

Open

Cabinet

Agenda

6pm
Tuesday, 12th November 2019
Council Chamber
Wyre Forest House
Finepoint Way
Kidderminster



Cabinet

The Cabinet Members and their responsibilities:-

Councillor G Ballinger	Leader of the Council & Strategy & Finance
Councillor F Oborski MBE	Deputy Leader & Economic Regeneration, Planning & Capital Investments
Councillor N Martin	Housing, Health, Well-being & Democratic Services
Councillor H Dyke	Culture, Leisure & Community Protection
Councillor J Thomas	Operational Services

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 22nd November 2019.

Councillors wishing to "call in" a decision on this agenda should contact Louisa Bright, Principal Committee and Member Services Officer, Wyre Forest House, Finepoint Way, Kidderminster. Telephone: 01562 732763 or email louisa.bright@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 Louisa Bright, Principal Committee and Member Services Officer, Wyre Forest House, Finepoint Way, Kidderminster, DY11 7WF. Telephone: 01562 732763 or email louisa.bright@wyreforestdc.gov.uk

Documents referred to in this agenda may be viewed on the Council's website - www.wyreforestdc.gov.uk/council/meetings/main.htm

Wyre Forest District Council

Cabinet

Tuesday, 12th November 2019

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 18th September 2019.	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 Monday 4 th November 2019 . (See front cover for contact details).	

7.		
Councillor G Ballinger		
7.1	Write-off of Amounts Outstanding Report To consider a report from the Corporate Director: Resources to enable the Cabinet to give consideration to writing off the sum of £147,073.26 in respect of debts that cannot be collected.	15

8.		
Councillor F M Oborski MBE		
8.1	Conversion of property in Stourport on Severn To consider a report from the Corporate Director: Economic Prosperity & Place with outlines the high level business case for converting a property in Stourport on Severn into temporary accommodation that would be run by the Council as an alternative to using private sector Bed & Breakfast (B&B) facilities particularly for families. To also consider recommendations from the Overview and Scrutiny Committee from its meeting on 7 th November 2019. (To follow).	20

9.		
Councillor H Dyke		
9.1	Wyre Forest District Local Lottery Proposal To consider a report from the Corporate Director: Community, Well Being and Environment to consider whether to progress with establishing a local lottery for Wyre Forest. To also consider recommendations from the Overview and Scrutiny Committee from its meeting on 7 th November 2019. (To follow).	28

10.		
Councillor N Martin		
10.1	Social Housing Delivery To consider a report from the Corporate Director: Economic Prosperity & Place on the Motion agreed by Council in May regarding social housing. To also consider any recommendations from the Overview and Scrutiny Committee from its meeting on 7 th November 2019. (To follow).	51

11.	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.	
12.	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

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.	
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WYRE FOREST DISTRICT COUNCIL

CABINET

COUNCIL CHAMBER, WYRE FOREST HOUSE, FINEPOINT WAY, KIDDERMINSTER

18TH SEPTEMBER 2019 (6PM)

Present:

Councillors: G W Ballinger (Chairman), F M Oborski MBE (Vice-Chairman), H E Dyke, N Martin and J W R Thomas.

Observers:

Councillors: B S Dawes, N J Desmond, I Hardiman and M J Hart.

CAB.20 Apologies for Absence

There were no apologies for absence.

CAB.21 Declarations of Interests by Members

No declarations of interest were made.

CAB.22 Minutes

Decision: The minutes of the Cabinet meeting held on 16th July 2019 and the minutes of the meeting of the Cabinet Sub-Committee held on 31st July 2019 be confirmed as a correct record and signed by the Chairman.

CAB.23 Call Ins

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

CAB.24 Items Requiring Urgent Attention

There were no items requiring urgent attention.

CAB.25 Public Participation

There was no public participation.

CAB.26 Corporate Plan and Financial and Policy Context for the Medium Term Financial Strategy

A report was considered from the Chief Executive to recommend the Corporate Plan 2019-2023 to Council for adoption and to consider the financial and policy context that will shape the medium term financial strategy for 2020-2023.

The Leader of the Council presented the report and formally moved the recommendations for approval. He said that the Corporate Plan was the most important overarching strategy document for the Council, setting the framework for the period to 2023 when next elections will be held.

The Leader of the Council thanked the cross-party strategic review panel for their work on developing the corporate plan. He said that there was a mass of material to consider on views of the public, staff and members, and was happy to accept the panel's recommendation in full.

He was pleased to advise that the on-line survey produced the best ever result to a public survey; there was over 1600 responses plus over 100 from staff so over 1700 in total. He said that the panel listened to what the public said about the priorities and areas that need improving, and thanked all those who had taken part in the survey.

Members were advised that the report summarised issues most often raised. In line with "be honest", the answer is often that it is not realistic for the council to do what is suggested with explanations about why this is the case. He added that there are some ideas that will be looked at further around business rate discounts for empty units. He said that Cabinet were also using the report to set out issues on which they will consult the public during the autumn before bringing forward a detailed medium term financial strategy in December.

In conclusion he said that he recognised that there are some difficult and potentially controversial choices ahead, and the Strategic Review Panel will provide a forum for members to debate those issues in more detail.

The Cabinet Member for Economic Regeneration, Planning and Capital Investments seconded the recommendations.

The Cabinet Member for Culture, Leisure and Community Protection said that the consultation response rate was brilliant and it was important that we build on the success of this consultation for future public consultations.

The Leader of the Council thanked the Corporate Leadership Team and their officers for all their hard work.

Decision: RECOMMEND to Council that:

- a) It adopts the Corporate Plan in appendix 1 of the report;**
- b) It notes the suggested approach to the medium term financial strategy set out in paragraphs 4.9 to 4.27 of the report, and that this will now be the subject of consultation prior to the Cabinet considering the medium term financial strategy at its meeting in December.**

CAB.27 Budget Monitoring First Quarter 2019-20

A report was considered from the Corporate Director: Resources on the Council's financial performance for quarter 1 ending 30th June 2019. The

report also presented the current projected outturn position for the 2019-20 financial year and provided forecasts on the capital programme 2019-20 and the final capital outturn for 2018-19 against programme.

The Leader of the Council presented the report. He said this was the first formal report of the year and provided a forecast of the outturn position to year end for the revenue budget based on the first 3 months, and formally moved the recommendations for approval. He added that the early estimate shows a forecast saving of £37k for 2019-2020 and staff continued to work hard to achieve the savings. He said that the report included some new tables and additional information compared to previous versions.

The Leader of the Council said that the report set out the details of the budget pressures, savings and improved income projections which included a £70k increase in the costs of homelessness for which Cabinet were asked to approve a supplementary estimate. He said that the report also set out details of the capital programme expenditure and information on the outstanding debts which is carefully monitored.

He added that financial risk continued to be the most significant risk faced by the Council; he assured members that good budgetary control helps to mitigate this risk. He said that he was optimistic at this stage and thanked the Corporate Director: Resources and her team for their hard work.

The Cabinet Member for Economic Regeneration, Planning and Capital Investments seconded the recommendations.

Decision:

- 1.1 That the projected budget variations and comments outlined within the report and appendices 2 to 6 be noted.**
- 1.2 Cabinet approve the request for a supplementary estimate of £70k for additional costs of Homelessness detailed in paragraph 7.1 of the report from general reserves**

CAB.28 North Worcestershire Economic Growth Strategy 2019-2024

A report was considered from the Head of North Worcestershire Economic Development and Regeneration which provided a summary of the North Worcestershire Economic Growth Strategy 2019-2024 and outlined its four pillars of growth, strategic priorities and supporting projects and interventions.

The Cabinet Member for Economic Regeneration, Planning and Capital Investments presented the report and formally moved the recommendations for approval. She said that since 2011 the Council had relied on the Worcestershire Local Enterprise Partnership (LEP) and Greater Birmingham and Solihull LEP Strategic Economic Plans (SEPs) as its key economic strategy documents; this was considered appropriate at the time as the LEPs had been set up to deliver economic growth.

She added that since that time significant political, economic, social,

technological and legislative changes had taken place. She said that perhaps the most significant development was the launch of the government's Industrial Strategy last year followed by the request that all LEPs should develop their own Local Industrial Strategies.

She advised members that in 2017 the government announced the creation of a UK Shared Prosperity Fund to replace the EU funding programme in the UK after the UK had left the European Union and its intention was to distribute the fund through LEPs on the basis of their Local Industrial Strategies.

The Cabinet Member for Economic Regeneration, Planning and Capital Investments further added that also in 2017 the government published its review of LEPs – 'Strengthening Local Enterprise Partnerships'. She said that one of the review's key outcomes was a request that LEPs come forward with proposals which best reflect real functional economic areas, remove overlaps and where appropriate, propose wider changes such as mergers. She added that the request had a direct impact on Wyre Forest District Council, as it and the other two North Worcestershire local authorities; Bromsgrove District Council and Redditch Borough Council are members of two LEPs; namely Greater Birmingham & Solihull and Worcestershire.

She said that the proposed strategy was intended to cover a five year period and set out some of the key economic indicators across the North Worcestershire geography as well as the aspects that make the area attractive for businesses and visitors which support local economic growth. She added that the four pillars which the strategy was built on are common to all three North Worcestershire partners.

The Chairman of the Overview and Scrutiny Committee, Councillor M Hart, said that the Committee fully endorsed the proposed strategy. He said that it was important that we had a strategy for the next five years and that it would be a cornerstone for economic prosperity within the district.

Decision: In line with the recommendations from the Overview and Scrutiny Committee from its meeting on 5th September 2019:

Cabinet agreed the Strategy and its strategic priorities and Interventions.

CAB.29 Kidderminster Business Improvement District (BID) – Forward Funding

A report was considered from the Corporate Director: Economic Prosperity & Place which sought agreement to provide forward funding to the Kidderminster BID in advance of the initial collection of the additional business rates in 2020/21 to enable the continued progress to set up the BID company and to appoint a BID Manager.

The Cabinet Member for Economic Regeneration, Planning and Capital Investments presented the report and formally moved the recommendations for approval. She said that over the last two years the district council had

supported businesses in Kidderminster Town Centre to undertake a ballot on whether or not to establish a BID. She added that in July 2018 a ballot was held and was unsuccessful as it failed to meet the necessary majority by rateable value. The Businesses decided to amend the BID proposal by setting an upper limit to the levy amount and removing Crossley Park from the BID boundary. A further ballot was held in May 2019 which proved successful.

She added that the BID would run for a period of five years, at which point a further ballot would be held to determine whether the BID should continue for a further five year term. The Council would be the body responsible for collecting the BID levy as part of its Business Rates collection. She said that this was the first BID within Wyre Forest and was an exciting opportunity for the organisations within the town centre and wished them well for the future.

The Cabinet Member for Culture, Leisure and Community Protection seconded the recommendations. She said that a lot of hard work had gone into the BID process to get this far, and along with the announcement that the bid for Government funding to help Kidderminster town centre under the Future High Streets initiative had been successful, was very exciting and positive news for the town centre.

The Chairman of the Overview and Scrutiny Committee said that the Committee fully supported the proposal.

Decision: In line with the recommendations from the Overview and Scrutiny Committee from its meeting on 5th September 2019:

Cabinet agreed:

- 1.1 That up to £75,000 be made available to the BID Company, once it is formally established, to enable it to continue to make set up arrangements in advance of 2020/21 when the levy will first be collected; the sum to be repaid to the District Council from the 2020/21 levy;**
- 1.2 That delegated authority be granted to the Corporate Director: Economic Prosperity and Place in consultation with the Corporate Director: Resources to decide the precise amount to be loaned;**
- 1.3 That delegated authority be granted to the Solicitor to the Council, in consultation with the Corporate Director: Resources to enter into a Loan Agreement with the BID Company;**
- 1.4 That Councillor Helen Dyke represents the Council on the BID Company Board if there is an appointment to be made for the remainder of the municipal year 2019/2020.**

CAB. 30 Worcestershire's Homelessness and Rough Sleeping Strategy 2019 – 2022

A report was considered from the Corporate Director: Economic Prosperity & Place which sought to agree that the new Homelessness and Rough Sleeping Strategy 2019-2022 is publically consulted on in advance of adoption.

The Cabinet Member for Housing, Health and Wellbeing presented the report. She thanked the Overview and Scrutiny Committee for supporting the proposal and formally moved the recommendations as set out in the report for approval. She added that a Homelessness Forum Stakeholder Event was being held at Wyre Forest House on Friday 20th September 2019, which would provide an opportunity to address any local issues.

The Leader of the Council seconded the proposal.

The Chairman of the Overview and Scrutiny Committee said there was unanimous support from Committee members for the proposal. He acknowledged that homelessness and rough sleeping was a complex matter and endorsed the public consultation.

Decision: In line with the recommendations from the Overview and Scrutiny Committee from its meeting on 5th September 2019;

Cabinet agreed:

- 1.1 The new Homelessness and Rough Sleeping Strategy 2019 – 2022 is publically consulted on from 23 September – 4th November 2019.**
- 1.2 To delegate to the Corporate Director: Economic Prosperity and Place, in consultation with the Cabinet Member for Housing, Health and Wellbeing to agree the Finalised strategy following any changes arising as a consequence of the consultation and that the final strategy be adopted no later than 31 December 2019.**

CAB.31 Worcestershire Regulatory Services (WRS) Enforcement Policy

A report was considered from the Corporate Director: Economic Prosperity & Place which asked Cabinet to recommend to Council the formal adoption of the Worcestershire Regulatory Services (WRS) Enforcement Policy as recommended by the Worcestershire Regulatory Services Partnership Board.

The Cabinet Member for Culture, Leisure and Community Protection presented the report. She said that the Enforcement Policy was agreed at the June 2019 Partnership Board meeting, and that it should be taken through the adoption process in each District Council.

She said that it was important that Members have knowledge of how decisions on enforcement matters are made and that they approve the processes that WRS follow when dealing with serious matters. She added that their knowledge on this subject also enables them to provide members of the public

with correct information when asked. She explained that as set out in section 3.5 of the report, virtually all the legislation the service deals with has criminal sanctions at its ultimate end point. She added that members needed to be happy with the processes that are being followed and such sanctions would be applied in the right circumstances, and in taking these important points on board, she asked Cabinet colleagues to support the recommendations as set out in the report.

The proposal was seconded by the Cabinet Member for Housing, Health and Wellbeing.

Decision:

- 1.1 The Worcestershire Regulatory Services Enforcement Policy so far as it relates to executive functions be adopted; and**
- 1.2 RECOMMEND to Council the adoption of the Worcestershire Regulatory Services Enforcement Policy so far as it relates to non-executive functions, for use in relation to any formal action under the legislation delegated to the service by the Council.**

CAB.32 Establishing a Local Lottery for Wyre Forest

A report was considered from the Corporate Director: Community, Well Being and Environment to consider whether to progress with establishing a local lottery for Wyre Forest.

The Cabinet Member for Culture, Leisure and Community Protection presented the report. She said the Council first became aware of the idea of a local lottery in 2016 but at the time the ideas was not progressed further. At that time only a few councils were involved, however the number has now risen to 80 councils operating a similar lottery.

She drew members' attention to section 3.4 of the report which explained how the lottery would operate and how the prize fund works. She said that 60p in every pound would go to local charities which compared to some other lotteries was a substantially higher amount. She added that this was not a way of fundraising for Wyre Forest District Council; it was a way to fundraise for local charities of all sizes across the district.

The Cabinet Member for Culture, Leisure and Community Protection explained that out of the four options set out in the report, Cabinet felt that option two; the External Lottery Manager, was the way forward for the Council. She added that whilst the Council's role would be minimal under this option, the Council would retain full control, oversight and governance. The Council would be the body allocating the funding to good causes across the district which was very important. She said if agreed, the lottery could be live within six months and it was our aim to keep all members fully informed throughout the process.

Councillor N Desmond said that he was surprised and disappointed that such an important item had not been put forward to the Overview and Scrutiny Committee for consideration prior to it being agreed by Cabinet.

Agenda Item No. 3

The Chairman of the Overview and Scrutiny Committee pointed out that the report said the Committee had been consulted on the proposed policy; however this was not the case.

The Leader of the Council agreed that the report should have gone to Scrutiny and proposed that the item be deferred.

Decision: The item be deferred for consideration by the next meeting of the Overview and Scrutiny Committee.

There being no further business, the meeting closed at 7.10pm.

WYRE FOREST DISTRICT COUNCIL**CABINET MEETING**
12th November 2019**WRITE OFF OF AMOUNTS OUTSTANDING**

OPEN	
CABINET MEMBER:	Cllr. Graham Ballinger
RESPONSIBLE OFFICER:	Corporate Director: Resources
CONTACT OFFICER:	Fiona Johnson Ext. 2661 E-mail Fiona.johnson@wyreforestdc.gov.uk
APPENDIX 1	Proposed Write-Off

1. PURPOSE OF REPORT

- 1.1 To enable the Cabinet to give consideration to writing off the sum of £147,073.26 in respect of debts that cannot be collected.

2. RECOMMENDATION

The Cabinet is asked to **DECIDE** that:

- 2.1 The total of £147,073.26 as detailed in the Appendix to this report, be written off, £136,055.33 for National Non-Domestic Rates and £11,017.93 for Council Tax.

3. BACKGROUND

- 3.1 Part 4 of the Council's Constitution, Delegation to Officers, paragraph 1.13, authorises the Corporate Director: Resources as 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, the debts relate to non-domestic rates and council tax.

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; the total annual sum collectable by this Council is circa £30 million, our overall collection rate for 2018/19 was 98.82%. Recovery action is taken in the event of non-payment under the various regulations made by this Act.

- 4.2 Council Tax is demanded in accordance with the provisions laid down by The Local Government Finance Act 1992: the total annual sum collectable by this Council is circa £58 million, our overall collection rate for 2018/19 was 97.15%. Recovery action is taken in the event of non-payment under the various regulations made by this Act.
- 4.3 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.
- 4.4 Write off is only recommended when all recovery avenues have been fully explored, and this is the reason for the debts now presented for write off.

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-off detailed in the Appendix of £136,055.33 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. For further information this Council is currently participating in the pan-Worcestershire 75% Business Rates Pilot for 2019/20; the accounting for write-offs will result in the same overall financial impact across all parties as for the previous smaller Worcestershire Business Rates Pool arrangements that comprised of Worcestershire County Council, Wychavon District Council, Worcester City Council and this Council.
- 5.2 Under the current Council Tax system the cost of non-collection of Council Tax is met by Worcestershire County Council 69%, The Police and Crime Commissioner for West Mercia 12%, Wyre Forest District Council 12%, Hereford and Worcester Fire Authority 5% and Town/Parish Council 2%. Approval of the proposed write-off detailed in the Appendix of £11,017.93 will be accounted for and result in a loss of income shared between the above.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 None.

7. EQUALITY IMPACT NEEDS ASSESSMENT

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

8. RISK MANAGEMENT

- 8.1 The principal risk to the Council is loss of National Non-Domestic Rates (Business Rates) income which is a key funding source. However, the budgeting process includes an estimate each year for a small percentage of potential write-offs/provision for bad debts that are unfortunately inevitable given the total annual sum collectable of circa £30m. The Business Rates accounting regime and membership of the

Worcestershire Pool mitigates the risk of impact on this Council as the loss of income is shared between Pool members and the Government.

- 8.2 The loss of Council Tax income to the Council is also a principal risk as this is a key funding source. However the budgeting process includes an estimate each year for a small percentage of potential write-offs/provision for bad debts that are unfortunately inevitable given the total annual sum collectable of circa £58m.

9. CONCLUSION

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

10. CONSULTEES

- 10.1 Corporate Leadership Team
Leader of the Council and Cabinet Member for Strategy and Finance

11. BACKGROUND PAPERS

- 11.1 Overview and Scrutiny Report 5th October 2017 – Processes for Business Rates Debt Recovery

Appendix Open Companies				
Debt Type	Payer	Address	Reason for Write-Off	Amount £
NNDR	Tum Run Ltd 00392022	Shop and premises, 15 High Street, Kidderminster. DY10 2DQ	Business Rate debt related to occupied rates for the period 17/11/2017 to 31/03/2018, 01/04/2018 to 31/03/2019 and 01/04/2019 to 07/04/2019. The company sold clothing and footwear from the shop but are no longer trading. Liability Orders were made by Kidderminster Magistrates on 10th October 2018 and 3rd July 2019. Instructions were passed to Enforcement Agents but they were unable to collect any payments and instructions were returned no trace. The company has a proposal to strike off at Companies House.	37,226.36
NNDR	My Community Space 00389900, 00389919,003 89943,003911 90,00391204,0 0395595	Offices and premises, Various offices at Elgar House, Green Street, Kidderminster, DY10 1JF	Business Rate debt related to occupied and void rates for the period 01/04/2018 to 31/03/2019 and 01/04/2019 to 19/05/2019. This company was a registered charity and its aim was to let out the premises to other charities, this consisted of open days with boards set up advertising other charities. Liability Orders were made by Kidderminster Magistrates on 3rd July 2019. Instructions were not passed to Enforcement Agents as the company was dissolved on 23rd July 2019 at Companies House.	28,701.64
NNDR	Armitage Ltd 00358886	Shop and premises, 1 High Street, Kidderminster. DY10 2DJ	Business rate debt related to void rates for the period 12/12/2012 to 31/03/2013 and 01/04/2013 to 11/12/2013. This company was the Landlord of the premises and based in the Isle of Man. Liability Orders were made by Kidderminster Magistrates Court on 15th January 2014. LPA receivers were appointed 8th November 2011 for this company. The LPA receivers believed the company had gone into administration, however we have never been able to confirm this. We have liaised with an Insolvency company to see if they could provide any further information but they were unable to. Armitage Ltd are not registered at Companies House, however we had received correspondence from them in the past. As we are unable to find any trace of the company now and they never traded we have tried every avenue available to us to recover the debt.	70,127.33

PROPOSED WRITE-OFFSAPPENDIX 1

Debt Type	Payer	Address	Reason for Write-Off	Amount £
CTAX	Mr X 1348175	Property in Stourport-on-Severn	Council Tax relates to occupied council tax for the period 01/04/2010 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, 01/04/2015 to 31/03/2016, 01/04/2016 to 31/03/2017, 01/04/2017 to 31/03/2018, 01/04/2018 to 31/03/2019 and 01/04/2019 to 31/03/2020. Mr X paid his Council Tax in full until the start of 2010. Liability Orders were made by Kidderminster Magistrates on 7th December 2010, 23rd December 2011, 15th June 2012, 28th June 2013, 4th July 2014, 3rd July 2015, 1st July 2016, 28th July 2017 and 12th September 2018 and 3rd July 2019. Mr X did attend Court in June 2013 and told the Court about his personal circumstances leading to vulnerabilities and that he was unable to go out and he would not open his door to anyone. Instructions were passed to Enforcement Agents however they have been unable to contact Mr X and the instructions were returned no legal access. Mr X is a vulnerable elderly man, the Council Tax Section has tried on numerous occasions to contact Mr X and try to engage with him, however we have been unable to . As the property is rented the Council Tax Section feel there are no other suitable avenues for collection of the outstanding Council Tax.	11,017.93
				147,073.26

WYRE FOREST DISTRICT COUNCIL**CABINET**
12th NOVEMBER 2019**Conversion of property in Stourport on Severn**

OPEN	
CABINET MEMBER:	Councillor Fran Oborski Deputy Leader and Cabinet Member for Economic Regeneration, Planning and Capital Investments
RESPONSIBLE OFFICER:	Corporate Director: Economic Prosperity & Place
CONTACT OFFICER:	Kate Bailey, Ext.2560 Kate.bailey@wyreforestdc.gov.uk
APPENDICES:	NA

1. PURPOSE OF REPORT

- 1.1 This report outlines the high level business case for converting a property in Stourport on Severn into temporary accommodation that would be run by the Council as an alternative to using private sector Bed & Breakfast (B&B) facilities particularly for families. This represents an opportunity for the Council to reduce its B&B costs going forward and generate additional revenue.

2. RECOMMENDATION**The Cabinet is asked to DECIDE that:**

- 2.1 The proposal to refurbish 11b Raven Street, Stourport on Severn into temporary accommodation be approved.
- 2.2 That authority is delegated to the Director of Economic Prosperity and Place, in consultation with the Corporate Director: Resources and Solicitor to the Council and the Cabinet Member for Economic Regeneration, Planning and Capital Investments to agree the process, timetable and evaluation model for the appointment of a contractor to deliver the refurbishment works and to award the contract to the successful provider.

The Cabinet is asked to RECOMMEND to Council that:

- 2.3 The funding within the Capital Programme currently set aside for Comberton Place (as per the report of 11/07/17) is removed from the Capital Programme and that £60k is reallocated to the Raven Street refurbishment and the remainder returned to the Evergreen Investment Fund as unallocated.

3. BACKGROUND

- 3.1 The property at 11b Raven Street is in the ownership of the District Council. The ground floor is currently a fishing tackle shop. The Council are working with proprietor

to sign a new lease agreement for ten years. The first floor flat has previously been used as residential accommodation but has been vacant for some time.

- 3.2 The property is poorly maintained and will require refurbishment to bring it up to current required standards including fire separation between the flat and the shop beneath. However the property has the potential to support the Council's need for emergency accommodation to fulfil the legal duties under the Housing Act 1996 (as amended by the Homelessness Reduction Act 2017). The Council currently uses a combination of Bed and Breakfast and 2-3 New Street to meet these legal duties however Bed and Breakfast is costly as the Council is unable to recover all the Housing Benefit paid out (please see Table One below). If demand outstrips supply from the procured Bed and Breakfasts or New Street then the Council has to look for other more costly and/or out of district placements.

Table One: Costs of B&B table including HB payments and benefit clawback

	2015/16	2016/17	2017/18	2018/19
Revenue Costs				
Gross cost of emergency housing	48,109	72,226	84,482	123,878
Total Expenditure	48,109	72,226	84,482	123,878
Income				
Benefit Receipts	(42,002)	(71,440)	(66,985)	(91,294)
Less: Benefit Clawback	25,417	47,657	34,399	50,166
Contributions towards Non-Eligible Costs	(262)	(1,308)	0	(7,818)
Total Income	(16,847)	(25,091)	(32,586)	(48,946)
Net Revenue Position	31,262	47,135	51,896	74,932

- 3.3 There is an ongoing liability for standing charges for water and electricity and insurance for the first floor flat. This is estimated in the region of £600 –800 p.a. There is currently no council tax liability as the Council's Private Sector Housing (PSH) team have served a prohibition order.
- 3.4 In addition to Bed and Breakfasts and New Street the Council also utilise Crash Pads in St Basils and Compton Valley House, No Second Night Out provision in Worcester and will work with Caring for Communities Projects (CCP) to operate the Severe Winter Emergency Provision in Wyre Forest during the winter months.
- 3.5 The PSH Team have undertaken a survey of the property at Raven Street and obtained estimated quotes for undertaking the work required.
- 3.6 This accommodation could be used for the provision of emergency short-term accommodation for both statutory and non-statutory homeless that the Council has a duty (or a power) to assist. In particular the accommodation could be used to house larger family units that currently have to be accommodated elsewhere, as New Street only has one unit of family style accommodation, at much higher costs. This will compliment the provision at New Street and other potential accommodation schemes

where larger families would need to be split across several units of accommodation as opposed to being able to be housed together in a single unit.

- 3.7 The proximity of the accommodation to 2 -3 New Street means the current staffing resource can be deployed to oversee the accommodation and support the households.

4. KEY ISSUES

- 4.1 In 2018/19 there were 857 formal homeless approaches; of which 151 were prevented from becoming homeless, 119 had their homelessness relieved and 11 had the main rehousing duty accepted. In 2018/19 the Council accommodated 181 households into B&B accommodation and 66 into New Street. Analysis of utilisation rates shows there is a requirement, on average, for a further 12 units of temporary accommodation in addition to New Street. Whilst other proposals regarding temporary accommodation, previously considered by Cabinet will address some of this need it wouldn't be appropriate for large families for longer periods of time due to the need to split them over more than one unit of accommodation.
- 4.2 In 2018/19 the Council saw a large number of households with 3 or more children approaching as homeless and requiring temporary accommodation (15 single parents with 3 or more children and another family with two parents and two children). The rooms at New Street are not really suited to families of this size and this normally means they are placed in two rooms at a B&B. There were two months during the year where there were no larger families requiring accommodation, but for most of the other months there was more than one family requiring a larger unit of accommodation which would indicate the unit at Raven Street would be occupied for most months of the year by larger families alone and then can be utilised for smaller family units at other times.
- 4.3 Using this and the New Street data it can be assumed that occupancy of the units will be for 52 weeks less normal 'turnover time' taken for repairs or cleaning between lets (this is approximately 4 weeks per unit on average at New Street) then the annual income that would be derived from the use of the building for B&B purposes is projected to be £4,418 (based on weekly rent of £92.05). There shouldn't be any issue pertaining to housing benefit subsidy for this type of accommodation / use. The equivalent costs using the 2018-19 average cost per room per night for B&B accommodation for a year (with the same void rate) would be a cost of £13,104.00 per annum less housing benefit. Once HB subsidy has been paid there would be an overall net cost to the Council of £8,685 p.a.
- 4.4 Case law (Nzolameso v Westminster 2015) and subsequent advice from the Ministry of Housing, Communities and Local Government (MHCLG) has reduced the ability for councils to place households out of the district and have made it a requirement for councils to have a policy in place that clearly outlines when a placement can be made out of district (WFDC policy was approved in July 2016). With the lack of viable alternatives in the district the Council regularly has to place people outside the district which exposes the Council to risk of challenge.
- 4.5 The accommodation at Raven Street needs to be converted and modernised and officers have obtained two quotes for this work to give an estimated cost. It is proposed that the funding required for the project can be met through the reallocation

of the Evergreen Fund which was originally allocated for new residential units at Comberton Place which are now no longer being pursued.

- 4.6. The cost of furnishing the property will be met from the earmarked reserve for welfare funding reserve (currently £112k) which includes an element for furniture for residents who move into a new home.
- 4.7 The project would be overseen by the Council officers but once established, the future running of the building including lettings and management would be undertaken by the Temporary Accommodation Manager, Housing Services Officer and Housing Advice Team (as per New Street arrangements). A small number of additional hours have been included in the expenditure to cover any hours required above the normal contracted hours e.g. for out of hours call outs.
- 4.8 All other contracts and arrangements for management would be an extension of existing services for New Street including the floating support element.

5. FINANCIAL IMPLICATIONS

- 5.1 The Raven Street Property is currently managed by the Council's Estates team. It is valued at Existing Use Value at £45,000 (last valued at 31st March 2017) and is included on the balance sheet under surplus assets. The ground floor retail unit lease has expired and Legal Services are working with the tenant to sign a new 10 year lease with break clauses at 2.5,5 and 7.5 years (for the tenant) and 5 years for the Council. The annual income from the lease is £6350. The total annual revenue cost is circa £600 - 800.
- 5.2 The contract for the works will be tendered in accordance with the Council's contract procedure rules.
- 5.3 The table below summarises the approved Evergreen Investment Fund Capital Programme allocations. The proposal can be accommodated within available resources created by the Comberton Place proposal no longer being pursued. This funding is shown as £105,583 in the table below and related to the purchase of units of accommodation from Community Housing Group (CHG) agreed in July 2017.

Evergreen Fund Capital Receipts	£
Current Balance on Evergreen Fund	865,583
Committments:	
Industrial Units Development	(500,000)
Silverwoods Way (former Frenco site)	(200,000)
Silverwoods Way (former Frenco site) Council May 19	(60,000)
UNALLOCATED BALANCE	105,583

- 5.4 The Council currently uses third party provision and bed and breakfast accommodation to meet its obligations under the Housing Act 1996. The use of Bed and Breakfast has an impact on Council resources as the full cost is not eligible for Housing benefit subsidy. The provision of a directly owned Local Authority unit would

qualify for a set weekly rent payment of £92.05 plus eligible service charges and be eligible for full subsidy at this level.

- 5.5 In considering the financial case, measured assumptions have been made reviewing the potential for voids, the staff costs of operating temporary accommodation, running expenses and the savings that will accrue from reduced utilisation of third party emergency accommodation provision. The business case is based on depreciating the capital expenditure over 10 years. The asset's useful economic life is considered to be in excess of this duration.
- 5.6 Analysis of the impact on the Medium Term Financial Strategy (MTFS) (4 years) shows that the proposal represents a good opportunity to reduce the net cost of the homeless service. The net MTFS impact in the medium term, based on the occupancy levels achieved at New Street is a saving of £5,800.
- 5.7 If demand for temporary accommodation falls there will be scope to offer spare capacity to assist homeless households who do not meet the statutory minimum threshold or to neighbouring or partner authorities which would generate a commercial income stream.
- 5.8 The cost information below assumes a completion date of 1st April 2020. This will be subject to revision when the contract for works has been tendered. The costs prepared have assumed a full year effect of both income and expenditure.

Raven Street Temporary Accommodation	Revenue Impact of Proposal			
	Medium Term Impact			
	Year 1 £	Year 2 £	Year 3 £	Year 4 £
Expenditure				
Staffing	1,300	1,326	1,353	1,380
Annual Repairs and Maintenance	980	1,000	1,020	1,040
Other Running Expenses	701	715	729	744
Void expenses	234	239	243	248
Management O/H	431	439	448	457
Cost of Capital				
Depreciation	6,000	6,000	6,000	6,000
Loss on investment interest	480	480	480	480
Income				
Rental Income	(4,308)	(4,394)	(4,482)	(4,572)
Service Charge	(2,340)	(2,387)	(2,435)	(2,483)
Less: Bad Debt Provision	548	559	570	581
Service Efficiency/Savings				
Reduced Cost of B&B	(8,690)	(8,864)	(9,041)	(9,222)
Operational expense (vacant property)	(800)	(816)	(832)	(849)
TOTAL	(5,464)	(5,703)	(5,947)	(6,195)
Average Impact				(5,827)

- 5.9 Depreciation has currently been worked out on the basis of the property having a 10 year life span. Once the work has been undertaken a condition survey will be obtained to ensure the depreciation is spread over the lifespan of the asset.
- 5.10 An initial planned maintenance / sinking fund has been agreed following discussion with the Asset Maintenance and Compliance Manager but further work will be commissioned to identify an appropriate level of planned maintenance following the condition survey.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The Council has a legal duty to place households which it believes to be eligible, homeless and in priority need. In emergency situations the Council discharges this duty through a mixture of accommodation provision including Bed and Breakfast style provision. However this is deemed unsuitable accommodation by the Government and this is reflected in the Housing Benefit regime where councils can only recover around 30% of the Housing Benefit paid to the owners of Bed and Breakfast accommodation through subsidy claims.
- 6.2 Families with dependent children should only be accommodated in Bed and Breakfast in exceptional circumstances and only for a period of six weeks. If families occupy Bed and Breakfast for longer than six weeks, the Council are at risk of judicial review.

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 An Equalities Impact Screening Assessment has been undertaken and this indicates there are no adverse effects of this decision on any groups with protected characteristics so a full EIA is not required.

8. RISK MANAGEMENT

- 8.1 Property development carries risk (categorised between property risk, financial risk and corporate risk). The Council's property portfolio is to be managed in accordance with approved policies and procedures as set out in the Strategies for the Capital Portfolio Fund and Development Loan Fund approved by Cabinet 27th March 2018 to help minimise these risks and also the relevant housing policies. This risk management will also be cognisant of the revised policies and procedures in the approved Capital Strategy.
- 8.2 The primary financial risks concern the ongoing demand from homeless households requiring accommodation and its effect on rental income. Accounting arrangements will ensure that the net revenue benefit to the Council is transparent and will be monitored. A risk matrix for the scheme has been produced as follows. It is anticipated that further analysis of risks will be undertaken and proactively managed.

RISK REGISTER FOR CAPITAL PORTFOLIO FUND	Impact (H/M/L)	Likelihood (H/M/L)	Risk Rating (R/A/G)	Risk Mitigation
Levels of homelessness reduce and the Council is	M	L	G	Funding requirement of circa £60k from the Evergreen fund

RISK REGISTER FOR CAPITAL PORTFOLIO FUND	Impact (H/M/L)	Likelihood (H/M/L)	Risk Rating (R/A/G)	Risk Mitigation
<p> tied into long term costs that cannot be covered by future income. </p>				<p> means that in terms of proportionality this is low risk. Other opportunities to dispose of this stock to the Local Authority Housing Company for private sector lets reduce this risk. </p>
<p> Lack of internal capacity, commercial knowledge and HRA skills; both officers and Members. </p>	L	L	G	<p> Officers within the Council have had nearly two years of experience running New Street. </p>
<p> Bad debts from failure of the tenants to pay rent and service charges. </p>	L	L	G	<p> A proactive approach is always taken to debt management in order to minimise the bad debt scenario. Some allowance for bad debt has been built in based on New Street bad debts. </p>
<p> As well as lost rental income on vacant units, the Council could find itself liable for a share of on-going costs which a tenant would normally pay such as Council Tax. </p>	M	L	G	<p> If the Council doesn't have a homeless household to place it can offer up spaces under its discretionary duties to accommodate or to neighbouring authorities. </p>
<p> Disputes with tenants. There are costs associated with evictions although most licenses are exempt from the Protection of Eviction Act. </p>	M	L	G	<p> This risk is reduced through effective management of licensees. </p>
<p> Costs of repairs escalate above forecasts and Council does not hold reserves/budgets to cover increase </p>	H	M	A	<p> The cost of repairs will continue to be monitored and factored into planning. An annual £500 planned maintenance budget has been included for the lifetime of the project </p>

9. CONCLUSION

- 9.1 The Council has a duty to provide temporary accommodation to those approaching under the Homelessness Reduction Act 2017, if they are eligible, homeless and in priority need. It currently discharges this duty by providing a mix of bed spaces including Bed and Breakfast style accommodation. However, due to Housing Benefit subsidy regulations the Council is unable to fully recover its costs making this form of provision particularly expensive.
- 9.2 The Council owns a property in Raven Street, Stourport on Severn which could be refurbished for a temporary accommodation scheme. This would require the Council reallocating £60,000 capital funding, currently in the Capital Programme for the

acquisition of residential units at Comberton Place, with the balance being returned to the Evergreen Investment Fund.

- 9.3 Any risk posed by under-utilisation of the scheme could be mitigated by housing homeless households under our discretionary duties or considering offering vacant spaces to neighbouring authorities.

10. CONSULTEES

- 10.1 CLT

11. BACKGROUND PAPERS

- 11.1 Not applicable.

WYRE FOREST DISTRICT COUNCIL

CABINET
12 November 2019

ESTABLISHING A LOCAL LOTTERY FOR WYRE FOREST

OPEN	
CABINET MEMBER:	Councillor Helen Dyke
RESPONSIBLE OFFICER:	Linda Draycott
CONTACT OFFICER:	As above
APPENDICES:	<ol style="list-style-type: none"> 1. Local Authority Lotteries 2. Gatherwell Local Lottery Solution 3. Gambling Commission

1. PURPOSE OF REPORT

To consider whether to progress with establishing a local lottery for Wyre Forest.

2. RECOMMENDATION

The Cabinet is asked to DECIDE that:

- 2.1** A local lottery utilising Gatherwell as the external lottery management company is established in Wyre Forest.

3. BACKGROUND

- 3.1** A lottery is a gambling that has three essential elements:

- Payment is required to participate
- One or more prizes are awarded
- These prizes are awarded by chance.

- 3.2** Consideration was given to this issue in 2016 but it was not progressed. The leading operator, Gatherwell, is by now working with 80 councils. A promotional leaflet describing their service is attached in Appendix 2.

- 3.3** If WFDC is to follow the trend that many other councils have now set, a local lottery would support community projects in the district and operates on the simple principle of raising money within the community for the community.

- 3.4** Tickets for the lottery cost £1 per week. Each ticket has a **1 in 50** chance to win a prize each week, with a top prize of £25,000. 60p in every pound goes to local charities – either to the “central fund” which the Council allocates or 50p to a specific good cause of the player’s choice with 10p going to the central fund. The Council approves which local charities can be recipients of funding by approving their application to join the lottery. The rest of the money goes towards running costs and the prize fund – WFDC would not take a penny.

- 3.5 Lotteries must return a minimum of 20% of the proceeds to the purpose of the society or local authority. In the Gatherwell model 60% of the ticket sales collected is returned to the good causes.

4. KEY ISSUES

Competition/Market Place

- 4.1 Apart from the three well-known national lotteries running in England and Wales – the National Lottery, Health Lottery and the Postcode Lottery, there are also a number of Wyre Forest local lotteries in existence including for example Headway Wyre Forest - Brain Injury Association and Wyre Forest Cricket Club lottery. Other local lotteries will no doubt exist and could be eligible to join a District Council wide scheme.
- 4.2 Depending on their fundraising activity and level of financial commitment, these competitors could be persuaded to join the Wyre Forest Lottery as a good cause. This would minimise competition, reduce or negate their overheads of managing a lottery and could even increase the revenue raised for their charity/ organisation. There is a “down side” risk that a Wyre Forest Lottery might not result in the same level of financial support for some organisations compared to whatever arrangements they make now. However the platform provides a different way of accessing a potentially much wider pool of lottery players and would avoid the administration and other overheads that small charities face in organising their own lotteries at present.
- 4.3 For the charity or community organisation there are no fees and no administration. All they need to do (once approved by the Council for participation) is promote the lottery to their supporters and community. By actively encouraging their members and family/friends to join and play, the lottery benefits from recommendations and a growing number of people playing the lottery regularly.

Other Options

- 4.4 In order for WFDC to run a lottery there are four management options:
- i. deliver in house
 - ii. through an External Lottery Manager (ELM)
 - iii. through an small society lottery provider
 - iv. through a society lottery holder

☐ Option 1 - In-house

In order to operate a lottery in-house it would be necessary to create dedicated licensed, lottery posts. We would also need a dedicated IT system and infallible systems to run it. Whilst we have not, at this stage costed this approach it would involve a whole new software system and a licensed manager to run the lottery. Aylesbury Vale, who provided this information, costed this to be between £80 - £100K. We would need to build an appropriate website and have full responsibility for marketing and managing the lottery.

□ Option 2 - External Lottery Manager (ELM)

This option enables WFDC to partner with an established and experienced provider in this field. An ELM has the responsibility of all day to day operations of the lottery - the District Council's role would be minimal but would retain full control, oversight and governance. Our role would be to allocate the funding to good causes, and support the lottery with periodic press, PR and marketing to ensure continued support.

□ Option 3 - Through a small society lottery provider

A small society lottery is not required to hold a licence from the Gambling Commission but does need to be licenced by the local authority. Prize money cannot exceed £20,000. This type of lottery provider tends to be smaller clubs, groups and societies with small numbers of members.

□ Option 4 - A society lottery provider

The Hampshire & IOW Opportunity Society Ltd run and operate the IOW lottery, as a society lottery. Their primary objective is to create funding for start-up business and awarding small grants to SMEs. They have also been asked to manage the SoLotto on behalf of Southampton City Council, on the same basis. Like an ELM they can provide advice, daily management and operational benefits. The % given back to good causes is lower than Gatherwell and WFDC would be required to be much more 'hands on' and create their own website and a good proportion of marketing material etc.

Timetable

- 4.5 If WFDC partners with an ELM (Gatherwell appear to be the only established player in the field) it is anticipated that the Wyre Forest Lottery could be live within 6 months from an initial conversation. (Subject to Licences being granted by the Gambling commission)

If WFDC chose an alternative provider, such as the IOW lottery company to manage a Lottery, there would be operational differences and costs. Where Gatherwell have an insurance policy to ensure every lottery win is and can be paid for, the IOW lottery module needs a minimum of 5000 players to subscribe until it can start to operate. In Southampton's case the Hampshire & IOW Opportunity Society Ltd anticipate that this will take a minimum of six months to achieve. In terms of risk to the authority and reputational damage in the event that insufficient cash funds have been generated it is noted that the Hampshire & IOW Opportunity Society Ltd has no insurance policy to protect the cash prizes.

Benefits to good causes

- 4.6 Importantly, the purpose for introducing a local lottery is to provide grants and cash funding to local good cause, charities and voluntary organisations. The maximum return on each ticket is therefore very important. The table below demonstrates the percentage return that would be available to give back to good causes.
- 4.7 Gatherwell has provided comparative data for lotteries with similar sized populations showing the amounts raised for good causes from relatively low numbers of players.

Lotteries with similar size 16+ population to Wyre Forest (83,325)						
Council	16+ Pop	Time since launch	Annual revenue raised for good causes based on current ticket sales	Number of players	Tickets/player	% of 16+ population
Blaby	80,000	18 months	£29,000	569	1.63	0.71%
Eastbourne	85,000	16 months	£50,000	837	1.94	0.98%
Worcester	83,000	5 months	£33,000	609	1.75	0.73%
South Staffs	94,500	24 months	£30,000	571	1.63	0.60%

- 4.8 The projections below are based on Wyre Forest 16+ population. The accuracy of these projections will vary on a number of factors such as engagement with the Community and Voluntary Sector, marketing effort put in to the launch campaign, demographic of local population and then the support given by the community. BH Coastal (Bournemouth) is currently the best performing local authority lottery, although it only launched in March this year. They have an older population with higher levels of disposable income but they also had a very effective launch campaign within the community.

Wyre Forest Community Lottery Projections								
£1 Ticket Price / 1 Ticket per week								
Ticket Price£	Number of players	% of Pop	Tickets bought per week	Number of weeks	Gross Return	Central Fund (10%)	Good Causes (50%)	
1	416.625	0.5	1.8	52	£38,996	£3,900	£19,498	Year 1 Target
1	833.25	1	1.8	52	£77,992	£7,799	£38,996	Year 2 Target
1	1249.875	1.5	1.8	52	£116,988	£11,699	£58,494	Year 3 Target
1	1666.5	2	1.8	52	£155,984	£15,598	£77,992	
1	2083.125	2.5	1.8	52	£194,981	£19,498	£97,490	
WF Estimated 16+ Population =			83325					

IOW lottery					
% to Good Causes	% to Prizes	Lottery operator fees (inc. VAT)	Maximum prize £	Comments	Set up costs
40%	30%	30% (15% Admin & 15% marketing)	£50,000	No insurance policy exists to secure this prize money. This is a potential concern and risk.	£500 Licence fee

ELM - Gatherwell					
% to Good Causes	% to Prizes	Lottery operator fees (inc. VAT)	Maximum prize £	Comments	Set up costs

ELM - Gatherwell					
60%	20%	20%	£25,000	Gatherwell will secure the prize money with an insurance policy. This means that the lottery can launch as soon as the license is approved by the Gambling Commission	£5000 exc. Licence fee Application fee of £147 to £293, plus annual fee of £348 to £1458
		The 3% VAT can be reclaimed and used for marketing purposes.			

5. FINANCIAL IMPLICATIONS

5.1 Although it could be anticipated that the any Wyre Forest Lottery would be as successful as those organised elsewhere, should play of the lottery be suspended or fail entirely, Gatherwell's terms and conditions ensure that neither Gatherwell nor WFDC will be liable for any loss or failure. There are modest one off and ongoing costs associated with the Council initiating a local lottery managed by Gatherwell, namely £5000 exc. Licence fee and an application fee of £147 to £293, plus annual fee of £348 to £1458. It might be possible to charge some of these costs to the “central fund”. If this is not the case, these costs can be met from the localism fund.

5.2 If successfully established, the Council would have the ability to consider whether the Community Leadership Fund is required any more or at its current level – most of the community leadership funds are allocated by councillors to local charitable organisations in any case. The difference with allowing these organisations to be funded instead through a local lottery is that the lottery players themselves would choose what good causes should be supported.

5.3 The use of an External Lottery Management company could represent a cost effective and efficient method for providing a Local Authority Lottery in Wyre Forest.

To produce and deliver a Lottery in-house would not be financially viable against the backdrop of the Council’s financial gap. Alternative providers to an ELM would incur additional set up and operational costs, offer less prize money as well as providing a potential financial and reputation risk by providing a financial prize which is not underwritten or guaranteed from weekly ticket sales. Initial set up costs would be £5000 plus the cost of a licence (dependent on estimated turnover)

5.4 A support fund of £2000 will be established to provide marketing and promotional resources and launch costs.

6. EQUALITY IMPACT NEEDS ASSESSMENT

- 6.1 A preliminary Equality Impact Assessment (EIA) is not required as no new services are being recommended and there will be no negative impact on the protected characteristic groups. There will continue to be work with the voluntary and community sector to achieve the aims set out within the report.

7. LEGAL AND POLICY IMPLICATIONS

- 7.1 Appendix 1 sets out the legal position for Local Authority Lotteries and the steps needed to run a lottery under The Gambling Act 2005. Local Authority lotteries permit various types of Gambling, including all types of lottery with varying degrees of control, dependent upon the size of the lottery being operated.
- 7.2 An Application would need to be made to the Gambling Commission and appropriate authorities for a Lottery Operating Licence, and a Remote Gambling Licence. The Licence will be subject to conditions laid down by the Commission.
- 7.3 The establishment and promotion of any lottery by the Council is an executive function. This function sits separate from licensing which is undertaken by the Licensing Committee.
- 7.4 A cross party group of Members would be established to oversee the smooth running of the lottery and to determine which charities join the lottery.

8. RISK MANAGEMENT

- 8.1 Whilst the District Council's role would be minimal, an officer resource would be required to allocate the funding to good causes, and support the lottery with periodic press, PR and marketing to ensure continued support.
- 8.2 It is intended that the Commercial Activity Programme Board would oversee the lottery project and provide monitoring and governance oversight.
- 8.3 The issue of encouraging problem gambling has been examined as part of the planning for this new lottery and it has been concluded that this scheme is very low risk.

9. CONCLUSION

- 9.1 In the light of the cost effective introduction and success of local lotteries by other councils, Cabinet is invited to consider moving forward with establishing a local lottery utilising Gatherwell as external lottery Management Company.

10. CONSULTEES

- 10.1 CLT
10.1 Cabinet
10.2 Overview and Scrutiny Committee

11. Appendices

- 11.1 Local Authorities Lotteries
- 11.2 Gatherwell Local Lottery Solutions
- 11.3 Gambling Commission



Local Authority Lotteries – Briefing Note

This note sets out the legal position in regard to Local Authority Lotteries and the steps needed to run such a lottery.

The Gambling Act 2005 is the primary legislation, which permits various types of Gambling, including all types of lottery with varying degrees of control dependent upon the size of the lottery being operated. In basic terms a lottery is a kind of gambling that has three essential elements:

- Payment is required to participate
- One or more prizes are awarded
- These prizes are awarded by chance.

A local authority lottery is a lottery promoted by local authorities themselves. Authorities may use the net proceeds of such lotteries for any purpose for which they have the power to incur expenditure.

Up to a maximum of 80% of the gross proceeds of each lottery may be divided between prizes and the expenses of the lottery. There is also a minimum figure of 20% of the gross proceeds of each lottery, which must be applied to the purpose for which the authority has the power to incur expenditure.

In a single local authority lottery the maximum value of tickets that can be sold is £4 million. The maximum aggregate value of lottery tickets that can be sold in any calendar year is £10 million. In regard to prizes the sum of £25,000 or 10% of the ticket sales, whichever is greater, is permissible. Therefore if the maximum number of tickets is sold the maximum top prize is £400,000. Rollovers subject to limits are permissible.

An authority would need to appoint a person to run the lottery on their behalf and the individual would need to be licensed with the Gambling Commission to operate the lottery (although this could of course be an existing officer). All ELMs must hold a lottery manager's operating licence issued by the Gambling Commission before they can manage a council lottery. The use of ELM to manage part or all of its lottery does not absolve the Council from its responsibility for ensuring that the lottery is conducted in such a way as to ensure that it is lawful and fully complies with all conditions and codes of practice. ELMs will also need to hold a remote gambling licence if they intend to sell tickets by means of remote communications (internet, telephone etc). I have attached a guidance note, from the Gambling Commission, which gives more details.

Financial and Budget Framework Implications

There are cost implications, but these cannot be quantified without further research and would need to be the subject of a detailed study.


A useful report dated the 3rd February 2016 from Amber Valley Borough Council covers the options of either establishing an in-house lottery (which they estimate at a cost of between £80-£100,000 for set up costs alone) or using external lottery managers, where a partnership is entered into with an existing deliverer of lotteries.

The report compares the possible cost to the Council using lottery provided A or lottery provider B. Interestingly lottery provider A indicated that there would be no set up costs to the Council. Lottery provided B said there would be compulsory start up costs to the Council of £5,000.

Notably, whilst both external lottery providers operate a similar price structure, they have different percentage splits to operator, the Council and good causes.

Legal Powers Relied on and any Legal Implications.

The Gambling Act 2005 is the primary legislation, which makes a Local Authority Lottery lawful.

A photograph of three elderly women sitting in a row, smiling and exercising with yellow resistance bands. They are in a bright, indoor setting, possibly a community center or gym. The image is partially overlaid by a large blue heart shape.

Gatherwell Local Authority Lottery Specialists

**WINNER of The Lotteries Council
'Lottery Operator of the Year 2019'**



Aylesbury Vale
have raised
£250,000
for local causes
to date

Raising money in your community

In response to the ever increasing pressures on local authorities to maintain community grant funding levels, our innovative, low-cost solution has been designed to help you and the third sector gain access to new funding streams.

Pioneered in collaboration with Aylesbury Vale District Council in 2015, our online lottery platform offers higher contributions to good causes than any other major lottery in the UK.

Our model also lets supporters choose the good cause they want to support and has minimal administration requirements. Our lottery model revolutionises the way that lotteries work at a grassroots community level.

Why develop a lottery?

We are committed to helping local communities and empowering them to fundraise. We wanted to create a solution that:

- Helped to alleviate the pressures on council's grant funding budgets.
- Provided a lottery to help the third sector raise funds and maintain long-term relationships with their supporters.
- Supported the third sector whilst moving the council's role from provider/funder to enabler.
- Enabled the third sector to access a lottery product that is designed for them and at no cost to them.
- Helped to shift in the minds of the community the role their council takes in third sector matters and their innovative approach to service delivery.

How it works



Lottery tickets are £1 per ticket, per week. Players can choose their own numbers.



The more numbers they match the bigger the prize. **Match all 6 in the correct order and they win the £25,000 jackpot.**



60% of ticket price goes to local good causes. Players can choose which cause they want to support.

Draws are conducted every Saturday at 8pm and results are posted online immediately. Winners will also be notified via email.

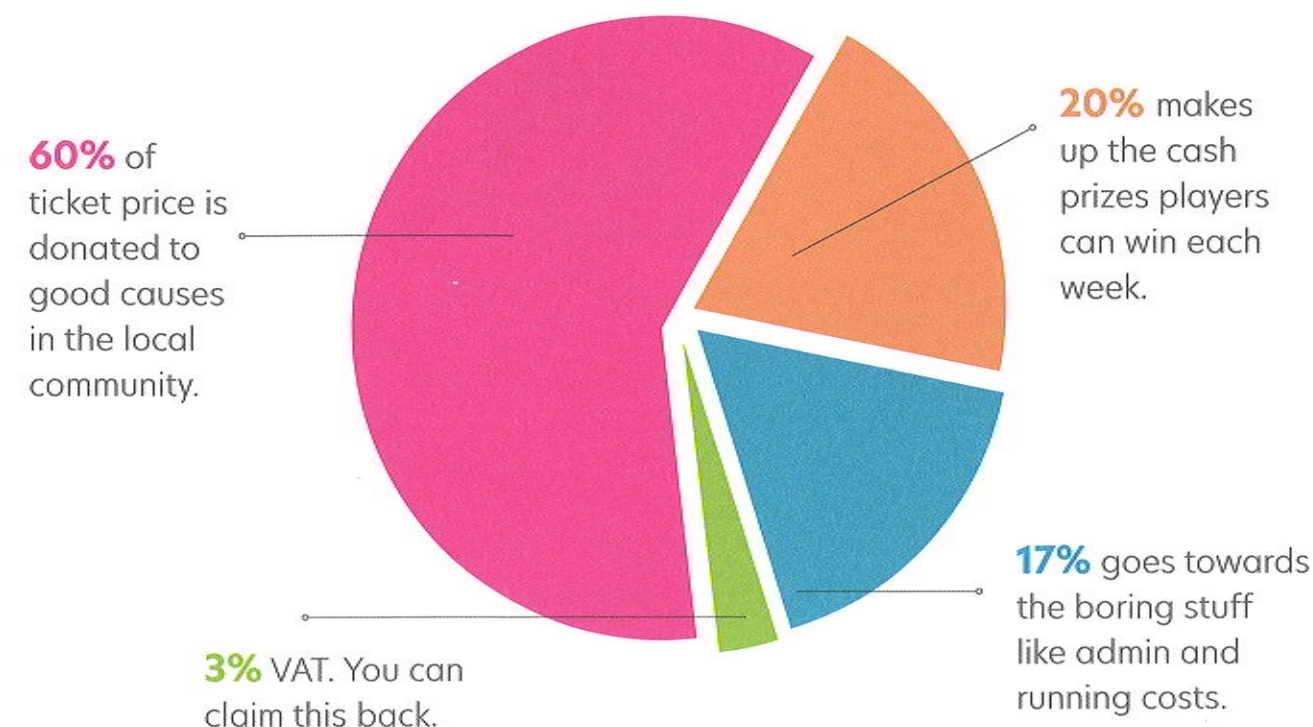
Players are encouraged to sign up to recurring monthly payments. This generates stable monthly income for your good causes and players get a hassle free way of supporting their favourite causes.

Whilst the lottery is online we do allow players to sign up over the phone. These accounts can be linked to an email address or we can arrange for all communication to be done by letter and telephone for those with no email address.

We also offer an option for paper Direct Debit mandate that can be filled in and posted to our freepost address.

Where does the money go?

The pie chart below shows how the ticket revenues are distributed.



Giving People Choices

When players buy tickets they are given a choice as to which good cause they want to support.

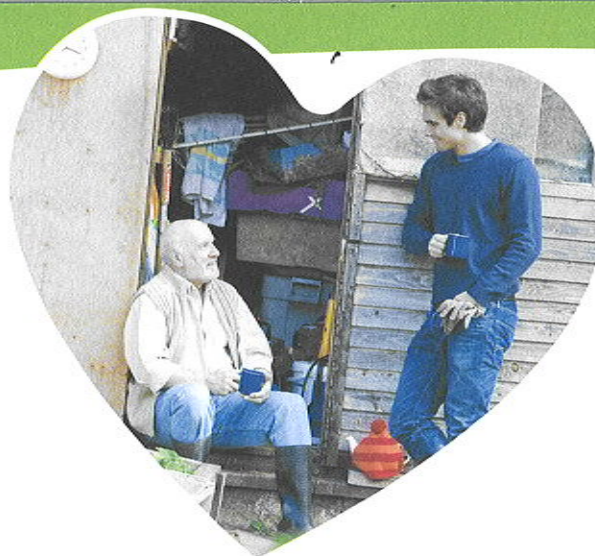
Central Fund

Choosing the central fund ensures that 60% of the ticket price goes to the central fund to be awarded by the council's chosen process.

All funds allocated to the central fund can either be used to increase the council's existing community grant funding budget or used to replace/reduce committed funding, thereby releasing general funds back to the council.

Specific Good Cause

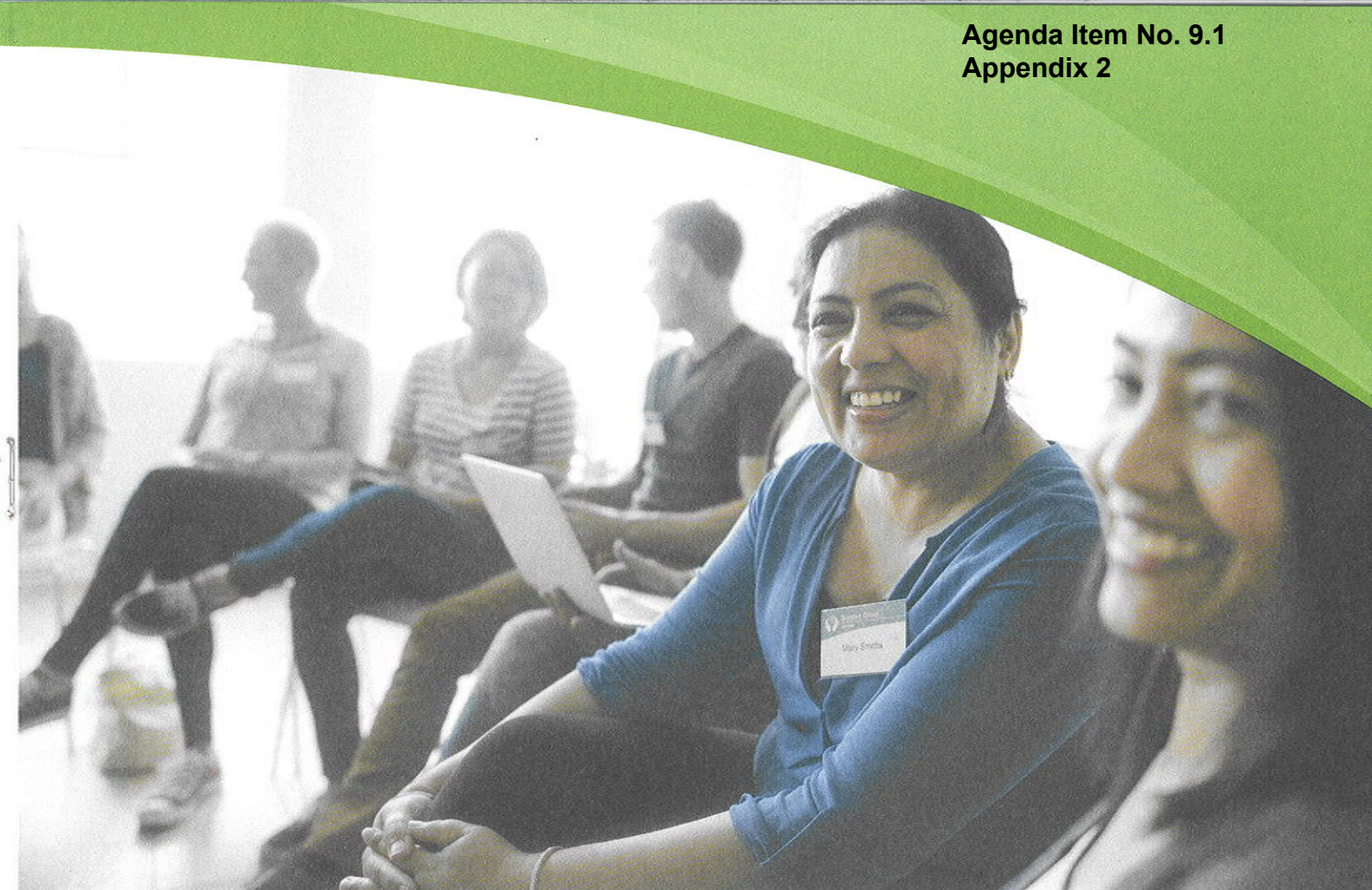
Choosing a specific good cause ensures that 50% of the ticket price goes directly to that cause, with the other 10% going to the central fund.



Recruiting Good Causes

Good causes apply to join the lottery via the website. Once you have approved their application, they are provided with their own branded page within the site and provided with regularly updated, bespoke marketing materials to help them spread the word about the lottery.

The causes keep 50% of all ticket sales generated through their page. There are no fees for the good causes and no administration. All they need to do is market their page to their supporters. They receive all the funds raised directly into their nominated account each month.



What about the prizes?

The lottery offers an exciting breadth of prizes for your players. The more numbers they match the bigger the prize - up to £25,000 jackpot! Gatherwell manage the prize fund and any associated insurance - relieving you of any exposure.

WIN
up to
£25,000

Matching numbers	Prize	Winning Odds
6 numbers	£25,000	1:1,000,000
5 numbers	£2,000	1:55,556
4 numbers	£250	1:5,556
3 numbers	£25	1:556
2 numbers	3 free tickets	1:56

Overall odds of winning any prize is 1:50

Ben Speare*
Managing Director

*Likes running marathons in pink tutus.



Martin Woodhead*
Technical Director

*Prefers saving lambs to eating them.



About Gatherwell

At the start of Gatherwell's journey we were just raising funds for our kids' school. Our drive to make fundraising easy, transparent, fun and rewarding led us to become the UK's fastest growing lottery provider. As an External Lottery Manager (ELM) we work passionately to revolutionise the way that lotteries work at a grassroots community level, working to constantly evolve our successful fundraising platform that makes an astonishing difference to the lives of

people of all ages through 5,000 inspiring good causes. We are committed to helping to educate, motivate and inspire people to build a better life for themselves and improve the communities they live in.

Based in Oxford UK. Gatherwell are a relaxed, friendly and driven team that are committed to helping good causes raise money by delivering engaging lotteries that supporters enjoy.



Who runs the lottery?

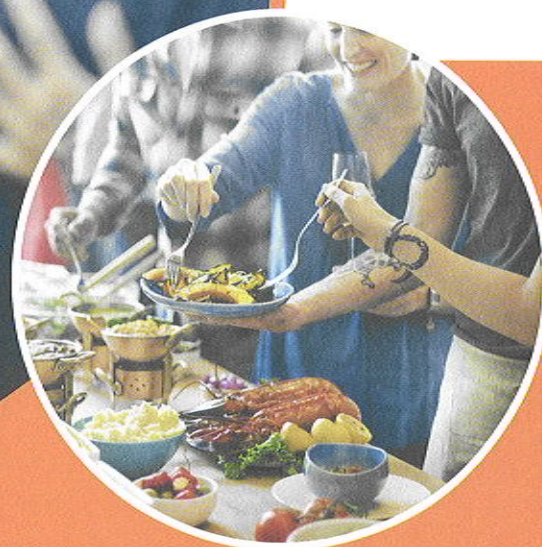
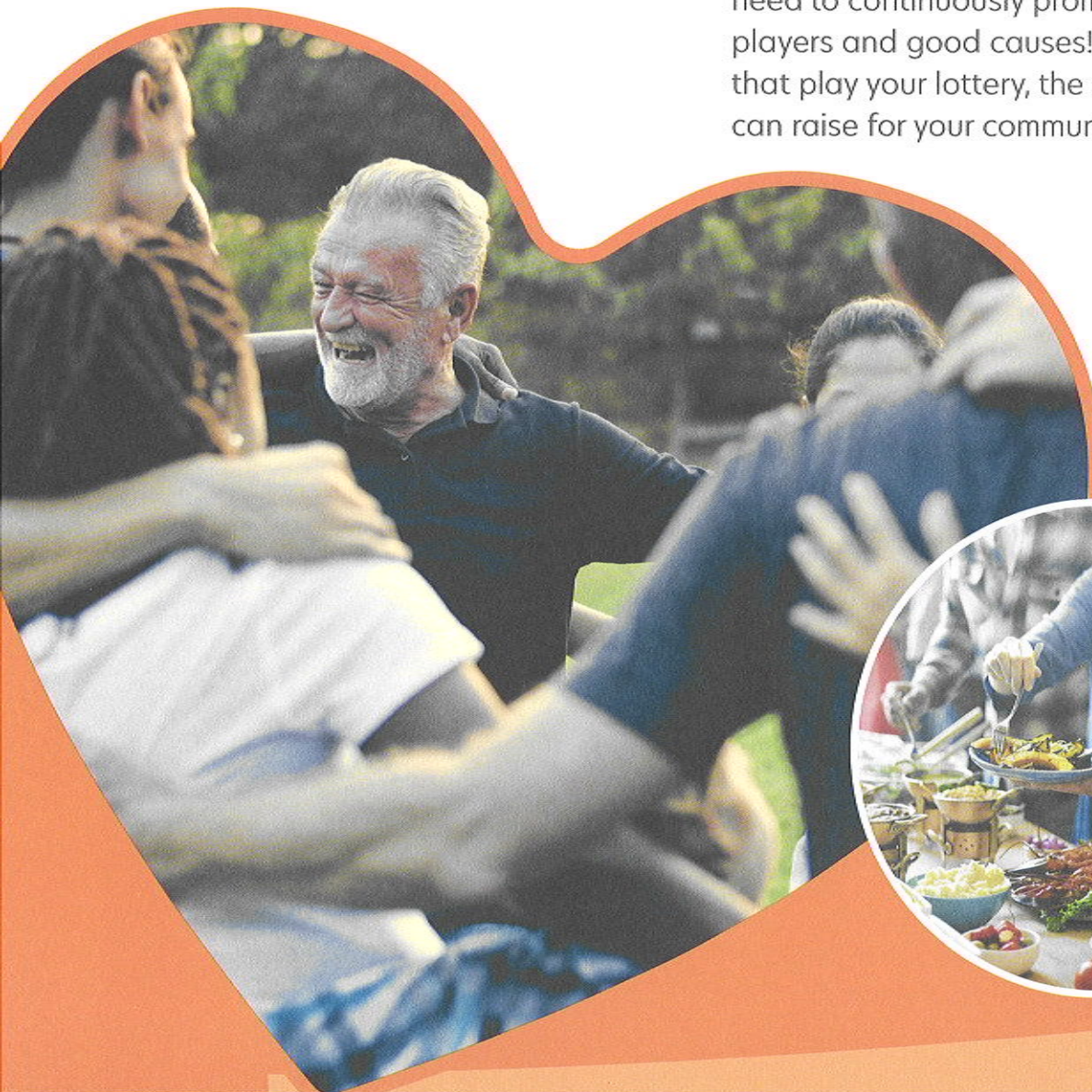
The lottery is run by you through Gatherwell. We are an external lottery manager (ELM). We run all day-to-day operations of the lottery, but you control oversight and governance.

What do you need to do?

We take care of all operation and administrative requirements. We even provide marketing strategies and advice pre and post launch. The only remaining responsibilities for you are:

- Application/compliance of a Local Authority Licence from the Gambling Commission. We will guide you through this process.
- Approval of new good causes as applications are submitted online.
- Authorisation of monthly cause payments and Gambling Commission lottery return.

Finally, the most important thing - you need to continuously promote the lottery to players and good causes! The more people that play your lottery, the more money you can raise for your community.



What does it cost?

We are an ethical company - we are built to keep costs down so the money goes where it's supposed to, to the good causes.

There is a small upfront fee to cover the cost of set up (£5,000) plus the Local Authority Lottery License fee from the Gambling Commission, and some dedicated officer time.

The good causes do not have to pay anything. All running costs are covered

within the administration charge (17%) on ticket sales.

There is no annual fee from Gatherwell. It is advisable to set aside an annual marketing budget to help maintain and grow the lottery - this can be deducted from the central fund before it is distributed each year, or 3% of the ticket price is VAT. This can be claimed back and re-used for marketing purposes.

Next steps

The lotteries we support are **raising over £4 million** each year for local good causes.

We'd love to talk with you to explain how we can help your local good causes raise funds.

Please get in touch, we'd be happy to help!



gatherwell

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GAMBLING COMMISSION

Promoting society and local authority lotteries

Advice for society and local authority lotteries which require a licence or registration

September 2014 (updated April 2018)

1 Introduction

- 1.1** Lotteries are illegal unless they fall into one of the categories specifically permitted by law. Apart from the National Lottery (which has its own dedicated legislation), the relevant law is contained in the Gambling Act 2005 (the Act). The Act creates eight categories of permitted lottery. Three of these categories (small and large society lotteries and local authority lotteries) require either a licence from the Gambling Commission (the Commission) if they are a large society or local authority lottery, or registration with a licensing authority if they are a small society lottery. This advice relates to these lotteries. Advice on the remaining five categories can be found in *Organising small lotteries (Gambling Act 2005)*.
- 1.2** This advice is not comprehensive or a binding interpretation of the law and anyone intending to run a lottery should refer to the Act and if necessary seek independent legal advice to ensure that they conform to the law before proceeding. Separate advice has been issued to local authorities in respect of small society lotteries under their jurisdiction.
- 1.3** The Act has three licensing objectives that are central to the regulatory regime and underpin the functions that the Commission and licensing authorities perform in respect of all types of gambling, including lotteries. These are:
- preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime
 - ensuring that gambling is conducted in a fair and open way
 - protecting children and other vulnerable people from being harmed or exploited by gambling.

2 Definition of a lottery

- 2.1** In simple terms a lottery is a kind of gambling that has three essential elements:
- payment is required to participate
 - one or more prizes are awarded
 - those prizes are awarded by chance.

This is set out more formally in the Act which defines two types of lottery, a simple lottery and a complex lottery.

- 2.2** An arrangement is a simple lottery if:
- people are required to pay to participate in the arrangement
 - in the course of the arrangement one or more prizes are allocated to one or more people in a class
 - the prizes are allocated by a process which relies wholly on chance.

- 2.3** An arrangement is a complex lottery if:
- people are required to pay to participate in the arrangement
 - in the course of the arrangement one or more prizes are allocated to one or more people in a class
 - the prizes are allocated by a series of processes
 - the first of those processes relies wholly on chance.
- 2.4** In addition, section 14(5) of the Act stipulates that, for the purpose of these definitions, a process that requires people to exercise skill or judgment or display knowledge is to be treated as relying wholly on chance if:
- the requirement cannot reasonably be expected to prevent a significant proportion of people who participate in the arrangement from receiving a prize
 - it cannot reasonably be expected to prevent a significant proportion of people who wish to participate in the arrangement from doing so.

3 Meaning of society and local authority lotteries

Society lotteries

- 3.1** Society lotteries are lotteries promoted for the benefit of a non-commercial society. Such societies are organisations that have distinct aims and objectives and meet the definition of a non-commercial society set out in the Act.
- 3.2** A society is non-commercial if it is established and conducted:
- for charitable purposes
 - for the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity
 - for any other non-commercial purpose other than that of private gain.

Local authority lotteries

- 3.3** Local authority lotteries are lotteries promoted by local authorities themselves. These differ from society lotteries registered with a licensing authority. Authorities may use the net proceeds of such lotteries for any purpose for which they have power to incur expenditure.

4 Large society and local authority lottery licensing requirements

- 4.1** A society lottery is a large lottery and may only be run under an operating licence issued by the Commission if the arrangements for that lottery are such that total proceeds (ticket sales) from it:
- may in a single society lottery exceed £20,000,
 - or the proceeds of previous lotteries in the same calendar year have already reached or may, taking into account the lottery in question reach £250,000 in one calendar year.
- 4.2** If a society promotes a lottery which, applying the above rules, is a large lottery (the first lottery) then every subsequent lottery it promotes in that year and in the following three years will also be a large lottery and will require the society to hold a lottery operating licence issued by the Commission.
- 4.3** All local authority lotteries must be run under an operating licence issued by the Commission.
- 4.4** Societies and local authorities that allow players to participate in their lotteries by means of remote communication (internet, telephone etc) will be required to hold a remote lottery operating licence, whether or not their activities also require them to hold a non-remote lottery operating licence.

- 4.5** General information about the Commission's licensing requirements is given in this document. Specific guidance is available on the Commission's website.

5 Small society lotteries

- 5.1** Societies that run small society lotteries, that is to say lotteries in which no more than £20,000 worth of tickets are put on sale and where the society's aggregate proceeds from lotteries do not exceed £250,000 a year may operate without a Commission licence provided they register with their licensing authority. Where it becomes apparent that a small society lottery will exceed either of the monetary limits, it is the responsibility of the society to ensure they apply to the Commission for a licence, before the limit is exceeded.
- 5.2** The promoting society of a small society lottery must, throughout the period during which the lottery is promoted, be registered with a licensing authority in England and Wales or a licensing board in Scotland.
- 5.3** The societies are required to be registered with their licensing authority in the area where their principal office is located. If the local authority believes that the society's principal office is situated in another area it should inform the society as soon as possible and if possible inform that other authority.
- 5.4** Details of registration requirements and procedures can be obtained from the licensing department of the relevant local authority.
- 5.5** Societies that run small society lotteries under registration with a licensing authority and that sell tickets by means of remote communication (internet, telephone etc) are not required to hold a remote gambling licence issued by the Commission.

6 Personal Management Licences

- 6.1** A society or local authority licensed by the Gambling Commission is required to have at least one Personal Management Licence (PML) holder if they have more than three people in qualifying positions.
- 6.2** A qualifying position is one where an individual by the terms of their appointment has primary responsibility for:
- the management of the licensed activity (ie the lottery)
 - the financial affairs of the society
 - ensuring the society complies with the requirements of the Gambling Act
 - the marketing of the lottery
 - management of the IT used in connection with the lottery.
- 6.3** In deciding who should hold the PML a society or local authority should identify the relevant senior individual who takes overall management responsibility for the promotion and proper management of the lottery and for compliance with the regulatory regime as a whole. The PML holder must be a trustee or officer of an unincorporated society, a director of a corporate society or a partner where the society is a partnership. In the case of a local authority lottery the PML holder must be someone in a senior management post who holds the relevant delegated authority from the licensing authority.
- 6.4** If a society has three or fewer people in qualifying positions they will qualify as a small scale operator and will be exempt from the need to have a PML holder. In those circumstances one individual from the society who is identified as the senior person responsible for the overall conduct of the lottery (usually the chief executive, a trustee, director or member of the senior management board) must complete the personal declaration (Annex A) of the Operating Licence application form and submit it to the Commission along with a Criminal Records Bureau form.

6.5 A society must not operate any lottery unless it has at least one PML holder or at least one Individual who has submitted an Annex A and is named on the operating licence. If the people holding PMLs or the people who have previously submitted Annex A Personal Declarations under the small scale operator exemption change, the society must notify the Commission as soon as possible. If departures leave the society without a PML holder or anyone who has submitted an Annex A, then a new individual needs to make an application for a PML, or in the case of those operators subject to the small scale operator exemption, submit an Annex A. The latter will also require an amendment to the operating licence. Both instances will require a Criminal Records Bureau check as well as appropriate payment.

6.6 Detailed guidance on PMLs and the small scale operator exemption are available on the Commission's website.

7 External Lottery Managers

7.1 A licensed or registered society or local authority may employ an external lottery manager (ELM) to manage all or part of its lottery. An ELM is defined in section 257 of the Act as someone that is a person or a body who makes arrangements for a lottery on behalf of a society or local authority but is not a member, officer or employee of the society or authority.

7.2 All ELMs must hold a lottery manager's operating licence issued by the Commission before they can manage a licensed society or local authority lottery or a society lottery registered with a local authority. It is the responsibility of the society or local authority to ensure that before employing anyone to manage all or part of their lottery that person or body holds a valid lottery manager's operating licence issued by the Commission. A list of licensed ELMs is available on the Commission's website.

7.3 The fact that a society or local authority may employ a licensed ELM to manage all or part of its lottery does not absolve the society or local authority from its responsibility for ensuring that the lottery is conducted in such a way as to ensure that it is lawful and fully complies with all licence conditions and the codes of practice. Both the society or local authority and the ELM require an operating licence from the Commission.

7.4 ELMs are also required to hold Personal Management Licences for a range of directors and senior managers, including the managing director, chief executive, finance director, compliance manager, marketing manager and IT manager.

7.5 ELMs also need to hold a remote gambling licence if they intend to sell tickets by means of remote communication (internet, telephone etc).

8 External Lottery Managers and service providers

8.1 Uncertainty can arise as to whether services provided to societies or local authorities amount to the promotion or facilitation of a lottery, in which case the provider needs an ELM licence if they are to avoid committing an offence, or instead amount to the provision of services which do not amount to promotion or facilitation, in which case no licence is needed. The following paragraphs give some guidance on the distinction. But anyone who is uncertain whether the services provided require the provider to hold an ELM licence should contact the Commission for advice.

8.2 Under section 252 of the Act, a person promotes a lottery if they make or participate in making the arrangements for a lottery. It says further that a person promotes a lottery in particular if they:

- make arrangements for the printing of tickets
- make arrangements for the printing, publication and distribution of promotional material
- make arrangements to advertise a lottery

- invite an individual to participate in a lottery
- sell or supply tickets
- offer to sell or supply tickets
- use premises for the purpose of allocating prizes or for any other purpose connected with the administration of a lottery.

Promotional material is defined as a document that advertises, invites participation, contains information about how to participate, or lists winners, in a particular lottery.

- 8.3** A person commits an offence under the Act if they carry out any of these activities on behalf of a society or local authority unless:
- they are an officer, employee or a member of a licensed or registered society or local authority
 - or they are a licensed ELM directed by a society or local authority to run all or part of its lottery.

- 8.4** Under section 259, a person facilitates a lottery if they:
- print lottery tickets for a specified lottery
 - print promotional material for a specified lottery
 - advertise a specified lottery.

A person commits an offence of facilitating a society or local authority lottery unless they act in accordance with an operating licence.

- 8.5** Whether or not a person or body carrying out activities on behalf of a society or local authority requires licensing as an ELM will depend on the activities they conduct and whether they amount to either promoting or facilitating a lottery and, if so, the circumstances in which they carry out those activities. For instance companies which print tickets for or which advertise lotteries under direction from licensed or registered societies or licensed ELMs do not themselves require a licence because, although they are facilitating a lottery, they are acting in accordance with a licence held by someone else.

- 8.6** To take another example, direct mailing companies employed by society lotteries may be classed as either a service provider or ELM, depending on the functions they carry out. If their only role is to post tickets to people to participate in the lottery from a list provided by the society or ELM, the Commission does not think they are doing any of the things that fall into the definition above of promoting a lottery. However, where a person or body is responsible for and manages part or all of the lottery and decides issues such as where to target promotional material, sources people to enter the lottery and deals with ticket transactions, they are carrying out functions that are caught by the definition of promoting a lottery and require a licence.

- 8.7** The Commission considers that the Act provides a comprehensive definition of what amounts to promoting or facilitating a lottery for the purpose of determining whether an ELM licence is needed for people or bodies providing services to societies or local authorities. In cases where there is doubt whether or not a person or body is acting in the role of an ELM, the Commission will have regard to the overall management and degree of control of the lottery undertaken by the society and the other party in question. Where the person or body making any of the arrangements for a society or local authority lottery, for example, has control of how the lottery is promoted and managed, the Commission's view is that they will be acting as an ELM and will need to hold the relevant operating licence issued by the Commission if they are to avoid committing an offence under the Act. Key indicators the Commission uses in reaching a conclusion include:
- who decides how the lottery scheme will operate and when changes to the scheme should be made
 - who controls the promotion, marketing and advertising of the lottery
 - who sells the tickets
 - who pays the prizes
 - who appoints and manages sub-contractors
 - banking arrangements and the process for handling the proceeds of the lottery
 - the contractual agreements between the society and the other party.

9 Remote lotteries

- 9.1** Section 4 of the Gambling Act specifies that remote gambling means gambling in which people participate by the use of remote communication including the internet, telephone, television, radio or any other electronic or technological method of communication. Normal letter post is not a form of remote communication for the purposes of the Act.
- 9.2** Societies and local authorities requiring licensing by the Commission and which allow players to participate in their lotteries by means of remote communication will be required to hold a remote lottery operating licence. For example, those accepting payments by telephone, or over the internet, will require a remote operating licence.
- 9.3** Holders of a remote lottery operating licence will be required to comply with the technical standards and the other specific licence conditions and codes of practice issued by the Commission that relate to remote gambling. Only remote lottery operating licence holders that accept more than £250,000 worth of entries by remote means per year will be required to meet the full testing and third party security audit requirements. The remote technical standards do not apply to holders of an ancillary remote lottery licence. Further details are available on the Commission's website.
- 9.4** Societies registered with licensing authorities that allow people to participate in their lottery by way of remote communication are not required to hold a remote lottery operating licence.

10 Gambling Commission licence conditions and codes of practice

- 10.1** All societies and local authorities licensed by the Commission to run lotteries are required to comply with the specific licence conditions and codes of practice relevant to them. The specific licence conditions are set out at the time a licence is issued.
- 10.2** Some of the licence conditions and requirements of the codes of practice are referred to below. Specific details are contained in the Commission's *Licence Conditions and Codes of Practice*, which is available on the Commission's website.

11 Society and local authority lotteries - proceeds and other monetary limits

- 11.1** A society or local authority lottery must apply a minimum of 20% of the gross proceeds of each lottery directly to the purposes of the society or in the case of a local authority a purpose for which the authority has power to incur expenditure.
- 11.2** Each year, every licensed society and local authority lottery operator must display the proportion of lottery proceeds (as a percentage) returned to the purposes of the society or local authority in the previous calendar year. This should be through either their annual report, lottery page of their society/local authority website or any other means appropriate to the size and scale of the organisation. Each society or local authority may – if they wish – provide further supporting information regarding spend on prizes and expenses for their lotteries. This information should be displayed in a timely manner and as soon as practicably possible.
- 11.3** Up to a maximum of 80% of the gross proceeds of each lottery may be divided between prizes and the expenses of the lottery.
- 11.4** In a single large society or local authority lottery the maximum value of tickets that can be sold is £4 million. The maximum aggregate value of lottery tickets that can be sold in any calendar year is £10 million.

- 11.5** The maximum prize in a single lottery is £25,000 in the case of a small society lottery and £25,000 or 10% of the proceeds (gross ticket sales), whichever is greater, in the case of a large society or local authority lottery. Therefore, a society that sells the maximum number of tickets in a single large lottery (£4 million) could award a maximum top prize of £400,000.
- 11.6** Rollovers are permitted provided the maximum single prize limit is not breached.
- 11.7** Every ticket in the lottery must be the same price and the cost of purchased tickets must be paid to the society before entry into the draw is allowed.
- 11.8** There is no maximum price of a lottery ticket.
- 11.9** No lottery organised by a large society or local authority may operate in such a way that a player can win a prize greater than the statutory prize limit of £400,000.
- 11.10** No lottery organised by a large society or local authority may be linked to any other lottery in such a way that a person who wins a prize in one also wins a prize in another, unless the aggregate of those prizes is less than or equal to the statutory prize limit of £400,000.
- 11.11** Where separate lotteries have a feature that allows a player to win a larger prize than the statutory maximum of £400,000 by selecting the same numbers in different lotteries and these lotteries are decided by the same draw, no advertisement or other marketing of the lotteries may refer to this feature. A lottery cannot be linked to a prize competition or free draw if the maximum amount which a person can win is more than £400,000 in aggregate.

12 Ticket information

- 12.1** All tickets in a society lottery licensed by the Commission or registered with a local authority must state:
- the name of the society on whose behalf the lottery is being promoted
 - the price of the ticket
 - the name and address of the member of the society responsible for the promotion of the lottery. In the case of a small society lottery run under local authority registration the name and address of the ELM if there is one may be given as an alternative
 - the date of the draw, or the means by which the date may be determined
 - the fact, where that is the case, that the society is licensed by the Commission
 - the website address of the Commission, if licensed by the Commission.
- 12.2** Tickets that are issued through a form of remote communication or any other electronic manner must specify the information above to the purchaser of the ticket and ensure that the message can be either retained (saved) or printed.

13 Sale of tickets

- 13.1** Tickets in society and local authority lotteries promoted under licence from the Commission must not be sold to anyone in a street. Tickets may be sold by a person in a static structure such as a kiosk or display stand, from a shop premises in a street, or door to door. For this purpose a 'street' includes any bridges, road, lane, footway, subway, square, court, alley or passage (including passages through enclosed premises such as shopping malls) whether a thoroughfare or not. Society lotteries and/or the responsible ELM must also ensure that they have any necessary local authority permissions, such as a street trading licence. The Commission has recommended to licensing authorities that they also apply this restriction to small society lotteries. Small societies should check with the licensing authority they are registered with.
- 13.2** Lottery tickets must not be sold to, or by, those under the age of 16.

- 13.3** Society lottery tickets may be sold from vending machines. These machines may be sited anywhere that a society lottery ticket can be sold (see 13.1). They are not subject to restrictions on the number that can be sited and no licence is required to site or supply them. However, licensed operators (societies and/or ELMs) must ensure that they fulfil their social responsibility duties under the licence conditions and codes of practice in respect of preventing underage play and problem gambling. In the case of lottery ticket vending machines the operator may wish to ensure that the machine is located in a supervised area or that some other arrangements are put in place to prevent underage and problem gambling.
- 13.4** To minimise the risk of fraud, societies licensed by the Commission should adopt one or more of the following measures when sending unsolicited mailings of lottery tickets:
- prohibit the unsolicited mailing of lottery tickets to non-members of the promoting society
 - limit the value of tickets sent to any one address which is not that of a member of the promoting society to £20
 - maintain records of tickets distributed and not returned. The Commission recommends that these records should include details of the address to which the tickets have been sent, their total value and their serial number. Information on unsold tickets not returned by the date of the lottery draw should be retained for at least six months.
- 13.5** Society lottery operator licences (remote and non-remote) from the Commission allow societies to sell lottery tickets within Great Britain (England, Scotland, and Wales). If you wish to sell lottery tickets outside of Great Britain you will need to check the laws that apply in that jurisdiction.

14 Financial requirements

- 14.1** For society and local authority lotteries promoted under licence from the Commission, accounting records must be retained for a minimum of three years from the date of any lottery to which they relate and they must be made available for inspection by the Commission on request. These records must contain, in respect of each lottery, details of the:
- the total proceeds
 - the amount allocated to prizes
 - the amount of proceeds allocated to expenses, and details of those expenses
 - the amount applied directly to the purposes of the society or the purposes for which the local authority has power to incur expenditure as the case may be
 - the number of sold and unsold tickets in each lottery.
- 14.2** Where the cumulative proceeds of lotteries promoted by a society or local authority exceed £1,000,000 in a calendar year, the Commission must be sent a written confirmation from a statutory auditor that the proceeds of those lotteries have been fully accounted for in annual audited accounts. Such confirmation must be provided within ten months of the end of the period to which the accounts relate.
- 14.3** A statutory auditor is someone who is eligible for appointment as a company auditor under section 1210 of the Companies Act 2006 but is not, in the case of a society:
- a) a member of the society
 - b) a partner, officer or employee of such a member
 - c) a partnership of which a person falling within (a) or (b) is a partner.

15 Lottery submissions

- 15.1** Every society and local authority licensed by the Commission must provide a submission for each lottery. This must show the total proceeds and how they have been distributed between prizes and expenses and the amount applied directly to the society's purposes, or purpose for which the local authority has power to incur expenditure.

- 15.2** A licensed society's or local authority's submission must be sent to the Gambling Commission no later than three months after the date of the lottery draw or in the case of an instant (scratchcard) lottery within three months of the last date on which tickets in the lottery were on sale. At the time it is submitted each submission must be verified by a Personal Management Licence holder, a qualified person in the case of a small scale operator or the person (in the case of societies) named on the lottery tickets as being responsible for the promotion of the lottery.
- 15.3** Submissions can be sent to the Commission on-line using the relevant form or the form can be downloaded and sent through the post.
- 15.4** Every society registered with a local authority to run small society lotteries must submit a statement providing the following information:
- the date on which tickets were available for sale or supply and the date of the draw
 - the total proceeds of the lottery (remote and non-remote)
 - the amounts deducted by promoters of the lottery in providing prizes, including rollovers
 - the amounts deducted by the promoters of the lottery in respect of costs incurred in organising the lottery
 - the amount applied directly to the purpose for which the promoting society is conducted or for which the local authority has power to incur expenditure (at least 20% of the gross proceeds)
 - whether any expenses incurred in connection with the lottery were not paid for by deduction from the proceeds, and, if so, the amount of expenses and the sources from which they were paid.
- 15.5** A registered society's statement must be sent to the local authority within three months beginning on the day the draw (or last draw) in the lottery took place. It must be signed by two members of the society appointed in writing for that purpose by the society's governing body and accompanied by a copy of that appointment.

16 Social responsibility

- 16.1** Lotteries are a form of gambling and as such societies and local authorities are required to ensure that children and other vulnerable people are not exploited by their lottery.
- 16.2** The minimum age for participation in a society or local authority lottery is 16 years of age. A person commits an offence if they invite or allow a child to enter such a lottery. Licensed societies and local authorities running lotteries must have written policies and procedures in place to help prevent and deal with cases of under-age play.
- 16.3** Licence holders must take all reasonable steps to ensure that information about how to gamble responsibly and how to access information and help in respect of problem gambling is readily available.
- 16.4** Further information about social responsibility requirements is contained in the Commission's *Licence Conditions and Codes of Practice*.

17 B3A lottery machines

- 17.1** Section 235(2)(d) of the Act and Regulations under that section define a B3A machine as one where the results of the lottery are determined by the machine and/or the machine displays the results of the lottery without an interval of at least one hour between the sale of the ticket and the announcement of the result. These machines can only be sited in a members' club or miners' welfare institute holding a club gaming or club machine permit issued by the licensing authority. Clubs and institutes are entitled to site one category B3A machine on the premises.

18 Proceeds and profits

- 18.1** Section 254 of the Act clarifies what is meant by ‘proceeds’ and ‘profits’ of a lottery.
- 18.2** ‘Proceeds’ are the total amount paid for tickets before any deductions.
- 18.3** ‘Profits’ are the amount of proceeds less any deductions for prizes, rollovers, and reasonable expenses incurred in connection with running the lottery.

19 Misusing profits of lotteries

- 19.1** Under section 260 of the Act it is an offence to use or permit profits from a large society or local authority lottery to be used for any purposes other than for the purpose for which the lottery was permitted or promoted. Section 261 applies the same offence to small society lotteries.

April 2018

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WYRE FOREST DISTRICT COUNCIL**CABINET**

12th November 2019
Social Housing Update

OPEN	
CABINET MEMBER:	Cllr Nicky Martin–Cabinet Member for Housing, Health, Wellbeing & Democratic Services
RESPONSIBLE OFFICER:	Mike Parker - Corporate Director: Economic Prosperity & Place
CONTACT OFFICER:	Mike Parker ext 2500 Mike.parker@wyreforestdc.gov.uk
APPENDICES:	None

1. PURPOSE OF REPORT

- 1.1 To report to Cabinet on the Motion agreed by Council in May regarding social housing.

2. RECOMMENDATION

Cabinet is recommended to AGREE:

- 2.1 **To continue to monitor the potential to deliver new affordable housing with a view to receiving further reports when a deliverable proposition is available.**

3. BACKGROUND

- 3.1 At the May 2019 Council the following Motion as agreed *“Council recognises that the huge housing waiting list and number of homeless and rough sleepers present a human tragedy that requires early action. Council therefore requires the Corporate Director: Economic Property and Place to bring a report to Cabinet within six months on how the Council can be enabled to build social rental housing, constructed on land already in public ownership.”*
- 3.2 There are just under 47,000 dwellings in Wyre Forest, housing just under 45,000 households. The majority of those properties are owned either outright or with a mortgage, loan or through shared ownership (71%), the remainder are rented, with about 14.5% in private rented (inc living rent free) and the same in social rented accommodation. Based on 2017 VOA data 46% of the housing stock in 3 bed, 13% 1 or 2 bed, 14% 4+ bed; 7% are 1 bed flats and 6% 2 bed flats; 8% are 1 or 2 bed bungalows and 3% bungalows with 3 or more bedrooms.
- 3.3 Just over 60% of the Wyre Forest population are economically active and the median income is £21,832 (2017 figure) compared to £26,819 across the West Midlands. Taking the same 2017 date median house prices in the district were £174,000 compared to £179,000 across the West Midlands.

- 3.4 Using the 2016 household projections the Draft Submission Local Plan indicates that the district needs a minimum of 276 new dwellings delivered each year. Using the 2018 housing register data it is calculated that there is a net annual imbalance of 158 affordable dwellings being provided each year. The housing register data indicates that there are 3276 households on the housing register and the greatest need is for one and two bed dwellings. The district has a growing population of elderly residents and it is estimated that by the end of the Plan period in 2036 there will be a 31% increase in older people living in the district, consequently a further 1,640 specialist older person units will be required with a further 487 care units; a further 800 will require adaptations to enable them to remain independent and living in their own home
- 3.5 Affordable Housing is defined in the National Planning Policy Framework (NPPF) at Annex 2 and includes:
- a. Affordable Housing for rent – usually provided by a Registered Provider (RP) with a rent set in accordance with the government’s rent policy or at least 20% below market rents.
 - b. Starter Homes – as defined by the Housing & Planning Act
 - c. Discounted Market Sales – sold at a discount of at least 20% below local market value
 - d. Other Affordable Routes to Home Ownership – housing for sale provided with a route to which people can access it who wouldn’t otherwise be able to own their home – examples include shared ownership, equity loans and other low cost home sales.

4. KEY ISSUES

- 4.1 The District Council’s Local Plan is the primary document the Council relies on to deliver all forms of housing across the district for a minimum of fifteen years into the future. Local plans have to be reviewed every five years and new requirements roll forward at each review. The Local Plan is important because it allocates new land to be developed for housing and sets out the types of dwellings required and importantly the policy for new developments to provide affordable housing which the Development Management Team use to negotiate provision through planning applications using s106 Agreements to secure amount and timing of delivery.
- 4.2 The current Adopted Local Plan (and the one against which current planning applications are determined) envisages an annual average of at least 60 units of affordable housing being delivered in the Plan period which aims for a tenure split of 70% social rented and 30% intermediate/shared housing. The policy (CP04) indicates that the Council will “seek to secure” the provision on 30% affordable units on sites of 10 or more dwellings in Kidderminster and Stourport and on 6 or more in Bewdley and the rural areas (these thresholds accord with the national Planning Practice Guidance. However the policy also recognises that where there are proven viability issues that would prevent sites being developed with this level of affordable housing (together with other requirements in s106s) the Council may accept a lesser percentage.
- 4.3 Over the past years the delivery of new housing and numbers of affordable units has been variable:

	Number of Residential Dwellings Approved	Number of Affordable Units Secured by S.106	Number of Affordable Units Provided by RP
2016	136	0	47
2017	317	11	84
2018	275	35	66
2019 (to date)	965	108	65

- 4.4 The Pre Submission Local Plan which has recently been consulted on aims for an annual average target of 90 affordable dwellings a year provided over the Plan period (2036); The policy (8B) indicates that a minimum of 25% affordable housing provision on sites of 10 or more dwellings or on sites larger than 0.5 Ha will “generally be required”. This reflects the increasing difficulty the Council faces in demonstrating the viability of sites (and without which the Plan will not be found ‘sound’). The Plan sets an indicative tenure split of 65% rented (inc social rent) and 35% intermediate. Ensuring that the Local Plan is adopted remains the most important function the Council can pursue in its efforts to deliver new housing growth and the provision of affordable housing.
- 4.5 The District Council has not had a council housing stock since it undertook the transfer to The Community Housing Group (TCHG) in 2000. Since that date TCHG and other Registered Providers have had the sole responsibility for providing social housing across the district. As well as transferring the stock, the Council transferred all of the officer resource associated with delivering and managing council housing.
- 4.6 It is in theory possible for the Council to become a Registered Provider to deliver social housing, however there are ‘rules of entry’ and strict regulation over the way RPs operate and that is undertaken by Homes England. Guidance on becoming a RP is contained within the Regulator of Social Housing May 2019 document “Becoming a Registered Provider”. To be considered for registration as a RP an applicant has to be an English body intending to provide social housing. A series of Regulatory Standards then have to be met; in summary these Standards are:
- e. Governance and Financial Viability
 - f. Value for Money from assets and resources
 - g. Rent in line with Government rules
 - h. Keeping homes in good repair
 - i. Letting homes in a fair and transparent way
 - j. Keeping the wider area clean and well maintained and promoting community wellbeing
 - k. Involving and empowering tenants
- 4.7 There are two stages to the registration process, firstly a ‘preliminary application process’ designed to demonstrate the body meets the minimum pre requisites to be considered as a RP and then the ‘detailed application process’. There is helpful advice provided within the registration guidance and it makes clear that there is a good deal of preparedness required before making an application to become a RP and in demonstrating that the body has in place everything that is required to become a RP, it is not a case of ‘apply first and then set up’. For example an applicant has to show that it has adopted governing documents that reflect its business and is acting in accordance with them; it must identify the appropriate skills and experience and

that it understands the risks involved. It must also demonstrate support from local stakeholders. Further the guidance advises that the timing of an application should follow the setting up of the Board, development of the business plan, engagement of stakeholders and has deliverable plans in place. Thus if the Council were to consider applying for RP status there is considerable ground to be prepared before any application could be made with confidence. Importantly the Council would be expected to have existing housing that is to become social housing or to have financial provision for leasing, buying or developing new social housing and have funding in place and be able to deliver social housing within 12 months of registration. Realistically, especially in terms of these latter points, the Council is not in a position to make an application to become a Registered Provider of social housing.

- 4.8 There is an alternative open to the Council which does not involve becoming a RP. The Council may hold up to 199 residential units outside the Housing Revenue Account (HRA) under Direction. This is designed for stock transfer authorities wishing to retain low levels of housing and to enable borrowing through the General Fund to begin building. The Council would need permission from the Secretary of State for Housing, Communities and Local Government to be able to do this. More than 200 units will require the Council to hold them within the HRA. The HRA is in effect a separate budget that records expenditure and income from the Council running its own housing stock and related services.
- 4.9 This is the opportunity that the Council considered in 2017/18 as part of an extensive piece of work on establishing a Local Authority Trading Company (LATC) to deliver housing. Cabinet considered a report on 7th February 2018 at which time it was agreed that a LATC should be set up (Wyre Forest Holdings Ltd and ReWyre Developments Ltd have both now been formally established) to enable the Council to deliver new housing and become a private landlord without the complications of the 1986 Housing Act regarding security of tenure for tenants if they were Council tenants (the Council cannot grant Assured Shorthold Tenancies) and the Right to Buy. As part of the due diligence forming the Business Case to support the decision to establish the companies the Council commissioned Mazars to provide legal and tax advice and they in turn used Anthony Collins and FPM. The FPM financial business modelling proved to be extremely useful in that it demonstrated that it was not financially viable for the Council to borrow 100% of the cost of constructing new housing, which is the basis upon which the Council is funding its acquisition of new assets and would have been the same source of capital for constructing new dwellings. This was modelling a possible private rented housing solution which is more commercially viable than would be a social housing rented model which would be even more financially challenging. The conclusions that can be drawn from the report are that in order for the housing delivery model to be viable no more than 50% of the funding should be borrowed, which of course means that at least 50% would need to be met from the Council's capital receipts, which currently it does not have.
- 4.10 The Right to Buy(RTB) exists for any tenants in Council houses which were transferred as part of the Stock Transfer in 2000 to TCHG; the Right to Acquire (RTA) is different and applies to all tenants of TCHG stock that were not Council tenants. Both offer the opportunity for tenants to purchase their property at a reduced rate. For RTA to apply, it only does so for properties built or bought by the landlord after 1997. Tenants in occupation before January 2005 had to have been in occupation for two years before they can apply for RTA, after that date the qualifying period is five or more years. The amount of discount can vary and within Worcestershire varies from

£9k in Wyre Forest to £10k in Redditch and Bromsgrove and £11k in the other districts. The RTB applies to ex Council tenants who have had a tenancy for three years; for a house the discount for a tenancy of 3 to 5 years is 35% rising by 1% each year up to a maximum of 70%; for a flat the discount for a tenancy of 3 to 5 years is 50% rising by 2% each year up to maximum of 70%. The maximum discount available outside of London is £82,800. Right to Acquire figures obtained from TCHG indicate that since 2016/17 there have been 10 RTAs. In terms of RTB over the past 5 years the average receipt from RTB has been £143k per year.

- 4.11 The Council continues though to identify opportunities, working in partnership with others and through alternative funding streams where they are available, to bring forward new affordable housing. Examples include the site at Radford Avenue where the Council has agreed to pursue the compulsory purchase of third party land to join its own to create a site which has potential to be delivered in partnership with a RP. The Council has also brought forward its vision for Lion Fields Parcel 4 which was considered by Cabinet at its meeting on 12th February 2019 which involves new residential development, which although currently lacking viability, could be delivered if the Council's Future High Streets Fund bid is successful.
- 4.12 The Council has also been working with local authority partners on a new innovative housing delivery model which would be deliverable with 100% borrowing and would provide entry to the housing market for prospective homeowners as a tenant of the Council, leading to outright purchase, without the need for a deposit. This in turn offers an opportunity to free up some space in the social housing sector, thus increasing overall supply of social housing. The Council and partners are currently undertaking due diligence on this model, which cannot be set out in detail at this stage as it contains commercially sensitive information and intellectual property rights, and officers will provide further information as this progresses. It should be noted though that such innovative models are extremely difficult to deliver and there is a very high risk that due diligence demonstrates that this model may not be capable of delivering what the Council wishes.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no financial consequences arising directly from this report, but Cabinet will note the financial references within the body of the report which demonstrate the difficulties faced by the Council in entering the housing market in a financially viable manner given that it currently has no capital receipts to contribute to funding and therefore is reliant upon 100% borrowing or on alternative sources of funding.
- 5.2 Borrowing rates remained low until the 9th October 2019 when they were increased by a whole percentage point by HM Treasury making rates far less attractive despite this authority having also signed up to the PWLB Certainty Rate Scheme giving us a reduction of 20bps on borrowing interest rates. Link Asset Services our Treasury Management advisors are now investigating other less costly funding options for the sector. In the short-term, for the balance of the Capital Portfolio Fund, it should be possible to manage this risk by a combination of internal and short-term borrowing. However it may mean future capital schemes fail to be financially viable taking into account the increased costs of borrowing are factored in. The position will continue to be monitored and reported to members as appropriate but unfortunately this will add to the challenges of future business cases for the provision of housing.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 There are no direct legal or policy implications arising from the report.

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 An Equalities Impact Screening Assessment is not required.

8 RISK MANAGEMENT

- 8.1 There are no matters arising from this report that require risk management.

9. CONCLUSION

- 9.1 As can be seen from the above, there is no simple solution open to the Council to meet the objective in the motion to enable the Council to build social housing on land already in public ownership. Whilst the Council can hold up to 199 units of housing without the need for an active HRA, it does not have the necessary capital receipts to be able to support the financial viability of a housing delivery model; the financial modelling associated with the establishment of the LATC suggests that a deliverable model only works where borrowing makes up no more than 50% of the construction cost is going to be feasible. If the Council has aspirations to construct more than 199 units then it will need to have an active HRA. The potential route to accessing Homes England social housing grant funding by becoming a Registered Provider is also an unrealistic objective, the degree and cost of set up required before the Council would be likely to be able to make a successful application to become registered is prohibitive. The Council will continue to identify funding sources and initiatives to enable it to enter the housing market and will report on these separately where a suitable initiative is identified.

10. CONSULTEES

- 10.1 Cabinet/CLT

11. APPENDICIES

None

12. BACKGROUND DOCUMENTS

- 12.1 Cabinet reports 07/02/2018 & 12/02/2019
12.2 "Becoming a Registered Provider" May 2019