



## **COMMISSIONING BOARD**

Thursday 22 March 2012 at 6.30 pm

Council Chamber, Ryedale House, Malton

### **Agenda**

#### **PART ONE**

- 1 **Emergency Evacuation Procedure**
- 2 **Apologies for Absence**
- 3 **Minutes of Meeting held on 26 January 2012 and 1 March 2012** (Pages 1 - 8)
- 4 **Declarations of Interest**
- 5 **Urgent Business**

#### **PART TWO - A Items dealt with under delegated powers or matters determined by the Board**

- 6 **Ryedale Economic Action Plan - Consultation Draft** (Pages 9 - 18)

#### **PART THREE - B Items - Matters to be referred to Council**

- 7 **Protocol for Use of Affordable Housing Commuted Sums** (Pages 19 - 22)
- 8 **Economy and Housing Joint Commissioning Group - Revisions to Private Sector Housing Grants** (Pages 23 - 26)
- 9 **Any other business that the Chairman decides is urgent**

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## Commissioning Board

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Held at Council Chamber, Ryedale House, Malton  
on Thursday 26 January 2012

### Present

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Councillors Andrews, Clark, Mrs Cowling (Chairman), Mrs Frank (Vice-Chairman), Mrs Goodrick, Fraser, Hicks, Hope, Richardson, Mrs Sanderson and Walker

### In Attendance

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Fiona Brown, Jos Holmes, Nicki Lishman, Phil Long, Steve Richmond, Kim Robertshaw and Julian Rudd

### Minutes

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#### 38 Apologies for Absence

Apologies for absence were received from Councillor Mrs Denniss. Councillor Mrs Goodrick was substituting.

#### 39 Minutes of Meeting held on 24 November 2011

The minutes of the meeting of the Commissioning Board held on 24 November 2011 (previously circulated) were presented.

It was noted that Councillor Mrs Goodrick and the Assistant Solicitor were missing from the list of attendees.

#### **Resolved**

That the minutes of the meeting of the Commissioning Board held on 24 November 2011 be approved and signed by the chairman as a correct record following the correction of the list of attendees.

#### 40 Declarations of Interest

Councillor Fraser declared a personal but not prejudicial interest in Item 9, as he was a member of the Board of Community Leisure Ltd.

#### **PART TWO - A items to be dealt with under delegated powers or matters determined by the Board**

#### 41 Housing Benefit Reforms Update

The Head of Economy and Housing submitted a report (previously circulated) which updated Members on the local impact of benefit reforms.

## **Resolved**

- (i) That the work being undertaken to reduce any detrimental impact of Housing Benefit reforms on Ryedale residents be endorsed;
- (ii) That the impact thus far of the benefit reforms, together with the anticipated future implications, for those Ryedale residents in receipt of Housing Benefit be noted; and
- (iii) That a further report on the impact of the Housing Benefit reforms be brought before the Commissioning Board in September 2012.

## 42 **Economy and Housing Joint Commissioning Group - Update**

The Head of Economy and Housing submitted a report (previously circulated) to update the Commissioning Board on progress made by the Economy and Housing Joint Commissioning Group (JCG) in their review of this Council's private sector housing work, in particular the use of the Council's capital programme to fund a range of grants and loans to improve private sector housing in Ryedale so that it better meets the housing needs of local people.

### **Resolved**

That the report be noted.

## 43 **Ryedale Tourism Advisory Board Recommendations**

The Head of Economy and Housing submitted a report (previously circulated) which sought endorsement of the Ryedale Tourism Advisory Board recommendations concerning use of the Y Charter mark, the [discovernorthyorkshire.co.uk](http://discovernorthyorkshire.co.uk) website and involvement in the Visit Hull and East Yorkshire (VHEY) bid for European Regional Development Fund (ERDF) support.

The report also outlined arrangements for the forthcoming relocation of Malton Tourist Information Centre (TIC).

### **Resolved**

- (i) That the following recommendation of the Ryedale Tourism Advisory Board be not endorsed;
  - a) the 'Y Charter' mark be used for businesses engaged in Council funded activities, in addition to other recognised Quality Assurance marks;

- (ii) That the following recommendations of the Ryedale Tourism Advisory Board be endorsed;
  - b) there should be ongoing investment in the development of the discovernorthyorkshire.co.uk website, using existing budgets;
  - c) Ryedale District Council commits to the partnership approach established in the VHEY ERDF bid 'Partners for Growth';
- (ii) The timetable for the relocation of Malton TIC be noted.

44      **Active and Environment Joint Commissioning Group - Update**

The Head of Environment submitted a report (previously circulated) which updated Members on the progress of the Active and Environment Joint Commissioning Group regarding the development of a Sport and Active Leisure Strategy.

**Resolved**

That the report be noted.

45      **Malton Air Quality Management Area Action Plan**

The Head of Environment submitted a report (previously circulated) which recommended that the Malton Air Quality Management Area Action Plan be adopted following consultation on the draft Air Quality Action Plan.

It was then moved by Councillor Mrs Frank and seconded by Councillor Fraser that the recommendation be approved.

An amendment was moved by Councillor Mrs Cowling and seconded by Councillor Walker to;

Transfer Action 2b from Section 4 "Proposed Measures" to Section 5 "Measures for Future Consideration".

Upon being put to the vote the amendment was carried.

Upon being put to the vote the substantive motion was carried.

**Resolved**

That the Malton Air Quality Management Area Action Plan be adopted, subject to the following amendment;

Transfer Action 2b from Section 4 “Proposed Measures” to Section 5 “Measures for Future Consideration”.

Councillor Andrews requested that his abstention be recorded.

### **PART THREE - B Items - Matters to be referred to Council**

#### **46 Empty Properties**

The Head of Economy and Housing submitted a report (previously circulated) which sought the adoption by Council of the new North Yorkshire Empty Property Strategy, together with a Ryedale Empty Property Action Plan. To assist implementation of the Action Plan the report also sought a rolling capital resource to encourage and force the re-use of empty properties.

#### **Resolved**

That Council be recommended to approve:

- (i) that the North Yorkshire Empty Property Strategy and the Ryedale Empty Property Action Plan be adopted; and
- (ii) that the principle of a recyclable capital resource of £100k, to be made available to pursue legal powers against owners of empty properties and to undertake works in default on properties, be supported and be considered through setting the Council budget for 2012/13.

#### **47 Any other business that the Chairman decides is urgent**

As there were no other items of urgent business the meeting closed at 8.30 pm.

## **Commissioning Board**

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Held at Council Chamber, Ryedale House, Malton  
on Thursday 1 March 2012

### **Present**

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Councillors Andrews, Clark, Mrs Cowling (Chairman), Mrs Denniss, Mrs Frank (Vice-Chairman), Fraser, Hicks, Richardson, Mrs Sanderson and Walker

### **Observers**

Councillors Raper, Wainwright and Windress

### **In Attendance**

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Fiona Brown, Jos Holmes, Nicki Lishman and Julian Rudd

### **Minutes**

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#### **48 Apologies for Absence**

Apologies for absence were received from Councillor Hope.

#### **49 Declarations of Interest**

Councillor Mrs Frank declared a personal but not prejudicial interest in the Item as she was a member of Ryedale Tourism Advisory Board.

#### **50 Call-In: Ryedale Tourism Advisory Board Recommendation**

At the last meeting of the Commissioning Board held on the 26 January 2012 the Board had resolved;

- (i) That the following recommendation of the Ryedale Tourism Advisory Board be not endorsed;
  - a) The 'Y Charter' mark be used for businesses engaged in Council funded activities, in addition to other recognised Quality Assurance marks;

The Chairman of the Overview & Scrutiny Committee had called in the decision, which had not yet been implemented, as he did not believe that the ramifications of this decision were fully understood by the Committee members. He was of the opinion that the Council had a policy to support, wherever possible, local business, and this decision was contrary to that policy.

The Overview and Scrutiny Committee had resolved that;

In light of a call in by the Overview and Scrutiny Committee of the decision by the Commissioning Board on the 26 January, agenda item 8, recommendation 2.1 (i) a), the Scrutiny Committee requested that the Commissioning Board consider again their decision not to endorse the Ryedale Tourism Advisory Boards recommendation of the 'Y charter mark' to be used for businesses engaged in Council funded activities, in addition to other recognised Quality Assurance marks.

The Scrutiny Committee drew to the attention of the Commissioning Board further information received from officers around the report and meeting notes when the matter was considered by the Tourism Advisory Board on the 15 September 2011. This stated that:

*The group discussed the Y Charter and felt that the self certification was not a quality mark, but did provide a necessary minimum standard. Concerns were expressed about a move away from the Visit Britain quality standard, as this could lead to a general drop in quality of provision in Ryedale. However the VB standards are also changing and will be harder to achieve a gold rating. Smaller establishments will find it hard to afford the schemes.*

*In addition, it was suggested that the Y Charter could be adapted for attractions.*

*It was agreed that the TICs can promote non QA property that does have the Y Charter rating, whilst recognising that this is not a quality mark. This will be taken back to the RDC Commissioning Board as a proposal supported by the TAB.*

Therefore the Scrutiny Committee believed that the Y charter should be endorsed by Ryedale District Council to ensure a cost effective certification scheme which ensures legitimacy of accommodation provider and a standard of service.

It was moved by Councillor Mrs Cowling and seconded by Councillor Mrs Frank that;

Members endorse the Ryedale Tourism Advisory Board recommendation that the 'Y Charter' mark be used for businesses engaged in Council funded activities, in addition to other recognised Quality Assurance marks.

Members debated the wider issue of whether QA accreditation should be required to promote accommodation providers and tourism businesses via Ryedale's Tourist Information Centres. As a consensus was not reached, it was agreed that officers would consult with partners on the issue and this would be brought back to a future meeting of the Commissioning Board for

further consideration.

**Resolved**

That the Ryedale Tourism Advisory Board recommendation that the 'Y Charter' mark be used for businesses engaged in Council funded activities, in addition to other recognised Quality Assurance marks be not endorsed.

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<b>PART A:</b>	<b>MATTERS DEALT WITH UNDER DELEGATED POWERS</b>
<b>REPORT TO:</b>	<b>COMMISSIONING BOARD</b>
<b>DATE:</b>	<b>22 MARCH 2012</b>
<b>REPORT OF THE:</b>	<b>HEAD OF ECONOMY AND HOUSING JULIAN RUDD</b>
<b>TITLE OF REPORT:</b>	<b>RYEDALE ECONOMIC ACTION PLAN – CONSULTATION DRAFT</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

1.1 To agree the draft Ryedale Economic Action Plan for consultation.

### **2.0 RECOMMENDATIONS**

2.1 It is recommended that:

- (i) the draft Ryedale Economic Action Plan be approved for consultation; and
- (ii) the comments received and appropriate amendments be considered as part of finalising the Ryedale Economic Action Plan at a future meeting of Commissioning Board.

### **3.0 REASON FOR RECOMMENDATIONS**

3.1 The purpose of the Economic Action Plan is to ensure that resources are allocated appropriately to the achievement of Council Aim 2 'To create the conditions for economic success in Ryedale'.

3.2 This report seeks to agree a draft of the Action Plan for consultation with stakeholders. This will provide partners with an opportunity to influence the activities of the District Council and to encourage joint working to achieve maximum benefit for the people of Ryedale.

### **4.0 SIGNIFICANT RISKS**

4.1 There are no significant risks associated with the recommendations.

## REPORT

### 5.0 BACKGROUND AND INTRODUCTION

- 5.1 The Commissioning Board (Minute 23 refers) have been appraised of the economic position of Ryedale and the potential activities that the Council could develop and deliver to contribute to Council Aim 2 'To create the conditions for economic success in Ryedale'. This issue was also the subject of a Member's Briefing in December 2012.
- 5.2 In addition to feedback provided by Members at these sessions subsequent consultation with a limited number of partners has been undertaken and these views have led to the development of the draft Ryedale Economic Action Plan.

### 6.0 POLICY CONTEXT

- 6.1 Aim 2: To create the conditions for economic success in Ryedale.

### 7.0 CONSULTATION

- 7.1 Consultation has been held with, or will be undertaken with a range of partner organisations, including:
- Ryedale Business Forum
  - Federation of Small Business
  - Tourism Advisory Board
  - Ryedale Art Works (private sector arts businesses)
  - Ryedale Work and Skills Partnership
  - York, North Yorkshire and East Riding Local Enterprise Partnership
  - Major Ryedale employers, including all key accounts (larger Ryedale employers who meet on a regular basis with Ryedale officers to optimise Council support)
  - Major Ryedale landowners, including Fitzwilliam Estate, and Castle Howard and Hovingham Estates

### 8.0 REPORT DETAILS

- 8.1 The Economic Action Plan will be a short document outlining what activity Council is aiming to undertake to 2015, why Council wants to do this and what resources are available to achieve it. Technical details will be included in an on line appendix with e links in the document.
- 8.2 The title of the Plan is "***Supporting business growth to deliver quality employment***"
- 8.3 The aim of the plan is to create the right conditions for economic success in Ryedale and the objectives are:
- A To have economic structure and supporting infrastructure in place.
- B To have opportunity for people and business; ensuring Ryedale businesses are at the centre of economic development and local people are equipped with the skills required by our businesses.
- 8.4 The Ryedale Economic Action Plan outlines background context, highlights economic drivers and details planned activities. The Plan will be a 6 page colour document, in PDF version , with photographs, tables and maps to annotate the text. The technical detail to support the text will be in a technical appendix, or links to those technical

papers will be embedded as links. The PDF document will be prepared and designed in house, once the content has been approved through Commissioning Board and Management Team. It will then be launched and available for on line consultation or download. The format of the document will include:

- 1 Introduction by Cllr K Knaggs
- 2 Context headlines – a summary of the current economic position in Ryedale, key partnerships and activity.
- 3 A map to indicate linkages to other geographic economies
- 4 A summary of the economic drivers (the issues we need to focus on to move our economy forward)
- 5 The action plan aims and objectives. This section will also include consultation questions to stimulate useful feedback.
- 6 Resources – how the Action Plan will be implemented.

8.5 Whilst recognising that the planned activities are identified, Members should be aware that it is the *approach* that Council takes to as yet unknown opportunities which is also detailed in the plan, rather than each identified action. This is a non paternalistic approach, engaging businesses and other partners in activities to encourage sustainable benefits.

8.6 It is proposed to invite views from consultees regarding:

- Have the right economic drivers been identified?
- Have the right activities been identified to achieve the economic objectives?
- Are there ways in which your organisation can work with the District Council and other to achieve beneficial economic activities?

## 9.0 IMPLICATIONS

9.1 The following implications have been identified:

- a) Financial  
There are no new significant financial implications of the recommendations.
- b) Legal  
There are no new significant legal implications of the recommendations.
- c) Other  
There are no new significant other implications of the recommendations.

## 10.0 NEXT STEPS

10.1 The plan will be available for public consultation for a period of 5 weeks, and a final draft will be brought back to Commissioning Board for approval.

**Julian Rudd**  
**Head of Economy and Housing**

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**Background Papers:**  
None.

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## Draft Ryedale Economic Action Plan 2012 – 2015

### *Supporting business growth to deliver quality employment*

**1 Introduction** – Cllr K Knaggs, Leader of Ryedale District Council and Local Enterprise Partnership Board Member.

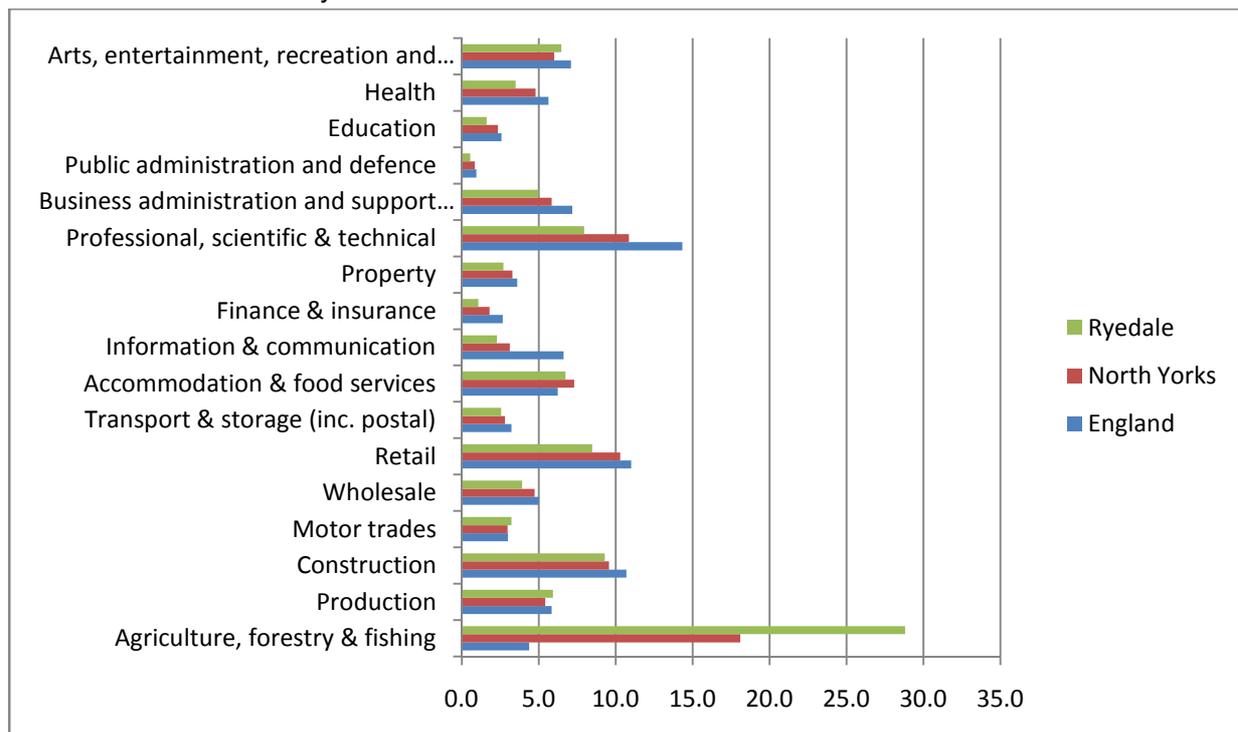
In this consultation draft of the Ryedale Economic Action plan we are asking “How can we best support local businesses to create quality employment opportunities?”. We are looking to Ryedale residents and businesses to help answer that question.

Local Authorities have always ‘done’ economic development. Promoting economic development is part of our statutory duty under the Local Government Act 2000 and during the previous Government, resources were allocated at the regional level, to be spent by Yorkshire Forward on the most deprived areas of Yorkshire and Humber. As a relatively prosperous rural district, we didn’t see much evidence of this support.

Under the new Coalition Government, we are now being ‘freed up’ to undertake economic development, but with significantly less resource than previously available. We therefore need to take a different approach. We need to listen to business. We need to support enterprising people. We need to work locally. In short, we need to move away from the paternalistic approach to economic development previously undertaken and to target our resources more effectively to support businesses and residents in Ryedale to create conditions for economic success.

## **2 The Economic Headlines**

The value of the Ryedale economy is mostly keeping pace with others in North Yorkshire. The types of businesses in Ryedale (the ‘sectoral breakdown’) is similar to that in North Yorkshire) and Ryedale’s key sectors are agriculture, hospitality (tourism), manufacturing and the cultural economy.

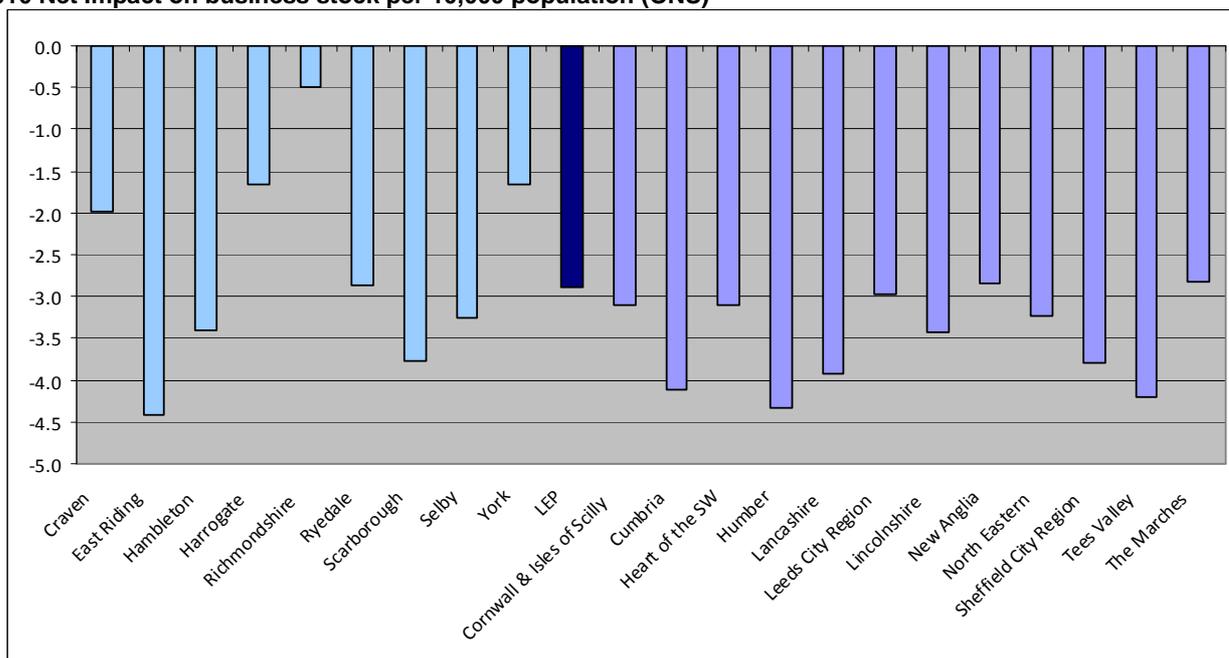


There remains a demand for employment land and premises, with a range of business sites available throughout the District. However, infrastructure constraints, such as the lack of high speed broadband in much of Ryedale, are a barrier to growth and inward investment.

### Businesses

There are high levels of business stock per 10,000 adult population and a good rate of new business start ups. There are many self employed people and most businesses are small, employing less than 50 people. However, the rate of new business creation is declining and the business survival rate is also reducing. The table below compares Ryedale with other North Yorkshire districts, the LEP area and similar economies around England, and demonstrates the net impact this has on the area business stock.

**2010 Net Impact on business stock per 10,000 population (ONS)**



There are key employers in Ryedale, employing at least over 100 people. Although many are located on industrial sites and business parks in the market towns, some are located in more rural areas of Ryedale due to historical factors.

### Employment and Wages

Ryedale experiences relatively high employment and self employment rates although in common with the national statistics, the Job Seekers Allowance claimant rate is increasing, albeit from a low level. 135 more young people under 24 are unemployed now in Ryedale (January 2012) than in January 2008, prior to the current economic downturn. Many people have more than one job. Critically, Ryedale has always experienced a low wage culture, (due in part to its prevalence of 'primary industries') as the table below illustrates. This contributes significantly to the difficulties for local people to afford local housing and the 'housing affordability gap'.

Figures in £s	Ryedale	Yorks and Humber	Great Britain
Gross Weekly Pay (Full time)	387.5	465.7	503.1
Hourly Pay (Full time)	9.92	11.64	12.77

Ryedale also has an increasingly ageing population, with the under 44 age group being under represented. This, coupled with high house prices, also causes difficulties for businesses to recruit skilled workers locally.

A lack of local skilled workforce is key issue for many businesses. Many young people leave the area, particularly for higher education elsewhere, and therefore skills can be difficult to 'grown on' locally.

For full details of the Ryedale economy, please review the Local Economic Assessment on [www.ynyeconomy.gov.uk](http://www.ynyeconomy.gov.uk)

### **3 MAP of Ryedale and economic geographies**

No local economy is independent of its neighbours, so the linkages between our neighbouring local authorities are important. The map below indicates the links to the York economy are strong, and many residents commute daily to York or Scarborough for employment.

MAP HERE

New partnerships are being forged with the creation of the LEP. For full details regarding the LEP, please review their website. <http://www.businessinspiredgrowth.com/>

### **4 Ryedale's economic drivers - what is the future?**

Economic development needs to focus on the future economy as much as on the present. We therefore need to understand the factors and issues that will take our economy forward over the next five years and lay the foundations for business growth and quality employment. The following list identifies growth areas to consider:

- High technology engineering; including links to the off shore wind industry and York Potash project
- Visitor & creative economy – links to the high landscape value of the Moors, Wolds and Howardian Hills
- Enterprising culture – high number of business start ups, and rates of business stock.
- Growth through use of IT – bringing the benefits of high speed broadband to Ryedale.
- Food and Drink , small and large scale manufacture is prevalent in Ryedale.

### **5 The Ryedale Economic Action Plan – What are our aims and objectives.**

Ryedale District Council's aim is to create the right conditions for economic success in Ryedale. We translate this into two key objectives;

- A To have economic structure and supporting infrastructure in place;
- B Opportunity for people and business; ensuring Ryedale businesses are at the centre of economic development and local people are equipped with the skills required by our businesses.

To realise these objectives, we need:

Engagement with local business and partner organisations.

Prepared projects – to take advantage of fast moving funding opportunities.

To be flexible and responsive in approach.

A range of projects and timescales (spreading the risk, short to long term planning)

Direct and indirect interventions – some projects lead by Ryedale District Council, others to provide a supporting role.

The following activities will be our priorities to achieve the objectives:

**Objective A: To have economic structure and supporting infrastructure in place;**

Provision of employment land

- Through the LDF Employment Land Review, to ensure that business have sufficient room for development and growth. Provision of information to potential investors.
- Employment land at Pickering. Investigating potential for investment in industrial site development.
- Supporting key strategic employers to expand and develop.
- Supporting the development of mixed use development on key sites in Ryedale to promote economic development and reduce the housing affordability gap.

Provision of Work space:

- Provision of information to investors regarding availability of workspace in Ryedale.
- Provision of industrial letting units and office type accommodation around Ryedale.
- Work to develop managed Workspace and training services at York Road (Malton) potentially in partnership with Derwent Training Association.
- Woolgrowers / Derwent Park project for employment and mixed use
- Connections with Science City York & Food and Environment Research Agency – provision of quality commercial scientific laboratories.

Housing: to consider the implications of new housing development to the local economy in terms of provision of accommodation for skilled people and local workers.

Communications and Transport Infrastructure:

- Brambling Fields – Norton. Continued development of the A64 junction to open up employment land in Norton
- Improving the public transport infrastructure in Norton.
- Further A64 improvements to unlock development potential in key employment areas
- Lobby and develop high speed broadband and mobile phone coverage to Ryedale's business parks and rural communities and promoting the benefits of this to business.

Malton public realm improvements

**Objective B: Opportunity for people and business; ensuring Ryedale businesses are at the centre of economic development and local people are equipped with the skills required by our businesses.**

Maintain economic intelligence through Key Account Management – supporting our key employers and horizon scanning for new economic strengths and threats.

Ryedale Work and Skills Partnership projects.

- Apprenticeships development.
- Addressing skills gaps for local business (new starters to graduate recruitment)
- Preparing for economic drivers (such as the Off Shore Wind Farm project)
- Influencing schools enterprise agenda
- Skills Summit (linking employers with schools)

Supporting the business life cycle

- Supporting new business start ups and improving business survival rates.
- Support business growth – research, inward investment and export

Developing the RDC Corporate approach to businesses – “Ryedale’s a great place to do business”

- Corporate Business Group to provide a proactive approach to business support.
- Ryedale Business Week
- Link to existing “Engineering Week”

Sector specific support:

- High Technology Manufacturing – link to employment land provision and skills provision.
- Visitor and Creative Economy – supporting business led initiatives, product development and community owned facilities. Creative Economy Commissioning project.
- Social Economy – supporting the Coalition Government’s localism agenda through social enterprise.
- Agri Food – local food promotion and food manufacture support.

Market Towns - working with businesses and residents on their local initiatives, particularly those aspirations identified in the LDF such as promotion of local heritage, retailing or social enterprise facilities.

Sustainable business – promoting the ‘green’ economy for business growth.

**6 Resources – how we will deliver the actions.**

No wards in Ryedale are within the ‘most deprived’ 25% in England and our dependence upon declining public sector is relatively low. Ryedale is unlikely to be a high priority for public sector assistance. However, the Authority can...

Engage with businesses and business networks to prioritise activity.

Work in partnership with business, Councils (neighbouring local authorities, National Park and Area of Outstanding Natural Beauty) and the new Local Enterprise Partnership.

Establish the Local Development Framework to ensure that Ryedale can provide the necessary infrastructure to support business growth over the next 15 years. This includes employment land supply, transport infrastructure and housing to accommodate skilled local employees.

Access new local funding such as the New Homes Bonus and the Community Infrastructure Levy

Tap into existing funds such as

- ERDF – capital and revenue match funding to be spent by 2013 (potential tourism bid)
- Growing Places Fund (Government funding I to unlock development sites)
- A range of Broadband initiatives including PRG , BDUK and DEFRA
- DEFRA’s Rural Economy Growth Review Rural Growth Networks
- DEFRA’s Rural Development Programme for England – new programme launched March 2012

Glossary and further information (embed web addresses into PDF)

BDUK	Broadband UK
DEFRA	Department for Environment, Food and Rural Affairs
LEP	York, North Yorkshire and East Riding Local Enterprise Partnership
LDF	Local Development Framework
PRG	Performance Reward Grant
RDPE	Rural Development Programme for England



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<b>PART A:</b>	<b>MATTERS DEALT WITH UNDER DELEGATED POWERS</b>
<b>REPORT TO:</b>	<b>COMMISSIONING BOARD</b>
<b>DATE:</b>	<b>22 MARCH 2012</b>
<b>REPORT OF THE:</b>	<b>HEAD OF ECONOMY AND HOUSING JULIAN RUDD</b>
<b>TITLE OF REPORT:</b>	<b>PROTOCOL FOR USE OF AFFORDABLE HOUSING COMMUTED SUMS</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 To seek member approval for the implementation of an Affordable Housing Commuted Sum protocol.

### **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that:

- (i) Members note the procedure for collection of commuted sums in appropriate circumstances and the sums negotiated;
- (ii) Members endorse the proposed Affordable Housing Commuted Sum Protocol for utilisation of commuted sums (as set out in para 7.1); and
- (iii) that an annual report be considered by the Commissioning Board to monitor expenditure of commuted sums.

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 Commuted sums have been, and continue to be agreed in lieu of the on site provision of affordable housing and it is important that these are fully utilised in accordance with the Ryedale's housing needs and the Council's housing priorities.

### **4.0 SIGNIFICANT RISKS**

- 4.1 The Council has a limited time (normally five years) to spend commuted sums once received; therefore an agreed protocol and monitoring system are required to ensure that all monies received are used effectively within this period. The protocol and approach established in this report mean that there is no significant risk of commuted sums being handed back to developers.

- 4.2 The protocol and monitoring approach also ensure that there is no significant risk of commuted sums being used for purposes that are not reflective of local housing needs or the Council's housing priorities.

## REPORT

### 5.0 BACKGROUND AND INTRODUCTION

- 5.1 Planning policy seeks on-site provision of affordable housing as part of specified forms of housing development. However, in certain particular circumstances, as defined in the Council's current and emerging planning policy and associated planning guidance, it is not possible or appropriate to provide the affordable housing as part of the development and a commuted sum in lieu of this provision is agreed. In addition, where the calculations for the provision of affordable housing return a fraction of a home, such as 35% of 10 units = 3.5 affordable homes, the fraction (in this example 0.5 of an affordable home) will, under emerging policy, be taken as a payment in lieu. The Council has been negotiating affordable housing commuted sums in lieu of on site provision in a small number of appropriate circumstances, in accordance with planning policy, for recent years but the first payment was not received until January 2011. As of March 2012, the Council has banked £337.5K via commuted sums and work is underway on schemes that are expected to result in the receipt of a further £345K.

- 5.2 Within each Section 106 (which is the legal agreement with the developer that is attached to the planning permission) there are agreed criteria that the commuted sum can be spent on. It is important to note that the developer of the site needs to agree to what the commuted sum will be spent on. However, to guide these negotiations and the subsequent use of sums received the Council requires a clear protocol on use of commuted sums and in defining this Members have the ability to influence the range of initiatives that can be included in negotiations over Section 106 agreements.

### 6.0 POLICY CONTEXT AND CONSULTATION

- 6.1 The proposed protocol for use of commuted sums reflects the priorities set out in the Council's Housing Strategy and Affordable Housing SPD, and will be used to address local housing needs priorities. Consultation undertaken on the Housing Strategy has influenced these agreed priorities.

### 7.0 REPORT DETAILS

- 7.1 A proposed protocol regarding Affordable Housing Commuted Sums is set out below and Members are requested to endorse this, subject to any amendments that are agreed during its consideration.

#### ***'PROPOSED PROTOCOL FOR USE OF COMMUTED SUMS IN LIEU OF ON-SITE PROVISION OF AFFORDABLE HOUSING***

*When a commuted sum in lieu of affordable housing (in accordance with planning policies) is received by the Council it can be used to contribute towards a broad range of schemes and initiatives, linked to providing additional Affordable Housing, which may include but not be limited to the following:*

- *Support for Registered providers for both the development and acquisition of Affordable Housing, including facilitating any necessary works of improvement or repair*
- *Support for specific initiatives to regenerate the existing housing stock e.g. Empty Property Grants/Loans and Houses in Multiple Occupation Grants/Loans which are available for local qualifying households*
- *Support for specific schemes which are developed to provide permanent/temporary homes to meet an identified need e.g. the lack of suitable accommodation for homeless families or a scheme to meet the accommodation needs of young single people*
- *Support for the Rural Housing Enabler/Housing Development Officer*
- *Purchase of Land by the Council to facilitate the provision of affordable housing*

*Committed sums that are generated as a result of the Council's affordable housing policy will be used for initiatives that support the delivery of affordable housing, in particular the five priority areas identified above. The use of any committed sum will be referenced within the section 106 agreement within which it is provided.*

*An element of each committed sum may also be used to contribute towards the Council's revenue and associated administration costs in facilitating either the above and/or developing a more strategic approach to affordable housing policy and investment across the District.*

*Committed Sums will be applied by Ryedale District Council to meet local housing need in accordance with the housing need priorities at the time and in line with the priorities set out in the Council's Housing Strategy, the Council Plan and relevant planning policies and guidance.*

*Due to the rural nature of the District it can be difficult in Ryedale to spend the sums within the same local area as they were generated. There are in most instances no feasible suitable sites available within the locality. Consequently, the use of committed sums will therefore be applied Ryedale District-wide.'*

- 7.2 It is proposed that, following endorsement of the protocol, the contributions and their utilisation be reported on an annual basis to the Commissioning Board.
- 7.3 In terms of utilisation of committed sums the Commissioning Board agreed in 2011 to fund a Housing Development Officer to maximise the delivery of affordable housing through both the planning and other potential routes (this post is soon to be advertised and the overall cost of the 3 year post is expected to be around £100k). Around £3K has also been used to fund investigatory work to progress a supported housing scheme.
- 7.4 It is vital that a flexible approach is taken to use of committed sums to take account of changing circumstances and opportunities and this is reflected in the broad areas identified for use of committed sums, albeit that all are related to the provision of affordable housing. Members should note that there is no guarantee that some of developments for which contributions have been agreed will go ahead. Additionally,

market conditions mean that the viability of agreed housing developments and their contributions may need to be readdressed.

## **8.0 IMPLICATIONS**

8.1 The following implications have been identified:

- a) Financial - The current total amount of commuted sums received and those that are due from developments that have started on site is £682.5K. There is the potential for this total to increase by some margin if current negotiations on S106 agreements reach the anticipated conclusion.
- b) Legal  
The binding terms of S106 legal agreements mean that the money received can only be used for the purposes specified and within an agreed period (normally 5 years)
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)  
The broad priorities of the proposed commuted sum policy and the forthcoming annual plan will seek to address equality issues in terms of access to housing. Potential investment in empty homes and other projects that result in physical enhancements would potential benefit environmental conditions.

**Julian Rudd**  
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**Background Papers: None**



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<b>PART B:</b>	<b>RECOMMENDATIONS TO COUNCIL</b>
<b>REPORT TO:</b>	<b>COMMISSIONING BOARD</b>
<b>DATE:</b>	<b>22 MARCH 2012</b>
<b>REPORT OF THE:</b>	<b>HEAD OF ECONOMY AND HOUSING JULIAN RUDD</b>
<b>TITLE OF REPORT:</b>	<b>ECONOMY AND HOUSING JOINT COMMISSIONING GROUP – REVISIONS TO PRIVATE SECTOR HOUSING GRANTS</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 To seek Council approval for changes to the Authority's private sector housing grants work. The changes are being recommended to the Commissioning Board by the Economy and Housing Joint Commissioning Group (JCG) following their review of this Council's private sector housing work.

### **2.0 RECOMMENDATION**

- 2.1 Officer recommendation to follow, as part of an update report from the 15 March 2012 JCG.

### **3.0 REASON FOR RECOMMENDATION**

- 3.1 These will be detailed in the update report that is discussed below.

### **4.0 SIGNIFICANT RISKS**

- 4.1 These will be detailed in the update report that is discussed below.

## **REPORT**

### **5.0 BACKGROUND AND INTRODUCTION**

- 5.1 The Economy and Housing JCG has now met five times to consider Private Sector Housing. The first considered the background to local authority involvement with private sector housing and some of the major private sector housing challenges in Ryedale. The meeting considered broad areas of involvement that this Council now

has with private sector housing, through both grants and loans, together with a range of statutory duties and the risks faced in times of diminishing public sector resources.

- 5.2 The second JCG focussed on the Council's Home Improvement Agency (HIA) and its work, together with the potential for establishing a partnership with neighbouring Scarborough Borough Council (SBC) to improve services in this area of private sector housing intervention. Council on 3 November 2011 subsequently resolved that this Partnership be established, to become effective in 2012, following a recommendation from the September 2011 meeting of this Board.
- 5.3 The third meeting of the JCG considered this Council's work to address empty homes, and led to a resolution at 24 November 2011 Commissioning Board that an Empty Homes Strategy and Action Plan be developed to establish Ryedale District Council policies and action to minimise the occurrence of empty residential units within the District.
- 5.4 The fourth meeting of the JCG looked in detail at use of the Council's capital programme to fund a range of private sector housing grants, either as sole funding for a grant or loan, or to top up funding received from Government, such as for Disabled Facilities Grants. The issues considered at the 16 January meeting of the JCG were:
- § Do we need to spend money on private sector renewal at all?
  - § Are we spending enough?
  - § Do we need to apportion it differently?
  - § Do we want to change the eligibility criteria?
  - § Do we streamline the current process e.g. combine and / refine schemes?
- 5.5 This report, together with an update report to be provided ahead of the 22 March Commissioning Board relates to the final recommendations of the JCG regarding private sector housing grants following their fifth meeting on 15 March 2012.

## **6.0 POLICY CONTEXT**

- 6.1 One of this Council's primary aims is to 'To meet housing needs in Ryedale' and it has strategic objectives 'To address decency issues in the private sector and the maintenance of the private housing stock in general' and 'Enabling independent living'.

## **7.0 CONSULTATION**

- 7.1 A small number of recipients of private sector housing grants attended the fourth meeting of the JCG to outline their experience of working with the Council and to discuss possible alternative approaches to the future provision of grants and loans.

## **8.0 REPORT DETAILS**

- 8.1 The most recent two meetings of the JCG have focussed on private sector housing challenges in Ryedale, including the levels of fuel poverty, the high percentage of elderly households in non-decent housing, and the estimated £11m cost of achieving decent housing for all of the vulnerable households in the District. Members also heard details of the recent withdrawal of funding support for private sector schemes by the Regional Housing Board. Each of the grants and loans currently offered by the District Council has been discussed in terms of their purpose, financial allocation and issues, such as eligibility and scope to be operated as a loan instead of a grant. A

discussion has also taken place with some local recipients of private sector housing grants and loans.

8.2 The most recent JCG on 15 March drew together detailed recommendations about the grants and loans to be provided in the future. These were based on a number of initial principles that were identified at the 16 January JCG regarding the future provision of private sector housing grants and loans by the District Council:

- Subject to availability of funding, the same total spend on private sector housing grants should be maintained; however, the current funding streams should be refined and consideration given to a single property loan
- Wherever possible the funding should be provided in the form of a recoverable loan instead of a grant, including assistance towards Houses in Multiple Occupation and Empty Properties. The aim should be to create a largely self-funding process, although realistic pay-back periods need further investigation as do options to consider grant-aid where this would give the Council nomination rights over future occupants
- Energy Efficiency Grants should continue but with a reduction in budget
- Assistance must be directed to the most vulnerable in society and eligibility should be streamlined
- Application forms should be simplified
- The potential to ring-fence returned loans for future private sector housing use should be investigated

8.3 As the 15 March JCG is being held after the release of the agenda for the 22 March Commissioning Board an update report regarding the detailed recommendations reached will be circulated in advance of 22 March.

## **9.0 IMPLICATIONS**

9.1 These implications will be detailed in the update report that sets out the detailed recommendations from the 15 March JCG.

## **10.0 NEXT STEPS**

10.1 This completes the JCG's analysis of Private Sector Housing. The June 2012 Commissioning Board will begin a review of Council involvement and spending in the arts and culture, and will consider the options for commissioning future support in this area.

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### **Background Papers:**

'JCG Update' Report – Commissioning Board - 26 January 2012  
<http://democracy.ryedale.gov.uk/mgConvert2PDF.aspx?ID=8674>

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