

The Sustainable Communities Act proposal form

Using this form

This form should be used to submit proposals under the Sustainable Communities Act to the LGA for short listing. Please complete all sections and then email a copy to selector@lga.gov.uk. These must be received by **July 31st 2009**, and you will receive confirmation that the form has been received.

Once submitted, information within this form may be made publicly available, unless you request for it to be kept private. We will treat information submitted sensitively. If you wish to attach any relevant presentations or graphs etc. please attach them separately in the email.

For questions regarding the act or the role of the Selector, please see our [FAQs](#). Any further questions can be directed to selector@lga.gov.uk.

Section 1: Proposal Summary

Proposing Authority

Under the terms of the Sustainable Communities Act, all proposals must be submitted by a local authority, or group of authorities, in England. Any group, organisation or individual may originate or develop a proposal. However all proposals will require Local Authority endorsement and submission to the Selector.

Parish councils and other organisations and agencies must seek support and formal endorsement from a proposing local authority (defined in the Act as county councils, district councils (including metropolitan, non metropolitan and unitary authorities), the common council of the city of London or the Council of the Isles of Scilly).

1.1 Lead Authority name

South Hams District Council

1.2 Is this proposal submitted by this authority alone, or is it a joint proposal with other local authorities? (If joint please list authorities)

1.3 Who is the lead contact (s) in the authority for this proposal? Please provide email address and telephone number - *The LGA will direct any enquiries to this contact.*

Laura Payne, Policy Implementation Officer
laura.payne@southhams.gov.uk 01803 861325

Supporting Organisations

Whilst proposals may only be submitted by a local authority, we acknowledge that local partners and outside organisations may wish to register support for the proposal. This is entirely voluntary.

1.4 Please provide details below of supporting organisations to your proposal. Please explain if the organisation is a charity, company, unincorporated association or other body. If a charity or company please provide registration numbers. If a local partnership please explain the relationship to the Local Strategic Partnership for the area.

This Proposal was put forward by one of our Officers and was based on an example proposal distributed by Local Works.

Summary of your proposal

Please summarise your proposal. You may wish to include:

- The main elements of your proposal
- What issues your proposal is addressing and how it will promote the sustainability of the local community
- Who is affected by this proposal and how?
- Which public bodies might be affected?
- What are the main actions needed from Government?
- What do you expect this proposal to achieve?

1.5 Please enter your summary below (*word limit 1000 words*)

Main Elements: In two tier local government areas, the Government to give Billing Authorities the power to create a separate fund for all the additional revenue raised from council tax on second homes. This is fund to be used specifically for the investment in local affordable housing needs and tackling service provision issues caused by second home ownership.

In other words - the 40% additional council tax that is raised if the Billing Authority has resolved to reduce the second homes discount from 50% to 10% (second home owners are charged 90% Council Tax), be not paid to the Precepting Authorities, but retained by the Billing Authority, in order to tackle housing, community and service problems caused or contributed to by a high number of second homes within their locality.

Issues Addressed: Second homes can have a significant impact on the nature and sustainability of local communities. Issues arising from a high percentage of second home ownership in an area include:

- An increase in house prices, usually resulting in local people being priced out of the market;
- A decline in local services, such as local schools, shops, pubs and post offices;
- An increased pressure for building new housing on greenfield sites;
- Empty properties can result in a honey pot for crime, draining local resources;
- A lower amount of Council Tax is paid, therefore local authority services can suffer.

Local services, supported by local people are the heart of rural communities. Towns and villages impacted on by a high percentage of second home ownership are unsustainable, losing vital services due to unsustainable levels of permanent residents.

The Local Government Act 2003 allowed Billing Authorities to charge up to 90% (from 50%) Council Tax for second home owners. This additional 40% of tax goes to the Precepting Authorities, for example County Councils in two-tier areas, where it can be spent across all services. If legislation changed to allow the Billing Authorities to retain the additional tax, this could be used to target the issues that second homes can create in the local area concerned.

Who is affected: Local people of towns and villages in rural locations who have a high percentage of second homes. Particularly affected are young workers and families who are displaced by being priced out of the local market, or suffer from lack of community facilities due to a lack of support from a low number of permanent residents. For example in Cornwall in 2006, almost 4,000 of what were mainly family homes are no longer available to local people as they have become second homes.¹

Public bodies affected: In the South Hams, the additional funds raised from reducing the discount on Council Tax charged to second home owners from 50% to 10% is distributed between the Precepting authorities of Devon County Council, South Hams District Council, Devon and Cornwall Police Authority, and the Fire Service. If this proposal was implemented it would result in the Billing Authority (District Council/Unitary Authority) receiving an additional income, in the South Hams this would be approximately £2.4million (based on recent collection figures). This will obviously have a budget impact on the remaining Precepting Authorities. However the aim of the Local Government Act 2003 that gave local authorities the powers to decrease the discount applied to second homes, was for the money to be retained locally and spent on rectifying the issues caused. This proposal will ensure the original aims of the policy are met, rather than the resulting expenditure of Precepting Authorities across all service areas, not targeted at alleviating problems of second homes.

Main actions from Government:

This proposal stems from the Commission for Rural Communities report and recommendations concerning the impact of reducing the second homes Council Tax discount on rural local authorities in 2004/2005 (2005)².

The recommendations that South Hams District Council and our local community support are:
- for the Communities and Local Government Department to consider amending legislation and regulations, as necessary, to permit the retention by the Billing Authority of all additional resources raised from the reduction of the second homes council tax discount, i.e. the retention of the additional 40% revenue raised from second homes owners, to be spent only on tackling housing, community and service problems caused or contributed to by a high number of second homes within their locality.

Benefits of Proposal: In areas where second home ownership is high, this proposal would result in a great number of benefits as there would be a large fund available to the local second tier authority to spend on affordable housing delivery and increased service provision to those in greatest need.

The additional funding available would be ring-fenced for affordable homes in the affected local areas, benefiting key workers, young families and those priced out of the local market. Funds would also be available for sustaining local services impacted on by a lack of a significant number of permanent residents such as rural schools, bus services and post offices.

This proposal would enable many 'local' people to stay in rural areas, which in turn would result in local services becoming more sustainable. This proposal would be a driver for a sustainable community in areas where second homes are an issue.

¹Hansard Written Answers, 2006, Matthew Taylor

²Commission for Rural Communities, 2005. Evaluation of the use of reduced council tax discount from second homes by rural authorities 2004/2005.

Section 2: About your proposal

The form asks a set of questions to gather as much information as possible to allow for assessment and short-listing by the Selector. A word-limit is stated for each part of the form.

We appreciate that SCA proposals will vary in range and scope, and some questions will be more relevant than others for any one proposal. Please do not feel that answers are required for every questions or that the full word limit need be used in respect of each and every question box. If you are submitting a joint proposal, please include evidence for all areas.

Impact on sustainability *(word limit 2000 words)*

2.1 Please explain how your proposal promotes sustainability as defined locally (for example in your Sustainable Communities Strategy or LAA)

Within our SCS we have defined sustainable development as '*taking into account the future affects of our activities so that the ability of future generations to meet their own needs is not compromised*'. Our SCS aims to ensure that communities in the South Hams continue to be desirable places to live and work, with good quality local public services and an environment to cherish. It also aims to reflect the local culture of South Hams, ensuring promotion of equality and diversity.

Within the South Hams house prices leapt from £115,000 in 2000 to £262,000 in 2004, peaking at £280,000 in 2007. Current prices (May 2009) indicate that an average property in the South Hams is just over 13% higher than the national average* at £254,703, likely to be pushed up due to the high percentage of second homes currently at 9.75% (2008), where nearly one in ten houses is a second home. This high number of second homes inflicts many problems for the local people of the South Hams, beyond rising house prices. By ring-fencing the additional money raised from increasing second homes council tax, SHDC can ensure that the South Hams continues to be a desirable place to live and work for everyone, particularly local young people. The extra funds will enable the provision of more affordable housing and sustaining of public services, currently declining or at risk by the high numbers of second home ownership in the local area.

* (£224,064 May 2009)

2.2 Over which geographic area will your proposal impact? (e.g. neighbourhood, town, city, sub-region)?

This proposal will have most impact and benefit in local authority areas where second home ownership is high and where this ownership results in the loss of local services and young local buyers to surrounding regions.

2.3 Who would benefit from your proposal?

Those who would benefit the most from this proposal are local families, key workers and young first-time buyers who are being priced out of the market. The South Hams has one of the worst house price: wage ratios outside of the South East, this forces young people away from the area in which they grew up in and causes a gap in the employment market.

2.4 What steps will you take to mitigate any adverse affects on sustainability from your proposal (if relevant)?

Ring-fencing the additional 40% council tax received from second homes, to be spent in local Billing Authority areas on issues directly caused or contributed to by a high number of second homes, will result in approximately £2.4million (2008/09 figures) removed from the budgets of Precepting Authorities in the South Hams such as Devon County Council and the Police Authority. This is likely to cause initial problems. SHDC supports the CRC recommendations that there should be clear and well publicised local agreements between county and district councils on the reduced discount and application of funds. These should be reinforced by transparent, explicit and straightforward arrangements for administering the collection, allocation and application of funds, open to public scrutiny. It is thought that targeted funding administered by the local Billing Authority will act to alleviate a lot of the problems that affect many of the other Precepting Authorities, for example policing and upper tier service provision such as education. The local knowledge of the Billing Authority will enable the additional funds to be spent where it is needed, tackling issues caused by second homes, for local people.

2.5 What project, activities and changes would take place in your area if your proposal was successful?

The additional funds will be spent by the Billing Authority to:

- increase the provision of Affordable Housing in locations of most need;
- give financial and business support to affected local services such as bus companies, post offices, local outlets and local schools;
- improve provision of affordable family homes to create a sustainable, desirable, enjoyable place to live for all;
- to enable the local economy to be improved by the provision of housing for local workers who can spend their money earned in the South Hams, within the South hams, rather than living beyond our boundaries.

2.6 Does your proposal involve transfers of responsibilities between public bodies in the area? If so what are these? What budgetary implications might be involved?

There will not be a transfer of responsibilities resulting from this proposal, just a transfer of funding administration. This proposal would enable second tier authorities to fulfill their roles as housing providers and place shapers for their local people. The original aim of introducing the option of reducing the second homes council tax discount in the 2003 Act, was to use the additional revenue to combat the adverse affects second homes were having to communities. However over time this aim has not been maintained by authorities and the additional revenue raised has been spent on other priorities or excessive bureaucracy has got in the way (CRC 2005²). This proposal will ensure that the true meaning of the original policy is implemented.

Local authorities are required to 'have regard' to a set of specific issues when deciding whether to support SCA proposals. These are matters listed in Schedule 1 of the Act, as passed by Parliament¹. It is worth noting that the issues listed in the Act are not supposed to be exhaustive and that ideas can cover anything that promotes the sustainability of the local area.

Many of these matters may not be relevant to any one proposal. If you are submitting a joint proposal please include evidence for all areas.

2.7 Please identify which, if any, of the issues authorities are required to have regard to, are relevant to this proposal and include any data and information which you feel would be helpful in the assessment process.

a) the provision of local services

In the South Hams, this proposal will result in the Billing Authority receiving approximately £2.4million additional funds, ring-fenced to promote the sustainability of areas affected by second homes. Part of this funding will be used to improve and sustain local services such as schools, buses and post offices.

b) the extent to which the volume and value of goods and services that are- i) offered for sale, ii) procured by public bodies, and are produced within 30 miles (or any lesser distance as may be specified by a local authority in respect of its area) of their place of sale of the boundary of the public body.

c) the rate of increase in the growth and marketing of organic forms of food production and the local economy

d) measures to promote reasonable access by all local people to a supply of food is adequate in terms of both amount and nutritional value

e) the number of local jobs

Through the additional funding available, the Billing Authority will ensure that local people can afford to stay in the area in which they grew up in. People of working age and particularly first-time buyers have been priced out of the local market in many rural areas. By providing more appropriate affordable housing, not only will there be additional construction work, but local workers can live in local areas, close to jobs.

f) measures to conserve energy and increase the quantity of energy supplies which are produced from sustainable sources within a 30 mile radius of the region in which they are consumed

g) measure taken to reduce the level of road traffic including, but not restricted to, local public transport provision, measures to promote walking and cycling and measures to decrease the amount of product miles

Public transport provision has suffered in areas where there is no longer a large enough permanent population to sustain it. As well as providing housing for an increased permanent population, the ring-fenced funding will be used to sustain a local bus service to help keep local people and other local services connected in a sustainable way.

h) the increase in social inclusion, including an increase in involvement in local democracy

i) measures to increase mutual aid and other community projects

j) measures designed to decrease emissions of greenhouse gases

k) measures designed to increase community health and wellbeing

In areas where second home ownership is high, there is a lack of community well-being as, in some cases more than 40% of the population are not permanent residents (Salcombe, South Hams). The impact of this is not just on local services and house prices, but also on the culture of local communities. By providing additional funding for housing, jobs and services in areas where it is most needed, community well-being will flourish.

¹ The Sustainable Communities Act is available here : http://www.opsi.gov.uk/acts/acts2007/ukpga_20070023_en_1

- l) planning policies which would assist with the purposes of this Act, including new arrangements for the provision of affordable housing

Planning policies currently in place by SHDC will meet local affordable housing needs, the additional funds resulting from this proposal will enable the policies to be fully delivered at a time when the construction market has slowed.

- m) measures to increase the use of local waste materials for the benefit of the community

Existing Barriers

(Please do not write more than 1000 words for 2.8 and 2.9)

2.8 What are the existing barriers to implementing your proposal?

Despite the aim of the policy that enabled the reduction of the Council Tax discount for second home owners, to be for the additional funds raised to be focussed on alleviating the problems caused by second homes, this has not occurred and funds are continuously being spent across all priorities of Precepting Authorities.

There is no political will to ring-fence this tax voluntarily as there are too many competing priorities for local authorities.

Therefore a piece of legislation is required to prevent communities that are affected by a large number of second homes from becoming 'ghost' town and villages where little or no services operate in winter months.

2.9 What actions are needed by Government to make your proposal possible?

For Communities and Local Government to consider amending legislation and regulations, as necessary, to permit the retention by the Billing Authority of all additional resources raised from the reduction of the second homes council tax discount, i.e. the retention of the additional 40% revenue raised from second homes owners to be spent only on tackling housing, community and service problems caused or contributed to by a high number of second homes within their locality.

There would be no requirement for any additional funding from government to implement and sustain this proposal.

Part 3: Local Authority Endorsement

This section should be completed by the proposing local authority. (Under the terms of the act this means a county council in England, a district council (including metropolitan, non metropolitan and unitary authorities), a London borough council, the Common Council of the City of London or the Council of the isles of Scilly)

3.1 Have consultation requirements been met? (500 words max)

Please confirm that your authority has met the statutory requirements for consultation on this proposal, via one or more panels of local representatives and persons from under-represented groups constituted in accordance with the Act and statutory guidance as set out in [*Strong Safe and Prosperous Communities*](#).

You may wish to describe who has been involved in discussions and development of the proposal (*e.g. council, local community organisations and residents groups, parish or town councils, local partnership bodies, local or national organisations, political parties, church and faith organisations, local businesses or chambers of commerce and others*).

If you have not done so already please give brief details of relevant panel meetings.

Please note if you are submitting a joint application please provide details of consultation and local support across all areas.

South Hams District Council developed the scope of our implementation plan by taking into account the requirements of the Act, as well as the viability of successful implementation with limited time and resources.

Our proposals were raised at a special Sustainable Communities Act event for the Community Partnership Forum (CPF) and all South Hams District Council Members on 23rd February. The CPF exists under the South Hams Strategic Partnership (SHSP) and consists of close to 200 organisations including voluntary, community, church and faith, statutory organisations and charities, as well as all of our local town and parish councils. Members of the SHSP and other interested local district councils and Devon County Council were also invited to attend. Members of the CPF include organisations that represent under-represented groups within the district such as BME and young people. Both these groups were able to attend the event.

At the event, close to 200 proposals were raised and discussed and a shortlist was created by attendees voting on the proposals they would like to see taken forward. The shortlist of eleven proposals was formulated into a survey for our Community Sounding Board. Our Sounding Board is a panel of close to 1,000 local residents that are demographically and geographically representative of our whole community, this Panel also included under represented groups. We felt it was necessary for our wider community to rank the shortlist in order of importance to the local community, as at the time of planning we were uncertain of the time available and resources required to write proposals up for submission due to the unknown publication date and style of the LGA Submission Form. We felt that as there was a risk not all of our proposals would be written-up in time, we had to focus our resources on those of most importance to our community.

We believe that by involving more than one 'panel' both containing under represented groups/individuals and agreeing our proposals with a large number of our community, South Hams District Council has met the requirements of the Act.

3.2 What are the views from this consultation? You may wish to provide evidence of local support for your proposal? This might include petitions or letters of support from the public, local councillors, Members of Parliament, businesses, public bodies and agencies? Please describe this evidence below. (*The local authority submitting the proposal is likely to wish to review such material and to summarise its content. Onward submission to the Selector of all original documentation will not normally be required*).

This Proposal was put forward by one of our officers and was part of a list of example proposals we placed on the tables of the CPF event to help stimulate discussion. There was no requirement for any of the examples to be put forward unless support was given from the community or one of our attending Members. The proposal was put forward by more than one attendee of the CPF event and was voted on by all who attended the event. This proposal received 21 votes from the

CPF event, and was placed 6th out of the 11 proposals short listed that received 10 or more votes. The Community Sounding Board voted this proposal as their second priority out of the eleven short listed, receiving 20% of the total votes.

Proposals may include a change/transfer of functions from one person to another. If this is relevant to your proposal please confirm that the duties under clause 2, subsection 3 of the act (consulting with organisations affected by a change in location of a function) have been carried out.

3.3 Please give brief details of consultation with any affected organisations

Although there are no transfers of functions, Devon County Council are aware of this proposal.

3.4 Confirmation of council support

The process for formal endorsement is a matter for local discretion; however we anticipate that authorities will wish to gain political endorsement and clearance for the proposal through the relevant processes at local level. Please give details of how formal approval has been attained.

A report detailing all eleven proposals short-listed from our CPF event and ranked by our Sounding Board was taken to the South Hams District Council Executive Committee on 16th July 2009.

The Executive resolved to endorse/approve this proposal for submission to the LGA for consideration for implementation under the Sustainable Communities Act.

3.5 General comments

This is an opportunity for the local authority to express any additional comments or views on the proposal: This may include: *(1500 words max)*

- the council's view of levels of local support for the proposal
- any local opposition or objections that the Selector should be aware of
- relevance of the proposal to the area's Sustainable Community Strategy and Local Area Agreement
- outcome of any local authority discussions with agencies or public bodies affected
- potential regional/national significance of the proposal, if replicated elsewhere
- any major resource implications for the council or its local partners
- any other factors influencing viability and achievability of the proposal

Part 4: Assessment by the Selector

SCA proposals will be assessed by the LGA as Selector. This will include consideration, short listing and negotiation with the Secretary of State via the LGA Selector panel made up of councillors from the four parties represented on the LGA

The LGA Selector Panel is committed to undertaking the role in a transparent manner; as such reasons for decisions on proposals will be made available.

There will be no appeals process in relation to decisions of the Selector Panel.

4.1 Do you confirm your agreement to abide by the outcome of the Selector's assessment and decision-making processes?

Yes, South Hams District Council confirms to abide by the outcome of the Selector's assessment and decision-making processes.

4.2 Would your council, accompanied by the originators of the proposal, wish to make a short verbal presentation to the Selector Panel, should this opportunity be available?

Yes

Thank you for completing this form.

Please email it to selector@lga.gov.uk by 31 July 2009.