



## Cabinet Agenda

Wyre Borough Council  
Date of Publication: 15 March 2016  
Please ask for : Duncan Jowitt  
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**Cabinet meeting on Wednesday, 23 March 2016 at 6.00 pm  
in the Council Chamber, Civic Centre, Poulton-Le-Fylde**

**1. Apologies for absence**

**2. Declarations of interest**

Members will disclose any pecuniary and any other significant interests they may have in relation to the matters to be considered at this meeting.

**3. Confirmation of minutes**

(Pages 1 - 4)

To confirm as a correct record the minutes of the meeting of the Cabinet held on 17 February 2016

**4. Public questions**

To receive and respond to any questions from members of the public.

Public questions can be delivered in writing to Democratic Services or sent by email to: [democratic.services@wyre.gov.uk](mailto:democratic.services@wyre.gov.uk). Public questions for this meeting must be received by noon on Thursday 17 March 2016. Questioners should provide their name and address and indicate to which Cabinet member the question is to be directed.

The total period of time allocated for public questions will not normally exceed 30 minutes.

**5. Task Group: Building Stronger Relationships with Town and Parish Council - Final Report**

(Pages 5 - 30)

Report of the Chairman of the task group: Building Stronger Relationships with Town and Parish Councils and Corporate Director of Resources

- 6. Wyre Rural Affordable Housing Needs Survey 2015-2020** (Pages 31 - 136)

Report of the Planning and Economic Development Portfolio Holder and Corporate Director of People and Places
- 7. Treasury Management Policy Statement and Practices and Treasury Management and Annual Investment Strategy and Minimum Revenue Provision Policy Statement 2016/17** (Pages 137 - 196)

Report of the Resources Portfolio Holder and Corporate Director of Resources
- 8. Poulton and Thornton Leisure Centres Capital Improvement Works** (Pages 197 - 200)

Report of the Leisure and Culture Portfolio Holder and Corporate Director of People and Places



## Cabinet Minutes

Minutes of the Cabinet meeting of Wyre Borough Council held on Wednesday 17 February 2016 at the Civic Centre, Poulton-le-Fylde.

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### **Cabinet members present:**

Councillor Peter Gibson (The Leader of the Council)  
Councillor Roger Berry (Neighbourhood Services and Community Safety Portfolio Holder)  
Councillor Lynne Bowen (Leisure and Culture Portfolio Holder)  
Councillor Pete Murphy (Planning and Economic Development Portfolio Holder)  
Councillor Vivien Taylor (Health and Community Engagement Portfolio Holder)  
Councillor Alan Vincent (Resources Portfolio Holder and Deputy Leader)

### **Apologies:**

Councillor David Henderson (Street Scene, Parks & Open Spaces Portfolio Holder)

### **Officers present:**

Philippa Davies (Corporate Director of Resources)  
Michael Ryan (Corporate Director of People and Places).  
Howard Rawding (Head of Finance)  
Clare James (Financial Services Manager)  
Steph Collinson (Communications Officer)  
Peter Foulsham (Scrutiny Officer)

### **Apologies:**

Garry Payne (Chief Executive)

### **Non-members of the Cabinet present:**

Councillor Lady Dulcie Atkins

No members of the public or press attended the meeting.

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### **CAB.40 Declarations of interest**

None

**CAB.41 Minutes**

The minutes of the Cabinet meeting held on 20 January 2016 were confirmed as a correct record.

**CAB.42 Public Questions**

None.

**CAB.43 Revenue Budget, Council Tax and Capital Programme**

The Corporate Director of Resources (S151 Officer) submitted a report requesting Cabinet's confirmation of the Revenue Budget, Council Tax, Revised Capital Budget 2015/16 and Capital Programme 2016/17 onwards.

**Decisions taken**

Cabinet agreed the recommendations below.

*PLEASE NOTE* – the paragraph numbers, format and wording below directly reflect the original Cabinet report.

**3.1** That the following be approved:-

- a. The Revised Revenue Budget for the year 2015/16 and the Revenue Budget for 2016/17.
- b. For the purpose of proposing an indicative Council Tax for 2017/18, 2018/19 and 2019/20, taking into account the Medium Term Financial Plan at Appendix 2 which reflects an increase of 1.75% each year, any increase will remain within the principles determined by the Government as part of the legislation relating to Local Referendums allowing the veto of excessive Council Tax increases.
- c. Members continuing commitment to the approach being taken regarding the efficiency savings, detailed within the Council's 'Annual Efficiency Statement' at Appendix 1.
- d. Any increases in the base level of expenditure and further additional expenditure arising during 2016/17 should be financed from existing budgets or specified compensatory savings, in accordance with the Financial Regulations and Financial Procedure Rules.
- e. The use of all other Reserves and Balances as indicated in Appendices 4 and 5.
- f. The manpower estimates for 2016/17.
- g. In accordance with the requirements of the Prudential Code for Capital Finance, those indicators included at Appendix 7.

h. The Revised Capital Budget for 2015/16 and the Capital Programme for 2016/17 onwards.

**3.2** That it be noted that, in accordance with the Council's Scheme of Delegation, as agreed by Council at their meeting of 24<sup>th</sup> February 2005:

- a. The amount of 35,277.51 has been calculated as the 2016/17 Council Tax Base for the whole area [(Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"))]; and
- b. A Council Tax Base, for dwellings in those parts of its area to which a Parish precept relates, has been calculated as indicated below.

Barnacre-with-Bonds	934.73
Bleasdale	61.37
Cabus	593.49
Catterall	804.76
Claughton-on-Brock	275.02
Fleetwood	6,325.30
Forton	497.35
Garstang	1,672.68
Great Eccleston	540.38
Hambleton	988.26
Inskip-with-Sowerby	316.64
Kirkland	135.11
Myerscough and Bilsborrow	404.07
Nateby	227.11
Nether Wyresdale	311.49
Out Rawcliffe	265.58
Pilling	776.58
Preesall	1,889.93
Stalmine-with-Staynall	538.01
Upper Rawcliffe-with-Tarnacre	279.74
Winmarleigh	133.63

**3.3** The Council Tax requirement for the Council's own purposes for 2016/17 (excluding Parish precepts) is £6,466,720.

**3.4** That the following amounts be calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Act:-

- a. **£93,549,065** Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.

<b>b.</b>	<b>£86,478,915</b>	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
<b>c.</b>	<b>£7,070,150</b>	Being the amount by which the aggregate at 3.4(a) above exceeds the aggregate at 3.4(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
<b>d.</b>	<b>£ 200.42</b>	Being the amount at 3.4(c) above (Item R) all divided by Item T (3.2(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
<b>e.</b>	<b>£603,430</b>	Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act and as detailed in Appendix 6.
<b>f.</b>	<b>£183.31</b>	Being the amount at 3.4(d) above less the result given by dividing the amount at 3.4(e) above by Item T (3.2(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

**3.5** That the Council's basic amount of Council Tax for 2016/17 is not considered excessive in accordance with principles approved under Section 52ZB of the Local Government Finance Act 1992.

The meeting started at 6pm and finished at 6.04pm.

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**Date of Publication:** 18 February 2016

**Options considered but rejected**

Any alternative options that were considered but rejected, in addition to the reasons for the recommendations that were made, are included in the full reports.

**When will these decisions be implemented?**

All decisions will be put into effect five working days from the date of publication, unless a decision is "called-in" by any four Members of the council within that period. The "call-in" procedure is set out in [Part 4 of the Council's Constitution](#) (Paragraph 16 of the Overview and Scrutiny Procedure Rules). If a decision is "called-in", the Overview and Scrutiny Committee may decide that the original decision should be upheld or ask Cabinet to reconsider the decision.

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Report of:	Meeting	Date	Item no.
Cllr Jones, Chairman of the task group: Building Stronger Relationships with Town and Parish Councils and Philippa Davies, Corporate Director of Resources	Cabinet	23 March 2016	5

<b>Task Group: Building Stronger Relationships with Town and Parish Councils – Final Report</b>
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**1. Purpose of report**

- 1.1 To report the work of the Town and Parish Councils task group to the Cabinet.

**2. Outcomes**

- 2.1 Closer working relationships between Wyre Council and Town and Parish Councils.

**3. Recommendations**

- 3.1 That all councillors be formally reminded of their roles and responsibilities (as detailed in the Councillor Development Programme 2015-2019 and agreed at Full Council on 22 October 2015) which include the expectation to
  - regularly attend any town or parish council and other community meetings that take place in your ward and provide a regular line of communication with the council for local people, including those who do not actively participate in community groups
  - inform residents and community groups about current and upcoming consultation exercises, encourage them to take part and tell them about the outcomes
  - represent the council within the community by talking to residents about the council's strategies, policies, services and procedures.

- 3.2** That consideration be routinely given to offering town and parish council representatives the chance to attend relevant training events and briefings for Wyre councillors, in particular those related to planning policy and practice.
- 3.3** That basic information about Wyre Council be made more readily available to town and parish councils by the following means:
- (a) Consideration to be given to preparing a simple guide to the council's services and departments, and/or
  - (b) The council's website be made more user-friendly in order to ensure that information about the council's services and departments can be found more easily.
- 3.4** That Wyre councillors be reminded that best practice requires them to access the council's IT systems regularly and read and respond to emails within 48 hours (as stated in the Councillor Development Programme 2015-2019 and agreed at Full Council on 22 October 2015).
- 3.5** That no further action should be taken regarding the introduction of a Parish Charter and the version that is currently on the council's website should be removed. Future consideration of a Parish Charter should only take place if initiated by one or more of the borough's town and parish councils.

#### **4. Background**

- 4.1** Town and parish councils occupy the first tier in the British governmental structure and represent the interests of local communities. There are twenty-one town or parish councils within the Borough of Wyre.
- 4.2** Town and parish councils have the powers to undertake a wide range of services. The most common are the maintenance of village halls or community centres, parks or open spaces such as village greens, and footpaths. They also have a right to be consulted on planning applications in their areas.
- 4.3** The National Association of Local Councils (NALC) summarises parish council activities as falling into three main categories:
- (i) representing the local community,
  - (ii) delivering services to meet local needs and
  - (iii) improving the quality of life and community well-being.
- 4.4** By their very nature, town and parish councils should maintain a close relationship with the local community. They should encourage the public to attend council meetings as observers and they are obliged to organise at least one town or parish meeting each year which all local electors may attend and may raise issues of local concern.



## **5. Key issues and proposals**

- 5.1** This review was carried out within the context of all councillors, whether elected to Wyre Council or one of the borough's twenty-one town and parish councils, seeking to work together to improve services for all residents.
- 5.2** The task group prioritised its time to ensure that direct contact with town and parish council representatives was maximised, three of the group's seven meetings being dedicated to that objective.
- 5.3** During the course of this review a number of the beliefs previously held about the nature and quality of relationships between Wyre Council and the town and parish councils have been challenged or reinforced, on the strength of the evidence gathered by the task group. It is hoped that these findings will be acted upon by Wyre Council and the town and parish councils for the benefit of all residents. It is hoped that they will also have a positive impact upon the effectiveness of the Engagement Network, which highlighted a number of concerns, as referred to on page 6 of the report (see appendix).
- 5.4** The role of Wyre councillors was considered in some depth, the task group concluding that there was a difference between the town and parish councils' expectation of Wyre councillors and the expectations that Wyre Council has of its own members as detailed in the Councillor Development Programme 2015-2019 and agreed at Full Council on 22 October 2015.
- 5.5** The task group found evidence that some of the town and parish councils have a negative perception of the planning process. They often felt frustrated that their opinions were not always sought and if they were, they felt that they were not always taken into account. On further investigation it appeared to the task group that some further training opportunities might usefully be offered to the town and parish councils, on planning matters in particular but also on other relevant topics.
- 5.6** One of the strong themes that ran through the review was that communication between Wyre Council and the town and parish councils could be improved for everyone's benefit. There is a perception which is shared by some of the town and parish councils, that Wyre is not a good 'listening council'. This particularly applies to consultations when the views of the town and parish councils are often perceived as being 'unheard', according to a number of the representatives who gave evidence.
- 5.7** The town and parish representatives commented that they often found it difficult to know where to find particular information on Wyre's website. The website's A-Z index was one example that was given where improvements might be made.

- 5.8** The value of the Parish Charter was discussed with the representatives of all eleven town and parish councils who attended task group meetings and the view was strongly expressed by them that the proposed Charter would do little to enhance relationships and communication between Wyre and the towns and parishes. For that reason the task group concluded that the Charter is unnecessary.

<b>Financial and legal implications</b>	
Finance	The recommendations of the task group can all be delivered within current budgets.
Legal	There are no legal implications to be considered.

### **Other risks/implications: checklist**

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with an x.

<b>risks/implications</b>	<b>✓ / x</b>
community safety	<b>x</b>
equality and diversity	<b>x</b>
sustainability	<b>x</b>
health and safety	<b>x</b>

<b>risks/implications</b>	<b>✓ / x</b>
asset management	<b>x</b>
climate change	<b>x</b>
data protection	<b>x</b>

report author	telephone no.	email	date
Peter Foulsham, Scrutiny Officer	01253 887606	peter.foulsham@wyre.gov.uk	22/02/2016

### **List of appendices**

Appendix 1: Task Group: Building Stronger Relationships with Town and Parish Councils – Final Report

arm/ex/cab/cr/16/2303pf1



**Task Group:  
Building Stronger Relationships with  
Town and Parish Councils**

**- Final Report -**

**Chairman:**

Councillor Kerry Jones

**Task Group Members:**

Councillor Emma Anderton  
Councillor Lady Dulcie Atkins  
Councillor Michael Barrowclough  
Councillor Barry Birch  
Councillor Sue Catterall  
Councillor John Hodgkinson  
Councillor Julie Robinson  
Councillor Shaun Turner  
Councillor Val Wilson

**Overview & Scrutiny Committee  
Chairman: Councillor Michael Vincent**

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## Introduction

A parish council is a small local authority which is the first tier of local government. A parish council serving a town may be called a town council, as in the cases of Fleetwood, Garstang and Preesall. Any reference to 'parish council' in this report also refers to Wyre's three town councils.

Parish councillors are elected for four years, the number of councillors elected to serve on the parish council varying from council to council.

Parish and town councils have the powers to undertake a wide range of services. The most common are the maintenance of village halls or community centres, parks or open spaces such as village greens, and footpaths. They also have a right to be consulted on planning applications in their areas.

The National Association of Local Councils (NALC) summarises parish council activities as falling into three main categories:

- (i) representing the local community,
- (ii) delivering services to meet local needs and
- (iii) improving the quality of life and community well-being.

Wyre has 21 parish and town councils, the majority of the borough being parished with the exception of the urban areas of Thornton Cleveleys and Poulton-le-Fylde. Wyre's parish councils are:

Barnacre with Bonds Parish Council	Kirkland Parish Council
Bleasdale Parish Council	Myerscough and Bilsborrow Parish Council
Cabus Parish Council	Nateby Parish Council
Catterall Parish Council	Nether Wyresdale Parish Council
Claughton-on-Brock Parish Council	Out Rawcliffe Parish Council
Fleetwood Town Council	Pilling Parish Council
Forton Parish Council	Preesall Town Council
Garstang Town Council	Stalmine-with-Staynall Parish Council
Great Eccleston Parish Council	Upper Rawcliffe with Tarnacre Parish Council
Hambleton Parish Council	Winmarleigh Parish Council
Inskip-with-Sowerby Parish Council	

## **Aims of Review**

The aims of the review, as specified in the scoping document, were as follows:

1. To understand the roles and responsibilities of the Town and Parish Councils.
2. To understand how Town and Parish Councils currently work in partnership with Wyre Council.
3. To understand the way in which Town and Parish Councils already engage with elected members.
4. To identify synergies in the way in which Town and Parish Councils work effectively in partnership with Wyre Council, and to consider how examples of good practice can be applied more generally.
5. To identify ways in which Shaping Your Neighbourhood Lead Members can play a key role in facilitating effective working relationships between Wyre Council and Town and Parish Councils
6. To identify ways in which all ward councillors can work more effectively with Town and Parish Councils

## **The Review Process**

The review was, by its very nature, focused on the parts of the borough that are parished. The review was also limited to the role that elected members can play in enhancing relationships between Wyre Council and town and parish councils.

The task group prioritised the direct involvement of parish councils throughout the review, which has benefitted from this targeted approach. Listening to the views and suggestions of parish councillors and clerks was essential if the words in the review's title, "Building stronger relationships . . . ." was to have any true meaning.

**Summary of evidence from the Health and Community Engagement Portfolio Holder, Councillor Vivien Taylor, and Marianne Hesketh, Head of Transformation**

Engagement is a priority in the council's Business Plan 2015-2019. One of the actions under the theme 'Engaging Wyre' is:

*'We will work with Elected Members, Parish and Town Councils and our communities to deliver the next phase of Shaping Your Neighbourhood'.*

A review of the Engagement Network was carried out in 2014, and this included consultation and feedback from Town and Parish Council representatives. The following feedback was relevant to this review, and was seen by the task group as a useful starting point from which to work:

- *"No borough councillors attend parish council meetings in certain places*
- *Disgruntled around engagement particularly over planning related matters*
- *Not many of the parish councillors were on-line so was difficult to rely on electronic engagement*
- *Many parish and town councils have a better working relationship with Council officers than with Elected Members*
- *Felt that there was a lack of feedback around consultations and the decision making process.*
- *An area for improvement that was suggested was some kind of induction or handbook for Parish and Town Councils around contact details or to develop an area of the website specifically for Parish and Town Councils".*

The task group was informed that it appeared unlikely that the Three-Tier Forum, a mechanism by which Town and Parish Councils engaged with District Councils and the County Council, would continue. Confirmation has since been received from Lancashire County Council that the Forums are, indeed, under review and no more meetings will be arranged until the review has been completed.

Chorley Council has been piloting an alternative model, which is a forum for representatives from each of the 22 town and parish councils in the borough to meet with borough councillors who were the chairs of their areas (the equivalents of Wyre's Shaping Your Neighbourhood Lead Members).

A number of other issues were raised which would be addressed as the review progressed, including the provision of information to parish councillors in hard copy or electronically, parish websites and the Town and Parish Charter.



**Summary of evidence from County Councillor Cynthia Dereli, Parish Champion, and Marion Gelder, Chief Executive, Lancashire Association of Local Councils (LALC)**

County Councillor Cynthia Dereli

An innovative approach has been taken by Chorley Council who no longer use the Three-Tier Forum model, but have put in place a Liaison Meeting instead, involving parish and borough councillors (previously referred to in this report, page 6).

Lancashire County Council greatly values its relationships with the parish councils. Within the context of pressures on budgets, there has been some emphasis on trying to get parish councils to take on additional responsibilities (grass cutting, play areas, for example) and the cost and outcomes were more favourable when relationships were positive.

Marion Gelder (Lancashire Association of Local Councils)

There are now regular meetings in all the Lancashire Association of Local Councils (LALC) areas, underlining the importance of borough councils engaging with the town and parish councils face to face.

A good example of direct liaison can be found in South Ribble where the LALC meeting has been combined with a borough liaison meeting. This is used very effectively for sorting out relatively minor problems, most of which have a very simple solution. The meeting is also an opportunity for sharing information and ideas between parishes. South Ribble Borough Council uses the meeting as a chance to explain about current projects and to inform the parishes about other progress that is being made within the borough.

Opportunities for shared training are welcomed by parishes, as is anything that strengthens relationships between Parish Clerks and Wyre's officers; planning and street scene are two areas where strong relationships are particularly important.

The government has provided a small amount of money, for which bids can be made, for parish councils to develop their websites.

In Marion Gelder's opinion, it is advantageous to all when a parish council joins forces with the borough council to work together on solutions.

## **Pro forma questionnaire for parish councils**

Very soon after the start of the review the task group invited the parish councils to complete a short questionnaire which addressed, in very simple terms, their views about the nature and quality of their contact with Wyre Council previously and how that might be built upon and improved in the future. The questions asked were as follows:

### **Q1 – looking back**

What has been your council's experience of engagement and involvement with Wyre councillors over the past three years?

What has gone well and what has gone not so well?

Please give examples and be as specific as you can.

### **Q2 – looking forward**

What suggestions would you like to make about how Wyre's councillors could improve the way in which they work with your council in the future?

Again, please give examples and be as specific as you can.

All ideas, comments and suggestions would be very warmly welcomed.

### **Q3 – engaging with Wyre's task group**

Would you be willing to contribute further to the task group's work on engagement with Town and Parish Councils over the next few months, if invited to do so?

How could this best be facilitated for you – by a task group member attending a meeting, by your attendance at a task group meeting, by written submission or by other means?

Open text responses were invited and eleven parishes replied. Eight of those made it clear that they would be willing to attend a task group meeting for a more detailed discussion, if invited.

It was always the intention of the task group to hold face to face meetings with as many of the parish councils as possible and this written pro forma was seen as the first stage in that process.

All parish clerks were invited to attend a meeting with the task group, and that invitation was later extended to include one elected member for each parish as well. Eleven parish councils took up that offer, the task group meeting with all of them over three meetings.

**Summary of evidence from the following:**

- **John Hallas, Clerk, Claughton Parish Council (C)**
- **Councillor Lynne Harter and Edwina Parry, Clerk, Garstang Town Council (G)**
- **Roy Bassnett, Clerk, Myerscough and Bilsborrow Parish Council (M&B)**

Planning is the main issue of contention (C).

There is little direct interface between Parish Councillors and Wyre Council (C).

The parish gets a pretty good service from the Ward councillor, who attends parish meeting and make a positive contribution (C).

Links between websites could be developed and improved, although it is acknowledged that resourcing is a problem (C).

All Claughton councillors use email (C).

Paper copies of reports and agendas are only used by exception (C).

Shaping Your Neighbourhood has been a positive initiative (C).

LALC is an effective forum (C).

3-Tier Forum meetings do not add much value (C and G).

There is a perception that the views of the Parish and Town Councils are not listened to – planning is the best example (G).

Questions about planning are often asked but responses are not always received (G).

Communication with Wyre often feels like box-ticking (G).

Garstang is planning to arrange regular meetings with the three Ward councillors (G).

The parishes need more formal training on planning matters (G).

Consultation from Wyre is not always good (G).

We are kept very well informed by Wyre councillors – we are blessed (M&B).

Wyre consults with us fully on all relevant matters (M&B).

It would be helpful if Ward councillors attended LALC meetings more regularly (M&B).

**Summary of evidence from the following parishes:**

- **Gillian Benson, Clerk, Catterall Parish Council (C)**
- **Councillor David Salisbury, Nateby Parish Council (N)**
- **Councillor Phil Orme, Preesall Town Council (P)**

Works well with Wyre councillors (C, N and P).

Some issues regarding planning (C, N and P).

More training on planning issues would be helpful (C).

Wyre councillors should always make a contribution to a Parish meeting (C).

Parishes are often consulted but views not always acted upon (C and N).

Wyre provides plenty of information (N).

Email and computer use is limited at Nateby. Can be a problem when Wyre requires responses quickly and Parish only meets every two months (N).

Shaping your Neighbourhood is not effective and should be reviewed (P).

**Summary of evidence from the following parishes:**

- **Councillor James Commander, Barnacre with Bonds Parish Council**
- **Councillor Ruth Bruce and Louise Banton, Clerk, Cabus Parish Council**
- **Kath Coleman, Clerk, Hambleton Parish Council**
- **Councillor David Astall, Great Eccleston Parish Council**
- **Councillor Terry Rogers, Chairman, and Councillor Rita Hewitt Fleetwood Town Council**

Communication excellent (BwB and C)

Consultation reasonable (BwB). Could be improved further (F).

Consultation good (H).

Planning issues dominate contact with Wyre (BwB and GE).

Wyre councillors attend parish meetings regularly (BwB, C, GE and F).

No problem with email access (BwB).

When consulted there is the feeling of not always being 'heard'; consultation is one-way (C, H and GE).

Planning documentation sometimes difficult to understand (H).

Some additional training, particularly on planning matters, would be welcome (H).

Wyre does not always properly recognise the work done by the Parish and Town Councils (F).

## Common themes that emerged from meetings with parishes

- The parishes that attended LALC really valued it
- The grass roots approach of the LALC suited Wyre very well
- Wyre councillors and officers were regular attenders at LALC meetings
- Parish councils should be reminded that their route into Wyre Council could often be made more directly through the local Wyre councillor
- Wyre councillors would welcome being kept more informed by parish councillors and Clerks about issues and concerns, perhaps simply by being copied into correspondence more often
- It would be valuable to offer the parishes more training (including joint training) on certain issues, including planning
- A more formal structure, as provided by Chorley Liaison, for example, was unnecessary in Wyre.

## Parish Charter

### Parish Charter

Parish representatives were asked for their views about the Parish Charter. The following comments were made:

- We have not missed it.
- The Charter seems to have been a way of trying to pass additional costs on to the Parishes.
- A good contract is one that we'll never return to again.
- A good relationship goes beyond a Parish Charter.
- Very little support for a Parish Charter.

## Conclusion and Recommendations

This review was carried out within the context of all councillors, whether elected to Wyre Council or one of the borough's twenty-one town and parish councils, seeking to work together to improve services for all residents.

During the course of this review a number of the beliefs previously held about the nature and quality of relationships between Wyre Council and the town and parish councils have been challenged or reinforced, on the strength of the evidence gathered by the task group. It is hoped that these findings will be acted upon by Wyre council and the town and parish councils for the benefit of all residents. It is hoped that they will also have a positive impact upon the effectiveness of the Engagement Network, which highlighted a number of concerns, as referred to on page 6 of this report.

The task group wishes to make recommendations under four headings:

- The role of Wyre councillors
- Training and development
- Communication
- The Parish Charter



## The role of Wyre councillors

The task group had been made aware of a view that the town and parish councils were concerned about lack of Wyre councillors' attendance at town and parish councils meetings. Ten of the eleven town and parish councils with whom the task group met during this review reported that attendance by Wyre Councillors at town and parish council meetings was regular and valued. Sometimes Wyre councillors were not explicitly invited to town and parish councils meetings, and there was no regular invitation for Wyre councillors to attend LALC meetings which the task group thought might encourage even better attendance. It was noted that Garstang Town Council intends to meet regularly with Wyre's three councillors. The task group concluded that the attendance of Wyre councillors at town and parish councils meetings was, in fact much better than had been thought to be the case.

It should go without saying that regular and reliable liaison and communication with local community groups is a key role of any elected member; this is the very foundation of any democratically elected representative. Ward councillors in areas with a town or parish council should work very closely with that body, and in areas without a town or parish council councillors should work equally closely with other community groups. Any effective relationship is reciprocal, and town and parish councils will also have to play their part.

There is clearly a role for Shaping Your Neighbourhood lead members to play but this should not over-ride the primary role of ward councillors working with their communities.

### **RECOMMENDATION 1**

**That all councillors be formally reminded of their roles and responsibilities (as detailed in the Councillor Development Programme 2015-2019 and agreed at Full Council on 22 October 2015) which include the expectation to**

- **regularly attend any town or parish council and other community meetings that take place in your ward and provide a regular line of communication with the council for local people, including those who do not actively participate in community groups**
- **inform residents and community groups about current and upcoming consultation exercises, encourage them to take part and tell them about the outcomes**
- **represent the council within the community by talking to residents about the council's strategies, policies, services and procedures.**

## Training and development

The task group accepts that some of the town and parish councils have a negative perception of the planning process, a view put very forcefully by several of the town and parish representatives who attended meetings of the task group. In particular they were frustrated that their opinions were not always sought and if they were, they felt that they were not always taken into account. This perceived lack of consideration applies more broadly, which does have a tendency to undermine the relationship between Wyre and the town and parish councils. Liaison on planning issues was consistently quoted by town and parish representatives as an area with potential for improvement.

On further investigation it appeared to the task group that some further training opportunities might usefully be offered to the town and parish councils, on planning matters in particular but also on other relevant topics. Joint training is an effective vehicle, not only for the provision of information, but also to help develop mutual trust and understanding. Other topics on which joint training would also be of reciprocal benefit include licensing, for example. It is accepted that there might well be a cost when involving town or parish council representatives in training; no recommendation is made by the task group about a charging policy, each event to be considered on its own merits.

### **RECOMMENDATION 2**

**That consideration be routinely given to offering town and parish council representatives the chance to attend relevant training events and briefings for Wyre councillors, in particular those related to planning policy and practice.**

## Communication

One of the strong themes that ran through the review was that communication between Wyre Council and the town and parish councils could be improved to everyone's benefit. There is a perception which is shared by some of the town and parish councils, that Wyre is not a good 'listening council'. This particularly applies to consultations when the views of the town and parish councils are often perceived as being 'unheard'.

Wyre councillors were sometimes difficult to contact and several town and parish councillors and clerks commented that the council's decisions would often be easier to understand and accept if an explanation had been offered by the local ward councillor(s). Planning was again mentioned on a number of occasions, but the concerns were expressed more generally.

The town and parish representatives commented that they often found it difficult to know where to find particular information on Wyre's website, a comment that was also supported by the personal experience of some of the task group members. Whilst it was recognised that the council's website has scored well when externally assessed for accessibility the task group felt that improvements could be made to ensure that users can locate the information that they need more readily. The A-Z index was one example that was given where improvements might be made.

The task group supports the further development of the role of the Shaping Your Neighbourhood lead members and takes the view that lead members should play a major role in allaying some of the criticisms about communication that the parishes currently have. Recognising that communication is a two-way process, Wyre Council should also take steps to ensure that relevant information about the council is readily available for town and parish councils to access directly.

### **RECOMMENDATION 3**

**That basic information about Wyre Council be made more readily available to town and parish councils by the following means:**

- (a) Consideration to be given to preparing a simple guide to the council's services and departments, and/or**
- (b) The council's website be made more user-friendly in order to ensure that information about the council's services and departments can be found more easily.**

### **RECOMMENDATION 4**

**That Wyre councillors be reminded that best practice requires them to access the council's IT systems regularly and read and respond to emails within 48 hours (as stated in the Councillor Development Programme 2015-2019 and agreed at Full Council on 22 October 2015).**

## The Parish Charter

The task group is aware that a Parish Charter dated March 2014 was the subject of a review the following year when a very succinct one-page charter was put forward for discussion. The Parish Charter was discussed with the representatives of all eleven town and parish councils who attended task group meetings and the view was strongly expressed by them that the proposed Charter would do little to enhance relationships and communication between Wyre and the towns and parishes.

### **RECOMMENDATION 5**

**That no further action should be taken regarding the introduction of a Parish Charter and the version that is currently on the council's website should be removed. Future consideration of a Parish Charter should only take place if initiated by one or more of the borough's town and parish councils.**

## Councillors' Attendances

There were 7 meetings of the task group. Councillors attended as follows:

Name	Meetings attended (maximum 7)
Councillor E Anderton	6
Councillor Lady Atkins	6
Councillor Barrowclough	6
Councillor B Birch	5
Councillor Catterall	5
Councillor Hodgkinson	6
Councillor Jones	6
Councillor Robinson	5
Councillor S Turner	6
Councillor Wilson	6

## List of Appendices

Appendix A      Town and Parish Councils task group – Scoping Document

10 February 2016

**Building stronger relationships with Town and Parish Councils  
– the role of elected members**

**Task Group - Scoping Document – FINAL**

<b>Review Topic</b>	The role of elected members in building stronger relationships between Wyre Council and Town and Parish Councils.												
<b>Chairman</b>	Cllr Kerry Jones												
<b>Group Membership</b>	Cllrs Emma Anderton, Lady Dulcie Atkins, Michael Barrowclough, Barry Birch, Sue Catterall, John Hodgkinson, Julie Robinson, Shaun Turner and Val Wilson (Vice Chairman)												
<b>Officer Support</b>	Peter Foulsham, Scrutiny Officer												
<b>Purpose of the Review</b>	To establish closer working relationships between Wyre Council and Town and Parish Councils.												
<b>Role of Overview and Scrutiny in this Review (mark all that apply)</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Holding Executive to account – decisions</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Existing budget and policy framework</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Contribution to policy development</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>Holding Executive to account – performance</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Community champion</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Statutory duties / compliance with codes of practice</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Holding Executive to account – decisions	<input type="checkbox"/>	Existing budget and policy framework	<input type="checkbox"/>	Contribution to policy development	<input checked="" type="checkbox"/>	Holding Executive to account – performance	<input type="checkbox"/>	Community champion	<input type="checkbox"/>	Statutory duties / compliance with codes of practice	<input type="checkbox"/>
Holding Executive to account – decisions	<input type="checkbox"/>												
Existing budget and policy framework	<input type="checkbox"/>												
Contribution to policy development	<input checked="" type="checkbox"/>												
Holding Executive to account – performance	<input type="checkbox"/>												
Community champion	<input type="checkbox"/>												
Statutory duties / compliance with codes of practice	<input type="checkbox"/>												
<b>Aims of Review</b>	<ol style="list-style-type: none"> <li>1. To understand the roles and responsibilities of the Town and Parish Councils.</li> <li>2. To understand how Town and Parish Councils currently work in partnership with Wyre Council.</li> <li>3. To understand the way in which Town and Parish Councils already engage with elected members.</li> <li>4. To identify synergies in the way in which Town and Parish Councils work effectively in partnership with Wyre Council, and to consider how examples of good practice can be applied more generally.</li> <li>5. To identify ways in which Shaping Your Neighbourhood Lead Members can play a key role in facilitating effective working relationships between Wyre Council and Town and Parish Councils</li> <li>6. To identify ways in which all ward councillors can work more effectively with Town and Parish Councils</li> </ol>												

<b>Methodology</b>	<ul style="list-style-type: none"> <li>○ Review reports and other documentation</li> <li>○ Interview witnesses at task group meetings</li> <li>○ Visit Town and Parish Councils</li> </ul>
<b>Scope of Review</b>	<p>This review is limited to parts of the borough that are parished.</p> <p>This review is limited to the role that elected members can play in enhancing relationships between Wyre Council and Town and Parish Councils.</p> <p>A separate review will be required to consider how engagement with local community groups can be improved in parts of the borough that are not parished (Cleveleys, Poulton and Thornton).</p>
<b>Potential Witnesses</b>	<ul style="list-style-type: none"> <li>○ Health and Community Engagement Portfolio Holder</li> <li>○ Chief Executive</li> <li>○ Head of Transformation</li> <li>○ Engagement Manager</li> <li>○ Shaping Your Neighbourhood Lead Members from parished areas (Fleetwood, Rural East and Rural West)</li> <li>○ Ward councillors from parished areas</li> <li>○ Town and Parish Councillors</li> <li>○ Lancashire Association of Local Councils (LALC)</li> </ul>
<b>Documents to be considered</b>	<p>Shaping Your Neighbourhood Review, April 2014</p> <p>Engaging with Communities task group report, April 2015</p>
<b>Risks</b>	<p>Duplication – need to ensure that task group review (about the role of elected members) and an officer review focusing on the way in which the council engages with Town and Parish Councils are complementary, and do not overlap.</p> <p>The scrutiny review is currently scheduled to be completed before the officer review, which will focus on the Parish Charter, commences, which should resolve any concerns about duplication.</p>
<b>Level of Publicity</b>	Low
<b>Indicators of a Successful Review</b>	
<b>Intended Outcomes</b>	More effective partnership working between Town and Parish Councils and Wyre Council
<b>Approximate Timeframe</b>	3 months
<b>Projected Start Date</b>	July 2015





Report of:	Meeting	Date	Item no.
Cllr Pete Murphy Planning and Economic Development Portfolio Holder and Michael Ryan Corporate Director of People and Places	Cabinet	23 March 2016	6

<b>Wyre Rural Affordable Housing Needs Survey 2015-2020</b>
---

## 1. Purpose of report

- 1.1 To inform Cabinet of the 2016 Wyre Rural Affordable Housing Needs Survey 2015-2020 report and seek endorsement of the document as part of the Local Plan evidence base and for Development Management purposes in the interim until the new Wyre Local Plan is adopted.

## 2. Outcomes

- 2.1 An approved up to date Rural Affordable Housing Needs Survey that will be used as a material consideration in the determination of planning applications for residential developments in rural areas in the interim until the new Wyre Local Plan is adopted. The 2016 Rural Affordable Housing Needs Survey represents the most up to date evidence and therefore it will be given significant weight in the determination of planning applications.

## 3. Recommendation/s

- 3.1 That approval is given to the attached Rural Affordable Housing Needs Survey report and annexes as part of the Local Plan evidence base and for use as material consideration in the determination of planning applications in the interim until the new Wyre Local Plan is adopted.

## 4. Background

- 4.1 In order to support the Council in delivering rural affordable housing it is necessary to establish the general level of support and need for small

developments for local people with a strong connection whilst actively engaging with Parish Council's, Registered Providers and private developers who will be the main deliverers of any affordable units.

- 4.2** Evidence set out in the Council's existing Rural Affordable Housing Needs Survey (dated July 2010) is now over 5 years old and is considered to be out of date. Whilst this has provided good information on housing need at a Parish level and helped to facilitate affordable housing development the survey needed to be updated. A tender exercise was undertaken to appoint a consultant to undertake a revised needs survey with the successful consultant being North Star Consulting & Research. It was decided that the level of housing need in this survey should be assessed at a Ward rather a Parish level which will ensure that the level of need matches the local lettings criteria contained within our s106 agreements which is also set at a Ward level.
- 4.3** The revised 2016 Rural Affordable Housing Needs Survey will complement the 2014 Fylde Coast Strategic Housing Market Assessment and will also form part of the evidence base for Wyre Borough Council's Local Plan.

## **5. Key issues and proposals**

- 5.1** The National Planning Policy Framework (NPPF) states that Local Authorities should identify the size, type, tenure and range of housing that is required in particular locations and reflecting local demand. A revised Strategic Housing Market Assessment (SHMA) was published in 2014 and provides a strategic overview of housing market dynamics across the Fylde peninsula. The SHMA suggested an annual shortfall of 300 affordable dwellings across Wyre Borough. Ensuring a supply of rural affordable housing and maintaining community sustainability was highlighted within the SHMA and this rural housing needs survey helps to identify more accurately where the shortfalls in affordable housing provision in rural areas are located.
- 5.2** With the recent Government announcement on affordable rent reduction and the decline of HCA grant funding this has meant that there has been a reduced capacity and appetite from Registered Providers to either acquire s106 units or to develop their own affordable housing schemes. This rural housing needs survey will help to focus those limited resources to the areas with the most identified housing need and although the Council has been successful in addressing the lack of rural affordable housing over the last five years the findings from this recent survey show that there is still pockets of housing need in our rural areas. The development pipeline from planning to completion on rural developments can be lengthy with the evidence for local needs often being part of winning the argument for the provision of affordable housing in rural areas. However there will remain an ongoing challenge to ensure continued delivery of appropriate affordable housing in sustainable locations which benefit those people who are most in need.

## Consultation Undertaken

- 5.3** There were two main areas of consultation undertaken as part of the survey work, these were; consultation with the Parish Council Planning Ambassadors and consultation with the wider public.
- 5.4** There were two consultation events held with the Parish Council Planning Ambassadors which aimed to raise awareness of the survey and provide Parish Councils with a forum to feedback their views on affordable housing needs in their area and raise any wider issues that may have been significant to the survey.
- 5.5** A key element of the second area of consultation, was the Rural Affordable Housing Survey which engaged with the wider public, and was carried out during May and June 2015. A total of 14,312 surveys were sent by post to occupied households in the rural wards of Wyre and a total of 2,297 surveys were returned and completed. In addition five community drop-in events were held in May 2015 in Great Eccleston, Stalmine, Cabus, Claughton and Garstang. The events were facilitated by at least one Council officer along with the consultant with the purpose of these events being to allow residents to ask questions about the survey and any other matters relating to affordable housing. A total of 31 people attended the drop-in events throughout the week.

## Key Findings of the Study

- 5.6**
- Annual need for 125 units across the rural Wards of the Borough.
  - 48% of respondents thought there was a need for additional affordable housing in their area. Respondents in Calder, Wyresdale and Garstang were most likely to think that there is a need for affordable housing with those in Hambleton most likely to say that there is a need for housing for the elderly.
  - 58% of households which need to move within the next five-years require a house, 35% require a bungalow and 7% require a flat or maisonette.
  - Many local residents voiced concerns regarding the allocation of recent new-build properties being to residents from outside of the area. The analysis of the lettings data does not support this perception.
  - The unit types that are in greatest need are 1-bed units (69) and 2-bed units (20).

<b>Financial and legal implications</b>	
Finance	The contract for the preparation and publication of the rural housing needs survey was £23,150 excl VAT and was jointly funded by three financial stakeholders; 1. 56% was funded from the budget allocated to assist in Local Plan preparation.

	<p>2. 22% was funded by Great Places Housing Group. 3. 22% was funded by Regenda Housing Group.</p> <p>There are no future financial implications from the adoption of the Rural Affordable Housing Needs Survey 2015-2020 for Development Management Purposes.</p>
Legal	<p>The 2016 Wyre Rural Affordable Housing Needs Survey 2015-2020 will be a material consideration in the determination of planning applications with particular reference to affordable housing in rural areas. Since the 2016 Rural Affordable Housing Needs Survey represents the most up to date evidence it will be given significant weight in the determination of planning applications.</p> <p>The Wyre 2016 Rural Affordable Housing Needs Survey 2015-2020 will also form part of the evidence base for the Wyre Local Plan.</p> <p>The NPPF states that local authorities should identify the size, type, tenure and range of housing that is required in particular locations and reflecting local demand. The preparation of a rural housing needs survey was required to compliment the SHMA in assessing need on a local level rather than on a Borough-wide level as contained within the SHMA.</p>

### **Other risks/implications: checklist**

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
data protection	x

report author	telephone no.	email	date
Nick Stevenson	7202	nick.stevenson@wyre.gov.uk	18/02/16

**List of background papers:**

**None**

**List of appendices**

2016 Rural Affordable Housing Needs Survey 2015-2020 (not included with paper copies of the agenda)

arm/ex/cab/cr/16/2303ns2



**Wyre Council**

**Rural Affordable Housing Needs Survey 2015 to 2020  
and Enabling Work**

29<sup>th</sup> January 2016

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## Executive Summary

North Star Consulting & Research was commissioned by Wyre Borough Council to carry out a Rural Affordable Housing Needs Survey (RAHNS) and enabling work. The main objective of the research was to provide a clear picture of rural affordable housing needs in Wyre over the next five years and provide a view on the potential tools available to work towards meeting those needs.

This information is intended to support and provide greater insight into the outcomes of the Fylde Coast Strategic Housing Market Assessment (2014) and inform Wyre Council's emerging Local Plan evidence base. The RAHNS is needed to support the Council in understanding rural housing needs in more detail and the type and location of those needs in rural areas to inform strategic planning, provide evidence to Registered Providers (working with the Homes and Communities Agency) and to inform negotiations around the provision of rural affordable homes on sites where affordable homes are delivered via Section 106 agreements.

This report and associated data from the RAHNS considers the following:

- The need for rural affordable housing over the next five years, taking into account existing backlog of unmet need, newly arising need and affordable homes developed in 2010-15 and pipeline schemes
- Need by type, size, tenure, affordability and appropriate location
- The findings of the previous 2010-15 Rural Housing Needs Survey
- The nature of and reasons for rural housing need
- Affordable housing policies in the Council's emerging Local Plan and the implications of this work
- The potential need for Extra Care housing and older persons' provision in rural areas
- The impact of holiday/second homes and mobile/ park homes on affordable housing need and supply
- The impact of Help to Buy on affordable housing demand and delivery

## Methodology

We developed a methodology designed to consider the need for rural affordable housing over the next five years involving the following key stages:

- Document Review of National and Local Policies and Strategy Documents
- Analysis of Local Need and Demand Data such as social housing relets and demand
- A postal Household Survey
- Consultation with Parish Councils, Wyre Council and external Stakeholders
- Calculation of Affordable Housing Needs Estimate

## National Policy Context

This work was undertaken during a time of uncertainty and changing policy context for affordable housing delivery. The Welfare Reform and Work Bill, which received its second reading in the House

of Commons on 20 July 2015, contains a range of measures including, 'provision to tackle social rents'. The aim of the Bill is to reduce rents in social housing in England by 1% a year for four years from April 2016, with the intention of protecting taxpayers from the rising cost of subsidising rents through housing benefit, and also to protect tenants from rising housing costs.

It is anticipated that this will reduce average rents for households in the social housing sector by around 12% by 2020, compared with current forecasts. It will also mean that those people not on housing benefit and not subject to "pay to stay" could be better off by around £12 a week by 2019-20.'

The 2015 Queens Speech outlined Government plans to extend the Right to Buy to Housing Association tenants and plans for a voluntary Right to Buy scheme have recently been put forward by members of the National Housing Federation. Much of the initial analysis of the impact of this and other policy announcements has highlighted the possibility of a disproportionate impact on existing and new development of rural affordable housing. There may be exemptions from the Right to Buy for rural areas but it is not yet clear how this will work in practice. The recent Housing and Planning Bill has received its second reading in the House of Commons and further detail will come through this process; further secondary legislation; and consultation on elements of the proposed policy changes.

The Housing Sector has raised serious concerns about the impact these measures will have on housing providers such as Local Authorities and Housing Associations as they will face significant reductions in rent revenue which will in turn undermine their capacity to borrow and continue with new build developments. It is likely that this will mean fewer homes will be built in the future, particularly for social and affordable rent.<sup>1</sup>

The National Planning Policy Framework (NPPF) is a key part of the government's reforms to make the planning system less complex and more accessible. The NPPF sets out the Government's planning policies for England and how these are expected to be applied. The planning practice guidance to support the framework is published online and regularly updated. The framework acts as guidance for local planning authorities and decision-takers, both in drawing up plans and making decisions about planning applications. It is important to recognise the particular issues facing rural areas in terms of housing supply and affordability, and the role of housing in supporting the broader sustainability of villages and smaller settlements. This is clearly set out in the National Planning Policy Framework, in the core planning principles, the section on supporting a prosperous rural economy and the section on housing.

## **Characteristics of Wyre**

Wyre Council area can be split into two distinct geographic and socio- economic areas, divided by the River Wyre, with the urban areas of Fleetwood, Cleveleys, Thornton and Poulton-le-Fylde in the West, and Garstang and a series of rural settlements in the East. The A6 and M6 to the north of Preston provide access to a number of popular commuter settlements which form part of a desirable part of the borough while the coastal areas around Fleetwood have higher levels of deprivation.

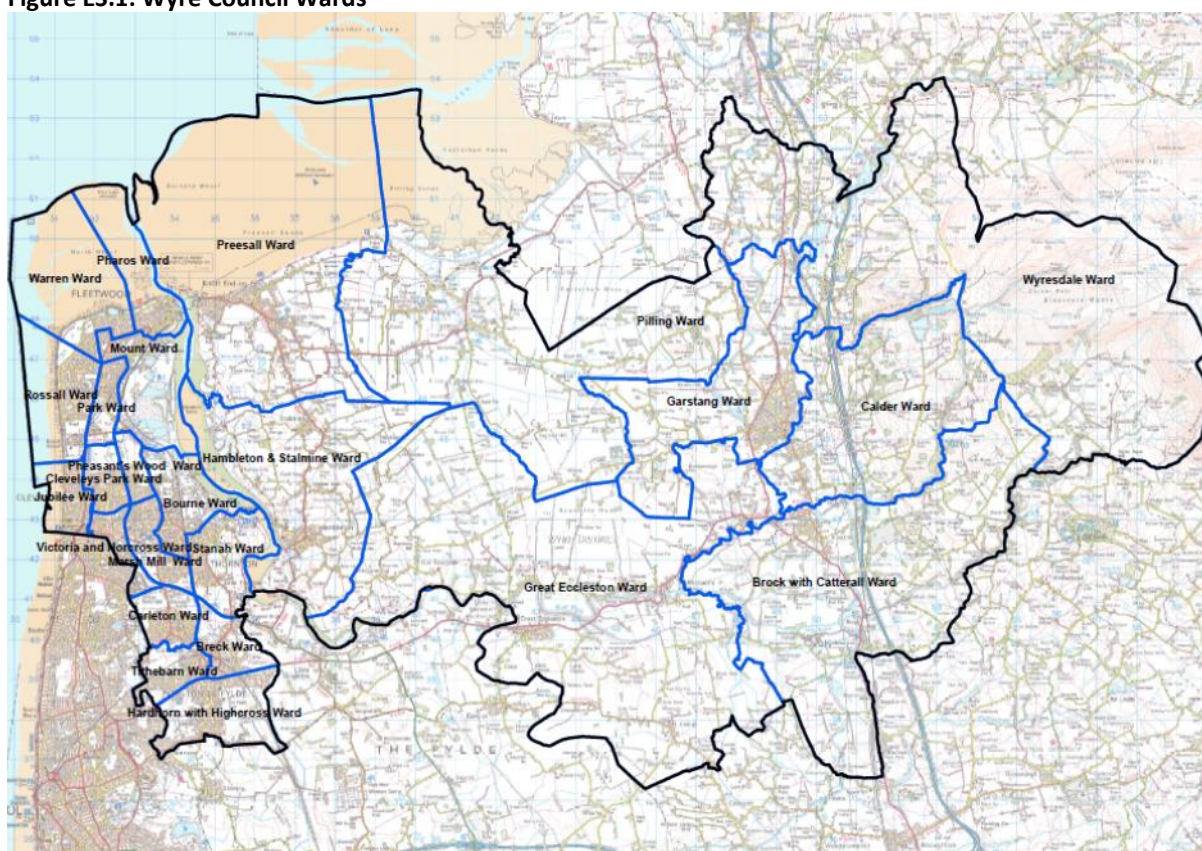
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<sup>1</sup> <http://www.housemark.co.uk/Newsletter.nsf/Newsletters/722?OpenDocument>

The focus of this study is Rural Wyre which makes up the majority of Wyre Borough but is sparsely populated apart from the town of Garstang, which has a population of 4,268<sup>2</sup>. Figure ES.1 provides an illustration of the wards in Wyre. The eight rural wards which have been used for analysis in the later sections of this document are: Brock with Catterall, Calder, Garstang, Great Eccleston, Hambleton and Stalmine, Pilling, Preesall and Wyresdale.

The whole rural area is characterised by a high proportion of detached relatively high value homes, with Rural East Wyre being the least affordable part of the whole Fylde Coast (median prices as of 2013 were around £263,375<sup>3</sup>). It also has a distinct age profile, with high numbers of older people in some areas, especially in Over Wyre and around Garstang.

**Figure ES.1: Wyre Council Wards**



Source: Wyre Council

## Core Strategy and the Wyre Local Plan

The Wyre Core Strategy Preferred Options Document went out for public consultation in April 2012 and aimed to provide a guide for future development in Wyre over the period 2012 to 2028.

<sup>2</sup> Population of Garstang Parish according to the 2011 Census

<sup>3</sup> Fylde Coast Strategic Housing Market Assessment

The document was to form part of the Local Development Framework (LDF) for Wyre and act as the key consideration when deciding planning applications. It would provide the planning framework for the borough's administrative area, setting out where new homes, employment and shops were to be located as well as which areas would be regenerated and those that would be conserved. It highlighted housing need as a key issue within Wyre.

Future demand for housing was thought to be high due to projected local population growth and household formation, particularly in the more desirable areas of the Borough. In addition, issues of affordability were highlighted particularly in rural areas and a general need across all house sizes. It was considered that a lack of housing, especially affordable, would make it difficult to attract and retain employees, particularly key workers and the younger age groups. The Core Strategy also recognised a need for housing for particular groups, including the elderly, as the number of residents over 60 continued to increase.

As a result of the introduction of the NPPF, the Wyre Core Strategy has been discontinued and work is currently underway on a new Local Plan, although the evidence and feedback collected as part of the preparation for the Core Strategy will be used to feed into the Local Plan. It is important to note that with the change in national legislation the emerging Local Plan may identify a different level and geographical distribution of development from that proposed in the Core Strategy depending on current evidence and the outcome of consultation. The newly emerging Local Plan Issues and Options 2015 document was published for consultation in June 2015, once adopted it will replace the "saved" policies in the Wyre Borough Local Plan 1991 – 2006 (adopted 1999) and the Fleetwood and Thornton Area Action Plan.

## **Housing Need and Affordability**

In assessing housing need and affordability in rural Wyre we have drawn on the findings from the postal Rural Affordable Housing Needs Survey which was sent to all households in rural Wyre. Our analysis and findings have also been informed by the desktop review and consultation with key stakeholders including Parish Councils and through public consultation events.

The methodology used to estimate the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market involves adding the current unmet housing need and the projected future need and subtracting this from the current supply of affordable housing. This approach aligns with that used in preparing Strategic Housing Market Assessments, against guidance from the Departments of Communities and Local Government (DCLG).

In summary, this assessment of need sets out:

- Stage 1: Current Housing Need (also called 'backlog need')
- Stage 2: Future Housing Need
- Stage 3: Affordable Housing Supply
- Stage 4: Estimate of Annual Housing Need

Table ES.1 summarises the steps undertaken in reaching the overall estimate of annual housing need for the rural Wyre wards:



**Table ES.1 Summary of Housing Needs Assessment Calculation for Rural Wyre**

Step/ location in chapter	Stage	Calculation	No.
<b>Stage 1: Current Housing Need</b>			
5.1.1	Homeless Households	Annual requirement	145
5.1.2	Overcrowding and Concealed Households	Current need	185
5.1.3	Other Groups	Current need	1,110
	Total Current Housing Need (gross)	5.1.1 + 5.1.2 + 5.1.3	1,440
5.1.4	Total who cannot afford to meet their needs in the private sector	77%	1,109
5.1.4	Total who wish to stay in rural areas of Wyre	72%	798
	To be reduced at 20% per annum (annual requirement)	5.1.4/ 20%	160
<b>Summary of Total Current Housing Need</b>			<b>160</b>
<b>Stage 2: Future Housing Need</b>			
5.2.1	New Household Formation (gross per year)		315
5.2.1	Total who wish to stay in rural areas of Wyre	80%	252
5.2.2	Total who cannot afford to meet their needs in the private sector	84%	211
	To be reduced at 20% per annum (annual requirement)	5.2.2/ 20%	42
<b>Summary of Total Future Housing Need</b>			<b>42</b>
<b>Stage 3: Affordable Housing Supply</b>			
5.3.1	Affordable dwellings occupied by households in need	4%	6
5.3.2	Surplus Stock	Have assumed no surplus stock as social rented sector in high demand	0
5.3.4	Committed New Supply of Affordable Housing	Based on units currently on site	55
5.3.5	Annual Supply of Social Re-lets	Assumed 78% of annual supply of social rented units	16
5.3.6	Total Affordable Housing Supply	5.3.1 + 5.3.2 + 5.3.4 + 5.3.5	77
<b>Summary of Total Affordable Housing Supply</b>			<b>77</b>
<b>Stage 4: Estimate of Annual Housing Need</b>			
Stage above	1	Summary of Total Current Housing Need	160
<b>PLUS</b>			
Stage above	2	Summary of Total Future Housing Need	42
<b>MINUS</b>			
Stage above	3	Summary of Total Affordable Housing Supply	77
<b>Net Shortfall</b>			<b>125</b>

It is clear that there is a mismatch between current supply and housing need in the rural wards of Wyre. Analysis of the 2015 RAHNS undertaken as part of this work shows a net requirement of 125 affordable housing units per annum.

From the survey analysis, we can see that 58% of households which need to move within the next five years require a house, 35% require a bungalow and 7% require a flat or maisonette. This would equate to a total of around 72 houses, 44 bungalows and 9 flats or maisonettes. It is also recommended that the tenure mix of affordable housing reflects the overall need for affordable housing and the aspiration for owner occupation through the development of a mix of affordable rent and shared/ low cost home ownership units.

Many local residents recognise the need for affordable housing in the rural area, but there is also considerable resistance to new development. Many residents consulted are in favour of market interventions to enable the provision of the newly announce Starter Homes and low cost home ownership. Local Registered Providers are supportive of continuing development in the rural areas of Wyre, subject to further analysis of Business Plan projections in light of recent policy announcements affecting future rental income and stock holdings.

## 1. Introduction

North Star Consulting & Research was commissioned by Wyre Borough Council to carry out a Rural Affordable Housing Needs Survey (RAHNS) and enabling work. The main objective of the research was to provide a clear picture of rural affordable housing needs in Wyre over the next five years and provide a view on the potential tools available to work towards meeting these needs.

This information is intended to support and provide greater insight into the outcomes of the Fylde Coast Strategic Housing Market Assessment (2014) and inform Wyre Council's emerging Local Plan evidence base. The RAHNS is needed to support the Council in understanding rural housing needs in more detail and the type and location of those needs to inform strategic planning, provide evidence to Registered Providers (RPs) working with the Homes and Communities Agency (HCA) and to inform negotiations around the provision of rural affordable homes delivered via Section 106 arrangements.

The remainder of this report and associated data from the RAHNS considers the following:

- The need for rural affordable housing over the next five years, taking into account existing backlog of unmet need, newly arising need and affordable homes developed in 2010-15 and pipeline schemes
- Need by type, size, tenure, affordability and appropriate location
- The findings of the 2010-15 Rural Housing Needs Survey
- The nature of and reasons for rural housing need
- Affordable housing policies in the Council's emerging Local Plan and the implications of this work
- The potential need for Extra Care housing and older persons' provision in rural areas
- The impact of holiday/second homes and mobile/ park homes on affordable housing need and supply
- The impact of Help to Buy on affordable housing demand and delivery

## **2. Contextual Data**

### **2.1 National Policy Context**

This work was undertaken during a time of uncertainty and changing policy context for affordable housing delivery. The Welfare Reform and Work Bill, which received its second reading in the House of Commons on 20 July 2015, contains a range of measures including, 'provision to tackle social rents'. The aim of the Bill is to reduce rents in social housing in England by 1% a year for four years from April 2016, with the intention of protecting taxpayers from the rising cost of subsidising rents through housing benefit, and also to protect tenants from rising housing costs.

It is anticipated that this will reduce average rents for households in the social housing sector by around 12% by 2020, compared with current forecasts. It will also mean that those people not on housing benefit and not subject to "pay to stay" could be better off by around £12 a week by 2019-20.'

The 2015 Queens Speech outlined Government plans to extend the Right to Buy to Housing Association tenants and plans for a voluntary Right to Buy scheme have recently been put forward by members of the National Housing Federation. Much of the initial analysis of the impact of this and other policy announcements has highlighted the possibility of a disproportionate impact on existing and new development of rural affordable housing. There may be exemptions from the Right to Buy for rural areas but it is not yet clear how this will work in practice. The recent Housing and Planning Bill has received its second reading in the House of Commons and further detail will come through this process; further secondary legislation; and consultation on elements of the proposed policy changes.

The Housing Sector has raised serious concerns about the impact these measures will have on housing providers such as Local Authorities and Housing Associations as they will face significant reductions in rent revenue which will in turn undermine their capacity to borrow and continue with new build developments. It is likely that this will mean fewer homes will be built in the future, particularly for social and affordable rent.

The National Planning Policy Framework (NPPF) is a key part of the government's reforms to make the planning system less complex and more accessible. The NPPF sets out the Government's planning policies for England and how these are expected to be applied. The planning practice guidance to support the framework is published online and regularly updated. The framework acts as guidance for local planning authorities and decision-takers, both in drawing up plans and making decisions about planning applications. It is important to recognise the particular issues facing rural areas in terms of housing supply and affordability, and the role of housing in supporting the broader sustainability of villages and smaller settlements. This is clearly set out in the National Planning Policy Framework, in the core planning principles, the section on supporting a prosperous rural economy and the section on housing.

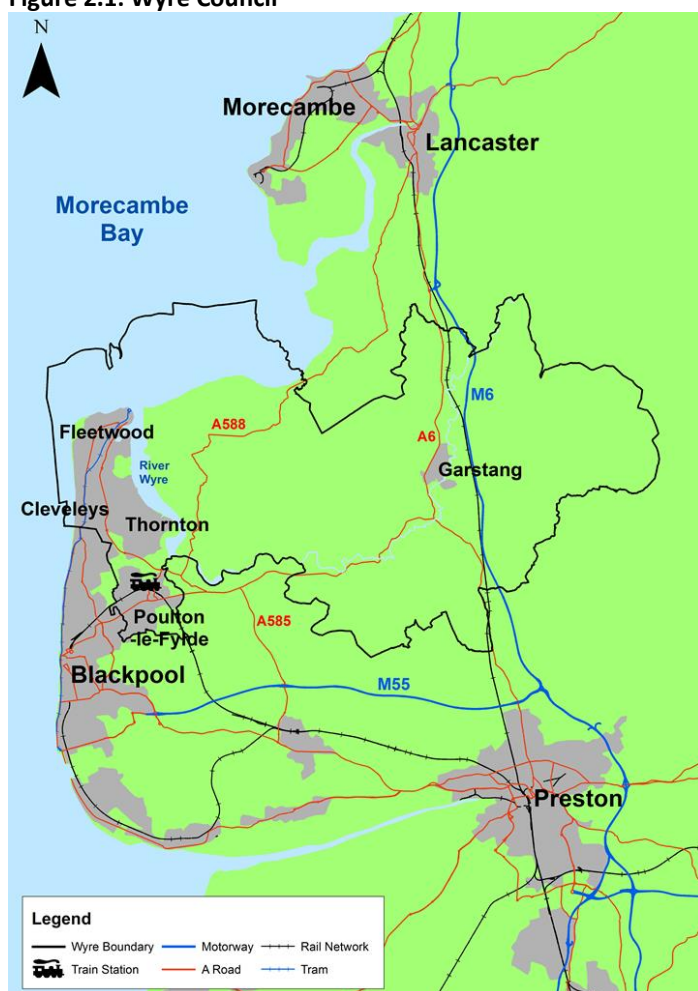
### **2.2 Characteristics of Wyre**

This section sets out a brief summary of the characteristics of Wyre in order to provide contextual information to this study. In particular, it provides descriptions of 'Rural West' and 'Rural East' Wyre.



Figure 2.1 provides a map of the Wyre Council area. The district can be split roughly into two distinct geographic and socio-economic areas, divided by the River Wyre, with the urban areas of Fleetwood, Cleveleys, Thornton and Poulton-le-Fylde in the West, and Garstang and a series of rural settlements in the East. The A6 and M6 to the north of Preston provide access to a number of popular commuter settlements which form part of a desirable part of the borough while the coastal areas around Fleetwood have higher levels of deprivation.

**Figure 2.1: Wyre Council**



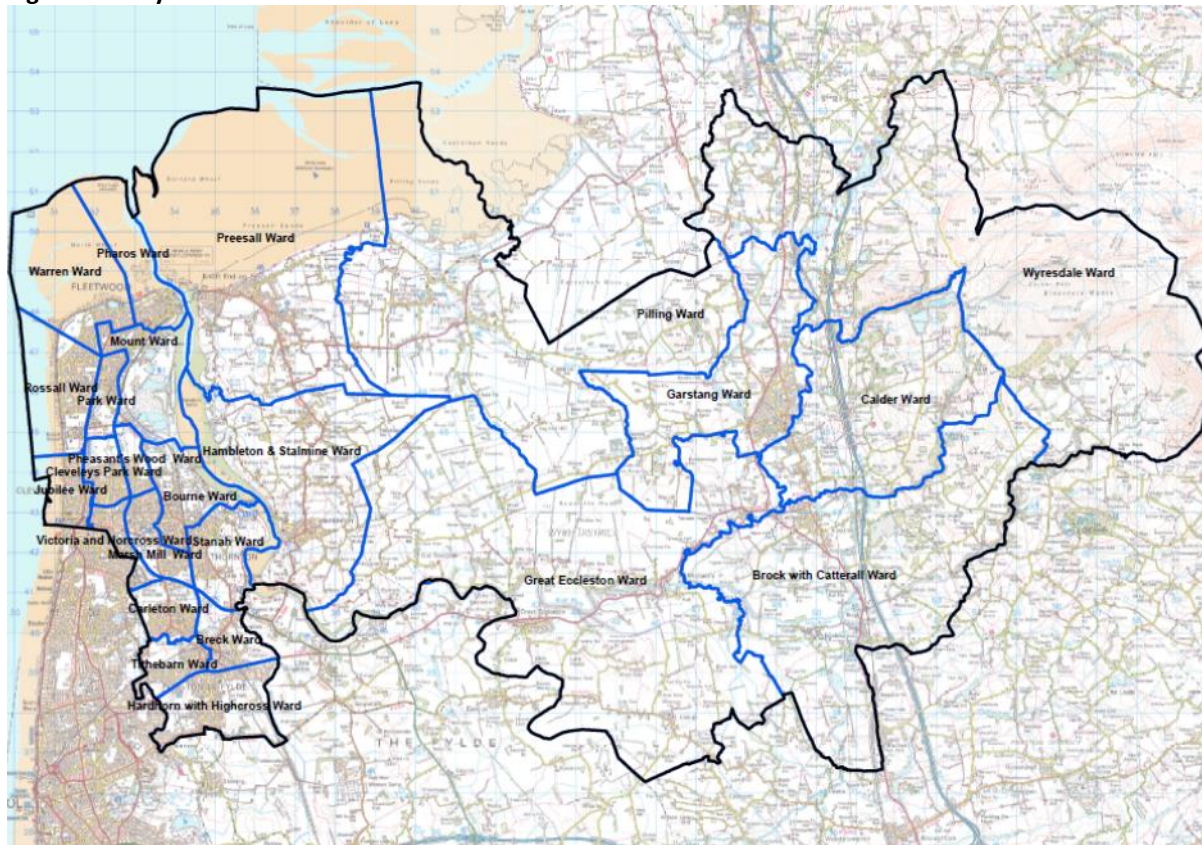
Source: Wyre Council

The focus of this study is Rural Wyre which makes up the majority of Wyre Borough but is sparsely populated apart from the town of Garstang, which has a population of 4,268<sup>4</sup>. Figure 2.2 provides an illustration of the wards in Wyre. The eight rural wards which have been used for analysis of data in the later sections of this document are: Brock with Catterall, Calder, Garstang, Great Eccleston, Hambleton and Stalmine, Pilling, Preesall and Wyresdale.

<sup>4</sup> Population of Garstang Parish according to the 2011 Census

The whole rural area is characterised by a high proportion of detached relatively high value homes, with Rural East Wyre being the least affordable part of the whole Fylde Coast (median prices as of 2013 were around £263,375<sup>5</sup>). It also has a distinct age profile, with high numbers of older people in some areas, especially in Over Wyre and around Garstang.

**Figure 2.2: Wyre Council Wards**



Source: Wyre Council

## 2.2.1 Rural West

Rural West lies to the east of the river Wyre and covers the settlements of Knott End, Preesall and Pilling in the North and Hambleton and Great Eccleston in the South. The area, which covers around 45 square miles, has a large expanse of open countryside and a population of 15,794, making it the least densely populated area in Wyre. The area has many links to urban areas to the west of the River Wyre with connections to Fleetwood by the Knott End ferry and towards Poulton-le-Fylde and Thornton by Shard Bridge.

Wyre Council have published a profile of the area using 2011 Census information which summarises the key characteristics for Rural West:

- The area has the highest number of 60 to 74 year olds in the Borough.

<sup>5</sup> Fylde Coast Strategic Housing Market Assessment

- Agriculture forms an important part of the local economy. Light industry, equestrian activities and small-scale rural businesses are also prevalent.
- Skilled trades make up the largest single employment group, followed by professional occupations. Rural West has the highest number of self-employed residents in Wyre.
- Rural West has the highest percentage of privately owned properties in Wyre (84%). With 50% of these homes owned outright.
- One family households with no dependent children are the most prevalent in Rural West followed by homes occupied by residents of 65 years and over.
- There is a demand for new housing in the area, and a requirement for additional affordable housing has been identified.
- Development in the area needs to be sensitive to those areas that are at risk from coastal, fluvial or localised flooding.
- There is a need to protect areas of natural habitat importance in Rural West.
- Rural West has a higher than average life expectancy for males, but a slightly lower than average life expectancy for females, than Wyre.
- Overall crime rates are very low in comparison with the Wyre average.
- Rural West has a higher than average household income for Wyre and lower percentages of its working age population in receipt of DWP benefits.

### **2.2.2 Rural East**

Rural East covers the area along the A6 corridor to the borders with Lancaster, Ribble Valley and Preston. It is a large rural area covering around 50 square miles, comprising of a collection of villages and the larger market town of Garstang. The area is well known for its beauty with much of the area forming part of the Forest of Bowland Area of Outstanding Natural Beauty. Residents in Rural East tend to commute to work in larger centres with many links north and south to Preston and Lancaster, rather than commuting west to the coastal towns of Fylde.

Wyre Council have published a profile of the area using 2011 Census information which summarises some of the key characteristics for Rural East:

- The area has the smallest population in Wyre with 15,085 residents.
- The largest age group in the Borough is the 30 to 60 year olds (38%), followed by the over 60's (34%).
- The Council has identified a need for a diverse mix of housing types including affordable housing.
- 81% of the homes in Rural East are privately owned. Almost 50% of these are owned outright. However the area also has the highest percentage of shared ownership properties, despite this rate being low at just 1% of all households.
- Household composition figures show that this area has the highest percentage of one family households with dependent children.
- Similar to Rural West, several areas are at risk of fluvial flooding.
- Rural East has higher than average household income for Wyre and lower percentages of its working age population in receipt of DWP benefits.
- It also has the highest population of managers, directors and senior officials compared to other areas of Wyre. The largest percentage of employed people from the area, fall into the professional occupational group.

- Rural East has a higher than average life expectation for Wyre.
- Overall crime rates are very low in comparison with the Wyre average.
- There are high house prices across the area, with many desirable settlements such as Lower Dolphinholme, Scorton and Calder Vale.

## 2.3 Document Review

As part of our assessment of the rural housing market in Wyre it is essential to first review the existing policy and information available for the Council as a whole. This helps to build a picture of the local authority and the issues of significance and how they are being addressed at a strategic level.

The following documents are summarised in this chapter:

- Rural Housing Needs Assessment, 2010
- Wyre Borough Local Plan 1991 - 2006
- Core Strategy Preferred Options 2012
- Wyre Local Plan Issues and Options 2015
- Fylde Coastal Housing Strategy 2009
- Fylde Coast Strategic Housing Market Assessment (SHMA) Report 2013
- Wyre Affordable Housing Viability Study 2010
- Wyre Affordable Housing Viability Study Report Addendum 2011
- Lancashire Strategic Economic Plan 2014

The main questions we are seeking to answer in reviewing these policy documents are:

- What are the key housing issues in rural Wyre?
- What is the nature of and reason for rural housing need in Wyre?
- What current affordable housing policies are there?
- What is the potential need for older persons provision in rural areas?

### 2.3.1 Wyre Rural Housing Needs Assessment, 2010

The Rural Housing Needs Assessment, 2010 identified the annual need for affordable housing in the rural areas of Wyre over the five years from 2010 to 2015. The study took account of the existing backlog of unmet need and newly-arising need; including details of the accommodation required by type, size, tenure, affordability and location, set within the context of findings of the Fylde Coast Strategic Housing Market Assessment 2008. The assessment was intended to inform and form part of the evidence base in support of various Local Development Framework documents including the Core Strategy.

This report provides an updated assessment of need following on from the levels of need established between 2010 to 2015.



### 2.3.2 Wyre Borough Local Plan 1991-2006

The Wyre Borough Local Plan 1991-2006 was adopted in 1999. The Planning and Compulsory Purchase Act 2004 provided for the saving and resaving of policies in an adopted local plan and resulted in a number of planning policies being retained for use in making decisions on planning applications.

The two policies with most relevance to this study are policies H3 and H15. Policy H3 allocated land for future residential development and although the majority of the sites have now been built, a few still remain undeveloped. Policy H15, The Provision of Affordable Local Needs Housing within Rural Areas, explains that, as an exception to other policies of the plan, planning permission will be granted for local needs housing in or adjoining rural settlements subject to certain provisions. The saved policies will be utilised until they are replaced by the newly emerging Wyre Local Plan.

### 2.3.3 Core Strategy Preferred Options 2012

The Wyre Core Strategy Preferred Options Document went out for public consultation in April 2012 and aimed to provide a guide for future development in Wyre over the period 2012 to 2028.

The document forms part of the Local Development Framework (LDF) for Wyre and acts as the key consideration when deciding planning applications. It provides the planning framework for the borough's administrative area, setting out where new homes, employment and shops were to be located as well as which areas would be regenerated and those that should be conserved.

Overall, the Core Strategy report proposed a preferred option that concentrated around 52% of development in Fleetwood, Thornton and Cleveleys; about 34% in Poulton-le-Fylde and Garstang/Catterall; and the remainder (14%) in other rural settlements.

In early 2012, the Government published the National Planning Policy Framework (NPPF) which aimed to streamline the planning system across England and Wales by encouraging each planning authority to consolidate their planning policy documents into one single policy document, a Local Plan. The Local Plan would provide both the overall strategic framework and the more detailed policies and allocations for their area.

As a result of the introduction of the NPPF, the Wyre Core Strategy has been discontinued and work is currently underway on a new Local Plan, although evidence and feedback collected as part of the preparation for the Core Strategy will be used to feed into the Local Plan.

#### 2.3.3.1 Vision and Objectives

Despite the Core Strategy being discontinued, it is nonetheless useful to consider some of the main findings and objectives outlined in the document, including the Spatial Vision which sets out how Wyre will ideally look in 2028:

*“Wyre will be renowned throughout the North West as a place of environmental quality; a desirable location for people to live, work and visit. Cleveleys, Fleetwood and Thornton have been regenerated and Garstang and Poulton-le-Fylde are vibrant market towns. Villages and other rural settlements meet the needs of their communities.*”

*The visitor and tourist economy has been modernised and complements the rest of the Fylde peninsula. An improved and affordable range of housing and job opportunities are available for all, with these being integrated to an enhanced and efficient sustainable transportation network.*

*There is robust and co-ordinated management of the natural and built environment and an excellent, accessible network of open spaces, coast and countryside. The effects of climate change are recognised and there is a long term commitment to tackling its consequences.”*

### **2.3.3.2 Key Issues and Challenges**

The Core Strategy also highlights some of the key challenges faced by the Local Authority:

- Climate Change and Flooding: Across the entire length of Wyre’s coastline as well as inland areas in proximity to rivers
- Sustainable Development: particularly concerning congestion in the Urban West area and the A6
- The Natural Environment and Countryside: The borough covers many sensitive habitats
- Built Environment and Infrastructure: Promoting attractive and good quality design
- Access to Services and Network of Settlements and Centres: Wyre has a dispersed settlement pattern making accessibility to key services a challenge in some rural areas.
- The Local Economy: Decline in traditional industries and a need for modernisation
- Inequality and Deprivation: Geographical imbalance in Deprivation.

While the Core Strategy is now being replaced by the Local Plan, the above challenges remain.

### **2.3.3.3 Housing Need and Affordable Housing**

In addition to the challenges highlighted above, the Core Strategy also highlights housing need as a key issue within Wyre.

Future demand for housing was thought to be high due to projected local population growth and household formation, particularly in the more desirable areas of the Borough. In addition, issues of affordability were highlighted. The Core Strategy states that:

*“The significant increase in house prices and lower than average incomes, means that properties have become less affordable in Wyre. There is the need for a significant proportion of affordable housing provision, particularly in rural areas and a general need across all house sizes. A lack of housing, especially affordable, may make it difficult to attract and retain employees, particularly key workers and the younger age groups. Given overall demand, improvement to the existing stock of unfit properties is important, with a geographical concentration existing in Fleetwood.”*

The Strategy recognises a need for housing for particular groups, including the elderly, as the number of residents over 60 continues to increase.

As a result, the Core Strategy Preferred Option, under Policy CS21: Affordable Housing, committed to a planning policy approach whereby all proposals for new housing development would provide affordable housing at a rate generally dependent on the capacity of the site.

#### **2.3.4 Affordable Housing Planning Policy CS21**

Wyre Council has developed a policy designed to secure either the provision of affordable housing on site and/or a financial contribution in lieu of provision, on development sites in the borough, on the following criteria:

- All proposals for new housing development which comprise 15 or more dwellings, will provide affordable housing on site at a rate of 30%.
- All proposals for new housing development which comprise between 10 and 14 dwellings will provide affordable housing on site at a rate of 20%.
- All proposals for new housing development which comprise between 5 and 9 dwellings will provide either 20% on site affordable housing or will be required to make a financial contribution in lieu of on site provision of a broadly equivalent value.
- Any relaxation in the amount of affordable housing provided will be negotiated with the council on a case by case basis following the submission by the owner/ applicant of a site specific economic viability study.
- Commuted sum payments will be calculated according to the methodology set out in the published Addendum to the Affordable Housing Viability Study based on the open market value of housing units in the borough. The sum will be applied to the specific number of affordable housing units required calculated to one decimal place, without any rounding up or down of values e.g. 20% of 7 units = 1.4 units.
- All affordable housing shall be provided without the need for public subsidy.
- Supporting proposals for 100% affordable housing either in, or on the edge of, identified locations (linked to the Rural Exception Policy when prepared).
- All affordable housing developments being subject to legal agreements or planning conditions ensuring they remain affordable in perpetuity whenever possible and, in certain cases, they meet local housing need in perpetuity.
- Affordable housing shall be built to a high standard, as with other housing and integrate sensitively into the surroundings to ensure protection and enhancement of the landscape and townscape whilst encouraging community cohesion.
- The quality, scale, design and sustainability of development will accord with the standards as set out in other key related Core Policies.

The policy was based on the findings of the Rural Housing Needs Assessment 2010, Wyre Affordable Housing Viability Study 2010 and Report Addendum 2011.

#### **2.3.5 Wyre Local Plan Issues and Options 2015**

The Council is currently preparing a new Local Plan which will provide a planning and development strategy to guide future development in Wyre up to 2031. Once adopted, it will supersede the “saved” policies in the 1999 Local Plan and the Fleetwood-Thornton Area Action Plan. The Wyre Local Plan went out for public consultation during the preparation of this report in June 2015.

Following the consideration of responses to the Issues and Options document the Council will publish a Draft Local Plan and common to all Local Plans, it will provide a vision for the Borough along with the strategy for delivering that vision. It will also identify the overall level of different types of development (including housing, employment and retail) that is envisaged during that period, and the general geographical distribution of that development.

It will also allocate sites for certain types of development; designate areas for protection; and set out policies to manage development in the Borough.

### 2.3.5.1 Strategic Vision

The Local Plan "Vision" is a statement of how Wyre will be at the end of the Local Plan period (2031). Emphasis in this has been placed on ensuring the Borough retains its local character and distinctiveness. The vision statement extracted from the Issues and Options report states that:

*'In 2031 Wyre will be an attractive and successful place where people want to live, work and visit. The challenges of an ageing population will have been addressed and younger age groups attracted and retained creating balanced and sustainable communities. Development will have taken place in a sustainable manner supported by the necessary infrastructure and with minimal effect on the environment. Health inequalities will have been reduced and there will be better standards of health and wellbeing resulting from improved prevention and self-care, enhanced access to healthcare and increased take-up of the many opportunities for recreation.'*

Of particular relevance to affordable housing the plan states:

*'In 2031 there will be a diverse, high quality housing offer which provides choice and meets the needs of all our community, including housing for the elderly, affordable housing and smaller market dwellings for first time buyers and young families.'*

### 2.3.5.2 Strategic Objectives

In order to deliver the Vision, a number of strategic objectives have been established. Those with most relevance to affordable housing are highlighted below:

**Table 2.1 Wyre Local Plan Issues and Options Strategic Objectives**

Strategic Vision	
<b>1</b>	<b>To retain and attract young people and families to live in the Borough creating sustainable communities</b> , in which both young and older people are actively engaged and where people feel valued and safe
<b>2</b>	To facilitate economic growth encouraging investment and job creation, aligning training with employers requirements <b>to get more local people</b> into work and reduce levels of unemployment
<b>3</b>	To facilitate tourism growth creating a distinct offer within Wyre on the Fylde Coast
<b>4</b>	To contribute to the general health and wellbeing of residents though the provision of healthy lifestyle options and high quality, accessible green infrastructure
<b>5</b>	To protect and improve the natural and built environment in Wyre through high quality design that is respectful to heritage assets, the character of the locality and surrounding landscapes
<b>6</b>	<b>To provide a range of new, high quality housing to meet the needs of all sections of Wyre's</b>



	<b>community, including affordable housing and housing for the elderly</b>
<b>7</b>	To ensure good quality and a broad range of services that are accessible to all, and to promote the vitality and viability of town, district, local and neighbourhood centres
<b>8</b>	To locate new development in areas that are accessible and which have a range of services
<b>9</b>	<b>To work with partners to ensure that new development is supported by the necessary provision of, or improvements to, infrastructure to minimise the impact of development and support sustainable communities</b>
<b>10</b>	To minimise the Borough's environmental footprint; ensuring that development maximises efficiency in the use of land and resources, minimises pollution and flood risk and mitigates against the impact on areas of acknowledged importance
<b>11</b>	To mitigate against and adapt to climate change through a variety of measures including development design, maximising renewable energy sources, minimising resource wastage and encouraging recycling
<b>12</b>	<b>To ensure the sustainability of rural communities and ensure a diverse and resilient rural economy.</b>
<b>Source: Wyre Local Plan Issues and Options 2015</b>	

### 2.3.5.3 Key Issues

Similar to the Core Strategy, the Wyre Local Plan Issues and Options highlights key issues faced by the Local Authority, those of relevance to this work are set out below:

- **Population & Settlement Pattern:** Almost a third of Wyre's population is of retirement age and this is projected to increase significantly by 2032, particularly the proportion aged 75 years plus. This has implications for the type of housing required, including an increased requirement for facilities such as 'retirement villages' and 'care homes'. It also has implications for healthcare and access to services for older people due to age related health issues. The Local Plan will therefore need to consider whether it is appropriate to include a policy which requires a proportion of new housing to be suitable for older people. In addition there is a notable decrease in certain working age groups which could potentially result in gaps in the workforce. Therefore there is a need to achieve a better balance in the population by attracting and retaining those aged 24-50 supported by the right mix of housing.
- **Housing:** The Plan highlights a pressing need for affordable housing across most of the Borough both to clear a backlog of demand and to meet future household requirements. The need is particularly significant in those parts of the borough, such as the rural areas, where house prices are the highest. Factors such as a lack of public funding, the recent recession and changes to the benefits system have all added pressure to the demand for affordable housing and adversely affected the delivery of affordable housing. The Local Plan will need to increase the supply of affordable housing but this must be balanced against the need to ensure that the viability of development is not undermined by the cost of meeting any required contribution towards affordable housing provision.
- **Natural Environment:** A key issue for the Local Plan will be the need to ensure that development does not place unacceptable pressure on the Green Infrastructure network or result in its erosion or loss of the natural environment.

- **Climate Change and Flood Risk:** It is recognised that Wyre is particularly prone to flooding and the local authority must strike an appropriate balance between managing flood risk and ensuring the continued sustainability of settlements as a key challenge.
- **Built Environment:** Ensuring high quality building design remains a priority.
- **Infrastructure:** Transport infrastructure and accessibility is key for the Local Plan, particularly given Wyre’s rural nature and capacity issues at certain times and locations on the A585 and A6 corridors.

Of particular significance to this study is the priority given to the need for further affordable housing and a mix of housing for different groups of people, including the elderly.

#### **2.3.5.4 Spatial Options**

The Wyre Local Plan Issues and Options proposes three options for spatial development, based on the same amount of development, but with different approaches to distributing this growth. At this early stage in the process the Council has not decided on which option to take forward but will determine this following the public consultation. However, evidence presented in the Strategic Housing Market Assessment (2013) indicates that a precise housing requirement figure will be significantly greater than the annual requirement proposed in the Core Strategy Preferred Options. The three options are:

##### **Option 1: Fylde Coast Peninsula Main Urban Area Focus**

Where the majority of new development would be in the main urban towns on the Fylde Coast Peninsula. The remainder of new development would be split between the settlements on the A6 Corridor, including Garstang, Catterall, Bilsborrow, Bowgreave and Barton, and other defined rural settlements.

##### **Option 2: A6 Corridor Focus**

A greater proportion of new development would be directed to the A6 Corridor in the settlements of Garstang, Catterall, Bilsborrow, Bowgreave and Barton with consolidation and expansion of Winmarleigh and Cabus. This focus on the A6 Corridor would concentrate development in a part of the Borough with existing services and facilities and with good accessibility to the motorway network. A moderate level of development would still be located in parts of the urban Fylde Coast Peninsula.

##### **Option 3: Dispersal**

Development under this option would be more evenly dispersed across the Borough. A moderate level of development would still be directed to the Fylde Coast Peninsula main urban area, but this option would result in less development taking place in this part of the Borough than under Spatial Option 1 and more development in rural areas. In particular it would once again result in the consolidation and expansion of Winmarleigh and Nateby, more development in Great Eccleston, Hambleton and Knott End/ Preesall than in other options and some development along the A6 corridor.

## 2.3.6 Fylde Coast Housing Strategy 2009

Published in 2009 jointly by the three local authorities of Blackpool, Fylde and Wyre, the Fylde Coast Housing Strategy provides a common understanding, vision, and set of priorities for housing across the Fylde Coast Housing Market Area. This Strategy sets out a long term agenda for change along for each of the local authority areas.

### 2.3.6.1 Long Term Vision

The long term vision of the Fylde Coast Housing Strategy is below:

#### Figure 2.3: Fylde Coast Housing Strategy Long Term Vision

We are working towards housing across the Fylde Coast that provides everyone with a great place to live and underpins a successful local economy – housing that meets everyone’s needs in places that are attractive.

We will work to re-balance the housing market to create a higher quality offer in deprived areas and ensure healthy and sustainable communities in more attractive areas.

We will provide more new homes to meet long term increases in household numbers. These will be well planned in sustainable communities and feature the very best in high quality urban design. We should protect and enhance existing settlements, not distract from areas that are already attractive. **The mix of new homes will reflect the changing needs of the growing population and support our plans for growing prosperity.**

We will be even more effective in dealing with people who require accommodation and support to get their lives back on track, and will assist more people in social housing and private rented accommodation to get access to training and stable employment.

We shall support vulnerable older members of the community, so that we help them to live safely and independently in their own homes if they wish to do so, and will provide specialist accommodation where older people aspire to live.

### 2.3.6.2 Key Objectives

Table 2.2 outlines the key objectives in the Fylde Coast Housing Strategy which relate to this work along with the key issues and objectives specifically for Wyre in relation to rural, affordable and specialist housing.

**Table 2.2: Fylde Coast Housing Strategy Key Objectives**

<b>Quantity - Providing appropriate numbers of the right kinds of high quality new homes</b>
<b>Meet long term demand for housing:</b> A strong priority across much of Wyre to deliver as many socially rented homes as possible because of the overwhelming demand compared with the very limited existing supply.
<b>Provide more affordable homes:</b> As well as the requirement for more social housing for rent, there will be a demand for more shared ownership homes, although these cater for very different income groups. In suburban and rural areas, affordable housing delivery will be focused on providing more high quality social rented housing with delivery of more new affordable housing through housing association and developer partners funded by the Homes and Communities Agency. A more pro-active approach to identifying and helping people who want to move to smaller accommodation will be encouraged and the private rented sector will continue to play a very large role in meeting the needs for low cost housing.
<b>Maintaining a sustainable community life in rural settlements:</b> We shall work with rural communities in identifying local housing needs in particular villages, and work with landowners to identify potential sites for small scale development of affordable housing.
<b>Quality - Raising the quality of the overall housing offer to support growth in the Fylde Coast economy</b>
Improve housing conditions for people who are vulnerable: provide assistance to vulnerable individuals who are owner occupiers.
<b>People - Helping people to access the accommodation and support that they need to lead stable and prosperous lives</b>
Provide new opportunities for people at risk of homelessness
Meet the changing requirements of older people: housing options need to be varied. Currently there are a high number of park homes across the Fylde Coast- they are a feature of coastal and rural environments, and are sometimes linked to or converted from holiday accommodation. However they bring with them various disadvantages and the strategy therefore shall seek to minimise further park home developments and the conversion of existing homes from holiday to permanent residential use where they are an inappropriate way of meeting housing requirements. Overall there is a need for specialist accommodation for older people.
<small>The Fylde Coast Housing Strategy 2009</small>

### 2.3.6.3 Objectives for Rural Wyre

It is recognised in the Fylde Coast Housing Strategy that the area has a higher than average proportion of older people, particularly in Rural West and around Garstang, and that housing provision should cater to the needs of this group. The planning framework in 2009 was such that Rural Wyre was unlikely to be the focus of significant new development, but small developments should include modest sized homes that are more affordable to local people, and the emphasis should be on affordable housing to meet high local needs where this promotes sustainable rural communities.

### 2.3.7 2013 Fylde Coast Strategic Housing Market Assessment (SHMA) 2013

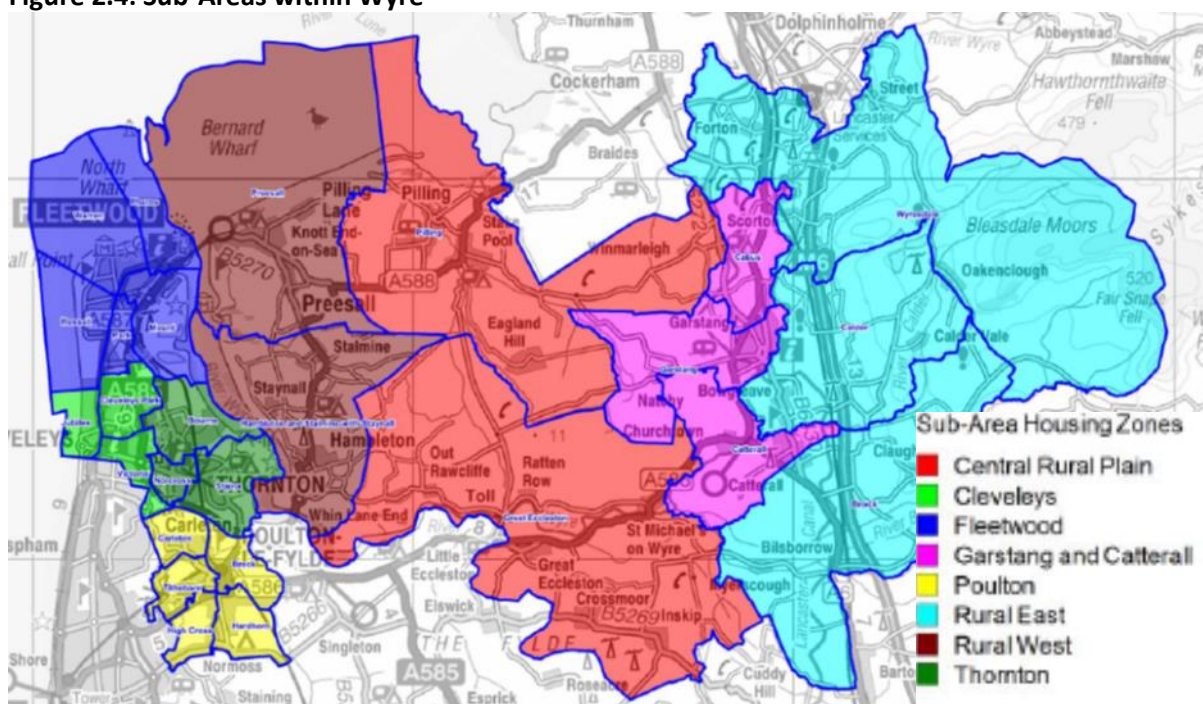
The 2013 Fylde Coast SHMA was produced jointly by Blackpool Council, Fylde Council and Wyre Council and published in February 2014. It sets out a long term (up to 2030) strategic assessment of

housing demand and supply across different sub-market areas and for different user groups within the Fylde Coastal Area. The SHMA has been prepared in accordance with National Policy Planning Framework (NPPF) which highlights the need for SHMA's to be used as a key piece of evidence in determining housing needs.

The assessment was carried out for each of the council areas; Blackpool, Fylde and Wyre although information at a sub-area level is also provided. For Wyre, the SHMA identified eight sub-areas, as shown in Figure 2.4:

- Fleetwood
- Thornton
- Cleveleys
- Poulton-le-Fylde
- Rural West (Hambleton etc.)
- Central Rural Plain
- Garstang & Catterall
- Rural East

**Figure 2.4: Sub-Areas within Wyre**



Source: Fylde Coast SHMA

### 2.3.7.1 Affordable Housing Need

According to the Fylde Coast SHMA, there is an estimated need for 300 affordable homes per year in Wyre, with Fleetwood, Poulton-le-Fylde, Thornton and Cleveleys collectively accounting for 201 properties. The remainder are relatively evenly distributed throughout the other sub-areas.

Around half of this need is for one bedroom properties, with a quarter for two bedroom properties. The SHMA argues that intermediate housing will play an important role in meeting affordable housing need over the years to 2030, as will the private rented sector.

### 2.3.7.2 Housing Requirements for Older People

According to population projections set out in the SHMA, growth in the older population is a significant component of population growth in Wyre, with the population growing at three times the average forecast population growth rate in the over 50s age group.

The SHMA also identifies a distinct age profile of out migrants, with net outflow of those aged 15 to 24 and inflows of older age groups. As a result the SHMA recommends that there should be adequate provision of specialised accommodation to meet the needs of older people.

### 2.3.7.3 Overall Findings for Wyre

Summarised below are the findings for Wyre:

- **Migratory Patterns:** The Borough has strong migratory relationships with Fylde and, particularly, Blackpool. In the east, there are links with Lancaster, Preston and Manchester, and there are also net outflows of residents to several core cities which are notably large university towns. Only 54.1% of Wyre residents work within the authority – the lowest level of containment – but around 83% work within the Fylde Coast. Preston and Lancaster are also important employment destinations;
- **Housing Stock:** The vast majority of housing stock is detached and semi-detached (70%), surpassing both the national and Fylde Coast averages. This is mainly attributable to a lower proportion of flats, with Fleetwood the only sub-area that contains a significant number. All sub-areas, with the exception of Fleetwood, surpassed the average proportion of detached housing. The majority of additional housing stock developed since 2001 has been detached, with delivery spread relatively evenly throughout the sub-areas with the exception of Fleetwood and Cleveleys, where the majority of new delivery was flatted;
- **Owner – Occupation:** Over three quarters of households in Wyre are owner occupiers, with fewer instances of private and social renting relative to the rest of the Fylde Coast. This varies across the area with particularly high levels of outright ownership in Poulton-le-Fylde and Garstang & Catterall. Since 2001, there has, however, been an increase in private renting which has offset a decline in home ownership;
- **Rate of Development:** Between 2003/04 and 2012/13, 2,461 dwellings were delivered in Wyre, at an average rate of 246 per annum. Around 22% of these were conversions.
- **Empty Homes:** Around a third of vacant stock is located in the rural sub-areas, with 31% situated in Thornton, a similar amount in Cleveleys and the remainder in Poulton-le-Fylde;
- **Size of Properties:** In Wyre, properties are relatively large, with 2.75 bedrooms on average, and property sizes have broadly grown between 2001 and 2011. There is a shortage of smaller properties, and a similar shortage of 5+ bedroom properties. Overall, Wyre generally follows the national trend, albeit with a slightly greater concentration of mid-range, 2-3 bedroom properties. This is variable by tenure, however, with a particular concentration of one bedroom social rented properties. The private rented sector is also generally dominated by smaller properties, relative to the average for all tenures;



- **Population:** From 2001 to 2011, the population of Wyre grew by around 2%, with Thornton a key area of growth. This represents the greatest proportional increase of all Fylde Coast sub-areas. The population is ageing, with a higher proportion of over 50s relative to the national profile. Net inward migration has been a key component of population change in Wyre, albeit at a lower rate between 2007 and 2011 and, interestingly, a high proportion of international migrants originating from New Commonwealth countries, unlike the other Fylde Coast authorities;
- **Employment:** Over 3,000 jobs were created in Wyre between 2001 and 2011, representing growth of around 9%, driven by public sector job creation which has offset losses in construction. The economic downturn had the effect of raising the unemployment rate, which sits below the figure for Blackpool but higher than Fylde. It is estimated that at least 1,800 additional jobs will be created in Wyre, with steady growth driven by the retail, administrative and professional services sectors;
- **House Prices:** House prices in Wyre are generally higher than Blackpool but below the average for Fylde, and slightly above the average for Lancashire. The volume of transactions has fallen since 2007. House prices are generally higher in the Rural East, Central Rural Plain and Garstang & Catterall. On average, properties of each type are at least £20,000 more expensive than a comparable property in Blackpool. Average market rental values are generally lower than Fylde. Average household income sits between the figures for Blackpool and Fylde, with affordability benchmarks that are broadly comparable with Fylde;
- **Overall Need:** Consideration of the scenarios indicates that there is an objectively assessed need for between 340 and 485 dwellings per annum in Wyre.

### 2.3.8 Wyre Affordable Housing Viability Study 2010

Having recognised the need for additional affordable housing provision across Wyre, the Local Authority commissioned an Affordable Housing Viability Study in 2010.

The study considers local and national planning policy as well as providing an assessment of current market conditions in order to advise on an appropriate level of developer contribution that would allow schemes to remain viable.

The Affordable Housing Viability Study makes the following key **conclusions** relating to the housing market in Wyre:

- There is little in the way of new residential development in Wyre with only a small number of new schemes currently on the market
- In Fleetwood, 10% Affordable Housing is currently achievable
- In Poulton, 30% Affordable Housing is currently achievable
- In Thornton and Cleveleys, 20% Affordable Housing is currently achievable
- In Garstang and Catterall, 30% Affordable Housing is currently achievable
- For Rural Wyre, 20% affordable housing was achievable on the 10 and 15 unit schemes, and it was advised that the threshold for sites be reduced to 10 units

The following key **recommendations** were made:

- An affordable housing target of 30% across Wyre and for rural sites, the threshold for schemes should be set at 10 units..
- Policy should be flexible enough to allow developers to negotiate a lower percentage when they can demonstrate it is not viable.

### **2.3.9 Wyre Affordable Housing Viability Study Addendum 2011**

A report addendum was produced in 2011 at the request of Wyre Council where the following issues were to be addressed:

- The viability of providing affordable housing on schemes of 5, 10 and 15 units in the 4 market areas of Fleetwood, Thornton Cleveleys, Poulton-le-Fylde and Garstang as defined in the original report.
- On smaller schemes on-site provision may not be viable and, rather than lose out on contributions, the Council wanted an indication of the threshold where a commuted sum may be appropriate.
- The methodology that should be adopted by the Council to calculate the level of commuted sum that would be appropriate in the Wyre area.

The addendum finds that the level of viability varies across the Borough depending on the number of units. The authors recommended a threshold of 15 units should be set, as in most locations a 15 unit site could provide 20% on site affordable housing provision. In schemes under 15 units, the delivery was thought to be marginal and the council is advised that it would be more likely to achieve positive contributions if they were to adopt a flexible approach that allowed developers of schemes under 15 units to provide a payment in lieu of on site provision in the form of a commuted sum.

### **2.3.10 Lancashire Strategic Economic Plan 2014**

Published in 2014 and supported by the Lancashire Enterprise Partnership (LEP), the Lancashire Strategic Economic Plan (LSEP) sets out the growth ambitions for the next 10 years with a clear focus on realising the potential of the whole of Lancashire. It identifies key priorities and programmes which command local support and funding commitments.

In addition the LSEP has completed a competitive analysis of the local economy. This includes the recognition of the importance of improving the health and well being of an ageing population and the necessity of encouraging the existing signs of renewed confidence in the housing market in some areas of Lancashire to encompass other parts of the county.

Part 2 of the document sets out the LEP's ambitious Growth Deal proposition to create an economically confident Lancashire which includes:

- 50,000 new jobs;
- 40,000 new houses; and
- £3 billion additional economic activity



### **2.3.11 Key Housing Issues in Rural Wyre**

It is clear from the review of policy documents that Rural Wyre has a number of challenges relating to housing provision. Parts of the area, such as Rural East are extremely desirable and as a result, housing availability and affordability is an issue. Planning and Housing policy must seek to ensure that the area retains the distinct environmental features that make the area so desirable whilst making sure that there is an adequate provision of affordable housing to meet the needs of local communities. The increasing ageing population will also place pressure on the local authority to provide a mix of suitable specialised housing. This is particularly important in parts of Rural West Wyre and around Garstang where the average age of the resident population is already above the rest of the North West. It will also be important to sustain communities by ensuring there is also a working age population living in those areas to sustain areas and provide key services such as social care.

For the local authority, the challenge will be to meet the needs of residents in rural Wyre in conjunction with the often very different housing needs of residents in the settlements of the urban west such as Fleetwood which are areas characterised by higher levels of deprivation, lower house prices and higher levels of benefit dependency.

### **2.3.12 Housing Provision for Older People in Rural Wyre**

Nationally people are living longer and the population is ageing. As a result the government has introduced a number of changes in the social care, health and planning arena to help address some of the challenges that will be created by an ageing population.

National policy, such as the Localism Act 2011, has moved toward the decentralisation of power to local authorities and care for older people in the community has been incentivised through investment in mechanisms such as the Better Care Fund, Firststop, Home Improvement Agencies and Handyperson Schemes. The Comprehensive Spending Review (November 2015) also included announcements around the ability of Local Authorities to raise a precept through Council Tax to fund adult social care services.

Local authorities have been increasingly encouraged to provide more individual and personalised care in order to provide older residents with well designed, adaptable homes that offer space, amenities and flexibility.

In Wyre, the Council has identified the ageing population as a challenge in terms of future provision and the Fylde Coast SHMA along with the emerging Local Plan, both highlight the need for the provision of a variety of housing specific to older age groups.

In addition, Wyre is unusual in having particularly high concentrations of park homes/caravans in various locations throughout rural Wyre with large numbers of older people living in Residential Park Homes. As the Fylde Coast SHMA recognises, this creates issues around social isolation, poor insulation, fuel poverty and high maintenance costs which the local authority will need to consider.

With the policy context and existing evidence outlined, the next section looks in more detail at the mechanics of the rural housing market in Wyre.

### 3. The Housing Market in Rural Wyre

#### 3.1 Social Rented Sector

Analysis of the MyHomeChoice Fylde Coast lettings data shows that a total of 51 social rented properties became available for let in the rural areas of Wyre during 2014/15. The greatest number of these (15, 29%) were in Hambleton and Stalmine, followed by Brock with Catterall (11, 22%), Garstang (8, 16%) and Preesall (6, 12%). Fewest relets were in Calder (no relets), Pilling (2, 4%), Great Eccleston (4, 8%) and Wyresdale (5, 10%).

**Figure 3.1 Number of Social Rented Properties for Let**

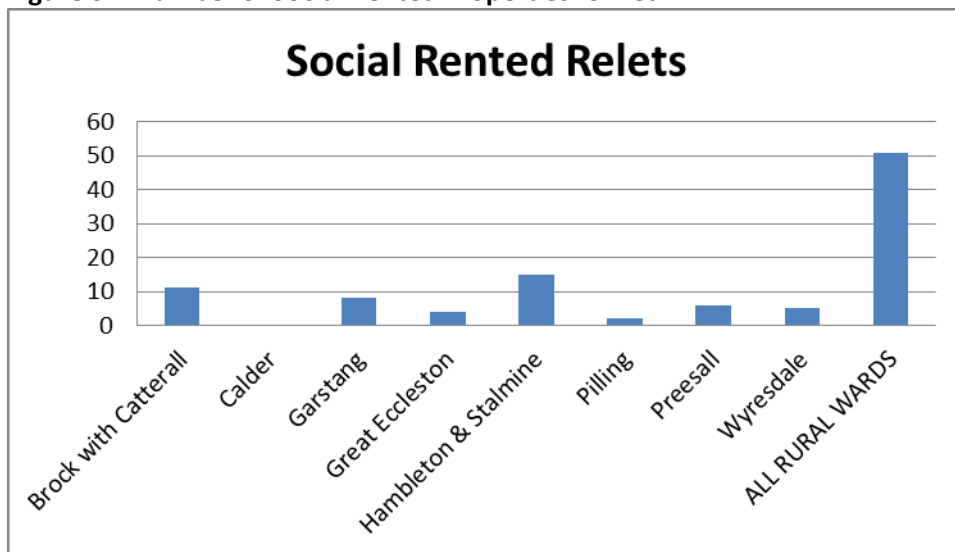
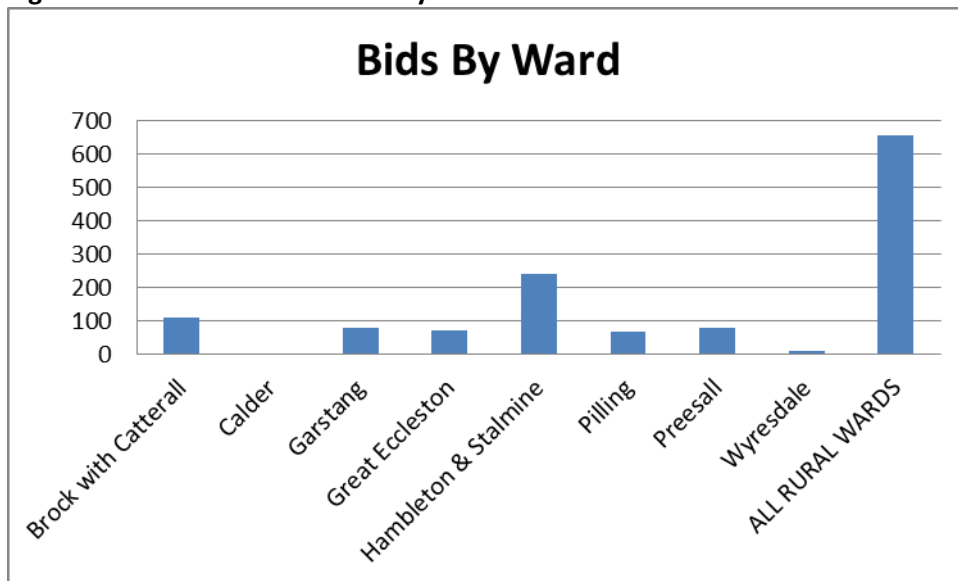


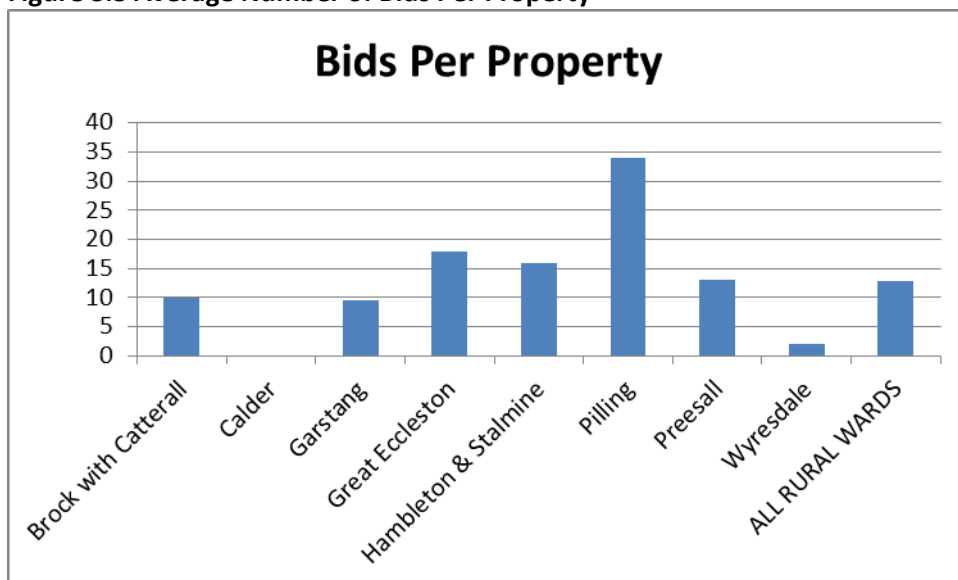
Figure 3.2 below shows that a total of 655 bids were made by applicants for the 51 available properties. Most bids were made in Hambleton and Stalmine (240), followed by Brock with Catterall (110), Preesall (79), Garstang (77), Great Eccleston (71) and Pilling (68). Fewest bids were made for properties in Wyresdale (10) and Calder (0).

**Figure 3.2 Total Number of Bids by Ward**



There were an average of 12.8 bids per property. The area with the highest number of bids per property was Pilling with 34 bids per property, followed by Great Ecclestone with 17.8 bids per property and Hambleton and Stalmine (16 bids) and Preesall (13.2 bids). The areas with fewest bids per property were Wyresdale (2 bids), Garstang (9.6 bids) and Brock with Catterall (10 bids). Some properties were the focus of a high number of bids, however, a large proportion were received from applicants with no rural connection and therefore did not fulfil the required conditions for prospective tenants<sup>6</sup>.

**Figure 3.3 Average Number of Bids Per Property**



<sup>6</sup> Wyre Council Analysis of Bids Per Ward January 2016

DCLG Social Housing Lettings data indicates that during 2012/13 and 2013/14 22% of social housing lets were made to internal transfers to existing tenants across England.<sup>7</sup>

### 3.2 Delivery of Affordable Housing

Since 2009/10 local Registered Providers have completed a total of 139 units (101 rented and 38 shared ownership units). A further 55 (36 rented, 19 shared ownership) Registered Provider units and 32 Section 106 units (19 rented, 13 shared ownership) units are currently on site. A further 134 affordable housing units are proposed on sites which currently have planning permission (breakdown of rented/ shared ownership still to be finalised).

**Table 3.1 Registered Provider Schemes 2009/10 to 2015**

RP Schemes	Delivered Rented	Shared Ownership	Total No. Units
Great Ecclestone	4	4	8
Garstang	12	0	12
Preesall	18	9	27
Brock with Catterall	13	0	13
Calder	13	7	20
Hambleton & Stalmine	34	10	44
Pilling	7	8	15
<b>ALL RURAL AREAS</b>	<b>101</b>	<b>38</b>	<b>139</b>
<b>RP Schemes Currently on Site</b>			
Brock with Catterall	18	6	24
Hambleton & Stalmine	6	0	6
Pilling	12	13	25
<b>ALL RURAL AREAS</b>	<b>36</b>	<b>19</b>	<b>55</b>
<b>S106 Schemes Currently on Site</b>			
Brock with Catterall	9	4	13
Garstang	10	9	19
<b>ALL RURAL AREAS</b>	<b>19</b>	<b>13</b>	<b>32</b>
<b>Proposed Sites with Current Planning permission</b>			
Pilling			21
Garstang			62
Hambleton & Stalmine			23
Preesall			2
Great Ecclestone			8
Wyresdale			18
<b>ALL RURAL AREAS</b>			<b>134</b>

7

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/252344/REVISED\\_20131023\\_CORE\\_statistical\\_release\\_2012-13.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/252344/REVISED_20131023_CORE_statistical_release_2012-13.pdf)

Registered Provider allocations data shows that new build affordable housing is typically advertised on the My Home Choice website, in local parish newsletters, on settlement development noticeboards and via flyers circulated in local shops. Applicants were required to satisfy local connection eligibility criteria in order to be considered for the properties, this included:

- Current continuous residence in the settlement for a period of 3 years
- Or having previously lived in the area for 6 years or more
- A family member (parent or sibling) having continuous residence in the ward for 3 years
- Permanent employment in the ward for 3 years

Analysis of one scheme allocation indicates that: there were 2.9 applicants per property and 77% of properties were allocated to applicants with a priority local connection. Analysis of a second scheme shows that 100% of households allocated a property had a local connection with 89% having lived in the area for a minimum of three years (55% having been resident in the area all their lives).

### **3.3 Owner Occupation and Private Rented Sector**

This part of the chapter looks at general availability in the owner occupied and private rented sectors in the rural areas of Wyre and at the asking prices and rents at the time of the survey. This will provide a picture of availability and affordability for those looking to move around or into the rural private housing market. In rural areas, high demand from both within and outside puts pressure on the market, driving up sales and rental values and means that those who cannot afford it will either leave the area to access more affordable housing or live with family for longer. It will also put further pressure on any available affordable housing stock.

The Office of National Statistics (ONS) mix-adjusted average house price data for July 2015 showed average house prices for England at £295,000. The average house price for the North West in July 2015 from the same release was £182,000, almost half the national average house price. Average house prices for the same period are not available below regional level for the same period, however median house prices in 2014 from the latest ONS release in Wyre were £137,500.

With this wider house price context in mind, we now look at the availability of properties on the open market in each of the rural ward areas in Wyre, namely:

- Brock with Catterall
- Calder
- Garstang
- Great Eccleston
- Hambleton and Stalmine
- Pilling
- Preesall
- Wyresdale

We used the popular Rightmove website/tool to search for available properties on 25th September 2015. The purpose of this was to understand general availability, the sizes of homes on the market and the asking prices in the rural wards at the time of the study. Although this is only a snapshot in

time, it gives an overview and understanding of what is on offer for households looking to move into or around the areas. The table below sets out average prices and availability by ward area and the following analysis looks at this in more detail.

**Table 3.2 Average Asking Prices and Availability by Ward**

Ward	Number Marketed	Average Asking Price
Wyresdale	37	£437,076
Pilling	35	£376,181
Calder	31	£341,305
Brock with Catterall	58	£334,817
Great Ecclestone	73	£318,624
Hambleton and Stalmine	90	£288,469
Garstang	81	£264,548
Preesall	163	£218,951
<b>All rural wards</b>	<b>568</b>	<b>£291,620</b>
<b>Median Price in Wyre 2014</b>	<b>£137,500</b>	
Source RightMove		

The highest asking prices are in Wyresdale and the lowest in Preesall. The greatest availability is in Preesall and the least in Calder ward. All of the asking prices are significantly above the 2014 median price for Wyre as a whole and the North West for July 2015. All but three wards have higher asking prices than the average price for England.

Calculating Lower Quartile asking prices by ward is important in looking at entry level points for households on lower incomes. We ranked all asking prices by ward from lowest to highest and the lower quartile (25<sup>th</sup> percentile) price<sup>8</sup> for each ward is shown below.

**Table 3.3 Lower Quartile Asking Prices by Ward**

Ward	LQ asking price
Wyresdale	£275,000
Pilling	£250,000
Calder	£215,000
Garstang	£178,500
Brock with Catterall	£174,950
Great Ecclestone	£169,950
Hambleton and Stalmine	£159,950
Preesall	£134,950

In Calder, Pilling and Wyresdale, the **lower quartile** asking price of the properties on the market was above the July 2015 **average** price for the North West, demonstrating the higher prices in rural areas.

In terms of the private rented market, availability was generally very limited. Asking rents ranged from £325 pcm in Hambleton and Stalmine to £1,600 in Garstang, the size of properties was varied. If

<sup>8</sup> The middle price between the lowest price and the [median](#) of the data set

we assume around 1/3 of income is spent on rent, these asking rents would require annual household incomes of between £12,000 and £58,000.

### 3.3.1 House Prices, Rentals by ward

Set out below are details of available properties for rent and sale in the rural wards in Wyre as of 25th September 2015, using the popular Rightmove search for each ward area. Although this is merely a snapshot, it is a good guide as to general prices and availability by area at one of the busier times of the year for homes to be brought to the market. This approach reflects the types of search which prospective buyers and renters would undertake when looking to move within and into the rural areas of Wyre. Park Homes form part of the housing market in rural Wyre and the number marketed at the time of this research is set out in Chapter 7 of this report alongside more detailed analysis of the park homes market overall.

#### Brock with Catterall

There were 61 properties and 2 plots of land for sale in this ward area at the time of the search, with most of these in Catterall. Prices ranged from £2.2m for a six bedroom detached house to £69,950 for a one bed flat, both in Catterall.

Included in the 61 properties were three shared ownership properties. One three bed shared ownership house at The Dairy in Catterall marketed at £57,750 for a 33% share (plus £245 rent per month) up to £123,750 for a 75% share (with £95 rent per month). There was also one three bed end of terrace in Catterall marketed at £87,950 for a 50% share and one three bed semi at £76,000 for a 50% share.

Excluding shared ownership properties, the average asking prices in this ward were:

**Table 3.4 Number of Properties for Sale & Average Asking Price, Brock with Catterall**

No. Beds	No. for Sale	Average Price
1	2	£79,975
2	6	£139,983
3	25	£231,008
4	15	£368,623
5	6	£510,833
6	3	£1,125,000
7	0	-
8	1	£675,000
<b>All</b>	<b>58</b>	<b>£334,817</b>

The majority of properties were three beds (43%), with three and four beds making up 70% of the homes on the market. All properties with three beds or more had asking prices above the average price for the North West in July 2015.

At the time of the search there were only two properties available on Rightmove for private rent, both in the Brunswick apartment block on the edge of Catterall. Rent per month was £495 for a one bed and £595 for a two bed flat.

## Calder

There were 32 properties for sale in this area, including one shared ownership home. There was also one plot of land and two businesses. This is the lowest number of homes marketed of all the rural wards. Asking prices ranged from £170,000 to £875,000 and most were concentrated close to the Garstang area. East of the M6, there were only six homes for sale. There was one shared ownership property available at Chepstow Gardens near Garstang at £82,950 for a 50% share. Taking out the land, businesses and shared ownership property, the asking prices and availability are shown below.

**Table 3.5 Number of Properties for Sale & Average Asking Price, Calder**

No. Beds	No. for Sale	Average Price
1	0	-
2	4	£221,250
3	9	£274,539
4	12	£313,304
5	4	£511,238
6	1	£545,000
7+	1	£875,000
<b>All</b>	<b>31</b>	<b>£341,305</b>

All of the asking prices are above the July 2015 average price in the North West. Almost 40% of the homes for sale were four bed properties.

At the time of the search, there were three properties available for rent. These were all two bedroom properties, ranging from £585 to £650 pcm located in Barnacre, Oakenclough and Calder Vale.

## Garstang

There were 81 homes for sale in the Garstang ward, focused on Garstang and east of the A6, Average asking prices ranged from £92,950 to £450,000 and are shown in the table below:

**Table 3.6 Number of Properties for Sale & Average Asking Price, Garstang**

No. Beds	No. for Sale	Average Price
1	3	£105,817
2	22	£179,991
3	22	£266,465
4	31	£258,512
5	3	£368,333
6+	0	-
<b>All</b>	<b>81</b>	<b>£264,548</b>

A third of the properties on the market were two beds, a higher proportion than on other wards. Over half of the properties on the market in the ward were two and three bed homes.

The 11 properties available to rent in the ward were focused on Garstang and Cabus, with no availability to the west of Garstang. Asking rents ranged from £475 pcm for a one bed flat in Garstang



to £1,600 pcm for a four bed house in Garstang, which was the most expensive monthly asking rent of all the rural wards.

### Great Ecclestone

The properties marketed in this ward were more evenly distributed across the area than in other wards and there were 73 properties marketed at the time of the search. These ranged from £114,950 to £995,000, mainly focused on Great Ecclestone and St Michael's on Wyre.

**Table 3.7 Number of Properties for Sale & Average Asking Price, Great Ecclestone**

No. Beds	No. for Sale	Average Price
1	1	£ 144,500
2	17	£ 197,953
3	21	£ 212,221
4	29	£ 404,768
5	4	£ 713,750
6	0	-
7	1	£ 699,950
<b>All</b>	<b>73</b>	<b>£ 318,624</b>

This area had a high proportion of four bedroom homes on the market at almost 40%, with a higher average asking price than in the other wards.

In terms of the private rented market, there were only three properties marketed at the time, these were on the east of the Great Ecclestone ward area, close to Catterall/Churchtown and Out Rawcliffe with asking rents ranging from £595 for a three bed house to £1,000 pcm for four beds.

### Hambleton and Stalmine

Similar to Great Ecclestone, the properties for sale in this ward were more geographically dispersed than in other areas and there were a relatively high number of properties on the market (94 homes). This included four shared ownership properties. The shared ownership properties were a two bed house at £74,950 for a 60% share, two three beds at £75,000 for a 50% share and another at £112,500 for a 50% share. All of these were in Hambleton. Asking prices ranged from £42,000 to £1.2m (not including shared ownership properties).

**Table 3.8 Number of Properties for Sale & Average Asking Price, Hambleton & Stalmine**

No. Beds	No. for Sale	Average Price
0/Studio	1	£ 59,950
1	5	£ 55,780
2	23	£ 149,845
3	26	£ 315,906
4	25	£ 362,738
5	7	£ 521,421
6	3	£ 414,983
<b>All</b>	<b>90</b>	<b>£ 288,469</b>

The asking prices for homes with three or more bedrooms were all in excess of £300,000 – higher than in the other areas.

Six properties were available to rent across the ward area at the time of the search. These were all in either Hambleton or Stalmine, with asking rents ranging from £325 for a one bed flat to £1,450 pcm for a five bedroom bungalow.

## Pilling

Of the 47 properties available in the Pilling ward area, 12 were available for shared ownership on a new build development in Pilling. Shares between 40 and 70% were available starting at £59,000 to £110,625. Not including these shared ownership asking prices, the remaining properties ranged from £125,000 to £695,000 and were focused on Pilling and Stakepool with three in Winmarleigh. The details are set out below.

**Table 3.9 Number of Properties for Sale & Average Asking Price, Pilling**

No. Beds	No. for Sale	Average Price
1	0	-
2	4	£ 169,000
3	8	£ 332,499
4	14	£ 371,814
5	8	£ 515,619
6+	1	£ 500,000
<b>All</b>	<b>35</b>	<b>£ 376,181</b>

Only two properties were available to rent in Pilling at £495 for a two bed house and £550 pcm for a three bedroomed flat.

## Preesall

This area had a greater number of properties available at the time of the search compared to the other wards, and these were focused on Preesall and Knott End on Sea. Prices ranged from £58,000 for a one bedroom flat in Knott End on Sea to £750,000 for a five bedroom detached new build in Preesall. Of the properties on the market 17 were apartments at the newly built Waterfront building at Knott End on Sea.

In total there were 165 homes marketed including two shared ownership properties. One shared ownership property was on the market at £43,750 for a 35% share in a two bedroom house and another for £99,950 for a 70% share of a 3 bed house both in Preesall. Excluding shared ownership properties, average asking prices are set out below.

**Table 3.10 Number of Properties for Sale & Average Asking Price, Preesall**

No. Beds	No. for Sale	Average Price
1	11	£ 108,782
2	56	£ 159,826
3	51	£ 196,452
4	31	£ 316,142
5	11	£ 416,168
6	3	£ 381,650
<b>All</b>	<b>163</b>	<b>£ 218,951</b>

There were 17 properties for rent in the ward, the greatest availability of all the wards. These ranged from £542 to £1,450 pcm. Four of these were also in the Waterfront apartment development in Knott-End-on-Sea.

## Wyresdale

Properties for sale in this ward were focused around the Cockerham area, to the west of the A6, with only nine for sale east of the M6. The asking prices of properties in this ward ranged from £214,950, which is higher than the other wards, to £1.5m. Average asking prices are shown below:

**Table 3.11 Number of Properties for Sales & Average Asking Price, Wyresdale**

No. Beds	No. for Sale	Average Price
<b>1</b>	0	
<b>2</b>	2	£ 275,000
<b>3</b>	10	£ 316,990
<b>4</b>	16	£ 422,181
<b>5</b>	7	£ 533,571
<b>6</b>	1	£ 475,000
<b>7</b>	1	£ 1,450,000
<b>All</b>	37	£ 437,076

All of the prices were above the July average for the North West region.

There were only two properties to rent in this ward, both in Forton at £450 for a two bed and £575 pcm for a three bed house.

### **3.4 Help To Buy<sup>9</sup>**

The Government introduced the Help to Buy scheme in 2013 to help households into homeownership in new build homes. Help to Buy is applicable to new-build or existing homes priced up to £600,000 with as little as a 5% deposit. Equity loans are available to first time buyers as well as existing homeowners. The home they want to buy must be newly built with a value of up to £600,000.

There were 17 equity loans on new build homes through the Help to Buy scheme in the Wards of Calder, Garstang, Brock with Catterall and Wyresdale between April 2013 and April 2015.

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<sup>9</sup> <http://www.helptobuy.org.uk/home>

## 4. Household Survey Findings

A key element of this work was a Rural Affordable Housing Needs Survey, which was carried out during May and June 2015. A total of 14,312 surveys were sent by post to occupied households in the rural wards of Wyre, as identified by Council Tax records. Eighty surveys were returned 'undeliverable' giving a total of 14,232 households contacted. We received a total of 2,297 returned and completed surveys, which is a response rate of 16.1%. Table 4.1 below provides the breakdown of surveys issued and returned by ward. The lowest response rate was in the Calder ward and the highest was in the Garstang ward:

**Table 4.1 Surveys Issued and Returned**

Ward	Occupied Households	Undelivered	Households Contacted	Total Response (no.)	Response Rate %
<b>Brock with Catterall</b>	1689	12	1,677	273	16%
<b>Calder</b>	900	3	897	67	7%
<b>Garstang</b>	3,193	25	3,168	780	25%
<b>Great Eccleston</b>	1,687	10	1,677	179	11%
<b>Hambleton &amp; Stalmine</b>	2,029	13	2,016	321	16%
<b>Pilling</b>	1,048	8	1,040	170	16%
<b>Preesall</b>	2,863	8	2,855	367	13%
<b>Wyresdale</b>	903	1	902	140	16%
<b>Total</b>	<b>14,312</b>	<b>80</b>	<b>14,232</b>	<b>2,297</b>	<b>16.1%</b>

This section of the report is accompanied by a set of data tables which present the survey findings at ward level. It is important to note that the survey responses have been weighted (to correct any response bias) and then rescaled (or grossed up) to reflect the total number of households. Our methodology is explained in detail in Appendix 1. In effect the 2,297 responses have been weighted and rescaled to reflect a total of 14,232 households.

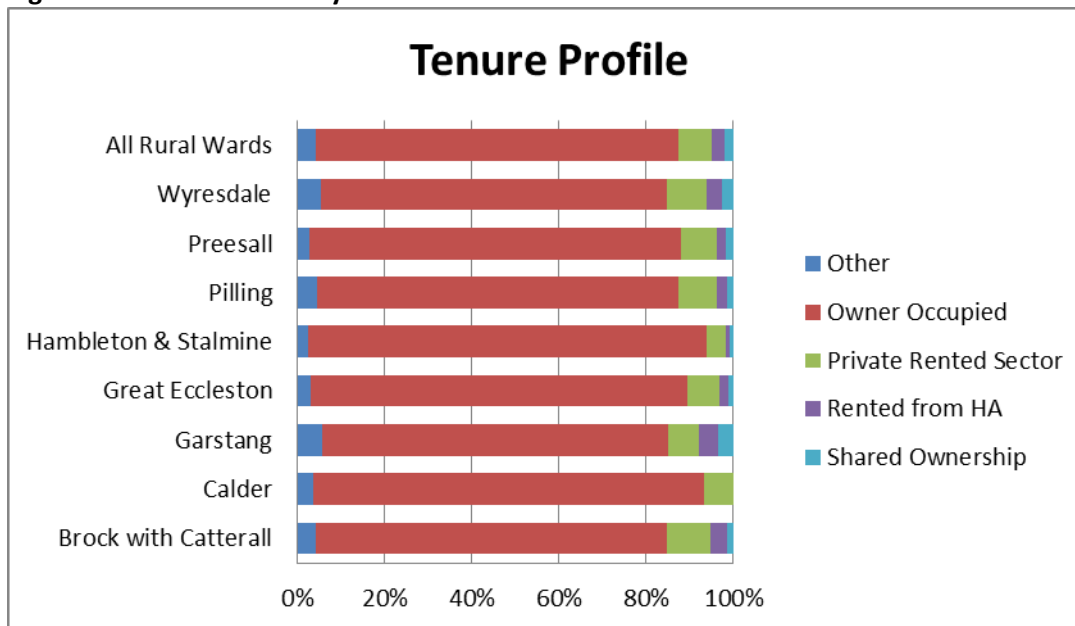
### 4.1 Current Home

The first section of the survey asked respondents questions about the composition of their household and characteristics of their home.

#### 4.1.1 Tenure

The survey findings show that across the rural area, 83% of occupied dwellings are owner occupied, 7.6% are rented from a private landlord, 3% are rented from a Housing Association, 2% are in shared ownership. Other tenures or those who did not know account for 4.3% of responses.

**Figure 4.1 Tenure Profile by Ward**



**Table 4.2 Tenure Profile by Ward**

Tenure	Brock with Catterall	Calder	Garstang	Great Eccleston	Hambleton & Stalmine	Pilling	Preesall	Wyresdale	All Rural Wards
<b>Other</b>	4%	4%	6%	3%	3%	5%	3%	6%	4%
<b>Owner Occupied</b>	80%	89%	79%	86%	91%	83%	85%	79%	83%
<b>Private Rented Sector</b>	10%	7%	7%	7%	4%	9%	8%	9%	8%
<b>Rented from HA</b>	4%	0%	4%	2%	1%	2%	2%	3%	3%
<b>Shared Ownership</b>	2%	0%	3%	1%	1%	1%	2%	3%	2%
<b>All Tenures</b>	13%	3%	32%	8%	14%	8%	15%	6%	100%

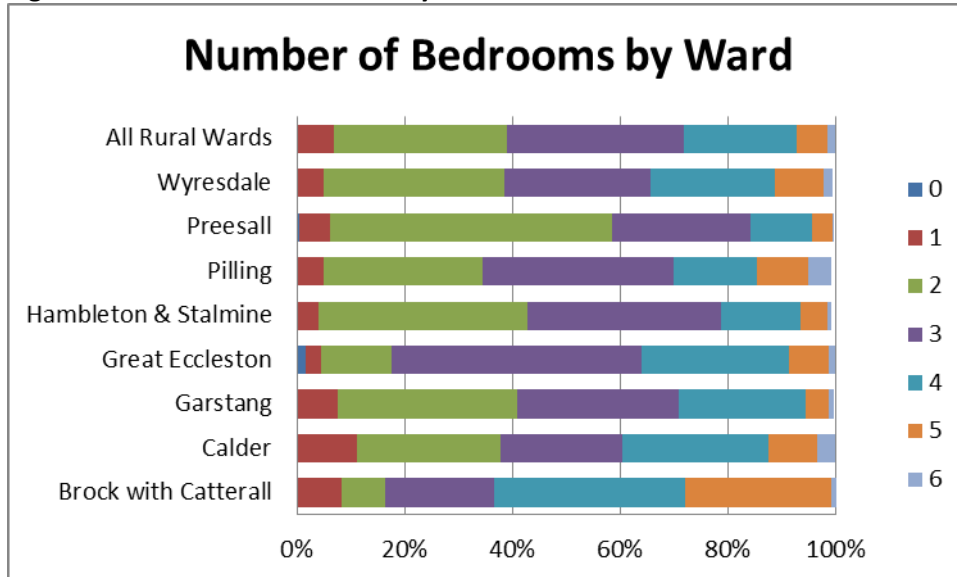
The ward with the highest levels of Owner Occupation was Hambleton and Stalmine at 91%, while the lowest were Wyresdale and Garstang, both at 79.2%. The proportion of those living in the Private Rented Sector ranged from 10% in Brock with Catterall, to 4% in Hambleton and Stalmine. The greatest proportion of properties rented from a Housing Association were found in Garstang and Brock with Catterall, while the lowest was found in Calder where no responses were received from people living in this tenure.

#### 4.1.2 Number of Bedrooms

Survey findings show that the most common number of bedrooms in homes across the rural area is three (33%) followed by two (32%), four (21%) and one (7%). Only 6% of dwellings have five bedrooms and 1% have six bedrooms. The survey did not record any bedsit accommodation. Figure

4.2 illustrates how the number of bedrooms varied by Ward and shows that Brock with Catterall, Calder and Garstang have more properties with four or more bedrooms.

**Figure 4.2 Number of Bedrooms by Ward**

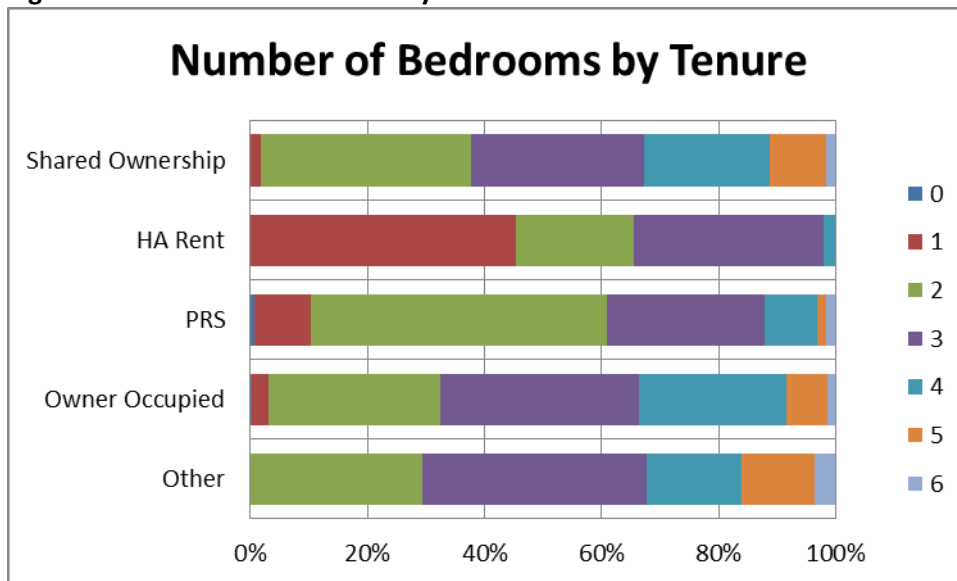


**Table 4.3 Number of Bedrooms by Ward**

	Brock with Catterall	Calder	Garstang	Great Eccleston	Hambleton & Stalmine	Pilling	Preesall	Wyresdale	All Rural Wards
<b>0</b>	0%	0%	0%	2%	0%	0%	0%	0%	0%
<b>1</b>	8%	11%	8%	3%	4%	5%	6%	5%	7%
<b>2</b>	8%	27%	33%	13%	39%	30%	52%	33%	32%
<b>3</b>	20%	23%	30%	46%	36%	35%	26%	27%	33%
<b>4</b>	36%	27%	24%	27%	15%	15%	11%	23%	21%
<b>5</b>	27%	9%	4%	7%	5%	10%	4%	9%	6%
<b>6</b>	7%	3%	1%	1%	1%	4%	0%	2%	1%

It is also of interest to note how the number of bedrooms is distributed by tenure. Figure 4.3 below shows that, as we might expect, Housing Association properties tend to be smaller (one, two and three bedroom), the Private Rented Sector has a majority of two bedroom properties and those in Owner Occupation and Shared Ownership are those where the majority of four bedroom + properties are found.

**Figure 4.3 Number of Bedrooms by Tenure**



**Table 4.4 Number of Bedrooms by Tenure**

	Other	Owner Occupied	PRS	HA Rent	Shared Ownership	All Tenures
<b>0</b>	0%	0%	1%	0%	0%	0%
<b>1</b>	0%	3%	9%	45%	2%	7%
<b>2</b>	29%	30%	51%	20%	36%	32%
<b>3</b>	38%	34%	27%	33%	30%	33%
<b>4</b>	16%	25%	9%	2%	21%	21%
<b>5</b>	13%	7%	2%	0%	10%	6%
<b>6</b>	4%	1%	2%	0%	2%	1%
	2%	76%	15%	7%	0%	100%

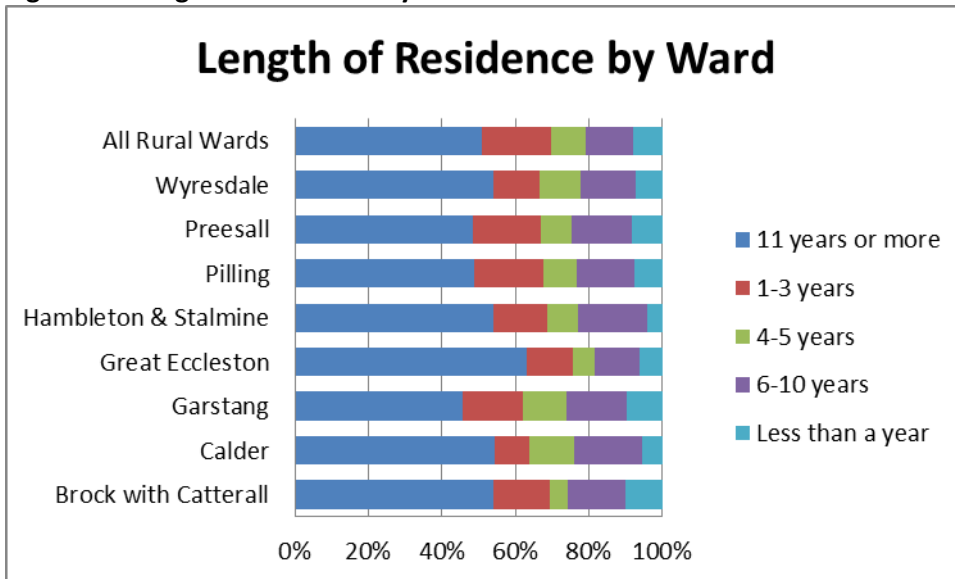
### 4.1.3 Length of Residence

There are minor variations in the length of time householders have been resident in their current home by ward. Figure 4.4 shows that across all the rural wards over half (51%) of householders have been resident in their current home for 11 years or more, a further 13% have lived in their current home for between 6 and 10 years, 9% have lived there for between 4 to 5 years; 19% between 1 and three years and 8% for less than a year.

Great Eccleston has the greatest proportion (63%) of residents who have lived in their current property for 11 years or more, Garstang has the lowest proportion at 46%. In Garstang and Brock with Catterall around 10% of residents have lived in their current home for less than a year.



**Figure 4.4 Length of Residence by Ward**

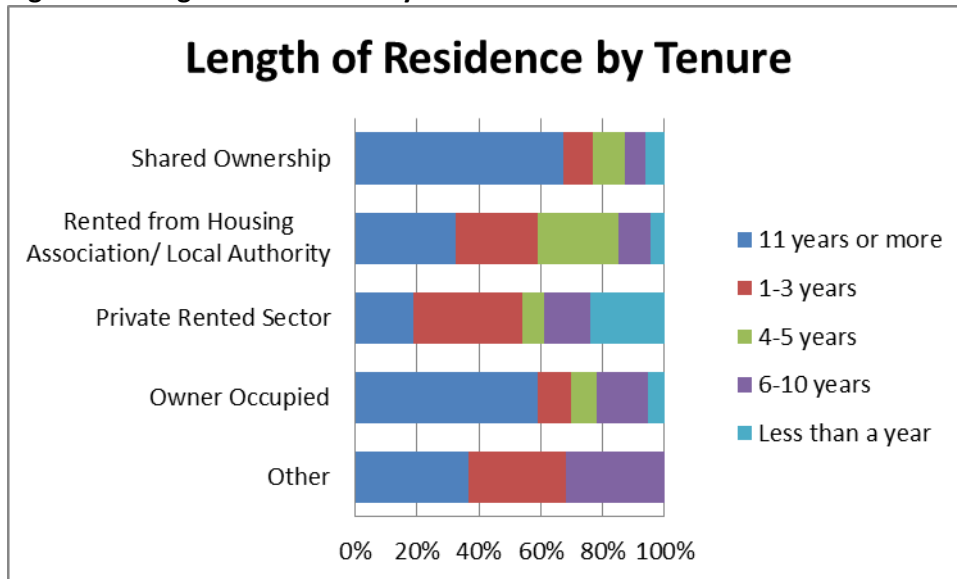


**Table 4.5 Length of Residence by Ward**

	Brock with Catterall	Calder	Garstang	Great Eccleston	Hambleton & Stalmine	Pilling	Preesall	Wyresdale	All Rural Wards
<b>Less than a year</b>	10%	6%	10%	6%	4%	8%	8%	7%	8%
<b>1-3 years</b>	15%	9%	17%	13%	15%	19%	18%	12%	19%
<b>4-5 years</b>	5%	12%	12%	6%	8%	9%	8%	11%	9%
<b>6-10 years</b>	16%	18%	16%	12%	19%	16%	17%	15%	13%
<b>11 years or more</b>	54%	54%	46%	63%	54%	49%	49%	54%	51%

In terms of length of residence by tenure we find that those in Owner Occupation and Shared Ownership are most likely to have lived in their current home for 11 years or more (59% and 67% respectively) compared to 33% renting from a Housing Association and 19% in the Private Rented Sector (see Figure 4.5).

**Figure 4.5 Length of Residence by Tenure**



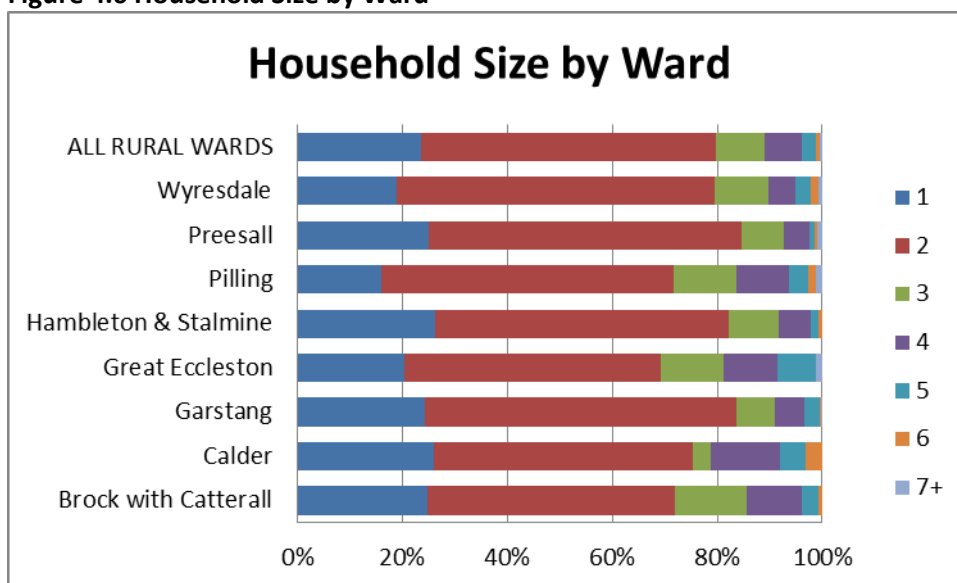
**Table 4.6 Length of Residence by Tenure**

	Other	Owner Occupied	Private Rented Sector	Rented from HA/ LA	Shared Ownership	All Tenures
<b>Less than a year</b>	0%	5%	24%	5%	6%	8%
<b>1-3 years</b>	32%	10%	35%	26%	10%	16%
<b>4-5 years</b>	0%	8%	7%	26%	10%	9%
<b>6-10 years</b>	32%	17%	15%	10%	7%	16%
<b>11 years or more</b>	36%	59%	19%	33%	67%	51%

#### 4.1.4 Household Size

In all of the rural wards households tend to be small, with 80% comprised of one or two persons. Across the rural wards three person households account for 9%, four person households for 7% and 5 or more person households account for 4%.

**Figure 4.6 Household Size by Ward**

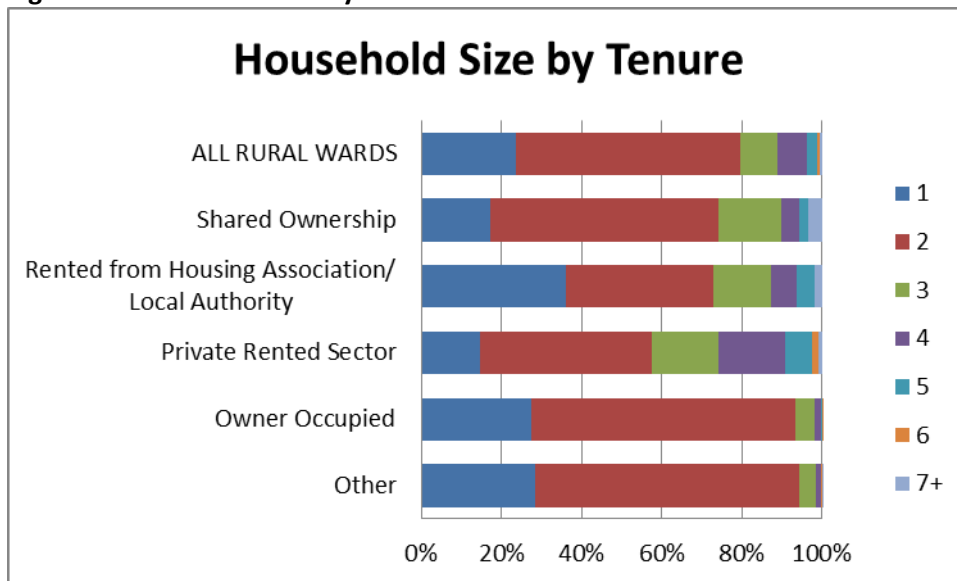


**Table 4.7 Household Size by Ward**

	Brock with Catterall	Calder	Garstang	Great Eccleston	Hambleton & Stalmine	Pilling	Preesall	Wyresdale	ALL RURAL WARDS
<b>1</b>	25%	26%	24%	20%	26%	16%	25%	19%	24%
<b>2</b>	47%	49%	59%	49%	56%	56%	60%	61%	56%
<b>3</b>	14%	3%	7%	12%	10%	12%	8%	10%	9%
<b>4</b>	10%	13%	6%	10%	6%	10%	5%	5%	7%
<b>5</b>	3%	5%	3%	7%	2%	4%	1%	3%	3%
<b>6</b>	1%	3%	0%	0%	1%	1%	1%	1%	1%
<b>7</b>			0%	1%		1%	1%	1%	0%
<b>+</b>									

The survey findings also show that across all tenures one and two bedroom properties are most common.

**Figure 4.7 Household Size by Tenure**



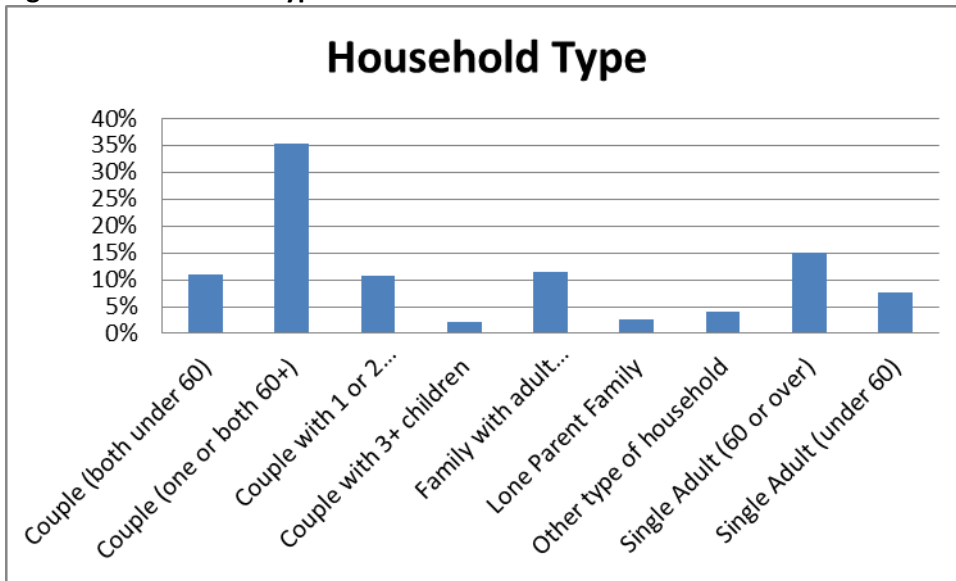
**Table 4.8 Household Size by Tenure**

Size	Other	Owner Occupied	Private Rented Sector	Rented from Housing Association/Local Authority	Shared Ownership	ALL RURAL WARDS
1	28%	27%	15%	36%	17%	24%
2	66%	66%	43%	37%	57%	56%
3	4%	5%	17%	15%	16%	9%
4	1%	2%	16%	6%	4%	7%
5	0%	0%	7%	5%	2%	3%
6	0%	0%	2%	0%	0%	1%
7+	0%	0%	1%	2%	3%	0%
	2%	75%	16%	6%	1%	100%

#### 4.1.5 Household Type

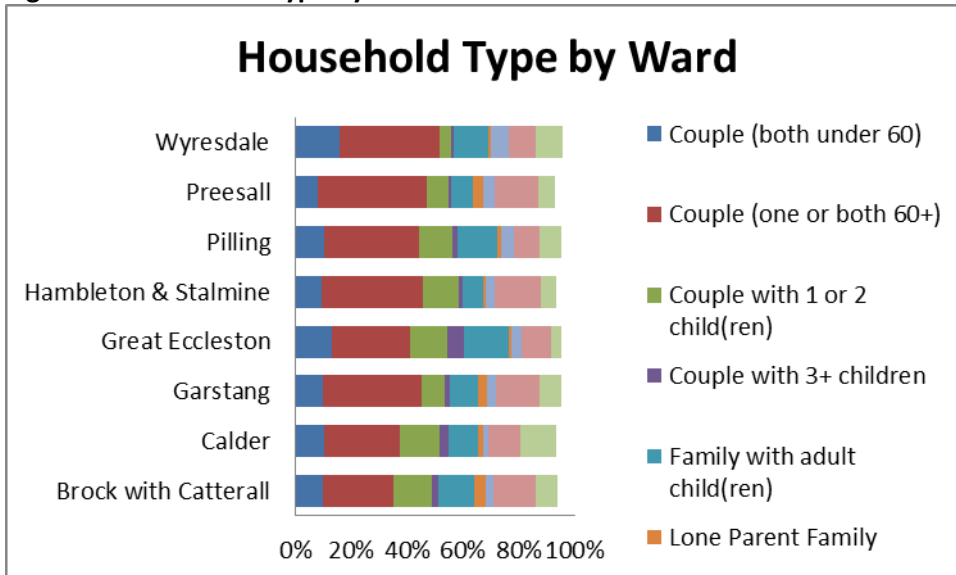
Across the rural area the most common household type is 'Couple (one or both over 60)' (35%), followed by 'Single adult (60+)' (15%) indicating that 50% of households across the area are comprised of people over 60 years of age. 'Couples (both under 60)' account for 11% of households, while 8% are 'Single adults (under 60)', 13% are 'Couples with children' and 11% are 'Families with adult children'.

**Figure 4.8 Household Type**



When we look at the results by ward we note that Preesall (42%), Hambleton & Stalmine (39%), Wyresdale (37%), Garstang (37%) and Pilling (36%) all have over 30% of households in the 'Couple (one or both over 60)' category. This compares to 27% in Brock with Catterall, 29% in Calder, 29% in Great Ecclestone.

**Figure 4.9 Household Type by Ward**



**Table 5.9 Household Type by Ward**

	Brock with Catterall	Calder	Garstang	Great Eccleston	Hambleton & Stalmine	Pilling	Preesall	Wyresdale
<b>Couple (both under 60)</b>	11%	11%	11%	14%	10%	11%	9%	17%
<b>Couple (one or both 60+)</b>	27%	29%	37%	29%	39%	36%	42%	37%
<b>Couple with 1 or 2 child(ren)</b>	15%	15%	9%	14%	14%	13%	8%	4%
<b>Couple with 3+ children</b>	2%	4%	2%	6%	2%	2%	1%	1%
<b>Family with adult child(ren)</b>	14%	11%	11%	17%	8%	15%	8%	13%
<b>Lone Parent Family</b>	5%	2%	3%	1%	1%	2%	4%	1%
<b>Other type of household</b>	3%	2%	3%	4%	3%	4%	5%	7%
<b>Single Adult (60 or over)</b>	16%	12%	16%	11%	18%	10%	17%	10%
<b>Single Adult (under 60)</b>	8%	14%	8%	4%	6%	8%	7%	10%

#### 4.1.6 Overcrowding and Under Occupancy

The vast majority of households (79%, 11,243) across the rural wards believe they have ‘about the right number’ of bedrooms to meet their household needs. Seven percent (7%, 996) have ‘one too many’ bedrooms and 5% (712) have ‘two or more too many’ bedrooms, suggesting 12% (1,708) of households have more rooms than required. In terms of overcrowding 5% (711) of households thought that they had ‘one fewer than needed’ while 2% (285) have ‘two or more fewer than needed’. This section allows the survey respondent to make the subjective assessment of whether they have the right number of bedrooms, later we analyse the survey findings in line with the ‘bedroom standard model’ of calculating overcrowding and under occupancy.

**Figure 4.10 'Right Number' of Bedrooms by Ward**

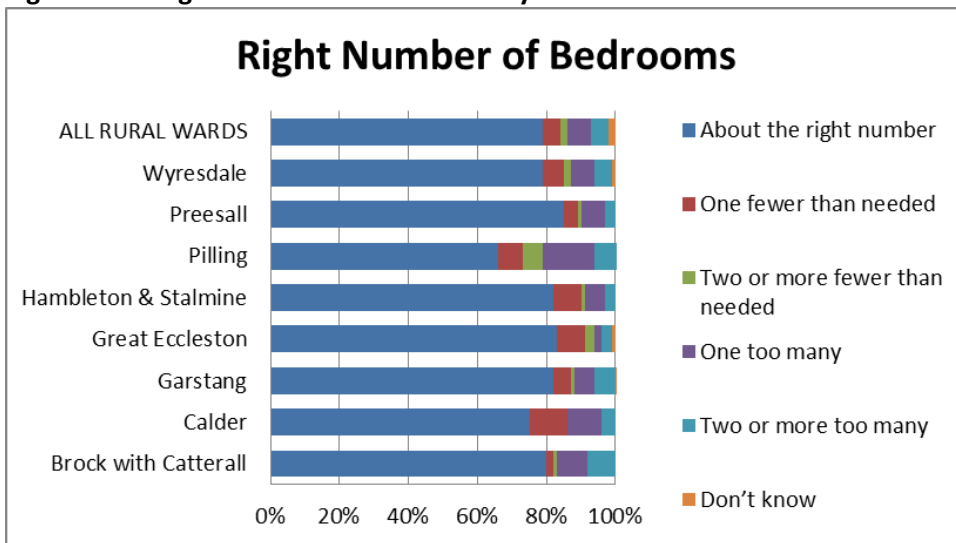
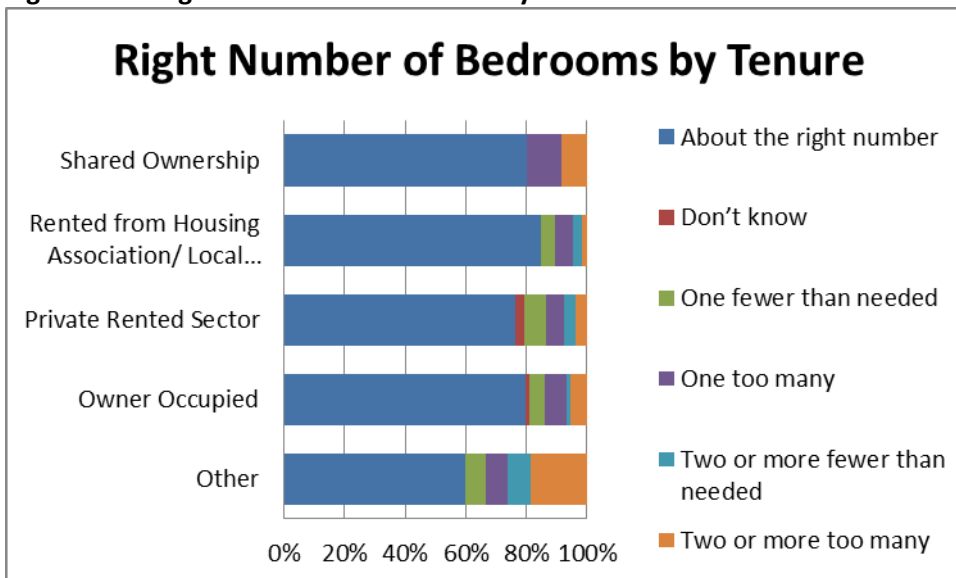


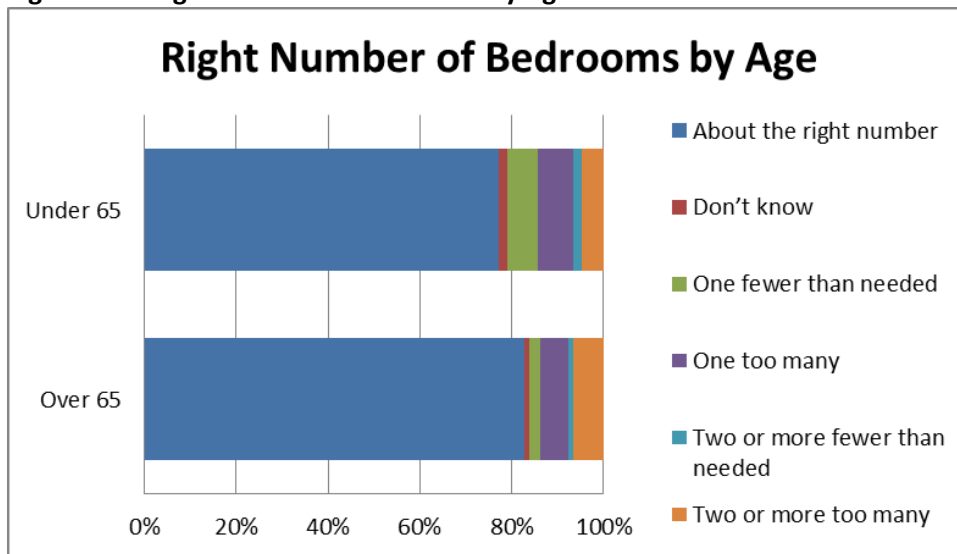
Figure 4.11 below shows that those renting from a Housing Association are most likely to have the right number of bedrooms (85%), followed by those in Shared Ownership and Owner Occupation (both 80%) and then by those in the Private Rented Sector (77%).

**Figure 4.11 'Right Number' of Bedrooms by Tenure**



We can also consider whether a household has the right number of bedrooms for its needs according to the age of the household. Figure 4.12 below shows that 83% of those over 65 years of age and 77% of those under 65 years of age believe that they have 'about the right number' of bedrooms. Three percent (3%) of over 65's and 7% of under 65's have one too few bedrooms, while 1% of over 65's and 2% of under 65's think that they have two or more fewer bedrooms than they require. Thirteen percent (13%) of households of all ages believe they have too many bedrooms.

**Figure 4.12 Right Number of Bedrooms by Age**



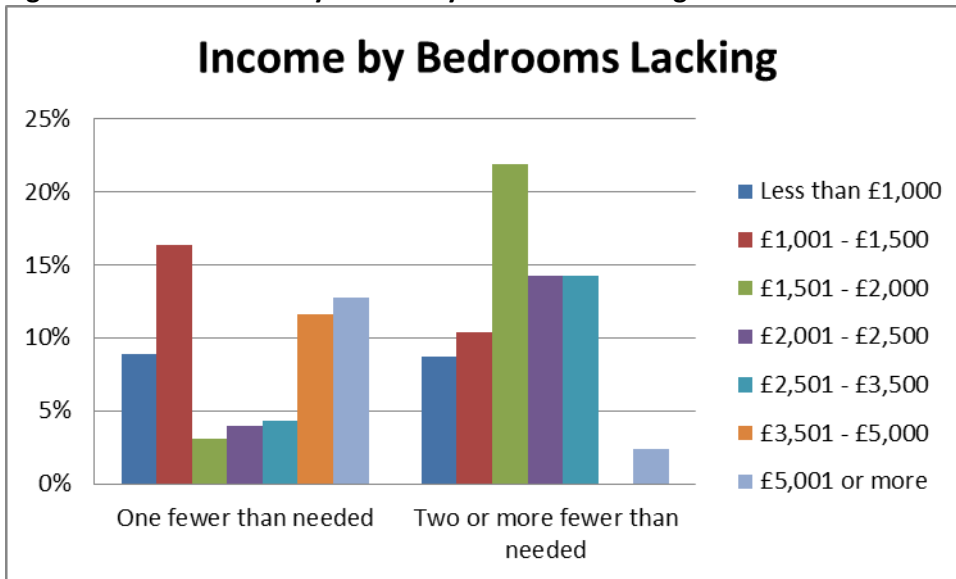
**Table 4.10 Right Number of Bedrooms by Age**

	U65	65+	Total
<b>About the right number</b>	77%	83%	79%
<b>Don't know</b>	2%	1%	2%
<b>One fewer than needed</b>	7%	3%	5%
<b>One too many</b>	8%	6%	7%
<b>Two or more fewer than needed</b>	2%	1%	2%
<b>Two or more too many</b>	5%	7%	5%

Our analysis has also explored the gross monthly income of those who currently have one or more bedrooms less than they think their household requires. Figure 4.13 below shows that 28% of those lacking one bedroom, and 41% of those lacking two or more bedrooms earn less than £24,000 per annum. At this level of income, they would be unable to access market housing in any of the rural wards.



**Figure 4.13 Gross Monthly Income by Bedrooms Lacking**

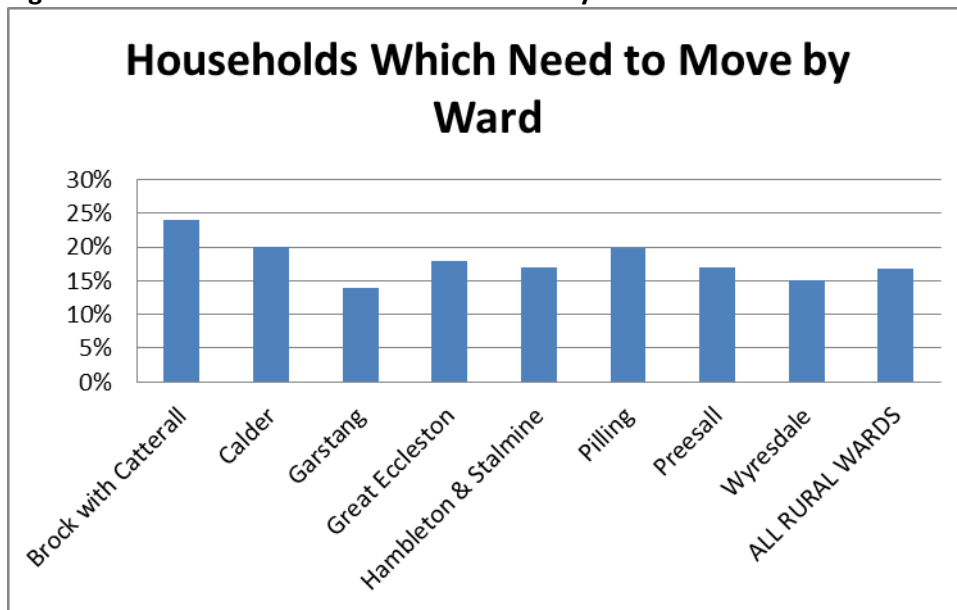


## 4.2 Future Housing Needs

### 4.2.1 Households which Need to Move

Evidence from the survey suggests that around 17% of households (a total of 2,149 households) consider that they need to move out of their current property within the next five years. Figure 4.14 shows the percentage of households who need to move in the next five years by Ward. We can see that the areas with the greatest percentages of households which need to move within the next five years are Brock with Catterall (24%), Calder (20%), Pilling (20%), Great Ecclestone (18%), Hambleton and Stalmine (17%), and Preesall (17%). Those areas with fewest households which need to move within the next five years are Garstang (14%) and Wyresdale (15%).

**Figure 4.14 Households Which Need to Move by Ward**

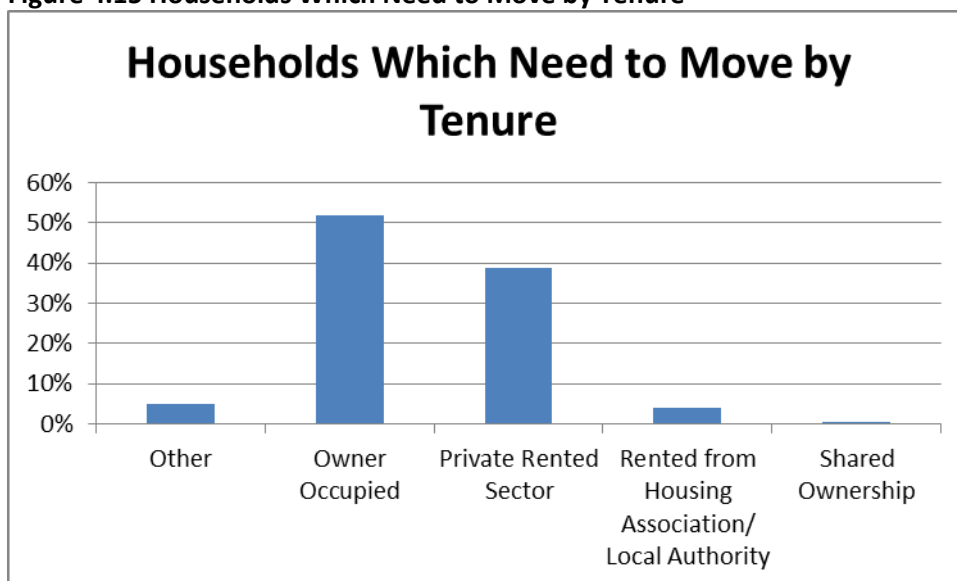


**Table 4.11 Households Which Need to Move by Ward**

	Brock with Catterall	Calder	Garstang	Great Ecclestone	Hambleton & Stalmine	Pilling	Preesall	Wyresdale	ALL RURAL WARDS
<b>Need to Move</b>	<b>298.0</b>	<b>71.3</b>	<b>678.4</b>	<b>175.5</b>	<b>285.0</b>	<b>170.9</b>	<b>322.4</b>	<b>147.4</b>	<b>2149</b>

The survey findings also indicate that Owner Occupation is the most common tenure from which households need to move within the next five years (52%), 39% of those who need to move are in the Private Rented Sector, while 4% are renting from a Housing Association

**Figure 4.15 Households Which Need to Move by Tenure**

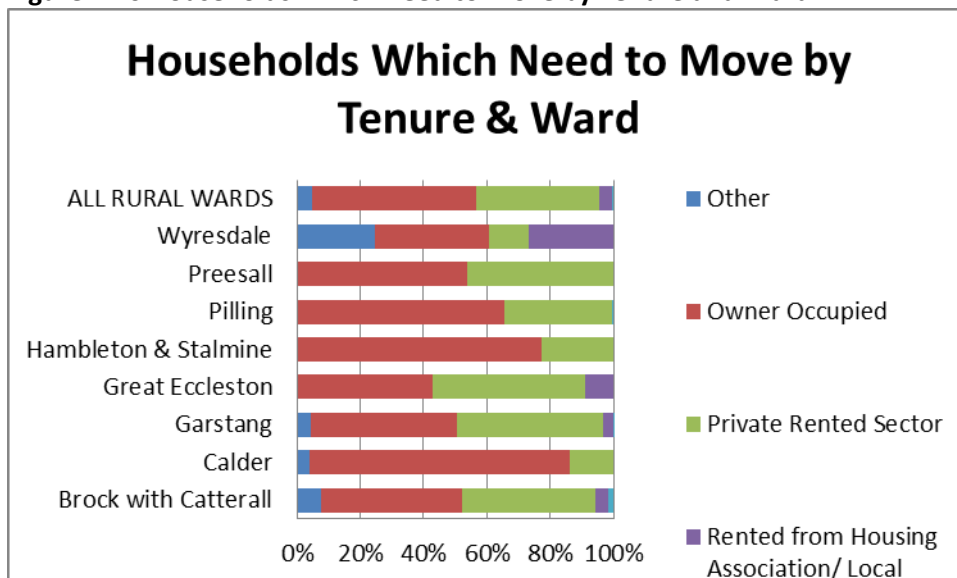


**Table 4.12 Households Which Need to Move by Tenure**

	Other	Owner Occupied	Private Rented Sector	Rented from HA/LA	Shared Ownership
<b>Need to Move</b>	5%	52%	39%	4%	0%

Figure 4.16 provides the detail of tenure type by ward or those who need to move in the next five years. This shows that across all rural wards the majority of those who need to move are in owner occupation and the private rented sector. In Hambleton and Stalmine, Preesall and Pilling no survey respondents who need to move currently live in the social rented sector. Wyresdale and Great Eccleston have the highest proportion of those who need to move currently living in the social rented sector.

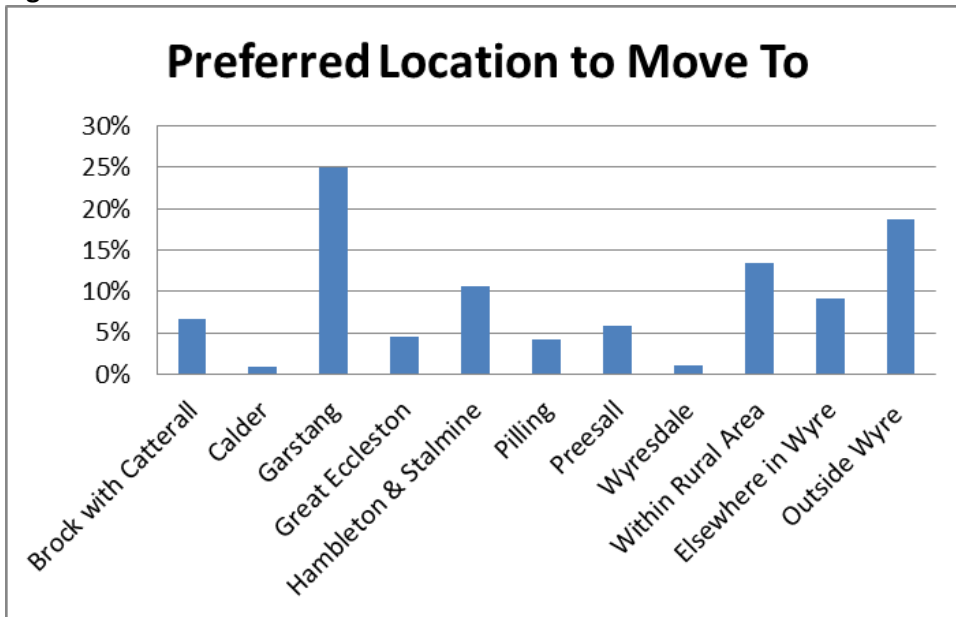
**Figure 4.16 Households Which Need to Move by Tenure and Ward**



#### 4.2.2 Locational Preferences

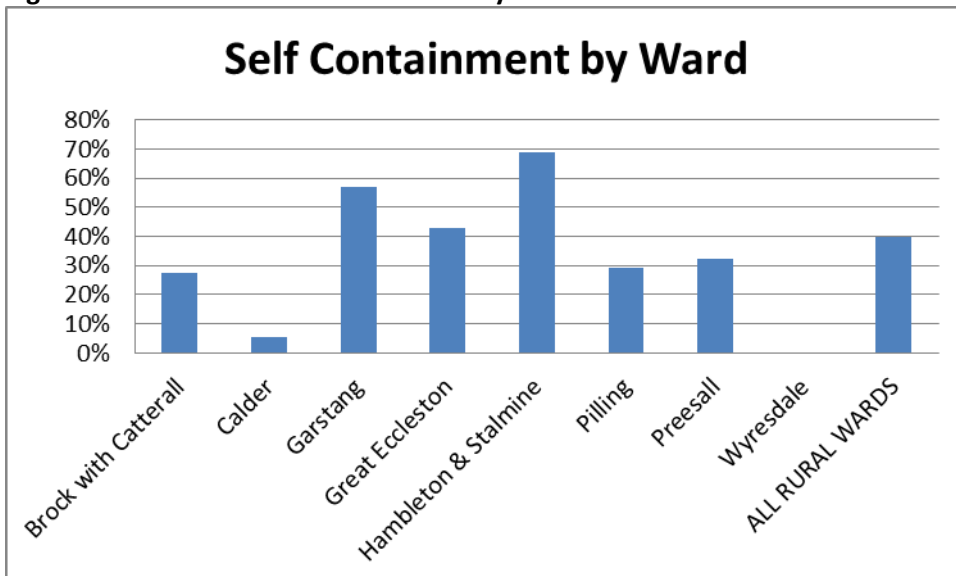
Of those households who need to move within the next 5 years, around 25% would choose to move to Garstang, 19% need to move out of Wyre, 13% need to move to somewhere within the rural area of Wyre (without specifying which area), 11% need to move to Hambleton and Stalmine, while 9% need to move elsewhere in Wyre (not the rural areas), 7% need to move to Brock with Catterall, 6% need to move to Preesall, 4% need to move to Great Eccleston, 4% need to move to Pilling, 1% need to move to Calder and 1% need to move to Wyresdale.

**Figure 4.17 Preferred Location to Move To**



There are varying levels of self-containment (people who need to move wishing to move within the same ward as that in which they currently live) amongst those households which need to move. The average across all rural areas is 40% with the highest levels of self-containment found in, Hambleton and Stalmine (69%), Garstang (57%) and Great Ecclestone (43%). Lowest levels are found in Preesall (32%), Pilling (29%), Brock with Catterall (27%), and Calder (5%). These figures are likely to be underestimated as some households will have chosen 'Rural Wyre' without specifying which area within rural Wyre. Wyresdale for example shows a 0% self-containment level and this is likely to be lower than the true picture.

**Figure 4.18 Levels of Self Containment by Ward**

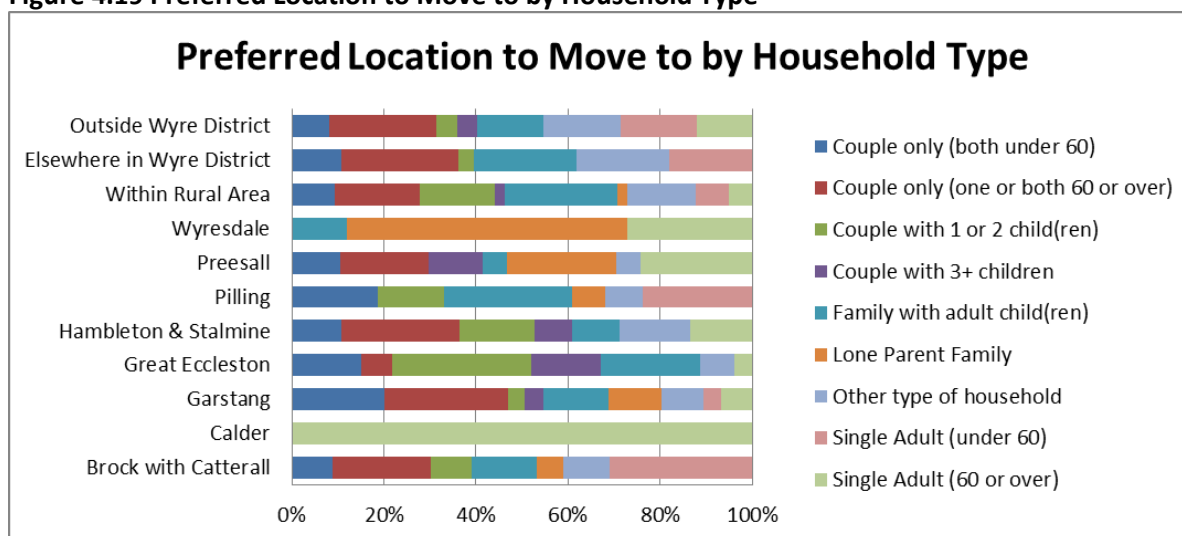


**Table 4.13 Levels of Self Containment by Ward**

Brock with Catterall	Calder	Garstang	Great Eccleston	Hambleton & Stalmine	Pilling	Preesall	Wyresdale	ALL RURAL WARDS
27%	5%	57%	43%	69%	29%	32%	0%	40%

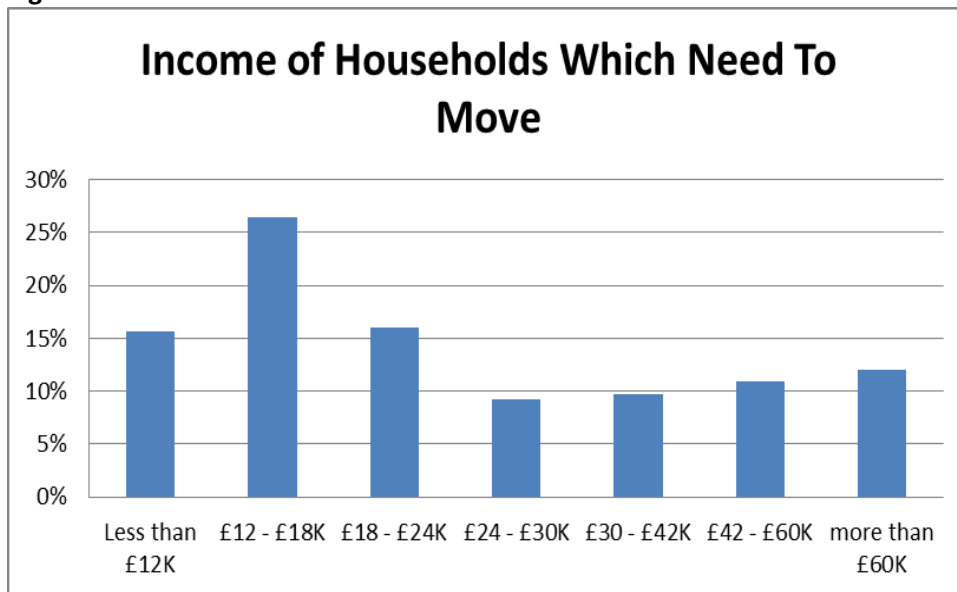
Figure 4.19 provides detail of where households need to move to by household type and shows, for instance, 7% of those wishing to move to Garstang are families with children compared to 45% of those who wish to move to Great Eccleston.

**Figure 4.19 Preferred Location to Move to by Household Type**



As shown in Figure 4.20 below, households which need to move have varying levels of income. Sixteen percent (16%) have a gross annual income of less than £12,000, 26% have an income between £12,000 and £18,000, 16% have an income between £18,000 and £24,000, 9% between £24,000 and £30,000, 10% between £30,000 and £42,000, 11% between £42,000 and £60,000, while 12% have an income of over £60,000 per annum.

**Figure 4.20 Households Which Need to Move Gross Annual Income**



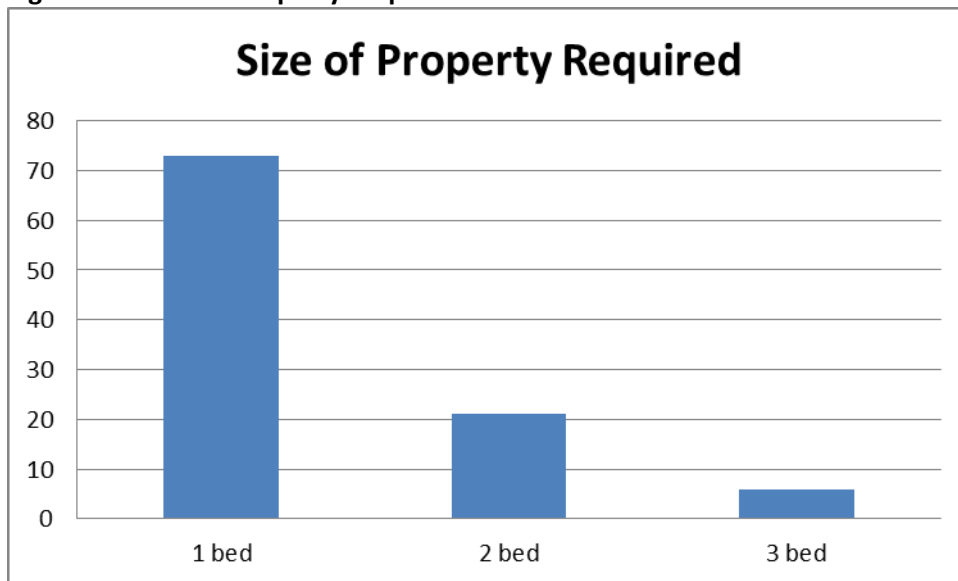
### 4.2.3 Size of Property Required

The 'bedroom standard model' states that a separate bedroom should be available for:

- married or cohabiting couples
- single people more than 21 years old
- pairs of children under 10 years old, regardless of gender
- pairs of children aged 10 to 21 years old of the same gender
- any unpaired person aged 10 to 20 is then paired, if possible, with a child under 10 of the same sex (if that is not possible, he or she is counted as requiring a separate bedroom, as is any unpaired child).

Using the bedroom standard model we can see that 73% of households which need to move within the next five years require a one bedroom property, 21% require a two bedroom property and 6% require three bedrooms. No survey respondents require more than three bedrooms.

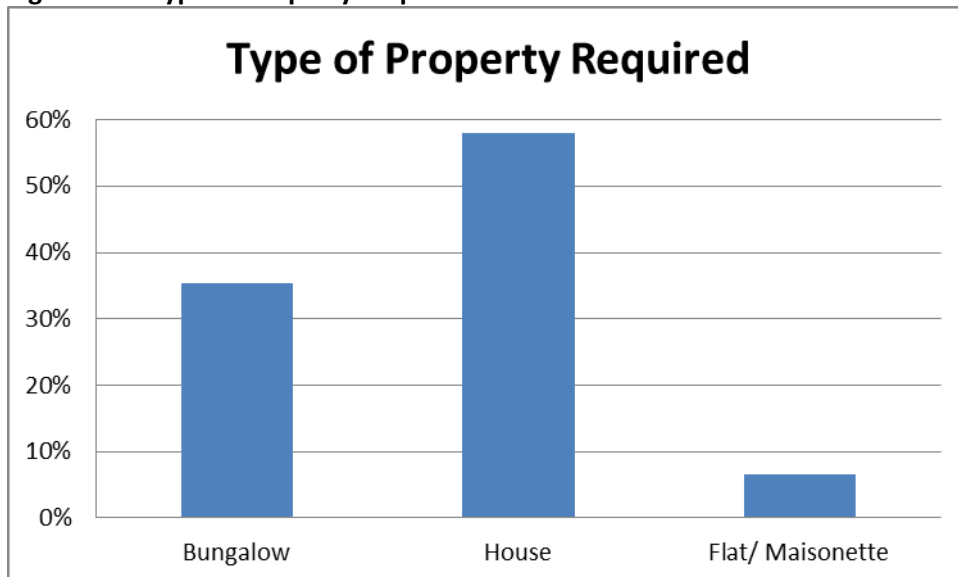
**Figure 4.21 Size of Property Required**



#### 4.2.4 Type of Property Required

From the 2015 household survey we can see that 58% of households which need to move within the next five years require a house, 35% require a bungalow and 7% require a flat or maisonette.

**Figure 4.22 Type of Property Required**

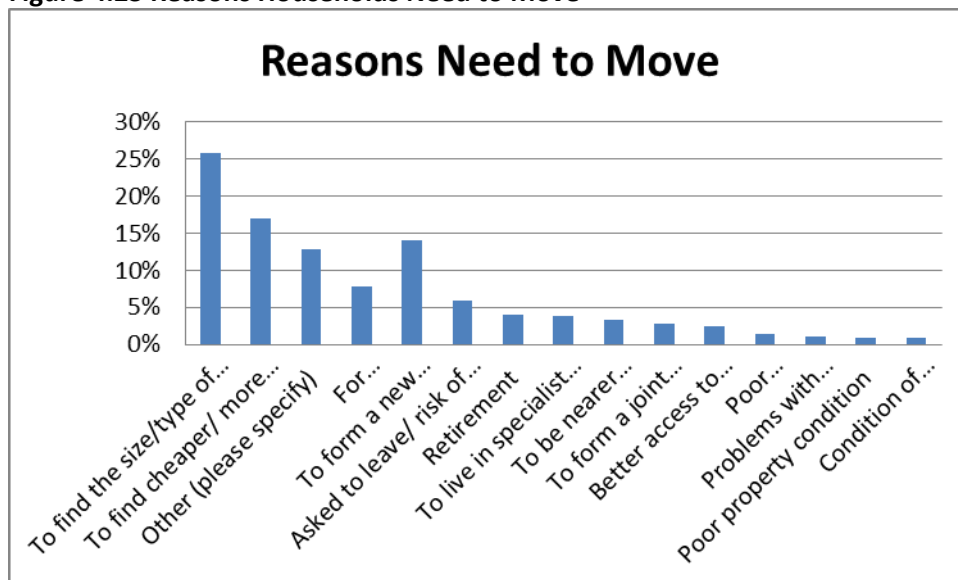


#### 4.2.5 Reasons Why Households Need to Move

The most common reason for moving indicated by households who need to move is 'to find the size/ type of property required' (26%), followed by 'to find cheaper/ more affordable housing (17%), 'for health care/ support reasons (8%), 'to form a new household' (either in leaving the parental home or due to relationship breakdown) (14%), 'asked to leave/ risk of homelessness' (6%), 'retirement' (4%),

moving to specialist accommodation (extra care or sheltered)' (4%). One percent (1%) of households need to move due to harassment/ problems with neighbours.

**Figure 4.23 Reasons Households Need to Move**



**Table 4.14 Reasons Households Need to Move**

Households which need to move - reason for needing to move	
<b>To find the size/type of property required</b>	26%
<b>To find cheaper/ more affordable housing</b>	17%
<b>Other (please specify)</b>	13%
<b>For Health/Care/Support reasons</b>	8%
<b>To form a new household (i.e. to leave the parental home, relationship breakdown/divorce/separation)</b>	14%
<b>Asked to leave/ risk of homelessness</b>	6%
<b>Retirement</b>	4%
<b>To live in specialist accommodation (i.e. sheltered or extra care housing)</b>	4%
<b>To be nearer family/friends</b>	3%
<b>To form a joint household with another/ new relationship</b>	3%
<b>Better access to services/ shops/ healthcare amenities</b>	3%
<b>Poor transport/accessibility</b>	1%
<b>Problems with neighbours</b>	1%
<b>Poor property condition</b>	1%
<b>Condition of neighbourhood</b>	1%

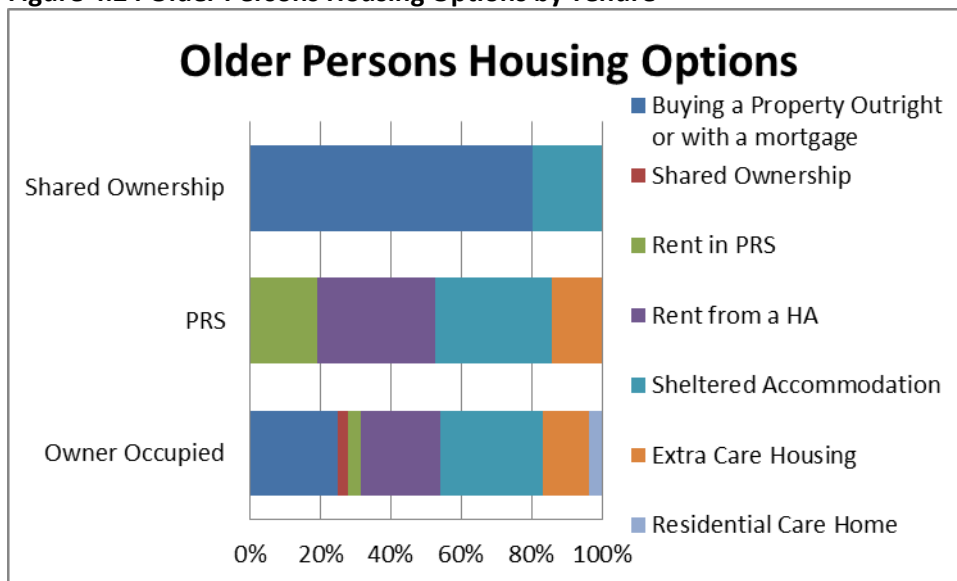


#### 4.2.6 Older Persons Housing Options

Those who need to move in the next five years were asked if they would consider moving to any older persons housing options. A total of 30% percent of those wishing to move in the next five years indicated that they would be interested in older persons housing options.

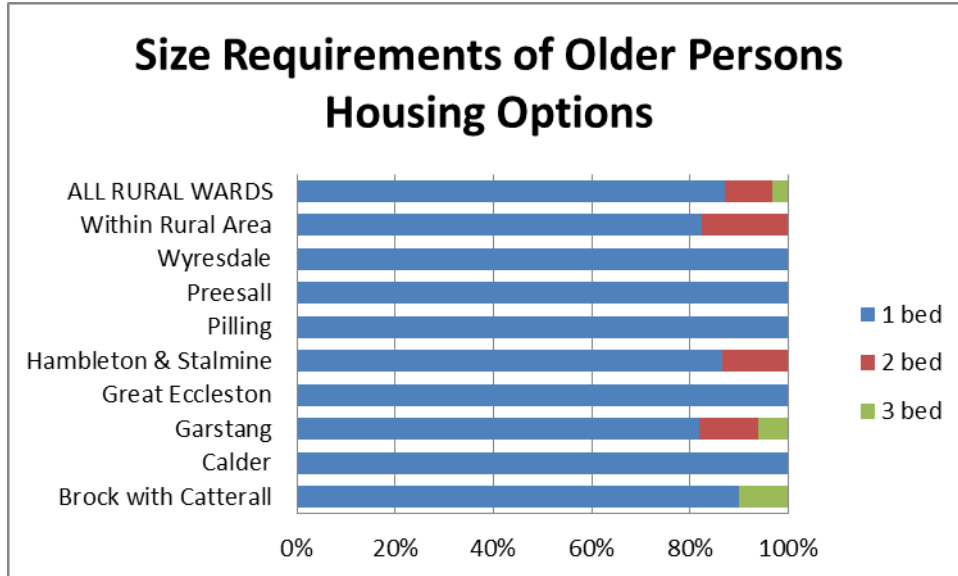
No responses were received from residents currently renting from a housing association. Twenty five per cent (25%) of those currently in owner occupation would choose owner occupied older persons housing options and 22% would choose renting from a housing association. A total of 29% would consider sheltered housing with 16% seeking rented sheltered accommodation, 8% owner occupied sheltered housing and 5% would choose shared ownership sheltered housing. Thirteen percent (13%) would consider Extra Care housing (7% owner occupied, 4% shared ownership, 2% rented) and 4% would choose a Residential Care Home. Of those currently in shared ownership 80% would choose to buy older persons housing outright/ with a mortgage and 20% would consider purchasing sheltered housing. Those currently in the Private Rented Sector would consider renting from a Housing Association (33%), rented Sheltered Housing (33%), renting older persons housing in the PRS (19%), and 14% would consider renting in the Extra Care sector.

**Figure 4.24 Older Persons Housing Options by Tenure**



Of those households interested in older persons housing options the vast majority (87% across all rural wards) are seeking one bedroom properties, 10% need two bedrooms and 3% need three bedrooms.

**Figure 4.25 Size Requirements of those seeking Older Persons Housing Options**



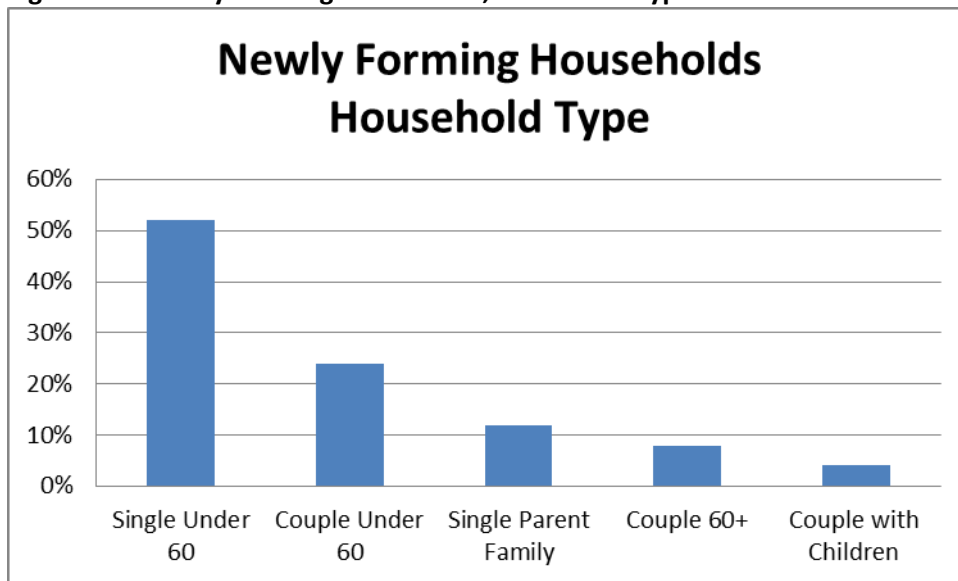
### 4.3 Newly Forming Households

#### 4.3.1 Extent of Newly Forming Households

Thirteen percent (13%) of those who need to move within the next five years are newly forming households. Newly forming households are those who need to move to form a new household (i.e. to leave the parental home) and those who need to form a new household due to relationship breakdown/ divorce/ separation. This accounts for a total of 2.2% of the total population, or 315 households across the rural areas of Wyre.

The majority (52%) of newly forming households are single people under 60 years of age, 24% are couples under 60, 12% are single parent families, 8% are couples aged 60 or over, 4% are couple with children.

**Figure 4.26 Newly Forming Households, Household Type**



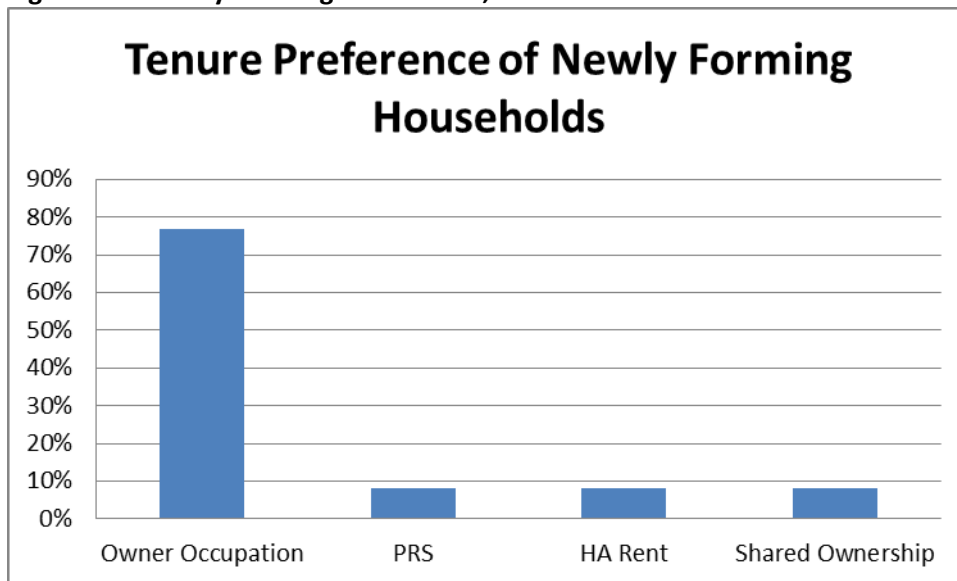
**Table 4.15 Newly Forming Households, Household Type**

Household Type	%
Single Under 60	52%
Couple Under 60	24%
Single Parent Family	12%
Couple 60+	8%
Couple with Children	4%

### 4.3.2 Tenure Preference

Seventy seven percent (77%) of those newly forming households wish to move into owner occupation, while 7.7% would choose to rent in the private rented sector, 7.7% to rent from a Housing Association and 7.7% would choose shared ownership.

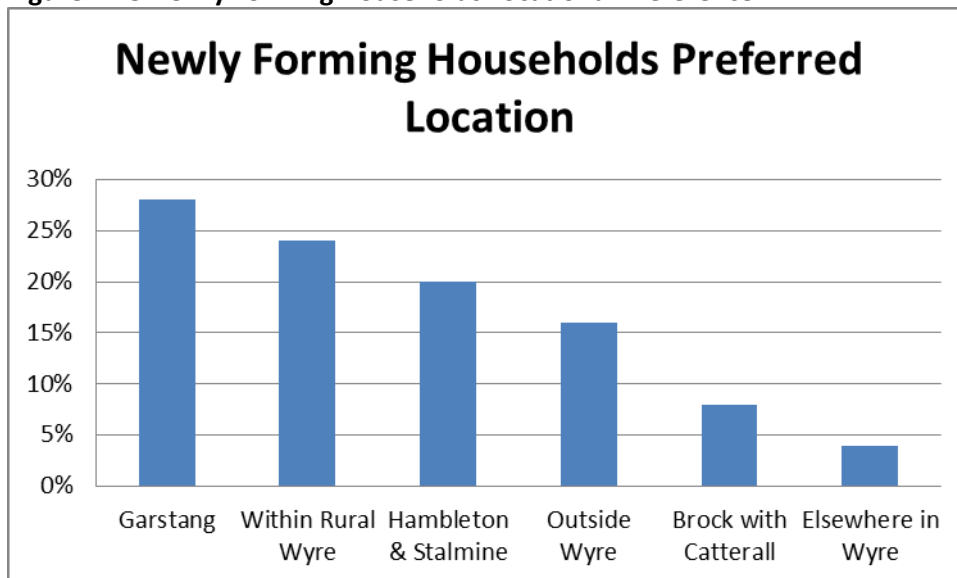
**Figure 4.27 Newly Forming Households, Locational Preference**



### 4.3.3 Locational Preference

Twenty eight percent (28%) of newly forming households wish to live in Garstang, a further 24% wish to live in rural Wyre but have not specified which settlement, 20% want to live in the Hambleton and Stalmine area and 8% want to live in the Brock with Catterall area. Four percent (4%) want to live elsewhere in Wyre (not in the rural areas) and 16% want to leave the Wyre area altogether.

**Figure 4.28 Newly Forming Households Locational Preference**



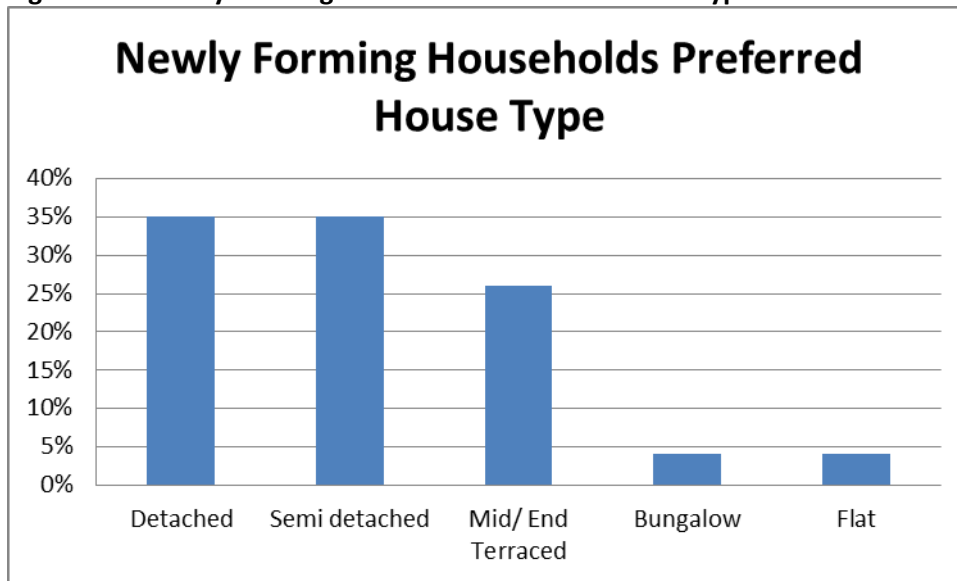
**Table 4.16 Newly Forming Households Locational Preference**

Newly Forming Households Locational Preference	
Garstang	28%
Within Rural Wyre	24%
Hambleton & Stalmine	20%
Outside Wyre	16%
Brock with Catterall	8%
Elsewhere in Wyre	4%

#### 4.3.4 House Type Preference

Thirty five percent (35%) of newly forming households would like to live in a detached house, 35% would like to live in a semi detached house, 26% would choose a mid or end terraced house, while 4% would like to live in a bungalow and 4% would like to live in flatted accommodation.

**Figure 4.29 Newly Forming Households Preferred House Type**



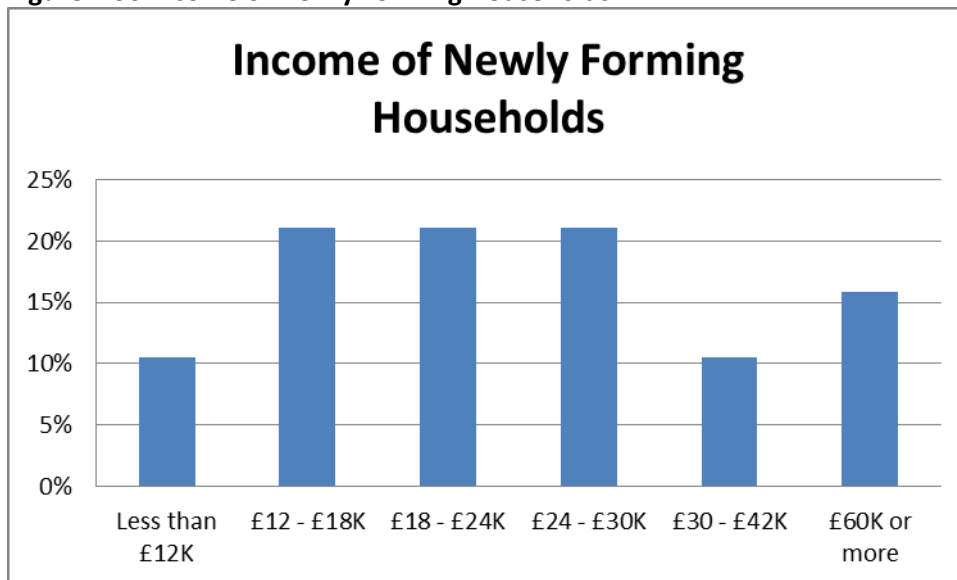
**Table 4.17 Newly Forming Households Preferred House Type**

Newly Forming Households House Type Preference	
Detached	35%
Semi detached	35%
Mid/ End Terraced	26%
Bungalow	4%
Flat	4%

### 4.3.5 Household Incomes

As shown in Figure 4.30 below, newly forming households which need to move have varying levels of income. Eleven percent (11%) have a gross annual income of less than £12,000, 21% have an income between £12,000 and £18,000, 21% have an income between £18,000 and £24,000, 21% between £24,000 and £30,000, 11% between £30,000 and £42,000, no instances of income between £42,000 and £60,000 were recorded, while 16% have an income of over £60,000 per annum.

**Figure 4.30 Income of Newly Forming Households**



**Table 4.18 Income of Newly Forming Households**

Newly Forming Household Income	Percentage
Less than £12K	11%
£12 - £18K	21%
£18 - £24K	21%
£24 - £30K	21%
£30 - £42K	11%
£60K or more	16%

## 4.4 Comments on Affordable Housing Provision

Survey respondents were also given the opportunity to provide further comments in relation to the provision of affordable housing. A total of 485 responses were provided. While each comment was individual, analysis of these has highlighted a number of key themes and comments. We have summarised the type of comment received by ward as shown in Table 4.19 below.

Most comments were received from respondents currently resident in Garstang (30%), followed by Brock with Catterall (14%), Preesall (13%), Hambleton with Stalmine (12%), Pilling (11%), Great Ecclestone (8%), Wyresdale (8%) and Calder (3%). When we compare this to the proportion of surveys

received from each ward we can see that those in Garstang were more likely to provide a response to this question.

Overall 40% of responses indicated that there is a need for affordable housing in their area, a further 5% stated that there is a need for elderly housing, 2% specifically stated a need for bungalows, while 1% said there is a need for starter homes. This accounts for 48% of respondents who thought there is a need for additional affordable housing. Respondents in Calder, Wyresdale and Garstang were most likely to think that there is a need for affordable housing. Those in Hambleton were most likely to say that there is a need for elderly housing (10%).

Twenty per cent (20%) of respondents said that there was no need for additional affordable housing in their area. In Great Ecclestone this rose to 43% of responses, followed by Brock with Catterall and Hambleton with Stalmine (both 26%).

Across all areas 6% of responses expressed concern about the lack of infrastructure in place to support additional housing development, this accounts for 13% of responses in Pilling and 10% in Hambleton and Stalmine.

Almost one quarter of comments were so varied that they could not be categorised, many included details of the respondents personal circumstances, others related to survey administration, wider comments about the Local Plan and lack of employment locally.

**Table 4.19 Summary Comments on Affordable Housing Provision**

Comment	Brock with Catterall	Calder	Garstang	Great Eccleston	Hambleton & Stalmine	Pilling	Preesall	Wyresdale	Grand Total
<b>Need for Bungalows</b>	1%	0%	2%	3%	2%	4%	0%	0%	<b>2%</b>
<b>Need for Elderly Housing</b>	7%	0%	3%	0%	10%	8%	6%	2%	<b>5%</b>
<b>Lack of infrastructure</b>	3%	7%	3%	3%	10%	13%	9%	7%	<b>6%</b>
<b>Need for affordable housing</b>	35%	57%	50%	38%	24%	36%	31%	56%	<b>40%</b>
<b>No need for affordable housing</b>	26%	7%	16%	43%	26%	19%	17%	10%	<b>20%</b>
<b>Other</b>	24%	21%	24%	15%	22%	21%	34%	20%	<b>24%</b>
<b>Need for Starter Homes</b>	0%	0%	0%	0%	2%	0%	0%	5%	<b>1%</b>
<b>Protect the Greenbelt</b>	3%	7%	3%	0%	3%	0%	2%	0%	<b>2%</b>
<b>Percentage of Comments by Ward</b>	<b>14%</b>	<b>3%</b>	<b>30%</b>	<b>8%</b>	<b>12%</b>	<b>11%</b>	<b>13%</b>	<b>8%</b>	<b>100%</b>



## 5. Housing Need and Affordability

The methodology used to estimate the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market involves adding the current unmet housing need and the projected future need and subtracting this from the current supply of affordable housing. This approach aligns with that used in preparing Strategic Housing Market Assessments, against guidance from the Department of Communities and Local Government (DCLG).

In summary, this assessment of need sets out:

- Stage 1: Current Housing Need (also called 'backlog need')
- Stage 2: Future Housing Need
- Stage 3: Affordable Housing Supply
- Stage 4: Estimate of Annual Housing Need

Table 5.1 summarises the steps undertaken in reaching the overall estimate of annual housing need:

**Table 5.1 Summary of Housing Needs Assessment Calculation**

Step/ location in chapter	Stage	Calculation	No.
<b>Stage 1: Current Housing Need</b>			
5.1.1	Homeless Households	Annual requirement	145
5.1.2	Overcrowding and Concealed Households	Current need	185
5.1.3	Other Groups	Current need	1,110
	Total Current Housing Need (gross)	5.1.1 + 5.1.2 + 5.1.3	1,440
5.1.4	Total who cannot afford to meet their needs in the private sector	77%	1,109
5.1.4	Total who wish to stay in the rural areas of Wyre	72%	798
	To be reduced at a rate of 20% per annum (annual requirement)	5.1.4/ 20%	160
<b>Summary of Total Current Housing Need</b>			<b>160</b>
<b>Stage 2: Future Housing Need</b>			
5.2.1	New Household Formation (gross per year)		315
5.2.1	Total who wish to stay in the rural areas of Wyre	80%	252
5.2.2	Total who cannot afford to meet their needs in the private sector	84%	211
	To be reduced at a rate of 20% per annum (annual requirement)		42
<b>Summary of Total Future Housing Need</b>			<b>42</b>
<b>Stage 3: Affordable Housing Supply</b>			
5.3.1	Affordable dwellings occupied by	4%	6

	households in need		
<b>5.3.2</b>	Surplus Stock	Have assumed no surplus stock as social rented sector in high demand	0
<b>5.3.4</b>	Committed New Supply of Affordable Housing	Based on units currently on site	55
<b>5.3.5</b>	Annual Supply of Social Re-lets	Assumed 78% of annual supply of social rented units	16
<b>5.3.6</b>	Total Affordable Housing Supply	5.3.1 +5.3.2 +5.3.4 +5.3.5	77
	<b>Summary of Total Affordable Housing Supply</b>		<b>77</b>
<b>Stage 4: Estimate of Annual Housing Need</b>			
<b>Stage above</b>	<b>1</b>	Summary of Total Current Housing Need	160
		<b>PLUS</b>	
<b>Stage above</b>	<b>2</b>	Summary of Total Future Housing Need	42
		<b>MINUS</b>	
<b>Stage above</b>	<b>3</b>	Summary of Total Affordable Housing Supply	77
		<b>Net Shortfall</b>	<b>125</b>

## 5.1 Current or Backlog Need

### 5.1.1 Homeless Households

CLG SHMA guidance suggests that information on homeless households and those in priority need who are currently housed in temporary accommodation should be considered in needs modelling.

Therefore, the first category of housing need considered is homeless households or those in insecure tenure. This includes households who are living in temporary accommodation, for instance they are under notice to quit or their lease is coming to an end. This is taken as an indicator of the number of households who are potentially homeless or currently living in temporary accommodation across the rural area.<sup>10</sup>

The household survey indicated that there are a total of 145 rural households who are homeless, under notice, or real threat of their tenancy coming to an end.

### 5.1.2 Overcrowding and Concealed Households

The 2015 Household Survey questionnaire asked households to consider the number of bedrooms in their home and whether they had too few, too many or the right number to meet their household needs. While this has been reported at 4.1.6 above the number, age and gender of household

<sup>10</sup> Those who are in insecure tenure may never make a homeless presentation but consider themselves to be in housing need. These figures may, therefore, be greater than the number of homeless presentations recorded each year.

members has also been analysed and compared to the number of bedrooms. Using the ‘bedroom standard model’ the number of overcrowded households has been calculated.

Analysis of the survey responses indicates a total of 185 households who are currently living in overcrowded accommodation in rural Wyre.

A concealed household is one which currently lives within another household and has a preference to live independently and is unable to afford market housing.<sup>11</sup> To avoid double counting these households are considered as part of the newly forming household figures.

### 5.1.3 Other Groups

There are a number of other groups which also must be considered when determining current housing need. This includes households living in dwellings which are unsuitable due to property condition and disrepair, households (couple, people with children and single adults over 25) sharing a kitchen, bathroom or WC with another household, those living in unsuitable accommodation due to specialist needs or impaired mobility, and those who need to move due to harassment, threats of harassment and problems with neighbours.

The survey data indicates that a total of 142 households live in dwellings which are unsuitable due to property condition and disrepair; 188 households sharing facilities with another household; 193 who need to move for health reasons; and 142 households who need to move due to harassment, threats of harassment and problems with neighbours.

Based on the household survey, households who stated that they need to move in order to find cheaper, more affordable accommodation totalled 445 in rural Wyre.

This means that there are a total of 1,110 households within the ‘other groups’ category.

### 5.1.4 Total Current Need and Affordability

Based on the information provided in 5.1.1 to 5.1.3 above, Table 5.2 summarises total Current Need (Gross Backlog Need). Overall 10% of households are in current housing need. This accounts for a total backlog need of 1,440 households.

**Table 5.2 Total Current (Gross Backlog) Need**

Category	Specific Element of Need	No. Households
<b>Homeless households or those in insecure accommodation</b>	Under notice or threat of notice, tenancy coming to an end	145
	Need to move to find cheaper/ more affordable accommodation	445
<b>Mismatch of household need and current dwelling</b>	Overcrowded according to ‘bedroom standard model’	185
	Those living in unsuitable	193

<sup>11</sup> CLG Strategic Housing Market Assessment Guidance Annex G p. 39

	accommodation due to specialist needs or impaired mobility	
	Sharing Facilities	188
<b>Dwelling amenities and condition</b>	Property Condition	142
<b>Social needs</b>	Households who need to move due to harassment, threats of harassment and problems with neighbours	142
<b>Total No. Households in Need</b>		1,440
<b>Total Households</b>		14,232
<b>% of Households in Need in Rural Wyre</b>		10%

Many of these households may be in a position to meet their housing needs in the private housing market. We have established an affordability threshold which takes into account whether the household has savings and income levels. The income element of the affordability calculation is based on a multiple of 3.5 gross annual income.

Based on house price data provided in Chapter 3 we have established affordability thresholds for each ward, these are shown in Table 5.3 below. From this data we can see that households would have to earn a minimum of £38,557 in order to afford lower quartile priced property in the least expensive ward of Preesall, this rises to an average threshold of £55,654 across all wards in rural Wyre.

**Table 5.3 Lower Quartile House Prices and Average Income Required**

Ward	Lower Quartile House Prices	Average Income Req'd
Brock with Catterall	£174,950	£49,986
Calder	£215,000	£61,429
Garstang	£178,500	£51,000
Great Eccleston	£169,950	£48,557
Hambleton and Stalmine	£159,950	£45,700
Pilling	£250,000	£71,429
Preesall	£134,950	£38,557
Wyresdale	£275,000	£78,571
All Rural Areas	£194,787.50	£55,654

From the income data provided in the household survey, we know that 77% of households who need to move have a gross annual income of £42,000 or less. On this basis we have assumed that 23% of households who need to move can afford to do so in the private housing market. **This leaves 77%, or 1,109 households who need to move but are unable to meet their housing needs in the private sector.**

Further analysis shows that 28% of existing households in current need would choose to move out of the rural area of Wyre. Once this group have been removed a total of **798 households remain in housing need in rural Wyre.** Using the standard housing needs assessment assumption advocated by

DCLG, it is assumed that current need reduces at a rate of 20% per annum and equates to an **annual requirement of around 160 dwellings per year.**

## **5.2 Future Need**

### **5.2.1 New Household Formation**

Thirteen percent (13%) of those who need to move within the next five years are newly forming households. Newly forming households are comprised of those who need to move to form a new household (i.e. to leave the parental home) and those who need to form a new household due to relationship breakdown/ divorce/ separation. This accounts for a total of 2.2% of the total population, or 315 households across the rural areas of Wyre. Survey findings indicate that 80% (252) of these newly forming households wish to stay in the rural Wyre area.

### **5.2.2 Total Future Need and Affordability**

We know from the analysis above that 84% of newly forming households are unable to afford lower quartile house prices and would be unable to meet their housing needs in the private market. This means that a total of 211 newly forming households will be in housing need in the rural area. This is assumed to decrease at a rate of 20% per year over the five year period so total future need per annum is 42.5 units.

## **5.3 Affordable Housing Supply**

### **5.3.1 Affordable Dwellings Occupied by Households in Need**

Our analysis of the 2015 household survey indicates that 4% (6) of households who are in current housing need occupy properties in the social rented sector which would become available for relet if they were to move to more suitable accommodation.

### **5.3.2 Surplus Stock**

No surplus vacant stock is assumed in the rural areas.

### **5.3.3 Units to Be Taken Out of Management**

It has been assumed that no social rented units will be taken out of management over the next five years.

### **5.3.4 Committed New Supply**

Since 2009/10 local Registered Providers have completed a total of 139 units (101 rented and 38 shared ownership units) in the rural wards of Wyre. A further 55 (36 rented, 19 shared ownership) Registered Provider units and 32 Section 106 units (19 rented, 13 shared ownership) units are currently on site. A further 134 affordable housing units are proposed on sites which currently have planning permission (breakdown of rented/ shared ownership still to be finalised).

Using the current figures for units currently on site it has been assumed that a total of 55 new affordable dwellings will be built during 2015/16.

### 5.3.5 Annual Supply of Social Re-lets

Analysis of the MyHomeChoice Fylde Coast lettings data shows that there were a total of 51 social rented properties which became available for let during 2014/15 in the rural areas of Wyre. Our analysis shows that 31 of these lets were new supply units, meaning 20 lets were relets of existing stock. DCLG Social Housing Lettings data indicates that the average proportion of social housing lets made to internal transfers to existing tenants during 2012/13 and 2013/14 was 22%. The annual supply of social rented relets has therefore been assumed to be 16 (that is 78% of 20).

### 5.3.6 Total Affordable Housing Supply

Based on the information provided in 5.3.1 to 5.3.5 above Table 5.4 summarises the total affordable housing supply. Overall there is an annual supply of 16 units of social rented relets and assumed development of 55 affordable dwellings during the current year, a further 6 units would become available if those in current need were to move from their existing properties rented from a Housing association. This equates to a total annual affordable housing supply of 77 units.

**Table 5.4 Total Annual Affordable Housing Supply**

Affordable Housing Supply	
Affordable Dwellings Occupied by Households in Need	6
Surplus Stock	0
Units to Be Taken Out of Management	0
Committed New Supply	55
Annual Supply of Social Re-lets	16
<b>Total Affordable Housing Supply</b>	<b>77</b>

## 5.4 Estimate of Annual Housing Need

### 5.4.1 Net Shortfall

The annual net shortfall of affordable dwellings across the rural areas of Wyre is 125 dwellings per year. This is comprised of:

**Table 5.5 Summary of Net Shortfall**

Type of Need	Number of Households
Backlog Need	160
<b>PLUS</b>	
Future Need	42
<b>Total Need</b>	<b>202</b>
<b>MINUS</b>	
Affordable Supply	77
<b>Net Shortfall</b>	<b>125</b>

## 5.4.2 Profile of Affordable Dwellings

Of those households who need to move within the next 5 years, and wish to stay within rural Wyre 35% would choose to move to Garstang, 19% need to move to somewhere within the rural area of Wyre (without specifying which area), 15% need to move to Hambleton and Stalmine, while 9% need to move to Brock with Catterall, 8% need to move to Preesall, 6% need to move to Great Eccleston, 6% need to move to Pilling, 1.4% need to move to Wyresdale and 1.2% need to move to Calder. Table 5.5 demonstrates the size of property required by ward. Using the bedroom standard model we can see that 73% of households which need to move within the next five years require a 1 bedroom property, 21% require a two bedroom property and 6% require 3 bedrooms. The number of dwellings required by size; whether General Needs or Older Persons housing by ward are shown in Table 5.6 below.

**Table 5.6 Annual Affordable Requirements by Ward and Size**

Ward	General Needs 1 bed	General Needs 2 bed	General Needs 3 bed	Total General Needs	Older Persons 1 bed	Older Persons 2+ beds	Total OP	TOTAL
Brock with Catterall	5	2.5	1	8.5	3.5	0	3.5	12
Calder	1	0	0	1	1	0	1	2
Garstang	22	6	2	30	10	3	13	43
Great Eccleston	4	2	0	6	2	0	2	8
Hambleton & Stalmine	9	2	1	12	5	1	6	18
Pilling	4	1	0	5	2	0	2	7
Preesall	5	1.5	0.5	7	3	0	3	10
Wyresdale	1	0	0	1	1	0	1	2
Rural Areas	18	5	0	23	0	0	0	23
<b>Total</b>	<b>69</b>	<b>20</b>	<b>4.5</b>	<b>93.5</b>	<b>27.5</b>	<b>4</b>	<b>31.5</b>	<b>125</b>

From the 2015 household survey we can see that 58% of households which need to move within the next five years require a house, 35% require a bungalow and 7% require a flat or maisonette. This would equate to a total of 72.5 houses, 43.75 bungalows and 8.75 flats or maisonettes.

## 6. Consultation Findings

### 6.1 Stakeholder Consultation

A broad range of stakeholders were consulted as part of the RAHNS. Consultees included:

- Mark Broadhurst, Head of Housing, Wyre Council
- Andy Foot, Fylde Coast Housing Strategy Manager
- Councillor Ron Greenhough, Wyre Council
- Steve Gornall, Head of Primary Care Blackpool CCG Parish Council Consultation
- Tracey Hirst, Planning Officer, Wyre Council
- Sarah McCarthy, Head of Supporting People, Lancashire County Council
- Councillor Peter Murphy, Wyre Council
- Garry Payne, Chief Executive, Wyre Council
- Rea Psillidou, Planning Policy and Economic Development Manager, Wyre Council
- Helen Spencer, Great Places Housing Association
- Nick Stevenson, Rural Housing Enabling Officer Wyre Council
- Daniel Griffiths, Regenda Housing Association
- Peter Tinson, Chief Operating Officer, Fylde and Wyre CCG
- Cath Thornton, Windsor Surgery, Garstang

The key themes and issues raised by these consultees included:

- Current need and demand
- Future developments
- Older People
- Health
- Infrastructure

#### 6.1.1 Current Need and Demand

Consultees supported the view that current house prices are high in rural Wyre, leading to affordability issues among local residents. It was thought that many young people are leaving the rural areas to pursue education and employment opportunities elsewhere, and those who wish to stay may have to move to adjacent areas in order to afford housing.

Consultees confirmed that previous policies of restraint resulted in few developments in rural areas, with only a few Rural Exception Sites being developed. The policies have now been changed but little new developed has been delivered due to the impact of the recent recession and a generally slow shift towards the new approach. There has also been significant local opposition to new developments. Overall consultees agreed that there has been insufficient rural housing development.

Housing staff indicated, that in the main, few people from rural areas apply to be part of the social/affordable housing register. This was thought to be due to the lack of previous rural developments and existing provision which meant that rural households do not apply because they are aware that supply is limited. The Council and its partners are currently promoting MyHomeChoice and



encouraging people in housing need to register, but this can be too late in the case of recent new developments where there is a need to pre-register and where time on the waiting list may be a factor in allocation.

Anecdotal evidence suggests that some Parishes are finding local need for new affordable housing but need to conduct extensive advertising to be able to allocate new homes and, in some areas, have had to go outside the parish to attract applicants.

Consultees considered the impact of any extension of the Right To Buy to Housing Association tenants and agreed that rural areas would be popular for Right To Buy. An example of a previously Council owned rural estate was provided indicating that 70% of units had been bought, compared to 33% in other areas.

Park Homes were also considered and, while some consultees thought that these were generally of a high quality, many had been purchased by older people moving into the borough and the facilities required by older people were not in place in the park home locations. It was reported that high numbers of Disabled Facilities Grants have been made to occupants of park homes.

The private rented sector in Wyre was thought to have increased in size in recent years, with one consultee suggesting that it had increased from 7% and was now 'in double figures'. The private rented sector was considered to be an important part of the housing market, particularly in areas where there is limited provision of social rented accommodation.

### **6.1.2 Future developments**

Some consultees were aware of a general concern around the development of new affordable housing amongst rural communities. Many perceive that people moving to affordable housing will be from other areas and that anti-social behaviour issues may increase. Overall, there have been some successes in delivering rural affordable housing, but it is difficult to persuade communities to accept these new developments. It was considered that affordable housing is most likely to work where it is delivered on a relatively small scale.

Local Registered Providers are supportive of continuing development in the rural areas of Wyre, subject to further analysis of their Business Plan projections in light of recent policy announcements affecting future rental incomes and the Right to Buy. Registered Providers have an interest in future development in the rural areas and suggest that their own small sites may be preferable to Section 106 provision as they can be bespoke and smaller scale which provides a more diverse range of housing opportunities for local people. It was considered that Section 106 units 'use up' the Registered Providers development capacity through off shelf products which differs in quality and standard and may be located in areas which impact on management of their wider stock. Registered Providers can also offer a variety of intermediate tenures such as affordable rent and shared ownership if they have driven the development costs.

Consultees thought that local Registered Providers had consistently delivered new units since 2011. These have tended to be for Affordable Rent rather than Social Rent. Registered Providers indicated that, due to recent policy changes and restrictions on rent increases, it is difficult to estimate the potential to deliver future affordable housing developments at the time of this work.

Overall it was agreed that recent and future priorities will be to increase the number of affordable housing units in rural areas.

### **6.1.3 Older People**

Consultees thought that Garstang, in particular, had a higher proportion of older people than the rest of the borough. Some considered there to be sufficient sheltered housing and highlighted changing preferences leading to less demand for traditional sheltered housing.

It was thought that there are large numbers of older households 'locked into' larger properties as larger properties are more difficult to sell and there is little suitable accommodation to enable downsizing.

It was noted that a new Extra Care facility is being developed in Fleetwood, but consultees thought that demand from existing Fleetwood residents would meet the planned provision and any need in the rural areas would not be met. Consultees agreed that there was a need for further Extra Care provision.

With the increasingly elderly population, issues of social isolation and loneliness were said to be increasing. Similarly the elderly population are more likely to have multiple long term conditions and dementia. Health providers felt there is a need to increase the number of care home beds, but are currently observing a decrease in supply.

### **6.1.4 Health**

There was a strong desire for Clinical Commissioning Groups (CCGs) to be involved in planning future housing developments so that they are in a position to plan what services they will need to put in place. CCGs described GPs and primary care services as 'full' with many experiencing staffing and recruitment problems. CCGs also supported rural affordable housing as it can assist in their staff recruitment if there is a supply of affordable housing which staff can apply for.

### **6.1.5 Infrastructure**

It was mentioned that Wyre is a net exporter of labour, with more people living in Wyre and travelling out of the area for work, than those living elsewhere and coming to the area, and those who both live and work in the area. In terms of travel to work areas it was considered that, in the main, the Western side of the borough has strong links with Blackpool and in the Eastern side stronger links with Preston and Lancaster are in evidence. There are, however, several self-contained settlements where the indigenous economy is based around agriculture or haulage, for example.

## **6.2 Parish Council Consultation**

Two consultation events were held with rural Parish Council Planning Ambassadors, the first at 6pm on 4<sup>th</sup> August and the second at 10am on 5<sup>th</sup> August. The consultation events were intended to raise awareness of the survey, provide Parish Councils with the opportunity to feedback on affordable housing needs in their area and raise any wider housing market issues of relevance to the RAHNS. Nine representatives attended from the following Parish Councils:

- Cabus
- Inskip
- Myerscough
- Nether Wyresdale
- Out Rawcliffe
- Preesall
- Winmarleigh

The key issues raised at these consultation events included:

- The need for more sheltered housing and housing suitable for older people in rural areas. It was suggested that provision of this type of accommodation would serve to free up existing houses which are currently being under occupied by smaller, older households. It was also considered that the majority of older people do not want to live in 'old people's housing' and market housing should reflect the needs of older people. It was suggested that more bungalow style and flatted accommodation should be developed for the older persons market.
- The need for more affordable properties for younger households to buy, with the majority of consultees agreeing that younger, working households cannot afford to buy in the rural areas due to high house prices and lower income levels. It was suggested that smaller properties and starter homes are needed.
- How to ensure affordable homes remain affordable, with some consultees citing examples of homes build to be 'affordable' being sold at full market value on resale, thus, no longer being affordable provision.
- While consultees acknowledged the difficulties associated with ensuring ongoing affordability of properties there was a feeling that the Council view 'affordable housing' to mean Affordable Rented housing provided by the housing association sector. Several consultees indicated that their understanding of affordable housing included properties for home ownership such as starter homes
- Consultees discussed the differences between different parts of the rural area with some being very rural and agricultural where there is a particular need for accommodation for households involved in farming occupations.
- Some consultees raised the issue of park/ mobile homes being used as permanent accommodation and thought this had arisen due to lack of affordability of market housing in rural areas.
- Parish Council consultees thought that it is beneficial to have Neighbourhood Plans in place in order to better plan housing developments in rural areas.
- Some consultees felt that further housing development on greenfield land was inevitable but requested that the council make decisions on which land to develop by taking into account and protecting the most productive agricultural land.
- Infrastructure issues were also raised with consultees indicating that schools are over-subscribed and doctors' surgeries are full to capacity and this type of infrastructure needs to be in place to support affordable housing development.

## **6.3 Community Drop In Events**

Drop in events across the rural areas of Wyre were held throughout the week commencing 15th June 2015, following the posting out of surveys in week commencing 18th May 2015. The purpose of the events was to allow residents to ask questions about the survey itself, affordable housing in general and to get help in completing the survey forms if needed. Each consultation was facilitated by at least one member of the North Star team and one Officer from Wyre Council. The events were publicised in advance with each survey issued including an invite to the Community Drop In Events, Parish Councils were also advised of the events and asked to inform their local communities. The drop in events were held in community buildings within rural villages/parishes which were part of the survey area. A total of 31 people attended the drop in events throughout the week.

### **6.3.1 Great Eccleston**

This drop in was held on 16th June at Great Eccleston Village Centre from 3-7pm. Nine people attended the consultation.

At the time of the consultation, there was also a live planning application/consultation ongoing alongside consultation on Wyre Councils' Local Plan Issues and Options document. Most of those who attended wished to discuss the planning consultation in relation to a proposed development at Hall Lane or wished to comment on the Local Plan. One attendee wanted to better understand the definition of Affordable Housing in relation to the survey and another wished to understand how to complete a survey for adult children living at home and to discuss the possibilities of them being able to rent or buy in the village.

### **6.3.2 Stalmine**

This drop in was held on 17th June at Stalmine Village Hall from 3-7pm. Five people attended the consultation.

Two of the attendees were from the Parish Council and wished to understand more about the process and intended use of the results of the survey, two people needed help in completing their survey forms for themselves and for adult children living at home. One attendee wished to discuss the survey and to collect a new copy of the survey for completion.

### **6.3.3 Cabus**

This drop in session was held on 18<sup>th</sup> June at Cabus Village Hall between 3-7pm. Four people attended the consultation.

Key issues raised included the demographic make-up of Cabus and its older population. It was felt that any new provision should be tailored to the needs of older people. The view was also expressed that any new provision should be near existing facilities and not on the edge of existing settlements or on greenfield sites. It was however acknowledged that there is a lack of brownfield sites.

Consultees in Cabus thought that it was impossible to purchase a home for less than £170,000 but for local residents it was likely that anything over £100,000 would be unaffordable. Some areas were

thought to be better suited to 'starter' homes rather than executive style 4 bedroom commuter homes which local residents cannot afford. One consultee said that young people are drawn by the big cities and it is only those young people involved in farming and agriculture who want to stay locally and in these occupations market housing is unaffordable.

One consultee queried the definition of affordable housing and suggested that this created confusion as it was not clearly defined by the Council. Local people view affordable homes as those which local people can afford to purchase, but recent provision of affordable housing has been Social Rented. There was also the perception that affordable housing is allocated to people from outside the local area.

Other consultees said that they recognised the need for affordable housing but thought there was a great deal of opposition expressed locally. Overall they considered there was a need for developers to build smaller homes which young people can afford.

#### **6.3.4 Claughton**

The Claughton on Brock drop in event was held at Claughton Memorial Hall on 19<sup>th</sup> June between 3-7pm, three people attended.

Key issues discussed included the concern that, due to the high cost of new build properties in the owner occupied market, houses were not selling because people could not afford or access the mortgages required. Consultees also thought that recent affordable housing developments in the area had been allocated to people from outside the area. There was also the view that there were a high number of care homes for the elderly in the area but what was required was more sheltered housing for sale and for rent. Consultees also had concerns about infrastructure issues and a perceived lack of GPs, Dentists and primary schools to meet the needs of the existing population.

#### **6.3.5 Garstang**

The final drop in event was held on Saturday 20th June at Garstang library from 9:30 – 1pm. Ten people attended the consultation.

Most attendees were visiting the library but also stopped to discuss the survey, the majority having already completed and returned the forms. One attendee wished to discuss the content of, need for and intention of the survey in detail. Some also wished to discuss the Local Plan and the allocation of land for housing in general terms.

Other issues raised included difficulties experienced by younger households of working age who were trying to get on the property ladder but found themselves priced out of the market.

One consultee suggested existing affordable housing in their area was currently empty demonstrating a lack of need in the village. The majority of consultees, however, stated that there is a need for more affordable housing. One said:

*'No-one disputes that more housing is needed, it's just that people don't want it next to them!'*

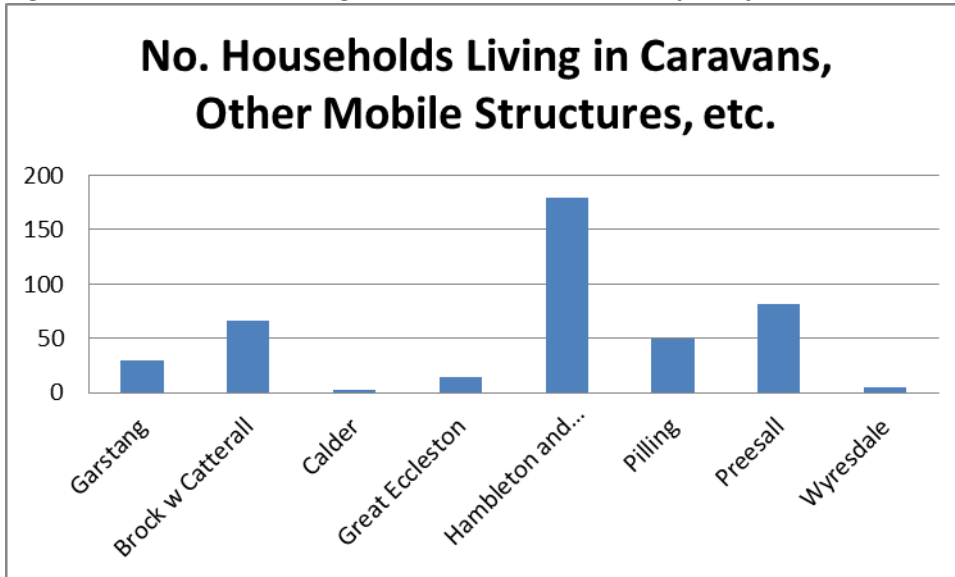
## **7. Park Homes**

Wyre Council sought additional information on Park Homes to gain an understanding of the drivers and housing aspirations of those households which choose to live in Park Homes. This area is considered to be of particular importance given the relatively large numbers of Park Home sites in rural Wyre and in light of the recent publication of the Housing and Planning Bill, including the potential duty the council may have to consider the needs of people residing in or resorting to districts for housing accommodation on caravan sites. The 2011 Census shows that there are a total of 427 households in rural Wyre living in a caravan, other mobile or temporary structure home accommodation, which includes park homes. This is 56% of the total households living in caravans, mobile or temporary structures in all areas of Wyre.

In this section we draw on national research published by the University of York which sets out some key findings in relation to the aspirations and drivers of those currently living in Park Homes. We have also drilled down into the household survey data to identify households currently living in Park Homes in Wyre on a permanent basis in order to analyse their current and future housing needs. We have also carried out in depth interviews with agents who specialise in Park Homes sales and the owners of Park Homes sites in rural Wyre.

Census 2011 data showing the breakdown of households living in caravans, other mobile or temporary structures in the rural wards of Wyre is set out below. It is not possible to delineate between households living in park homes and other, similar accommodation, however, given the number of park home sites in the area, it is safe to assume that a high proportion of these households live in park homes.

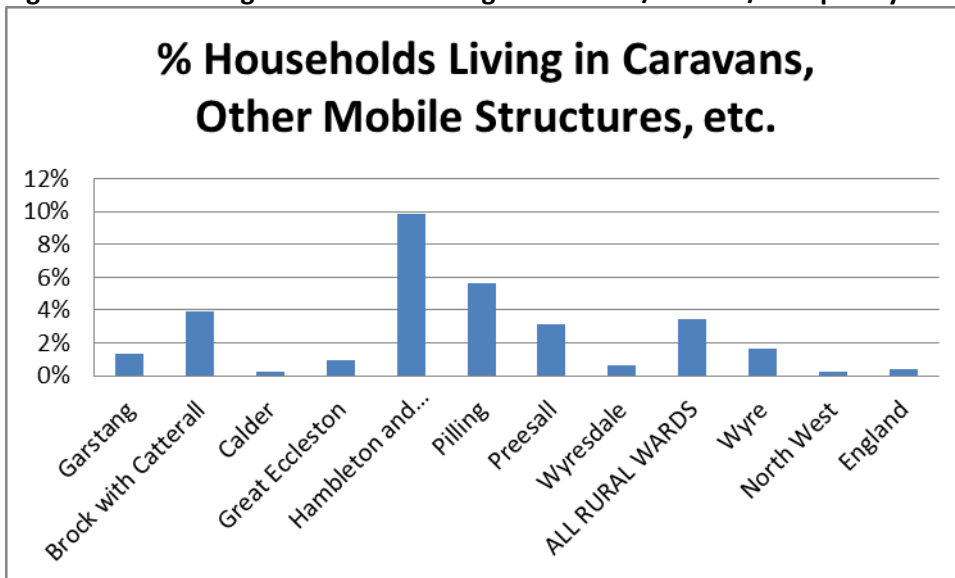
**Figure 7.1 Households Living in Caravans/ Mobile/ Temporary structures, Census 2011**



Source: ONS Neighbourhood Statistics

The greatest concentration is in Hambleton and Stalmine at 179 households, followed by Preesall at 81. The figure below sets out households living in caravans, mobile or other temporary structures as a percentage of all households in the ward.

**Figure 7.2 Percentage Households Living in Caravans/ Mobile/ Temporary structures, Census 2011**



Source: ONS Neighbourhood Statistics

In the rural wards of Wyre, 3.45% of households live in caravans, mobile or temporary structures compared to just 0.37% in England and 1.62% in Wyre as a whole. Again, Hambleton and Stalmine have a high proportion of households in this type of accommodation. Only four wards: Garstang, Wyresdale, Great Ecclestone and Calder have a lower percentage than Wyre as a whole.



## 7.1 National Research on Park Homes

While there is a limited amount of recent research on Park Homes, Bevan (2009)<sup>12</sup> examined the choices and constraints faced by residents of non-permanent accommodation such as park homes. The research explored the extent to which the types of accommodation in which people were living affected residents' experiences of their homes.

Previous research has described park homes as set apart from 'traditional' housing by construction, tenure and history (Niner and Hedges, 1992)<sup>13</sup>. Park homes are a unique tenure, relating to the historic links that this form of accommodation has with caravans. They do not count as 'dwellings' under the law, but are classified as 'chattels'. Visually, modern park homes usually resemble detached bungalows in appearance.

DCLG data shows that residents own their home, but not the land on which their home sits. Instead residents pay a pitch fee to the site owner, which covers the ground rent, maintenance costs of the common areas of the park, and also services provided on the park. The large majority of sites are privately owned but local authorities and housing associations own and run a few sites as well.<sup>14</sup>

Bevan confirms that a key characteristic of the park home sector is the age profile of its residents, with the majority of park homes occupied by older people. The trend towards park homes as a housing option for older people has evolved quite rapidly over the last couple of decades. Berkeley Hanover Consulting (2002)<sup>15</sup> highlighted that whilst Niner and Hedges, 1992 identified that around 55% of park homes were occupied by people aged 60 or over, this proportion had risen to over 68% ten years later. Around two thirds of park sites operate resident age restrictions, most commonly with a minimum age limit being set at 50 or over (Berkeley Hanover Consulting, 2002). Many parks advertise themselves as a retirement lifestyle option and this is supported by our consultation with park home agents in the area. However, Bevan notes that not all parks have age restrictions and can provide a housing option for other people, including a route into home ownership for younger first time buyers. One reason for the orientation of park homes towards older residents is the attitudes of mortgage lenders towards park homes. There are limited numbers of specialist agencies offering mortgages on park homes, which means that park homes tend to only be affordable for people with the capital to buy a park home outright. This often means home owners choosing to downsize from their previous homes.

Bevan identified two main groups of residents with different motives for moving to live in park homes. The first group comprised people who had moved to park homes primarily as a result of constraints within the wider housing market. The second group had decided to move to park homes more in relation to the lifestyle choice this form of accommodation offered, often downsizing from their previous homes.

In relation to constraints within the housing market a number of Bevan's research participants had moved to a park home because the housing options that were available to them were very limited, and they often could not afford to buy a home in the area they wanted to live in. A characteristic of

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<sup>12</sup> Park Home Living in England: Prospects and Policy Implications, A Working Paper, (2009) Centre for Housing Policy, University of York

<sup>13</sup> Niner, P. and Hedges, A. (1992) *The Mobile Homes Survey*, London: Department of the Environment

<sup>14</sup> Department for Communities and Local Government (2008a) *A new approach for resolving disputes and to proceedings relating to Park Homes under the Mobile Homes Act 1983 (as amended): A consultation paper*, London: Department for Communities and Local Government.

<sup>15</sup> Berkeley Hanover Consulting (2002) *Economics of the Park Homes Industry*, London: Office of the Deputy Prime Minister.



this group was that they had often made quite short geographical moves, and had stayed quite near their previous homes, often in or near the same town or within the same local authority district.

Bevan describes how other respondents felt that there were limited alternatives available at the time they needed to move. Often the choice appeared to be between flats, or park homes. Respondents felt that park homes offered better value for money in terms of internal space standards, and also the availability of a small garden.

A similar number of Bevan's research participants wanted a retirement lifestyle specifically associated with park homes. In contrast to the constrained choice group, these respondents varied widely in the distances they had moved from their previous homes. Whilst some had made moves of a short distance, others had moved some considerable distance, a characteristic of these respondents was that they had planned for their retirements.

Positive features that were identified with park home living were having the resources to enjoy a comfortable lifestyle, free from worry about having sufficient income throughout retirement; money available to fund holidays or to fund extended stays abroad over the winter; the opportunity to visit family who lived overseas on a regular basis, or to enable leisure pursuits such as golf or bowls. Further, these respondents often highlighted downsizing from their previous homes to release capital to fund their retirement lifestyle of choice.

One reason for choosing to live in a park home that cut across Bevan's respondents related to health issues. For some respondents part of the motivation for buying a park home was due to having affordable accommodation with an internal living space that was that was all on one level. The maintenance of park homes also featured as a reason for choosing this form of accommodation, both in terms of their physical upkeep and also cleaning and housework.

The majority of respondents across the groups highlighted above expressed considerable satisfaction with their accommodation and the lifestyle associated with park homes. Indeed, respondents often felt that their actual experiences of park home living were better than initial expectations. The very positive views by these respondents echoed the findings of previous research on park home residents, which found that residents often 'waxed lyrical' about park home living (Niner and Hedges, 1992).

The positive attribute that they described in the most emotive terms was a strong sense of community, and being with a set of people who had a similar outlook on life. A recurring theme amongst respondents was descriptions of their parks as being 'like a little village'.

## **7.2 Current Supply of Park Homes in Rural Wyre**

There are 57 Mobile Home Parks in Wyre, with 48 of these sites (3,574 pitches) in the rural areas. As we have seen, there were several park homes on the market at the time of this study. Wyre Council data indicates that 2,724 of these are holiday and touring pitches while 850 are residential mobile homes where people reside permanently in a park home. It is difficult however to confirm the true number of households permanently living in park homes but it is likely that a high proportion of the 2,724 holiday units are also used as permanent homes.

As part of the work set out in Section 3 above, looking at availability and asking prices in the rural wards of Wyre, we also looked at the number and asking prices of park homes marketed through Rightmove. The number and asking price by ward are set out below.

**Table 7.3 Park Homes For Sale**

Ward	No. for Sale	Average Price
<b>Brock with Catterall</b>	2	£147,500
<b>Hambleton and Stalmine</b>	7	£98,278
<b>Great Eccleston</b>	5	£79,490
<b>Garstang</b>	3	£78,333
<b>Wyresdale</b>	1	£69,950
<b>Preesall</b>	5	£68,780
<b>Pilling</b>	6	£155,317
<b>Calder</b>	0	£0
<b>All rural wards</b>	<b>29</b>	<b>£110,212</b>
<b>Median House Price in Wyre</b>	£137,500	
Source: Rightmove		

The highest asking price for a Park Home was in Hambleton and Stalmine, at £227,999 for a new three bedroom park home at the Wyre Country Park, close to Staynall and Hambleton. The lowest asking price was £23,950 for a second hand two bed unit at Willow Grove Park, near Preesall. The average asking price for Park Homes in Brock with Catterall ward was above the average sale prices for homes in Wyre as a whole in 2014.

In 2011 emerging Council Tax evidence from the borough indicated that some residents were occupying holiday let caravans (including semi-permanent mobile homes and chalets often referred to as Park Homes) as their main or sole home, in breach of the caravan sites licensing and planning conditions. Early investigations by the Council revealed that this affected a considerable number of sites including those which have a short closed season in the winter (usually from around January to March) when residents are understood to make alternative living arrangements for the period, such as staying with family and friends, booking holidays elsewhere or using other temporary local accommodation.

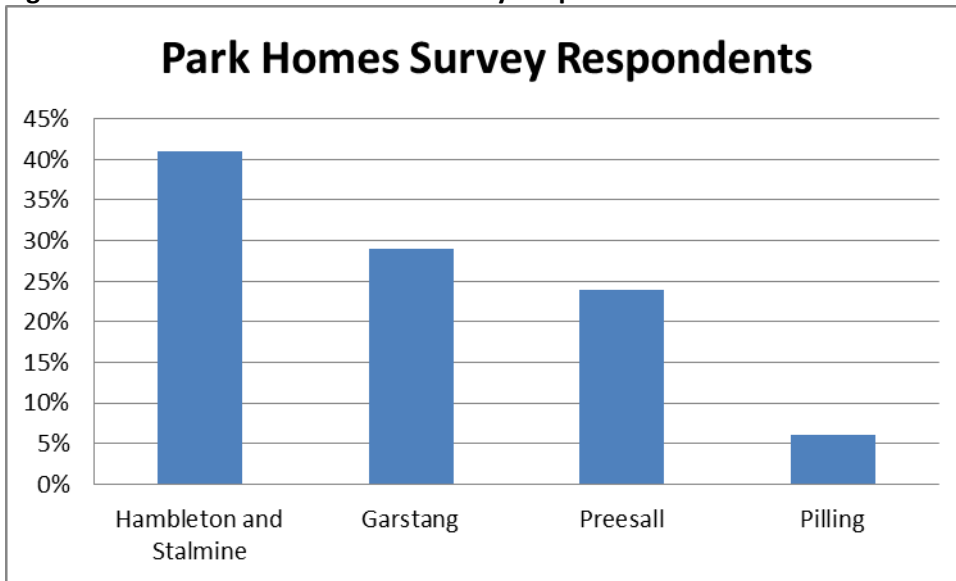
The number of people living permanently in holiday caravans raises a number of issues, not only from a health and wellbeing perspective but also in planning terms, the impact on the loss to the tourism economy and the past and future contribution caravans might have towards the general housing supply figures. Furthermore, as caravans and mobile homes are generally priced quite modestly, it is important to try to understand if they make any contribution to providing a more affordable housing product in the borough.

In 2012 council officers started an exercise to identify permanent residents of Park Homes and to register them for council tax. This is an ongoing exercise which will now be undertaken on a permanent and regular basis and will be extended to include barges and houseboats which are also being occupied on a permanent basis in the borough. Results from this work show that between 2012 and 2015 in excess of 500 caravans with newly registered permanent residents are now paying council tax in the rural area of the borough.

### 7.3 Household Survey Park Homes

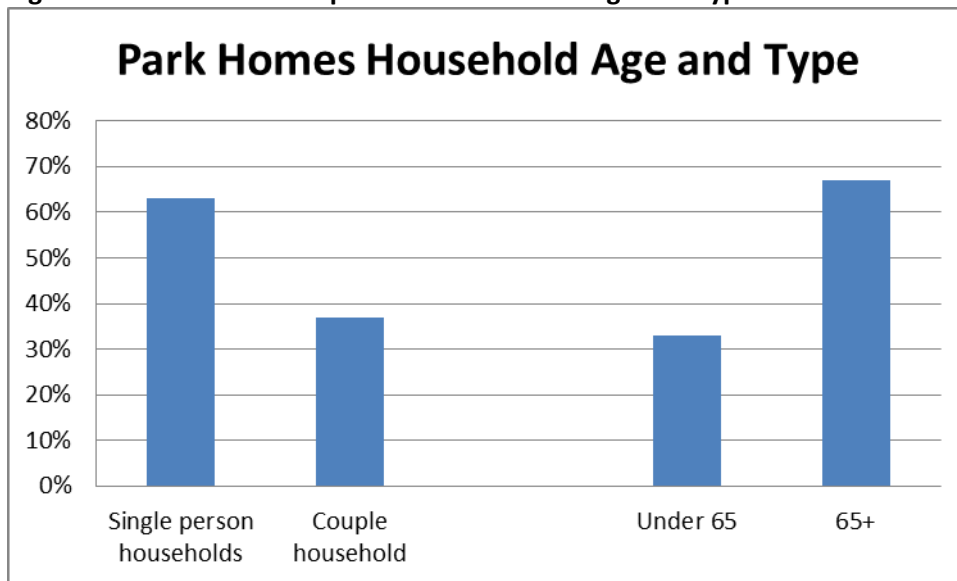
Around 1% of respondents to the 2015 Rural Affordable Housing Needs Survey indicated that while they considered themselves to be owner occupiers, they were also occupants of Park Homes. Of these respondents, the majority (41%) lived in park homes in Hambleton and Stalmine, 29% lived in Garstang, 24% in Preesall and 6% in Pilling. For all park home residents who responded to the survey the park home was their only/ main residence.

**Figure 7.4 Location of Park Homes Survey Respondents**



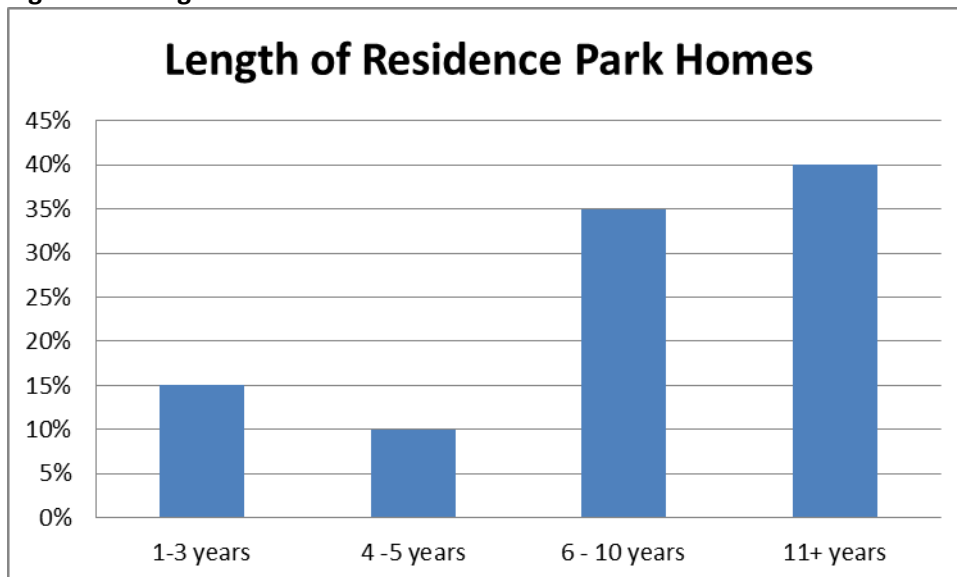
Sixty three percent of park home residents were single person households while the remaining 37% were two person households. In those two person households the two residents were a couple in a relationship either as husband and wife or cohabiting couple. Almost seventy per cent (67%) were aged 65 or over and 33% were aged under 65. Those under 65 were all within the 45 to 59 age group.

**Figure 7.5 Park Homes Respondents Household Age and Type**



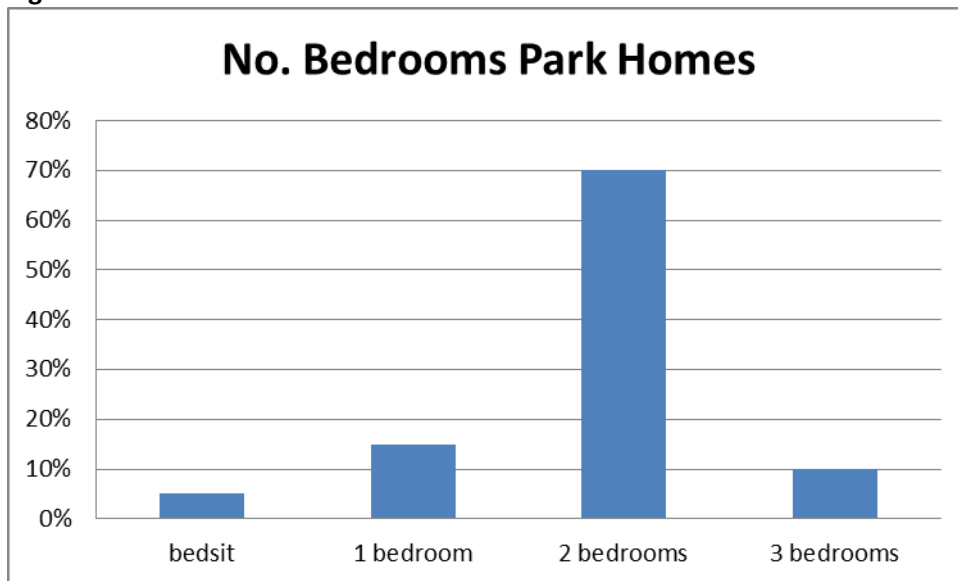
In terms of length of residence, 40% of park home residents had lived in their current home for eleven years or more, 35% had been resident for six to ten years, 10% for four to five years and 15% for less than three years.

**Figure 7.6 Length of Residence Park Homes**



All respondents stated that they were not overcrowded, nor under occupying their homes. These responses confirm our analysis that none are overcrowded. Overall 70% had a two bedroom home, 15% had one bedroom, 10% had three bedrooms and 5% stated that they had bedsit style accommodation.

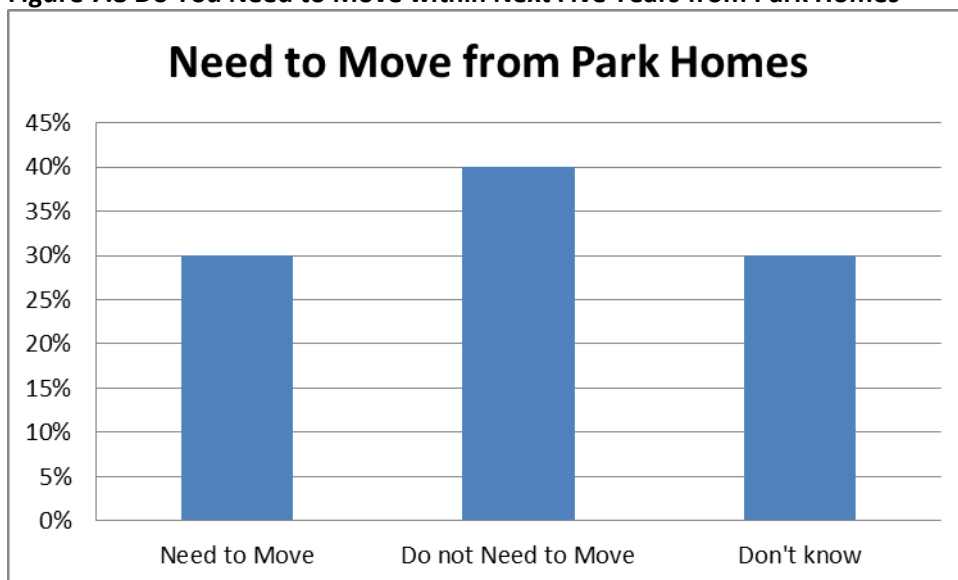
**Figure 7.7 Number of Bedrooms Park Homes**



Although not overcrowded, 15% of park home owners stated that they required an additional bedroom – this can be broken down as 10% for medical needs and 5% for when grandchildren came to visit.

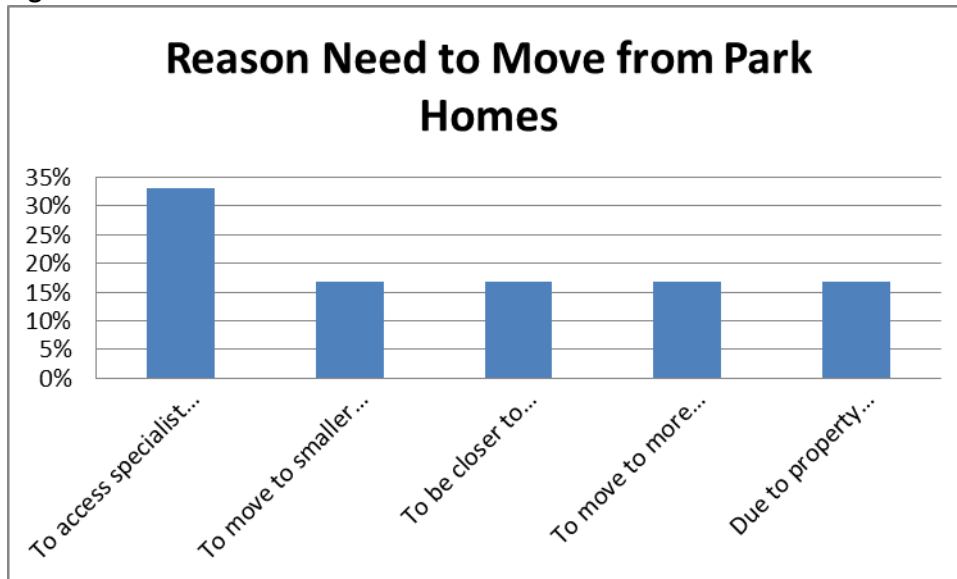
Forty per cent (40%) of park home residents stated that they did not need to move within the next five years, 30% said that they did need to move and 30% did not know.

**Figure 7.8 Do You Need to Move within Next Five Years from Park Homes**



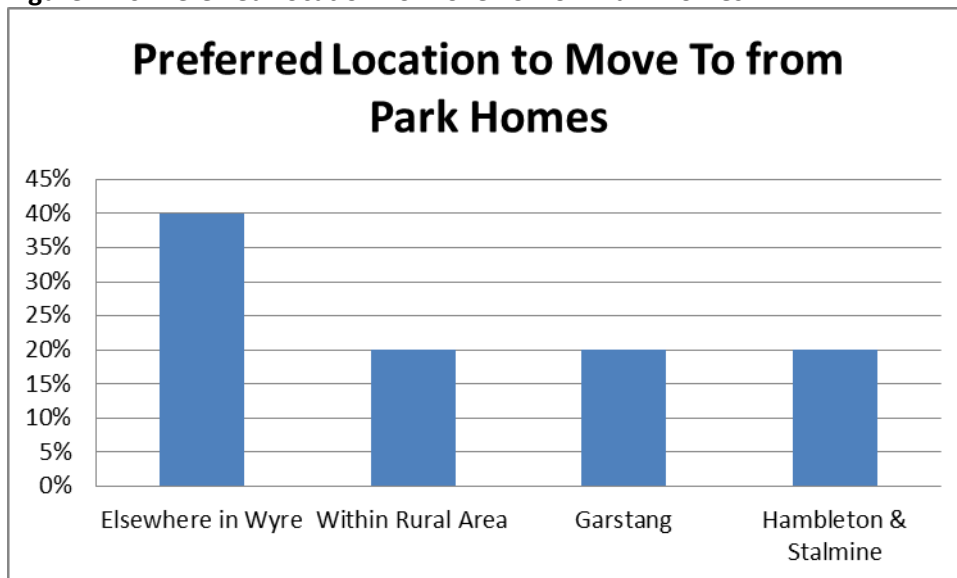
Thirty three per cent (33%) need to move in order to access specialist accommodation such as sheltered housing; marginally less than 17% need to move to access smaller accommodation, with similar levels wanting to be closer to shops/ amenities (16.7%), to move to cheaper accommodation (16.7%) and due to property condition (16.7%).

**Figure 7.9 Reasons Need To Move from Park Homes**



Of those who wish to move 40% wished to move elsewhere in Wyre, 20% to an unspecified location within the rural areas of Wyre, 20% wish to move to Garstang and 20% to Hambleton and Stalmine. Sixty per cent (60%) wished to move to sheltered housing, 40% wish to move to a bungalow, 40% wish to move to a flat or maisonette.

**Figure 7.10 Preferred Location To Move To from Park Homes**



All of those who need to move would like to move to renting from the local authority (67%) or from a housing association (33%). Sixty per cent (60%) of park home residents who need to move are not currently saving for a deposit to rent or buy a property. None of those who are currently living in a park home and need to move are currently on the Fylde Coast Housing Register, but 50% would like to be. In terms of gross monthly income 33% have an income of less than £1000 per month, 33%

have between £1,001 and £1,500, 16.7% have an income of between £3,501 and £5,000 and 16.7% prefer not to say.

## 7.4 Consultation

As part of the research into the role of park homes in rural Wyre, we undertook semi structured telephone interviews with estate agents currently marketing park homes in Wyre. One of these was a 'traditional' sales and lettings agent who also sold park homes in the area and the other was a large agency specialising purely in park homes, based in the North West.

Both described the market for park homes as buoyant, with park homes selling in as little as a few weeks in some cases. The age restrictions on most sites mean that they are seen as retirement villages for older households (50+) wishing to downsize.

Both said that purchasers came from outside the Wyre area, mainly from inland areas including Manchester, Burnley, Rochdale and Oldham, with people mainly moving to the area as they have spent holidays here in the past or to be closer to family members. The decision to purchase a park home in the area was that households saw it as offering "community, security and affordability". Sales were to households wanting to live on the parks, rather than as holiday homes. Price was seen as the main selling point as well as the relatively low utilities and maintenance costs. Another positive that purchasers saw was the ability to visit the sites and even stay on them for a while to get a sense of the community and have the opportunity to 'try before you buy'.

The most popular park homes were two bedroomed, with one beds a little harder to sell. The most popular parks were Wyre Vale, near Garstang; Smithy Leisure Park, near Winmarleigh; and Woodlands Country Park, near Pilling. Willow Grove, near Preesall, was noted as having a higher turnover as were smaller park homes on Burlingham Park, between Garstang and Cabus. Popularity was based on costs and site charges as much as location. Prices were felt to be around the £150,000/£180,000, compared to a bungalow in the area which could be around £350,000 in some areas. Moving to a park home was seen as a good alternative to a bungalow as it offered similar benefits but also released more equity to fund living/lifestyle costs for a longer period. Many sales were of second hand homes and the specialist agent quoted an 11 month waiting list for new park homes, such is the demand.

The agents felt that the single storey accommodation and easy maintenance of park homes enabled independent living for longer. Residence was around 5 years on average and that sales were prompted by the owners' death, death of a partner or ill health. They felt that most sellers went to live with family or to live in sheltered type accommodation (one agent felt that moves to sheltered accommodation were to outside of the Wyre area).

## 7.5 Conclusions

We see then that park homes are more prevalent in the rural areas of Wyre than the wider area. The local park home sites are popular with older households, typically from outside of the area looking to downsize. As well as the rural/coastal area, the sense of community is a key attractor as is price and cost of running and maintaining.

It is clear that park homes do have a clear role in meeting demand for smaller accommodation for older households, although this demand is not particularly from within Wyre, rather they serve a wider demand from across the North West/Lancashire.

The issues for this study are twofold:

- does the take up of park homes from older households, from outside the area limit the availability of this type of 'affordable' accommodation for resident, and younger households and;
- what are the later demands from downsizers on health and adult social services in Wyre.

The age restrictions on park homes (typically 50+) limit their role in any event, and the agents did not report demand from buyers from within Wyre. In terms of the second issue, the agents were less sure of the impact. Arguably, the security, extra equity and manageability of a park home supports independent living for longer, and the main reason for sales reported by the agents was that the owners were deceased. The feedback from the park home residents in the survey partly supported this as the majority did not say that they needed to move within the next 3 to 5 years. However, of those who did wish to move, a majority would like to move to sheltered accommodation, in rural Wyre, provided by the local authority or a housing association.



## 8. Conclusions and Recommendations

This section presents the overall conclusions and recommendations from the research findings and is presented in the following two sections :

- Housing and Planning Policy Conclusions and Recommendations
- Government Policy Recommendations

### 8.1 Housing and Planning Policy Conclusions and Recommendations

It is clear that there is a mismatch between current supply and housing need in the rural wards of Wyre. Analysis of the 2015 RAHNS undertaken as part of this work shows a net requirement of 125 affordable housing units per annum.

Of those households who need to move within the next 5 years, and wish to stay within rural Wyre, 35% would need to move to Garstang, 19% need to move to somewhere within the rural area of Wyre (without specifying which area), 15% need to move to Hambleton and Stalmine, while 9% need to move to Brock with Catterall, 8% need to move to Preesall, 6% need to move to Great Eccleston, 6% need to move to Pilling, 1.4% need to move to Wyresdale and 1.2% need to move to Calder. Table 8.1 demonstrates the size of property required by ward. Using the bedroom standard model we can see that 73% of households who need to move within the next five years require a 1 bedroom property, 21% require a two bedroom property and 6% require 3 bedrooms. The number of dwellings required by size; whether General Needs (GN) or Older Persons (OP) housing by ward are shown in Table 7.1 below.

**Table 8.1 Annual Affordable Requirements by Ward and Size<sup>1617</sup>**

Ward	General Needs 1 bed	General Needs 2 bed	General Needs 3 bed	Total General Needs	Older Persons 1 bed	Older Persons 2+ beds	Total OP	TOTAL
<b>Brock with Catterall</b>	5	2.5	1	8.5	3.5	0	3.5	12
<b>Calder</b>	1	0	0	1	1	0	1	2
<b>Garstang</b>	22	6	2	30	10	3	13	43
<b>Great Eccleston</b>	4	2	0	6	2	0	2	8
<b>Hambleton &amp; Stalmine</b>	9	2	1	12	5	1	6	18
<b>Pilling</b>	4	1	0	5	2	0	2	7
<b>Preesall</b>	5	1.5	0.5	7	3	0	3	10
<b>Wyresdale</b>	1	0	0	1	1	0	1	2
<b>Rural Areas</b>	18	5	0	23	0	0	0	23
<b>Total</b>	<b>69</b>	<b>20</b>	<b>4.5</b>	<b>93.5</b>	<b>27.5</b>	<b>4</b>	<b>31.5</b>	<b>125</b>

<sup>16</sup> Please note the annual affordable housing requirements by ward form a recommendation based on the CLG Housing Market Assessment methodology but do not comprise an affordable housing target.

<sup>17</sup> The category 'Rural Areas' arises as some survey respondents did not specify a preference to live in a particular ward but did express a preference to live in the rural areas of Wyre. They may have been willing to live in more than one of the identified wards.

We can see that 58% of households which need to move within the next five years require a house, 35% require a bungalow and 7% require a flat or maisonette. This would equate to a total of 72 houses, 44 bungalows and 9 flats or maisonettes. It is also recommended that the tenure mix of affordable housing reflects the overall need for affordable housing and the aspiration for owner occupation through the development of a mix of affordable rent and shared/ low cost home ownership units.

Many local residents recognise the need for affordable housing in the rural area, but there is also considerable resistance to new development. Of particular concern is whether the services and infrastructure are in place to support the new dwellings and a perception that recent developments have been allocated to people from outside the local area. Our analysis of the lettings data does not support this perception, as between 77% and 100% of new developments were allocated to those with a local connection.

Many residents consulted are in favour of market interventions to enable the provision of starter homes and low cost home ownership.

Our findings support the findings of the Core Strategy which states that:

*'The significant increase in house prices and lower than average incomes, means that properties have become less affordable in Wyre. There is the need for a significant proportion of affordable housing provision, particularly in rural areas'*

and are in broad agreement with the 2013 Fylde Coast SHMA, which states:

*'There is an estimated need for 300 affordable homes per year in Wyre, with Fleetwood, Poulton-le-Fylde & Carleton and Thornton collectively accounting for 182 properties. The remainder (118) are relatively evenly distributed throughout the other sub-areas.'*

Recent Registered Provider developments since 2010 have delivered a total of 139 units (101 rented and 38 shared ownership units) and this will have had some impact on meeting the needs of current backlog and newly forming households identified in the 2010 RAHNS.

Local Registered Providers are supportive of continuing development in the rural areas of Wyre, subject to further analysis of Business Plan projections in light of recent policy announcements affecting future rental income and stock holdings. Registered Providers have an interest in future development in the rural areas and suggest that their own small sites are preferred to Section 106 provision. It was considered that Section 106 'uses up' Registered Provider development capacity through off shelf products which differ from the quality and standard of the Registered Provider product and may be in areas which impact on management of their wider stock. Registered Provider's can also offer a variety of intermediate tenures such as affordable rent and shared ownership if they have driven the development costs.

## **8.2 Government Policy Recommendations**

At the time of writing (November 2015), there is a significant amount of uncertainty around future affordable housing development and for the housing sector as a whole. The focus of the current

Government is on enabling households who can to access home ownership, in an extension of the Help to Buy scheme to Housing Association tenants and the announcement of the Starter Homes initiative, for example. The 2015 Queens Speech outlined Government plans to extend the Right to Buy to Housing Association tenants and plans for a voluntary Right to Buy scheme have been put forward by members of the National Housing Federation and initial pilots have just been announced. Much of the initial analysis of the impact of this and other policy announcements has highlighted the possibility of a disproportionate impact on existing and new development of rural affordable housing. There may be exemptions from the Right to Buy for rural areas but it is not yet clear how this will work in practice. The recent Housing and Planning Bill has received its second reading in the House of Commons and further detail will come through this process; further secondary legislation; and consultation on elements of the proposed policy changes. Further consultation and legislation is expected and the Council will need to understand the implications of policies and legislation as they emerge.

The 2015 Budget also included announcements which impact on the business plans for housing associations including a decrease in the rents which can be charged to tenants by 1%, increasing rents for tenants with incomes over £60,000 ('Pay to Stay') and the forced sale of high value council housing stock to fund losses from the extension of the Right to Buy. The new Starter Homes initiative was announced by Government in 2015 which is likely to mean a change to the planning rules that currently require developers to build affordable homes for rent through section 106 agreements. The reforms will be brought through secondary legislation following the new Housing and Planning Act which is currently out to consultation. We are likely to see a change in the definition of Affordable Housing to include Starter Homes. This will be a key part of the government's target of building 200,000 Starter Homes by 2020, which will be lower cost homes for first time buyers under the age of 40. Starter Homes must be sold at a discount of at least 20% below the market rent, capped at £250,000. This will have a major impact on what type of affordable housing is delivered, particularly in rural areas but it is unclear exactly how this policy will be implemented until the new Housing and Planning Act comes into force. There is also increasing pressure from Government on Local Planning Authorities to get Local Plans in place and to accelerate the pace of residential development.

This will have a major impact on what type of affordable housing is delivered in rural areas but it is unclear exactly how this policy will be implemented until the new Housing and Planning Act comes into force alongside further secondary, supporting consultation and legislation. The housing and planning policy responses and approaches from Wyre to these recent and emerging announcements will need to be reviewed in detail and discussed with partners throughout the remainder of the year.

That said, backed up by existing evidence, policy and consultation and the responses to the RAHNS, there will be an appetite from housing providers to develop new rural affordable homes in the Borough and it is clear that there is a significant need. There appeared to be community and Parish Council support for new affordable housing overall, although individual proposals will need to be carefully managed and consulted on. The response rate for the household survey and the engagement with stakeholders was good overall.

There are several existing and emerging delivery mechanisms which the Council will need to consider including:

- Delivery via planning gain/Section 106 agreements as part of mixed market sites

- On Rural Exception Sites (Saved Policy H15 of the Adopted Wyre Borough Local Plan)
- Through smaller scale development on public or housing association land or windfall sites
- Via Community Land Trusts/Community led projects
- Through custom or self build
- Starter Homes
- By working with Estates and other larger scale land owners
- Through the reuse of empty homes and commercial properties or the conversion of agricultural buildings
- Through emerging and new funding mechanisms such as Care and Specialist Housing Support, Platform for Life or other specialist funds
- Through the development of mixed tenure older persons developments, including Extra Care, in rural areas.

Due to the current and emerging national policy context, Wyre Council will need to look to the full spectrum of potential delivery mechanisms, not only the more traditional routes, and work closely with communities, developers and landowners to enable new rural, affordable homes where they are needed. It may be that, in the short to medium term, greater amounts of commuted sums are collected and spend of these will need to be carefully considered and managed, particularly in rural areas so that they are targeted and effective. The Homes and Communities Agency will also shortly announce a package of measures to support development, particularly focussed on ensuring the continued development of affordable housing/low cost home ownership.

Sites will need to come forward through the currently on going Local Plan process and it is important that sites which will deliver affordable homes are identified in rural areas. Sites such as these are likely to be developed by small and medium house builders whose numbers diminished through the recession and it maybe that the Council look to support such developers via the Local Enterprise Partnership Local Growth Funds or the HCAs Builders Finance Fund to enable affordable housing through market development.

With reference to the proportion of affordable housing which is both deliverable and viable, this should be regularly reviewed in the light of further information such as, currently, the Comprehensive Spending Review, Budget and the proposed new Housing and Planning Act.

## **APPENDIX 1 METHODOLOGY**

## **Inception**

Our first task within this study was to hold an inception meeting with Wyre Council following commission. The meeting offered the opportunity to fine-tune the methodology to ensure that all study requirements were addressed. We also discussed issues associated with the project and agree administrative procedures and contractual matters. In summary, the key tasks for the inception meeting were to:

- Obtain a background briefing that expands upon the detail contained in the study brief
- Review the methodology and fine-tune/enhance where possible
- Discuss survey administration and sample data
- Obtain any relevant information/data held by the Council
- Have an initial discussion around preferred consultees and consultation methods
- Agree the study outputs, time frame and key deadline/meeting dates
- Agree contractual and invoicing arrangements.

Following the inception meeting, we issued a Project Inception Document which outlined any changes to the methodology discussed at inception.

## **Document and Data Review**

The first task following inception was to review existing evidence and research reports relating to Housing Need and Demand in Wyre. The aim was to draw on existing data either to ensure that we had a full understanding of the contextual environment or to extract new information specific to the topic. We also needed to ensure that we were not repeating work already undertaken. We reviewed the documents listed in 2.3 of this document.

We will also reviewed data held by the Council in relation to existing development programmes and pipeline plans for additional rural housing in each of the rural wards. We also reviewed data held in relation to: existing and planned Extra Care housing and older persons' provision, housing policies in the Council's emerging Local Plan, Help to Buy data, and information on numbers of holiday homes, second homes and mobile/ park homes, where held.

## **Survey**

When considering our approach to the household survey, we have tried to balance practicality with budget and fully considered the potential for a range of research methods. One of the significant challenges faced in surveying the population of the rural wards in Wyre is the significant geographical spread and rurality of dwellings.

We carried out a postal survey as it allowed us to provide the opportunity for a large number, if not all residents, to participate. However, in any methodology, it is important to recognise its limitations and ensure all possible is done to make the method as inclusive as possible. For the postal survey, the key issue is that not all residents will be willing or able to participate in the survey.

We carried out a postal self-completion survey for a number of reasons:

- It is a tried and tested method which worked well for the 2010 survey. Keeping a consistent method allows trends in the data to be tracked over time where required.
- It is cost effective – the low cost per response allows for a greater number of individuals to be contacted than for face-to-face or telephone research, leading to a larger final sample size and a more robust dataset.
- It can be targeted – with an accurate contact database (using Council Tax database supplied by the Council),
- It is convenient – postal questionnaires can be completed by respondents at a suitable time and without the need to speak to an interviewer.

Every method does of course have drawbacks, for example:

- Postal surveys are less responsive – the reliance on respondents to physically fill in and post back their questionnaires reduces the overall response rate. As such, the final number of completed questionnaires received is dependent upon the willingness of the target audience to engage.
- It is slower – the time needed for the respondents to receive, complete and return the paper questionnaires means that more time is needed in the field.
- A postal survey is harder to monitor – respondents to self-completion studies are self-selecting and complete the survey without the assistance of a trained interviewer. This means that sampling cannot be strictly controlled and, in some cases, this can lead to the findings being skewed towards the views of those motivated to respond to the survey. However, this is still the most practical solution given the budget available, and the timescales also meant that we could include those who are slower to respond (as well as those highly motivated to respond immediately).

We sent out survey questionnaires to a 100% sample of the population within the rural wards. We worked with Wyre Council to agree the content of a cover letter and the survey questionnaire. A reminder to complete the survey mid point through the data collection period was also issued.

A Freepost envelope was included in each pack in order to avoid any cost incurred by the respondent and, by doing so, encourage a higher response rate. We also offered the option for households to complete the same survey online. The survey was also publicised on the Wyre Council website and in its e-newsletter. A link to the online survey was included in both the e-newsletter and on the website.

In most surveys it will be the case that some groups are over-represented in the raw data and others under-represented. These misrepresentations are usually dealt with by weighting the data. The idea behind weighting is that:

- Members of sub-groups that are thought to be over- or under-represented in the survey data are each given a weight
- Over-represented groups are given a weight of less than one
- Under-represented groups are given a weight of greater than one
- The weight being calculated in such a way that the weighted frequency of groups matches the population

- All survey estimates are calculated using these weights, so that averages become weighted averages, and percentages become weighted percentages, and so on.

In a weighted data set, each individual is assigned a weighting factor. In an unweighted table, each respondent or case is represented as a count of the base. Once you weight the data, by applying weighting factors, some respondents will now be counted as a value slightly more than one and others slightly less than one. Those groups that were previously under represented will have their weighed base increased because their weighting factors will be more than one. Conversely respondents belonging to groups that were over represented will see their weighted base go down, because their weighting factors will be less than one.

Because not all households respond, there is a need to gross up the weighted data so that it reflects the total number of households. The process of weighting and grossing is relatively straightforward. For weighting, 2011 Census data was used to establish the profile of households (those aged under 65 and those over 65) and the tenure profile of the area. This profile was then applied to the survey responses received. A rescaling (or grossing) value was then calculated by comparing the number of survey responses with the number of households in each ward. Due to ward boundary changes having taken place since the Census in 2011, weighting was applied at a rural area level, not at ward level.

## **Stakeholder Consultation**

We undertook semi-structured interviews with key players in dealing with solutions for rural housing. The purpose of the consultation was to gauge initial views on current provision of services, where there are gaps, future demand and types of future provision.

The Parish Councils in each of the rural wards of Wyre were also contacted by email to provide their views on and inform the study through their detailed understanding of the rural housing need and demand in each area and also to understand what solutions will work locally. The further aim of the engagement with Parish Councils was to raise awareness of and support for the survey and increase response rates. Two additional meetings were also held to provide the Parish Council Planning Ambassadors with the opportunity to share their views on the need and demand for affordable housing in their locality.

Drop in sessions for members of the public in rural wards were also held across the area to allow respondents to ask questions and seek any help needed to complete the questionnaire.

## **Analysis and Interpretation**

The analytical stages of the study bring together the data collected at each of the research stages described above. The analysis and interpretation of the collected data are key parts of any research methodology. This stage involved the analysis and interpretation of both qualitative and quantitative data.

The methodology used to estimate the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market involves adding the current unmet housing need and the projected future need and



subtracting this from the current supply of affordable housing. This approach aligns with that used in preparing Strategic Housing Market Assessments, against guidance from the Department of Communities and Local Government (DCLG). The specific tasks undertaken in the assessment of housing need and demand are detailed below.

In summary, this assessment of need sets out:

- Stage 1: Current Housing Need (also called ‘backlog need’)
- Stage 2: Future Housing Need
- Stage 3: Affordable Housing Supply
- Stage 4: Estimate of Annual Housing Need

Table A1.1 summarises the steps undertaken in reaching the overall estimate of annual housing need:

**Table A1.1 Summary of Housing Needs Assessment Calculation**

Step/ location in chapter	Stage	Calculation
<b>Stage 1: Current Housing Need</b>		
<b>5.1.1</b>	Homeless Households	Annual requirement
<b>5.1.2</b>	Overcrowding and Concealed Households	Current need
<b>5.1.3</b>	Other Groups	Current need
	Total Current Housing Need (gross)	5.1.1 + 5.1.2 + 5.1.3
<b>5.1.4</b>	Total who cannot afford to meet their needs in the private sector	77%
<b>5.1.4</b>	Total who wish to stay in the rural areas of Wyre	72%
	To be reduced at a rate of 20% per annum (annual requirement)	5.1.4/ 20%
<b>Summary of Total Current Housing Need</b>		
<b>Stage 2: Future Housing Need</b>		
<b>5.2.1</b>	New Household Formation (gross per year)	
<b>5.2.1</b>	Total who wish to stay in the rural areas of Wyre	80%
<b>5.2.2</b>	Total who cannot afford to meet their needs in the private sector	84%
	To be reduced at a rate of 20% per annum (annual requirement)	
<b>Summary of Total Future Housing Need</b>		
<b>Stage 3: Affordable Housing Supply</b>		
<b>5.3.1</b>	Affordable dwellings occupied by households in need	4%
<b>5.3.2</b>	Surplus Stock	Have assumed no surplus stock as social rented sector in high demand

<b>5.3.4</b>	Committed New Supply of Affordable Housing	Based on units currently on site
<b>5.3.5</b>	Annual Supply of Social Re-lets	Assumed 78% of annual supply of social rented units
<b>5.3.6</b>	Total Affordable Housing Supply	5.3.1 +5.3.2 +5.3.4 +5.3.5
<b>Summary of Total Affordable Housing Supply</b>		
<b>Stage 4: Estimate of Annual Housing Need</b>		
<b>Stage above</b>	<b>1</b>	Summary of Total Current Housing Need
<b>PLUS</b>		
<b>Stage above</b>	<b>2</b>	Summary of Total Future Housing Need
<b>MINUS</b>		
<b>Stage above</b>	<b>3</b>	Summary of Total Affordable Housing Supply
<b>Net Shortfall</b>		



Report of:	Meeting	Date	Item no.
Cllr Alan Vincent, Resources Portfolio Holder and Philippa Davies, Corporate Director of Resources	Cabinet	23 March 2016	7

<b>Treasury Management Policy Statement and Practices and Treasury Management and Annual Investment Strategy and Minimum Revenue Provision Policy Statement 2016/17</b>
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## 1. Purpose of report

- 1.1 To set out the policies and objectives of the Council in respect of Treasury Management activities, to explain how the Council seeks to achieve the objectives and manage and control the activities, and to agree a strategy for 2016/17.

## 2. Outcomes

- 2.1 A Policy Statement, Statement of Treasury Management Practices, Treasury Management and Annual Investment Strategy and a Minimum Revenue Provision (MRP) Policy Statement.

## 3. Recommendation/s

- 3.1 To approve the Treasury Management Policy Statement 2016/17 and formally adopt clauses 4 to 7.
- 3.2 To approve the revised Treasury Management Practices 2016/17.
- 3.3 To agree the Treasury Management and Annual Investment Strategy 2016/17.
- 3.4 To approve the MRP Policy Statement 2016/17.

## 4. Background

- 4.1 The report has been prepared in accordance with the Revised CIPFA Code of Practice for Treasury Management 2011 with the 2009 version previously adopted by the Council on 22 April 2010.

**5. Key issues and proposals**

- 5.1 The Local Government Act 2003 requires the Council to have regard to the Prudential Code and to set Prudential Indicators for the next three years. The 2016/17 Prudential Indicators were considered by Cabinet at their meeting on 17 February 2016, and approved at the Council meeting on 3 March 2016.
- 5.2 The key objective of the Prudential Code is to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. In exceptional cases, its purpose may be to demonstrate that there is a danger of not ensuring this, so that the authority concerned can take remedial action.
- 5.3 In order to demonstrate compliance with the CIPFA Code of Practice for Treasury Management, the Council must approve a Policy Statement, Treasury Management Practices, a Treasury Management and Investment Strategy and a MRP Policy Statement setting out how the Council will seek to achieve its Treasury Management policies, together with details of how these activities are managed and controlled.
- 5.4 It is also a requirement of the Code of Practice that the full Council agrees the Treasury Management and Annual Investment Strategy and the MRP Policy Statement for the forthcoming financial year. The 2016/17 Strategy and MRP Policy Statement are attached at Appendix 3 and 4 respectively.

<b>Financial and legal implications</b>	
Finance	There are no direct financial implications arising from the adoption of the Treasury Management Policy Statement and Treasury Management Practices. The Prudential Code allows capital investment to proceed within prudent limits where the Council can fund it from its own resources and external revenue streams.
Legal	Compliance with the Codes of Practice and Local Government Act 2003.

**Other risks/implications: checklist**

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
data protection	x

report author	telephone no.	email	date
Julie Woods	01253 887601	Julie.woods@wyre.gov.uk	12/02/16

List of background papers:		
name of document	date	where available for inspection

### **List of appendices**

- Appendix 1 - Treasury Management Policy Statement 2016/17
- Appendix 2 - Treasury Management Practices 2016/17
- Appendix 3 - Treasury Management and Annual Investment Strategy 2016/17
- Appendix 4 – Minimum Revenue Provision Policy Statement 2016/17

arm/ex/cab/cr/16/2303jw2

## **TREASURY MANAGEMENT POLICY STATEMENT 2016/17**

Wyre Council defines its treasury management activities as follows: -

1. The management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

### **Clauses to be formally adopted**

4. The Council will create and maintain, as the cornerstones for effective treasury management:
  - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
  - suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key principles.

5. The Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
6. The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Corporate Director of Resources (Head of Finance wef 1/7/16), who will act in

accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

7. The Council nominates the Overview and Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

**TREASURY MANAGEMENT  
PRACTICES**

*2016/17*



## TREASURY MANAGEMENT PRACTICES

This section contains the schedules, which set out the details of how the Treasury Management Practices (TMPs) are put into effect by this organisation.

	Paragraph
<b>TMP 1 Treasury risk management</b>	<b>1.1 - 1.8</b>
<b>TMP 2 Performance measurement</b>	<b>2.1 - 2.3</b>
<b>TMP 3 Decision-making and analysis</b>	<b>3.1</b>
<b>TMP 4 Approved instruments, methods and techniques</b>	<b>4.1 - 4.6</b>
<b>TMP 5 Organisation, clarity and segregation of responsibilities, and dealing arrangements</b>	<b>5.1 - 5.13</b>
<b>TMP 6 Reporting requirements and management information arrangements</b>	<b>6.1 - 6.9</b>
<b>TMP 7 Budgeting, accounting and audit arrangements</b>	<b>7.1 - 7.4</b>
<b>TMP 8 Cash and cash flow management</b>	<b>8.1 - 8.6</b>
<b>TMP 9 Money laundering</b>	<b>9.1 - 9.6</b>
<b>TMP 10 Training and qualifications</b>	<b>10.1 - 10.7</b>
<b>TMP 11 Use of external service providers</b>	<b>11.1 - 11.2</b>
<b>TMP 12 Corporate governance</b>	<b>12.1</b>

## **TMP1 TREASURY RISK MANAGEMENT**

The responsible officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting Requirements and Management Information Arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out below.

### **1.1 Credit and Counterparty Risk Management**

Credit and counter-party risk is the risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.

This organisation regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved Instruments Methods And Techniques. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

#### **1.1.1 Policy on the use of credit risk analysis techniques**

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands: -

- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)

- Orange 1 year
  - Red 6 months
  - Green 100 days
  - No colour Not to be used
1. A weekly colour coded Credit Listing is provided by email from our Treasury Management Consultants and this is supplemented with emails regarding all changes in credit ratings as and when they occur. These documents are saved within the Cashflow folder.
  2. These documents will be reviewed by treasury management staff in line with the policy on criteria for selection of counterparties for use by the responsible officer making investments on a daily basis.
  3. Ratings will not be the sole determinant of the quality of an institution. In addition to the credit ratings the assessment will also take account of information that reflects the opinion of the markets. Other information sources will include: -
    - The financial press
    - Share price
    - Information pertaining to the banking sector
    - Sole reliance will not be placed on the use of this external source. The Council will also use market data and market information, information on sovereign support for banks and the credit ratings of that supporting government.
  4. Maximum maturity periods and amounts to be placed in different types of institutions are as follows:-

	<u>Colour (and long term rating where applicable)</u>	<u>Money Limit</u>	<u>Time Limit</u>
Banks and Building Societies	purple	£6m	2yr
Banks - part nationalised	blue	£6m	1 yr
Banks and Building Societies	orange	£6m	1 yr
Banks and Building Societies	red	£6m	6 mths
Banks and Building Societies	green	£6m	100 days

	<u>Colour (and long term rating where applicable)</u>	<u>Money Limit</u>	<u>Time Limit</u>
Limit 3 category – Council’s banker	blue	£6m	1 yr
Local authorities	yellow	£6m	5yrs
Money market funds	AAA	£6m	liquid

5. Diversification: this organisation will avoid concentrations of lending and borrowing by adopting a policy of diversification. It will therefore use the following: -
  - Maximum amount to be placed with any one institution - £6m
  - Group limits where a number of institutions are under one ownership – maximum of £6m
  - Country limits – excluding UK institutions, a minimum sovereign rating of AA- from Fitch (or equivalent) is required.
6. Investments will not be made with counterparties that do not have a credit rating in their own right, except for Local Authorities. As part of our Treasury Management Consultants credit methodology UK Local Authorities are assigned a colour band ‘yellow’ (5years) .

## 1.2 Liquidity Risk Management

This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation’s business/service objectives will therefore be compromised.

The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives. This organisation will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

### 1.2.1. Amounts of approved minimum cash balances and short-term investments

The Treasury Management section shall seek to minimise the balance held in the Council’s main bank accounts at the close of each working day. Borrowing or lending shall be arranged in order to achieve this aim.

### 1.2.2. Details of:

#### a) Standby facilities

Each day any surplus funds are transferred to an Investment Account or call account which is available from the Council’s main bank (Natwest).

The balance on this account is instantly accessible if the group bank account becomes overdrawn.

b) Bank overdraft arrangements

The Council has reviewed the cost effectiveness of operating an agreed overdraft and has decided not to have such an arrangement in place. If the group bank account does become overdrawn there will be a charge of 4% over base rate.

c) Short-term borrowing facilities

The Council accesses temporary loans through approved brokers on the London money market. The approved borrowing limit for short term debt is £13.743m.

d) Insurance/guarantee facilities

There are no specific insurance or guarantee facilities as the above arrangements are regarded as being adequate to cover all unforeseen occurrences.

### **1.3 Interest Rate Risk Management**

There is a risk that fluctuations in the levels of interest rates would create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as in accordance with TMP6 Reporting Requirements and Management Information Arrangements.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates.

#### **1.3.1. Details of approved interest rate exposure limits**

The Treasury Indicators for 2016/17 include a figure of £24 million for External Debt – Authorised Limit.

#### **1.3.2 Trigger points and other guidelines for managing changes to interest rate levels**

The Treasury Indicators for 2016/17 include a figure of £13.743 million for External Debt – Operational Boundary.

### **1.3.3 Upper limit for fixed interest rate exposure**

The Prudential Indicators for 2016/17 include an estimated exposure of 100% of principal sums outstanding in respect of borrowing at fixed interest rates, and 25% in respect of investments that are fixed rate investments.

### **1.3.4. Upper limit for variable interest rate exposure**

The Prudential Indicators for 2016/17 include an estimated exposure of 25% of principal sums outstanding in respect of borrowing at variable interest rates, and 100% in respect of investments that are variable rate investments.

### **1.3.5 Policies concerning the use of instruments for interest rate management**

- a) Forward dealing  
Consideration will be given to dealing from forward periods dependent upon market conditions. Forward dealing requires the approval of the Corporate Director of Resources (Head of Finance wef 1/7/16).
- b) Callable deposits  
The Council will not use callable deposits as part of its Annual Investment Strategy.
- c) LOBO's (borrowing under lender's option/borrowers option)  
Use of LOBO's are not considered as part of the annual borrowing strategy. All borrowing for periods in excess of 364 days requires the approval of the Corporate Director of Resources (Head of Finance wef 1/7/16).

## **1.4 Exchange Rate Risk Management**

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

### **1.4.1 Approved criteria for managing changes in exchange rate levels**

- a) As a result of the nature of the Council's business, the Council may have an exposure to exchange rate risk from time to time. This will mainly arise from the receipt of income or the incurring of expenditure in a currency other than sterling. The Council will eliminate all foreign exchange exposures as soon as they are identified.
- b) Where there is a contractual obligation to receive income or make a payment in a currency other than sterling at a date in the future, forward foreign exchange transactions will be considered after taking professional advice. Unexpected receipt of foreign currency income will be converted to sterling at the day's rate on which the currency was received. Where the Council has a contractual obligation to make a payment in the same currency at a date in the future, then the currency may be held on deposit to meet this expenditure commitment.

## **1.5 Refinancing Risk Management**

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for such refinancing, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

### **1.5.1. Debt/Other Capital Financing, Maturity Profiling, Policies and Practices**

The Council will establish through its Prudential and Treasury Indicators the amount of debt maturing in any year/period.

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for any rescheduling to take place will include:

- a) the generation of cash savings at minimum risk;
- b) to reduce the average interest rate;
- c) to amend the maturity profile and /or the balance of volatility of the debt portfolio.

All rescheduling will be reported to Cabinet as soon as possible after the debt rescheduling exercise.

### **1.5.2. Projected Capital Investment Requirements**

The responsible officer will prepare a four year plan for capital expenditure for the Council. The capital plan will be used to prepare a four year revenue budget for all forms of financing charges.

The definition of capital expenditure and long term liabilities used in the Code will follow recommended accounting practice as per the Code of Practice on Local Authority Accounting.

### **1.5.3. Policy Concerning Limits on Affordability and Revenue Consequences of Capital Financing**

In considering the affordability of its capital plans, the Council will consider all the resources currently available/estimated for the future together with the

totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax. It will also take into account affordability in the longer term beyond this four year period. (Paragraph 31 of the Prudential Code gives examples of matters relevant to the consideration of affordability, although this is not an exhaustive list.)

The Council will use the definitions provided in the Prudential Code for borrowing (65), capital expenditure (66), capital financing requirement (67), debt (68), financing costs (69), investments (70), net borrowing (71), net revenue stream (72), other long term liabilities (73).

#### **1.5.4 Set Aside Capital Receipts**

As the final mortgage was redeemed during 2013/14, the Council no longer has any requirement to set aside a proportion of its receipts. All of the authority's capital receipts may now be used for either the redemption of debt or financing new capital expenditure as an alternative to new borrowing.

### **1.6 Legal and Regulatory Risk Management**

The risk that the council itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

The council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1[1] Treasury Risk Management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

The council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

#### **1.6.1 References to Relevant Statutes and Regulations**

The treasury management activities of the Council shall comply fully with legal statute, guidance, Codes of Practice and the regulations of the Council. These are as follows:

Local Government Act 2003

S.I. 2003 No.2938 Local Government Act 2003 (Commencement No.1 and Transitional Provisions and Savings) Order 2003 13.11.03

S.I. 2003 No.3146 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and associated commentary 10.12.03

S.I. 2004 No.533 Local Authorities (Capital Finance) (Consequential, Transitional and Savings Provisions) Order 2004 8.3.04



S.I. 2004 No.534 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004 8.3.04  
Guidance on Investments ODPM 12.3.2004 (revised 1.4.10)  
Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2006 Statutory Instrument No. 521  
S.I. 2007 no. 573 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007  
Local Government and Public Involvement in Health Act 2007 s238(2) – power to issue guidance; to be used re: MRP  
S.I. 2008 no. 414 f(Capital Finance and Accounting) (Amendment) (England) Regulations 2008  
S.I. 2009 no. 321 (Capital Finance and Accounting) (Amendment) (England) Regulations 2009  
S.I. 2009 no. 2272 The Local Authorities (Capital Finance And Accounting) (England) (Amendment) (No.2) Regulations 2009  
S.I. 2009 no. 3093 The Local Government Pension Fund Scheme (Management and Investment of Funds) Regulations 2009  
S.I.2010 no.454 (Capital Finance and Accounting) (Amendment) (England) Regulations 2010  
Revised Guidance on Investments CLG 1.4.2010  
Localism Act 2011  
Guidance on Housing Capital Receipts Pooling ODPM 23.3.2004  
Requirement to set a balanced budget - Local Government Finance Act 1992 section 32 for billing authorities and section 43 for major precepting authorities.  
Local Government Finance Act 1988 section 114 – duty on the responsible officer to issue a report if the Council is likely to get into a financially unviable position.  
Allocation of financing costs to the HRA (housing authorities) – annual determination by Secretary of State  
Definition of HRA capital expenditure - Local Government and Housing Act 1989 section 74 (1)  
CLG Document “Implementing self-financing for council housing” – 1 Feb 2011  
CIPFA Consultation “Proposed Capital Finance Arrangements Under The New Housing Finance System” – Feb 2011  
CIPFA’s Treasury Management Codes of Practice and Guidance Notes 2011,  
CIPFA Prudential Code for Capital Finance in Local Authorities revised 2011  
CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities 1996  
CIPFA Standard of Professional Practice on Treasury Management 2002  
CIPFA Standard of Professional Practice on Continuous professional Development 2005  
CIPFA Standard of Professional Practice on Ethics 2006  
The Good Governance Standard for Public Services 2004

LAAP Bulletins

Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of recommended Practice

PWLB circulars on Lending Policy

The Non Investment Products Code (NIPS) - (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

Financial Services Authority's Code of Market Conduct

The Council's Financial Regulations and Financial Procedure Rules

The Council's Scheme of Delegation

### **1.6.2 Procedures for Evidencing the Council's Powers/Authorities to Counterparties**

The Council's powers to borrow and invest are contained in legislation.

Investing: Local Government Act 2003, section 12

Borrowing: Local Government Act 2003, section 1

In addition, it will make available on request the following: -

- i. the responsibilities and dealing arrangements in relation to treasury management activities which are contained in TMP5
- ii. the document that states which officers are the authorised signatories.

#### **Required Information on Counterparties**

Lending shall only be made to counterparties that comply with the Council's Credit Worthiness Policy that is based upon the Capita colour coded creditworthiness list.

In addition, the Council will also look at other market information in order to establish a full investment strategy.

### **1.6.3 Statement on the Council's Political Risks and Management of Same**

The Corporate Director of Resources (Head of finance wef 1/7/16) shall take appropriate action with the Council, the Chief Executive and the Leader of the Council to respond to and manage political risks such as change of majority group, leadership in the Council, change of Government etc.

### **1.6.4 Monitoring Officer**

The monitoring officer is the Head of Business Support; the duty of this officer is to ensure that the treasury management activities of the Council are lawful.

### **1.6.5. Chief Financial Officer**

The Chief Financial Officer is the Corporate Director of Resources (Head of Finance wef 1/7/16); the duty of this officer is to ensure that the financial affairs of the Council are conducted in a prudent manner and to make a report to the Council if she has concerns as to the financial prudence of its actions or its expected financial position.

## **1.7 Fraud, Error and Corruption, and Contingency Management**

There is a risk that an organisation could fail to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fail to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. This is commonly referred to as operational risk.

This organisation will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

The Council will therefore:-

- a) Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
- b) Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.
- c) Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- d) Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

### **1.7.1. Details of Systems and Procedures to be followed, including Internet Services**

#### **Authority**

- Loan and Investment procedures are defined in the Council's Financial Regulations and Financial Procedure Rules.
- The Scheme of Delegation to Officers sets out the authority given to the Corporate Director of Resources (Head of Finance wef 1/7/16) in relation to arranging the borrowing and investments of the authority. All loans and investments are negotiated by the Corporate Director of Resources (Head of Finance wef 1/7/16) or nominated Officers.

#### **Procedures**

- A password and PIN number is required to access the Bankline system, which is used to make electronic payments.
- A username and password is required to access the SunGard Money Market Portal.
- Payments can only be authorised by agreed officers having previously been notified to the current provider of our banking services and Money Market Portal.

### **Investment and borrowing transactions**

- A detailed spreadsheet of loans and investments is maintained within the Financial Services team. This is regularly checked to the ledger.
- The loans spreadsheet is updated to record all lending and borrowing. This includes the date of the transaction, brokerage fees etc.
- Adequate and effective cash flow forecasting records are maintained on spreadsheets to support the decision to lend or borrow.
- Money borrowed or lent that is due to be repaid is recorded in the cashflow forecast.
- Written confirmation of deals is faxed/emailed promptly by the lending or borrowing institution.
- A broker note showing details of the loan arranged confirms all transactions placed through the brokers.
- The SunGard Portal, with emailed acknowledgements, confirms all money market transactions.
- Email acknowledgements confirm all fixed term deposits with banking institutions.

### **Regularity and security**

- All lending is only made to institutions on the Approved List.
- All loans raised and repayments made go directly to and from the institutions bank account.
- Authorisation limits are set for every institution.
- Brokers have a list of named officials authorised to perform loan transactions.
- There is adequate insurance cover for employees involved in loan management and accounting.
- The control totals for borrowing and lending are regularly reconciled with the ledger balance sheet codes by the Financial Services team.
- There is a separation of duties in the Section between the recall of MMF's and its checking and authorisation.
- The Council's bank holds a list of Council officials who are authorised signatories.
- No member of the Treasury Management team, responsible for borrowing and lending, is an authorised signatory.

### **Checks**

- The bank reconciliation is carried out regularly from the bank statement to the financial ledger.
- Balance Sheet ledger codes are reconciled monthly. Working papers are retained for audit inspection.
- A debt charge/investment income listing is produced every time the debt charge/investment income is recalculated for budget monitoring purposes. A debt charge/investment listing is also produced at the financial year-end and this document is retained for audit inspection.
- The method of accounting for unrealised losses or gains on the valuation of assets within the funds will comply with Accounting Codes of Practice

by reflecting the market value of the fund in the balance sheet. This will be agreed with Council's external auditors.

- We have complied with the requirements of the Code of Practice on Local Authority Accounting and will account for the funds at Fair Value through Profit or Loss. As a result, all gains and losses and interest (accrued and received) will be taken to the Comprehensive Income and Expenditure Statement.

### **Calculations**

- The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy against the amount calculated by the Financial Services team.

### **1.7.2 Emergency and Contingency Planning Arrangements Disaster Recovery Plan.**

Treasury Management related files (word and excel) are stored on the Council's 'J' Drive with arrangements for contingency/back-up. Back up facilities can be accessed off site.

In the event of a 'Bankline System' failure, manual procedures would be followed with information being provided from the Council's Bankers by telephone.

All members of the treasury management team are familiar with this plan and new members will be briefed on it.

### **1.7.3 Insurance Cover Details**

The Council has 'Fidelity' insurance cover with Zurich Municipal (ZM). This covers the loss of cash by fraud or dishonesty of employees. This cover is limited per transaction as follows up until 30 June 2016:

- 13 designated officers (Corporate Director of Resources, Head of Finance, Head of Contact Centre, Head of Governance, Financial Services Manager (systems), Financial Services Manager (non-systems), Senior Accountant, Senior Account Manager x 3, Control/Customer Focus Officer and Account Manager x 2) are indemnified for £3m.
- All other employees are indemnified for £250,000.

And from the 1 July 2016:

- 14 designated officers (Head of Finance, Head of Contact Centre, Head of Governance, Head of Business Support, Senior Solicitor, Deputy Head of Finance, 2 x Senior Accountant (systems x 1, non-systems x 1), Senior Account Manager x 3, Systems Administrator/Customer Focus Officer and Account Manager x 2) are indemnified for £3m.
- All other employees are indemnified for £250,000

### **Officials Indemnity Insurance**

The Council also has an 'Officials Indemnity' insurance policy with ZM which covers the loss to the Council from any actions and advice of its officers, excluding professional services provided under a written contract or

agreement, that are negligent and without due care. This cover is currently limited to £1m for any one event with nil excess.

### **Public Liability Insurance**

The Council also has 'Public Liability cover with ZM which covers the loss to the Council from any actions or omissions which could give rise to a claim of negligence as a result of third party financial loss. This cover is currently limited to £10m for any one event with a £10,000 excess.

## **1.8 Market Risk Management**

There is a risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

The council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

## TMP 1 SCHEDULE 1 – SPECIFIED AND NON SPECIFIED INVESTMENTS

The Guidance and CIPFA TM Code distinguishes between specified and non-specified investments, as follows:-

- **Specified Investments:** All such investments will be sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' quality criteria (organisations included with the following colour codings on Capita's weekly Credit List) where applicable.
- **Non-Specified Investments:** These are investments which do not meet the Specified Investment criteria

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

Organisation	Minimum credit criteria / colour band	Specified or Non-Specified Investment	Max Amount per institution	Max. maturity Period
Term deposits with UK Clearing Banks and UK Building Societies	Purple Blue Orange Red Green	Non-Spec Specified Specified Specified Specified	£6m £6m £6m £6m £6m	Up to 2 years Up to 1 year* Up to 1 year Up to 6 months Up to 100 days
CD's with UK Clearing Banks and UK Building Societies	Purple Blue Orange Red Green	Non-Spec Specified Specified Specified Specified	£6m £6m £6m £6m £6m	Up to 2 years Up to 1 year* Up to 1 year Up to 6 months Up to 100 days
UK Local Authorities	yellow	Non-Spec Specified	£6m £6m	Up to 5 years Up to 1 year
Money Market Funds	AAA	Specified	£6m	liquid

\* Part Nationalised banks (Per 1.1.1)

## **TMP 2 PERFORMANCE MEASUREMENT**

### **2.1 Evaluation and Review of Treasury Management Decisions**

The Council has a number of approaches to evaluating treasury management decisions:

- a) reviews with our treasury management consultants
- b) annual review after the end of the year as reported to Council
- c) half yearly monitoring reports to Council

#### **2.1.1 Reviews with our treasury management consultants**

The treasury management team holds reviews with the Treasury Management consultants every 12 months to review the performance of the investment and debt portfolios.

#### **2.1.2 Annual Review after the end of the financial year**

An Annual Report on Treasury Management Activity is submitted to Council each year after the close of the financial year which reviews the performance of the debt and investment portfolios. This report contains the following: -

- a) total debt and investments at the beginning and close of the financial year and average interest rates
- b) borrowing strategy for the year compared to actual strategy
- c) investment strategy for the year compared to actual strategy
- d) explanations for variance between original strategies and actual
- e) debt rescheduling done in the year
- f) actual borrowing and investment rates achieved through the year
- g) comparison of return on investments to the investment benchmark
- h) compliance with Prudential and Treasury Indicators

#### **2.1.3 Half Yearly Monitoring Reports**

A half yearly Report on Treasury Management is submitted to Council in December which reviews the performance of the debt and investment portfolios. This report contains the same information as the annual report but only includes information for the first 6 months of the year.

### **2.2 Benchmarks and Calculation Methodology:**

#### **2.2.1 Debt management**

Average rate on all external debt.

Average rate on external debt borrowed in previous financial year.

#### **2.2.2 Investment**

The performance of in house investment earnings will be measured against the 7 day LIBID rate (London Interbank Bid Rate).



## **2.3 Policy Concerning Methods for Testing Value for money in Treasury Management**

### **2.3.1 Frequency and processes for tendering**

Following the loss of the Council's debt free status during 2007/08, Sector Treasury Services (now Capita Asset Services) were engaged as the Council's treasury advisor. The initial appointment was for one year and was considered to be value for money having sought other quotations. The service has recently been benchmarked and further benchmarking exercises will be conducted every three years to ensure value for money is maintained.

### **2.3.2 Banking services**

Whilst the Council has been with NatWest for over 25 years, banking services have traditionally been re-tendered or renegotiated every 3 years to ensure that the level of prices reflect efficiency savings achieved by the supplier and current pricing.

The banking service contract was renegotiated with NatWest for a 1 year period commencing 1 January 2015 and a procurement exercise is currently underway.

### **2.3.3 Money-broking services**

The Council will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them. An approved list of brokers will be established which takes account of both price and quality of service.

### **2.3.4 Consultants'/advisers' services**

The Council's current policy is to appoint professional treasury management consultants (Capita). Separate leasing advisory consultants will be appointed where necessary.

### **2.3.5 Policy on External Managers (other than relating to Superannuation Funds)**

The Council's policy is not to appoint external investment fund managers.

## **TMP 3 DECISION-MAKING AND ANALYSIS**

### **3.1 Funding, Borrowing, Lending, And New Instruments And Techniques:**

#### **3.1.1 Records to be kept**

All loan transactions are recorded on a spreadsheet within the Cashflow folder on the J drive.

The following records will be used as relative to each loan or investment:

- Daily cash projections
- Money market rates obtained by telephones from brokers
- Sunguard emails detailing each net trade and authorisation
- Copies of Natwest Chaps payment transactions
- Dealing slips for all money market transactions

- Brokers' confirmations for investment and temporary borrowing transactions
- Confirmations from borrowing/lending institutions where deals are done directly
- PWLB loan confirmations
- PWLB debt portfolio schedules

### **3.1.2 Processes to be pursued**

Cash flow analysis.

Ledger reconciliations.

Review of long-term borrowing requirement as applicable.

Debt and investment maturity analysis.

Monitoring of projected loan charges interest and expenses costs.

Review of opportunities for debt rescheduling, as applicable.

Collation of a monthly borrowing and lending return.

### **3.1.3 Issues to be addressed**

#### ***3.1.3.1. In respect of every treasury management decision made the Council will:***

- a) Above all be clear about the nature and extent of the risks to which the Council may become exposed
- b) Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained
- c) Be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interests, and to deliver good housekeeping
- d) Ensure that third parties are judged satisfactory in the context of the Council's creditworthiness policies, and that limits have not been exceeded
- e) Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive

#### ***3.1.3.2 In respect of borrowing and other funding decisions, the Council will:***

- a) Consider the ongoing revenue liabilities created, and the implications for the organisation's future plans and budgets
- b) Evaluate the economic and market factors that might influence the manner and timing of any decision to finance capital schemes
- c) Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and external grant providers
- d) Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

### **3.1.3.3 In respect of investment decisions, the Council will:**

- a) Consider the optimum period, in the light of cash flow availability and prevailing market conditions.
- b) Consider the alternative investment products and techniques available, especially the implications of using any which may expose the organisation to changes in the value of its capital.

## **TMP 4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES**

### **4.1 Approved Activities of the Treasury Management Operation**

- borrowing;
- lending;
- debt repayment and rescheduling;
- consideration, approval and use of new financial instruments and treasury management techniques;
- managing the underlying risk associated with the Council's capital financing and surplus funds activities;
- managing cash flow;
- banking activities; and
- leasing.

### **4.2 Approved Instruments for Investments**

Please see the Annual Investment Strategy.

### **4.3 Approved Techniques**

Forward dealing up to 364 days.

### **4.4 Approved Methods and Sources of Raising Capital Finance**

Finance will only be raised in accordance with the Local Government Act 2003, and within this limit the Council has a number of approved methods and sources of raising capital finance. These are:

<b>On Balance Sheet</b>	<b>Fixed</b>	<b>Variable</b>
PWLB	●	●
Market (long-term) (Not currently)	●	●
Market (temporary)	●	●
Internal (capital receipts & revenue balances)	●	●
Leasing (finance leases) (Not currently)	●	●
<b>Other Methods of Financing</b>		
Government and EU Capital Grants		
Lottery monies		
Operating leases (Not currently)		

Borrowing will only be done in Sterling. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The Corporate Director of Resources (Head of Finance wef 1/7/16) has delegated powers in accordance with Financial Regulations and Financial Procedure Rules, the Scheme of Delegation to Officers and the

Treasury Management Strategy to take the most appropriate form of borrowing from the approved sources.

#### **4.5 Investment Limits**

The Annual Investment Strategy sets out the limits and the guidelines for use of each type of investment instrument.

#### **4.6 Borrowing Limits**

See the Treasury Management and Annual Investment Strategy and Prudential and Treasury Indicators.

### **TMP 5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS**

#### **5.1 Allocation of responsibilities**

##### **(i) Full Council**

- approval of annual strategy
- approval of MRP Policy Statement
- budget consideration and approval
- receive and review the mid year and annual monitoring reports

##### **(ii) Cabinet**

- receiving and reviewing reports on treasury management policies, practices and activities
- budget consideration and approval
- approval of the division of responsibilities as reflected in TMP5
- approving the selection of external service providers and agreeing terms of appointment

##### **(iii) Overview and Scrutiny**

- effective scrutiny of the treasury management strategy and policies

#### **5.2 Principles and Practices Concerning Segregation Of Duties**

The Corporate Director of Resources (Head of Finance wef 1/7/16) authorises all new long-term borrowing.

Transactions relating to pre-existing agreements are delegated to nominated officers within the Finance team.

Short-term borrowing and investment is authorised by the Corporate Director of Resources (Head of Finance wef 1/7/16), Head of Finance, the Financial Services Manager (non-systems), Deputy Head of Finance wef 1/7/16, Senior Accountant (non-systems), Head of Business Support, Senior Solicitor, Head of Contact Centre and Head of Governance.

The following duties are undertaken by separate officers:

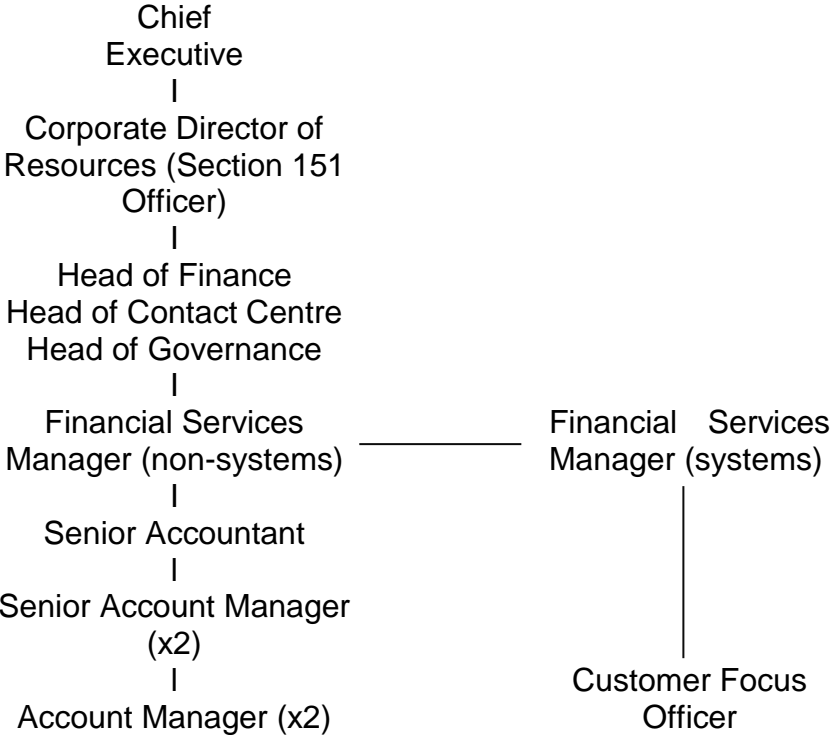
Dealing - negotiating deals

- receipt and checking of brokers confirmation against loans spreadsheet
  - reconciliation of control accounts
  - bank reconciliation
- Accounting Entry - processing the expenditure or income i.e., posting the entries into the accounting system
- Authorising - approval and payment  
- approval of deals

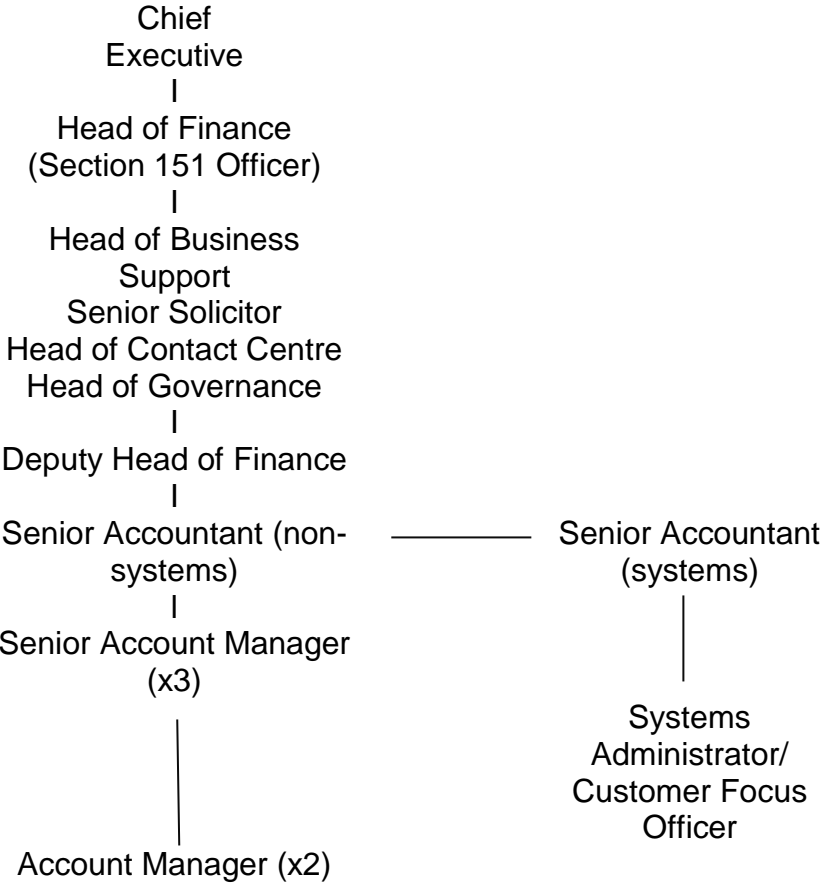
The table overleaf identifies who performs particular roles within the team.

<b>Function</b>	Chief Executive	Section 151 Officer (Corporate Director of Resources) Until 30/6/16)	Head Of Finance	Deputy Head of Finance wef 1/7/16	Financial Services Manager (Non-Systems) Until 30/6/16)/Senior Accountant (non-systems) from 1/7/16	Head of Contact Centre/ Head of Governance/ Head of Business Support wef 1/4/16/ Senior Solicitor wef 1/4/16	Financial Services Manager (Systems) until 30/6/16/ Systems Administrator/ Customer Focus Officer/ Senior Accountant wef 1/4/16	Senior Accountant (non-systems)until 30/6/16 /Senior Acc Manager	Account Manager
Adherence to TM Practices, Policies and Strategies	•	•	•	•					
Ensure regular reports submitted to Cabinet on Treasury Policy, activity and performance	•	•	•	•					
Revisions of treasury management policy statement, policies & practices		•	•	•					
Approval of external service providers and agreeing terms of appointment		•	•	•					
Establishing new banking facilities (e.g. Base Tracker Accounts)		•	•	•					
Authorisation of Long term borrowing and investing		•	•	•					
Amending bank mandate		•	•	•					
Authorisation of short term borrowing and investing		•	•	•	•	•			
Bankline - Authorising payments		•	•	•	•	•			
Bankline - Creating payments								•	•
SunGard – Authorising transfers		•	•	•	•	•			
SunGard – Creating transfers								•	•
Day to day dealing								•	•
Cashflow projections								•	•
Maintenance of loans and investment spreadsheets								•	•
System Administrator (e.g. setting limits, new users)							•		
Responsibility for ensuring Bank Reconciliation performed							•		

**5.3 Treasury Management Organisation Chart (until 30 June 2016)**



**Treasury Management Organisation Chart (from 1 July 2016)**



## 5.4 Statement of Treasury Management Duties/Responsibilities of Each Treasury Post

5.4.1 The responsible officer is the person charged with professional responsibilities for the Treasury Management function and in this Council this is the Corporate Director of Resources/S151 Officer (Head of Finance wef 1/7/16) or the Head of Finance (Deputy Head of Finance wef 1/7/16) in their absence who will carry out the following duties:

- a) Recommend clauses, treasury management policy / practices for approval, reviewing the same on a regular basis, and monitoring compliance.
- b) Submit treasury management policy reports as required.
- c) Submit budgets and budget variations in accordance with the Financial Regulations and Financial Procedure rules.
- d) Receive and review management information reports.
- e) Review the performance of the treasury management function and promote efficiency reviews.
- f) Ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
- g) Ensure the adequacy of internal audit, and liaise with external audit.
- h) Recommend the appointment of external service providers, where applicable, in accordance with the Council's Financial Regulations and Financial Procedure Rules.
- i) The Corporate Director of Resources (Head of Finance wef 1/7/16) has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.
- j) The Corporate Director of Resources (Head of Finance wef 1/7/16) may delegate this power to borrow and invest to certain members of staff as indicated in TMP 5.3 above. All transactions must be authorised by one of the named officers below:
  - Corporate Director of Resources (Section 151 Officer) until 30/6/16
  - Head of Finance (Section 151 Officer) from 1/7/16
  - Deputy Head of Finance (wef 1/7/16)
  - Financial Services Manager (non-systems) until 30/6/16
  - Head of Business Support
  - Senior Solicitor
  - Head of Contact Centre
  - Head of Governance
- k) The Corporate Director of Resources (Head of Finance wef 1/7/16) will ensure that the Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.
- l) Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Corporate Director of Resources (Head of Finance wef 1/7/16) to be satisfied, by reference to



the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations and Financial Procedure Rules.

- m) It is also the responsibility of the Corporate Director of Resources (Head of Finance wef 1/7/16) to ensure that the Council complies with the requirements of The Non Investment Products Code for principals and broking firms in the wholesale markets.

#### **5.4.2 Head of Finance (Deputy Head of Finance wef 1/7/16) (or delegated officer)**

The responsibilities of this post will be: -

- a) Execution of transactions.
- b) Adherence to agreed policies and practices on a day-to-day basis.
- c) Maintaining relationships with third parties and external service providers.
- d) Supervising treasury management staff.
- e) Monitoring performance on a day-to-day basis.
- f) Submitting management information reports to the responsible officer.
- g) Identifying and recommending opportunities for improved practices.

#### **5.4.3 Chief Executive**

The responsibilities of this post will be: -

- a) Ensuring that the Corporate Director of Resources (Head of Finance wef 1/7/16) reports regularly to the Cabinet on treasury policy, activity and performance.

#### **5.4.4 The Monitoring Officer (Head of Business Support) or Deputy Monitoring Officer (Senior Solicitor)**

The responsibilities of this post will be: -

- a) Ensuring compliance by the Corporate Director of Resources (Head of Finance wef 1/7/16) with the treasury management policy statement and treasury management practices and that they comply with the law.
- b) Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- c) Giving advice to the Corporate Director of Resources (Head of Finance wef 1/7/16) when advice is sought.

#### **5.4.5 Internal Audit**

The responsibilities of Internal Audit will be: -

- a) Reviewing compliance with approved policy and procedures.
- b) Reviewing division of duties and operational practice.
- c) Undertaking probity audit of the treasury function (sampling transactions)

#### **5.5 Absence Cover Arrangements**

Refer to the organisation chart at TMP 5.3 above and role responsibilities at TMP 5.4 above.

## **5.6 Dealing Limits**

Persons authorised to deal are identified at TMP 5.3 above and dealing limits are set out in TMP 1.1.1.

## **5.7 List Of Approved Brokers**

A list of approved brokers is maintained within the Financial Services team (see TMP 11.1.2) and a record of all transactions recorded against them.

## **5.8 Policy On Brokers' Services**

It is the Council's policy to rotate business between brokers in accordance with best practice.

## **5.9 Policy On Taping Of Conversations**

It is not Council Policy to tape broker's conversations.

## **5.10 Direct Dealing Practices**

The Council will consider dealing direct with counterparties if it is appropriate and the Council believes that better terms will be available. There are certain types of accounts and facilities where direct dealing is required as follows:-

National Westminster Call Account and 95 day Notice Account  
Santander Call Account and Fixed Term Deposit  
Handelsbanken 10 and 35 day Notice Account  
Goldman Sachs International Bank via Capita to access Tranche rates  
Bank of Scotland 32 day Notice Account and Overnight Account  
Goldman Sachs International Bank via Capita Asset Services  
SunGard Money Market Portal – currently authorised to deal with: -

- Deutsche Managed Sterling Fund
- Prime Rate Sterling Liquidity Fund
- IGNIS Liquidity Fund
- Blackrock Liquidity Fund
- Goldman Sachs Sterling Reserves Fund
- LGIM Sterling Liquidity Fund
- Insight Sterling Liquidity Fund

## **5.11 Settlement Transmission Procedures**

Instructions are given by email with payments being transferred by 3.30pm on the same day. In the case of SunGard Money market transactions, instructions are given via the internet and payments are made by 12.30pm for the Deutsche Managed Sterling Fund, 1.30pm for the Prime Rate Sterling Liquid Fund and 1.00pm for all other funds.

## **5.12 Documentation Requirements**

For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s), broker.

## **5.13 Arrangements Concerning the Management of Third-Party Funds**

The Authority administers a number of trust funds totaling £53,476 at 31 March 2015. The two largest being Kenyon Park bequest with a balance held

of £10,070 and the Fielden Trust with a balance held of £7,620 at 31 March 2015.

The Fielden Trust balance is invested as part of the Council's surplus funds. Interest is paid monthly but calculated using the PWLB one year maturity rate as notified by Capita on a daily basis.

## **TMP 6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS**

### **6.1 Annual Programme of Reporting**

- a) Annual reporting requirements before the start of the year:-
  - (i) review of the organisation's approved clauses, treasury management policy statement and practices;
  - (ii) strategy report on proposed treasury management activities for the year comprising of the Treasury Management and Annual Investment Strategy and MRP Policy Statement.
- b) Mid-year review.
- c) Annual review report after the end of the year.

### **6.2 Annual Treasury Management Strategy**

**6.2.1** The Treasury Management Strategy sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Cabinet and then full Council for approval before the commencement of each financial year.

**6.2.2** The formulation of the annual Treasury Management Strategy involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, the Council may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.

**6.2.3** The Treasury Management Strategy is concerned with the following elements:

- Prudential and Treasury Indicators
- current Treasury portfolio position
- borrowing requirement
- prospects for interest rates
- borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- investment strategy
- creditworthiness policy
- policy on the use of external service providers
- any extraordinary treasury issue (as necessary)
- the MRP policy statement

**6.2.4** The Treasury Management Strategy will establish the expected move in interest rates against alternatives (using all available information such as

published interest rate forecasts where applicable), and highlight sensitivities to different scenarios.

### **6.3 The Annual Investment Strategy Statement**

At the same time as the Council receives the Treasury Management Strategy it will also receive a report on the Annual Investment Strategy which will set out the following: -

- a) The Council's risk appetite in respect of security, liquidity and optimum performance
- b) The definition of high credit quality to determine what are specified investments as distinct from non specified investments
- c) Which specified and non specified instruments the Council will use
- d) Whether they will be used by the in house team, external managers or both (if applicable)
- e) The Council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties.
- f) Which credit rating agencies the Council will use
- g) How the Council will deal with changes in ratings, rating watches and rating outlooks
- h) Limits for individual counterparties and group limits
- i) Country limits
- j) Interest rate outlook
- k) Budgeted investment return
- l) Use of a cash fund manager (if applicable)
- m) Policy on the use of external service providers (if applicable)

### **6.4 The Annual Minimum Revenue Provision Statement**

This statement will set out how the Council will make revenue provision for repayment of its borrowing using the four options for so doing and will be submitted at the same time as the Treasury Management and Annual Investment Strategy.

### **6.5 Policy On Prudential and Treasury Indicators**

**6.5.1** The Council approves before the beginning of each financial year a number of treasury limits referred to as the Prudential and Treasury Indicators.

**6.5.2** The Corporate Director of Resources (Head of Finance wef 1/7/16) is responsible for incorporating these limits into the Annual Treasury Management Strategy, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the Corporate Director of Resources (Head of Finance wef 1/7/16) shall submit the changes for approval to Cabinet and then full Council.

### **6.6 Mid Year Review**

The Council will review its treasury management activities on a six monthly basis. This review will consider the following: -

- a) activities undertaken
- b) variations (if any) from agreed policies/practices

- c) interim performance report
- d) regular monitoring
- e) monitoring of treasury management indicators for local authorities.

#### **6.7 Annual Report on Treasury Management Activity**

An annual report will be presented to Council at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. This report will include the following: -

- a) Transactions executed and their revenue effects;
- b) Report on risk implications of decisions taken and transactions executed;
- c) Compliance report on agreed policies and practices and all statutory/regulatory requirements;
- d) Performance Report;
- e) Report on compliance with CIPFA Treasury Management Code; and
- f) Monitoring of treasury management indicators.

#### **6.8 Management Information Reports**

Management information reports are prepared monthly and contain the following information:-

- a) A summary of transactions executed, brokers used and fees paid and their revenue effect; and
- b) Measurements of performance such as loan charges/investment income.

#### **6.9 Publication of Treasury Management Reports**

Reports presented to Council and Cabinet are available to view on the Council's website [www.wyre.gov.uk](http://www.wyre.gov.uk).

### **TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**

#### **7.1 Statutory/Regulatory Requirements**

The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting which is recognised by statute as representing proper accounting practices.

The Council has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Council's treasury management activities.

#### **7.2 Sample Budgets / Accounts/ Prudential and Treasury Indicators**

The Corporate Director of Resources (Head of Finance wef 1/7/16) will prepare a four year medium term financial plan with Prudential and Treasury Management Indicators reflecting the overall budget for the forthcoming year and provisional estimates for the following three years. This will include the costs involved in running the function and any associated income. The Head of Finance (Deputy Head of Finance wef 1/7/16) will exercise effective controls over this budget and monitor performance against Prudential and Treasury

Indicators, and will report upon and recommend any changes required in accordance with TMP6.

### **7.3 List of Information Requirements of External Auditors**

- Reconciliation of loans outstanding in the financial ledger to Treasury Management records
- Maturity analysis of loans outstanding
- Certificates for new long term loans taken out in the year
- Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type
- Calculation of loans fund interest and debt management expenses
- Details of interest rates applied to internal investments
- Calculation of interest on working balances where applicable
- Interest accrual calculation
- Principal and interest charges reports from Civica
- Analysis of any deferred charges where applicable
- Annual Treasury Report
- Treasury Management and Annual Investment Strategy and Prudential and Treasury Indicators
- Review of observance of limits set by Prudential and Treasury Indicators
- Calculation of the MRP

### **7.4 Budget Monitoring Report**

Year to date and forecast outturn against budget, with variances, are examined in terms of interest and treasury management expenses as part of the Council's monthly budget monitoring.

## **TMP 8 CASH AND CASH FLOW MANAGEMENT**

### **8.1 Arrangements for Preparing/Submitting Cash Flow Statements**

Cash flow projections are prepared annually and daily. The annual cash flow projections are prepared from the previous years' cash flow records, adjusted for known changes in levels of income and expenditure and also changes in payment and receipt dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known.

### **8.2 Bank Statement Procedures**

The Council downloads data daily from its bank. All amounts on the downloads are checked to source data from payroll, creditor etc. A formal bank reconciliation is undertaken on a monthly basis.

### **8.3 Payment Scheduling and Agreed Terms of Trade with Creditors**

In the present economic climate and in line with a request from the Government, we have committed to paying 80% of invoices within 10 days (local performance indicator RES23). In the 2014/15 financial year 74.09% of invoices were paid within 10 days. Payments to individuals, in relation to refunds, however, are immediate.

#### **8.4 Arrangements for Monitoring Debtors/Creditors levels**

Details are passed to the treasury team on a regular basis to assist in updating the cash flow model.

#### **8.5 Procedures for Banking of Funds**

All money received by an Officer on behalf of the Council will without unreasonable delay be paid into the Council's bank accounts via the Financial Services team. The cashier will notify the Account Manager each day of cash and cheques banked the previous day so that the figures can be taken into account in the daily cash flow.

#### **8.6 Practices Concerning Prepayments to Obtain Benefits**

The Council has no formal arrangements in place. Where such opportunities arise (for example whereby a payment in advance would secure a further discount) the prepayment would be authorised by the responsible officer.

### **TMP 9 MONEY LAUNDERING**

#### **9.1 Proceeds of Crime Act 2002**

Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:

- concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property
- acquiring, using or possessing criminal property.

These apply to any person in the UK in a personal or professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:

- failure to disclose money-laundering offences
- tipping off a suspect, either directly or indirectly
- doing something that might prejudice an investigation – for example, falsifying a document.

#### **9.2 The Terrorism Act 2000**

This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment.

#### **9.3 The Money Laundering Regulations 2007**

Organisations pursuing relevant business (especially those in the financial services industry regulated by the FCA) are required to appoint a nominated officer and implement internal reporting procedures; train relevant staff in the

subject; establish internal procedures with respect to money laundering; obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions. In December 2007 the UK Government published the Money Laundering Regulations 2007, which replaced the Money Laundering Regulations 2003.

#### **9.4 Local Authorities**

Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and may commit most of the principal offences under the POCA, but are not legally obliged to apply the provisions of the Money Laundering Regulations 2007. However, as responsible public bodies, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly, this Council comply and have an Anti Money Laundering Policy & Procedure which is reviewed annually by Audit Committee and most recently 10 November 2015.

#### **9.5 Procedures for Establishing Identity / Authenticity Of Lenders**

It is not a requirement under POCA for local authorities to require identification from every person or organisation it deals with. However, in respect of treasury management transactions, there is a need for due diligence and this will be effected by following the procedures below.

- The Council does not accept loans from individuals. All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the Financial Conduct Authority website on [www.fca.org.uk](http://www.fca.org.uk).

#### **9.6 Methodologies for Identifying Sources of Deposits**

In the course of its Treasury activities, the Council will only lend money to or invest with those counterparties that are on its approved lending list. These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. (The Financial Services register can be accessed through the FCA website on [www.fca.org.uk](http://www.fca.org.uk)).

All transactions will normally be carried out by BACS/CHAPS for making deposits or repaying loans.

### **TMP 10 TRAINING AND QUALIFICATIONS**

**10.1** The Council recognises that relevant individuals will need appropriate levels of training in treasury management due to its increasing complexity. There are two categories of relevant individuals: -

- a) Treasury management staff employed by the Council.

All treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Council operates a Performance Appraisal Scheme which identifies the training requirements of individual members of staff engaged on treasury related



activities.

Additionally, training may also be provided on the job and it will be the responsibility of the Head of Finance (Deputy Head of Finance wef 1/7/16) to ensure that all staff under his / her authority receive the level of training appropriate to their duties. This will also apply to those staff who, from time to time cover for absences from the treasury management team.

- b) Members charged with governance of the treasury management function. All elected members were invited to attend a Treasury Management training session delivered by our treasury management consultant prior to the Council meeting 3 December 2015 and further training will be arranged as required.

## **10.2 Details of Approved Training Courses**

Treasury management staff will attend courses provided by our treasury management consultants, CIPFA, etc.

## **10.3 Records of Training Received by Treasury Staff**

Records are maintained within the HR21 system and on individual officers Personal Development Plans.

## **10.4 Approved Qualifications for Treasury Staff**

Staff involved with the day to day treasury management function, have the following incorporated within their job description:

- To manage the Council's day to day investment and borrowing requirements in accordance with the Treasury Management Strategy.
- To assist with the drafting of the Treasury Management Strategy and associated Member reports.

## **10.5 Statement of Professional Practice (SOPP)**

1. Where the Chief Financial Officer is a member of CIPFA, there is a professional need for the CFO to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.
2. Other staff involved in treasury management activities who are members of CIPFA must also comply with the SOPP.

## **10.6 Member training records**

Records will be kept by Democratic Services of all training in treasury management provided to members.

## **10.7 Members charged with governance**

The Overview and Scrutiny Committee has been nominated as the responsible body for ensuring scrutiny of the treasury management strategy and policies. Members charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.

## **TMP 11 USE OF EXTERNAL SERVICE PROVIDERS**

### **11.1 Details of Contracts With Service Providers, Including Bankers, Brokers, Consultants, Advisers**

This Council will employ the services of other organisations to assist it in the field of treasury management. In particular, it will use external consultants to provide specialist advice in this ever more complex area. However, it will ensure that it fully understands what services are being provided and that they meet the needs of this organisation, especially in terms of being objective and free from conflicts of interest.

It will also ensure that the skills of the in house treasury management team are maintained to a high enough level whereby they can provide appropriate challenge to external advice and can avoid undue reliance on such advice.

Treasury management staff and their senior management will therefore be required to allocate appropriate levels of time to using the following sources of information so that they are able to develop suitable levels of understanding to carry out their duties, especially in challenge and avoiding undue reliance.

- The quality financial press
- Market data
- Information on government support for banks and
- The credit ratings of that government support

#### **11.1.1 Banking services**

- a) Name of supplier of service: National Westminster Bank.  
The branch address is:  
Church Street,  
Fleetwood  
FY7 6JS  
Tel: - 0845 6012288
- b) Regulatory status – banking institution authorised to undertake banking activities by the FCA
- c) 12 month contract commencing 1/1/15 (A procurement exercise is currently underway).
- d) Cost of service is variable depending on schedule of tariffs and volumes.
- e) Payments due quarterly.

#### **11.1.2 Money-broking services**

The Council will use money brokers for temporary borrowing and investment and long term borrowing. It will seek to give an even spread of business amongst the following approved brokers.

Name of supplier of service:

- a) RP Martin Brokers (UK) plc  
Cannon Bridge House  
25 Dowgate Hill  
London

EC4R 2BB  
Tel: 0207 469 9000  
Regulatory Status: FCA registered counterparty 187916

- b) Tullett Prebon Europe Ltd  
Tullett Prebon Group Ltd  
155 Bishopsgate,  
London,  
EC2M 3TQ  
Tel: 020 7200 7000  
Regulatory Status: FCA Authorised 146880
- c) Tradition UK Ltd  
Beaufort House  
15 St. Botolph Street  
London  
EC3A 7QX  
Tel: 0207 377 0050  
Regulatory Status: FCA Authorised 139200

When undertaking temporary borrowing, the brokers currently charge commission at 1% of interest due. There is no commission charge for undertaking investment transactions.

#### **11.1.3 Consultants'/advisers' services**

##### Treasury Consultancy Services

The Council will seek to take expert advice on interest rate forecasts, annual treasury management strategy, timing for borrowing and lending, debt rescheduling, use of various borrowing and investment instruments, how to select credit worthy counterparties to put on its approved lending list etc.

- a) Name of supplier of service is: Capita Asset Services Limited.  
Their address is:  
40 Dukes Place  
London  
EC3A 7NH  
Tel: 0871 664 6800
- b) Regulatory Status: Investment Advisor authorised by the FCA
- c) Contract commenced 01.04.07 and was renewed for a 3yr period commencing 1/4/14.
- d) Cost of the service is £7,750 per year.
- e) Payments due in two instalments in September and March

#### **11.1.4 Leasing Consultancy Services**

The council currently have no requirement for leasing consultancy but previously used Chrystal Consulting.  
Other Consultancy services may be employed on short-term contracts as and when required

#### **11.1.5 Custodian Facility**

The council will use a Custodian Facility as required when it invests in Certificates of Deposit (CD's).

### **11.1.6 Credit Rating Agency**

The Council receives a credit rating service through its treasury management consultants, the cost of which is included in the consultant's annual fee.

### **11.2 Procedures and Frequency for Tendering Services**

The banking contract was recently reviewed for 12 months commencing 1/1/15 and a procurement exercise is currently underway. The treasury consultancy service was renewed for a 3yr period commencing 1/4/14. The process for advertising and awarding contracts will be in line with the Council's Financial Regulations and Financial Procedure Rules.

## **TMP 12 CORPORATE GOVERNANCE**

### **12.1 List of Documents to be Made Available for Public Inspection**

- a) The Council is committed to the principle of openness and transparency in its treasury management function and in all of its functions.
- b) It has adopted the CIPFA Code of Practice on Treasury management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.
- c) The following documents are available for public inspection: -
  - Statement of Accounts
  - Revenue Estimates and Capital Programme
  - Medium Term Financial Plan
  - Treasury Management Policy Statement and Practices
  - Treasury Management and Annual Investment Strategy
  - MRP Policy Statement
  - Annual Treasury Management Report
  - Half Yearly Treasury Management Report
  - Minutes of Council/Cabinet/Overview and Scrutiny Committee Meetings

## **TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2016/17**

### **1. Introduction**

#### **1.1 Background**

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

CIPFA defines treasury management as:

*"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

#### **1.2 Reporting requirements**

The Council receives and approves, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

##### **Prudential and Treasury Indicators and Treasury Strategy** (this report) -

The first, and most important report covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an Investment Strategy (the parameters on how investments are to be managed).

**An Annual Treasury Report** – This provides details of compliance with prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

**A Mid Year Treasury Management Report** – This will provide members with the activities undertaken, any variation from agreed policies, amending prudential indicators as necessary, and whether any policies require revision.

### **Scrutiny**

The Overview and Scrutiny Committee are responsible for ensuring effective scrutiny of the Treasury Management Strategy and Policies and their annual work programme reflects this requirement.

## **1.3 Treasury Management Strategy for 2016/17**

The strategy for 2016/17 covers two main areas:

### **Capital Issues**

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

### **Treasury management Issues**

- the current treasury position;
- treasury indicators which will limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CLG MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

## **1.4 Training**

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. All elected members were invited to attend a Treasury Management training session delivered by our treasury management consultant prior to the Council meeting 3 December 2015 and further training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

## **1.5 Treasury management Consultants**

The Council uses Capita Asset Services, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

## **2. The Capital Prudential Indicators 2016/17 to 2019/20**

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans. The Cabinet at its meeting on 17 February 2016 approved the list of Prudential indicators which is set out at Annex 1.

### **Capital Expenditure**

Capital expenditure plans and how these plans are being financed by capital or revenues resources were approved by Cabinet on 17 February 2016. Prudential indicator number 1 summarises the Councils capital expenditure plans. The table below illustrates how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a need to borrow.

	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
Capital expenditure	19.117	26.843	18.709	1.082	1.236
Financed by:					
Capital receipts	0.447	0.459	0	0	0
Capital grants and Contributions	17.412	25.799	18.463	0.892	0.892
Revenue/Reserves	1.258	0.585	0.246	0.190	0.344
Net financing need for the year	0	0	0	0	0

### **The Council's Borrowing Need (the Capital Financing Requirement)**

The Capital Financing Requirement (CFR) is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital sources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.

The CFR includes any other long term liabilities (e.g. PFI Schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the

Council is not required to separately borrow for these schemes. The Council does not currently have any such schemes within the CFR. Prudential indicator number 3 at Annex 1 summarises the Councils Capital Financing Requirement. This is shown gross of Adjustment A (the unreconciled difference between the previous credit ceiling and the new CFR per the Prudential Code). In essence, Adjustment A provides a debt liability of £9.5m which the Council is not required to repay through MRP.

#### **Minimum Revenue Provision (MRP) Policy Statement**

The council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision – MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision – VRP). CLG Regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. The Cabinet is recommended to approve the MRP Policy Statement at Appendix 4.

#### **Affordability Prudential Indicators**

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. The indicators at Annex 1, provide an indication of the impact of the capital investment plans on the Councils overall finances.

Prudential indicator number 2 identifies the trend in the cost of capital (borrowing costs net of investment income) against the net revenue stream. Prudential indicator number 4 identifies the revenue cost associated with proposed changes to the capital programme approved by Cabinet on 17 February 2016 compared to previous approved commitments and current plans. As there is no new borrowing planned for 2016/17 or beyond, the increased costs reflect income foregone by using reserves and balances to finance the capital programme. The assumptions are based on the budget and therefore include some estimates.

### **3. Borrowing**

The capital expenditure plans set out in Prudential indicator number 1 provide details of the service activity of the Council. The treasury management function ensures that the Councils cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury/prudential indicators, the current and projected debt positions and the annual investment strategy.

#### **3.1. Current portfolio position**

The Council's treasury portfolio position at 31 March 2015, with forward projections are summarised on the following table. The table shows the actual external debt (the treasury management operations), against the underlying



capital borrowing need (the Capital Financing Requirement - CFR) highlighting any over or under borrowing.

£000	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
<b>External Debt</b>						
Debt at 1 April	1,552	1,552	1,552	1,552	1,552	1,552
Expected change in Debt	0	0	0	0	0	0
Other Long Term Liabilities (OLTL)	4	4	4	4	4	4
Expected change in OLTL	0	0	0	0	0	0
<b>Actual Gross Debt at 31 March</b>	<b>1,556</b>	<b>1,556</b>	<b>1,556</b>	<b>1,556</b>	<b>1,556</b>	<b>1,556</b>
<b>Capital Financing Requirement</b>	<b>11,739</b>	<b>11,643</b>	<b>11,547</b>	<b>11,451</b>	<b>11,355</b>	<b>11,259</b>
<b>Under/(over) borrowing</b>	<b>10,183</b>	<b>10,087</b>	<b>9,991</b>	<b>9,895</b>	<b>9,799</b>	<b>9,703</b>

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2015/16 and the following two financial years. This allows some flexibility for limited, early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

### 3.2. Treasury Indicators: Limits to Borrowing Activity

The Treasury Management indicators at Annex 2 were approved by the Cabinet at its meeting on 17 February 2016.

The Authorised Limit (Treasury management indicator number 1) represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

The Operational Boundary (Treasury management indicator number 2) is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

### 3.3. Prospects for Interest Rates

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates and provide an economic commentary:-

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
March 2016	0.50	1.70	3.20	3.00
June 2016	0.50	1.90	3.20	3.00
Sept 2016	0.50	2.00	3.30	3.10
Dec 2016	0.50	2.10	3.30	3.10
March 2017	0.75	2.20	3.50	3.30
June 2017	0.75	2.30	3.50	3.30
Sept 2017	1.00	2.40	3.60	3.40
Dec 2017	1.00	2.60	3.60	3.40
March 2018	1.25	2.70	3.70	3.50
June 2018	1.25	2.80	3.70	3.60
Sept 2018	1.50	2.90	3.70	3.60
Dec 2018	1.50	3.00	3.80	3.70
March 2019	1.75	3.10	3.80	3.70

UK GDP growth rates in 2013 of 2.2% and 2.9% were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and although the 2015 growth rate is likely to be a leading rate in the G7 again, it looks likely to disappoint previous forecasts and come in at about 2%. The November Bank of England Inflation Report included a forecast for growth to remain around 2.5 – 2.7% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015. Investment expenditure is also expected to support growth. However, since the August Inflation report was issued, most worldwide economic statistics have been weak and financial markets have been particularly volatile. The November Inflation Report flagged up particular concerns for the potential impact of these factors on the UK.

The Inflation Report was also notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013. However, the first round of falls in oil, gas and food prices over late 2014 and also in the first half 2015, will fall out of the 12 month calculation of CPI during late 2015 / early 2016 but a second, more recent round of falls in fuel and commodity prices will delay a significant pick up in inflation from around zero: this is now expected to get back to around 1% by the end of 2016 and not get to near 2% until the second half of 2017, though the forecasts in the Report itself were for an even slower rate of increase. However, more falls in the price of oil and imports from emerging countries in early 2016 will further delay the pick up in inflation. There is therefore considerable uncertainty around how quickly pay and CPI inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing the Bank Rate.

The weakening of UK GDP growth during 2015 and the deterioration of prospects in the international scene, especially for emerging market countries, have consequently led to forecasts for when the first increase in Bank Rate would

occur being pushed back to quarter 4 of 2016. There is downside risk to this forecast i.e. it could be pushed further back.

### **3.4. Borrowing Strategy**

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

The Corporate Director of Resources (Head of Finance wef 1/7/16) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- **if it were felt that there was a significant risk of a sharp FALL in long and short term rates**, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
  - **if it were felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast**, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.
- Any decisions will be reported to Cabinet at the next available opportunity.

#### **Treasury Management limits on activity**

There are three debt related treasury activity limits, the purpose of which are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movements in interest rates. These can be found at Annex 2 Treasury Indicators numbers 4 to 6 which were approved by Cabinet on 17 February 2016.

### **3.5 Policy in Borrowing in Advance of Need**

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds. Risks associated with any borrowing in advance will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

### **3.6 Debt Rescheduling**

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- a) The generation of cash savings and/or discounted cash flow savings;
- b) Helping to fulfil the treasury strategy;
- c) Enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investment are likely to be lower than rates paid on current debts.

All rescheduling will be reported as soon as possible after completion of the exercise to Cabinet.

#### **4. Annual Investment Strategy**

##### **Background: changes to credit rating methodology**

The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed. A consequence of these new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency. In keeping with the agencies' new methodologies, the rating element of Capita's credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used for Standard & Poor's, this has been a change in the use of Fitch and Moody's ratings. It is important to stress that the other key elements to Capita's process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.

The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. Where through the crisis, Capita's clients typically assigned the highest sovereign rating to their criteria, the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions. While this authority understands the changes that have taken place, it will continue to specify a minimum sovereign rating of AA- from Fitch or equivalent. This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution.

It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution. They are merely reflective of a reassessment of rating agency methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the "support" phase of the financial crisis.

#### **4.1 Investment policy**

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second and then return.

In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinions of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as 'credit default swaps' and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in TMP 1 Schedule 1 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.

#### **4.2 Creditworthiness Policy**

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands

- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days

<b>Organisation</b>	<b>Minimum credit criteria / colour band</b>	<b>Max Amount per institution</b>	<b>Max. maturity Period</b>
Term deposits with UK Clearing Banks and UK Building Societies	Purple Orange Blue Red Green	£6m £6m £6m £6m £6m	Up to 2 years Up to 1 year Up to 1 year* Up to 6 months Up to 100 days
Certificates of Deposit with UK Clearing Banks and UK Building Societies	Purple Orange Blue Red Green	£6m £6m £6m £6m £6m	Up to 2 years Up to 1 year Up to 1 year* Up to 6 months Up to 100 days
UK Local Authorities	yellow	£6m £6m	Up to 5 years Up to 1 year
Money Market Funds	AAA	£6m	liquid

\* Part nationalised banks

Capita Asset Services creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just once agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalent) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly but the Council is alerted to changes to ratings of all three agencies through the use of Capita Asset Services creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Capita Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, information on any external support for banks to help support its decision making process.

#### **4.3 Country Limits**

Due care will be taken to consider the country, group and sector exposure of the Council's investments.

The Council has determined that it will only use approved counterparties from countries, other than the UK, with a minimum sovereign credit rating of AA- from Fitch (or equivalent ). This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

#### **4.4 Investment Strategy**

##### **In-House Funds**

Investments will be made with reference to the level of earmarked reserves and balances and the outlook for short term interest rates (i.e. rates for investments up to 12 months).

##### **Investment returns expectations**

The Bank Rate is forecast to remain unchanged at 0.50% before starting to rise from quarter 4 of 2016. Bank Rate forecasts for financial year ends (March) are as follows: -

- 2016/2017 0.75%
- 2017/2018 1.25%
- 2018/2019 1.75%

The suggested budgeted investment earnings rates for returns on investments placed for periods of up to 100 days during each financial year for the next eight years are as follows:

- 2016/2017 0.60%
- 2017/2018 1.25%
- 2018/2019 1.75%
- 2019/2020 2.00%



- 2020/2021 2.25%
- 2021/2022 2.50%
- 2022/2023 2.75%
- 2023/2024 2.75%

The overall balance of risks to these forecasts is currently to the downside (i.e. start of increases in Bank Rate occurs later). However, should the pace of growth quicken and/or forecasts for increases in inflation rise, there could be an upside risk. The Council has taken a prudent approach in determining the budgeted investment return of 0.53% on investments placed during the 2016/17 financial year.

#### **4.5 Investment treasury indicator**

There are currently no plans for funds to be invested for a period greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year end. For its cash flow generated balances, the Council will seek to utilise its instant access and notice accounts, money market funds and short rated deposits (overnight to 100 days) in order to benefit from compounding of interest.

#### **4.6 End of year investment report**

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

**Prudential and Treasury Management Indicators**

**Annex 1**

**Prudential Indicators**

Indicator No.

1. The actual capital expenditure incurred in 2014/15 and the estimates of capital expenditure for the current and future years that are recommended for approval are:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000	£000
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Housing	977	974	892	892	892	892
Environmental Protective and Cultural Services	14,351	18,143	25,951	17,817	190	344
<b>Total</b>	<b>15,328</b>	<b>19,117</b>	<b>26,843</b>	<b>18,709</b>	<b>1,082</b>	<b>1,236</b>

2. Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2014/15 are:

Ratio	0.79%	0.54%	0.54%	0.10%	0.74%	0.79%
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The estimates of financing costs include current commitments and the proposals in the budget report.

3. Estimates of the end of year capital financing requirement for the authority for the current and future years and the actual capital financing requirement at 31<sup>st</sup> March 2015 are:

	31/3/15	31/3/16	31/3/17	31/3/18	31/3/19	31/3/20
	£000	£000	£000	£000	£000	£000
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
Total Capital Financing Requirement (Expenditure less capital grants and use of usable/setaside receipts)	11,739	11,643	11,547	11,451	11,355	11,259

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose.

To ensure that debt over the medium term is only for capital purposes, debt should not except in the short term exceed the Capital Financing Requirement for the previous, current and next two financial years.

4. Estimates of Impact of Capital Investment Decisions on the Band D Council Tax

	2015/16	2016/17	2017/18	2018/19	2019/20
	£	£	£	£	£
	Estimate	Estimate	Estimate	Estimate	Estimate
Wyre Council Band D Council Tax	180.16	180.31	180.34	180.37	180.42

These forward estimates reflect the impact of future capital programmes, are not fixed and do not commit the Council.

## Prudential and Treasury Management Indicators

### Treasury Management

Wyre Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services.

Indicator  
No.

#### 1. External Debt - Authorised Limit (Old Section 45 Limit/New Section 3 Limit)

	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000
	Estimate	Estimate	Estimate	Estimate	Estimate
Borrowing	24,000	24,000	24,000	24,000	24,000
Other Long Term Liabilities	0	0	0	0	0
Total Authorised Limit	24,000	24,000	24,000	24,000	24,000

Limit for total external debt (gross of investments).

#### 2. External Debt - Operational Boundary (Reasonable Limit-day to day)

	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000
	Estimate	Estimate	Estimate	Estimate	Estimate
Borrowing	13,739	13,739	13,739	13,739	13,739
Other Long Term Liabilities (Deferred Liabilities)	4	4	4	4	4
Total Operational Boundary	13,743	13,743	13,743	13,743	13,743

Limit for total external debt (gross of investments).

#### 3. Actual External Debt

	31/03/15
	£000
	Actual
External Debt-Temporary Borrowing	0
External Debt-PWLB	1,552
Other Long Term Liabilities	4
Total Actual External Debt	1,556

It should be noted that actual external debt is not directly comparable to the authorised limit or operational boundary, since the actual external debt reflects the position at one point in time.

## 4. Fixed Interest Rate Exposures

	2015/16	2016/17	2017/18
	%	%	%
	Estimate	Estimate	Estimate
Principal sums outstanding in respect of borrowing at fixed rates	100	100	100
Principal sums outstanding in respect of investments that are fixed rate investments	25	25	25

## 5. Variable Interest Rate Exposures

	2015/16	2016/17	2017/18
	%	%	%
	Estimate	Estimate	Estimate
Principal sums outstanding in respect of borrowing at variable rates	25	25	25
Principal sums outstanding in respect of investments that are variable rate investments	100	100	100

## 6. Maturity Structure of Borrowing

It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowing as follows.

Amount of projected borrowing that is fixed rate maturing in each period as a % of total projected borrowing that is fixed rate at the start of the period.

	Upper Limit	Lower Limit
Under 12 months	100	0
12 months and within 24 months	45	0
24 months and within 5 years	75	0
5 years and within 10 years	75	0
10 years and above	100	0

## 7. Total principal sums invested for periods longer than 364 days

	2014/15	2015/16	2016/17
	£000	£000	£000
	Estimate	Estimate	Estimate
Total principal sum invested to final maturities beyond the period end	0	0	0

## MINIMUM REVENUE PROVISION POLICY STATEMENT 2016/17 (England and Wales)

### 1. The Council's Adopted Approach

The Council implemented the new Minimum Revenue Provision (MRP) guidance in 2008/09 and will assess their MRP for 2016/17 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

All expenditure reflected within the debt liability at 31 March 2008 will under delegated powers be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method (Asset Life Method). For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.

Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives

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Report of:	Meeting	Date	Item no.
Cllr L Bowen, Leisure and Culture Portfolio Holder and Michael Ryan, Corporate Director of People and Places	Cabinet	23 March 2016	8

<b>Poulton and Thornton Leisure Centres Capital Improvement Works</b>
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## 1. Purpose of report

1.1 To approve the funding of additional works as part of the Capital Improvement Scheme at Poulton and Thornton Leisure Centres and associated increase in client side costs.

## 2. Outcomes

2.1 Improved leisure facilities with a significant reduction in ongoing revenue expenditure.

## 3. Recommendations

3.1 That expenditure amounting to £152,336, in respect of contract variations at Poulton and Thornton Leisure Centres be approved.

3.2 That the additional client side costs payable to AECOM amounting to £50,000 be agreed.

## 4. Background

4.1 At the meeting of the Cabinet on 22 October, 2014, it was agreed to include provision for replacement roof coverings at Poulton and Thornton Leisure Centre as part of the approved package of capital works at a cost of £380,000.

4.2 Approval was also given to increase client side support from AECOM Limited by an amount of £15,000 as a result of the scheme extending beyond the original date for completion (Minute CAB.34 refers).

## 5. Key issues and proposals

- 5.1 As part of the scheme development a number of variations have been agreed totalling approximately £152,000. These include:

### Thornton

- Survey and repair of pre cast concrete units
- additional preparation of existing floors
- replace five windows on east elevation
- overlay existing valley gutter and metal roofs
- UV lighting to ten pin bowling alley
- external lighting to building

### Poulton

- removal of existing duct work to swimming pool air handling unit and installation of new ducting
- replacement air handling unit to swimming pool

- 5.2 The amendments to the scheme and revised completion dates have also resulted in associated increased client side support costs by AECOM of £50,000.
- 5.3 The capital investment was made on the basis of achieving revenue savings from the operation of the Council's leisure facilities by the Fylde Coast YMCA. The revenue budget for 2015/16 included a reduction of £130,000 as a result of the investment. The service is on course to deliver within the approved budget.
- 5.4 In addition, Members should be aware that the Contractor has lodged an Extension of Time claim. The extent of this claim is being vigorously opposed by the Council as revised completion dates were only partially due to variations added to the Contract by the Council. The details of the future settlement of this claim will be reported in due course.

<b>Financial and legal implications</b>	
Finance	After Cabinet's 22 October 2014 approval the total of client side costs and Poulton and Thornton Leisure Centre works, was £6,069,303. The additional client side (£50,000) and contract variations (£152,336), that will be funded by the Capital Investment Reserve, increase the overall scheme total to £6,271,639. This is reflected in the Cabinet Capital Programme approved by Cabinet 17 February 2016.



Legal	Compliance with the Council's Financial Procedure Rules Appendix F which permits exemptions to the contract procedures where the goods works or services constitute an extension or variation of an existing contract.
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**Other risks/implications: checklist**

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	✓

risks/implications	✓ / x
asset management	✓
climate change	x
data protection	x

report author	telephone no.	email	date
Michael Ryan, Corporate Director of People & Places	01253 887605	<a href="mailto:michael.ryan@wyre.gov.uk">michael.ryan@wyre.gov.uk</a>	24/2/16

List of background papers:		
name of document	date	where available for inspection

**List of appendices**

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