



Chief Executive's Department
Civic Centre
HARTLEPOOL

13th June, 2011

The Mayor (Stuart Drummond)

Councillors Aiken, C Akers-Belcher, S Akers-Belcher, Barday, Brash, Cook, Cranney, Fenwick, Fleet, Fleming, Gibbon, Griffin, Hall, Hargreaves, Hill, Ingham, Jackson, James, Lauderdale, Lawton, A E Lilley, G Lilley, Loynes, Maness, A Marshall, J Marshall, J W Marshall, McKenna, Dr. Morris, Payne, Preece, Richardson, Robinson, Rogan, Shaw, Shields, Simmons, Sirs, Sutheran, Tempest, Thomas, H Thompson, P Thompson, Turner, Wells, Wilcox and Wright.

Madam or Sir,

You are hereby summoned to attend a meeting of the COUNCIL to be held on THURSDAY, 23rd June 2011 at 7.00 p.m. in the Civic Centre, Hartlepool to consider the subjects set out in the attached agenda.

Yours faithfully

A handwritten signature in black ink, appearing to be 'P Walker'.

P Walker
Chief Executive

Enc

COUNCIL AGENDA



23rd June 2011

at 7.00 p.m.

in the Council Chamber

1. To receive apologies from absent members.
2. To receive any declarations of interest from members.
3. To deal with any business required by statute to be done before any other business.
4. To receive questions from and provide answers to the public in relation to matters of which notice has been given under Rule 10.
5. To approve the minutes of the Annual meeting of the Council held on 26th May 2011 (copy attached) and the Extraordinary meeting of Council held on 9th June 2011 (to follow), as a correct record.
6. Questions from Members of the Council on the minutes of the last meeting of the Council.
7. To answer questions of members of the Council under Council Procedure Rule 11;
 - (a) Questions to members of the Executive about recent decisions of the Executive (without notice)
 - (b) Questions to members of the Executive and Chairs of Committees and Forums, for which notice has been given.

- (c) Questions to the appropriate members on Police and Fire Authority issues, for which notice has been given.
8. To deal with any business required by statute to be done.
 9. To receive any announcements from the Chair, the Mayor, members of the Cabinet or the head of the paid service.
 10. To dispose of business (if any) remaining from the last meeting and to receive the report of any scrutiny forum or other committee to which such business was referred for consideration.
 11. To receive reports from the Council's committees and working groups other than any overview and scrutiny committee and to receive questions and answers on any of those reports;
 - (i) Emerging Affordable Housing Policy in the Core Strategy – Report of Planning Committee (copy attached)
 12. To consider any other business specified in the summons to the meeting, including consideration of reports of the overview and scrutiny committees for debate and to receive questions and answers on any of those items;
 13. To consider reports from the Executive:-
 - (a) Proposals in relation to the Council's budget and policy framework
None
 - (b) Proposals for departures from the budget and policy framework
 - (i) Photo-Voltaic Retrofit - Report of Executive
 14. To consider any motions in the order in which notice has been received.
 15. To receive the Chief Executive's report and to pass such resolutions thereon as may be deemed necessary.

COUNCIL

MINUTES OF PROCEEDINGS

26th May 2011

The meeting commenced at 7.00 pm in the Civic Centre, Hartlepool

PRESENT:-

The Chairman (Councillor C Richardson) presiding:

The Mayor, Stuart Drummond

COUNCILLORS:

Aiken	C Akers-Belcher	S Akers-Belcher
Barclay	Brash	Cook
Cranney	Fenwick	Fleet
Fleming	Griffin	Hall
Hargreaves	James	Lauderdale
Lawton	A Lilley	G Lilley
Loynes	Maness	A Marshall
McKenna	Dr. Morris	Payne
Preece	Robinson	Rogan
Shaw	Shields	Simmons
Sirs	Tempest	Thomas
H Thompson	P Thompson	Turner
Wells	Wilcox	

OFFICERS:

Paul Walker, Chief Executive
Andrew Atkin, Assistant Chief Executive
Nicola Bailey, Director of Child and Adult Services
Dave Stubbs, Director of Regeneration and Neighbourhoods
Graham Frankland, Assistant Director (Resources)
Denise Ogden, Assistant Director (Neighbourhood Services)
Chris Little, Chief Finance Officer
Alastair Rae, Public Relations Manager
Amanda Whitaker and David Cosgrove, Democratic Services Team
Lorraine Bennison, Olive Anderson, Eileen Larkin and Karen Mason,
Members' Services Team

1. APOLOGIES FOR ABSENT MEMBERS

Councillors Gibbon, Hill, Ingham, Jackson, JW Marshall, Sutheran and Wright.

2. APPOINTMENT OF CHAIR

Councillor Richardson requested nominations for the office of Chair of the Borough of Hartlepool for the ensuing municipal year.

Motion made by Councillor Simmons and seconded by Councillor Stephen Akers-Belcher:-

"That Councillor Richardson be elected as Chair of the Borough of Hartlepool for the ensuing municipal year".

Motion put and agreed.

The Chief Executive reported that the Chairman had signed the Declaration of Acceptance of Office.

3. APPOINTMENT OF VICE-CHAIR

The Chairman requested nominations for the office of Vice-Chair for the Borough of Hartlepool for the ensuing municipal year.

Motion made by Councillor James and seconded by Councillor Shaw:-

"That Councillor Stephen Akers-Belcher be elected as Vice-Chair of the Borough of Hartlepool for the ensuing municipal year".

Motion put and agreed.

The Chief Executive reported that the Vice-Chair had signed the Declaration of Acceptance of Office.

4. ADDRESS BY CHAIR

The Chair addressed the Council thanking his proposer and seconder for their kind words. He also paid tribute to Chairman's Lady and thanked staff and colleagues for their support and contributions in the previous year.

5. DECLARATIONS OF INTEREST FROM MEMBERS

None

6. MINUTES OF PROCEEDINGS

The Minutes of Proceedings of the Council meeting held on the 14th April 2011 having been laid before the Council.

RESOLVED - That the minutes be confirmed.

The minutes were thereupon signed by the Chairman.

7. ANNOUNCEMENTS

None

8. EXECUTIVE DELEGATION SCHEME

Details of each Portfolio Holder and the broad scope of each Portfolio had been circulated.

RESOLVED - That the Executive Delegation Scheme be noted.

9. ORDINARY MEETINGS OF THE COUNCIL

A schedule of Council meetings for the municipal year for 2011/12 was submitted for approval.

RESOLVED - That the dates scheduled for Council meetings for the Municipal Year 2011/12 be approved.

10. APPOINTMENT TO COMMITTEES, FORUMS AND OTHER BODIES

The proposed membership of Committees, Forums and other bodies had been circulated. An invitation had been extended to leaders of the political groups and independent Members of the Council to make nominations for the list of Chair and Vice-Chairs. These were indicated on the list circulated to Members. At the meeting, votes were taken on the positions of Chair and Vice-Chair of Contract Scrutiny Committee and Chair of Licensing Committee.

RESOLVED -

(i) That the Committees, Forums and other bodies, details of which are included in the Council's Minute Book be constituted with the membership indicated in each case "nem com"

(ii) That the Members indicated as Chair and Vice-Chair in each case be appointed to these offices:-

Chair Contract Scrutiny Committee – Councillor P Thompson
Vice Chair Contract Scrutiny Committee – Councillor Ingham
Chair Licensing Committee – Councillor Morris

11. APPOINTMENT TO JOINT COMMITTEES AND OTHER OUTSIDE BODIES

A list setting out suggested representatives on joint committees and other outside bodies had been circulated. Prior to the meeting the leaders of the political group and independent Members had been invited to make nominations. The Council was requested to agree the suggestions as set out in the document, the format of which reflected the division of outside body list in Part 7 of the Constitution - Schedule C and D were the bodies for which nominations were the responsibility of the Council. Details of the appointments made by the Executive – Schedules A and B - were circulated for Council's information. Those organisations where there had been more nominations than the places available were to be considered at the next Ordinary meeting of Council.

RESOLVED –

- (i) That the representations, as detailed in the Council's Minute Book, be appointed as the Council's representatives on joint committees and other outside bodies.
- (ii) That the representatives of the Cleveland Fire Authority be approved as follows:-
Councillors Richardson, S Akers-Belcher, Payne and Wells
- (iii) That the representatives of the Cleveland Police Joint Committee be approved as follows:-
Councillors C Akers-Belcher, Payne, Ingham and Wells

The meeting concluded at 7.30 p.m.

CHAIR

COUNCIL

MINUTES OF PROCEEDINGS

9th June 2011

The meeting commenced at 7.00 pm in the Civic Centre, Hartlepool

PRESENT:-

The Chairman (Councillor C Richardson) presiding:

COUNCILLORS:

Aiken	C Akers-Belcher	S Akers-Belcher
Barclay	Brash	Cook
Cranney	Fenwick	Fleet
Fleming	Gibbon	Griffin
Hall	Hargreaves	Hill
Ingham	James	Lauderdale
Lawton	A Lilley	G Lilley
Loynes	Maness	A Marshall
JW Marshall	McKenna	Dr. Morris
Payne	Preece	Robinson
Rogan	Shaw	Shields
Simmons	Sirs	Tempest
Thomas	H Thompson	P Thompson
Turner	Wells	Wilcox

OFFICERS: Andrew Atkin, Assistant Chief Executive
Alyson Caman, Legal Services Manager
Graham Frankland, Assistant Director (Resources)
Alastair Smith, Assistant Director (Transport and Engineering)
Jackie Payne, Senior Registration Officer
Alastair Rae, Public Relations Manager
Amanda Whitaker and Angela Hunter, Democratic Services Team

Prior to the commencement of the meeting, the Chairman referred in terms of regret to the recent deaths of former Councillors Bernard Carr and Gillian Johnson. Members observed a minutes silence as a mark of respect.

12. APOLOGIES FOR ABSENT MEMBERS

The Mayor, Stuart Drummond and Councillors Jackson, Sutheran and Wright

13. DECLARATIONS OF INTEREST FROM MEMBERS

None

14. ANNOUNCEMENTS

None

15. TO RECEIVE REPORTS FROM THE COUNCIL'S COMMITTEES AND WORKING GROUPS

- (i) Report of General Purposes Committee – Further Electoral Review – Hartlepool Borough Council

With reference to minute 156 of the Council meeting held on 14th April 2011, Members were reminded that the Local Government Boundary Commission for England (hereinafter referred to as the Commission) had published its draft recommendations on 29 March 2011 for the new electoral arrangements for Hartlepool Borough Council; the draft report was appended to the report. The draft recommendations proposed that Hartlepool Borough Council should have 33 councillors and 11 wards with a uniform pattern of 3 member wards across Hartlepool. A 12 week public consultation on the recommendations was being undertaken. The deadline for representations to the Commission on the draft recommendations is 20 June 2011. The Commission's timetable for the review was set out in the report.

It was noted that Stage Four of the process (20th June, 2011 – 27th September, 2011) would cover the period of the Commissions consideration of representations on the draft recommendations and publication of their final recommendations. Those final recommendations thereafter needed to proceed before Parliament, who were unable to modify recommendations. Therefore they could only be accepted or rejected. It was the Commission's intention to complete their review no later than the end of September, 2011 to ensure the implementation of elections in 2012.

On 18 April 2011 the General Purposes Committee, through its Working Group, had considered the draft recommendations as part of Stage Three of the process and the Committee's response to the recommendations was appended to the report for Council's consideration. The Committee had noted that the Commission had developed proposals which were based broadly on those of the Council's submission at Stage One of the above process and approved by Council in their meeting on 16 December 2010. It was also noted that where the Commission have moved away from the Council's proposals 'they have sought to use clearer ward boundaries that will result in good communication links across each ward'. The Committee accepted these changes and were pleased that the Commission had concluded that the Council's evidence provided "good electoral equality and a clear warding pattern using man-made and natural boundaries'.

It had been agreed by the Committee that the response to the draft recommendations should, therefore, focus on the names to be allocated to each ward in accordance with the Commission's request for commentary on the proposed Ward names.

Following presentation of the report, Members made comment upon and proposed alternative names to be allocated to wards.

RESOLVED - (i) That the proposed response at Stage 3 of the process set out in the submission at Appendix 2 be approved to enable it to be forwarded to the Local Government Boundary Commission for England in accordance with the provisions of Stage Three of the process.

(ii) That ward names contained within the draft submission be allocated as follows:-

- 1) East Ward – to be amended to Seaton Ward.
- 2) West Ward – to be amended to Park & Villages Ward
- 3) Heritage Ward – to remain as proposed
- 4) Jesmond Ward – to remain as proposed
- 5) Warren Grange Ward – to be amended to Hart Ward
- 6) De Bruce Ward – to remain as proposed
- 7) South Ward – to be amended to Jubilee Ward
- 8) Manor House Ward – to remain as proposed.
- 9) Victoria Ward – to be amended to Jackson Ward
- 10) Foggy Furze Ward – to remain as proposed
- 11) Middleton Ward – to be amended to Burn Valley Ward.

The meeting concluded at 7.30 p.m.

CHAIR



COUNCIL

23rd June 2011

Report of: **Planning Committee (Chair of Planning Committee to present)**

Subject: **EMERGING AFFORDABLE HOUSING POLICY IN THE CORE STRATEGY**

1. PURPOSE OF REPORT

- 1.1 The purpose is to advise members of the emerging planning policies in the Core Strategy Preferred Options regarding affordable requirements concerning private housing developments. This report has been referred to Council for discussion by the Planning Committee.

2. BACKGROUND

- 2.1 This item was deferred at the Council meeting on 14th April to enable it to be considered alongside the wider Housing Strategy. The Housing Strategy is currently in preparation but is not due for completion until September. It has therefore been brought to this meeting to allow views to be considered as part of the Core Strategy process.
- 2.2 The Core Strategy represents the strategic planning document for the Borough and the adopted policies will eventually supersede the policies contained in the Local Plan which was adopted in 2006. Consultation on the Preferred Options stage has just been completed and the responses received will be taken into consideration in the preparation on the Publication document which will be produced later this year. The Publication document will represent the Council's agreed planning policy framework which will then be subject to Examination in Public (EiP) by an independent Government Inspector. A key purpose of the EiP is to assess the robustness of the Plan and it is essential that there is a strong evidence base justification for each policy otherwise the Plan could be deemed unsound. The Preferred Options document is supported by a number of evidence base documents, which support the justification of individual policies.
- 2.3 The inclusion of affordable housing policies within the Core Strategy is seen as a key means of increasing affordable housing provision within the town in response to an identified need. Prior to 2006 the shortage of affordable housing was not

identified as a particular problem as prevailing market conditions enabled most people to access accommodation to meet their needs. More recently, affordability has become an identified problem.

2.4 A full Council debate was held in January 2009 on housing policy where affordable housing was recognised as a priority. In response to this, the Council has initiated a number of measures to help increase the level of provision, including:

- The development of affordable housing planning policies, securing an affordable housing contribution as part of private residential development,
- Identification of suitable housing sites,
- The release of Council owned land at below market value,
- The use of prudential borrowing alongside Homes and Communities Agency funding to support direct house building and partnership working with Registered Providers

The inclusion of specific planning policies requiring a provision of affordable housing on private residential developments is seen as a key means of securing further ongoing provision, particularly in the current climate where availability of public money is extremely limited.

3. AFFORDABLE HOUSING DELIVERY

3.1 Affordable housing is housing designed for those, whose income generally denies them the opportunity to purchase houses on the open market. Affordable housing is either outright Socially Rented or Intermediate Tenure housing in the form of Shared Ownership or Shared Equity schemes whereby the affordable units are retained and managed in the long term. Affordable houses are generally owned and managed by Registered Providers such as Housing Hartlepool.

3.2 Affordable housing can be delivered either as a 100% affordable development or as part of a private market housing development, where a smaller percentage of the overall dwellings are affordable in tenure and the majority are private.

3.3 In the future it may be difficult to secure grant funding for subsidised 100% affordable housing or grants to continue Housing Market Renewal in the future. and as a result other mechanisms need to be utilised to secure ongoing affordable housing provision. Securing affordable housing as part of private residential developments provides perhaps the most realistic way of securing new affordable housing developments in the future.

3.4 Planning Policy Statement 3 Housing (PPS3), sets out the national planning policy framework for delivering the Government's housing objectives with regard to new housing provision. Using guidance established in paragraphs 21, 21, 22, 27, 29 and 30 in PPS3 the Borough Council has drawn together various sources of evidence to establish an affordable housing target, what type and tenure of affordable housing is required, when it will be required and how it will be managed in the future.

3.5 In summary the policies proposed in the Core Strategy Preferred Options include the following principles relating to affordable housing:

- Affordable housing is required in relation to all residential development of 15 dwellings or more,
- Minimum target of 10% provision,
- Provision will be delivered on-site or off-site through a commuted sum,
- Provision split between 80% Social Rented and 20% Intermediate tenure,
- Delivered in partnership with a Registered Provider.

4. AFFORDABLE HOUSING POLICY DEVELOPMENT BACKGROUND

- 4.1 The Hartlepool Local Plan (2006) does not have an existing affordable housing policy. When the Local Plan was developed, previous to its adoption in 2006 there was not an identified affordable housing need in the Borough. Evidence of an affordable housing need in the Borough only emerged in 2007 when the Hartlepool Strategic Housing Market Assessment (SHMA) was completed. The SHMA gathered evidence on housing demand and need in the Borough. The Hartlepool SHMA was followed by the Tees Valley SHMA which was published in 2009 and details of these evidence documents are set out later in this report.
- 4.2 Officers started to prepare an Affordable Housing Development Plan Document (DPD) and produced the first Preferred Options DPD in August 2008 based on housing need evidence identified in the Hartlepool SHMA and the Tees Valley SHMA.
- 4.3 Since the two SHMA's were completed there have been profound changes in the housing market with specific consequences for the economic viability of new housing developments. Based on this concern the Borough Council carried out an Affordable Housing Economic Viability Assessment in 2009. This involved a detailed analysis, based on the Government's assessment criteria of a number of representative sites across the Borough to help establish what levels of affordable provision the sites could accommodate and still remain economically viable. Not surprisingly, given the market conditions affordability levels were identified as being much lower than previously proposed with most sites being unviable or having marginal viability.
- 4.4 A further Affordable Housing Preferred Options DPD was produced and consulted upon in October 2009 taking into consideration the evidence detailed in the SHMAs. Subsequent to this, and following advice from Government Office North East, Cabinet took the decision in September 2010 to incorporate the affordable housing policies within the Core Strategy rather than produce a separate Affordable Housing DPD.

5. POLICY PROPOSALS AND EVIDENCE

- 5.1 Appendix 1 gives an example of a theoretical planning application and illustrates how the proposed planning policy would secure affordable housing provision as part of a private residential development.

(i) Minimum Threshold

- 5.2 Affordable housing will be required on all residential developments that consist of a gross addition of 15 dwellings or more. This will include lapsed or unimplemented residential planning permissions, changes of use and conversions.
- 5.3 PPS3 states that a minimum site size threshold of 15 dwellings should be used. There is no local evidence to suggest that a lower or greater threshold should be set, therefore the minimum threshold of 15 dwellings is seen as being appropriate.

(ii) Affordable Housing Target

- 5.4 A minimum affordable housing target of 10% will be delivered on all sites. Higher percentages of affordable housing will be subject to negotiation on a site-by-site basis where there is an identified local need and/or the economic viability of schemes allows for a greater provision. The policy provides flexibility to increase the level of provision as the housing market improves. The following paragraphs summarise the evidence behind reaching the minimum 10% target. The varying targets advocated in the evidence reflect the changing market conditions that have occurred since the original reports were published.

Hartlepool Strategic Housing Market Assessment 2007 (SHMA)

- 5.5 The SHMA identified the current and future housing need in the Borough. An analysis of the current and future housing markets concluded that market demand was exceeding supply in most areas and that a degree of pressure in the current housing market was a result of considerable uplift in house prices across the Borough over the past five years. A shortfall of affordable units was identified; this affordable need was heightened by the limited capacity of the social rented sector with low vacancy rates and long waiting lists.
- 5.6 The report suggested a target for affordable housing on new developments of 30% of which 80% should be social rented and 20% intermediate tenure.

Tees Valley Strategic Housing Market Assessment 2008 (TVSHMA)

- 5.7 The TVSHMA identified the current and future housing need in the Tees Valley and the Borough. The assessment supported the affordable housing need identified within the Hartlepool SHMA. In addition to this it suggested a 20% affordable housing requirement for housing developments across the Tees Valley. This 20% figure was viewed as achievable and reasonable figure to expect private developers to contribute to, based on a comparison of sensible affordable housing policies in place across the North East of England and local needs within the Tees Valley.
- 5.8 Since the two SHMA's were completed there have been profound changes in the housing market with specific consequences for the economic viability of new housing developments. Government and Planning Inspectors guidance and successful challenges by housebuilders, on non-flexible affordable housing policies resulted in the Borough Council needing to pay close attention to the subject of economic viability. Based on this concern the Borough Council carried out an Affordable Housing Economic Viability Assessment in 2009

Affordable Housing Economic Viability Assessment 2009 (AHEVA)

- 5.9 The results of the economic viability assessment show that in current market conditions, the development of residential property is generally economically unviable, regardless of affordable housing. This conclusion cannot be understated; bearing in mind the current housing market, all housing developments are currently seen as being economically unviable.
- 5.10 The results suggest that any policy put in place will need to be flexible and perhaps have built in trigger points or similar mechanisms which enable more affordable housing to be delivered as market conditions improve.
- 5.11 The assessment states that setting a policy at 0% based on the results of the baseline analysis is unsustainable across the course of the plan period and will not meet the identified housing need of people across the Borough. In order to ensure that any future developments are viable and not stifled by an onerous affordable housing requirement, the policy should be flexible enough to have regard to prevailing market conditions. This method will allow both for the maximisation of affordable housing on site and the viability of schemes aiding delivery in the long term.
- 5.12 The assessment shows that on the sites assessed, in certain market conditions, schemes including 10% affordable housing are viable. It is the aim of the Local Authority to maximise the number of affordable homes delivered across the Borough, regardless of market conditions. Therefore a policy which builds in both some certainty for landowners and developers and flexibility to account for differing market conditions and allows for the establishment of viability on a scheme by scheme basis would seem to be the best way of meeting this role.
- 5.13 If the affordable housing policy was not designed to be flexible in terms of setting a target that it economically viable it may be viewed as being undeliverable and subsequently found unsound by a Planning Inspector. This has been proven by successful legal challenges against inflexible Local Plan and Core Strategy affordable housing policies at Examination, and successful planning application appeals, by developers in high profile cases.
- 5.14 Therefore the policy will stipulate a minimum affordable housing requirement of 10%, with no upper threshold requirement. This approach will ensure continuous affordable housing delivery in the difficult short term, and in the long term as the housing market improves, a greater requirement in excess of the 10%; with no upper threshold. The provision will be secured via a S106 Legal Agreement.

(iii) Location of Affordable Housing Provision

- 5.15 It is expected that affordable housing will be delivered through on-site provision and where appropriate be pepperpotted. In certain circumstances, however, it will be acceptable for provision to be made off-site, for instance where a site is proposed for executive housing or when applicants can provide robust evidence why affordable housing cannot be achieved on the site. In some circumstances the Council will require a commuted sum (cash payment) to be made towards off-site provision.
- 5.16 The aim of the commuted sum is to ensure additional affordable units are provided elsewhere in the Borough, where there is a defined affordable need, either through

new build or through property acquisitions. The value of the commuted sum is entirely dependant upon the value of an affordable unit being provided on-site. The commuted sum equates to the difference between what a Registered Provider (Housing Association) can purchase the property for (60% of the market value) and what the market value is of the on-site affordable dwelling. Therefore the commuted sum would normally be 40% of the market value of the on-site affordable dwelling. Appendix 1 and specifically Appendix 2, illustrate a theoretical worked example of how a commuted sum would be calculated.

- 5.17 It may be difficult to secure grant funding for subsidised affordable housing schemes or grants to continue Housing Market Renewal in the future. The flexibility in the policy with regard to off-site provision and/or the provision of a commuted sum is crucial when considering the potential for continuing the delivery of housing regeneration, enabling new houses to be more affordable or acquiring properties in renewal schemes in the centre of town, without significant public money subsidy.

(iv) Tenure Mix

- 5.18 Housing developers will be expected to achieve a target of 80% social rented and 20% intermediate tenure mix on each site. Housing type and tenure split will be negotiated on a site-by-site basis, having regard to the most up-to-date evidence of need, mix of tenures of existing housing nearby, the desire to create balanced communities and the constraints and requirements of providing on-site provision.
- 5.19 The proposed 80/20 tenure split and the size/type of affordable dwellings required is informed by both the Hartlepool SHMA and the Tees Valley SHMA; reflecting the predominant housing need in the Borough and the Tees Valley.

(v) Delivery and Management

- 5.20 Except in exceptional circumstances, all affordable units will be delivered in partnership with a Registered Provider by means of a Legal Agreement, and appropriate provision to secure long term availability.

6. RECOMMENDATION

- 6.1 That Members note and express views on the affordable housing policy framework in the Core Strategy Preferred Options document.

Appendix 1 : Worked Example of Theoretical Planning Application

A worked example of a theoretical planning application is detailed below, to demonstrate how affordable housing could be secured:

Application	Residential development consisting of 79 dwellings
Location	Fens Ward
Date	2011
Total Affordable Target	10%
On Site Provision	5% (4 affordable dwellings)
Off Site Provision	5% (4 affordable dwellings)
Fens Affordable Housing Need	19% 1-2 bed 66% 3+ bed 15% Older Persons
Tenure Split	80% Social Rented (SR) 20% Intermediate (INT)
On Site Affordable Provision	1 x 2 bed dwellings (1 x SR) 2 x 3 bed dwellings (1 x SR, 1 x INT) 1 x Older Persons Bungalow (1 x SR) 4 x Total Affordable Dwellings (3 X SR, 1 x INT)
Off Site Affordable Commuted Sum	Affordable Market Sale Price = £120,000* Commuted Sum = 40% of Market Price*
See appendix 2 for details	4 x £48,000 Commuted Sum Commuted Sum = £192,000*

For the worked example above, the off-site commuted sum could be used to:

- Build 3 affordable dwellings on Council owned land, or
- Acquire 4 units on a housing regeneration site, or
- Put into an equity share scheme to encourage private home ownership and sales (done with success at Headway), or
- Put into an existing private or Housing Hartlepool scheme to secure more affordable housing.

Appendix 2: Worked Example of a Commuted Sum

Based on the theoretical planning application in appendix 1, the table below illustrates how the commuted sum is calculated:

Open Market Affordable Dwelling Value	£120,000	Average market value of an affordable dwelling on the application site in Fens ward.
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No	Calculation Breakdown	Value	Description
1	Equivalent build finance needed	£120,000	Comparable finance needed to acquire land/dwelling and/or build a new affordable dwelling off site elsewhere in the Borough.
2	Registered Provider (RP) finance limit	£72,000	The RP can only normally raise monies to the value of 60% of the market to acquire or build a dwelling.
3	Funding gap	-£48,000	For a new affordable unit to be provided there is a funding gap of -£48,000 as the RP can only secure £72,000 towards the overall value of a comparable dwelling to the value of £120,000. This funding gap needs to be provided by the developer to “make up” the full £120,000 finance package needed to deliver an affordable dwelling.
4	Commuted sum value	+£48,000	This commuted sum is needed to meet the funding gap based on what the RP can provide.



Report of: Executive

Subject: PHOTO-VOLTAIC RETROFIT

1. PURPOSE OF REPORT

- 1.1 To provide Council with details of Cabinets proposed variations to the approved 2011/20120 Budget and Policy Framework to support the installation of photo-voltaic panels on Council owned properties to reduce carbon emissions and potentially save the Council money and generate income.

2. REASON FOR SUBMITTING REPORT

- 2.1 In accordance with the constitution Cabinet is responsible for proposing changes to the approved Budget and Policy Framework, which are then referred to Council for consideration. Details of Cabinet's proposals are set out in the following paragraphs.

3. CABINET PROPOSAL AND BACKGROUND

- 3.1 In April 2010 the Government launched an incentive scheme designed to encourage the generation electricity from sources of renewable energy such as photo-voltaics (also known as solar power), wind turbines, combined heat and power and hydro on a small scale. The incentive scheme is known as the Feed in Tariff (FiT). Under the FiT, energy supply companies make regular payments to the owners or tenants of buildings which generate electricity from renewable sources such as PV panels. The rate of payment is set at the time of installation and this rate is guaranteed by Government for 25 years.
- 3.2 All PV panels (in installations smaller than 50kWp) which are installed and generating electricity by the 31st March 2012 will qualify for payment of 43.3p per kilowatt (kW) of energy produced, and for every kW exported to the national grid (the electricity produced but not used) a further payment of 3p per kW will be made. The Government is reviewing the levels of Feed in Tariff and it is anticipated that the rates will reduce from April 2012. It is crucial therefore that any panels installed are in place and generating electricity before the end of March 2012 to take advantage of the higher tariff levels.

- 3.3 An initial assessment of Council owned properties has been undertaken which considered aspects such as the orientation of the roof, risk of vandalism, height of the building, shading, available roof area and planning constraints such as whether a building is listed. It is considered possible to install a total of 258kWp of PV panels.
- 3.4 The capital costs of installing PV cells on a range of Council building have been estimated at £646,000. It is proposed that this expenditure is funded using Prudential Borrowing and the annual repayment costs funded from the FiT income and electricity savings. The business model for this project indicated there may be a net annual benefit after meeting loan repayment costs, of between £25,000 (FiT income) and £36,000 (FiT income plus electricity saving). The scale of installation should reduce the Council's CO₂ emissions by 124 tonnes each year.
- 3.5 It should be noted that the net income is not guaranteed and depends on electricity generation being in line with national forecasts and capital costs being in line with forecasts. These figures are considered to be reasonable or perhaps slightly cautious as best available information indicates greater electricity generation than anticipated. Sensitivity analysis has been undertaken to assess this risk the impact of negative changes in FiT income, electricity savings and capital costs have been examined, as summarised in the table below. The scenarios examined look at the financial impact of significant changes in the planning assumptions to determine at what point the scheme would become financially unviable. This sensitivity analysis shows that there would need to be significant and simultaneous adverse changes in a number of planning to make the scheme financially unviable.

Changes in planning assumptions	Net FiT income less annual loan repayment costs £'000	Net FiT income plus electricity saving less annual loan repayment costs £'000
Base line	25	36
25% reduction in FiT income and electricity saving plus 25% increase in capital cost	(5) Cost	3
35% reduction in FiT income and electricity saving – capital costs unchanged	0	7

- 3.6 Baseline savings should increase in real terms over the lifetime of the project by more than the inflation uplift included in the Medium Term Financial Strategy as FiT income is indexed by RPI and electricity savings should increase. This additional potential annual benefit will be marginal, particularly in the early years of the project and will need to be assessed on an annual basis to determine if an additional, long term saving can be achieved.

4. RECOMMENDATION

4.1 Council is requested to approve Cabinet's recommendations:

- a) For the installation of photo-voltaic panels using prudential borrowing of up to £646,000 and to fund the annual loan repayment costs from the FiT income and electricity savings;
- b) To note that if the previous recommendation is approved the capital programme and approved Prudential Borrowing indicators will be amended to include this scheme; and
- c) To earmark any additional FiT income and electricity savings (estimated annual value £25,000 to £36,000) not needed to fund annual loan repayment costs relating to the project to pump prime other income generating initiatives and/or cost reduction projects, rather than allocate the savings to reduce the 2011/12 budget deficit.



Report of: Chief Executive

Subject: BUSINESS REPORT

1. COUNCIL PROCEDURE RULES

I set out below the proposed changes to Council Procedure Rule 17, recommended by the Constitution Committee, which stood adjourned at the last ordinary meeting of the Council:-

~~17.3 Show of hands~~

~~Unless it is decided by the Council that a ballot shall be taken under rule 17.4 or rule 17.6(ii)(a), or that a recorded vote shall be taken under rule 17.4, the Chair will take the vote by show of hands, or if there is no dissent, by the affirmation of the meeting.~~

~~17.4 17.3 Ballot or Recorded Vote~~

~~(i) A ballot shall be taken, if the Council decides, before the vote is taken on any question. The Chair will announce the numerical result of the ballot immediately the result is known.~~

17.4 Recorded Vote

~~A recorded vote shall be taken if one third of the Council so decide before the vote is taken on any question. Unless 17.3 applies, the Chair shall ensure that recorded votes are taken.~~ The names of the Members of the Council voting for and against the motion or amendment, or abstaining from voting will be taken down in writing and entered into the minutes.

~~17.5 Right to require individual vote to be recorded~~

~~Where any Member requests it immediately after the vote is taken, there shall be recorded in the minutes whether that Member voted for or against the motion or abstained from voting. When making the request the Member must indicate whether s/he voted for or against the motion or abstained from voting.~~

~~17.6~~ 17.5 Voting on appointments

(No change proposed)

Council is requested to approve the revised procedure rules, as recommended by the Constitution Committee.

2. APPOINTMENTS TO JOINT COMMITTEES AND OTHER OUTSIDE BODIES

A number of nominations to Joint Committees and other Outside Bodies were agreed at the Annual Council meeting. However, there were a number of nominations which were referred to this meeting of Council for consideration. The following schedule outlines the nominations which have been received:-

Outside Body	Vacancies	Nominations Received
North East Purchasing Organisation	1	Councillors Fenwick and Sutheran
North Eastern Inshore Fisheries and Conservation Authority	1	Councillors G Lilley and Thomas
North East Regional Employers Organisation	4	Councillors Brash, Lawton, Rogan and Sutheran
Teesside Pension Fund	1	Councillors Hall and Sutheran
North Tees Women's Aid	1	Councillors A Lilley and Shields
Tees Valley Environmental Protection Group	3	Councillors Lawton, Tempest and Thomas. (Councillor Turner who had previously expressed interest has withdrawn his nomination.)

The following Executive appointment is submitted for information:

Outside Body	Vacancy	Nominations Received
Association of North East Councils	2 plus one additional position	The Mayor and Councillor Payne and Councillor Hargreaves (appointed to additional position)

3. APPOINTMENTS TO COMMITTEES, FORUMS AND OTHER BODIES

A number of nominations for committee seats were agreed at the Annual Council meeting. However, the following position remains vacant:-

Civic Honours Committee

One Vacancy

General Purposes Committee

One vacancy (following resignation of Councillor Gibbon from Committee)

4. COUNCIL WORKING GROUP – TALL SHIPS RACES

The Council Working Group has now met on two occasions, 7th April and 2nd June 2011, to discuss the Tall Ships Event which took place last year.

Members considered a series of questions that had been posed, together with the answers provided, and discussed in some detail issues around merchandising, income generation and the infrastructure and organisation of the event generally.

At the conclusion of the Council Working Group deliberations, it was felt that the issues of concern raised by Members had been investigated, and it was acknowledged that there were some very valuable lessons that had been learned from hosting such a prestigious event. One of the key issues for any future event was to ensure that contracting arrangements were more appropriately packaged to enable more small local companies to take part in the tendering procedure

5. APPOINTMENTS PANEL - CHIEF EXECUTIVE

The Mayor received notice from the Chief Executive on 31 May 2011 that he was resigning from his post on 31 August 2011.

The Mayor and Cabinet Members are considering the options available to the Council and proposals will be presented to the Council meeting. In the meantime the Vacancy Monitoring Panel considered the vacancy at a meeting on 15 June and confirmed the request to fill the post. The Trade Unions were consulted on 16 June and agreed to the release of the post during the Recruitment Freeze.

Council is requested therefore, to approve the establishment of an Appointments Panel. In line with the Officer Employment Procedure Rules, as set out in the Constitution, the Panel will consist of eight members, as follows:-

The Chair of the Council (Labour)
The Mayor (Independent)

Plus the following Members:

4 Labour
1 Conservative
1 Association of Independent Councillors

In addition, as identified in the Officer Employment Procedure Rules, Council is also requested to reflect the gender balance of the Council when nominating to the Panel. It is suggested therefore that Council nominate three female Councillors to the Panel.

Council is requested to approve the establishment of the Appointments Panel and nominate members accordingly.