

Second Homes Council Tax – Update

Joint report of the Chief Executive and the Director of Finance

Recommendations: It is recommended that Members:

- a) **Welcome the successful use of the additional funding generated by the 90% levy of council tax on Second Homes in Torrige and prepare a media statement with Torrige District Council to celebrate our successes.**
- b) **Notes the actions required to complete the programme**

Summary

This report provides an update on the use of receipts from second homes council tax, allocated in the years 2004/05 and 2005/06 to support local housing schemes and seeks agreement on the use of unallocated resources.

1. Background

In May 2004 the County Council Executive set out its scheme of management for the use of the receipts from the additional levy on second homes. Proposals for the use of the Torrige receipts were agreed with the District Council and progress reports have been provided to the County Committee.

2. Summary of available resources

The total resources available over the two years were £604,000, of which Devon County Council contributed £498,000. The spend profile is set out in appendix 1.

3. Summary of action to date

3.1 Schemes Agreed for 2004/5

- a) **Salterns** – This scheme was developed through Signpost Housing Association and provided 21 properties, all of which have been let to local people. .
- b) **Holsworthy Community Property Trust** – The investment with the CPT enabled them to build the capacity of the organisation. Their first scheme was for five units shared equity flats above the former Somerfield supermarket. These were handed over in March 2007 and all units occupied. The HCPT is continuing to look at further opportunities both in and around Holsworthy
- c) **High Bickington** – The project has now secured planning consent and is hoping to shortly agree a contract to develop the first phase of housing.
- d) **Teakey Park, Hartland** – 18 units of accommodation of which 14 are for rent (2 one bed, 6 two bed, 5 three bed and 1 four bed) and 4 for shared ownership (2 two bed and 2 three bed). The scheme has obtained planning permission although experienced some delays in starting on site. However the project remains active and it is anticipated that the scheme will start on

site in the early part of 2010. The sum allocated for this project remains committed.

e) Indigo, Meddon St., Bideford – 17 units were completed by Devon and Cornwall Housing Association for shared ownership. However, market conditions meant that potential purchasers could not secure mortgages and, as a result, they were converted to 'intermediate' rented properties. Most of the units are now let. The remainder will be let during September through the Home2Own register to continue to meet the 'intermediate' need in this area.

f) Little Orchard, Great Torrington – The previous scheme, for 19 units of accommodation, did not secure planning permission and a revised scheme for a minimum of 11 units and maximum of 16 is being worked on with the Town Council. The sum allocated for this project remains committed.

4. Financial considerations

These are fully explained above and in appendix 1

5. Sustainability considerations

These proposals are financially sustainable as they are contained within a fixed sum of money. Wider sustainability issues will be managed through the planning process, including building design and impact upon local communities. The latter has been considered as part of either parish planning work or through the survey undertaken with the support of the Rural Housing Enabler.

6. Conclusion

Housing is a key priority for the Torridge area and the County Council has demonstrated its commitment to this work by releasing a substantial sum of money to support housing need. Its local and national reputation has been enhanced as a result.

Partnership working with the District Council has been very strong in relation to this area of work and the schemes outlined in this report resulted from considerable work in communities by Rural Housing Enablers at Community Council Devon to assess need. A good mix has been achieved across Torridge.

Phil Norrey
Chief Executive

Mary Davis
Director of Finance.

Electoral Divisions: All in Torridge

[Local Government Act 1972](#)
[List of Background Papers](#)

INCOME FROM THE TAXATION OF SECOND HOMES - SCHEME OF FINANCIAL MANAGEMENT BETWEEN THE COUNTY AND DISTRICT COUNCILS May 2004.

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Appendix 1

AFFORDABLE HOUSING - PAYMENTS TO TORRIDGE DISTRICT COUNCIL

	Total budget	DCC share of budget	Payments as @ 31 March 2009	Invoices received, but not yet authorised	Remaining DCC budget	% of DCC budget spent
Salterns / Tarka Point, Bideford	£225,000	£ 185,000	£184,500.00		£ 500.00	99.7%
Holsworthy Community Property Trust	£ 30,000	£ 27,000	£ 27,000.00		£ -	100.0%
High Bickington	£100,000	£ 100,000	£ 99,236.25		£ 763.75	99.2%
Teakey Park, Hartland	£160,000	£ 113,000			£113,000.00	0.0%
Indigo, Bideford	£ 44,000	£ 36,000			£ 36,000.00	0.0%
Little Orchard, Torrington	£ 45,000	£ 37,000			£ 37,000.00	0.0%
	<u>£604,000</u>	<u>£ 498,000</u>	<u>£310,736.25</u>	<u>£ -</u>	<u>£187,263.75</u>	<u>62.4%</u>