

# Public Document Pack

**Steve Atkinson** MA(Oxon) MBA FIoD FRSA  
Chief Executive



Date: 11 June 2012

Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

Dear Sir/Madam

I hereby summon you to attend a meeting of the Hinckley & Bosworth Borough Council in the Council Chamber, Council Offices, Hinckley at these offices on **TUESDAY, 19 JUNE 2012 at 6.30 pm**

Yours faithfully

A handwritten signature in black ink, appearing to read 'RK Owen'.

Miss RK Owen  
Democratic Services Officer

## AGENDA

1. Apologies
2. To confirm the minutes of the meetings held on 17 April and 15 May 2012 (Pages 1 - 14)
3. To be advised of any additional items of business which the Mayor decides by reason of special circumstances shall be taken as matters of urgency at this meeting.
4. To receive verbally from Members any disclosures which they are required to make in accordance with the Council's code of conduct or in pursuance of Section 106 of the Local Government Finance Act 1992. This is in addition to the need for such disclosure to be also given when the relevant matter is reached on the Agenda.
5. To receive such communications as the Mayor may decide to lay before the Council.
6. To receive petitions in accordance with the Council's Petitions' Scheme.
7. To deal with questions under Council Procedure Rule number 11.1.
8. To receive the Leader of the Council's Position Statement.
9. To receive for information only the minutes of the Scrutiny Commission meetings held on 13 March, 19 April & 26 April 2012 (Pages 15 - 24)
10. Supporting New Housing Initiatives and Opportunities (Pages 25 - 66)

11. Leicestershire Partnership Revenues & Benefits Partnership 2011/12 (Pages 67 - 68)
12. New Standards Regime (To Follow)
13. Regional Growth Fund - Contract & Delivery Arrangements (To Follow)
14. To consider the following motions, notice of which have been received in accordance with Council Procedure Rules 13.1 and 13.2:-

Received from Councillor Gould:

"In view of the Economic Regeneration currently going ahead in the Borough, and the need to achieve modal shift not least to mitigate against Climate Change, this Council calls on the Department for Transport when refranchising rail services stopping at Hinckley for 2014 to reinstate the 2 trains per hour service level that was previously enjoyed throughout the day."

# Agenda Item 2

## HINCKLEY AND BOSWORTH BOROUGH COUNCIL

17 APRIL 2012 AT 6.30 PM

PRESENT: MR R MAYNE - MAYOR  
MR MB CARTWRIGHT – DEPUTY MAYOR

Mr RG Allen, Mr JG Bannister, Mr PR Batty, Mr Bessant, Mr DC Bill, Mr SL Bray, Mrs R Camamile, Mrs T Chastney, Mr DS Cope, Mr WJ Crooks, Mr DM Gould, Mr PAS Hall, Mrs WA Hall, Mrs L Hodgkins, Mr MS Hulbert, Mr DW Inman, Mr C Ladkin, Mr KWP Lynch, Mr JS Moore, Mr K Morrell, Mr MT Mullaney, Mr K Nichols, Mrs J Richards, Mrs H Smith, Mrs S Sprason, Mr BE Sutton, Miss DM Taylor, Mr R Ward and Ms BM Witherford

Officers in attendance: Steve Atkinson, Michael Brymer, Bill Cullen, Shaun Curtis, Edwina Grant, Louisa Horton, Yvonne Hughes and Rebecca Owen

### 478 APOLOGIES

Apologies were submitted on behalf of Councillors Boothby, Lay and O'Shea.

### 479 MINUTES OF THE PREVIOUS MEETING

Councillor Mrs Richards stated that, contrary to the minutes, Councillor Ladkin had left the previous meeting before her. On the motion of Councillor Bray, seconded by Councillor Bill, it was

RESOLVED – the minutes of the meeting held on 23 February 2012 be confirmed subject to the abovementioned amendment and signed by the Chairman.

### 480 DECLARATIONS OF INTEREST

No interests were declared at this stage.

### 481 MAYOR'S COMMUNICATIONS

The Mayor highlighted some of his recent events including his involvement in the Big Splash and his recent lunch with the Queen and Prince Philip. He thanked Councillor Taylor for doing a bungee jump to raise funds for his charities.

### 482 QUESTIONS IN ACCORDANCE WITH COUNCIL PROCEDURE RULE NUMBER 11.1

a) Question asked by Councillor WJ Crooks and addressed to the Executive Member for Finance

“Would the executive Member for Finance, ICT and Asset Management please advise me what Posts/Facilities are being funded by the Borough in some villages, but not in others? I am aware that we put money into Market Bosworth for the Christmas Lights, but other anomalies have come to my notice.”

Response from Councillor KWP Lynch

“Thank you Councillor Crooks for your question. The following expenditure in villages/ parishes was funded by this Council in the last financial year”:

|                                   | <u>2011/12<br/>Budgeted<br/>£</u> |   |
|-----------------------------------|-----------------------------------|---|
| Xmas Lights assistance per Parish | 1,960                             | £50 per parish  |
| Xmas Lights Market Bosworth       | 3,340                             |   |
| Markfield Community Centre        | 16,690                            | Centre Manager Post assistance (Gross payment is £27.9k. HBBC receive a contribution of £11.2k)                                 |
| Arts Development Assistance       | 1,000                             | Can be in or out of the Borough   |
| Parish and Community Fund         | 100,000                           |   |
| Borough Improvements              | 50,000                            | £15k external funding   |
| Wall Fronts (Barwell)             | 9,300                             | 100% externally funded  |
| Shop Fronts (Barwell)             | 30,085                            | 100% externally funded  |
| Summer activities                 | 1,960                             | Contributions given to groups or parishes. In Parishes or Hinckley maximum payments were £100. Can be in and out of the Borough |
| One-off to Sport in Desford       | 5,000                             |   |

£219,335

Net cost to HBBC £164,950

Excludes

Home Improvement Grants

Private Sector Housing grants given to homeowners if they meet criteria

Councillor Crooks said he would ask supplementary questions of officers outside of the meeting.

b) Question asked by Councillor RG Allen and addressed to the Leader of Council

“Will the Leader please provide Members details of and key conclusions of the research undertaken by and on behalf of HBBC on the anticipated effects of footfall in Castle Street and Hinckley town centre, as a result of moving the council offices from Hinckley Town centre out to Hawley Road?”

Response from Councillor SL Bray

“It is important to set the context that there are many impacts on footfall in the town centre, of which this development is but one. There are a number of other developments, some involving this Council, but others also of a private nature.

The Town Centre Partnership, working with this Council, has installed footfall counters at various locations in the town over the last year and, whilst week by week monitoring is proving useful, longer term comparisons and projections can not be made on the information period over which data has been collected. This will be undertaken and analyses made as we build up our information base.

As Cllr Allen will be aware, the location of the Hub, at the south of the centre, is a balance to the developments already in place in the north west quarter of the town -the Atkins Building and the New College; both of which are fully anticipated to increase town centre footfall from that area. I will be happy to show longer term comparisons and projections, when we have more meaningful information to present.”

Councillor Allen asked when specific facts for such a significant project would be available and residents would be informed. In response the Leader felt that all facts had been available throughout the discussions.

- c) Question asked by Councillor PS Bessant and addressed to the Leader of Council

“Would the Leader please provide Members with an update on progress around securing appropriate and considerate redevelopment of the Council Offices site adjacent to the Argents Mead Park – whilst still achieving the £3 M capital receipt the Administrations Medium Term Financial strategy recent adopted?”

Response from Councillor SL Bray

“The procurement process agreed by Executive on 12 October 2011 has commenced. At the end of Stage One - inviting expressions of interest - three bids were received from potential developers. Stage Two of the process will commence imminently and all three bidders will be asked to prepare schematic proposals and submit financial offers.

The outcome of this process should be known by the end of June 2012 and will be reported to the next available Council.”

As a supplementary question, Councillor Bessant asked for reassurance that the proposals were still on track to meet the requirements of the Medium Term Financial Strategy and to achieve a £3m capital receipt. In response Councillor Bray stated that development on the site would be sympathetic and would expand on the current green space provision.

- d) Question asked by Councillor PS Bessant and addressed to the Executive Member for Housing

“Would the Housing Portfolio Holder please update Members on how many new Council Houses this authority will be adding to its stock in the next 10 years given the financial ‘headroom’ the HRA buyout now provides?”

Response from Councillor DS Cope

“Can I remind him of the answers given to both Scrutiny Commission and Council recently on the positive steps being taken to address this issue.

As Cllr Bessant is aware, HRA self financing provides an opportunity, never before available to council landlords, to positively invest in and develop their council house services for the benefit of current and future tenants. This Administration is embracing these new opportunities and from the 1 April 2012 we are able to drive our own priorities and make decisions which will impact for future generations.

The new arrangements offer a package of exciting opportunities relating to: increasing the amount of housing stock by new build, acquisitions and bringing empty homes into use, as well as improvements to our existing properties to raise our standards even higher than they are already. Whilst I would want to ensure that any adopted strategy is for the benefit of all tenants, present and future, it is important that we consult existing tenants as part of this process.

Now that the Council has agreed the overall structure for the debt repayment which secures the maximum headroom, work has begun to produce a strategy which will be underpinned by robust information, informed by tenant consultation and produce maximum value for money. As stated to both Scrutiny Commission and Council, a HRA Strategy and Business Plan will be presented to Members in June. Until that point, it would be purely speculative to put forward any figures, whilst that work is undertaken. I am sure that Cllr Bessant and all Members in this Chamber would want a strategy of this magnitude and impact to receive full and detailed consideration; which is what this Administration intends to do."

Councillor Bessant asked for a definite answer on the number of new council properties that would be built using the 'headroom' and the percentage of the headroom that would be taken up with improvements to existing housing stock. The Executive Member agreed to respond to him in writing.

e) Question asked by Councillor JS Moore and addressed to the Leader of Council

"The Council's letterheads bear the 'Fairtrade' logo and claim Hinckley and Bosworth is proud to be a Fairtrade Borough. Therefore, would the Leader detail in precise terms to what extent the Council's commitment to Fairtrade is reflected in terms of the drinks, snacks, refreshments, foods, wines, buffets, etc that are available on a regular basis in all of the Authority's premises (including the Mayor's Parlour) and at all events, receptions, etc organised by the Borough Council?"

Response from Councillor SL Bray

"As it happens, I have much of the information readily to hand, as Cllr Hulbert raised the same query last August. The response that was given then still applies. It was:

Committee Rooms 1 and 3 - Café Bar only dispenses Fairtrade Coffee, with optional Fairtrade sugar. The coffee that is available from the Café Bar in Committee Room 3 is Fairtrade coffee which is purchased in large tins, with the machine being replenished as required.

Committee Room 2 - Flavia Machine dispensing Rainforest Alliance tea and coffee. To ensure ethical goods are used, we did request that Flavia supply Rainforest Alliance as they do not currently supply Fairtrade. With the type of machine, we are unable to use alternative suppliers for the drinks sachets. This has been assessed recently, and was agreed that it was not economically viable to replace the machine at this stage with the imminent relocation to the Hinckley Hub. Fairtrade options are to be available when we move to the Hub.

There are three hot drink pay vend machines within the council offices and one at Middlefield Lane Depot, all of which have Fairtrade options for coffee, hot chocolate and tea. This is supplied by Selecta who replenish and maintain the machines.

In addition, it is a requirement in any contracts we have with outside caterers that they provide a specified amount of Fairtrade goods in any provision they make for Council events. Provision in the Mayor's Parlour is at the discretion of the Mayor in office in any specific year."

483 LEADER'S POSITION STATEMENT

The Leader in his position statement referred to the Secretary of State having approved the Compulsory Purchase Order on the bus station site, forthcoming celebrations for the Queen's Diamond Jubilee, the challenges presented in light of the localisation of business rates and Council Tax discount and work being undertaken with partners on the issue of Troubled Families.

484 MINUTES OF THE SCRUTINY COMMISSION

In presenting the minutes of the Scrutiny Commission meetings held on 30 January and 1 March 2012, Councillor Mr Hall highlighted the on-going review into Care of People with Dementia.

485 VALUE FOR MONEY REPORT

The Executive Member outlined recent successes and the value for money presented by Street Scene Services. Discussion ensued around the new commercial waste service which had been underway for nine months and how this could not be compared with the service provided by Blaby District Council as their service had been in place for many years. The year on year savings made within the service were commended and all managers and staff within the service area were thanked for their work. On the motion of Councillor Crooks, seconded by Councillor Bray it was

RESOLVED – the value for money of Street Scene Services and continued internal provision of refused, recycling, street cleansing and grounds maintenance to at least March 2018 be approved.

486 EQUALITY POLICY

In presenting this report the Executive Member provided the background to the development of the report and to the Single Equality Scheme and stated that the comments of the Scrutiny Commission had now been incorporated. It was moved by Councillor Witherford, seconded by Councillor Bray and

RESOLVED – the Partnership Single Equality Scheme be approved.

487 LOCALISM ACT - PREDETERMINATION

Council received a report which informed them of the coming into force of section 25 of the Localism Act 2011 relating to predetermination. In summarising the key issues, the Executive Member explained that having previously given a view on a matter did not show a 'closed mind' and therefore a Member could remain in a meeting and participate in discussion and voting on that matter. Members of the Planning Committee in particular welcomed this change and the difference it would make in being able to support the community. It was moved by Councillor Witherford, seconded by Councillor Bray and

RESOLVED – the report be noted.

488 LOCALISM ACT - STANDARDS

Members received a report which had been endorsed by the Standards Committee and sought to outline the changes to the system of regulation of standards of conduct for elected Members in local authorities. It was noted that contrary to early suggestions of the Coalition Government, a code of conduct would be mandatory and the local authority would still be responsible for determining complaints. It was however explained that a big difference was that there would no longer be Independent Members, but that 'Independent Persons' would need to be appointed. These would have an entirely different role to the former Independent Members and would act in an advisory role, but would not be Co-opted Members of the authority. In the new regime, a Standards Committee would not be essential as determining complaints would be a Council function which could then be delegated to a smaller Committee, which would have to be politically balanced. It was suggested that this should be entitled 'Ethical Governance Committee'.

Members expressed concern about having a politically balanced Committee to determine complaints but acknowledged that this was set out in the Act. Concern was also expressed about the appointment of Independent Persons and whilst generally in support of the suggestion to appoint a pool of Independent Persons across the Leicestershire districts, Members wished to have input into the final selection of those who would be the advisors for this authority.

It was proposed by Councillor Bray and seconded by Councillor Moore that a working group be set up to consider the process that this authority should follow and to select the Independent Persons. This amendment was agreed.

On the motion of Councillor Witherford, seconded by Councillor Bray it was

RESOLVED –

- (i) the changes made to the regime by the Localism Act be noted;
- (ii) the proposal to jointly recruit a pool of Independent Persons be agreed;
- (iii) a working group be set up to consider the process and select this authority's Independent Persons;
- (iv) a report on the draft Code of Conduct and Regulations be brought back to Council when available.

489 MEMBER DEVELOPMENT STRATEGY AND EAST MIDLANDS COUNCILLOR DEVELOPMENT CHARTER

The Executive Member presented a report which introduced the Member Development Strategy and gauged support for pursuing the East Midlands Councillor Development Charter. The level of Member involvement and support required was highlighted and it was suggested that the timescale for the current round of Development Needs Assessments be extended.

Members were in support of continuing work towards the Charter and acknowledged the work already undertaken by the Member Development Steering Group in monitoring and reviewing progress against the action plan.



On the motion of Councillor Witherford, seconded by Councillor Bray, it was

RESOLVED –

- (i) the timescale for the 2012 Development Needs Assessments be extended;
- (ii) the Member Development Strategy be approved;
- (iii) the Councillor Development Charter be pursued.

490 COMMUNITY GOVERNANCE REVIEW

Members were presented with the proposed terms of reference to be used in the Community Governance Review. On the motion of Councillor Bray, seconded by Councillor Witherford, it was

RESOLVED – the Community Governance Review and associated terms of reference be approved for publication.

491 COMMITMENT TO AND IMPLEMENTATION OF COMPACT LEICESTERSHIRE

Council was provided with the background to Compact Leicestershire and its development. It was moved by Councillor Bill, seconded by Councillor Bray and

RESOLVED – the adoption and implementation of Compact Leicestershire be supported.

492 MOTIONS RECEIVED IN ACCORDANCE WITH COUNCIL PROCEDURE RULES 13.1 AND 13.2

- (a) It was noted that this motion had been withdrawn.
- (b) Motion from Councillor Morrell

This Council notes the concerns of local people in a number of areas in the Borough in respect of the proposed development of wind farms in the vicinity of their homes, and the potential of such turbines to create low-frequency noise (infrasound) disturbance to residents along with a significant loss of amenity.

To this end, in order to protect local residents, this Council resolves that detailed planning policies be examined and adopted to ensure:

- i) Wind farm proposals should not be permitted if they would have a significant long term detrimental impact on the amenity of people living nearby;
- ii) A separation distance of at least 2km between wind turbines and residential properties.

Many Members expressed concerns with regards to wind turbines and farms and felt that the Planning Committee should be asked to consider putting policies in place. It was moved by Councillor Crooks and seconded by Councillor Lynch that the matter be referred to the Planning Committee. The AMENDMENT was subsequently agreed. It was

RESOLVED –

- (i) the motion be supported;
- (ii) Council amends the relevant policy statements to ensure that this is put into effect.

493 MATTERS FROM WHICH THE PUBLIC MAY BE EXCLUDED

On the motion of Councillor Nichols, seconded by Councillor Gould it was

RESOLVED – in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded from the following item of business on the grounds that it involves the disclosure of exempt information as defined in Paragraphs 3 and 10 of Part I of Schedule 12A of that Act

494 PROPOSED CONVERSION OF TOP FLOOR OF ATKINS BUILDING

A report was presented which sought approval for the conversion of the void open plan office space on the top floor of the Atkins Building into serviced office space. It was moved by Councillor Lynch, seconded by Councillor Bray and

RESOLVED – the investment of £60,000 be approved towards the refurbishment of the top floor to allow for the provision of an additional ten office units.

(The Meeting closed at 8.10 pm)

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MAYOR

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

15 MAY 2012 AT 6.30 PM

PRESENT: MR R MAYNE - MAYOR  
MR MB CARTWRIGHT – DEPUTY MAYOR

Mr JG Bannister, Mr PR Batty, Mr Bessant, Mr DC Bill, Mr CW Boothby, Mr SL Bray, Mrs R Camamile, Mrs T Chastney, Mr DS Cope, Mr WJ Crooks, Mr DM Gould, Mr PAS Hall, Mrs WA Hall, Mrs L Hodgkins, Mr MS Hulbert, Mr DW Inman, Mr C Ladkin, Mr MR Lay, Mr KWP Lynch, Mr JS Moore, Mr K Morrell, Mr MT Mullaney, Mr K Nichols, Mrs J Richards, Mrs H Smith, Mrs S Sprason, Miss DM Taylor, Mr R Ward and Ms BM Witherford

Officers in attendance: Steve Atkinson, Michael Brymer, Bill Cullen, Louisa Horton, Julie Kenny, Sanjiv Kohli, Rebecca Owen, Emma Page, Rob Parkinson and Sharon Stacey

1 PRAYER

Prayer was offered by Canon David Jennings and Reverend Andrew Murphy.

2 ELECTION OF MAYOR

On the motion of Cllr Bray, seconded by Cllr Crooks and with 17 votes FOR the motion, none against and members of the Conservative group abstaining from voting it was

RESOLVED – Cllr Cartwright be elected Mayor for the ensuing Municipal year.

Cllr Cartwright made the requisite declaration of acceptance of office and the retiring Mayor invested him with the Chain of Office.

The Mayor, Cllr Cartwright, took the chair at this juncture.

In addressing the meeting, Cllr Cartwright announced that Reverend Louise Corke and Reverend John Whittaker had agreed to be his Chaplains and he presented to the meeting his Air and Sea Cadets. He indicated that he would be supporting eight charities during his Mayoral year, namely the People's Dispensary for Sick Animals, Hearing Dogs for Deaf People, Dogs for the Disabled, Cats Protection League, Macmillan Nurses, Neonatal Care at Leicester Royal Infirmary, the British Heart Foundation and Leicester Children's Holiday Homes (Mablethorpe).

It was then moved by Cllr Inman, seconded by Cllr Bill and following tributes from Cllr Bessant and Cllr Lay was

RESOLVED – a vote of thanks be accorded to Cllr Mayne for service during his term of office as Mayor.

Cllr Mayne then thanked his Chaplains, his Cadet and the Mayor's Secretary for their support. He presented his Cadet with a medal and also presented his Consort's medal. The Mayor then presented Cllr Mayne with his Past Mayor's Medal.

3 APPOINTMENT OF DEPUTY MAYOR

On the motion of Cllr Bannister, seconded by Cllr Nichols, it was unanimously

RESOLVED – Cllr Hodgkins be appointed Deputy Mayor for the ensuing Municipal year.

Cllr Hodgkins then made the requisite declaration of acceptance of office and the Mayor invested her with her Chain of Office.

4 PRESENTATION OF LEADER'S MEDAL

Cllr Bray presented the Leader's Medal to Mrs Mayne, former Mayoress.

5 PRESENTATION OF LONG SERVICE AWARD

Cllr Bray presented a long service award to Cllr Crooks for serving 25 years as a councillor.

6 APOLOGIES

Apologies were submitted on behalf of Councillors Allen, O'Shea and Sutton.

7 DECLARATIONS OF INTEREST

No interests were declared at this stage.

8 MEMBERSHIP OF THE EXECUTIVE AND AREAS OF RESPONSIBILITY

Cllr Bray announced that the Executive and their areas of responsibility would be:

- |                 |   |  |
|-----------------|---|--|
| Cllr Bray       | - | Leader of the Council & Chairman of the Executive<br>Executive Member for Communications, Strategic Leadership,<br>Regeneration, Planning, Major Capital Projects. |
| Cllr Bill       | - | Deputy Leader of the Council & Vice-Chairman of the Executive<br>Executive Member for Community Safety & Partnerships  |
| Cllr Cope       | - | Executive Member for Culture & Leisure   |
| Cllr Crooks     | - | Executive Member for Neighbourhood Services  |
| Cllr Gould      | - | Executive Member for Environment, Health & Climate Change  |
| Cllr Lynch      | - | Executive Member for Finance, ICT & Asset Management   |
| Cllr Mullaney   | - | Executive Member for Housing   |
| Cllr Witherford | - | Executive Member for Corporate Services, Equalities & Member<br>Services.  |

9 CHAIRMANSHIP AND MEMBERSHIP OF COMMITTEES

It was moved by Cllr Bray, seconded by Cllr Bill and

RESOLVED – the membership of the undermentioned committees be approved as follows:-

(a) Planning Committee

Cllr R Mayne (Chairman); Cllr DM Taylor (Vice-Chairman); Cllr RG Allen; Cllr JG Bannister; Cllr PR Batty; Cllr CW Boothby; Cllr T Chastney; Cllr WJ Crooks; Cllr A Hall; Cllr L Hodgkins; Cllr M Hulbert; Cllr KWP Lynch; Cllr J Moore; Cllr LJP O'Shea; Cllr BE Sutton; Cllr R Ward; Cllr BM Witherford.

(b) Scrutiny Commission

Cllr MR Lay (Chairman); Cllr P Hall (Vice-Chairman); Cllr C Ladkin (Vice-Chairman); Cllr PR Batty; Cllr PS Bessant; Cllr A Hall; Cllr Hodgkins; Cllr M Hulbert; Cllr DW Inman; Cllr K Morrell; Cllr K Nichols; Cllr S Sprason.

(c) Standards Committee

Cllr A Hall; Cllr DW Inman; Cllr LJP O'Shea.  
Mr MD Clarricoats, Mr C Headley, Mr ABG Stokes (independent members); Mrs D Finney, Mr M Fryer, Mr DA Reid (parish council representatives).

(d) Hinckley Area Committee

Cllr JG Bannister (Chairman), Cllr L Hodgkins (Vice-Chairman), Cllr DC Bill, Cllr SL Bray, Cllr DS Cope, Cllr KWP Lynch, Cllr MT Mullaney, Cllr K Nichols, Cllr DM Taylor and Cllr BM Witherford.

(e) Licensing Committee

Cllr K Nichols (Chairman); Cllr M Hulbert (Vice-Chairman); Cllr PR Batty; Cllr SL Bray; Cllr MB Cartwright; Cllr DM Gould, Cllr MT Mullaney; Cllr LJP O'Shea; Cllr J Richards; Cllr H Smith; Cllr S Sprason.

(f) Licensing (Regulatory) Committee

Cllr K Nichols (Chairman); Cllr M Hulbert (Vice-Chairman); Cllr PR Batty; Cllr SL Bray; Cllr MB Cartwright; Cllr DM Gould, Cllr MT Mullaney; Cllr LJP O'Shea; Cllr J Richards; Cllr H Smith; Cllr S Sprason.

(g) Personnel Committee

Cllr MB Cartwright (Chairman); Cllr BM Witherford (Vice-Chairman); Cllr DC Bill; Cllr R Camamile; Cllr KWP Lynch; Cllr K Morrell; Cllr LJP O'Shea.

(h) Finance, Audit & Performance Committee

Cllr P Hall (Chairman); Cllr DM Taylor(Vice-Chairman); Cllr JG Bannister; Cllr R Camamile; Cllr R Mayne; Cllr J Moore; Cllr K Morrell.

10 APPEALS PANEL

It was moved by Cllr Bray, seconded by Cllr Bill and

RESOLVED – the following be appointed to a pool from which panels of at least three members will be drawn as and when required to determine appeals:-

Cllr DW Inman (Chairman); Cllr A Hall (Vice-Chairman); Cllr JG Bannister; Cllr CW Boothby; Cllr SL Bray; Cllr T Chastney; Cllr PAS Hall; Cllr L Hodgkins; Cllr K Morrell; Cllr LJP O'Shea; Cllr S Sprason; Cllr BM Witherford.

11 LOCAL JOINT AND SAFETY PANEL

It was moved by Cllr Bray, seconded by Cllr Bill and

RESOLVED – the employer's representatives on the Local Joint and Safety Panel be approved as:-

Cllr DC Bill; Cllr L Hodgkins; Cllr MR Lay; Cllr R Ward; Cllr BM Witherford.

12 OUTSIDE BODIES

It was proposed by Cllr Bray, seconded by Cllr Bill and

RESOLVED - the following be appointed as the Council's representatives on the bodies indicated:

- (1) Bradgate Landfill Liaison Committee (2)  
Cllr MB Cartwright, Cllr S Sprason
- (2) Care and Repair (West Leicestershire) Ltd. Management Committee  
Cllr DS Cope
- (3) Caterpillar Logistics Limited - Liaison Committee  
Cllr MB Cartwright
- (4) Charnwood Forest Steering Group  
Cllr MB Cartwright
- (5) Cliffe Hill Quarry Liaison Committee (2)  
Cllr MR Lay, Cllr S Sprason
- (6) Community Action Hinckley & Bosworth (2)  
Cllr R Mayne, Cllr BM Witherford
- (7) Community Safety Partnership (2)  
Cllr DC Bill, Cllr DW Inman

- (8) Desford Brickworks Liaison Committee  
Cllr BE Sutton
- (9) East Midlands Councils  
Cllr DC Bill (Cllr SL Bray substitute)
- (10) Groby Quarry Liaison Committee  
Cllr MB Cartwright
- (11) Hinckley and Bosworth Local Strategic Partnership  
Cllr DC Bill
- (12) Hinckley Citizens' Advice Bureau Trustee Board (2)  
Cllr L Hodgkins, Cllr MS Hulbert
- (13) Hinckley-Herford Town Twinning Association  
Cllr WA Hall
- (14) Hinckley Highways Forum (9)  
Cllr RG Allen, Cllr WJ Crooks, Cllr DM Gould, Cllr PAS Hall, Cllr DW Inman,  
Cllr MR Lay, Cllr K Morrell, Cllr BE Sutton and Cllr BM Witherford.  
Substitutes (9):  
Cllr PS Bessant (for Cllr Allen), Cllr MB Cartwright (for Cllr Crooks), Cllr MS  
Hulbert (for Cllr Gould), Cllr K Nichols (for Cllr PAS Hall), Cllr R Mayne (for  
Cllr Inman), Cllr J Moore (for Cllr Morrell), Cllr R Ward (for Cllr Sutton), Cllr  
DS Cope (for Cllr Witherford).
- (15) Hinckley Shopmobility  
Cllr DW Inman
- (16) Hinckley Theatre Management Committee  
Cllr JG Bannister
- (17) Leicestershire Rural Partnership Membership Group  
Cllr WJ Crooks
- (18) Leicestershire and Rutland Playing Fields Association  
Cllr R Mayne
- (19) Local Government Association General Assembly  
Cllr SL Bray (Cllr DC Bill substitute)
- (20) Local Government Association Rural Commission  
Cllr WJ Crooks
- (21) Local Government Association Urban Commission  
Cllr DC Bill
- (22) MIRA Community Liaison Group  
Cllr BE Sutton
- (23) Next Generation (3)  
Cllr DC Bill, Cllr KWP Lynch, Cllr H Smith

- (24) Orbit Housing Management Committee (2)  
Cllr WJ Crooks, Cllr K Morrell
- (25) Police & Crime Panel (1)  
Cllr DC Bill
- (26) Stepping Stones Countryside Management Project Members' Steering  
Group (2)  
Cllr MB Cartwright, Cllr WJ Crooks
- (27) West Leicestershire Mind  
Cllr DW Inman

(The Meeting closed at 7.29 pm)

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MAYOR



# Agenda Item 9

## HINCKLEY AND BOSWORTH BOROUGH COUNCIL

### SCRUTINY COMMISSION

13 MARCH 2012 AT 6.00 PM

PRESENT: Mr MR Lay - Chairman  
Mr PAS Hall and Mr C Ladkin – Vice-Chairman

Mr PR Batty, Mr Bessant, Mrs WA Hall, Mrs L Hodgkins, Mr K Morrell, Mr K Nichols and Miss DM Taylor

Also in attendance: Councillor JG Bannister, Councillor Mrs R Camamile, Councillor DS Cope, Councillor DM Gould, Councillor KWP Lynch, Councillor JS Moore, Councillor Mrs J Richards, Councillor BE Sutton, Councillor R Ward and Councillor Ms BM Witherford.

Ann Harris of the Tenants Advisory Panel and Steve Partridge from CIH Consulting were also in attendance.

Officers in attendance: Steve Atkinson, Cadel Blunt, David Bunker, Louisa Horton, Sanjiv Kohli, Tim Oglesby, Rebecca Owen and Sharon Stacey

#### 433 APOLOGIES AND SUBSTITUTIONS

Apologies were submitted on behalf of Councillors Inman and Sprason, with Councillor Moore substituting for Councillor Sprason in accordance with Council Procedure Rule 4.1.

#### 434 DECLARATIONS OF INTEREST

No interests were declared at this stage.

#### 435 HRA SUBSIDY

Members received a presentation from Steve Partridge regarding the HRA subsidy buyout and possible options for borrowing and repayment. The Deputy Chief Executive (Corporate Direction) then provided a document showing five different options.

Each option was explained. It was suggested that the debt be structured so there is both long and short term borrowing, with the long term borrowing fixed for a 30 year period with no repayments until year 14/15.

During discussion the following points were raised:

- The option of building more houses would be explored but the costs may not be recoverable within a reasonable period, particularly if the land costs are also taken into account.
- The possibility of acquiring housing stock from developers as part of Section 106 agreements would be explored.
- Options for council to deliver new housing would be the subject of a future report.
- The third option presented to Members provided the most flexibility.
- The wish to see much of the housing provided in the SUEs as Council housing rather than owned by a housing association.
- The need to keep current housing up to date and to implement necessary improvements.

Members asked that any updated information be sent to them as soon as it became available.

RECOMMENDED -

1. That the Executive adopts a debt repayment structure for the buyout of HRA subsidy that gives maximum flexibility and headroom: from the options presented, that was the model commencing repayment in year 15, as that option currently maximises the potential for the council to increase its stock capacity over time (new build and acquisitions), as well as improving the quality of the existing stock within 30 years overall debt repayment period.
2. That detailed recommendations on the use of the headroom generated be conceived during 2012, as part of the development of the long term business plan and investment strategy on the use of available funding.
3. That council confirms the change to the funding structure at its next scheduled meeting.

Councillors Bannister, Bessant, Camamile, Cope, Gould, Ladkin, Lynch, Richards and Taylor left the meeting after the conclusion of this item.

436 SINGLE EQUALITY POLICY

Members received the Single Equality Policy prior to the report being considered by Council following the request that such matters be considered first by the Scrutiny Commission. It was explained that under the Equalities Act 2010 a local authority had a duty to publish its commitment to equalities. It was not essential to have a policy such as the one presented, but it had been felt that this was the most transparent way of providing the information and had been created in partnership with neighbouring authorities.

In response to a Member's question it was noted that the equality duty applied to all local authorities including parish councils which meant that they had to publish their intent to meet the duties. It was agreed that parishes could use the document presented as a model.

A Member expressed concern about being unable to capture the true numbers of employees with a disability. It was reiterated that a 'prefer not to say' option had to be included, and it was agreed that this could be made clear in the policy.

Councillor Ward left the meeting at 8.37pm.

RESOLVED –

- (i) the report be noted;
- (ii) parish councils be made aware of the duty and offered a model policy.

(The Meeting closed at 8.40 pm)

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CHAIRMAN



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HINCKLEY AND BOSWORTH BOROUGH COUNCIL

SCRUTINY COMMISSION

19 APRIL 2012 AT 6.30 PM

PRESENT: Mr MR Lay - Chairman  
Mr PAS Hall and Mr C Ladkin – Vice-Chairman

Mr PR Batty, Mrs WA Hall, Mrs L Hodgkins, Mr DW Inman, Mr JS Moore (for Mr Bessant), Mr K Morrell, Mr K Nichols, Mrs S Sprason and Miss DM Taylor

Also in attendance: Councillor DC Bill MBE

Officers in attendance: Bill Cullen, Louisa Horton, Rebecca Owen, Paul Scragg, Sharon Stacey, Clive Taylor and Simon Wood

500 CHAIRMAN

Due to the late arrival of the Chairman, it was agreed that Councillor Mr Hall, as Vice-Chairman, take the chair for the first part of the meeting.

501 APOLOGIES AND SUBSTITUTIONS

Apologies were submitted on behalf of Councillor Bessant with the substitution of Councillor Moore authorised in accordance with Council Procedure Rule 4.1.

502 MINUTES

RESOLVED – the minutes of the meeting held on 1 March 2012 were confirmed and signed by the Chairman.

503 DECLARATIONS OF INTEREST

Councillors Batty, Moore and Morrell declared a personal interest in item 10 – Parish and Community Initiative Fund, as Members of Parish Councils that had submitted requests for funding.

504 CARE FOR PEOPLE SUFFERING WITH DEMENTIA

Councillor Ladkin arrived at 6.46pm.

Jim Bosworth, Jane Forbes, Jane Thorpe and Pamela Wills were in attendance to speak and answer questions about their experience either working with or caring for people with dementia. During discussion the following key points were raised:

- The need for GPs to have a greater understanding of and ability to identify (but not diagnose) dementia;
- Support for respite care was currently in the planning phase;
- Numbers of people with dementia were increasing – partly due to the ageing population and partly due to a greater awareness of and ability to diagnose early onset dementia;
- The need to raise awareness of dementia amongst particular age groups to enable spouses to identify if a problem may exist in order to receive support at an earlier stage.

The witnesses were thanked for their attendance and valuable input into the review.

505 HIGHWAYS

Councillor Lay, having arrived at 7.15pm, took the chair at this juncture.

Paul Sheard and Kingsley Cook from Leicestershire County Council's Highways department attended the meeting at the request of the Commission. Members asked questions regarding the role as statutory consultee on planning applications, data and information on which they based their recommendations, policies regarding applications for development in rural areas, transport modelling regarding the SUEs, and cycling and pedestrian links. During discussion the following points were clarified by the attendees:

- Recommendations of the Highways team on a planning application may be amended as a result of discussion with a developer or the developer agreeing to undertake works as a result of the original recommendation that the application be refused on highways grounds;
- New developments in rural areas and villages may be recommended for refusal on highways grounds due to the lack of transport links. This had become more important with an ageing population as public transport would be required for those who were no longer able to drive;
- The SUEs were supported on the basis of good transport, pedestrian and cycle links;
- Transport modelling for the future was based on the assumption of the cost of public transport increasing and the trend towards using cars.

Mr Cook and Mr Sheard suggested that it may be useful for them to attend a meeting of the Planning Committee to explain their policies. They also acknowledged the need to explain their views more clearly when providing a response to a planning application.

The representatives were thanked for their attendance and for their comprehensive answers to the questions.

506 COMMUNITY SAFETY 6 MONTH UPDATE

Inspector Rich Ward attended the meeting to update on crime statistics along with the relevant Chief Officer who presented partnership information and updates. It was noted that there had been a decrease in crime and that the use of Facebook had also been beneficial in disseminating information which had led to arrests.

Concern was expressed regarding the rumour that community policing was under threat due to reduction in funding for PCSOs. In response Inspector Ward explained that they were reviewing delivery but rather than reducing the number of PCSOs, due to the success of the scheme they planned to increase the presence of PCSOs and expand their remit to deal with non-emergency offences.

Members also expressed concern that the working relationship amongst the partners may be impacted by the election of Police & Crime Commissioners and asked that it be made clear that the success in reducing crime locally was due to the work of the partnership.

Thanks were extended to Inspector Ward, the Police, the Chief Officer, team and partners for their work.

507 POLICE AND CRIME COMMISSIONERS, PCC ELECTIONS AND THE POLICE AND CRIME PANEL

Members received a report which informed them of the elections for Police & Crime Commissioners and the proposed panels which would follow the election. The most crucial point to note was the voting system to be used.

Following on from discussion on the previous item, Members were concerned that the new Police & Crime Commissioner may wish to move away from the current partnership arrangement. It was also suggested that the representative for this area may be from a different part of the county and may not have an awareness of the needs of each area and as a result resources may be mis-directed.

It was agreed that any new information received would be brought back to the Commission.

#### 508 PARISH AND COMMUNITY INITIATIVE FUND

The Scrutiny Commission was presented with a report which outlined changes to the way applications for funding were judged following a recent consultation exercise and included recommendations for the allocation of the fund.

Members were presented with a revised report and appendix following comments received on the original.

At this juncture Councillors Lay and Sprason declared a personal interest in the item as applications had been submitted by their Parish Council.

Councillor Ladkin left the meeting at 9.24pm.

A Member expressed concern with regard to a particular application and officers agreed to look again and ensure the information received was valid.

#### 509 EXTENSION OF MEETING

Having reached 9.28pm, in accordance with Council Procedure Rule 9 it was

RESOLVED – the meeting be allowed to continue to consider all business on the agenda.

#### 510 WIND TURBINE POLICY POSITION

A report had been prepared following the request of the Commission to consider the policy position regarding wind turbines. It was suggested that this had now been superseded by the motion to Council on 17 April 2012 which referred the matter to the Planning Committee. It was agreed that the matter be brought back to the Commission following consideration by the Planning Committee.

Members were reassured that the stance of the NPPF with regard to wind turbines was similar to our saved policy so whilst there was a clear need to give consideration to the matter, the need wasn't urgent as there were policies in place.

RESOLVED – a report on wind turbines be brought back to the Commission following consideration by the Planning Committee.

#### 511 S106 CONTRIBUTIONS

A regular report on developer contributions was presented to the Commission and whilst concern was expressed that there were some large amounts which had not been claimed it was acknowledged that it was often drawn down at the last minute.

In response to a Member's query, it was agreed that a spreadsheet showing to whom sums were due would be sent to Members and that this would also be included in future reports.

512 PLANNING APPEAL DECISIONS

The Commission was presented with a regular update on planning appeal decisions. It was

RESOLVED – the report be noted.

513 SCRUTINY COMMISSION WORK PROGRAMME 2011-12

Some Members questioned the reason for calling an additional meeting on 26 April to receive a presentation on the NPPF. In response it was stated that, whilst it was a planning issue, it was within the remit of the Scrutiny Commission to request and receive information on such subjects of public and general interest and that all Members were invited. It was suggested that the matter should also be presented to the Planning Committee.

514 DATES OF MEETINGS 2012/13

Members were reminded that at Council on 23 February it was agreed that the Scrutiny Commission would be asked to consider and agree dates for its meetings in June/July/August. It was noted that these would be held on 28 June and 23 August.

515 FORWARD PLAN OF EXECUTIVE AND COUNCIL DECISIONS

The following items were requested to come to the Scrutiny Commission prior to a decision being made by the Executive or Council:

- Discounted open market properties;
- Green Wedge policy;
- Barwell & Earl Shilton Area Action Plan;
- Argents Mead;
- Leisure Centre.

(The Meeting closed at 9.58 pm)

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CHAIRMAN



HINCKLEY AND BOSWORTH BOROUGH COUNCIL

SCRUTINY COMMISSION

26 APRIL 2012 AT 6.30 PM

PRESENT: Mr MR Lay - Chairman  
Mr PAS Hall – Vice-Chairman

Mr PR Batty, Mr MB Cartwright (for Miss DM Taylor), Mrs WA Hall, Mrs L Hodgkins, Mr DW Inman, Mr K Morrell and Mr K Nichols

Also in attendance: Councillor JG Bannister, Councillor CW Boothby, Councillor WJ Crooks, Councillor JS Moore and Councillor BE Sutton

Officers in attendance: Steve Atkinson, Bill Cullen, Louisa Horton, Sanjiv Kohli and Simon Wood

516 APOLOGIES AND SUBSTITUTIONS

Apologies were submitted on behalf of Councillor Ladkin and Councillor Taylor, with Councillor Cartwright substituting for Councillor Taylor in accordance with Council Procedure Rule 4.1.

517 MINUTES

It was

RESOLVED – the minutes of the meeting held on 13 March 2012 be approved and signed by the Chairman.

518 DECLARATIONS OF INTEREST

No interests were declared at this juncture.

519 NATIONAL PLANNING POLICY FRAMEWORK (NPPF)

The Head of Planning gave a presentation on the NPPF and it was reiterated that the tone of the document was set by Greg Clarke in the foreword.

Subsequent to the presentation, the following was discussed:

- Neighbourhood Plans – how much weight they carried and how they should be developed. The possibility of using the Parish & Community Initiative Fund to enable parishes to develop plans was suggested, however it was reported that the Big Lottery had been cited as a source of funding;
- Developer contributions in relation to windfall sites – particularly with regard to education and Academy schools;
- The importance of having a five year land supply in order to help protect rural areas, as development was likely to be approved unless it could be proven as unsustainable;
- The need for Members to be able to understand the formulas for calculating the housing requirements in the Borough as a whole and in villages;
- The large number of empty properties in the Borough which should be brought back into use before building new housing. In response it was stated that receipt of a Government grant by HBBC would help to tackle empty homes;

- The suggestion in the NPPF with regard to enforcement that Local Planning Authorities should act 'proportionately' and the risk that this imposed to communities. In response, Members were assured that a soft approach would not be taken.

Councillor Batty left the meeting at 7.28pm.

Members felt that a cross party working group should be set up to look at policies in light of the NPPF. It was agreed that this would be pursued.

(The Meeting closed at 8.05 pm)

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CHAIRMAN

**COUNCIL – 19 JUNE 2012**

**SUPPORTING NEW HOUSING INITIATIVES AND OPPORTUNITIES**  
**REPORT OF DEPUTY CHIEF EXECUTIVE (COMMUNITY DIRECTION)**



**WARDS AFFECTED: ALL WARDS**

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1. **PURPOSE OF REPORT**

To advise Members of a range of exciting opportunities and initiatives for improving services and supporting the provision of new and improved affordable housing in the Borough.

2. **RECOMMENDATION**

The Council:

- a) Approves the Council Housing Investment Strategy and Business Plan summarised in Section 4 of the report and detailed in Appendix 1.
- b) Note and endorse the information summarised in Section 5 and detailed in Appendix 2 regarding the affordable rent evidence base.
- c) Approve the Council's approach (as recommended by Planning Committee) to the negotiations on affordable rent products with developers summarised in Section 5 and detailed in Appendix 3 of this report.
- d) Support the principles of the Council's affordable housing delivery plan summarised in Section 6 in this report and detailed in Appendix 4.
- e) Welcome and acknowledge the achievement of the private sector housing team in securing an Empty Property Grant award of £522,120 by the Homes and Communities Agency and agree a supplementary expenditure and income budget for this amount summarised in Section 7(detailed in Appendix 5).
- f) Acknowledge the work undertaken by the Housing Options team to prevent homelessness, which has contributed to the award of a grant for £50,015 for the prevention of homelessness due to mortgage arrears and agree a supplementary income and expenditure budget for this amount as summarised in Section 8 (detailed in Appendix 6).

3. **BACKGROUND TO THE REPORT**

3.1 The Council's overarching Housing Strategy, adopted in 2010, sets out the key housing priorities for the Council. These are:

- Better balanced housing markets
- Improved housing conditions and
- Community cohesion.

3.2 Unlike any time in the recent past the council has an opportunity to positively drive forward housing initiatives which will impact on these priorities. These opportunities have arisen through a number of legislative changes and also through the performance of Officers within the housing service, who have accessed funding streams to enable proactive work to take place.

- 3.3 The Localism Act introduced a new regime for stock retaining authorities to fund their council housing. The National Planning Policy Framework and Affordable Homes Programme 2011-15 introduced a new affordable housing product called an affordable rent property. Alongside these changes, Officers took advantage of a bidding opportunity to the Homes and Community Agency for funding to develop our work around empty homes in the private sector and the performance of the Housing Options Team resulted in an additional award of funding to prevent homelessness due to mortgage arrears. In addition, the council's ambition to be a provider of affordable housing has been developed through considering imaginative ways to use commuted sums.
- 3.4 This report provides details on a number of these initiatives:
- Council Housing Investment Strategy and Business Plan.
  - Affordable rent evidence base and affordable rent policy.
  - Affordable housing delivery plan.
  - Empty property grant award
  - Homelessness grant award.
- 3.5 There are clear overlaps between a number of these initiatives, not least with the opportunities for the council to increase the supply of affordable housing through new build and acquisition, supported by HRA self financing and the use of commuted sums and the work around bringing empty properties back into use.
- 3.5 A summary for each initiative is provided below, with full details contained in the attached appendices. A flow chart is included in Appendix 7 illustrating how these fit with the Housing Strategy priorities.
- 3.6 At the Scrutiny Commission meeting on the 24<sup>th</sup> May 2012, the report was discussed in detail. A number of recommendations were made which will all be incorporated into the work streams associated with the individual pieces of work.

#### **4. COUNCIL HOUSING INVESTMENT STRATEGY AND BUSINESS PLAN**

- 4.1 The Localism Act introduced a new funding regime for council housing, allowing landlords to retain the rents received from their tenants and to plan for investment into the future. The opportunities afforded by self financing have not been available to council landlords before and present a platform for the council housing service to positively contribute to the corporate objectives of the council, and to make a real difference to the lives of people within our communities.
- 4.2 The Council Housing Investment Strategy and Business Plan (Appendix 1) sets out the key aims for the council housing service:
- Continue to invest in existing stock to maintain good quality homes.
  - Invest in new build schemes/acquire affordable housing to increase the amount of affordable housing available to meet housing need.
  - Refurbishment/regeneration of stock which no longer meets needs.
  - Environmental improvements to estates to ensure they are clean and safe.
  - Invest in service delivery.
  - Develop and maintain effective engagement with tenants.
- 4.4 The plan covers the medium term and will be refreshed annually. Key pieces of work during 2012/13 will inform the refresh in 2013/14, including:
- Validating our stock condition information.
  - Completing viability studies of sheltered schemes.

- Consult with tenants on their priorities for the future investment in the housing stock and the opportunities afforded by self financing.
  - Undertake service reviews to identify whether pressures on delivery are appropriately resourced.
- 4.5 Once this work has been completed members will be in a position to make decisions on the future investment priorities of the service.

## **5 AFFORDABLE RENT EVIDENCE BASE AND AFFORDABLE RENT POLICY**

- 5.1 The affordable rent product was introduced as part of the Affordable Homes Programme 2011 – 15. It allows Registered Providers to charge up to 80% of the market rent in an area on both new build, and in some instances, conversion of existing properties.
- 5.2 In order to inform the council's approach to affordable rent products when negotiating with developers, work was commissioned, along with four other District councils in Leicestershire to examine the evidence base and recommend a suitable mix of rented properties for new affordable housing developments (Appendix 2).
- 5.3 Following on from the evidence base, the recommended approach to the negotiation of affordable rent within a housing development will be on a site by site basis, taking into account:
- i. The non-discretionary use of affordable rent where grant under the Affordable Homes Programme 2011 – 15 is part of the financial package on site;
  - ii. the need for affordable rent set out in the evidence base from the project to establish the need for affordable rent ;
  - iii. the contribution affordable rent makes to increasing the viability of a site;
  - iv. The requirement for Registered Providers to meet the agreed package of affordable rent units in their contract with the Homes and Communities Agency.

Full detail on this approach can be found in Appendix 3.

## **6. AFFORDABLE HOUSING DELIVERY PLAN**

- 6.1 The council has ambitions to build on its recent success of becoming a developer of affordable housing and increasing its stock of properties. This ambition links with the opportunities afforded by HRA Self Financing to increase affordable housing either through new build or through acquisition, and with the development of a private sector leasing scheme (see section 7).
- 6.2 The report in Appendix 4 details the council's approach to the use of commuted sums to maximize the number of affordable properties provided, including the legal basis for the use of commuted sums. The priority for the use of commuted sums is recommended to be:
- Investing in regeneration.
  - Contributing to new build schemes.
  - Purchase of affordable housing on section 106 sites.
- 6.3 The council will contribute to increasing affordable housing in the Borough by:
- Building new affordable homes.
  - Setting up a private sector leasing scheme.
  - Use of Council owned sites to develop affordable homes at nil land value.
  - Working with development partners to acquire stock on section 106 sites.

## 7. **EMPTY HOMES GRANT**

- 7.1 There are currently 1324 empty residential properties within Hinckley and Bosworth, of which 391 are classed as long term empty properties. These properties cause a blight for local neighbourhoods and are a wasted resource in terms of meeting housing needs.
- 7.2 An opportunity became available through the Homes and Communities Agency to bid for funding for work around Empty homes. Officers were successful in securing £522,120 to bring 40 long term empty homes into use over the 3 year period of the funding. Details of this can be found in Appendix 5.
- 7.3 The funding will allow for the set up of a Private Sector Leasing scheme which will assist with the opportunity for the acquisition of properties for affordable housing supported through HRA self financing and the use of commuted sums detailed above.

## 8 **HOMELESS GRANT FOR THE PREVENTION OF HOMELESSNESS DUE TO MORTGAGE ARREARS**

- 8.1 The Council's Housing Option's team has seen an increase of 180% (415 – 1,162 cases) in people approaching for housing advice and assistance between 2004/05 to 2011/12. A key part of the Housing Options service is to prevent homelessness whenever possible. The team has been extremely successful in this, exceeding the target for the number of cases of homelessness prevented in 2011/12 by 114, with 606 cases prevented.
- 8.2 The council has been awarded a grant of £50,015 from the government for the prevention of homelessness caused by mortgage arrears. The award of the grant is an acknowledgment of the difficulties being faced by households in the current economic climate and is linked to the performance of the team in preventing mortgage arrears repossessions – the council were awarded a higher grant than any other authority in the county of Leicestershire.
- 8.3 See Appendix 6 for further details.

## 9. **FINANCIAL IMPLICATIONS (CB)**

The financial implications for the majority of this report are contained within Appendices 2 to 6.

With regard to the Council Housing Investment Strategy and Business Plan 2012 – 2017 detailed in appendix 1, the financial information contained within the plan has been compiled by CIH Consultancy. This has been based in part on the financial plan already calculated for the HRA Subsidy Buyout exercise which was approved at Council on the 23<sup>rd</sup> February 2012. The business plan ensures that the Council's policy of a minimum HRA balance of £600,000 is maintained over its duration.

## 10. **LEGAL IMPLICATIONS (AB)**

- 10.1 Part 7 Chapter 3 of the Localism Act 2011 provides the legislative background for the changes to Housing Finance detailed in this report by the abolition of the Housing Revenue Account Subsidy.
- 10.2 Appendices 2-6 are discrete reports dealing with The Affordable Rent Evidence Base, Affordable Rent, The Affordable Housing Delivery Plan, the Empty Property Grant and Homelessness Grant Allocation respectively and each report has separate legal implications.

11. **CORPORATE PLAN IMPLICATIONS**

Contributes to decent, well managed and affordable homes, safe and healthier Borough, strong and distinctive communities, cleaner and greener neighbourhoods and thriving economy.

12. **CONSULTATION**

Consultation undertaken with individual reports contained in the appendices.

TAP have been consulted on the Council Investment Strategy and Business Plan Priorities within the plan will be consulted on during 2012/13.

13. **RISK IMPLICATIONS**

Individual risks contained in the appendices.

14. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

Individual implications contained in the appendices.

HRA Investment Strategy and Business Plan impacts on all communities, including rural in a positive way and supports more vulnerable members of the community who are in housing need.

15. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

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Background papers:

Contact Officer: Sharon Stacey/Valerie Bunting.  
Executive Member: Councillors David Cope and Stuart Bray

# Appendix 1

## Hinckley and Bosworth Borough Council Council Housing Investment Strategy and Business Plan 2012 - 2017

### 1. Introduction

1.1 The Council's overarching Housing Strategy adopted in 2010, sets out the housing priorities which support the corporate aims of:

- Cleaner and greener neighbourhoods
- Thriving economy
- Safer and healthier neighbourhoods
- Strong and distinctive communities
- Decent well managed affordable housing

The Housing Strategy priorities are:

- Better balanced housing markets;
- Improved housing conditions: and
- Community cohesion.

1.2 This Council Housing Investment Strategy and Business Plan supports these priorities and embraces the new era for Council housing. This will be a plan for investment, with Council housing becoming centre stage for the Council in helping us to deliver our vision to make Hinckley and Bosworth 'A Borough to be proud of'. This Strategy provides the context and direction for future Council investment in improving and developing its housing stock and neighbourhoods. This will be further shaped and informed by initiatives such as validating the house condition information and consultation with tenants and stakeholders over the next year. This plan covers the medium term and will be refreshed annually.

The key aims of the Strategy are:-

- Continue to invest in existing stock to maintain good quality homes
- Invest in new build schemes/acquire affordable housing to increase the amount of affordable housing available.
- Refurbishment/regeneration of stock which no longer meets needs.
- Environmental improvements to estates to ensure they are clean and safe.
- Invest in service delivery
- Develop and maintain effective engagement with tenants

This plan covers the medium term and will be refreshed annually.



## Overview

The former system for Council housing finance was a national system in which Councils such as Hinckley and Bosworth had to pay surplus rent into a national housing pot so that other Councils which were deemed to have more 'need' could be subsidised. In 2011, we paid nearly £4.1m of our rents into the pot (about 38%). As our rents go up, the amount we pay over would have continued to go up. The former system was universally unpopular, was under-funded (it did not let us keep enough of our own rent income to maintain and improve our homes to the standard we need to) but above all, we were not able to plan effectively as the government had constantly changed the rules in terms of how much money we had.

From April 2012, this system was abolished, and was replaced by a new 'self financing' system. In making this change, the government has recognised that the current system is under-funded and made an assumption that we will be able to spend more. The government has worked out that our housing stock would be able to support £71.9m of debt – this is known as the value of the stock based on future rents and future costs. This is good news but the government is also acting to control borrowing by capping our borrowing at the opening debt level. For historical reasons, we actually started the new system with slightly lower debt (£70.2m).

We already have an assumed amount of Subsidy Capital Financing Requirement (SCFR) debt of £4.2m. This means that, in return for a one-off payment to the government of £67.7m (£71.9m less £4.2m), we will in future be able to keep all of our rents locally and spend them on our homes and services.

We paid this amount to government at the end of March 2012 and borrowed to fund this payment. The interest payments on the new borrowing are less than the rent we are paying to government and this allows us to increase the amount we spend on our homes to the level we need to give them a long term and secure future.

Because we are no longer linked to a national system, we have to prepare our own long term plan. The standard period is for 30 years although we will continually refine and update the plan as time moves on.

We have prepared a financial model to support the business plan which starts at April 2012 and runs over 30 years. We have made assumptions about how the plan will start and the way income and expenditure will develop over the long term. Details of the assumptions and outputs from the modelling are critical to this business plan and there is a detailed section setting out what we have assumed and what the key risks are.

This Council Housing Investment Strategy and Business Plan for Hinckley and Bosworth's Council housing therefore:

- Summarises the main plans for Council housing for the first year in detail as we complete the current investment programme - within the context of a sustainable 30 year plan
- Confirms our plans for providing Council housing services
- Summarises the work we have done to assess how we will manage our stock (and other assets) into the future and the work we will be undertaking to consult on the long term plan (our Asset Management plan) and future priorities during 2012

The Investment Strategy and Business Plan is based on a detailed financial model which forms the basis of all the future funding for Council housing.

### **Council housing current position: our stock and services**

We deliver housing services to our 3,389 tenanted properties and 101 leaseholders through the Council's housing management and repairs service.

We provide a housing management and repairs service which covers the following:

- Allocation of Council housing through Choice Based Lettings.
- ASB/estate management.
- Rents and arrears.
- Older persons services
- Responsive repairs
- Major repairs programme.
- Tenant involvement.

### **Achievements**

The housing and repairs service is continually striving to improve and develop. Some recent successes include:

- Local offers were agreed by April 2011 following extensive consultation with tenants.
- Overall satisfaction rates with the Council is 93%.
- Delivered first new build scheme for many years.
- Completed major programmes of repairs such as electrics, central heating, kitchen programmes.
- Our repairs service is comprehensive and focused on meeting the day to day demands of tenants who need repairs within their homes. We now provide responsive and void property works directly and, as a result, expect to save over £300,000 a year through efficient working practices.
- Our stock has been well maintained in the past and we were able to retain our stock and meet the decent homes standard set by government by 2010.
- In 2011/12 we re-let 194 general needs properties and 54 sheltered housing properties.
- In 2011/12 the average re-let time for general needs properties is 18 days and the average re-let time for sheltered housing properties is 83 days. The overall average re-let time was 32 days.
- The level of rent collected was 98.32%
- A joint Council/police ASB IT case management system was introduced which improves information sharing between the two agencies.
- Scheme audits in sheltered accommodation have resulted in improvements to schemes requested by tenants.

### **Future service challenges**

Self financing provides an opportunity to invest in services and to address some of the following challenges:

- As the Council housing stock gets older, major repairs works will be required to continue to meet and exceed the decent homes standard.
- There are some properties and areas of estates which are in need of regeneration or redevelopment, in particular sheltered schemes.
- Housing needs in the borough are on the increase. The Council's housing register has increased from 1029 applicants in March 2009 to over 1585 in March 2012, a 54% increase, and the current economic and public sector financial difficulties are adding pressure to our waiting lists.
- Welfare reform will impact on both people requiring Council housing and our own tenants who may face difficulties financially.

- The service will need to respond to the emerging Troubled Family agenda to ensure it supports the services around families.
- Additional investment may be needed in front line services to ensure that we are managing the increasing complex needs of our tenants.

In setting out this business plan, we aim to protect our current services, improve their effectiveness and invest in key areas in order to deliver a long term programme of repairs, maintenance and service delivery which will sustain homes well into the future.

The current service is therefore the starting point for this business plan and we will continue to thoroughly review our services and investment programmes in the next year so that we develop a comprehensive plan for improvements from 2013 onwards.

### **Governance and Tenant Empowerment**

The regulation of social housing services is operated through the Homes and Communities Agency (HCA) (formerly the separate Tenant Services Authority). The aim is to develop 'co-regulation' between the Council, tenants and the HCA. There is a requirement to establish a Tenant Scrutiny Panel which will scrutinise services and assist in setting the priorities for Council housing services.

During the past two years tenant involvement has gone from strength to strength with more tenants becoming involved in a number of different ways. The Council and tenants are on their way to developing tenant scrutiny, which will play a key role on directing the future of the service.

The Council currently sets its strategies and plans for housing through consultation with tenants and through discussions with the Tenants Advisory Panel. Recommendations are made to the Executive and Council on key housing issues.

The Executive will continue to be the effective governance forum for the HRA business plan going forward and receive updates and approve changes and developments as required, following consultation with TAP. Once Tenant Scrutiny is established, a decision will be made on the tenant contribution to governance and develop a partnership approach to the delivery of the business plan going forward.

During the next 12 months consultation will take place with both tenants and potential future tenants on priorities for the service and investment. This consultation will help to inform decisions made on investment opportunities afforded by the new financial regime.

One major opportunity in this plan is for Council housing to play a more central role in the delivery of the Council's overall corporate objectives. These are set out in Section 1.

### **Funding our Housing Services in this Investment Strategy and Business plan**

We currently spend £2m a year on managing Council housing and £2.4m on day to day repairs and maintenance and a further £1million on programmes of major works.

Our plan provides for a continuation of this level of service expenditure, with inflation, over the lifetime of the plan.

Our service standards and improvement plans are contained within the local offers agreed with tenants. The main headlines are:

- Tenant involvement – the Council will give tenants the opportunity to become involved.
- Home – the Council will provide and maintain good quality homes.
- Tenancy – tenancies must be allocated and managed fairly.

- Neighbourhood – Tenant’s communities should be clean and safe.

We have already delivered efficiencies within the housing and repairs service, for example:

- We have a number of successful shared services such as ICT, internal audit, legal, Older Persons services and will continue to pursue opportunities as they arise.
- For housing repairs, we have recently brought in-house the delivery of responsive maintenance service. The service is now delivered at a lower cost than the previous arrangement and additional funds have been put aside for service enhancements.

Any future savings in the housing and repairs service will be reserved for reinvestment via the capital programme within this business plan. The stock condition survey and the latest asset management information will provide a better understanding of the needs of our stock, this coupled with future management costs matched against income will provide a holistic picture for each property and enable strategic investment decisions to be made in discussion with our Tenants.

### **Asset Management Plan**

The Council’s Housing Stock currently meets the Decent Homes Standard; this is as a result of comprehensive repair and maintenance programmes being implemented.

In order for us to maximise the opportunities of self-financing we need to firstly fully understand the needs of the stock going forward. We had a stock condition survey undertaken in 2006/07. The historic track record of investment held by our information systems has shown that a low level of investment is required in the future compared to our peers and compared to the level of funding provided for in the self-financing settlement. To ensure that the current assessment is accurate, we have asked for the property information that we hold to be validated and additional stock condition surveys will be carried out during 2012/13.

This survey will assess the condition of all the elements in each of our property types and set out a financial profile (capital profile) over a 30 year period. The survey covers all the major cost elements such as kitchens, windows and doors, heating systems and roofs, as well as all the smaller elements in the properties. The total needs will be reviewed and for the purposes of planning have been estimated at a prudent benchmark level of £27k per property over 30 years. We will update the business plan following completion of the review and any savings made will be set aside for re-investment into our housing priorities.

Therefore, the capital profile that we are working to and which is included in this business plan represents our best estimate of the investment needs of the existing stock in its current format and further work is in hand to refine this over the coming months.

A significant factor informing this plan is that we are likely to need to increase the annual programme of investment and refurbishment in our stock. We will be able to afford this investment and will ensure that value for money housing and repairs services continue to be provided.

We will use our detailed asset data to ensure that we set aside sufficient resources from our rents into the Major Repairs Reserve (technically operated through a charge for depreciation)

The outcomes of the detailed asset analysis work will begin to become available over the coming months. In common with many authorities, we are taking the time to analyse in detail what needs to happen to our stock over the long term and what our options are. The outcomes of this work will be subject to detailed evaluation and consultation during the remainder of 2012. and from which we will develop an Asset Management Plan.

The main themes within the Asset Management Plan will be threefold.

1. What standards we will maintain our stock to (for example, specification for kitchens and bathrooms) agreed with tenants.
2. Classification of properties into those which will:
  - Maintain and improve
  - Invest further to improve energy efficiency
  - Regenerate and/or redevelop
  - Remodel or change in other ways (e.g. conversions).
3. We will also seek opportunities to build our own new homes on plots of land, redeveloped garage sites and other options as they become available. A number of delivery options are being developed which will make use of both headroom within the HRA and other funding streams, such as commuted sums.

In the meantime, we will continue to deliver the current capital programme in 2012-13. The main priorities within this programme are:

- Kitchens;
- Boiler Replacements;
- Adaptations
- High standard void properties
- Roofing
- Electrics
- Major structural works

Subject to the detailed review work identified above, we expect the programme from 2013 to continue further with these priorities as well as adding new programme areas which are likely to include improving communal areas, damp proofing, improving sheltered schemes, renewable energy efficiency initiatives, thermal insulation, bathrooms, utilising space from underused gardens/bin stores/garage sites and acquisition of affordable housing.

### **Options and priorities**

We will be able to deliver more investment for Council housing in the new system. The sources of additional funding are quite complex but can be summarised in the following way.

Firstly, the government has recognised that Council housing has been under-funded for decades and included a big increase in allowance for major repairs factored into the debt settlement. The onus is therefore on the Council to ensure that we have plans to effectively maintain the stock as will no longer be able to go back to government and ask for more money. The increase will enable our programme to increase.

Secondly, we will keep rent income from all future rent increases rather than returning a large proportion to government. This will mean that, providing we keep control of our costs, we will generate revenues which we will be able to reinvest. These revenues are dependent on us sticking to the government's rent convergence policies. We will set aside these resources into a regeneration reserve for future investment and develop plans in the Asset Management Plan.

Thirdly, we will have around £1.7m borrowing headroom within the government's borrowing cap. We will need to pay the interest on any additional borrowing but we might use this to make investment happen quickly. Generally, we will review the options for drawing down additional borrowing in the context of our overall plan for investment.

Fourthly, if we deliver any additional efficiencies, we will be able to reinvest these back into the service or the stock. This should act as a powerful incentive for us to deliver savings so we can deliver more of what our tenants need.

Therefore, we have additional resources to deploy and over the coming months we will be engaging with members and tenants to prioritise this investment. This will broadly be in three areas:

- the services we provide;
- our existing stock; and
- wider regeneration and development activity.
- 

### **Actions during 2012/13**

In order to inform the HRA Investment Strategy and Business Plan onwards the following work will be carried out during 2012/13.

- We will validate our stock condition information in order that we know the investment programmes required to maintain the condition of the stock over 30 years.
- We will carry out viability studies of sheltered schemes so that we understand their future viability and can make decisions on their future (refurbishment/redesign/re-designation)
- We will consult with tenants on their priorities for the future investment in the housing stock and use of the opportunities afforded by self financing.
- We will consult with applicants on the Housing Register to establish their views as potential future tenants/customers.
- We will carry out service reviews to identify whether pressures on delivery are appropriately resourced.

Once this work has been completed members will be able to make decisions on the future investment priorities and long term strategic direction of the service.

### **Risks and challenges**

The main risks that we have identified as affecting our ability to deliver the plan over the long term along with risk management strategies against these are set out at Annexe 3. A summary of the financial sensitivity of the plan is also set out in the next sections.

### **Financial strategy and planning**

We have prepared a financial model which includes all the income and expenditure for revenue and capital associated with Council housing from 2012 for 30 years. The 30 year dimension is critical in terms of being able to demonstrate that we are able to manage and maintain the homes and assets that we have now. Annexe 1 lists the main assumptions in detail.

We have nine principles and policies upon which our baseline plan is constructed:

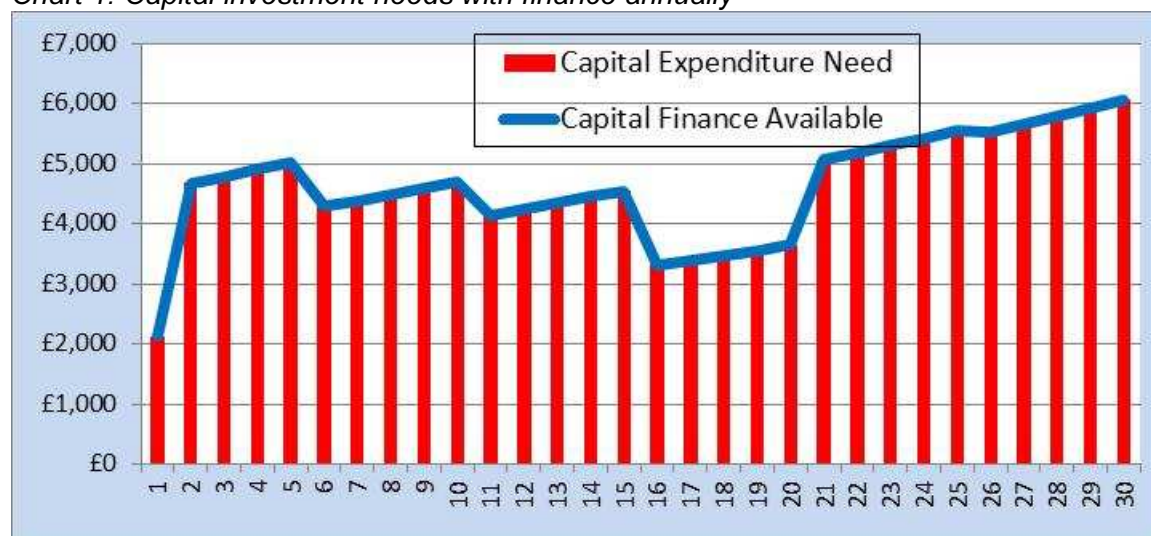
1. We have taken out a mix of funding for the settlement payment which gives us some predictability around interest rates but gives us flexibility for refinancing as the plan develops over time (for example if we want to increase investment in regeneration or new build); precise loan mixes were considered in the context of our overall Treasury Management strategy.

2. We will maintain and manage debt (rather than repay it) over the long term. Although it may be that repayment in the short to medium term may be considered if it is beneficial when considered within the treasury management strategy, when balancing investment returns and borrowing rates.
3. We will raise rents to meet convergence targets by 2016 (or as soon after as possible), including re-letting properties at target rents.
4. We will continue to invest in service delivery at current levels but look for efficiencies and investment opportunities to provide greater effectiveness and service improvements.
5. We will complete our existing capital programme for 2012/13.
6. We will increase investment from 2013 in the current stock in line with the needs of the existing stock. We will operate a depreciation policy in line with CIPFA guidance which covers the individual components within the stock.
7. We will establish a reserve for regeneration and new build with a commitment to placing any unspent resources into this reserve; in the first 5 years, we are planning for £10m to be set aside in this reserve for future investment in regeneration and new build.
8. Our minimum working balance for the HRA is £600k.
9. We will develop options for additional investment of reserves and revenues taking into account information about the stock, long term asset needs and the opportunities for investment set out in this business plan. We will not draw down any additional borrowing until we have completed this review.

In showing how well financed the plan is, we have set out three charts below which describe the revenue, capital and debt position for the baseline business plan. Taken together, these represent a sustainable long term plan for the existing stock and asset base. Tables setting out the 5 year planning timeframe are included at Annexe 2.

### Our capital expenditure plans over the long term

Chart 1: Capital investment needs with finance annually



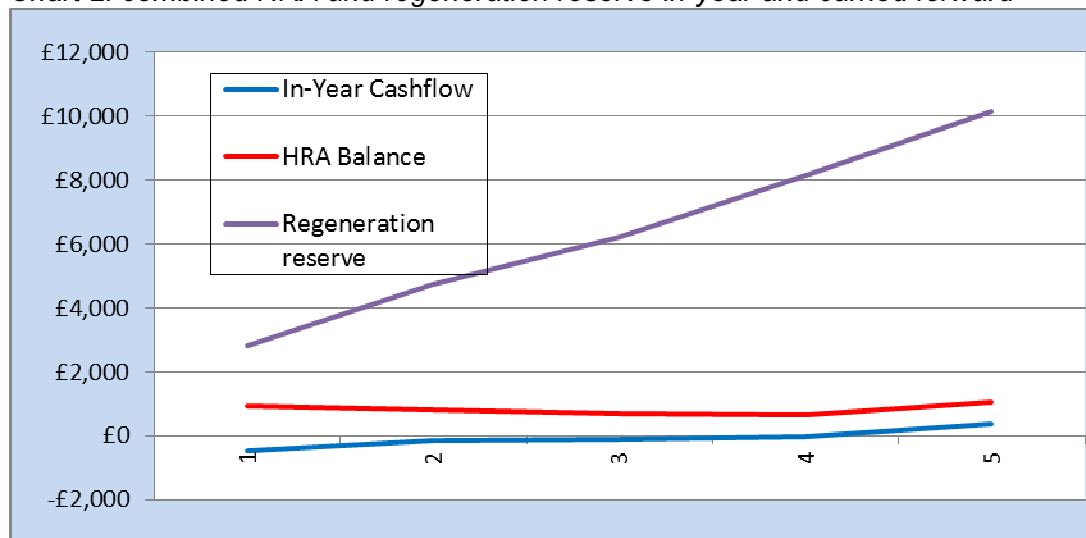
The headlines are:

- The capital programme needs can be financed from existing resources without any need for additional borrowing.

- The capital programme is based on investment needs of £27k per unit over the 30 year plan equivalent to the funding provided in the settlement. The total need and profile of spend is being reviewed over the coming months to give greater certainty around investment potential.

### Our revenue forecast over the medium term

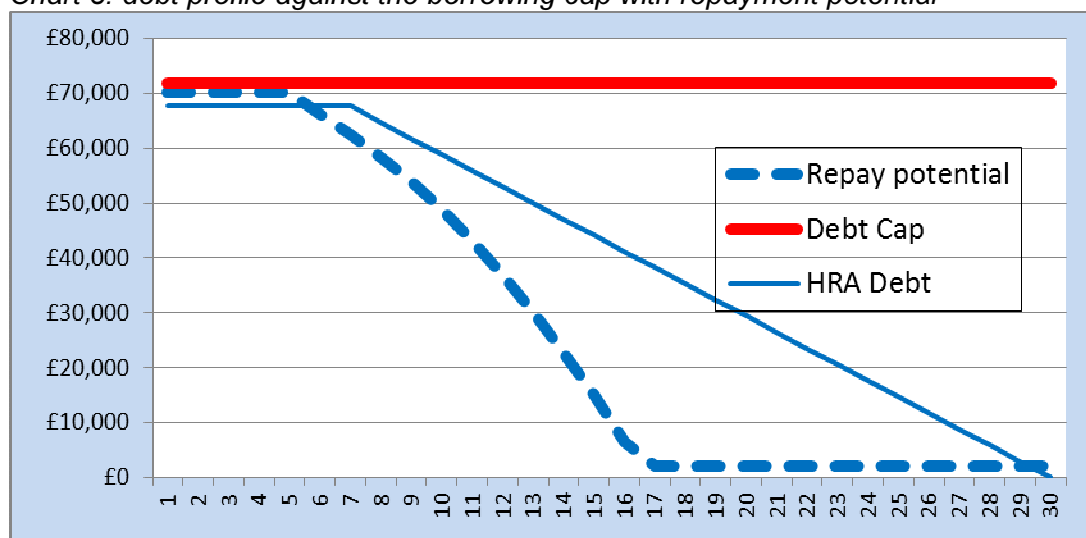
Chart 2: combined HRA and regeneration reserve in-year and carried forward



The main headline is that we are planning to build a reserve of £10m in the next 5 years in addition to the HRA working balance of £600k. This reserve will be set aside for regeneration and new build. This is a significant resource and we will develop and consult on plans for investment within 2012.

### The debt profile over the long term

Chart 3: debt profile against the borrowing cap with repayment potential



The main headlines are:

- We will manage our debt in line with our business need. We have set out a treasury position that enables us to build reserves in the early years of the plan with a phased potential repayment.
- This will provide maximum future flexibility to either repay or reinvest in the business depending on the needs and priorities at the time.



## Sensitivities

Taken together, the 3 charts above show how our business plan is sustainable over 30 years. There are risks to the delivery of the plan which might have an impact on the financial performance and investment potential over the long term. In order to demonstrate the possible effect of these risks, the table below shows the impact of a series of changes to assumptions on the amount of resources we can invest and the way in which we can cover debt payments.

*Table 1: schedule of the impact of risks and sensitivities*

|   | Reserves at yr 10<br>£m | Debt coverage<br>year |
|---|-------------------------|-----------------------|
| Baseline  | 10.8                    | 17 years              |
| RTB sales 15pa (not 6)                              | 10.8                    | 17 years              |
| Inflation 3.5% not 2.5%                             | 10.8                    | 19 years              |
| Expenditure inflation 1% higher than rent inflation | 10,8                    | 22 years              |

The table shows that our plan is resilient to change. We have fixed our borrowing rates and allowed for additional provision for bad debts. The effects of the new Government policy on Right to Buy will need to be examined further in light of the additional discounts but a modest increase will not affect the plan. The biggest effect would be felt from high cost inflation when compared to rent inflation. This will be reviewed through standard financial management procedures.

## Annexe 1: schedule of key financial assumptions

The table below details the main financial assumptions that we have made in preparing the financial plan which support this business plan.

| <b>Description</b>   | <b>Short term (2012-13)</b>  | <b>Medium-long term (2014/2017 onwards)</b>                                   |
|--|--|---|
| Basis for settlement – listing the key components and funding elements | Opening debt at settlement £70.2m against cap of £71.9m                    | Long term cap £71.9m  |
| Property changes over the plan   | 3,389 properties 1.4.2012 with 6 annual RTB                                | Rising to 8 RTB per annum   |
| Economic – inflation and interest rates                                | 2.5% core inflation, 3% rent inflation, interest rates start at 3.05%      | 2.5% core inflation, 3% rent inflation, interest rates stable at 5% long term |
| Rents – convergence rate and RPI assumptions                           | £67.07 rising average 5.5% to convergence complete in 2016                 | 3% long term rent increases   |
| Arrears and bad debts  | 0.42% of rents in year 1 rising to 1.00% in year 2 due to Universal Credit | 0.85% of rents long term  |
| Management costs   | £2.0m rising with inflation at 2.5%  | Inflation long term at 2.5%   |
| Repairs costs  | £2.4m rising with inflation at 2.5%  | Inflation long term at 2.5%   |
| Capital profile  | Existing programme £2.1m 2012-13   | £91.2m over 30 years based on existing stock moving with 2.5% inflation       |
| Assumptions of efficiencies being delivered                            | All inflationary pressures above main inflation absorbed                   | All inflationary pressures above main inflation absorbed                      |
| Depreciation assumptions re dwellings and non dwellings                | £891 per property  | £891 per property   |
| Use of capital resources (RTB receipts etc) and explanation for basis  | RTB receipts retained by the general fund                                  | RTB receipts retained by the general fund                                     |

## Annexe 2

Tables setting out the 5 year revenue and capital financial plans for the HRA

### REVENUE

| Year                             | 2012-13       | 2013-14       | 2014-15       | 2015-16       | 2016-17       |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| £'000                            | 1             | 2             | 3             | 4             | 5             |
| <b>INCOME:</b>                   |               |               |               |               |               |
| Rental Income                    | 11,809        | 12,492        | 13,188        | 13,900        | 14,564        |
| Void Losses                      | -236          | -250          | -264          | -278          | -291          |
| Non-Dwelling Income              | 72            | 74            | 76            | 78            | 80            |
| Grants & Other Income            | 16            | 16            | 16            | 16            | 16            |
| <b>Total Income</b>              | <b>11,661</b> | <b>12,332</b> | <b>13,017</b> | <b>13,715</b> | <b>14,368</b> |
| <b>EXPENDITURE:</b>              |               |               |               |               |               |
| General Management               | -1,422        | -1,457        | -1,494        | -1,531        | -1,570        |
| Special Management               | -593          | -608          | -623          | -639          | -655          |
| Other Management                 | -23           | -24           | -24           | -25           | -26           |
| Bad Debt Provision               | -50           | -125          | -112          | -118          | -124          |
| Responsive & Cyclical Repairs    | -2,424        | -2,484        | -2,546        | -2,610        | -2,675        |
| Total Revenue Expenditure        | -4,512        | -4,699        | -4,800        | -4,923        | -5,049        |
| Interest Paid & Administration   | -2,143        | -2,168        | -2,168        | -2,219        | -2,219        |
| Interest Received                | 32            | 76            | 123           | 194           | 295           |
| Depreciation                     | -3,019        | -3,094        | -3,172        | -3,251        | -3,332        |
| <b>Net Operating Income</b>      | <b>2,020</b>  | <b>2,447</b>  | <b>3,000</b>  | <b>3,516</b>  | <b>4,062</b>  |
| Contribution to reserves         | -2,482        | -1,903        | -1,503        | -1,903        | -2,003        |
| Revenue Contribution to Capital  | 0             | -682          | -1,612        | -1,646        | -1,680        |
| <b>Total Appropriations</b>      | <b>-2,482</b> | <b>-2,585</b> | <b>-3,115</b> | <b>-3,549</b> | <b>-3,683</b> |
| <b>ANNUAL CASHFLOW</b>           | <b>-462</b>   | <b>-138</b>   | <b>-115</b>   | <b>-33</b>    | <b>379</b>    |
|                                  |               |               |               |               |               |
| <b>Opening HRA Balance</b>       | <b>1,406</b>  | <b>944</b>    | <b>806</b>    | <b>691</b>    | <b>658</b>    |
| <b>Closing HRA Balance</b>       | <b>944</b>    | <b>806</b>    | <b>691</b>    | <b>658</b>    | <b>1,037</b>  |
|                                  |               |               |               |               |               |
| <i>Other HRA Reserve Balance</i> | <b>2,834</b>  | <b>4,734</b>  | <b>6,234</b>  | <b>8,134</b>  | <b>10,134</b> |

## CAPITAL

| Year                              | 2012-13      | 2013-14      | 2014-15      | 2015-16      | 2016-17      |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| £'000                             | 1            | 2            | 3            | 4            | 5            |
| <b>EXPENDITURE:</b>               |              |              |              |              |              |
| Planned Capital Expenditure       | 1,766        | 3,936        | 4,030        | 4,125        | 4,221        |
| Disabled adaptations              | 357          | 390          | 400          | 410          | 420          |
| Procurement Fees                  |              | 346          | 354          | 363          | 371          |
| <b>Total Capital Expenditure</b>  | <b>2,123</b> | <b>4,673</b> | <b>4,784</b> | <b>4,897</b> | <b>5,013</b> |
| <b>FUNDING:</b>                   |              |              |              |              |              |
| Major Repairs Reserve             | 2,123        | 3,990        | 3,172        | 3,251        | 3,332        |
| Revenue Contributions             | 0            | 682          | 1,612        | 1,646        | 1,680        |
| <b>Total Capital Funding</b>      | <b>2,123</b> | <b>4,673</b> | <b>4,784</b> | <b>4,897</b> | <b>5,013</b> |
|                                   |              |              |              |              |              |
| <b>Major Repairs Reserve Bal:</b> | <b>896</b>   | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     |

### Annexe 3: Risk management

Risks have been classified into the following headings:

| <b>Description</b>  | <b>Impact</b> | <b>Probability</b> | <b>Mitigation and residual risk</b>   |
|---|---------------|--------------------|---|
| Insufficient knowledge of current stock causes unknown liabilities            | Critical      | Significant        | Increase surveys, external validation of asset database -> reduce likelihood to Low   |
| Cost inflation is higher than income inflation                                | Critical      | Low                | Effective budget and financial control -> reduce impact to Marginal   |
| Interest rates rise   | Marginal      | Significant        | Flexible approach to debt funding giving opportunities to refinance -> reduce impact to Low   |
| Right to Buy levels increase  | Marginal      | Significant        | Depends on take up of new government policy on discount; managing costs to the number of properties held and protection for HRA debt held on additional properties sold -> reduce impact to Low (but impact on availability of housing) |
| Restriction on housing benefits; introduction of Universal Credit             | Critical      | High               | intensive management and services to vulnerable tenants -> reduce likelihood to Significant/Low   |
| Government revisits the settlement  | Critical      | Very Low           | No action by the Council but investment of available resources could reduce scale of impact.  |
| Rent increases are not implemented in accordance with government expectations | Critical      | Very Low           | Council policy towards raising rents to convergence included in this plan   |

## Appendix 2

### **REPORT OF DEPUTY CHIEF EXECUTIVE (COMMUNITY DIRECTION)** **RE: AFFORDABLE RENT EVIDENCE BASE**

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

To inform Members of the results of work commissioned to establish the evidence base for affordable rent in the Borough. This paper is linked to the report “Affordable Rents” in appendix 3 which uses this evidence base to consider the use of affordable rent in the Borough.

#### 2. **RECOMMENDATION**

That Members note the information provided in this report and its usefulness in informing policy in respect of the provision of affordable housing in the Borough.

#### 3. **BACKGROUND TO THE REPORT**

- 3.1 The Council’s approach to affordable housing is set out in Policy 15 of the Core Strategy (the Council’s Local Plan), with further detail outlined in the Council’s adopted Affordable Housing Supplementary Planning Document.
- 3.2 At present Policy 15 of the Core Strategy identifies only social rented and intermediate housing as being able to provide the requirement for affordable housing within the Borough. The proportions of social rented and intermediate housing in the Core Strategy were informed by evidence set out in the Strategic Housing Market Assessment.
- 3.3 Affordable rent was introduced as part of the Affordable Homes Programme 2011 – 15. It allows Registered Providers to charge up to 80% of the market rent in an area on both new build, and, in some instances, conversions of existing dwellings. Development partners with the Homes and Communities Agency have signed a contract with the Homes and Communities Agency to deliver an agreed number of affordable rented properties during the programme.
- 3.4 The National Planning Policy Framework now gives a definition of affordable housing which includes social rented, affordable rented and intermediate housing. This is consistent with amendments to Planning Policy 3 (now revoked by the implementation of the NPPF) which brought affordable rent into the affordable housing portfolio.
- 3.5 The difficulty for the Council in considering affordable rent is determining how it contributes to meeting the needs of people who cannot access housing through the open market. To this end, five of the district councils in Leicestershire (Blaby District Council, Harborough District Council, Charnwood Borough Council, North West Leicestershire District Council and Hinckley and Bosworth Borough Council) commissioned BLine Housing

Information Ltd to examine the evidence base and recommend a suitable mix of rented properties for new affordable housing developments.

- 3.6 The work builds on the evidence base and methodology used in the Strategic Housing Market Assessment, and also considers evidence from the Council's housing register to identify current applicants who may be suitable for affordable rent properties.

#### 4. **RESULTS OF THE EVIDENCE BASE.**

- 4.1 The final report "Establishing the need for provision of Affordable Rent housing in Hinckley and Bosworth" profiled the need and demand for affordable housing in the Borough and the impact of affordable rent across housing sub markets in the Borough.

- 4.2 The main findings of the report are as follows:

- That the Borough can support the provision of affordable rent in the Borough – the report suggests that overall the proportions of rented property should be 60% social rented; 40% affordable rented.
- This figure represents all lettings, and therefore includes both new build properties and re-lets of existing stock;
- The report also looks at sub markets within the Borough and shows that there are variations in the level of affordability across the Borough, and that therefore the more expensive sub markets may not support as high a level of affordable rent than the least expensive areas.
- Considering 6 sub markets, the proportions of affordable rent to meet the profile of housing need range from 59% in Barwell, Bagworth, Brookside and Earl Shilton to 24% in Twycross.
- The report also marks a difference in affordable rent levels according to the property type. One bedroomed properties show little difference between social rents and affordable rents, whilst there are differences of up to £68 per week for 4 bedroomed houses and up to £35 per week for 3 bedroomed houses.
- Affordable rents have to "have regard to" the Local Housing Allowance (LHA), and in practice, Registered Providers are not charging rents higher than the LHA. Again, this level affects the larger properties most, and indicative rents provided by Registered Providers have shown a "cap" on 4 bedroomed properties at the LHA rate.
- Whilst there is concern that the higher affordable rents could provide a disincentive to work, the report points out that working people on low incomes, who qualify for housing benefit, will not be adversely affected by affordable rent, since the contribution they have to make towards their rent will not be affected by a higher rental charge. The impact is only felt when a household no longer qualifies for Housing Benefit. The higher the rent, the more households can earn without losing their entitlement to Housing Benefit.
- This does have an impact for the local authority since it means that where households cannot afford the higher rents, the Housing Benefit bill will rise to cover them.
- The affordable rent properties could meet a need for people on low incomes by providing an alternative to the private rented sector. The local

authority is allowed to change its allocations policy to prioritise applicants in work, should they so wish.

- The average number of re-lets in the Borough is 280 per year. If all these properties were let at affordable rent, it would generate enough additional capital borrowing to support approximately 40 additional affordable units per year. However, the new units would not have to be provided in the Borough but would support the Registered Providers overall building programme.

The findings of this report will be applied to applications on a site by site basis when assessing the provision of affordable housing requires as part of the development in order to make it acceptable.

## 5. **FINANCIAL IMPLICATIONS [CB]**

Contained within the body of the report.

## 6. **LEGAL IMPLICATIONS [EP]**

6.1 By utilising the findings of this report as an evidence base to inform the Affordable Housing Policy the Council would be meeting the obligations of paragraph 50 of the NPPF to;

- Planning for a mix of housing based on current future demographic trends, market trends and the needs of different group in the community
- Identifying the size type tenure and range of housing requires in particular locations, reflecting local demand; and
- Where it is identified that affordable housing is needed, set policies for meeting this on site. Such policies should be sufficiently flexible to take account of changing market conditions over time.

6.2 In addition the Council would comply with paragraph 47 of the NPPF which requires authorities to use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area.

## 7. **CORPORATE PLAN IMPLICATIONS**

7.1 The consideration of Affordable Rent and Discounted Sale housing supports the following aims of the Corporate Plan 2009 – 2014:

- Strong and distinctive communities
- Decent, well managed & affordable housing

## 8. **CONSULTATION**

There is no requirement for consultation on the evidence base.



9. **RISK IMPLICATIONS**

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

**Management of significant (Net Red) Risks**

| Risk Description   | Mitigating actions  | Owner           |
|--|---|-----------------|
| Affordable rent levels are above the Local Housing Allowance and therefore too high for housing benefit applicants | Include that rent will not be above local housing allowance in section 106 agreement.   | Valerie Bunting |
| Affordable rent will be out of the reach of people in work.  | Monitoring of the bids on Choice Based Lettings to identify whether certain groups are not bidding for these properties.                  | Valerie Bunting |
| Affordable rents will not be affordable in areas of high market rents  | Identify through the evidence base whether there are sub markets where affordable rents will fail to meet the needs of low income groups. | Valerie Bunting |

10. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

This report is concerned with ensuring that a supply of affordable housing is available in the Borough for people who cannot meet their needs through the open market. As rural areas of the Borough tend to be more expensive than the urban core, care must be taken to ensure the continued affordability of housing in rural areas.

11. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications – None identified
- Environmental implications – None identified
- ICT implications – None identified
- Asset Management implications – None identified
- Human Resources implications – None identified

- Planning Implications – Contained within the report.
  - Voluntary Sector – None identified
- 

Background papers: Establishing the Need for Provision of Affordable Rent Housing in Hinckley and Bosworth – report by Blin Housing Information Services.

Contact Officer: Valerie Bunting x5612

Executive Member: Councillor Stuart Bray

## Appendix 3

### **REPORT OF DEPUTY CHIEF EXECUTIVE (COMMUNITY DIRECTION)** **RE: AFFORDABLE RENT**

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

- To inform Members of the use of affordable rent as part of the affordable housing provision in the Borough, in particular:
- To link the use of affordable rent to the findings of the Affordable Rent Evidence Base;
- To set the approach for negotiating affordable housing with developers.

#### **2. RECOMMENDATION**

- 2.1 That Members agree the negotiation of affordable rent within a housing development on a site by site basis taking into account:
- i. The non-discretionary use of affordable rent where grant under the Affordable Homes Programme 2011 – 15 is part of the financial package on site;
  - ii. the need for affordable rent set out in the evidence base from the project to establish the need for affordable rent ;
  - iii. the contribution affordable rent makes to increasing the viability of a site;
  - iv. The requirement for Registered Providers to meet the agreed package of affordable rent units in their contract with the Homes and Communities Agency.

#### **3. BACKGROUND TO THE REPORT**

- 3.1 The Council's approach to affordable housing is set out in Policy 15 of the Core Strategy, with further detail outlined in the Affordable Housing Supplementary Planning Document.
- 3.2 At present Policy 15 of the Core Strategy identifies only social rented and intermediate housing as being able to provide the requirement for affordable housing within the Borough. Affordable rent was introduced as part of the Affordable Homes Programme 2011 – 15. Development partners with the Homes and Communities Agency have signed a contract with the Homes and Communities Agency to deliver an agreed number of affordable rented properties during the programme.

Planning Policy Statement 3 was amended in June 2011 to include Affordable Rent as an affordable housing product. PPS3 has now been revoked with the implementation of the National Planning Policy Framework, however the change in definition has been carried through in to the National Planning Policy Framework, where the definition of affordable housing is set out in the Glossary in Annex 2 of this report as follows:

*“Affordable housing: Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market.*

*Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.*

*Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.*

*Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.*

*Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.”*

- 3.3 A report was submitted to Planning Committee on 16 August 2011, outlining affordable rent as a new product. At Members request, a workshop was held for Members on the 27 February 2012 outlining the changes taking place in affordable housing, with specific regard to affordable rent.
- 3.4 A further report was submitted to Planning Committee on 6 February 2012 regarding the use of affordable rent. Members endorsed the negotiation approach as set out in the recommendations of this report.

#### 4. **AFFORDABLE RENT.**

- 4.1 Whilst affordable rent properties are classed as an affordable housing product, they operate under different rule to those governing social rents. Affordable rents:
- Can be charged at up to 80% of the full market rent in an area;
  - Cannot be lower than the target rent charged for social rents;
  - Registered providers should have regard to the Local Housing Allowance when setting the rent.
  - As the rent is set by reference to local market rents, there will be variations in affordable rent levels, based on the different sub markets in the Borough.

- 4.2 Affordable rent tenancies will be subject to nomination agreements with the local authority, and advertised through the Choice Based Lettings process.
- 4.3 The Homes and Communities Agency have introduced affordable rents with the intention that the increased borrowing capacity from charging higher rents will be used by the Registered Provider to increase provision of affordable housing on new sites.
- 4.4 Where a site would not be viable delivering the full rented requirement as social rented dwellings, affordable rent can help the site viability as the higher rent would mean the Registered Social Landlords could offer a higher purchase price per unit to developers. This would meet with the Homes and Communities Agency's aim of supporting delivery of new housing as it would deliver new housing which would otherwise not be provided.

#### 4.4 **Impact of affordable rent on housing need in the Borough**

The Council commissioned BLine Housing Information Ltd to develop an evidence base to support the considered use of affordable rents in the Borough. The findings of this report indicated that the Council could sustain a proportion of rented properties as affordable rent. The suggested percentage of affordable rent overall was 42% of all lettings.

- 4.5 The report did however give consideration to the different sub markets within the Borough and therefore a case by case approach to negotiating affordable rent would allow:
- Consideration of whether 80% of market rents would be affordable in the areas of the Borough with high market rents.
  - The overall numbers of affordable rent properties in a settlement taking into account conversions of properties on re-let
  - The number of applicants on the Housing Register for that settlement who may be suitable for affordable rented accommodation.
  - Analysis of the house types offered for affordable housing on site and whether particular dwelling types would become unaffordable at 80% of market rents.

#### 5. **FINANCIAL IMPLICATIONS [CB]**

None arising directly from this report.

#### 6. **LEGAL IMPLICATIONS [EP]**

The NPPF, at paragraph 50, requires authorities to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities through:

- Planning for a mix of housing based on current future demographic trends, market trends and the needs of different group in the community
- Identifying the size type tenure and range of housing requires in particular locations, reflecting local demand; and

- Where it is identified that affordable housing is needed, set policies for meeting this on site. Such policies should be sufficiently flexible to take account of changing market conditions over time.

By adopting the approach recommended by this report the Council would be meeting the obligations above.

## 7. **CORPORATE PLAN IMPLICATIONS**

The consideration of Affordable Rent and Discounted Sale housing supports the following aims of the Corporate Plan 2009 – 2014:

- Strong and distinctive communities
- Decent, well managed & affordable housing

## 8. **CONSULTATION**

Consultation has taken previously with Officers from Planning Policy, Development Control and Housing at the introduction of affordable rent.

## 9. **RISK IMPLICATIONS**

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

### **Management of significant (Net Red) Risks**

| Risk Description   | Mitigating actions   | Owner           |
|--|--|-----------------|
| Affordable rent levels are above the Local Housing Allowance and therefore too high for housing benefit applicants | Include that rent will not be above local housing allowance in section 106 agreement.                                    | Valerie Bunting |
| Affordable rent will be out of the reach of people in work.  | Monitoring of the bids on Choice Based Lettings to identify whether certain groups are not bidding for these properties. | Valerie Bunting |
| Affordable rents will not be affordable in areas of high market rents  | Identify through the evidence base whether there are sub markets where affordable rents will fail to meet the needs of   | Valerie Bunting |

**Management of significant (Net Red) Risks**  
low income groups.

10. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

This report is concerned with ensuring that a supply of affordable housing is available in the Borough for people who cannot meet their needs through the open market. As rural areas of the Borough tend to be more expensive than the urban core, care must be taken to ensure the continued affordability of housing in rural areas.

11. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account: [if you require assistance in assessing these implications, please contact the person noted in parenthesis beside the item]

- Community Safety implications – None identified
- Environmental implications – None identified
- ICT implications – None identified
- Asset Management implications – None identified
- Human Resources implications – None identified
- Planning Implications – Contained within the report.
- Voluntary Sector – None identified

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Background papers:

Contact Officer: Valerie Bunting x5612

Executive Member: Councillor Stuart Bray.

## Appendix 4

### **REPORT OF DEPUTY CHIEF EXECUTIVE (COMMUNITY DIRECTION)** **RE: AFFORDABLE HOUSING DELIVERY PLAN.**

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

The purpose of this report is:

- To inform Members of the overall approach to a proposed Affordable Housing Delivery Plan;
- To advise Members of the preferred options to support the delivery plan.

#### 2. **RECOMMENDATION**

That Members support the affordable housing delivery plan as set out in this report.

#### 3. **BACKGROUND TO THE REPORT**

- 3.1 Affordable housing has traditionally been delivered in the Borough by way of section 106 agreements, where the developer sells the affordable housing to a Registered Social Landlord. The policies set out in Core Strategy Policy 15: Affordable Housing and Policy 17: Rural Needs, guide the developer on the number, mix and tenure of dwellings to be supplied for affordable housing on site.
- 3.2 There are new factors which affect the way that affordable housing is delivered. Economic conditions have slowed the supply of new build dwellings, and have in many cases affected the developers' ability to deliver affordable housing to policy requirements and maintain the viability of the site.
- 3.3 Alongside these issues, the Government has introduced new freedoms through the Localism Act which open up opportunities for Local Authorities to develop and manage new affordable housing. These two issues mean that delivery of affordable housing needs to be more flexible and innovative to maximise the opportunities to deliver affordable housing in a restrictive market.
- 3.4 With this in mind, the Council has developed an Affordable Housing Delivery Plan, to outline how it will make use of the opportunities to maximise the delivery of affordable housing, and to shape delivery to meet the need in the Borough.

#### 4. **THE AFFORDABLE HOUSING DELIVERY PLAN.**

- 4.1 The principles of the delivery plan are outlined below.



## Priorities for use of commuted sums for Affordable Housing Delivery.

- 4.2 The principle of accepting commuted sums is established in the Affordable Housing Supplementary Planning Document Key Policy Principle AH7 which states:

“The Council’s over-riding priority is to have affordable housing provided on-site as the easiest way of ensuring mixed and balanced communities at the outset and only in exceptional circumstances and where it can be robustly justified can off-site provision or commuted sums be acceptable. Acceptance of commuted sums is at the Council’s discretion. Where the Council decides to accept commuted sums, they will be calculated using the formula set out below.”

- 4.3 There are constraints which will affect the Council’s ability to use commuted sums. In relation to commuted sums for Affordable Housing the National Planning Policy Framework, paragraph 50, requires Local Planning Authorities:

“To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local authorities should:

... where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time. “

- 4.4 In addition, the Community Infrastructure Levy Regulations 2010 state that any obligation requested in order to make a development acceptable in planning terms must satisfy three tests (reg. 122):

1. necessary to make the development acceptable in planning terms
2. directly related to the development
3. fairly and reasonably related in scale and kind to the development

Any obligation to be placed on a developer to pay a commuted sum in lieu of on-site provision would therefore need to meet the above tests in order to be capable of being requested.

- 4.5 Where the Council considers it appropriate to accept commuted sums and the above requirements have been met, the objective is to maximize the number of new affordable houses provided elsewhere. The priority for use of commuted sums is therefore:

- i. **Investing in regeneration** where a relatively small investment will increase the affordable housing offer. This includes bringing empty homes into use, improving flats over shops, and buy back of Council housing lost through Right to Buy.

- ii. **Contributing to new build schemes** where an injection of relatively small amounts of money will increase the supply of new affordable housing – for example, where the Council has donated land at nil value for provision of affordable housing.
- iii. Use of commuted sums to **purchase affordable housing** on alternative section 106 sites, either direct purchase by the Council or by passing funds over to other Registered Providers.

Delivery options.

- 4.6 Hinckley and Bosworth Borough Council is a Registered Provider with the Homes and Communities Agency and has the opportunity to develop new Council housing. The Delivery Plan acknowledges the commitment to new Council housing delivery and the role that officers has to contribute to in house provision of new stock. The feasibility of in-house provision will be explored and reported on further.
- 4.7 The Council will contribute to increasing affordable housing in the Borough by:
- i. Building new affordable homes.
  - ii. Setting up a Private Sector Leasing scheme. This will allow the Council to fulfill a lease and repair scheme to facilitate the empty homes programme, and to offer a management and repair scheme to private landlords in return for the properties being let to people on the Housing Register.
  - iii. Achieving economies of scale in new affordable housing delivery by use of Council owned sites to develop affordable homes at a nil land value. Sites will be prioritised according to the needs analysis set out by the Asset Management Strategy Group and noted in the Corporate Implications in section 11.
  - iv. Working with development partners to acquire stock on section 106 sites.

5. **FINANCIAL IMPLICATIONS [CB]**

None arising directly from the report. However, any proposals to provide affordable housing which require Council expenditure, regardless of how these schemes are funded, will need to be approved in line with financial regulations.

6. **LEGAL IMPLICATIONS (EP)**

- 6.1 The use of commuted sums will need to be assessed on a site by site basis and be robustly justified in relation to:

1 The request for a commuted sum in lieu of on-site provision

- 2 The level of sum requested
- 2 The intended application of the commuted sum

- 6.2 In addition to being robustly justified, commuted sums should only be requested where the “agreed approach contributes to the objective of creating mixed and balanced communities” (paragraph 50 NPPF)
- 6.3 This is made clear within both the NPPF and our policy. In providing a robust justification the authority will need to be able to produce evidence assessing the impact of the development in question, stating how the sums will mitigate that impact justifying the three points above.
- 6.4 At paragraph 7.10 of the Affordable Housing Supplementary Planning Document it states that commuted sums will be applied within a 3 mile radius of the development. This was inserted into policy following guidance from the Homes and Community Agency; however there is no legal basis for this blanket application of an area. Any area over which any commuted sum is to be applied must be robustly justified by reference to the development it arises from.
- 6.5 In addition to the above any request for a commuted sum must meet the tests within regulation 122 of the Community Infrastructure Regulations 2010.
- 6.6 Regulation 123 of the Community Infrastructure Regulations 2010, which limits the ability to pool contributions as of 6 April 2014, does not apply to affordable housing contributions, for which there is no limit on pooling.
- 6.7 The National Policy Framework (NPPF) came in to force on the 27<sup>th</sup> March 2012 with immediate effect. At paragraph 214 the documents states:

“For 12 months from the day of this publication, decision-takers may continue to give full weight to the relevant policies adopted since 2004 even if there is a limited degree of conflict with this Framework.”
- 6.8 All the Council policies referenced within this report fall within this category but as yet have not been assessed in light of the NPPF for conflict. If they are found to have more than a limited degree of conflict with the NPPF once assessed the weight attributable to them in determining any planning application will be limited. This would therefore the sole policy with any significant weight to be considered would be the NPPF.

## 7. **CORPORATE PLAN IMPLICATIONS**

The consideration of Affordable Rent and Discounted Sale housing supports the following aims of the Corporate Plan 2009 – 2014:

- Strong and distinctive communities
- Decent, well managed & affordable housing

8. **CONSULTATION**

No formal consultation has taken place, but officers from planning, housing, legal services and finance have been consulted on, and assisted in the preparation of this paper.

9. **RISK IMPLICATIONS**

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

**Management of significant (Net Red) Risks**

| Risk Description  | Mitigating actions   | Owner           |
|---|--|-----------------|
| Committed sums are accepted but not spent                 | Plan of priorities to use commuted sums prior to the legal agreement being signed.                           | Valerie Bunting |
| The Council is unable to develop new affordable housing   | Financial planning and forecasting to ensure funds are available to achieve the target in the delivery plan. | Valerie Bunting |
| Land cannot be released to be used for affordable housing | Evaluation of alternative ways of increasing affordable housing supply                                       | Valerie Bunting |

10. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

This report is concerned with ensuring that a supply of affordable housing is available in the Borough for people who cannot meet their needs through the open market. It considers the implications for people on a low income, and those living in rural areas.

11. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account: [if you require assistance in assessing these implications, please contact the person noted in parenthesis beside the item]

- Community Safety implications – None identified

- Environmental implications – None identified
  - ICT implications – None identified
  - Asset Management implications – The Asset Management Strategy Group met on the 23<sup>rd</sup> February 2012 and as a part of the agenda discussed underutilised land disposal. A number of sites were identified and Members agreed to progress them to a point of disposal. This may be a private developer or for HBBC to provide land for social housing. The cross party group agreed that officers should base the disposal of each site on social housing need and a full report on each plot once the process had been completed. It should also be noted that the Authorities Capital Strategy relies on capital receipts from its land sales to support the future capital programme and Members of the Asset Management Strategy Group were clear that underutilised sites could only be released for social housing if a robust needs analysis supported disposal for this purpose. A financial review on any decisions regarding disposal of HBBC sites will need to be carried out alongside each needs analysis in order to support any recommendations made by officers. It should also be noted that a key requirement for Members is also how any sites for social housing developments are to be brought forward to delivery in order to identify any likely risks and which party are likely to carry them HBBC or social housing developers.
  - Human Resources implications – None identified
  - Planning Implications – Contained within the report.
  - Voluntary Sector – None identified
- 

Contact Officer: Valerie Bunting x5612

Executive Member: Councillor Stuart Bray.

### **REPORT OF DEPUTY CHIEF EXECUTIVE (COMMUNITY DIRECTION)** **RE: EMPTY PROPERTY GRANT.**

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

- 1.1 To advise members on the award of grant of £522,120 from the Homes and Communities Agency to assist in bringing empty homes into use and to seek endorsement for a supplementary income and expenditure budget for this amount.

#### **2. RECOMMENDATION**

That members:

- (i) Welcomes and acknowledge the achievement of the private sector housing team in securing an Empty Property Grant award of £522,120 by the Homes and Communities Agency.
- (ii) Agree a supplementary income and expenditure budget of £522,120.

#### **3. BACKGROUND TO THE REPORT**

- 3.1 As part of the Affordable Housing Programme 2011 – 15, the Homes and Communities Agency (HCA) invited bids for work around empty homes. The intention is to target long term empty homes that will not come back into use without intervention. The funding is to be used to bring empty homes and other types of property (for example commercial buildings) into use as affordable housing. Property which is currently being used as social housing is not eligible for funding. A condition of the funding is that properties will be let as affordable rent.

- 3.2 There are currently 1324 empty residential properties within Hinckley & Bosworth of those 391 are classed as long term empty properties.

#### **4. ALLOCATION OF FUNDING TO HINCKLEY AND BOSWORTH BOROUGH COUNCIL**

- 4.1 Hinckley and Bosworth Borough Council has successfully bid for empty homes funding. The Council has been awarded £522,120 to bring 40 empty homes back into use over the period of the project.

- 4.2 The bid round was greatly over subscribed, and for this reason the Council did not get all the funding it bid for, but received approximately 53% of the total bid. This is an ambitious programme for the Council, and is the highest grant to be awarded to a local authority in Leicester and Leicestershire.

## 5. **PRIVATE SECTOR LEASING**

5.1 The Council's bid included the setting up of a Private Sector Leasing scheme, to be run by the Council. The benefits of this are:

- The scheme can manage all the empty homes brought back into use under the lease and repair programme;
- The Council can offer private landlords a management and repair service if they allow the properties to be let to people from the Council's waiting list;
- The Council can use properties in the Private Sector Leasing Scheme to discharge its duties to people who are owed a duty under the Homelessness Act 1996.

5.2 A further report will be forthcoming on the detail of the private sector leasing scheme. The Homes and Community Agency are yet to provide the detail of the grant.

## 6. **FINANCIAL IMPLICATIONS (CB)**

The creation of both an income and expenditure budget for £522,120 will have no net effect on the Council's finances. However, as referenced above a further report is needed regarding how the Private Sector Leasing scheme will operate for which the financial implications will need to be evaluated. These could potentially include capital leasing costs. Other issues that could arise relate to the conditions that may be attached to how this funding can be used, or the circumstances which would result in it having to be returned. Details have yet to be provided by the HCA.

## 7. **LEGAL IMPLICATIONS (AB)**

The private sector leasing scheme will involve private Landlords leasing their properties to the Council who will then sub-let those properties to tenants. Leases will need to be drafted for each of the properties.

## 8. **CORPORATE PLAN IMPLICATIONS**

The consideration of Affordable Rent supports the following aims of the Corporate Plan 2009 – 2014:

- Strong and distinctive communities
- Decent, well managed & affordable housing

## 9. **CONSULTATION**

None required at this stage.

## 10. **RISK IMPLICATIONS**

### **Management of significant (Net Red) Risks**

| Risk Description             | Mitigating actions | Owner      |
|------------------------------|--------------------|------------|
| Failure to meet the required | Careful targeting  | of Private |

number of empty homes back suitable properties to bring Sector  
into use may result in back into use Housing  
withdrawal of funding Team

11. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

The establishment of a Private Sector Leasing scheme widens the choices and opportunities for people on the housing register. Empty homes can exist in all areas of the Borough and therefore may bring homes in rural areas back into use.

12. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account: [if you require assistance in assessing these implications, please contact the person noted in parenthesis beside the item]

- Community Safety implications – None identified
- Environmental implications – None identified
- ICT implications – None identified
- Asset Management implications – None identified
- Human Resources implications – Appointment of a Private Sector Housing Officer required to grow and manage the scheme.
- Planning Implications – None identified.
- Voluntary Sector – None identified

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Background papers:

Contact Officer:

Executive Member: Michael Mullaney



## Appendix 6

### HOMELESSNESS GRANT ALLOCATION REPORT OF CHIEF OFFICER (HOUSNG, COMMUNITY SAFETY AND PARTNERSHIPS)

#### WARDS AFFECTED: ALL

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#### 1. PURPOSE OF REPORT

To advise Members of the receipt of a government grant of £50,015 for prevention of homelessness due to mortgage arrears, and to seek endorsement for a supplementary income and expenditure budget for this amount.

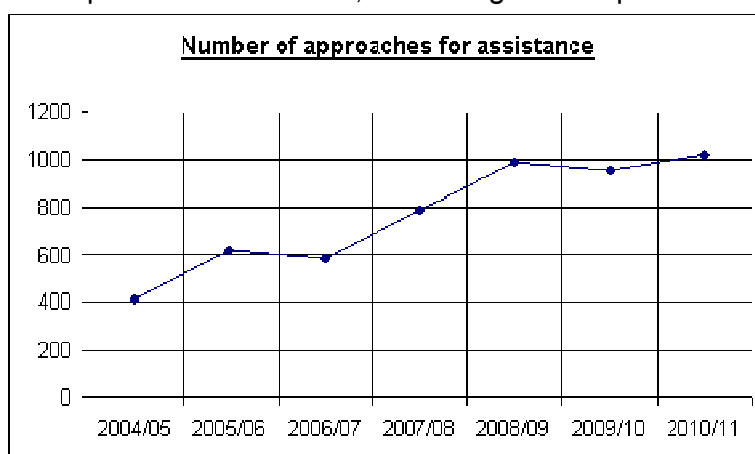
#### 2. RECOMMENDATION

That members-

- (i) Acknowledge the work undertaken by the Housing Options team to prevent homelessness, which has contributed to the award of a grant for £50,015 for the prevention of homelessness due to mortgage arrears.
- (ii) Agree a supplementary income and expenditure budget of £50,015.

#### 3. BACKGROUND TO THE REPORT

- 3.1 Our Housing Options team provides advice and assistance to people experiencing housing difficulties and provides a full homeless service to those people whose homelessness cannot be prevented.
- 3.2 The emphasis of the team is to take a proactive approach to preventing homelessness wherever possible. Customers are seen as early as possible before their situation reaches crisis point and a range of realistic options are presented to the customers in order that they can make informed choices.
- 3.3 The tables below show the increase in the number of people approaching the service for assistance, the number of people in temporary accommodation and the numbers of cases where homelessness has been prevented. Members will note that although approaches have increased considerably (180% increase from 2004/05 to 2011/12) the numbers in temporary accommodation have decreased and the numbers of cases prevented increased, illustrating that a spend to save approach is successful.



3.4

| Year (April to March) | Number of approaches for assistance | Numbers in temporary accommodation provided by the Council as at the last Day of December of each year | Number of cases prevented  |
|-----------------------|-------------------------------------|--|----------------------------|
| 2004/05               | 415                                 | 30   | Not recorded at this stage |
| 2005/06               | 618                                 | 37   | Not recorded at this stage |
| 2006/07               | 580                                 | 33   | 143                        |
| 2007/08               | 788                                 | 21   | 341                        |
| 2008/09               | 983                                 | 5  | 435                        |
| 2009/10               | 950                                 | 14   | 448                        |
| 2010/11               | 1014                                | 15   | 511                        |
| 2011/2012             | 1162                                | 5  | 606.                       |

There are a number of methods used by Officers to prevent homelessness, including assisting people to find alternative accommodation and providing advocacy, mediation and negotiation support to enable people to remain in their existing accommodation. Prevention ensures that the impact of homelessness on people, in particular children, is minimised and the costs of providing temporary accommodation have reduced considerably.

3.5 In terms of mortgage arrears, the Council received funding through the mortgage rescue scheme to assist people experiencing problems with paying their mortgage. Through the scheme 16 families have been assisted in remaining in their homes in the past 3 years – this is the highest number of any District in Leicestershire.

3.6 Due to our performance in the use of mortgage rescue, and the demand within the Borough, the Council have been awarded £50,015 specifically to prevent homelessness through mortgage arrears. This is more than any other District within the County by a considerable amount and is a reflection of the positive work undertaken by the Housing Options team. This funding will be used to continue with the mortgage rescue scheme and will allow for additional help such as paying off small mortgage arrears as a loan, as an interim measure, giving the mortgagee time to seek professional debt advice and get their finances on track, it could be used to top up mortgage payments for a period of time to allow for a change of circumstances or for the house to be sold. The maximum assistance offered to one family would be £5,000.

#### 4. **FINANCIAL IMPLICATIONS (TO)**

The £50,015 grant has been recognised as income in April 2012. There is, however, no budget for either the income or expenditure. Finance Procedure Rules require that Council approve a Supplementary Budget in excess of £50,000. We are therefore seeking Council approval to create a matching income and expenditure budget, both for £50,015, for 2012/13.

5. **LEGAL IMPLICATIONS (AB)**

Any mortgage assistance loans are secured against the property of the applicant to protect the Council's interests.

6. **CORPORATE PLAN IMPLICATIONS**

Contributes to strong and distinctive communities and a safer and healthier borough.

7. **CONSULTATION**

None

8. **RISK IMPLICATIONS**

| <b>Management of significant (Net Red) Risks</b>  |  |               |
|---|--|---------------|
| <b>Risk Description</b>   | <b>Mitigating actions</b>  | <b>Owner</b>  |
| Funding isn't allocated to homelessness prevention work, restricting the ability of Officer's to work proactively with customers. | Ensure importance of work is recognised in terms of the beneficial impact on customers of preventing homelessness. | Sharon Stacey |

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

The use of homelessness prevention funding for mortgage arrears has a positive impact on vulnerable people and for those living in rural areas. It means that home owners can remain in their own homes and not face the disruption of temporary accommodation away from their communities, changes to children's schools, employment etc. This is particularly beneficial to customers in rural areas, where temporary accommodation is not available.

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications - none
- Environmental implications - none
- ICT implications - none
- Asset Management implications - none
- Human Resources implications - none
- Planning Implications - none
- Voluntary Sector - none

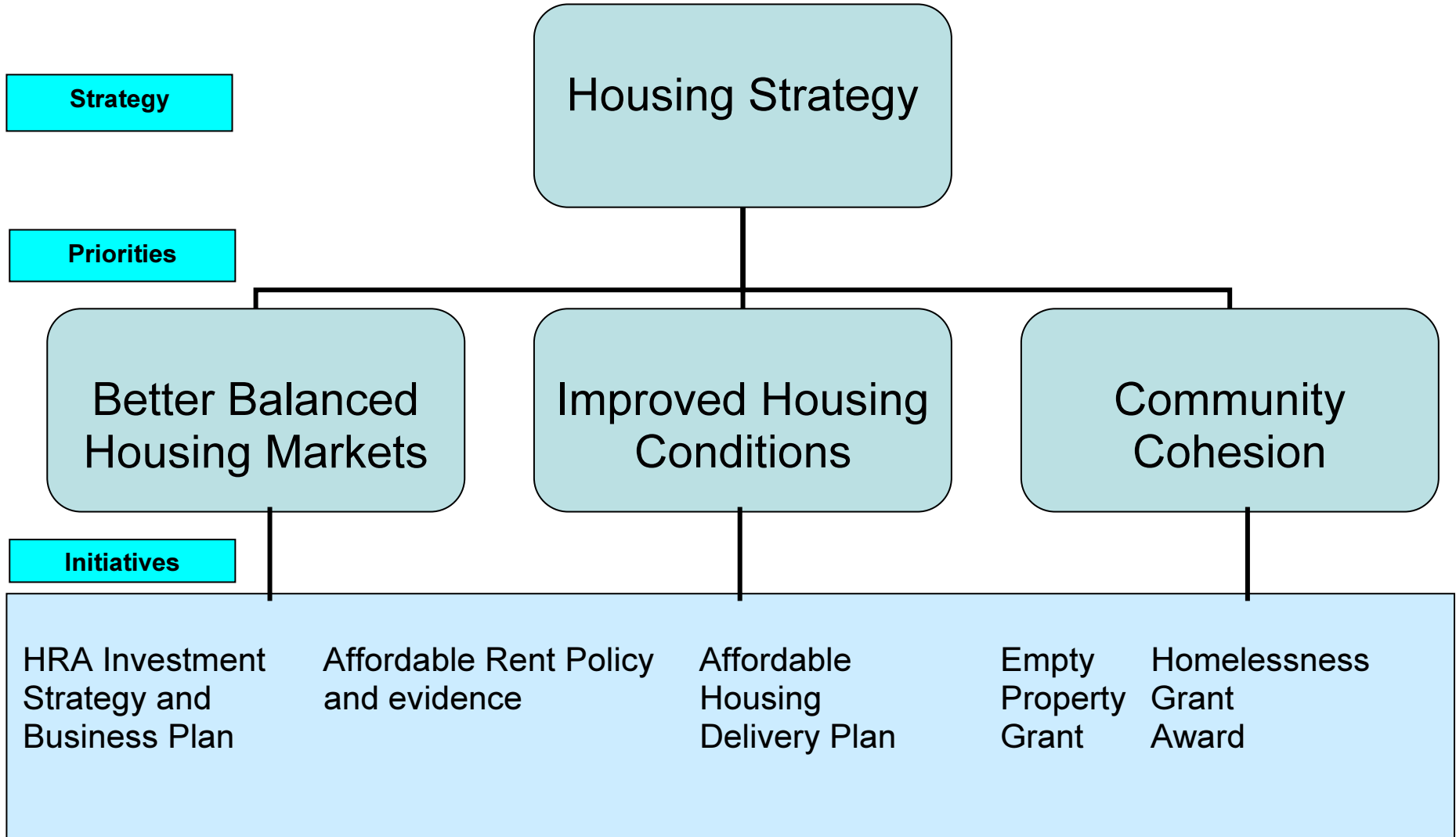
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Background papers: [List any background information or insert 'none']

Contact Officer: Sharon Stacey, Chief Officer (Housing, Community Safety and Partnerships), ext 5636

Executive Member: Michael Mullaney

Appendix 7



**COUNCIL – 19 JUNE 2012**

**LEICESTERSHIRE PARTNERSHIP REVENUES & BENEFITS  
SAVINGS 2011/12  
REPORT OF THE DEPUTY CHIEF EXECUTIVE (CORPORATE  
DIRECTION)**



Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

**WARDS AFFECTED: ALL WARDS**

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1. **PURPOSE OF REPORT**

To seek Members' approval to retain the savings secured by the Leicestershire Partnership for Revenues & Benefits during 2011/12 within the Partnership's consolidated reserves for use during 2012/13, for the purposes stated in the report.

2. **RECOMMENDATION**

That Members approve the retention of £70,898 within the Partnership as this Council's contribution to the Partnership Reserves in 2012/13; this amount being Hinckley & Bosworth BC's contribution to the underspend in 2011/12.

3. **BACKGROUND TO THE REPORT**

3.1 As part of the Revenues and Benefits Partnership arrangement between North West Leicestershire DC, Harborough DC and Hinckley & Bosworth BC, the individual councils agreed contributions totalling £3.26m to be made to the Partnership in 2011/12. Actual expenditure was lower than anticipated, mostly due to staff vacancies at the start of the new arrangement, which are now largely resolved. This resulted in a Partnership underspend of £179,778 in 2011/12.

3.2 The retention of this amount is vital to ensure that the Partnership's agreed Improvement Plan can be fully implemented in 2012/13. Alongside this there are the known upcoming pressures of the Technical Reforms to Council Tax, for which preparation of a new, countywide scheme is underway on which extensive and speedy consultation work will need to be undertaken, along with the introduction of Universal Credits from October 2013. The approval from the three partner councils for the 2011/12 underspend to be held in a partnership reserve will help enable the Partnership to fulfil these additional obligations.

3.3 Appendix i details the actual expenditure and saving for each local authority with Hinckley & Bosworth BC's element of the contribution being £70,898.09.

4. **FINANCIAL IMPLICATIONS [CB]**

Contained within the body of the report.

5. **LEGAL IMPLICATIONS []**

6. **CORPORATE PLAN IMPLICATIONS**

A successful Revenues and Benefits partnership supports the following aims of the Corporate Plan:

- Thriving economy
- Strong and distinctive communities

7. **CONSULTATION**

None

8. **RISK IMPLICATIONS**

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

| <b>Management of significant (Net Red) Risks</b>   |  |                 |
|--|--|-----------------|
| <b>Risk Description</b>  | <b>Mitigating actions</b>  | <b>Owner</b>    |
| Not using this amount for the Partnership will seriously limit the actions necessary to prepare and address statutory requirements post April 2013 | Agree the recommendations in the report and utilise the available finance in accordance with the Improvement Plan and the arrangements being planned for Council Tax Support | Chief Executive |

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

The benefits of a strong Revenues and Benefits partnership affect all residents both rural and urban.

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning implications
- Voluntary Sector implications

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Background papers: None

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