

Open

Cabinet

**6pm
Tuesday, 14th June 2016
Council Chamber
Wyre Forest House
Finepoint Way
Kidderminster**



Cabinet

The Cabinet Members and their responsibilities:-

Councillor M J Hart	Leader of the Council & Strategy
Councillor I Hardiman	Deputy Leader and Operational Services
Councillor T Onslow	Planning and Economic Regeneration
Councillor N J Desmond	Resources
Councillor S Chambers	Health, Well-Being and Housing
Councillor S Fearn	Transformation & Change

Scrutiny of Decisions of the Cabinet

The Council has one Scrutiny Committee that has power to investigate policy issues and question members of the Cabinet who have special responsibility for a particular area of the Council's activities. The Cabinet also considers recommendations from this Committee.

In accordance with Section 10 of the Council's Constitution, Overview and Scrutiny Procedure Rules, and Standing Order 2.4 of Section 7, any item on this agenda may be scrutinised by the Scrutiny Committee if it is "called in" by the Chairman or Vice-Chairman of the Overview & Scrutiny Committee and any other three non-Cabinet members.

The deadline for "calling in" Cabinet decisions is 5pm on Friday 24th June 2016.

Councillors wishing to "call in" a decision on this agenda should contact Lynette Cadwallader, Committee Services Officer, Wyre Forest House, Finepoint Way, Kidderminster. Telephone: 01562 732729 or email lynette.cadwallader@wyreforestdc.gov.uk

Urgent Key Decisions

If the Cabinet needs to take an urgent key decision, the consent of the Scrutiny Committee Chairman must be obtained. If the Scrutiny Committee Chairman is unable to act the Chairman of the Council or in his/her absence the Vice-Chairman of the Council, must give consent. Such decisions will not be the subject to the call in procedure.

Declaration of Interests by Members – interests of members in contracts and other matters

Declarations of Interest are a standard item on every Council and Committee agenda and each Member must provide a full record of their interests in the Public Register.

In addition, alongside the Register of Interest, the Members Code of Conduct ("the Code") requires the Declaration of Interests at meetings. Members have to decide first whether or not they have a disclosable interest in the matter under discussion.

Please see the Members' Code of Conduct as set out in Section 14 of the Council's constitution for full details.

Disclosable Pecuniary Interest (DPI) / Other Disclosable Interest (ODI)

DPI's and ODI's are interests defined in the Code of Conduct that has been adopted by the District.

If you have a DPI (as defined in the Code) in a matter being considered at a meeting of the Council (as defined in the Code), the Council's Standing Orders require you to leave the room where the meeting is held, for the duration of any discussion or voting on that matter.

If you have an ODI (as defined in the Code) you will need to consider whether you need to leave the room during the consideration of the matter.

For further information

If you have any queries about this Agenda or require any details of background papers, further documents or information you should contact Lynette Cadwallader, Committee Services Officer, Wyre Forest House, Finepoint Way, Kidderminster, DY11 7WF. Telephone: 01562 732729 or email lynette.cadwallader@wyreforestdc.gov.uk

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*Unless there are no reports in the open session

If you have any queries regarding this, please speak with the Council's Legal Officer at the meeting.

Wyre Forest District Council

Cabinet

Tuesday, 14th June 2016

Council Chamber, Wyre Forest House, Finepoint Way, Kidderminster

Part 1

Open to the press and public

Agenda item	Subject	Page Number
1.	Apologies for Absence	
2.	Declarations of Interests by Members In accordance with the Code of Conduct, to invite Members to declare the existence and nature of any Disclosable Pecuniary Interests (DPI's) and / or Other Disclosable Interests (ODI's) in the following agenda items and indicate the action that they will be taking when the item is considered. Please see the Members' Code of Conduct as set out in Section 14 of the Council's Constitution for full details.	
3.	Minutes To confirm as a correct record the Minutes of the meeting held on the 8th March 2016.	7
4.	CALL INS a verbal update will be given on any decisions which have been "called in" since the last meeting of the Cabinet.	
5.	Items Requiring Urgent Attention To consider any item which, in the opinion of the Chairman requires consideration at the meeting as a matter of urgency.	
6.	Public Participation In accordance with the Council's Scheme for Public Speaking at Meetings of Full Council/Cabinet, to allow members of the public to present petitions, ask questions, or make statements, details of which have been received by 12 noon on 6 th June 2016. (See front cover for contact details).	

7.	Leader of the Council	
7.1	Leader's Announcements	

8.		
8.1	<p style="text-align: right;"><i>Councillor M J Hart</i></p> <p>Appointment of Honorary Alderman</p> <p>To consider a report from the Chief Executive in respect of appointment of an Honorary Alderman.</p>	10

9.		
9.1	<p style="text-align: right;"><i>Councillor S Chambers</i></p> <p>Temporary Accommodation Placement and Procurement Policy</p> <p>To consider a report from the Strategic Housing Services Manager which asks to agree the policy that will be used for placing households who require temporary accommodation and for procuring temporary accommodation to assist with the Council's duties under the Housing Act 1996 (as amended by the Homelessness Act 2002). To also consider the recommendations from the Overview and Scrutiny Committee from its meeting on Thursday 2nd June 2016.</p>	13

10		
10.1	<p style="text-align: right;"><i>Councillor T Onslow</i></p> <p>A Strategy for Enabling Business Growth and Enterprise</p> <p>To consider a report from the Head of North Worcestershire Economic Development and Regeneration which considers the strategy that the Council will use to support local enterprise and business growth. To also consider the recommendations from the Overview and Scrutiny Committee from its meeting on Thursday 2nd June 2016.</p>	29

11		
<i>Recommendations from Committees</i>		
11.1	<p>Overview and Scrutiny Committee, 2nd June 2016</p> <ul style="list-style-type: none"> Wyre Forest District Local Plan Review: Revised Local Plan Development Scheme (Project Plan 2016-2019). 	57

12		
12.1	<p style="text-align: right;"><i>Councillor N Desmond</i></p> <p>Report on Provisional Final Accounts Outturn 2015-16</p> <p>To consider a report from the Chief Financial Officer which provides the provisional outturn position in relation to the Final Accounts for 2015/16</p>	58
12.2	<p>Write-off of Amounts Outstanding</p> <p>To consider a report from the Chief Financial Officer to consider writing off the sum of £104,332.67 in respect of debts that cannot be collected.</p>	65

12.3	Alternative Vehicles for the Delivery of Development Opportunities Including Establishing a Local Authority Trading Company (LATC) To consider a report from the Director of Prosperity and Place to agree that further work continues to develop the business case(s) for development proposals that could meet need where the market is failing to address local issues and deliver a revenue stream for the Council, and to agree to the establishment of a Local Authority Trading Company (LATC) where the business case means that this is the most viable option. .(Please note that Appendix 2 to this report contains exempt information).	69
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13.	To consider any other business, details of which have been communicated to the Solicitor to the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.	
14.	Exclusion of the Press and Public To consider passing the following resolution: “That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of 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 to the Act”.	

Part 2

Not open to the Press and Public

12.3	<i>Councillor Nathan Desmond</i> Alternative Vehicles for the Delivery of Development Opportunities Including Establishing a Local Authority Trading Company (LATC) Appendix 2	-
15.	To consider any other business, details of which have been communicated to the Solicitor to the Council before the commencement of the meeting, which the Chairman by reason of special circumstances considers to be of so urgent a nature that it cannot wait until the next meeting.	

**WYRE FOREST DISTRICT COUNCIL
CABINET**

**COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER
8TH MARCH 2016 (6:00 PM)**

Present:

Councillors: M J Hart (Chairman), J-P Campion, S J Chambers,
N J Desmond, S E Fearn and I Hardiman,

Observers:

Councillors: H E Dyke, N Knowles and J A Shaw.

CAB.65 Apologies for Absence

There were no apologies for absence.

CAB.66 Declarations of Interests by Members

No declarations of interest were made.

CAB.67 Minutes

Decision: The minutes of the Cabinet meeting held on 9th February 2016 be confirmed as a correct record and signed by the Chairman.

CAB.68 Call Ins

No decisions had been called in since the last Cabinet meeting.

CAB.69 Items Requiring Urgent Attention

There were no items requiring urgent attention

CAB.70 Leader's Announcements

The Leader of the Council updated Members on Devolution and the Worcestershire Deal. He confirmed that the Worcestershire offer would be the subject of a preliminary meeting with Lord Heseltine on 20th April in London which the Leader would attend as representative of the Worcestershire District Councils.

CAB.71 Strategic Asset Management Plan 2016-2021

A report was considered from the Director of Economic Prosperity and Place which sought agreement to adopt the Strategic Asset Management Plan 2016-2021. The recommendations from the Overview and Scrutiny Committee from its meeting on 3rd March 2016 were also considered.

The Cabinet Member for Planning and Economic Regeneration led Members through the report. He advised that the core objectives of the Strategic Asset Management Plan focused on ensuring the Council's assets are used to support regeneration aspirations and perform at a significant level on their financial return.

He further explained that this was a robust and far reaching strategy that would ensure the District Council continued to deliver vital income that would help to support and deliver front line services, and ensure the delivery of regeneration aspirations.

The Chairman of the Overview and Scrutiny Committee confirmed that the report had been discussed at length at its meeting on 3rd March 2016, and recommended to Cabinet that the Strategic Asset Management Plan be adopted.

Decision:

Adopt the Strategic Assessment Management Plan 2016-2021 and Property Disposal Strategy 2016 subject to any revisions as a result of technical asset re-classifications required as part of the 2015/16 Accounting Code

CAB.72 Exclusion of Press and Public

Decision: "Under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting during the consideration of the following items of business on the grounds that they involve the likely disclosure of "exempt information" as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

CAB.73 Green Street Depot Project

A report was considered from the Director of Well-Being and Environment to consider options on the Green Street Depot Project.

Councillor Hart explained that options for partnership working or joint developments with other organisations had been considered as part of the review, but had been discounted because they did not meet the council's operational requirements or were not financially viable.

Councillor Knowles concurred that he fully supported the proposals in the report, as he felt that it was the most viable option.

Decision:

- i) Following extensive research into the options for the Council's depot facilities and the associated financial appraisals undertaken, it is more economically efficient and operationally effective to remain at the current location in Green Street, Kidderminster.**
- ii) The Director of Community Well Being and Environment will commence a procurement exercise for a biomass combined heat and power (CHP) plant at Green Street (Option 2), in advance of the commencement of procurement – the final business case which demonstrates the deliverability of a biomass CHP plant and the tender evaluation criteria.**

The award of any contract will be subject to Council approving the amendment to the Capital Programme
- iii) The revenue budget for 2016/17 is amended to reflect the revised expenditure requirements of this decision funded by additional income streams if the Biomass business case is proven deliverable from 2017/18 onwards.**
- iv) In consultation with the Leader of the Council and the Cabinet Member for Operational Services, further plans are developed to improve and invest at the Green Street site in order to maximise commercial opportunities and income generation potential.**

RECOMMEND to Council:

Subject to the deliverability test being met on the installation of a biomass CHP at Green Street depot, the 2016/17 capital budget is amended to include the amount specified in the report for the costs of this scheme.

There being no further business, the meeting closed at 6.21 pm

WYRE FOREST DISTRICT COUNCIL

CABINET
14TH JUNE 2016

Appointment of Honorary Alderman

OPEN	
CABINET MEMBER:	Councillor Marcus Hart, Leader of the Council and Cabinet Member for Strategy
RESPONSIBLE OFFICER:	Chief Executive
CONTACT OFFICER:	Ian Miller, Ext. 2700 ian.miller@wyreforestdc.gov.uk
APPENDICES	None

1. PURPOSE OF REPORT

- 1.1 To consider a recommendation to Council in respect of appointment of an Honorary Alderman.

2. RECOMMENDATION

- 2.1 **That the Cabinet consider recommending the Council to confer the title of Honorary Alderman on Councillor Mike Kelly in accordance with Section 249 of the Local Government Act 1972.**

3. BACKGROUND

- 3.1 It falls within the Cabinet's terms of reference, under the appointment procedure for Honorary Aldermen agreed by Council on 27 May 2015, to consider and make a subsequent recommendation to Council on nominations to the position of Honorary Alderman.
- 3.2 The Cabinet is requested to consider applications by Councillor Marcus Hart and Councillor Fran Oborski to nominate Councillor Mike Kelly to the position of Honorary Alderman of the District.
- 3.3 The appointment procedure provides that a person shall be deemed to be eligible for consideration to be nominated to the position of Honorary Alderman if he or she:-
- (i) has rendered a minimum of 20 years' service as a Member of Wyre Forest District Council; and
 - (ii) has rendered eminent or notable service to the District by serving as Chairman, Vice-Chairman or Leader of the Council, Chairperson of a major Council Committee, member of Cabinet or Leader or Deputy Leader of any political group.
- 3.4 Councillor Mike Kelly was first elected to the Council in 1973, in its shadow year. Councillor Kelly had three spells of office on the District Council: from 1973 to 1976,

from 1980 to 2000 and from 2004 until he retired in May 2015. Most recently, he had represented the Habberley and Blakebrook Ward. At the time of his retirement, Councillor Kelly's 34 years as a member of Wyre Forest District Council represented the second longest service. He was Chairman of the Council in 1989-1990 and Mayor of Kidderminster in 1992. Councillor Kelly had previously served on Kidderminster Borough Council and, uniquely, was also elected as a member of Kidderminster Town Council in its first elections in May.

- 3.5 The nominee has indicated his willingness to accept nomination for the position of Honorary Alderman.
- 3.6 If the Cabinet is so minded to support the nomination, in accordance with the Council's Appointment Procedure, it will be necessary for the Cabinet's recommendation to be submitted for consideration at an extraordinary meeting of the Council, convened for that purpose.

4. KEY ISSUES

- 4.1 The nominee meets the eligibility criteria set out in the appointment procedure. The other requirements of the appointment procedure have been met: the application has been submitted by members of two different political groups and the nominee has confirmed his willingness to accept nomination.

5. FINANCIAL IMPLICATIONS

- 5.1 The cost of holding an extraordinary meeting of Council, the Badge of Office and Scroll can be met from existing budgets for democratic and civic services.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The Council has the power to appoint honorary aldermen and alderwomen under section 249 of the Local Government Act 1972.

7. EQUALITY IMPACT NEEDS ASSESSMENT (EIA)

- 7.1 The report relates to an appointment that would be made by Council and no equality impact screening assessment is required. .

8. RISK MANAGEMENT

- 8.1 No relevant risks have been identified.

9. CONCLUSION

- 9.1 The Cabinet is invited to consider recommending the Council to confer the title of Honorary Alderman on Councillor Mike Kelly.

10. CONSULTEES

- 10.1 The Leader of the Council.
- 10.2 Corporate Leadership Team.

11. **BACKGROUND PAPERS**

Honorary Alderman appointment procedure – report to full Council, 27 May 2015.

Section 249 of the Local Government Act 1972

<http://www.legislation.gov.uk/ukpga/1972/70/section/249>

WYRE FOREST DISTRICT COUNCIL**CABINET**
14 JUNE 2016**Temporary Accommodation Placement and Procurement Policy**

OPEN	
CABINET MEMBER:	Councillor Sally Chambers, Cabinet Member for Health, Well-being and Housing
RESPONSIBLE OFFICER:	Strategic Housing Services Manager
CONTACT OFFICER:	Kate Bailey ext 2560 kate.bailey@wyreforestdc.gov.uk
APPENDICES:	Temporary Accommodation Policy

1. PURPOSE OF REPORT

- 1.1 To reaffirm the Council's current procedures and processes for accommodating households in need of temporary accommodation and to formalise these in a policy that will be used for placing households in such accommodation and for procuring temporary accommodation to assist with the Council's duties under the Housing Act 1996 (as amended by the Homelessness Act 2002).

2. RECOMMENDATION

The Cabinet is asked to DECIDE that:

- 2.1 **The Temporary Accommodation Placement and Procurement Policy be approved.**

3. BACKGROUND

- 3.1 Local Authorities have a duty to provide advice and assistance to homeless households under the provisions of the Housing Act 1996 and may have a duty to provide emergency, interim or temporary accommodation depending on whether the household are homeless on the day and where they are within the homeless decision making process.
- 3.2 Wyre Forest District Council discharges this duty in a variety of ways. Where possible the Council (in conjunction with its agent, Community Housing Group (CHG)) tries to prevent homelessness from arising or finds suitable alternative accommodation however, this is not always possible and so we provide emergency (interim) accommodation for those that require it (usually homeless on the day). Emergency accommodation is usually in the form of Bed and Breakfast or Houses in Multiple Occupation style accommodation. Where households have specialist needs, the Council works with a variety of partner agencies to assist in addressing those needs.
- 3.3 The majority of households are only accommodated in emergency accommodation for a short space of time. In 2015 – 16 the average length of stay was 14 days and 117 households were accommodated. Once a decision to accept a household has

been reached officers will work with them to secure a move into more permanent accommodation. This is normally an offer of a starter tenancy with a social housing provider but could also include a move into supported accommodation, a shared house or into the private rented sector. The council, therefore, rarely uses temporary accommodation.

- 3.4 A recent homeless case (Nzolameso v Westminster 2015) has now meant all Local Authorities are required to have policies in place that cover when and how they place households into emergency, interim or temporary accommodation and when they procure such forms of accommodation. This will enable homeless households to understand the type of service they will receive and the consideration made by officers in discharging the duties to accommodate. The Council will therefore capture its current processes and procedures for dealing with households in need of temporary accommodation through the adoption of this policy.
- 3.5 This policy has been considered by Overview and Scrutiny Committee on the 2nd June and they will report their recommendation to Cabinet for this meeting.

4. KEY ISSUES

- 4.1 The Temporary Accommodation Placement and Procurement Policy (appended to this report) addresses all the considerations that the homeless legislation, code of guidance, statutory instruments, case law and Childrens Act 2004 outline. The policy is a clarification of how officers currently work and will ensure consistency and transparency in decision making.
- 4.2 The Policy outlines the factors the officer must consider when offering a homeless household emergency accommodation (please see section 2 of the policy for more details). This will include the following considerations; the availability, cost, size and location of any accommodation and the circumstances and composition of the household. In particular the officer will consider whether the family have employment in the District or whether there are any specialist educational or health needs that can only be met within the District. As most households are only in emergency accommodation for a very short period of time (14 days on average) and many households have cars / family and friends to support them, most of the offers made, even outside the District, are likely to be suitable in the short term.
- 4.3 The criteria for prioritising placements remains with the officer and the factors they should take into consideration are outlined in section 3.4 and 3.5. There may be more than one household approaching as homeless on the day and the officers will be required to apply this policy and prioritise which household goes where.
- 4.4 The policy also outlines circumstances where we may accept a discretionary duty to accommodation where the household might not be owed the s188 duty (where an applicant who is eligible, homeless and in priority need must be provided with accommodation) or s184 duty (where we owe the household the full rehousing duty). Primarily the discretionary duty is offered where a household has received an adverse homeless decision and requests a review of this from the council. In these circumstances there is some case law officers can refer to and this is covered briefly in section 4. The household can request a judicial review if the discretionary duty to accommodate is not offered.

- 4.5 The policy also outlines the process of procuring Bed and Breakfast style establishments for emergency accommodation (in section 5). This is a process that is currently being undertaken by the Procurement Officer and Strategic Housing Services Team and is renewed approximately every 3 years. The officer will follow all relevant contract procurement rules, legislation, strategies and procedures to procure accommodation that will be included in a framework agreement.
- 4.6 In section 6 the policy makes reference to the Rent Bond Policy and the Discharge into the Private Rented Sector Policy, which are relevant to officer's considerations about how and where to accommodate households. The rent bond is an alternative to that can be offered in certain circumstances such as to households who aren't owed the full rehousing duty because they may be deemed non-priority need or intentionally homeless. All homeless households, who we owe the full rehousing duty to, can be discharged into the private rented sector but the tenancy must be for 12 months and so the availability of this type of accommodation is limited.
- 4.7 The Council recognises that Bed and Breakfast accommodation is not suitable for long term occupation and in recent years has been able to both reduce the length of stay (down from 17.9 days in 2013-14 to 14 days in 2015-16) and to offer alternatives in the form of shared and self-contained accommodation. However demand continues to rise as homelessness increases every year and the officers continue to explore alternative provision.

5. FINANCIAL IMPLICATIONS

- 5.1 The delivery of the policy is within current resources. The Council currently have a contract with CHG to deliver its frontline housing advice; homelessness and housing register service but is responsible for sourcing and procuring accommodation, including emergency accommodation itself. The majority of procured accommodation is in the form of Bed and Breakfast style establishments.
- 5.2 The policy will make officers decisions more transparent and therefore potentially reduce the number of homeless reviews into suitability of accommodation offered which carry a financial cost in the form of the officer time taken to deal with them and the cost of accommodation provided through the discretionary duty to accommodate.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The legal duties to provide accommodation are outlined in the relevant homeless legislation, codes of guidance and related statutory instruments.
- 6.2 This policy brings together existing policies and procedures and the legislative requirements into a new overarching document to assist officers in making transparent and fair decisions when considering how to accommodate homeless households.

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 An Equalities Impact Screening Assessment has been undertaken. The policy gives consideration to those with health needs including those with disabilities and to

children and young people. There are no negative implications identified for groups with a protected characteristic.

8. RISK MANAGEMENT

- 8.1 There is a requirement to have a temporary accommodation placement and procurement policy in place to avoid the risk posed by legal challenge and so this policy and its operation mitigates against that risk.

9. CONCLUSION

- 9.1 This policy considers the case law (Nzolameso v Westminster 2015) in requiring all Local Housing Authorities to have a policy that deals with the placement of homeless households in temporary accommodation and the procurement of temporary accommodation for this purpose.
- 9.2 The policy outlines the circumstances the officer must take into consideration before placing a homeless household including their needs and the availability of accommodation. Whilst the majority of accommodation procured is within Wyre Forest it may occasionally be necessary to procure and place households outside the district.

10. CONSULTEES

- 10.1 Community Housing Group and legal services have been consulted with regarding this policy.

11. BACKGROUND PAPERS

- 11.1 Discharge into the private rented sector policy
- 11.2 Temporary Accommodation Placement and Procurement Policy.

TEMPORARY ACCOMMODATION PLACEMENT AND
PROCUREMENT POLICY

Allocation of Emergency and Interim accommodation (Part VII
Housing Act 1996), Discharge in the private rented sector and
rent bonds

Temporary Accommodation Placement and Procurement Policy

1. Introduction

- 1.1. The council has a statutory duty to provide temporary accommodation to homeless applicants in certain circumstances included, but not limited to:-
 - When the council has reason to believe a household may be eligible, may be homeless and may be in a priority need, the council had a duty to provide interim accommodation whilst it completes its homeless investigations
 - If, following investigations, a household is owed a full housing duty the council will be under a duty to provide temporary accommodation if permanent accommodation is not available
- 1.2. To comply with its statutory duties, the accommodation made available must be suitable.
- 1.3. The council, under the Localism Act 2011, is also able to discharge its housing duty through the offer of a private sector tenancy and can prevent homelessness through the provision of rent bond / deposit schemes. The authority must also ensure such offers of accommodation are suitable. For further information please see the Discharge into the Private Rented Sector policy and the Rent Bond policy.
- 1.4. In order to be suitable, the location of the accommodation is important. Unfortunately, it is not always possible to make accommodation available in Wyre Forest and the council will need to consider placements outside of the area.
- 1.5. This policy is to guide placements in temporary accommodation, including what will be taken into consideration when deciding if accommodation is suitable and who will be prioritised for placements in Wyre Forest.
- 1.6. This policy will outline factors that need to be considered by officers when determining if an offer of accommodation, including interim accommodation, temporary accommodation, private sector offers and rent bonds are suitable.
- 1.7. The criteria set out will not be an exhaustive list and each case will be assessed on its own merits to establish if they are sufficiently exceptional to depart from the policy. If a departure from the policy is required this must be in consultation with the Strategic Housing Services Manager (or successor position).
- 1.8. If a household refuses a suitable offer of interim accommodation Wyre Forest will not be under a duty to continue to secure it and if that accommodation becomes no longer available, it will not secure other accommodation except in exceptional circumstances. If a household refuses a suitable offer of temporary accommodation this will usually lead to a discharge of the homeless duty.
- 1.9. The Council currently contracts out the homeless service to a third party (Community Housing Group) and they will be responsible for placing people into emergency, interim and temporary accommodation on the Council's behalf. We will therefore expect them to adhere to the relevant parts of this policy.

- 1.10. The Council uses Bed and Breakfast and Houses in Multiple Occupation (HMO) to provide accommodation for emergency and interim use. Households accommodated under No Second Night Out and Severe Weather Emergency Protocol may also be accommodated in this type of accommodation.
- 1.11. In some circumstances households may also be housed into self-contained accommodation, prior to a decision being made, where the Council or its agent is certain a full rehousing duty will be owed and this accommodation is due to be most suitable due to the particular circumstances of the household.
- 1.12. Young people approaching as homeless that have no family or friends they can stay with are most likely to be offered some form of supported accommodation including crash pads or training flats, shared housing and supported accommodation schemes.
- 1.13. Victims of Domestic Abuse are unlikely to be offered Bed and Breakfasts or HMOs as this accommodation is insecure and unsupported and would therefore be deemed unsuitable according to Supplementary Guidance on Domestic Abuse and Homelessness (November 2014).
- 1.14. The Council doesn't usually provide units of temporary accommodation as most households are accommodated by our Registered Provider partners (and CHG in particular) on a starter tenancy within a short period.
- 1.15. The Council or its agent will also try to extend the length of time a household can remain in its current home (e.g. homeless at home) and will explore whether family and friends can also provide short term accommodation.

2. Suitability of Accommodation – Factors to Consider

- 2.1. Due to increasing pressures of homelessness, it will not always be possible to place households in ideal accommodation. The Council or its agent will take all reasonable steps to ensure that accommodation it offers is suitable. There will be occasions where the council is able to satisfy some of the below criteria, but not others. In such circumstances, it is for the housing officer responsible for placing the household to decide, based on the individual merits of the case, which factors should hold more weight whilst ensuring they comply with the council's statutory duties.
 - 2.1.1. **Legislation and guidance** – The Council will consider the Housing Act 1996 as amended by the Homeless Act 2002, Homelessness (Suitability of Accommodation) (England) Order 2012 (SI 2012/2601), Localism Act 2011, Section 11 of the Children's Act 2004, The Local Code of Guidance for Local Authorities 2006, Supplementary guidance on the homelessness changes in the Localism Act 2011 and on the Homelessness (Suitability of Accommodation) (England) Order 2012 and any subsequent guidance, relevant statutes and case law.
 - 2.1.2. **Age and type of household** – Wyre Forest will make all reasonable efforts to avoid placing 16/17 year olds in bed and breakfast accommodation and avoid placing families

in emergency accommodation for more than 6 weeks. When a household makes an approach without prior notice it may be necessary to place a household in bed and breakfast accommodation for a short period of time whilst arranging more suitable accommodation.

If there are children in the household, the needs of the children should be identified, both individually and collectively, and so far as possible a placement should safeguard and promote their needs considering availability, cost and suitability of accommodation.

2.1.3. **The accommodation available in the council** – if suitable accommodation is available in Wyre Forest and there are no reasons to place outside of Wyre Forest in consideration of the factors below, then applicants will be offered accommodation in Wyre Forest. Those with a priority to be placed in Wyre Forest will be placed before those without except in exceptional circumstances.

2.1.4. **The cost of accommodation** – Wyre Forest or its agent has to ensure that accommodation is affordable to the household and will ensure that a household can afford to remain in the accommodation without depriving itself of the essentials of life such as food, heating, clothing, and any other essentials. It also has a duty to protect public funds. As such, procured accommodation will be preferable to non procured accommodation. If there is no procured accommodation available, then Wyre Forest will secure the best value for money accommodation whilst ensuring it is suitable for the household.

Affordability of accommodation will be based upon the household's income. If the accommodation would be affordable based upon the households income, but the household has no money, and as such is not able to pay the initial charge if required, this will not render the offer unsuitable except in exceptional circumstances such as if there was a necessary unexpected expenditure which caused the household to have no money.

2.1.5. **Size of the accommodation** – Wyre Forest or its agent will consider the Local Code of Guidance for Local Authorities when considering if accommodation is large enough for a household. In certain circumstances with large households and no availability of larger accommodation, smaller accommodation will be deemed to be suitable in the short term whilst it tries to secure more suitably sized accommodation.

2.1.6. **Location of accommodation** – Wyre Forest or its agent will aim to ensure that individuals are as placed as close as reasonably practicable to where they were previously residing, considering availability, cost and suitability of accommodation, unless there was violence or threats of violence at the previous location, there is a need to break links with negative influences within the area / district, the applicant does not mind where they are housed or the applicant actively wishes to move out of the area or any other special reason.

Transport links that can be available to the household include:-

- Walking/bike
- Use of a car or other motor vehicle

- Transport provided by family and friends as long as it is reliable and consistent
- Public transportation
- Transport provided by statutory or non statutory agencies as long as it is reliable and consistent
- Taxis

There is a presumption that travel time of 60 minutes or less will be deemed reasonable.

When placing a household out of the area Wyre Forest or its agent will comply with the Worcestershire Joint Accommodation Placement protocol with participating district councils by keeping them informed of placements within their district.

- 2.1.7. **Health Factors** – The council or its agent will consider health factors, including a household's mobility, care and support provided by statutory and non statutory agencies or the need to access specialist medical services that are only available in Wyre Forest. If a placement outside of the area is necessary, the council will also consider if services can be transferred or if services can still be delivered in another area and the effect of not receiving these services on the household if they cannot continue to engage in them.
- 2.1.8. **Education** – The council or its agent will consider the effect upon a young persons education when making a placement and will consider whether, considering transport links, a young person would be able to reasonably attend their school and if not whether schooling can be transferred on a temporary basis. Special consideration will be given to young people with special educational needs or in exam critical years when determining if it is reasonable for their schooling to be transferred on a temporary basis.
- 2.1.9. **Employment/training** – The council or its agent will consider whether a household will be able to reasonably continue in their employment/training from the accommodation that is secured.
- 2.1.10. **Risk** – The Council or its agent has a duty of care to all households it places. When a household is identified as a risk towards either:-
- A specific individual
 - A class of people (e.g. sex, age or race)

that the council (or its agent) has placed, the council (or its agent) will make a decision on where to place based upon:-

- The likelihood of harm
- The severity of harm that would occur
- Whether the risk can be reasonably managed

The council or its agent will determine risk based on disclosure from the household, information received from 3rd parties, previous knowledge of the household from the council or its agent, 3rd party risk assessments if available and any other relevant information.

If the risk is not acceptable and it can not reasonably be managed, the household will not be placed in any accommodation where the council has placed either an individual or class of persons that would be at risk from the household.

The authority will make all reasonable efforts to comply with its statutory duties, whilst ensuring that other households, including those not placed by Wyre Forest or its agent, are not put at unnecessary risk and will consider accommodation arranged with friends or family, supported accommodation, hotel accommodation and any other accommodation it can reasonably arrange.

2.1.11. Previous behaviour – If a household has been previously placed in accommodation by the council or its agent and has either: failed to pay rent; breached the terms of their accommodation agreement; or has failed to conduct themselves to a suitable standard, the household may be placed in different accommodation than they were placed in previously or in accommodation with a different landlord.

2.1.12. Expected length of time in accommodation – If a household is likely to be in accommodation for a short period of time, either because they;

2.1.12.1. have already had a negative decision,

2.1.12.2. from an evidential basis it is likely a negative decision will be made,

2.1.12.3. they only need the accommodation for a short period of time whilst repairs take place

2.1.12.4. or are due to be moved to another property,

accommodation that would otherwise be deemed unsuitable can be deemed to be suitable for a short period of time. Conversely if a household is likely to be accommodated for a long period of time due to being difficult to rehouse, having a reduced preference or being skipped by housing associations for other reasons, accommodation will need to be suitable in the longer term.

2.1.13. Social factors – The council or its agent will consider other matters including, whether a household is engaged with any services such as drug and alcohol services and if the household can continue to engage with them from where accommodation is secured, and the effect of non engagement; support a household receives from family, if they can reasonably still receive this support and if not the effect upon the household; distance from children for whom a household is not the main carer but still provides care such as through joint custody and if they can still reasonably maintain contact; or any other special reason.

2.1.14. Support available in accommodation – Accommodation procured by the council does not have support. When a household may benefit from specialist support such as households fleeing domestic violence, the council will consider placing the household in accommodation that offers support available, even if outside the district. This is usually the case with most placements into a refuge as it is not appropriate for the victim to remain living close to the perpetrator.

2.1.15. Experience of landlord with homeless clients - The experience of the landlord with dealing with homeless clients is also a factor to be considered when deciding where to

place a household and landlords with more experience will be preferable to those without.

3. Criteria for prioritising placements inside/outside Wyre Forest

- 3.1. Due to increasing pressures to place homeless households and a lack of temporary accommodation within Wyre Forest, the council or its agent will have to utilise placements out of the area and will have to determine which households should be prioritised for placements within the District. Priority for accommodation in the Wyre Forest will be given to those whose circumstances indicate they would be best placed locally.
- 3.2. Where there are multiple households with priority for placements within Wyre Forest and insufficient suitable accommodation it will be for the housing officers responsible for placing to determine, based on the individual merits of the case, which criteria should hold more weight.
- 3.3. Where a household with a priority for a placement in Wyre Forest needs to be placed outside of the District due to a lack of accommodation in the area, the Council or its agent will make reasonable efforts to move them back into Wyre Forest as soon as is reasonably practical to do so.
- 3.4. For interim and temporary accommodation placements, the officers responsible for placing should consider:-
 - The needs of the households
 - The length of time that the households have been placed outside of Wyre Forest
 - The suitability of the households current accommodation
 - The effect of the placement upon the households
 - Whether a duty is likely to be accepted to the households based on the evidence available
 - If a duty has been accepted, the length of time expected for households to be made a permanent offer of accommodation (factors such as whether the applicant has a reduced preference on Home Choice Plus or is being skipped by housing associations or is otherwise difficult to rehouse and how long they have held their banding)
- 3.5. The criteria for prioritising include:-
 - 3.5.1. Households with one child (or more) in secondary school at key stages of education, for example whilst taking GCSEs.
 - 3.5.2. Households containing one child (or more) who has an education, health and care plan (or successor document) who are receiving education or educational support at a local school in Wyre Forest and where a change to another school or learning establishment would be detrimental to their continuing development

- 3.5.3. Where a child has been assessed as being a Child in need under Section 17 of the Children Act 1989 by Children's Social Care and where that need is in addition to their need of accommodation and where it can only be met through the provision of accommodation in Wyre Forest.
- 3.5.4. Households with significant disabilities or medical needs, including mental health, where their health or welfare may be significantly adversely affected by moving out of the local area, as assessed by the responsible housing officer. This may include:-
- The applicant needs to live in a particular area to receive care
 - The applicant is in receipt of a significant care package or receiving specialist healthcare that can not be transferred elsewhere
 - The applicant has a severe and enduring mental health problem where a transfer would severely impact on the ability to engage with treatment
- 3.5.5. Households where one person (or more) is in permanent and settled employment for at least 6 months prior to the homeless application and they would not be able to reasonably continue their employment if placed outside the area.
- 3.5.6. Households where a member of the household is providing a significant amount of care for another person in the District who falls into one of the following categories:-
- Over 75 years old and living alone or with no other member of the household under 75 or
 - In receipt of medium or higher rate of the care component or mobility component of the Disability Living Allowance, Personal Independence Payment, Attendance Allowance or War Disablement Pension
- And the household would be unable to provide care, or unable to provide care to a sufficient degree if placed out of the area considering transport links and the care can not be provided by another person or agency.
- 3.5.7. Any household, which for any other special reason, needs to be placed within the District as its needs can not be met or transferred to another area and the effect of a placement outside of Wyre Forest would be significant and detrimental.
- 3.5.8. Any out of area placement should be as close to the household's previous address as is reasonably practicable.
- 3.5.9. Where the Council, or its agent, makes the decision to place a household out of area, they must follow the legislation and code of guidance requirements around notifying the Local Housing Authority where the household is being placed.
- 3.5.10. There may be some circumstances where it is to the benefit of the household that they are placed out of area such as domestic abuse. In these circumstances the priority will be to safeguard the victim by accommodating them in a place of safety (normally a refuge) at an appropriate distance from the perpetrator. Out of area placements might also be appropriate for other victims of violence or harassment or for households wishing to break away from drug / alcohol associations. In these cases the household is

usually supportive or requesting the relocation and the same degree of assessment will not be required.

4. Factors to be considered when deciding to offer discretionary accommodation

4.1. Wyre Forest has a discretionary duty to accommodate in a number of circumstances, including but not limited to, when an applicant requests a review of a negative decision.

4.2. Factors to be considered when deciding whether or not to offer accommodation pending the result of a review or appeal or for any other reason include:-

4.2.1. **Household type** – Whether or not the household has children and the ages of the children will be a factor to consider when deciding whether to offer discretionary accommodation.

4.2.2. **Accommodation available to the household** – If the household has alternative accommodation that they have resided in, or it is reasonably believed they can reside in; the council will be less likely to provide discretionary accommodation.

4.2.3. **Affect upon the household of not providing accommodation** – This will involve looking at the households health and other social factors, and determining, if street homeless, what harm they would suffer. The fact that a household would suffer harm will not be determinative of a discretionary duty to provide accommodation as if a duty is not accepted the council will not be under a duty to provide discretionary accommodation.

4.2.4. **Likelihood of success of the review** – This will be based upon the household's submissions and the initial decision. If they are not providing any new information, any new facts, or any new evidence, this will make it less likely that it will be necessary to provide interim accommodation.

If the review is likely to be successful, either because the initial evidence has clear deficiencies and a different decision should have been made or because new factors have been brought to light and evidenced that were not previously been considered, this will make it more likely that discretionary accommodation will need to be provided.

4.2.5. **The applicant's behaviour in accommodation** – If the applicant has behaved poorly whilst placed in temporary accommodation, either by refusal to pay rent, poor behaviour or other unacceptable conduct; this will make it less likely that discretionary accommodation will be provided.

5. Procurement of Emergency / Interim Accommodation

5.1. The Council will follow all relevant contract procurement rules, the procurement strategy and procurement requirements in obtaining interim accommodation for the purposes of accommodating homeless households.

- 5.2. In addition the Council will consider the Housing Act 1996(as amended by the Homelessness Act 2002), Code of Guidance and supplementary guidance and any subsequent guidance, relevant statutes, case law and national / local requirements.
- 5.3. In procuring accommodation or accepting accommodation onto the Council's framework, the Council will ensure the accommodation meets the required housing standards, can provide the basic required level of facilities and services and is cost effective. We will also ensure we have accommodation in a variety of locations where possible. Where it is reasonably practical to do so we will source accommodation that is accessible but as demand for this type of accommodation is very low we may procure it on an ad hoc basis.
- 5.4. The Council will ensure the accommodation has appropriate management arrangements in place and, where possible, can be contacted out of hours. Where the accommodation used is an HMO we will ensure they are being operated by a fit and proper person and are licensed (if relevant).
- 5.5. The Council will work with landlords / owners on the framework to ensure they understand their rights and responsibilities and that we provide specific training / information and advice where required e.g. around Child Sexual Exploitation.
- 5.6. The Council has a charging policy for homeless households to ensure ineligible items are paid for by the household and further contributions are made if the household is working and don't qualify for full housing benefit or have a shortfall in their "Housing Costs" element of Universal Credit.
- 5.7. The Council will procure additional units or use ad hoc agreements when demand exceeds supply or we have a specialist housing need that can't be met through the framework providers.
- 5.8. The current framework provider's contract will last for a period of two years with an option to extend by one year. Prices quoted must be held for the contract period. Providers being offered a booking will be able to decline or accept the booking dependant on availability of suitable accommodation. If declined then the next provider who demonstrates best price and quality will be offered the booking. Before the end of the contract the Council will review the emergency and interim accommodation requirements.

6. Rent Bonds and Discharge into the Private Rented Sector (PRS)

- 6.1. The Council has a separate policy for when they offer homeless or potentially homeless applicants, accommodation in the private rented sector (PRS). In particular households are offered the rent bond where the Council doesn't owe them the full rehousing duty, where they have a specific housing need that cannot be met through a traditional social housing offer or where an applicant requests the PRS.

- 6.2. The Council has a separate policy for when we discharge our full rehousing duty into the PRS. This option should be considered in every homeless case where we owe the full rehousing duty but it is likely that only a few cases would be suitable for this type of offer and/or that the Council has an appropriate supply of accommodation to address this need.
- 6.3. The Council will provide funding for the bond, on behalf of the applicant, to secure the accommodation but the applicant will be expected to save money every month so that when the bond ends, after two years, they have sufficient funds to replace the bond with a deposit or to secure their own accommodation.
- 6.4. If the household breach their tenancy agreement and the bond is required, the household will be expected to pay back the money due to the Council. This will remain as a housing related debt until cleared and will therefore affect the household's ability to be rehoused through the social housing route.

WYRE FOREST DISTRICT COUNCIL

**Cabinet
Tuesday 14th June 2016**

**Overview and Scrutiny Committee
Thursday 2nd June 2016**

Temporary Accommodation Placement and Procurement Policy

The Committee considered a report from the Strategic Housing Services Manager which outlined the policy that will be used for placing households who require temporary accommodation and for procuring temporary accommodation to assist with the Council's duties under the Housing Act 1996 (as amended by the Homelessness Act 2002).

Recommend to Cabinet:

- **The Temporary Accommodation Placement and Procurement Policy as set out in appendix 1 of the report, be amended to reflect the cross agency working the Strategic Housing Services Team undertake when dealing complex cases.**
- **The Temporary Accommodation Placement and Procurement Policy, for use by the Strategic Housing Services Team, and its agent, when placing homeless households and procuring emergency and interim accommodation be adopted.**

Background papers:

Report to the Overview and Scrutiny Committee, Thursday 2nd June 2016

<http://www.wyreforest.gov.uk/council/meetings/com193.htm#mt7616>

WYRE FOREST DISTRICT COUNCIL

CABINET
14TH JUNE 2016

A Strategy for Enabling Business Growth and Enterprise

OPEN	
CABINET MEMBER:	Councillor Tracey Onslow, Cabinet Member for Planning and Economic Regeneration
RESPONSIBLE OFFICER:	Director of Economic Prosperity and Place
CONTACT OFFICER:	Dean Piper Ext. 2192 dean.piper@nwedr.org.uk
APPENDICES:	Appendix 1: Wyre Forest Business Growth and Enterprise Strategy

1. PURPOSE OF REPORT

- 1.1 To agree the strategy that the Council will use to support local enterprise and business growth.

2. RECOMMENDATION

Cabinet is asked to DECIDE to:

- 2.1 **Adopt the Business Growth and Enterprise Strategy.**

3. BACKGROUND

- 3.1 One of the Council's Corporate Priorities is to 'support you to contribute to a successful local economy'. As such, the Council has a very active economic development and regeneration programme and also hosts the North Worcestershire Economic Development & Regeneration (NWEDR) shared service which covers Bromsgrove, Redditch and Wyre Forest. Good progress has been made in recent years in attracting new investment to the district and supporting new and existing companies to grow.
- 3.2 The Council through its membership of two Local Enterprise Partnerships (LEPs), Worcestershire and Greater Birmingham & Solihull, has benefited from participation in a number of strategic business support programmes that support business formation and local business growth. Furthermore, both of the LEPs have now launched 'Growth Hubs' which act as 'access points' for local businesses to find out more about available forms of business support.
- 3.3 As part of its overall approach to supporting economic growth, in recent years, the Council has invested its own resources in a number of initiatives including:
- **Space** – development of new incubator space to support fledgling businesses for an initial 3 years;
 - **Hoo Brook Link Road** – investment in new infrastructure to realise the full potential of the redeveloped former British Sugar site in Kidderminster;

- **Business support programmes** – participation in a number of schemes funded by the European Regional Development Fund (ERDF);
- **South Kidderminster Enterprise Park** – Local Development Order; simplified planning for businesses wishing to invest within the district's key employment zone;
- **Apprenticeships** - since 2012/13, the Council has invested £50,000 per year to help businesses to employ apprentices; since the scheme started over 50 apprentices have been supported.

- 3.4 The Wyre Forest economy is still in the process of recovery from the previous downturn and evidence suggests that the district continues to suffer from lower than average wages, productivity and skills compared to other parts of Worcestershire and the rest of the West Midlands region.
- 3.5 Going forward, the Enterprise and Business Growth Strategy is the principal document to guide how the Council plans to encourage enterprise and business growth. The Strategy will complement the recently adopted Strategic Asset Management Plan (SAMP) by identifying opportunities for the Council to utilise its property and land assets to support the development of new starter units and grow on space for small businesses, whilst generating new sustainable revenue streams to the Council.
- 3.6 This strategy has been considered by the Council's Overview and Scrutiny Committee on 2nd June 2016 and any recommendations made will be available for consideration at this meeting of Cabinet.

4. KEY ISSUES

- 4.1 Within the Strategy, the Council presents a number of 'Ambitions' that will frame the Council's approach, these include:
- Foster an Entrepreneurial Culture
 - Create sustainable business start-ups
 - Nurture existing businesses and retain them within the district
 - Encourage new inward investment into the district
- 4.2 The Strategy proposes that the Council utilises three delivery models to deliver its enterprise and business growth ambitions, 'direct commissioning', 'enabling and engaging' and 'support and signposting'. The Council will continue to be pro-active and directly commission services and solutions where it considers that it can achieve an impact and/or there is a gap in the market that needs to be filled.
- 4.3 Having reviewed the available economic evidence and data, the Strategy identifies three principal ways in which the Council can make the biggest difference to supporting new enterprise and business growth;
- **Providing flexible business accommodation**
- Potentially the Council has a role to play in directly commissioning new starter units and grow on space, utilising its own land and property assets or considering the purchase of privately owned land. In parallel, the Council will continue to work with private sector partners to help facilitate the development of new small-medium sized units.

The Council will aim to ensure that tenanted businesses can benefit from 'wraparound' support programmes, offering business coaching, mentoring and potentially grant assistance.

In its role as local planning authority, the Council also has an important role to play in ensuring that the district has a sufficient supply of employment land. The current Local Plan review will set out the requirement for employment land over the 2016 to 2032 plan period.

▪ **Providing business support, mentoring and targeted financial assistance**

Going forward, the Council plans to continue to maximise the benefit of European Funded Business Support Programmes to businesses in the district. The Council will work closely with LEP partners to ensure that there is in place a portfolio of schemes available locally that will encourage further business start-up activity, business growth and inward investment.

The Council via the NWEDR shared service is well placed to continue to act as a 'gateway' to local and regional business support programmes and initiatives. The team will work to ensure that local businesses understand what is available and how to access the support that they need.

▪ **Ensuring that Wyre Forest is 'investment ready'**

During the last few years, the district has been successful in bringing new businesses to the area and also supporting existing firms to invest and expand their operation, creating new jobs for the local workforce. The NWEDR service has raised the profile of the area with the launch of a North Worcestershire investment website and the Council in general has sought to promote an 'open for business' culture to position the district as a good place to do business.

The Council intends to continue to play a pro-active role in securing investment opportunities and work to ensure that it creates the right conditions for growth. This will be through delivery of its economic development activities and delivery of services and functions such as Arts and Events, Car Parking, Development Management, Local Plans. Services that support the delivery of the Council's corporate priority to 'support you to live in clean, green and safe communities' also make an important contribution to supporting business growth, for example the Depot through delivery of its commercial waste and recycling service, helps to save businesses money, whilst the Council's Green Spaces and Parks create a more inviting environment for the area which can form part of the overall offer to encourage businesses to locate in the district.

4.4 The core objectives of the Enterprise and Business Growth Strategy are as follows:

- Support the delivery of the Council's Corporate Plan Priorities;
- Provide a strategic framework to underpin Council investment in economic development and business growth initiatives and projects;

- To identify how the Council can support the growth of existing businesses within the district, to create a fertile ground for new business ideas and innovations to flourish and for entrepreneurs to succeed in starting up a new business;
- To ensure that the district is positioned as an attractive location for inward investment opportunities, to drive new jobs and investment;
- To help to identify commercial investment opportunities that support economic growth and can potentially provide a significant revenue stream to the Council;
- Promote Partnership working, in particular with the Local Enterprise Partnerships and Growth Hubs;
- To inform, influence and complement other Council Plans and Strategies i.e. Local Plan, Strategic Asset Management Policy.

5. FINANCIAL IMPLICATIONS

- 5.1 There is a strategic imperative for the Council to encourage and invest in business growth to help with its own financial position. Business growth ultimately translates into an increase in business rates and in future years the Council will increasingly need to rely on business rates to provide a sustainable form of funding to help maintain delivery of front line services.
- 5.2 The Council is already supporting or leading on a number of economic development and regeneration initiatives utilising existing funding allocated through its budget setting process. However, the Council will be pro-active in securing additional resources through external funding opportunities to deliver some of the business support activities proposed in the strategy. For example, the Council is able to benefit from participation in a number of European funded business support schemes that are being developed through the Local Enterprise Partnerships which maximises the amount of resources that are available to the district.
- 5.3 As part of this strategy, the Council will look to explore opportunities to invest in new commercial workspace opportunities, to provide much needed starter units or grow on space for expanding local companies. These schemes may also create a sustainable revenue stream for the Council. The Council's Evergreen Investment Fund will be a potential funding source to help finance 'investable schemes' alongside prudential borrowing or potentially grant funding from the Local Enterprise Partnerships. Each scheme will be subject to a detailed business case which will be presented to the Council's Overview and Scrutiny Committee for consideration.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The Enterprise and Business Growth Strategy and the proposed activities contained within it are supportive of the Council's Corporate Plan Priorities and relevant Council strategies, including the Financial Strategy and Strategic Asset Management Policy.

7. RISK MANAGEMENT

- 7.1 The Enterprise and Business Growth Strategy will be reviewed at least every 6 months to ensure that it takes account of any changes to the economic climate or the wider business support environment. The Council will monitor the progress

made in delivering against its enterprise and business growth ambitions by reporting against and monitoring a suite of measures.

8. EQUALITY IMPACT NEEDS ASSESSMENT (EIA)

- 8.1 There are no issues to be addressed.

9. CONCLUSION

- 9.1 The Enterprise and Business Growth Strategy sets out the Council's ambitions to support economic growth and provides a strategic framework against which the Council's activities can be developed.

10. APPENDICES

- 10.1 Appendix 1 - Wyre Forest Business Growth and Enterprise Strategy

Enabling Enterprise and Business Growth in Wyre Forest A Strategic Approach



1. Introduction

This document sets out a strategic approach and framework aimed at setting out how the Council will work to help new businesses to start up successfully and to nurture existing businesses within the district, to support them to achieve sustainable business growth.



2. Strategic Context

The Council's economic development and regeneration activities are particularly focused on supporting business growth and great strides have been made in recent years in attracting new investment and jobs to the district, assisting local firms with their expansion plans and improving the business start-up rate in Wyre Forest.

As a direct consequence of the the ReWyre Programme and subsequent 'State of the Area' debates in 2012 and 2013, the Council has invested significant amounts of its own resources to support projects that have promoted business growth and new enterprises. Examples include

- Space** – development of new incubation space to support fledgling businesses for an initial 3 years;
- Hoo Brook Link Road** – investment in new infrastructure to realise the full potential of the redeveloped former British Sugar site in Kidderminster;
- Business support programmes** – participation in a number of ERDF funded schemes;
- South Kidderminster Enterprise Park** – Local Development Order; simplified planning for businesses wishing to invest within the district's key employment zone;
- Apprenticeships** - since 2012/13, the Council has invested £50,000 per year to help businesses to employ apprentices; since the scheme started over 50 apprentices have been supported.

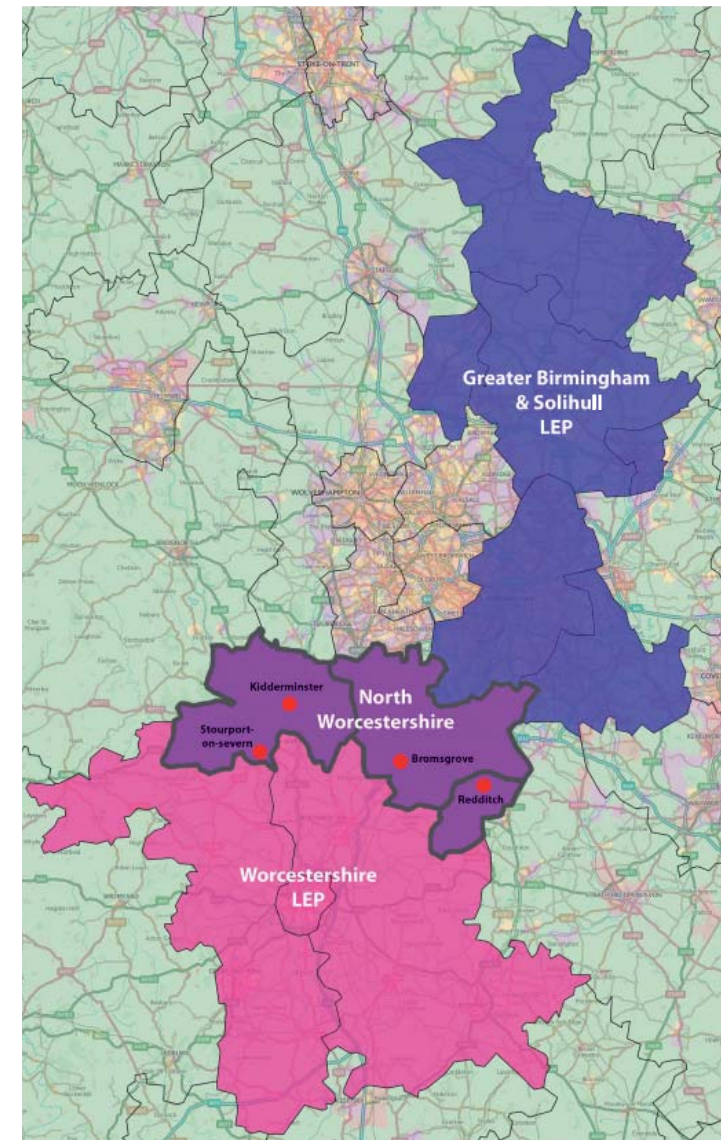
Furthermore, the Council has sought to promote an 'open for business' culture to successfully nurture the growth of local companies and attract new inward investment that otherwise would not have been invested in the district.

A recent example was the attraction of global automotive manufacturer Amtek Auto to Wyre Forest. Amtek will invest over £20m in their new Kidderminster plant over the next few years and create up to 500 new jobs. The successful landing of Amtek was in the face of stiff competition from sites across the UK and overseas and the Council played an instrumental role in securing them by working with partners to assemble a very attractive package of support including grant assistance, rate relief and simplified planning.

Wyre Forest District Council also hosts the North Worcestershire Economic Development and Regeneration (NWEDR) shared service which covers 3 local authority areas including Bromsgrove, Redditch and Wyre Forest. During the last 12 months, the NWEDR service has increased its profile by launching its promotional website and digital investment prospectus and the service is increasingly well placed to help businesses in Wyre Forest access the wider business support services offered locally and regionally.



Wyre Forest is part of two Local Enterprise Partnerships covering Greater Birmingham and Solihull and Worcestershire and over the last couple of years, the LEPs have played an increasing role in supporting local business growth and formation and have introduced strategic programmes utilising funding from Local Growth Fund and European Structural Funds.



As part of their Strategic Economic Plans, both LEPs have made a commitment to supporting a number of 'priority sectors'. These sectors either are of strategic importance to the LEP economy or have the potential to grow and develop. Wyre Forest has an opportunity via its dual membership of the LEPs to benefit from support programmes that are commissioned by the LEPs to grow these sectors:

Worcestershire LEP

1. Advanced manufacturing
2. Cyber and defence
3. Agri-tech
4. Visitor economy



GBS LEP

1. Advanced Manufacturing
2. Tourism & Hospitality
3. ICT
4. Business, Professional services
5. Digital & Creative
6. Food & Drink
7. Health care
8. Logistics
9. Low Carbon
10. Construction
11. Life & Health Sciences



Furthermore, the launch of two 'Growth Hubs' covering each LEP area means that local businesses can access a range of business support advice and support opportunities. It is likely that there will be a continuing re-focusing of business support activity towards the Growth Hubs, as national programmes such as the Manufacturing Advisory Service and Growth Service are to be closed down. There is a commitment across public sector partners to work together in a more integrated way, sharing data, resources and knowledge to ensure that businesses receive a more seamless and responsive service.

3. Wyre Forest Economic Context

Evidence suggests that the district still suffers from lower wages, skills and productivity than other parts of Worcestershire and the region. However, the district has an improving record around business start-ups and enterprise.

Data from the Office of National Statistics (ONS) shows that between 2009 and 2012, Wyre Forest experienced zero growth in the number of people employed in the district, with modest growth in private sector employment negated by a similar contraction in the public sector. Furthermore, the area has performed badly over the last few years in terms of wages which has acted as a drag on local income levels and purchasing power and the ability of local residents to get onto the housing ladder.

Although wages (as measured by average weekly pay per full time worker) have increased slightly since 2012, they remain steadfastly behind the county and regional rate. A key factor has been the inability of Wyre Forest's economy to fully re-structure following the decline of traditional sectors such as the carpet industry.

The Wyre Forest economy is moving towards an increasing reliance on the service sector to provide its employment, with the tourism and retail sub-sectors particularly buoyant. However, these sectors do typically pay workers less than some of the higher skilled occupations that can be found in the advanced manufacturing sector.



Wyre Forest is predominantly a 'small business economy' with the majority of firms (88.6%) within the district employing up to 9 workers. There are relatively few companies employing over 250 workers (0.3%) which is similar to the overall regional rate. The district has an improving record on enterprise and business start-ups, with just over 78 new business registrations per 10,000 working age population compared with 72 across the West Midlands. Self-employment is also on the rise, with 8.7% of the working age population falling within this category.

As part of the current Local Plan review process, the Council has commissioned Nathaniel Lichfield and Partners to undertake an Employment Land Review. The report identifies a number of issues that will have an effect on the ability of the district to support business start-up activity and business growth, these include:

**Demand for industrial properties is strongest for units up to 27,000 square foot;
mainly due to the fact that the local economy is dominated by small-medium sized businesses;**

**There is scope for the further provision of flexible work space and small units to accommodate business start-ups and
expanding local firms, offered on flexible leases and 'easy in-easy out' terms;**

**However, the above units are not being provided by commercial developers due to a lack of certainty and risk in
filling the units;**

**The District lacks the necessary critical mass to attract and sustain larger office occupiers;
office facilities in Wyre Forest tend to mainly service small local occupiers;**

Due to the distance from the motorway network, Wyre Forest is a less desirable location for logistics firms;

**Policies such as the Local Development Order for the South Kidderminster Enterprise Park area have proved to be positive in
attracting investment to the district and encouraging local business growth.**

4. Our Enterprise and Business Growth Ambitions

One of the Council's corporate priorities is to 'support you to contribute to a successful local economy'.

Key to the realisation of this corporate priority is to help new businesses to start-up successfully and to support existing businesses to achieve sustainable business growth. Therefore the Council plans to adopt a number of ambitions and ensure that they remain 'front and centre' in all areas of the Council's service delivery.

The Council recognises that the Wyre Forest economy is transforming but is in need of further structural change, therefore the Council is firmly committed to doing what it can to ensure that the district makes the transition from a traditional manufacturing area to a modern, dynamic and flexible economy that is resilient and can adapt to future challenges.

Recent history has proved that areas like Wyre Forest will not be able to rely on one or two major industries to provide its employment so we must plan for and develop a diverse economy which provides for a range of opportunities and is a fertile ground for new ideas and innovations to come forward.



Enterprise and Business Growth Ambitions

Corporate Priority 'Support you to contribute to a successful local economy'

Foster an entrepreneurial culture

Encourage the next generation of entrepreneurs to start up their own business
Make it easy for people to start up their business
Put in place effective 'pre-start' support programmes

To create sustainable business start ups

Provide access to high quality coaches and mentors for new start-ups (0 to 12 months)
Offer 'incubation' or flexible workspace to provide the right environment for businesses to start up
Intensive programmes for 'high growth' businesses and young business (up to 3 years)
Provide sufficient grow on space

To nurture existing businesses and retain them within the district

Strategic engagement with our key businesses / employers
Support programmes to encourage business growth and expansion
Availability of suitable sites and premises

To encourage new inward investment into the district

Maximise opportunities to position Wyre Forest as an excellent place to do business
Responsive and flexible approach when dealing with prospective investors
Work pro-actively with existing land owners and developers to promote available employment sites and premises

Going forward the Council will continue its pro-active approach to supporting business growth and creation through its Economic Regeneration activities, which are primarily delivered through the NWEDR shared service.

However, the following Wyre Forest District Council services will also continue to contribute, in their own way, to supporting local businesses and realisation of the Council's corporate priorities, 'to support you to contribute to a successful local economy' and 'to support you to live in clean, green and safe communities':

- **Local Plans:** delivering land use policies which enable the District to be a good place to do business and which support wider regeneration proposals aimed at delivering new investment, jobs and skills to the area;
- **Strategic Housing:** planning for and delivering new affordable housing in the district to provide housing opportunities for aspiring people and families, therefore encouraging them to live and work in the district;
- **Development Management:** advising and guiding businesses, wanting to change, expand or develop existing land and/or buildings, through the planning process;
- **Street Cleansing:** keeping the District clean and tidy for businesses and visitors;
- **Waste Collection:** offering commercial waste collection and recycling services to businesses;
- **Leisure Centres;** offering opportunities for the workforce to stay fit and healthy through a range of physical activities
- **Green Spaces and Parks;** creating a more inviting environment for the area which can form part of the overall offer to encourage businesses to locate in the district.
- **Car Parking:** providing visitors and businesses with a range of car parks in all three centres;
- **Events:** organising, promoting and hosting a wide range of events attracting visitors to and support businesses in all three towns including Bewdley Museum, Kidderminster Arts Festival and Stourport-on-Severn;
- **Finance:** Guiding relevant businesses to apply for small business rate relief and discretionary support as appropriate;
- **Tourist Information Centre:** Helping to promote the District's visitor attraction and accommodation businesses and local events;
- **Worcestershire Regulatory Services:** Supporting economic growth, especially in small businesses, by ensuring a fair, responsible and competitive trading environment.

5. Delivery Approach

Over the last few years, the Council has demonstrated its credentials in terms of supporting local economic growth. The approach in this document reflects ‘evolution’ not ‘revolution’ and will build on the good work done to date. However, to achieve our ambitions we will need to continue to explore new ideas and models for delivery and develop our understanding of what businesses actually need.

The Council will use 3 ‘delivery models’ to support enterprise and local business growth, as follows:

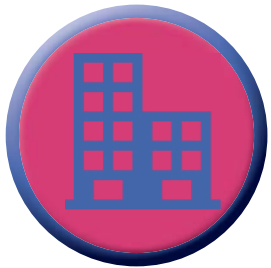


The Council will consider using each of these approaches depending on the circumstances and will always take into account who is best placed to provide a solution to a particular business need. In many cases, the Council will play an ‘enabling’ or ‘signposting’ role, but it may be appropriate on occasions to be more pro-active and directly commission services where it is clear that there is a gap in the market that could be filled by the Council.

6. Proposed Activity

Delivering against our ambitions is the most critical part of this strategy. Although economic growth will primarily be driven by investment from the private sector, the Council and its strategic partners such as Worcestershire County Council and the Local Enterprise Partnerships can make a considerable contribution to the development of a successful local economy.

Aside from the fact that the Council is a major local employer, has some land and property assets and purchasing power which can potentially benefit local companies, the Council can make the biggest difference to the enterprise and growth agenda in three ways:



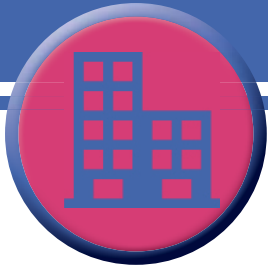
Providing flexible business accommodation



Providing business support, mentoring and targeted financial assistance



Ensuring that Wyre Forest is investment ready



Providing flexible business accommodation

The Council manages a diverse portfolio of property and land assets. In recent years, the Council has begun to utilise its assets to support the local economy through plans to regenerate key sites in the district as well as exploring opportunities to support local businesses.

The Council's Strategic Asset Management Policy sets out a future approach which is focused on identifying opportunities for the Council to invest in existing and new assets to generate revenue and support economic growth, whilst disposing of under-performing assets to provide capital funding to invest. The Council has approval to deposit such capital receipts into an 'Evergreen Investment Fund'. Funding from this pot can be invested into schemes that bring a commercial return to the Council.

Through its direct commissioning approach the Council established a new business incubator unit at Hoo Farm Industrial Estate branded as SPACE. The unit was taken on a 10 year lease from 2013 and provides flexible workshop, office and storage space for small start up and growing businesses as their first business accommodation (rather than working from home).

Leases are for a maximum of three years during which businesses are supported to establish and grow before being encouraged to move out into more permanent accommodation at the end of the three year period, thus opening up space for new businesses to access SPACE.

As part of this strategy, the Council will consider how best to support the current business tenants at SPACE to move out at the end of the three year period; the simplest form of support will be sourcing details of available units that are on the market and signposting tenants to them.

However the Council will also consider whether it can directly commission grow on space either by utilising some of its own industrial space at Hoobrook Industrial Estate or by using the SPACE model to lease another unit as a SPACE+ grow on unit or by utilising any of its other property assets for grow on purposes.

In parallel the Council continues to work with private sector partners to help facilitate development of further new units or conversion of existing buildings that would accommodate start up or growing businesses; in some cases this will be purely private sector provision, but in others the Council may consider 'investing' in opportunities that facilitate grow on space.

Typically, the Council will consider investing in schemes that offer units of up to 1,000 square foot for start up accommodation and between 1,000 and 2,000 square foot for grow on space. These units will either be built as 'terraced' blocks of units or within larger 'business centres' with shared reception, offices, meeting rooms and amenities such as toilets and shower rooms. The Council will work with strategic partners such as the LEPs and Growth Hubs, to ensure that businesses can benefit from 'wraparound' support programmes, offering business coaching, mentoring and potentially grant assistance.

The Council will also explore working with the private sector to deliver larger industrial or office units (2,000 square foot and above) that could be offered at the market rate on long lease arrangements.

The Council will work to either facilitate private sector led schemes or where the opportunity arises consider investing its own resources to acquire and build out units to provide a portfolio of units to local small-medium sized businesses and to generate a long term revenue stream.

The Council's Evergreen Investment Fund will be a potential source of funding to finance 'investable' schemes along with financial mechanisms such as prudential borrowing and any grants that can be secured from LEPs.

In its role as local planning authority, the Council also has an important role to play in ensuring that the district has a sufficient supply of employment land and that sites and premises are of the right type and size. The current Local Plan review will set out the requirement for employment land over the 2016 to 2032 plan period.



Providing business support, mentoring and targeted financial assistance

Through direct commissioning the Council has contracted with a local businessman for the last two years to offer support and mentoring for the business tenants in SPACE. In the first instance this assisted the Council in attracting and placing tenants in the unit and latterly has assisted with informal support and mentoring for the tenants.

In recent years, Wyre Forest has benefited from participation in a number of business support programmes funded through the European Regional Development Fund (ERDF) and delivered in conjunction with LEP partners. Some of the key outputs delivered in Wyre Forest as part of the 2007-2013 ERDF programme include:

- Funding secured: £1,933,601
- Existing Businesses supported: 225
- Start ups generated: 166
- Jobs created: 257

The next European Structural Fund Programme covers the period 2014 to 2020, although in reality practical delivery and spend of the funding will not take place until summer 2016.

A significant amount of Worcestershire and GBSLEP's European Structural Funding is allocated to Priority Axis 3 (SME Competitiveness) which will be used to commission and fund business support programmes across the LEP geography.

Going forward, the Council plans to continue to maximise the benefit of ERDF funding to businesses in the district. The Council will work closely with LEP partners to ensure that there is in place a portfolio of schemes available locally that will encourage further business start-up activity, business growth and inward investment.

The Council (via NWEDR) has already indicated financial and 'in-kind officer' support for several strategic projects being promoted by larger local authority partners such as Birmingham City Council, Solihull Council and Worcestershire County Council.

Subject to the funding applications being approved, NWEDR will ensure that project delivery is co-ordinated effectively in North Worcestershire and eligible businesses are aware of the support that is on offer. The programmes will ensure that eligible local businesses and entrepreneurs can benefit from a menu of support including:

- Information/ guidance and diagnostic to identify business needs;
- Intensive support from a qualified business adviser;
- Coaching and mentoring support for pre-starts and new business start-ups;
- Targeted financial assistance with schemes offering grants of between £10,000 and £100,000 to encourage business start-up activity or existing businesses to be able to progress their growth plans;
- Support for product development and process improvement;
- Sector specific support for key sectors;
- Intensive assist for businesses with high growth potential;
- Innovation advice and 'proof of concept' support;
- Supply chain development including access to opportunities such as HS2;
- Support to achieve resource efficiency;
- Support for Apprenticeships, training and workforce development.

More details on potential future ERDF schemes are attached at Appendix A.

NWEDR also provides some support to businesses that are not eligible for ERDF support. At this present time, the following non ERDF business support programmes are potentially available to local companies:

Worcestershire Growth Fund

Worcestershire LEP capital grant fund for expanding businesses to increase employment and productivity.
To run to March 2018, subject to availability.
Grants of £20,000 to £100,000 subject to 50% match

Get Set for Growth:

Regional Growth Fund programme focussing on accessing customers and finance
Master classes, 1:1 advice, mentoring

In addition and subject to funding being made available, the potential exists to continue grant funding non eligible ERDF start up and established businesses as follows

Start up: up to £750 (50% match) grant for non ERDF programme eligible start ups
Booster: up to £2,500 (50% match) grant for non ERDF programme eligible expanding established (over 2 years old) businesses

The Council via the NWEDR shared service is also well placed to continue to act as a 'gateway' to local and regional business support programmes and initiatives. The team will work to ensure that local businesses understand what is available and how to access the support that they need and also ensure that an effective working relationship is maintained with the Growth Hubs, so that local businesses can benefit from a 'seamless' customer journey.



Ensuring that Wyre Forest is investment ready

The Council has a track record in attracting investment to the district. During the last few years, the district has been successful in bringing new businesses to the area and also supporting existing firms to invest and expand their operation, creating new jobs for the local workforce.

The arrival of Amtek to Kidderminster has been the biggest success story but there have been other notable achievement including:

May 2014, Amada UK opened its new £2m reconstructed UK Technical Centre, which showcases the company's state of the art machines and systems to its customers and safeguarded 50 jobs within the district;

June 2014, Beakbane opened its new £1.2m new factory which includes new production areas for the efficient manufacturing of the company's machine protection equipment;

March 2015, NTM-GB, a leading manufacturer of refuse and recycling trucks announced that they would be relocating to Kidderminster with plans to invest £2m and create 45 new jobs;

January 2016, Specsavers announced that they would be investing in a new £12m manufacturing and distribution facility in Kidderminster, which will create over 200 new jobs.

The Council has played a pro-active role in securing investment opportunities and has worked to ensure that it creates the right conditions for growth, whether this is through its economic development activities, streamlining of its planning processes or by demonstrating the strategic leadership required to do whatever it can to 'land' investment into the district.

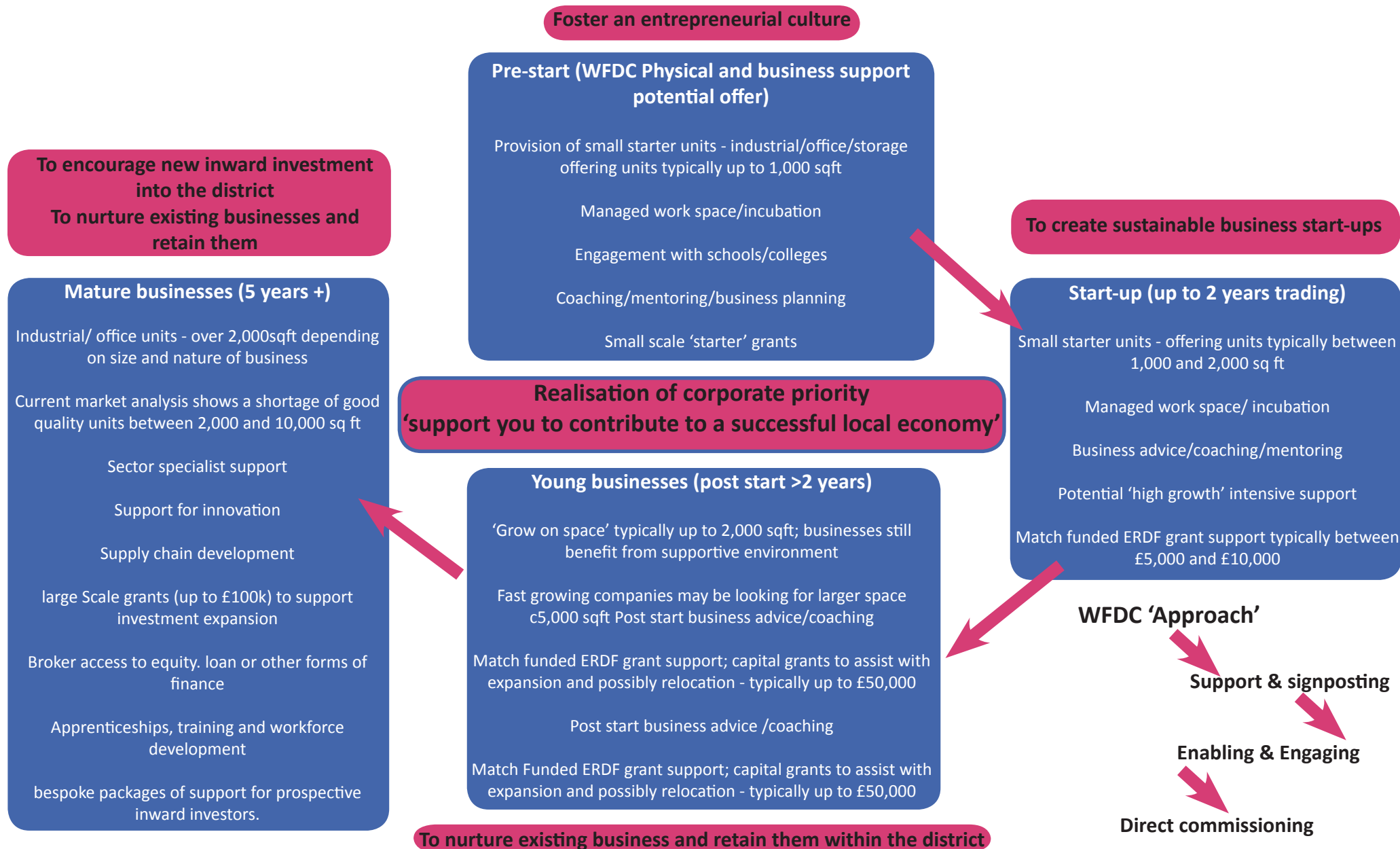
The introduction of flexible planning policies such as the Local Development Order (LDO) for the South Kidderminster Enterprise Park provides a practical example of how the Council can make it as easy as possible for businesses to invest in the district.

The Council intends to continue to ensure that enterprise and business growth is at the heart of everything that it does so that Wyre Forest can attract further investment and support further entrepreneurial activity.

Strategic Framework

This document has set out an approach to how the Council intends to encourage enterprise and business growth activity. The diagram overleaf provides a visual representation of the strategic framework that will guide the Council's effort to supporting business growth at all stages of the 'business life cycle'.

The approach will be kept under review at least every 6 months to ensure that any changes to the economic climate or business support environment can be factored in. Furthermore, the Council will monitor the progress made in supporting enterprise and business growth by reporting against and monitoring a suite of 'measures' which are attached at appendix B.



Appendix A - Future Proposed ERDF Business Support Programmes

Geography	Programme Name	Fit with WFDC Enterprise & Growth Ambition	Eligibility	Support
WLEP	Enterprising Worcestershire growth	To create sustainable business start-ups	B2B activity 2+ years trading	28 hours business advisor support £10,000 grant with 45% intervention rate for capital expenditure
WLEP	Resource Efficiency Worcestershire	To nurture existing businesses and retain them within the district	B2B activity	Energy audit £30,000 grant with 45% intervention rate for energy efficiency improvements.
WLEP	Proof of Concept	To nurture existing businesses and retain them within the district	All	Typical grant of £30,000 with maximum of £50,000 for product development. 45% intervention rate
GBS (BCC Lead)	HS2 Supply Chain	To nurture existing businesses and retain them within the district	HS2 suppliers or those wishing to access opportunities	£20,000 - £200,000 grant
GBS (BCC Lead)	Greenbridge	To nurture existing businesses and retain them within the district	Businesses in the green economy	£20,000 - £150,000 grants
GBS (BCC Lead)	Business Development Programme	To nurture existing businesses and retain them within the district	Specific sectors - must be 100% B2B trading 6 months +	£10,000 - £20,000 grants with 50% intervention rate for relocation, expansion and capital expenditure
GBS (BCC Lead)	Business Innovation Programme	To nurture existing businesses and retain them within the district	100% B2B activity Existing businesses	£10,000 - £30,000 grants for process improvement and new product development
GBS (Solihull Lead)	Start-up	Foster an entrepreneurial culture	Pre-start to 12 months of trading	12 hours business advisor support Intensive assist for high growth / innovative start-ups 3 hour info / guidance / diagnostic
WLEP	Enterprising worcestershire start up programme	Foster an entrepreneurial culture	Pre-start to 12 months of trading B2B for grants	12 hours business advisor support £5,000 grant for capital expenditure with 50% intervention rate Intensive assist for high growth potential
WLEP	Cyber programme	To nurture existing businesses and retain them within the district	B2B existing businesses	Cyber sector - specialist support for supply chain development Other businesses – 12 hours support and accreditation for cyber security. Grant of up to £15,000
WLEP	Investing in Growth	To nurture existing businesses and retain them within the district	B2B existing businesses Element for foreign direct investment	Large grant programme covering capital and revenue expenditure. £20,000 - £100,000 grants, Inward Investment advisor
GBS	Investing in Greater Birmingham	To encourage new inward investment into the district	Foreign direct investment and Business expansion/ relocation activity	Promotional and marketing activities to position the GBS area for inward investment Inward investment support

Appendix B - Strategic measures

Support you to contribute to a successful economy	WFDC Enterprise and Growth Ambition	Proposed measures	Quarterly Frequency of Reporting
	Foster an entrepreneurial culture	<ul style="list-style-type: none"> No. of schools supporting business related projects No. of FE colleges supporting business related courses No. of engagements between NWedR & schools/Colleges 	Annually Annually Six monthly
	To create sustainable business start ups	<ul style="list-style-type: none"> Nos. of businesses attending NWedR supported programmes surviving more than 1 year Nos. of businesses attending NWedR supported programmes surviving more than 2 year Nos. of businesses attending NWedR supported programmes surviving more than 3 year 	Annually Annually (after 2 years) Annually (After 3 years)
	To nurture existing businesses and retain them within the district	<ul style="list-style-type: none"> Nos. of businesses receiving support from NWedR/ERDF funded programmes Businesses receiving support which either increase profits and/or turnover and/or employees and which remain in the district. Nos. of businesses occupying WFDC owned accommodation 	Annually Annually Annually
	To encourage new inward investment into the district	<ul style="list-style-type: none"> Amount of WFDC controlled property created per annum No. of promotional campaigns per quarter No. of approaches (direct or through intermediaries) made to potential businesses about available property/land No. of enquiries received resulting in a business locating in WFD No. of incentives promoted to businesses Total commercial floor space and/or land readily available in WFD advertised on search engines. 	Annually Quarterly Quarterly Six monthly Quarterly Quarterly

WYRE FOREST DISTRICT COUNCIL

**Cabinet
Tuesday 14th June 2016**

**Overview and Scrutiny Committee
Thursday 2nd June 2016**

A Strategy for Enabling Enterprise and Business Growth

The Committee considered a report from the Head of Economic Development and Regeneration – North Worcestershire, which proposed the Wyre Forest Enterprise and Business Growth Strategy. The report explained the purposes of the Strategy and the approach the Council proposed to take to support local enterprise and business growth which will be delivered against the Council's Corporate Priorities.

Recommend to Cabinet:

The Enterprise and Business Growth Strategy, as set out in appendix 1 of the report, be adopted.

Background papers:

Report to the Overview and Scrutiny Committee, Thursday 2nd June 2016

<http://www.wyreforest.gov.uk/council/meetings/com193.htm#mt7616>

WYRE FOREST DISTRICT COUNCIL

**Cabinet
Tuesday 14th June 2016**

**Overview and Scrutiny Committee
Thursday 2nd June 2016**

**Wyre Forest District Local Plan Review: Revised Local Development Scheme
(Project Plan 2016 - 2019)**

The Committee considered the proposals for the revision of the Local Development Scheme (LDS) (Project Plan) which will be used to guide the future production of the District's Local Plans. The Committee acknowledged the importance of having an up to date and realistic timetable for the preparation and review of the plan.

Recommend to Cabinet:

- **The programme for the preparation and review of Development Plan, as set out on page 93 of appendix 1 of the report be amended in August 2017 and 2018 to reflect the fact that the Council does not hold key decision making meetings during August.**
- **The proposed Revised Local Development Scheme 2016-19 as set out in Appendix 1 of the report to the Overview and Scrutiny Committee (as amended) be adopted.**

Background papers:

Report to the Overview and Scrutiny Committee, Thursday 2nd June 2016

<http://www.wyreforest.gov.uk/council/meetings/com193.htm#mt7616>

WYRE FOREST DISTRICT COUNCIL**CABINET REPORT****14th JUNE 2016****REPORT ON PROVISIONAL FINAL ACCOUNTS OUTTURN 2015/16**

OPEN ITEM	
CABINET MEMBER:	Councillor Nathan Desmond, Cabinet Member for Resources
DIRECTOR:	Chief Financial Officer
CONTACT OFFICER:	Tracey Southall Ext. 2100 tracey.southall@wyreforestdc.gov.uk
APPENDIX 1	Appendix 1 - Explanation of Major Variations on Revised 2015/16 Budget

1. PURPOSE OF REPORT

- 1.1 To receive the provisional outturn position in relation to the Final Accounts for 2015/16.

2. RECOMMENDATION

The Cabinet is asked to NOTE that as detailed in Appendix 1:-

- 2.1 The most welcome news that a total surplus of £1,511,720 has been made, including a £230,000 Business Rates in-year surplus. This has been achieved by prudent budget management, particularly in relation to Pay and General Administration budgets together with a robust review and release of £271,000 earmarked reserves no longer required. This has facilitated the creation of the additional risk reserves detailed below, after which savings compared to the revised budget of £581,720 have been generated from the 2015/16 surplus.
- 2.2 That £200,000 from the 2015/16 savings has been used to increase the existing earmarked reserve for the Transformation Fund to continue to meet the costs of our challenging Wyre Forest Forward Programme as detailed in paragraph 4.6.
- 2.3 That £500,000 from the 2015/16 savings has been used to create a General Risks earmarked reserve.
- 2.4 That £230,000 from the 2015/16 Business Rates surplus has been used to increase the Business Rates/Regeneration Risk Reserve.

3. BACKGROUND

- 3.1 The Accounts and Audit (England) Regulations 2015 have been incorporated into the Council's Financial Regulations. These regulations require that the Council's Statement of Accounts be produced and approved by the Chief Financial Officer on or before 30th June, 2016.

- 3.2 Regulations require an accelerated closedown table for the 2017/18 accounts with the draft accounts being prepared by the end of May and the final audited accounts by the end of July. As part of the preparations for this earlier closedown, the Finance team has actively worked with Grant Thornton this year to bring forward the completion of some closedown processes. This has been a useful exercise and providing learning points for the future.
- 3.3 The Audit Committee will be considering and endorsing the full Statement of Accounts on 27th June 2016, and a full copy of the Statement of Accounts will be made available on the Council's Intranet for Members' perusal.
- 3.4 The Statement is then subject to audit. The Council's external auditor; Grant Thornton has until 30th September 2016 to complete the audit, after which the Statement will be published.
- 3.4 Should it be necessary for Grant Thornton to agree technical changes with the Chief Financial Officer while the accounts are subject to audit, these will be made under delegated powers. All Members of the Council will be provided with an electronic copy of the Statement.
- 3.5 Members may wish to note that the Council's Accounts will be made available for public inspection as required by the Accounts and Audit (England) Regulations 2015, for a period of 30 days between 28th June 2016 and 8th August 2016. The revised legal requirements no longer include an appointed day when external auditors must be available for questions or queries. If any local government elector for the area has any questions on the Accounts for the external auditor an appointment should be made in advance, in writing.
- 3.6 The provisional revenue outturn position has identified savings of £581,720. This is subject to audit and after the creation of the earmarked reserves for the top-up of the Transformation Fund £200k, £230k top-up of Business Rates/Regeneration Risk Reserve and £500k General Risks Reserve. Appendix 1 summarises major variations from the Revised Budget for Members' information.

4. KEY ISSUES

- 4.1 The most significant issue facing the Council remains its financial position. The updated medium term financial strategy, approved by February Council, provides a balanced approach for the next three years. Whilst there is a planned contribution to reserves in 2016/17 of £211,400 the forecast impact of changes to the Funding regime mean that by 2018/19 transfers from reserves are required of around £875,000. The funding gap increases to around £2m from 2019/20 and further work on the Wyre Forest Forward Savings Strategy is actively being worked on to close this gap and ensure the future financial sustainability of the Council. More certainty around the scale of future financial savings will be known following the release of detail on the Funding Reform.
- 4.2 This has been the third year of the Business Rates Retention Scheme and the results this year are far more positive with an overall surplus of £231k compared to the revised budget of £2.547m. Several factors have contributed to this good news; firstly we should receive a Pool payment for our share of the retained levy of £31k. Secondly,

whilst appeals remain a risk, no new significant appeals have been received this year that have required an increase in our normal provision levels. Thirdly, the revised budget assumptions did not include growth identified in quarter 4 by use of software that searches for extensions/ rating liabilities that are not on our rating list. All of these factors, together with no significant business failed in 2015/16 have contributed to this Council's results. Based on the membership agreement of the Worcestershire Business Rates Pool, we paid into the risk reserve this year, rather than receiving a payment from it as was the case in 2013/14 (nil in 2014/15). A payment from the 2015/16 risk reserve will be paid to Malvern Hills towards their funding shortfall, leaving a balance of £129k to be carried forward to the new Pool. However, the increased risk around appeals in relation to Supermarkets, in particular remains and although we have made provision within the accounts for such payments it is unknown if this will be sufficient. We currently hold a Business Rates/Regeneration Risk Earmarked Reserve of circa £300,000 but this may prove insufficient. This together with the significant uncertainty and consequent risk around Business Rates Reform intrinsically linked to regeneration has led to the decision to use the surplus to increase the Business Rates/Regeneration Risk Reserve to circa £530k. This increased sum reflects the fact that this Council collects over £30m of business rates annually and the impact of the proposed move to 100% retention of growth and successful progression of regeneration initiatives is as yet unknown but it will undoubtedly involve more risk.

4.3 Included within Appendix 1 is the identification of the significant variances against the Revised Budget for 2015/16. These variances include:

- i) Pay, General Administration and Miscellaneous Corporate savings of £447k
These relate to various accounts across the whole of the Council which are then reallocated to front line services. It is clear that reductions have been made in expenditure across the Authority as austerity continues. This includes savings in pay budgets of £280k most of which is for vacant posts where recruitment has taken longer than anticipated, reductions in overtime and agency and £92k of General Administration savings as a result of tight housekeeping on these generic budgets .
- ii) Revenues (Council Tax) service running costs, positive variance of £103k
The court costs related to debt recovery of the Revenues Service are lower than anticipated, together with savings in other general running expenses due to improved systems and processes.
- iii) Icelandic investment release of earmarked reserve and impairment improvement – favourable variance of £134k
These funds can now be released to general reserves following an improvement in the recovery forecasts and actual receipts to date received from the Administrators.
- iv) Property-related savings/extra income for Wyre Forest House and Other Property - favourable variance of £90k
The favourable variance is made up of savings in property costs/extra income for Wyre Forest House £46k, increased income from industrial estates of £17k and savings from asset disposal costs of £27k.
- v) Depot/Transport costs savings of £71k
Savings due to favourable fuel prices and operational savings related to vehicles.

- vi) Development Control – Income shortfall of £22k
The local economy was unable to support the optimistic income estimate from Development Control for 2015/16.
- vii) Carbon Management savings not achieved of £21k
The implementation of the programme of work to achieve the forecast Carbon Management savings is taking longer than originally predicted.
- viii) Additional External Interest income received of £40k
This additional interest on investments has resulted from slightly longer durations and robust treasury management of funds.
- ix) Car Parking and Civil Enforcement savings in running costs of £31k
The costs of car parking repairs and maintenance, including site maintenance have been managed down to achieve budget savings.
- x) Leisure Centre savings - £45k
Leisure Centre repairs and maintenance and plant replacement is being closely managed with only essential expenditure being made in the run up to the opening of the new leisure centre.
- xi) Bewdley Museum savings in the costs of repairs and maintenance of buildings /general savings and additional income of £22k
Careful management of this budget has resulted in reduced costs and increased income over most budget areas.
- xii) Additional Business Rates/Regeneration Risk earmarked reserve for this year of £230k
The variance analysis includes expenditure to supplement the existing Business Rates/Regeneration Risk earmarked reserve by £230k from the Business Rates surplus this year as detailed in paragraph 4.2.
- xiii) Release of earmarked reserves – favourable variance of £271k
Existing and new requests for earmarked reserves were subject to additional challenge this year and this resulted in a release into general reserves of £271k. A General Risks earmarked reserve of £500k has been created to mitigate risk for Service Managers who incur unpredictable costs in relation to these forgone reserves and also to cover a number of emerging risks the Council may face in the near future.
- xiv) Other additional earmarked reserves new for this year of £200k
The variance analysis includes expenditure of £200k to replenish the Transformation Fund to assist the Wyre Forest Programme of Transformation.

4.4 It is clear that the future financial position for the Council will continue to be challenging with austerity measures set to continue to balance the macro budget regardless of the result of the European Referendum. The reduced level of funding currently programmed for the Council in the future is being mitigated by a raft of transformational reviews being developed and implemented as part of the Wyre Forest Forward programme.

4.5 The draft position for 2015/16 demonstrates that through prudent financial management and the review and release where relevant of existing earmarked

reserves additional resources were made available to fund additional earmarked reserves (net of release of reserves) as set out in paragraph 3.6.

- 4.6 The Transformation Fund set up in 2011/12 for one-off implementation costs to support the Wyre Forest Forward programme has been extremely successful in delivering the change programme. This report proposes an additional £200k to supplement this reserve from final account savings. Taking this into account £324k remains uncommitted from this fund at the end of 2015/16.
- 4.7 Cabinet is asked to note additional funding for the following significant earmarked reserves from the surplus in 2015/16. The first is the top-up of the Transformation Fund £200k, the second the creation of a £500k General Risks Reserve, the third is the top-up of the Business Rates/Regeneration Risk Reserve by £230k.
- 4.8 It should also be noted that, the Working Balance remains at £1m to reflect the significant financial risks faced by this Council as a result of the planned fundamental changes to the Government Funding Regime in 2016/17 and beyond, inevitable further austerity measures expected and also the continuing Welfare Reform changes.

5. FINANCIAL IMPLICATIONS

- 5.1 The positive variance of £1,511,720 compared to the Revised Budget, reducing to £581,720 following the creation of additional significant earmarked reserves, resulting in a contribution to General Reserves of £180,310 rather than the planned use of reserves of £401,410 is welcomed. The resultant reserves will be reconsidered in accordance with the Council's Finance Strategy, as part of the budget process for 2016/17 onwards. This is greater than reported at Quarter 3 budget monitoring. However, a number of events and decisions in the last quarter coupled with year end transactions have led to the increase in the savings.
- 5.2 These remain extremely challenging times for this Council given the impending changes to the landscape of the Government's funding regime that will continue to emerge as consultations papers are published. The saving on outturn is welcomed and has been utilised to earmark funds to meet potential liabilities, create resilience and also to increase General Balances compared to forecast, to mitigate the potential future impact of funding volatility.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 None.

7. RISK MANAGEMENT

- 7.1 The principal risk to the Council is non-achievement of the Accounts and Audit (England) Regulations 2015 deadline, in respect of production and approval of the Statement of Accounts before 30th June 2016, and qualification of the Accounts by the Council's External Auditors.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 This is a financial report and there is no requirement to undertake an Equality Impact Assessment.

9. CONCLUSION

- 9.1 This report details the provisional outturn position as at 31st March 2016 and provides information on the creation of further significant earmarked reserves.

10. CONSULTEES

- 10.1 CLT/Cabinet

11. BACKGROUND PAPERS

- 11.1 Accounts and Audit (England) Regulations 2015
Financial Strategy 2016/19

PROVISIONAL OUTTURN
MAJOR VARIATIONS BETWEEN REVISED BUDGET
AND ACTUAL NET EXPENDITURE FOR 2015/16

Total Revised Budget 2015/16	13,260,000
LESS:	
Actual Net Expenditure - not finalised - still subject to validation	12,687,720
SAVINGS COMPARED TO 2015/16 REVISED BUDGET	<u>(572,280)</u>
Increase in Funding from Business Rates/other Govt funding - to be confirmed	<u>(239,440)</u>
Transfer to Business Rates/Regeneration Risk Earmarked Reserve	<u>230,000</u>
OVERALL SAVING COMPARED TO REVISED BUDGET INCLUDING FUNDING	<u>(581,720)</u>

Description of Estimated Major Variances	Extra Costs/ Reduced Income £	Savings/ Additional Income £
<u>Chief Executive</u>		
1. Bad debt provision - good recovery of benefits overpayments during 2015-16, resulting in a decrease in bad debt provision compared to budget		(85,000)
2. Wyre Forest House savings in property running costs and improved income		(46,000)
3. Revenues - savings in service running costs including reduced fees for court costs		(103,080)
4. Release of Earmarked Reserves to General Reserves		(192,540)
<u>Community Well Being and Environment</u>		
1. Depot related Fuel price and operational efficiency savings		(29,000)
2. Depot Vehicle maintenance savings		(42,000)
3. Non- Depot repairs and maintenance of buildings and site maintenance		(31,000)
4. Saving - Leisure Centres - maintenance of buildings, grounds and plant replacement		(45,000)
5. Saving - Bewdley Museum - underspend on general expenses and increased income, specifically education, museum events & activities and wedding ceremonies		(21,590)
<u>Economic Prosperity and Place</u>		
1. Release of Earmarked Reserves to General Reserves		(78,250)
2. Industrial property income increase		(17,000)
3. Development Control income shortfall	22,000	
4. Improved income - Licensing		(7,800)
5. Carbon Management savings not achieved in 2015/16 - reprofiled into future years	20,630	
6. Other Property - saving in asset disposal costs		(27,100)
<u>Capital Account</u>		
1. External Interest - additional income from treasury management activities		(40,220)
2. Icelandic Impairment Adjustment - (further in-year receipts from Administrators)		(37,030)
3. Release of Icelandic Earmarked Reserve to General Reserves		(96,870)
<u>Corporate Variations</u>		
1. Payroll related savings		(280,830)
2. Admin Expenses - savings		(92,040)
3. Additional New Homes Bonus Funding and other minor variations in Government Grant		(9,440)
4. Earmarked Reserves for Corporate Risk Reserve (General Risks)	500,000	
5. Miscellaneous savings		(42,560)
6. Replenishment of Transformation Fund	200,000	
	742,630	(1,324,350)
REDUCED NET EXPENDITURE ON YEAR 2015/16 - PROVISIONAL		<u>(581,720)</u>

WYRE FOREST DISTRICT COUNCIL**CABINET MEETING****14th JUNE 2016****Write off of Amounts Outstanding**

OPEN	
CABINET MEMBER:	Councillor Nathan Desmond, Cabinet Member for Resources
RESPONSIBLE OFFICER:	Chief Financial Officer
CONTACT OFFICER:	Fiona Johnson Ext. 2661 E-mail Fiona.johnson@wyreforestdc.gov.uk
APPENDIX 1	Proposed Write-Offs

1. PURPOSE OF REPORT

- 1.1 To enable the Cabinet to give consideration to writing off the sum of £104,332.67 in respect of debts that cannot be collected.

2. RECOMMENDATION

The Cabinet is asked to DECIDE that:

- 2.1 **The total of £104,332.67, as detailed in the Appendices to this report, be written off.**

3. BACKGROUND

- 3.1 Part 4 of the Council's Constitution, Delegation to Officers, paragraph 1.13, authorises the Chief Financial Officer to write off individual debts up to the value, in each case of £5,000. For values, between £5,000 and £9,999.99 write-offs can be made with the approval of the delegated Cabinet Member. The Cabinet is authorised to write off debts of £10,000 and over.
- 3.2 It is therefore necessary for Cabinet to give consideration to the cases scheduled on the appendix to this report. On this occasion, all the debts relate to non-domestic rates.

4. KEY ISSUES

- 4.1 National Non-Domestic Rates are demanded in accordance with the provisions laid down by The Local Government Finance Act 1988. Recovery action is taken in the event of non-payment under the various regulations made by this Act.
- 4.2 Every effort has been made to pursue the debts set out in the Appendix. This rigorous recovery work has been a prolonged exercise due to the necessary stages that must be followed for debt recovery. Write off is only recommended when all recovery avenues have been fully explored, and this is the reason for the age of the debts now presented for write off. All of the companies have now been dissolved or

there is a proposal to strike off at Companies House, making the prospect of recovery impossible.

5. FINANCIAL IMPLICATIONS

- 5.1 Under the current Business Rates Retention Regime the cost of non-collection of National Non-Domestic Rates is met both by the Government and the Worcestershire Business Rate Pool. Approval of the proposed write-offs detailed in the Appendix of £104,332.67, will be accounted for as part of the Worcestershire Business Rates Pool and result in a loss of income shared between the Pool members and the Government.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 None.

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 No Equality Impact Needs Assessment has been undertaken.

8. RISK MANAGEMENT

- 8.1 There are no risk management issues relating to this report.

9. CONCLUSION

- 9.1 The amounts set out in the Appendix cannot be collected and should be written off.

10. CONSULTEES

- 10.1 Corporate Leadership Team
Cabinet Member for Resources

11. BACKGROUND PAPERS

- 11.1 None.

Appendix Open Companies				
Debt Type	Payer	Address	Reason for Write-Off	Amount £
NNDR	Undershaw Ltd 00364649	Shop and Premises, Unit 1 @ 11-17 Worcester Street, Kidderminster. DY10 1EA	Business Rate debt relates to void rates for the periods 16/10/2013 to 31/03/2014, 01/04/2014 to 31/03/2015 and 01/04/2015 to 15/10/2015. The company signed a lease on this shop but never occupied it. Liability Orders were made by Kidderminster Magistrates Court on 9th May 2014, 4th July 2014 and 3rd July 2015. Instructions were passed to Bailiffs but they were unable to obtain payment and the warrants were returned no trace, however they did visit the registered office in Leeds and found it to be a mid terrace property, they met the director who is a currently on benefit. The company is still active with Companies House.	41,931.81
NNDR	Mac Accessories Ltd 00364789	Offices and Premises, 26 Vicar Street, Kidderminster. DY10 1DA	Business Rate debt relates to void rates for the periods 12/10/2013 to 31/03/2014 and 01/04/2014 to 30/09/2014. The company signed a lease for the premises and the premises were only rented but they never occupied. Liability Orders were made by Kidderminster Magistrates Court on 4th July 2014 and 13th February 2015. Instructions were passed to Bailiffs but they were unable to obtain payment and the warrants were returned no trace and company dissolved at Companies House. The company was dissolved at Companies House on 30/09/2014.	22,572.55
NNDR	T/A The Living Rooms 00358614	Shop and Premises, Gnd & 1st Flr, Bank Buildings, Exchange Street, Kidderminster. DY10 1BT	Business Rate debt relates to occupied rates for the periods 01/03/2012 to 31/03/2012, 01/04/2012 to 31/03/2013 and 01/04/2013 to 19/09/2013. Mr Cowper traded as the Living Rooms from the shop. Liability Orders were made by Kidderminster Magistrates Court on 28th June 2013 and 26th July 2013. Instructions were passed to Bailiffs but they were unable to obtain payment and the warrants were returned no trace, however we did send correspondence to his parents address and also to the company he was a director of trying to secure payment, however this was unsuccessful and currently we have no knowledge of his whereabouts.	10,343.58

PROPOSED WRITE-OFFS

NNDR	00352020 Unit 14 Meadow Mills, Long Meadow Industrial Estate, Kidderminster. DY10 1HH	Warehouse and premise	Business Rate debt relates to occupied rates for the periods 24/02/2011 to 31/03/2011, 01/04/2011 to 31/03/2012, 01/04/2012 to 31/03/2013, 01/04/2013 to 31/03/2014, 01/04/2014 to 31/03/2015 and 01/04/2015 to 15/11/2015. We are unsure what business Mr Jackson conducted from the warehouse. Liability Orders were made by Kidderminster Magistrates Court on 24th February 2012, 20th April 2012, 15th June 2012, 28th June 2013, 4th July 2014 and 3rd July 2015. Instructions were passed to Bailiffs but they were unable to obtain payment and the warrants were returned no trace, they attended the unit which they always found to be shuttered up and they visited the away address given in Smethwick and they were told he had never lived there in the last three years that the present occupiers had lived there. We have made several enquiries with other Councils and with the Solicitors who provided the lease for the unit but are still unable to trace Mr Jackson's whereabouts.	14,802.98
NNDR	00360902 Unit 16 Meadow Mills, Long Meadow Industrial Estate, Kidderminster. DY10 1HH	Vehicle Repair Workshop and premises	Business Rate debt relates to occupied rates for the periods 22/03/2013 to 31/03/2013, 01/04/2013 to 31/03/2014, 01/04/2014 to 31/03/2015, 01/04/2015 to 20/03/2016. We are unsure what business Mr Stevens conducted from the premises but assume it was connected with motor vehicles. Liability Orders were made by Kidderminster Magistrates Court on 4th September 2013, 4th July 2014 and 3rd July 2015. Instructions were passed to Bailiffs but they were unable to obtain payment and the warrants were returned no trace, they attended the unit which they always found to be shuttered up and we were given an away address in Dudley but post was returned not known at this address. We have made several enquiries with other Councils and with the Solicitors who provided the lease for the unit but are still unable to trace Mr Stevens's whereabouts.	14,681.75
				104,332.67

WYRE FOREST DISTRICT COUNCIL**CABINET**
14 JUNE 2016**Alternative Vehicles for the Delivery of Development Opportunities Including
Establishing a Local Authority Trading Company (LATC)**

OPEN with an Exempt Appendix 2 which contains information which is commercially sensitive	
CABINET MEMBER:	Councillor Tracey Onslow, Cabinet Member for Planning & Economic Regeneration
RESPONSIBLE OFFICER:	Mike Parker, Director of Economic Prosperity & Place
CONTACT OFFICER:	Mike Parker, Director of Economic Prosperity & Place
EXEMPT APPENDICES:	Appendix 1 – Public Sector Plc Exempt Appendix 2 – Opportunities for development

1. PURPOSE OF REPORT

- 1.1 To agree that further work continues to develop the business case(s) for development proposals that could meet need where the market is failing to address local issues and deliver a revenue stream for the Council, and to agree to the establishment of a Local Authority Trading Company (LATC) where the business case means that this is the most viable option.

2. RECOMMENDATION

The Cabinet is asked to **DECIDE** :

- 2.1 To delegate to the Director of Economic Prosperity & Place authority, in consultation with the Chief Financial Officer and Solicitor to the Council, to develop the business case(s) for development opportunities set out, but not limited to those, in Appendix 2; and to report to Cabinet for final agreement to proceed to implement proposals.
- 2.2 To delegate to the Director of Economic Prosperity & Place authority, in consultation with the Chief Financial Officer, Solicitor to the Council and Cabinet Member for Planning & Economic Regeneration, to develop the business case for entering a Limited Liability Partnership (LLP) with Public Sector Plc and to proceed to enter a LLP where the business case is agreed.
- 2.3 To delegate to the Director of Economic Prosperity & Place authority, in consultation with the Chief Financial Officer and Solicitor to the Council, to develop the business case for the establishment of a Local Authority Trading Company (LATC) and to report to Cabinet for final agreement to establish a LATC where any business case agreed under 2.1 above demonstrates that this is the most viable option.

3. BACKGROUND

- 3.1 Although there are extensive proposals that councils can undertake under their own auspices, increasingly many, including smaller district and borough councils, are turning to alternative delivery vehicles to deliver a range of commercial or other services or to undertake development. The reason for this is that the Local Government Act 2003 restricts local authorities from making a profit from its services, other than to recover relevant costs. In the current climate when authorities are being encouraged to take a more 'business like' approach to financial self sustainability, the provisions of the 2003 Act are rather counter productive. However, the Localism Act 2011 affords power to local authorities to generally do anything that individuals may do, including make a profit, but only if delivered through a separate company.
- 3.2 The advantages of considering alternative delivery models means that councils can expand the services they offer within and outside their administrative area, intervene in markets where they are dissatisfied with the private sector response and can attract new investment into their area, all with the benefit of improving or maintaining services to their residents on a more financially sustainable model.
- 3.3 Amongst the variety of alternative delivery models, some councils have joined together with private partners Winston Group and William Pears Group to form a Limited Liability Partnership known as Public Sector Plc (PSP) which is a model using 'Relational Partnering' (a relationship in advance of any contractual commitment) and brings finance and resources to a project to assist with delivery; its key is flexibility as it is not an Asset Backed Joint Venture Company (ABJVC) and requires no prior commitment with property, nor is it exclusive (Appendix 1).
- 3.4 PSP would not require a LATC to be established to enter it and could sit alongside an LATC if one were in place. Other investigations have been made into other opportunities for direct delivery of new development that doesn't necessitate the establishment of a LATC, for example the Penda Property Partnership which is a Joint Venture Company (JVCo) between Staffordshire County Council and Kier Group which could be accessed as a framework type agreement. Officers have also been in discussion with WM Housing Group who have established 'Signature', the midlands largest property management, development and regeneration companies who have a JVCo with Coventry City Council about possibilities of working together in the district. This offers the potential for the Council to benefit from sale of land, development of affordable properties for sale, sharing in profit generation above an agreed return and reinvestment of WM profit within the district to support other housing schemes.
- 3.5 The Council's External Auditor, Grant Thornton has published papers drawing together good practice around a number of alternative models for the future delivery of public sector services including in 2015 their 'Spreading Their Wings – Building a Successful Local Authority Trading Company' report. Members received a presentation from Grant Thornton at the Members Forum on 14th January based on this report.
- 3.6 The Council has already begun to think differently about the way in which it uses its assets to develop investment opportunities that will create revenue streams for the Council, as well as tools for stimulating local regeneration. This began with the

report by EC Harris (a built asset consultancy) in July 2014 that led to the establishment of the Evergreen Investment Fund and a refresh of the Council's Strategic Asset Management Plan (SAMP) which was approved by Cabinet at its 8th March meeting. The idea of a LATC is a logical extension of that work to utilise the Council's land holdings to promote regeneration for the direct benefit of the district council and its residents.

- 3.7 Senior Officers have been researching further the progress being made by other district and borough councils in establishing LATCs and have opened up a direct dialogue with a number to further understand how establishing LATCs has benefitted them. This includes Nuneaton and Bedworth, East Cambridgeshire, Hinckley & Bosworth, South Norfolk and Cherwell Councils, all of which are facing challenges similar to Wyre Forest that have prompted them to take steps to establishing LATCs.
- 3.8 Many authorities have established so called Teckal companies, this was developed out of the case of Teckal SRV v Comune Le Viano which established that wholly owned local authority companies could have the freedom to be awarded contracts directly by the owning Council, but also enabling them to trade commercially for up to 20% of their turnover. The key consideration with a Teckal company is whether it is being established to predominantly deliver the Council's services or whether it is intended to trade externally. LATCs tend to be companies limited by shares or by guarantee. Those limited by shares are where the Council is the main or sole shareholder and the Council's responsibility for the company's financial liabilities are limited to the value of shares it owns. Those limited by guarantee have no share capital and are guaranteed by a nominal amount.

4. KEY ISSUES

- 4.1 There are a number of opportunities open to the Council to consider in supporting further local economic growth. These are briefly set out in the exempt appendix 2 to this report (they are exempt as they contain commercially confidential information). For example in terms of enabling further business growth, there is evidence highlighting the shortage of small to medium sized industrial units (600ft²-2000ft²) in the district yet there is also strong demand from Wyre Forest indigenous companies wishing to expand but unable to find appropriate units. The private sector tends to be risk averse in speculating in developing these smaller sized units that don't lend themselves to pre-let circumstances and so there is a shortage. The council may wish to take the initiative and deliver such units that would also create a revenue stream which is consistent with the Council's position on using assets to generate revenue.
- 4.2 In housing too, particularly so in the current climate, there are questions about the ability of the private sector to meet local affordable housing need in the district and this is where a number of the other councils introducing LATCs have intervened in the market to deliver new housing such as East Cambridge, South Norfolk and Hinckley & Bosworth; or act to deliver private rented accommodation such as Nuneaton & Bedworth; or to facilitate self and custom build housing such as Cherwell. All of these options are worthy of further investigation and the Council has some flexibility already to undertake new residential development even though it does not have a Housing Revenue Account. Further, changes to the way in which

Housing Benefit is paid to cover bed and breakfast provision for those homeless who need immediate and temporary accommodation is changing and will be a further cost to the Council. This is also an area of possibility for the Council to consider where it could provide this accommodation acting as a 'private landlord' and help reduce increasing costs to the Council.

- 4.3 Clearly the move to a LATC is something that will require careful consideration and would seem to be the natural direction of travel when the Council is clear about the business case for potential development opportunities and once the Council has exploited development opportunities within its existing structure. It is therefore proposed that officers continue to develop business cases for the opportunities set out in Appendix 2 on an individual basis and as necessary to establish a LATC where the Council could not fulfill the business case potential within the existing Council structure.
- 4.4 As part of the business case development it is also proposed that officers further develop the case for joining PSP as this could unlock some of the more complex development opportunities.

5. FINANCIAL IMPLICATIONS

- 5.1 Many Councils are now using LATCs as alternative service delivery models to deliver strategic priorities in more cost effective, flexible ways than possible using traditional in-house delivery.
- 5.2 The potential for the generation of improved revenue income streams is in line with our strategic priorities and is part of the overall plan towards future financial sustainability. This is one of the tools that could help close the significant funding gap in the face of challenging Finance Reform and ultimately help protect services to the public by moving us closer to financial self-sufficiency – being Central Government's objective for all Councils.
- 5.3 Detailed financial implications will be considered as business cases are developed and it is recognised that there may be a requirement to seek external specialist assistance to undertake due diligence work on specific proposals e.g tax implications of a particular proposal. A budget of £50,000 is available for this work from the Transformation Fund. This sum recognises the inherent legal and financial complexity and need to be thorough to mitigate risk to the Council.
- 5.4 A detailed business case will be prepared for specific proposals, including both Capital and Revenue implications to assess affordability and also set out in full key risks. It is highly probable that upfront investment will be required to set up a LATC and that this may include Capital expenditure funded by prudential borrowing. Any such funding costs will be factored into each specific business case and subject to approval by Council as an amendment to the Capital Programme.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The Council has the ability through the 2011 Localism Act to establish a LATC. Clearly much of the due diligence required will be around the legal requirements associated with establishing a LATC.

- 6.2 The decision on formation of a local authority company and the other options mentioned in this report are executive functions and therefore fall to the Cabinet to decide. If the Council wished to provide funding to a local authority company or other development vehicle, and this was not already authorised as part of the Council's capital or revenue budget, it would require prior approval by full Council.

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 An Equalities Impact Assessment is not required at this stage.

8. RISK MANAGEMENT

- 8.1 Clearly there are risks associated with establishing a LATC and a separate detailed risk analysis will be required to support individual business cases.

9. CONCLUSION

- 9.1 The natural direction of travel for the Council following its assets review in 2014 and establishment of the Evergreen Investment Fund and following the adoption of the revised Strategic Asset Management Plan is to consider entering the development market for direct intervention where there are gaps that can be filled for the benefit of the district in support of its local economic and housing growth and where there is a proven case for investment that will offer a revenue stream to the Council. It is proposed that the Council pursue development opportunities within its current legal and administrative framework and remain open to the establishment of a LATC as a vehicle to achieve this where it is demonstrated that this required to be able to realise the full potential of opportunities.

10. CONSULTEES

- 10.1 Corporate Leadership team

11. BACKGROUND PAPERS

- 11.1 'Spreading Their Wings – Building a Successful Local Authority Trading Company'
- 11.2 Cabinet July 2014 – Use of Assets
- 11.3 Cabinet 8th March 2016 – Strategic Asset Management Plan.

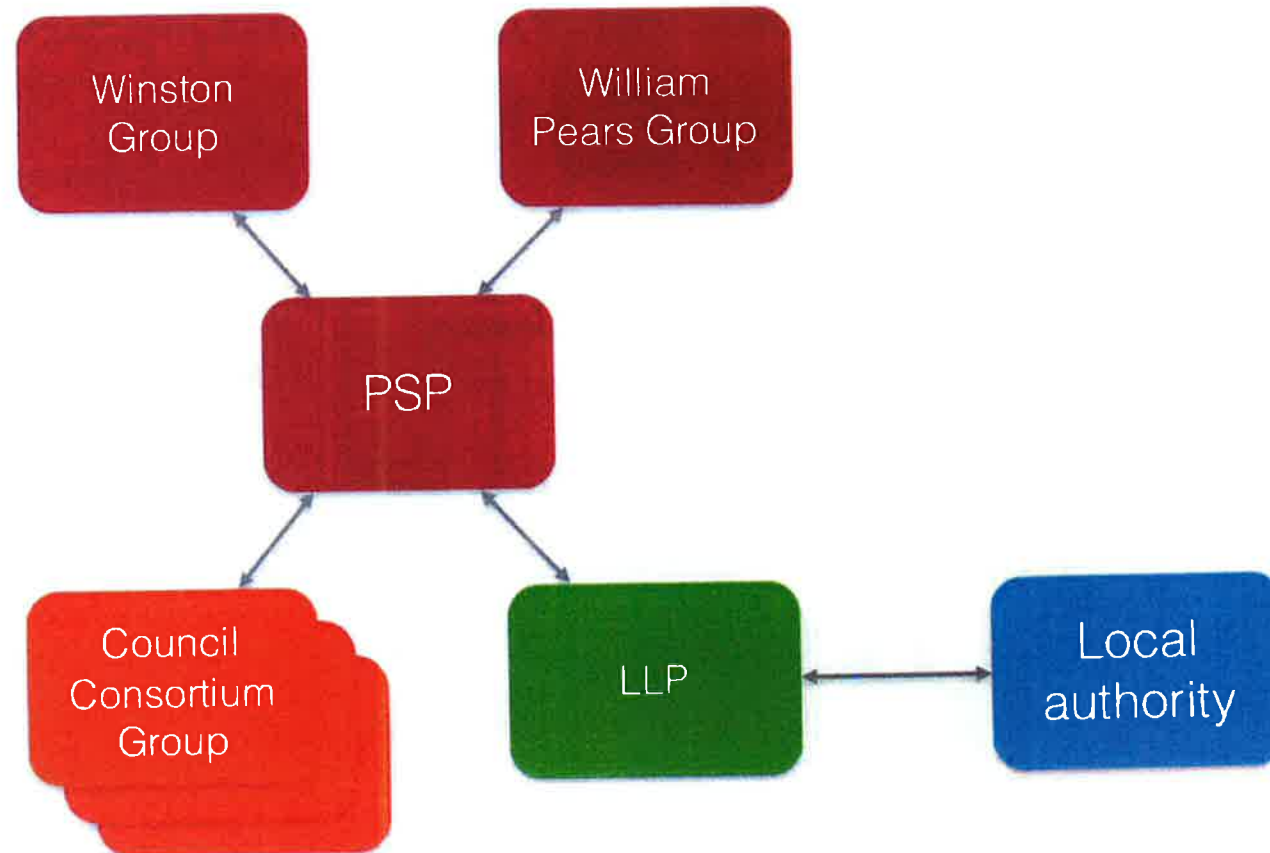
WHAT IS PUBLIC SECTOR PLC?

- A 'unique' funding joint venture not a LABV
- Facilitates property projects with local authorities [bringing finance, skills and resources]
- Operates through the use of a partnership vehicle with a structured 4 stage process
- Has a robust governance structure
- Highly flexible in operation
- Operating in Dudley, Dorset, Southend, Bolton, Scarborough, Warwick, Cheshire West and Chester, Southampton, South Staffordshire, Daventry...
- The PSP approach is an 'additional option' it does not take away your ability to use other methods or vehicles

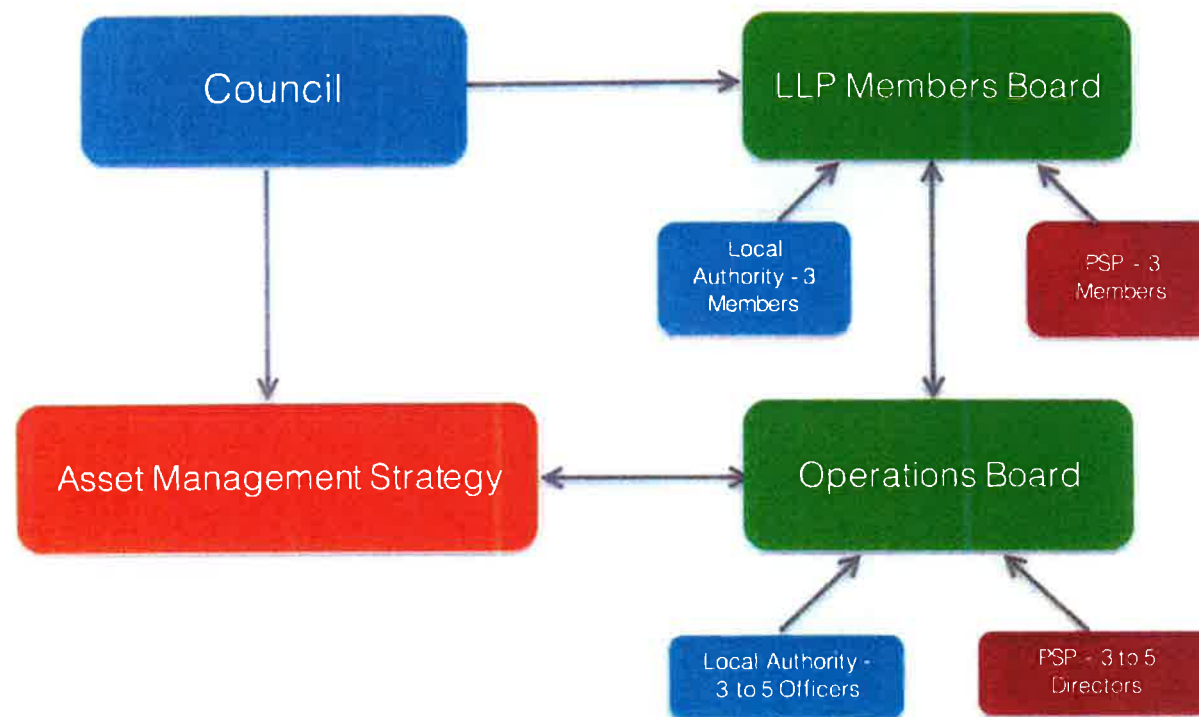
HOW IS IT DIFFERENT?

- Concept originated in the public sector
- The model and its approach uses 'Relational Partnering' [relationship in advance of any contractual commitment]
- It does not require any prior property commitment or exclusivity enabling the model to align and integrate with developers
- The model and its structure brings finance and much needed resources [but allows for the use of internal resources where they are available]
- Allows a project to evolve before committing to its delivery
- Extremely flexible as illustrated by the diverse nature of our LLPs
- Through our activities our LLPs have an opportunity to achieve revenue which would have normally gone into a developer's pocket

PSP – WHO ARE WE



LLP GOVERNANCE



PROCESS

Stage	What	Who	Outcome
e1 Explore	<ul style="list-style-type: none"> Options Feasibility Outline ideas What if's 	<ul style="list-style-type: none"> PSP prepare Ops Board agree Members Board approve 	<ul style="list-style-type: none"> Indication of viability Approval or rejection of opportunity
e2 Examine	<ul style="list-style-type: none"> Initial appraisal Indicative layouts Site assembly options High level strategy Site valuations 	<ul style="list-style-type: none"> PSP prepare Ops Board agree Members Board approve Independent valuers 	<ul style="list-style-type: none"> Forecast returns Agreed project strategy Timetable for delivery
e3 Evaluate	<ul style="list-style-type: none"> Agreement to Success Criteria Demonstration of Value For Money 	<ul style="list-style-type: none"> PSP prepare ACS audit and report to Members Board 	<ul style="list-style-type: none"> Validation report demonstrates achievement of necessary tests
e4 Engage	<ul style="list-style-type: none"> Project delivery Disposal 	<ul style="list-style-type: none"> PSP manage Ops Board oversight of process 	<ul style="list-style-type: none"> Delivery of agreed works Income from disposals

RISK

- No risk on the Council to set up LLP (minimal time and cost)
- Delivery risks assessed on a project by project basis
- Governance process ensures that projects only proceed with unanimous approval
- LLP is a commercial entity and is capable of taking risks that a local authority might not
- Project funding provided by PSP
- The LLP sits outside the Council and does not carry balance sheet risks for it

MAKING PROPERTY PART OF THE SOLUTION



The Holistic Property Review

- Optimises the cost of and benefits from your portfolio
- Has a clearly defined rationale to maximise the outcomes
- Consists of a series of modules that are being delivered across the country
- Can create spin off benefits such as job creation and regeneration
- Provides more than the sum of its parts
- Significantly helps the bottom line