



<u>Committee and Date</u> Council  23 July 2015  10.00 am	Item  <b>11</b>  Public
--	-------------------------------------

## **PORTFOLIO HOLDER FOR REGULATORY SERVICES, HOUSING AND COMMISSIONING**

**Lead Member:** Malcolm Price, Portfolio Holder for Regulatory Services, Housing and Commissioning (Central)

E-mail: [malcolm.price@shropshire.gov.uk](mailto:malcolm.price@shropshire.gov.uk)

### **1. Introduction**

This annual report has been written to provide an informative overview of the past 12 months for the Portfolio area of Regulatory Services, Housing and Commissioning.

It highlights a number of challenges and issues facing the authority, the approaches being taken to meet them and new ways being adopted to meet future demand and improve services.

### **2. Specific responsibilities and accountabilities**

Specific responsibilities include enabling sustainable development to meet the needs of Shropshire's communities and supporting business growth.

The Portfolio has a wide remit and includes; Development Management, Building Control, Land Charges, Street Naming and Numbering and Local Land and Property Gazetteer, Public Protection (including Trading Standards, Environmental Health and Licensing functions and Parking Enforcement), Historic and Natural Environment and regulation of Private Sector Housing, Empty Homes Strategy, including the business support elements of these services and Parking Enforcement.

The Portfolio also covers all of Communities and Housing Policy; Shropshire Towns and Rural Housing (Arm's Length Management Organisation); and Community Housing Services.

Responsibilities for the Planning Policy Service also remain as part of the Portfolio Holder's brief, but the policy area continues for operational management purposes within the Commissioning Directorate under the management of the Head of Economic Growth and Prosperity.

### **3. Development of Business Support and Regulatory Services**

Significant effort was put into developing and refining the model for Business Support and Regulatory Services during 2014/15, balanced against the challenge of continuing to deliver development management and regulatory services which remained fit for purpose and resilient. The Interim Business Case for Business Support and Regulatory Services was reported to Cabinet on 31 July 2014 and the recommendations supported to move to prepare a final business case which would be subject to further approval by Cabinet. The final Business Case was reported to Cabinet on 11 April 2015. Cabinet gave its approval to transfer the services into ip&e with an initial contract and service specification for 12 months pending resolution of issues that would facilitate a longer-term transfer.

Following a short delay to complete the contractual work, Business Support and Regulatory Services actually transferred into ip&e on 1 June 2015. The transfer was made through staff secondment following the sealing of a contract for an initial period of 10 months with the potential to extend the contract for a further period of 5 years subject to completion of the outstanding issues.

### **4. Operational Service Performance - Background and Context**

Generating sufficient capacity to develop the Business Support and Regulatory Services model, and its subsequent transfer into ip&e, was made against a background of continuing and significant service pressures and the need for further re-design to meet ongoing financial pressures and increases in service demand. Indeed, both development management and licensing have seen increases in demand and rising customer expectations. Officers and support staff had worked incredibly hard over the previous 12 months to maintain service quality levels with a reduced resource base and tangible increases in service demand and increasing and sometimes unrealistic customer expectations.

Development Management has faced unprecedented increases in the number of large, complex and speculative planning applications during the period in which the SAMDev Plan has been developed leading to the examination in late 2014 and release of the Inspectors main modifications in June and adoption now anticipated in September 2015. The impact of this should not be underestimated with twice the number of complex major planning applications submitted for consideration throughout 2014/15 compared with previous years creating pressure within the system.

However, it isn't simply the volume or complexity of the work that has put the planning service under pressure but also the changing planning policy context throughout the year, with the impact of the National planning Policy Framework affecting a large number of planning decisions creating tensions where local communities found development pressure in locations they had not supported through the plan making process. Demand has outstripped supply in this case and although efforts have been made to recruit additional planning officers, to address the increase in demand, attracting candidates of the right calibre in a highly competitive and diminishing recruitment pool has been challenging in itself.

Notwithstanding all of this, the Planning Services record at appeal has been very good. For example, in the first quarter of this year, Shropshire received some of the highest number of planning appeals against decisions to refuse planning permission on sites considered unsuitable for development. Of these 96% were dismissed and this is a positive reflection of the quality of decision making either by planning committee or planning officer. Changes to national planning policy have also impacted on Shropshire's ability to deliver against its adopted policies. In November 2014, the Planning & Housing Minister, Brandon Lewis issued a Written Ministerial Statement to advise Local Planning Authorities that S106 legal agreements should not be used to secure affordable housing contributions for schemes of 10 houses or less. 92% of housing planning applications in Shropshire are for schemes of 10 or less houses, so the impact for the delivery of affordable housing in a county where house price to income ratios can be as high as 13:1 is potentially significant. It is intended to test this policy at a forthcoming planning appeal.

Similarly, changes to the Council's Hackney Carriage and Private Hire Licensing Policy to tighten up safeguarding provisions has placed the Licensing team under significant pressure. The development and approval of the policy with its requirements for wide consultation with the trade and the need to find additional resource to support the effective regulation and enforcement of the new safeguarding provisions provided the team with a significant challenge. However, despite this much of the feedback from the trade has been positive.

## **5. Development Management – Summary of Operational Issues**

### **Planning Services**

The profile of planning applications has changed significantly this year, with double the number of major planning applications received compared with previous years.

Planning performance is tracked against a series of quantitative and qualitative performance measures. The increase in major planning applications, for example, delivered a significant increase in planning fee income arising primarily from applications for larger planning schemes. Renewable energy schemes and agricultural proposals such as poultry farms also increased. This has affected the staff resource available to process the applications with a direct consequence being longer determination periods for a number of planning applications.

Planning processes are time sensitive and the Government has aligned its performance measures with those adopted by Shropshire a number of years ago, with the primary focus on measuring the percentage of applications determined in a time frame agreed with the applicant. This measure is qualitative in that it is a reflection of the requirement established in the National Planning Policy Framework (NPPF) at paragraph 187 to work proactively with applicants to secure positive outcomes where possible. Shropshire Council performance for this is over 90% (93.3% for Quarter 4).

Another measure of success is the Council's performance with planning appeals. The council works to a benchmark of 75% of appeals being dismissed. The final quarter of 2014 indicated not only that Shropshire is receiving a high volume of appeals, (typically there are 10-15 live appeals at any one time, currently there are 50) but also that most decisions were being dismissed 96%.

This is a very high success rate and a reflection of the quality of decisions taken by both planning committees and planning officers.

The planning service continues to work with applicants to secure positive outcomes in accordance with the Governments objectives set out in the NPPF and 90% of planning applications in 2014/15 were approved. This figure may fall in subsequent quarters as the plan is adopted and takes primacy in decision taking.

The Council's delegation rate for planning applications is around 94% across the three area planning committees which compares favourably with near neighbour unitary authorities.

Other performance measures seek to support customer behaviour change. For example, increasing electronic communication with stakeholders and increasing electronic submission of planning applications to reduce the cost and time of processing these. Currently about 60% of planning applications are submitted electronically and the intention is to drive this figure higher.

We are looking at developing more effective ways of dealing with customer feedback. Planning can be controversial and inevitably generates complaints, primarily from those who are dissatisfied with the outcome of a planning decision in addition to complaints about planning processes. There has been an increase in the number of complaints received by those who disagree with planning outcomes. A number of controversial planning applications have been approved in 2014/15, in advance of the SAMDev Plan adoption, which have been locally unpopular and the reason for this is the balance of planning considerations has weighed more heavily in favour of national strategic policy than local planning policy. A member led task and finish group was reconvened in in early 2015 to review planning committee processes to confirm what works best for Shropshire.

## **6. Natural and Historic Environment**

The historic environment and tree team officers have continued to work closely with colleagues within Planning Services and the policy teams to deliver a more closely integrated service, working towards identified performance measures and a stronger policy framework. In common with the other service areas, this has been against a background of a substantially increased volume of planning applications and a resultant increased level of public scrutiny of decisions. The Historic Environment Team has continued to deliver savings through the reduction in the number of officers, although this has been partially compensated for through the successful recruitment of three extremely capable technicians to support the more senior officers, an approach mirrored in the tree team.

The team continues to provide high quality advice to owners, occupiers, agents and developers of historic properties and other heritage assets, and in relation to all aspects of tree, hedgerow and woodland planting and management. Within the past year it also delivered the significant majority of decisions on applications that it has responsibility for, and advice on those for which officers are consultees, within the identified timescales.

Whilst the numbers of some category of application have remained broadly static, (e.g. hedgerow removal notices and those relating Tree Preservation Orders) there has been a very substantial increase in others (e.g. trees in conservation areas has risen by 23%, although in this case this was due increase in size of the Church Stretton conservation area).

Overall the numbers of planning consultations handled by the teams has increased over the past financial year (over 42% for trees, 17% for archaeology 4% for conservation,). In addition to this large increase in workload, there has been an issue for the tree officers with the timeliness and consistency of consultation on planning applications, caused in part by reduced capacity within the Central Validation Team and in the number of planning officers. On occasion this has resulted in tree-related issues only being identified late in the process, causing frustration and delay for applicant and officers alike.

The team continues to liaise closely with the relevant statutory bodies on policy and strategy, as well as individual applications matters. Some of these bodies have also undergone significant organisational change within the past year. Therefore, the team's focus has been to sustain working relationships and ensure continuity of service levels during these changes.

In addition to planning related functions, the tree team is also responsible for carrying out tree safety inspections of adopted roads and council-owned sites and facilities across the county. Significant problems with IT (both portable hardware devices and the 'Confirm' software used by 'Highways') have meant the team has had to rely upon paper records for data capture on site, resulting in slippage against the tree safety survey schedule. They have responded by prioritising known and likely higher-risk sites and will be working hard to catch up with the inspection programme over the coming year.

In addition to statutory functions, the tree team has recently carried out a community based 'i-Tree' survey of Belle-Vue's trees. i-Tree identifies the environmental value of trees, which in the case of Belle-Vue turns out to be over 1,500kg of airborne pollutants and ~200 tonnes of carbon 'absorbed' per year, with a financial benefit of over £38,000 per year. Other data about the type, age, condition and distribution of Belle-Vue's tree can be used to inform land management and resource allocation decisions.

The Belle-Vue i-Tree project was funded by a grant from Natural England and it is hoped to expand it Shrewsbury-wide this summer.

The resulting information will be invaluable in providing a local evidence base to inform and underpin tree and woodland related policies and strategies, as well as assist resource allocation decisions.

In addition to the teams planning related functions, the historic environment officers have worked with community groups in Much Wenlock and Ludlow to pilot a methodology for Buildings at Risk surveys. This information is being fed back into the Shropshire Historic Environment Record to assist with evidence based decision making. The team has provided specialist conservation accredited architectural services for a range of publically funded projects, including the repairs to Lord Hill's statue outside Shirehall, a Natural England agri-environment scheme projects at Creswell Chapel in Staffordshire and ongoing works on

Shropshire Council's former lead mine buildings at Snailbeach, and at the Buttercross in Ludlow.

The team has also been working with Clwyd Powys Archaeological Trust to deliver two community based projects for the Stipertones and Corndon Hill Heritage Lottery Fund Landscape Partnership Scheme to deliver improved management of a medieval castle at Pulverbatch and an Iron Age hillfort above Callow Quarry, Minsterley.

The team continues to provide archaeological planning advice and a Historic Environment Record service to Telford and Wrekin Council under a Service Level Agreement.

## **7. Building Control**

Building Control provides statutory regulation, advice and added value services on behalf of the council which are all now commissioned into ip&e Ltd. This year has included reviewing the delivery of the service to ensure it meets customer needs, working towards developing customer relationships and marketing its services to retain market share in a highly competitive market.

The Building Regulations (fees and charges) Regulations 2010 requires a Council's building regulation service to breakeven and not be a burden on the council tax payer. CIPFA's Principles of Building Control accounting guidance clarifies the rules including how the services operating costs are to be split between the 3 cost centres – allocated on a true cost basis.

Building Control has the following objectives:

- Market its services to maintain its market share.
- Generate a positive financial position in order to have a sound platform to build from for the future.
- Ensure that its complimentary Energy Services are cost neutral.

The team are currently working hard with its customers to respond to their needs. Building Control has implemented a marketing strategy to help retain existing customers and win new business.

## **8. Public Protection Services – Summary of Operational Issues Health and Community Protection**

Community based Empty Homes Action Zones in Market Drayton, Oswestry and Whitchurch have successfully engaged the local residents and businesses to bring empty properties back into use generating employment and training opportunities for local people. This approach and targeting individual properties across the county has resulted in the team directly facilitating returning 85 empty properties into use and created 12 new homes during 2014/15. The Council's Empty Homes Strategy was revised in 2014 and sets out the future focus of the work.

The Council is currently working with ITV to film the good work the authority is doing to return empty properties into use. This will be shown later in the year.

Officers responded to a complaint of illegal meat being processed in a domestic property. Officers obtained a warrant to enter the premises and seized half a ton of meat to prevent it from entering the food chain. Further details cannot be reported at this stage as the investigation is ongoing.

Following the relaxation of border control checks on animals being imported into Britain, there has been an increase in complaints regarding imported dogs with inaccurate or invalid passports which are not vaccinated against rabies. One investigation resulted in a dog being formally quarantined whilst vaccination was administered. A preventative campaign to raise awareness of the need to buy dogs from reputable breeders and checking the validity of passports has been undertaken. The team has also updated the Council's contingency plans and disease response plans in case of an outbreak.

Officers have worked with 1830 food businesses in Shropshire to ensure food produced and sold in Shropshire is safe to eat. 94% of Shropshire food businesses are broadly compliant with food safety legislation which is a measure used by the Food Standards Agency to indicate satisfactory standards. The team have also piloted the use of ATP monitors which measure the cleanliness of food contact surfaces. This approach has been very effective in highlighting inadequate cleaning on surfaces that look clean allowing for improvements to be made in the methods of cleaning employed.

The Community Resolution team have responded to a wide range of complaints of domestic nuisance many of which are highly complex. There has been an increased focus on partnership working and use of mediation skills to respond to these complaints. For example, one officer investigated a complaint about the accumulation of rubbish and the presence of rats. When the officer visited she found the occupant to be overwhelmed by the problems. This was a highly sensitive case which the officer managed with exemplary skill providing much needed support to the complainant.

## **9. Environmental Protection and Resolution**

Following the transfer into ip&e Ltd they have already won significant new pest control contracts one with a large government research facility for a 5 year period. The council has been involved in a substantially increased number of Public Health Act funerals – the number carried out already in 2015 has surpassed the number of public funerals of 2014.

All of these cases come with their own unique story and posed different challenges for the staff but are all delivered with dignity and a high level of care as the fundamental objective.

There have been some innovative and challenging projects throughout the year in respect of environmental protection and resilience all targeted at improved outcomes for local people, the environment and businesses in support of the Council's vision, priorities and objectives. Of particular note are the introduction with government grant funding of a novel system for smart traffic signals which will prioritise traffic signalling to improve air quality in Shrewsbury town centre and a project, funded through the EU, at the Maesbury Road closed landfill site near Oswestry.

The site is owned by the council and is one of five sites selected by the Environment Agency to take part in the ACUMEN project aimed at reducing climate change impacts. The project has involved the installation of a bio-oxidation unit to help break down the methane in the landfill gas hence reducing emissions and reduce greenhouse gas emissions. The new system is being monitored and the information will be used to assess viable approaches to managing gas economically from old landfill sites across Europe.

The Council's ecologists have continued to work innovatively to help positively deliver development within Shropshire and the team have also overseen the management of a former sands and gravel quarry to a now well used local nature reserve as well as delivering other community land use initiatives.

As part of the service's commitment to ensuring all activities are based on risk and evidence, they have appointed to a new and innovative post of Intelligence Officer. This post will promote better recording of intelligence within the service and sharing with partner organisations to ensure that we focus our enforcement activities on those posing the greatest risk and harm to maximise protection of vulnerable people.

Throughout the year they have continued to carry out investigation and pragmatic enforcement of illegal activities. They have had a number of successful prosecutions throughout the year including a premises selling illicit tobacco products in Market Drayton (and subsequently the premises licence was revoked), a number of cases against private hire vehicles illegally plying for hire (and some individual driver licences have been revoked) and a key case against a rogue Trader, who was finally sentenced in Shrewsbury Crown Court to a total of 5 years for a combination of trading standards and related police drugs cases.

Finally, they have taken an active part in the working with partners to protect communities. They have undertaken proactive enforcement of environmental crimes such as littering and dog fouling resulting in a number of written warnings and fixed penalty notices been administered. They have also taken an active part in Team Shrewsbury which is proving a benefit to tackling low level crime and in particular developing a very useful partnership approach with police and others.

## **10. Shropshire Towns and Rural Housing (STaR)**

On 1st April 2013, Shropshire Towns and Rural Housing Ltd took responsibility for the management of all 4200 Shropshire Council owned homes in the Oswestry & Bridgnorth areas.

They now provide all housing management services to council tenants, including all work to repair, maintain and improve. This also includes garage tenancies and leaseholders.

Shropshire Towns and Rural Housing (ST and R Housing) is an Arm's Length Management Organisation (ALMO), which means that Shropshire Council retains the ownership of the housing stock, controls the allocations policy and retains the homelessness duty but ST and R Housing manage and improve the housing service



provided to tenants.

The ALMO has invested £9million into Council homes in the last financial year. £5.5million was invested in the new build scheme which saw the development and creation of 68 affordable homes in Shropshire. 25 of these will be for sale as low-cost housing (shared ownership) and the remaining 43 will be affordable rent. The majority of these will be 2 storey houses, but the programme also includes 3 bungalows.

£3.5million was spent on planned maintenance works over the course of the financial year. These works include bathroom and kitchen replacements, new heating installations, door and window replacements, aids and adaptations etc.

Investing in this area helped to achieve the Decent Homes Standard for 100% of properties. However, work does not stop there, tenants have said that they would like homes to be maintained to a higher standard and see further investment in their environment.

## 11. CIL and Developer Contributions

In enacting the Community Infrastructure Levy (CIL), Shropshire Council adopted a community led approach, recognising the important link between new development and local infrastructure provision. This localised approach is supported by Government who require that a 'meaningful proportion' of CIL income must be given to the Town or Parish Council where that development occurred. This meaningful proportion is known as a 'Neighbourhood Fund'.

In, Shropshire Council is targeting 90% of the residual CIL monies to local infrastructure priorities in the area where development takes place, as identified through the Place Plans. The remaining 10% of residual CIL monies will be used for strategically significant infrastructure. This means that within Shropshire, CIL is distributed as follows:

CIL Fund	Proportion of Funds	Responsible	Area for Spend
Administrative fee	5%	Shropshire Council	Administrative expenses incurred during the implementation and enforcement of CIL.
Neighbourhood Fund	<ul style="list-style-type: none"> <li>- 25% where there is a formal Neighbourhood Plan or Neighbourhood Development Order.</li> <li>- 15% where there is no formal Neighbourhood Plan (capped at £100 per council tax dwelling).</li> </ul>	Town and Parish Councils	<p>Provided directly to the local Town/Parish Council to fund locally identified infrastructure projects.</p> <p><i>Please note: Neighbourhood Fund only applies to income from development where the CIL Liability Notice has been issued since the introduction of the Amendment CIL Regulations (2013) on the 25th April 2013.</i></p>

<b>Of the Remainder</b>			
Strategic Infrastructure Funding	10% (of remaining amount)	Shropshire Council in conjunction with infrastructure providers	Strategic infrastructure priorities across Shropshire.
Local Infrastructure Funding	90% (of remaining amount)	Shropshire Council in conjunction with Town/Parish Councils and infrastructure providers	Local infrastructure priorities to meet the infrastructure needs in the area where development takes place, as identified within the Place Plans.

CIL has been applied to around 900 development applications between January 2012 and March 2015, with over 300 of these notices issued in the last 12 months. However, over a third of the total notices issued did not result in any charge being made because they involved the deduction of existing floorspace resulting from the demolition or conversion of existing buildings, or were eligible for a form of relief such as self-build relief.

From the CIL liable development on which construction has started, we have collected around £2,400,000, whilst instalment payments of a further £4,670,000 have been committed. A further £8,250,000 of potential income is associated with development which has not yet commenced, however this is only payable if the development commences.

The Neighbourhood Fund which was introduced on the 25 April 2013 applies to income from development where the CIL Liability Notice has been issued since this date. It is the portion of CIL provided directly to Town and Parish Councils to be used for the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else concerned with addressing the demands that development place on an area. The second payment of the Neighbourhood Fund was made to those Town and Parish Councils where funds had accrued, alongside the annual precept in April 2015. These payments totalled approximately £200,000 a significant increase on the £11,000 provided in April 2014.

Shropshire Council has ring-fenced some CIL funds collected from development in Shrewsbury for a package of infrastructure projects within the town and has also spent £11,500 on a project to purchase and provide community facilities on a field in Clive. The remaining CIL funds collected have been banked and allocated in accordance with the agreed distribution of CIL funding.

Shropshire Council has continued to provide advice and guidance to many of the Local Authorities across the Country that are proceeding with the development and implementation of a CIL Charging Schedule, both through presentations at planning events and direct discussions with individual Authorities. Whilst Shropshire Council was the second Authority to introduce a CIL Charging Schedule, the number of Authorities that have now done so has increased to over 200.

Planning obligations, or Section 106 legal agreements, continue to play a key role in helping

to deliver local infrastructure in Shropshire, albeit gradually replaced by CIL in many ways.

The Council inherited a large number of planning legal agreements (Section 106) from predecessor councils and continues to use such agreements in appropriate circumstances. The total value of monies in hand currently amounts to around £5,200,000. These contributions will, amongst other things be spent on support for affordable housing provision, highway improvements, play and recreation provision and maintenance, and education provision.

In the first quarter of 2015 over £1,000,000 of developer contributions (CIL and S106 obligations) have been collected across Shropshire.

## **12. Local Planning**

We have now received confirmation from the SAMDev Plan Inspector, Claire Sherratt of her main modifications proposed to the Plan following the examination sessions late last year. The SAMDev Plan Schedule of Main Modifications is published for a six week consultation from Monday 1 June until 5pm Monday 13 July 2015. The Inspector is now inviting comments on the Main Modifications as part of the examination into the Shropshire Council SAMDev Plan. The Main Modifications have been identified by the Inspector as those necessary to make the policies in the SAMDev Plan sound. The Inspector will take account of all representations relating to the modifications before finalising her report to the Council.

Following this, assuming no fundamental issues arising, the Inspector will issue her report and the Council can move towards adoption, which is likely to be in September at full Council.

The Community Led Planning process is active across Shropshire. Following the successful referendum and adoption of the Much Wenlock Neighbourhood Plan last year formal Neighbourhood Plan areas have been designated in Shifnal and Stoke on Tern. These areas will now proceed through the formal neighbourhood plan process and ultimately to referendum. These will then be an important document and taken into consideration as part of the development plan for Shropshire.

Now in their regular annual review phase, one of the key roles of the Place Plans is to provide local evidence with which to agree the use of Community Infrastructure Levy (CIL) funds resulting from new development, and in doing so supporting the sustainable growth of settlements. In line with agreed practice, each Parish and Town Council was encouraged to respond to the annual review process between October and April. Alongside this, there has been on-going engagement with strategic infrastructure providers and internal council departments to clarify the long-term infrastructure needs for Shropshire as a result of settlement growth strategies.

## **13. Housing Policy and Delivery**

In terms of the headline issues Shropshire Council considers that it has a demonstrable

5 year supply of deliverable housing land.

This position has been supported within recent appeal decisions in Wem and Ford where the Inspector undertook a detailed appraisal of the Shropshire Council approach and considered extensive submissions from the development industry. The Inspector concluded that the Council is able to demonstrate a year supply of housing land.

Whilst it is considered that our calculation uses appropriate methodology, for the sake of robustness the Council has presented a range of scenarios based upon different assumptions, including the use of an annualised housing requirement and the 'Liverpool' approach. In each scenario, Shropshire is able to demonstrate a five year housing land supply. The Council strongly disagrees with the assertions of the development industry, which includes many untested claims and assumptions, and in particular disputes the methodology used to arrive at this alternative view.

Nevertheless the Council continues to be mindful of the requirement to boost housing supply in line with the requirements of the National Planning Policy Framework and is working to bring forward suitable sites in particular those allocated in SAMDev and others meeting the policy requirements set out in SAMDev.

#### **14. Enabling and Development**

As stated in previous reports, since late 2007, the economic recession caused profound difficulties for developers and for delivering housing and in particular delivering locally needed affordable housing. Falling house prices and financial lender reluctance were preventing developers being able to bring sites forward with the existing planning permissions and associated obligations due to viability issues.

Though there are recognised signs that house building is beginning to recover and increased developer activity on sites, the Council still recognises the wider economic benefits of helping stalled or unviable sites to come forward and has had a longstanding proactive and pragmatic approach to renegotiating obligations where viability issues are apparent.

Through policy, the Council has an annually adjusted affordable housing target rate, a rate that not only reflects current economic difficulties for developers and landowners, but one that responds to the housing markets movement, whether that be either up or down. This has meant far fewer viability appraisals have been submitted to the Council, as the adjusted rate accurately reflects the current development environment.

Shropshire continues to respond to the market positively through a range of initiatives that has meant although annual housing completions are down on pre 2008 figures, we have still consistently delivered relatively high open market and affordable housing completions when compared nationally and in the current local context. Developers do consider Shropshire a good place to develop and that is positive news for the wider local economy and for the Council in particular because of the annual performance related New Homes Bonus award.

As well as monitoring and continuing dialogue with developers, landowners, Registered Providers (RP's) and other building professionals relating to over 500 sites, the Enabling team also administer the highly popular and nationally acclaimed single plot exception site policy that seeks to offer those with a degree of housing need, a strong local connection and a need to remain in a rural community, the opportunity to build a home there.

These homes have a restricted value, are secured for the community in perpetuity and fundamentally contribute to the continued sustainability of rural communities.

## **15. Affordable Housing Contributions**

Since April 2010, Shropshire Council has required that all planning permissions for an open market dwelling contribute to affordable housing through the provision on site (depending on the site density and prevailing target rate), and/or the generation of a capital receipt (Affordable Housing Contribution – AHC), these have proved to be a vital source of funding for affordable housing schemes in Shropshire.

As of the 31<sup>st</sup> March 2015, this policy requirement has accumulated an affordable capital pot of nearly £10,550,000 based upon approved planning permissions, ring fenced for local affordable housing projects. There is a time lag before these sums are received and available for use by the Council, as it is only payable by the developer after work has begun on site. To date, the implemented permissions have generated receipts of £2,000,000.

On the 28<sup>th</sup> Nov 2014, in a Written Ministerial Statement (WMS) Brandon Lewis MP stated that Councils should not seek affordable housing or other tariff type burdensome contributions from developments of 10 or less houses (5 or less in some rural protected areas). This would affect over 90% of planning applications in Shropshire and therefore our ability to deliver affordable housing on site or secure an AHC. The Council's current position is that our local policy prevails, but this is due to be tested shortly on appeal.

## **16. Housing Capital Schemes**

Since the Local Government Review in April 2009, Shropshire Council has been proactive in using land, capital and developer contributions collected through historic and current Affordable Housing Contribution (AHC) s106 agreements to help fund Registered Providers and the private sector to develop additional affordable housing. To date, the Council has allocated £5.51m to help deliver 366 new affordable homes in Shropshire. Not only is this a much needed addition to the stock of local needs housing, it is also important to note that the total construction value of these schemes amounts to more than £41.7m of much needed investment into the local economy as well as the wider economic stimulus construction sites generate locally. The construction business sector estimates that for every £1 pound directly spent on construction, a further £3 to £7 pounds is brought into the local economy.

Additionally, the Council currently has under consideration submitted applications from local RP's to fund a further 91 affordable homes on developments worth £19.3m.

## **17. Community Led Housing**

Following on from the Sept 2012 Homes and Communities Agency (HCA) award of £1.3m to the Shropshire Council and Marches umbrella community land trust partnership, to develop 68 homes on 5 sites across the Marches, Shropshire Council continued to support and encourage similar initiative and new development opportunities through a New Homes Bonus funded grant initiative to RP's (Providers Grant) and host local parishes (Housing Parish Grant).

The Shropshire Community-Led Housing Providers Grant recognises the additional project costs that providers of affordable housing may experience when partnering on Community-Led schemes. Developing schemes in a genuinely collaborative and engaging way is simply more time consuming than more traditional developer led approaches. The Council is also of the view that rural schemes generally cost more to deliver in terms of high-quality design, materials, service infrastructure and a lack of opportunity for economies of scale and as such specific additional financial assistance is proposed for schemes demonstrating true community-led credentials.

The Shropshire Community-Led Housing Parish Grant acknowledges the fact that as the new Community Infrastructure Levy (CiL) applies only to open market housing, there is no direct financial "reward" to communities that have actively supported and shaped new community-led affordable housing. Plainly the principal benefit is affordable housing to meet local housing need, but the grant provides some financial reward to these communities for promoting and actively engaging with a "Community-Led" project.

The funding for these grants began in 2012/13 and continued until March 2015. A bid for continuation and a further 3 years of funding from the annual NHB award is due to be considered by Council in July 2015. To date, £2.0m has been used to fund an additional 165 homes on contracts worth over £17.74m. As stated before, these construction schemes add significantly to the local economy.

## **18. Self-Build**

Work continues to progress on this exciting opportunity to bring forward an identified piece of Council land owned land in Shrewsbury to be developed for up to 45 self-build homes. Site investigations and Highway negotiations are complete and an outline application is due for submission in the late summer following further consultation.

Shropshire Council is one of 12 LA's nationally to be chosen as Custom and Self Build "Vanguard" authorities, who were asked to pilot and develop a database of those keen to self-build and then seek to bring forward a site such as London Road.

This is pending formal legislation from Government to compel LA's to identify the need for this house building sector and then make provision through offering serviced plots. The aim being to increase this house building sector nationally from 5% to 15%.

Shropshire Council has a budget sourced from the New Homes Bonus (NHB) to provide the necessary infrastructure and services and then sell the plots to self-builders. The intention is that this scheme encapsulates the complete range of self-build, from the aspirational to the affordable. There is a great deal to consider in such a scheme but there are very exciting opportunities to develop this innovative market.

## **19. Community Housing Services**

The austere economic conditions in the county and nationally, with Welfare Reform changes and stresses to Social Care and Health have amplified the pressure and demand for Housing Services across Shropshire.

This increased demand, has however presented Housing Services with the perfect opportunity to review how services are delivered and how best to ensure the full resources available are used as effectively as possible.

Since the beginning of February 2015, with the direct leadership of the Head of Social Care and Housing Operations, the Housing Services Management Team has actively begun a review process with weekly Management Teams Meetings, Planning Away Days and meetings with Partners and key stakeholders.

The platform used to base the Review upon is the Authority's 'Strategic Priorities' and 'Principles to Ensure the Best Use of Resources'.

This has already led to many major successes and a renewed energy and drive within the service.

## **20. Housing Options Services**

Since February 2015, improvements introduced to working practices have seen a dramatic reduction in the number of households who have been in priority banding on Shropshire HomePoint for a period longer than 6 months. The result has been a reduction of 31% and it is expected this figure will continue to reduce in the coming months. During 2014/15, the Housing Options Team assisted 3,969 households who were homeless, at risk of homelessness, or living in unsuitable accommodation.

- Homelessness was prevented or resolved for 511 households.
- 1,191 homeless applications were made, of which 239 were owed a full duty for provision of accommodation.
- 423 households were provided with emergency accommodation.

In March 2014, Housing Options launched the 'Housing Solutions Wizard', an online self-help tool enabling clients to access personalized advice about their housing options, and produce a tailored action plan specific to their circumstances.

To date, 1097 housing options assessments have been completed using this online tool. Work

is on-going to promote and improve the Housing Solutions Wizard, including focus groups with specific client groups, such as young people.

The Housing Options Team continue to be lead authority for the sub-regional partnership funded by the DCLG, focusing on prevention of single homelessness. Strong relationships have been built with local authorities across Staffordshire and Telford & Wrekin, resulting in increased partnership working and sharing of good practice.

Outcomes of the sub-regional group include:

- Securing match-funding from the Homeless Transition Fund for continuation of the rough sleeper outreach service. Since this service began in May 2013, significant numbers of rough sleepers have been supported into accommodation in Shropshire alone.
- Improving access to affordable shared accommodation for young people through three pilot projects across the sub-region, one of which was shortlisted in two categories of the Local Government Chronicle awards 2015.

Housing Option's Welfare Reform Officer sits on the Operational and Strategic Welfare Reform Boards, and the Digital Inclusion Board, with relevant organisations to mitigate the impact of Welfare Reform and prepare for Universal Credit. Improved joint working with the Benefits Team, Local Support and Prevention Fund, Social Housing, the Private Rented Sector, and other interested parties, has resulted in greater efficiency and better outcomes for clients.

From week commencing 15<sup>th</sup> June 2015 the Housing Options team has centralised all staff to one office base on the fourth floor in Shirehall. This is in response to reduction in staff numbers to ensure Officers can work together more efficiently in a supportive environment and also reduces the need for office space and associated costs elsewhere around the county. Officers originally located outside of Shrewsbury continue to provide face to face customer appointments as required from hub locations in the County market towns to ensure continuity of service for the public throughout the county.

## **21. Private Sector Housing**

The service is seeing a significant increase in reports of owner occupied properties which are in serious disrepair and exhibit a high number of Category 1 hazards. In many of these cases issues associated with hoarding are being identified which is seen as a significant contributor to poor and hazardous home environments. Housing is working closely with Health, Community Mental Health and Social Care services to address this issue through partnered approaches.

Shropshire HeatSavers has been developed as a partnership between Shropshire Council's Private Sector Housing Team, Public Health, NHS, Age UK and Mears plc, to identify and respond to fuel poverty, the absence of suitable forms of heating in properties occupied by vulnerable people. The Private Sector Housing team host the Shropshire HeatSavers referral hub. HeatSavers received a total of 56 referrals from health professionals and trained volunteers during 2014/15.



The scheme delivered over £68,000 in financial assistance in the form of heating grants and 48 emergency portable radiators were supplied to 24 vulnerable households.

Utilising the National Housing Health Cost Calculator in the region of £115,000 in savings to the NHS and society as a whole were identified. It is important to note that this saving will accumulate as on-going savings year on year. Since 2012 the HeatSavers scheme has made savings to the NHS and society as a whole in the region of a £1,000,000.

In collaboration with Telford and Wrekin and Herefordshire Councils, Marches Energy Agency and the Council's Private Sector Housing Team successfully bid for funding under the DECC Green Deal Pioneer Places scheme, securing a share of £450,639. During 2014/15 this funding has assisted the Council to procure an aerial thermal imaging survey over a number of Shropshire Market Towns.

The data is currently being overlaid onto the Council's GIS Mapping system which will be made available to the general public through the Council's website. The aim is to help homeowners; landlords and tenants identify the level of energy performance of their homes. Information will also be provided on Green Deal, Energy Company Obligation and other national and local initiatives available to help make homes more energy efficient and to provide affordable warmth.

A number of energy efficiency roadshows are also being planned across the county ahead of the next winter period.

During 2014/15 Housing Services have been working with a number of Council departments, Local Authorities, and partners to bid for external funding to support our work in the promotion of energy efficiency and affordable warmth. Details of these funds are provided below:

### **NEA The Warm & Healthy Homes Fund**

The Partnerships Programme aims to provide 10 local health and housing partnerships across England and Wales with access to a share of a fund totalling £3.25 million to provide households most at risk of fuel poverty and cold-related illness with heating, insulation and other complementary measures that will lead to an improvement in their circumstances. The Council has submitted a bid for £325,000.

### **Government's Central Heating Fund**

£25m capital funding programme to provide first time central heating systems in off-gas mains areas. A Consortium bid is currently being prepared by Worcestershire, Shropshire, Herefordshire and other partners.

### **British Gas Energy Trust**

This fund is open to charitable organisations to bid for between £50,000 and £500,000 to deliver projects which will assist low-income and vulnerable households and demonstrate a positive health impact. In particular, the programme will focus on addressing health problems exacerbated by fuel poverty, as outlined in the Public Health England report on 'Fuel Poverty and Cold Home – related health problems'.

## **22. Disabled Adaptations**

During 2014/15, the total number of DFG referrals received by Private Sector Housing from 77, an increase on the 241 received in 2013/14.

The total number of DFG approvals was 196 an increase on the 157 approved in 2014/15.

Also during the same year, 181 Disabled Facilities Grants were completed an increase on the 138 completed in 2014/15.

The total expenditure was £1,304,923, an increase on the previous year's figure of £885,080.

The remaining budget was committed against pipeline cases and has rolled forward into 2015/16. The total budget for DFG's for 2015/16 is £1,832,329. From 2015/16 Government allocation of DFG funding to the Council is via The Better Care Fund.

Improved service delivery and outcomes for disabled people in relation to adaptations and appropriate accommodation, remains a priority. Work is currently underway focusing on more efficient and effective working and resource management, across Occupational Therapists, Private Sector Housing, The Home Improvement Agency and Housing Providers.

## **23. Housing Support Services**

Housing Services has a number of provider contracts expiring this year, which are to be re-specified and tendered.

This is seen as a perfect opportunity to review how services are commissioned in the county; with an expectation that with improved collaboration and a co-ordinated approach, outcomes for users will be much better and delivered considerably more competitively.

A number of innovative solutions are being considered, which along with improved systems and an emerging culture of professional performance management, will remove unnecessary duplication and ensure resources throughout Shropshire provide a protective safety-net for vulnerable citizens and are targeted to where they are needed.

Currently, the Supporting People Contracts Reviews are undergoing extensive analysis, planning and discussion. The HandyPerson Service and Home Improvement Agency Reviews are now at an advanced stage and proposals will be announced shortly.

## **24. Shropshire HomePoint**

Shropshire HomePoint, the county's partnership choice-based lettings scheme was

integrated into Housing Services on 1<sup>st</sup> July 2015 to complement the service; and provide a one-stop customer focused solution to meet the increasing needs and high aspirations of Shropshire citizens.

After reviewing and successfully implementing new systems, Shropshire HomePoint is now recognised as one of the most effective and efficient in the country.

Average work processing times since February 2015 have reduced from 12 weeks to same day / next day.

Shropshire HomePoint is also leading the way in the authority with its reporting and performance management systems to help plan strategically for the future.

In addition to the Housing and Property Stock Registers, the scheme has also recently launched a Shropshire Mutual Exchange Register and will later this year introduce a Waiting Time Calculator and Virtual Presenter to its website.

In 2014/15 over 1,184 applicants and their families were rehoused through Shropshire HomePoint and many more were helped to find alternate housing solutions.

## **25. Challenges for 2015 - 2016**

The authority faces a number of issues and challenges this year, which include:

### **Right to Buy**

Right to Buy (RTB) presents a number of significant challenges for the Council, principally being the loss of affordable homes and the inability for the received receipt to provide a replacement home, particularly in rural areas. Latest industry figures indicate for every 8 homes sold through RTB only 1 is replaced. Currently the maximum "discount" a Shropshire tenant could receive is £77,000.00, this discount increases annually in line with inflation (CPI). On a rent of £90.00/week the maximum discount equates to nearly 17 years of rent paid.

The Government also announced before the election that they would extend the same opportunities to tenants of Housing Associations. This has caused considerable concern for these private companies and registered charities as they have business, improvement and development plans based upon long term financial borrowings, borrowed against their asset base (the homes they own), clearly an initiative that diminishes that asset base and at a rate they cannot control, adds considerable uncertainty and nervousness into long term investment plans.

Shropshire Council currently has a long running issue with the Government and DCLG over getting large areas of Shropshire designated as "Rural".

Such a designation would mean that homes lost through RTB in these areas, would have a restriction on their value for a determined time period to prevent them being sold at full open market value. The Government has refused to issue a decision on the

Council's application for over 2 years.

### **Affordable Housing Contributions**

The Minister of State for Housing and Planning, Brandon Lewis MP issued a Written Ministerial Statement (WMS) on 28th November announcing that Local Authorities should not request affordable housing contributions on sites of 10 units or less. And which have a maximum combined gross floor space of 1,000 m<sup>2</sup>, or 5 units or less in designated protected rural areas, the aim being to boost housing supply on smaller sites by removing "burdensome obligations".

This statement and the subsequent adoption into the National Planning Practice Guidance is a material consideration that the Local Planning Authority now has to take into consideration and is clearly at odds with Shropshire's adopted Core Strategy.

The scale of impacts due to the rural nature of Shropshire are profound, sites of 11 or more dwellings are the exception rather than the rule, an analysis of submitted applications between Jan 2012 and Dec 2014 (1001 applications) demonstrated that 92% (928) were on sites of 10 or less and 85% (851) on 5 or less.

Currently the Council position is to afford more weight to local policy than the WMS, but this has been challenged through appeal, with the first relevant hearing being in July. Depending upon the Inspectors decision, the Council may have to reconsider it's position.

## **26. Conclusion**

With the current economic climate and subsequent increased demand for services, the Portfolio area of Regulatory Services, Housing and Commissioning has faced significant pressure and issues over the past year.

However, as this report reflects, rather than just meeting these challenges, teams are determined to improve services by making them better, quicker, more customer-focused, and cost efficient as possible.

This has been achieved in a number of ways, including improving and developing business systems; using performance management to focus and target resources where they are most effective; redesigning teams and organisational structures to better meet demand; and encouraging and empowering individuals and teams to think innovatively to achieve the authorities aims, goals and ambitions.

This dynamic approach is already set to continue throughout this year, with a number of service reviews currently underway and a determination by all, to not only meet the needs of Shropshire's citizens but to exceed their aspirations as well.