

Forde House  
Newton Abbot

E-mail: [comsec@teignbridge.gov.uk](mailto:comsec@teignbridge.gov.uk)

25 February 2019

## EXECUTIVE

Dear Councillor

You are invited to a meeting of the above Committee which will take place on **Tuesday, 5th March, 2019** in the **Council Chamber - Forde House** at **10.00 am**

Yours sincerely

PHIL SHEARS  
Managing Director

Distribution:

- |  |  |
|--|--|
| (1) The Members of the Executive:              |  |
| Councillor Jeremy Christophers<br>(Leader)     | The Leader and Portfolio Holder for Strategic<br>Direction |
| Councillor Humphrey Clemens<br>(Deputy Leader) | Portfolio Holder for Planning & Housing                    |
| Councillor Phil Bullivant                      | Portfolio Holder for Recreation & Leisure                  |
| Councillor Stuart Barker                       | Portfolio Holder for Corporate Resources                   |
| Councillor Timothy Golder                      | Portfolio Holder for Economy, Skills and Tourism           |
| Councillor John Goodey                         | Portfolio Holder for Community Neighbourhoods              |
| Councillor Kevin Lake                          | Portfolio Holder for Environment Services                  |
| Councillor Sylvia Russell                      | Portfolio Holder for Health & Well-being                   |

A link to the agenda on the Council's website is emailed FOR INFORMATION (less reports (if any) containing Exempt Information referred to in Part II of the agenda), to:

- (1) All other Members of the Council
- (2) Representatives of the Press
- (3) Requesting Town and Parish Councils

**If Councillors have any questions relating to predetermination or interests in items on this Agenda, please contact the Monitoring Officer in advance of the meeting**

## Public Access Statement

- There is an opportunity for members of the public to ask questions at this meeting. Please submit your questions to [comsec@teignbridge.gov.uk](mailto:comsec@teignbridge.gov.uk) by **12 Noon** on the Friday before the meeting.
- If you would like this information in another format, please telephone 01626 361101 or e-mail [info@teignbridge.gov.uk](mailto:info@teignbridge.gov.uk)
- Agendas and reports are normally published on the Council's website <http://www.teignbridge.gov.uk/agendas> 5 working days prior to the meeting. If you would like to receive an e-mail which contains a link to the website for all forthcoming meetings, please email [comsec@teignbridge.gov.uk](mailto:comsec@teignbridge.gov.uk)
- Reports in Parts I and III of this agenda are for public information. Any reports in Part II are exempt from publication due to the information included, under the provisions of the Local Government Act 1972.

## AGENDA

### Part I

1. Apologies for absence
2. Minutes (Pages 1 - 6)
3. Agreement of the Agenda between Parts I and II
4. Matters of urgency/matters of report brought forward with the permission of the Chairman
5. Declarations of Interest
6. To note action taken under delegated powers as set out in Part III of the agenda (if any)
7. Public Questions (if any)
8. Notice of Motion under Council Procedure Rule 4.5(l) (if any)
9. Tenancy Strategy - Review (Pages 7 - 56)  
To consider the Tenancy Strategy – Review.
10. Rural Development Programme for England - Local Action 2015-2020 (Pages 57 - 60)  
To consider the Rural Development Programme for England - Local Action 2015-2020 report.

11. Moving Forward with the Teign Estuary Trail (Pages 61 - 66)  
To consider the Moving Forward with the Teign Estuary Trail report.
12. Brunswick Street, Teignmouth (Pages 67 - 72)  
To consider the Brunswick Street, Teignmouth report.
13. Supporting the formation of South West Mutual (Pages 73 - 96)  
To consider the report to support the formation of South West Mutual.
14. Councillors Community Fund (Pages 97 - 104)
15. Constitution Review (Pages 105 - 106)  
To consider to Constitution Review report.
16. Executive Forward Plan (Pages 107 - 112)  
To note forthcoming decisions anticipated to be made by the Executive over the next 12 months.

### **Part III** **(FOR INFORMATION ONLY)**

The following Portfolio Holder decisions had been made since the last meeting of the Executive:

PH Decision 1-2019 – Approval for disposal of part of the freehold interest of Station Road for the construction of community hub and grant of a 20 year lease to construct and have access to a maintenance shed to Bovey Tracey Town Council; grant of easement to install 3 surface attenuation tanks beneath part of the Council's car park; £75,000 Open Spaces s106 funding towards the provision of new public toilets within in community centre to serve Mill Marsh Park - PH for Economy Skills and Tourism.

PH Decision 2-2019 – Approval addendum to housing enforcement policy to set out how Teignbridge Council will enforce the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (as amended), made under the Energy Act 2011 in relation to minimum efficiency standards in private rented accommodation - PH for Housing and Planning

This page is intentionally left blank

## **EXECUTIVE**

### **7 FEBRUARY 2019**

#### Present:

Councillors Christophers (Leader), Bullivant, Golder, Goodey, Lake and Russell

#### Members in Attendance:

Councillors Clarence, Connett, Dewhirst, Haines and Prowse

#### Apologies:

Councillors Clemens and Barker

#### Officers in Attendance:

Martin Flitcroft, Chief Finance Officer

Tony Watson, Interim Head of Commercial Services

Michelle Luscombe, Principal Policy Planner

Sarah Selway, Democratic Services Manager (Exeter City Council)

## **5. MINUTES**

Minutes of the meeting on 8 January 2019 were confirmed and approved and signed as correct record.

## **6. MATTERS OF URGENCY/MATTERS OF REPORT BROUGHT FORWARD WITH THE PERMISSION OF THE CHAIRMAN**

The Leader brought to Members attention the job's fair that the Council had held on 6 February 2019 at Old Forde House to support the employees of the British Ceramic Tile factory at Bovey Tracey which had suddenly closed. It had been a successful advent with 10 to 12 different employers turning up. He thanked the Council's Economic Development Team for hosting this event, commenting that it was important that the Council supported the local communities in difficult times.

## **7. DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **8. FINAL FINANCIAL PLAN PROPOSALS 2019/20 TO 2021/22**

The Chief Finance Officer presented the report on the Final Financial Plan Proposals 2019/20 to 2021/22. He brought Members attention to the cuts in the

Revenue support grant since 2015/16, the reduction in management costs and gains from the Strata partnership and investment returns from Market Walk. He highlighted the significant funding and cost changes affecting the Council in future years. The proposal was to increase council tax in Teignbridge by 3.03% or £5 to £170.17 for an average Band D property. The Chief Finance Officer made reference to the business rates retention scheme, general reserves, the capital programme including funding the infrastructure delivery plan investment.

The Chief Finance Officer advised of the results of the public consultation on the Budget:-

*Continue to increase council tax - to help maintain essential services. The current recommendation is a 3.03% increase, (£5 per year, for a Band D property taking the council tax to £170.17 for the year) –*

- 57% agree
- 34% disagree
- 9% unsure

*Back business and improve town centres –*

- 69% agree
- 13% disagree
- 18% unsure

*Invest in infrastructure for employment, education, transport links and sports and open spaces –*

- 79% agree
- 7% disagree
- 14% unsure

*Continue to support housing as a priority by enabling affordable housing and improving poor quality homes –*

- 53% agree
- 24% disagree
- 23% unsure

*To balance the councils budget in the future, which of these would you expect us to consider?*

*Generating even more income to reinvest in council services – 59%*

*Making more budget savings – 19%*

*Reducing the services we provide – 5%*

*Increasing council tax further – 17 %*

Following on from the Overview & Scrutiny Committee on 4 February 2019 the Chief Finance Officer clarified the following:-

- The burial fee increase has been due to a significant increase in wages and contractors costs and it was proposed to limit this increase to a 3% rise to reflect the comments from Overview & Scrutiny 4 February 2019
- KG 8 - cycle schemes - clarification was made that these monies had not been changed in total - just the allocations over the financial years

- The Bid 300 planning Section 106 agreement provision for Kingsteignton open space at £60,000 was clarified as being available for investment in Clifford Park and awaiting proposals to be worked up in conjunction with the town council
- Savings had come from the Strata partnership, increased income from New Homes Bonus, small asset disposals and renovation grants repaid, the impact of the increase in interest rates on investments and quick win changes with regards to seaweed removal costs, subscriptions, purchase of supplies and equipment, bank charges and savings in printing and stationery.

During discussion Members raised the following:-

- issue of the maintenance of cemeteries in particular closed cemeteries; there was a need to review the impact of the rising costs with the cemeteries. The Council had to pick up the cost of the closed cemeteries and there should be a holistic review of the cemetery service and costs
- investment in play areas and how Community Infrastructure Levy (CIL) and Section 106 monies were allocated as some parishes were at a disadvantage whilst acknowledging some parishes had benefited particularly those with a neighbourhood plan
- why had the budget for the removal of seaweed been made?
- In the past there had been rural aid available to support parishes.

The Chief Finance Officer stated he would ask the capital review group to look at the investment for play areas as there was a programme of works for the updating of play areas. He also advised that the budget with regards to seaweed removal had been taken out as it had not been an issue in the last few years.

The Leader commented, that with regards to play areas it was essential to prioritise safety. There was a need to look at the maintenance of cemeteries, closed church yards and the different options now available to residents, a working group should be formed to examine this service. The Leader highlighted the fact that the Council no longer received a support grant and that the tax payers of Teignbridge were now benefiting from the Strata partnership and the investment in Market Walk.

**RESOLVED** that Executive proposed a budget as set out as in appendix 4 for revenue, with the Burial Fees to be amended to 3%, and appendix 7 for capital and that these proposals be considered together with any subsequent consultation comments for approval by Council as the final budget for 2019/20 and the outline plan for the subsequent years 2020/21 and 2021/22.

## **9. GREATER EXETER STRATEGIC PLAN AND TEIGNBRIDGE LOCAL PLAN REVIEW TIMETABLES AND LOCAL DEVELOPMENT SCHEME**

The Principal Policy Planner presented the report to agree an updated timetable for the preparation and adoption of the Greater Exeter Strategic Plan and Teignbridge Local Plan Review as set out in the Local Development Scheme (LDS) in Appendix A.

Members were informed of the background and the updated timescales. The delay with the Greater Exeter Strategic Plan (GESP) had deferred publication of the Draft Teignbridge Local Plan with the timescales for the Plan Review subsequently affected.

During discussion, Members raised issues with regards to difference in the timescales of both plans, with reference being made to the Wolborough Development Plan Document in respect of which a planning application had been submitted. There was a need to ensure that the District had a five year housing supply particularly in light of the uplift in housing numbers from central government. A Member queried the decision taken by East Devon District Council which had pushed back the GESP timetable.

In response to Members, the Principal Policy Planner advised that it was intended that both plans should progress as quickly as possible and that, should there be any further slippage, then the timescales could be revisited and action taken to bridge the gap to meet any central government uplift in housing numbers should that be necessary. Work was also being undertaken to ensure that the Council was protected in the case of any slippage in the timetable.

The Leader commented that the GESP would help to secure central government funding for the infrastructure that the region would require to take development forward.

**RESOLVED** that:-

- (1) The revised timetable for the Greater Exeter Strategic Plan and Teignbridge Local Plan Review is agreed; and
- (2) The Local Development Scheme attached as Appendix A is to have effect from 14<sup>th</sup> February 2019.

## **10. EXECUTIVE FORWARD PLAN**

**RESOLVED** that the Forward Plan be noted.

## **11. EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** that under Section 100(A)(4) of the Local Government Act 1972, the Press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

**12. LAND AT STAPLEHILL ROAD, FORCHES CROSS, NEWTON ABBOT**

The Portfolio Holder for Economy, Skills & Tourism presented the report to grant an option to buy land owned by the Council.

**RESOLVED** that:-

- (1) the grant of an option as outlined in the circulated report to purchase land owned by the Council with a two year time limit be approved; and
- (2) the details of the option agreement and disposal are delegated to the Chief Finance Officer, Interim Head of Commercial Services and the Portfolio Holder for Economy, Skills & Tourism.

Chairman

This page is intentionally left blank

TEIGNBRIDGE DISTRICT COUNCIL

**EXECUTIVE**

LEADER: Cllr Jeremy Christophers

PORTFOLIO HOLDER: Cllr Humphrey Clemens

**DATE:** 5 March 2019

**REPORT OF:** Interim Head of Service Delivery and Improvement

**SUBJECT:** TENANCY STRATEGY - review

**PART I  
RECOMMENDATION**

**The Executive is recommended to**

The Executive Committee is asked to consider the comments made by the Overview and Scrutiny Committee and endorse Teignbridge District Council's Tenancy Strategy

**1. PURPOSE**

To secure Members' endorsement of Teignbridge Council's Tenancy Strategy

**2. BACKGROUND**

Under Section 150 of the Localism Act 2011 Councils have a duty to prepare and publish a tenancy strategy. The strategy must set out the matters to which registered providers of social housing for its district are to have regard in formulating policies relating to:

- The kinds of tenancies they grant
- The circumstances by which they will grant a tenancy of a particular kind
- The length of certain tenancies
- The circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy

Registered providers are expected to have due regard to the Council's Tenancy Strategy in developing their policies.

**KEY ISSUES**

1. Registered providers are becoming more commercial in their business models
2. Some registered provider rents are beyond Local Housing Allowance Rates thus unaffordable for many
3. Registered providers' 'rent in advance' policy can vary, with some charging 8 weeks rent in advance. This is not affordable for many on low incomes
4. Teignbridge has high house price to income ratio, with the average house price now being ten times the average salary
5. According to Homes England, Teignbridge is a local authority in a 'high affordability pressure area'
6. In 2010 the government introduced 'affordable rents', which are typically 80% of the local market rents. These rents are more expensive than social rents, which were typically 60% of market rents. In areas of high house prices, such as Teignbridge this is a particular issue

### **3. MAIN IMPLICATIONS**

As a local authority Teignbridge Council must keep its tenancy strategy under review, and may modify, or replace it from time to time. The last strategy was adopted at Executive Committee on 11 September 2012, however since that time there have been major changes in housing legislation and welfare reform, as well as increased affordability issues across the sector.

In response to these changes Teignbridge Council has updated its tenancy strategy to put forward a more holistic approach to managing social housing in the district to which local registered providers should have regard in formulating their policies.

In preparing the strategy, the Council must have regard to—

1. Council Plan 2016-2025:
  - a. A roof over our heads
  - b. Health at the heart
2. Housing strategy
3. Homelessness strategy
4. The Devon Home Choice allocation policy and partner agreement

In summary, the overarching aims of this strategy are to:

1. Comply with the legislation
2. Encourage a wide range of housing options
3. Promote affordability
4. Make the best use of the available social housing stock
5. Ensure that vulnerable households are able to access appropriate accommodation
6. Promote mobility within social housing and other housing tenures
7. Promote clarity

More specifically registered providers are encouraged to:

1. Charge rents under the local housing allowance rate
2. Publish clear and accessible policies on tenancy management
3. Create clear and transparent advertisements on Devon Home Choice
4. Charge no more than 2 weeks rent in advance
5. Co-operate with the Council to make the best use of stock
6. Bid for social grant where available
7. Assist the local authority to maintain tenancies and prevent homelessness
8. Limit the conversion of social rents to affordable
9. Promote mobility within the sector
10. Take precautions to tackle tenancy fraud

### **4. GROUPS CONSULTED**

Under the Localism Act the Council has a duty to consult with all registered social housing providers in the district. The Teignbridge Affordable Housing Partnership was also consulted.

The consultation opened on 20 December 2018 and ended on 11 January 2019.

### **5. TIME-SCALE**

The strategy would be implemented with immediate effect if agreed by Executive on 5 March 2019.

## 6. JUSTIFICATION

Under Section 150 of the Localism Act 2011 Councils have a duty to prepare and publish a tenancy strategy. As a local authority Teignbridge District Council must keep its tenancy strategy under review, and may modify, or replace it from time to time.

## 7. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)

10.00 a.m. on 5<sup>th</sup> March 2019

**James Toler**  
**Housing Strategy Officer**

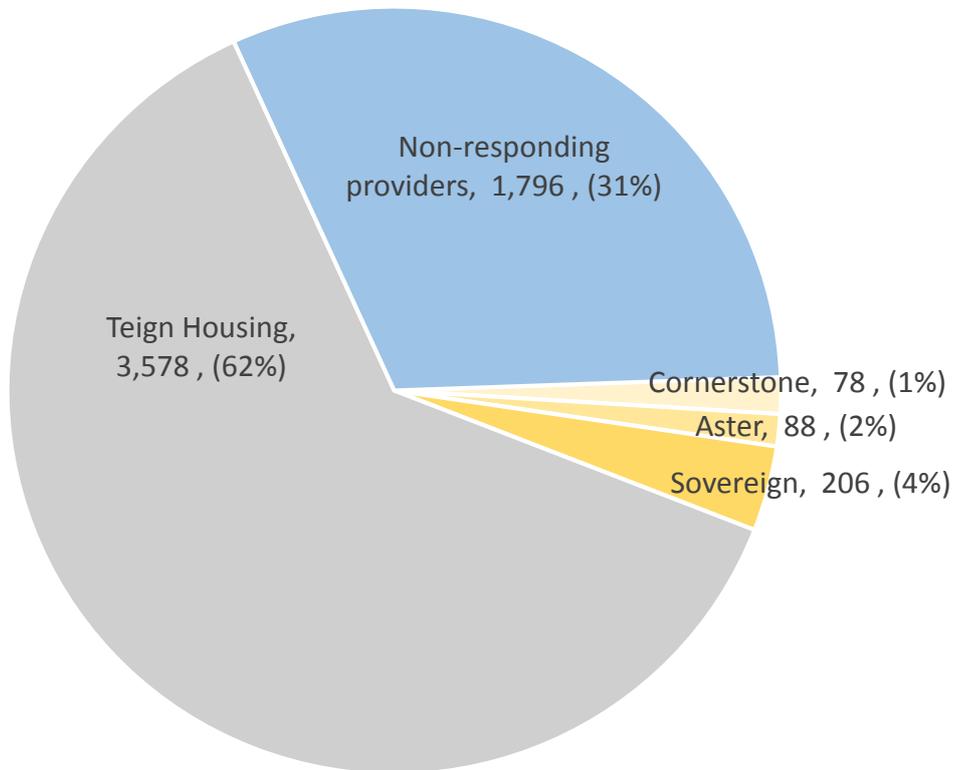
**Cllr Clemens**  
**Portfolio Holder for Planning and Housing**

BELOW TO BE FILLED IN BY REPORT AUTHOR:

<b>Wards affected</b>	<i>All</i>
<b>Contact for any more information</b>	<i>James.toler@teignbridge.gov.uk</i>
<b>Background Papers (For Part I reports only)</b>	<i>Tenancy strategy – consultation amendments highlighted Supporting Evidence Business impact assessment</i>
<b>Key Decision</b>	<i>Yes</i>
<b>In Forward Plan</b>	<i>Yes</i>
<b>In O &amp; S Work Programme</b>	
<b>Appendices attached:</b>	<i>App I – Consultation App II – You said, we did</i>

# Consultation

Proportion of stock owned by registered providers who responded to the consultation



## Appendix II

# You said, we did

Ref	You said	We did
3.1	<p>Teignbridge should work with all providers to develop a common affordability assessment framework. This would enable greater consistency in decision making and importantly achieve a more joined up response to those customers who, for whatever reason, fail the assessment</p>	<p>Agreed. This was raised at the Devon Home Choice Management Board in January 2019. A draft affordability framework was circulated for consultation with all registered providers.</p>
3.3	<p>Holding adverts until we have valuations for affordable rent can cause delays in re-letting properties, as the Devon Home Choice policy is to have only one advert cycle per week. More frequent adverts would enable us to advertise more frequently the accurate rent.</p>	<p>The Devon Home Choice Management Board has agreed to look at flexible letting cycles, as it is possible on the current IT system. Plymouth City was hoping to pilot this in 2018, but this has been delayed. When bidding, applicants need to understand all rental costs, so that they can determine if it is affordable. Where advertisements are unclear those in housing need may be deterred from bidding. It is unlawful in the private sector to advertise a property without full and accurate details of all costs to secure the tenancy. For new developments providers will have an agreed handover policy with developers that should allow a reasonable period to undertake valuations. Similarly, the 4 week notice tenant's provide should allow adequate time for a valuation to be undertaken.</p>
3.3	<p>You state that all homes should be let via Devon Home Choice, but this is not reflective of the existing nominations agreement and neither is it realistic. Providers should have some flexibility, for example, clearance/disposal programmes etc.</p>	<p>Acknowledged. We will amend the text to reflect the DHC partnership agreement (7.1), where providers will 'commit to the use of Devon Home Choice as their principle method of identifying new tenants' and 'transparently report to the Board of Management all lettings made without advertisement, having first informed the relevant local authority'.</p>
3.3	<p>You are quite prescriptive in what you would like providers to write on their adverts in regards to various criteria, e.g. rents and service charges, council tax bands etc. and whilst we would totally agree with the informative approach, some practical barriers need to be overcome. You will be aware that the existing format only allows a certain</p>	<p>According to the Devon Home Choice administrators, providers should be able to enter around 1,000 characters on the notes that are displayed on the website. They are aware that this is an issue when using Internet Explorer and does not arise when using Google Chrome, or Firefox. Devon Home Choice is looking to update its software. The tender specification has been circulated to all providers as part of the procurement process.</p>

	number of characters to be input, which only allows for a reduced level of detail.	
3.3	We strongly feel that at the point of application customers should be advised of the need to start saving for paying their rent in advance	Agreed. However, advertisements should also clearly state the exact amount required to secure the tenancy. The Devon Home Choice website now hosts a video about becoming 'tenancy ready'. Further enhancements are being discussed as part of the draft affordability assessment, as circulated by the Devon Home Choice Management Board. In regard to advice at point of application we will raise this issue with the Devon Home Choice Management Board.
3.4	Please note that should a customer's account be in credit consistently on the balancing weeks, then we would honour any requests for this to be refunded. We do not treat rent in advance as a rent deposit in any which way.	Registered providers should therefore charge a maximum of 2 weeks rent in advance. This should be stated clearly at point of application and on advertisements. Additionally, each provider should publish an online rent in advance policy. The policy should clearly set out how rent in advance will be used, how it is returned, the process should the tenancy transfer to another provider and that no damages, or court costs will be deducted from these payments.
3.4	The tenancy agreement requires tenants to pay in advance. We can agree that rent in advance is reached over a number of weeks, but tenants must ensure their rent accounts never go into arrears.	It is acknowledged that tenancy agreements say an element of rent in advance is required, but we need to balance affordability issues, such as local wage levels in Teignbridge and promote conformity. We stipulate in the Strategy that providers charge a maximum of 2 weeks rent in advance, with advertisements clearly setting out all costs needed to secure a tenancy. Each applicant should be assessed on a case by case basis and there should be no blanket refusals on the grounds of applicants having insufficient rent in advance. Payment plans should be considered and offered.
3.5	We currently use 5 year fixed term tenancies (plus a one year starter) for properties let at affordable rent, this is under review and we cannot commit to expanding this.	Noted. We would be happy to work with you on developing a policy to ensure best use of stock.

3.5	<p>The use of fixed term tenancies should be a decision for landlords based on the legislation and regulation. Our decision (to use fixed term tenancies) will be based on our ability to resource the review process that is required and whether this represents value for money. It will also depend on how they fit with our strategic aims and assessment of their impact on our tenants and sustainable communities.</p>	<p>One of the fundamental considerations outlined in the tenancy strategy was the use of fixed term tenancies to make best use of stock. This was a key element of the previous strategy and we intend to keep this requirement. We would welcome a conversation about the best use of stock and how you plan to tackle under occupation and the retention of adapted homes for those most in need. Apropos social housing regulation, the Tenancy Standard (2.1) says <i>'registered providers shall co-operate with local authorities' strategic housing function, and their duties to meet identified local housing needs'</i>.</p>
3.5	<p>You mention aids and adaptations and the potential to work on direct matching adapted stock. Is there some more scope here in terms of taking a more strategic approach? i.e. new builds, disability facilities grants, the role of occupational therapists and the disabled person's register (DPHR), potentially facilitated through Devon Home Choice.</p>	<p>Since the council adopted the housing strategy in 2015 we have exceeded the requirement to deliver 5 affordable homes a year that are fully wheelchair accessible (23 to date). This has led to a reduction of the number of households on the housing register requiring a wheelchair adapted property. In Q4 2017/18 we had 35 households all requiring fully wheelchair accessible homes. The Council's Multi Adapted Panel meets regularly, facilitating direct matching and specialised one to one support; this number now stands at 16. In regards to DFGs, this year we have assisted 194 vulnerable and elderly residents to remain in their own home, with a yearend target of 250.</p>
3.7	<p>We are signed up to the 'commitment to refer', but your strategy is rather ambiguous as to your expectations of registered providers in terms of preventing and resolving homelessness</p>	<p>We are pleased to see that a number of local providers have signed up to the National Housing Federation's 'commitment to refer'. Their website provides guidance and tools on how to work alongside local housing authorities in reducing homelessness and we would be happy to work with you to implement measures.</p>

3.7	We cannot commit to not making any tenant homeless if they are seeking to prevent their homelessness. This is very subjective and their attempts at seeking to prevent it may not be sufficient.	In May 2018, the Devon and Cornwall Housing Options Partnership drafted a 'pre-eviction protocol' that was presented to the Devon Home Choice Management Board. The aim of the protocol is to ensure that all reasonable measures are taken to ensure that eviction is avoided and that costs to the tenant and landlord are minimised. It was agreed that the protocol would have to be agreed between providers and each local authority. The protocol raises concerns about data protection, but has been agreed between the Council and Teignbridge's largest provider, Teign Housing. We intend to work with other local providers to get the protocol agreed multilaterally. Eight local providers have signed up to the National Housing Federation's Commitment to Refer, where the Federation is looking into how partners can ensure a better use of data in eviction prevention (7.1).
3.7	Point 5 - Not <u>all</u> registered providers are best placed to meet the needs of <u>all</u> homeless people in their local communities, clearly some require a level of supported accommodation that we do not currently provide. Expanding our services and provision will only take place alongside our own business plan and corporate objectives.	Whilst we would like to eliminate all homelessness, we understand that this is not possible in every case. We will therefore amend the statement to 'Work in partnership to provide a range of affordable housing options that meet the needs of homeless people in their local communities and, where possible, assist the local authority to deliver projects specifically aimed at reducing homelessness and rough sleeping such as Housing First.
3.7 Homeless	"Contribute to ending migrant homelessness" – it is not clear to what extent you expect registered providers to do this other than through housing applicants through the Devon Home Choice scheme.	We will remove this clause from the strategy
3.7	In terms of annual visits for flexible tenancies (assuming this means fixed term) then the point really is that where a flexible tenancy is due to end, a visit should happen at least 12 months beforehand to put to the existing tenant the factors which would determine whether a further tenancy is granted.	Agreed. We will amend the text accordingly
3.7	3.7 Point 3 could possibly be reworded, as it could easily be misinterpreted and maybe a reference to adhering to the pre-eviction protocol with Teignbridge would be beneficial?	Agreed. We will amend the text and make reference to the Devon and Cornwall Housing Options Partnership pre-eviction protocol, which is Devon-wide and could be included as an appendix.

3.7	Are there any areas where you can work more closely with registered providers to help get applicants for housing tenancy ready and prevent tenancy failure and homelessness?	Thank you. We would welcome working with providers to get applicants 'tenancy ready', helping households to manage and sustain tenancies. We are piloting such a scheme with our clients in temporary accommodation and would welcome a partner approach.
3.8	We cannot see how this strategy can be applied to registered providers. We have funding arrangements in place with Homes England that require a small number of conversions from social rent to affordable rent, the aim being that we obtained the funding with the intention of charging higher rents to help fund future development.	There is a balance to be struck in regards to funding future development and maintaining a truly affordable social housing market. Homes England has earmarked Teignbridge as a 'high affordability pressure area' and their Rent Standard Guidance (section 4.7) prescribes that providers ' <i>should consider the local market context when setting rents, including the relevant Local Housing Allowance for the Broad Rental Market Area in which the property is located</i> '. We are mainly concerned with affordability, therefore, if affordable rents remain under the LHA, this would not present a problem.
3.8	We hear your point about conversions, but providers depended on this for the purposes of the Affordable Housing Programme 2011/15. We are not minded to do anymore going forward and we haven't converted in recent years. We only have 44 in total.	Noted. The requirement to convert is conspicuously absent in the 2018/21 programme. The point here is about affordability. The Affordable Housing Partnership defines 'affordable rent' as 'a rent which does not exceed 80% of the open market rent, inclusive of any service charges and should not exceed the published Local Housing Allowance for the relevant property type'.
3.8	Conversion of social rents to affordable rents: This is a decision that is for the RP to make and not the Council. To ensure that RP's business plans are maintained there will be times when social rents will be concerted.	As you will know, if you are developing affordable homes in Teignbridge it is recommended you join the Affordable Housing Partnership. The Partnership defines 'affordable rent' as 'a rent which does not exceed 80% of the open market rent, inclusive of any service charges and should not exceed the published Local Housing Allowance for the relevant property type'.
3.10	As Teignbridge knows, our board approved our own 'Tenancy Fraud Policy' last year. We also conduct a 'Keeping In Touch' (KIT) visit to all of our tenancies over a 2 year period – we aim for 50% p/a.	This is noted and we welcome your work in this area.

Misc	We do feel that the tone of the document could be amended, so as to foster a greater spirit of team working.	Noted. Unfortunately, we have found evidence that where we have been less prescriptive in the past by toning down the requirements and stating registered providers 'may' wish to consider certain elements of the strategy, there has been inconsistency. For example, some providers were advertising rents above Local Housing Allowance levels. We are attempting to keep things brief, clear and concise and ensure there is no ambiguity around the council's position.
------	--	---

## 4. Contact details

If you need this information in another format please contact us

Housing Services  
 Forde House  
 Brunel Road  
 Newton Abbot  
 Devon  
 TQ12 4XX



[housing@teignbridge.gov.uk](mailto:housing@teignbridge.gov.uk)  
[www.teignbridge.gov.uk/housing](http://www.teignbridge.gov.uk/housing)  
 Tel: 01626 361 101

**TDC tenancy strategy 2019 EXEC REPORT 190218 v2 Appendices**  
 G:\Housing\Strategy\TDC Tenancy Strategy\Strategy documents\Teignbridge

Ref No: TS2019

Proposal: Tenancy strategy 2019

## **Business Impact Assessment**<sup>1</sup>

Conducted by: Housing services

Date: Jan 2019

### 1. Aims of the Proposal

Under Section 150 of the Localism Act 2011 Councils have a duty to prepare and publish a Tenancy Strategy. The Tenancy Strategy must set out the matters to which Registered Providers of social housing for its district are to have regard in formulating policies.

As a local authority Teignbridge Council must keep its tenancy strategy under review, and may modify, or replace it from time to time. The last strategy was adopted in 2013, however since that time there have been major changes in housing legislation and welfare reform, as well as increased affordability issues across the sector.

In response to these changes Teignbridge Council has updated its tenancy strategy to put forward a more holistic approach to managing social housing in the district.

#### KEY ISSUES

1. Registered providers are becoming more commercial in their business models
2. Some registered provider rents are beyond Local Housing Allowance Rates thus unaffordable for many
3. Registered providers' 'rent in advance' policy can vary, with some charging 8 weeks rent in advance. This is not affordable for many on low incomes
4. Teignbridge has high house price to income ratio, with the average house price now being ten times the average salary
5. According to Homes England, Teignbridge is a local authority in a 'high affordability pressure area'
6. In 2010 the government introduced 'affordable rents', which are typically 80% of the local market rents. These rents are more expensive than social rents, which were typically 60% of market rents. In areas of high house prices, such as Teignbridge this is a particular issue

#### AIMS OF THE STRATEGY

Our strategy proposes developing local housing framework, which would set ranges for rents in relation to local incomes, whilst also enabling social housing providers to develop and maintain property, as well as manage homes through the tenancies they offer.

In summary, the overarching aims of this strategy are to:

1. Comply with the legislation
2. Encourage a wide range of housing options
3. Promote affordability
4. Make the best use of the available social housing stock
5. Ensure that vulnerable households are able to access appropriate accommodation
6. Promote mobility within social housing and other housing tenures
7. Promote clarity

---

<sup>1</sup> Guidance notes are available to help fill in this form at [www.teignbridge.gov.uk/bia](http://www.teignbridge.gov.uk/bia).

More specifically registered providers are encouraged to:

1. Charge rents under the local housing allowance rate
2. Publish clear and accessible policies on tenancy management
3. Create clear and transparent advertisements on Devon Home Choice
4. Seek a maximum of two week's rent in advance
5. Co-operate with the Council to make the best use of stock
6. Bid for social grant where available
7. Assist the local authority to maintain tenancies and prevent homelessness
8. Limit the conversion of social rents to affordable rents
9. Promote mobility within the sector
10. Take precautions to tackle tenancy fraud

## 2. Methodology

This Equalities Impact Assessment uses the methodology and approach set out in Teignbridge's Engagement Strategy toolkit. Every new, or revised, strategy requires the undertaking of such an assessment to make sure that the proposals within the strategy address the Council's equalities policies and statutory requirements.

The BIA has considered the draft tenancy strategy's proposals and has analysed whether they are likely to have a positive, or negative, impact upon the different groups within our community. Action to be taken to prevent direct and indirect discrimination and to positively promote harmonious community relations is set out below.

## 3. Environment impacts

<b>The proposal indicates the following impacts on the environment.</b>	<i>Please score</i> <b>+3 ← 0 → -3</b>
a. Natural environment (wildlife, landscape, trees)	0
b. Built environment (townscape, design, archaeology, conservation)	0
c. Climate change (adaptation, mitigation)	0
d. Resource use (land, energy, water, minerals)	0

## 4. Value and financial impacts

<b>The proposal indicates the following financial impacts.</b>	<i>Please score</i> <b>+3 ← 0 → -3</b>
a. Jobs, or training opportunities	0
b. Business investment within the area	0
c. Tourism	0
d. The supply, or quality of housing	+3
e. Access to services and benefits	+3
f. Reduce cost, or increase income	+2
g. Increase capital receipts/funding	+2

### 4d. The supply, or quality of housing +3

Social housing is more than providing a roof over people's heads. It helps to create thriving, mixed communities and meets a need alongside home ownership, shared ownership and private rented accommodation.

The strategy aims to provide decent, affordable, stable homes for thousands of local households, whilst making the best use of Teignbridge's social housing stock. It contributes to health and wellbeing, reducing pressure on other public services and stimulating the wider economy.

#### 4e. Access to services and benefits +3

The Council is keen to see registered providers carrying out affordability assessments with households when letting properties at rents that are close to the current Local Housing Allowance, to ensure that the tenancy will be sustainable over time. This will include looking at benefits to which the household may be entitled.

#### 4f. Reduce cost, or increase income +2

The Council would like to see households being able to transition smoothly into safe and secure homes, regardless of income. However, we are increasingly concerned that there is a significant number of people who cannot afford upfront payments. We have therefore recommended to registered providers that they should not be charging more than two week's rent in advance.

Additionally, the Council expects registered providers to take the level of service charge payable on the property into account when looking at affordability. Rent and basic service charges, excluding water/waste, pull-chords/alarms etc., should be included in the rent setting, which should fall below the Local Housing Allowance rate.

#### 4g. Increase capital receipts/funding +2

The Council expects that any registered provider bidding for grant funding and/or developing in Teignbridge to become a member of the Teignbridge Affordable Housing Partnership, who will provide support for appropriate funding bids to Homes England and other bodies. This will provide more affordable housing and increase funds from the government's New Homes Bonus scheme.

### 5. Social impacts and duties

The proposal indicates the following social impacts.	%	Please score 3 ← 0 → -3
<b>a. Age Children (Under 16)</b>	16.3%	+2
<b>Young (16-24)</b>	9%	+2
<b>Working age (25-59)</b>	42.8%	+2
<b>Older (60+)</b>	31.9%	+1
<b>b. Women</b>	51.6%	0
<b>c. Men</b>	48.4%	0
<b>d. Transgender</b>	0.01%	0
<b>e. BAME (Black, Asian, minority ethnic)</b>	3.8%	0
<b>f. LGB (lesbian, gay, bisexual)</b>	5%	0
<b>g. Marriage and Civil Partnership</b>	52%	0
<b>h. Religion and belief (or none)</b>	71.9%	0
<b>i. Disability</b>	20.6%	+2
<b>j. Pregnancy and Maternity</b>		0
k. Rural	27%	+2
l. Economic Deprivation	21.8%	+2

\* **Bold** = 'Protected characteristics'

#### 5a. Age

The Tenancy Strategy does not discriminate on the basis of age. According to the government's green paper 'a new deal for social housing', 'social housing tenants tend to be of a similar age mix to all households in the population', which is not true of other tenures.

#### Young +2

The Council encourages landlords to offer fixed-term tenancies where this will help to make best use of the stock, in particular on larger properties of 3, or more bedrooms. This will help to ensure that in future, if a household no longer requires a larger, or adapted property, they can be supported to move on and the property can be reallocated to those in greater housing need. This will enable larger properties to become available for families with children.

### **Working age +2**

The Council expects registered providers to take the level of service charge payable on the property into account when looking at affordability. Rent and basic service charges, excluding water/waste, pull-chords/alarms etc., should be included in the rent setting, which should fall below the Local Housing Allowance rate. This ensures that affordable rents do not exceed the maximum benefits entitlement for housing costs.

### **Older households +1**

The Council encourages landlords to offer fixed-term tenancies where this will help to make best use of the stock, in particular on properties that have been significantly adapted for use by someone with a disability, more often for retired people. This will help to ensure that in future, if a household no longer requires an adapted property, they can be supported to move on and the property can be reallocated to those who have the most need for an adapted home.

### **5i. Disability +2**

The Council would like to work with providers to set up direct matches on adapted homes that are fully wheel-chair adapted and/or have wet rooms. This may require the Council facilitating a Multi Adapted Panel Meeting, extending the invite to all local providers.

The Council also encourages landlords to offer fixed-term tenancies where this will help to make best use of the stock, in particular on properties that have been significantly adapted for use by someone with a disability. This will help to ensure that in future, if a household no longer requires an adapted property, they can be supported to move on and the property can be reallocated to those in greater need for an adapted home.

### **5k. Rural Communities +2**

The Council expects registered providers work in partnership with the Council to develop local lettings plans to help create sustainable communities. One of the aims of a lettings plan would be to ensure that providers let homes in a way that enables people to live and work in rural areas.

### **5l. Economic deprivation +2**

To keep rents affordable for households on low incomes, the Council expects registered providers to charge rent, including basic service charges, below the Local Housing Allowance rate. This ensures that affordable rents do not exceed the maximum benefits entitlement for housing costs.

The Council is keen to see registered providers carrying out affordability assessments with households when letting properties at rents that are close to the current Local Housing Allowance, to ensure that the tenancy will be sustainable over time.

The Council expects that providers commit to the use of Devon Home Choice as their principle method of identifying new tenants. Advertisements should clearly set out the rent and detail any service charges, making it clear if they are eligible under the housing element of Universal Credit, or if the tenant is to pay on top. This will help potential tenants better understand costs making tenancies more sustainable.

The Council further recommends that:

1. There should be better access to pre-tenancy information for tenants, including budgeting and income maximisation
2. A financial assessment for potential vulnerability be introduced at the allocation stage
3. Providers should continue to improve their engagement with tenants and prioritise tenancy support, including helping tenants get online where appropriate
4. Joint working arrangements between the Council, the Department of Work and Pensions and registered providers should be maintained to ensure a holistic service is provided

The Council expects all registered providers to work proactively to manage and sustain tenancies. This should include regular contact with the tenant, regardless of tenancy type.

## 6. Summarise potential impacts and planned mitigations:

Have representatives of those likely to be affected by the proposal been <b>consulted</b> ?	<b>Yes</b>
Are there ongoing plans to <b>monitor</b> the impact of the proposals	<b>Yes</b>
Are there any relevant <b>Human Rights</b> considerations?	<b>No</b>

## 7. Duties

Under the Equality Act 2010 s.149 the Council must annually publish what actions we have taken in response to our three equality duties. This proposal contributes to the duties in the following ways:

### a) The elimination of discrimination, harassment, victimisation and other prohibited conduct

Our strategy proposes a local housing framework, which would find a balance to establishing fair rents and policies equitable to all groups regardless of race, tenure, family composition, gender, religion and sexual orientation.

### b) The advancement of equality of opportunity by:

According to the government's green paper 'a new deal for social housing', 'social housing helps to keep neighbourhoods diverse and integrated. It goes on to say that 'social housing tenants tend to be of a similar age mix to all households in the population', which is not true of other tenures. By promoting quality, affordable social housing Teignbridge Council is advancing equality of opportunity to local residents.

### c) The fostering of good relations between people by:

NA

Service information here: [www.teignbridge.gov.uk/equalityduties](http://www.teignbridge.gov.uk/equalityduties)

## 8. Managers' evaluation

<input checked="" type="checkbox"/>	No major change required
<input checked="" type="checkbox"/>	Adjustments have been made to better advance equality
NA	Continue despite having identified some potential for adverse impacts.
<input checked="" type="checkbox"/>	Cease the proposal. It shows actual or potential unlawful discrimination.

## 9. Recommended Actions

That the housing strategy is adopted and that Housing remains a priority for the Council

## 10. Sign off

	Business Manager		BID
	Amanda Pujol		Kay O' Flaherty
Signed		Signed	
Date	February 2019	Date	February 2019
Review date	February 2020	Review date	February 2020

## If you need this information in another format, please contact us.

If you would like further information about this report, please contact us.



**Email:** [housing@teignbridge.gov.uk](mailto:housing@teignbridge.gov.uk)  
**Web:** [www.teignbridge.gov.uk/housing](http://www.teignbridge.gov.uk/housing)  
**Text** 07768 808 160  
**Tel:** 01626 361 101

Teignbridge District Council  
Forde House  
Brunel Road  
Newton Abbot  
TQ12 4XX



Text us your name or reference number and we'll call you back

**07768 808 160**

Please note that by texting us you give Teignbridge District Council the right to contact you on this number, unless otherwise instructed by you.

**TDC tenancy strategy 2019 BIA 190201 v4 SIGNED**  
G:\Housing\Strategy\TDC Tenancy Strategy\BIA

# Housing Services Tenancy Strategy

February 2019

Teignbridge District Council



# Contents

Chapter		Page	Link
<b>1</b>	<b>Background</b>	3	
<b>2</b>	<b>Aims of the strategy</b>	3	
<b>3</b>	<b>Specific aims of the strategy</b>	4	
3.1	Charge rents under the local housing allowance rate	4	
3.2	Publish clear and accessible policies on tenancy management	5	
3.3	Create clear and transparent advertisements on Devon Home Choice	5	
3.4	Charge no more than 2 weeks rent in advance	6	
3.5	Co-operate with the Council to make the best use of stock	7	
3.6	Bid for social grant where available	7	
3.7	Assist the local authority to maintain tenancies and prevent homelessness	8	
3.8	Limit the conversion of social rents to affordable	8	
3.9	Promote mobility within the sector	9	
3.10	Take precautions to tackle tenancy fraud	9	
<b>4</b>	<b>Contact details</b>	12	

Amended text following consultation

# 1 Background

Social housing is more than providing a roof over people's heads. It extends to healthy, balanced communities and vibrant neighbourhoods. It helps to create thriving, mixed communities and meets a need alongside home ownership, shared ownership and private rented accommodation. By providing decent, affordable, stable homes for thousands of local households, it also benefits our society by tackling poverty, contributing to health and wellbeing, reducing pressure on other public services and stimulating the wider economy.

Additionally, many social housing providers now see their responsibility as creating and shaping 'places' and are diversifying their activities beyond providing housing. This may include community development, providing support services, offering training and helping people into work.

Of course, core business for social housing providers is still about developing and maintaining property, as well as managing tenancies and estates well, minimising arrears and dealing with anti-social behaviour effectively. Good quality housing management is central to providing homes and communities where people want to live. How it's done can vary widely depending on the provider's accommodation and services, the local context, what tenants want and, increasingly, what social housing providers can afford.

This document fulfils the requirements of the Localism Act (2011) for local authorities to have a tenancy strategy, setting out the matters to which social landlords in the area must have regard when setting their policies. It gives local authorities powers to ensure that social housing in their areas is meeting local need and local priorities, as identified in the council's plans and strategies.

This strategy also refers to the Government's regulatory tenancy standards, which contain specific expectations and the outcomes that providers are expected to achieve, for example, to provide 'tenancies that are compatible with the purpose of the accommodation, the needs of individual household, the sustainability of the community and the efficient use of their housing stock'.

[\(Regulatory Standards\)](#)

## 2 Aims of the strategy

Our strategy proposes developing local housing framework, which would set ranges for rents in relation to local incomes, whilst also enabling social housing providers to develop and maintain property, as well as manage homes through the tenancies they offer.

In summary, the overarching aims of this strategy are to:

- 2.1 Comply with the legislation
- 2.2 Encourage a wide range of housing options
- 2.3 Promote affordability
- 2.4 Make the best use of the available social housing stock
- 2.5 Ensure that vulnerable households are able to access appropriate accommodation
- 2.6 Promote mobility within social housing and other housing tenures
- 2.7 Promote clarity

## 3 Specific objectives of the strategy

More specifically registered providers are encouraged to:		Link
3.1	Charge rents under the local housing allowance rate	
3.2	Publish clear and accessible policies on tenancy management	
3.3	Create clear and transparent advertisements on Devon Home Choice	
3.4	Charge no more than 2 weeks rent in advance	
3.5	Co-operate with the Council to make the best use of stock	
3.6	Bid for social grant where available	
3.7	Assist the local authority to maintain tenancies and prevent homelessness	
3.8	Limit the conversion of social rents to affordable	
3.9	Promote mobility within the sector	
3.10	Take precautions to tackle tenancy fraud	

### 3.1 Charge rents under the local housing allowance rate

The Council defines 'affordable rent' as:

'a rent which does not exceed 80% of the Open Market Rent (inclusive of any service charges) for the relevant property type and in any event should not exceed the published Local Housing Allowance for the relevant property type and in the relevant property market area allowing for any modifications to a level of allowance as published from time to time by the Government SAVE THAT the rent charged under all lettings may be increased annually by a proportion equivalent to an increase by the Consumer Price Index plus 1%, or any relevant increase determined from time to time by Homes England'.

The Council expects registered providers to take the level of service charge payable on the property into account when looking at affordability. Rent and basic service charges, excluding water/waste, pull-chords/alarms etc., should be included in the rent setting, which should fall below the Local Housing Allowance rate. Extra Care accommodation is exempt from this requirement.

It is expected that registered providers will endeavour to keep increases for Universal Credit eligible service charges within the CPI + 1% Guideline Limit.

[\(2.4 Rent Standard guidance\)](#)

A tenancy where a registered provider is the landlord is excluded from mainstream Local Housing Allowance rules. But landlords should consider the local market context when setting rents, including the relevant Local Housing Allowance for the Broad Rental Market Area in which the property is located.

[\(4.7 Rent Standard guidance\)](#)

Providers are reminded that the Rent Standard requires tenants to be supplied with clear information on how service charges are set, therefore providers should properly distinguish between rents and eligible and ineligible service charges.

[\(2.2 Rent Standard\)](#)

The Council does not expect providers to charge for the extra day in a leap year.

The Council is keen to see registered providers carrying out affordability assessments with households when letting properties at rents that are close to the current Local Housing Allowance, to ensure that the tenancy will be sustainable over time.

### **3.2 Publish clear and accessible policies on tenancy management**

The Regulatory Standards make it clear that registered providers shall publish clear and accessible policies which outline their approach to tenancy management, including:

1. How their rent and any service charge are set, and how they are changed, including reference to the CPI benchmark to which annual changes to rents should be linked
2. The type of tenancies they will grant
3. The circumstances in which they will grant tenancies of a particular type
4. Where they grant tenancies for a fixed term, the length of those terms and any exceptional circumstances in which they will grant fixed-term tenancies for a term of less than five years in general needs housing following any probationary period
5. The circumstances in which they may, or may not, grant another tenancy on the expiry of the fixed term, in the same property, or in a different property
6. The way in which a tenant, or prospective tenant, may appeal against or complain about the length of fixed term tenancy offered and the type of tenancy offered, and against a decision not to grant another tenancy on the expiry of the fixed term
7. Their policy on taking into account the needs of those households who are vulnerable by reason of age, disability or illness, and households with children, including through the provision of tenancies which provide a reasonable degree of stability
8. The advice and assistance they will give to tenants on finding alternative accommodation in the event that they decide not to grant another tenancy
9. Their policy on granting discretionary succession rights, taking account of the needs of vulnerable household members
10. Their approach to managing interventions to sustain tenancies and prevent unnecessary evictions
11. Their approach to how they are tackling tenancy fraud

[\(2.2 Tenancy Standard\)](#)

### **3.3 Create clear and transparent advertisements on Devon Home Choice**

Registered providers shall let their homes in a fair, transparent and efficient way. They shall take into account the housing needs and aspirations of tenants and potential tenants ([1.1 Tenancy Standard](#))

The Council expects that registered providers will commit to the use of Devon Home Choice as their principle method of identifying new tenants. If lettings are made without advertisement, providers should report these to the Devon Home Choice Board of Management, having first informed the local authority.

To promote transparency, advertisements should:

1. Clearly set out the rent. If the rent is not known, it should not be advertised
2. Clearly set out and detail any individual service charges, making it clear if they are eligible under Universal Credit, or if the tenant is to pay on top of any benefits. If the service charge is not known, it should not be advertised
3. Clearly set out any rent in advance; not requesting payment above this upon shortlisting
4. Include specific eligibility criteria, such as local connection, accessibility and age

5. Include a reasonable photograph of the property. Where none is available, for example, it is being developed, then the provider should explain this and use an alternative likeness, such as the architect's impression
6. Include the council tax band where possible

### 3.4 Charge no more than 2 weeks rent in advance

The Council would like to see households being able to transition smoothly into safe and secure homes, regardless of income. We support and encourage clients to prioritise paying rent, but we are increasingly concerned that there is a significant number of people who cannot afford upfront payments.

It's vital that homeless households, people on low incomes and people who can't access other forms of housing can find a home they can afford. Social housing provides that safety net, but one month's rent in advance is simply not affordable, particularly when you consider that social tenants are expected to pay additional costs for carpeting and curtains, unlike in the private rented sector.

We wish to support the good work registered providers do on behalf of their tenants, including the ability to offer flexibility for those who may be struggling financially. However, it is the Council's opinion that access to social housing should be fair and equitable and that rent in advance is a barrier to those with little, or no income, or no savings.

A key function of social housing is to provide accommodation that is affordable to people on low incomes. However, it would appear that decisions about the amount of rent in advance are being made upon personal, protected characteristics and income and this could be seen as discriminatory practice. Furthermore, there is no regulation around what happens at the end of a tenancy when rent in advance is charged and fully paid up by Universal Credit.

Registered providers should therefore charge no more than 2 weeks rent in advance, clearly stating the amount when advertising and not requesting payment above this upon shortlisting.

Additionally, we would like to see providers publish an online rent in advance policy. The policy should clearly set out how rent in advance will be used, how it is returned, the process should the tenancy transfer to another provider and that no damages, or court costs will be deducted from these payments.

Where delays to the housing element of Universal Credit has led to providers being unable to offer financial flexibility, the Council is keen to work in collaboration to find solutions for providers and their tenants that will work to both reduce rental arrears and sustain tenancies.

The Council recommends that:

1. There should be better access to pre-tenancy information for tenants, including budgeting and income maximisation
2. A financial assessment for potential vulnerability be introduced at the allocation stage
3. Providers should continue to improve their engagement with tenants and prioritise tenancy support, including helping tenants get online where appropriate
4. Joint working arrangements between the Council, the Department of Work and Pensions and registered providers should be maintained to ensure a holistic service is provided

### 3.5 Co-operate with the Council to make the best use of stock

Registered providers shall co-operate with local authorities' strategic housing function, and their duties to meet identified local housing needs. This includes assistance with local authorities' homelessness duties, and through meeting obligations in nominations agreements. ([2.1 Tenancy Standard](#))

#### Local letting plans

The Council expects registered providers work in partnership with the Council to develop local lettings plans to help create sustainable communities. The aim of a lettings plan would be to ensure that providers let homes in a way that:

- a) Develops balanced and mixed communities
- b) Promotes social inclusion
- c) Meets the needs of those in the greatest housing need
- d) Maximises the housing choice for applicants
- e) Minimises re-let periods
- f) Makes the best use of the stock, for example downsizing and better use of adapted homes
- g) Enables people to live and work in rural areas

#### Direct matches

The Council would like to work with providers to set up direct matches on adapted homes that are fully wheel-chair adapted and/or have wet rooms. This may require the Council facilitating a Multi Adapted Panel Meeting if we are extending the invite to all local providers.

#### Fixed-term tenancies

The Council encourages landlords to offer fixed-term tenancies where this will help to make best use of the stock, in particular on larger properties of 3, or more bedrooms and on properties that have been significantly adapted for use by someone with a disability. This will help to ensure that in future, if a household no longer requires a larger, or adapted property, they can be supported to move on and the property can be reallocated to those in greater housing need.

The Council supports registered providers offering a minimum of 3 years fixed-term tenancy where this supports the aims of the tenancy strategy.

#### Disposals

If a registered provider is looking to dispose of a property in the Teignbridge area, they should discuss this with the Council at the earliest opportunity.

### 3.6 Bid for social grant where available

The Council expects that any registered provider bidding for grant funding and/or developing in Teignbridge to become a member of the Teignbridge Affordable Housing Partnership.

Partners meet regularly, generally every four months and focus predominantly on new development, but may cover wider issues such as housing management and making best use of stock. Each partner will also meet individually with the Council at least once a year to discuss delivery pipeline and any other issues.

Benefits of becoming a member of the partnership include:

- a) Recommendation to developers for acquisition of S106 schemes
- b) Priority for the purchase of housing land where the Council is involved in its disposal
- c) Priority for any funding that the Council is awarding, for example top-up funding for new developments, new homes bonus, funding for particular projects

- d) Priority to being involved in the development of new initiatives and projects to deliver new homes and/or increase the amount of social housing available
- e) Support for appropriate funding bids to Homes England and other bodies
- f) Opportunities to influence policy, including meetings with members and officers, as appropriate
- g) Providing access to planning and enabling guidance and assistance

A copy of the Partner Agreement is available upon request.

### 3.7 Assist the local authority to maintain tenancies and prevent homelessness

Registered providers shall co-operate with local authorities' strategic housing function, and their duties to meet identified local housing needs. This includes assistance with local authorities' homelessness duties, and through meeting obligations in nominations agreements.

[\(2.1 Tenancy Standard\)](#)

Private Registered Providers have a duty under s.170 (Housing Act 1996) to cooperate with housing authorities – where the authority requests it - to such extent as is reasonable in the circumstances in offering accommodation to people with priority under the authority's allocation scheme. Similarly, s.213 (Housing Act 1996) provides that, where a Private Registered Provider has been requested by a housing authority to assist them in the discharge of their homelessness functions under Part 7 (Housing Act 1996), it must cooperate to the same extent

[\(Chapter 6. Allocation of accommodation\)](#)

The Council expects all registered providers to work proactively to manage and sustain tenancies. This should include regular contact with the tenant, regardless of tenancy type. **Where a fixed-term tenancy is granted, the provider should make contact with the tenant at least 12 months prior to the tenancy end date to put forward the factors that would determine whether a further tenancy is granted, or the grounds for not renewing the tenancy.**

The Council also expects registered providers to:

1. Contribute to the development and execution of local authority homelessness strategies
2. Operate flexible allocations and eligibility policies that allow individual applicants' unique set of circumstances and housing history to be considered
3. **Ensure that all reasonable measures are taken to prevent eviction and homelessness in line with the Devon Home Choice 'pre-eviction protocol'**
4. Commit to meeting the needs of vulnerable tenant groups
5. **Work in partnership to provide a range of affordable housing options that meet the needs of homeless people in their local communities and, where possible, assist the local authority to deliver projects specifically aimed at reducing homelessness and rough sleeping such as 'Housing First'**
6. Ensure that properties offered to homeless people should be ready to move into
7. Lobby, challenge and inspire others to support ending homelessness
8. Commit to referring an individual, or household to the Council if they are homeless or threatened with homelessness ([Commitment to refer](#))

### 3.8 Not to convert social rents to affordable rents

In the 2010 Spending Review the Coalition Government expressed a desire to build more homes for less public money and announced their intention to introduce a new 'intermediate rent'. Under this model registered providers could offer tenancies at rents of up to 80% of market rent levels within the local area. The new 'affordable rents' are more expensive than social rents throughout England and in areas of high house prices, such as Teignbridge, the difference is noticeably larger.

According to Homes England, Teignbridge is a local authority in a 'high affordability pressure area'. Affordable rent can be a good option for some people on middle incomes who just need a little help. However, is unlikely to be truly affordable for those in the most housing need. Without more new social rented homes, more and more people on low incomes, or who are homeless, will be offered no option, other than a home with a rent they can't afford, forcing them to rely on Universal Credit to bridge the gap.

We appreciate that to ensure registered provider's business plans are maintained there will be times when social rents will need to be converted to affordable rents. The Council would expect partners to keep this to a minimum to enable the largest percentage of stock possible to remain at the most affordable social rents levels.

Where providers convert to affordable rents they should charge 'a rent which does not exceed 80% of the open market rent, inclusive of any service charges and should not exceed the published Local Housing Allowance for the relevant property type'.

### **3.9 Promote mobility within the sector**

The Council is keen to promote mobility within social housing, and expects landlords to actively promote schemes to facilitate mutual exchange. Landlords will need to be aware of the provisions within the legislation for affecting mutual exchange between tenants with different tenancy types and to ensure that their policies reflect these requirements.

Registered providers shall ensure the provider of the internet based mutual exchange service to which they subscribe is a signatory to an agreement, such as Home Swap Direct, under which tenants can access matches across all (or the greatest practicable number of) internet based mutual exchange services. They should also take reasonable steps to publicise the availability of any mutual exchange service that allows:

1. a tenant to register an interest in arranging a mutual exchange through the mutual exchange service without payment of a fee
2. the tenant to enter their current property details and the tenant's requirements for the mutual exchange property they hope to obtain
3. the tenant to be provided with the property details of those properties where a match occurs

Registered providers shall clearly set out, and be able to give reasons for, the criteria they use for excluding actual and potential tenants from consideration for allocations, mobility, or mutual exchange schemes. [\(Sections 1/2, Tenancy Standard\)](#)

Additionally, providers are expected to promote other housing products, such as shared ownership, or low cost home ownership to tenants who meet the criteria. Help to Buy South West is the local one stop shop, allowing households to apply for a whole host of schemes and developments regardless of the supplier. As one of its nine Help to Buy agents, they are appointed by the Homes and Communities Agency, as the agent for South West of England.

### **3.10 Take precautions to tackle tenancy fraud**

Investigating, taking action against and preventing fraud remains a time intensive process, but necessary to maintain the integrity and reputation of both the local authority and registered providers.

The Council expects landlords to take reasonable precautions to tackle tenancy fraud, incorporating some form of check into applications, tenancy sign-up and subsequent regular contact. This currently includes

verifying overcrowding, lacking a bedroom, or detecting sub-letting through home visiting, obtaining proof of address, or other means.

Statutory guidance on social housing allocations states that eligibility will be assessed at the time of application and again at the time of any offer of accommodation. Applicants need to be aware that eligibility at the time of application does not mean that they will necessarily be eligible at the time of any offer of accommodation, particularly if there has been a substantial gap of time between the two.

[\(3.2 Allocation of accommodation\)](#)

The Localism Act 2011 provides local authorities with the power to determine for themselves what classes of persons are, or are not, persons qualifying to be allocated social housing in their areas. Households assessed by one of the Devon local authorities as being guilty of unacceptable behaviour will not be considered as a qualifying person. Examples of unacceptable behaviour could include, but is not limited to, households who have knowingly given false or misleading information or withheld information that has been reasonably requested as part of their Devon Home Choice.

[\(2.5 Devon Home Choice allocation policy\)](#)

Any applications where there are concerns that the applicant has knowingly or recklessly made a statement which is false, or knowingly withheld information should be reported to the relevant person at the local authority managing the application.

[\(16 Devon Home Choice Procedures Manual\)](#)

In addition, the Council will require data sharing agreements with providers when processing the allocation of social housing to which the applicant is party and for undertaking its legal obligation under fraud detection where sharing data would be necessary for the Council to comply with the law.

Registered Providers are responsible for tackling tenancy fraud, such as subletting and should have a clear policy available (Prevention of Fraud Act 2013). ([Prevention of Social Housing Fraud Act 2013](#))



## 4. Contact details

If you need this information in another format please contact us

Housing Services  
Forde House  
Brunel Road  
Newton Abbot  
Devon  
TQ12 4XX

[housing@teignbridge.gov.uk](mailto:housing@teignbridge.gov.uk)  
[www.teignbridge.gov.uk/housing](http://www.teignbridge.gov.uk/housing)

Tel: 01626 361 101

**TDC tenancy strategy 2019 DRAFT 190204 v15 REVISED**  
G:\Housing\Strategy\TDC Tenancy Strategy\Strategy documents\Teignbridge



# Housing Services Tenancy Strategy

Supporting evidence

January 2019

Teignbridge District Council



# Contents

Chapter		Page	Link
<b>1</b>	<b>Context</b>	3	
1.1	The Localism Act 2011	3	
1.2	Regulatory standards that registered providers of social housing must meet	3	
1.3	Specific expectations and the outcomes that providers are expected to achieve	4	
1.4	Teignbridge Council Strategy 2016 - 2015	5	
1.5	Teignbridge Council Housing and Homelessness Strategies	5	
1.6	National Planning Policy Framework (2018): Definition of affordable housing	6	
1.7	Links to relevant guidance and legislation	7	
<b>2</b>	<b>Affordability</b>	8	
2.1	Balancing the housing market	8	
2.2	Local housing affordability	9	
<b>3</b>	<b>Local private rents</b>	11	
3.1	Local Housing Allowance	12	
<b>4</b>	<b>Social and affordable rents</b>	14	
4.1	Background	14	
4.2	Income limits on social housing	15	
4.3	Properties let through Devon Home Choice	16	
<b>5</b>	<b>Rent setting</b>	19	
5.1	Background	19	
5.2	Rent policy from April 2020 onwards	19	
5.3	Social rent setting	19	
5.4	Affordable rent setting	19	
<b>6</b>	<b>Contact details</b>	22	

# 1 Context

The Localism Act (2011) requires local authorities, when preparing their tenancy strategy, to take into account the Council's key corporate priorities, including their housing and homelessness strategies. We expect registered and other housing providers to have regard to our detailed principles and objectives set out in the Devon Home Choice Allocations Policy, planning obligations prescribed in our Section 106 policies, as well as the relevant national legislation.

## 1.1 The Localism Act 2011

Under the Localism Act 2011, a local housing authority in England must prepare and publish a strategy setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to:

1. the kinds of tenancies they grant
2. the circumstances in which they will grant a tenancy of a particular kind
3. where they grant tenancies for a term certain, the lengths of the terms
4. the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy

The tenancy strategy must summarise those policies, or explain where they may be found. The changes apply to tenancies created from April 2012 onwards. Existing tenants seeking a transfer retain their existing form of tenancy where the transfer request and allocation accords with Sections:

- 158 Secure and assured tenancies: transfer of tenancy and
- 159 Further provisions about transfer of tenancy under Section 158

The specific responsibility for managing transfers rests with individual registered provider landlords.

Localism Act 2011 [www.legislation.gov.uk/ukpga/2011/20/contents/enacted](http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted)

## 1.2 Regulatory standards that registered providers of social housing must meet

Regulatory standards contain specific expectations and the outcomes that providers are expected to achieve. Providers' boards and local authority councillors who govern service delivery are responsible for meeting the relevant standards and determining how this is done. The standards are classified as either 'economic' or 'consumer'.

### Economic standards

The Regulator of Social Housing proactively seeks assurance from providers that they are meeting the 3 economic standards, which are:

1. Governance and Financial Viability Standard 2015
2. Value for Money Standard 2018
3. Rent Standard 2015

### Consumer standards

These apply to all registered providers including local authorities (note exclusions below). The Regulator of Social Housing's role is to set the consumer standards and to intervene where failure to meet the standards has caused, or could have caused, serious harm to tenants. The 4 consumer standards are:

1. Home Standard 2015
2. Tenancy Standard 2015
3. Neighbourhood and Community Standard 2015
4. Tenant Involvement and Empowerment Standard 2017

The consumer standards and the Rent Standard do not apply to all types of housing. The following exclusions should be noted:

1. the Rent Standard and the consumer standards do not apply to 100% owned Low Cost Home Ownership

2. the Rent Standard does not apply to less than 100% owned Low Cost Home Ownership, nor to certain types of housing detailed in the Rent Standard Guidance including intermediate rent
3. the Tenancy Standard does not apply to intermediate rent nor to less than 100% owned Low Cost Home Ownership

### **The Regulator of Social Housing's approach**

Guidance on the approach the regulator takes to assessing registered providers' compliance with the regulatory standards is set out in [Regulating the standards](#).

Details of this approach, where there are issues of non-compliance with the regulatory standards, can be found in [Guidance on the regulator's approach to intervention, enforcement and use of powers](#).

The Regulators annual [Consumer Regulation Reviews](#) explain more about the regulator's approach to consumer regulation and include case studies and lessons learned.

Regulatory standards: [www.gov.uk/guidance/regulatory-standards](http://www.gov.uk/guidance/regulatory-standards)

### **Rent Standard guidance**

How social housing rents are set: [www.gov.uk/government/publications/rent-standard-guidance](http://www.gov.uk/government/publications/rent-standard-guidance)

## **1.3 Specific expectations and the outcomes that providers are expected to achieve**

Regulatory standards contain specific expectations and the outcomes that providers are expected to achieve. Providers' boards and local authority councillors who govern service delivery are responsible for meeting the relevant standards and determining how this is done.

### **Tenancy Standard**

#### **1. Required outcomes**

1.1.1 Registered providers shall let their homes in a fair, transparent and efficient way. They shall take into account the housing needs and aspirations of tenants and potential tenants. They shall demonstrate how their lettings:

- (a) make the best use of available housing
- (b) are compatible with the purpose of the housing
- (c) contribute to local authorities' strategic housing function and sustainable communities

#### **2 Specific expectations**

2.1.1 Registered providers shall co-operate with local authorities' strategic housing function, and their duties to meet identified local housing needs. This includes assistance with local authorities' homelessness duties, and through meeting obligations in nominations agreements.

#### **2.2 Tenure**

2.2.1 Registered providers shall publish clear and accessible policies which outline their approach to tenancy management, including interventions to sustain tenancies and prevent unnecessary evictions, and tackling tenancy fraud, and set out:

- (a) The type of tenancies they will grant.
- (b) Where they grant tenancies for a fixed term, the length of those terms.
- (c) The circumstances in which they will grant tenancies of a particular type.
- (d) Any exceptional circumstances in which they will grant fixed term tenancies for a term of less than five years in general needs housing following any probationary period.
- (e) The circumstances in which they may or may not grant another tenancy on the expiry of the fixed term, in the same property or in a different property.
- (f) The way in which a tenant or prospective tenant may appeal against or complain about the length of fixed term tenancy offered and the type of tenancy offered, and against a decision not to grant another tenancy on the expiry of the fixed term.
- (g) Their policy on taking into account the needs of those households who are vulnerable by reason of age, disability or illness, and households with children, including through the provision of tenancies which provide a reasonable degree of stability.

(h) The advice and assistance they will give to tenants on finding alternative accommodation in the event that they decide not to grant another tenancy.

(i) Their policy on granting discretionary succession rights, taking account of the needs of vulnerable household members.

### **Rent Standard**

2.7 Registered providers shall provide clear information to tenants that explains how their rent and any service charge are set, and how they are changed, including reference to the CPI benchmark to which annual changes to rents should be linked (except where rents are controlled under different legislation).

Regulatory standards: [www.gov.uk/guidance/regulatory-standards](http://www.gov.uk/guidance/regulatory-standards)

## **1.4 Teignbridge Council Strategy 2016 – 2025**

At the heart of our strategy are the Teignbridge Ten super projects. These are ten connected areas of work, which will each have a widespread impact on the economy, community wellbeing and the environment. Two in particular are relevant to this strategy:

### **A roof over our heads**

Provision of homes, particularly affordable homes, brings very significant health and wellbeing benefits to our communities, helps to retain young people in the area who may otherwise be unable to remain, and provides many local construction jobs. In addition, our actions will help towards reducing poverty and deprivation.

### **Actions**

1. Make sure our plans take full account of all housing needs including those of older people, vulnerable people, self build, traveller and rural housing
2. Continue to deliver affordable housing, including through negotiations with market housing developers
3. Evaluate options for developing affordable rented housing, including the viability of a housing company
4. Improve housing conditions and reduce empty homes through a range of measures, including enforcement
5. Prevent homelessness wherever possible

### **Health at the heart**

We will aim to achieve healthier and more active communities with improved physical and mental health by working in partnership with others to reduce health inequalities between communities.

Housing that meets the needs of older, disabled and vulnerable people along with grants for home improvements and adaptations will improve the health of older people and give them more independence in their own homes.

### **Actions**

1. Deliver health interventions, educational and physical activity programmes to local communities most in need
2. With others, we will target home improvement measures such as loans and grants for those in greatest need
3. Deliver disabled facility grants to enable those with long term health and care needs to remain at home independently
4. With others, deliver and support specialist and adapted housing to meet identified needs
5. Design new developments to create places that are safe, inclusive, and accessible to all and promote social interaction and a healthy, active lifestyle

[www.teignbridge.gov.uk/councilstrategy](http://www.teignbridge.gov.uk/councilstrategy)

## **1.5 Teignbridge Council Housing and Homelessness Strategies 2015 - 2020**

Housing is the cornerstone of building strong communities. The availability and quality of housing can directly affect people's health and wellbeing and their educational attainment, as well as affecting local levels of deprivation and crime. The delivery of new housing also brings benefits to the local economy.

The strategies set out what the council, and its partners, will be doing over the next few years to improve the housing situation for our current and future residents. The themes reflect the broad range of work that we do to meet local housing need, from developing affordable housing, to preventing homelessness, whilst maintaining housing standards and helping people to stay independent in their own homes.

### **A place to live**

- a) Maximise the delivery of affordable housing according to need
- b) Make sure that local housing is in a good state of repair
- c) Make best use of existing stock

### **Access to services**

- a) Make information easy to understand, increase self-service and listen to customers
- b) Prevent homelessness and give support to those in crisis
- c) Work with partners to increase the coverage and impact of services

### **Healthy lives**

- a) Offer advice and services to help people to stay independent and to maintain their health and wellbeing
- b) Reduce the housing factors that can lead to accidents and ill health
- c) Take a holistic approach to meet people's health needs in the home

### **Money matters**

- a) Help people to manage money to keep a roof over their heads
- b) Help people access different financial solutions
- c) Make sure we get value for money

[www.teignbridge.gov.uk/housingstrategy](http://www.teignbridge.gov.uk/housingstrategy)

## **1.6 National Planning Policy Framework (2018): Definition of affordable housing**

As updated on 24 July 2018, the revised National Planning Policy Framework sets out government's planning policies for England and how these are expected to be applied.

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement. [www.gov.uk/government/publications/national-planning-policy-framework--2](http://www.gov.uk/government/publications/national-planning-policy-framework--2)

## 1.7 Links to relevant legislation and guidance

Housing Act 1985 (flexible tenancies)

[www.legislation.gov.uk/ukpga/1985/68/part/IV/crossheading/flexible-tenancies](http://www.legislation.gov.uk/ukpga/1985/68/part/IV/crossheading/flexible-tenancies)

Housing Act 1996

[www.legislation.gov.uk/ukpga/1996/52/contents](http://www.legislation.gov.uk/ukpga/1996/52/contents)

Housing and Regeneration Act 2008 (Regulation of Social Housing)

[www.legislation.gov.uk/ukpga/2008/17/contents](http://www.legislation.gov.uk/ukpga/2008/17/contents)

Localism Act 2011 (see below)

[www.legislation.gov.uk/ukpga/2011/20/contents](http://www.legislation.gov.uk/ukpga/2011/20/contents)

National Planning Policy Framework – 2018 (Definition of affordable housing)

[www.gov.uk/government/collections/revised-national-planning-policy-framework](http://www.gov.uk/government/collections/revised-national-planning-policy-framework)

Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016 (Formula rent)

[www.legislation.gov.uk/uksi/2016/390/contents/made](http://www.legislation.gov.uk/uksi/2016/390/contents/made)

Teignbridge Allocations Policy (Local lettings agreement)

[www.devonhomechoice.com/useful-information-0](http://www.devonhomechoice.com/useful-information-0)

Teignbridge Council Strategy

[www.teignbridge.gov.uk/council-and-democracy/council-information/strategies-policies-and-performance/strategies-and-plans/](http://www.teignbridge.gov.uk/council-and-democracy/council-information/strategies-policies-and-performance/strategies-and-plans/)

Teignbridge Housing and Homelessness Strategies

[www.teignbridge.gov.uk/council-and-democracy/council-information/strategies-policies-and-performance/strategies-and-plans/](http://www.teignbridge.gov.uk/council-and-democracy/council-information/strategies-policies-and-performance/strategies-and-plans/)

Town and Country Planning Act 1990 (Planning obligations under Section 106)

[www.legislation.gov.uk/ukpga/1990/8/contents](http://www.legislation.gov.uk/ukpga/1990/8/contents)

Welfare Reform and Work Act 2016 (Social housing rents)

[www.legislation.gov.uk/ukpga/2016/7/contents](http://www.legislation.gov.uk/ukpga/2016/7/contents)

Prevention of Social Housing Fraud Act 2013

[www.legislation.gov.uk/ukpga/2013/3/contents](http://www.legislation.gov.uk/ukpga/2013/3/contents)

Allocation of accommodation: guidance for local housing authorities in England

[www.gov.uk/government/publications/allocation-of-accommodation-guidance-for-local-housing-authorities-in-england](http://www.gov.uk/government/publications/allocation-of-accommodation-guidance-for-local-housing-authorities-in-england)

## 2 Affordability

### 2.1 Balancing the housing market

‘Paying for housing, whether rent or mortgage payments, is the single biggest cost for many households. The proportion of people in the poorest fifth of the working-age population of the UK who spend more than a third of their income (including Housing Benefit) on housing costs has risen from 39% in 1994/95 to 47% in 2015/16. This has been driven in part by the rise in the number of people renting in the private sector, where costs are highest.’

‘Households in the private rented sector were more likely to spend over a third of their income on housing than those in any other sector. However, since 2010 and the introduction of affordable rent, based on 80% of the gross market rent, there has been a rise in the proportion of those in the social rented sector spending a similar proportion of their income.’

[\(JRF Analysis Unit\)](#)

Access to low-cost social rented housing is key in preventing low income families being cast into poverty. However, the cost of renting in both the private rented and social housing sectors has steadily increased in recent years.

Our strategy proposes a local housing framework, which would find a balance to establishing a range of rents in relation to local incomes, whilst also enabling social housing providers to develop and maintain property, as well as manage homes through the tenancies they offer.

Local housing allowance (LHA) is used to work out how much housing benefit tenants can get if they rent their home from a private landlord. It is calculated by the Valuation Office Agency under a framework introduced by the Department for Work and Pensions. It is the flat rate rental allowance providing financial assistance towards the housing costs of low income households for different private rental market areas and property types.

Although properties let by registered providers are not subject to the Local Housing Allowance, when setting affordable rents, providers should have regard to the local market context, including the relevant Local Housing Allowance for the Broad Rental Market Area in which the property is located.

It is the opinion of Teignbridge Council that if we are establishing a maximum amount of Housing Benefit, or Universal Credit under the Local Housing Allowance in the private rented sector, then this should also broadly apply to affordable rents in the social sector.

‘Additionally, more than 150,000 of the most affordable rented homes have been lost across England in just five years, according to analysis from the Chartered Institute of Housing (CIH). The organisation is predicting that loss will reach 230,000 by 2020, making it increasingly difficult for people on lower incomes to access a decent home at a price they can afford.’

Figures from the Ministry of Housing, Communities and Local Government and Homes England show that 103,642 local authority homes and 46,972 housing association homes for social rent were lost between 2012 and 2017. Most of the losses were down to homes being converted to ‘affordable rent’, or being sold through the right to buy scheme, while some were demolished.

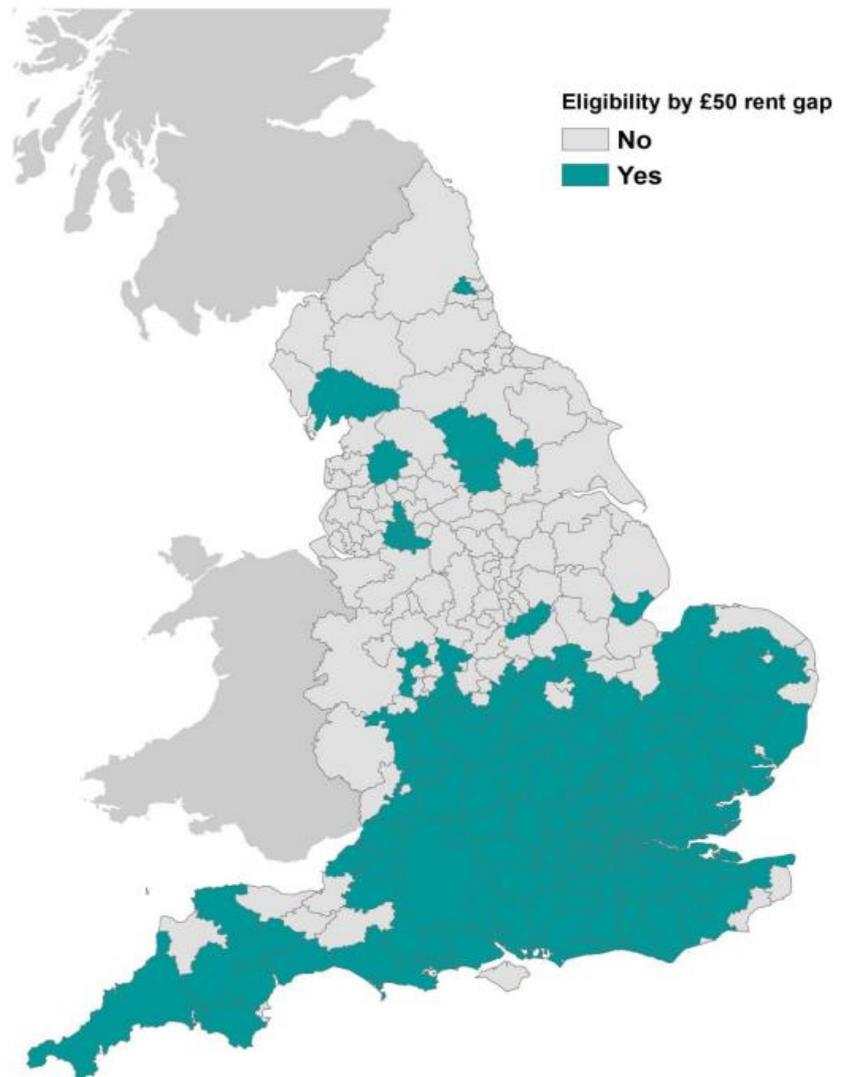
CIH chief executive, Terrie Alafat said: ‘For many people on lower incomes, the only truly affordable option is social rent. It is simply unacceptable that we are losing so many of our most affordable homes at a time when more and more people are in need.’

[\(Chartered Institute of Housing 2018\)](#)

## 2.2 Local housing affordability

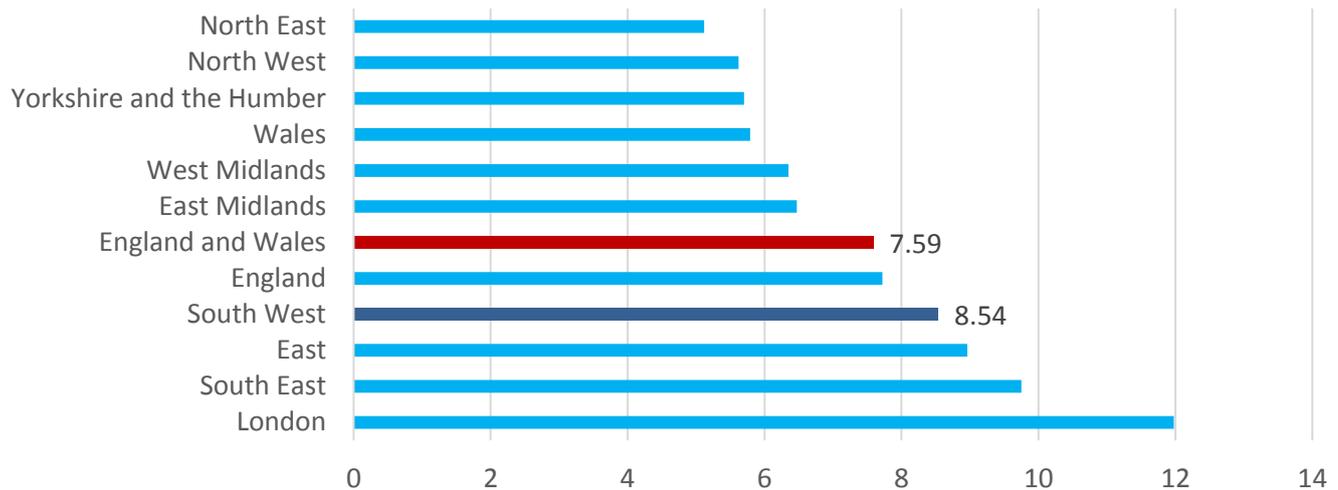
According to a recent government circular, Teignbridge is a local authority in a 'high affordability pressure area', as measured by the difference between social rents and private rents, where the difference is £50, or more per week.

**Figure 1: Local authority areas with an average gap between weekly social and private rents above £50**



[\(Social rent addendum to Shared Ownership and Affordable Homes Programme 2016 to 2021\)](#)

**Figure 2: Ratio of median price paid for residential property to median workplace-based gross annual earnings, by region and country, 2016**



Source: [The Office of National Statistics](#)

To understand how much people are likely to be able to afford when buying a house, both house prices and annual salary must be considered. Housing in England and Wales became less affordable in 2016 compared with 2015. The affordability ratio increased from 7.37 in 2015 to 7.59 in 2016, which is a 3% increase.

Figure 2 shows the affordability ratio for all regions in England and Wales, including the affordability for England and Wales as a whole. London was the least affordable region with a ratio of 11.98, followed by the South East with 9.75 and the South West with 8.54.

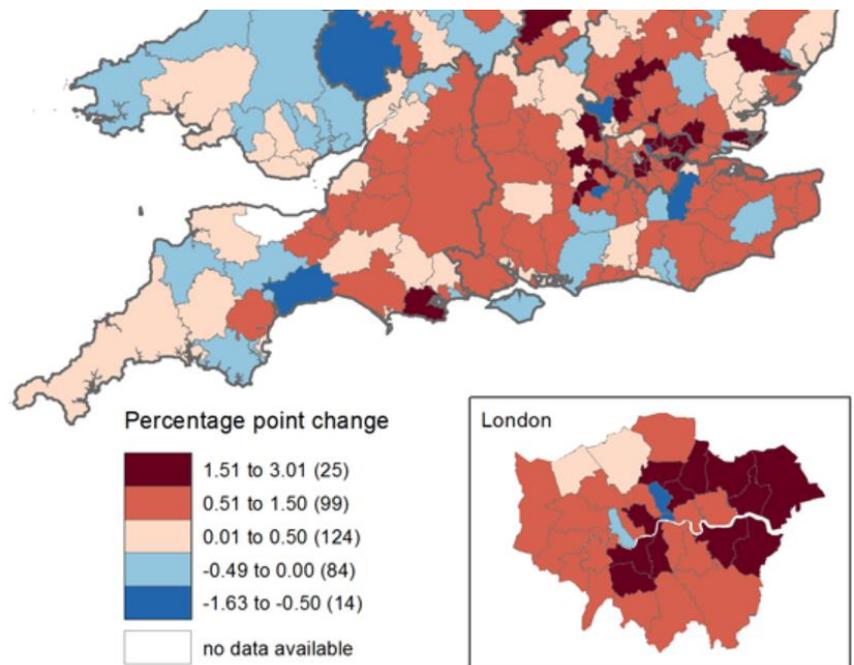
This means that in 2016, a worker in the South West could typically expect to spend around 8.5 times their annual earnings on purchasing a home.

**Figure 3: Change in housing affordability ratio, by local authority, England and Wales, 2015 to 2016**

Housing affordability appears to have worsened slightly from 2015 to 2016 overall in England and Wales with an increase in affordability ratio. The map shows the geographical spread of the change in affordability ratio from 2015 to 2016 in local authority districts in England and Wales.

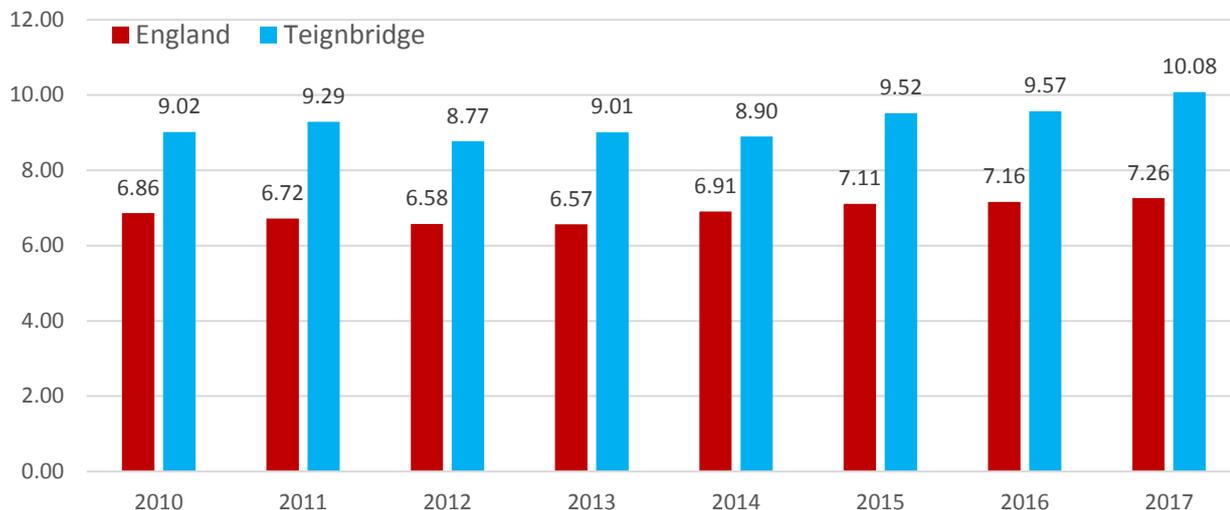
In red are the areas in which affordability ratios increased the most. These are mainly in London and the South East, where house prices are generally more expensive and increasing more rapidly than elsewhere.

West of Exeter, Teignbridge stands alone as a district with a higher affordability ratio increase.



Source: [The Office of National Statistics](#)

**Figure 4: House price to workplace-based earnings ratio, Teignbridge 2010 to 2017**



Source: [Office for National Statistics](#)

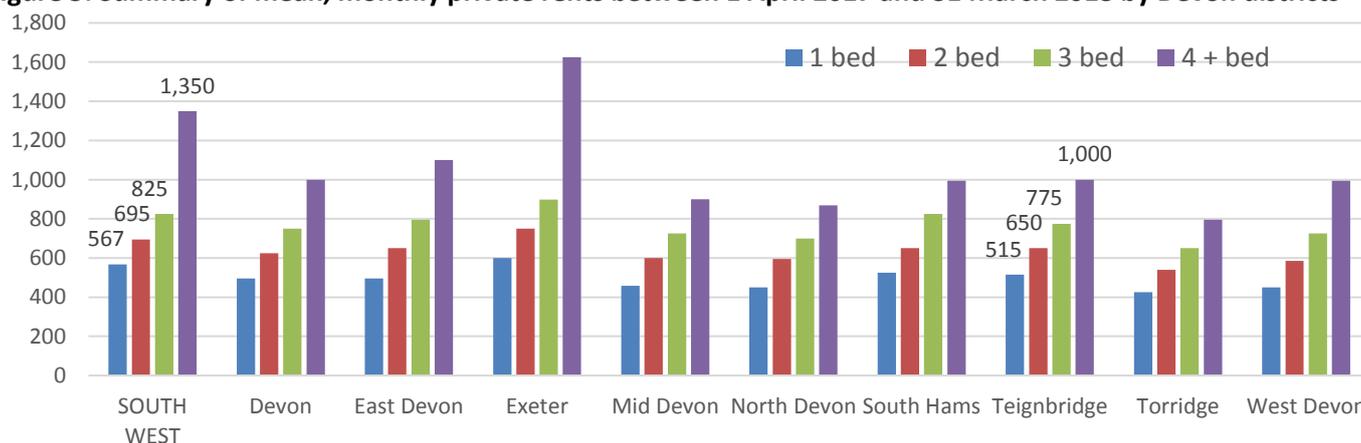
Affordability ratios are calculated by dividing house prices by gross annual workplace-based earnings. Based on the median and lower quartiles of both house prices and earnings in England.

Figure 4 shows the affordability ratio for all regions in Teignbridge, with a ratio of 10.08, meaning that last year a worker in the Teignbridge would expect to spend around 10 times their annual earnings on buying a home.

### 3 Local private rents

The private rented sector in England has more than doubled in size since 2002 and now consists of 4.5 million households. Private renting is no longer just a short-term housing solution. Over half of renters (56%) are aged 35, or over, and more than one third (36%) of households are families with children. Nearly a quarter of households (24%) have lived in the private rented sector for 10 years or longer. As the cost of home ownership rises and the lack of social housing endures, the private rented sector plays an increasingly important role in housing people.

**Figure 5: Summary of mean, monthly private rents between 1 April 2017 and 31 March 2018 by Devon districts**



Source: [GOV.UK](#)

In the 2011 Census, Teignbridge reported over 9,000 (16%) homes in the private rented sector, a growth of 18% since the previous Census in 2001. If you apply the same percentage increase, the figure today is likely to be nearing 11,000, which represents around 18% of the local housing stock. Teignbridge also has a low level of social housing stock, 9% compared to England's 18%.

### 3.1 Local Housing Allowance

Local Housing Allowance was introduced in 2008 and is the way of calculating entitlement under the Housing Benefit scheme and is worked out by the Valuation Office Agency. LHA rates were set up to ensure tenants in similar circumstances and areas could claim similar amounts and so that it was possible to know in advance how much rent could be covered by housing benefit for an specific area. The maximum amount of support a household can claim will depend on where they live, the minimum number of bedrooms they need and their income. It is not based on the rent charged.

In Teignbridge 4,168 (8%) claim housing benefit in order to help cover the cost of their rent. Many of these renters will be working, but their income is not sufficient to cover local private rents, which have been rising consistently for several years.

Originally, LHA was based on median market prices, but was changed in April 2011 to the 30th percentile of local rented accommodation, meaning only 30% of all rented property on the market will cost less and 70% will cost more than housing benefit payments. It was increased by 1% in 2014 and again in 2015. Since April 2016, LHA has been frozen until 2020 to help control the benefits bill.

Teignbridge is split into two parts, known as Broad Rental Market Areas (BRMAs). On the whole properties with an 'EX' postcode will fall into the Exeter BRMA and ones beginning with 'TQ' will fall into South Devon.

[\(Teignbridge LHA\)](#)

Anyone who claims housing benefit is expected to find a home to rent that is cheaper than average for their local area. Housing benefit levels are already set at, or below, the cost of renting a home in the bottom third of the private rental market. Since 2010 housing benefit levels have not risen in line with rising private rents, and the current freeze on LHA means that they will remain frozen at their 2016 levels until 2020, regardless of how much private rents go up by in each local area.

This means that most private renters who need their income topped up by housing benefit will face a monthly shortfall between the actual cost of their rent, and the financial support available.

**Figure 6: LHA rates compared to mean, weekly private rents between 1 April 2017 and 31 March 2018**

	South Devon (TQ) LHA rates	Exeter (EX) LHA rates	South West mean monthly rents	Teignbridge mean monthly rents
1 bed	£96.91	£116.52	£130.85	£118.85
2 bed	£128.19	£141.24	£160.38	£150.00
3 bed	£153.02	£164.79	£190.38	£178.85
4 bed	£192.24	£218.63	£311.54	£230.77

Source: [GOV.UK](#) and [Teignbridge Council](#)

By taking the mean, monthly private rents between 1 April 2017 and 31 March 2018 and breaking them down into weekly rates, we can compare mean, private rents against the Local Housing Allowance rates.



Looking more locally at property renting websites, our analysis reveals just how dramatic those shortfalls can be for different sized household types, in different areas.

**Figure 8: Snap-shot of current private rents in Teignbridge (November 2018)**

Town	BRMA	1 bed	2 bed	3 bed	4 bed
Bovey Tracey	South Devon	£ 112.62	*	£ 198.00	*
Buckfastleigh	South Devon	*	£ 147.00	£ 201.92	*
Dawlish	South Devon	£ 144.00	£ 141.69	£ 211.38	£ 167.08
Kingsteignton	South Devon	£ 126.92	£ 169.85	*	£ 312.00
Moretonhampstead	South Devon	*	£ 156.00	£ 137.08	*
Newton Abbot	South Devon	£ 126.69	£ 158.08	£ 213.46	£ 219.00
Teignmouth	South Devon	£ 120.69	£ 158.08	£ 201.92	*
<b>Average rent</b>	<b>South Devon</b>	<b>£ 126.18</b>	<b>£ 155.12</b>	<b>£ 166.25</b>	<b>£ 232.69</b>
<b>LHA</b>	<b>South Devon</b>	<b>£96.91</b>	<b>£128.19</b>	<b>£153.02</b>	<b>£192.24</b>
<b>Average shortfall</b>	<b>South Devon</b>	<b>-£29.27</b>	<b>-£26.93</b>	<b>-£13.23</b>	<b>-£40.45</b>

Christow	Exeter	*	*	*	£ 288.00
Kenn	Exeter	*	£ 229.85	*	*
Starcross	Exeter	£ 141.92	£ 164.54	*	*
Tedburn St Mary	Exeter	*	£ 178.15	£ 300.00	*
<b>Average rent</b>	<b>Exeter</b>	<b>£ 141.92</b>	<b>£ 190.85</b>	<b>£ 300.00</b>	<b>£ 288.00</b>
<b>LHA</b>	<b>Exeter</b>	<b>£116.52</b>	<b>£141.24</b>	<b>£164.79</b>	<b>£218.63</b>
<b>Average shortfall</b>	<b>Exeter</b>	<b>-£25.40</b>	<b>-£49.61</b>	<b>-£135.21</b>	<b>-£69.37</b>

Source: [zoopla](#)

## 4 Social and affordable rents

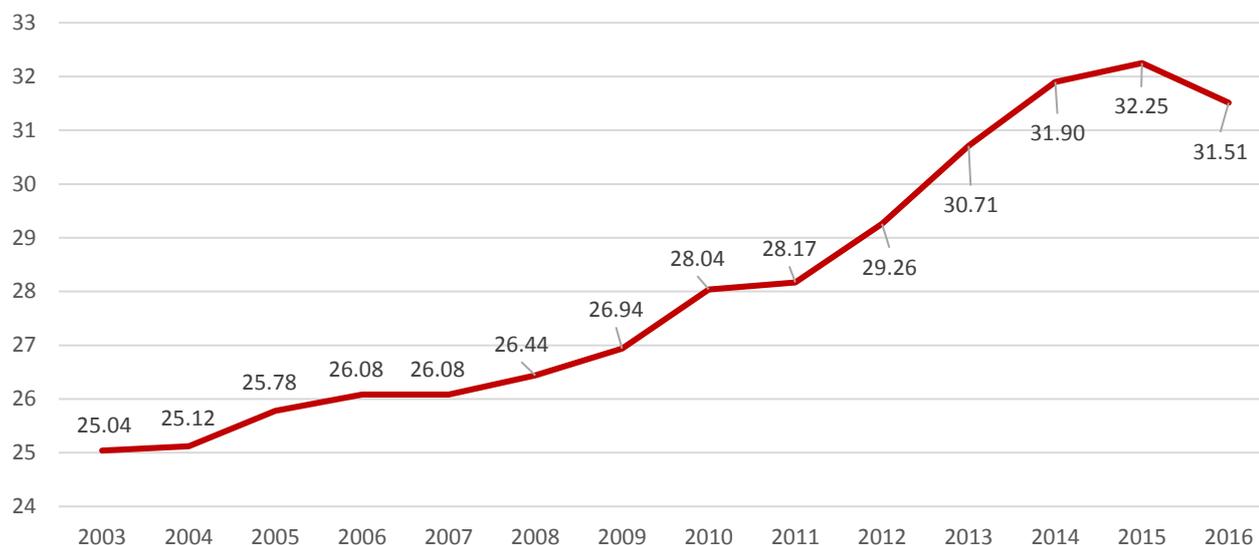
### 4.1 Background

Prior to 2010, councils and housing associations built 'social rented' housing, often called council housing. Rents were based on a 'rent formula' that combined local wages and local property values, so that for much of southern England, rents would be set at around 50% of local market rents, even lower in very expensive areas. Social housing rents allowed people to work without being dependent upon housing benefit.

In 2010 the Coalition Government expressed a desire to build more homes for less public money and in the October 2010 Spending Review the government announced their intention to introduce a new 'intermediate rent'. Under this model registered providers could offer tenancies at rents of up to 80% of market rent levels within the local area. The intention being that the additional finance raised would be made available for reinvestment in the development of new affordable housing. Essentially, this model replaced capital grant supply subsidy for social housing with a revenue subsidy.

Affordable Rents are more expensive than social rents throughout England, however in areas of high house prices, the difference is noticeably larger, particularly in the Southern Regions. Of course, the increased income allows registered providers to deliver better services, more homes and more local investment and Affordable Rent can be a good option for some people on middle incomes who just need a little help. However, is unlikely to be truly affordable for those in the most housing need. Without more new social rented homes, more and more people on low incomes, or who are homeless, will be offered no option, other than a home with a rent they can't afford, forcing them to rely on housing benefit to bridge the gap.

**Figure 9: Average weekly social rent cost as a percentage of tenth percentile weekly salary, England, 2003 to 2016**



Source: [The Office of National Statistics](#)

Figure 9 shows the average weekly social rent costs as a percentage of 10th percentile weekly salary for England and for Wales between 2003 and 2016. The higher the percentage value, the less affordable it is considered to be.

Tenth percentile gross weekly salary is used as the measure for earnings in the affordability ratio, as the individuals most likely to socially rent are those with the lowest earnings. The percentages presented here do not take into account any rent reductions for those receiving benefits and are based on general needs social housing provided by registered providers, not local authority.

Generally, social rent has become less affordable for England since 2003. In 2016, the average weekly social rent cost as a percentage of 10th percentile weekly salary in England was 31.5, meaning that someone earning at the lowest 10% of earnings could expect to spend 31.5% of their weekly earnings on social rent.

#### 4.2 Income limits on social housing

From April 2015, the government made it possible for social landlords to charge a full market rent where a social tenant household has an annual income of at least £60,000. This was designed to allow landlords to make better use of their social housing, rather than requiring them to provide sub-market rent properties to households with relatively high incomes.

It should be noted that within the Devon Home Choice Allocations Policy (Paragraph 2.74) ‘Households with a gross household income more than six times higher than the relevant Local Housing Allowance level prevailing in Devon at the time will normally be considered to be able to meet their housing need, through either renting privately or owner occupation. Such households will normally have their applications placed in the ‘No housing need’ band (E), or removed from the Devon Home Choice register in those local authority areas which do not register households with no housing need.’

**Figure 10: Income limit on Devon Home Choice**

Bed size	Exeter	Income limit	South Devon	Income limit
1 Bed Self Contained	£116.52	£36,354	£96.91	£30,236
2 Beds	£141.24	£44,067	£128.19	£39,995
3 Beds	£164.79	£51,414	£153.02	£47,742
4 Beds & above	£218.63	£68,213	£192.24	£59,979

[Devon Home Choice Allocation Policy](#)

### 4.3 Properties let through Devon Home Choice

In October 2018 Teignbridge Housing Services became aware that some rents being advertised on Devon Home Choice were at, or above the Local Housing Allowance rates. Figure 11 details all of these properties, specifying the amount by which the total rent, including eligible service charges, was at, or above the LHA rate. All the other information was collected directly from the adverts as they appeared on the Home Connection software.

**Figure 11: Properties let through Devon Home Choice at or above the Local Housing Allowance since 2017**

Devon Home Choice advert summary 2017/18						
Advert ref	Address	Area	Landlord	Total rent pw £	Above LHA £	Rent In Advance (as per ad)
3534856	Old Quarry Drive	Exminster	Aster	145.00	3.76	4 weeks
3535464	Exminster	Exminster	Aster	143.60	2.36	4 weeks
3534518	Milbury Farm	Exminster	Aster	116.52	0.00	4 weeks
3536963	Egret Close	Dawlish	Cornerstone	126.92	10.40	1 month
3535264	Millin Way	Dawlish	Cornerstone	165.23	0.44	TBC
3533872	Russell House	Newton Abbot	Guinness	116.42	19.51	1 month
3534754	Orchard House	Chudleigh	Guinness	114.39	17.48	
3537054	Beechcroft	Teignmouth	Guinness	109.29	12.38	2 months
3534982	Quinnell House	Teignmouth	Guinness	100.70	3.79	1 week
3507899	Quinnell House	Teignmouth	Guinness	100.67	3.76	
3537305	Quinnell House	Teignmouth	Guinness	99.93	3.02	2 weeks
3536911	Greenhill Sheltered	Kingsteignton	Guinness	97.07	0.16	2 month
3534412	Templer Place	Bovey Tracey	LiveWest	218.63	9.57	
3536260	Heath Walk	Bovey Tracey	LiveWest	150.00	10.27	
3536154	Mountford Drive	Bovey Tracey	LiveWest	150.00	10.27	
3534409	Templer Place	Bovey Tracey	LiveWest	116.52	10.65	
3534409	Templer Place	Bovey Tracey	LiveWest	116.52	10.65	
3507979	Tamworth Close	Ogwell	LiveWest	145.19	5.83	
3534641	Lockyear Place	Bovey Tracey	LiveWest	170.00	3.90	
3534641	Lockyear Place	Bovey Tracey	LiveWest	170.00	3.90	
3534641	Lockyear Place	Bovey Tracey	LiveWest	170.00	3.90	
3534641	Lockyear Place	Bovey Tracey	LiveWest	170.00	3.90	
3534641	Lockyear Place	Bovey Tracey	LiveWest	170.00	3.90	
3534641	Lockyear Place	Bovey Tracey	LiveWest	170.00	3.90	
3536153	Mountford Drive	Bovey Tracey	LiveWest	170.00	3.90	
3536962	Foxglove Close	Newton Abbot	LiveWest	169.68	3.61	
3536389	Foxglove Close	Newton Abbot	LiveWest	144.35	5.06	
3536389	Foxglove Close	Newton Abbot	LiveWest	144.35	5.06	
3536389	Foxglove Close	Newton Abbot	LiveWest	144.35	5.06	
3534644	Folly Court	Bovey Tracey	LiveWest	166.34	0.52	
3534644	Folly Court	Bovey Tracey	LiveWest	166.34	0.52	
3534644	Folly Court	Bovey Tracey	LiveWest	166.34	0.52	
3532354	Chariot Drive	Kingsteignton	LiveWest	166.34	0.52	
3534441	Foxglove Close	Newton Abbot	LiveWest	109.69	4.34	
3534441	Foxglove Close	Newton Abbot	LiveWest	109.69	4.34	
3534441	Foxglove Close	Newton Abbot	LiveWest	109.69	4.34	
3534643	Folly Court	Bovey Tracey	LiveWest	139.35	0.44	
3534643	Folly Court	Bovey Tracey	LiveWest	139.35	0.44	

3507839	Vetch Place	Newton Abbot	LiveWest	139.25	0.35	
3526215	Tamworth Close	Ogwell	LiveWest	139.25	0.35	
3507919	Tamworth Close	Ogwell	LiveWest	139.25	0.35	
3534645	Folly Court	Bovey Tracey	LiveWest	105.35	0.34	
3534646	Folly Court	Bovey Tracey	LiveWest	105.35	0.34	
3507855	Tamworth Close	Ogwell	LiveWest	105.27	0.26	
3534648	Folly Court	Bovey Tracey	LiveWest	195.00	2.76	
3507796	Templer Place	Bovey Tracey	LiveWest	154.46	10.44	
3536169	Whitelake Place	Newton Abbot	Sanctuary	104.09	7.18	
3536275	Whitelake Place	Newton Abbot	Sanctuary	103.49	6.58	
3536426	Whitelake Place	Newton Abbot	Sanctuary	103.49	6.58	
3536536	Hawkweed Close	Newton Abbot	Teign	132.69	35.78	
3536533	Hawkweed Close	Newton Abbot	Teign	132.69	35.78	
3536537	Hawkweed Close	Newton Abbot	Teign	132.69	35.78	
3536538	Hawkweed Close	Newton Abbot	Teign	155.77	27.58	
3536538	Hawkweed Close	Newton Abbot	Teign	155.77	27.58	
3536540	Hawkweed Close	Newton Abbot	Teign	155.76	27.57	
3507190	St Marys Court	Newton Abbot	Teign	106.15	9.24	2 weeks min
3534475	Alberta Court	Teignmouth	Teign	100.72	3.81	2 weeks
3506166	Hamlyns Way	Buckfastleigh	Teign	98.15	1.24	2 weeks min
3506166	Hamlyns Way	Buckfastleigh	Teign	98.15	1.24	2 weeks min
3507191	Mapleton Close	Newton Abbot	Teign	97.53	0.62	2 weeks min
3537818	Kings Close Field	Broadhempston	Teign	128.19	0.00	2 weeks min
3535909	Kings Close Field	Broadhempston	Teign	128.19	0.00	2 weeks min
3535622	Charles Road	Kingskerswell	Teign	128.19	0.00	2 weeks min
3537712	Greenhill Road	Kingsteignton	Teign	128.19	0.00	2 weeks min
3537712	Greenhill Road	Kingsteignton	Teign	128.19	0.00	2 weeks min
3537712	Greenhill Road	Kingsteignton	Teign	128.19	0.00	2 weeks min
3537712	Greenhill Road	Kingsteignton	Teign	128.19	0.00	2 weeks min
3537712	Greenhill Road	Kingsteignton	Teign	128.19	0.00	2 weeks min
3537712	Greenhill Road	Kingsteignton	Teign	128.19	0.00	2 weeks min
3536409	Hockmore Drive	Newton Abbot	Teign	128.19	0.00	
3536409	Hockmore Drive	Newton Abbot	Teign	128.19	0.00	
3536811	Hockmore Drive	Newton Abbot	Teign	128.19	0.00	
3536811	Hockmore Drive	Newton Abbot	Teign	128.19	0.00	
3536811	Hockmore Drive	Newton Abbot	Teign	128.19	0.00	
3536402	Hockmore Drive	Newton Abbot	Teign	192.24	0.00	2 weeks min
3536402	Hockmore Drive	Newton Abbot	Teign	192.24	0.00	2 weeks min
3535985	Honeywell	Kingskerswell	Westward	103.32	6.41	2 months
3521618	Honeywell	Kingsteignton	Westward	103.32	6.41	2 months
3536986	Prince Street	Newton Abbot	Westward	101.01	4.10	2 months
3506086	Prince Street	Newton Abbot	Westward	101.01	4.10	2 months

Devon Home Choice advert summary 2018/19						
Advert ref	Address	Area	Landlord	Total rent pw £	Above LHA £	Weeks in advance
3535855	Tamworth Close	Ogwell	LiveWest	116.57	19.66	0
3521624	Tamworth Close	Ogwell	LiveWest	145.59	17.40	0
3507814	Vetch Place	Newton Abbot	LiveWest	134.93	6.74	4 weeks
3538726	Chariot Drive	Kingsteignton	LiveWest	159.20	6.18	0
3537970	Celtic Fields	Dawlish	LiveWest	166.34	1.55	0
3537970	Celtic Fields	Dawlish	LiveWest	166.34	1.55	0
3538394	Celtic Fields	Dawlish	LiveWest	166.34	1.55	0
3538394	Celtic Fields	Dawlish	LiveWest	166.34	1.55	0
3538394	Celtic Fields	Dawlish	LiveWest	166.34	1.55	0
3538394	Celtic Fields	Dawlish	LiveWest	166.34	1.55	0
3538837	Mountford Drive	Bovey Tracey	LiveWest	152.00	23.81	
3538165	Whitelake Place	Newton Abbot	Sanctuary	103.68	6.77	0
3539111	Alberta Court	Teignmouth	Teign	98.66	1.75	2 weeks
3538244	Mapleton Close	Newton Abbot	Teign	98.29	1.38	2 weeks
3527006	Alberta Court	Teignmouth	Teign	97.82	0.91	2 weeks
3506886	Oldway	Chudleigh	Teign	153.02	0.00	2 weeks
3506684	Honeywell	Newton Abbot	Westward	103.32	6.41	1 week

In 2017/18 a total of 388 Teignbridge properties were let via Devon Home Choice. By October 2018/19 a total of 134 properties had been let. In 2017/18 20% of homes let were at, or above the LHA. The following year the number dwindled to 13%, which is due to providers adjusting rents in April each year to meet the 'social rent reduction'; as from April 2016, the Welfare Reform and Work Act 2016 has required social landlords to reduce their rents by 1% each year for four years.

Since contacting the providers, it appears that some properties are indeed over the LHA rates, but also that the rent was sometimes inaccurate on the advertisement. You will also note that 'rent in advance' varies from provider to provider, can be 4 weeks in advance, unconfirmed, or even stated as '2 weeks minimum'. The latter provides no assurances to prospective tenants as to how much they will be paying each week.

**Figure 12: Summary of homes let on Devon Home Choice at, or above the Local Housing Allowance since 2017**

	2017/18		2018/19	
	Count	%	Count	%
<b>At LHA rate</b>	17	4%	1	1%
<b>Above LHA rate</b>	63	16%	16	12%
<b>Total</b>	<b>80</b>	<b>21%</b>	<b>17</b>	<b>13%</b>

# 5 Rent setting

## 5.1 Background

Since 2001, rents for properties let at ‘social rent’, which constitute a majority of rented social housing properties, have been set based on a formula set by government. This creates a ‘formula rent’ for each property, which is calculated based on the relative value of the property, relative local income levels, and the size of the property. An aim of this formula-based approach is to ensure that similar rents are charged for similar social rent properties.

In 2011, the government introduced ‘affordable rent’ which permits rents to be set at up to 80% of market rent (inclusive of service charges). The introduction of affordable rent made it possible to build more homes for every pound of government investment, allowing more people in housing need to have access to a good quality home at a sub-market rent. Landlords can only let new properties at affordable rent where certain conditions apply. Within the terms of the government’s affordable homes programmes, existing vacant properties can be converted from social rent to affordable rent in certain circumstances.

Government policy has also limited maximum annual changes in social rent and affordable rent levels. From April 2016, the Welfare Reform and Work Act 2016 has required social landlords to reduce their rents by 1% each year for four years (the ‘social rent reduction’). This is designed to help put welfare spending on a more sustainable footing and to ensure that the social housing sector plays its part in helping to reduce the deficit. The social rent reduction is subject to a number of exceptions. Most of these exceptions apply for all four years of the reduction, although some only applied for the first year.

Source: [Guidance on rents for social housing](#)

## 5.2 Rent policy from April 2020 onwards

In October 2017 the government announced its intention to set a long term rent deal for both local authority landlords and housing associations. This would permit annual rent increases on both social rent and affordable rent properties of up to consumer prices index (CPI) plus 1 percentage point from 2020, for a period of at least five years. This is the percentage change in the CPI over the period of 12 months up to and including the September falling in the previous financial year.

The new policy will come into effect from 1 April 2020. It will not override landlords’ statutory obligation to complete the four year social rent reduction as required by the Welfare Reform and Work Act 2016. Where a landlord has not completed the social rent reduction by 31 March 2020 (because its rent year begins after 1 April), it must complete the reduction before the applying the new policy.

Source: [Rents for social housing from 2020-21](#)

## 5.3 Social rent setting

The Welfare Reform and Work Act 2016 introduced rules around the levels of rents that can be charged by registered providers of social housing to 2021. For the period that the rent under a tenancy of a registered provider’s social housing is to be governed by the Act, the rent for that tenancy is not covered by the Rent Standard. Providers are expected to consult the Welfare Reform and Work Act 2016 and the Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016 to establish how the rules apply to their stock, taking legal advice if they consider it necessary.

Source: [Regulatory Standards](#)

### Relevant legislation

[Welfare Reform and Work Act 2016](#)

[Social Housing Rents \(Exceptions and Miscellaneous Provisions\) Regulations 2016](#)

## 5.4 Affordable rent setting

Affordable Rent means a rent (inclusive of service charges) which does not exceed eighty per centum (80%) of the market rent for an equivalent property of the relevant size and location such rent to be assessed and set in accordance with the requirements of the Rent Standard

Source: [Affordable Homes Programme 2015 to 2018](#)

Source: [Guidance on rents for social housing](#)

**Rent Standard: Affordable rent guidance**

The Rent Standard sets out that Affordable Rent terms can only be used in relation to accommodation pursuant to a housing supply delivery agreement entered into between a registered provider and the Homes and Communities Agency (HCA) or the Greater London Authority (GLA).

Where the housing supply delivery agreement is entered into under the Affordable Homes Programme, this should take the form of either a Framework Delivery Agreement (FDA), or a Short Form Agreement (SFA) for new social housing supply.

Gross market rents are generally expressed inclusive of any service charges. An Affordable Rent, set at up to 80% of the gross market rent, should take account of the service charge for a property (where applicable) and reflect the property size and location. The maximum rent level for Affordable Rent should be assessed according to the individual characteristics of the property. Landlords are required to assess the gross market rent that the individual property would achieve and set the initial rent (inclusive of service charges) at up to 80% of that level.

**Supported housing**

Housing for vulnerable and older people often includes a range of services to support the particular needs of the client group. When setting an Affordable Rent, the gross market rent comparables should be based on similar types and models of service provision. Where there are insufficient comparables for similar types of provision in the local area, valuers should be requested to identify comparables from other areas, and extrapolate their best view of the gross market rent that would be applicable in the location in which the property is situated. Registered providers should set the initial rent at up to 80% of that level.

A tenancy where a registered provider is the landlord is excluded from mainstream Local Housing Allowance rules. But landlords should consider the local market context when setting rents, including the relevant Local Housing Allowance for the Broad Rental Market Area in which the property is located.

In all cases, an Affordable Rent should be no lower than the rent calculated based on the formula rent. In cases where an Affordable Rent would otherwise be lower than the formula rent for a property, the formula rent will constitute a 'floor' for the rent to be charged.

**Valuations for initial rent setting**

Valuations for initial rent setting should be in accordance with a Royal Institution of Chartered Surveyors (RICS) recognised method.

Source: [Rent Standard guidance](#)



## 6 Contact details

If you need this information in another format please contact us

Housing Services  
Forde House  
Brunel Road  
Newton Abbot  
Devon  
TQ12 4XX

[housing@teignbridge.gov.uk](mailto:housing@teignbridge.gov.uk)

[www.teignbridge.gov.uk/housing](http://www.teignbridge.gov.uk/housing)

Tel: 01626 361 101

**TDC tenancy strategy 2019 EVIDENCE 181220 v2**

G:\Housing\Strategy\TDC Tenancy Strategy\Strategy documents\Teignbridge



## EXECUTIVE

LEADER: Cllr Jeremy Christophers

PORTFOLIO HOLDER: Cllr Tim Golder

**DATE:** 5 March 2019**REPORT OF:** TONY WATSON  
Interim Head of Commercial Services, Strategic Place -  
Economy & Assets**SUBJECT:** RURAL DEVELOPMENT PROGRAMME FOR ENGLAND  
– LOCAL ACTION 2015-2020

### PART I

#### RECOMMENDATIONS

The Executive is recommended to note the progress of the South Devon Coastal Local Action Group and the Greater Dartmoor Local Economic Action Fund 2015-2020.

#### Resolve

To note the progress of the South Devon Coastal Local Action Group and the Greater Dartmoor Local Economic Action Fund 2015-2020.

For information only

#### 1. PURPOSE

The purpose of this report is to present an update on the Council's involvement in two parallel economic development schemes the South Devon Coastal Local Action Group and the Greater Dartmoor Local Economic Action Fund (SDC LAG and GD LEAF). The Council has contributed £16,400 per annum (2015-20) towards the schemes which have offered European derived funding for small and medium companies to invest, expand and create new employment within the District.

#### 2. BACKGROUND

##### Programme

The Rural Development Programme for England – Local Action 2015-2020 is jointly enacted in Teignbridge and South Hams/West Devon through the SDC LAG and GD LEAF. The programmes are split roughly evenly between the two Council areas, and within Teignbridge all parishes are included other than Newton Abbot and Kingsteignton, which don't qualify for rural development.

## TEIGNBRIDGE DISTRICT COUNCIL

The two programmes are scheduled to finish in March 2019.

### Aims and Objectives

The overall aim of the SDC LAG and the GD LEAF Programmes has been to deliver economic growth in rural and coastal areas, through job creation, business growth and improved productivity. This is delivered through specific objectives, with 70% of funding being targeted at directly delivering jobs and growth;

- Support for increasing farm productivity
- Support for micro and small enterprises
- Support for rural tourism
- Provision of rural services
- Support for cultural and heritage activity
- Support for increasing forestry productivity

### Value

The two programmes are firmly on course (96% committed) to jointly deliver around £3.2 million of external funds to local businesses to facilitate new projects valued around £8.6 million and creating approximately 185-190 new jobs in the local area.

Values to end 2018

	<b>SDC LAG</b>	<b>GD LEAF</b>	<b>Combined</b>
Total Project Value (£)	3,994,721	4,172,818	8,167,539
Total Funding Committed (£)	1,402,461	1,732,154	3,134,615
Number of Projects	50	54	104
Number of Jobs created	76	102	178
Programme intervention rate	35%	42%	
Overall Programme Budget (£)	1,453,362	1,808,952	3,262,314
Estimated Budget Remaining (£)	50,901	76,798	127,699

### Delivery

The Council's Coastal and Economic Development teams promote the programmes locally and manage the Council's contribution, with DR (an Okehampton based CIC) contracted to act as secretariat and delivery agent on behalf of TDC and SHDC/WDDC. The SDC LAG and GD LEAF are two of approximately eighty such programmes across England and are both in the 'top ten' in terms of delivery and as a consequence have been awarded additional funds to disperse from underperforming areas. There may be a further addition to the budget as final project conversion rates €/£ are applied. The current remaining budget will be allocated to successful applicants by March 2019, although there is a reasonable expectation of further additional funds being made available, with all project activity due to be completed by March 2020. Nationally the intervention rate is reported as being approximately £30,000 grant aid invested per FTE job created, whilst the local figures for SDC LAG and GD LEAF are currently £18,500 and £15,600 per FTE respectively.

### Typical range of local enterprises assisted

SDC LAG – businesses assisted in the coastal area have ranged from an award of £5,500 enabling a £13,700 investment by Pitts Shearing based in Kenn Valley create a new 0.8FTE post, through to an award of £47,700 enabling works at the Elizabethan Inn, Luton resulting in the creation of 5 new jobs.

## TEIGNBRIDGE DISTRICT COUNCIL

GD LEAF – business assisted in the moorland area of the District have ranged from £4,400 towards a farm productivity scheme in the Teign Valley (which secured efficiencies and protected existing rather than creating new jobs) through to 6.7FTE jobs being enabled through the award of £22,900 at the Dartmoor Community Kitchen. The largest single award was £128,000 to Partridge Cycles in Kenn Valley enabling an investment of £320,000 and creating 4.5 new posts.

### **3. MAIN IMPLICATIONS**

The annual contribution of £16,400 over five years (£82,000 total) will have enabled the creation of around 190 new jobs through projects valued at £8.6M – approximately half of which has been within the Teignbridge area.

### **4. GROUPS CONSULTED**

The Parish and Town Councils at; Abbotskerswell, Ashcombe/Mamhead, Bickington, Bishopsteignton, Broadhempston, Coffinswell, Dawlish, Denbury & Torbryan, Exminster, Haccombe with Combe, Ideford, Ipplepen, Kenton, Kingskerswell, Ogwell, Powderham, Shaldon, Starcross, Stokeinteignhead, Teignmouth, and Woodland have been informed about the South Devon Coastal LAG.

Similarly Parish and Town Councils at Ashburton/Buckland in the Moor, Ashton, Bovey Tracey, Bridford, Buckfastleigh, Christow, Chudleigh, Doddiscombsleigh, Dunchideock, Dunsford, Hennock, Holcombe Burnell, Ide, Ilsington, Kenn, Lustleigh, Manaton, Moretonhampstead, North Bovey, Shillingford St. George, Tedburn St. Mary, Teigngrace, Trusham, Whitestone, and Widecombe in the Moor were informed about the Greater Dartmoor LEAF.

Both programmes have been promoted to a wide range of business groups and fora, and at appropriate public events, as well as through traditional and social media platforms.

### **5. TIME-SCALE**

Both programmes are in their final stages with all funds expected to be committed by March 2019 and projects completed by March 2020.

### **6. JUSTIFICATION**

An appropriate and value for money programme to access external funding opportunities to enhance the economic viability of the District.

### **7. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)**

Update report for existing initiative

**TEIGNBRIDGE DISTRICT COUNCIL**

**Tony Watson**  
**Interim Head of Commercial Services,**  
**Strategic Place - Economy & Assets**

**Cllr Tim Golder**  
**Executive Portfolio Holder for**  
**Economy**

BELOW TO BE FILLED IN BY REPORT AUTHOR

<b>Wards affected</b>	All except Newton Abbot and Kingsteignton Wards
<b>Contact for any more information</b>	Graeme Smith 01626 215748
<b>Background Papers (For Part I reports only)</b>	
<b>Key Decision</b>	
<b>In Forward Plan</b>	
<b>In O&amp;S Work Programme</b>	
<b>Community Impact Assessment attached:</b>	
<b>Appendices attached:</b>	

**EXECUTIVE**

**Leader: Cllr Jeremy Christophers**

**Portfolio Holder: Cllr Humphrey Clemens**

**DATE: 5 March 2019**

**REPORT OF: FERGUS PATE, PRINCIPAL DELIVERY OFFICER**

**SUBJECT: Moving Forward with the Teign Estuary Trail**

**RECOMMENDATIONS**

- 1) Approve funding of a £200,000 contribution towards the preparation of a planning application for the Teign Estuary trail.**
- 2) Delegate Authority to the Business Manager Strategic Place and the Solicitor to the Council to complete an associated funding agreement with Devon County Council.**

**1. PURPOSE**

- 1.1. To agree a contribution to Devon County Council towards the costs of preparing a planning application for the section of Teign Estuary Trail between Passage House, Kingsteignton and Teignmouth urban edge and that is indicated at Appendix A.

**2. BACKGROUND**

- 2.1. Teignbridge's Council Strategy calls for a cycling revolution with more dedicated cycle paths linking city, towns and countryside. The Exe Estuary Trail and Town Key route between Brunel Industrial Estate and Kingsteignton have already helped to fulfil these objectives. A very important next step will be to connect Kingsteignton, Bishopsteignton and Teignmouth.
- 2.2. The Local Plan reflects this position and supports comprehensive cycle routes that connect within the Heart of Teignbridge and to nearby towns and villages. The Teignbridge Infrastructure Delivery Plan specifically identifies the route and underlines its strategic benefits.
- 2.3. Devon's Cycling and Multi Use Trail Network Strategy highlights the Teign Estuary Trail as a key missing link in Devon's cycle network and proposes it as an important scheme for investment. Cycling charity Sustrans have also recently identified the link between Teignmouth and Kingsteignton as one of their top national priorities.
- 2.4. Public engagement continue to reflect the importance of the new pedestrian and cycle link. Recent Local Plan Review consultations brought a large number of comments that the route needed to be prioritised.
- 2.5. All of this strategic and public support for the project, whose overall capital cost is broadly estimated at around £8 million, will make a strong case for securing external funding. However, initial feedback from prospective funding bodies is that it will be

## TEIGNBRIDGE DISTRICT COUNCIL

important to develop the scheme further and secure planning permission in order to minimise project risks and build a robust case for financial support to come forward.

- 2.6. Devon County Council has continued to progress the project over a number of years both in terms of land negotiations and determining a deliverable route for the link. They are now ready to commence the more detailed work on surveys, scheme design and a planning application but do not have the budget to fund all of the associated costs themselves.
- 2.7. Teignbridge has consistently identified budgets for contributing towards important cycle projects like the Teign Estuary Trail. Over the past 7 years our partnership approach to investment with Devon County Council has helped to bring forward more than 45km of new cycleway across the district. It is proposed to use an element of existing uncommitted cycling budget to help meet Devon's design and planning costs and make an important step towards a Teignmouth to Kingsteignton link that is attractive to external funders and can be implemented.

### 3. FINANCIAL CONSIDERATIONS

- 3.1. The Council's existing budget and capital programme identify £610,000 to support cycle routes over the period 2018 – 2020. This is funded through Community Infrastructure Levy (CIL) receipts and £230,000 has been committed to date.
- 3.2. Remaining budget therefore amounts to £380,000, which will be adequate to fund the proposed £200,000 contribution. The total cost of preparing the planning application is estimated at £400,000 and the balance would be funded by Devon County Council.
- 3.3. Having made this commitment, Teignbridge Council will still be left with budget that it can allocate as a contribution towards other cycle projects as external funding opportunities arise. This includes schemes like the Dawlish to Holcombe link.

### 4. LEGAL CONSIDERATIONS

- 4.1. It is proposed to delegate authority to the Business Manager Strategic Place and the Solicitor to the Council to finalise a funding agreement with Devon County Council.
- 4.2. The two councils have already completed various infrastructure funding agreements and are well placed to draw on that experience in preparing a simple agreement for this project.
- 4.3. Amongst the agreement's terms would be provisions relating to:
  - a) The timing of payments in accordance with:
    - the Teignbridge Capital Programme;
    - the availability of funds; and
    - the occurrence of agreed incurred expenditure
  - b) A proportionate reduction to the contribution in the event of reduced costs.
  - c) Recovery of unspent budget.
  - d) Timescales for submission of the planning application
- 4.4. Liabilities associated with the design and planning work would remain with Devon County Council. All that is proposed is a contribution towards financial costs that will be incurred by the County.

## TEIGNBRIDGE DISTRICT COUNCIL

### 5. TIMESCALES

- 5.1. It is anticipated that funding will enable a planning application to be prepared during the next 12 to 18 months, with a view to planning permission submission and an outcome during 2020/2021.

### 6. ALTERNATIVE OPTIONS

- 6.1. Committing the funds at this point could diminish the amount that Teignbridge is able to contribute towards future project works.
- 6.2. An alternative option would be to save the proposed contribution so that it is available as match funding for a future bid. However, the feedback that officers have received in relation to potential external funding is that such a bid will be more likely to succeed if planning permission has already been secured.
- 6.3. It may also be possible for a future bid to retrospectively attribute the proposed planning application costs as local match funding.

### 7. JUSTIFICATION

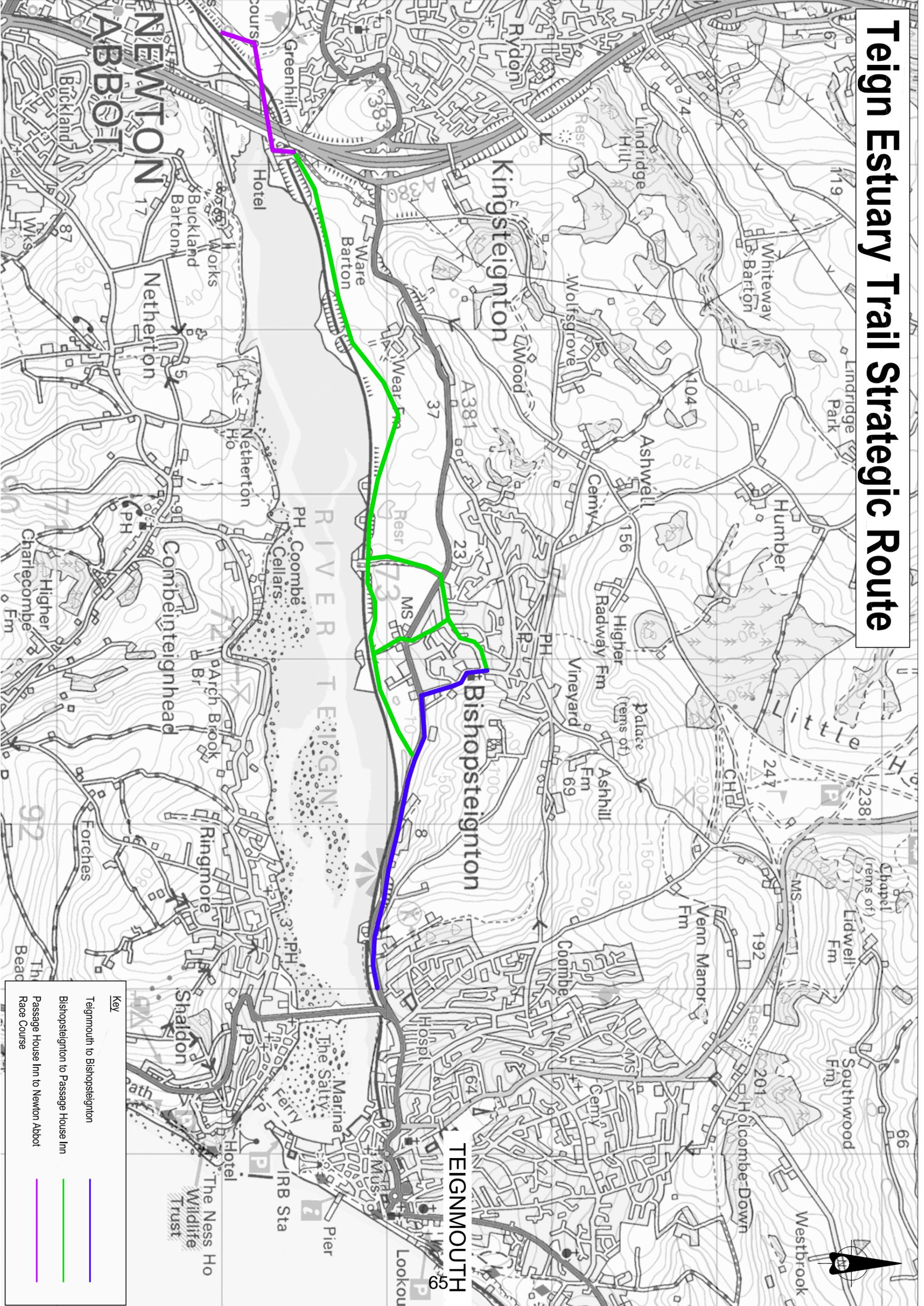
- 7.1. Contributing towards the planning application cost of the Teignmouth to Kingsteignton route will mark an important step towards delivering an important new cycle and multi user route that is supported by a large number of stakeholders and strategies, including Teignbridge's own up to date strategies.

**Fergus Pate**  
**Principal Delivery Officer**

<b>Wards affected</b>	Kingsteignton East, Bishopsteignton, Teignmouth West, Teignmouth Central.
<b>Contact for more information</b>	Spatial Planning & Delivery, 01626 215702
<b>Key Decision</b>	Y
<b>In Forward Plan</b>	Y
<b>In O&amp;S Work Programme</b>	N

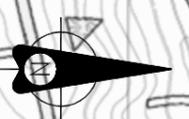
This page is intentionally left blank

# Teign Estuary Trail Strategic Route



**Key**

- Teignmouth to Bishopsteignton
- Bishopsteignton to Passage House Inn
- Passage House Inn to Newton Abbot
- Race Course



This page is intentionally left blank

**TEIGNBRIDGE DISTRICT COUNCIL****EXECUTIVE**

LEADER: Cllr Jeremy Christophers

PORTFOLIO HOLDER: Cllr Timothy Golder

**DATE: 05 March 2019****REPORT OF: Tony Watson – Interim Head of Commercial Services****SUBJECT: Brunswick Street, Teignmouth****PART I****RECOMMENDATIONS****The Executive is recommended to resolve that**

- 1) £85,000 be committed to acquire specialist work required to prepare the business case to advance the hotel scheme**
- 2) Subject to planning permission, demolish derelict buildings at Brunswick Street and clear the site in preparation for development on an estimated contract value of £130,000**
- 3) Dispose of the Council's freehold interest in 4/5 and 1 Northumberland Place and reinvest the capital receipts into the Brunswick Street project.**

**1.0 PURPOSE**

- 1.1 The purpose of this report is to provide an update on the Brunswick Street project and seek approvals required to further the scheme.

**2.0 BACKGROUND**

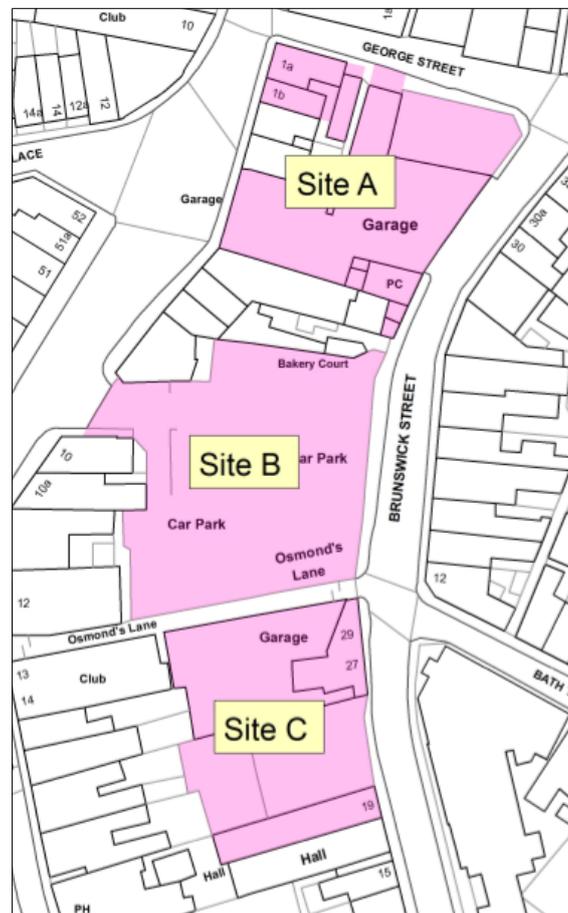
- 2.1 At the Executive Committee meeting held 4 September 2018, Members were advised of the proposals for the site following a marketing campaign held last year. The following was resolved:-

- (1) To proceed with a proposal for the council to build a hotel on part of the Brunswick Street site;
- (2) That subject to a public consultation to be run by the NHS this Winter, to work with the NHS to progress the delivery of a Health and Well-Being Centre with a remit to include replacement accommodation for Teignmouth Arts Advisory Group (TAAG), subject to TAAG raising necessary funding;

**TEIGNBRIDGE DISTRICT COUNCIL**

- (3) A feasibility study to be carried out to investigate the options for the future water sports needs in Teignmouth and how they can be met; and
- (4) The principle to develop detailed plans and carry out statutory consultation to construct a deck on the Quay Road Car Park be approved.

2.2 Since September, steps have been taken to advance the project on this basis. Advice has been taken in respect of procurement options available to the Council to secure delivery of the hotel on sites B & C as illustrated on the site plan below.



2.3 The Council must ensure that it complies with Public Contracts Regulations 2015 and ensure against unlawful State aid. To this end, the Council will need to run a compliant procurement procedure. To enable Members to make an informed decision prior to entering into an agreement with a preferred hotel operator and running a procurement procedure, a business case must be prepared. Authority is sought to invest up to £85,000 to prepare the business case. This investment, both financial and in officer time, will be made entirely at risk. The outcome will include a detailed cost plan, concept design, and a project strategy. A future report will then be brought forward for member consideration in relation to the detailed financial implications of the hotel build,

**TEIGNBRIDGE DISTRICT COUNCIL**

both capital and revenue, in tandem with the car parking re-provisioning strategy.

- 2.4 Further discussions have also been held with the NHS in respect of a new medical centre at Site A. The public consultation due to have been undertaken over the winter, has been postponed until May 2019. Subject to the consultation, which will be run over a period of four months, the NHS have expressed an interest in now acquiring just part of Site A, excluding 4/5 Northumberland Place.
- 2.5 Authority is also sought to secure a budget of £130,000 to progress the part demolition and clearance of Site A, excluding the buildings that front onto Northumberland Place. There is a particular urgency to demolish the derelict buildings on the site: Both buildings known as 3 George Street and Swanson's Workshop have been assessed by an engineer and are considered to be in such a dangerous condition that they pose a health and safety risk.
- 2.6 The site is in a conservation area and therefore planning permission will be required for the demolition. It is proposed that in the first instance, planning permission be sought for a temporary car park. Should a sale be agreed to a third party in the future, such as the NHS, the site will be cleared and ready for development.
- 2.7 Initial discussions have been held with the Town Clerk in relation to the Town Council's tenancy arrangements on the site.
- 2.8 4/5 Northumberland Place is not required to deliver a health and well-being centre or a temporary short stay car park. With no operational or strategic requirement to retain, it is therefore recommended that these premises are sold. When the Council's property interest was marketed last year, Teignmouth Arts Advisory Group (TAAG) submitted an initial offer for 4/5 Northumberland Place. It is recommended that Teignbridge now enter into negotiations with a view to selling the building and the terms of any agreed purchase price be delegated to the Portfolio Holder for Economy & Tourism, the Interim Head of Commercial Services and the Chief Finance Officer.
- 2.9 1 Northumberland Place could be required to deliver a health and well-being centre but at this time, the NHS are unable to commit to a purchase. With no operational or strategic requirement to retain, it is therefore recommended that these premises are sold as a stand-alone investment.
- 2.10 Discussions are ongoing with water sports groups.

**3.0 MAIN IMPLICATIONS**

- 3.1 Business case preparation involves processes necessary to progress the Council's previous decision to proceed with a hotel build proposal. It is

**TEIGNBRIDGE DISTRICT COUNCIL**

therefore proposed to capitalise the associated costs along with the demolition works, as the earliest stages of the scheme, which as a whole is to be funded from borrowing. Where possible, the council will make use of internal borrowing to minimise financing costs. Should the capital receipts mentioned in recommendation 3 be available, they can be used towards overall project costs.

- 3.2 If for any reason the project does not come to fruition, there is the risk that the sums committed would have to be written off as a revenue expense with the potential to cause a budgetary pressure.

**4.0 GROUPS CONSULTED**

- 4.1 The project team includes officers with specialist areas of expertise and are contributors to this report. These include  
Lucy Ford - procurement;  
Karen Trickey – legal;  
Donna Best - property;  
Andrea Snape –finance; and  
Leigh Florence and Aaron McCluskey - project management and engineering.
- 4.2 In addition, initial discussions have been held with Teignmouth Town Council's Town Clerk in relation to property currently leased by them.

**5.0 TIME-SCALE**

- 5.1 A future report will be brought forward for member consideration in relation to the car parking re-provisioning strategy. This will be in conjunction with a business plan providing detailed financial implications of the hotel build, both capital and revenue, in tandem with the car parking re-provisioning strategy.
- 5.2 Table 1 provides an indicative timetable for partial demolition and clearance of Site A.

Table 1

<b>Activity</b>	<b>Date</b>
Submit planning application	May 2019
Planning decision	September 2019
Contract tendered	October 2019
Deadline for return of tenders	December 2020
Contract commencement	March/April 2020

**6. JUSTIFICATION**

- 6.1 Progression of this project is important to Teignbridge and in particular, the town of Teignmouth. However, this next step requires a significant non-refundable financial and staff resource cost and is therefore considered a key decision.

**TEIGNBRIDGE DISTRICT COUNCIL**

6.2 The project supports the Council's 'going to town' Teignbridge 10 super project. By investing in the delivery of this regeneration project, it is envisaged that jobs will be created, the local built environment improved and that more visitors will be attracted to the town.

**7. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)**

10.00 a.m. on Tuesday 12<sup>th</sup> March 2019.

**Tony Watson**  
**Acting Head of Commercial Services**

**Cllr Timothy Golder**  
**Portfolio Holder for Economy & Tourism**

BELOW TO BE FILLED IN BY REPORT AUTHOR:

<b>Wards affected</b>	Teignmouth Central, East & West
<b>Contact for any more information</b>	Donna Best
<b>Background Papers (For Part I reports only)</b>	1) <a href="#">Brunswick Street, Teignmouth Executive Report &amp; minutes 04 September 2018</a> 2) <a href="#">Local Development Order (LDO)</a>
<b>Key Decision</b>	Y
<b>In Forward Plan</b>	Y
<b>In O&amp;S Work Programme</b>	N
<b>Community Impact Assessment attached:</b>	N
<b>Appendices attached:</b>	N/A

This page is intentionally left blank

## EXECUTIVE

LEADER: Cllr Jeremy Christophers

PORTFOLIO HOLDER: Cllr Stuart Barker

**DATE: 5 March 2019****REPORT OF: Martin Flitcroft, Interim Head of Corporate Services and Cllr Stuart Barker Portfolio Holder for Corporate Resources****SUBJECT: Supporting the formation of South West Mutual Bank****PART I****RECOMMENDATIONS**

**That the Executive resolve the recommendation to grant £49,995 funded from capital receipts to support the formation of South West Mutual Bank.**

**That the Chief Finance Officer be delegated responsibility to conclude the acquisition of 3,333 shares in South West Mutual.**

**1. PURPOSE**

The purpose of this report is to agree the support for the formation of the South West Mutual Bank and provide funding to take the proposal to the next stage of the process to ultimately provide cost effective banking for local residents and businesses.

**2. BACKGROUND**

On 8 January 2019, Tony Greenham of the South West Mutual provided a presentation to members on the idea of regional banking. A copy of the presentation can be found at Appendix A.

To allow this to progress the Mutual requires a total of £500,000 of initial funding which it will create by the issuing of Founder Shares. These shares will receive a dividend of 7.5% once the new bank becomes profitable with the expectation that this will rise if the bank continues to be successful. The prospectus for the founder share offer closes on 31 March 2019.

The early stage of investment recognises a higher risk and as a result if a banking licence is obtained and the bank starts trading then Founder Shareholders will also receive an additional 2 shares for every share held.

### **3. PROPOSALS AND TIMELINE**

The Mutual is seeking an initial investment of £500,000 to progress its banking licence application. A further estimated £2.5 million will be required in 2019 to complete the banking authorisation process and set up operations. There will then be a requirement to find a further £17.5 million in 2020 to capitalise the bank and commence trading.

It is anticipated that other local authorities in the South West who believe in the principles around setting up the Mutual may also want to participate. We are aware that South Hams, West Devon and East Devon District Councils have signed up to contributing £49,995 each.

There is an assumption that local authorities investment into the Mutual will provide investor confidence for private and institutional investors to also invest and provide a substantial proportion of the remaining funding required to allow the bank to launch and start trading.

Much of the information and reasoning around setting up the Mutual are contained in the presentation in Appendix A but in summary the main reasons are, in a period of bank closures, help make banking more local, provide branch facilities in rural locations, reinvest the savings of local people and businesses back in to the local economy through providing improved access to loan and credit facilities for small and medium size businesses. This will help to assist new businesses with start up funding and existing businesses to grow and ultimately help economic regeneration and business rate growth and retention.

### **4. MAIN IMPLICATIONS – FINANCE/LEGAL & RISK**

It is recognised that the proposal is in its infancy and therefore the investment should be seen at present as a high risk with the assumption that should the bank not get established there is the potential to lose the initial investment provided. If the likelihood is that the proposal and initial research identifies that the bank registration is unlikely then there is a chance that part of the funds may be returned. Long term – should the bank become established there is the potential for some investment return together with the economic benefits it may bring.

Whilst the investment is risky, the potential benefits may not be realised to the local economy if the investment grant funding is not approved.

Funding will not be drawn down unless the Mutual has sufficient funding to meet its requirements for the initial stages.

Liability is limited to the initial funding.

## TEIGNBRIDGE DISTRICT COUNCIL

### 5. SUMMARY

The investment provides opportunity for greater banking provision in the South West, economic growth, business investment and employment.

In addition there is the potential for an investment return and share price growth over the medium term.

**Martin Flitcroft**  
**Chief Finance Officer**  
**Interim Head of Corporate Services**

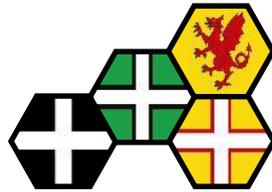
**Cllr Stuart Barker**  
**Portfolio Holder Corporate Resources**

<b>Wards affected</b>	All
<b>Contact for any more information</b>	Martin Flitcroft
<b>Background Papers (For Part I reports only)</b>	Minutes O&S Committee 4 March 2019
<b>Key Decision</b>	Y
<b>In Forward Plan</b>	N
<b>In O&amp;S Work Programme</b>	N
<b>Community Impact Assessment attached:</b>	N
<b>Appendices attached:</b>	A: SW Mutual presentation

This page is intentionally left blank



77

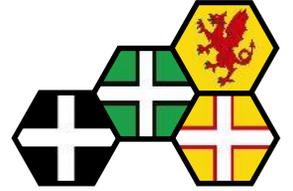


# South West Mutual

Regional banking for inclusive growth

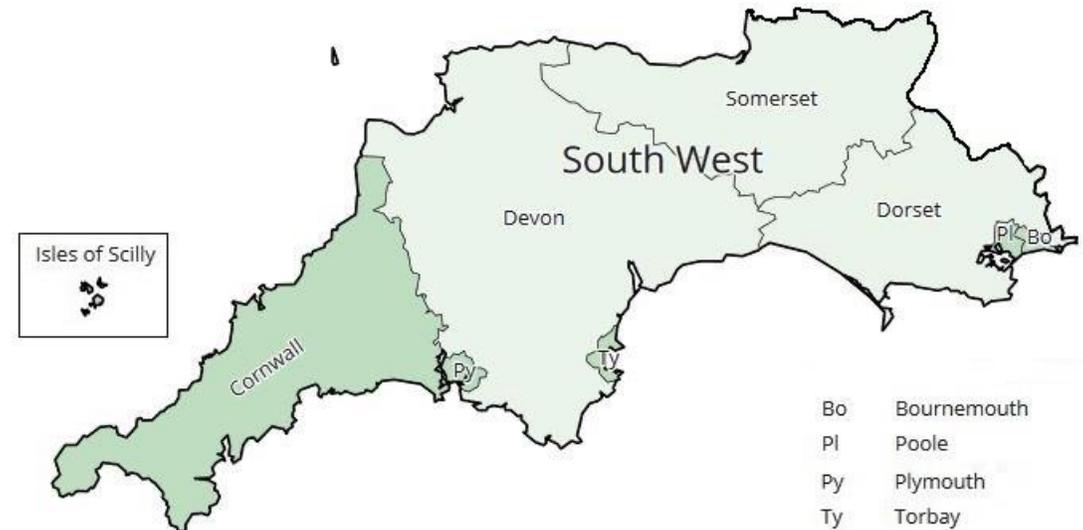


# Introducing South West Mutual

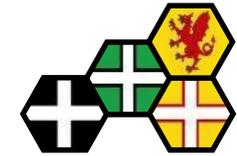
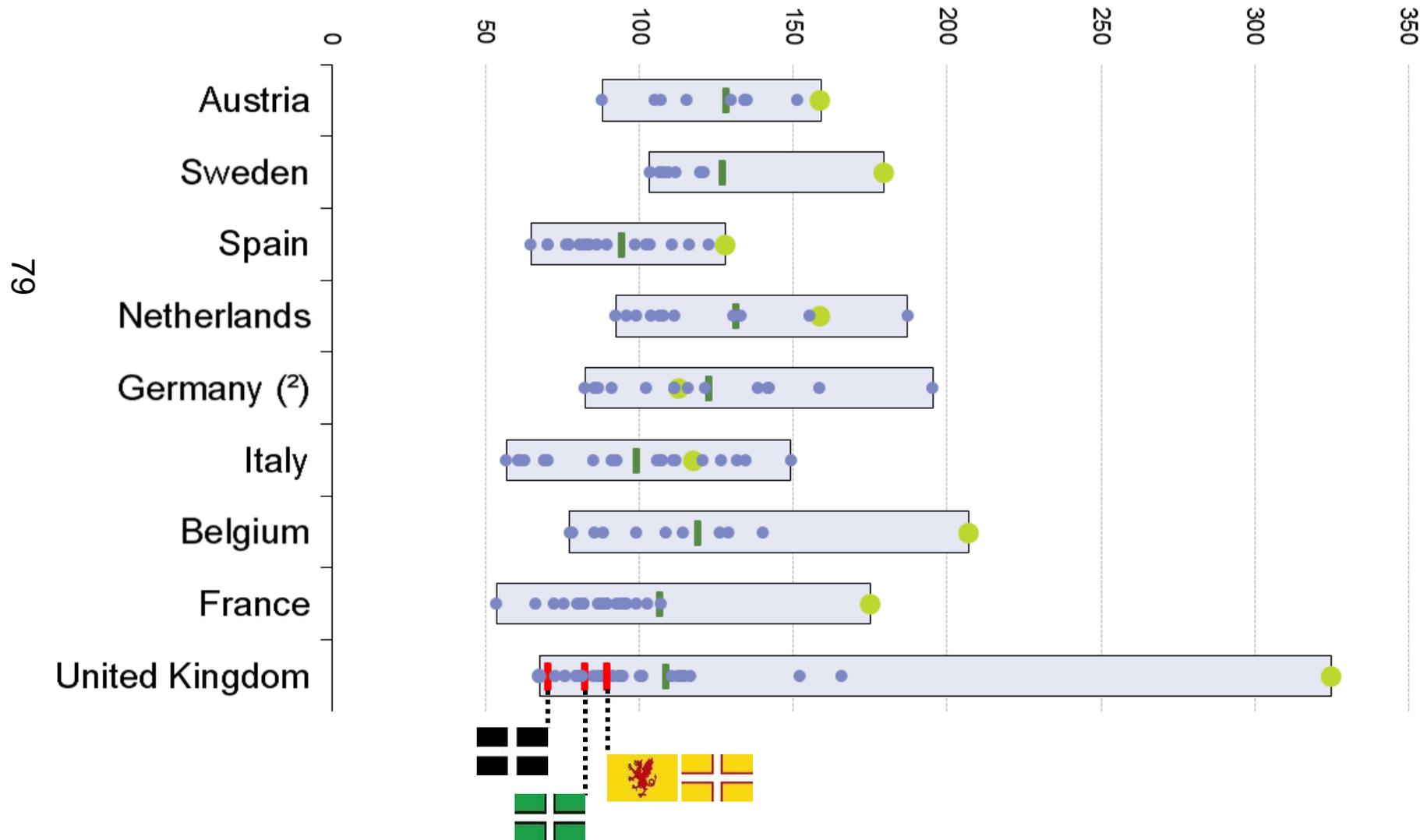


**Mission-led business promoting sustainable and equitable prosperity for the South West**

- First **customer-owned** full service bank
- **Financial inclusion** in the rules
- **SME and social enterprise** focus
- Multi-channel, committed to **branches** and **relationship banking**
- **Scale and efficiency** – part of the CSBA network
- **Financial strength:** Profits £15m pa / loan book £380m by year 9



# Helping tackle regional inequalities

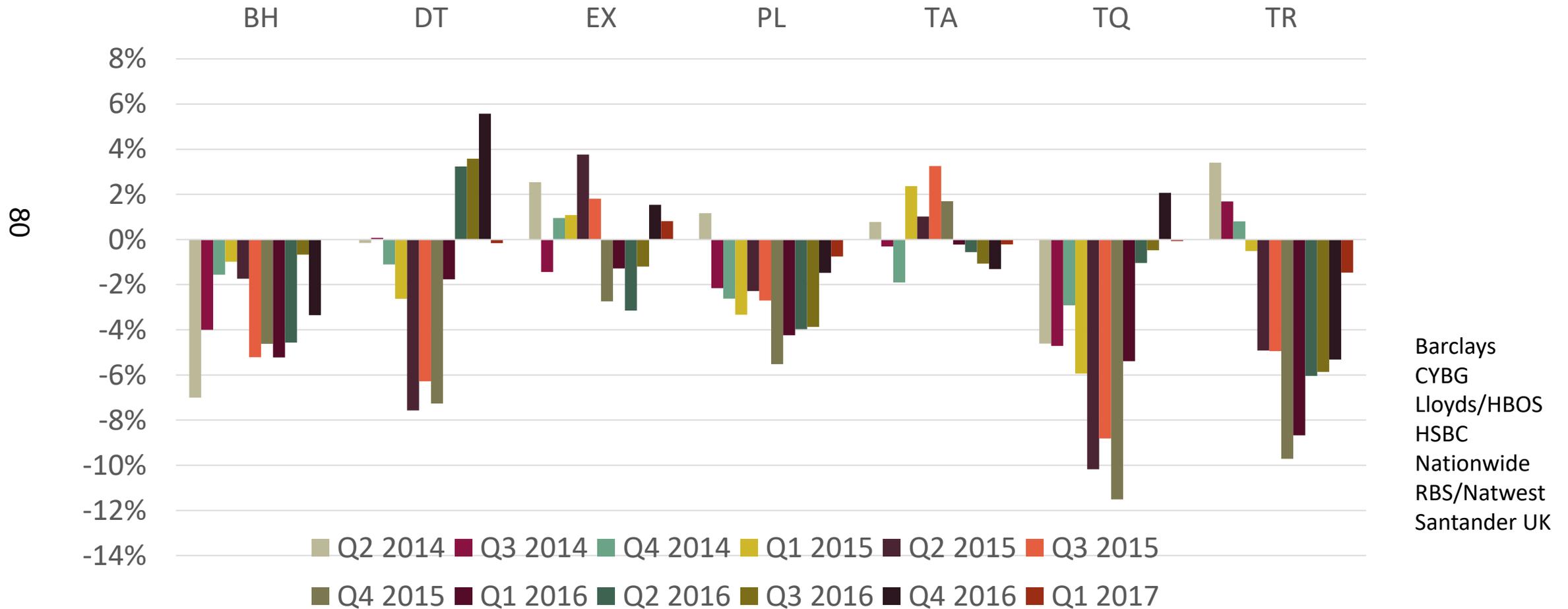


**SWM is an anchor institution**

**Supporting equitable and sustainable prosperity for the South West is our mission**

# SME finance is an ongoing issue

YoY change in total SME loans by postcode area



# Lending to the real economy where you live

SME deposits and loans in  
Devon districts

Deposits **£853m**

Loans **£462m**

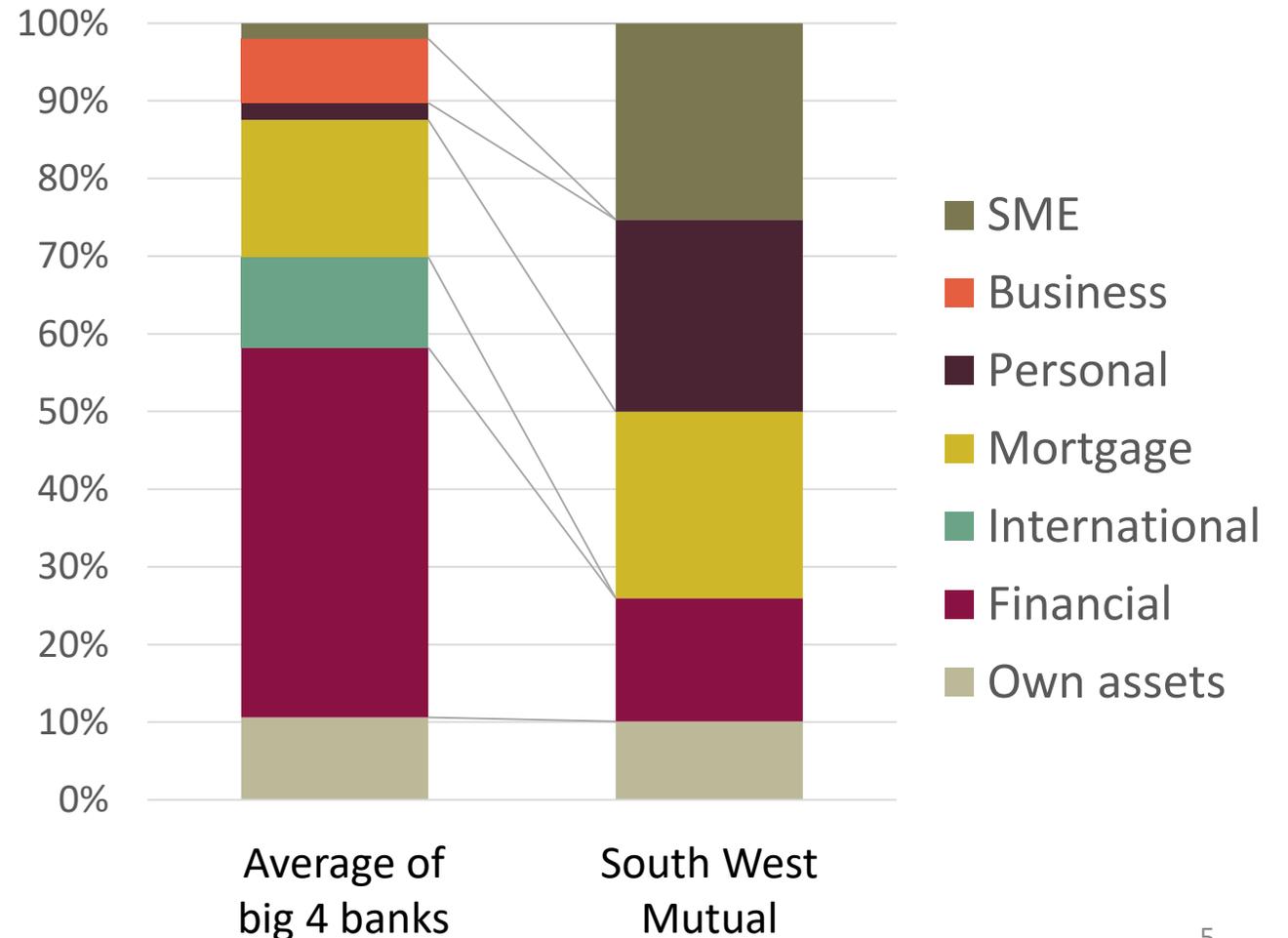
Net outflow **£390m**

81



**SWM keeps money  
flowing within the  
region's economy**

*Real economy impact – SWM lending vs UK Big 4*



# Commitment to financial inclusion

In Devon districts there are approximately\*:

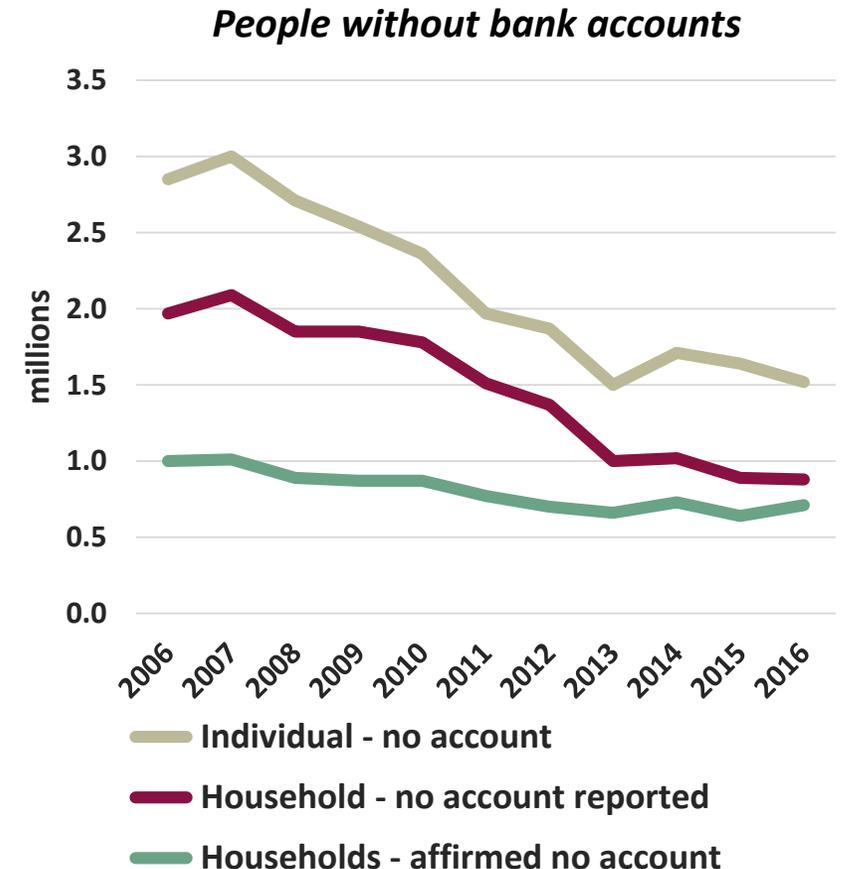
- 21,000 individuals without bank account
- 106,000 non-users of the internet
- 33,000 entirely dependent on cash
- 46% uncomfortable using digital only banks
- £8 million poverty premium

82



**SWM will provide full current account to any resident**

*\*Source: Pro-rata on population of 642,000 adults , from HMT report on cash March 2018, and CHASM Financial Inclusion Report 2016*



Source: FINANCIAL INCLUSION ANNUAL MONITORING REPORT 2017

# Branches and local managers

- Losing 60 branches / 300 cash machines a month
- Branch access still important for many customers
  - eg trading businesses; some older/vulnerable people
- Evidence confirms 'soft information' is vital for safe local lending



- **SWM has Branch Directors and staff with decision making power**
- **We use modern technology to deliver a low-cost branch solution**

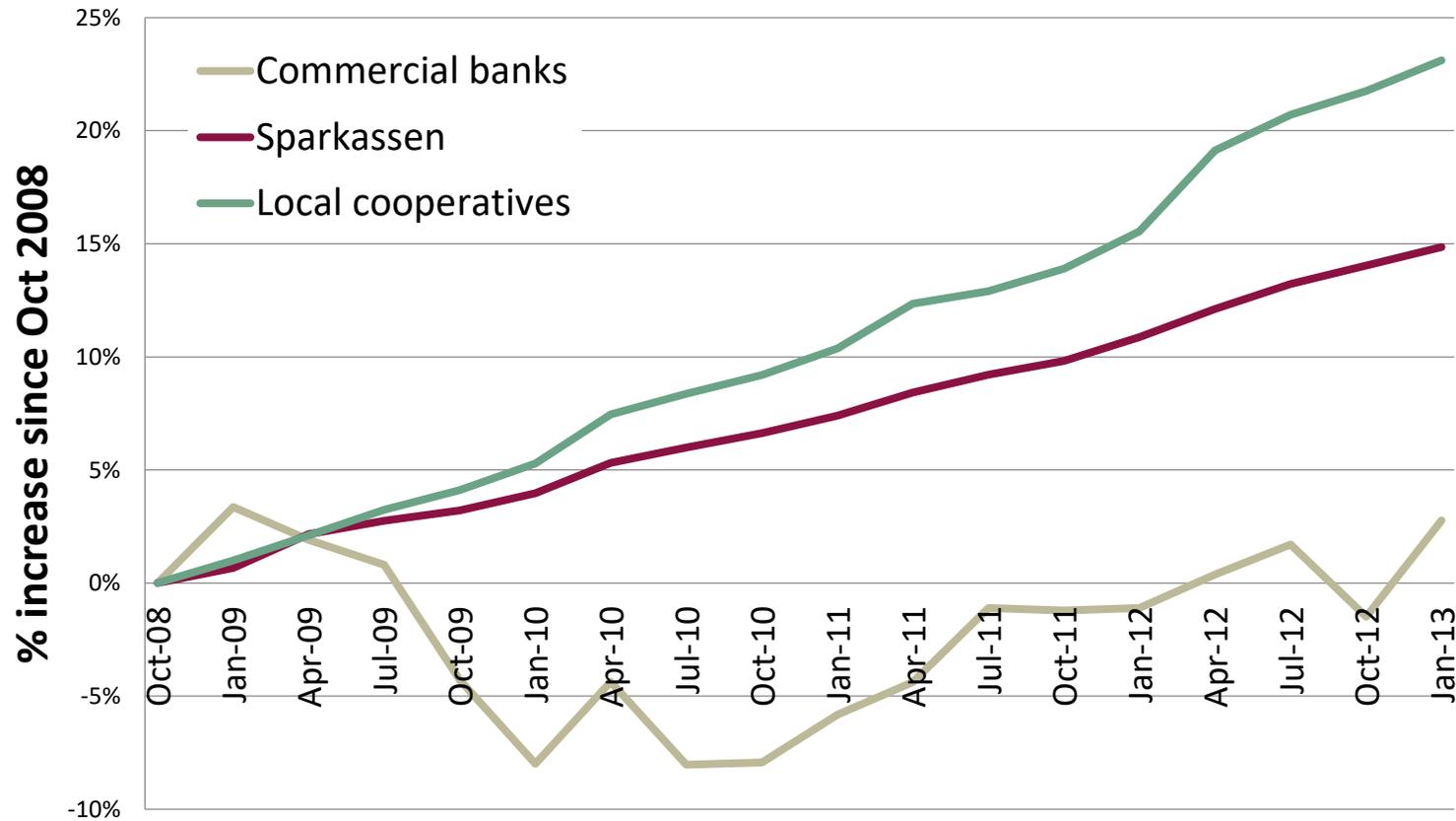
**Branch Closures 2015-18**



	RBS/ NW	Lloyds	Barclays	HSBC	Co-Op	Other	Total
East Devon	5	2	3	1	1		12
Exeter	2	4		1		1	8
Mid Devon	2	1	2				5
North Devon	3	4	1	2	1		11
South Hams	4	4	1	2		2	13
Teignbridge	3	4		1	1		9
Torridge	3	1	2				6
West Devon	3	1	1	1	1		7
<b>Grand Total</b>	<b>25</b>	<b>21</b>	<b>10</b>	<b>8</b>	<b>4</b>	<b>3</b>	<b>71</b>

# Economic resilience: 'no more boom and bust'?

## German bank lending to domestic enterprises and self-employed



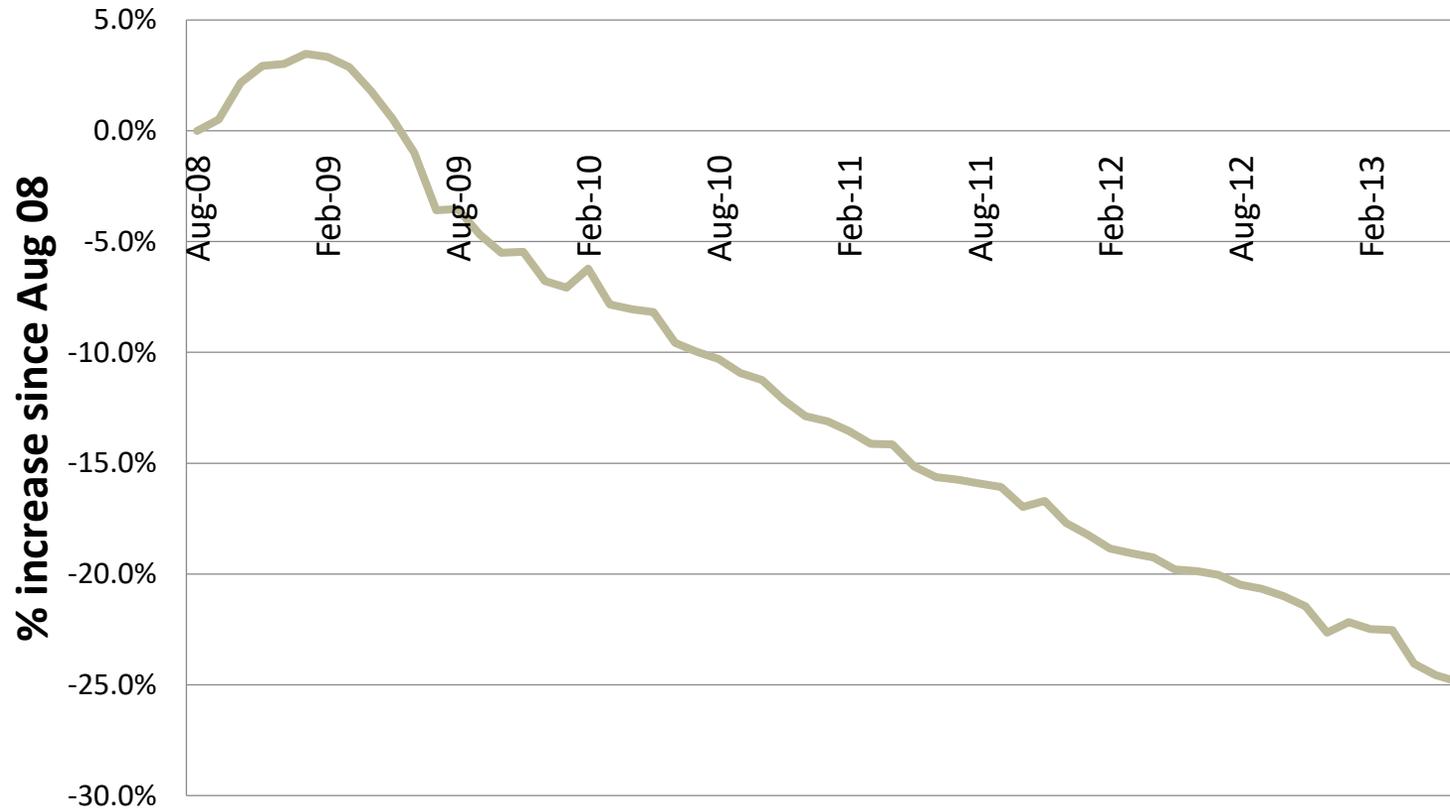
84

# Economic resilience: the UK's Achilles heel?

Total UK bank lending to non-financial corporates



98



**SWM is committed to the region. We won't chase the booms so we are still there during the busts.**

# Restoring trust in banking

## GOVERNANCE

- Our customers are our shareholders
- One member one vote
- Board directly accountable to members

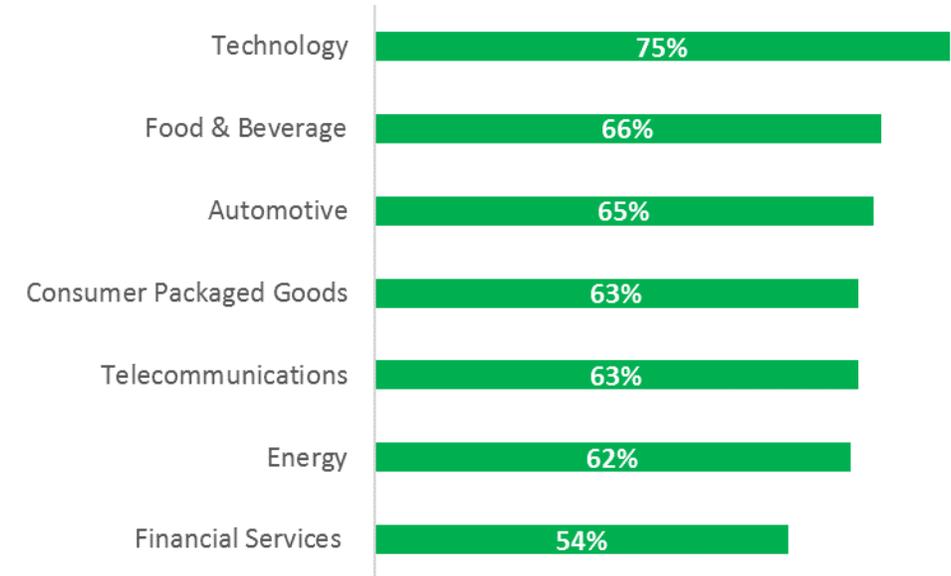
## BUSINESS MODEL

- No financial trading or speculation
- No bonuses or sales incentives
- No pressure to cross-sell financial products
- Simple, honest, transparent charging structure

## PRACTICING FAIRNESS

- Living wage employer
- Maximum 10x pay ratio

Edelman Trust Barometer  
2017 Results



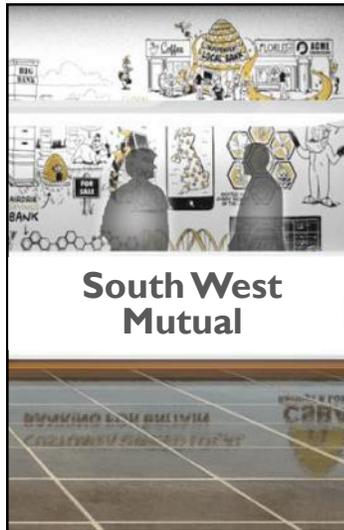
Do you trust your bank?	TRUST
Keeping my money safe	48%
Protecting my personal and financial information	43%
Providing me with truly unbiased advice suited to my needs	25%
Telling me if there is a better product for my needs/ situation even it means less money for them	21%

Source: EY Global bank survey 2016: Without it you're just another bank

# Full range of services competing with high street banks

87

## Local HQ



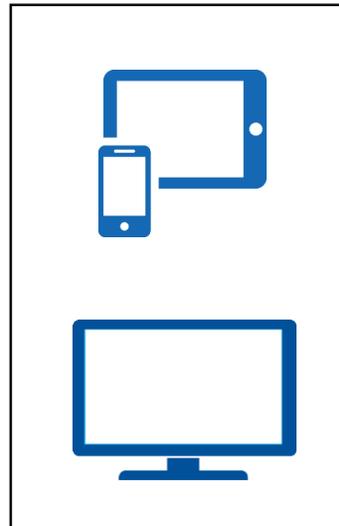
Sub-regional hub  
with staff and  
Branch Director.  
Safety deposit boxes.

## Satellite branches



24/7 video linked  
full service  
automated branch.  
Some staffed times

## Digital channels



Online and  
app.

## Current accounts



Fixed, transparent and  
simple membership fee:

Personal: £5 pcm  
Organisation: £10 pcm

- Expense analysis
- 'Jam jar' functionality
- Interest on whole balance
- Additional member benefits tbc

# Why a monthly charge? Free banking does not exist

- Free-if-in-credit (FIIC) accounts are NOT free
- 90% of customers with FIIC accounts effectively pay charges
- Our model simple, transparent and honest
- Allows us to be inclusive
- and to maintain branch access
- Better value for money for many customers

88

“I do not advocate the ending of free-if-in credit banking. Why? Because there is no such thing to start with, so it cannot be abolished as such.

Nothing in life is free  
– sorry to disappoint.”

Andrew Bailey, Chief Executive FCA  
29th June 2017



Bank	SWM	Lloyds	NW
		Classic	Select
Monthly membership fee	(5.00)	-	-
Interest on £1,000 in current a/c	1.22	-	-
Interest on £4,000 in current a/c	4.88	-	-
Cost of £500 overdraft for 15 days	(1.94)	(10.65)	(9.74)

- 44% of Free-If-In-Credit accounts attract overdraft charges
- 80% of consumers do not know what their overdraft charges are
- £2.9 billion paid in overdraft fees in 2014
- £4.3 billion interest foregone in 2014

# Community Savings Bank Association

∞

- Highly experienced Board
- 'Bank in a box' service
- 18 regional banks
- Test and training facility



# An experienced banking and business team



## **TONY GREENHAM**

EXECUTIVE DIRECTOR

Chartered Accountant with over 25 years' experience as a banker, company director and banking policy expert, including roles at Barclays, Credit Suisse and PwC.



## **JOHN ARTHUR**

HEAD OF OPERATIONS, RISK AND COMPLIANCE

Over 40 years' experience in all aspects of retail banking including senior roles in branch and operational management and compliance at Alliance & Leicester and Capital One.



## **JANE DUMERESQUE**

NON-EXECUTIVE DIRECTOR

Chartered Accountant with over 25 years' experience in financial services, over 10 years at Board level. She was formerly the CEO of Cornish-based Peer2Peer lender Folk2Folk.



## **PAUL MANNING**

NON-EXECUTIVE DIRECTOR

Paul is an Associate of the Chartered Institute of Bankers, CEO of Blue Cedar Print Works, Chair of Glastonbury Chamber of Commerce and a former manager at Lloyds Bank.



## **ROGER CAWSE**

NON-EXECUTIVE DIRECTOR

Fellow of the Chartered Institute of Bankers with over 40 years of banking and insurance experience with the Trustee Savings Bank, as Chief Executive of Exeter Friendly Society and in a number of non-executive positions.



## **MARK DREWELL**

NON-EXECUTIVE DIRECTOR

Mark is Senior Partner at The Foresight Group, a global management consultancy, and has over 30 years corporate experience in communications and responsible leadership.

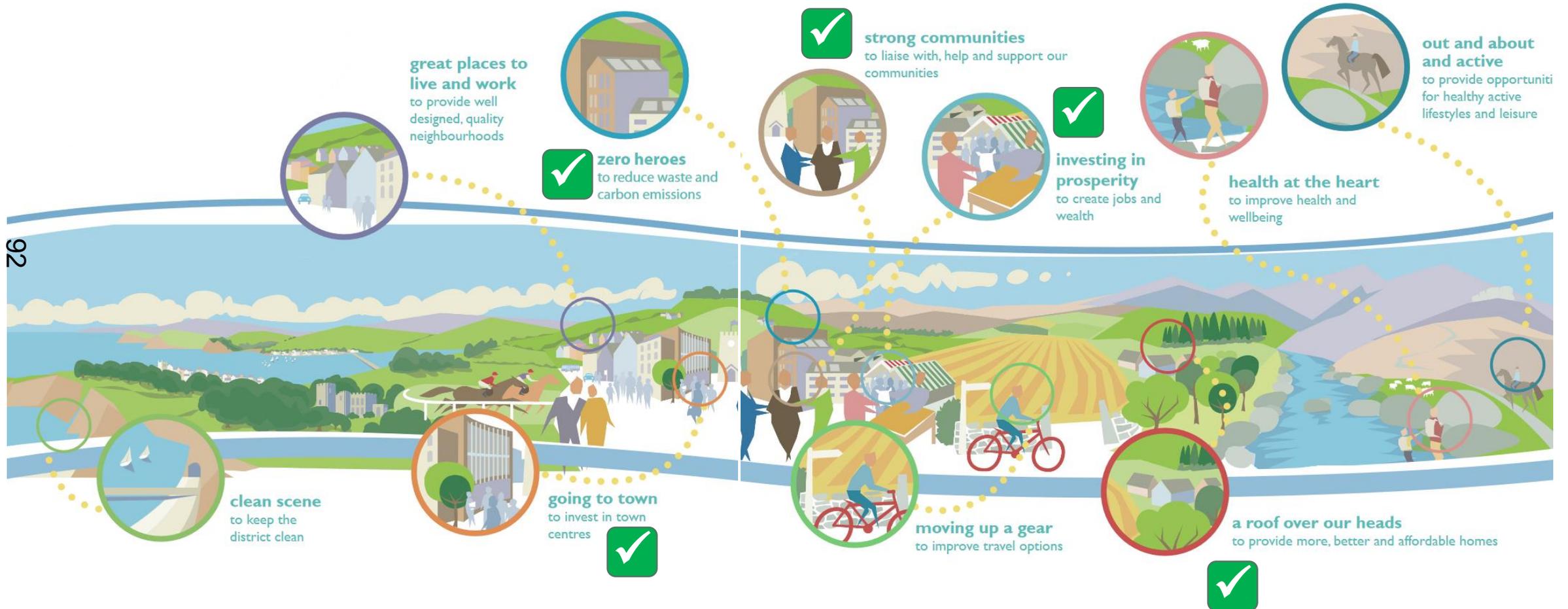
# Investment in Shares of South West Mutual

91

<b>RETURNS</b>	<b>Financial</b>	Dividend of 7.5% by year 6 – illustrative IRR of >19% for Founder Shares Growing dividend yield as profits rise Moderate share price growth over the medium term
	<b>Economic</b>	Supporting local enterprises, business rates and employment Boosting economic resilience during recessions, protecting jobs and incomes Inclusive growth: spreading opportunities for locally driven business and employment Recycling more spending and savings back into the Devon economy
	<b>Social &amp; environmental</b>	Tackling financial exclusion and problem debt Improving financial capability and wellbeing Restoring trust and building civic participation Improved environmental and social performance
<b>EXIT ROUTE</b>		Trade with approx. 90,000 members projected by year 9 on a share trading platform

*This is not investment advice; it is non-binding and it is subject to T&Cs that are to be agreed separately*

# Strategic alignment – Teignbridge 10 super projects



# Local authority investment

Guidance from Arlingclose (Treasury Advisors)

## Local Government Act 2003

“Investments made by local authorities can be classified into one of two main categories:

- Investments held for treasury management purposes; and
- Other investments”

“Local authorities should disclose the contribution that all **other investments** make towards the **service delivery objectives** and/or **place making role** of that local authority.”

## Localism Act 2011

The general power of competence allows local authorities in England to do “**anything that individuals generally may do**”

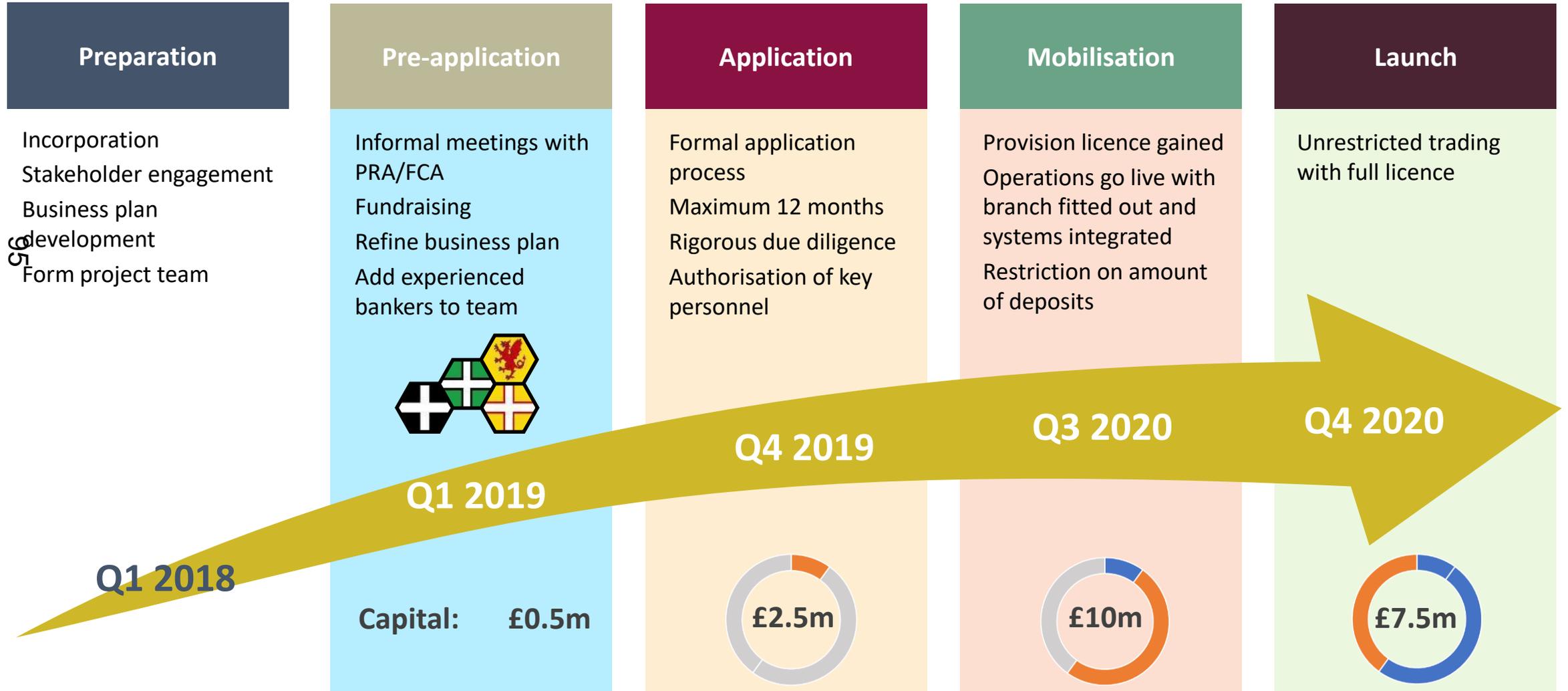
# Local authority investment - precedents

94

Bank	Authority	Notes
<b>South West Mutual</b>	West Devon Borough Council - £50k	Approved on 4 Dec 18
	South Ham DC - £50k	Approved on 5 Dec 18
<b>Hampshire Community Bank (Note 1)</b>	Portsmouth BC - £5m Winchester - £250k Test Valley - £500k	Capex funded by unsupported Prudential Borrowing / Capital receipts reserve. 'Spend to save' project. Economic development powers / general power of competence in S1 Localism Act 2011
<b>Cambridge and Counties Bank</b>	Cambridgeshire Local Government Pension Scheme	£8m in deferred shares for 50% 50:50 with Trinity College Cambridge
<b>Cambridgeshire Building Society</b>		£15 million core capital deferred shares carrying only 1 vote
<b>Redwood Bank</b>	Warrington BC £30m	Bank will open a northern regional office in Warrington. Shortlisted in 'Innovation in Finance' category of 2017 MJ Local Government Achievement Awards

Note 1 – Hampshire Community Bank is not part of the CSBA network and has not been licensed yet. It is possible that the regulators consider it to be too small scale as a stand alone bank.

# Timeline for banking licence and launch



# In conclusion...

96



## South West Mutual

[www.southwestmutual.co.uk](http://www.southwestmutual.co.uk)

TEIGNBRIDGE DISTRICT COUNCIL

**EXECUTIVE**

LEADER: Cllr Jeremy Christophers

PORTFOLIO HOLDER: Cllr John Goodey

**DATE: 5 March 2019**

**REPORT OF: Business Improvement & Development Team**

**SUBJECT: Cllrs Community Fund 2019-2020**

**PART I  
(Not exempt and confidential)**

**RECOMMENDATIONS**

**The Executive is recommended to agree the changes below, to be implemented in the new financial year.**

This report will go to Overview & Scrutiny 4 March 2019 and its comments will be reported. All councillors have been given an opportunity to give their views in a survey (Appendix A). The results have been incorporated into this report.

**Resolve**

**That**

**1. PURPOSE**

**Your agreement on the changes below is sought, to be implemented in the new financial year.**

- Stop carry forward of funds into the next financial year in Election years with immediate effect.
- Any underspend on grants within the current financial year 2018-2019 could be allocated to the Crowdfunding initiative; this would allow community groups to access any residual funds.
- Fund administration: seek to find a more streamlined method of submitting requests. For example, an application could be submitted automatically to the grant co-ordinator, with a copy to the ward councillor, who could then sanction the application by email. This will reduce paperwork and speed up response. Up to date spreadsheet of allowances remaining to be held on the website.

## TEIGNBRIDGE DISTRICT COUNCIL

### 2. BACKGROUND

For the last ten years the fund has been administered by Democratic Services, the fund is now managed within the Business Improvement and Development team.

Following a review into the operation of this fund a number of problems with this grant scheme have been identified.

A major issue is that it generates too many applications for small grants which result in an unjustifiable amount of admin time.

For example, 46 Cllrs receive £1,500 each.

If £50 is granted per application this equates to 30 applications per Cllr.

If all the Cllrs did this it equates to 1,380 applications.

Roll over of unspent funds year by year adds to this figure. The amount of applications is also increased by split funding – for example, two Ward Cllrs giving £50 each to the same project.

Between May – Nov 2018 there were 133 applications – on average more than all other TDC grant funds. Although the average amount awarded was £ 270 this still had a significant impact on administration resource within the team.

#### OTHER ISSUES

- Applications are not signed properly and declarations of interest are often missing. This causes more time to spent chasing up and asking for additional information.
- Lack of details are provided about the project that also results in time spent requesting information.
- Allowing funds to roll over year after year creates an excess of money within our accounts. Some Cllrs do not award grants in a timely fashion, this does not support the community to which the purpose of the grant is aimed.
- There is currently a large underspend that Cllrs should be allocating prior to purdah, any allocations need to be made prior to Friday 1 March. This has recently been circulated through the MNL.
- Owing to the forthcoming May elections it is not viable to carry forward funds into the next financial year as there will be potential changes of Cllrs.
- Many events or initiatives are funded year after year without further justification. Some community groups therefore come to rely on this as an income stream and have become complacent about operating in sustainable way.  
This also reduces the opportunity for new projects to receive funding.
- The process generates lots of enquiries from Cllrs such as, “*How much have I got left?*” or “*Has this application been paid yet?*” Again, this results in admin support having to complete ad-hoc requests.
- At present the process does not lend itself to an on-line application because the process calls for the Cllrs to recommend the grant and declare any interest.

## TEIGNBRIDGE DISTRICT COUNCIL

### 3. MAIN IMPLICATIONS

The implications that Members need to be aware of are as follows:

- Communities will need to adapt to a revised scheme.

### 4. GROUPS CONSULTED

Overview & Scrutiny

All Councillors were sent a survey seeking their views on changes to this fund (results in Appendix A)

### 5. TIME-SCALE

The revised scheme, subject to agreement could be introduced for the new financial year.

### 6. JUSTIFICATION

The changes will enable community groups to access funding in a timely and fair manner. Changes in managing the fund will also mean that resources can be better planned and the fund will be run in a more efficient manner.

### 7. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)

10.00 a.m. on 12 March 2019

**Kay O'Flaherty**

**Business Improvement  
Development Team Leader**

**and**

**Cllr John Goodey**

**Portfolio Holder for Communities and  
Neighbourhoods**

BELOW TO BE FILLED IN BY REPORT AUTHOR:

<b>Wards affected</b>	All
<b>Contact for any more information</b>	Kay O'Flaherty
<b>Background Papers (For Part I reports only)</b>	
<b>Key Decision</b>	Y / N
<b>In Forward Plan</b>	Y / N
<b>In O&amp;S Work Programme</b>	Y / N
<b>Community Impact Assessment attached:</b>	Y / N
<b>Appendices attached:</b>	A: Cllr Community Funds Review -Survey B: title etc

**TEIGNBRIDGE DISTRICT COUNCIL**

	<b>Appendix A Cllr Community Funds Review – survey.</b>	<b>Survey Results 23 surveys returned</b>
Q1	Do you agree there will be no carry forward of funds in to the next financial year?	<b>Yes 12</b>  <b>No 11</b> <b>Almost a 50% split</b> <b>Could keep the same except in an election year where there would be no carry over.</b>
Q2	Do you agree any underspend on grants within the financial year be allocated to Teignbridge10 Strong Communities	<b>Yes 10</b>  <b>No 13</b>  <b>The no's have it</b>
Q3	Do you agree there should be a minimum grant of £200, with the option of multiples of £100 in addition?	<b>Yes 2</b>  <b>No 21</b> <b>No change</b>
Q4	Do you agree not to fund the same projects as were put forward in a previous year?	<b>Yes 8</b>  <b>No 15</b> <b>No Change</b>
Q5	<p><b>Additional comments</b>  <i>There were 8 comments, along the lines of works well as it is.  If it's not broken don't fix it</i></p> <p><b>Other suggestions :</b>  <i>Give each councillor a book of 2 x £50 vouchers each year that they can issue themselves to authorised recipients with each councillor required to justify how they have been used each year. All TDC would need to do is validate the voucher recipient and send payment</i></p> <p><i>Publish a spreadsheet on the website with details of our grants, updated monthly. It would help if we were copied into the email confirming the award.</i></p> <p><i>Only that the fund should be increased./ It has remained at £1,500 since the start.</i></p> <p><i>Not sure, what projects would be funded by allocating funding to Teignbridge Strong Communities. Initial proposal had been for money to go to Crowdfunding initiatives, which I might be happy with. They would need to be projects that benefited Newton Abbot.  Exception could be where a Cllr is saving money for a bigger project, but they would need to identify project. I would agree to a</i></p>	

**TEIGNBRIDGE DISTRICT COUNCIL**

	<p><i>£100 min grant, but don't see need for multiples after that, since that has no relevance to admin time. Don't see need to restrict who receives funding, since it is surprisingly difficult to spend funds anyway.</i></p>	
--	--	--

This page is intentionally left blank

Do you agree there will be no carry forward of funds into the next financial year?	If you have ticked No -do you have an alternative suggestion?	Do you agree any underspend on grants within the financial year be allocated to Teignbridge10 Strong Communities?	If you have ticked no - do you have an alternative suggestion?	Do you agree there should be a minimum grant of £200, with the option of multiples of £100 in addition?	If you have ticked no - do you have an alternative suggestion?	Do you agree not to fund the same projects as were put forward in a previous year?	If you have ticked no - do you have an alternative suggestion?	Do you have any additional comments?
Yes		Yes		No		Yes		
No		No		No		Yes		Give each councillor a book of 2 x £50 vouchers each year that they can issue themselves to authorised recipients with each councillor required to justify how they have been used each year. All TDC would need to do is validate the voucher recipient and send payment
Yes		Yes		No	Sorry for any inconvenience to officers, but this should be discretionary for members to decide.	Yes		I always believe in working together and compromise , therefore I would like us to use our common sense when allocating our funds and work together wherever possible with Officers at TDC.
No	Happy with existing arrangements.	No	Happy with existing arrangements.	No	Happy with existing arrangements.	Yes		Agree with suggestion in Q4 not to fund the same project provided this does not limit different projects for the same organisation.
Yes		Yes		No	Some groups require less.	No		Some groups may need extra help, year 2. I would say no Year 3.
Yes	This year only as the election may mean change of councillor... Then carry forward for next	No	Any underspend should be carried forward in the same way	No	Leave as is	No		the councillor should decide on worthiness
Yes		No	Not sure what this means- I am happy for any underspend not to be carried forward to the next financ	No	We should be able to allocate as we see fit - £40 would hire the village hall for a community IT tra	No		So far this is not applicable to me, but it might be
No	There should be no carry forward at the end of a council term ie this year then again in 2023. Many	No	No because I do not agree that funds are not carried forward.	No	I see no point in this - it is for the member to decide how much they want to provide - its the memb	Yes		But with an exceptions policy - a member may not have enough left in one year so needs to add
No	Allow it to be carried forward as some projects may require a large amount to complete the project.	No	For the same reason above and understand the Teignbridge 10 Strong Communities is only short term.	No	Keep it to a minimum of £50 as many do not require £200 when others do.	No		Some require funding each year in order to keep going especially youth services.
Yes		Yes		No	I think that any satisfactory request should be supported whatever the size.	No		I think that if the project is ongoing and worthwhile consideration should be given to further fundi
No	For this year yes as election year but see no problem other years	No	Larger applications could come forward sometimes this takes longer to set up and money is needed for	No	I think £200 should be the start but then multiples of £50	Yes		
No	Carry forward for one year only .	Yes	As indicated	Yes		Yes		It seems appropriate that grants should be made to Organisations in the Town /ward/s of the applying Councillor. I have been approached by others from other parts of the District.
Yes		Yes		Yes		No	leave as is	We should be able to direct the claimant to a web site and that is all that is required and email request to Cllrs to justify or refuse the claim automatically generated from the application. The procurement of a form digitally to claimants is so difficult and then with our signature using 365.
No	A Cllr may wish to save up an amount for a larger don't the following year as necessary	No		No		No		I would go along with year immediately preceding but 2 years or more should be OK
Yes		Yes		No	Leave as it is amounts cannot be predetermined	No		In limited parishes with limited expenditure outlets this is impossible
No	I would allow a carry forward from Yr 1 to 2 and Yr 3 to 4. No carry forward in election year.	No	The carry forwards should be reported to council and a decision made in light of any cost pressures	No	Leave the scheme as it is - or if there is a minimum it should be £50	No		Each judged on merit - so long as the grant is not for ongoing revenue support like pay/utilities
Yes		Yes		No	The amount should be decided by the Member	No		It depends on the circumstances
								Only that the fund should be increased./It has remained at £1,500 since the start.
								Just to say I am for leaving alone what I believe is working reasonably well. Should you want to improve the system of communication by officers to members, well and good.
Yes		Yes		No	Flexibility for councillors serves the community best	No		Massive risk that organisations that have great community value could fail and be lost
No	I do not see what the problem is just carry it forward to next financial year	No	It should my decision I is my fund	No	It is very rare Communities ask for £50 or less It should be my decision what to award it is my Fund	No		It depends I would fund it if they were short of money to finish project most are new projects
No	no need	No	allow rollover	No	free form amounts	No		at councillors discretion
Yes		No		No		No		the scheme works well as it, with extra visibility of the spreadsheet and email confirmation it would be fine.
								Not sure what projects would be funded by allocating funding to Teignbridge Strong Communities. Initial proposal had been for money to go to Crowdfunding initiatives ,which I might be happy with. They would need to be projects that benefited Newton Abbot. Exception could be where a Cllr is saving money for a bigger project, but they would need to identify project. I would agree to a £100 min grant, but don't see need for multiples after that, since that has no relevance to admin time. Don't see need to restrict who receives funding, since it is surprisingly difficult to spend funds anyway.
No	Where this has been agreed in advance by the councillor(s) and the relevant officer	No	Agree with the question where the answer to Q1 does not apply	No	Grants less than £200 should be discouraged, but may be permitted where it is considered appropriate	Yes		No
Yes		Yes		No	There are times that a specific amount under £200 is required for a project.	No		

This page is intentionally left blank

## EXECUTIVE

LEADER: Cllr Jeremy Christophers

**DATE:** 5 March 2019

**REPORT OF:** Solicitor to the Council and Monitoring Officer

**SUBJECT:** Constitution Review Working Group

### PART I

#### RECOMMENDATIONS

The Executive resolves that a Constitution Working Group (as outlined in the report) is established

#### 1. PURPOSE

1.1 To undertake a review of the Council's constitution.

#### 2. BACKGROUND

2.1 The constitution underpins all of the Council's areas of activities. Consequently, the periodic review of the constitution to reflect experience and changing circumstances is considered to be a core tenet of good governance. A review should seek to make the document more user-friendly, up to date, remove duplication and generally provide a framework for good governance in the Council's day to day business.

#### 3. TASK & FINISH GROUP

3.1 It is proposed that Executive appoints a small cross party working group of up to six persons to undertake the review. It is suggested that the working group be made up of two members from each political group. Group Leaders are each invited to nominate their political group's representatives.

3.2 The group would not be making decisions and may meet in private. In doing so it will be able to consider the key issues informally and thus frankly with a view to reporting back with recommendations to Council for a formal decision over the coming months.

3.3 Suggested areas of the constitution which it is recommended the group first considers are:-

## TEIGNBRIDGE DISTRICT COUNCIL

- The Scheme of Delegations;
- The committee structure, in particular the committees' compositions and terms of reference; and
- The effectiveness of public engagement (e.g. the procedure for questions and notices of motion to Council and committees);

3.4 The working group will be supported by Solicitor to the Council and the Democratic Services Team Leader. In approaching its work, the group might consider possible alternative arrangements applied by other councils and also nationally acknowledged good practice; and seek views of senior officers on possible proposals. By having a cross party group membership, the views of other members may also be fed into the group although in any event any changes to the constitution would need to be approved by full Council.

#### 4. TIME-SCALE

4.1 Whilst it is suggested that the group should convene periodically as and when needed when there are relevant matters to review, it is proposed that the group meet in early 2019/20 to consider the items outlined in Section 3.3 above. Provisional dates for the meetings are:-

- Wednesday 19 June (10am – 1pm)
- Wednesday 17 July (10am – 1pm)
- Wednesday 7 August (10am - 1pm)

**Officer Name: Sarah Selway and Karen Trickey**  
**Officer Designation: Democratic Services Team Leader and Solicitor to the Council and Monitoring Officer (respectively)**

BELOW TO BE FILLED IN BY REPORT AUTHOR:

<b>Wards affected</b>	All
<b>Contact for any more information</b>	<a href="mailto:karen.trickey@teignbridge.gov.uk">karen.trickey@teignbridge.gov.uk</a> <a href="mailto:sarah.selway@teignbridge.gov.uk">sarah.selway@teignbridge.gov.uk</a>
<b>Background Papers (For Part I reports only)</b>	N
<b>Key Decision</b>	N
<b>In Forward Plan</b>	Y
<b>In O&amp;S Work Programme</b>	N
<b>Community Impact Assessment attached:</b>	N
<b>Appendices attached:</b>	None



## Public Notice and Annual Forward Plan

- 1 This is an Annual Forward Plan of the key decisions and other decisions the Leader of Teignbridge anticipates the Executive taking during the next 12 months. Key decisions are decisions which the Council consider significant having had regard to Government guidance. This Plan may include other decisions which are not key decisions to be taken by the Executive, including for example, where the Executive is to make a recommendation to the Council.
- 2 Details of the proposed decisions are attached.
3. The decisions which the Executive propose to take in private and the reasons why are detailed in the list together with a brief description of the matter to be decided. If you do not think the decisions should be taken in private please advise the Democratic Services Manager, with your reasons, at the address below or email [comsec@teignbridge.gov.uk](mailto:comsec@teignbridge.gov.uk)
- 4 The documents which will be taken into account when making key decisions in the part of the meeting open to the public are available for inspection. Details are listed. Other documents may become available nearer the meeting. If you would like copies please contact the author of the report. Author's names and contact details are shown in the attached list. If you would like additional documents relating to a decision as they become available please contact the author and make this request.
5. Where possible, the District Council will attempt to keep to the dates shown in the Plan. It is quite likely, however, that some items will need to be rescheduled and new items added as new circumstances come to light.
6. This Plan will be updated on a monthly basis.
7. You are welcome to attend the meetings. They will take place in the Council Chamber at the address below. Agendas for Executive and other Council meetings are available on the Council's website.
- 8 You can ask questions regarding any item either in person or in writing. The deadline for the submission of questions is 12 Noon two working days prior to the meeting. You are advised to contact the Committee and Members' Services Section at the address below in advance of this time where assistance is available if required.
- 9 Should you wish to make the Councillors aware of any information in advance of a meeting you can make representations in writing. These can be made up

until the commencement of the meeting. You can also lobby Members of the Executive in advance of the meeting and for information on this or if you have any further queries, please contact the Committee Section, telephone 01626 215112 or email [comsec@teignbridge.gov.uk](mailto:comsec@teignbridge.gov.uk)

- 10 The agendas for the meetings can be made available before the meetings. The documents listed in the right hand column of the attached plan are available for public inspection at the Council Offices between the hours of 9.00 am to 4.00 pm on Monday to Friday. The estimated dates of availability are indicated and are also available on the Council's website [www.teignbridge.gov.uk](http://www.teignbridge.gov.uk)

**Cllr JEREMY CHRISTOPHERS**  
**Leader of the Council**

Council Offices, Forde House, Newton Abbot TQ12 4XX

## TEIGNBRIDGE DISTRICT COUNCIL – EXECUTIVE FORWARD PLAN

Forward Plan of anticipated key decisions by the Executive for the next 12 months commencing 21 February 2019

*(R) indicates a recommendation to Council.*

Matter for Consideration	Date of Decision	Private Decision	Documents to be considered in preparing report	Report Author(s) & Contact Name & Number	Agenda inc. Report Published
<b>Council's Tenancy Strategy</b>	05/03/2019	No		Report of James Toler – Housing Strategy Officer Contact 01626 215313	25/02/2019
<b>Councillors Community Fund</b>	05/03/2019	No		Report of the Portfolio Holder for Community Neighbourhoods – Contact Gary Powell 01626 215895	25/02/2019
<b>Rural Development Programme for England – Local Action 2015-2020</b>	05/3/2019	No		Report of Graeme Smith Coastal Officer – Contact 01626 215748	25/02/2019
<b>Moving Forward with the Teign Estuary Trail</b>	05/3/2019	No		Report of Fergus Pate - Principal Delivery Officer – Contact 01626 215466	25/02/2019
<b>Brunswick Street, Teignmouth</b>	05/03/2019	Part		Report of Donna Best Estates & Development Manager – Contact 01626 265467	25/02/2019
<b>South West Mutual</b>	05/03/2019	No		Report of Martin Filtcroft Chief Finance Officer Contact 01626 215246	25/02/2019

<b>Constitution Review Working Group</b>	05/03/2019	No		Report of Karen Trickey Council Solicitor & Monitoring Officer 01626 215119	25/02/2019
<b>Proposed Chargeable Neighbourhood Planning Service for Non-Statutory Functions</b>	09/04/2019	No		Report of David Kiernan – Neighbourhood Planning Officer Contact 01626 215758	29/03/2019
<b>Digital Strategy</b>	09/04/2019	No		Report of Kay O'Flaherty - Business Improvement and Development Contact 01626 215602	29/03/2019
<b>Artificial 3G pitch, Coach Road, Newton Abbot</b>	09/04/2019	Part		Report of Donna Best Estates & Development Manager – Contact 01626 265467	29/03/2019
<b>South Hams SAC Joint Supplementary Planning Document</b>	30/04/2019	No		Report of Trevor Shaw Senior Planning Officer Contact 01626 215703	17/04/2019
<b>Greater Exeter Strategic Plan</b>	06/06/2019	No		Report of Simon Thornley – Business Manager, Spatial Planning Contact: 01626 215706	29/05/2019
<b>Restructure Proposals</b>	TBC	No		Report of Phil Shears – Managing Director Contact: 01626 215	TBC
<b>Affordable Housing Supplementary Planning Document and Starter Homes</b>	TBC	No		Report of Simon Thornley – Business Manager, Spatial Planning Contact: 01626 215706	TBC

<b>Teignbridge Car Park Plan – draft for consultation</b>	TBC	No		Report of Neil Blaney – Economy Manager. Contact: 01626 215233	TBC
<b>Leisure Strategy</b>	TBC	No		Report of Lorraine Montgomery – Interim Head of Operations James Teed Contact: 01626 215852	TBC
<b>Teignmouth Regeneration</b>	TBC	No		Report of Interim Head of Commercial Services Contact: 01626 215828	TBC
<b>Dawlish Warren Habitat Mitigation</b>	TBC	No		Report of Fergus Pate - Principal Delivery Officer – Contact 01626 215466	TBC

## **PUBLIC NOTICE**

### **TEIGNBRIDGE DISTRICT COUNCIL**

#### **THE LOCAL AUTHORITIES (EXECUTIVE ARRANGEMENTS) (MEETINGS AND ACCESS TO INFORMATION) (ENGLAND) REGULATIONS 2012**

An item has been added to the Executive agenda for 5 March 2019 at 10.00am:-

A report to offer financial support to South West Mutual – the reason being that the SW Mutual Bank have a prospectus which closes on 31 March 2019 which would enable the Council to be in the first tranche of the shareholding.

This has meant the Council has been unable to give 28 days notice through the Executive's Forward Plan.

If you have any queries or comments on this notice please contact.

Sarah Selway  
Democratic Services  
Council Offices  
Forde House  
Newton Abbot TQ12 4XX  
14 February 2019

This page is intentionally left blank