agree with our proposals for the way in which a schedule of payment will operate for billing authorities?

Agree

Disagree

Any further comments

The current system seems to be fine but would have no real problem going to a monthly payment schedule (in arrears)

Q72: Do you agree with our proposals for the way in which a schedule of payment will operate for major precepting authorities?

Agree

Disagree

Any further comments

The current system seems to be fine but would have no real problem going to a monthly payment schedule (in arrears)

Q73: Do you agree with our proposals for the way in which a schedule of payment will operate between billing and relevant major precepting authorities?

Agree

Disagree

Any further comments

Chapter 5: Collection and general funds

Q74: Do you agree with our proposals for the operation of the *collection fund*?

Agree

Disagree

Any further comments

In line with current equitable council tax collection fund

Q75: And do you agree that the reconciliation payment due in respect of *transitional protection payments*, should be built in to the calculation of collection fund surpluses & deficits only once, when outturn figures are available?

Agree

Disagree

Any further comments

Q76: Do you agree with our description of the way in which the general fund will operate?

Agree

Disagree

Any further comments

In line with current equitable council tax collection fund

Chapter 6: The safety net and the levy

Q77: Bearing in mind the need to balance protection, incentive and affordability, and the associated impact on the amount of contingency that will need to be held back, in the early years where, within the range 7.5% - 10%, should the safety net threshold be set?

Agree

Disagree

Any further comments

7.5% is still a high figure for an authority to absorb and this should be at the upper end. A figure between the range of 2.5 - 5% would be more sustainable in terms of ensuring local government financing and would still have a material effect on local funding

Q78: Bearing in mind the need to balance protection, incentive and affordability, and the associated impact on the amount of contingency that will need to be held back, do you agree with the Government's proposal to set the levy ratio at 1:1?

Agree

Disagree

Any further comments

In light of costs to promote growth, there may be a position of less incentive to promote growth locally when the returns to the District Council are very restrictive. This has a disproportionate impact on a small District Council with low grant / taxbase

Q79: Do you agree with the approach set out in paragraphs [16 to 19] for defining a billing authority's net retained rates income for the purposes of the levy and safety net calculations?

Agree

Disagree

Any further comments

Q80: Do you agree with the approach set out in paragraphs [20 to 22] for defining a major precepting authority's net retained rates income for the purposes of the levy and safety net calculations?

Agree

Disagree

Any further comments

Any further comments

Q81: Do you agree with the approach set out in paragraphs [23 to 28] for safety net calculations and payments?

Agree

Disagree

Any further comments

Q82: Do you agree with the approach set out in paragraphs [29 to 32] for levy calculations and payments?

Agree

Disagree

Any further comments

In light of costs to promote growth, there may be a position of less incentive to promote growth locally when the returns to the District Council are very restrictive. This has a disproportionate impact on a small District Council with low grant / taxbase

Section 5: Reconciliation payments in respect of financial year 2012/13

Q83: Do you agree with our proposals for closing the 2012-13 national non domestic rating account?

Agree

Disagree

Any further comments

Similar to current system

Any Other Comments

Do you have any alternative proposals?

It would appear that the benefits of the new system and complexity of the changes outweigh the limited benefits for District Council on the basis that large increases in growth would be top sliced centrally and not benefit the local area. This should be reviewed to allow further retained investment in local growth.

Do you have any other comments?

Thank you for completing this response form.

17 October 2012

Report of the Portfolio Holder, Core Services and Assets**Technical Reforms of Council Tax****EXEMPT INFORMATION**

None

PURPOSE

The report seeks Cabinet approval for proposed amendments to Council Tax discounts and outlines several reforms to the Council Tax system arising from the Local Government Finance Bill 2012.

RECOMMENDATIONS

That Cabinet

1. **Approve the following changes to Council Tax discounts and exemptions with effect from 1 April 2013:**
 - a. **The removal of the 50% second homes discount so that all second homes are liable for full Council Tax;**
 - b. **The granting of a 50% discount on properties undergoing structural work for up to 12 months;**
 - c. **The granting of a 100% discount for 2 months on dwellings which are empty and unfurnished. After this period a full charge shall apply;**
 - d. **The levying of the maximum allowable additional premium of 50% on properties that have been empty for two or more years.**
2. **Endorse the other technical matters identified;**
3. **Acknowledge the potential requirement for additional resource. This will be subject to approval by the Head of Paid services or Appointments and Staffing depending upon scale and cost.**
4. **That with effect 1st April 2013 the Authority charges recovery costs of £60 on the issue of a summons and a further £35 if a liability order is awarded to allow for increased recovery costs (as identified in 3. above).**

EXECUTIVE SUMMARY

The report sets out the Council's approach to the technical reforms of Council Tax proposed in the Local Government Finance Bill 2012. In addition it proposes a proactive approach in light of the economic conditions and upcoming changes in technical reforms as well as changes in support for Council Tax and Business Rates Retention with effect from 1 April 2013.

Since the presentation on technical reforms of Council Tax to members on 25 July 2012 the Government has revised the 6 month rule in respect of empty properties. In addition there has been a revision of estimated income to be raised from imposing an empty homes premium on properties which are empty for over 2 years.

As a result of the additional charges and workload created in respect of Council Tax and Business Rates, a Revenues Service review has been undertaken. This has identified that additional resources will be required to support the recovery process in the future to ensure that income levels are maintained in light of the significant reforms planned within the Bill – which will be key to protect the Council’s finances as future non-collection will impact directly on the budget.

This will ensure that a robust and sustainable structure and processes are in place in order to optimise revenue collection and debt recovery. In order to provide sustainability it is proposed that additional resource be focused at the Recovery Team. The cost associated will be met from compensatory savings and from within existing budgets, subject to further reports to Appointments and Staffing Committee.

The review also considered the current charging policy at Magistrates Court as many Authorities have increased their court costs to cover the increasing cost of recovery action. Following a detailed review of charging policies of other local authorities and also those using the Stafford Magistrates Court it was evident that the recovery of court costs should be increased.

It is therefore proposed that from 1st April 2013 the current charge is increased from £85 to £95 with a charge of £60 at summons stage and £35 at liability stage. The implications of the changes will be recovering from defaulters the true cost of dealing with the recovery process. It will aim to ensure that people and businesses that pay their Council Tax and Business Rates on time are not subsidising the late payers. This will be subject to the approval of Her Majesty’s Court Service.

RESOURCE IMPLICATIONS

If the recommendations are approved the technical reforms of Council Tax would be built into the budgetary process from 2013/14 onwards. If empty homes are brought back into use more quickly, this could also marginally increase occupancy rates and reduce the cost to the Council of homelessness.

The table below covers the additional income anticipated for the collection fund (including precepting authorities) and for Tamworth Borough Council (TBC) of c.10% after allowing for potential changes in circumstances and potential collection levels.

Existing exemption/ discount	Existing Reduction	Proposed discount	Estimated Extra Income (£)	TBC Income c.10% (£)
Second home	50%	0%	10,349	1,035
Structural Repairs up to 12 months	100%	50%	5,536	554
Empty & unfurnished 0-2 months	100%	100%	0	0
Empty & unfurnished 2-6 months	100%	0%	47,833	4,783
Empty & unfurnished 6-24 months	50%	0%	64,219	6,422
Empty & unfurnished 24+ months	50%	150% charge	<u>47,335</u>	<u>4,733</u>
	Total		175,272	17,527

LEGAL/RISK IMPLICATIONS BACKGROUND

An enabling measure has been included in Clause 9 of the Local Government

Finance Bill and if enacted will amend section 11A of the Local Government Finance Act 1992 so that the Secretary of State may define a class of dwelling in respect of which an Authority may determine a discount in the range of 0% and 100%. This will address the locally set level of discount.

Further clauses have been included in the Local Government Finance Act to allow for the other changes in the technical reforms.

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

Second Home Discounts

Current legislation allows the discount to be as little as 10%. Neighbouring authorities award this reduced discount and the charge is 90%. Local Authorities will have discretion to levy full Council Tax on second homes from 1 April 2013. Currently, in Tamworth, they are eligible for a 50% discount. This affects 21 homes in Tamworth. It is proposed that the Council take advantage of this new flexibility in order to promote effective use of the town's housing stock.

The estimated additional income to the collection fund from this change is £10,349 and £1,035 per annum to the Council.

Properties undergoing structural work

Currently properties undergoing structural work are eligible for a "Class A exemption". This means they are fully exempt from Council Tax when there are major repairs underway or structural alterations. This lasts for up to 12 months, or 6 months after the works are completed, whichever is the shorter.

In November 2011 there were 13 Class A exemption awards.

Under the new legislation, the Council now has the option of setting its own level of discount, between 0% and 100%. However, this needs to be balanced against encouraging property development. We also have an inspection regime to ensure that the system is operating effectively, and that Council Tax is brought in and charged at the earliest and fairest point. If we reduced the amount of discount to zero immediately, we would be introducing Council Tax bills for a landlord, homeowner or developer from the start of their projects, therefore introducing extra overheads from the beginning. It is considered that the Council should provide a reasonable but not excessive level of discount in order to promote property development, particularly supporting major upgrading and improvements to poor quality housing stock.

It is therefore proposed that the current Class A exemption which will cease as at 31 March 2013 is to be replaced by a 50% discount from 1 April 2013 which shall last a maximum of 12 months.

The estimated additional income from this change is £5,536 and £554 per annum to the Council.

Empty properties (Class C exemptions)

The policy aims for reforming the former ~~Page 74~~ exemptions to a new empty property

discount are to:

- Allow a reasonable but not excessive exemption to support standard voids between tenancies.
- Encourage faster turnaround times on empty homes.
- Reduce the number of long term empty properties.

Empty properties up to 6 months

As a result of amended proposed Government legislation the Council has prepared an option for awarding a 100% discount, but limiting this award to 2 months instead of 6 months currently implemented.

This will be more than sufficient for the vast majority of cases of turnaround times and would negate a considerable amount of challenges over very small amounts of charge and time periods with inevitable challenges about collection. This would also remove any significant burden for landlords that would potentially be passed directly onto tenants in the form of higher average rents. Significantly for the Authority whilst we would be charging the Housing Revenue Account (HRA) for properties empty in excess of 2 months, analysis shows that only 2 properties were empty over this period. This would mean an additional cost of around £2k to the HRA.

In November 2011 there were 100 properties empty for up to 6 months.

The estimated additional income from this change is £47,833 and £4,783 per annum to the Council.

Empty properties between 6 months and 2 years

Legislation is already in place to permit a charge of up to 100% for properties empty over 6 months (Tamworth Borough Council currently applies a 50% discount in these cases). Neighbouring authorities charge 100%.

Whilst we would be charging the HRA for properties, analysis shows that only 2 properties were empty over this period. This would mean an additional cost of around £1k to the HRA.

In November 2011 there were 195 properties empty between 6 months and 2 years.

The estimated additional income from this change is £64,219 and £6,422 per annum to the Council.

Empty properties over 2 years

Currently properties that are empty and unfurnished are eligible for a "Class C exemption" which gives them full exemption from Council Tax for up to 6 months regardless of change in ownership. The Government will grant us discretion to levy a premium of up to 50% on homes that have been empty for more than two years.

It is proposed that the Council takes advantage of the new discretion to levy the maximum premium of 50% on homes that have been empty for more than two years. This is in order to promote effective use of the town's housing stock and will be an important tool for the Council's empty property team in bringing those units back into use. The Council will budget for a prudent increase in income as the aim would be for all properties to be brought back into use before the 2 year deadline.

In November 2011 there were 96 properties empty for over 2 years.

The estimated additional income from this change is £47,335 and £4,734 per annum to the Council.

Other technical matters

Payment by instalments

The Government has given consideration to whether Council Tax should be payable over a 12 month period rather than 10. It has decided to leave 10 months as the default position but will allow householders a legal right to request spreading their payments over 12 months, and the Council must ensure that they are informed of this right. It is not possible to provide an estimate of financial implications at present as there are too many unknowns, however consideration will need to be given of cash flow implications, reduction of in year collection rates, and administration/ resources.

Information to be supplied with demand notices

Billing authorities will no longer be required to publish the quantity of information currently provided in the Council Tax leaflet supplied to all households with the annual demand, and most of this can now be supplied on-line. The Council will need to consider how best it wishes to communicate with householders and has increased flexibility over the means. Booklet production costs will be reduced, though not significantly as the information will still be required to be designed and printed for those who require hard copies.

Liability of Mortgagees in Possession (Current Class L exemption)

Mortgagees, usually banks or building societies, do not currently become liable for Council Tax when they take possession of a dwelling under mortgage. The DCLG sought views in its consultation paper on whether mortgagees should be liable for Council Tax where there is no one resident in the dwelling. Their response is to continue to develop the proposal, along with a commitment that the measure will not be implemented without detailed discussion with the mortgage lenders sector.

Annexes to Dwellings

The DCLG sought views on whether changes are desirable to require that where part of a dwelling has been adapted for separate occupation (e.g. a "granny annexe"), but is not in fact separately occupied, the whole property should be banded as one. The Government has decided that it will undertake a broader review of how annexes are to be supported.

Technical Changes Estimated Additional Income

The table below covers the additional income anticipated for the collection fund (including precepting authorities) and for Tamworth Borough Council of c.10% after allowing for potential changes in circumstances and anticipated collection levels.

Existing exemption/ discount	Existing Reduction	Proposed discount	Estimated Extra Income (£)	TBC Income c. 10% (£)
Second home	50%	0%	10,349	1,035
Structural Repairs up to 12 months	100%	50%	5,536	554
Empty & unfurnished 0-2 months	100%	100%	0	0
Empty & unfurnished 2-6 months	100%	0%	47,833	4,783
Empty & unfurnished 6-24 months	50%	0%	64,219	6,422
Empty & unfurnished 24+ months	50%	150% charge	<u>47,335</u>	<u>4,733</u>
	Total		175,272	17,527

It is anticipated that, in addition to the above, there is likely to be an additional £672,000 to be collected as a result of the changes to the benefits scheme.

Consequently, this represents an estimated increase of £850,000 in Council Tax to be collected.

This, along with the proposed Business Rate Retention changes and the current economic situation, will result in a marked increase in collection activity – including the need to pursue further measures to recover unpaid Council Tax and Business Rates such as:

- Further bailiff action;
- Court proceedings / attendance;
- Committals;
- Attachments of Earnings & Benefits;
- Charging Orders;
- Insolvency action.

Therefore it is considered that an additional resource will be necessary to maintain prompt administration and the maximisation of income – which will be key to protecting the Council's finances as future non-collection will impact directly on the budget. It should be noted that other services have also looked at the potential impact on staffing resources.

REPORT AUTHOR

Michael Buckland, Head of Revenues, Telephone 01827 709523

LIST OF BACKGROUND PAPERS

Local Government Finance Act 1998

Local Government Finance Act 1992

Council Tax (Administration and Enforcement) Regs 1992

Non Domestic Rating Collection and Enforcement Regs 1989

Local Government Finance Bill 2012

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17th October 2012**REPORT OF THE PORTFOLIO HOLDER FOR ECONOMIC DEVELOPMENT &
ENTERPRISE****Tamworth Local Plan –
Submission to Secretary of State****EXEMPT INFORMATION**

N/A

PURPOSE

The report seeks to update Members on:

- The consultation of the Pre-Submission Publication Draft Tamworth Local Plan (previously referred to as the Core Strategy), in accordance with Regulations 18, 19 and 20 of the Town and Country Planning (Local Planning) Regulations 2012.
- That there have been no fundamental objections made to the soundness of the Local Plan.
- That minor typographical and formatting amendments will be made prior and during the examination process.
- Memorandum of Understanding with Tamworth, Lichfield and North Warwickshire update.
- That the Local Plan will be submitted to the Secretary of State for examination under Regulation 22 of the Town and Country Planning (Local Planning) Regulations 2012.

RECOMMENDATIONS

- 1) **If the matter arises, that authority is delegated to the Director of Communities Planning and Partnerships and Head of Planning & Regeneration, in consultation with the Portfolio Holder for Economic Development & Enterprise, under Section 20 (7C) of the Town and Country Planning Act 2004 (Amended) to make a request to the appointed Inspector to recommend modifications to the plan to make it one that is sound, and to undertake any consultation required as a result of modifications.**

EXECUTIVE SUMMARY

At its 17th May meeting, Council resolved to publish the Tamworth Local Plan for a six week period. Following this, the Pre-Submission Publication Draft Local Plan was made available for statutory consultation for a six week period, between the 8th June and 20th July 2012. As a result of this consultation 738 representations were received; of which 478 were received from the Stoneydelph, Amington and Belgrave residents groups. Representations were received from a wide range of consultees; residents, landowners, developers and statutory bodies. Both sound and un-sound representations were made on all areas of the plan: the main issues presented through the consultation were over housing, employment, retail and infrastructure/transport issues. It is considered that none of the representations received have made any fundamental objections to the Local Plan.

As no fundamental objections in representations to the soundness of the plan have been received, the Local Plan will be formally submitted to the Secretary of State in accordance with Regulation 22 and Planning Inspectorate (PINS) guidance. Following submission of the Local Plan an Inspector from PINS will be allocated to hold an examination in public into the

soundness of the plan.

If issues arise during the examination which would find the plan un-sound then there is opportunity for those un-sound aspects of the plan to be modified. The Council can request that the Inspector recommends modifications to the plan to make it sound. Following these recommendations, if there are significant modifications (Main) to be made, then this could potentially require further Sustainability Appraisal and further public consultation to take place. Once this has taken place, the Inspector will issue their report, which will either: find the plan sound, find the plan un-sound or find the plan sound with those Main modifications.

Subject to the Inspector finding the Local Plan sound with no modifications required then it is expected to be adopted in May 2013 and will then be used to determine all planning applications in the borough. However, if modifications are required this date could be delayed by at least 6 weeks and potentially more depending on the scale of additional work required.

Minor typographical and formatting amendments will be made prior to and during examination. These will be made in consultation with the Portfolio Holder (as agreed at Council 17th May), those to be made prior to submission will be drawn up into a schedule and discussed with the Portfolio Holder.

The Memorandum of Understanding (MoU) that agrees 1,000 dwellings will be brought forward in Lichfield and North Warwickshire (500 in each) has been signed by all three local authorities and is now incorporated into the housing strategy of each authority's Local Plan. The Memorandum of Understanding (MoU) that establishes the overall housing need across South Staffordshire (Cannock Chase, Lichfield and Tamworth) has also now been signed by all three local authorities and informs the housing strategy of each authority's Local Plan.

A programme officer will be appointed and act as the contact point for any person who has made representations from the publication stage, and as a liaison between the Inspector, the Council and examination participants.

The programme officer will act independently on behalf of the Inspector to organise and manage the administrative and procedural matters of the examination process and is the first point on contact for any questions relating to timetabling or procedural matters. All statements will also be submitted through the programme officer.

RESOURCE IMPLICATIONS

There are no financial implications arising from this report. The costs of the Inspector and Programme Officer will be met from the existing budget and retained fund for the production of the Local Plan

LEGAL/RISK IMPLICATIONS BACKGROUND

The statutory procedure governing the preparation and adoption of Development Plan Documents is contained in the Planning and Compensation Act 2004 and the Town and Country Planning (Local Planning) Regulations 2012. Failing to adhere to these requirements could result in the Local Plan being found 'unsound' at examination. This could result in previous stages of the Local Plan's production having to be repeated.

It is critical that the procedural progress of the Local Plan is maintained both in order to comply with the requirements of the statutory Local Development Scheme and the development and regeneration aspirations of the borough.

The previously identified risk of having no formal agreement with neighbouring authorities over the delivery of Tamworth's future housing growth has now been mitigated against with

the signing of the Memorandum of Understanding.

There is considerable risk that not having an up to date Local Plan in place, planning decisions in Tamworth will be assessed against the Government's National Planning Policy Framework leading to 'loss of control' over development and impinging on the Council's ability to deliver key spatial objectives.

Once the Local Plan has been adopted, there is still the potential of a legal challenge taking place. From the date of adoption it is possible for a legal challenge to be submitted against the Council on its adopted Local Plan in its entirety, or on a particular policy. Legal challenges take place through the High Courts, if the appellant is unsuccessful, they may challenge this and take their new challenge to the Court of Appeal. Whilst a Local Plan and/or policy are subject to a legal challenge, the Council will not be able to use it when determining planning applications. There would also be associated financial cost to this.

SUSTAINABILITY IMPLICATIONS

The Local Plan has been subject to a Sustainability Appraisal and Strategic Environmental Assessment. This has ensured that sustainability issues are fully assessed in the preparation and examination of planning policy. The Sustainability Report was published for consultation alongside the Pre-Submission Publication Draft Local Plan and will be submitted with the Submission Local Plan to the Planning Inspectorate.

A separate Equalities Impact Assessment and Health Impact Assessment have been undertaken and will accompany the Submission Local Plan, the latter will appraise the impact of the delivery of Local Plan policies on delivering borough specific health targets.

BACKGROUND INFORMATION

Between the 8th June and 20th July 2012 the consultation on the Pre-Submission Publication Draft Local Plan was carried out. As a result of this consultation 738 representations were received; of which 478 were received from the Stoneydelph, Amington and Belgrave residents groups. Representations were received from a wide range of consultees; residents, landowners, developers and statutory bodies. Both sound and un-sound representations were made on all areas of the plan: the main issues presented through the consultation were over housing, employment and retail. It is considered that none of the representations received have made any fundamental objections to the Local Plan.

Comments made by Stoneydelph, Amington and Belgrave groups –

The following representation was received by 478 members of the Stoneydelph, Amington and Belgrave residents groups.

“Insufficient period of time for consultation. The plan fails to adequately address the imbalance and deficiencies between the deprived communities in Tamworth, namely Stoneydelph, Belgrave and Amington, where clearly it seems that a disproportionate of development is planned. This in turn further exasperates the lack of potential well being for those residents.”

The consultation complies with all the statutory requirements and meets all the requirements set out in the Council’s own Statement of Community Involvement. All policies of the Local Plan have been through a full Sustainability Appraisal whereby these issues regarding deprivation, proximity of amenity is addressed. There are no strategic housing allocations in those areas, however sites have been identified within the Local Plan’s evidence base (SHLAA) which could come forward to meet Tamworth’s housing needs. These proposals will be determined against this Local Plan once adopted by Council.

Local Plan – General comments made throughout the plan.

Several responses supporting the Council’s approach to the duty to co-operate were received, in particular from Lichfield District Council regarding the MoU. Other representations believe that the duty to co-operate has not been met and that key stakeholders were not met with: the legal obligation of the duty to co-operate has been met and this can be demonstrated with evidence, the key stakeholder in question was the Highways Agency. Recently a meeting was held with the Highways Agency where their comments to the Local Plan were discussed and positive action has been taken.

Some representations believe that the consultation was too short and did not allow for full comments to be made: the consultation complies with all the statutory requirements and meets all the requirements set out in the Council’s own Statement of Community Involvement.

Representations were received which state that deadlines set out in the Local Development Scheme for the progression of the Local Plan were missed. This is correct, however the progression of the Local Plan has been delayed by changes to national planning policy guidance through the release of the National Planning Policy Framework.

Representations were received which broadly support the policies to regenerate and revitalise the town.

Representations were received which argued that insufficient land has been allocated for housing and employment needs, that housing needs are higher, that more land should be allocated, and that the evidence base used to support policy is inaccurate. The evidence base used by the Council is robust and justifies the level of housing and employment growth the Council is aspiring to achieve. Expanding upon this, representations were received stating that the Green Belt should be reviewed to allow for the release of land for housing. The Green Belt has been reviewed in light of the proposed revocation of the RSS and the requirement to do so in the NPPF, there is no need to release land from the Green Belt for

housing.

Representations were received which questioned the plan period of the Local Plan 2006 to 2028, and suggest it should be changed to 2012 to 2032. The plan period does not need to be changed: from the anticipated year of adoption 2013, the Local Plan will cover a 15 year period up to 2028. National Planning Policy Framework guidance states that the plan period should preferably cover a period of 15 years.

Chapter 1 – Introduction

Only wording change suggestions were received on this chapter of the Local Plan.

Chapter 2 – Spatial Portrait, Vision and Strategic Priorities

Representations were received which supported the Local Plan as it balances growth with the protection of the natural environment and is appropriate for sustainable development in the borough.

Chapter 3 – A Spatial Strategy for Tamworth Borough Council

Representations were received which supported policy within this chapter.

Chapter 4 – A Prosperous Town

Representations were received which supported this chapter, in particular the Gungate development. However, other representations were received which questioned the viability of the town centre retail allocations and stated that the borough's retail aspirations would not be met. Policy within this chapter seeks to provide development in the most accessible and sustainable locations, the town centre is the most accessible location in the borough. The NPPF states that Local Plans should pursue policy to support the viability and vitality of the town centre, and that land should be allocated to meet any retail need. The evidence base shows that the sites are viable.

Other representations were received which stated that proposed policy was too restrictive on out of town retail development and that the retail parks contribution to the economy has been ignored. The evidence base shows the need for new retail floor space and that the most sustainable location for this is the town centre. The NPPF states that Local Plans should pursue policy to support the viability and vitality of the town centre, policy in the Local Plan intends to restrict the growth of the out of town retail parks and promote the growth of the town centre. Local Plan policy will allow for small scale expansion of existing units and improve the linkages to the town centre which will be of mutual benefit to both the retail parks and town centre. Representations were also received which supported these policies.

English Heritage were in general support of policy within this chapter, but suggested that changes should be made to better recognise the heritage assets of the town centre.

Environment agency were in general support of policy and allocations within this chapter, but suggested that policy could be re-worded and perhaps further work undertaken to ensure that employment allocations are not subject to any flood risk.

Chapter 5 – Strong and Vibrant Neighbourhoods

Representations were received that stated the housing requirement for Tamworth should be increased to 5,660 over the plan period and therefore more housing land should be allocated to meet this increase. The evidence base has established the housing needs for South Staffordshire and apportioned part of this to Tamworth to set out its need over the plan period. Through the MoU it has been agreed that some of this need (1,000) will be delivered in adjoining authorities. The SHLAA has established the capacity of deliverable and developable housing sites available in the borough and that land use allocations have been made to promote development.

Representations were received which state that the Anker Valley site is unviable, and therefore should not be allocated and that other sites within the borough and outside of the borough should be allocated instead. The evidence base shows that Anker Valley is a viable

site and that other land within urban area of the borough is viable for housing development. Representations have been received from Network Rail stating that a link road over the railway line would be possible and that they are willing to work with developers to achieve this important piece of infrastructure.

Representations were received regarding affordable housing, dwelling size and site density policy in particular the flexibility of these policies to allow for sites to remain viable. All policies in question are flexible in that they state; if a proposal is un-viable, then policy requirements can be negotiated at the planning application stage.

Representations were received by specialist housing developers suggesting that policy should be amended to reflect that there is a need for specialised and sheltered housing for the elderly. Policy is not required for this, however other policy reflects the changing demographics of Tamworth Borough: proposed policy requires new sites to have a range of housing types from one bed to four bed, and that where it can be proven there is need and demand for different groups within a community this too should be met.

Representation was received stating that the proposed Gypsy and Traveller policy is not justified, that there is no evidence base to show that Gypsy and Traveller sites will come forward in the next five years. The borough has a limited supply of unconstrained land and no proposals for Gypsy and Traveller sites were brought forward throughout the preparation of the Local Plan. The intention of the policy is to deal with Gypsy and Traveller sites on a proposal by proposal basis whilst also seeking the possibility of opportunities in neighbouring authorities to meet the need.

Chapter 6 – A High Quality Environment

Representations were received stating that the most recent study into open space provision should be used. This study was not adopted by the Council as it used an excessive level of detail for the methodology, resulting in inaccurate results being produced.

Representation was received suggesting that wording should be changed requiring that compensation for sports pitches should be of equal or better quantity as well as quality than that which is lost. The quality element is already within the policy, however it is not always possible to replace the quantity of that which is lost, particularly if the site which could be lost is of a poor quality and there is already sufficient quantity in the surrounding area.

Chapter 7 – A Sustainable Town

Representations were received stating that it is not clear how infrastructure will be brought forward to support the retail park linkages, the links to the town centre and the relief road proposed for Anker Valley. These different packages have been identified to meet transport needs of the Local Plan, it is intended that these will be brought forward through developer contributions, Community Infrastructure Levy receipts and other sources of funding, such as New Homes Bonus and LPT funding.

Representations were received stating that the growth patterns outlined in the Local Plan are not sustainable. The Sustainability Appraisal has assessed all proposed policy and strategy, the Local Plan is sustainable.

Chapter 8 – Monitoring and Implementation

Only wording change suggestions were received on this chapter of the Local Plan.

Mapping – Policies Map and figures within Local Plan

Representations were received stating that the Policies Map and figures within the Local Plan should be made clearer. This will be taken into consideration and the mapping key, colouring and shading will be changed before the Local Plan is submitted.

Sustainability Appraisal

Representations were received stating that the Sustainability Appraisal meets all the Strategic Environmental Assessment regulations, and the Local Plan concentrates growth in the urban area which is the most sustainable option. Other representations were received which found the Sustainability Appraisal to be un-sound as it did not present the most sustainable option.

Summary of Representations Received

Tables 1 and 2 breakdown how the Local Plan was responded to. Table 1 shows that by chapter, (other than the general comments which is dominated by the responses from the Stonydelph, Amington and Belgrave groups) it is clear that chapter 5 received the most comments and the next, chapter 4. These two chapters deal in large with housing, retail and employment issues.

Table 2 shows that there was generally where there was a response it was an even split between yes and no replies on each of the soundness and legal tests, apart from those tests which were responded to by the Stonydelph, Amington and Belgrave groups.

Summary of Local Plan Responses by Chapter

Local Plan Chapter	Number of Responses
Local Plan – General	500
Chapter 1	2
Chapter 2	22
Chapter 3	12
Chapter 4	42
Chapter 5	66
Chapter 6	23
Chapter 7	24
Chapter 8	5
Mapping	7
Evidence Base	3
Appendices	27
Sustainability Appraisal	5
TOTAL	738

Table 1

Summary of Local Plan Responses by Legal and Soundness Test

	Yes	No	Don't Know	Yes/No	No Response	Total
Duty to Cooperate	51	58	1		628	738
Legal and Procedural Requirements	52	529	1	1	155	738
Positively Prepared	69	75	0		594	738
Justified	81	85	0		572	738
Effective	63	557	0		118	738
NPPF	72	77	2	4	583	738

Table 2

REPORT AUTHOR

Alex Roberts – Development Plan Manager (x279)

LIST OF BACKGROUND PAPERS

Local Plan Background Paper (issued previously at Council 17th May 2012)

APPENDICES

17th October 2012**REPORT OF THE PORTFOLIO HOLDER FOR ECONOMIC DEVELOPMENT****GREATER BIRMINGHAM & SOLIHULL LOCAL ENTERPRISE PARTNERSHIP
STRATEGY FOR GROWTH WHITE PAPER****EXEMPT INFORMATION**

None

PURPOSE

To outline to Members the contents of the GBSLEP Strategy for Growth White Paper and the consultation arrangements and to seek delegated authority to respond on behalf of the Authority.

RECOMMENDATIONS

- 1. That Cabinet endorse the White Paper and give delegated authority to the Director Communities Planning and Partnerships in conjunction with the Head of Planning and Regeneration to formulate and agree a response with the Portfolio Holder for Economic Development before submitting to the GBSLEP;**
- 2. Endorse the proposed local engagement arrangements to seek further responses to the GBSLEP;**
- 3. Endorse current GBSLEP related projects taking place in Tamworth.**

EXECUTIVE SUMMARY

The Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) is a business led partnership of business and local authorities which represents the functioning economic geography of this area.

The GBSLEP is preparing to consult on an Economic Strategy. The Strategy is based on the three pillars of Business, People and Place and identifies 5 key issues to be addressed: business support; key sector leadership; skills; connectivity; and, assets and environment.

The Strategy for Growth White Paper reflects and supports the local approach to Economic Development in Tamworth and it is recommended that a positive response to the consultation is made. This report details some locally specific issues that we would like the Strategy and Action Plans to address.

The LEP is proposing to consult widely on the Strategy using a questionnaire (Appendix B). This is to be publicised by the LEP itself in some high profile events with businesses and partners and through a 'soft' media launch with a press release and interview, along with the possibility of round table 'Challenge' sessions for specific sectors, commentators and partner organisations. It is proposed that the Borough Council supports the proposed arrangements and also asks the GBSLEP to ensure consultation takes place with neighbouring LEPs. The Borough Council can further support this consultation through promotion using local channels such as the Business and Economic Partnership (BEP), Think Local 4 Business portal, the Tamworth Strategic Partnership, Destination Tamworth etc as well as our own Communications Team.

A number of projects and activities which are directly or indirectly supporting growth and

economic development across Tamworth are already taking place due to our involvement in the GBSLEP.

RESOURCE IMPLICATIONS

There are no identified resource implications as it is proposed to utilise existing networks and events to promote the consultation.

LEGAL/RISK IMPLICATIONS BACKGROUND

There are no identified legal / risk implications

SUSTAINABILITY IMPLICATIONS

There are no identified sustainability implications

BACKGROUND INFORMATION

1. The Greater Birmingham and Solihull Local Enterprise Partnership

The Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) was formed in October 2010. It is a partnership of businesses and local authorities across the natural economic geography of the area. It encompasses the Local Authority areas of Birmingham, Solihull, East Staffordshire, Lichfield, Tamworth, Cannock Chase, Bromsgrove, Redditch and Wyre Forest. The Partnership is one of the largest in the country, encompassing a population of over two million people, and 840,000 jobs.

The Government expect LEPs to bring together public and private partners, under business leadership and at a local level, to develop strategies and take action on a range of issues such as promoting a more entrepreneurial culture; encouraging and supporting business start ups; helping existing businesses to survive and grow; encouraging networks and mentoring; and, developing the infrastructure for successful business communities.

The GBSLEP has agreed that a Economic Strategy was needed to set out how the GBSLEP would tackle these and more local issues.

2. Strategy for Growth White Paper

The GBSLEP has been working for a number of months on producing a draft economic strategy. The GBSLEP has produced a White Paper (see Appendix A) that sets out the priorities that the GBSLEP would like to focus on to secure increased enterprise and investment that will drive the productivity improvements the GBSLEP seeks, and greater opportunities for all.

The draft White Paper represents an amalgamation of the ideas suggested to date, created within the framework of Business, People and Place. It aims to build on work that has already been completed around the LEP local economy (including AWM's Economic Strategy). Under these three pillars of Business, People and Place are 5 key issues that must be addressed to unlock growth:

- A new ecosystem for **business support**, enabling businesses to start and grow with locally relevant support and finance (Business);
- Clear **leadership in key sectors** where the LEP has existing strengths and opportunities (Business);
- An overhaul of the **skills** profile across the GBS LEP, creating a UK-leading talent pool (People);
- Substantially improved **connectivity**, within the LEP, the UK and to international markets (Place);
- Better use of our physical **assets and environment**, supporting the development of

vital housing and employment land (Place).

Underpinning each of these issues is a separate action plan which itself is prioritised into High, Medium or Low.

With any strategy operating at such a large geographic scale there are few specifics which focus on Tamworth itself. However, it is felt that White Paper complements the ambitions of Tamworth and our own Economic Strategy well and that our response to the consultation can highlight the issues experienced in Tamworth which we feel the Strategy can look to address. These include:

- **Business Support:**
 - Development of a better coordinated and more easily accessible business support system through the Business and Economic Partnership (BEP) and Think Local 4 Business.
 - Provision of more localised business support services tailored to the needs of local businesses, either through the BEP, partner organisations/partnerships or businesses themselves.
 - Better intelligence on the make up and plans of local businesses.
 - Further business engagement through the BEP to ensure local business needs and issues are being addressed, including larger, more strategic businesses
 - Provision of more flexible office and workshop space for start up and early stage growth companies, along with more conference and meeting facilities.
 - Encouraging the development of local supply chains and business opportunities, in particular through Think Local 4 Business and linking up with similar initiatives across the LEP.

- **Key Sectors:**
 - Better intelligence on the potential growth sectors in Tamworth and their supply chains, and the needs of these sectors and supply chains.
 - Assessment of the potential for the growth of medical technologies on the back of the National Defence Medical Services development at Whittington.
 - Further development of the visitor economy sector with a particular accent on leisure tourism, maximising the potential of Tamworth's leisure offer, as well as business tourism. This will include the continued regeneration and promotion of Tamworth town centre and the promotion of sustainable business uses within the centre.
 - Ensuring our manufacturing sector continues to link up to supply chain opportunities of major investments in the LEP area (e.g. JLR) and business support initiatives (e.g. ERDF, Advanced Manufacturing Supply Chain Initiative)
 - Bringing forward quality commercial development opportunities and existing site regeneration to provide key sectors with appropriate and accessible business premises (e.g. Bitterscote, Amington)
 - Clear articulation of the local business offer to potential investors and indigenous businesses, tailored to individual sectors where necessary and which clearly links to and compliments the wider activity of the LEP.

- **Skills:**
 - Continued raising of residents' aspirations, knowledge of local job opportunities and how to access these.
 - Better dialogue between skills and training providers and the local business community
 - Better intelligence on the skills needs of businesses, and particularly where there are skills gaps.
 - Clear and easily accessible system for businesses to receive information on skills development and training opportunities.

- Connectivity:
 - Ensuring the M42 Gateway concept considers the impact on Tamworth and seeks to maximise the benefits to Tamworth
 - Ensuring funding is drawn down to deliver infrastructure improvements in Tamworth such as the A5 junctions, Anker Valley Link Road, Ventura Park, facilities at the two train stations and train services to and from the two stations.
 - Ensuring connectivity to the two HS2 stations is achieved
 - Ensuring the improvement of services on the existing West Coast Mainline
- Assets and environment:
 - Support for bringing forward key housing and employment sites and overcoming barriers
 - The roll out of funding programmes to help stimulate housing and mixed-use development on public land
 - Ensure the LEP recognises Tamworth's key assets and sectors
 - Ensure support for developing Tamworth's Cultural and Leisure offer

3. Consultation Programme

The 'Strategy for Growth White Paper' is currently undergoing final refinements by the LEP Secretariat in consultation with the LEP Board and Steering Group partners, before it is published in a format for more general consultation with local partners, and businesses in particular, a process which will last for 6 weeks.

This process will begin in the first half of October and will consist in the main of a questionnaire to be completed (appendix B – questionnaire). This questionnaire will be made available in an easy to complete, electronic format accessible via the LEP website, with local partners directing businesses and partners in their networks to this central point.

In addition, consideration is also being given to the staging of high profile, stand alone consultation events for businesses and partners in locations spread around the LEP geography. We have supported this idea and suggested Drayton Manor as a suitable venue for a Southern Staffordshire wide event, this having already been successfully used for LEP consultation events in the recent past.

The LEP is also planning 'soft' media launch for the consultation process, with a press release and interview, along with the possibility of round table 'Challenge' sessions for specific sectors, commentators and partner organisations.

In addition to the above, LEP partners have been asked to give thought as to how the consultation process can be supported through local channels. Tamworth has suggested the following:

- Business and Economic Partnership (Tamworth and Lichfield) – our public-private sector partnership to support the local economy.
 - Business Networks Forum meetings.
 - Business E-Brief newsletter – sent to over 2,800 businesses across Tamworth and Lichfield by email.
 - BEP web portal (www.bep4business.co.uk) currently under construction and due for launch mid October
 - Social media postings (Twitter and Facebook) linking to questionnaire
- Think Local 4 Business (www.thinklocal4business.co.uk) – procurement and business networking portal covering all of Staffordshire.
 - News item and link onto the site to the questionnaire.

- Promotion at Think Local 4 Business Show, 29th November – large business to business exhibition attracting 56 exhibitors and over 600 visitors,
- Social media postings (Twitter and Facebook) linking to questionnaire
- Tamworth Strategic Partnership.
 - Mention in run up to and at November Board meeting.
 - Email circular to all partners to point to questionnaire.
- Destination Tamworth Partnership.
 - Email circular to all partners & businesses on database to point to questionnaire.
- Retailers forum.
 - Email circular to all businesses on database to point to questionnaire.
- Town centre landlords and agents forum.
 - Email circular to all partners to point to questionnaire.
- Planning policy database of land owners, landlords and agents.
 - Email circular to all partners & businesses on database to point to questionnaire.
- Tamworth CVS (voluntary sector network).
 - CVS message to its network of voluntary sector organisations and social enterprises.
- Tamworth Borough Council corporate communications.
 - Local press release.
 - Citizens' panel.
 - TBC Twitter account (currently over 1,750 followers).

The Borough Council will also encourage Staffordshire County Council and the Stoke and Staffordshire LEP to engage with the consultation. The Borough Council will also ask the GBSLEP to ensure that the Stoke and Staffordshire LEP and other neighbouring LEPs are consulted on the Strategy.

Following the 6 week consultation process consultation, it is anticipated that a further 3 weeks will be required to summarise the findings and make further edits to the Strategy, after which it will be presented to the Board for final endorsement (anticipated around mid December if the consultation process starts in mid October).

4. Current projects supporting growth and economic development in Tamworth

Through the LEP, there are a number of projects and activities which are directly or indirectly supporting growth and economic development across Tamworth, and which have been either supported or influenced by our local economic development partnerships and activities, and in particular the BEP. These are as follows:

- We have been part of a joint LEP bid for ERDF funding to support business development projects in SMEs across the LEP, with grants of £10K-£15K available for businesses creating or safeguarding jobs. There is also a high growth coaching and mentoring programme built into this project. Total value is £8.3m over the next 3 years, starting in September 2012.

- Lichfield, Tamworth, East Staffs and Cannock have also worked alongside colleagues at Solihull to bring forward an ERDF programme of enterprise (start up) support for local people. Anticipated value is £1.5m and tenders for the service procurement in the Southern Staffordshire districts are about to be released.
- Think Local 4 Business, our procurement and business opportunities portal, has received £10K of LEP 'Start Up' funding to improve its functionality. This project has recently been transferred to be run by a private sector company, with Tamworth Borough Council as a Founder Shareholder and Director.
- The LEP has secured and supported a variety of projects through Regional Growth Funds in all of the rounds (1 - 3). Whilst there have been no projects directly delivered in Tamworth as yet, the economic benefits of some of the high profile successful bids, such as the A45 to allow Birmingham Airport runway extension and JLR's apprenticeships programme will be felt across the LEP area. In addition, the LEP led the development of the £25m Advanced Manufacturing Supply Chain Initiative, which has been rolled out nationally to leverage in a further £100m of RGF, and which Tamworth manufacturers can apply for. Finally, in the latest bidding round (round 3) there are 2 bids that will apply across the LEP: Green Bridge (£75m to support the green economy SME supply chain) and Empty Buildings scheme (£26m to assist businesses in bringing empty property back to good use). There are also a variety of equity and loan finance schemes (e.g. £230m West Midlands Fast Growth Partnership).
- The City Deal process will leverage in further central government funding to support the LEP, including £8m for a Translational Medicine Research facility, which although Birmingham based, could link up with the Defence Medical Services Centre at Whittington Barracks, further strengthening our medical technologies sector and reputation. In addition there will be £500K to support skills capacity building initiatives, including the fledgling local Employment and Skills Board for Southern Staffordshire.
- On Business Support, we have worked within the LEP to develop the 'Business Hub' concept based out of Baskerville House, leading to the development of the new LEP wide business support and access to finance portals, which are about to be rolled out.
- On inward investment and 'place marketing' generally for business, we are seeing the start of conversations with Marketing Birmingham on how the Southern Staffordshire offer could play into the wider city region offer to inward investors and growing businesses. This is potentially a huge opportunity to tap into the extensive resources of Marketing Birmingham, as well as the undoubted profile of Birmingham as a global city.
- On reducing red tape and regulation, the LEP is a pilot for the Local Better Regulation Office initiative and regulatory colleagues across the LEP local authorities and regulatory bodies are working together to develop initiatives to make the area more business friendly.
- Finally, we will continue to ensure that those local initiatives that we have designed to engage with local businesses and ensure that business support and engagement is more accessible and better coordinated across Tamworth continue to link to and compliment LEP offers and initiatives. In this context, the BEP and Think Local 4 Business are the main local projects that are delivering on this agenda.

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LIST OF BACKGROUND PAPERS

APPENDICES

- Appendix A** - Strategy for Growth White Paper
- Appendix B** - Consultation Questionnaire

Strategy for Growth

White Paper



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Foreword

To borrow (and tweak) a phrase from Albert Einstein, ‘we cannot solve today’s economic development problems with the same thinking that has got us here in the past’. These words have proved something of a mantra for the Greater Birmingham and Solihull Local Enterprise Partnership Board as we have developed our thinking around its Strategy for Growth.

We are clear that to boost long-term sustainable growth in the UK’s economy, city regions need to become more productive and more prosperous. Our aim through the LEP Board is to achieve this in the Greater Birmingham & Solihull area.

Now is the time for us to be bold. We need transformational change that creates opportunities for all; benefitting local people, businesses and the UK as a whole. We have a real opportunity to influence the devolution of power and resources that we must grasp.

We have powerful assets at our disposal with: a £34bn regional economy; a population of almost two million; easy access to a wider labour pool of over four million adults including 97,000 graduates; many of the UK’s strongest business and cultural assets; and excellent connections to national and international markets.

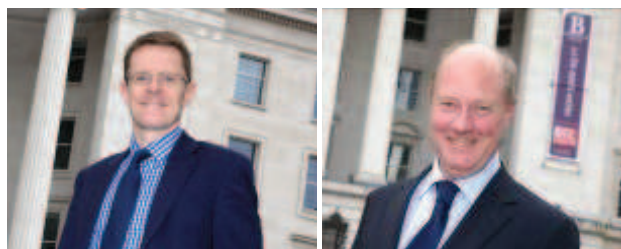
We also have a partnership that that has brought together business and political leaders with a shared vision for making this the easiest place in Europe to set up and run a business.

Our intention, via the White Paper, is to rapidly build a strategy the region can own as a clear roadmap to greater productivity – a Strategy for

Growth. We have set out what we believe are the key priorities that will deliver the outcomes we are seeking - but these need to be tested.

We want input from as many of our partners and stakeholders as possible during the consultation period that concludes **16th November**. This feedback will be used to inform the development of the Strategy for Growth which will then be published, we anticipate, before the New Year.

We are all passionate about the Greater Birmingham and Solihull area and want to see it punch its weight both nationally and internationally. The development of this Strategy forms a key step in making this happen. We hope you will take the time to contribute to it.




Andy Street

Chairman of the Greater Birmingham & Solihull Local Enterprise Partnership

Managing Director of John Lewis



Steve Hollis

Deputy Chairman of the Greater Birmingham & Solihull Local Enterprise Partnership

Midlands Chairman, KPMG

Executive Summary

The Greater Birmingham & Solihull Local Enterprise Partnership (GBS LEP) is a new breed of partnership between the Private and the Public sector encompassing Birmingham, Solihull, North Worcestershire and South Staffordshire.

Since our formation, we have made significant progress; creating the UK's largest city centre Enterprise Zone to underpin 40,000 new jobs, negotiating with the Government a revolutionary new system of fund management to invest and aggregate £1.5bn of public funds, supporting investment into key sectors and creating a new Skills for Growth Compact to build best-in-class skills that link with real world work opportunities.

The need for a shared Strategy for Growth

Our achievements are only the beginning of our ambitions for the region. We must seek new ways to address old problems - we must be transformational.

Driving change is difficult in any organisation and no less so in the complicated and interconnected ecosystem that makes up one of the UK's biggest regional economies. We will not be daunted by the scale of the challenge, but if we are to be successful we will require the engagement of all stakeholders, politicians, business leaders and associated bodies.

The purpose of this White Paper is to explain in detail our aspirations and vision, and allow all our partners and stakeholders to input, challenge and discuss with us the things that matter most for regional growth.

Our focus for change

To create a globally competitive city region we propose a strategy which splits the economy into three 'pillars' – Business, People & Place.

Working within this framework, and drawing from our evidence base, we have identified five priority outcomes that are critical to unlocking growth. They are:

Business

A new ecosystem for **business support**, enabling businesses to start and grow with locally relevant support and finance

We need a far stronger Business Support offer that attracts new business, encourage new start ups and helps promote and grow existing business. In particular, this new approach needs to:

- Provide better access to finance. Despite an increased number of mainly national initiatives access to finance for SMEs remains a key obstacle for growth. We must find new ways to enable SMEs, in particular, to access capital
- Align the interests of existing business support organisations to remove unnecessary competition and provide clear direction

Clear leadership in key sectors where the LEP has existing strengths and opportunities

We need to identify and develop those sectors that can support growth and create a set of strengths from which the region becomes truly renowned for – attracting investment, jobs and growth.

Research commissioned by the LEP has confirmed significant potential for expansion both from inward investment and indigenous growth in: Automotive and Advanced Engineering; Financial, Business and Professional Services; Computer Services, IT and Digital; Life and Health Sciences; Food and Drink; and the Green Economy; and suggests Tourism & Leisure has significant potential.

People

An overhaul of the **skills** profile across the GBS LEP, creating a UK-leading talent pool

We have a skills deficit exacerbated by an increasing demand for skilled labour across a broad range of sectors. We need a significant improvement to skills levels across the city region.

Within this new skills agenda we need to make skills relevant to business need, and find ways to ensure people within the region have access to the jobs and opportunity we are creating.

Place

Substantially improved **connectivity** within the LEP, the UK, and to international markets

Effective physical and digital connectivity both within the city region and to national and international markets is essential – and it needs to be better.

We must, prioritise a finite resource that will drive the greatest economic impact for the city region as a whole. Critically, if we are to attract a greater share of inward investment we must have an airport that is connected to all major international hubs.

Better use of our **physical assets and environment**, supporting the development of vital housing and employment land.

We also need to develop and explore new and innovative ways of leveraging the assets within the region to unlock long-term growth:

- Providing the housing and employment land needed, aligned to economic growth
- Leveraging private sector capital to speed up development and maximise impact

- Creating a planning environment that supports sustainable growth

- Supporting a real sense of place in the region

Turning ambition into reality

This is a challenging agenda that will only be achieved by working together. By combining our strengths and aligning our resources we can deliver a step-change and start to truly punch our weight.

The LEP, by its very nature, is not a delivery body. However, as custodian of the region’s strategy we will be its champion, lever the resources from the Government, identify delivery partners – and hold them to account. We will provide the clarity of direction required, and the leadership the region needs.

From White Paper to Strategy for Growth

This White Paper sets out the headline objectives and outcomes we are expecting to seek through the Strategy for Growth. It does not yet contain all the answers - the consultation process will be key to that.

Feedback from stakeholders across the LEP will be used to inform the Strategy which will be published before the New Year.

This will not be the end of the story however. We are clear that the journey is very much the strategy, and it will evolve organically as the LEP’s journey continues.

Consultation

We hope that stakeholders across the LEP will take this opportunity to input into the Strategy’s development. To be a success and deliver transformational change it needs to be a strategy that is owned by all.

The consultation will run until 16th November.

Details can be found at www.gbslep.com.



SECTION 1: OVERVIEW & PRIORITIES

Introduction

The Midlands is famous for being the birth place of the industrial revolution, home to the UK's second city and the city of a thousand trades. Sitting at the country's crossroads, Birmingham and the city region are within easy access of London and all major UK and international markets. Our potential is to be globally competitive, and we need now to live up to that potential.

By most measures the Midlands economy underperformed in the decade leading up to the recent financial crash. Relative underperformance was, however, more than compensated for by the financial bounty created principally in the City of London. This was good whilst it lasted, but as we now know was not, and, more importantly for the future, is not sustainable for the UK economy as a whole.

The Coalition Government has been very clear that we must rebalance the UK economy, and that we must find new ways and new thinking, to overcome many of the traditional obstacles to growth. The Greater Birmingham and Solihull Local Enterprise Partnership (GBS LEP) is determined to exploit this opportunity. We know, however, that we can only achieve the transformational change required by engaging with and aligning the aspirations of all the regions key stakeholders.

This is the purpose of our White Paper. Our success will be determined by the engagement and buy-in we achieve across our LEP geography, with neighbouring LEPs, and from the UK as a whole.

The role of the LEP

We are proud of the fact that the GBS LEP has forged a new level of coalition between the Private and the Public Sector. Capitalising on the best of business leadership, and combining this

with determined

Political leadership we are focussed on real economic growth and have assembled the people who have the appetite and the ability to deliver significant change.

One of our key strengths is the ability to make difficult decisions. Because we can de-politicise issues (many of which have previously proven too difficult to resolve) our LEP has acted, and will continue to act, in the best interests of our geographic region as a whole, and not simply any one part thereof.

We have a strong partnership with the Government, and we are their body of choice for the coordination of the strategy that will drive regional economic growth. We will continue to use this partnership to influence greater devolution of authority from Central Government and greater direct control over the allocation of resources.

This White Paper is designed to help build a new Strategy for Growth for the region. The GBS LEP will be the champion and custodian of this new Strategy. Although not crudely a 'delivery agency' ourselves, we will provide the clarity of direction for the nominated delivery agencies to put in place the most effective delivery programmes.

The journey so far

Our LEP has celebrated its first anniversary and is now well into its second year. In that short time significant progress has been achieved. Arguably, for us, our greatest single achievement has been the creation of the partnership itself - based around a functioning economic geography and coordinating partners dedicated to driving economic growth in our region.

At a time when resources are scarce our partnership has also enabled significant benefits and investment to be realised, for example:

- The creation of the UK's largest city-centre **Enterprise Zone**, with the catalytic potential to revitalise parts of Birmingham and create

over 40,000 jobs. The 'EZ' has already been listed in the Top 50 free zone investment sites in the world and in the Top 3 in Europe.

- Successful negotiation with Government to create **GBS Finance**, a revolutionary fund management approach to public finance that aggregates, manages, recycles and invest £1.5bn of public funds - emphasising evergreen models and private sector co-investment.
- Via the successful **City Deal** process we have forged a strong relationship with the government, and begun a process of real devolution of power from Whitehall.
- **Investment into key sectors** has been achieved through targeted interventions, including; the Advanced Manufacturing Supply Chain Initiative, City Deal gap funding for a new Institute for Translational Medicine underpinning a Life Sciences revolution, and the Creative City initiative with Government securing support for Digital and Creative industries.
- Successful negotiation with Government to create the **Skills for Growth Compact**, to recruit 25% of all businesses in the region to work with colleges and schools to build best in class skills that link with real-world work opportunities.
- The creation of a new **Spatial Planning Framework** and Planning Charter across the LEP, which places sustainable growth at its heart.
- Approved the allocation of over £12 million from phase 1 of the Growing Places – **funding for shovel-ready infrastructure projects** – unlocking 8 schemes across the LEP region, leveraging £85m of private sector investment and promising 7,200 jobs.
- Selected as a **pilot for the Government lead mid-sized business review** to better understand the needs and drivers of medium sized businesses.

- Launched the **£8m million Business Support Programme** designed to provide grant support, coaching and mentoring to SMEs business within the LEP region.
- Established the **Business Hub** at Baskerville House as a model for providing a physical one-stop-shop for businesses to access help and guidance; incorporating the LEP secretariat team, Marketing Birmingham, Birmingham City Council, Business Birmingham, the Chamber of Commerce, Finance Birmingham, Birmingham Forward, and the Aston Reinvestment Trust.
- Launched the **LEP Virtual Hub** – providing a web-based portal to provide LEP based businesses with help and guidance on public and private sources of finance and business support.

The next, and most important, stage of our journey is building a credible Strategy for Growth for the GBS LEP region. We know that many of the themes in our Strategy will likely be familiar. What we see as being critically different, however, is; the strength of our unique leadership model, the real potential to draw down significant new freedoms from Whitehall, the accountability the GBS LEP will bring to implementation, and – we hope through this White Paper – the shared regional ownership of the vision and priorities.

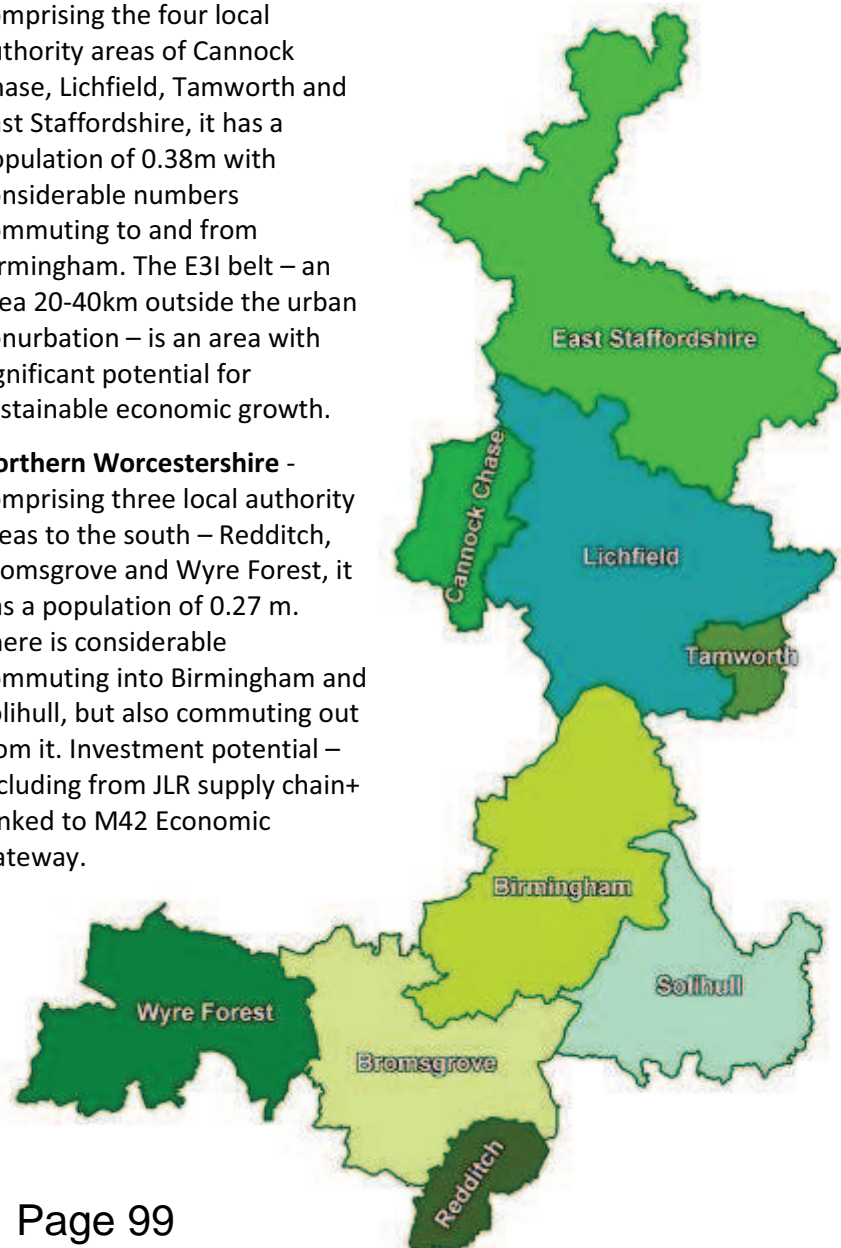
A profile of the GBS LEP

A snapshot of the Greater Birmingham and Solihull area:

- Population of 1.9 million people – predicted to grow by 167,000 by 2025
- 924,500 jobs
- 67,000 businesses
- 789,680 dwellings
- Contributes £34bn in Gross Value Added (GVA) to the economy each year
- 63.8% of residents are in employment
- Average earnings for full time wage and salary earners is £29,728 (national average is £32,837)
- One in four of the working age population is educated to degree level or higher
- 10.4% of 16-24 year olds have no formal qualifications
- Worklessness rate of 15% compared to the national average of 12.2%
- High proportion of individuals who have recently set up or are in the planning stages of setting up a new business (6.9% as opposed to UK average of 6.5%)
- Four major universities
- 11 key FE colleges
- Busiest theatre in the UK

The Greater Birmingham and Solihull LEP includes:

- **Birmingham and Solihull Metropolitan Core** – this has a population of 1.23m and contains many of the economic drivers of the conurbation: Birmingham city centre; international venues such as the NIA and ICC; the M42 Economic Gateway in Solihull; Birmingham Airport, the NEC, JLR and premier investment locations
- **Southern Staffordshire** - comprising the four local authority areas of Cannock Chase, Lichfield, Tamworth and East Staffordshire, it has a population of 0.38m with considerable numbers commuting to and from Birmingham. The E3I belt – an area 20-40km outside the urban conurbation – is an area with significant potential for sustainable economic growth.
- **Northern Worcestershire** - comprising three local authority areas to the south – Redditch, Bromsgrove and Wyre Forest, it has a population of 0.27 m. There is considerable commuting into Birmingham and Solihull, but also commuting out from it. Investment potential – including from JLR supply chain+ -linked to M42 Economic Gateway.



Focussing on what matters most

Unlocking long-term sustainable growth and creating regional prosperity will be dependent on the formation of a clear overarching and cohesive shared strategy; a strategy which brings together the vision for the region. This strategy must begin by identifying those issues which matter most, and will have the biggest economic impact for the region as a whole.

We are proposing a Strategy for Growth which splits the economy into three clear 'pillars' – Business, People & Place (explained in greater detail on page 12).

Within each of these pillars the five priority outcomes, critical to unlocking growth, are:

Focussing on Business

We need a far stronger **business support** offer that attracts new business, new start ups and helps promote and grow existing business. In particular, this new approach needs to:

- Provide better access to finance. Despite an increase number of mainly national initiatives access to finance for SMEs remains a key obstacle for growth. We must find new ways to enable SMEs, in particular, to access capital
- Align the interests of existing business support organisations to remove unnecessary competition and provide clear direction

We also need to identify and develop those **sectors** that can support growth. This needs to build on our considerable existing strengths, as well as opportunities, and create something the region becomes truly renowned – attracting investment, jobs and growth.

Focussing on People

We have a **skills** deficit exacerbated by an increasing demand for skilled labour. We urgently need a significant improvement to the skills profile across the city region, and across a number of sectors.

Within this new skills agenda we need to make skills relevant to business need, and find ways to ensure people within the region have access to the jobs and opportunity we are creating.

Focussing on Place

Effective **connectivity** - both physical and digital; and both within the city region and to national and international markets - is essential, and it needs to be better.

We must maximise the resources we have, and integrate investments being made in connectivity to drive the greatest economic impact for the city region as a whole. Critically, if we must have an airport that is connected to all major international hubs

We also need to develop and explore new and innovative ways of leveraging the **assets** within the region to unlock long-term growth:

- Providing the housing and employment land needed, and aligned to economic growth
- Leveraging private sector capital to speed up development and maximise impact
- Creating a planning environment that supports sustainable growth
- Supporting a real sense of place in the region

The GBS LEP Board, working with partners and key stakeholders, is developing plans to address each of these priority outcomes. More information about these plans, and the anticipated activity required, is set out in Section 2 of the White Paper.

Focussing on a vision for the future

Our Strategy for Growth is a bold agenda for change designed to create the conditions necessary for long-term sustainable growth, and ultimately enable us to become a globally competitive city region.

To punch our weight on the global stage will require transformation within many of the fundamental aspects of our local economy. This cannot happen overnight as structural changes take several years to achieve.

What, however, will success look like for us? Cast your mind forward. We believe success will have been achieved if the following statements accurately describe our outcomes, and the journey we have been on:

- The LEP will have one of **the most skilled labour forces in Europe**.
- LEP productivity improvements will have driven an **increase in GVA by over £8bn**
- The region will have **enhanced its reputation in a broad base of sectors** that include Life

Sciences, Advanced Manufacturing, Digital and Professional Services.

- The **quality of business support we offer will be best-in-class**, underpinning the region's consistent outperformance for new start-ups, business survival, and business growth.
- **Unemployment is at a record low** following private sector growth of 100,000 jobs
- The region is amongst the **best connected physically and digitally** in the UK.
- **£15bn of private sector capital** has been key to the transformation of the physical estate and enabled meeting our new homes targets.

Whilst this vision is ambitious and achieving it will not be without its challenges, we believe the current generation of civic and business leaders have a responsibility to set the region's economic fortunes on the path that will deliver.

Building the Strategy for Growth

Increasing productivity whilst achieving growth, fairness and sustainability across the city region has been attempted in the past. Various organisations and interventions have set out to meet these ambitions, but all too often they have been too closely focussed on overly narrow outcomes and have been fragmented spatially and thematically. They have not had the big picture in mind.

This calls for a more strategic approach that is based around a series of key priorities and recognised the interdependency of these to the success of the whole.

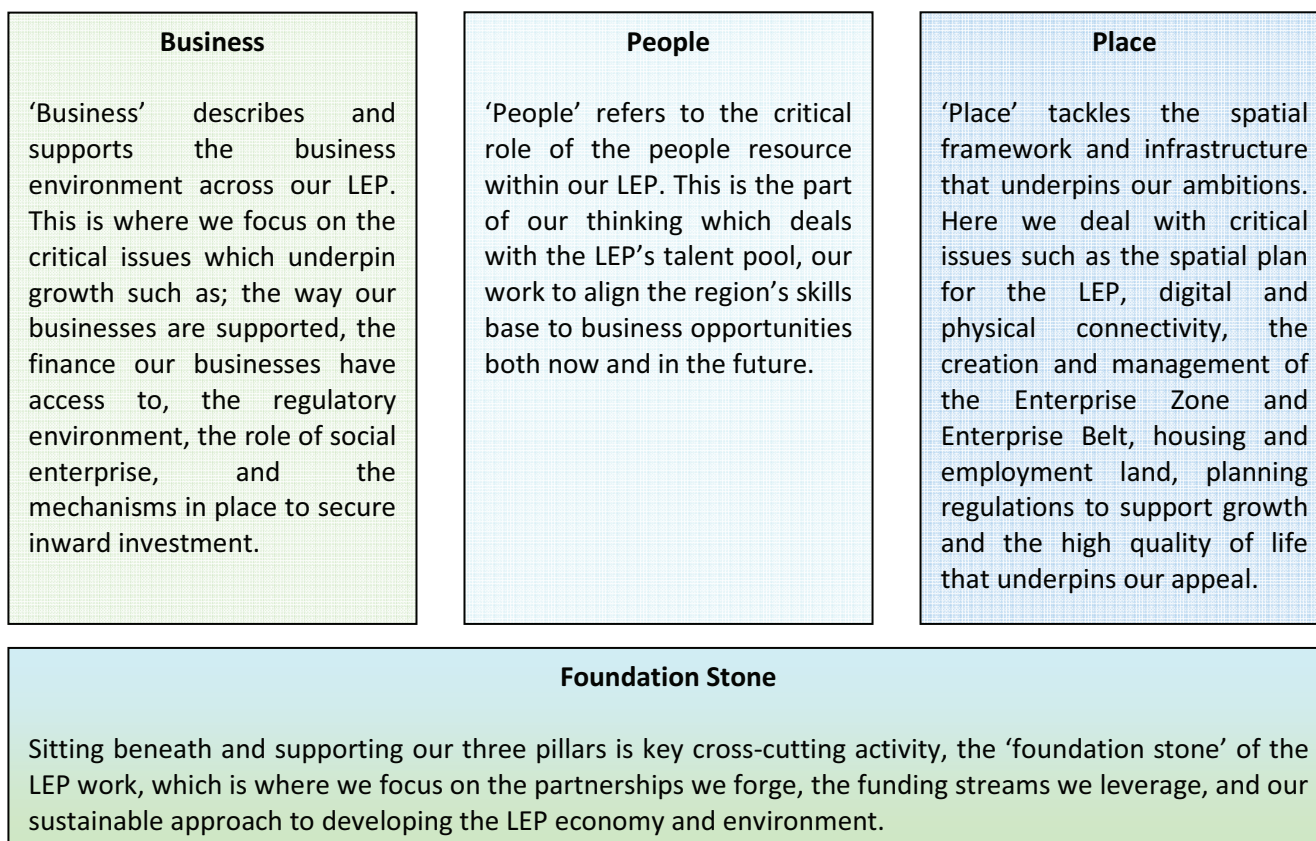
We have developed a framework for our Strategy for Growth which focuses on the three major pillars of our economy as we perceive

them - Business, People and Place. The diagram, below, explains in more detail how we define each of these pillars and how they interact.

Whilst all of the elements of our strategy are cross-cutting and interdependent, we see several key strands of support sitting beneath all the actions we take. They include: the partnerships we forge (locally, regionally, nationally); the sourcing and maximisation of resources (whether from Government, the Private Sector, Local Authorities – or any other route we can access); and a consistently sustainable approach to growth.

Evidence & consultation: informing decisions around key priorities

The GBS LEP has commissioned several key pieces of research to provide a baseline for our approach: we have held a number of business engagement events and seminars to build in the views of the business community, and we have worked closely with Economic Development



teams across the Local Authorities within the GBS LEP.

We have also drawn upon the experiences and commentaries from the numerous regional and local plans which precede or sit alongside our own, including; Advantage West Midlands’s Regional Economic Strategy, the Local Authorities Local Economic Assessments and Economic Strategies, and the Regional Spatial Strategy. A synopsis of the Strengths, Weaknesses, Opportunities and Challenges based of the GBS LEP evidence base can be found in on page 34.

We are not reinventing the wheel, rather we are picking the best of what the past and the present have to offer, and refining them based on our current circumstances. We acknowledge that the traditional approach to affirming a new Strategy would be to appoint an independent body to develop extra research and report their findings. The GBS LEP Board believe that the evidence we have is robust, and the most valuable challenge and additional input to this will come from stakeholders who are the intended audience of this White Paper.

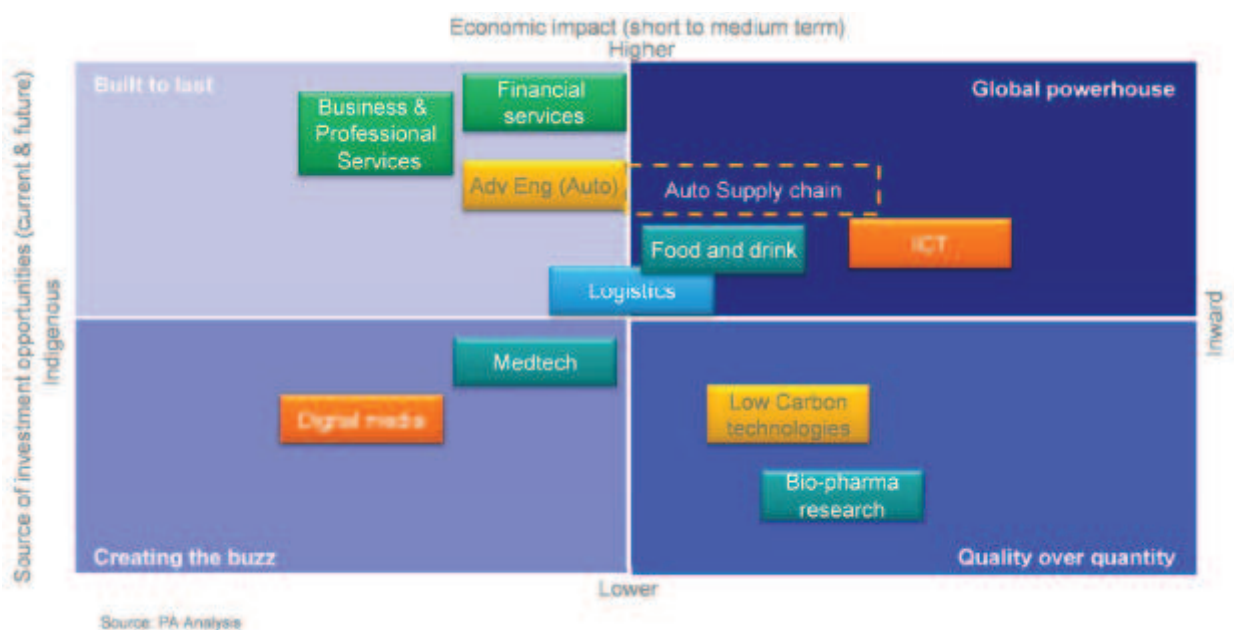
Sector focus: building on strengths, and creating global competitiveness

An important part of the Strategy for Growth will be building on the evidence base referred to previously to identify those businesses and sectors that will be the most successful in optimising the economic assets available across the GBS LEP.

Research commissioned by the GBS LEP has confirmed our compelling offer in key sectors where investment may be attracted including: Automotive and Advanced Engineering; Financial, Business and Professional Services; Computer Services, IT and Digital; Life & Health Sciences; Food and Drink; and the Green Economy (this is indicated in Figure 1 below).

The GBS LEP Board is equally, aware, however, that we do still need to have a range of thriving sectors which can accommodate the employment we require to be truly successful. Accordingly, through this White Paper consultation process the LEP will be particularly seeking views on our stakeholder’s impression of sector strengths within the region.

Figure 1: Key Sectors for the GBS LEP (PA Consulting, 2012)



Evolution of the Strategy

We know we don't have all the answers yet, and in the current climate of change and uncertainty we know that the economic imperatives which drive us may change. In writing our strategy we are setting the key priorities for long-term change, and for short-term action, whilst accepting the need to remain flexible as the LEP evolves.

In many ways therefore, for the GBS LEP, **the journey is the strategy**, and as our journey continues so our strategy will evolve organically.

As part of the evolutionary process, the Board is committing to review the Strategy – and the outcomes and sub-outcomes it sets – every two years (with the first refresh due for publication at the end of 2014). This way we will ensure there is a clear, current, and representative set of outcomes constantly driving the LEP's activity and resources.

Measuring Success

We understand the importance of clearly defining and articulating what we are seeking to achieve, and then robustly measuring progress.

The finalised Strategy for Growth will set out how the agreed outcomes will be quantified and, ultimately, how success will be measured.

However, the Strategy is not intended to be a delivery plan. Separate and detailed delivery plans, which will have board Director ownership, will support the individual outcomes and they will clarify the detail of how each one will be reached and performance measured.

Resourcing priorities

We know that we do not have all the resources we will require in order to deliver our ambitious plans for the future, and as such we will not be in a position to produce a Strategy for Growth which is 'fully funded'.

LEPs are by their very nature different to other bodies which have previously been responsible for regional economic growth (such as Regional Development Agencies) and we have no standing development resources. However, as the last two years have demonstrated – we can access significant resources and powers from the Government, and shape and influence the spending of a number of departments and agencies both locally and nationally.

Our Strategy for Growth is essential in the context of resources. It will be the framework under which we direct the resources we access, and will be the basis of our roadmap for seeking out and accessing new funds and powers in the future.

From White Paper to Strategy for Growth

The publication of this White Paper is a significant milestone in the adoption of our Strategy for Growth, in doing so we are setting out our developed thoughts on the future strategy – but we are certainly not presenting an unalterable policy commitment. The next, and in many ways most important, step is to gain the views and feedback from all the GBS LEP’s stakeholders and partners.

The paper was published on the **Monday 8th of October** which marked the beginning of a formal consultation period. During this time we will be seeking views from a multiplicity of partners and stakeholders, via a number of channels, in order to get maximum feedback and input. We will be running this intensive consultation period until **Friday 16th of November**.

It is anticipated that, following the consultation process, we will pause to review the feedback and ensure all necessary challenges have been considered and addressed, before finally publishing our Strategy for Growth before the New Year.

Responding to the White Paper

The GBS LEP Board is keen to receive views from our stakeholders and partners. A customised questionnaire has been developed via the GBS LEP website to help consultees provide focussed feedback around a set of specific questions. We also welcome written submissions (via letter or email) covering any issues arising within the White Paper. The LEP Board is particularly interested to hear views about:

- The identified key priorities within the White Paper, and the extent to which you agree these are the top five things to focus activity around (summary on p. 10)
- The ‘vision’ for the LEP, and the extent to which is appropriately ambitious (summarised p. 11)
- The ‘Business’ pillar and the key outcomes, and sub-outcomes, which sit within it (details from p. 18)
- The ‘People’ pillar and the key outcomes, and sub-outcomes, which sit within it (details from p. 23)
- The ‘Place’ pillar and the key outcomes, and sub-outcomes, which sit within it (details from p. 26)
- Prioritisation of activity, and identification of appropriate delivery partners (explained on p. 17)

Get involved

We are keen to ensure that as many people as businesses and partners are as involved as possible in the formation of our Strategy for Growth, and will be seeking views from a number of channels.

For full details of the consultation programme, including events across the LEP, and a bespoke web questionnaire to provide feedback please see:

<http://www.GBSLEP.com>

To provide general comments via email please write to: GBSLEP@birmingham.gov.uk

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SECTION 2: DETAILS & EVIDENCE

Building and supporting our priority outcomes

As part of our White Paper consultation we are seeking to explain the nature of the key priorities we have identified, and the types of activity we see as being fundamental in delivering them.

Section 2 of the White Paper is dedicated to setting out in more detail how we intend to build the Strategy for Growth, and the types of activity we see helping deliver it.

Outcomes

As described in Section 1, taking the framework of Business, People and Place we have identified five key priority outcomes around: business support, sectors, skills, connectivity and assets.

Each of these is individually a pressing issue for the region, but they are also the sum of many inter-connected sub-outcomes that our work has identified as being important. These are outlined in the following pages.

For example, we have identified that improved connectivity is a priority. However, sitting beneath that is a range of sub-outcomes, such as: connecting Birmingham Airport to the world, improved digital connectivity, better connections within the LEP, and better connections to UK markets.

Immediate actions to deliver

As part of the White Paper we believe it is important to give a sense of the actions we need to take to start delivering. These actions flow from our existing work plans, suggestions from our stakeholders, and from our anticipated required actions for the future. Set out in headline detail over the next few pages, these are intended to help stakeholders understand the breadth of activity which will be required.

As part of our consultation we are particularly interested in knowing if these are the right actions, in our stakeholders and partners eyes, and if they will help support the outcomes we are seeking.

Prioritisation

We know that resources are not limitless and with the breadth of the challenges we face, there is a need to prioritise activity and focus on those things that matter most, and deliver best.

The following pages provide an initial view of how this prioritisation may happen against the current set of actions – using a simple “high”, “medium” and “low” system. It is important to not, however, that just because something is “low” does not mean it isn’t a priority, rather in pressure circumstances it would not be the first action to pick to deliver our priority outcomes.

As part of our consultation we would like to know our stakeholders’ and partners’ views about prioritisation.

Ownership & delivery plans

Our intention, once the Strategy for Growth has been agreed, is to support all of the identified outcomes with a detailed delivery plan. Owned by an individual board director lead, these documents will be the place in which metrics, milestones and timetables are outlined.

As part of this process we will also be identifying the most appropriate and effective delivery partners to help us achieve these outcomes. As custodians of the regional strategy, the LEP will need to play a significant role in ensuring where a priority has been committed to – it is being delivered.

Business

The ‘Business Pillar’ describes and supports the elements of our Strategy which we see as underpinning the business environment across our LEP.

With a strong business lead from the board, this is where we focus on the critical issues that facilitate growth (finance, advice, regulations, space, social enterprise, inward investment).

Activity is already taking place to achieve many of our priorities (and in many instances, it has

been taking place in one form or another for some considerable time). However, we are clear that for each outcome the GBS LEP as a region needs to raise its game, to work with partners and be bold in pushing for something bigger and better to deliver.

As with all our themes these outcomes interact and rely upon outcomes across the other pillars, particularly with delivery of the “Skills Ask” element of the GBS LEP City Deal critical to support employment growth.

‘Business’ Priority Plan:

The first of our two key priority outcomes within the Business Pillar is to create:

B1. A new ecosystem of Business Support, creating an environment where businesses are enabled to start, grow and succeed, through integrated and locally relevant support and access to finance

To achieve this, we envisage needing to focus on nine related sub-outcomes, and have identified a range of activity and steps which will start to deliver them:

Immediate actions to deliver the vision

Priority

(B1.1) Integrated, effective and locally relevant business support, recognising that different approaches and packages will be appropriate in different parts of the LEP

- Develop a central business portal for support across the LEP – complementing existing resources and signposting to local and national support H
- Review models and funding streams which underpin national and LEP Business Support, and develop and implement proposals for a new GBS LEP offer for UK-leading support H
- Conduct research with Government into the critical support drivers behind the success of Mid Sized Businesses in the LEP H
- Conduct research into the drivers of, and barriers to, growth for SMEs and high growth firms within the LEP L
- Deliver £8m High Growth Business Development Programme H

(B1.2) Consistent availability of an appropriate range of finance to support business growth and success

<ul style="list-style-type: none"> Roll out the 'Finance Birmingham' offer on a LEP-wide basis, providing finance for companies which are financially sound but unable to access finance from traditional banks due to a shortage in liquidity 	H
<ul style="list-style-type: none"> Deliver AMSCI Programme to support finance into Advanced Manufacturing Supply Chain 	H
<ul style="list-style-type: none"> Establish via Growing places, RGF III, and other funding streams where possible, equity finance to help support company growth and support 	H
<ul style="list-style-type: none"> Develop the GBS Finance "Debt, Equity and Microfinance investments in SMEs" investment strategy 	M
<ul style="list-style-type: none"> Develop effective partnerships with HE to access funding through new European programmes and deliver business support 	L
<ul style="list-style-type: none"> Collaborate and work with the West Midland Regional Finance Forum on the effective and efficient use of the AWM Legacy Funds 	M

(B1.3) Better local regulation for business, which supports and encourages growth

<ul style="list-style-type: none"> Work with the Government (via the Better Regulation Delivery Office) as a "pathfinder" to reduce regulation, promote and deliver new ways of working and champion reducing national red tape; sharing best practice with other LEPs across the UK 	H
<ul style="list-style-type: none"> Work with Local Authorities to ensure municipal costs which are competitive relative to others 	L

(B1.4) An increase in the number of successful and surviving business start-ups

<ul style="list-style-type: none"> Work with FE, HE and Science Parks to support graduate start-ups, and university spin outs 	M
<ul style="list-style-type: none"> Grow finance products tailored to support start-up companies, with particular focus on equity finance 	H
<ul style="list-style-type: none"> Support the infrastructure investments of research institutions, universities, colleges trade and vocational institutions and schools 	H
<ul style="list-style-type: none"> Support targeted to young entrepreneurs, both school leavers and graduates, maximising the potential of the LEP's youthful population profile 	M

(B1.5) An increase in the number of Small and Medium Sized Companies starting, locating, growing and succeeding with the LEP.

<ul style="list-style-type: none"> Implement the Mid-Sized Business Review Pathfinder Programme 	H
<ul style="list-style-type: none"> Champion the value of locally-owned businesses and support their services 	L

(B1.6) An increase the number of High Growth Firms across the LEP

<ul style="list-style-type: none"> Target specific business support to High Growth Firms that drive employment and growth in the GBS LEP economy (to ensure retention & success of existing firms) 	M
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(B1.7) An increase in the number of companies who are exporting and based within the LEP

- Bring forward an export drive in the GBS LEP area to expand export activity of business population H
- Increase support for indirect exporters (such as the component supply industries) to avoid undermining the strong component supply industries that support such export based industries M
- Support SMEs in finding opportunities and international routes to market. M

(B1.8) A vibrant social economy and third sector acting as a strong component of the local economy, and delivering significant opportunities for growth and employment

- Identify ‘Social Enterprise Champion(s)’ to lead activity H
- Through the third sector grow Health and Social Care sector (e.g. Domiciliary Care) L
- Create partnerships and develop a coherent strategy to support the growth of social enterprises. M

(B1.9) Maximised procurement opportunities across the LEP to support local business growth

- Clear signposting of businesses to procurement opportunities from LAs and other public sector organisations M
- Consistent implementation by Local Authorities of West Midlands Procurement Framework L
- Promote and encourage major employers and organisations to offer local procurement opportunities L

The second of our two key priority outcomes within the Business Pillar is to create:

B2. Leadership in key sectors, building on our natural strengths and advantages and driving jobs growth and GVA growth within the GBS LEP

To achieve this, we envisage needing to focus on nine related sub-outcomes, and have identified a range of activity and steps which will start to deliver them:

Immediate actions to deliver the vision Priority

(B2.1) UK-leading Advanced Engineering sector (including automotive and aerospace), creating opportunities that encourage indigenous growth and FDI.

- Commission independent research to quantify the dynamics of the sector locally H
- Create and deliver the AMSCI programme to underpin the strength and competitiveness of the sector. H

- Grow new clusters of business in advanced engineering H
- Support associated infrastructure investments of research institutions and universities M

(B2.2) UK-leading Digital / ICT sector. Attracting major national and international ICT operations data centres, focussing growth around digital media, software development and consultancy, medical technologies, and embracing the opportunities of becoming an e-commerce hub.

- Commission independent research to quantify the dynamics of the sector locally H
- Align and maximise the benefits from Birmingham’s £10m Urban Broadband programme, unlock £100m of private funding and build on our existing expertise. L
- Support and develop the roles of Smart City, Creative City and Science City in global ICT leadership; potential to implement effective models across the LEP M
- Development of world class infrastructure including broadband, wireless and telecommunications networks, and Data Centre(s) L
- Grow new clusters of business in ICT M
- Support associated infrastructure investments of research institutions and universities L

(B2.3) UK-leading Life & Health Sciences sector which builds upon and enhances the already substantial assets within the LEP.

- Commission independent research to quantify the dynamics of the sector locally H
- Grow new clusters of business in life sciences H
- Secure gap funding for, and help deliver new Institute for Translational Medicine, which will co-locate state of the art clinical facilities with a hub for firms to engage with clinicians and academics. H
- Support associated infrastructure investments of research institutions and universities M
- Work with partners to develop new sources of finance for (debt, equity and mezzanine) for promising companies and projects in the life sciences sector M

(B2.4) A strong Food & Drink sector. With growth an opportunities created around food processing and producing – providing an integrated package of Manufacture, R & D and logistics.

- Grow new clusters of business in Food & Drink M
- Support associated infrastructure investments of research institutions and universities L
- Support and enhance where possible the role of GBS LEP as an R&D centre for food & drink, building on existing strengths and infrastructure L

(B2.5) A leading Hospitality & Tourism & Leisure sector. With an aligned and complementary offer

across the LEP that embraces existing opportunities around food, restaurants and business tourism.

- Grow new clusters of business in Hospitality & Tourism and enhance the LEP’s “Cultural Buzz” M
- Support associated infrastructure investments of research institution and universities L
- Support the role of the LEP’s key assets including City and Town Centres, Birmingham Airport and NEC M

(B2.6) A vibrant “green economy”, which supports both high volume and high value opportunities in customer service, construction, manufacturing and business support.

- Through the City Deal support the delivery of the UK’s first Local Authority Green Deal, providing energy efficient improvements to 15,000 houses and 40 public buildings, creating 8,000 jobs and kick starting a £1.5bn investment programme H
- Support associated infrastructure investments of research institutions and universities L

(B2.7) A strong Business, Financial and Professional Services offer, building on the existing capacity and strong offer with the GBS LEP

- Commission independent research to quantify the dynamics of the sector locally M
- Grow new clusters of business in Business & Financial Services M
- Support innovation and associated investments around a strong business schools network L

(B2.8) An integrated and strategic LEP offer for Foreign Direct Investment, linked to our strengths and key sectors, driving increased volume, value and quality

- Work with UKTI to create a stronger partnership to increase FDI into the LEP, with Board Champions acting as ambassadors for the area / growth sectors H
- Support individual LA inward investment functions to deliver increased inward investment H
- Develop a strong shared message across key agencies including Universities and FE colleges, with agreed key selling points and narrative M

(B2.9) Increased number of large firms selecting the LEP as a national HQ

- Strong links between the LEP / LEP strategy and major LEP employers H
- Account management of key companies who are dominant in the economic output and employment of the GBS LEP area, ensuring retention of existing large firms and strong family of key employers M

People

The ‘People Pillar’ describes and supports the elements of the Strategy which deal explicitly with the most important resource within the GBS LEP – our people.

This is the part of our thinking which deals with the LEP’s talent pool. Working to align the skills base and skills provision with the job opportunities now and in the future for the LEP, ‘People’ is focussed on ensuring the people within the GBS LEP are benefitting from the opportunities being created, and all sharing in the benefits of growth in wealth and economic activity.

Consultation with businesses across the LEP has consistently shown that “skills” is one of the most fundamental issues they want to see addressed and improved. Accordingly, we’ve prioritised it as a fundamental theme to one of our three ‘pillars’.

Through the leadership of the LEP’s Employment and Skills Board, supported by our four local Employment & Skills Boards, clear priorities to support the LEP’s ambition of creating a globally competitive workforce have been identified and will be delivered through the implementation of the “Skills Ask” that forms part of the recent GBS LEP City Deal.

‘People’ Priority Plan

The single and clear priority outcome within the Place Pillar is to create a:

P1. A globally competitive talent pool underpinned by a best-in-class skills system, supporting people into jobs and opportunity

To achieve this, we envisage needing to focus on eight related sub-outcomes, and have identified a range of activity and steps which will start to deliver them:

Immediate actions to deliver the vision

Priority

(PE1.1) Inspired leadership

- | | |
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| <ul style="list-style-type: none"> ▪ Recruit local industry champions for growth sectors and education who will be leaders of, and catalysts for, change leading and inspiring employers, providers and learners determining issues and priorities and influencing change at a national level | H |
| <ul style="list-style-type: none"> ▪ Produce a LEP Skills Plan based on a detailed analysis of local labour market and skills needs | H |
| <ul style="list-style-type: none"> ▪ Promote Skills for Growth and LEP activities including, maximising the local benefits of the National Skills Show being held annual at the NEC for three years from 2012 | M |
| <ul style="list-style-type: none"> ▪ Develop ESB infrastructure and networks to ensure delivery of our employment and skills ambitions at a local level | H |

(PE1.2) A dynamic partnership supporting skills, with sustained business engagement with schools and colleges by 2015

<ul style="list-style-type: none"> Develop, promote and secure commitment to the Skills for Growth Compact whereby LEP employers, schools, colleges and training providers work more closely together and align careers advice, learning and preparation for work 	H
<ul style="list-style-type: none"> Secure BIS and DfE involvement and support to improve transition from education to work 	M
<ul style="list-style-type: none"> Pilot and roll out education business activity – careers advice, work experience, curriculum content, new apprenticeships 	M
<ul style="list-style-type: none"> Develop business ambassador network to promote LEP wide skills and apprenticeship activity 	M

(PE1.3) A demand orientated and growth-maximising local skills system driven by targeted growth sectors, development and investment opportunities

<ul style="list-style-type: none"> De-risk and increase provision in targeted growth sectors by delivering new employer-shaped learning opportunities through the Employer Ownership Pilot and new apprenticeship frameworks 	H
<ul style="list-style-type: none"> Articulate local needs and priorities, aligning investment and delivery through the Skills for Growth Hub 	H
<ul style="list-style-type: none"> Pilot a system identifying opportunities and barriers to growth (e.g. lack of appropriate training provision for Green Deal) 	L
<ul style="list-style-type: none"> Use the Innovation Code in course and framework development 	M
<ul style="list-style-type: none"> Maximise opportunities from new development and LEP investment (including the Enterprise Zone, Growing Places Fund projects, Green Deal and Life Sciences) using tools such as Section 106 agreements and the West Midlands Procurement Framework 	M
<ul style="list-style-type: none"> Increase Apprenticeships, including 3,560 AGE Grants delivered by March 2013 	H

(PE1.4) A Highly Skilled workforce, benefitting from a thriving HE and FE ecosystem

<ul style="list-style-type: none"> Develop strategy with partners to better understand the dynamics of graduate retention, and retain LEP levels of graduate skills 	M
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(PE1.5) An increase in aspiration and access to opportunity

<ul style="list-style-type: none"> Deliver Skills for Growth Compact committing employers, colleges and schools to build a best-in-class skills service to link pupils and learners with real-world work opportunities with at least 25% of local businesses signed up by 2015 	H
<ul style="list-style-type: none"> Champion and promote meaningful work experience, mentoring and internships 	L
<ul style="list-style-type: none"> Promote local skills competition and Have a Go activity, increasing participation year on year 	L

(PE1.6) Significant increase in the proportion of the LEP population in employment, with a substantial growth in the number of private sector jobs created

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| <ul style="list-style-type: none"> ▪ Roadmap to the delivery of jobs pledge, with 100,000 new Private Sector jobs created by 2020. Including jobs created from major schemes and programmes (i.e. the City Centre Enterprise Zone, City Deal, Enterprise Belt, M42 Economic Gateway, City Region Inward Investment Programme, High Growth Business Development Programme, AMSCI, RGF and Growing Places). | H |
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| <ul style="list-style-type: none"> ▪ Targeting of funds the LEP has influence over (i.e. Growing Places and Regional Growth Fund funded projects) towards investment focussed on job creation | H |
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(PE1.7) Significant reduction in Youth Unemployment across the GBS LEP, leading to a more prosperous economy

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|-------------------------------------------------------------------------------------------|---|
| <ul style="list-style-type: none"> ▪ Implement City Deal as set out in PE1 | H |
|-------------------------------------------------------------------------------------------|---|

(PE1.8) Significant reduction in long-term unemployment and economic exclusion across the GBS LEP, leading to a more prosperous economy

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| <ul style="list-style-type: none"> ▪ Target a significant proportion of opportunities from the LEP’s job creation to long-term local unemployed. Use tools such as Section 106 and the West Midlands Procurement Framework, and encourage a similar approach to be taken by major private sector organisation | M |
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Place

The ‘Place Pillar’ describes and supports the elements of our Strategy concerning the spatial framework and infrastructure that underpin our ambitions.

Local Authority led from the Board, together with Private Sector leadership underpinning several key themes, the Place pillar deals with critical issues such as: the spatial plan for the LEP; digital and physical connectivity; the creation and management of the UK’s most ambitious Enterprise Zone and Enterprise Belt; and the supply and management of housing and employment land.

Although activity is already taking place in many areas similar to these, as a ‘new’ spatial partnership built around a functioning economic geography and travel-to-work area, there is an additional level of significance and potential benefit to be realised from our refreshed approach.

As with all our themes these outcomes interact and rely upon outcomes across the other two pillars. However, we believe they provide the clear foundations to transform the fundamental environment of the GBS LEP.

Our ambitions for growth and development – both housing and employment – are achievable and can be delivered via existing and emerging development plans across the LEP in at least the short to medium term.

‘Place’ Priority Plan

The first of our two key priority outcomes within the Place Pillar is to create:

PL1. Stronger connectivity; both within the GBS LEP, and between national and international markets

To achieve this, we envisage needing to focus on four related sub-outcomes, and have identified a range of activity and steps which will start to deliver them:

Immediate actions to deliver the vision

Priority

(PL1.1) A stronger international gateway for the LEP, particularly via the expansion of Birmingham Airport as one of the UK’s leading airports, with direct flights to key growth areas

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| <ul style="list-style-type: none"> ▪ Support for the expansion (runway extension and route development) of Birmingham Airport, and its greater role in the future of UK aviation provision | H |
| <ul style="list-style-type: none"> ▪ Work with partners including Birmingham Airport to align investment in skills, infrastructure and business to route development work for Birmingham Airport – e.g. through M42 Economic Gateway Investment and Implementation Plan and Inward Investment programme | M |
| <ul style="list-style-type: none"> ▪ Support for HS2 as direct connectivity between GBS LEP and the European Continent | H |

(PL1.2) Improved connectivity within the GBS LEP: between businesses, labour pools and to key economic sits, and with reduced uncertainty and faster journey times

<ul style="list-style-type: none"> Work with Government and partners to develop a Transport City Deal ensuring alignment with M42 Economic Gateway and wider Place priorities 	H
<ul style="list-style-type: none"> Establish a Local Transport Body for the LEP to manage devolved Major Scheme Capital Funding and develop an optimum framework for overseeing transport investment in the wider area . 	H
<ul style="list-style-type: none"> Develop an evidence based multi modal master plan to determine how uplift in capacity and connectivity can best be achieved and evaluated (based on a rail strategy and maximum journey time of 45mins from the outer edges of LEP area to the centres of economic growth) 	M
<ul style="list-style-type: none"> Work with the Staffordshire & Worcestershire County councils to align their Local Transport Plan packages with better linkages from Southern Staffordshire and North Worcestershire with Birmingham and Solihull Hubs 	H
<ul style="list-style-type: none"> Engage with initiatives such as a Midlands Metro route through East Birmingham to the airport which have the potential to provide significant economic stimulus 	M
<ul style="list-style-type: none"> Develop an attractive transport system including public transport that provides a high standard of access to learning, leisure and services as well as to employment 	M
<ul style="list-style-type: none"> Develop the capacity and connectivity within the LEP and to HS2 stations including through the M42 Economic Gateway Implementation and Investment Plan 	M

(PL1.3) Improved access to local and national markets, enabling businesses to better access their customers

<ul style="list-style-type: none"> Support and guide the work of CENTRO to drive forward a comprehensive programme of regional rail investment and campaign at a national level for a higher proportion of national rail infrastructure investment 	H
<ul style="list-style-type: none"> Work with partners to develop mechanisms to reduce transport costs for businesses, particularly with lower journey times and increased reliability 	M
<ul style="list-style-type: none"> Close work with neighbouring LEPs to align transport priorities and policy as appropriate 	H

(PL1.4) Strong LEP-wide digital connectivity complimenting and supporting the physical connectivity infrastructure

<ul style="list-style-type: none"> Review and seek alignment to individual LA digital / digital connectivity strategies 	M
<ul style="list-style-type: none"> Develop and submit a bid to the Technology Strategy Board under the Future Cities Demonstrator call 	M
<ul style="list-style-type: none"> Work with Government on issues of open data and energy mapping 	L

The second of our two key priority outcomes within the Place Pillar is to create:

PL2. A more effective approach to maximising the physical assets within the region; unlocking housing and employment land and creating a clear sense of place within the LEP

To achieve this, we envisage needing to focus on nine related sub-outcomes, and have identified a range of activity and steps which will start to deliver them:

(PL2.1) A clear pro-growth LEP planning offer

- Prepare a LEP-wide Place Strategy and associated Spatial Framework H
- Develop LEP-wide agreement and coordination on planning system which supports sustainable growth across the area M
- Implement the provisions of the LEP Planning Charter H
- Streamline development control, regulatory and permit processes L

(PL2.2) Housing availability to meet current and future demands, attract new investment, and drive economic growth with a mix of property types to meet aspirations of the LEP

- Deliver the Public Assets Accelerator as part of the City Deal to kick start housing and mixed-use development on public land to address our long-term housing and employment site needs H
- Work in partnership with HCA to develop a bespoke LEP Investment Plan for Growth, and prioritise a list of publicly-owned housing sites and a list of public employment and mixed-use development sites for technical and financial support. H
- Dedicate the value of a precisely-defined set of GBS LEP assets and/ or matched sums to an approved rolling asset-based development vehicle to deliver the LEP Investment Plan for Growth. H
- Capture economic benefits (employment, training and supply opportunities) from housing development through use of tools such as Section 106 agreements, West Midlands Procurement Framework L
- Promote approaches that support the development of sustainable housing and employment development H
- Recognise varied housing need across the LEP geography and support delivery of housing provision that serves to meet these needs with aligned LA plans / strategies M

(PL2.3) Strategic cross-LEP use of employment land and major employment sites, supporting plans for future growth and the LEP’s target of 100,000 new private sector jobs to be created

- Conduct a cross-LEP assessment of the need for strategic employment land, and supportive plans for further high quality sites H
- Identify the network of existing and potential ‘centres’ and economic ‘landmarks’ including strategic town and city centres and the M42 Economic Gateway, economic landmarks such as University of Birmingham, Longbridge, QE Hospital, FA National Football Centre, next generation of strategic investment sites and sectoral clusters linked to key target sectors H
- Develop an investment plan setting out the priorities for GBS LEP investment across the network of centres and landmarks in short, medium and long term H

<ul style="list-style-type: none"> ▪ Deliver a £22.5m Growing Places Investment Fund to unlock stalled development sites to create growth and jobs 	H
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(PL2.5) Enhance and capitalise on the built and natural assets, with a greater quality of environment across the LEP

<ul style="list-style-type: none"> ▪ Seek to capitalise on the LEP’s natural assets (major waterways, forests, parks) as locations for investment linked to recreation and leisure businesses 	L
<ul style="list-style-type: none"> ▪ Prepare a LEP wide Place Strategy and associated Spatial Framework 	H
<ul style="list-style-type: none"> ▪ With LA inward investment partners develop a promotional / marketing strategy to complement existing initiatives and help to communicate externally the strengths of the LEP area to attract new investment 	M

(PL2.6) A healthy, viable rural economy providing for employment and income generation to support the rural populations of the LEP

<ul style="list-style-type: none"> ▪ Identify key infrastructure necessary to support rural development and rural economies (Land & property, Transport services & networks, Communications) 	M
<ul style="list-style-type: none"> ▪ Review LEP wide policy on development in rural areas 	M
<ul style="list-style-type: none"> ▪ Support private sector roll out of enhanced broadband provision in rural areas and agree public intervention where necessary 	L
<ul style="list-style-type: none"> ▪ Review access to markets for rural economy, and support greater connectivity where required 	M

(PL2.7) A thriving LEP-wide cultural and creative scene, which underpins our sense of identity, our visitor economy, and our creative economy with a quality range of leisure, recreational and cultural services/ facilities

<ul style="list-style-type: none"> ▪ Work the with the Government and key cultural organisation to deliver the Creative City Partnership 	H
<ul style="list-style-type: none"> ▪ Support the role of the NEC as a key asset and tool to enhance the area’s profile and competitiveness 	M
<ul style="list-style-type: none"> ▪ Support outstanding indoor and outdoor recreational opportunities, and maximise benefits of existing leisure assets and coordinate the LEP joint-offer 	L
<ul style="list-style-type: none"> ▪ Support an active night time economy throughout the LEP area, supported by appropriate connections between major centres 	L
<ul style="list-style-type: none"> ▪ Support investment in cultural institutions that underpin the creative city and wider visitor economy of the LEP 	L

(PL2.8) Successful City Centre Enterprise Zone (EZ), creating 40,000 private sector jobs and a boosting economic output by £2.8bn

Enterprise Zone

- EZ to be fully operational including the commencement of retention of all additional businesses rates generated from businesses within the EZ by April 2013 H
- Transportation links into the EZ from the rest of the GBS LEP reviewed and priorities for investment identified H

(PL2.9) Established and successfully delivering the Enterprise Belt (EB), with the M42 Economic Gateway at its heart. The Belt comprises a ring of opportunity around the fringe of the conurbation comprising Southern Staffordshire (the M6/A5, A38 and A550 corridors) and the M42 Corridor (Solihull and the North Worcestershire Districts)

- Develop the EB as a corridor of existing economic growth with huge potential for further growth, complementing economic growth in the core; and spreading the wealth creating potential of the LEP to the rim of the LEP area. H
- Identify EB development projects required to deliver growth over the next [10/15] years and the barriers to their delivery H
- Complete an EB Investment Plan setting out development project priorities for financial, technical, and regulatory support in the first [3/5] years M
- Prepare and support the delivery of an implementation and investment plan for the M42 Economic Gateway and include as part of Phase 2 City Deal H
- Put in place a governance structure capable of providing the resources to overcome barriers to delivery M

Supporting Foundations

All of the elements of our strategy are by their very nature cross-cutting and interdependent; for example global leadership in the ICT sector will not be possible without a locally skilled workforce, or the physical connections required between businesses and markets. However, beyond simply being ‘cross-cutting’ there are several strands of key activity which underpin the very deliverability and success of all of the pillars of the GBS LEP.

For the purposes of our Strategy, we have defined these activities as the ‘supporting foundations’ to the GBS LEP, and they are predominantly focussed on ensuring that:

- **The GBS LEP is based upon, and leading, strong partnerships across the region and with Government**
- **The GBS LEP is actively developing and seeking out new funding and support mechanisms**
- **The GBS LEP maintains a sustainable approach to economic growth**

The detail of the actions which sit behind these two key objectives is explained in the below table, along with our indicative thoughts on the appropriate prioritisation of each sub-outcome:

Interdependent Enabler	Immediate actions to deliver the vision	Priority
S1. The GBS LEP is based upon, and leads, strong partnerships across the region and with Government		
(S1.1) A LEP led by a strong partnership between the private sector and the public sector, which flows into partnerships across the LEP geography and at all levels of organisations.	<ul style="list-style-type: none"> ▪ Strong GBS LEP Board with representatives from the best of business (from a range of sectors and geographies) and the public sector, business led-with a business Chair. ▪ Clear structure of sub-groups which support thinking and delivery of specific issues / themes for the LEP ▪ Transparent and accountable decision making from the GBS LEP Board, and clearly communicated priorities and remit ▪ Clear and consistent mechanisms for two-way communication established, including; website, business engagement events, and sub-groups 	H H H H
(S1.2) The GBS LEP operating as a leading voice across the region for economic development	<ul style="list-style-type: none"> ▪ LEP taking a role in celebrating the success of current businesses, and welcoming new businesses to the region ▪ Strong and consistent communication pathways between the LEP and businesses across the LEP ▪ Develop a coherent and concise messaging about the future and challenges to the GBS LEP economy 	L H H
(S1.3) A strong and fair partnership with the Government	<ul style="list-style-type: none"> ▪ Negotiate with government the powers and flexibilities to increase growth, via the City Deal initially and then through the possibility of further phases of the City Deal ▪ Develop and maintain key relationships with Senior Government representatives and departments, developing 	H H

	a shared agenda and agreed view on priorities	
(S1.4) A strong collaborative relationship with neighbouring LEPs, regionally and nationally sharing joint priorities and work programmes.	<ul style="list-style-type: none"> ▪ Maintain a strong cross-LEP working and clear lines of communication over critical issues ▪ Establish joint-priorities with neighbouring LEPs, particularly around cross-border issues like transport ▪ Deliver shared programmes (such as AMSCI or RGF III) 	<p>H</p> <p>H</p> <p>H</p>

Interdependent Enabler	Immediate actions to deliver the vision	Role
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S2. The GBS LEP is actively developing and seeking out new funding and support mechanisms, to help deliver the priorities of the partnership

(S2.1) Creation and application of 'GBS Finance' to aggregate, manage recycle and invest public funds to deliver LEP priorities.	<ul style="list-style-type: none"> ▪ Negotiate the principles of the GBS Finance model with the Government as part of the City Deal ▪ Develop "Debt, Equity and Microfinance investments in SMEs" investment strategy, providing SMEs access to finance and financial products deploying money as market-driven financial instruments, instead of offering grants. 	<p>H</p> <p>H</p>
(S2.2) A LEP-wide investment plan, with clear priorities for investment linked to strategic priorities	<ul style="list-style-type: none"> ▪ Establish through three central pillars the investment priorities in the short, medium and long term, and develop an investment plan from this basis 	H
(S2.3) Ongoing development of new forms of resource to support delivery of LEP priorities	<ul style="list-style-type: none"> ▪ Investigate the potential benefits of LEP-wide business rate localisation, and submit proposals as appropriate to the Government. ▪ Discuss with Government options and opportunities for new means of funding economic development ▪ Develop initial proposals, via the City Deal, for delivery of European structural funds which give city regions the appropriate levels of delegated flexibility, accountabilities and funding to deliver growth 	<p>H</p> <p>H</p> <p>M</p>
(S2.4) Uplift in business rates from Enterprise Zone(s) acting as a source of investment to underpin LEP-wide priorities	<ul style="list-style-type: none"> ▪ Deliver Investment Plan and refine as projects progress - setting out priorities for investment ▪ Develop GBS Finance as a mechanism of managing EZ funds and maximising their potential 	<p>H</p> <p>H</p>

Interdependent Enabler	Immediate actions to deliver the vision	Role
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S3. The GBS LEP supports a sustainable approach to economic growth

(S3.1) Sustainable approach to growth, which provide the best	<ul style="list-style-type: none"> ▪ Deliver LEP planning charter which encourages sustainable and quality development 	H
---------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------	---

<p>outcomes for the human and natural environments, both now and into the future</p>	<ul style="list-style-type: none"> ▪ Prioritise, through Business, People & Place pillars, sustainable solutions 	<p>H</p>
<p>(S3.2) A programme of green and sustainable activity, showcasing the LEP as a leading figure in the sustainability agenda</p>	<ul style="list-style-type: none"> ▪ Work with Sustainability West Midlands to pilot sustainability reviews on growth strategies, starting with the GBS LEP strategy ▪ Through the City Deal support the delivery of the UK’s first Local Authority Green Deal ▪ Encourage green technologies and sustainable development (across businesses and public sector in the LEP) 	<p>M</p> <p>H</p> <p>L</p>
<p>(S3.3) A vibrant “green economy” across the GBS LEP</p>	<ul style="list-style-type: none"> ▪ As part of the City Deal Skills Ask work with Sustainability West Midlands to help develop a new Green Jobs Technical Evidence Base and Green Jobs Prospectus ▪ Support associated infrastructure investments of research institutions and universities, aligned to City Deal Skills ask 	<p>M</p> <p>M</p>

Evidence Base

Thematic analysis

The outcomes we have focussed upon in our Strategy for Growth are based upon careful investigation of the drivers of our Local Economy. This is, after all, a strategy which is particular to the nuances of the GBS economy, and designed to maximise opportunities and strengths, whilst addressing several underlying weaknesses.

The following section provides the high-level analysis of the Strengths, Opportunities, Weaknesses and Challenges which the evidence has uncovered for the GBS LEP – based upon the thematic split under the three pillars of the Strategy for Growth:

Business:

Strengths & Opportunities:

Economic Output: The GBS LEP economy produces £34.4bn of economic output per annum. This equates to a GVA per head figure equal to the national average (excluding London); and a productivity (GVA per worker) above the national average and highest of all the LEPs in the West Midlands.

The Purchasing Managers Index, a leading indicator of business conditions and output growth, shows a further acceleration in private sector business activity in the West Midlands during the first quarter of 2012. Output growth in the West Midlands was at a five year high – and the strongest of all the UK regions.

Sectors: At a broad sector level, the GBS LEP has a similar sector split to the national average. However, at a more disaggregated level all local authority areas in the GBS LEP have a greater than average share of employment in the automotive related sectors.

Research commissioned by the LEP has confirmed the already competitive offer in key sectors including Automotive and Advanced Engineering; Financial, Business and Professional Services; Computer Services, IT and Digital; Life Sciences; Food and Drink; the Green Economy; and Tourism & Leisure, which also all yield significant potential for expansion both in from inward investment and indigenous growth.

Business Environment: The LEP benefits from a critical mass of businesses leading to established business networks, a skilled workforce, availability of Grade A offices, a large local and regional market, with more competitive costs than London, and high connectivity. Research suggests the best opportunities for the LEP are principally indigenous (to the UK) and lie in attracting regional headquarters of large firms and also as a location for operations/processing centres for large firms looking to consolidate operations / control costs. Research has also indicated significant opportunities to attract FDI, particularly in advanced manufacturing, support growth in key sectors.

Enterprise & Innovation: The Global Entrepreneurship Monitor showed that Birmingham had a high proportion of individuals who have recently set-up a new business or are in the active planning stages of setting up a business. This Total Early Stage Entrepreneurial Activity rate for Birmingham in 2010 was 6.9% - above the UK average (of 6.5% and 5.8% for all the English regions). Business engagement by the LEP prior to the White Paper suggested that there was a strong feeling amongst partners that the role of Social Enterprise in supporting economic growth remains significant, and is to an extent untapped at the moment.

Weaknesses & Challenges

Export base: Based on survey data only 22% of surveyed SMEs in the GBS LEP area are exporting. A number

of SMEs now believe that that UKTI funding has been cut back and that less overseas missions/exhibitions, etc are being supported.

Regulation: Business stakeholders regularly identify the need to tackle barriers that inhibit growth and to remove excessive, disproportionate or badly-enforced regulation as a concern. The GBS LEP views the issue of regulation across the area as one of our priorities and is uniquely placed to bring councils and businesses together to create a more efficient regulatory environment.

Access to Finance: Overall, lack of access to credit or loans was ranked as fourth in a LEP-wide survey in terms of important barriers to growth by growth SMEs within the LEP area, with comments confirming that adequate cash flow is seen as a key driver of growth, and in the current climate this has impeded product development and production.

Enterprise, Innovation & Support: The self-employment rate for the LEP is 7.5%, below the national rate of 9.1%. Feedback from business engagement suggests a need for stronger support to ensure start-up survival, and then growth.

Public Sector Employment: The LEP area currently has high levels of public sector employment, which is contracting as a result of spending reductions.

High Growth Firms: There are a relatively small number of High Growth Firms (HGFs) in the LEP area (240 firms). The overall share of HGFs in the area is 5.6% – below the UK share of 6.9%. This relatively small number of firms was responsible for the growth of 17,000 jobs in the LEP area between 2007-2010. Almost three quarters of HGFs are at least five years old. They are generally small in size, with three fifths employing fewer than 20 people. Research indicates that all sectors in the LEP area have HGFs, however high growth firms are most likely to be found in Advanced Engineering or Other Engineering and least likely to be found in Construction and Retail, or Hospitality & Tourism.

Mid-Sized Businesses: Mid-sized business (defined as having annual turnover between £25m and £500m), make up less than 1% of the private sector business stock in the LEP – but account for 24% of the total employment in the LEP area. Between 2003 and 2010 MSB jobs in the LEP area fell from 189,224 to 125,772, while the number of companies remained largely the same.

People:

Strengths & Opportunities:

Population: The GBS LEP has a combined population of 1.9m, and a younger age structure than the national average (with Birmingham one of Europe's 'youngest' major cities). Projections suggest significant growth in the LEP population between 2011 – 2025 (+167,000). The LEP working age population will continue to grow (+ 40,900) with Birmingham accounting for more than the total increase (+ 44,200) as some district authorities are expected to decline.

Centres of educational excellence: Within the LEP area there are 4 major universities and 11 key FE colleges, providing a significant student population which remains a significant potential attraction to investors.

Graduate pool: One in four of the working age population are educated to degree level or higher.

Diverse population base: The LEP has a diverse population mix with a higher than average proportion of ethnic minorities, due in particular to the large proportion of Birmingham's population made up of minority ethnic groups. This diversity in particular offers opportunities and advantages trading with and attracting investment from growing international economies

Jobs & Employment: The GBS LEP supports 924,500 jobs underpinned by 67,000 businesses and a number of key public sector employers.

Mobile population: There are high levels of commuting between LA areas within the GBS LEP with Birmingham and Solihull significant employment locations for many residents in North Worcestershire and Southern Staffordshire. Underpinning a mobile workforce the LEP has a diverse mix of strong local centres which underpin vibrancy and quality of life, and a strong existing transport network which is experiencing significant investment.

Predicted employment growth: Strong growth is already expected in the higher skilled Professional, Managerial and Associate Professional categories, along with growth expected in the lower skilled Personal Services categories (to cater for the needs of the ageing population). The Digital sector has experienced strong growth– 5000 net jobs - which is projected to continue.

Weaknesses & Challenges

Employability Skills: Business partners in the region have persistently voiced concerns about the suitability of young people for work, particularly with a lack of ‘softer’ employability skills when leaving education. Unchecked, the skills profile threatens to undermine investment and could challenge business growth.

Skills Profile: the LEP suffers from a poor skills profile compared to the other core city LEPs, with relatively low levels of highly skilled people and high levels of people with no qualifications. Within the LEP Birmingham has the highest proportion of working age residents with no formal qualifications (19.4%).

Opportunity to meet growth: A key challenge facing the LEP’s population is the lack of sufficient suitable housing and employment opportunities to support the growing and changing population in some areas.

Earnings: Average earnings for fulltime wage and salary earners in the GBS LEP (£29,728) is below that of the UK (£32,837). However, there is considerable variation in average earnings within the LEP – with the Solihull average (£38,322) above other authorities within the LEP and also well above the UK average.

Employment: Over the last 10 years the GBS LEP has moved from an employment rate above other comparable LEPs to now rank the lowest of the Core City LEPs, although there is considerable variation in the employment rates amongst the nine LA areas. The unemployment rate (as of August 2012) for the GBS LEP (7.5%) area is above the UK average (5.0%) and above most other Core City LEPs. Youth unemployment is also high in the GBS LEP - above the national average. Worklessness in the GBS LEP (15.2%) is above the national average (12.5%). However, amongst the core cities LEPs, the GBS LEP is mid ranking.

Economic Activity: The GBS LEP has a relatively low proportion of its working age population who are economically active. This is driven, in part, by a particularly low rate for working age females in Birmingham. The position has declined relatively over the last decade, in which the LEP has moved to having the lowest rate of all the Core City LEPs.

Place:

Strengths & Opportunities:

LEP Geography: The LEP is made up of the geography covering the Local Authority boundaries of Birmingham, Bromsgrove, Cannock Chase, East Staffordshire, Lichfield, Redditch, Solihull, Tamworth and Wyre Forest. Combining a variety of local areas, and rural and urban economies, from the second largest city in the UK through to areas of national forest. Key advantages to the LEP area is its complexity, diversity and differentiation which represent a competitive advantage that has the potential to enhance local resilience.

Development & Employment Land: The LEP contains two Major Investment Sites at Longbridge and Aston and Regional Investment Sites at Blythe Valley Park and Birmingham Business Park as well as a range of other large sub regional investment sites that have the potential to provide significant new employment and

economic output.

Business and LAs already agree that planning is critical for promoting and delivering economic growth, both through identifying housing provision, employment opportunities, commercial and retail requirements via long term spatial plans and realising these opportunities via the granting of planning permission. Local planning authorities' performance within the LEP area compares favourably when judged against national standards, but further improvements can always be made to existing procedures and practices.

Culture: The LEP area benefits from considerable national, and international, assets in the world of arts, sport and culture. These include, but are not limited to, major venues like the NEC, ICC, NIA. Sporting centres including Edgbaston Cricket Ground, the Priory tennis centre, Alexander stadium, the Belfry golf centre and the National FA Centre. Plus cultural facilities like Symphony Hall, Library of Birmingham, Hippodrome, Millennium Point, the National Memorial Arboretum and National Armed Forces Memorial, Lichfield Cathedral; the National Brewing Centre and the National Forest and world class producing/touring companies such as CBSO, Birmingham Royal Ballet, Birmingham Rep, Birmingham Opera. In October 2011 the DCMS launched 'Creative City', a GBS LEP project aimed at investing in the cultural and creative sector as an engine of growth.

Transport: The LEP's position at the heart of the country's road and rail network brings with it significant growth opportunities, enhanced by recent investment decisions in relation to High Speed Rail, city centre Metro, New Street Gateway and Birmingham Airport.

Inter-LEP geography: The GBS LEP borders several other LEPs, and shares interlinked dependencies and interests with each of these; Staffordshire / Stoke LEP, Coventry / Warwickshire LEP, The Marches LEP, Worcestershire LEP and Black Country LEP. As a "Core City" LEP the GBS LEP has a natural relationship with key comparator LEPs which cover the areas around UK's 8 Core Cities..

Weaknesses & Challenges

Housing: Previous plans to address required housing growth have been affected by a number of factors including: a considerable decrease in the rate of housing building; some anticipated strategic sites are now unavailable; fewer 'windfall' sites are anticipated in some areas; developers' have a difficulty in raising affordable loan finance and potential purchasers' difficulty in accessing mortgages and deposits against new homes means that developers are less willing to take risks.

Assets & investment into the region: across the LAs within the GBS LEP, and through the various Government departments which spend in the region (DfT, BIS, CLG, HMT, DfE, DWP) there is considerable public sector investment continuously being spent in the area - £7bn alone is spent per annum in Birmingham

Cultural Infrastructure: like many other geographies, the GBS LEP features very centralised cultural infrastructure, and there is a heavy reliance of the cultural sector on a declining public funding base.

Connectivity: Business surveys have identified that transport is a significant factor when businesses decide where to invest, and whilst the GBS LEP has a number of key strengths there is space for significant improvements in our ease of access to markets and clients, transport links with other cities and internationally (particularly via Birmingham Airport) and internal connectivity within the city region. Similarly, consultation suggests whilst there are strong pockets of excellence in digital connectivity the LEP-wide offer needs to be enhanced in order to be more competitive.

Development & Employment Land: If we are to meet our growth potential we also need a good supply of employment land which is available and commercially developable. Under current projections Birmingham's current supply for example, will run out in 2023.40% of the land-area of the LEP is Green Belt. This figure rises to 92% in Bromsgrove. Much of this is treasured agricultural, amenity, leisure and/ or protected landscape.



SECTION 3: APPENDICIES & FURTHER INFORMATION

Appendices

Appendix 1: Summary of Evidence Sources used

Business Engagement Events & Business Support

Warwickshire Cricket Club – 24th November 2011
 Drayton Manor – 6th January 2012
 Visioning Event – Arup Offices Blythe Valley Business Park: 14th February
 West Midlands Safari Park – 21st March 2012
 Birmingham Chamber of Commerce Patrons

Local Authority Evidence & Strategies (taken from all LAs where possible)

Core Strategies
 Economic Profiles and Strategies
 Labour Market profiles
 Local Economic Assessments
 Population Data
 Council Plan / Business Plans

Commissioned work and evidence

GBS LEP Evidence Base Report
 High-Growth Firms and Mid-Sized Businesses and their Contribution to Employment in the Greater Birmingham and Solihull LEP - Aston University (with Marketing Birmingham)
 SME Fast Growth Research - Labour Market Solutions (with Marketing Birmingham)
 Key Sectors for Inward Investment - PA Consulting (with Marketing Birmingham)
 Quarterly Economic Survey (with Birmingham Chamber of Commerce Group)

Existing / recent Regional Strategies and Evidence

West Midlands Regional Economic Strategy (AWM)
 West Midlands Regional Spatial Strategy
 Birmingham & Black Country City Region Strategy
 Proposal to form the GBS LEP – submitted to Government on 6th September 2010
 Birmingham Cultural Strategy

Thematic LEP support groups and sub-groups

Business Support Sub-Group
 Access to Finance Sub-Group
 LEP Employment and Skills Board
 Strategic Transport Group
 Housing and Economic Growth Group
 Planning Sub Group
 LEP Officer Steering Group
 Creative City partnership

Appendix 2: Schedule of Abbreviations

Abbreviation:	Definition:
LEP	Local Enterprise Partnership
GBS LEP	Greater Birmingham & Solihull Local Enterprise Partnership
AMSCI	Advanced Manufacturing and Supply Chain Initiative
EZ	Enterprise Zone

EB	Enterprise Belt
LA	Local Authority
BCC	Birmingham City Council
DfT	Department for Transport
BIS	Department for Business, Innovation & Skills
HMT	Her Majesty's Treasury
CLG	Department for Communities & Local Government
DfE	Department for Education
DWP	Department for Work & Pensions
RES	(West Midlands) Regional Economic Strategy
RSS	(West Midlands) Regional Spatial Strategy

Appendix 3: Contact Details

Email: GBS LEP@birmingham.gov.uk

Telephone: +44 (0) 121 303 4369

Address: Greater Birmingham & Solihull LEP Executive, Ground Floor, Baskerville House, Centenary Square, Broad Street, Birmingham, B1 2ND

GBSLEP Strategy for Growth Consultation Questionnaire

The Greater Birmingham and Solihull Local Enterprise Partnership is currently developing its strategy for growth. You can make a valuable contribution to the Strategy's development, by letting us know your views on how the LEP can best facilitate future economic growth and success in the Greater Birmingham and Solihull LEP area.

A. Respondent Details

1. Name	
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2. Please provide an email address and/or telephone number so that we are able to contact you if we need to clarify any points	
a) Email address	
b) Telephone number	

3. We are seeking consultation responses from individual residents as well as those representing the views of organisations (in the private, public or third sector). Are you:

- Responding as a private citizen (go to 4)
- Responding on behalf of an organisation (go to 5)

4. I am completing this questionnaire as a resident of:			
Birmingham		Solihull	
Bromsgrove		Tamworth	
Cannock Chase		Wyre Forest	
East Staffordshire		Other (please specify below)	
Lichfield			
Redditch			

5. I am completing this consultation response on behalf of the following organisation:	
a) Name of Organisation	
b) Location	
c) Approx number of employees (please circle): 1-9 ; 10-49 ; 50-99 ; 100-249 ; 250+	

6. Sector that my organisation operates in:			
Manufacturing - Private Sector		Social Enterprise	
Financial, Professional or Business Services - Private Sector		Voluntary Sector	

Digital or Creative Industries – Private Sector		Further/Higher Education – Public Sector	
Life Sciences – Private Sector		Health – Public Sector	
Tourism and Hospitality – Private Sector		Local Government – Public Sector	
Retail or Distribution – Private Sector		Other (please specify below)	
Other Private Sector (Please Specify):			
Membership Organisation/ Association			

B. Strategic Approach (pages 3-10)

<p>7. Page 5 sets out the role of the GBS LEP. Do you agree with the role of the LEP as articulated here or have any comments relating to this?</p>

<p>8. The GBSLEP consultation White Paper sets out the <u>key objectives</u> (page 6, green box) that the strategy will focus on to deliver success. Do you agree with these objectives or would you like to see them modified?</p>	
<p>a) A radical shift in the skills profile across the LEP, making skills relevant business opportunity</p>	<p>Comments:</p>
<p>b) An overhaul of the whole ecosystem of business support, from regulation to finance</p>	<p>Comments:</p>
<p>c) Game-changing improvements to connectivity, both in a global and local sense</p>	<p>Comments:</p>
<p>d) Strategic development of housing and employment land targeted at future growth</p>	<p>Comments:</p>
<p>e) Expansion of key leading sectors</p>	<p>Comments:</p>
<p>Any further general comments on key objectives:</p>	

9. The GBSLEP consultation White Paper sets out the strategic approach in order to deliver the key objectives – grouping activity under 3 broad pillars of activity (Business, People and Place) along with cross-cutting activities that support all the three themes grouped as Foundation Stone activities. Do you agree with this approach or would you like to see it changed? Please supply details:

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10. In the Transformational Activity section (page 10) the GBSLEP consultation White Paper sets out how key actions will contribute to the high level ambitions of the GBSLEP. Do you believe these high level ambitions are ambitious enough; achievable; the correct ones? Do you have any comments on the key actions:

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11. Do you have any further comments relating to this section of the GBSLEP consultation White Paper?

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14. Immediate actions have been identified to deliver the sub-outcomes. Do you have a view on who should be leading on any of the specific actions listed?

15. Do you have any further comments relating to the Business section of the GBSLEP consultation White Paper ?

18. Immediate actions have been identified to deliver the sub-outcomes. Do you have a view on who should be leading on any of the specific actions listed?

19. Do you have any further comments relating to the People section of the GBSLEP consultation White Paper ?

E. Place (pages 20-25)

20. The White Paper identifies four priority outcomes for the Place pillar. Do you agree with these objectives or would you like to see them modified?	
PL1) Stronger connectivity; both within the GBS LEP, and between national and international markets	Comments:
PL2) A network of vibrant local centres and economic 'landmarks' that provide a focus for economic activity and excellence	Comments:
PL3) A clear sense of place attracting investors and visitors, and benefiting those who live and work here	Comments:
PL4) A successful 'City Centre Enterprise Zone' and 'Enterprise Belt attracting' economic growth and supporting LEP-wide priorities	Comments:
Any further comments relating to key priorities in the Place pillar:	

21. Immediate actions have been identified to deliver the sub-outcomes. These actions have been allocated a suggested priority rating. Do you agree with these <u>priorities</u>? Are there any specific changes you would make to the individual priority ratings in the Place section – and why?

22. Immediate actions have been identified to deliver the sub-outcomes. Do you have a view on who should be leading on any of the specific actions listed?

23. Do you have any further comments relating to the Place section of the GBSLEP consultation White Paper ?

F. Supporting Foundations (pages 26-28)

<p>24. The White Paper identifies three priority cross cutting outcomes listed in the Supporting Foundations section. Do you agree with these objectives or would you like to see them modified?</p>	
<p>S1) The GBS LEP is based upon, and leading, strong partnerships across the region and with Government</p>	<p>Comments:</p>
<p>S2) The GBS LEP is actively developing and seeking out new funding and support mechanisms, to help deliver the priorities of the partnership</p>	<p>Comments:</p>
<p>S3) The GBS LEP maintains a sustainable approach to economic growth</p>	<p>Comments:</p>
<p>Any further comments relating to key priorities in the Supporting Foundations section:</p>	

<p>25. Immediate actions have been identified to deliver the sub-outcomes. These actions have been allocated a suggested priority rating. Do you agree with these <u>priorities</u>? Are there any specific changes you would make to the individual priority ratings in the Supporting Foundations section – and why?</p>
<p> </p>

26. Do you have any further comments relating to the Supporting Foundations section of the GBSLEP consultation White Paper ?

G. Defining Success (pages 29-30)

27. Page 29 sets out the GBSLEP's ambitious vision for 2020. Do you believe this is the right vision for the Greater Birmingham and Solihull LEP area? Is the scale of ambition correct?

28. Page 30 sets out the GBSLEP's vision for 2015 and 2012. Do you believe this is the right vision for the Greater Birmingham and Solihull LEP area? Is the scale of ambition correct?

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DATE OF COMMITTEE

17 th October 2012

REPORT OF THE PORTFOLIO HOLDER FOR ECONOMIC DEVELOPMENT AND
ENTERPRISE**Tamworth Castle HLF update and Finance release****EXEMPT INFORMATION**

None

PURPOSE

To update members on the project building works at the Castle and to seek approval for the release of additional funds provided by the Heritage Lottery Fund.

RECOMMENDATIONS**That Members**

- 1. Note the progress of the project building works to date;**
- 2. Approve the increase in the budget for the Castle Capital Scheme by £364,650 to be met wholly from additional HLF Grant funding to enable the work to be completed.**

EXECUTIVE SUMMARY

In 2008 cabinet approval was given for Tamworth castle to progress a bid to the Heritage Lottery fund to enable essential work to be carried out to the Castle ensuring that Tamworth Borough Council was seen to be investing in its cultural facilities and clearly demonstrating a will to sustain, manage and conserve the heritage infrastructure.

The bid submitted comprised of the stabilisation of the perimeter path and access steps across the motte; clearance and hydroseeding of the motte including sympathetic fencing; levelling work in the entrance and courtyard to the Castle and Norman exhibition; remodelling of the reception, toilets; development of new interpretation panels around the perimeter paths and within the Castle.

In 2008 Cabinet approved the progression of the bid and approved the release of £20,000 to enable professional architect to help develop the second stage process of the bid .Between this date and 2012 a great deal of consultation, interaction with professional advisors has taken place ensuring that Tamworth Council met all requirements and milestones of the bidding process. The Council submitted a second round HLF bid in 2011

The second round castle bid fulfilled the HLF strategic aims and was awarded £876,200 from the HLF which is £364,650 more than original capital scheme approved by Cabinet in 2008.

In the summer of 2012 work began on the Castle and the project staff have advised that all work is on schedule with the agreed timetable and completion date of 1/2/2013 still being achievable. During the current stage of works it is interesting to note that the Medieval arch and flooring have been uncovered which will enhance the castle and its customer experience. The team at the castle continue to provide regular updates via media and other channels on progress.

RESOURCE IMPLICATIONS

In 2008 Cabinet approved an amount of £787,000 for the original capital scheme for the Castle which included an amount of £511,550 to be funded by HLF Grant. Based on the final second round application submitted by the Council in 2011 the Heritage Lottery Fund agreed to provide a total of £876,200 in grant funding. This is £364,650 more than the 2008 approval. Consequently Cabinet approval is required to increase the capital budget by £364,650.

LEGAL/RISK IMPLICATIONS BACKGROUND

There are no further risks identified at present with the project that haven't previously been identified

SUSTAINABILITY IMPLICATIONS

Not applicable to this report – existing and future internal budgets will sustain this development and any future projects

BACKGROUND INFORMATION

Cabinet 2008 (July)

REPORT AUTHOR

Neil Mason

LIST OF BACKGROUND PAPERS

As per previous reports

APPENDICES

N/A

17th October 2012**REPORT OF THE PORTFOLIO HOLDER FOR HOUSING****Revised Arrangements For Landlord Accreditation****EXEMPT INFORMATION**

None

PURPOSE

The purpose of this report is to provide members with the rationale for reviewing the Private Sector Landlord Accreditation Scheme and putting forward a proposal to end the scheme. It is proposed that lessons learned from the operation of the current accreditation scheme are taken into account and utilised to further develop positive relationships with local landlords. This will assist the Council to comply with Government policy and legislation that is actively encouraging making better use of the private rented sector to assist in meeting local need.

RECOMMENDATION

That Cabinet approves ending the Private Sector Landlord Accreditation Scheme.

EXECUTIVE SUMMARY

In 2010 Tamworth Borough Council introduced an in-house landlord accreditation scheme. The aim of this scheme is to encourage engagement between the Council and landlords operating within the Tamworth boundary. The scheme awards accreditation to landlords who complete training and have their properties inspected by TBC's private sector enforcement team.

The accreditation scheme has been actively promoted to Landlords through the Council's thriving Landlords Forum. Unfortunately take-up has been poor and only two landlords are currently accredited.

As a result the scheme has been subject to a review in order to put in place revised arrangements that both better meet the needs of local landlords and continue to make effective use of resources that are available to the Council. As putting into place a revised scheme that is acceptable to both the Council and landlords has proved problematic, it is proposed the current scheme is ended and not replaced with a local scheme. However the Council will continue to work in a positive manner with landlords and encourage, where appropriate, landlords to become accredited via national or regionally operated accreditation schemes.

RESOURCE IMPLICATIONS

There are no costs associated with the recommendation to formally end the Private Sector Landlord Accreditation Scheme.

LEGAL/RISK IMPLICATIONS BACKGROUND

There are no direct risks associated with ending the Private Sector Landlord Accreditation Scheme. The Council has fully assessed the current scheme and continuing dialogue with landlords indicates take up will not increase for the reasons highlighted below. The Council will continue to explore other avenues to positively work with local landlords whilst at the same time maintaining its enforcement activity.

SUSTAINABILITY IMPLICATIONS

Working in partnership with local private sector landlords will remain a priority for the Council and will positively contribute to increasing the supply of private rented housing options for local people in need. Government policy and legislation is actively encouraging making better use of the private rented sector to assist in meeting local need. It will therefore be crucial to the success of local initiatives designed to achieve this aim that local landlords are effectively engaged in a manner that enhances partnership working.

BACKGROUND INFORMATION

In 2010 Tamworth Borough Council introduced an in-house landlord accreditation scheme. The aim of this scheme is to encourage engagement between the Council and private landlords operating within the Tamworth boundary. The scheme awards accreditation to landlords who complete training and have their properties inspected by the Council's private sector enforcement team.

The Council's Strategic Housing Team has worked with landlords to encourage accreditation as well as organising forums, training events and the production of newsletters etc. to encourage engagement. Despite considerable effort only 2 landlords are currently accredited. All avenues have been explored ranging from free training sessions to the provision of incentives.

From discussion with both landlords and other local authorities the lack of success with the scheme is attributed to a number of factors.

1. There are no real incentives for landlords to join, discounts are meaningless and landlords get them anyway.
2. Most landlords who engage are already members of national or larger regional schemes.
3. Some landlords have expressed a reluctance to engage with the scheme as they perceive there is a tension between the Council's enforcement role and the Council's well publicised intentions to work more closely with private landlords (in line with current direction of government housing policy / strategy).

Options considered

1. *Continue with current scheme*
2. *Adapt and enhance the current scheme*
3. *Close the scheme with no replacement*

1. *Continue with the current scheme.*

As detailed above a number of factors mean that this is not a viable option. The current scheme is time intensive for little or no output.

2. *Adapting and enhancing the current scheme.*

This option was explored but any revised scheme would need to be a landlord education

scheme only. The current scheme is based on both education and inspection. The feedback from landlords who attended training sessions but did not become accredited indicated concern over the consequence of an inspection as being a barrier to them accessing the scheme.

It is of course recognised that an inspection is a reflection of property conditions at a fixed point in time. If a landlord is operating his / her business in the appropriate manner in line with the principles on which accreditation was awarded, inspection should not pose a significant problem.

However, as highlighted above, some landlords have expressed a concern about inspection although they are striving to become good landlords that are willing to work with the Council.

This prevailing viewpoint and attempt to develop an education only approach has proved problematic and so it is proposed that the council ends its current scheme and does not replace it with a revised local scheme.

3. Close the scheme with no replacement

In the absence of a credible alternative scheme, it is recommended the current scheme should be ended. However, it is recognised that strategically, it is more important than ever to engage with landlords and help the private rented sector to grow in Tamworth. The Council will continue to explore opportunities via the Landlords Forum to work constructively with landlords and will encourage them to become accredited (if they have not done so already) with external schemes such as the nationally recognised National Landlords Association (NLA) accreditation scheme.

REPORT AUTHOR

Stephen Pointon, Head of Housing and Health Strategy

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17th October 2012**REPORT OF THE PORTFOLIO HOLDER FOR HOUSING****A Social Lettings Agency for Tamworth****EXEMPT INFORMATION**

None

PURPOSE

To seek approval for the implementation of a pilot project to introduce a social lettings agency for Tamworth.

RECOMMENDATION

Cabinet approve a 12 month pilot of the social lettings agency involving no more than 10 properties.

EXECUTIVE SUMMARY

Following the approval in principle for the development of a social lettings agency given by Cabinet in May 2012, this report aims to expand on the principle and provide details of what a social lettings agency is and describe the contribution that such a scheme can make in helping to meet housing need. Approval is sought for a 12 month pilot scheme with the number of properties included limited to 10. An evaluation of the scheme will be undertaken during the 12 month period with a report submitted to Cabinet to consider the future of the scheme.

The scheme is intended to enable the Council to maximise the role of the Private rented sector in meeting housing need. The number of households requiring support with re-housing from the Council is growing while the number of social housing lettings is decreasing. Over the past twelve months the Council has seen a 38% increase in the number of households placed in Bed and Breakfast Accommodation.

Making better use of the private rented sector through a social lettings agency helps to deliver better outcomes for applicants and value for money. For example, a typical household presenting as homeless is likely to comprise of a single parent plus 1 child. To accommodate this household in B&B for the average 12 nights will cost £540. To accommodate the same household in a property secured via the social lettings agency will incur costs of £182 which represents a saving of £358 on this household. Clearly the larger the household or the longer the stay in B&B the greater the saving by utilising a social lettings agency tenancy.

Although there are a number of private lettings agencies within the town the evidence indicates that such agencies are rarely willing to let properties to households who are either in receipt of housing benefit or who have had financial difficulties in the recent past. Such households are therefore unable to access private rented accommodation despite the

provision of other schemes such as the Bond Scheme. Their only recourse therefore is to seek a social housing tenancy placing a greater burden on the availability of a scarce resource and contributing to a dependency culture.

The scheme will also be important in relation to expected changes to the rules governing the discharge of homelessness duty by the Council. At present although the Council can make an offer of a private sector tenancy to a homeless household this offer does not have to be accepted. Changes to regulations will mean that the Council will be able to re-house homeless households into the private rented sector. This will only be a benefit if private rented tenancies exist into which such households can be housed. The Social Lettings Agency will support this.

RESOURCE IMPLICATIONS

An allowance of £20k has been made from DCLG homelessness grant allocation to encompass the scheme set up and running costs for a period of 3 years, with the expectation this will adequately resource the scheme. The estimated cost of delivering a 12 month pilot is £984.38. A financial breakdown of the scheme is shown at within the scheme plan at Annex One.

The scheme will be resourced from Department of Communities and Local Government homelessness prevention grant, as per Cabinet approval of the spend plan in May 2012. The pilot stage of the scheme will be delivered within the existing staffing resources of the strategic housing teams.

LEGAL/RISK IMPLICATIONS BACKGROUND

Legal Framework

A social lettings agency can be established by a local authority using its powers under the **Local Government Act 2000** Part 2 section 1(b) "to promote the improvement of social wellbeing" in the local authority area.

The power to charge landlords for services on a none profit basis is contained within the **Local Government Act 2003**

The Homelessness Act 2002 introduced the requirement for housing authorities to take a preventative approach to homelessness and confirms the power to make payment to achieve the prevention of homelessness

The Localism Act 2011 contains the provision for a housing authority to discharge its homeless duty into private sector accommodation. Whilst this provision is not currently in force, it is widely anticipated to be so by April 2013.

The scheme plan, Management agreement and Assured Shorthold Tenancy agreement have been subject to review by legal advisors.

Risks

For Tamworth Borough Council there is a significant risk in the event that the scheme is not approved. Currently work is underway to assess the impact of welfare benefit reforms both across the Borough and nationally. It is generally accepted that as household incomes decrease, in line with the proposals for universal credit, and changes to both housing and council tax benefit are felt, rent arrears and then homelessness will increase. Within the Scheme Plan, the average cost of providing B&B for 10 households (ten being the number of dwellings we anticipate being able to attract to the scheme upon approval or shortly

thereafter) for last years average length of stay of 12 nights has been calculated at £7524.00. Should Tamworth experience a significant increase in homelessness the cost to the Council in B&B expenditure will far outstrip the anticipated costs of this scheme. Failure to approve the scheme may also incur additional costs to TBC to defend any legal challenge in the event that TBC is unable to comply with the DCLG requirement to use B&B accommodation for families with children for no more than 6 weeks. In addition to the costs to the Council, there are also the well documented costs to those households who experience protracted stays in temporary accommodation, including poor academic achievement and poorer health outcomes than the general population.

The scheme proposals are such that the property owner and the prospective tenant will enter into a legally binding tenancy agreement. The property owner will also enter into a management agreement with Tamworth Borough Council, which will allow for a full management service to be provided. Any legal action required to end the tenancy will be undertaken by Tamworth Borough Council as the management agent for the landlord. Any legal action required to end a tenancy, or failure to manage the tenancy will result in a risk to the Council and these risks have been included in the scheme plan.

Learning from both the existing Private Sector Leasing scheme, and the Bond Scheme has been used to calculate the anticipated level of risk and inform the actions required to mitigate this risk.

Mitigation of Risk

During the pilot phase of the project the tenants will be carefully selected to include households for whom the housing need has arisen through circumstances beyond the tenant's control. Households who have no known history of anti social behaviour, have good landlord references and are able to afford a rent at local housing allowance level, either with or without the support of housing benefit.

The private sector housing enforcement team, assisted by the housing advice team can provide sufficient staffing resource to manage these tenancies and thereby minimise loss through either arrears of rent or tenant damage.

A full report will be provided at the end of the pilot scheme to detail all income and expenditure for the scheme prior to any approval for extension to the scheme being sought.

SUSTAINABILITY IMPLICATIONS

In May 2012 Cabinet gave approval for the use of Homelessness Prevention Grant provided by the Department of Communities and Local Government. Part of this approval related to spend for a social lettings agency for the life of the then known grant allocation. This provides sufficient funding for the pilot stage and the first two years of the full lettings agency, subject to a successful pilot and further member approval.

The current predictions are such that it is possible to fund the agency from homelessness prevention grant for a total period of 3 years. The position beyond that is, at this stage, dependent upon the success of the scheme and further grant allocation and / or member approval.

A full financial plan is included within the scheme plan at Appendix A

BACKGROUND INFORMATION

A social lettings agency is a hybrid of private and social rented housing taking the best aspects of each traditional tenure type and combining them for the benefit of the residents of the Borough. It aims to bridge the gap between a traditional high street lettings agent and a

social housing tenancy and it allows residents access to affordable privately rented accommodation without the need to pay for credit checks or fund a deposit, but providing limited security of tenure with a known managing agent in the Council.

It provides property owners with a fixed cost management service for their property with the security of a known managing agent in the Council and it achieves this by taking on the management of the properties on behalf of the property owner for a fixed period of time. The property owner is paid rent on the property by the Council at a rate that is significantly lower than a normal commercial rent level and 7% below the Local Housing Allowance level. The Council, as managing agent, will find tenants for the property for a fixed period of time equal to the length of the agreement with the owner. The Council charges the tenant a rent that is the equivalent of local housing allowance for the property size and will collect the rent from the tenant. The surplus between the rent charged to the tenant and the sum paid to the property owner is utilised to cover ongoing repairs and maintenance of the property. The Council does not make a profit from the scheme.

Members will be aware that the number of social lettings is declining. The demand for affordable homes that are in good condition and well managed is increasing and it is widely anticipated that as the impact of welfare benefit reforms are felt this demand is very likely to increase. Currently Tamworth Borough Council is experiencing an increase in homeless presentations, and although this is entirely in line with national trends, does place some significant strain on our responsibilities with regard to the use of Bed & Breakfast accommodation as temporary accommodation.

If Tamworth Borough Council is to meet the needs and aspirations of its residents we need to look wider than traditional providers of social housing and the private rented sector is a resource that is not well utilised currently by households who seek social housing to resolve their housing issues. For many tenants who approach TBC for assistance to resolve their housing needs accessing private sector rented accommodation is unattainable as they are not considered to be 'suitable' tenants by the traditional commercial lettings agencies.

In addition, The Localism Act 2011 will enable local authorities to end the main homelessness duty by arranging an offer of suitable accommodation in the private sector. The set up of a social lettings agency will enable Tamworth Borough Council to do this and comply with the anticipated requirements from central government that will be put in place to offer some protection to homeless households.

For many property owners and potential tenants a commercial lettings agency fails to provide an adequate service to meet their needs. This is largely because a traditional commercial lettings agency needs to make a profit. It does this at the expense of both the tenant and the property owner. In many cases rent levels are above the levels of local housing allowance, a figure widely used to determine affordability, and will require a tenant to pay for credit check, administration and /or legal charges and a deposit in order to access accommodation. Many local lettings agents are unwilling to consider tenants who are on benefits and require the assistance of housing benefit to meet the contractual rental payment. A commercial agent will also charge property owners for a range of services provided, anything from a letter to the tenant, or a visit to the property through to the issuing of a Notice is charged back to the property owner. These factors in combination result in property owners being unwilling to allow a commercial agent to rent their property because of the costs involved to the owner and a prospective tenant also facing unaffordable costs to access the accommodation in addition to higher rent levels to maintain the tenancy. It is against this background that the proposed development of a social lettings agency is based, and we are confident that the agency will be able to work alongside existing, established commercial agents as our respective tenants and landlords are not mutually exclusive.

The strategic housing team are planning a phased build to a full social lettings agency. Initially the proposals will be to try and attract owners of a small number of properties onto the scheme to run a limited pilot. Initially efforts will be focused on owners of empty homes who have indicated a willingness to bring the empty property back into use via the provision of an empty property grant but an unwillingness to be a landlord or engage a commercial

agent. An initial target of ten properties will be sought to run a pilot of no more than twelve months duration to test the scheme. Tenants will be found from within the pool of applicants known to the housing advice team either because of an imminent concern of homelessness or because of some other urgent housing need.

Whilst this scheme bears some initial similarity to the scheme with Waterloo approved by members in April 2012 in terms of its ambition to bring empty homes back into use, it has significant differences, most notably are the provision of a TBC empty homes grant and the period of the agreement the property owner will enter into. This scheme gives a third option to the owners of empty homes and further reduces the opportunity for homes to remain empty at a time of increasing demand.

If the pilot is successful the scheme will be extended to allow for all properties signed up to the scheme to be advertised via the Council's Finding a Home website. At this stage it will be important that the scheme has a definite identity so that potential tenants are fully aware that they are choosing a social lettings agency home and not one that is owned by the Council or other Registered Provider.

During the development of the scheme a working name of Homes on Offa (Tamworth) has been used for the social lettings agency. It is easy to design a brand around this name to reflect the town's Saxon heritage and is also sufficiently different from that of any of the other registered providers for applicants to be aware that they are looking at a social lettings agency home.

REPORT AUTHOR

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LIST OF BACKGROUND PAPERS

APPENDICES

Appendix A : Scheme Plan

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Homes On Offa Tamworth



Scheme Plan

Property Management Service

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Appendix A. Management Agreement

Appendix B. Tenancy Agreement

Executive Summary

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The demand for affordable homes that are in good condition and well managed is increasing and it is widely anticipated that as the impact of welfare benefit reforms are felt this demand is very likely to increase. Currently Tamworth Borough Council is experiencing an increase in homeless presentations, and although this is entirely in line with national trends, does place some significant strain on our responsibilities with regard to the use of Bed & Breakfast accommodation as temporary accommodation.

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households who seek social housing to resolve their housing issues. For many tenants who approach TBC for assistance to resolve their housing needs accessing private sector rented accommodation is unattainable as they are not considered to be 'suitable' tenants by the traditional commercial lettings agencies.

In addition, The Localism Act 2011 will enable local authorities to end the main homelessness duty by arranging an offer of suitable accommodation in the private sector. The set up of a social lettings agency will enable Tamworth Borough Council to do this and comply with the anticipated requirements from central government that will be put in place to offer some protection to homeless households.

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Background

Tamworth Borough Council's (TBC) Strategic Housing Service aims to provide access to housing for the most vulnerable households in Tamworth and those that are facing homelessness. However, the Council faces a number of challenges in achieving this aim relating to the increase in identified need and a shortage in supply of decent, affordable housing to meet this need. There are few areas within Tamworth administrative boundaries where new housing can be developed. The number of homes to rent in the private sector is small, despite a 4% growth between 2001 and 2010. As it is increasingly difficult to access social housing and very challenging to access a mortgage to own a home, there are more people competing to live in the private rented sector. It is therefore the intention of the Strategic Housing service to develop a social lettings agency for the purpose of finding and securing homes for households struggling to access a home or who face a long waiting time when applying for social housing.

It is proposed that the Strategic Housing Service work together to utilise and enhance existing schemes, roles and skills to increase access to a range of affordable housing options for those people struggling to access appropriate housing due to financial restraints, insufficient knowledge of the options available to them or other factors that inhibit their ability to meet their need for accommodation.

The social lettings agency will contribute to several housing and health outcomes for local people in line with priorities identified by the Tamworth Strategic Partnership and within the Council's Healthier Housing Strategy. The aim of the agency is to provide, promote, and manage good quality affordable private housing for Tamworth residents currently waiting on the housing register. This will reduce housing waiting times, preserve the use of council owned stock for those in the highest need, minimise the regular use of bed and breakfast accommodation and assist families in widening their choice within the private rented sector.

Tamworth Borough Council's Strategic Housing Service

The Strategic Housing Service consists of Housing Strategy and Enabling, Private Sector Housing and Homelessness Advice / Prevention.

The 3 elements that make up the Strategic Housing Service are managed and linked in such a way that they work as a whole to meet identified housing need and deliver effective services to the residents of Tamworth.

The Strategic Housing Service is responsible for preparing and implementing the housing strategy in order to provide sufficient housing of the right quality and cost to meet the housing needs of the residents of Tamworth.

The Service is also responsible for providing assistance to homeless households, providing advice to help people make informed choices about their housing options, working with Registered Social Landlords (Housing Associations) to provide new affordable homes to rent or buy and improving

The Service is also responsible for providing assistance to homeless households, providing advice to help people make informed choices about their housing options, working with Registered Social Landlords (Housing Associations) to provide new affordable homes to rent or buy and improving housing conditions and increasing the supply of available housing in the private sector.

The Council is committed to the further development of Strategic Housing Services in Tamworth in order to provide the required vision and leadership that will enable the planning and delivery of services that:

- Are evidence based and incorporate an assessment of the current and future housing needs of local people
- Make the best use of the existing housing stock
- Enable the delivery of new affordable housing
- Ensure housing support services link homes to support and promote independent living
- Are delivered in partnership to secure effective and value for money outcomes for local people

Working in partnership, Strategic Housing activity will help to deliver improved services to residents (including health, education and social services), a safer environment, a strong sense of community and a decent home for all at a price local people can afford.

Strategic Context

The vision for Tamworth is '*One Tamworth, Perfectly Placed*'. In more detail the Council and its partners 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

The Healthier Housing Strategy describes how the Council, public health colleagues and other partners will contribute to achieving the vision and priorities. In particular partners will work together to ensure:

1. There are suitable homes for everyone (Access)

- 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 (Aspects)

- 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 (Individual Behaviour)

- 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 (Neighbourhoods)

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

The proposed social lettings agency approach will directly contribute to the above strategic outcomes, priorities and objectives and is consistent with a number of actions incorporated within the Healthier Housing Strategy Year 1 action plan as follows:

- Make better use of the private sector to meet housing need and demand

- Improve mechanisms by which households are able to access accommodation
- To assist residents to find appropriate housing solutions to meet their needs
- Enable people to afford a wider range of housing options
- Improve housing conditions in the private sector
- Homelessness prevention activities are further developed

A range of information and evidence has been used to both formulate the above strategic approach and inform the development of the proposed project.

Housing Legislation

A plethora of Housing legislation has been passed onto the statute books over the years with the overarching principle to protect and preserve the health and welfare of all persons occupying housing and all those without the use of suitable accommodation.

The following housing legislation highlights where the implementation of a social letting agency assists Tamworth Borough council to meet its duties in respect of providing homes for homeless households and providing an additional tool for the reduction of poor housing in line with the TBC Enforcement Policy.

Housing Act 1996

Under the Housing Act 1996, local authorities have a duty to provide accommodation to people who are judged to be 'homeless' and have a 'priority need' for accommodation (if they have children living with them, or elderly or disabled people).

A person is threatened with homelessness if it is likely that he will become homeless within 28 days.

Housing Act 2004

Part 1 of the Housing Act 2004 places a duty on local authorities to assess residential premises in their area using the Housing Health and Safety Rating System (HHSRS). The system identifies hazards during an assessment by authorized officers that may affect the health and safety of the occupants and their visitors. A serious hazard would be classified as a 'Category 1 hazard' and local authorities have a duty to remove any category 1 hazards found to be present in a home. The Act provides the powers of enforcement available to local authorities to tackle poor housing conditions and remove hazards identified.

Part 2 of the Act subjects landlords of 3 or more storey Houses in Multiple Occupation (HMO) with 5 or more occupants to apply for a licence from the

Council (For the purpose of this scheme all types of HMOs will not be accepted unless they are subject to a management order)

Part 3 of the Act allows local authorities to extend licensing for other types of premises, in particular where there are significant social problems or areas of low demand.

Part 4 of the Act provides powers to force the owners of empty residential premises to bring them back into use.

For parts 2 – 4 of the Act TBC may be confronted with the possibility of having to seek a management order and in some instances it could be their legal duty to do so. Where the duty to make management orders is not implemented an LHA may be at risk of a complaint to the Local Government Ombudsman.

A management order is an enforcement tool that can be used where a private sector landlord is failing in his duty as landlord. The council takes over the full management of the property and carries out all duties in place of the landlord. Part of the rent collected is kept by the council as a charge for taking this action.

It is important that the variety of duties and powers associated with management orders is clearly understood and that an LHA's housing and enforcement strategies cover these instances and satisfactory protocols are in place. It is advisable for Local Authorities to ensure that they have processes in place for the management of properties before seeking management orders.

The aim of this scheme will ensure that TBC is fully compliant with The Housing Act 2004 should it become necessary to take out a management order.

The Localism Act 2011

The Localism Act 2011 has made significant changes to the homelessness duty. The local authority will be able to fully discharge its duty by offering a private rented sector (PRS) tenancy of 12 months, without the consent of the tenant. Previously the local authority had to offer a property in the social sector unless the tenant opted for a private tenancy.

Homelessness (Suitability of Accommodation) (England) Order 2012.

At the end of May 2012 DCLG published a consultation paper on the *Homelessness (Suitability of Accommodation) (England) Order 2012*. This paper proposes that private rented accommodation offered to a homeless household by way of an authority discharging (ending) its duty to that household will be regarded as unsuitable where it/the landlord fails to meet a variety of standards.

The Homelessness (Suitability of Accommodation) (England) Order 2012 consultation states:

'We propose that accommodation used for the purposes of a private rented sector offer to end the main homelessness duty is **not** to be regarded as suitable when:

- the local housing authority are of the view the accommodation is not in a reasonable physical condition
- the local housing authority are of the view that any electrical equipment provided does not meet with the identified Electrical Equipment (Safety) Regulations
- the local housing authority are of the view that the landlord has not taken reasonable fire safety precautions with the accommodation and any furnishings supplied.
- the local housing authority are of the view the landlord has not taken reasonable precautions to prevent the possibility of carbon monoxide poisoning.
- the local housing authority are of the view the landlord is not a fit and proper person to act in the capacity of landlord.
- a House of Multiple Occupation is subject to mandatory or discretionary licensing and it is not licensed.
- the property does not have a valid Energy Performance Certificate
- the property does not have a current gas safety record

- the landlord has not provided the local housing authority with a written tenancy agreement which the local housing authority considers to be adequate.

To date this element of the Localism Act 2011 has not been enacted, however it is widely anticipated to be so, and the Guidance consulted on earlier in the Summer to have Statutory guidance status by April 2013.

The Regulatory Reform (Housing Assistance) (England And Wales) Order 2002

It is a condition for receipt of an empty property grant from TBC that the property is provided as a home for a housing applicant for a total of 3 years on completion of the grant. This scheme will allow for TBC to manage the properties on behalf of the property owner, many claimants prefer this option to becoming a landlord themselves.

Aims of the Scheme

The aims of the scheme are to support the delivery of strategic objectives and actions as highlighted previously. Specifically, the development of the proposed approach will seek to:

- Increase the supply to TBC of homes in the private rented sector that are affordable, safe and healthy.
- Introduce an attractive management package to landlords as an incentive to participate in the scheme.
- Provide a quality professional service to landlords and tenants
- Provide an additional housing options to Tamworth residents
- Provide more choice of housing types and locations to housing applicants.
- Encourage empty property owners to enter the private rented sector and make good use of their empty homes.
- Enable TBC to manage houses that are subject to a management order.
- Enable TBC to discharge homeless duty in to the private rented sector.
- Reduce occurrences of homelessness and high expenditure on bed and breakfast costs.

Social purpose

By widening the choices of homes available to families within the borough there are many advantages which will have a positive outcome for many people. These advantages are highlighted in this chapter and also an explanation of why this scheme is a good solution to meeting housing demand in Tamworth by avoiding over regulation of the private sector.

The current state of the waiting list for social housing in the borough and the allocation of housing to priority need families results in non priority families remaining static on the waiting list for a long period of time. With so few properties in the social sector becoming available for tenants and TBC's duty to house homeless households within this sector the reality is non priority families miss out time and again. Homeless families with a priority need overtake non priority families on the allocation list. By discharging homeless duty into the private rented sector more non priority families will have a better chance of accessing property in the social sector.

The area of Tamworth houses a population of 74,500 (2001 census) Tamworth Borough Council currently has a limited number of housing to supply its residents with a total of 4257 properties within the area. These properties consist of houses, flats, bungalows, maisonettes and sheltered housing. This can be further broken down into the following:

Total number of:

1 bedroom – 866

2 bedroom – 1229

3 bedroom – 1998

4 bedroom – 154

5 bedroom – 9

7 bedroom – 1

Two bedroom properties are in greatest demand within the area however this is not reflected in the current stock owned by the authority with the greatest

number of properties owned being 3 bedroom. There are approximately 2100 people applying to be re-housed by the Council with demand for properties vastly outstripping supply. On average only 5-6 properties become available per week (or 300 per year with approximately 200 housing association nominations) for the 2100 applicants to bid for. The Council currently have 1000 active bidders and properties are allocated based on a priority banding with persons in the lower bands often having an extended waiting time.

The priority banding (Bands 1-4) have varying average wait times however an approximate time is given below (NB: these should not be viewed as strict guidelines):

- Band 1(1+): 3 month maximum
- Band 2: 6 to 12 months
- Band 3: 3 to 4 yrs
- Band 4: 3 to 4 yrs

The cost of securing housing in the private rented sector in Tamworth is unattainable to most families waiting on the housing register. Following research carried out at six local letting agents the average cost of moving into one of their managed properties ranged from £1300 pounds up to £2108. All either wanted a guarantor for the properties or would not take families on benefits. These costs are based on a one bed property so would increase significantly for a 3 bed family home.

Many families living in a private rented house struggle to meet the high costs of rents in this sector. For a working family this reduces the money available for other expenditure such as food and fuel. Families with high housing costs and low incomes are more likely to breakdown¹. For families claiming state benefits the high cost of private renting may lead to them not being able to afford to go back to work as the benefits claimed could either meet the level of income they would earn or surpass it. By ensuring an affordable rent in the private rented sector the burden of rent payments is much less and more in

line with the social sector which would allow for families to have more freedom to make positive life choices.

Debt management is a major problem with low income families high living costs has seen an increase in loan applications ² and credit card use. Debt has a very negative impact on a family and is quite often the cause stress and anxiety that result in a lessened ability to cope with every day life. This stress is often transferred to children and the family as a unit begin to suffer effects such as poverty, lack of self worth and homelessness. Education achievement can suffer as a result of a poor home and a strained family life.

Health and wellbeing can be dramatically affected by homelessness and poverty. Time spent in temporary accommodation has been widely recognised as leaving a long term damaging effect on normal family life. By providing more decent and affordable homes TBC can contribute in reducing these negative outcomes for families.

Most families with few choices due to the availability and cost of private rented houses often end up living in sub-standard housing conditions. Disrepair, lack of heating, the most poor quality housing is in the lower end private housing sector. This type of housing often includes unscrupulous or inexperienced landlords. Combined these two elements have a long reaching impact on the health and welfare of the families that range from increase risk of illness, increase risk of accidents and injury, poor physical and mental development to a poor academic achievement. Higher risk of eviction is prevalent in this sector and on many occasions in contravention of the Protection from Eviction Act 1977. This causes problems for families to settle down in to routine family life and schooling is affected by constant moving.

Other options are available that may be used to increase decent affordable homes in the borough but they have limitations. These include, but are not limited to the landlords Accreditation scheme which was introduced to drive up private rented accommodation standards. However this scheme along

with other such local authority schemes of its kind fails to attract members in sufficient numbers to have significant impact. To include further stipulations such as a fit and proper person check, as proposed by the consultation on the Homelessness (Suitability of Accommodation) (England) Order 2012 and to seek to set rent levels, would make the accreditation scheme even less attractive to local landlords.

The disadvantages of using available enforcement powers, such as licensing all private sector landlords, may deter new landlords to the area, create a large extra workload to the housing department and its partners to approve and set up the scheme and would require significant ¹resources which would be very expensive.

A social letting agency is the most appropriate and manageable option.

¹ ² the state of the nation report
SECTION D – CAUSES OF FAMILY BREAKDOWN
Social Policy Justice Group
2006

Legal Framework

A Social Letting Agency can be established by a local authority using its powers under the Local Government Act 2000 2(1)(b) to “promote the improvement of social well-being” in the local authority area. The Act allows TBC to act as an agent. The power to charge landlords for services on a non-profit basis is granted by the Local Government Act 2003 93 (1).

To act within its powers under the Local Government Act 2003 the Council will need to ensure that it does not make a profit. The intention is that the social lettings agency will be grant funded from the DCLG homeless prevention grant. The benefits will be in the prevention of homelessness and the reduction in the costs of bed and breakfast.

The Homelessness Act 2002 introduced a requirement for local authorities to adopt preventative measures for Homelessness and confirms that a local authority has the power to make payments which would enable the prevention of homelessness.

Products and Services

The scheme will operate as a social letting agency where by TBC manages properties on behalf of the owner.

Alongside the collection of the monthly rent, landlords have several responsibilities that include satisfying maintenance and repair issues, enforcing and adhering to terms of lease agreements and ensuring the security of tenants. These responsibilities provide landlords with a number of problems and challenges that can result in financial loss. This scheme has been designed to provide landlords with protection from these losses and provide quality homes to tenants.

The Management service provided by TBC will include:

- Tenant finder Service
- Rent collection
- Maintenance checks
- Repairs service
- Tenancy support service

Benefits to members of the scheme will be:

- Guaranteed Rent paid directly to the owner
- Free advertising
- No void periods
- Protection from costs of tenant damage
- Completed Inventories
- Empty property Grants (where applicable)
- Loans for minor works
- Help and advice on tenancy and housing law

Property standards

The properties must meet the following standards prior to signing the management agreement. This standard has been set as the minimum standard that a property should meet before it can be let. This standard also meets the criteria for the The Homelessness (Suitability of Accommodation) (England) Order 2012 as it was detailed in the consultation, to enable TBC to discharge its homeless duty into the private rented sector.

1. Housing Health and Safety Rating System

All properties must be free from Category 1 hazards.

2. Gas Safety

All gas appliances, alterations and repairs to gas installations must comply with current Gas Safety (Installation and Use) Regulations 1998. In particular all gas appliances and gas supply must be checked on an annual basis by a Gas Safe registered gas installer. A copy of the gas safety certificate must be provided to the scheme officer prior to signing the management agreement.

3. Electrical Safety

All electrical installations (including wiring, switches and sockets) provided by the landlord must be certified as safe by a competent electrician (i.e. a member of a recognised body) in accordance with current legislation, at least every 5 years e.g. NICEIC,

All electrical equipment must be safe, adequate and in good working order. It is a requirement of the part P of the building regulations and a copy of the Periodic Inspection Report must be provided to the scheme officer prior to signing the management agreement.

4. Portable Appliance Testing

Portable electrical appliances where provided by the landlord (e.g. fridges, microwave ovens, tumble dryers etc) must be kept in a functional and safe working order and be visually inspected on a regular basis for defects and repaired or replaced as necessary. It is recommended that a Portable Appliance Test (PAT) be carried out on earthed equipment (class 1) not more than every 2 years by a competent electrician. Appropriate certificates must be made available when joining the scheme.

5. Energy Performance Certificates

Landlords must obtain an Energy Performance Certificate and produce a copy for each prospective tenant during the initial property viewing. An Energy Performance Certificate is valid for ten years. A copy of the Energy Performance Certificate must be made available when joining the Scheme.

6. Fire Safety

Landlords must include fire safety precautions in the property in accordance with the Lacors Fire Safety guidance. An officer will assess the property during an initial inspection to ensure appropriate smoke detectors and fire safety measures are provided dependant upon the size and layout of each property.

If properties do not meet the above standard then officers will provide free help and advice to the property owner in order to ensure that all works and safety checks are correctly carried out to correctly and to be assured that the property is of an acceptable standard to be a part of the scheme.

Property Management

All properties on the scheme will be managed by experienced and authorised housing officers. In order to ensure the smooth running of the scheme the following procedures will be undertaken:

Tenant Checks

Each tenant would be subject to a financial assessment and reference check before being accepted for housing on this scheme.

Rent payments

Rent will be paid to the owners directly into their bank account each month.

Inspections

Qualified Housing Officers from the TBC Private Housing Enforcement Team will regularly inspect properties. They will ensure that the property is free from hazards and continues to meet the required property standards. Officers will also respond to all reported repairs, service requests and queries from tenants.

Tenancy support

Even with the most thorough of credit and reference checking quite often landlords experience problems with tenant behaviour or rent arrears. This scheme will offer a range of support options for tenants that are facing difficulty in adhering to the terms of their agreement. It is important to ensure that families maintain their tenancy for as long as possible. It is the aim of the scheme and Tamworth Borough Council is that families are adequately supported in their home as sustaining a long term let will provide stability and therefore improve the health, welfare and educational needs within the family which also benefits the wider community.

Anti social behaviour (ASB)

Any incidents of ASB will be promptly dealt with. This will be achieved by working with our colleagues based at Tamworth Police Station. Policies and procedures are already in place to deal with such occurrences.

Financial Summary

The financial elements of the scheme regarding rent accounts and income are set by national legislation by way of the acts listed in the legal chapter of this report. Precise accounting will be accomplished by the use of existing computer systems, Orchard and Efinancials which are currently used by TBC. This scheme is not for profit so any surplus funds will be invested back into the scheme. Monthly rent account checks and regular property inspections will be carried out to minimise any losses of income. An annual accounting report will also be required to ensure the scheme is not mismanaged.

Finance forecast shows that the scheme is unlikely to be cost neutral, however it is possible for the scheme to generate a small surplus. The benefit to Tamworth Borough Council comes from predicted reduction in the use of Bed & Breakfast.

Table 1 shows an example of the cost of providing temporary bed and breakfast accommodation for homeless families:

Bed and Breakfast		Per Night		Average Stay	Cost
Single Person	x1	£35		12 Days	£420
Single Person 1 Child	x2	£39		12 Days	£936
Couple 1 Child	x2	£45		12 Days	£1,080
Single person with 2 children	x2	£65		12 Days	£1,560
Couple with 2 children	x1	£89		12 Days	£1,068
Single person with 3 children	x1	£95		12 Days	£1,140
Couple or single person with 4 children	x1	£110.00		12 Days	£1,320
				Total	£7,524

Table 1

The ten households that have been selected are representative of the ten properties that will be sought during year 1 of the scheme. Twelve days is the **average stay** (average length of stay during 2011/12) for a household in bed and breakfast so is the number of days that have been used in this example. This total has been included in this report to demonstrate the cost of providing temporary

bed and breakfast accommodation and to provide a comparison between these costs and that of the operation of the scheme to show where savings can be made. This is discussed further in the summary section of this chapter.

Table 2 shows the Local Housing Allowance for Tamworth between April 2012 and March 2013:

	Weekly	4 Weekly	Monthly
Shared accommodation rate	£63.50	£254.00	£275.17
1 bedroom rate	£90.00	£360.00	£390.00
2 bedroom rate	£114.23	£456.92	£495.00
3 bedroom rate	£126.92	£507.68	£549.99
4 bedroom rate	£167.31	£669.24	£725.01

Table 2

The rent charged for each property is to be set in accordance with the above Local Housing Allowance rates. This will ensure that the tenants are paying an affordable rent.

TBC will keep 7% of the rent from each property as a charge for managing the property. This money will then be used towards the running costs of the scheme. The remaining 93% will be passed to the property owner.

Table 3 shows the potential expenditure that may be required to set up the scheme. These figures are based on realistic occurrences such as delays in benefit claims that are possible during the first few months of operating the scheme. These occurrences have been taken into consideration as it is vital to the reputation of the scheme that all costs imposed on TBC are covered. It is intended that any financial losses made in the initial stages of the scheme are promptly recovered. It will also be necessary to ensure during the operation of the scheme funds are available should they be required for any unforeseen purposes. Annual reviews of finance and cash flow will be carried out as standard during the entire continuation of the scheme.

	EXPENDITURE
Set up costs inc legal costs	£1000.00
Rent in advance **	£9644.00
Training	£1,000.00
Damage claims***	£5,000.00
Marketing/PR	£100.00
Stationery	£50.00
TOTAL EXPENDITURE	£16,794.00

Table 3

** This amount is based on the total amount of rent required to be paid to owners in the first two months of the scheme. The rent will be paid a month in arrears in accordance with the management agreement to the owners, this amount is set to allow for housing benefit claims to be processed taking consideration of possible delays.

*** This amount is set at a cost of £500 per property for the first year.

The initial set up costs will be funded by the DCLG homeless prevention grant in accordance with the Homelessness Act 2002 as approved in principle by cabinet in May 2012.

Table 4 shows the amount of monthly income that will be generated from the proposed scheme based on a 7% management fee.

Lettings	LHA Rate wkly	LHA Rate Monthly	Mgmt fee 7% monthly		Total
1 Bed	£90.00	£390.00	£27.30	x1	£27.30
2 Bed	£114.23	£495.00	£34.65	x6	£207.90
3 Bed	£126.92	£549.99	£38.49	x2	£76.98
4 Bed	£167.31	£725.01	£50.75	x1	£50.75
					£362.93

Table 4

Taking account of the total monthly management fee to be charged of £362.93 the figures will generate an annual income of £4355.16 in year 1 from the management fee charged.

Income & Expenditure

Table 5 shows a forecast of the income and operating costs over a period of three years:

Table 5

INCOME & EXPENDITURE FORECAST	YEAR 1	YEAR 2	YEAR 3
N° of properties	10	20	30
TURNOVER			
Income from managed lettings	£62219.88	£124439.76	£186659.64
Income from fixed fees	£1000.00	2000.00	3000.00
TOTAL INCOME	£63219.88	£126439.76	£189659.64
OPERATING COSTS			
Rent	£57864.49	£115728.98	£173593.47
Repairs & tenant damage (2% of the rent due)**	£1244.39	£2488.78	£3733.19
Rent arrears (5% of rental due)	£ 3110.99	£6221.98	£9332.82
Void allowance (2% of rental due)	£1244.39	£2488.78	£3733.19
Scheme administration & routine maintenance costs	£740	£1480	£2220
TOTAL OPERATING COSTS	64204.26	£128408.52	£192612.67
SCHEMES COSTS FOR YEAR	-984.38	-1968.76	-2953.03

** includes Insurance excess

Income will be generated from a management fee and a fixed annual fee and any additional costs will be met from homelessness grant money. The current income rate for the management is 7% of the rental income. An annual fee of £100 will be charged for administration costs of joining the scheme and for carrying out annual routine gas safety inspections.

The operating costs show a potential loss of income from rent arrears and tenant damage. This has been set at a rate of approx 7% as this is in comparison with costs on the current PSL scheme. It is the intention that any losses are kept to a minimum by applying a careful management regime. If any losses are made they will be recovered using the recharge procedures adopted for the operation of the scheme.

Void periods will also have a negative impact on the income of the scheme. This will be kept to a minimum by closely monitoring tenancies and effective working between the schemes operational staff and the Homeless Prevention Officers.

The above figures are based on a total of 10 properties managed on the scheme by the end of year 1, 20 properties by the end of year 2 and 30 properties by the end of year 3.

A total of 30 properties have been identified as the maximum that it would be feasible to manage on the scheme with existing staff and resources. It is possible that this total may be revised following review of the scheme once it is fully operational and as more information becomes available.

Summary

The information provided within this section of the plan indicates that the scheme could potentially incur costs over the first 3 years of £5,906.17. When this is compared to the total cost of providing bed and breakfast to homeless households as demonstrated in table 1, this represents better value for money for TBC. These figures, along with the social benefits and advantages of assisting homeless households into privately rented accommodation as outlined in Chapter 7 of this plan, demonstrate that this scheme is a viable and necessary addition to the provision of housing in Tamworth.

Risk Analysis

This chapter will explain identified financial, operational, compliance and strategic risks that could affect the scheme. Each risk highlighted has been assessed on the likelihood and severity and a mitigation strategy decided.

Risks	Issue	Reasons	Outcome	Mitigation
Financial	Rent arrears	Housing benefit processing times	Insufficient funds for operation of scheme, loss of reputation	Close working arrangements between HAT and Benefits Team
	Rent arrears	Tenants not claiming/or completing benefits forms on time	Insufficient funds for operation of scheme, loss of reputation	Assisting tenants to complete forms and check for submitted application
	Rent arrears	None payment of rent where no LHA is in payment or LHA is paid directly to tenant	Insufficient funds for operation of scheme, loss of reputation	Regular contact with the tenant to establish reasons for none payment and Notice if unable to resolve
Financial	Tenant Damage	Costs up to £500 to be covered by TBC	Insufficient funds for operation of scheme, loss of reputation	Vetting of tenants prior to sign up. Regular property checks. Recharge procedure to collect money from tenants. Eviction procedure.
Financial	Void properties	Long void periods will cost the scheme in lost rent	Insufficient funds for operation of scheme, loss of reputation	Waiting list for tenants and close working between HAT officers and PSE officers

Financial	Low demand from tenants	Difficulty finding tenants for houses, prolonged void periods	Loss of income.	No deposit required from tenants. Good quality houses only accepted, TBC managed and legislation changes to allow discharge of homeless duty into PRS. Gradual increase in number of properties to establish sufficient demand
Financial	Cash flow	Rent due to owners and money to carry out repairs must always be available	Loss of reputation. Tenant safety issues.	Close financial monitoring of income and expenditure for early identification and intervention.
Financial	Insurance cover	Public liability, Employee, and landlord cover.	Insufficient cover for tenants, employees and public	Council fully insured to act on behalf of property owners. Scheme condition for owners to provide policy details for each property managed.
Property Management	Health and Safety Regulations	Liable to ensure safety of tenants and visitors. Risk of illness or injury to tenants.	Injury to tenants or failure to comply with legislation.	Regular routine inspections. Repairs service to ensure properties are repaired promptly to a good standard. Properties to meet standards prior to sign up.
Property Management	Anti social behaviour of tenants.	Impact on neighbouring properties	Complaints from neighbours and disputes.	Tenant support service, close working with

				ASB team and eviction/ re-housing procedures
External	Conflict with Local Letting Agents	Local letting agents may feel threatened by service being provided by TBC	Bad publicity for scheme and disputes with agents.	Reassurance that scheme is designed for households not in their market therefore not competition.
External	Housing Legislation	Changes to legislation regarding letting of properties	Failure to comply with legislation	Constant review of law to ensure fully compliant at all times.
External	Low demand from owners	Owners not putting properties forward for scheme or properties not suitable	Scheme will fail if owners unwilling to sign up. Properties may not meet standards required.	Officers will work with owners to ensure properties meet the required standards prior to sign up. Scheme design to attract owners using guaranteed rents and repairs service. Low management fees and no hidden costs.
Internal	IT systems	System is insufficiently flexible to allow for accurate scheme reports	Financial risk to scheme and further development of the scheme	IT system currently in use for similar PSL scheme without issue. Additional record keeping by staff as appropriate

Internal	Staffing	Loss of expertise due to staff illness, absence or leaving TBC employment	Failure of property management, rent collection and record keeping.	Training additional staff members from the team on procedures and identification of back up staff resources. Written set procedures and instructions.
Internal	PSL scheme	Existing PSL may lose demand due to new scheme offering better deal to owners	Lack of properties for PSL scheme.	Set number of properties for both schemes so demand should be met on both schemes.
Internal	Other TBC Departments	Future homelessness grant allocation is not available, jeopardising the scheme. The scheme is mis- understood by staff internally	Financial risk to the scheme Reputation risk to the scheme & the Authority	Colleagues aware of risks to homelessness prevention schemes Full information available to all staff via the website

Future development and review

This scheme will be constantly monitored and reviewed. This will allow staff to identify options for the improvement of the scheme and also to identify how it can be extended to provide additional housing services to residents of Tamworth in the future.

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ASSURED SHORTHOLD TENANCY AGREEMENT

IMPORTANT: THIS TENANCY AGREEMENT IS A BINDING DOCUMENT. BEFORE SIGNING IT YOU SHOULD READ IT CAREFULLY TO ENSURE THAT IT CONTAINS EVERYTHING YOU DO WANT AND NOTHING UNACCEPTABLE TO YOU. IF YOU DO NOT UNDERSTAND THIS AGREEMENT OR ANYTHING IN IT, IT IS STRONGLY SUGGESTED YOU ASK FOR IT TO BE EXPLAINED TO YOU BEFORE YOU SIGN IT. YOU MIGHT CONSIDER CONSULTING A SOLICITOR, CITIZENS ADVICE OR HOUSING ADVICE CENTRE.

THIS AGREEMENT is made on BETWEEN

- (1) *(name of landlord)* [of *(address)* (or as appropriate) the registered office of which is at *(address)*] [Company Registration no ...] ('the Landlord') and
- (2) (name of tenant) of *(address)* ('the Tenant') and
- (3) *(name of surety)* [of *(address)* (or as appropriate) the registered office of which is at *(address)*] [Company Registration no ...] ('the Guarantor')

1 PARTICULARS

1.1 **Date of Commencement:**

1.2 **The Deposit: £....**

1.3 **The Landlord:** *(insert name of head landlord)* [of *(address)* (or as appropriate) the registered office of which is at *(address)*]

1.4 **The Property:** The flat on the *(insert floor description)* floor of the Building known as *(insert postal address)* [shown [for the purpose of identification only] edged [red] on the plan attached to this agreement] with the rights for the Tenant set out in schedule 1 THE RIGHTS GRANTED and the rights for the Landlord set out in schedule 2 THE RIGHTS RETAINED.

1.5 **The Rent:** £.. month

1.6 **The Term:** [] from and including *(insert commencement date)*.

2 DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this agreement:

- 2.1.1 **'the Agents'** means [(*insert name of managing agents*) of (*insert address of managing agents*) or other] the Landlord's managing agents employed in connection with the management of the Property for the time being;
- 2.1.2 **'the Building'** means the [building (*or as appropriate*) block of flats] known as (*insert postal address*) of which the Property forms part including any common parts, forecourts, parking areas, gardens and land held with it;
- 2.1.3 **'the Contents'** means the furniture, furnishings, fixtures and other items set out in the inventory attached to this agreement, copies of which have been signed by [the Agents on behalf of] the Landlord and by the Tenant, which are let with the Property under this agreement;]
- 2.1.4 **'the Head Lease'** means the lease dated (*insert date of lease*) and made between (*insert detail of parties*) under which the Landlord holds the Property;
- 2.1.5 **'the Interest Rate'** means the rate of ...% (*insert percentage*) a year above the base lending rate of *Barclays*
- 2.1.6 **'the Property'** means the flat described in the Particulars, and the expression includes:
- 2.1.6.1 all additions and improvements to the Property,
- 2.1.6.2 all landlord's fixtures and fittings and fixtures of every kind that are from time to time in or upon the Property (whether or not originally fixed or fastened) [except the Contents],
- 2.1.6.3 all [pipes, sewers, drains, mains, ducts, conduits, gutters, watercourses, wires, cables, channels, flues and other conducting media (*or as required*)] that are in, under or over the Property and serve the Property only, including plant or fixtures and fittings and other ancillary apparatus, and

2.1.6.4 the surface of all walls and ceilings and the floor coverings and floor boards to the floors, but not the beams or supports,

but does not include any area of the Building above the surface of the ceiling or below the level of the floor, nor the structural or outside walls of the Building;

2.1.7 **‘the Rent’** means the rent set out in the Particulars [until it is reviewed and after review the reviewed sum determined in accordance with this agreement];

2.1.8 **‘the Term’** means the period for which the Property is let under this agreement as specified in the Particulars, including any subsequent period when the Tenant remains in the Property or extension or continuance of that period by law;

2.1.9 **‘VAT’** means value added tax or any other tax of a similar nature and unless otherwise expressly stated all references to rent or other sums payable by the Tenant are exclusive of VAT.

2.2 Interpretation

2.2.1 The expression ‘the Head Landlord’ means the head landlord named in the Particulars and anyone to whom the interest immediately superior to the Landlord’s interest in the Property belongs from time to time.

2.2.2 Wherever the circumstances of its use mean it is suitable, the phrase ‘the Landlord’ includes the person for the time being entitled to the interest of the Landlord under this agreement.

2.2.3 The phrase ‘the Tenant’, as this agreement prevents the Tenant disposing of his interest under this agreement, extends to the Tenant’s personal representatives, administrator or trustee in bankruptcy only.

2.2.4 Where the Landlord or the Tenant consists of two or more persons, obligations expressed or implied to be made by or with them are deemed to be made by or with those persons jointly and severally (this means that they will each be liable for all sums due under this agreement and not just a proportionate part).

2.2.5 Words that indicate one gender include all other genders, words that indicate the singular include the plural and vice versa, and words that indicate persons shall be interpreted as extending to a corporate body or a partnership and vice versa.

2.2.6 References in this agreement to any numbered clause or schedule without any further description shall be interpreted as a reference to the clause or schedule to this agreement numbered in that manner.

2.2.7 The clause and schedule headings do not form part of this agreement and shall be ignored in its interpretation.

3 ASSURED SHORTHOLD TENANCY

It is confirmed that this agreement is intended to create an assured shorthold tenancy under the Housing Act 1988.

4 AGREEMENT TO LET

The Landlord agrees to let and the Tenant agrees to take the Property[, with the Contents and] with the rights for the Tenant set out schedule 1 THE RIGHTS GRANTED [and excepting and reserving for the Landlord and the Head Landlord the rights set out in schedule 2 THE RIGHTS RETAINED], for the Term, at the Rent [subject to the following obligations to which the Property is subject (*insert details of agreements, rights, easements and covenants to which the property is subject as appropriate*)].

5 COMPLIANCE WITH AGREEMENT

The Tenant and the Landlord agree with each other to comply with the requirements of this agreement.

6 RENT AND INTEREST

6.1 Obligation to pay

The Tenant must pay the Rent during the Term by equal [quarterly (*or as appropriate*) monthly (*or as required*)] payments of £... (*insert amount*) [clear of all deductions], [in advance], to [the Landlord (*or as appropriate*) the Agents] [by [standing order (*or as appropriate*) direct debit] to (*insert details of account and bank*)].

6.2 Payment days

The first payment of rent must be made on (*insert details of first payment date*) for the first [quarterly (*or as appropriate*) monthly (*or as required*)] period and each subsequent payment must be made on (*state days for payment*) for the period beginning on the date when the payment is due.

6.3 Apportionment

Any payment for less than a [quarter (*or as appropriate*) month (*or as required*)] is to be apportioned on a daily basis and will include the last day of the [quarter (*or as appropriate*) month (*or as required*)].

6.4 [Set-off

The Tenant must not exercise any right or claim to withhold rent or in respect of legal or equitable set off.]

6.5 Interest on sums not paid

The Tenant must pay interest at the Interest Rate on any rent or other payment lawfully due under this agreement that is not received by the Landlord by [14 days] after the payment was due. This interest is payable from the date on which payment of the rent or other payment was due to the date of actual payment, both before and after any court judgement.

7 OUTGOINGS

7.1 Payments to be made by the Tenant

The Tenant must pay and protect the Landlord and the Head Landlord against any loss arising from the Tenant's failure to pay:

- 7.1.1 the council tax, or any tax replacing it, payable in respect of the Property;
- 7.1.2 all water and sewerage charges and metered payments in respect of the supply of water to the Property;
- 7.1.3 all charges for gas and electricity consumed on or supplied to the Property and (as to electricity where a two part tariff is in force) the standing charge or charges and any meter rent;
- 7.1.4 all charges made for the use of telephones on the Property, including rental, and any additional charges for repair, maintenance and reconnection;
- 7.1.5 [all charges for the security alarm or other security system provided for the Property, other than any arising through the fault or neglect of the Landlord;]

- 7.1.6 the amount of the BBC television licence fee and of any other charges for [cable, Sky or satellite or other] television services for the Property; and
- 7.1.7 if VAT or any tax of a similar nature is or becomes chargeable in respect of any payment made by or supply to the Tenant under this agreement, or any tax, charge or imposition becomes payable in respect of the Property because of any act or omission of the Tenant, the amount of the VAT, tax, charge or imposition.

7.2 **[Accounts**

The Tenant must make sure that all accounts issued by relevant authorities or suppliers are issued to and made out in the name of the Tenant for the duration of this tenancy. The Tenant must pay all such accounts within a reasonable period of receipt of them. If any service or facility is disconnected for non-payment of an account, the Tenant must pay the re-connection charges and protect the Landlord against any loss arising from the disconnection.]

7.3 **[Council tax payment by the Landlord**

The Landlord must pay the council tax payable in respect of the Property unless and until the Tenant's use of the Property or the number or status of persons in it causes a change in the obligations to pay council tax. In that case the Landlord shall cease to be liable to pay the council tax and the Tenant must pay it.]

8 **REPAIRS ETC**

8.1 **The Landlord's obligations**

- 8.1.1 **[Structure and exterior:** The Landlord must keep the structure and exterior of the Building including the [pipes, sewers, drains, mains, ducts, conduits, gutters, wires, cables, channels, flues and other conducting media (*or as required*)] inside and serving the Building in good repair and condition.]
- 8.1.2 **Other matters:** The Landlord must keep in repair and proper working order the [central heating and hot water system and other] installations for the supply of water, gas, electricity, for sanitation (including basins, sinks, baths and sanitary conveniences), and for space and water heating. Independently connected electrical appliances such as electric fires, heaters, radio or television sets, from and including the plug connecting them to the main electricity system, are the Tenant's responsibility.

- 8.1.3 **Landlord and Tenant Act 1985:** The Landlord must comply with the Landlord and Tenant Act 1985 Section 11 as to his responsibility for repairs in the Property in so far as any obligations have inadvertently not been expressly set out in this clause

8.1 THE LANDLORD'S OBLIGATIONS.

8.2 The Tenant's obligations

- 8.2.1 **Repair:** The Tenant must keep the inside of the Property (including the doors, window frames and glass in windows, doors and skylights) in a good state of repair and condition and properly maintained and must replace all broken glass, light bulbs and fuses [and the Tenant must carry out in the Property all works of repair that are not the responsibility of the Landlord under this agreement or by statute]. The obligation to keep in good repair and condition includes putting in good repair and condition at the start of the tenancy if there is an existing lack of repair or condition.
- 8.2.2 **Decoration:** The Tenant must repaint and repaper the internal walls and other surfaces including doors and window frames at the Property and keep them in a good state of decorative condition [employing professional decorators for the work] and must not damage the walls with nails, pins, glue or adhesive putty although if any such damage does occur the Tenant must make it good by immediate repair and decoration.
- 8.2.3 **[Contents:** The Tenant must maintain the Contents and keep them in good condition [(except to the extent their condition deteriorates as a result of fair and ordinary use)], must make sure they are not damaged or destroyed and must not take any of them away from the Property.]
- 8.2.4 **[Breakages etc:** The Tenant must replace or make good (or at the [reasonable] option of the Landlord pay proper compensation for) all breakages, damage and losses occurring in relation to the Contents during the Term, or any period when the Tenant or anyone under his control remains in unauthorised occupation. This provision does not apply to breakages, damage and losses that occur through reasonable use or any risk against which the Contents are insured by the Landlord unless the policy of insurance has been wholly or partly rendered void or invalid by any act or default of the Tenant or anyone under his control.]
- 8.2.5 **[Additional furniture:** The Tenant must not bring any additional furniture onto the Property without the written consent of the Landlord or the Agents[, which must not be unreasonably withheld or delayed].]

- 8.2.6 **Blocking of pipes:** The Tenant must keep the [pipes, sewers, drains, ducts, conduits, gutters and watercourses *(or as required)*] inside or only serving the Property free from obstruction [and in working order] and the lavatories properly cleaned.
- 8.2.7 **Appliances:** The Tenant must keep all electrical, radio, television, video and other domestic appliances, security alarms and smoke detectors in good working order, except for installations that are the responsibility of the Landlord under clause 8.1.2 OTHER MATTERS.
- 8.2.8 **Insurance:** The Tenant's obligations under this clause 8.2 THE TENANT'S OBLIGATIONS do not apply to damage caused by any risk that has or should have been insured against under the terms of this agreement or the Head Lease except to the extent that the insurance money is irrecoverable due to any act or default of the Tenant or anyone under his control.

9 GENERAL MAINTENANCE

9.1 Cleaning and tidying

- 9.1.1 The Tenant must keep the Property [reasonably] clean and tidy and clear of all rubbish.
- 9.1.2 The Tenant must [provide and] use a waste container [provided *(or as appropriate)* reasonably approved] by [the Landlord *(or as appropriate)* the Agents], place all waste in it and ensure that it is regularly emptied by the local authority. [The container must be kept in the place [provided *(or as appropriate)* reasonably approved by [the Landlord *(or as appropriate)* the Agents]].]
- 9.1.3 The Tenant must clean the windows and the glass in any exterior doors [at least once in each month during the Term *(or as appropriate)* as often as is reasonably required].

9.2 Care of the grounds

- 9.2.1 The Tenant must keep any part of the Property that is not built on ('the Grounds') in good condition, keep all garden areas properly cultivated and weeded and the grass mown regularly during the growing season, and keep all ditches and drains free from obstruction.

- 9.2.2 Except for private motor cars on the drive, the Tenant must not keep any vehicle, boat or caravan or movable dwelling on the Grounds, or store anything on them that is untidy, unclean, unsightly or in any way detrimental to the Property or to the area generally.
- 9.2.3 The Tenant must not deposit any waste or rubbish on the Grounds except for domestic waste in waste bins and usual seasonal garden waste which may be composted.
- 9.2.4 The Tenant must keep the fences and hedges properly trimmed [and stockproof] and keep the gates in good repair and working order.

(or as appropriate depending on the nature of the property and the building of which it forms part)

10 ALTERATIONS

10.1 Additions and alterations

The Tenant must not damage or injure the Property, make any addition to the Property, unite the Property with any adjoining premises, or make any alteration to the Property.

10.2 Connection to services

The Tenant must not make any connection with the pipes, sewers or drains in the Property or extend the wiring.

10.3 Telephone disconnection

The Tenant must not allow or arrange for the telephone to be disconnected or removed from the Property or the number to be changed.

11 RIGHTS OF ENTRY

The Tenant must allow the Head Landlord, the Landlord and the Agents, with any necessary contractors and workmen, to enter the Property at all reasonable times upon 24 hours' prior notice in writing, or in the event of emergency at any time without notice, causing as little inconvenience to the Tenant as reasonably practicable and making good any damage caused to the Property and the Tenant's property for the following purposes:

- 11.1 to view the state and condition of the Property [and the Contents];
- 11.2 to carry out any repairs that are necessary by virtue of the Head Landlord's or the Landlord's responsibilities under this agreement or the Head Lease or by virtue of the Head Landlord's or the Landlord's responsibilities under the law;
- 11.3 to carry out works that may be required to repair [or to make alterations or improvements that are minor and do not disadvantage the Tenant or are required by law to] the Building or the electrical wiring, gas and water pipes, sewers or drains in or under the Building or any part of it or for any other reasonable purpose in connection with the management of the Building;
- 11.4 [to carry out repairs, [alterations, improvements, rebuilding or other works] to any adjoining property that can only be carried out by having access to the Property or the electrical wiring, gas and water pipes, sewers or drains in or under or serving the Property;] and
- 11.5 during the [3 months] before the anticipated date of the end of the Term, to inspect the Property with interested parties with a view to proposed sale or letting and to fix and retain in a reasonable position on the Property a board advertising the Property for sale or reletting.

12 NOTICE TO REPAIR

12.1 Service of notice

The Head Landlord or the Landlord may give to the Tenant or, despite the requirements of this agreement as to notices, leave on the Property, a notice specifying the works required to remedy any breach of the Tenant's repairing obligations in this agreement ('a notice to repair'). The Tenant must carry out the works specified in the notice as soon as reasonably practicable.

12.2 Default provision

If the Tenant has not started to carry out the work referred to in a notice to repair within a reasonable period from the service of the notice to repair, or is not proceeding diligently with it, or if the Tenant fails to finish the work within a reasonable time the Tenant must allow the Head Landlord or the Landlord as appropriate to enter the Property and carry out the outstanding work. The Tenant must pay to the Head Landlord or the Landlord as appropriate the reasonable cost of doing this and all expenses properly incurred by the Head Landlord or the

Landlord, within [14 days] of a written demand [and if not so paid the Landlord may apply the Deposit towards any cost incurred by him but shall not be obliged to do so].

12.3 Disputes

Any dispute as to whether repairs are necessary, the time taken to carry them out or the cost of repairs and amount of associated expenses may be referred to an independent surveyor acting as an expert. In default of agreement the surveyor shall be appointed by or on behalf of the President for the time being of the Royal Institution of Chartered Surveyors.

13 APPEARANCE OF THE PROPERTY

13.1 Aerials

The Tenant must not erect any poles or masts on the Property [or install any cables or wires outside it], whether in connection with telecommunications or otherwise or allow anyone under his control to do so [except with the consent of the Landlord [and the Head Landlord] which is not to be unreasonably withheld or delayed].

13.2 Signs and advertisements

The Tenant must not display anywhere on the Property any placard, sign, notice, fascia board or advertisement or allow anyone under his control to do so [except with the consent of the Landlord [and the Head Landlord] which is not to be unreasonably withheld or delayed].

13.3 Curtains and blinds

The Tenant must not remove the curtains or blinds from the windows except for cleaning and decorating.

13.4 Washing

The Tenant must not hang or deposit clothes or other articles outside the Property.

14 DEALINGS

14.1 Dealings with the Property

This agreement is personal to the Tenant. The Tenant must not assign, sublet or part with or share possession of the Property or any part of it. [In particular the Tenant must not enter into any agreement or arrangement by which anyone in occupation of the Property may become entitled to an assured tenancy or other security of tenure under the Housing Act 1988.]

[14.2 Dealings with the Contents

The Tenant must not purport to sell any of the Contents or enter into any hire purchase or leasing arrangement or bill of sale of them.]

15 USE AND NUISANCE

15.1 Residential use

The Tenant must not use the Property except as a single private residence for occupation by the Tenant personally [and the Tenant's family and reasonable visitors (*or as required*)] and no other person.

15.2 Nuisance

The Tenant must not do anything or allow anything to be done on the Property or the Building, or allow anything to remain on them that may reasonably be considered to be or likely to become or cause a nuisance or annoyance, disturbance, inconvenience, injury or damage to the Head Landlord or the Landlord or their tenants or the owners or occupiers of any adjacent or neighbouring property.

15.3 Auctions, trades and immoral purposes

The Tenant must not use the Property or allow it to be used for any auction sale, any dangerous, noxious, noisy or offensive activity, or any illegal or immoral act or purpose, and must not carry on any trade, business, manufacture or commercial activity on it.

15.4 Pets

The Tenant must not keep or allow any animal, bird or reptile at the Property except [birds in cages or fish in tanks or], with the prior written consent of the Head

Landlord and the Landlord [(which is not to be unreasonably withheld or delayed)], a dog or cat.

15.5 Noise

The Tenant must not play any musical instrument or device and must not allow noise from a radio, television set, compact disc, tape or record player or sound production system of any kind or any machine or equipment to be heard outside the Property in such manner that may cause a disturbance after 2300 hours or before 0800 hours on any day.

16 COSTS OF ENFORCEMENT

The Tenant must pay the Landlord's reasonable costs, fees, charges, disbursements and expenses properly incurred in relation to or incidental to:

- 16.1 recovery or attempted recovery of arrears of rent or other sums due under this agreement; and
- 16.2 any other steps taken in [contemplation of or in] direct connection with the enforcement of the obligations on the part of the Tenant under this agreement whether during or after the end of the Term including the preparation, service and negotiation of a schedule of dilapidations (being a document containing details of alleged breaches of the Tenant's obligations in relation to the state and condition of the Property).

17 NOTICES AND INFORMATION

The Tenant must give notice to the [Landlord (*or as appropriate*) Agents] as soon as reasonably practicable of:

- 17.1 any disrepair of, or damage to, the Property [or to any substantial item comprised in the Contents];
- 17.2 any notice or order he receives from the Head Landlord or a local or statutory authority in respect of the Property; and
- 17.3 any act or encroachment by a tenant or occupant of another flat in the Building or any adjoining or neighbouring property or a third party that might adversely affect the Landlord's interest in the Property.

18 KEYS, SECURITY AND UNOCCUPIED PREMISES

18.1 Security

The Tenant must keep the Property secure [and the security alarms set at all appropriate times].

18.2 Change of locks or codes

The Tenant must not change the locks or security codes without the prior written consent of [the Head Landlord and] the Landlord [(which must not be unreasonably withheld or delayed)], and must supply the Landlord with a set of keys or the new code immediately upon replacement.

18.3 Loss of keys or codes

The Tenant must report to the Landlord immediately he becomes aware of the fact if keys or security codes or devices are lost or compromised during the Term and must take immediate steps to provide new keys or new security codes or devices, supplying the Landlord with a set of keys or the new code or device immediately upon replacement.

18.4 [Charges for security alarms

The Tenant must be responsible for any charges levied if the security alarm is set off accidentally by the Tenant or anyone under his control[, and all charges for maintenance or repair necessary as the result of misuse by him or anyone under his control].].]

18.5 Frost damage

If the Property is to be left unoccupied for more than [48 hours] the Tenant must, at his own expense, take all reasonable steps that are necessary or directed by the Head Landlord or the Landlord or the Agents to protect the water and central heating systems in the Property from damage by frost.

18.6 Unoccupied premises

If the Property is to be left unoccupied for more than [4 weeks] the Tenant must notify the Head Landlord and the Landlord or the Agents, any company responsible for security devices, and the company insuring the Property [and the Contents] that

the Property is to be unoccupied, and take such steps as they may reasonably prescribe.

18.7 Return of keys etc

The Tenant must hand over to [the Landlord (*or as appropriate*) the Agents] all keys and security devices or codes by 1200 noon on the date the Term ends.

19 GIVING BACK POSSESSION AT THE END OF THE TERM

19.1 Giving back possession

The Tenant must give vacant possession of the Property [and the Contents] back to the Landlord at the end of the Term in the state of repair, decoration and condition specified [in the schedule of condition referred to in clause 19.2 SCHEDULE OF CONDITION [AND INVENTORY] (*or as appropriate*) in clause 8.2.1 REPAIR, clause 8.2.2 DECORATION [and clause 8.2.3 CONTENTS] (*or as required depending on the terms of the tenant's repairing obligations*)] and clean[, and with the various items of furniture and effects left in the places in which they were situated at the beginning of the Term [as specified in the inventory]].

19.2 Making good

To the extent the Tenant does not comply with the obligations specified in clause 20.1 GIVING BACK POSSESSION the Tenant must make good any lack of repair, decoration or condition or cleanliness or pay reasonable compensation to the Landlord [and must replace or pay for any of the Contents that have been broken, damaged or lost, as provided for by clause 8.2.4 BREAKAGES ETC].

19.3 [Cleaning

The Tenant must wash or dry clean and iron as appropriate all linen, bedspreads, sheets, blankets, duvets, curtains, carpets or similar items comprised in the Contents that have become soiled during the Term, or at the option of the Landlord (to be exercised reasonably) must pay for them to be washed, dry cleaned or ironed.]

19.4 Use of the address

The Tenant [must not give the address of the Property in any telephone or e-mail directory during the Term, and] must take all reasonable steps to ensure that no

communications to or for the Tenant are directed to any telephone or computer at the Property after the Tenant has vacated.

19.5 Items left

The Tenant will be responsible for meeting all reasonable removal and storage charges if items of property and belongings are left in the Property at the end of the Term. The Landlord will remove and store the items for a maximum of one month. The Landlord will notify the Tenant that this has been done at the Tenant's last known address. If the items are not collected within one month, the Landlord may dispose of the items and the Tenant will be liable for the reasonable costs of disposal. The costs may be deducted from any sale proceeds or the Deposit and if there are any costs remaining they will remain the Tenant's liability.

20 PAYMENTS FOR A PERIOD OF UNAUTHORISED OCCUPATION

20.1 Unauthorised occupation

A period of unauthorised occupation is any period (including any day or part of a day) outside the Term during which [either:

20.1.1 the Tenant or anyone under his control remains in occupation of the Property, or leaves any belongings or property in the Property other than small items left accidentally that can easily and cheaply be removed]; or

20.1.2 the keys to the Property have not been returned to the Landlord or the Agents, unless as a result of accident or serious illness to the Tenant].

20.2 Damages

For any period of unauthorised occupation the Tenant must pay to the Landlord an amount calculated at a rate equivalent to the Rent that would have been payable for the Property for that period plus interest at the Interest Rate.

21 REGULATIONS FOR THE BUILDING

The Tenant must observe and perform the regulations for the use and conduct of persons in the Building [set out in Schedule 3 RULES FOR THE BUILDING (*or as appropriate*) reasonably made from time to time by [the Landlord (*or as appropriate*) the Agents] for the management or improvement of the Building after prior consultation with the Tenant (reasonable account being taken of the Tenant's views)

and communicated to the Tenant [by written notice put up in the entrance hall of the Building *(or as required)*]].

22 NON-DISTURBANCE

The Landlord must permit the Tenant peaceably to hold and enjoy the Property during the tenancy created by this agreement without any interruption or disturbance from or by the Landlord or any person claiming under or in trust for him.

23 INSURANCE

23.1 Warranty as to convictions

The Tenant warrants that before the signature of this agreement he has disclosed to the Landlord in writing any conviction, judgement or finding of any court or tribunal relating to the Tenant of such a nature as to be likely to affect the decision of any insurer or underwriter to grant or continue insurance of any risk against which the Property [or the Contents] is insured.

23.2 The Landlord's obligation to insure

23.2.1 Insurance

So far as the Head Landlord is not liable to insure under the terms of the Head Lease, the Landlord must keep the Building [and the Contents] [but not the Tenant's personal property] insured unless the insurance is rendered void or made invalid by any act of the Tenant or anyone under his control. The insurance may be taken out in such insurance office, or with such underwriters, and through such agents as the Landlord from time to time [reasonably] decides.

23.2.2 Sum insured

Insurance must be taken out for the full cost of rebuilding and reinstating the Building.

23.3 Suspension of rent

If and whenever the Building or any part of it is damaged or destroyed by any risk against which it is insured so as to make the Property unfit for occupation and use the Rent, or a fair proportion of it according to the nature and extent of the damage sustained, shall be suspended until the Building, or the affected part, has been rebuilt or reinstated so as make the Property fit for occupation and use. This

provision does not apply where payment of the insurance money is wholly or partly refused because of any act or default of the Tenant or anyone under his control.

23.4 Reinstatement and termination

The Landlord must if practicable ensure that the Building or any part damaged or destroyed by any risk against which it is insured [is *(or as appropriate)* are] reinstated [and replaced], provided that the damage or destruction was not due to any act or omission of the Tenant or anyone under his control and the insurance policy has not been rendered void or invalidated by such an act or omission. [If, at the end of [2 months] from the date of the damage or destruction, the Property is still not fit for the Tenant's occupation and use, either the Landlord or the Tenant may at any time during the following [2 months] serve a notice to terminate this agreement. On service of such a notice, the Term is to end but this shall not affect any rights or remedies that may have already accrued to either party. [All money received in respect of the insurance taken out by the Landlord under this agreement is to belong to the Landlord absolutely *(or as appropriate)*].

23.5 Tenant's obligations as to insurance

The Tenant must not do anything, or fail to comply with any requirement, as a result of which the policy of insurance taken out by the Landlord or the Head Landlord in relation to the Building [and the Contents] may become void or voidable or invalidated or by which the rate of premium on the policy may be increased.

24 RECOVERY OF POSSESSION

24.1 Notice

The Landlord may terminate this agreement by giving the Tenant [2 months' *(or any longer period required for the tenancy under the general law)*] notice in writing stating that he requires possession. After the notice has expired and after the end of the period of 6 months from the start of the Term [or after the end of the fixed term granted by this agreement if later] the Landlord may commence proceedings to obtain a court order for possession.

24.2 Grounds for seeking possession

If and whenever during the Term:

- 24.2.1 [the Rent is unpaid for [14] days after becoming due whether formally demanded or not (or if it is desired to set out the grounds in the Housing Act 1988 Schedule 2 Part

1 Ground 8 in detail) [(where rent payable weekly or fortnightly) at least 8 weeks' rent lawfully due from the Tenant is unpaid (or where rent payable monthly) at least 2 months' rent lawfully due from the Tenant is unpaid (or where rent payable quarterly) one quarter's rent lawfully due from the Tenant is more than 3 months in arrears (or where rent payable yearly) 3 months' rent lawfully due from the Tenant is more than 3 months in arrears]], or

24.2.2 there is a breach by the Tenant of any obligation or other term of this agreement, or

24.2.3 the grounds for possession in the Housing Act 1988 Schedule 2 Part I Grounds [2 (tenancy subject to prior mortgage) or] 8 (at least 2 months' rent arrears) or the Housing Act 1988 Schedule 2 Part II Grounds 10 (some rent due), 11 (persistent delay in paying rent), 12 (other breaches of obligation), 13 (committing acts of waste or neglect), 14 (causing nuisance or annoyance) [, 15 (causing damage to furniture)] or 17 (tenancy induced by false statement) apply, or

24.2.4 the Tenant becomes bankrupt, has an administration order made in respect of his assets, has a receiver appointed, makes an arrangement for the benefit of his creditors or has any distress or execution levied on his goods,

then the Landlord may bring a court action to recover possession of the Property, even if any previous right to do so has been waived.

24.3 Interest on sums due on recovery of possession

If the Landlord recovers possession of the Property under clause 26.2 GROUNDS FOR SEEKING POSSESSION, the Tenant must pay to the Landlord interest at the Interest Rate on any outstanding rent or damages properly due to the Landlord from the date on which the rent fell due (whether a formal demand has been made for it or not) or the breach of obligation or the relevant event occurred in each case to the date of payment. This provision shall apply to sums payable under this agreement for any period of unauthorised occupation.

25 SAFETY REGULATIONS

25.1 [Fire safety

The Landlord confirms that all furniture and furnishings comply with the Furniture and Furnishings (Fire) (Safety) Regulations 1988 as amended.]

25.2 Gas appliances safety regulations

[The Landlord has *(or as appropriate)* The Agents have] complied with the Gas Safety (Installation and Use) Regulations 1998 and an appropriate Gas Safety Certificate is available at [his *(or as appropriate)* their] address for inspection by the Tenant.

25.3 Electrical appliances safety regulations

The Landlord confirms that all electrical appliances and equipment supplied by him are safe so as not to cause danger and all electrical appliances and equipment manufactured since 19 January 1977 are marked with the appropriate CE symbol.

26 VAT

All sums due to be paid by the Tenant under this agreement are expressed exclusive of VAT, and the Tenant must in addition pay the full amount of any VAT or other similar tax on those sums for which the Landlord or other person entitled to the payments is from time to time accountable.

27 [EXCLUSION OF WARRANTY AS TO USE

Nothing in this agreement or in any consent granted by the Landlord under this agreement implies or warrants that the Property may lawfully be used under the Town and Country Planning Act 1990 as modified or re-enacted from time to time for the purpose authorised in this agreement or any purpose subsequently authorised].

28 [ENTIRE UNDERSTANDING

This agreement embodies the entire understanding of the parties relating to the Property and to all matters dealt with by this agreement.]

29 [REPRESENTATIONS

The Tenant acknowledges that this agreement has not been entered into in reliance wholly or partly on any statement or representations made by or on behalf of the Landlord except any such statement or representation expressly set out in this agreement.]

30 LANDLORD'S DETAILS

The Tenant is notified for the purposes of the Landlord and Tenant Act 1987 Sections 47 and 48 that the name and address of the Landlord is *(insert details)* [that the name and address of the Landlord in the United Kingdom is *(insert details)*] and that the name and address of the receiver of rent is *(insert details)*.

31 RIGHTS AND EASEMENTS

The operation of the Law of Property Act 1925 Section 62 is excluded from this agreement. The only rights granted to the Tenant are those expressly set out in this agreement, and the Tenant is not to be entitled to any other rights affecting any adjoining property of the Landlord or the Head Landlord.

32 COVENANTS RELATING TO ADJOINING PROPERTY

The Tenant is not to be entitled to the benefit of any covenant, agreement or condition entered into by any tenant of the Landlord or the Head Landlord in respect of any adjoining property of the Landlord or the Head Landlord, or the right to [enforce or] prevent the release or modification of any such covenant, agreement or condition.

33 EFFECT OF WAIVER

Each of the Tenant's agreements is to remain in full force both at law and in equity even if the Landlord waives or releases that agreement on any occasion or waives or releases any similar agreement affecting any of his adjoining property.

34 THE DEPOSIT

34.1 Payment

The Tenant must pay the Deposit to [the Landlord *(or as appropriate)* the Agents] [at *(insert name of bank)* of *(insert address of bank)*] to be protected as security towards the discharge or part discharge of any liability referred to in clause 37.3 SUMS THAT MAY BE RETAINED and subject to this on trust for the Tenant absolutely.

34.2 Tenancy deposit protection scheme

34.2.1 The Deposit shall be held on the terms of [*(insert name of deposit protection scheme)* *(or as appropriate)* a deposit protection scheme established under to the Housing Act 2004 Section 212] ('the Scheme').

34.2.2 The Landlord shall comply promptly with his obligations under the Scheme.

34.2.3 [The Landlord will not change the Scheme to another scheme without the prior written consent of the Tenant.]

34.3 Sums that may be retained

The following sums may be paid out of the Deposit to the Landlord in accordance with the terms of the Scheme:

34.3.1 any Rent or other payments due from the Tenant to the Landlord, including advance rent that has fallen due;

34.3.2 any reasonable sum the Landlord expends or incurs in remedying any failure by the Tenant to comply with his obligations under this agreement;

34.3.3 after the end of the Term, any sum owing to the Landlord equivalent to rent in respect of any period of unauthorised occupation by the Tenant or anyone under his control; and

34.3.4 any interest due under this agreement on any of the above sums at the Interest Rate from the date the payment is due to the date it is deducted from the Deposit.

34.4 Restoration of the Deposit

If the Deposit or part of it is applied as authorised by clause 37.3 SUMS THAT MAY BE RETAINED and in accordance with the terms of the Scheme, the Tenant must, at the Landlord's written request, pay the Landlord a further sum to restore the Deposit to the agreed amount stated in the Particulars and the Landlord shall comply promptly with his obligations under the Scheme in relation to this further sum.

34.5 Refund of the Deposit

Subject to the provisions of clause 37.4 RESTORATION OF THE DEPOSIT, the Deposit or the balance of it must be returned to the Tenant after the end of the Term in accordance with the provisions of the Scheme [with interest (*or as appropriate*) but any interest earned on the Deposit may be retained by the Landlord].

(insert any clauses required by the relevant tenancy deposit protection scheme)

35 NOTICES

35.1 Method of service

Any notice to be served on the Landlord or the Tenant may be served by registered post, recorded delivery, fax or email. If served on the Landlord, a notice should be served at the address mentioned in clause 33 LANDLORD'S DETAILS [or on the Agents], and if served on the Tenant should be served at the Property or at the address of the Tenant mentioned in this agreement.

35.2 Delivery

Any notice sent by post, in the absence of details of delivery or other receipt, shall be deemed to be served on the third working day after posting. A notice served by fax or by email shall be deemed to be served on the day of transmission if transmitted before 1630 hours on a working day, and if transmitted later shall be deemed to have been served on the next following working day. 'Working day' means any day from Monday to Friday inclusive other than Christmas Day, Good Friday and any other statutory bank or public holiday.

36 SEVERANCE CLAUSE

If any term of this agreement is, in whole or in part, held to be illegal or unenforceable to any extent under any enactment or rule of law, that term or part shall to that extent be deemed not to form part of this agreement and the enforceability of the remainder of this agreement shall not be affected.

37 JURISDICTION

The Landlord and the Tenant agree that this agreement shall be exclusively governed by and interpreted in accordance with the laws of England and Wales and to submit to the exclusive jurisdiction of the English Courts.

38 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

This agreement shall not operate to confer any rights on any third party and no person other than the parties to it may enforce any provision of this agreement by virtue of the Contracts (Rights of Third Parties) Act 1999.

39 THE GUARANTOR'S OBLIGATIONS

39.1 The Guarantor's obligations

The Guarantor agrees with the Landlord that the Tenant must pay the Rent and observe and perform the obligations on his part and other terms of this agreement during the Term and if the Tenant fails to do so then the Guarantor must pay the Rent and observe or perform the obligations or other terms and make good or reimburse to the Landlord any liabilities, losses, awards of damages or compensation, penalties, costs, disbursements and expenses arising from the failure by the Tenant to do so, provided that:

- 39.1.1 the Guarantor's obligations are made with the Landlord as a sole or principal debtor or contracting party (this means that in the event of the Tenant defaulting the Guarantor is primarily liable to the Landlord);
- 39.1.2 the Guarantor's liabilities shall not be affected by any time or indulgence granted by the Landlord to the Tenant or any neglect or forbearance of the Landlord in enforcing payment of the Rent or the observance and performance of the obligations or other terms of this agreement (this means that the Guarantor remains liable to the Landlord even if the Landlord delays in pursuing or does not pursue the Tenant);
- 39.1.3 the Guarantor's liabilities shall not be affected by any refusal by the Landlord to accept Rent tendered by or on behalf of the Tenant at a time when the Landlord is entitled to seek a court order for possession of the Property;
- 39.1.4 the Guarantor's liabilities shall not be affected by any variation of the terms of this agreement made by agreement between the Landlord and Tenant but no variation is to bind the Guarantor to the extent that it is materially prejudicial to him;
- 39.1.5 the Guarantor's liability shall continue notwithstanding that the Tenant has surrendered part of the Property but shall continue in respect of the part of the Property not surrendered after making any necessary apportionments under the Law of Property Act 1925 Section 140 (this means that if the Tenant hands back to the Landlord part of the Property the Guarantor remains liable in relation to the retained part); and
- 39.1.6 the Guarantor's liability is not to be affected by anything else by which, but for this clause, the Guarantor would be released.

39.2 [Guarantor's obligation to take new tenancy agreement

If during the subsistence of this tenancy any trustee in bankruptcy of the Tenant disclaims this tenancy, the Guarantor must if so required by the Landlord within [3 months] of the Landlord becoming aware of the disclaimer take from the Landlord forthwith a tenancy agreement for the residue of the Term as at the date of disclaimer at the rent then payable under this agreement and subject to the same agreements and terms as under this tenancy (except that no other person need be made a party as guarantor) the new tenancy to commence on the date of disclaimer. The Guarantor must pay the costs of the new tenancy agreement and any VAT chargeable on them and execute and deliver to the Landlord a counterpart of the new tenancy agreement.

39.3 Payments on disclaimer

If this tenancy is disclaimed and the Landlord does not require the Guarantor to accept a new tenancy agreement of the Property, the Guarantor must pay to the Landlord on demand an amount equal to the Rent [or the difference between the Rent and any money received by the Landlord for the use and occupation of the Property] for the period commencing on the date of disclaimer and ending on whichever is the earliest of [6 months] after the disclaimer, the date if any on which the Property is re-let, or the end of the Term.]

40 BREAK CLAUSE

40.1 Break by the Landlord

If the Landlord wishes to determine this agreement on the Break Date, he may give to the Tenant not less than [3 months'] written notice that the Term is to end on the Break Date. The Term and the obligations of the Landlord and the Tenant under this agreement shall then end on that date but the rights of either party against the other in respect of any outstanding Rent or other amount due or other breach of terms of this agreement occurring before the Break Date shall remain enforceable.

40.2 Break by the Tenant

If the Tenant wishes to determine this agreement on the Break Date, he may[, if he has paid the Rent and substantially performed his obligations in this agreement up to that date,] give the Landlord not less than [3 months'] written notice that the Term is to end on the Break Date. The Term and the obligations of the Landlord and the Tenant under this tenancy agreement shall then end on that date but the rights of either party against the other in respect of any outstanding Rent or other amount

due or other breach of terms of this agreement occurring before the Break Date shall remain enforceable.

41 [OPTION TO RENEW

41.1 Exercise of the option

If the Tenant wishes to continue this tenancy for a further term of [364 days] from the end of the Term then, he may [subject to the consent of [the Landlord's mortgagee and] the Head Landlord and] if he has paid the Rent and substantially performed his obligations in this agreement up to that date, serve [3 months'] written notice on the Landlord requesting renewal. The Landlord must then let and the Tenant must accept a new tenancy of the Property for the period of [364 days] at [the Rent and (*or as appropriate*) at a rent calculated as provided in clause 44.2 THE RENT but otherwise] on the same terms as contained in this tenancy agreement except for this clause 44 OPTION TO RENEW so that the Tenant shall not be entitled to any further extension.

42 [TENANT'S AGREEMENT WITH THE HEAD LANDLORD

42.1 Terms of Head Lease

The Head Lease provides that the tenant under any subletting must enter into a direct agreement with the Head Landlord to observe and perform the tenant's covenants in the Head Lease [except as to rent, insurance and exterior decoration (*or as provided in the head lease*)].

42.2 Tenant's obligations

In consideration of the Head Landlord having consented to the grant of this tenancy, the Tenant agrees with the Head Landlord that as from the date of this agreement and whilst the Tenant is bound by the obligations of the Tenant contained in this tenancy the Tenant must observe and perform the tenant's covenants in the Head Lease so far as they are applicable to an assured shorthold tenancy for less than 7 years, and must protect the Head Landlord from any actions, proceedings, claims, damages, costs, expenses arising from his failure to do so. Even though the Contracts (Rights of Third Parties) Act 1999 does not apply to this agreement, the Head Landlord may enforce the provisions in the Head Lease directly against the Tenant under this clause 45.2 TENANT'S OBLIGATIONS.]

SCHEDULE 1: THE RIGHTS GRANTED

The Property is let together with the following rights: (insert rights as required, eg access, car parking, services, support and protection, entry for repairs) if applicable

SCHEDULE 2: THE RIGHTS RETAINED

The Property is let subject to the following exceptions and reservations retained for the benefit of the Landlord's adjoining premises and every part of them: *(insert reservations as required, eg services, construction of conduits, support and shelter, erection of scaffolding), of applicable*

SCHEDULE 3: RULES FOR THE BUILDING

(insert rules and regulations for the use and conduct of persons in the building), if applicable

[(annex inventory of the Contents)]

Landlord or Agent

Tenant(s)

Name

Name

DISCLAIMER:

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Homes On Offer Tamworth

AGREEMENT FOR MANAGEMENT OF A RENTED DWELLING

Date:

Parties:

(1) Tamworth Borough Council of (“the Council”)

and

(2) [Name] of

[Address]

..... (“the Owner”)

IT IS AGREED as follows:

1. Definitions 1.1 In this agreement the following expressions shall have the following meanings:-

“the Property” means

.....

“Contract Period” means the period starting on the date of this agreement and continuing until

Unless this agreement is previously terminated in accordance with clause 7; upon expiry of the contract the arrangement will become periodic on a quarterly basis with the Council being required to give 1 months notice and the owner required to give 3 months notice if wishing to terminate the arrangement.

“the Fee” seven per cent of the weekly rent exclusive of VAT payable in respect of the Property during the Contract Period; and an annual fee of £100 for administration costs for each year until the termination or expiry of the arrangement.

“the Account” the Owner’s bank or building society account

Name

Account No

Bank/BSoc name and address.....

Sort Code-.....-.....

Or as otherwise notified by the Owner to the Council;

“Services” means the services to be provided by the Council in relation to the Property set out in Clause 3.

1.2 Unless the context requires otherwise, neuter words shall include the masculine and the feminine and vice versa, and singular words shall include the plural and vice versa.

2. Appointment

2.1 The Owner appoints the Council to be his agent to perform the Services during the Contract Period.

2.2 During the Contract Period, the Council will be the sole letting agent, and will be entitled to receive the Fee in respect of all of the time that the Property is let during the Contract Period, irrespective of the introducer. By entering into this agreement the Owner confirms that no introduction of a prospective tenant has already been made and that he will not instruct any other agent to let the Property during the Contract Period.

2.3 The Owner authorises the Council to sign on his behalf any tenancy agreement or notice or other document relating to the letting or management of the Property.

3. The Services

3.1 In return for the Owner paying the Fee and complying with his obligations under this agreement, the Council agrees to perform the following Services throughout the Contract Period:

a) Tenant finder Service

To identify tenants for the Property, being families or single people in housing need, threatened with homelessness, so as to ensure, that void periods are kept to a minimum.

b) Arrange tenancy agreements

To issue on behalf of the owner assured shorthold tenancies of the Property in accordance with the Housing Act 1988, each tenancy being for a minimum period of six months and thereafter continuing until terminated in accordance with that Act, at a rent equivalent to the Local Housing Allowance for the Property. The rent will be per week, and rent will be subject to increase or decrease annually depending on the Local Housing Allowance at the time of the commencement of any new tenancy and for tenants in situ for longer than 12 months after the first and then each subsequent year of their tenancy.

c) Rent Payment

To collect all rents and other sums from time to time payable to the Owner in respect of the Property.

d) Default by tenant

- (i) the Council will account to the Owner for unpaid rent under clause 4.1 as if it had been paid.
- (ii) Subject to below, if at the end of a tenancy the Property is not in the same condition as at the beginning of that

tenancy, or any fixtures, fittings or furniture shown on the initial inventory are missing or not in the same condition, subject to fair wear and tear, to meet the cost of putting them into that condition. The same applies if, at the end of the Contract Period, the Property or any of the items on the inventory are not present or in the same condition as at the beginning of the tenancy existing at that date.

e) Maintenance checks

To visually inspect from the ground the state of repair of the exterior of the Property once during the first six weeks of the Contract Period and at appropriate intervals thereafter, and to visually inspect the state of repair of the interior of the Property at similar intervals, to establish that tenants are complying with the obligations of their tenancies;

Except in case of emergency to notify the Owner of all reasonably necessary works of repair and maintenance of the Property

To arrange for all works of repair and maintenance of the Property

to arrange annual gas safety inspections at the Property for each annual check during the Contract Period (the Owner being responsible for the cost of works found to be necessary as a result of the inspections).

f) Voids

To pay to the Owner during void periods 100% of the amount of rent which would have been payable had the Property been occupied,

4. Financial Arrangements

4.1 Every month in arrears during the Contract Period, the Council shall pay into the Account, after deducting the Fees and the expenses incurred by the Council in arranging works following inspections in accordance with clause 3.1 (e)

a. the rent received in respect of the Property (including Local Housing Allowance or it's replacement received on account of rent);

b. sums due under clause 3.1 (f)

4.2.1 In the event that an insurance claim by the Owner is necessary because of any act or omission of the Council or a tenant during the Contract Period, which claim is paid subject to an excess, the Council will reimburse the Owner the amount of the excess, up to the sum of £500.

4.2.2 In the event that it is necessary for the Owner to take legal proceedings against a tenant of the Property to obtain possession and/or recover sums due to the Owner, the Council will reimburse the Owner the cost incurred in taking proceedings, up to the sum of £300.00.

4.3 The Council will maintain all reasonably necessary s, accounts and records, in particular so as to enable all necessary notices to be served on tenants of the Property, and to enable the Owner or his accountants to compile statements of account and tax returns in respect of the Property.

4.4 When requested to do so by the Owner, his accountants, tenants or others entitled to production, the Council will produce to them the receipts or other evidence of the expenses paid, and all VAT invoices

5. General matters

5.1 The Council will keep proper records concerning the Property, including details of tenants and their tenancy agreements, and will supply a copy to the Owner upon request.

5.2 The Council will ensure that its records relating to the Property comply with the Data Protection Act 1998.

5.3 The Council will notify the Owner of any apparent illegal drug use or supply at the property which come to its attention. The Council will also notify the Owner if it considers that legal action is required to recover any sums due, to recover possession of the Property, or to enforce any rights obligations owed to the Owner. In such circumstances the Council will provide the Owner or his solicitors with such assistance in producing evidence as they may reasonably require, and will if required attend Court to give evidence.

5.4 The Council will deal with any reasonable enquiries made by tenants, any tenants' association, or prospective tenants, or their respective professional advisers relating to the Property. The Council will also respond to any tenant's notice, application or request, having sought instructions from the Owner if necessary in the circumstances.

5.5 In the event that a tenant fails to pay two months rent or the Council suspects that the property is being used for illegal or immoral purposes then the Council may issue proceedings as legal representative for the Owner..

6. Owners Obligation

6.1 The Owner agrees with the Council throughout the Contract Period to pay to the Council:

6.1.1 the Fee;

6.1.2 any VAT chargeable in addition to the Fee;

6.1.3 upon demand, all expenses properly incurred by the Council in connection with maintenance under clause 3.1(e) (where applicable); and to permit the Council to deduct all such sums from money due to the Owner when crediting it to the Account.

6.2 The Owner will ensure that there is insurance (Which provides Public Liability cover up to the value of 2 million pounds) in force throughout the Contract Period in respect of the building comprising the Property, and the Owner's contents if any, and will produce evidence to the Council if required. In entering into this agreement the Owner hereby certifies that his insurance company has been notified that the Property is to be let..

6.3 The Owner will produce to the Council all documents necessary to demonstrate his entitlement to payment by the Council under clause 4.2.1 to 4.2.2.

6.4 Where the Council requests information or instructions from the Owner in order to manage the Property in accordance with this agreement, the Owner will promptly give such information or instructions in writing, or if given verbally will confirm them in writing within seven days.

6.5 The Owner agrees with the Council that they will comply with all of their obligations under tenancy agreements arranged by the Council, except where this agreement specifically provides for a particular task to be carried out by the Council.

6.6 In the event that the Owner becomes unavailable for a period exceeding one month, the Owner:-

6.6.1 shall grant Power of Attorney to an other person to manage the Property, and to perform the obligations and other functions of the Owner under this agreement;

6.7 Where the Property is subject to a mortgage, the Owner hereby certifies that prior permission has been obtained from the mortgage lender.

6.8 The Owner hereby certifies that all soft furnishings (where provided) comply with the Furniture and Furnishings (Fire)(Safety) Regulations 1993.

6.9 The Owner:-

6.9.1 shall be responsible for any changes required to be made to the Property or its contents during the Contract Period as a result of changes in legislation;

6.9.2 authorises the Council to have mandatory work and/or inspections carried out at the Property;

6.9.3 agrees to reimburse the Council for any costs incurred in ensuring that the Property can lawfully be used a rented dwelling, and authorises the Council to deduct such costs when accounting to the Owner for money received.

6.10 The Owner agrees that in the event of a dispute between the Owner and any tenant or tenants of the Property, the Council's Housing Advice Team, which is distinct from the Homes on Offa Tamworth Scheme shall act as arbitrator and the Owner agrees to abide by the Council's decision.

7. Termination

7.1 The council may end this agreement before the end of the Contract Period by giving not less than two months' written notice to the owner. The owner may end this agreement before the end of the Contract Period by giving not less than six months' written notice to the council. In the event of the Property being sold by the Owner, although the six month notice period shall not apply, the Owner shall give the Council as much notice as possible of his intentions, and at least one month's written notice advising of the date of completion.

7.2 This agreement will end immediately:-

7.2.1 if the Owner ceases to own the Property on the date he ceases to own it; or

7.2.2 upon service of notice to that effect if either party fails to comply with any of the terms and conditions of this agreement and

the failure, if capable of remedy, is not remedied within 28 days of receipt of a written notice of the failure from the other party, or

7.2.3 if the Owner is adjudged bankrupt on the date of the court order adjudging the Owner bankrupt.

7.3 On termination of this agreement the Council will:-

7.3.1 cease carrying on the Services;

7.3.2 return to the Owner all original documents relating to the Property, and supply copies of all records necessary to enable the Owner to manage the Property himself.

7.4 For the avoidance of doubt, termination of this agreement shall not cause the termination of any tenancy of the Property subsisting at that time.

7.5 Fourteen days prior to the expiry of the Contract Period or 28 days after termination of this agreement as a result of notice under clause 7.1 or 7.2 (as the case may be), the Council shall supply to the Owner:-

7.5.1 a statement of account for the period since the last such statement, showing all receipts and all expenditure by the Council in respect of the Property for the relevant period;

7.5.2 all receipts or other evidence of the expenses paid, and all VAT records and VAT invoices.
and shall pay into the Account any sums due to the Owner under this agreement.

7.6 On termination of this agreement by the Owner under clause 7.1 or by the Council under clause 7.2, the Owner shall repay to the Council any Grant received by him.

Signed on behalf of Tamworth Borough Council by

.....
Head of Housing Advice

Signed by the Owner

.....

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A of the Local Government Act 1972.

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