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Our ref: LMK  
Your ref:

Date: 9 April 2014

Dear Councillor,

### **Housing and Community Services Committee**

A Meeting of the **Housing and Community Services Committee** will be held in the **Council Chamber**, on **Thursday, 17 April 2014 at 18:00**. You are requested to attend.

Yours faithfully,

Chief Executive

To:- **Conservative Group**  
Councillor Lemmon (Chairman), Councillor Hewlett (Vice-Chairman) and Councillors Ford, Harrison, Mrs. Hood, Murray and Smith.

**Labour Group**  
Councillors Frost, Mrs. Heath, Mulgrew, Rhind, Richards and Shepherd.



## **AGENDA**

### **Open to Public and Press**

- 1** Apologies
- 2** To receive the Open Minutes of the Meeting held on 13th March 2014.
- 3** To note any declarations of interest arising from any items on the Agenda
- 4** To receive any questions by members of the public pursuant to Council Procedure Rule No.10.
- 5** To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 6** Reports of Overview and Scrutiny Committee
- 7** Mobile Homes Act 2014 - Licensing of Residential Park Homes. **3 - 16**
- 8** Council House New Build – HCA Bid and HRA Resources. **17 - 20**
- 9** Work Programme. **21 - 23**

### **Exclusion of the Public and Press:**

- 10** The Chairman may therefore move:-  
That in accordance with Section 100 (A) of the Local Government Act 1972 the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraph of Part I of the Schedule 12A of the Act indicated in the header to each report on the Agenda.
- 11** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 12** To receive the Exempt Minutes of the Meeting held on 13th March 2014.

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<b>REPORT TO:</b>	<b>Housing and Community Services Committee</b>	<b>AGENDA ITEM: 7</b>
<b>DATE OF MEETING:</b>	<b>17<sup>th</sup> April 2014</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>Director of Housing &amp; Environmental Services</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>Beverly Wagstaffe (01283 228759)</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>Mobile Homes Act 2013 – Licensing of Residential Park Homes</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>All</b>	<b>TERMS OF REFERENCE: HCS01</b>

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## **1. Recommendations**

- 1.1 Members approve the proposed draft Fees Policy (Appendix A) for Residential Park Home Sites as a basis for wider consultation.
- 1.2 That authority is given to the Director of Housing and Environmental Services in consultation with the Chair of this Committee, to agree any minor amendments to the draft policy arising from wider consultation prior to implementation from April 2015. Any proposed material amendments will be the subject of a further report to Committee.
- 1.3 That Members approve proposals to review all the existing Site Licences and attached Conditions for all of the existing Residential Park Homes across the district and that fees are not charged as part of this review.
- 1.4 Members give delegated powers to the Director of Housing and Environmental Services with regards to enforcement powers of the Caravan Sites and Control of Development Act 1960 as amended by the Mobile Homes Act 2013.

## **2. Purpose of Report**

- 2.1 To inform Members of the changes brought about by the Mobile Homes Act 2013, including the introduction of fees and charges and additional enforcement powers for local authorities.

## **3. Detail**

- 3.1 There are currently 20 licensed Residential Park Home Sites in South Derbyshire. These range from single unit sites to larger sites of approximately 60 units. In total, on the licensed residential sites there are 160 park homes.
- 3.2 The Mobile Homes Act 2013 (the MHA 2013) received Royal Assent on 26<sup>th</sup> March 2013. The MHA 2013 amended the Caravan Sites and Control of Development Act 1960 (the CSCDA 1960); the Caravan Sites Act 1968 (the CSA 1968) and the

Mobile Homes Act 1983 (the MHA 1983). It brought the licensing regime applying to park home sites in England under the CSCDA 1960 more closely in line with other Local Authority licensing regimes and also included a power to enable the Secretary of State to introduce by way of secondary legislation a “fit and proper” person requirement for managers of sites.

- 3.3 The rationale for the new provisions was that the existing law relating to park homes was ineffective and outdated. The law neither deterred the unscrupulous park home site owners from exploiting residents nor did it provide local authorities with effective powers to monitor or improve site conditions.
- 3.4 The MHA 2013 amended various parts of the earlier legislation by extending the scope of the offences, by removing the requirement for site owners to approve a purchaser of a park home (or a person to whom a park home had been gifted) and made new provisions for sales, gifts and assignments of park homes. It also introduced new requirements regarding site rules and provided a framework for greater transparency on pitch fee reviews whilst allowing Local Authorities to charge fees in relation to the licensing of park homes. The Act also included provisions affecting the way that Local Authorities may inspect and enforce licensed sites. Members should note that these amendments do not apply to holiday caravan sites or touring sites.
- 3.5 With regards to site licensing the MHA 2013 brings in a number of new provisions affecting the way that Local Authorities may issue, inspect and enforce licences. These provisions which came into effect on 1<sup>st</sup> April 2014 are as follows:
- Local Authorities will be able to charge the site owner a fee for applying for a new site licence as well as amendments to conditions attached to the licence or transfer of a site licence.
  - Local Authorities will be able to charge park owners an annual fee for the monitoring of the site licence; failure to pay the annual fee could lead to the site licence being revoked.
  - Local Authorities will be able to refuse to grant a site licence where it considers the applicant is unsuitable to hold a licence. Guidance on how local authorities can make this decision is expected to be published in the future.
  - Local Authorities will have a power to enforce licence conditions through a compliance notice. Failure to comply with a compliance notice is a criminal offence and the Local Authority may consider taking legal proceedings. Any costs associated with this process would be at the discretion of the court and may eventually result in the revocation of the licence. If the licence holder does not comply with the compliance notice, the local authority can do the work in default and recover the costs.
- 3.6 With regards to site rules the site operator is now required to deposit these with the Local Authority. The Local Authority may charge for the deposit of the first site rules and any subsequent amended site rules.
- 3.7 The charging provisions within the MHA 2013 means that Local Authorities can now recover from the site owner the cost of exercising their Park Homes Licensing functions. However, before charging any fees, the Council must prepare and publish a fees policy in relation to recovering of costs. A proposed Fee Policy is detailed in Appendix A.

- 3.8 Guidance around the setting of fees has only recently been published, hence the timing of this Fee Policy being brought before Committee. Proposed fees have been calculated in accordance with the guidance with a proposed exemption from annual fees for single unit sites where the site operator is also the owner and occupier of the park home. The rationale for this exemption is that an owner-occupier is unlikely to make a complaint and the basis for the legislative changes was to deter unscrupulous park home site owners from exploiting residents.
- 3.9 Although the Council is not obliged to consult on this policy it is considered to be good practice. Furthermore, site owners may choose to pass their licence fee to the homeowner which they are permitted to do so. With this in mind, officers propose that Members defer charging until 1<sup>st</sup> April 2015, thereby giving time for consultation on the proposed Fee Policy and to allow both site owners and residents the opportunity to plan for these changes.
- 3.10 Some of the 20 Residential Park Home site licences have now been in existence for many years. As a result some of the Conditions attached to the Licences need updating to contain current regulations and legislation; for example electrical installations and fire safety. Existing provision within the CSCDA 1960 allows for the Council to review and amend Conditions. Therefore, it is proposed that all Residential Park Home Site Licences be reviewed during 2014/15 and that where this results in an amendment to either the Site Licence and/or attached Conditions that no charge is made to the site owner. This will mean that when the Fee Policy becomes operable from 1<sup>st</sup> April 2015 that sites are operating under a Licence which is relevant to the current site status.
- 3.11 Members may be aware that the Government publish Model Standards which set out what is normally to be expected as a matter of good practice in relation to conditions attached to the Site Licence. These are not prescriptive and the Council is expected to give due regard to the particular circumstances of the relevant sites. With this in mind there are some sites across the district where the park homes are privately rented. Unlike owner occupiers, these residents have little control over the condition and repair of the park home. The nature of a park home, i.e. it is a caravan not a building, means that the enforcement powers within the Housing Act 2004 to improve housing standards in the private housing sector cannot be used regarding park homes. Therefore, it is proposed that where there is evidence to suggest that a site owner is also a landlord, in so much that they also own the park homes on the site and privately let them for permanent residential use; that a condition is included to ensure the homes meet the minimum industry standard for permanent residential caravans. This provision would provide officers with powers under the CSCDA 1960 amended to regulate the standard of private rented park homes.
- 3.12 As the enforcing authority of the Caravan Sites and Control of Development Act 1960 (CSCDA 1960) as amended, Members are asked to give delegated powers in respect of the CSCDA 1960 as amended to the Director of Housing and Environmental Services who may amend the local Scheme of Delegation to give delegated powers to respective officers.

#### **4. Financial Implications**

- 4.1 If the proposed policy to charge fees is approved, the authority will begin to charge fees for new and existing residential park home sites from 1<sup>st</sup> April 2015.
- 4.2 Charging will enable the Council to recover some of the officer time and administrative costs associated with the Park Homes licensing function. Based on the existing 20 sites the annual fee income is estimated to be £3,200.

#### **5. Corporate Implications**

- 5.1 Ensuring that Park Homes are appropriately managed and maintained will contribute towards the Council's objective to deliver a range of housing options in a 'clean and safe' environment.



**South  
Derbyshire**  
District Council

# Residential Caravan Site Fees Policy

## Consultation Document



INVESTOR IN PEOPLE

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## **1. Introduction**

- 1.1 The Caravan Site and Control of Development Act 1960 (CSCDA 1960) introduced a licensing system to regulate the establishment and operation of caravan sites. This Act has now been amended by the Mobile Homes Act 2013 (MHA 2013), which was introduced in order to provide greater protection to occupiers of residential caravans (park homes) as the existing legislation had not been updated for more than 50 years. This Act introduces important changes to the buying, selling or gifting of a park home and the pitch fee review process. There is an expectation that councils will inspect sites annually and use the additional powers to ensure compliance with the site licence conditions. The new legislation allows the council to charge site owners a fee for new site licences, annual fees for administering and monitoring of existing sites and fees for amendments or transfers of existing licences. The Council can also now charge a fee for serving of enforcement notices and publishing any site rules relating to a site.

## **2. Fees charged for site licensing function**

- 2.1 The changes introduced by the MHA 2013 for site licensing came into force on 1<sup>st</sup> April 2014. These included powers for local authorities to charge fees for their licensing functions in respect of “relevant protected sites” A relevant protected site is defined in the Act as any land to be used as a caravan site with planning consent, other than one where a licence is:
- granted for holiday use only
  - in any other way subject to conditions which restrict the usage of the site for the stationing of caravans for human habitation at certain times of the year (such as planning conditions).
- 2.2 Relevant protected sites to which the legislation applies are typically known as residential parks, mobile homes parks and Gypsy Roma and Traveller sites.
- 2.3 Sites which do not fall within the definition of ‘relevant protected sites’ are still subject to the licensing requirements contained within the Caravan Sites and Control of Development Act 1960, but the provisions relating to payment of fees to not apply.
- 2.4 Under the new Act a fee can be charged for
- applications to grant a new licence
  - applications to transfer or amend an existing licence
  - annual licence fees for administering and monitoring existing site licences
  - depositing of site rules including first and subsequent deposits as a consequence of variations
  - serving of enforcement notices and recovery of costs incurred
- 2.5 This policy details the fees which this Council will charge for all of these licensing functions.

### **3. Fees structure**

- 3.1 The Council has calculated fees in accordance with the provisions of MHA 2013 which allows a local authority to include all reasonable costs and this includes administrative costs, officer visits to the site, travel costs, consultations, meetings, undertakings and informal advice.
- 3.2 The current fees for each of the processes set out in this policy are shown in Appendix B. The fees have been calculated based on the estimated average time and costs involved in undertaking each of the activities (Appendix A details what the Council have considered in calculating the fees)

### **4. Application for new site licence**

- 4.1 All sites require a site licence to operate (subject to the exemptions detailed in the CSCDA60). The Council may only issue a licence for a site with a valid and correct planning permission for the use. Fees for a new site licence are based on a fixed cost plus a charge per pitch to reflect the variation in the cost of processing the application according to the size of the site.

### **5. Transfer of a site licence**

- 5.1 Where a licence holder wishes to transfer the licence, an application must be made to the Council, for which a fee is payable. A fee for the transfer of a site licence is based on a fixed cost as generally no site visit is required.

### **6. Amendment of a site licence**

- 6.1 Where the licence holder requests an amendment to site licence conditions the Council will charge a fee.
- 6.2 Where the Council instigates a change in conditions no fee will be payable.

### **7. Annual fee**

- 7.1 All relevant protected sites must pay an annual fee to the Council (subject to the exemptions detailed in the CSCDA60). This fee covers the costs associated with administration, annual inspection and a revisit to ensure compliance where required. Where further revisits are required following a breach in conditions, further charges may be payable to cover the cost of any enforcement action taken.
- 7.2 The annual fee is based on a fixed cost plus a charge per pitch to reflect the variation in the cost according to the size of the site.
- 7.3 Single unit sites where the site operator is also the owner and occupier of the park home will be exempt from annual fees.

### **8. Site rules**

- 8.1 Site rules are not the same as the site licence conditions. They are an agreed set of rules between the site owner and residents of the site that are put in

place to ensure acceptable standards are maintained. The MHA13 changes the way that site rules are agreed between both parties. The Council must keep an up to date register of site rules on relevant protected sites and publish the register online. The Mobile Homes Act 1983 (as amended by the MHA13 – the Amended Act) allows the Council to charge a fee for depositing, varying or deleting site rules subject to regulations.

- 8.2 Before publishing the site rules, the Council will ensure that the rules deposited have been made in accordance with the statutory procedure.
- 8.3 Any site rules deposited with the Council for the first time or applications to vary or delete existing site rules must be accompanied by the appropriate fee. The fee is the same for either a first deposit or for a subsequent variation or deletion. This is because the process will be similar for all three types of deposits.

## **9. Enforcement costs**

- 9.1 Section 9A of the Amended Act allows Local Authorities to serve compliance notices on site owners where a site licence condition is breached. These notices will set out what the site owner needs to do to correct the breaches within prescribed timescales; the notice will attract a charge. Failure to comply with the notice would be a criminal offence and the Local Authority may consider taking legal proceedings. Any costs associated with this process would be at the discretion of the court.
- 9.2 Following a successful prosecution for breaching a compliance notice, the Council will be able to serve notice to enter the site and carry out the necessary works (Works in Default).
- 9.3 In addition to this, Section 9E of the Amended Act allows a notice to be served on site owners enabling the Local Authority to enter the site and take emergency action where there is imminent risk of serious harm.
- 9.4 Charges for enforcement costs cannot be passed onto the residents' pitch fee.
- 9.5 Charges for enforcement action are based on the actual costs incurred including officer time charged at an hourly rate.

## **10. When fees are payable**

- 10.1 Section 10A(5) of the Amended Act states that the Fees policy must include provision about the time at which the annual fee is payable. For the purpose of this policy, the period covered by the annual fee will be **1<sup>st</sup> April to 31<sup>st</sup> March** and will be invoiced on the 1<sup>st</sup> April.

## **11. Revising fees**

- 11.1 Fees will be revised on an annual basis along with the Council's other Fees and Charges.

## Appendix A

### Application for a new licence

Detail	Officer	Time (minutes)
Initial enquiry received and entered on database	Officer	10
Obtain planning documents and liaise with planning	Officer	30
Send out site application with covering letter	Officer	10
Liaise with applicant and arrange site visit	Officer	10
Travel time	Officer	30
Initial site visit	Officer	60
Check application is valid (i.e. compulsory questions complete, correct fee included, site plan provided) and carry out land registry search	Officer	40
Check validity of any supporting documentation provided (e.g. electrical certificate)	Officer	20
Process licence fee	Officer	20
Prepare site licence and conditions	Officer	90
Discuss proposed site licence conditions with applicant	Officer	60
Site licence checked and signed by manager	Manager	60
Site licence collected and signed for by applicant	Officer	10
Scan documents and update public register	Officer	20
Upon occupation liaise with site owner to arrange inspection	Officer	10
Carry out full site inspection, making note of any breaches of site licence conditions/works required	Officer	60
Travel time	Officer	30
Record details on file and Flare	Officer	20
<b>Total fixed time (mins)</b>		<b>590</b>
Additional inspection time for all pitches over and above the first	Officer	10
<b>Variable time (mins)</b>		<b>10</b>

#### Fee calculation for new licence application

Manager	60 minutes	@ £48.96* per hour =	£48.96
Officer	530 minutes	@ £33.44 per hour =	£295.39
Land registry search		@ £3 each =	£3.00

**Total fee = £347.35 (plus £5.57 per additional unit on site)**

\*all hourly costs include direct officer time and all on-costs as assessed by the Finance Service

## Application to amend a licence

Detail	Officer	Time (minutes)
Enquiry received and entered on database	Officer	10
Send out application form with covering letter	Officer	10
On receipt of application, liaise with applicant and arrange site inspection	Officer	10
Process licence fee	Officer	20
Travel time	Officer	30
Site inspection	Officer	60
Check amendments are acceptable and all necessary documents provided (e.g. new planning permission, new site plan)	Officer	30
Amend site licence	Officer	60
Site licence checked and signed by manager	Manager	60
Site licence collected and signed for by applicant	Officer	10
Scan documents and amend public register	Officer	20
<b>Total fixed time (mins)</b>		<b>320</b>

### Fee calculation for amendment of licence

Manager 60 minutes @ £48.96 per hour = £48.96  
 Officer 260 minutes @ £33.44 per hour = £144.91

**Total fee = £193.87**

## Application to transfer a licence

Detail	Officer	Time (minutes)
Enquiry received and entered on database	Officer	10
Send out application form with covering letter	Officer	10
Check application is valid (i.e. compulsory questions complete, correct fee included, site plan provided) and carry out land registry search	Officer	30
Process licence fee	Officer	20
Amend site licence	Officer	60
Site licence checked and signed by manager	Manager	60
Site licence collected and signed for by applicant	Officer	10
Scan documents and amend public register	Officer	20
<b>Total fixed time (mins)</b>		<b>220</b>

### Fee calculation for transfer of licence

Manager 60 minutes @ £48.96 per hour = £48.96  
 Officer 160 minutes @ £33.44 per hour = £89.17  
 Land registry search @ £3 each = £3.00

**Total fee = £141.13**



## **Appendix B**

### **Fees charged for site licensing**

<b>Detail</b>	<b>Fee payable</b>
Application for new licence	£347 + £6 per additional pitch*
Amendment of a licence	£194
Transfer of licence	£141
Annual fee	£196 + £7 per additional pitch*
Deposit, vary or delete site rules	£123
Enforcement costs	£42 per hour

\* The initial fixed cost is inclusive of one pitch, therefore the price per pitch is charged for all pitches over and above the first pitch

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<b>REPORT TO:</b>	<b>Housing and Community Services Committee</b>	<b>AGENDA ITEM: 8</b>
<b>DATE OF MEETING:</b>	<b>17<sup>th</sup> April 2014</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>Director of Housing and Environmental Services</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>Bob Ledger (01283 595775)</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>Council New Build – HCA Bid and HRA Resources</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>All</b>	<b>TERMS OF REFERENCE: HCS01</b>

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## **1. Recommendations**

- 1.1 Members agree to the Council submitting a bid for grant funding to the Homes and Communities Agency (HCA) Affordable Housing Programme for 2015-18.
- 1.2 Members approve the formation of a joint member/tenant Housing Revenue Account (HRA) Business Plan working group and appoints five Council members to the group.

## **2. Purpose of Report**

- 2.1 To bring before Committee a proposal to submit a bid for grant funding to the Government's Affordable Housing Programme 2015 – 18, which is administered by the Homes and Communities Agency (HCA).
- 2.2 As part of the process of identifying resources for any subsequent phases of the New Build programme to first revisit the Housing Revenue Account Business Plan to revise current and already agreed financial commitments.

## **3. Council New Build**

- 3.1 In April 2013 Members approved a phase 1 new build development and acquisition programme for 50 homes. £5.37m of funds have been set aside for this initial phase. The intention, approved by the Committee, is to enter into subsequent phases of a new build programme, subject to the availability of funds.
- 3.2 Moving forward, the availability of funds will significantly influence the number of new homes that can be built. Although the Council still has some borrowing capacity within the HRA to establish a meaningful programme it is likely that other sources of funding and working in partnership with other housing providers will need to be considered.

## Phase 1

- 3.3 With regards to phase 1, planning permission has already been granted for 39 new homes across four sites. These will be funded 100% via the HRA. Subject to the tender evaluation process, works are scheduled to commence on site in the summer. From a 'standing start' in April 2013 to have a developer appointed just a year later and having gone through separate procurement processes for architects, quantity surveyors and developers this represents good progress in development terms.
- 3.4 A planning application has now been submitted for a further 10 homes at Pennine Way, Swadlincote. A previous Council flat sold under the Right to Buy was reacquired in the autumn of 2013 i.e. giving a total of 50 homes.
- 3.5 In relation to the Pennine Way proposal it is possible to fund their development from existing resources although inevitably this will mean fewer resources are available for any subsequent new build phases. Officers are therefore mindful of the need to utilise external sources of funds when opportunities arise.
- 3.4 The Homes and Communities Agency (HCA) have recently launched their new Affordable Homes Prospectus 2015-2018 which provides an opportunity for councils to also bid for grant funding alongside Registered Providers (Housing Associations). The main aim of the Affordable Homes Programme is to invest £1.7bn nationwide (excluding London) to increase the supply of new affordable homes in England by contributing to the delivery of 165,000 new homes by March 2018. The timescale for submitting a bid is 30<sup>th</sup> April 2014 with successful allocations being announced late July 2014.
- 3.5 Officers have had some initial discussions with the HCA about whether it is worth this Council submitting a bid for the 10 homes proposed at Pennine Way. The HCA response would probably be best described as 'mixed'. Indications are that the HCA are seeking bids in the region of £10,000 to £20,000 per home.
- 3.6 Any grant awarded would be under the strict condition that those grant earning properties would be let at 'affordable rents'. These are rents set at upto 80% of market rents and are generally at least 20% higher than our normal 'social rents'. The positive about affordable rents is that they generate more revenue income and therefore debt incurred to build in the first place can be paid off more quickly and/or less grant is needed i.e. it frees up resources to build more. The downside of affordable rents is that for those just outside the housing benefit threshold they can have a significant effect on household income. Given though that the Council currently has 3,000 social rent properties and this would mean only 10 let at affordable rents the prospect of substantial grant funding may make a limited number of affordable rent properties acceptable.

3.6 Weighing up the possible negatives and positives of a bid:-

Positives	Negatives
<ul style="list-style-type: none"> <li>• It would send a positive message to the HCA that South Derbyshire supports the need for affordable housing and the government’s wider agenda to promote housing growth.</li> <li>• Even if unsuccessful, the Council would establish a track record with the HCA which could open up future opportunity to access funding.</li> <li>• It would give officers the opportunity ‘test the waters’ as to what is involved in the process.</li> <li>• If the bid was successful then this may enable the Council to deliver more affordable housing for the resources identified.</li> </ul>	<ul style="list-style-type: none"> <li>• If successful the HCA would stipulate rent levels on the 10 homes would need to be set at an ‘affordable rent’ level, up to 80% of market rents. This will be new territory for the Council who have up to now only offered ‘social’ rents.</li> <li>• Officers would need some limited external support to put in a quality HCA bid given that we have no track record of such.</li> </ul>

3.7 Members of the Strategic Housing and Planning Group have recently discussed whether this Council should consider submitting a bid and the likelihood of success. In principal the group are recommending a bid be made (Cllrs Hewlett, P Watson, Smith (deputising for Cllr Lemmon), Rhind and Taylor).

3.8 The Government, via the HCA, are particularly encouraging bidders to also have policies of selling off high value stock to generate other resources for new build, reletting all void properties within the whole of the landlord’s stock at affordable rents again to generate additional resources and building predominantly 1 and 2 bed room properties. For this Council these are decisions that would need fuller consideration in an HRA Business Planning process and then through separate reports to Committee i.e. if we make a bid now for the ten properties at Pennine Way it will not satisfy the criteria of a ‘favoured bidder’. However, on the other hand, making a bid will establish us in a relationship with the HCA and improves the chances of funding in the future even if we are unsuccessful on this round. The HCA policies in relation to selling other properties and building smaller properties are also being applied for the first time and therefore could change dependent on the experience of the first bidding round.

3.9 Other factors to consider are firstly that the HCA have announced that at least 25% of the funding will not be released immediately and secondly slippage in programme (some organisations not delivering on building as they promised and monies being freed up as a result) is relatively common and resources in those situations tend to be reallocated to established partners i.e. a substantial part of the £1.7bn will be available later to those already in a relationship with the HCA..

Council New Build – subsequent phases

3.10 The Council has not formally committed to any subsequent future new build phases. It has agreed in principle that there will be a consideration of a phase 2 but the detail of that is yet to be established.

3.11 The more fundamental issues in relation to subsequent phases will firstly be our lack of borrowing capacity in the HRA (the government imposed debt cap and the

resources committed under phase 1 mean that borrowing capacity may be down to circa £6m - subject to the current procurement process). The other major issue will be the lack of Council owned developable land. Therefore in looking at and establishing subsequent New Build phases we may need to be more creative on the finance model to be utilised.

- 3.12 The first part of the process though, in identifying potential resources, would be to revisit the HRA Business Plan and the estimates and commitments within it. The current plan is 2½ years old and since then we have had the full detail of the HRA self-financing settlement and we've committed a large part of the originally agreed £27m investment in the existing stock (the actual contract sums achieved for these works should mean some resources 'released' back into the main HRA).
- 3.13 In formulating the last three HRA Business Plans a joint stakeholder working group has always been established serviced by the Head of Service and other officers as required. In two of those three, stock transfer was a fundamental part of the review process and staff were identified as a key stakeholder and as such took an equal place on the group alongside tenants and members. Given though that stock transfer is no longer being considered it is proposed this time that only members and tenants constitute the group. Any draft plan would of course need the agreement of the Council before being adopted.
- 3.14 It is therefore proposed that a joint member/tenant HRA Business Plan working group be established of ten. The tenants group to be asked to nominate five, the Council's controlling group to nominate three and the Council's opposition group to nominate two people to the group.
- 3.15 It is proposed that the group would start to meet in June with a view to the plan being drafted and submitted to Committee in October/November 2014. It is envisaged that the group will meet approx. 6 times over that period.

#### **4. Financial Implications**

- 4.1 The HCA bidding process is complex and new to officers. Therefore some minimal external support would need to be brought in to support officers. This would be contained within £2,000 and funded from existing HRA budgets.
- 4.2 The bid would need to be subject to a full financial appraisal before Council sign-off as the grant only funds between 10% and 20% of the overall scheme, which is estimated at £1m. This is required as part of the application process to demonstrate a funding gap to attract the HCA resources.
- 4.3 The appraisal would need to take account of how much of the Council's current level of New Build reserve could be used (taking into account other potential commitments) and how much borrowing would be affordable within HRA resources, including future income streams from these 10 properties.

#### **5. Corporate Implications**

- 5.1 The report contributes towards the key strategic objective of the Council to deliver and range of affordable decent housing.

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<b>REPORT TO:</b>	<b>HOUSING AND COMMUNITY SERVICES COMMITTEE</b>	<b>AGENDA ITEM: 9</b>
<b>DATE OF MEETING:</b>	<b>17TH APRIL 2014</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>Director of Community &amp; Planning Services / Director of Housing &amp; Environmental Services</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>Stuart Batchelor (Ext. 5820) Bob Ledger (Ext. 5775)</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>WORK PROGRAMME</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: G</b>

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### **1.0 Recommendations**

1.1 That the Committee considers and approves the updated work programme.

### **2.0 Purpose of Report**

2.1 The Committee is asked to consider the updated work programme.

### **3.0 Detail**

3.1 Attached at Annexe 'A' is an updated work programme document. The Committee is asked to consider and review the content of this document.

### **4.0 Financial Implications**

4.1 None arising directly from this report.

### **5.0 Background Papers**

5.1 Work Programme.

**Housing and Community Services Committee – 17<sup>th</sup> April, 2014**  
**Work Programme 2013/14**

<b>Work Programme Area</b>	<b>Date of Committee meetings</b>	<b>Anticipated completion date</b>	<b>Submitted to Council target date</b>	<b>Contact Officer (Contact details)</b>
Housing Revenue Account Business Plan Review - initiate	17 <sup>th</sup> April 2014			Bob Ledger Director of Housing and Environmental Services (01283 595775)
Rosliston Forestry Centre Vision and Strategy	June 2014			Malcolm Roseburgh Cultural Services Manager (01283 595774)
Quarterly performance	June 2014 August 2014 November 2014 March 2015			
Careline Consortium - Business Case	June 2014			Bob Ledger Director of Housing and Environmental Services (01283 595775)
Capital Development of Sports Facilities Update	June 2014			Malcolm Roseburgh Cultural Services Manager (01283 595774)
Active Nation Year 3 Report and Future Plans	June 2014			Malcolm Roseburgh Cultural Services Manager (01283 595774)

<b>Work Programme Area</b>	<b>Date of Committee meetings</b>	<b>Anticipated completion date</b>	<b>Submitted to Council target date</b>	<b>Contact Officer (Contact details)</b>
Private Sector Leasing Scheme	June 2014			Bob Ledger Director of Housing and Environmental Services (01283 595775)
Council Stock – Investment Programme progress	August 2014 February 2015			Gary Clarkson Improvements Manager (01283 595897)
Housing Revenue Account Business Plan Review - report	October 2014			Bob Ledger Director of Housing and Environmental Services (01283 595775)
Housing Revenue Account budget setting	February 2015			Kevin Stackhouse Director of Finance and Corporate Services (01283 595811)