



MEETING OF THE ECONOMIC DEVELOPMENT AND SCRUTINY PANEL

TUESDAY, 31 JANUARY 2006 2.30 PM

PANEL MEMBERS PRESENT

Councillor Kenneth Joynson
Councillor John Nicholson (Chairman)
Councillor Stanley Pease
Councillor Ian Selby

Councillor Mrs Judy Smith
Councillor Ian Stokes
Councillor Jeffrey Thompson (Vice-
Chairman)
Councillor Mrs Azar Woods

OFFICERS

Corporate Director, Regulatory Services
Head of Environmental Health and Licensing
Housing Solutions Manager
Economic Team Leader
Community Economic Development Officer
Acting Scrutiny Officer
Scrutiny Support Officer

OTHER MEMBERS PRESENT

Councillor John Wilks
Mr. Evan Rees (Chief Executive – Social
Enterprise East Midlands)

59. DECLARATIONS OF INTEREST

There were none declared.

60. ACTION NOTES

Noted.

61. SOCIAL ENTERPRISE EAST MIDLANDS

The Chairman welcomed Mr. Evan Rees, Chief Executive of Social Enterprise East Midlands (SEEM) to the meeting. SEEM has been developed by a partnership of organisations from the community, voluntary, enterprise, government and regional development sectors of the East Midlands. SEEM's role is to work across all sectors to enable social enterprise to develop and grow.

SEEM's aims are:

- Realising the potential of social enterprises to contribute to addressing public policy goals
- Realising the potential of social enterprises to contribute to local economic renewal and regeneration
- Realising the potential of social enterprises to contribute to a more equitable

and inclusive regional economy

If a social enterprise were to make a profit, the profit would be locked and used for the good of the local community.

Mr. Rhys explained that a social enterprise is an organisation, which is involved in enterprising activities for social aims with social ownership and democratic principles at its core. Social enterprises can conform to a number of different structures, including community businesses, co-operatives, credit unions, housing associations, voluntary sector organisations and development trusts. Social enterprises can also have a number of different legal statuses, including: company limited by guarantee, company limited by shares, industrial and provident societies, community interest companies, limited liability partnerships or registered charities.

Mr. Rees stated that there were 15,000 social enterprises in the UK, which have contributed £18billion to the UK economy. Social enterprises employ one in fifty of the private sector workforce and span the size of the agricultural sector three times. Interest in social enterprises has increased because they offer economic inclusion, financial viability for the voluntary and community sectors, locally focussed regeneration, quality services and microeconomic management, ethical consumerism, sustainable development and promote entrepreneurship.

Outcomes of social enterprises have included: a third sector with greater financial stability, communities empowered to manage local services, community direction of regeneration programmes, a kick start for local economies and the encouragement of entrepreneurship, the development of business models which are socially and economically inclusive, the development of community cohesion, a means of meeting the needs of the “ethical consumer” and a sustainable business structure.

Social enterprises can work in any sector. Notable examples include leisure, amenity and sports services; environmental services; community transport and financial services.

Panel members questioned Mr. Rees:

- There were concerns that funding from Europe, like agriculture, would mean subsidies on products and services. The Panel were advised that any European subsidy was used to support the enterprise and fill gaps in the market; social enterprises were reliant on their balance sheet.
- Following questions on regionalisation, Mr. Rees noted comments from the Panel over the importance of recognising rural areas. Panel members were concerned that urban centres including Nottingham, Derby and Leicester would overshadow the needs of rural areas. The rural nature of the East Midlands has meant that it has the lowest number of social enterprises in the country.
- One member asked whether it would be possible to transfer the successful Ealing Transportation Scheme to the East Midlands. This model would not be appropriate to use for an East Midlands scheme because it was aimed at an urban setting. It was suggested that a way to progress this idea would be to follow the Swadlincote model, using grants from the Department of Transport and a local authority partnership to build up networks.
- A question was asked about how community shops could be sustainable in villages without facilities, such as post offices. Projects like this have lower operational margins and are run on a volunteer basis. The focus in these is changed from profit-making to covering overheads.
- SEEM would offer help to potential social entrepreneurs by providing business support, lobbying local government and providing contacts with similar

experiences.

- Both the private and voluntary sectors are reliant on skill sets, despite the necessary difference in approach. The emphasis would be on adapting enterprises so that they were suitable for the market.

If the District Council wanted to provide opportunities for social enterprises, the tendering process may need to be structured differently. It may not be possible for a social enterprise to submit a tender for a complete project it might be possible to make a competitive bid for part of a project. The Council would need to identify all barriers that prevent small businesses from submitting tenders. The Corporate Director of Regulatory Services advised the Panel that if they wanted to pursue this, they would need to find out about the existing procurement policy and what would be permitted under the Council's constitution. There could be the opportunity for SKDC to work in Partnership with SEEM to look at procurement issues.

The Chairman thanked Mr. Rees for his presentation and giving the Panel a lot to consider.

62. REVIEW OF HOUSING STRATEGY

Review of Housing Strategy

The Corporate Director of Regulatory Services had submitted report DOS25 for the DSP's consideration on the review of the Housing Strategy. The review covered previous GOEM feedback, the outcome of the strategic housing inspection and consultation undertaken in the summer and autumn of 2005. Fordham Research Ltd. were commissioned by the Council to undertake a combined Housing Needs Survey and Private Sector Stock Condition Survey, on which the strategy had been based. The strategy has also had regard for existing and emerging government policies.

The study was designed to assess future requirements for affordable and market housing. The Basic Needs Assessment Model estimated a requirement of an additional 646 affordable homes per annum. The Balancing Housing Market methodology also suggested a significant requirement for additional affordable housing. The Study suggested that in light of the affordable housing requirement, the Council would need to maximise the availability of affordable housing from all sources, including new build, acquisitions and conversions. There was a shortfall for all dwelling sizes, particularly one and two bedroomed dwellings. Within the District, 1.6% of all houses were overcrowded and 44.2% were under-occupied.

Planning guidelines made no provision for the development of large amounts of affordable housing. It was recommended that the LDF should be developed to include provision for:

- A threshold of 15 or more units (or equivalent floor space) within the urban areas and of 2 plus units within the rural areas
- A target seeking the provision of up to 50% affordable housing on all eligible sites
- A target for affordable housing provision on sites allocated for housing development
- Guidance on the size, type, tenure and cost of affordable housing to be provided
- A rural exceptions policy
- Consideration of the identification and allocation of sites or areas solely for

affordable housing within rural areas

There was concern that the current allocation for new housing in South Kesteven based on quota distribution, would not be sufficient to permit the development of 646 affordable homes a year. The Corporate Director of Regulatory Services explained that the report by Fordhams would be a robust form of evidence to demonstrate to GOEM, a need to increase South Kesteven's quota for development.

The Panel discussed the number of houses containing people with special needs, the housing needs of black and minority ethnic groups, key workers and older person households.

Members briefly discussed an appropriate percentage for affordable housing. 50% had been recommended, although some places were stating that 75% of a development needed to be affordable housing.

Discussion ensued on overcrowding and under population. The panel considered that it would be difficult to enforce under population but were pleased that there were taxation incentives for single people who rented accommodation in large properties.

The Panel were interested in the idea of a rural exceptions policy. This would be aimed at securing the provision of affordable housing on sites within or on the edge of settlements where market housing would not normally be acceptable. The only form of development permitted on these sites would be for affordable housing. This would need to be viewed in the context of sustainable communities and used alongside planning procedures.

A majority of the Panel supported the recommendation for the inclusion of the outline "Affordable Housing Policies within the Housing Strategy" and their inclusion within supplementary planning documents.

CONCLUSION:

The Economic DSP recommend the inclusion of the outline "Affordable Housing Policies within the Housing Strategy" as identified at Section 7 of report number DRS25 and seek inclusion of these proposals within the supplementary planning documents.

Gypsy and Travellers Needs Survey

As part of the Review of Housing Strategy, a survey was undertaken, which included a Gypsy and Traveller Study. The Study considered five priority aims:

1. To consider the accommodation needs of gypsies and travellers
2. To obtain a wider understanding of issues facing gypsies and travellers
3. To examine the use of official sites and problems encountered
4. To understand the issues posed by unauthorised sites
5. To examine the strategic implications of the research findings.

Within South Kesteven the gypsy and traveller population was relatively small when compared to neighbouring areas, although there has been a 60% growth over two years. Figures suggest that there had been an increase in unauthorised encampments.

Research identified that the capacity of authorised sites could be increased to provide

alternative accommodation to the groups who stay on unauthorised sites. Twenty authorised pitches would be needed to accommodate these families. The report also suggested the need to increase authorised transit pitches by five to meet the lifestyle requirements of South Kesteven gypsies who use unauthorised sites en route to another area. Survey results indicated that the number of gypsy and traveller households would increase by 6% over the next five years and therefore site capacity should be capable of meeting the predicted additional requirements.

If provision was made to increase the capacity of authorised sites, then action could be taken against the use of unauthorised sites. Members were concerned that this would be done through the court system and would take time. The Corporate Director of Regulatory Services stated that legislation covering the needs of Gypsies and Travellers was new and additional legislation could follow that would assist with enforcement. The Panel were advised that SKDC were among the first to commission a study and that funding and guidance could be forthcoming when a greater number of authorities had completed their studies.

Members discussed the advantages of encouraging Gypsies and Travellers to remain on permanent sites; it would encourage stability for the family unit and would allow the children to attend school.

It had been recommended that instead of the District Council identifying areas for encampments, Gypsies and Travellers should apply through the planning process. This would mean that residents would be given the opportunity to submit views.

The Panel supported the recommendations of Fordhams and felt that proposals for gypsies and travellers should be included within the Local Development Framework.

CONCLUSION:

The Economic DSP recommends the inclusion of the outline policy proposals within the Housing Strategy, as identified in Section 4 or Report DOS25B and seek inclusion of proposals for gypsies and travellers within the Local Development Framework.

63. LOCAL DEVELOPMENT FRAMEWORK

Report number PLA554 was circulated with the agenda and noted.

64. ENFORCEMENT POLICY

A draft Enforcement Policy had been circulated. The Head of Environmental Health and Licensing stated that a generic enforcement policy was necessary in order to co-ordinate legal enforcement activities in a fair and consistent way.

The new generic enforcement policy would combine the following:

- Environmental Health and Licensing Enforcement Policy
- Private Sector Housing Enforcement Policy
- Planning Enforcement Policy
- Building Control Enforcement Policy
- Waste and Contract Services Enforcement Policy
- Fair Rent and Debt Recovery Policy
- Anti-Social Behaviour Enforcement Policy

All relevant section heads had been included in the preparation of the draft document. The Customer Contact Centre would offer a central point where members of the public could complain. Contact details for this would be widely known.

The Panel briefly discussed the enforcement of fixed penalty notices and the approach of South Kesteven in comparison with other authorities across the country.

One member was concerned at the impact of appeals. If someone was acting illegally and subject to enforcement, they could use any time in the build-up to appeal to continue to act illegally. The exception to this would be with regard to planning enforcement. Any illegal work would be issued with a stop notice. Work would not be permitted to continue until a full appeal had been heard.

The Panel also discussed whether people wanting to move house had been deterred from reporting enforceable activity, so as not to inhibit the chances of selling their property.

CONCLUSION

The Economic DSP endorse the Draft Enforcement Policy as presented.

65. REPORTS FROM WORKING GROUPS

Small Business Units Working Group

A meeting of the Small Business Units Working Group had been held on Monday 30th January 2006. The final report of this working group was circulated for the information of Panel Members.

The group summarised their recommendations and asked that the DSP would support their recommendations to Cabinet.

The Chairman thanked the group for their work and the Panel agreed to endorse its recommendations.

CONCLUSIONS:

To support the recommendations made by the Small Business Units Working Group and to refer them to the Cabinet.

Grantham Canal Basin Working Group

Members agreed that the Canal Basin Working Group had completed its initial task of promoting the scheme and agreed that one should be reformed as soon as a new task was identified, bearing in mind that this important project is set to move forward, requiring significant pre-scrutiny. Updates at regular intervals should be sought from the Economic Portfolio Holder.

Rail Link Working Group

The Rail Link Working Group stated that they would report to the DSP at a future meeting.

66. BEST VALUE PERFORMANCE INDICATORS

Noted. The Acting Scrutiny Officer advised the Panel that the indicator for the number of VAT registered businesses had gone from red to green. A sheet detailing figures on Economic Development Performance Management was circulated.

67. WORK PROGRAMME

Noted.

It was requested that Susan Swinburn from Voluntary Action Kesteven be invited to the next meeting of the Panel to discuss Voluntary Action Kesteven, Voluntary Sector funding and the impact its having.

The Chairman requested that the date for the next meeting should be changed. Panel members provisionally agreed to have the meeting on the afternoon of Wednesday 15th March 2006.

68. CLOSE OF MEETING

The meeting was closed at 17:13.