

# MEETING OF THE RESOURCES POLICY DEVELOPMENT GROUP

THURSDAY, 30 MAY 2013 2.30 PM



---

## GROUP MEMBERS PRESENT

Councillor Jean Bevan  
Councillor Nick Craft (Chairman)  
Councillor Alan Davidson  
Councillor Nick Robins

Councillor Bob Sandall  
Councillor Trevor Scott (Vice-Chairman)  
Councillor Jacky Smith

## PORTFOLIO HOLDER

Councillor Teri Bryant (Portfolio: Good Housing)  
Councillor Mike Taylor (Portfolio: Strategic Resources – Well Run Council)

## OFFICERS

Head of Finance (Richard Wyles)  
Head of Housing and Neighbourhoods (Ian Richardson)  
Development Management Service Manager (Pat Reid)  
Service Manager Supported Housing (Steve Cullington)  
Community Engagement and Policy Development Officer (Carol Drury)  
Principal Democracy Officer (Jo Toomey)

---

### 1. DISCLOSURE OF INTERESTS

No interests were disclosed.

### 2. ACTION NOTES FROM THE MEETING HELD ON 28 MARCH 2013

The action notes from the meeting held on 28 March 2013 were noted.

### 3. UPDATES FROM PREVIOUS MEETING

#### Pre-application planning advice

The Development Management Service Manager explained that charges for pre-application planning advice for less than 10 dwellings and 10 to 49 dwellings had been in place since 1 April 2013. However there appeared to be an omission in the publication of the charges insofar as the agreed charging

rate for 50 dwellings or above had not been included in the published listing. The PDG was asked to consider and agree the publication of the rate. . As fees for developments of 10 to 49 dwellings could exceed £3,000, a rate of £3,600 was proposed. This was based on the charging models of other local councils for the same service.

For very large developments, it was suggested the charge should be negotiable between the authority and the developer. The charge included officer time and liaison with third parties.

***Recommendation:***

- ***That the charge for pre-application advice for a development of 50 or more dwellings should be a flat rate of £3,600***
- ***Fees for very large schemes would be negotiated by the authority and the developer.***

Accredited agent scheme

The PDG was informed that Cornwall County Council was running an accredited agent scheme for householder applications. To attain accreditation, agents would need to submit applications to an agreed standard, which meant they would not need to be checked so carefully. Cornwall CC ran a two-strikes policy, where an agent would be removed if two sub-standard applications were submitted. The proposal had briefly been discussed at an agents' forum where it received some interest. PDG members supported this kind of scheme South Kesteven and agreed that it should be brought forward with the publishing of new fees and charges.

***Recommendation:***

***An accredited planning agent scheme should be developed and implemented alongside the publishing of new fees and charges.***

**4. FEEDBACK FROM THE EXECUTIVE**

The Good Housing Portfolio Holder informed members that officers were considering the response to the recently received tender in respect of supporting people services.

**5. QUESTIONS REFERRED BY COUNCIL ON 18 APRIL 2013**

At the Council meeting on 18 April 2013, a question in relation to community rooms at sheltered housing schemes was referred to the PDG. The question, which was put by Councillor Selby, specifically referred to Belton Avenue, Grantham. A full copy of the question was circulated with the agenda. The question was about a service charge for the community room paid by residents, and its use by non-residents free-of-charge.

The Head of Housing and Neighbourhoods explained that tenants were

required to pay a mandatory service charge which covered facilities relating to accommodation. The charge also included a component for elements that did not relate directly to housing, including the community rooms. The service charge quoted in the question (£5.60 a week) incorporated both categories.

Members were informed that there was no formal charging policy for the community rooms by external users however most housing schemes dealt with this through a residents' committee. The committee would charge external users; the proceeds would then be available to the committee to organise social events. It was noted that the number of schemes with a committee in place was decreasing, which meant use of the rooms was not managed and therefore donations were fewer.

The Housing Revenue Account met the full cost of providing the facilities irrespective of their levels of use.

The question also referred to a review of the service charge. This was directly linked to Lincolnshire County Council's supporting people review, which dictated the timeframe for the service charge review. This would take account of current running costs, projected running costs, the extent to which a facility was being used and the potential for future use.

Councillors asked questions and raised a number of points. Levels of use for community rooms varied across the district. Members noted that any attempts to advertise facilities to external users would need to be balanced by the right of residents to access the facility. Residents were able to decide who could use the facility and were enabled to charge accordingly.

In considering a response to the question, the PDG agreed that the residents of Belton Avenue should be encouraged to form a committee, which could control the use of the community room. Residents were empowered to determine who should be allowed to use the facility, charge them for its use and use the proceeds to fund social events and activities. The PDG also asked that service charges for sheltered housing schemes be included on its agenda for 3 October 2013.

**Conclusion:**

***A response should be sent to Councillor Selby suggesting that residents of Belton Avenue should be encouraged to form a residents' committee, which would be empowered to charge external users of the facility. The committee could then use the income to fund social activities and events for residents. The response should also include a note to state that the PDG would consider service charges in respect of sheltered housing at its meeting on 3 October 2013.***

**Action Point:**

***Add service charges for sheltered housing to the work programme for the meeting on 3 October 2013.***

## 6. LOCAL AUTHORITY MORTGAGE SCHEME UPDATE

The Head of Finance presented report number HOF234 on the Local Authority Mortgage Scheme (LAMS). He also referred to Sector's annual report for 2012/13 and a breakdown of the scheme's use in South Kesteven, which were circulated. The report asked the PDG to consider whether the authority should continue and extend the scheme, whether additional lenders should be included and whether the maximum loan size should increase.

Two additional lenders had been suggested as possible partners: Leeds Building Society and Teachers Building Society. In considering new lenders members had to balance the level of risk and return against the aims of the scheme. Members expressed concern about the level of risk associated with Leeds Building Society, as the return against the deposit would be 0.9%. Members did not feel this was sufficient to mitigate the risk of defaults. There was also consensus amongst members that the Teachers Building Society Scheme was too restrictive as it was only open to teachers and that the return (1.2%) was not sufficient to mitigate the risk of defaults. Councillors recommended that the authority should continue to participate in the scheme, but only in partnership with Lloyds TSB. They did suggest that lenders should be kept under review as new lenders were added to the scheme.

In considering the distribution of successful LAMS applications across the district, the PDG noted the greater concentration were in the Grantham area. This was attributed to the higher property prices in the south of the district. Members recommended that the maximum loan size should increase to £147,250 to help residents in the south of the district.

Brief discussion ensued on how the scheme was advertised. Councillors felt that information should be permanently on display on the homepage of the Council's website. The use of social media and mail-shots to local estate agents were also suggested.

### ***Recommendation***

- 1. The authority should continue with the scheme and a further deposit of £500,000 should be placed with Lloyds TSB.***
- 2. The authority should only use Lloyds TSB for the present time. This should be reviewed on a regular basis as new lenders join the scheme.***
- 3. That the maximum loan value should increase to £147,250.***
- 4. Information on LAMS should be permanently visible on the homepage of the Council's website.***

## 7. LOCAL BUSINESS SUPPORT SCHEME

The Head of Finance summarised report number HOF235 on a small business loan scheme and hardship awards for businesses.

### Small loan scheme

Provision had been included in the Council's budget for 2013/14 to fund a loan scheme to support the expansion of small to medium enterprises (as defined by the EU). It was noted that during the current financial climate financial institutions had been reluctant to lend money. The proposal was based on a scheme developed by Portsmouth City Council. The Council would make available loans up to the value of £10,000 (constituting no more than a third of the loan) to match similar levels of capital investment by firms and banks.

The loan would be repayable over three years and the scheme included an option for a payment holiday. The application criteria required a confirmed commitment from the bank. Interest would be payable at the Public Works Loan Board rate which meant that the authority would not make a profit but would be no worse off by running the scheme.

Members broadly supported the principles behind the loan scheme but suggested that there should be a minimum loan amount of £4,000 and a maximum loan amount of £10,000 with respect to the Council's element of the overall loan the business was seeking.. It was also suggested that applications should be considered by the Economic Development Portfolio Holder, a member of Resources PDG and a member of the Council's economic development team. Applicants would have to demonstrate their potential for growth and the value the business was contributing to the local economy.

The PDG briefly discussed the advertising of the scheme. It was suggested that the Council's Economic Development team was well-placed to promote the scheme through its contacts.

### ***Recommendation:***

- 1. The Council should set up a small business loan scheme, providing loans between £4,000 and £10,000 as part of a three-way match funding arrangement with the bank and the applicant.***
- 2. The applicant should provide evidence of support from the bank with their application.***
- 3. The board for considering applications should comprise the Grow the Economy - Economic Development Portfolio Holder, a member of Resources PDG and an officer from Economic Development.***
- 4. The principles behind the scheme should be as set out in report number HOF235.***

### Hardship relief

The Council ran a statutory scheme of hardship awards for businesses. The Council had a discretionary power to reduce all or part of a business rates bill if the authority is satisfied that the ratepayer would suffer hardship if relief was not granted or that there was a direct benefit to the ratepayer or the community and there were no adverse impacts to other ratepayers or the community as a result of awarding relief. Hardship relief was already available to businesses as

a short-term measure. The proposals in report HOF235 were designed to make the scheme more transparent by promoting them and introducing scoring criteria:

- History and future planning – the reason for hardship, whether there was an improvement plan and whether the granting of hardship would be effective
- Loss of amenity – the effect on the local community, whether there are similar businesses, the market served by the business and whether the area had other vacant properties
- Employment implications – number of people employed and other employment opportunities in the area
- External factors – regional national and global factors affecting hardship beyond the organisation's control

It was suggested that decision-making in relation to hardship relief should be taken by Members based on an officer recommendation.

***Recommendation:***

- 1. The Council should implement the assessment criteria (as stated in report number HOF235) for consideration of applications for hardship relief.***
- 8. Decision-making in relation to hardship relief should be taken by Members based on officer recommendations.***

**9. REPORTS FROM WORKING GROUPS**

The PDG had held two workshops to support the development of the Council's Medium Term Financial Strategy. The workshops provided members with an understanding of the national financial context and information specific to South Kesteven including areas of expenditure and how resources could be managed. As the next stage, officers were capturing the broad principles for the strategy and how it would apply locally, taking account of future funding arrangements and measures that could be introduced. The PDG would consider the draft and make any further recommendations before commending it to Cabinet.

**10. WORK PROGRAMME**

The Community Engagement and Policy Development Officer provided a summary of the PDG's work during 2012/13. The PDG had met six times, considered 11 substantive items and made 17 recommendations. There was brief discussion on whether there were opportunities for PDGs to work collaboratively and how this would prove most effective.

**11. CLOSE OF MEETING**

The meeting was closed at 16:48.

