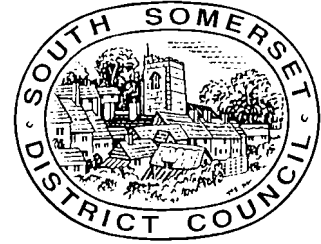


# South Somerset District Council

*Notice of Meeting*



## District Executive

*Making a difference where it counts*

### Thursday 1st September 2016

### 9.30 am

**Council Chamber  
Council Offices  
Brympton Way  
Yeovil  
Somerset BA20 2HT**



Disabled access and a hearing loop are available at this meeting venue.

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Members listed on the following page are requested to attend the meeting.

The public and press are welcome to attend.

If you would like any further information on the items to be discussed, please ring the Agenda Co-ordinator, **Angela Cox 01935 462148**, website:  
[www.southsomerset.gov.uk](http://www.southsomerset.gov.uk)

This Agenda was issued on Tuesday 23 August 2016.

A handwritten signature in cursive script that reads 'Ian Clarke'.

**Ian Clarke**, Assistant Director (Legal & Corporate Services)

This information is also available on our website  
[www.southsomerset.gov.uk](http://www.southsomerset.gov.uk)



INVESTORS IN PEOPLE

# District Executive Membership

Ric Pallister  
Clare Aparicio Paul  
Carol Goodall  
Peter Gubbins  
Henry Hobhouse  
Jo Roundell Greene  
Sylvia Seal  
Peter Seib  
Angie Singleton  
Nick Weeks

## Information for the Public

The District Executive co-ordinates the policy objectives of the Council and gives the Area Committees strategic direction. It carries out all of the local authority's functions which are not the responsibility of any other part of the Council. It delegates some of its responsibilities to Area Committees, officers and individual portfolio holders within limits set by the Council's Constitution. When major decisions are to be discussed or made, these are published in the Executive Forward Plan in so far as they can be anticipated.

Members of the Public are able to:-

- attend meetings of the Council and its committees such as Area Committees, District Executive, except where, for example, personal or confidential matters are being discussed;
- speak at Area Committees, District Executive and Council meetings;
- see reports and background papers, and any record of decisions made by the Council and Executive;
- find out, from the Executive Forward Plan, what major decisions are to be decided by the District Executive.

Meetings of the District Executive are held monthly at 9.30 a.m. on the first Thursday of the month in the Council Offices, Brympton Way.

The Executive Forward Plan and copies of executive reports and decisions are published on the Council's web site - [www.southsomerset.gov.uk](http://www.southsomerset.gov.uk).

The Council's Constitution is also on the web site and available for inspection in Council offices.

The Council's corporate priorities which guide the work and decisions of the Executive are set out below.

Further information can be obtained by contacting the agenda co-ordinator named on the front page.

## South Somerset District Council – Corporate Aims

**Our key aims are:** (all equal)

- **Jobs** - We want a strong economy which has low unemployment and thriving businesses
- **Environment** - We want an attractive environment to live in with increased recycling and lower energy use
- **Homes** - We want decent housing for our residents that matches their income
- **Health and Communities** - We want communities that are healthy, self-reliant, and have individuals who are willing to help each other

# District Executive

## Thursday 1 September 2016

### Agenda

#### 1. Minutes of Previous Meeting

To approve as a correct record the minutes of the District Executive meeting held on 4th August 2016.

#### 2. Apologies for Absence

#### 3. Declarations of Interest

In accordance with the Council's current Code of Conduct (adopted July 2012), which includes all the provisions relating to Disclosable Pecuniary Interests (DPI), personal and prejudicial interests, Members are asked to declare any DPI and also any personal interests (and whether or not such personal interests are also "prejudicial") in relation to any matter on the Agenda for this meeting. A DPI is defined in The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (SI 2012 No. 1464) and Appendix 3 of the Council's Code of Conduct. A personal interest is defined in paragraph 2.8 of the Code and a prejudicial interest is defined in paragraph 2.9.

Members are reminded that they need to declare the fact that they are also a member of a County, Town or Parish Council as a Personal Interest. As a result of the change made to the Code of Conduct by this Council at its meeting on 15<sup>th</sup> May 2014, where you are also a member of Somerset County Council and/or a Town or Parish Council within South Somerset you must declare a prejudicial interest in any business on the agenda where there is a financial benefit or gain or advantage to Somerset County Council and/or a Town or Parish Council which would be at the cost or to the financial disadvantage of South Somerset District Council. If you have a prejudicial interest you must comply with paragraphs 2.9(b) and 2.9(c) of the Code.

#### 4. Public Question Time

Questions, statements or comments from members of the public are welcome at the beginning of each meeting of the Council. The total period allowed for public participation shall not exceed 15 minutes except with the consent of the Council and each individual speaker shall be restricted to a total of three minutes. Where there are a number of persons wishing to speak about the same matter, they should consider choosing one spokesperson to speak on their behalf where appropriate. If a member of the public wishes to speak they should advise the committee administrator and complete one of the public participation slips setting out their name and the matter they wish to speak about. The public will be invited to speak in the order determined by the Chairman. Answers to questions may be provided at the meeting itself or a written reply will be sent subsequently, as appropriate. Matters raised during the public question session will not be debated by the Council at that meeting.

#### 5. Chairman's Announcements

*Items for Discussion*

6. **SSDC / Yarlinton Homes Right to Buy (RTB) Clawback Agreement** (Pages 5 - 13)
7. **SSDC Medium Term Financial Strategy and Plan** (Pages 14 - 28)
8. **Affordable Housing Development Programme** (Pages 29 - 51)
9. **South Somerset Authority Monitoring Report (September 2016)** (Pages 52 - 116)
10. **Quarterly Corporate Performance and Complaints Monitoring Report - 1st Quarter 2016/17** (Pages 117 - 126)
11. **District Executive Forward Plan** (Pages 127 - 132)
12. **Date of next Meeting** (Page 133)

# Agenda Item 6

## **SSDC / Yarlington Homes Right to Buy (RTB) Clawback Agreement**

*Executive Portfolio Holder: Ric Pallister, Strategy and Policy*  
*Assistant Director: Donna Parham, Finance and Corporate services*  
*Contact Details: Donna.parham@southsomerset.gov.uk or 01935 462225*

Please find attached a report prepared by Garry Orr, Chief Executive Officer at Yarlington Homes. This report is before members at the request of Councillor Ric Pallister – Leader of Council, who wishes to obtain member's views on the proposals from Yarlington Homes regarding the future use of Right to Buy Receipts.

Also attached is a report of the SSDC's officers' viewpoint regarding the use of Preserved Right to Buy receipts.

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## Right to Buy (RTB) Clawback Agreement

### 1. Purpose of report

- 1.1 The purpose of this report is to formally request that the Council reappraise the current RTB Clawback arrangement with Yarlington Housing Group. In doing so, it is hoped that future RTB clawback receipts would be reinvested in order to replace the homes sold across the district. Additionally, we ask that the reinvestment of sales receipts be ring-fenced to Yarlington Housing Group in order to guarantee a one-for-one replacement within South Somerset.

### 2. Background

- 2.1 In 1999, following an option appraisal, South Somerset District Council sold its housing stock to Yarlington Housing Group (then called South Somerset Homes). Under the terms of the sale the Council and South Somerset Homes agreed that the backlog of major repairs and refurbishment would be completed within a subsequent fifteen year period. The purchase price paid by South Somerset Homes to the Council was **£69,301m** reflecting the condition of the stock and the income stream generated from the rent roll.

### 3. Right To Buy

- 3.1 Right to Buy was introduced in 1980 under the Housing Act (Chapter 51). This allows all secure tenants of Local Authorities and non-charitable housing associations and assured tenants of registered providers to buy their home at a discount of the full market value.
- 3.2 Preserved Right to Buy applies to Yarlington residents who were a secure tenant of SSDC before the stock sale occurred. The amount of discount a tenant can have to purchase their property is dependent on the number of years they have been a public sector tenant, up to the maximum discount of £77,900.
- 3.3 There are exceptions to Preserved RTB; specifically sheltered accommodation, and accommodation that has been altered for those with additional support needs.

- 3.4 The Right to Buy Agreement for South Somerset is located in an addendum to the transfer papers between SSDC and South Somerset Homes (Fifteenth Schedule Part 1).

It states:

*“In principle, the Right to Buy and Shared Ownership Clawback Agreement provides that any capital receipts arising on preserved right to buy sales (for 30 years after completion) are to be apportioned between the Council and the company in accordance with agreed formulae.*

*The formulae have been negotiated within the Company’s and the Council’s lead consultants to ensure that the Company should not be financially prejudiced as a result of any of its properties being sold under Preserved Right to Buy.*

*The formulae briefly provide for the Company to retain from each sale an amount which reflects its lost income from the property sold together with an amount in respect of the Company’s administration, legal and valuation costs. The amount by which a sale price exceeds the amount which the company can retain is to be paid to the Council. If the formula produces a negative figure then the Council will pay such amount to the company. All calculations are to be undertaken annually with payments no later than the end of April following the end of each financial year (31<sup>st</sup> March).*

*All calculations under the formula are to be certified by the Company’s auditor by 30<sup>th</sup> September following the end of the financial year and any excess or under payments are to be rectified within one month of the auditor’s certification.”*

Under the RTB clawback agreement, Yarlington retain on average just £27.5k for each house sold under Right to Buy and on average SSDC receives in excess of £44,000 (2015/16 figures).

- 3.5 Since 1999, Yarlington has paid SSDC a total of **£25,249,459** in Right to Buy receipts. SSDC has reinvested **£7,996,972** back into Yarlington in order to support the re-provision of affordable housing. Unfortunately we were unable to determine the total amount re-invested back from SSDC to alternative housing providers (a request was made but unfortunately this information was not available). Whilst it is clear that SSDC has been supporting specific housing developments, due to lack of information it is not clear where and how much of the additional **£17,252,487** has been invested in the direct replacement of homes.

#### **4. Yarlington’s contribution to South Somerset economy**

- 4.1 Since 1999, Yarlington has secured significant private investment in order to improve the quality of the former Council housing stock and thereafter building new properties to service the local demand on the waiting list.

- 4.2 **Headline Investment:**
- Since 1999, we have raised private finance totalling **£247.5m**.
  - Yarlington has subsequently invested **£147m** in capital improvements since 1999 in order to achieve and maintain decent homes standard, thus honouring the “promise” made to the local council and the community.
  - We have invested a further **£194m** into building new homes.
- 4.3 Since 1999, Yarlington has built 1,211 new rental homes and a further 306 low cost home ownership properties across the South Somerset district.

**Investment in SSDC Area by Yarlington since 1999**

Construction Value: £165.5m

Direct Employment: 1,471 jobs

Indirect Employment: 637 jobs

Economic Output: £27.3m GVA<sup>1</sup> p.a. into the local economy as a result of jobs created during the construction.

**YHG estimated spend in the local economy**

First Occupation<sup>2</sup> Expenditure: £7.6m

Total spend by household: £23.4m per annum.

Retail spend by household: £9.8m per annum

Leisure spend by household: £4.9m per annum

- 4.4 Since 1999 over 40,000 South Somerset citizens have been housed by Yarlington. These residents have further benefited from the significant additional services that Yarlington uniquely provide at its discretion, namely the provision of employment, training and educational services for local people.
- 4.5 The additionality of our service means that we have provided significant levels of funding to support local organisations, including the Council and the wider voluntary sector. As an example, over the last 4 years £3.6m has been provided to fund community investment activities in South Somerset. This has resulted in 526 local people supported into employment and 1,567 benefitting from training or education. In addition, our social enterprise Inspired to Achieve has engaged with 1,209 people needing support and assistance.
- 4.6 Since our inception over 850 local people have benefitted from employment within Yarlington.
- 4.7 Our calculations suggest that the 850 people generates a GVA for the local economy of approximately £11m per annum.

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<sup>1</sup> GVA: Gross Value Added measures the contribution to the economy a product or service provides.

<sup>2</sup> The amount of money a household will bring into the local area upon first moving in (new products/services).



## **5. Housing Grant Funding Reforms**

- 5.1 Up until the 1980's practically all social rented housing was provided through significant levels of public sector subsidy. After the election of the Government in 1979 there followed a re-appraisal of the provision of social housing.
- 5.2 This re-appraisal aimed to reduce public borrowing, increase efficiency and expand the role of private finance. Following the re-appraisal, expenditure on housing by central government fell sharply.
- 5.3 Additional pressure to find alternative funding methods followed the introduction of Right to Buy for Local Authority tenants (Housing Act 1980). Under the scheme, tenants could purchase their homes at substantial discounts. The scheme changed the landscape for low cost home ownership. Since 1980/81 over 2.2 million homes have been bought under the right to buy.
- 5.4 As "independent bodies" (pre-ONS reclassification), Housing Associations stood outside public borrowing and the accounting regime. We were therefore able to leverage private finance without it being classed as public borrowing.
- 5.5 The Housing Act 1988 paved the way for the large scale introduction of private financing for housing associations. Whilst grant levels have significantly diminished since its inception, the regime has endured.
- 5.6 The Act allowed for HAs to combine their privately leveraged private finance with grant, allow development risks to be carried by the HA, and enabled lenders to take a charge over the housing assets.
- 5.7 Introduction of the Affordable Rent Model further progressed the mixed-funding development regime. The foundation of this model was that whilst grant was substantially reduced, HAs were now able to charge up to 80% of the market rent. The aim of the model was to enable the increased borrowing capacity generated by a larger rental income stream to compensate for lower grant per unit.

## **6. Demand for Affordable Housing**

- 6.1 Active applicants on the housing waiting list in South Somerset currently sits at 2,054. However, demand for homes of all tenure exceeds 5,000 families in South Somerset alone.
- 6.2 The Land Registry released their annual House Price Index in March 2016. This states that the average house price in Somerset is £177,871 (South West is £197,085). ONS Average Survey of Hours and Earnings shows that the average full time earnings in South Somerset is £24,284 a year, with the average house price at £177,871 this is 7.3 times the average salary.

## **7. Our Offer: Additionality beyond the development programme**

- 7.1 Yarlington’s vision and mission is to build communities, we see it as critical to provide the desperately needed housing South Somerset requires. Demand far outstrips supply and we are therefore “sweating” our financial plan to ensure we provide as much high quality, economic housing as is possible.
- 7.2 Under the current RTB clawback arrangement, approximately £1m per year is returned to SSDC. That £1m could be used by Yarlington as additional capacity to borrow against in order to fund up to 30 new properties per year (up to 120 over the next 4 years).
- 7.3 The Council’s stated aims and objectives (“Tackling the Challenge”) looks to “Enable housing to meet all needs”, “Working with partners to enable the provision that meets the future and existing needs of residents and employers”.
- 7.4 In order to achieve our shared goal we believe it imperative that the receipts from selling Yarlington assets under Right To Buy be directly reinvested into replacement of new homes.
- 7.5 We therefore respectfully ask that the annual RTB receipts paid to SSDC are, (as a minimum), ring fenced for the provision of new affordable replacement accommodation.
- 7.6 We further ask that the receipts are directly invested into Yarlington with the expectation that we raise our commitments and build additional properties (above and beyond our expected development commitments) commensurate with the additional reinvestment.
- 7.7 We hope our paper demonstrates the value Yarlington has brought to South Somerset and our commitment to respond to our ongoing local housing challenge.

## **Officer Response to Yarlington Housing Group Request**

Contact Details: [Donna.parham@southsomerset.gov.uk](mailto:Donna.parham@southsomerset.gov.uk) or 01935 462225  
[Colin.McDonald@southsomerset.gov.uk](mailto:Colin.McDonald@southsomerset.gov.uk) or 01935 462331

### **Purpose of the Report**

This report outlines the SSDC's officers' viewpoint regarding the use of Preserved Right to Buy receipts.

### **Recommendations**

The need for the Council to take a targeted approach to the allocation of scarce capital resource to support priority affordable housing schemes in South Somerset does not support this blanket proposal and members are recommended to refuse it. This approach is necessary following the Government decision to withdraw grant funding for social or affordable rental schemes.

### **Public Interest**

This report concerns the ability of the district council to deploy funds to improve the housing circumstances of the community – be it through the provision of new affordable housing or the aiding of improvement to existing stock or other initiatives to increase the supply of rented or intermediate housing. It will be of interest to members of the public concerned about the provision of housing for those in need in their local area and of particular interest to any member of the public who is seeking to be rehoused themselves or has a friend or relative registered for housing with the Council and its Housing Association partners.

### **Background**

The transfer of SSDC's housing stock occurred in March 1999 following a ballot of tenants who were given specific undertakings about the improvement of their homes, bringing concrete system built housing up to a mortgageable standard and future rent increases.

Overall 8,880 properties were transferred, the average receipt for each type of property was as follows:-

- House £8,830
- Flat £3,870
- Shared Ownership £20,496

These average values reflected the backlog of repairs required and in some cases individual properties effectively had a 'dowry' associated with them to cover the full cost of remedy required. The overall amount received also reflected the rights of tenants who had a Preserved Right To Buy (PRTB) for which a formula was agreed allocating any proceeds or liabilities between South Somerset Homes and SSDC on a fair and equitable basis that ensured that neither party was financially disadvantaged

Those tenants who have remained South Somerset Homes / Yarlington tenants continuously since the transfer date retain that PRTB. As part of the overall legal transaction a 'clawback agreement' was agreed. This enabled SSDC to in effect receive a proportion of any uplift in value over a thirty year period. In each sale the tenant is entitled to any discounts as set by

the Government, Yarlington receives a compensatory amount for loss of future rental income over the remainder of the original business plan period, and SSDC would receive, or in some cases be charged, the remaining amount.

In the last five years the authority has received the following from the Preserved Right to Buy:-

2011/12 - £0.751 million  
 2012/13 - £0.982 million  
 2013/14 - £1.429 million  
 2014/16 - £1.037 million  
 2015/16 - £0.927 million

On average the receipt has been £1.025 million per annum.

SSDC does not match these receipts to specific projects as there is no legal requirement to do so. Some examples of capital projects that have been agreed over the last five years are shown below:-

<b>Capital Project</b>	<b>Allocation £'m</b>
Private Sector Housing Grants	0.61
Affordable Housing	1.20
Investment in Housing Properties	3.00
Disabled facilities grants	0.23
Grant for Westfield AGP	0.05
Grant for Huish Pool	0.20
<b>Total</b>	<b>5.29</b>

As outlined a large proportion of receipts are being utilised for housing and includes the strategy of capital investment in more properties within South Somerset both as a long-term financial investment to fund discretionary community services and also to contribute in meeting housing need alongside our Housing Association partners. SSDC also remains committed to providing capital grant generated through receipts to support the delivery of affordable housing through any RSL partner scheme that delivers in our areas of highest need.

In addition to this SSDC has transferred £1.573 million in land to Housing Associations including Yarlington.

The most important point is that the receipts are being allocated to projects chosen by SSDC. Members attention is drawn to the separate report on the affordable housing programme (agenda item 8) which sets out a seven year profile on the programme and gives some commentary on the performance of Yarlington and other chosen Housing Association partners. Members may wish to note the success rate with which capital grant from the Council has been used to lever in other funding, including new allocations from the HCA and the use of Recycled Capital Grant Funds (RCGF) funds garnered by Housing Association partners in other local authority areas. Equally we have agreed to the transfer of RCGF from South Somerset to other partners – such as endorsing the use of funds Yarlington had realised in South Somerset to save the endangered CLT scheme at Dalwood in East Devon.

In particular the report refers to the lack of funding for homes for rent from the HCA, the imposition of Starter Homes as part of future planning obligations, the inability to seek

commuted sums from small scale developments (ten or fewer dwellings) and increased viability issues.

In the current external climate it is imperative that SSDC funds are allocated to the areas and types of projects seen as meeting the highest need. In terms of affordable housing Yarlington can bring forward project proposals to SSDC and apply for grants but those projects must meet those priorities. At present SSDC can chose the higher priority projects, spreading risk and capacity between a range of partner organisations.

It should also be noted that Yarlington have gained an estimated £3.5 million in net proceeds from the sale of individual properties, mostly in rural locations with no visibility on where these funds have been deployed. In the past year these proceeds have exceeded the share of the PRTB receipts to which the Council is legally entitled.

### Financial Implications

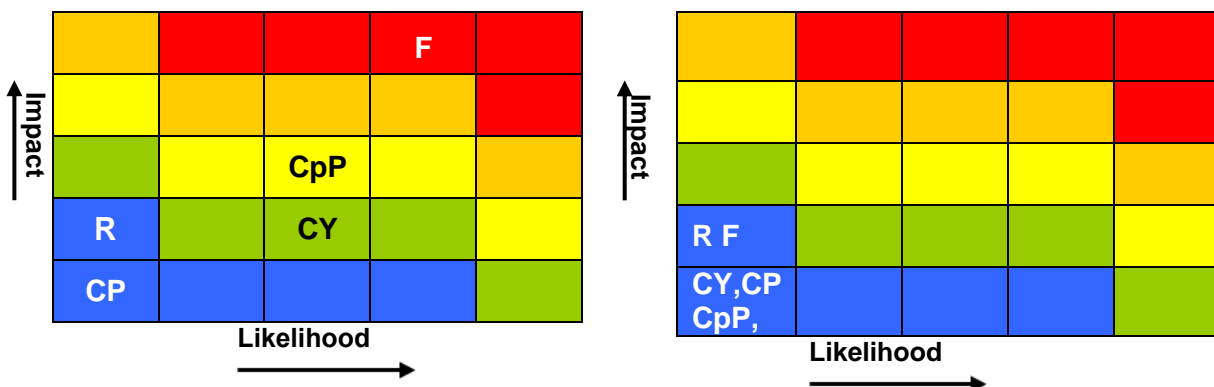
If members were to agree to amend the contract all future PRTB receipts would remain with Yarlington Housing Group. This would in effect passport a potential £13 million from its own capital programme over the next 13 years. The capital programme and forward strategic financial planning would need to be reviewed as a result and SSDC would need to borrow to fund its own capital programme at an earlier stage than planned and in particular borrow to support high priority affordable housing schemes.

The authority currently has approximately £18 million in capital receipts that are not already committed. A review of future capital requirements carried out last year showed that SSDC had a capital requirement of £21.2 million over the next five years.

### Risk Matrix

Risk Profile before officer recommendations

Risk Profile after officer recommendations



### Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

# Agenda Item 7

## **SSDC Medium Term Financial Strategy and Plan**

*Executive Portfolio Holder:* Peter Seib, Finance & Corporate Services  
*Assistant Director:* Donna Parham, Finance & Corporate Services  
*Service Manager:* Catherine Hood, Finance Manager  
*Lead Officer:* Jayne Beevor, Principal Accountant - Revenues  
*Contact Details:* Donna.parham@southsomerset.gov.uk or 01935 462225

### **1. Purpose of the Report**

To advise members of the Medium Term Financial Strategy and the current position on the MTFP (Revenue Budgets for 2017/18 to 2021/22).

### **2. Forward Plan**

This report was included on the District Executive Forward Plan with an anticipated Committee date of September 2016.

### **3. Public Interest**

This report outlines SSDC's overall budget strategy and how the Council will manage its finances over the next five years. It also sets out what assumptions are being made and how much is required in savings each year to balance the books.

### **4. Recommendations**

That the District Executive:

- (1) Approve the current Medium Term Financial Strategy and Efficiency Plan.
- (2) Approve that £104,000 in Council Tax Reduction Grant is passported to support Town and Parish Councils' Precepts.
- (3) Approve in principle that South Somerset District Council remains in the Somerset Business Rates Pool for 2017/18 with a final decision delegated to the Assistant Director – Finance and Corporate Services in Consultation with the Leader and Finance Portfolio Holder.
- (4) Note the current position and timetable for the Medium Term Financial Plan.

That the District Executive recommends to full Council:

- (5) Approval to utilise the capital receipts outlined in the Efficiency Strategy attached at Appendix A for revenue costs.
- (6) To note that a 4-year Rate Support Grant settlement deal has been made available by the Department for Communities and Local Government and that the terms offered for South Somerset includes a negative grant in 2019/20 whereby £330k would be collected locally for return to the Government.

- (7) To authorise the Leader and/or Portfolio Holder for Finance and Legal Services to make representations to the Department for Communities and Local Government, and others, to seek to improve the 4 year deal RSG offer.
- (8) To delegate the acceptance (or otherwise) of the final four-year deal offer to the Leader in consultation with the Portfolio Holder for Finance and Legal Services, the Leader of the Opposition, and the Assistant Director – Finance and Corporate Services.

## **5. Background**

This is the first report outlining the Medium Term Financial Strategy, Capital Strategy, Efficiency Plan and Medium Term Financial Plan for the financial year starting in 2017/18. This report updates members of the current position and the revised strategy for achieving balanced budget over the medium to longer term.

## **6. Introduction**

The Medium Term Financial Strategy (MTFS) outlines how the Medium Term Financial Plan (MTFP) i.e. the budget will be delivered over the medium to long-term. The MTFP at South Somerset spans three years with a further two years added to show the likely longer-term scenario. The Medium Term Financial Strategy links the resources required to deliver the Council Plan, the Capital Strategy and the Council's other strategies.

## **7. The Council Plan**

The authority approved the Council Plan in March 2016. The Medium Term Financial Strategy, Capital Strategy and Medium Term Financial Plan reflect the revised Corporate Plan. The Plan is set over 5 years but the Action Plan is approved annually as part of budget setting to ensure it is affordable.

## **8. The Current Position**

Currently the MTFP shows a projected budget gap for each year of the plan. The figures include all estimates for pay awards, council tax, government grant, and inflation. Therefore the main drive is to find savings within the plan to ensure the on-going financing of the Council Plan and key strategies.

The DCLG outlined the details required to treat revenue costs as capital expenditure in December 2015 and multi-year settlements and Efficiency Plans in March 2016. SSDC must apply if it wishes to accept the offer of fixing its Government settlement for the next three years by the 14<sup>th</sup> October 2016. As this forms a key part of the Medium Term Financial Strategy this should be approved by full Council.

This report is based on various assumptions pending clarity on the following:-

New Homes Bonus – following consultation the affirmation of its continuation, split between upper & lower tier, and amount allocated;

Revenue Support Grant – the figures currently show a reduction in RSG which accumulates to a “negative” RSG in 2019/20 if SSDC agrees to an Efficiency Plan;

Non-Domestic Rates (NDR) – last year SSDC was allocated on its “NNDR1” calculations. It is not yet known how revaluation will affect the levels of NDR expected for 2017/18 and this will need to be assessed over the autumn once we have more details. Longer term the Government is just consulting on 100% Retention of Business Rates in preparation for a launch in 2019/20;

Council Tax – assumes SSDC can increase Council Tax by £5 per annum without impacting on referendum limits;

Devolution bids – a successful devolution bid would be likely to be announced in the autumn and we have yet to ascertain what impact this will have if any on SSDC finances.

## **9. Expected Outcomes from the Strategy and Plan**

The Council needs to deliver a balanced budget over the term of the plan. A balanced budget means that balances or reserves are not used to meet on-going expenditure commitments. SSDC will look to ensure sound plans are in place to balance the budget over the medium to longer term rather than year to year balancing.

The Council also needs to achieve as much stability as possible for both service delivery and staff in planning the moving of resources (both money and people) to areas of agreed priority.

SSDC will continue the drive to make services as efficient as possible through its Transformation Programme.

In addition the authority will need to continue to add value in procuring goods and services and manage its assets effectively.

## **10. Efficiency Strategy**

Central Government outlined in December 2015 that local authorities will be able under certain circumstances to utilise capital receipts for revenue expenditure for certain purposes. These include:-

- Sharing back-office and administrative services with one or more other council or public sector bodies;
- Investment in service reform feasibility work, e.g. setting up pilot schemes;
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;
- Sharing Chief-Executives, management teams or staffing structures;
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, selling services to others).

SSDC would benefit from this approach over the next three years particularly with regard to setting up commercial or alternative delivery models, and transformation. The key areas that



could be funded from capital receipts but are classified as revenue expenditure are redundancy costs and the legal costs of setting up of commercial or alternative delivery models.

The requirement will be to list each project that plans to make use of the capital receipts flexibility, and that it details the split of up front funding for each project between capital receipts and other sources, with a project by project basis a cost benefit analysis is included to highlight the expected savings. The strategy in future years will monitor the performance of projects approved in previous years.

The Strategy as attached at Appendix A must be approved by Full Council. A revised strategy may be replaced by another during the year.

## 11. Efficiency Plan

In addition local authorities were also invited to accept a multi-year settlement by the 14<sup>th</sup> October 2016 so long as they had a published Efficiency Plan. The Efficiency Plan must show how the authority will benefit from the four year settlement and must have reference to the Council Plan, the Medium Term Financial Strategy, the Asset management Plan and any devolution bid.

In effect this would fix the following grants and provide some certainty in funding:-

	<b>Revenue Support Grant (RSG) £'m</b>	<b>Rural Services Delivery Grant £'m</b>
2016/17	1.675	165.3
2017/18	0.803	133.4
2018/19	0.269	102.6
2019/20	-0.330	133.4

In addition, tariffs and top-ups in 2017-18, 2018-19 and 2019-20 will not be altered for reasons related to the relative needs of local authorities, but in the final year may be subject to the implementation of 100% business rates retention. Any increase in tariff reduces the amount of business rates an authority can retain in a particular year.

It has been made clear that all four years must be accepted and that under no circumstances will any authority be better off by not accepting the offer. This is a difficult decision for SSDC Members to make as the offer includes a “negative” RSG in year four. This would mean in effect that £330k from local taxation would be returned to central Government (the equivalent of a 3.7% increase in Council Tax).

It should be noted that South Somerset currently receive lower per capita funding from central government than neighbouring authorities where urban service delivery costs are lower, but where taxpayer wages are typically much higher than those in a rural area.

Although the deadline for this offer is close, recent dialogue with DCLG has clarified that Treasury did agree to remove any “negative RSG” for 2017/18 and 2018/19 and a meeting has been offered with a minister to respond to the final issue of its inclusion in 2019/20. It is therefore hoped that the offer can be improved.

Although the current offer is not a “good deal” for South Somerset agreement may still be the best option to add some stability and certainty to the Medium Term Financial Plan. Members

may wish to consider this given the uncertainty caused by the UK exiting the EU and the Treasury seeking further savings from Government Departments. Year four may be amended in any case if the 100% Retention of Business Rates is introduced in 2019/20.

It is therefore recommended that Members approve that further negotiations continue with the DCLG and delegate the acceptance (or otherwise) of the final four-year deal offer to the Leader in consultation with the Portfolio Holder for Finance and Legal Services, the Leader of the Opposition, and the Assistant Director – Finance and Corporate Services.

## **12. Capital Strategy**

This Capital Strategy outlines how SSDC will utilise its capital resources to deliver the Council Plan and key strategies. SSDC held £35 million in capital receipts at the end of the 2015/16 financial year. However, once commitments are taken into account the authority has approximately £18 million unallocated to spend on new schemes. A review of possible bids for the next five years has shown a need of approximately £21.2 million.

The authority has a considerable requirement for capital resources through its Transformation, Regeneration, and Income Generation Boards. Some of these require considerable revenue costs to set up as well as capital. It is therefore important that SSDC is able to take up the offer of “Flexible Capital Receipts” to ensure that its ambitions can be delivered. Therefore the strategy will be as follows:-

Each project will be reviewed initially on a commercial basis so that schemes will be considered utilising “Internal Borrowing” where bids can be made for loans that repay both capital and interest at PWLB rates;

External borrowing will be considered on a project by project basis for commercial projects so they can in effect be “stand alone” repaying the capital sum and a profitable return to SSDC without affecting the day to day running of the Council. The Treasury Management Strategy currently allows up to £12 million in borrowing;

SSDC will utilise the ability to 2019/20 to use new receipts from property, plant, and equipment for revenue expenditure if required;

The level of capital receipts will be monitored to ensure that community and non-commercial projects that benefit residents and businesses can continue to be funded from available resources;

District Executive has delegated authority to approve the use of up to 5% of capital receipts in any one year (approx. £900k). Approvals beyond this sum must be agreed through full Council.

## **13. Strategy for New Homes Bonus**

Currently a sum equivalent to 80% of the average annual council tax is received in grant for every new home once occupied. This sum is payable for six years with an additional bonus of £280 (80% of £350) for every affordable home occupied. However, local authorities are currently awaiting the outcome of the consultation process carried out last year. This is likely at the very least to reduce the sum payable to four years as one of the outcomes.

The agreed strategy for New Homes Bonus is to mainstream it with Revenue Support Grant to maintain services. The maximum support from NHB in any one year for ongoing expenditure has been set at £3 million (10% of SSDC’s gross spend). In addition it will

forward fund the current and next two year's budget giving the authority time to make any cuts necessary in a measured way as NHB funding is reduced and possibly even withdrawn.

#### **14. Strategy for Non Domestic Rates Retention (NDR)**

The budget set for Non Domestic Rates has historically been set around the central Government baseline. The most prudent level to set NDR for any authority is at the safety net level as this is the guaranteed level of income for any authority. However, taking this course of action requires more budget savings from services that may ultimately not be required. The strategy is therefore to assess the expected outturn for 2016/17, the new rating list, and the budget for 2017/18 and set the budget based on the most reasonable set of assumptions at that time. The main risks are revaluation, economic growth, and appeals. The estimates currently shown within the MTFP are based on the Government's baseline figures for 2017/18, 2018/19, and 2019/20. This will be updated as the budget process progresses.

SSDC agreed to participate in the Somerset NDR Pool for 2016/17. The other member authorities of the pool are Bath and North East Somerset, North Somerset, Somerset County Council, Mendip District Council, Sedgemoor District Council, and Taunton Deane District Council. The pool enables the partners to retain more income from local growth by reducing the levy paid to central Government. The additional income earned from the pool in 2015/16 was £15k against an expected £340k initially and £90k mid-year. The overall pool surplus was £1.3 million. The reduction for SSDC was due to the level of successful appeals in 2015/16.

The expected pool surplus is expected to total £2 million for 2016/17 with £0.2 million income to SSDC.

The partner authorities need to decide each year whether to continue to pool. If one or more of the member authorities withdraw by the end of October the pool members can reapply to retain the remaining pool. If a pool member decides to withdraw later the pool in effect collapses. Each authority can review its individual settlement details from central Government before it makes a final decision. Although it is likely that the pool will dissolve for 2017/18 because of the risk of revaluations it is still worth assessing. It is therefore recommended that the final decision is delegated to the Assistant Director – Finance and Corporate Services in consultation with the Leader of the Council and the Finance Portfolio Holder. This will ensure that the authority can use its latest information available before the final decision is made.

#### **15. Strategy for Balances and Reserves**

Reserves are set aside for specific purposes whereas balances are retained to meet unforeseen risks. A regular review of financial risks to assess the optimum levels of balances and reserves will be reported to members every quarter. This ensures that the authority has sufficient funds to meet its key financial risks. The strategy remains that balances remain at a level that covers these key risks.

#### **16. Reviewing the Strategy**

This strategy will naturally span the life of the Council Plan but will be reviewed annually to take into account changes within and external to the organisation. In more uncertain times the strategy will be reviewed more frequently.

## 17. The Medium Term Financial Plan

All work on the MTFP is based on current estimates and assumptions. Figures provided at this stage are indicative and will continue to be worked on as and when more information becomes available. The table below shows the estimated additional expenditure required in future years, offset by increased income and savings already identified.

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Base budget	17,291.3	16,377.6	16,183.5	16,028.0	16,211.5
Additional payroll requirement	393.1	384.9	161.9	151.4	198.7
Inflation allowance on contracts	211.4	215.6	219.9	224.3	228.8
Unavoidable Budget Pressures	501.3	292.1	322.8	319.8	322.8
Savings	(1,003.0)	(1,000.0)	0.0	0.0	0.0
Revenue effects of Capital Programme	170.1	4.7	30.3	(5.9)	30.4
Once-Off Expenditure	(382.0)	(10.0)	0.0	0.0	0.0
<b>Total Budget Requirement</b>	<b>17,182.2</b>	<b>16,264.9</b>	<b>16,918.4</b>	<b>16,717.6</b>	<b>16,992.2</b>
<b>Financed by:</b>					
Revenue Support Grant	802.6	268.9	0.0	0.0	0.0
Council Tax Reduction Scheme Grant to Town and Parish Councils	(104.1)	(34.9)	0.0	0.0	0.0
Rural Services Delivery Grant	133.4	102.6	133.4	0.0	
Transition Grant	57.0				
Council Tax Precept	9,058.8	9,326.9	9,584.6	9,841.5	10,104.9
Council Tax Funding for the Somerset Rivers Authority	0.0				
Business Rate Income	17,760.0	18,290.0	18,880.0	19,397.2	19,397.2
Business Rate Tariff	(14,340.0)	(14,770.0)	(15,240.0)	(15,697.2)	(15,697.2)
Negative Revenue Support Grant to be Deducted from Business Rate Income			(330.0)	(330.0)	(330.0)
Confirmed New Homes Bonus to Support Revenue Budget	3,000.0	3,000.0	395.9		
New Homes Bonus Requirement Future Years	0.0	0.0	2,604.1	3,000.0	3,000.0

Once-offs funded from revenue balances	10.0	0.0	0.0	0.0	0.0
	<b>16,377.6</b>	<b>16,183.5</b>	<b>16,028.0</b>	<b>16,211.5</b>	<b>16,474.9</b>
<b>Budget Shortfall</b>	<b>(804.6)</b>	<b>(81.4)</b>	<b>(890.4)</b>	<b>(506.1)</b>	<b>(517.3)</b>

## 18. Assumptions for the Plan

There are some principles that underpin the plan. These are as follows:

- SSDC will achieve a balanced budget with the use of balances where appropriate to assist with longer term financial planning;
- That capital bids will be financed through capital receipts, or borrowing where appropriate;
- That SSDC will remain within any government capping levels to avoid public expense of holding referendums;
- In agreeing new Capital Schemes the revenue implications will be fully costed and added to the MTFP;
- Pay inflation is linked in budgeting terms to government estimates – 1% per annum for the next four years and £200k per annum average additional pension contributions until 2018/19;
- Supplies and Services inflation is linked only to contractually agreed increases;
- All new and revised strategies must review the focus on current activities to realign resources. In exceptional cases where there are additional resource requirements these will be fully costed and added to the MTFP.

In terms of financing the plan:

- Reductions in Revenue Support Grant in line with the four year settlement deal;
- Business Rate Retention will be in line with the estimates set within the NNDR1 calculations;
- New Homes Bonus will continue to fund £3 million per annum over the term of the Plan. This is based on a reduction to five and then four years NHB following the latest Government consultation;
- Council Tax is nominally linked to expected Consumer Price Index (CPI) inflation (currently estimated at 2% for 2016/17) but members may approve an increase of up to £5 depending on the requirement to fund additional inflationary pressures on supplies and services;
- That the base rate is forecast to remain low (currently 0.25%) at least in the short term – the Treasury Reserve will be utilised to smooth any short-term reductions in interest rates.

Additional funding requirements can be added in meeting one of the following criteria:

- Legislative changes, e.g. welfare reforms.
- Growth in the community, e.g. increase in number of dwellings serviced by refuse collection.
- Ensuring income budgets are in line with actual income received and future forecasts.  
Other potential changes, e.g. contract re-tendering.
- Where members have already agreed additional costs through the approval of the corporate plan or a specific strategy.
- An additional investment made to drive efficiency and/or performance to deliver efficiency savings.

## **19. Council Tax**

At present the Medium Term Financial Plan reflects an annual increase of 2% in Council Tax per annum in line with general inflation. Members approved an increase of 1.95% for 2016/17. In the settlement announcement for 2015/16 District Councils were given the ability to raise Council Tax over the next four years by £5 per Band D per annum. A 2% increase adds £3.01 to a Band D property. Approving a £5 increase over the next three years would reduce the funding gap by £117k per annum or £351k over the next three years.

## **20. Council Tax Reduction Scheme**

Members approved the current Council Tax Reduction Scheme in January 2016. A Scrutiny Task and Finish group is currently reviewing a number of aspects of the scheme. The Finance and Legal Portfolio Holder will make recommendations to District Executive and full Council of any proposed amendments to the scheme by the statutory deadline of the 31<sup>st</sup> January 2017.

The tax base was set before the announcement was made that the Somerset Authorities could precept for the SRA and SCC had not made a decision at the time around the precept for Adult Social Care. At the first quarter an overspend of £176k was being estimated for the year. Sufficient funds have been retained within the Collection Fund to fund this in 2016/17 but it will have a negative impact on the tax base for 2017/18.

Since the Government announced that all Revenue Support Grant will cease a letter has been sent to all of the Town and Parish Councils outlining that their grant will reduce to zero by 2019/20 to enable them to plan ahead for their budgets. The grant recommended to members to passport for 2017/18 is £104,000. Members are requested to approve this to enable the Town and Parish Councils to have more certainty ahead of setting their budgets.

## **21. The Somerset Rivers Authority (SRA)**

The Government amended the Somerset Council Tax Levels to a notional amount to allow each of the Somerset authorities to raise 1.25% (£1.85 per band D for SSDC) interim funding for the Somerset Rivers Authority (SRA). This enables the Somerset authorities to raise council tax for other service needs up to the referendum limits. Members agreed at full Council on the 21<sup>st</sup> January 2016 to precept for the additional sum and to passport it to the SRA.

The intention is that the amount will then be reduced when the SRA becomes a separate precepting body. The amount raised by South Somerset will then transfer to the SRA to ensure that taxpayers are not in effect levied twice. Although it is expected that the process will be underway this will not be in place for 2017/18 and it is therefore likely that members will be requested to continue to precept for a second year.

## **22. Savings**

Current estimates are that £2.8 million in savings will be required over the next five years. This is on the assumption that the Transformation Programme will deliver £2 million within the next two years. The Income Generation Board has a target of £800k and this will be added as and when individual projects are approved.

The MTFP is also based on the current Council Plan that was approved in March 2016. The Action Plan for 2017/18 will be updated and approved with the budget in February 2017.

Savings and additional income are being reviewed through:-

**Transformation Board** – members approved a report in March 2016 which outlined £2 million savings;

**Income Generation Board** - actively increasing our income, earning income through new sources, and marketing existing services – target set for £800k over 4 years;

**Strategic Alliance with Sedgemoor District Council** – reviewing ways of joint working and joint initiatives for savings and efficiency – there are currently 9 projects in scope for discussion in September;

**Management Board** – procurement, assets and other savings.

Interest rates have reduced to 0.25%. It is possible that interest rates will reduce even further in the short to medium term to stimulate the economy post Brexit. Therefore any increase in interest rates will not be factored in until at least 2018/19. SSDC has a reserve to smooth out short term interest rate reductions and this can be utilised to stabilise the budget for 2016/17 and possibly 2017/18. A drop of 0.25% in interest rates reduces income by £125k.

## **23. Capital Projects**

New capital projects will be presented to District Executive in December 2016.

## **24. Public/Stakeholder Consultation**

Members will receive regular reports as the budget progresses. In addition Scrutiny Committee will be consulted during the process and a workshop will be held to discuss the budget.

Public and stakeholder consultation will continue to take place on specific budget savings proposals throughout the term of the Medium Term Financial Plan.

## **25. Risks to the Medium Term Financial Strategy and Plan**

The Strategy and Plan make regular risk predictions. The key risks to the plan are currently seen as:

- Retention of Business Rates – it is still too early to predict the budget for 2017/18. The current figures reflect the baseline and income levels will be assessed in the autumn once the outcome of revaluation is known.
- New Homes Bonus - There is a risk that NHB will cease or reduce beyond the reductions already factored in of a reduction to five years in 2017/18 and four years thereafter;
- Revenue Support Grant – there is a risk of greater cuts than currently projected but this can be mitigated to a certain extent by accepting the four year deal;
- Council Tax Reduction Scheme – the approved scheme will be reviewed by District Executive in December or January. Further demand for benefits will remain a risk as will a possible increase in arrears for non-payment. In addition to this the Council Tax increases for the SRA and Adult Social Care in 2016/17 will need to be added.
- Other Government legislation and new requirements for local authority will remain a risk as funding does not always follow the requirement. These include proposals to transfer to Universal Credits;
- Funding for the Somerset Rivers Board is likely to need to be continued and/or increases;
- Following the UK's decision to leave the EU it is likely in the short term that interest rates may reduce further to 0.1%. SSDC has invested in a Property Fund and there has been an immediate drop in value of 4% - however yields are not expected to be impacted in the short to medium term. If consumer confidence reduces there may be an impact on SSDC's income streams such as planning, licencing, theatre income, and car parking.
- Services may be cut by other authorities which may lead to some of the costs being borne by SSDC.

The key risks are determined and agreed by Management Board (MB) and subsequently outlined in each budget setting report to Council. A senior officer is identified to monitor and manage that risk.

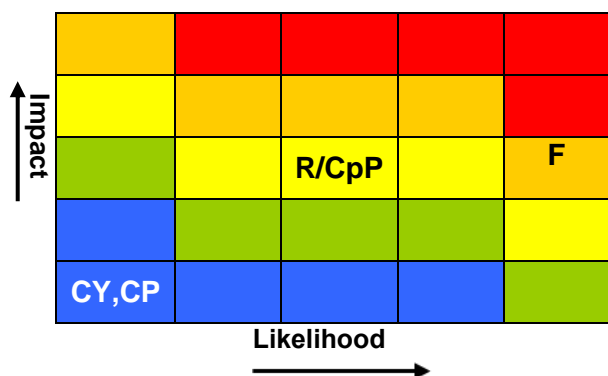
## **26. Budget Deadlines**

Scrutiny Committee:	September 16, December 16, January 17, February 17
District Executive:	October 16, December 16, January 17, February 17
Scrutiny Budget Workshop:	December 2016

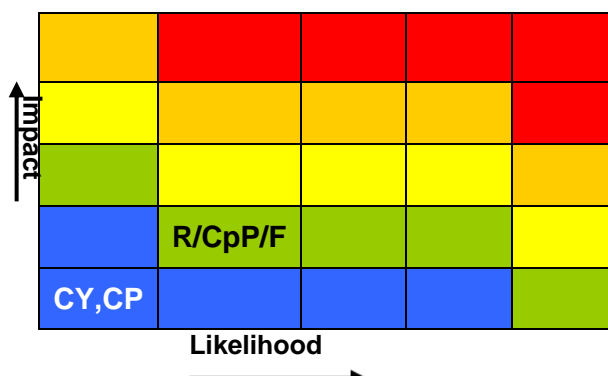
## **27. Risk Matrix**



**Risk Profile before officer recommendations**



**Risk Profile after officer recommendations**



**Key**

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

**28. Council Plan Implications**

As outlined in the body of the report.

**29. Carbon Emissions and Climate Change Implications**

Not applicable.

**30. Equality and Diversity Implications**

Each saving put forward by managers must outline any impact the saving will have on diversity and equality to ensure that any issues are highlighted to members before a decision is made. An annual report will be made to the Diversity and Equality Panel of all savings that have an impact on any group.

**31. Background Papers**

District Executive, February 2016  
 Council Reports, February 2016

**SOUTH SOMERSET DISTRICT COUNCIL**

**FLEXIBLE USE OF CAPITAL RECEIPTS**

SSDC has embarked on an ambitious Transformation Programme. The capital costs have been estimated at £1.3 million and the revenue costs at £3.1 million including redundancy. Currently only £1.6 million of the revenue costs have been funded leaving almost £1.5 million that has temporarily been offset against the Revenue Support Reserve. Utilising up to £0.5 million in new Capital Receipts would ease the pressure on the General Fund over the next three years. Only capital receipts from the sale of property, plant, and equipment can be utilised.

The Future Model approach to Transformation and its key principles reflect SSDC's own ambitions to be an organisation consistently delivering improving quality of life in South Somerset. It will do that by providing well managed cost effective services valued by its residents.

The headline business case clearly illustrates a significant range of benefits for the council, the community and staff through taking a 'whole council' approach and by leading and resourcing a significant change programme.

The key design principles of the Future Model include:

- Managing and reducing customer demand
- Delivering as much customer service as possible through a universal contact method
- Drawing on expert skills and knowledge only where appropriate
- Managing the organisation in an efficient and streamlined way.

The Future Model provides an approach to thinking about the way the Council operates, with a focus on:

- The relationship with customers and the wider community
- Staff roles and structures
- Technology and processes
- Culture and ways of working
- Costs
- Outcomes

The overall estimated savings are expected to be £2 million.

The expected payback is 2 years and 4 months.

The table below shows a breakdown of estimated costs and savings:-

## Capital

Item	2016/17 £	2017/18 £	2018/19 £	Totals £
<b>Software and software implementation</b>	228,250	456,500	228,250	<b>913,000</b>
<b>Provision for API connectors</b>	25,000	50,000	25,000	<b>100,000</b>
<b>Internal Project Team/ backfilling</b>	50,000	100,000	50,000	<b>200,000</b>
<b>Contingency 10%</b>	25,325	50,650	25,325	<b>101,300</b>
<b>Total Capital Costs</b>	<b>328,575</b>	<b>657,150</b>	<b>328,575</b>	<b>1,314,300</b>
Funded from:				
Capital Receipts	328,575	657,150	328,575	1,314,300

## Revenue Once off

Item	2016/17 £	2017/18 £	2018/19 £	Totals £
<b>Training</b>	5,000	10,000	5,000	<b>20,000</b>
<b>Organisational change management consultancy</b>	125,000	250,000	125,000	<b>500,000</b>
<b>Internal Project Team/ backfilling</b>	40,000	80,000	40,000	<b>160,000</b>
<b>Contingency 10%</b>	17,000	34,000	17,000	<b>68,000</b>
<b>Project Revenue Costs</b>	<b>187,000</b>	<b>374,000</b>	<b>187,000</b>	<b>748,000</b>

<b>Allowance for redundancy costs</b>	600,000	1,200,000	600,000	<b>2,400,000</b>
<b>Total Revenue Costs</b>	<b>787,000</b>	<b>1,574,000</b>	<b>787,000</b>	<b>3,148,000</b>

## Funded from:

Transformation Reserve	687,000	1,374,000	587,000	2,648,000
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## Target for Flexible Capital Receipts

<b>Total Funding</b>	<b>787,000</b>	<b>1,574,000</b>	<b>787,000</b>	<b>3,148,000</b>
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<b>Salary Savings</b>	<b>250,000</b>	<b>1,750,000</b>	-	<b>2,000,000</b>
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## OTHER OPPORTUNITIES

In addition Members are exploring different commercial options that will require some revenue set up costs. This Strategy will be updated to reflect those projects as they come forward.

The Government has outlined that authorities may use new capital receipts to fund revenue costs for these purposes with approval at Full Council. A cost benefit analysis needs to be shown as part of that approval. Only receipts received within the three-year time horizon may be utilised. Right- to-Buy receipts must be excluded from this. It is very difficult to pinpoint exact receipts that will be received over the next three years and therefore members are asked to approve the principle that all applicable receipts received over the appropriate time period can be utilised up to the value of £0.5 million. To date £93k in receipts have been or are expected to be received in 2016/17 for sales of a workshop and some public conveniences.

An update of the strategy will be made to full Council each February as part of budget setting.

## IMPACT ON SSDC'S PRUDENTIAL INDICATORS

New receipts are normally put forward each year to fund new capital schemes. If members approve the use of some of those receipts for capital it can decide to either approve fewer new schemes or release a higher level of retained receipts. Only utilising a higher level of retained capital receipts will affect the Council's Prudential Indicators. This can be demonstrated as follows:-

### Prudential Indicator 12 - Incremental Impact of Capital Investment Decisions:

This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the proposed capital programme.

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2017/18 Estimate £</b>	<b>2018/19 Estimate £</b>	<b>2019/20 Estimate £</b>
Increase in Band D Council Tax	0.29	0.01	0.05

And if members approve the flexible use of capital receipts:-

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2017/18 Estimate £</b>	<b>2018/19 Estimate £</b>	<b>2019/20 Estimate £</b>
Increase in Band D Council Tax	0.30	0.02	0.06

# Agenda Item 8

## **Affordable Housing Development Programme**

<i>Executive Portfolio Holder:</i>	<i>Councillor Ric Pallister, Strategy and Policy</i>
<i>Strategic Director:</i>	<i>Rina Singh, Place and Performance</i>
<i>Assistant Director:</i>	<i>Martin Woods, Economy</i>
<i>Service Manager:</i>	<i>Colin McDonald, Corporate Strategic Housing Manager</i>
<i>Lead Officer:</i>	<i>Colin McDonald, Corporate Strategic Housing Manager</i>
<i>Contact Details:</i>	<i>colin.mcdonald@southsomerset.gov.uk or (01935) 462331</i>

### **1. Purpose of the Report**

The purpose of this report is to update the Executive on the final position of the Affordable Housing Development Programme for 2015/16 and future prospects in the light of the Housing & Planning Act 2016 and other recent Government announcements.

### **2. Recommendations**

The Executive are asked to

- (a) Note the outturn position of the Affordable Housing Development Programme for 2015/16 [*ref section 11*];
- (b) Confirm that the Council continue to use the hybrid rent model when acting as the sole source of grant funding for four or five bedroom properties and for all property types in certain higher value rural locations, but otherwise accept the affordable rent model for the majority of new grant funded homes [*ref section 10.8*];
- (c) De-allocate £373,000 from Stonewater for the scheme at West Hendford, Yeovil [*ref section 13*];
- (d) Confirm retention of £375,000 allocation for underwriting of the LD project by Stonewater [*ref section 13*];
- (e) Confirm allocation of £1,040,000 to Stonewater for the scheme at North Street, Crewkerne subject to appropriate planning permission being in place [*ref section 14*];
- (f) Confirm the creation of a new rural contingency fund of £500,000 [*ref section 15*];

### **3. Public Interest**

3.1. This report covers the provision of affordable housing over the past year and anticipates the likely delivery of more affordable homes being constructed during the current financial year. It will be of interest to members of the public concerned about the provision of social housing for those in need in their local area and of particular interest to any member of the public who is seeking to be rehoused themselves or has a friend or relative registered for housing with the Council and its Housing Association partners.

3.2. "Affordable" housing in this report broadly refers to homes that meet the formal definition that appears in national planning policy guidance (the 'National Planning Policy Framework'). In plain English terms it means housing made available to people who cannot otherwise afford housing (owner occupied/mortgage or rented) available on the open market. Typically this

includes rented housing (where the rent is below the prevailing market rate for a private sector rented property of similar size and quality) and shared ownership (where the household purchases a share of the property that they can afford and pays rent, also at a below market rate, on the remainder). The Housing & Planning Act 2016 formally defines the new Starter Homes as also being a form of 'affordable housing'.

- 3.3. This report covers the level of public subsidy secured (which is necessary in order to keep rents at below market rates) and sets out where affordable housing has been completed. It does not cover the letting of the rented housing or the sale of the shared ownership homes; in short, it is concerned with the commissioning and delivery stages only.

## **4. Background**

- 4.1. The overall programme has traditionally been achieved through mixed funding (Housing Grant [administered by the Homes and Communities Agency - HCA], Local Authority Land, Local Authority Capital, Housing Association reserves and S106 planning obligations) and the careful balancing of several factors. This includes the level of need in an area; the potential for other opportunities in the same settlement; the overall geographical spread; the spread of capacity and risk among our preferred Housing Association partners and the subsidy cost per unit.
- 4.2. A previous report was considered by the District Executive on 1<sup>st</sup> October 2015 which considered the final outturn for 2014/15 and gave some longer term perspective.
- 4.3. In recent years a significant element of the affordable housing delivery programme has been produced through planning obligations within larger sites being brought forward by private sector developers. However the delivery of these is tied to wider economics, not least the developers view of prevailing market conditions and the speed at which they estimate completed properties will sell at acceptable prices. Typically the required affordable housing is agreed at the outset of larger sites, but delivered as the site progresses over a number of years.
- 4.4. The HCA allocated funds in 2014 for the five year period 2015-20. Although this accounts for much of the programme, there have been other allocations from other (smaller) funds administered by the HCA in the recent past, most notably the Community Led fund and the Affordable Housing Guarantee Programme.
- 4.5. The South Somerset Local Plan (2006 – 2028) was formally adopted on 5<sup>th</sup> March 2015 having completed all the other necessary stages, including examination by Government appointed Inspector. The Plan includes policy HG4 which seeks financial contributions (known as commuted sums) to be used towards the provision of affordable housing from those sites below the threshold (i.e. six dwellings) for policy HG3 (which seeks onsite provision).
- 4.6. However after the completion of our examination but before the formal adoption of the new Plan, the Government issued guidance, through changes in the NPPG, effectively providing a blanket national threshold of ten dwellings. It was thought that this guidance had been over turned through the courts in a case brought forward by Reading and West Berkshire Councils.

- 4.7. Under both HG3 and HG4, the Local Plan seeks 35% to be provided as affordable housing (subject to viability). The 35% derives from the Strategic Housing Market Assessment (SHMA) which was undertaken by Fordham Research in 2009, commissioned in conjunction with the other districts in Somerset and covering both the Taunton and South Somerset Sub-Regional Housing Market Areas. The SHMA took into account the 'backlog' of need (as expressed on the housing register) and the demographic projection of newly arising need over the remainder of the plan period.
- 4.8. The Housing and Planning Act 2016 received Royal Assent on 12<sup>th</sup> May 2016 but is subject to a range of dates on which different aspects come into force including many different sets of regulations which further detail will be written into in due course. The Act introduced the Governments proposal of 'Starter Homes' as an alternative form of provision to 'traditional' Affordable Housing.
- 4.9. A confidential report on the proposed disposal of a property in Yeovil by Magna Housing Association was provided to the District Executive on 4<sup>th</sup> October 2012. The District Executive approved that any future such requests for endorsement of disposal with respect to individual properties formerly owned by the council and subsequently transferred to a Housing Association, including those transferred under the former trickle transfer policy, be delegated to the Portfolio Holder in consultation with the relevant ward member.
- 4.10. Yarlington proposed to dispose of a property in Rimpton and a portfolio holder report was formally submitted in December 2015. The decision was called in to Scrutiny which discussed the case and the overall process at it's meeting on 5<sup>th</sup> January 2016. The Committee noted the cumulative effect of such disposals and the gradual erosion of rural housing as a result of each individual decision. The decision was not over turned, although the Scrutiny Committee did launch a task and finish group investigation into the entire process as a result of the call-in. That task and finish group is yet to report back with it's recommendations and in the interim the process begun by the District Executive decision in October 2012 remains in place
- 4.11. In November 2010 the Portfolio Holder approved the first Rural Housing Action Plan, which set out the mechanisms available to the Council in providing more affordable housing in rural locations. A revised Rural Housing Action Plan was approved by the Portfolio Holder in June 2013.

## **5. The Housing & Planning Act 2016**

- 5.1. The Housing and Planning Act 2016 received Royal Assent on 12<sup>th</sup> May 2016 and is subject to a range of dates on which different aspects come into force, mainly on that date, within two months or when the relevant regulations are in place. The Act amends thirty other pieces of existing legislation and confers on the Secretary of State the ability to propose many different sets of regulations into which further detail will be written in due course. The Act applies in it's entirety to England but with some parts applying to England and Wales, some to England, Wales and Scotland and some to the whole of the UK. The Act has nine Parts – two of which directly affect the affordable housing programme and one of which may do through imposing changes on the planning regime.
- 5.2. Part 1 of the Act provides the new statutory framework for 'Starter Homes', although much of the detail is subject to various sets of regulations which the Secretary of State is yet to propose. A starter home is a new dwelling which is

only available for purchase by qualifying first-time buyers and which is made available at a price which is at least 20% less than the market value subject to a cap. A first time buyer must be aged at least 23 and under 40. The price cap is £ 250,000 outside London.

- 5.3. There is a general duty on all planning authorities in England to promote starter homes. In future English planning authorities will only be able to grant planning permission on certain residential developments if starter homes requirements are met – to be set out in regulations. It is widely believed that this requirement will be 20% but the Act affords the Secretary of State to set out different requirements according to location and type of development – none of which will necessarily be 20%. However the Act states that these regulations must give local planning authorities some discretion on the requirement on rural exception sites.
- 5.4. The Act redefined ‘affordable housing’ to include Starter Homes, although the definition makes the distinction between Starter Homes and ‘traditional’ sub-market housing which is now described as ‘non-commercial’. Taken together with the duty to promote, it follows that in future this report of the affordable housing programme should include starter home completions, where known.
- 5.5. It was thought during the passage of the Act that the Government wished the discount to fall away after five years – thus leaving Starter Homes outside of the normal ‘perpetuity’ expectations of other forms of affordable housing. The Act does not set a time limit on the discount but defers this to regulations to be set out by the Secretary of State. It is widely expected that the regulations will set out a form of tapering of the discount rather than the ‘cliff-edge’ originally set out by the Government in the Bill.
- 5.6. The Act allows for two forms of effective repayment of the discount, or part thereof, if the first time buyers move on before the period to be set out in the regulations. One variant is that the property has to be sold on to a new qualifying first time buyer with the discount being passed on – although it is unclear whether the clock starts again with the second generation owner and, curiously, this fails the definition in the Act of a Starter Home being a new dwelling as it effectively, at this point, becomes second hand. The other variant is where the original first time buyer pays back the value of the discount, or part thereof, following onward sale – effectively turning the former Starter Home into an open market dwelling. However, at this stage, it isn’t clear to whom this repayment is made.
- 5.7. At this moment in time, then, the District Council has a duty to promote Starter Homes without knowing the full detail of exactly what they are. On the assumption that the forthcoming regulations set out that most qualifying sites will be required to produce at least 20% Starter Homes, one might assume that this reduces the ability to seek other (traditional) affordable housing products down to 15%, subject to viability. All the indications are that Starter Homes should be a more viable product for the developer than traditional forms of affordable housing, but without the full detail (yet to be set out in regulations), it is difficult to see how the viability can be appropriately assessed.
- 5.8. The Act also provided for the extension of the Right to Buy to housing association tenants on a voluntary basis. Importantly it did not confer any new rights on housing association tenants but it did provide a legal route for the Government to reimburse housing associations (through grant) the value of the



discount either through the HCA or the Greater London Authority. Where the housing association does not wish to sell a particular property, for example where it has been secured in perpetuity through a s106 Agreement as a planning obligation, it can offer the tenant the purchase of an alternative property.

- 5.9. The Act also requires local authority landlords to charge higher rents for tenants on higher incomes (over £31,000 outside London). This policy is voluntary for housing associations who may or may not see there being little financial gain after the additional administrative costs of tracking all tenants income.
- 5.10. The Act further reduces regulation on the housing association sector, probably driven by the desire to restore the previous position whereby housing association debt was not counted as part of the total public sector debt. Part of this reduction in regulation includes the removal of the need to gain HCA consent for the disposal of an individual property (other than under the preserved Right to Buy) and the abolition of the Disposals Proceeds Fund which associations had to account for separately and for which the HCA could previously set restrictions on redeployment.
- 5.11. The Act allows the Secretary of State to place restrictions or conditions on the enforceability of planning obligations relating to the provision of affordable housing and provides for the Secretary of State to appoint a person to help resolve outstanding planning obligations issues within set timeframes.

## **6. Overturning of the Reading & West Berkshire Decision**

- 6.1. There have also been changes effected in planning policy through further court action. The Government was able to overturn the decision in favour of Reading and West Berkshire at appeal – having the effect of reinstating the previous national guidance. This guidance effectively overwrites our policy HG4 except where the (up to ten) dwellings proposed exceed 1,000 m<sup>2</sup> and reinstates the 'vacant building credit' which effectively allows developers to deduct the existing floor area of buildings due to be demolished or renovated under their proposals. The guidance also effectively increases the threshold for policy HG3 to over ten dwellings, except where the proposal exceeds the floor area.
- 6.2. A lot of officer time and effort was spent calculating payments and communicating with planning applicants during the interim, all of which has resulted in a total of £20,404 being received under HG4.

## **7. Future HCA Funding Prospects**

- 7.1. The Government is making available £4.7 billion of capital grant through the HCA (except in London) for the newly revised funding period 2016-21 under the renamed 'Shared Ownership and Affordable Homes Programme'. The initial bid round closes on 2nd September but it is anticipated that this will be followed by the usual CME process ('Continuous Market Engagement') whereby bids can be submitted at any time after the announcement of the first tranche of funding.

- 7.2. However the majority of these funds (95%) are geared towards ownership products – most significantly (88%) shared ownership but also some (7%) ‘rent to buy’ initiatives. Just 5% of the programme is set aside for ‘traditional’ rented products (such as affordable rent) for ‘older, disabled and vulnerable people’. In short there is no new Government funding for homes for rent for the bulk of applicants on our housing register.
- 7.3. Taken together the imposition of Starter Homes as a form of affordable housing, the raising of the thresholds for sites to qualify for planning obligations under HG3 and the refocusing of the HCA funding programme towards ownership products represents a significant reduction in our ability to provide the rented homes needed. In particular this latter move reduces our ability to ‘underwrite’ schemes on the basis that housing association partners will be able to bid for funds, other than for the shared ownership element within planned schemes.

## **8. Yarlington disposals**

- 8.1. When considering disposals, typically Housing Associations have identified isolated properties or those with a relatively high call on future maintenance costs as potential for meeting their disposal obligations. This increases the chances of an individual property being considered for disposal being in a rural area, especially where the ‘SAP’ (energy efficiency) rating is further reduced by a lack of access to mains gas.
- 8.2. For Yarlington there is a greater chance that such properties will be in South Somerset as the majority of their stock was ‘inherited’ from the Council at the time of the Large Scale Voluntary transfer (LSVT) with most of the remainder being built or acquired over the past sixteen years to contemporary standards.
- 8.3. It follows that such disposals are more likely to be affected by the October 2012 decision by District Executive to delegate consent to the Portfolio Holder in consultation with the relevant ward member/s. Of the Yarlington disposals to have taken place to date, only one property was HCA funded (gained through mortgage rescue).
- 8.4. Since the introduction of that policy Yarlington has proposed disposal of 29 properties – three in Yeovil and 26 in rural locations. After the formal process the Portfolio Holder has agreed to 19 of these disposals and withheld consent from six; one Yarlington disposed of without a full response from SSDC and the other three are pending formal decisions at the time of writing this report.

- 8.5. In the nineteen cases where the Council has formally agreed to the disposal, two of these were caveated on the reinvestment of net proceeds in Yeovil, one on the use of net proceeds to create a replacement four bedroomed property and the remaining 16 on the proviso that net proceeds be redeployed in the local area.
- 8.6. It is estimated that Yarlington have gained just over £ 3½m in net proceeds from these disposals but to date no indication has been given of where such funds have been redeployed. In a written response to the Acting Chief Executive in July this year, Gary Orr, Chief Executive of Yarlington stated “I can confirm the disposal proceeds are reinvested as Yarlington deems appropriate. Invariably this means investing in additional stock and or improvements to existing stock. This may or may not be within the same local authority area.”

## **9. New needs assessment**

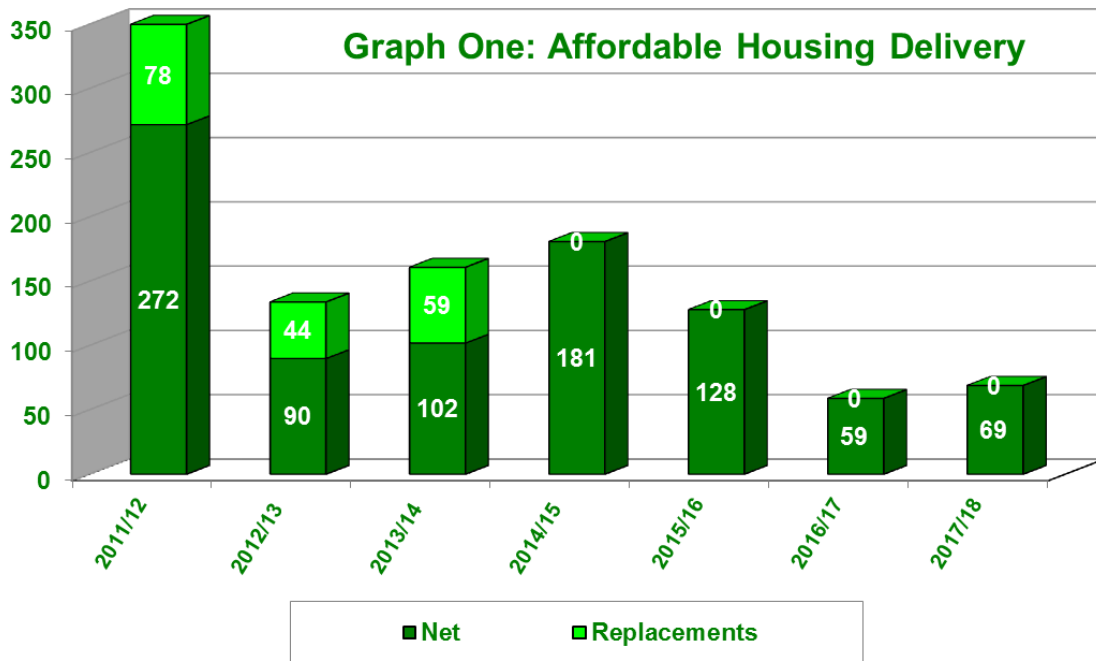
- 9.1. As a first phase of the new assessment the Somerset authorities commissioned consultants to undertake a comprehensive update of the extent of functional housing and economic market areas in Somerset. In November 2015 consultants ORS Ltd reported back. Although there were changes to the position of Mendip and Sedgemoor, the report confirmed that there is a functioning South Somerset sub-regional housing market which remains influential on segments of West Dorset, but otherwise for all practical purposes can be treated as co-terminus with the district.
- 9.2. Four of the five districts commissioned the full assessment of the reviewed and reconfirmed sub-regional areas in the light of revised national guidance. This assessment has been undertaken by Justin Gardiner Consulting and was procured through Sedgemoor District Council who required an earlier, interim, Sedgemoor specific report in order to meet deadlines for the cycle of their own Local Plan review. The final report is due to be delivered next month and disseminated by the consultants shortly afterwards.
- 9.3. All the indications are, since the 2009 SHMA, that affordability has not improved and may have worsened since housing costs (both purchase prices and levels for private rent) have tended to escalate faster than average earnings. On the other hand construction costs, both labour and materials, have also tended to escalate faster than inflation, so any proposed changes in the overall level of affordable housing sought under planning obligations arising from the refreshed evidence base may be dampened by general viability.
- 9.4. Whether the final needs assessment, adjusted for general viability, justifies a change in the 35% or not, it will better inform the proportion of different sub-market tenure types that ought to be sought within the affordable element. However any proposed changes to planning policy will also have to take into account any regulations issued by the Secretary of State setting out the requirements for Starter Homes to be provided as part of the affordable housing solution.

## **10. The Affordable Housing Programme: A seven-year profile**

- 10.1. The graphs below show the overall shape of the programme over the past five financial years (in order to cover the last complete HCA four year programme 2011-15) and the projected outturn for both the current and following financial years. Further detail on the first four years covered by these graphs can be

found in the previous reports to District Executive (2<sup>nd</sup> August 2012, 1<sup>st</sup> August 2013, 4<sup>th</sup> September 2014 & 1<sup>st</sup> October 2015) and is not repeated here. The rest of this report considers the outturn for the last complete financial year, 2015/16 and future schemes which now have grant funding confirmed (either from HCA or from this Council), most of which shall be on site during the current financial year.

**10.2. Overall Delivery and Net Gain**



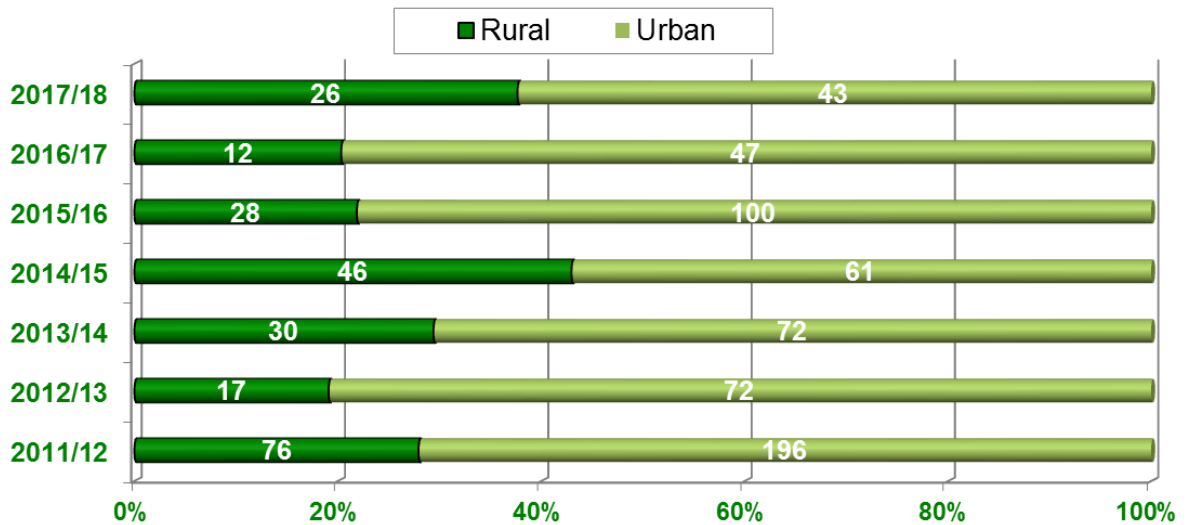
10.2.1. Graph one (above) shows the overall size of the affordable housing programme over the past five years and the expected size for both the current and following years. 2011/12 was the second most successful year ever in delivering affordable homes. This was followed by lower delivery than average over three of the next four complete years. The average delivery over the past five years was 191 (rounded up). The projection for the current financial year is 59, the lowest delivery for some considerable time, although several sites currently underway shall not complete until 2017/18.

10.2.2. Graph one clearly shows the contribution to overall numbers in the first three years made by the replacement properties as Yarlinton have worked through the last of the former pre-stressed Reinforced Concrete [PRC] sites inherited from the Council at the time of the stock transfer. However it should also be noted that the redevelopment of these sites has also made a significant contribution to the net gains as additional homes have been developed within each of the affected sites. The last of these redevelopments was completed in 2013/14.

**10.3. Rural Delivery**

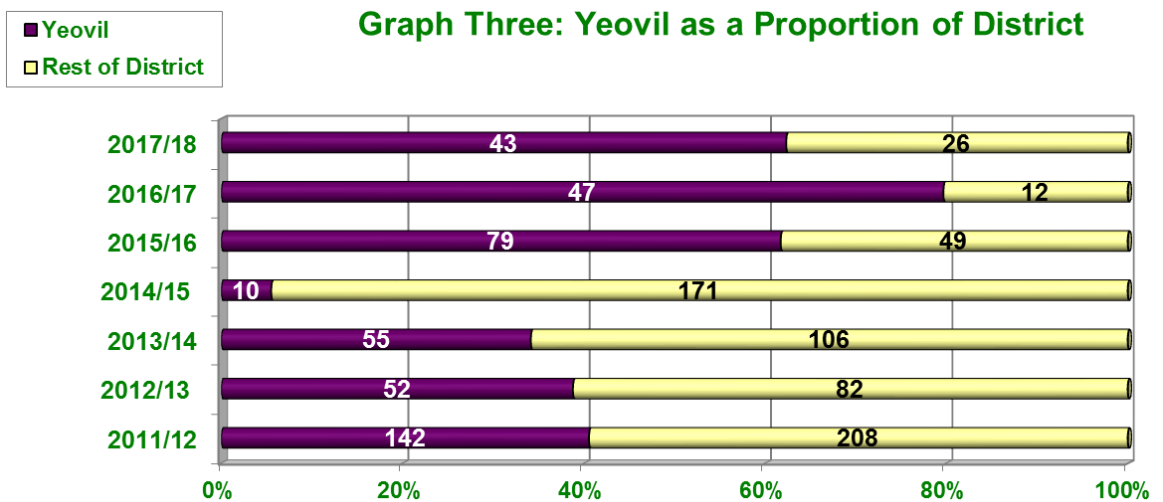
Graph two demonstrates that over the past five years we have consistently delivered around 20-30% of all new affordable homes in settlements of under 3,000 population. Despite the variation in overall numbers, the proportion in rural areas is projected to remain at about this level.

**Graph Two: Rural Housing As A Proportion**



**10.4. Delivery in Yeovil**

**Graph Three: Yeovil as a Proportion of District**



Graph three demonstrates that for the first three years we delivered around 30-40% of all new affordable homes in Yeovil. In the fourth year this fell to just over 5% but last year rose to over 60%. This fluctuation is partly due to the slippage of a 59-unit scheme which should have been completed by 31st March 2015. The continued high projection for the current and following financial years is largely due to the significantly lower projected number of completions overall.

**10.5. Public subsidy**

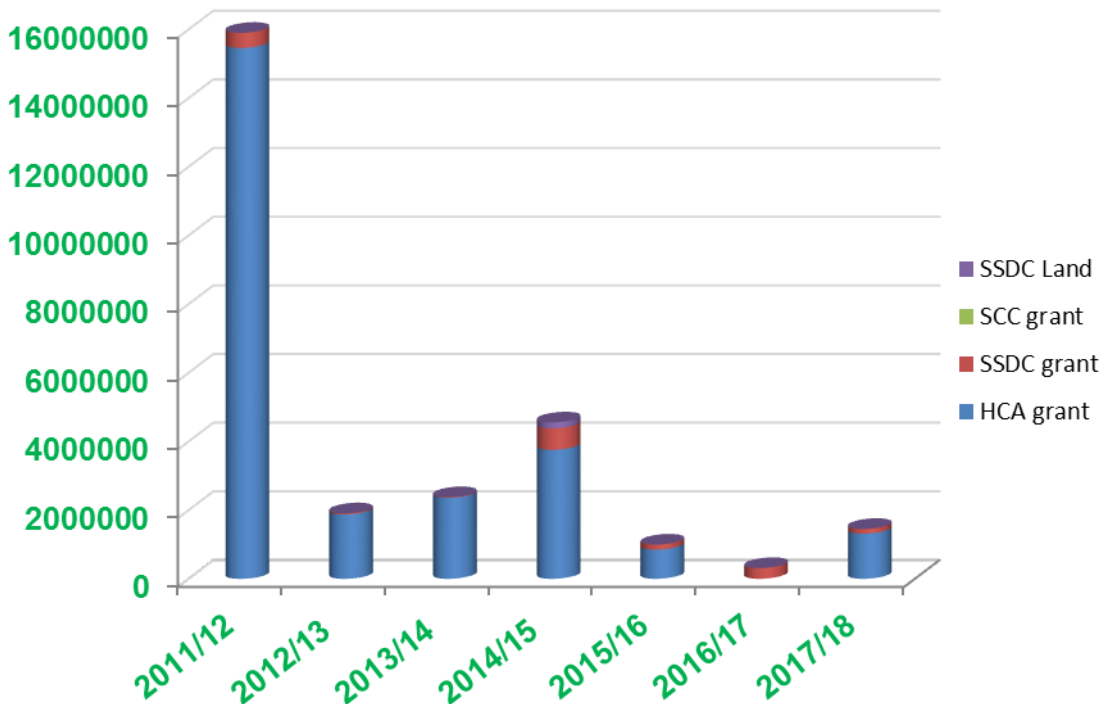
10.5.1. Graph four shows the level of public subsidy associated with schemes completing in each financial year. It should be noted that subsidy is paid at various stages and in most cases some proportion of the subsidy will have been paid over in the financial year/s prior to the year of completion, as the development has progressed. Historically, capital subsidy from the Homes and Communities Agency has been the dominant feature.

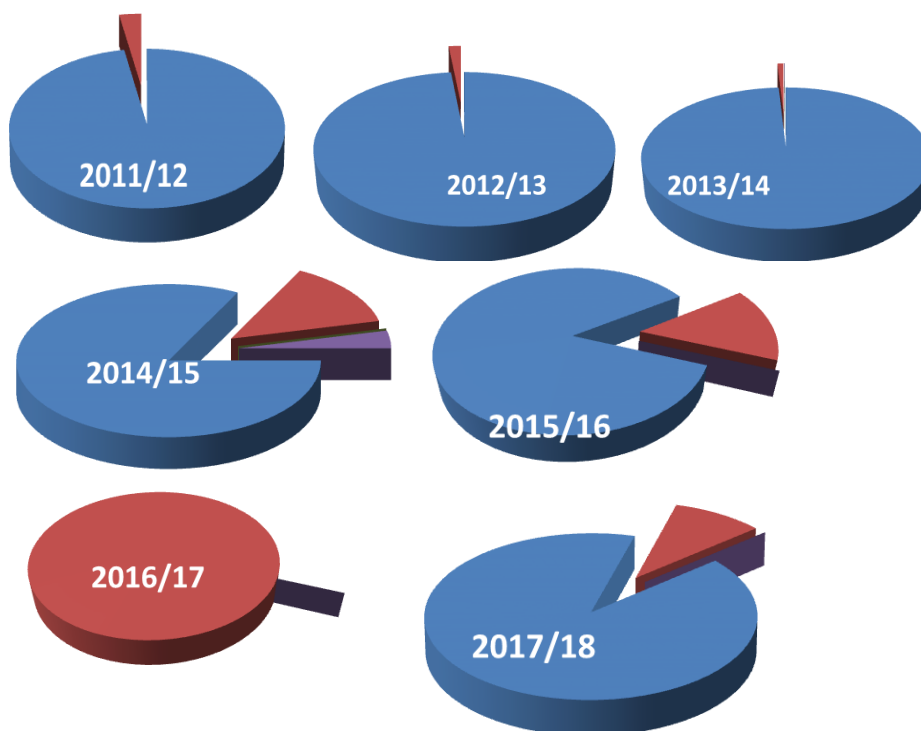
10.5.2. Over the past five years the total value of public subsidy has been as follows:

Homes & Communities Agency	£ 24,310,207	(93%)
District Council (Capital Grant)	£ 1,579,049	(6%)
District Council (Land Value)	£ 172,000	(<1%)
<b>Total public subsidy</b>	<b>£ 26,061,256</b>	

The pie charts show the relative degree of funding from these sources using the same colour coding.

**Graph Four: Level of Public Subsidy Associated With Completed Schemes**





10.5.3. Most unusually the current financial year includes no schemes subsidised through the HCA that are due to complete, although as previously mentioned grant will be paid over during the build stages and one Stonewater scheme is due to have a phased delivery but the final claim will fall into next financial year.

10.5.4. Over the previous five year period the capital receipts arising from former Council tenants exercising their preserved Right to Buy on Yarlinton properties were as follows:

2011/12	£ 750,868
2012/13	£ 981,546
2013/14	£1,429,103
2014/15	£1,037,000
2015/16	<u>£ 927,000</u>
<b>Total</b>	<b>£5,125,517</b>

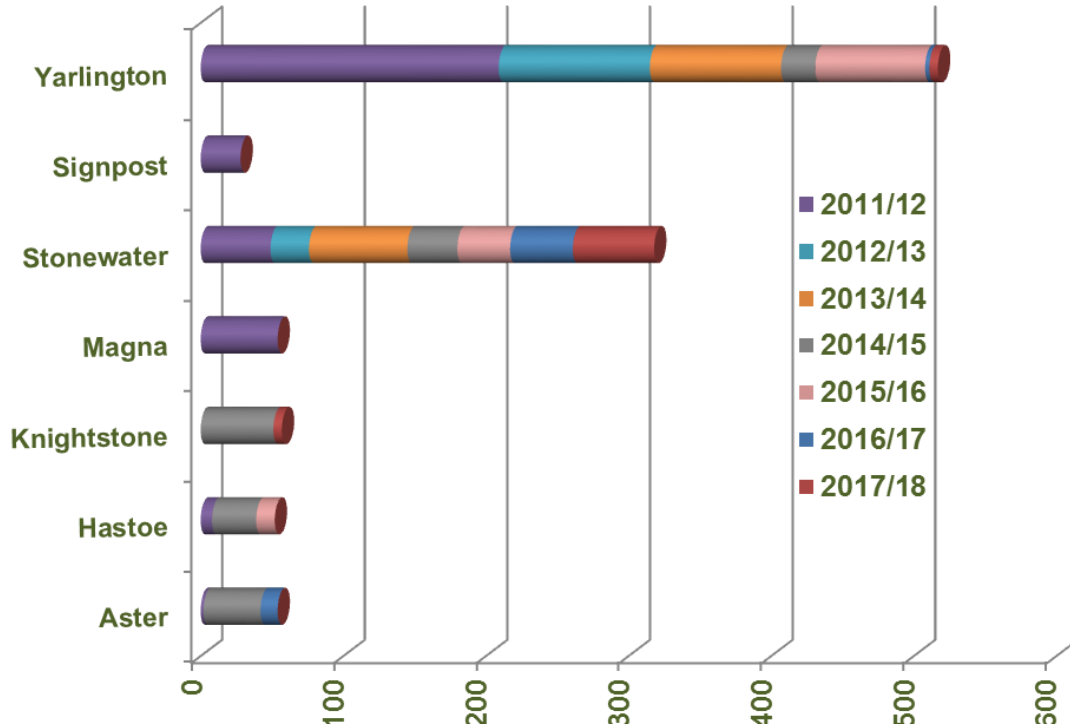
10.5.5. Graph four and the associated pie charts do not include the historic subsidy (in the form of a 'dowry' derived by the reduced capital receipt at the time of the council's large scale voluntary stock transfer) which has effectively gone into the replacement (but not net gain) properties on the Yarlinton PRC estates. Equally these graphs do not show the recycled funds used by Housing Associations arising from 'staircasing' in shared ownership (where the lessee purchases a further tranche of the equity) or the outright disposal of a rented property.

## 10.6. *Delivery by Association*

10.6.1. Graph five shows the delivery over the seven year period (including the projected delivery for both the current and following financial years) broken down by Housing Association. The majority of the programme over the long

term has been delivered by Yarlinton, which delivered 508 new homes (including the replacement properties) over the past five years but currently is only projected to deliver a further 9 in total over this and the next financial year.

### Graph Five: Delivery by Housing Association



10.6.2. The figures attributed to Stonewater include the homes produced by both Jephson and Raglan in the period prior to their merger to form Stonewater

10.6.3. It should be noted that this graph does not include a very small number of affordable dwellings delivered directly by private sector developers or the one acquired by the Council.

10.6.4. The homes produced by Magna and Signpost during 2011/12 are all at the Lyde Road key site in Yeovil, although neither association was selected as a main partner with the Council at the time. Since completion as part of a much wider stock swap exercise, the Signpost homes have since transferred to Knightstone Housing Association.

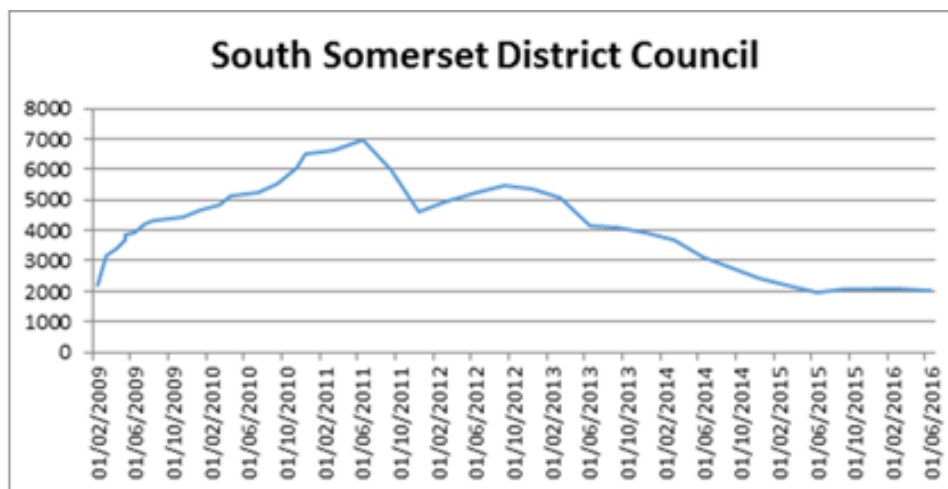
10.6.5. Both Aster and Knightstone were appointed as main partners in January 2011, following an extensive selection exercise undertaken in conjunction with Mendip and Sedgemoor District Councils. Aster has since been deselected in the review that completed early last year but remains cited on several existing s106 Agreements.



## 10.7. Housing Register

10.7.1. The graph below is extracted from the most recent quarterly report submitted to the Homefinder Monitoring Board. Since the creation of a single county wide system in December 2008 the number of applicants expressing a need through the register has initially increased and then steadily fallen. The fall in applications can be attributed to better maintenance of the register (removing redundant applications) and, in part, the policy changes previously introduced which restricted applicants to those who have a local connection with the County. However for just over two years those on the register assigned to South Somerset District Council has remained pretty steady at around 2,000, close to the level we had prior to creating the county-wide system.

### Graph Six: Expressed Need on Housing Register

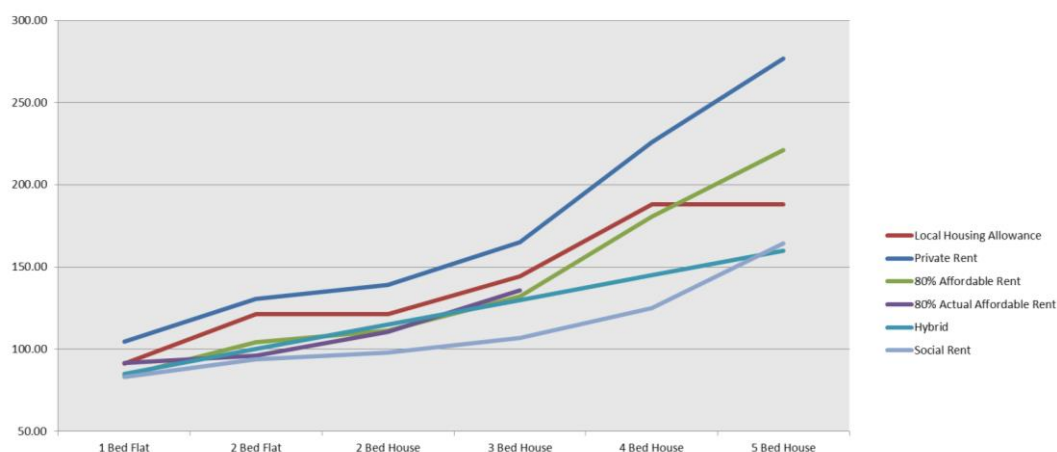


10.7.2. The graph above is fairly representative of the County as a whole, (although in both Mendip and Sedgemoor numbers have not yet fallen to pre-December 2008 levels), except for the virtual flat-line over the past two years. This suggests that we have reached an equilibrium where the supply of new housing (together with the casual vacancies arising from within the existing stock) is just about keeping pace with the newly arising expressed need. Other data shows that South Somerset consistently deals with the highest number of new applications in the County but also has the highest number of vacancies advertised and properties let meaning that our part of the register is more dynamic with consistently around 24% of the registered households (yet to be housed) and 24% of the bids made but 32% of the offers and lettings.

## 10.8. Outcome rents

10.8.1. The graph below is a very rough guide to the relationship between the different rent regimes. It is important to note that the figures are all district wide averages which masks the variation, particularly in market and affordable rents, between locations. There is no local housing allowance (Housing Benefit limit) for a five bedroom property – hence the red line flattens once it reaches four bedrooms. All forms of rent tend to ‘kink’ at the higher end – i.e. the additional rent charged per extra bedroom increases at a greater rate – except for the hybrid rent (which was deliberately modelled as a straight line).

## Graph Seven: Relationship of Different Rent Regimes



- 10.8.2. In July 2015 the Chancellor announced that for four years both social rents and affordable rents will decrease by 1% per annum. For social rents the decrease applies to the 'target rent' formula whilst for the affordable rent regime new rents will be pegged at 80% of the market value as at July 2015, reduced by 1% annually, rather than 80% of the prevailing market value. Overall this reduction in income led to a significant reduction in the borrowing power of the Housing Association sector and subsequently additional viability issues on sites subject to planning obligations.
- 10.8.3. Perhaps due to the imposed reduction and perhaps due to faults in our modelling, for the most part actual affordable rents have tended to be slightly lower than those we originally projected and for most property types there has been no significant difference between actual affordable rents and the hybrid model. However the actual affordable rent line ends at three bedrooms due to the very small sample size for anything larger.
- 10.8.4. Bearing in mind that the graph shows district wide averages, because of the treatment of service charges, there has been very little difference between the social rent and the affordable rent model on one bedroom and two bedroom flats. However in some locations, particularly higher value villages, even for these property types the outcome rent has been discernibly higher on the affordable rent regime.
- 10.8.5. It is therefore suggested that we continued to use the hybrid model when the District Council is the sole source of grant funding for four or five bedroom properties and for all property types in certain higher value rural locations, but otherwise accept the affordable rent model for the majority of new grant funded homes.

### 10.9. *New Homes Bonus*

- 10.9.1. The affordable housing programme has made a significant contribution towards the payment of 'New Homes Bonus' to the Council. Our two most successful years ever coincided with the start of the New Homes Bonus, which is calculated on the overall gain in properties. However for the purposes of New Homes Bonus, the Government look at the gains over a 12-

month period ending in October, rather than the delivery over a traditional financial year.

10.9.2. In addition all new affordable homes earn an affordable homes bonus of £350 per property (£280 after 20% has been allocated to the County Council), or £2,100 over the full six year period. Overall, thanks to the accumulation over the past six years, affordable housing currently accounts for a significant chunk of the monies received through New Homes Bonus.

## **11.2015/16 outturn**

- 11.1. During 2015/16 a total of 128 new affordable homes were completed, of which 85 were produced without direct public subsidy but through obligations imposed on developers under section 106 of the Town and Country Planning Act 1990. The full details are shown at Appendix A.
- 11.2. Three different Housing Associations delivered eight schemes in six different settlements, benefitting from just over £852,000 in public subsidy from the HCA supplemented by £146,000 capital grant from the District Council. In addition the Council acquired one dwelling (from the open market).
- 11.3. The Hastoe scheme at Queen Camel, in conjunction with the Queen Camel CLT, delivered the final seven properties in April 2015, more details on this scheme are contained in the previous report to the District Executive (1<sup>st</sup> October 2015)
- 11.4. Four schemes were completed without any recourse to public subsidy, with the affordable housing elements being delivered through planning obligations alone, the most significant of which was the first phase of the Lufton key site in Yeovil.
- 11.5. The property acquired by Council was a three bedroom bungalow, meeting the specific needs of a particular client. This was not grant funded but acquired as an investment property, producing a return on the capital outlay exceeding that available through the PWLB. The property was leased on a shared ownership basis, producing a residual rent, and thus comes within the traditional definition of 'affordable housing'.
- 11.6. In addition the Council acquired four other dwellings, but these did not represent a net gain as they were already let on affordable terms under the relevant s106 Agreement. The acquisition represented a preservation of the affordable status of these dwellings on similar terms as those originally set out in the s106 Agreement which had otherwise come to an end.
- 11.7. The number of new Affordable Rent dwellings delivered is lower than the number delivered as social rent, despite being higher in the previous year. This arises from the number actually delivered this year under planning obligations alone. The proportions will continue to vary over time depending on the timing of peaks and troughs in the different forms of delivery whilst there are still schemes for rent being funded by the HCA coming through the pipeline.

## **12. Current Year (2016/17) Programme**

- 12.1. During 2016/17 we expect a total of 59 new affordable homes to be delivered and a further 44 underway but probably not completing until 2017/18. The full details are shown at appendix B. The figure is subject to some fluctuation as sites progress, for example delays due to adverse weather, but it is also possible that other schemes will come forward. It should be noted that for the purposes of these reports affordable housing 'secured' under s106 of the 1990 Act is only placed on the programme once the developer has entered into contract with the relevant Housing Association. The appendix also excludes other schemes proposed for new funding via this report.
- 12.2. Currently we expect three Associations to deliver three schemes in two different settlements. The current programme includes no land donated by SSDC but £ 315,000 is allocated in Council grant for Yarlinton to produce three specialist bungalows in Yeovil.
- 12.3. The majority of properties expected to be delivered this financial year are on the Stonewater site at West Hendford, Yeovil where delivery is anticipated in four phases, three of which fall into the current financial year and the final phase falling into 2017/18.
- 12.4. The actual outcome for this financial year could be augmented with some additional individual properties such as further mortgage rescues or Bought not Built properties. It is also possible that some properties may be sold as Starter Homes, but this is unlikely to happen until 2017/18.

## **13. Programme Changes since October 2015**

- 13.1. There have been a number of changes in the overall programme since the last such report to District Executive in October 2015
- 13.2. In March the Portfolio Holder confirmed an additional £6,544 for Chard Working Mens Club to cover further costs incurred following a site visit immediately prior to the first lettings. Just under half of this additional money was sourced from other budgets with a contribution from the empty property grant budget and monies also used from the winding up of CWMC. This additional grant represented less than 2% variation from the original budget.
- 13.3. In October 2015 the District Executive exhausted the rural contingency reserve by allocating £396,661 to Yarlinton to fund the first 17 dwellings on a site in Misterton in the expectation that this would be underwriting whilst Yarlinton bid to the HCA. Since then the Government announcement on the new SOAHP means that only 6 of the proposed 17 dwellings could possibly benefit from replacement grant funding as only the shared ownership element can benefit from the new bid cycle; however this does open up the opportunity for Yarlinton to bid for an additional 23 or so dwellings as shared ownership to complete the site whilst still providing 11 for social rent as funded by the District Council (effectively replacing the 10 lost from the Betterment site under viability). However since the last such programme report Yarlinton are yet to secure appropriate planning permission for the site and thus the scheme does not appear on Appendix B and has not yet been taken into account in the projected completions. However Yarlinton remain optimistic that they will obtain planning permission sometime in 2017 and may be able to complete the site before the end of 2017/18.

- 13.4. In April 2015 the Portfolio Holder confirmed the underwriting of the Stonewater scheme at West Hendford in Yeovil by allocating £748,000 from the general reserve. Last October the District Executive confirmed the principle of underwriting the proposed Learning Disabilities (LD) scheme (within the substantive West Hendford) in the expectation that either the County Council or the HCA would provide all or the majority of the grant.
- 13.5. Stonewater have now been able to transfer HCA grant funding allocated for schemes in other parts of the country to cover the majority (general needs) element of the West Hendford site. Further discussion with the County Council suggest that the monies required to subsidise the LD element should be made available from health service funding following the sale of an existing building no longer regarded as fit for purpose and subject to approval from NHS England. However it is unlikely that the sale of the existing property will net enough to cover the full £ 375,000 subsidy that Stonewater require for this very specialised provision.
- 13.6. It is therefore proposed that £373,000 is now de-allocated from the West Hendford scheme and returned to the general contingency pot, leaving £ 375,000 to cover the LD scheme. Most of the £375,000 allocation will still be underwriting in the expectation that NHS England approval will be forthcoming and the health service capital funding recycled into the new provision. However, even if this is the case, there will be a take up of perhaps around £100,000 to meet the shortfall and nomination rights split between the County and the District to reflect the proportions of subsidy provided.
- 13.7. Last October the District Executive confirmed the allocation of £120,000 grant for Knightstone Housing Association to create nine new affordable dwellings on council owned land at Jarman Way, Chard. The combination of enforced rent reductions and overall impact on capacity referred to above had looked as if it rendered the scheme unviable even with the level of funding. However Knightstone are currently reviewing the scheme with the possibility of diverting some remaining RCGF funding and potentially reducing the required level of grant from the Council. For the moment uncertainties over this scheme means that it has been removed from Appendix B and not taken into account in the projected future delivery. However it is suggested that the allocation of £120,000 remains in place for the time being pending further information from Knightstone on the review of viability. If possible a verbal update may be given to the Executive.
- 13.8. Yarlington have been progressing a scheme at South Cadbury as reported to the District Executive last October, shown at Appendix B, but this has also been hit by similar viability issues following enforced rent reductions and the impact of that on borrowing capacity. The scheme utilises £ 166,000 of grant from the HCA originally allocated to another scheme in South Somerset which did not come forward and a further £93,000 in RCGF (recycled capital grant fund – monies raised from sales of previously grant funded properties).
- 13.9. The site at the former Dikes Nursery in Stoke Sub Hamdon was granted planning permission with a s106 Agreement securing four dwellings as an intermediate affordable housing product due to the site viability. We had thought that Yarlington, acting as a private developer, were going to build out the site selling the majority of dwellings as open market and using the proceeds to cross subsidise other affordable housing activity. However only a few weeks ago they

confirmed that they had given up on the site, not being able to make it work financially even with the amended affordable housing obligation in place.

- 13.10. Following confirmation of Yarlingtons withdrawal of interest in the site, the Council has supported Stonewater in bringing the site forward instead. Stonewater hope not just to meet the s106 obligation to provide four properties for shared ownership but also to provide the remainder of the site as affordable rent They should be able to do so by utilising HCA grant funding which was originally allocated to a site in another county and has to be taken up by the end of 2017/18. At the time of writing this report transfer of the HCA grant funding to this site is still subject to formal confirmation from the HCA and Stonewater are also arranging planning amendments to create ten rented dwellings on roughly the same footprint as the original (larger) market housing.

#### **14. North Street, Crewkerne**

- 14.1. Members will recall how in the past our Housing Association partners have responded to identified gaps in the balance of the programme, for example producing over 130 additional homes in Chard over a three year period.
- 14.2. Following successful completion of three major schemes in Chard our Housing Associations partners were asked to concentrate on finding sites in Crewkerne – there having been just four properties built or acquired there over the past four financial years and the key site having both been stalled and subject to viability discussions which have successively reduced the level of affordable housing expected through planning obligations. After Yeovil and Chard, Crewkerne remains the third highest level of need in the district as expressed on the Homefinder register.
- 14.3. Stonewater have responded with a major scheme at North Street in Crewkerne, producing forty new dwellings of which 28 will be at affordable rent and 12 for shared ownership. Planning permission was already in place but the site is not straightforward and had not been developed by the private sector largely due to some difficulties with highways access. Stonewater have submitted a revised planning application, slightly increasing the size of the substantive site and the number of dwellings that can be achieved, which at the time of submitting this report is yet to be determined. Stonewater believe that they are able to overcome the outstanding technical difficulties.
- 14.4. Given the strategic importance of providing more affordable homes in Crewkerne (and given the lack of any other available options), it is proposed to allocate £1,040,000 to subsidise the scheme, subject to appropriate planning permission being in place.

#### **15. New Rural Housing Action Plan**

- 15.1. Since the last report to the District Executive, in recognition of the need to maintain delivery in more rural parts of the district, available capacity within the strategic housing unit has been reprioritised. There is now a part time housing development officer post dedicated to rural schemes and, following internal recruitment, Leisa Kelly joined the team at the start of December in this role (direct line 01935 462641).
- 15.2. The previous Rural Housing Action Plan (adopted in 2013) is now out of date with, among other things, the adoption of the Local Plan effectively replacing the old rural exceptions site approach with policy SS2 and the raft of changes brought about by Government including changes in the NPPF and new initiatives within the Housing and Planning Act 2016
- 15.3. The Housing Development Officer (Rural), supported by colleagues in the various Area development teams, has been working on producing a revised Rural Housing Action Plan that takes account of all of these external and internal changes. A consultation draft was sent out to parish councils, housing associations, community land trusts and other relevant parties at the end of June and the development of a new plan discussed at the Portfolio Holders informal discussion meeting on 8<sup>th</sup> July.
- 15.4. Responses to the consultation have been received and, at the time of writing this report, the new Action Plan is being revised in the light of these comments. The amended draft will be discussed at the Portfolio Holders next informal discussion meeting on 23<sup>rd</sup> September and it is anticipated that a formal report to the Portfolio Holder will seek to adopt the revised Plan shortly afterwards.
- 15.5. As previously stated, the District Executive exhausted the rural contingency fund last October by allocating grant to a Yarlinton scheme which is yet to come to fruition. It was then thought that commuted sums would be gathered under policy HG4 and hypothecated to rural schemes, effectively replenishing the contingency fund. However all of the funds gathered under HG4 thus far do not amount to enough money to grant subsidise one dwelling. It is therefore proposed to recreate a rural contingency fund for the future by setting aside £500,000 from the remaining general contingency reserve, including all the HG4 monies gathered from rural areas to date. It is suggested that no further rural allocations be made from this contingency to Yarlinton without the undertaking of some match funding from the net proceeds of their disposals in rural areas, where available.

## 16. Financial Implications

The table below is a summary of the movements in the reserve since the last report:

<b>Affordable Housing Reserve</b>	<b>£1,000 (rounded)</b>
Balance b/f (per DX report October 15)	1,623
Allocations from reserve to:	
Chard Working Men's Club (PH 04/03/16)	(7)
Transfer to reserve from:	
Empty property grants	1
CWMC (Liquidation)	2

Commutated sums gathered under policy HG4	20
Total Remaining Balance of Reserve	1,639

16.1 If the District Executive approves the proposal to de-allocate £ 373,000 from Stonewater as per the recommendations, this affordable housing reserve will increase to £2,012,000

16.2 Following this, if the District Executive approves the proposal to allocate £1,040,000 to Stonewater for North Street, Crewkerne as per the recommendations, this affordable housing reserve will then decrease to £972,000

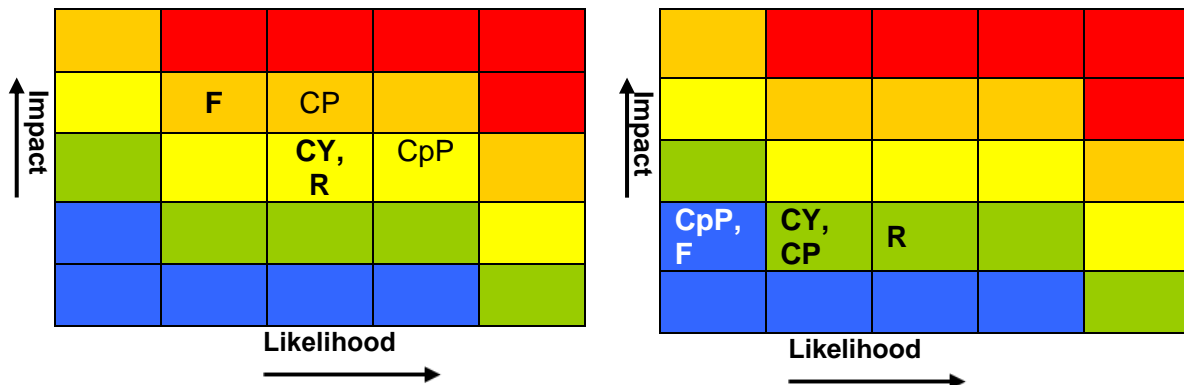
16.3 Following this, if the District Executive approves the setting aside of £500,000 as a rural contingency fund, the general affordable housing reserve will decrease to £472,000

16.4 The general contingency funding has traditionally been held back to meet operational requirements, such as “Bought not Builts” for larger families; mortgage rescue and disabled adaptations specifically designed for clients where opportunities do not exist in the current stock.

## 17. Risk Matrices

Risk Profile before officer recommendations

Risk Profile after officer recommendations



### Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

## 18. Carbon Emissions and Climate Change Implications

Previously all affordable housing in receipt of public subsidy, whether through the HCA or from the Council, had to achieve the minimum code three rating within the Code for Sustainable Homes. The HCA has now dropped this requirement and work



has been undertaken to understand the precise differences between code three and current building regulations (which have improved). Whilst the Council may be able to seek slightly higher standards than those achieved through building regulations where it is the sole funder of schemes, this is rarely the case as usually there is some HCA grant sought at some stage.

## **19. Equality and Diversity Implications**

All affordable housing let by Housing Association partners in South Somerset is allocated through Homefinder Somerset, the county-wide Choice Based Lettings system. Homefinder Somerset has been adopted by all five local housing authorities in the County and is fully compliant with the relevant legislation, chiefly the Housing Act 1996, which sets out the prescribed groups to whom 'reasonable preference' must be shown.

## **20. Implications for Corporate Priorities**

The Affordable Housing development programme clearly provides a major plank under "Homes" and in particular meets the stated aim:

*"To work with partners to enable the provision of housing that meets the future and existing needs of residents and employers."*

## **21. Privacy Impact Assessment**

This report does not directly impact on any data held of a personal nature.

## **22. Background Papers**

Consent to Dispose of a Third Party Property (Confidential) - District Executive - 4<sup>th</sup> October 2012

Approval of the Rural Housing Action Plan 2013/14 (report to Portfolio Holder)  
Executive Bulletins no.s 578 & 579 - 7<sup>th</sup> & 14<sup>th</sup> June 2013

Investing in Market Housing - District Executive - 5<sup>th</sup> February 2015

Investment in Housing: Purchase of a Three Bedroom Bungalow  
Executive Bulletins numbers 679 & 680 – 10<sup>th</sup> & 17<sup>th</sup> July 2015

Affordable Housing Development Programme - District Executive – 1<sup>st</sup> October 2015

Portfolio Holder Decision Called in by Scrutiny Committee: - Consent for Disposal of a Property in Rimpton by Yarlington Housing Group - Scrutiny Committee - 5<sup>th</sup> January 2016

Revenue Budget 2016/17 - Medium Term Financial Plan and Capital Programme - District Executive - 4<sup>th</sup> February 2016

Affordable Housing Development Programme: Chard Working Men's Club  
Executive Bulletins numbers 688 & 689 - 26<sup>th</sup> February & 4<sup>th</sup> March 2016

## Appendix A: Combined HCA & SSDC Programme 2015/16 outturn

	Housing Association	Scheme Name	Social Rent	Affordable Rent	Shared Ownership/ Intermediate	Net Gain New Homes	Total Grant	Level of grant from SSDC	SDC land allocation value	Level of grant from HCA	Planning Obligation	completion
<b>Yeovil</b>	Stonewater	Goldcroft	0	19	0	19	£470,402	£0	£0	£470,402		Mar-16
	Yarlington	Lufton Key Site	30	0	29	59	£0	£0	£0	£0	✓	Nov-15
	(District Council)	Specialist bungalow*	0	0	1	1	£0	£0	£0	£0		Feb-16
<b>Chard</b>	Stonewater	Rosebank, Millfield Road	0	10	0	10	£335,786	£98,000	£0	£237,786		Mar-16
	Yarlington	Mitchell Gardens**	8	0	3	11	£0	£0	£0	£0	✓	Apr-15
<b>South Petherton</b>	Stonewater	Hayes End (phase II)	5	0	3	8	£0	£0	£0	£0	✓	Dec-15
<b>Rural</b> (population below 3,000)	Yarlington	Wheathill Way, Milborne Port	5	0	2	7	£0	£0	£0	£0	✓	Oct-15
	Hastoe	Shave Lane, Horton	0	6	0	6	£192,000	£48,000	£0	£144,000		Nov-15
	Hastoe	West Camel Road, Queen Camel (CLT)**	0	3	4	7	£0	£0	£0	£0		Jun-15
<b>Totals</b>			<b>48</b>	<b>38</b>	<b>42</b>	<b>128</b>	<b>£998,188</b>	<b>£146,000</b>	<b>£0</b>	<b>£852,188</b>	<b>85</b>	

\*Bungalow acquisition part of the Councils investment, not grant aided, but is affordable as made available on a shared ownership basis.

\*\*Final phase of a larger scheme, delivered over several financial years

## Appendix B: Combined HCA & SSDC Programme 2016/17 & 2017/18 projected

	Housing Association	Scheme Name	Social Rent	Affordable Rent	Shared Ownership/ Intermediate	Net Gain New Homes	Total Grant	Level of grant from SSDC	SDC land allocation value	Level of grant from HCA	Planning Obligation	completion
<b>Yeovil</b>	Stonewater	West Hendford	0	45	18	63	£750,345	£748,000*	£0	£750,345		Jun-17
	Stonewater	Queensway	0	24	0	24	£596,607	£139,000	£0	£457,607		Apr-17
	Yarlington	Westfield Bungalows	2	0	1	3	£315,000	£315,000	£0	£0		Dec-16
<b>Rural (population below 3,000)</b>	Yarlington	South Cadbury	0	4	2	6	£108,000	£0	£0	£108,000		Oct-17
	Aster	Wheathill Nursery, Milborne Port	7	0	5	12	£0	£0	£0	£0	✓	Sep-16
	Stonewater	Former Dike's Nursery, Stoke sub Hamdon	0	10	4	14	tbc	£0	£0	tbc		Mar-18
	Knightstone	East Stoke, Stoke sub Hamdon	4	0	2	6	£0	£0	£0	£0	✓	Dec-17
<b>Totals</b>			<b>13</b>	<b>83</b>	<b>31</b>	<b>128</b>	<b>£1,769,952</b>	<b>£1,202,000</b>	<b>£0</b>	<b>£1,315,952</b>	<b>18</b>	

\*Showing SSDC funding prior to recommendations in this report, although superseded by HCA allocation

# Agenda Item 9

## **South Somerset Authority Monitoring Report (September 2016)**

*Executive Portfolio Holder:* Angie Singleton, Strategic Planning (Place Making)  
*Strategic Director:* Rina Singh, Strategic Director, Place and Performance  
*Assistant Director:* Martin Woods, Assistant Director Economy  
*Service Manager:* Paul Wheatley, Principal Spatial Planner  
*Lead Officer:* Paul Wheatley, Principal Spatial Planner  
*Contact Details:* paul.wheatley@southsomerset.gov.uk or (01935) 462598

### **1. Purpose of the Report**

1.1. To consider and sign-off the Authority Monitoring Report (2016).

### **2. Forward Plan**

2.1. This report appeared on the District Executive Forward Plan with an anticipated Committee date of September 2016.

### **3. Public Interest**

3.1. To track the implementation of the South Somerset Local Plan (2006 – 2028) the Council is tasked with preparing an Authority Monitoring Report (AMR).

3.2. The Authority Monitoring Report looks at whether or not the policies in the local plan are being achieved. It also helps to inform any future revisions to policies in the local plan.

3.3. The Authority Monitoring Report is produced on an annual basis. Providing a review and analysis every year ensures the public and other stakeholders are aware of any challenges or issues that have emerged in the last 12 months; and what the Council is doing to tackle these issues.

3.4. The Authority Monitoring Report includes reference to the Council's five-year housing land supply position, but this is the subject to a separate report, which was published in July 2016.

### **Recommendations**

That the District Executive:

- i. endorse the Authority Monitoring Report (2016) (at Appendix A); and
- ii. delegate responsibility to the Assistant Director for Economy in consultation with the Portfolio Holder for Strategic Planning to make any final minor text amendments which may be necessary to enable the Authority Monitoring Report to be published.

### **4. Background**

4.1. The Authority Monitoring Report (AMR) is a new style of monitoring report that will be prepared by the Council on an annual basis.

4.2. Creating the new style monitoring report also coincides with the first monitoring year of the recently adopted South Somerset Local Plan (2006 – 2028).

## 5. Authority Monitoring Report

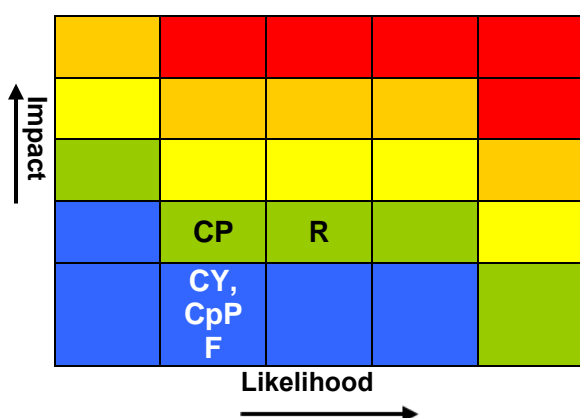
- 5.1. The AMR represents an opportunity to provide an update on important information across a series of issues. The AMR is split into three parts:
- Part One: What has been achieved in the last 12 months
  - Part Two: South Somerset in context;
  - Part Three: How are we dealing with the key issues in South Somerset?
- 5.2. The Council intends that the AMR is a useful and accessible document that can be easily read and understood by the public and stakeholders.
- 5.3. Wherever possible the AMR will provide data for up to and including the 31st March 2016. This date represents the end of the financial year cycle, upon which many statistics are reviewed and updated. Where data cannot be provided up to this date it will be specified.
- 5.4. The AMR includes both primary and secondary source data. The primary data relates to information held by the Council itself, linked to work that has been carried out as part of the Council's own evidence gathering and monitoring. Secondary source data, which makes up the vast majority of the data within the AMR, is accessed from a range of accepted and verified sources, including Government departments (e.g. Department for Communities and Local Government), other local authorities (e.g. Somerset County Council), official data collection agencies (e.g. Office of National Statistics), and third-party sources (e.g. data observatories, Oxford Economics).
- 5.5. To ensure transparency, each source will be identified and a link to the original source material will be provided. Some data may be anonymised to ensure that any commercial sensitivity is protected.

## 6. Financial Implications

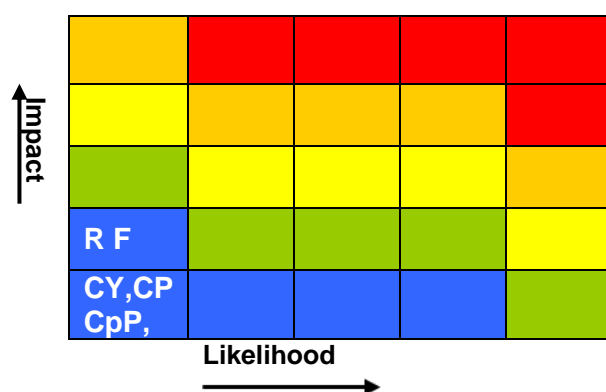
- 6.1. There are no direct financial implications from this report or the recommendations.

## 7. Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



## Key

<b>Categories</b>	<b>Colours</b> <i>(for further detail please refer to Risk management strategy)</i>
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

## 8. Corporate Priority Implications

- 8.1. The Council is tasked with producing an AMR and therefore not producing one would have a negative effect on the Council's Corporate Priorities, and have a detrimental impact on reputation.
- 8.2. A strategic level the Council needs to demonstrate whether it is achieving the objectives set out in the Local Plan. If it is not, then this will dictate Corporate activity, including the Early Review of the Local Plan.

## 9. Carbon Emissions and Climate Change Implications

- 9.1. No direct implications.

## 10. Equality and Diversity Implications

- 10.1. No direct implications.

## 11. Privacy Impact Assessment

- 11.1. No direct implications.

## 12. Background Papers

Appendix A – South Somerset Authority's Monitoring Report (September 2016)

# **South Somerset Authority Monitoring Report**

**September 2016**

# 1. Introduction

## 1.1. Overview

- 1.1.1. This report represents South Somerset District Council's (hereon "the Council") first "Authority Monitoring Report" (AMR).
- 1.1.2. Creating the new style monitoring report also coincides with the first monitoring year of the adopted South Somerset Local Plan (2006 – 2028)<sup>1</sup>.
- 1.1.3. The AMR represents an opportunity to provide an update on important information across a series of issues. The AMR covers the following topics:
  - **Part One:** What has been achieved in the last 12 months?;
  - **Part Two:** South Somerset in context;
  - **Part Three:** How are we dealing with the key issues in South Somerset?

## 1.2. Methodology

- 1.2.1. The Council intends that the AMR is a useful and accessible document that can be easily read and understood by the public and stakeholders.
- 1.2.2. Wherever possible the AMR will provide data for up to and including the 31<sup>st</sup> March 2016. This date represents the end of the financial year, upon which many statistics are reviewed and updated. Where data is provided to a different date, this will be specified.
- 1.2.3. The AMR includes both primary and secondary source data. The primary data relates to information held by the Council itself, linked to work that has been carried out as part of the Council's own evidence gathering and monitoring.
- 1.2.4. Secondary source data, which makes up the vast majority of the data within the AMR, is accessed from a range of accepted and verified sources, including Government departments (e.g. Department for Communities and Local Government), other local authorities (e.g. Somerset County Council), official data collection agencies (e.g. Office of National Statistics), and third-party sources (e.g. data observatories, Oxford Economics).
- 1.2.5. To ensure transparency, each source will be identified. Some data may be anonymised to ensure that commercial sensitivity is protected.

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<sup>1</sup> The South Somerset Local Plan (2006 – 2028) was adopted on 5<sup>th</sup> March 2015.



# Part One: What Has Been Achieved In The Last Year?

## Introduction

The first part of the AMR focussed on progress made over the last 12 months. It is helpful that this first AMR period corresponds with the first year of the implementation of the adopted local plan. It allows for initial reflection on the success (or otherwise) of the policies set out in the local plan, and provides a platform to inform future revisions to the local plan.

In addition, the team continues to progress a number of other projects and workstreams, as part of its wider role in developing the Council's overall policy position on key matters. This includes on issues such as: Neighbourhood Planning, Community Infrastructure Levy, Affordable Housing, Infrastructure, Retailing, etc. The team is working closely with internal departments, for example: Development Management, Economic Development, Community Health and Leisure, and Strategic Housing to bring a consistency of approach across the Council on important matters.

The following sections of the report discuss the topics set out below in more detail:

- Progress on the Local Plan and the prospect of the Early Review of the Local Plan
- Progress on Neighbourhood Plans being prepared in South Somerset;
- The Council's ongoing Duty to Co-operate work; and
- An update on strategically important planning applications and appeal decisions.

## 2. Implementing the South Somerset Local Plan

### 2.1. Progress since Adoption

- 2.1.1. The Council adopted the South Somerset Local Plan (2006 – 2028) in March 2015. Successfully adopting a local plan is a major achievement for the Council. To put the result in to context, information taken from the Planning Inspectorate (as at March 2015) shows that only 25% local authorities have managed to adopt a fully compliant local plan<sup>2</sup>.
- 2.1.2. Having a local plan in place provides a formal policy framework through which to make decisions on planning applications that arise in the district. The local plan ensures that the Council can make positive decisions on sustainable development within the district.
- 2.1.3. Table 2.1 sets out the number of times that the policies in the new local plan have been used since it was adopted.

**Table 2.1: Use of South Somerset Local Plan Policies in 2015 / 2016**

POLICY	POLICY	NUMBER OF TIMES USED BETWEEN 01/04/15 and 31/03/16
Sustainable Development	SD1	664
Settlement Strategy	SS1	482
Development in Rural Settlements	SS2	65
Delivering New Employment Land	SS3	13
District-wide Housing Provision	SS4	8
Delivering New Housing Growth	SS5	30
Infrastructure Delivery	SS6	8
Phasing of Previously Developed Land	SS7	7
Urban Framework and Greenfield Housing for Yeovil	YV1	7
Ansford / Castle Cary Direction of Growth	LMT1	4
Strategic Employment Sites	EP1	4
Office Development	EP2	2
Safeguarding Employment Land	EP3	17
Expansion of Existing Businesses in the Countryside	EP4	35
Farm Diversification	EP5	5
Henstridge Airfield	EP6	2
New Build Live / Work Units	EP7	2
New and Enhanced Tourist Facilities	EP8	32
Retail Hierarchy	EP9	9

<sup>2</sup> Nathaniel Lichfield and Partners – Signal failure? A Review of Local Plans and Housing Requirements (March 2015). <http://nlpplanning.com/uploads/ffiles/2015/03/219520.pdf>

<b>POLICY</b>	<b>POLICY</b>	<b>NUMBER OF TIMES USED BETWEEN 01/04/15 and 31/03/16</b>
<b>Convenience and Comparison Goods Shopping in Yeovil</b>	EP11	11
<b>Protection of Retail Frontages</b>	EP13	3
<b>Protection and Provision of Local Shops, Community Facilities and Services</b>	EP15	16
<b>Use of PDL for Housing</b>	HG2	2
<b>Provision of Affordable Housing</b>	HG3	6
<b>Provision of Affordable Housing (Sites of 1-5 Dwellings)</b>	HG4	12
<b>Achieving a Mix of Market Housing</b>	HG5	9
<b>Care Homes and Specialist Accommodation</b>	HG6	8
<b>Gypsies, Travellers and Travelling Showpeople</b>	HG7	8
<b>Replacement Dwellings in the Countryside</b>	HG8	9
<b>Housing for Agricultural and Related Workers</b>	HG9	9
<b>Removal of Agricultural and Other Occupancy Conditions</b>	HG10	2
<b>Low Carbon Travel</b>	TA1	4
<b>Sustainable Travel at Chard and Yeovil</b>	TA3	9
<b>Travel Plans</b>	TA4	14
<b>Transport Impact of New Development</b>	TA5	752
<b>Parking Standards</b>	TA6	532
<b>Provision of Open Space, Outdoor Playing Space, Sports, Cultural and community Facilities in new Development</b>	HW1	5
<b>Addressing Climate Change in South Somerset</b>	EQ1	49
<b>General Development</b>	EQ2	1596
<b>Historic Environment</b>	EQ3	833
<b>Biodiversity</b>	EQ4	138
<b>Green Infrastructure</b>	EQ5	31
<b>Pollution Control</b>	EQ7	107
<b>Equine Development</b>	EQ8	19

Source: SSDC Database

- 2.1.4. Perhaps unsurprisingly, the most consistently used policies are those linked to the overall settlement strategy defined within the plan (Policy SD1 and Policy SS1. This is closely followed by general policies linked to the impacts on the transport network (Policy TA5 and Policy TA6), and whether the proposed development constitutes good quality design and does not generate unacceptable impacts on the natural or built environment (Policy EQ2, Policy EQ3, and Policy EQ4).
- 2.1.5. The use and application of policies relating to affordable housing is somewhat surprising. However, this can be explained as the effect of the change in Government policy on this issue (see Section 11 for further information).

## 2.2. Working Towards the Early Review of Local Plan

- 2.2.1. The Planning Inspector who examined the local plan stated in his report to the Council that an early review of the local plan should be carried out, to assess the situation regarding housing and employment provision in Wincanton<sup>3</sup>.
- 2.2.2. In order to bring about the early review, the Council has embarked on a challenge programme of work to update its existing evidence and provide a robust basis from which to propose new or amended policies. Any policies that are prepared would need to follow the formal procedures and any new or significantly amended policies would need to be examined by the Planning Inspectorate before they could be brought into effect.
- 2.2.3. The Council has set out a work plan through to March 2018 to have any new or amended policies adopted within the early review of the local plan. The details behind this work plan can be found within the Council's updated Local Development Scheme (2015 – 2018)<sup>4</sup>.

## 2.3. Providing Support on Neighbourhood Plans

- 2.3.1. The Council continues to support those parish and town councils (or neighbourhood forums) who wish to progress a Neighbourhood Plan. At present, the six groups who are progressing Neighbourhood Plans are at the very early stages of the process. The groups are mainly involved in data collection and formulating policies.
- 2.3.2. The Council continues to discharge its statutory functions and has provided SA / SEA screening and scoping advice for three of the six emerging NPs. However, the Council has only been able to provide limited advice given the formative stages and lack of defined policies in the NPs. As and when the NPs are more detailed, the Council is likely to have to screen the NPs again.

**Table 2.2: Status and Progress of South Somerset Neighbourhood Plans**

NEIGHBOURHOOD PLAN	DATE DESIGNATED	SEA SCOPING COMPLETE YES/NO
Queen Camel	March 2013	Yes
East Coker	September 2013	Yes
Wincanton	March 2014	Yes
South Petherton	April 2015	No
Castle Cary and Ansford	June 2015	No
Martock	April 2016	No

Source: SSDC Database

<sup>3</sup> Planning Inspectorate – Report on the Examination into the South Somerset Local Plan 2006 – 2028 (January 2015). Paragraph 100.

<sup>4</sup> South Somerset Local Development Scheme (2015 – 2018). [http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-\(2006-2028\)/local-development-scheme-\(lds\)/](http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-(2006-2028)/local-development-scheme-(lds)/)

## 2.4. Establishing a Community Infrastructure Levy

- 2.4.1. The Council remains committed to putting in place a Community Infrastructure Levy. In May 2016, the Council submitted its draft Charging Schedule to an independent examiner, who will now consider all of the Council's evidence that justifies the creation of a levy charge.
- 2.4.2. The proposed levy charges are: £40 per square metre for all new residential development (except in the Yeovil and Chard Urban Extensions); and £100 per square metre on all large-format retail outside of the defined town centres.
- 2.4.3. The Examination Hearing in to the draft Charging Schedule took place in Summer 2016, and the Council expects to adopt the levy in Autumn 2016. A date when the levy will be charged on all eligible development has yet to be determined. Further details on the Council's progress with the levy can be found on the Council's website: <http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/community-infrastructure-levy/>.

## 2.5. Meeting our Duty to Co-operate

- 2.5.1. The requirement on the Council to co-operate with statutory and non-statutory partners is an ongoing one. This work ensures that strategically significant issues that could affect a number of different locations are discussed and resolved. The Council is mindful of its direct relationships with local authorities, as well as its functional relationships with a range of authorities.
- 2.5.2. On important matters such as housing, transport, economic development, and retail the Council has regular dialogue with these other authorities to ensure that critical issues are proactively addressed, and preferably in a co-ordinated manner. For example, the Council has recently jointly procured a Strategic Housing Market Assessment, which has defined the functional housing and economic market areas across Somerset, understanding the complementarities and the spatial specificity required to properly plan for the future.
- 2.5.3. The Council recently completed an update to the Infrastructure Delivery Plan, during which there was in-depth dialogue with agencies responsible for health, education, transport, utilities, flood prevention, ecology, environment, and waste and minerals.
- 2.5.4. As the Council progresses the early review of the local plan, it will maintain this level of discussion with partners to ensure that its responsibilities linked to the Duty to Co-operate are discharged.

## 2.6. Creating a Self-build and Custom-build Register

- 2.6.1. Under the terms of the recently enacted Self-build and Custom Housebuilding Act 2015, and reinforced by the Housing and Planning Act 2016, the Council is required to hold a register of those interested in building their own home on their own parcel of land and/or accessing a serviced plot of land to commission a custom-build project. The Council has since 2015 held a register of persons who have declared an interest.

- 2.6.2. As at May 2016, the Council's database holds a list of 23 interest parties who have applied to be on the register. This equates to 23 plots of land which are being sought, across 16 different locations in the district. The locations where plots have been requested range from the largest settlements (e.g. Yeovil and Chard) through to the smallest settlements (e.g. Babcary and Fivehead).
- 2.6.3. Those wishing to put themselves forward to be on the register should do so by completing the Council's online form, which can be found on the Council's website: <http://www.southsomerset.gov.uk/planning-and-building-control/self-build--custom-build/>
- 2.6.4. The information collated from the register is being used as part of the final Strategic Housing Market Assessment so as to understand the scale of demand in South Somerset and the overall effect on housing need in the district.

## 2.7. Working on Planning Applications and Appeals

- 2.7.1. Over the last 12 months, the Council has been considering and managing a number of strategically important planning applications, these are set out in Table 2.3.

**Table 2.3: Major Planning Applications and Decision Reached**

SITE NAME	PROPOSAL	DECISION
<b>Mudford Sustainable Urban Extension, Yeovil</b>	765 dwellings and associated employment, community, and leisure uses, and accompanying infrastructure	Pending
<b>Keyford Sustainable Urban Extension, Yeovil</b>	800 dwellings and associated employment, community, and leisure uses, and accompanying infrastructure	Pending
<b>Crewkerne Key Site, Crewkerne</b>	110 dwellings, 4 ha of employment land, community and leisure uses, and accompanying infrastructure	Approved
<b>Persimmon, Chard</b>	350 dwellings and associated employment, community, and leisure uses, and accompanying infrastructure	Pending
<b>Land Between Forton and Tatworth Road, Chard</b>	200 dwellings and associated employment, community, and leisure uses, and accompanying infrastructure	Pending
<b>Lavers Oak, Martock</b>	91 dwellings with Public Open Space, Vehicular Access	Refused
<b>Shudrick Lane, Ilminster</b>	220 dwellings with Public Open Space, Vehicular Access	Refused
<b>Bunford Park, Yeovil</b>	25ha of employment land in Yeovil	Approved
<b>Dancing Lane, Wincanton</b>	55 dwellings	Refused – Allowed on Appeal
<b>Torbay Road, Ansford and Castle Cary</b>	165 dwellings, 2 ha of employment and associated access and highways infrastructure 14/02020/OUT & 15/02347/OUT	Approved
<b>Land West of Station Road, Ansford and Castle Cary</b>	75 dwellings and associated access and highways infrastructure 14/02906/OUT	Approved
<b>Land at Station Road,</b>	75 dwellings and associated access and	Refused – Subject

<b>Ansford and Castle Cary</b>	highways infrastructure 15/00519/OUT	to an Appeal
<b>Land at Station Road, Ansford and Castle Cary</b>	75 dwellings and associated access and highways infrastructure 15/02415/OUT	Pending – Subject to an Appeal
<b>Wayside Farm, Ansford and Castle Cary</b>	125 dwellings and associated access and highways infrastructure	Refused – Subject to an Appeal
<b>Land Off Cartway Lane, Somerton</b>	59 dwellings and associated access	Pending
<b>Land Off Cuckoo Hill, Bruton</b>	68 dwellings with Public Open Space	Pending
<b>Bunford Hollow, Yeovil</b>	80 dwellings and associated access and highways infrastructure	Approved
<b>Land off Oaklands Avenue, Chard</b>	78 dwellings and associated access and highways infrastructure	Pending
<b>The Trial Ground, Somerton</b>	80 dwellings and associated access and highways infrastructure	Approved
<b>Land South Of Coat Road, Martock</b>	95 dwellings and associated landscaping	Approved
<b>Land East of Crimchard, Chard</b>	110 dwellings and associated access and highways infrastructure	Refused
<b>Land South of Langport Road, Langport Road, Somerton</b>	150dwellings and associated access and highways infrastructure	Approved
<b>Land North of Dragonfly Chase, Ilchester</b>	150dwellings and associated access and highways infrastructure, Open space	Approved
<b>Land North of Thorne Lane, Yeovil</b>	298 dwellings and associated access and highways infrastructure, open space	Pending
<b>Haynes Publishing, High Street, Sparkford</b>	47 dwellings commercial and highways infrastructure	Pending
<b>Land OS 5775 North of Kelways, Wearne Lane, Langport</b>	71 Dwellings and associated access and open space	Refused – Subject to an Appeal
<b>Yeovil Town Football Club LTD, Boundary Road, Houndstone</b>	Mixed-use development (comprising A1, A3, C1, C3, D1 and D2	Pending Decision
<b>Land at Ringwell Hill, Bower Hinton</b>	49 Dwellings and associated access and open space	Refused – Subject to an Appeal

Source: SSDC Planning and Monitoring Databases

## Part Two: South Somerset in Context

### Introduction

Previous monitoring reports have failed to understand South Somerset's role and function in the context of neighbouring local authorities, the County, the South-West or the UK.

Without these comparisons it is difficult to understand what makes South Somerset unique and what specific opportunities and constraints exist within the district.

This part of the AMR looks at South Somerset's status when compared against others. Where relevant and appropriate, comparison is also made against the district authorities in Somerset, namely: Mendip, Sedgemoor, Taunton Deane, and West Somerset; as well as Somerset, the South-West and the UK.

Five main topics are considered and analysed in order to set out a wider contextual understanding of South Somerset's relative position. This data and analysis should help challenge underlying assumptions about the character and make-up of the district.

Those topics are set out as follows:

- Population and Demographics;
- Housing and Households;
- Economy and Jobs;
- Retail; and
- Transport.



## 3. Population and Demographics

### SUMMARY OF KEY ISSUES:

- South Somerset's population of 164,982 (2015) is the largest of the five local authorities in Somerset.
- Population growth has been consistent, with South Somerset showing the largest overall increase in population across the County since 2001.
- The main cause of population growth in South Somerset is internal migration from elsewhere in the UK.
- Yeovil continues to be the largest town in South Somerset. However, the largest population growth between 2001 and 2011 took place in Ilminster.
- South Somerset has a number of settlements of similar size - reflecting their historic market town status. This dispersed pattern of people and development has strengths and weaknesses. Questions about how best to support these locations whilst not overburdening them and marrying up infrastructure provision are critical to deciding on the long term future of the district.
- South Somerset is an ageing district, with sharp growth in those aged over 60. This is twinned with recent data showing significant losses in those aged 15 to 29. If this trend is to continue over the long term, the district may face major challenges in providing a sufficiently large and competitive labour force.

### 3.1. Population Trends

- 3.1.1. The Census in 2011 shows that South Somerset has the largest resident population in Somerset. Since 2001, South Somerset's population has grown at a relatively consistent rate. The level of growth has fluctuated at around one thousand additional persons each and every year. Between 2001 and 2011, South Somerset's overall population grew by 10,274 persons (the highest level of growth in Somerset). The rate of change in population was third, behind Taunton Deane and Sedgemoor, albeit the population in those locations is starting from a much lower base.
- 3.1.2. Table 3.1 sets out the resident population in each local authority in Somerset, as well as a figure for the South West region; and compares the level of change between 2001 and 2011.

**Table 3.1: Population Change in South Somerset (2001 – 2011)**

Area	Population (2001)	Population (2011)	Change (2001 – 2011)	Percentage Change (%) (2001 – 2011)
Mendip	103,869	109,279	5,410	5.21
Sedgemoor	105,881	114,588	8,707	8.22
South Somerset	150,969	161,243	10,274	6.81
Taunton Deane	102,299	110,187	7,888	7.71
West Somerset	35,075	34,675	-400	-1.14
Somerset	498,093	529,972	31,879	6.40
South West	4,928,434	5,288,935	360,501	7.31

Source: Neighbourhood Statistics – All Usual Residents – Census 2001 and 2011

- 3.1.3. As well as looking at Census data, it is possible to set out more recent information on population. Mid-year population estimates are officially released by the Office for National Statistics (ONS), taking account of long term international migration patterns, along with combination of registration, survey and administrative data are used to estimate the different components of population change.
- 3.1.4. The latest Mid-Year Population Estimate data release is from 2015. Table 3.2 shows the population estimate for each of the Somerset local authority areas and the South West; as well as the scale of growth since the Mid-Year Population Estimate in 2001.

**Table 3.2: Population Change in South Somerset (2001 – 2015)**

Area	Population (2001)	Population (2015)	Change (2001 – 2015)	Percentage Change (%) (2001 – 2015)
Mendip	103,964	111,724	7,760	7.46
Sedgemoor	106,030	120,260	14,230	13.42
South Somerset	151,059	164,982	13,923	9.22
Taunton Deane	102,585	114,021	11,436	11.15
West Somerset	35,069	34,403	-666	-1.90
Somerset	498,707	545,390	46,683	9.36
South West	4,943,364	5,471,180	527,816	10.68
England	49,449,746	54,786,327	5,336,581	10.79

Source: ONS – Mid-year Population Estimate (Mid-2015 release)

- 3.1.5. Whilst the exact figures for 2001 differ slightly to those recorded in the Census, due to them stemming from a different dataset, the overall trend in growth is very similar.
- 3.1.6. South Somerset's population remains the largest in the County and the level of growth in the district remains at approximately one thousand persons per annum. Interestingly, by 2015, the data shows that South Somerset's overall level of population growth has dipped below that experienced in Sedgemoor. South Somerset's rate of change remains third, behind both Taunton Deane and Sedgemoor.

## 3.2. Components of Population Change

- 3.2.1. It is clear that South Somerset's population is growing and has continued to grow over the last 10 to 15 years. To understand what is driving this change, it is possible to analyse the components of population change, and the breakdown of the effects of births, deaths, migration and other influences. Table 3.3 shows this breakdown in detail.
- 3.2.2. The analysis indicates that the main driver of the population growth in South Somerset is internal migration, i.e. those choosing to relocate to the district from elsewhere in the UK. Levels of international migration have, at times, matched the amount of internal migration (see period 2004 – 2006) but it does not have a dominant influence on population growth in the district. Indeed recent figures (since 2011) show international migration representing just 5% – 10% of the total population growth per annum.
- 3.2.3. Interestingly, early in the previous decade (2001 to 2006) deaths were exceeding births. However, the subsequent period 2007 to 2014 shows that the birth rate has increased to the extent that it is outweighing the number of deaths in the district. But, as at 2014/2015 the number of deaths is again exceeding births and so has resulted in a negative natural change. It will be interesting to watch this fluctuating pattern and see whether the current negative net change caused by more deaths than births maintains in to the long term.

**Table 3.3: Components of Population Change in South Somerset (2001 to 2015)**

Year	Natural change	Net internal migration	Net international migration	Other changes	Other (UPC)	Total change
2001/2	-236	1,027	201	135	-21	<b>1,106</b>
2002/3	-172	1,134	360	11	-35	<b>1,298</b>
2003/4	-130	1,222	455	-28	-15	<b>1,504</b>
2004/5	-83	873	774	-2	-44	<b>1,518</b>
2005/6	-114	500	521	57	-29	<b>935</b>
2006/7	-25	923	619	47	-28	<b>1,536</b>
2007/8	158	842	207	13	-5	<b>1,215</b>
2008/9	43	429	15	23	-3	<b>507</b>
2009/10	56	-1	164	-55	29	<b>193</b>
2010/11	152	725	348	-27	44	<b>1,242</b>
2011/12	111	697	50	41	0	<b>899</b>
2012/13	44	828	64	-5	0	<b>931</b>
2013/14	91	456	125	-46	0	<b>626</b>
2014/15	-126	380	48	111	0	<b>413</b>
<b>Total</b>	<b>-231</b>	<b>10,035</b>	<b>3,951</b>	<b>275</b>	<b>-107</b>	<b>13,923</b>

Source: ONS

3.2.4. Table 3.4 below explores the reasons for the population change between 2013/14 and 2014/15 in more detail. It highlights a number of effects occurring in South Somerset:

- The net loss of internal migrants is greatest in the age group 15-19, highlighting the effect of students leaving the district to go to further and higher education elsewhere in the UK. There are also net losses across the age range 20 - 29;
- The net gain of internal migrants is greatest in the age group 65-69, highlighting the attractiveness of the district to retirees. There are also significant net gains across the age range 50-64.
- South Somerset has a reasonably gain of “other” forms of population, with these mainly stemming from members of the armed forces. This figure also includes prisoners, but this does not have a significant bearing on the figures in South Somerset.

**Table 3.4: Detailed Breakdown of Components of Population Change between 2013/14 and 2014/15**

Age	Estimated Population 2014	Births (a)	Deaths (b)	Internal Migration Inflow (c)	Internal Migration Outflow (d)	Internal Migration Net (e)	International Migration Inflow (f)	International Migration Outflow (g)	International Migration Net (h)	Other (i)	Total Change (a – b) + e + h + i	Estimated Population 2015	% of Estimated Population 2015
0-4	9,048	1,645	8	524	473	51	45	16	29	12	1,729	8914	5.40%
5-9	9,159	0	0	411	335	76	37	17	20	5	101	9333	5.66%
10-14	8,800	0	1	356	307	49	48	11	37	1	86	8775	5.32%
15-19	9,328	0	1	351	803	-452	54	23	31	2	-420	9228	5.59%
20-24	8,221	0	3	924	982	-58	79	135	-56	18	-99	7813	4.74%
25-29	9,011	0	2	799	831	-32	101	139	-38	38	-34	9166	5.56%
30-34	8,109	0	6	597	547	50	66	98	-32	6	18	8205	4.97%
35-39	8,208	0	9	481	350	131	49	66	-17	10	115	8138	4.93%
40-44	10,343	0	7	464	386	78	43	45	-2	20	89	10062	6.10%
45-49	11,702	0	23	413	363	50	38	33	5	11	43	11589	7.02%
50-54	11,757	0	41	476	340	136	41	22	19	-5	109	11962	7.25%
55-59	10,682	0	37	412	294	118	26	14	12	-7	86	10917	6.62%
60-64	11,216	0	75	378	254	124	24	12	12	0	61	11023	6.68%
65-69	12,009	0	117	408	260	148	15	9	6	0	37	12251	7.43%
70-74	9,025	0	161	208	195	13	16	6	10	0	-138	9410	5.70%
75-79	7,002	0	181	122	132	-10	6	2	4	0	-187	7167	4.34%
80-84	5,385	0	284	110	161	-51	2	0	2	0	-333	5332	3.23%
85-89	3,439	0	312	80	107	-27	6	0	6	0	-333	3525	2.14%
90+	2,125	0	503	59	73	-14	0	0	0	0	-517	2172	1.32%
<b>Grand Total</b>	<b>164,569</b>	<b>1,645</b>	<b>1,771</b>	<b>7,573</b>	<b>7,193</b>	<b>380</b>	<b>696</b>	<b>648</b>	<b>48</b>	<b>111</b>	<b>413</b>	<b>164,982</b>	<b>100.00%</b>

Source: ONS

### 3.3. Population in South Somerset's Main Settlements

- 3.3.1. It is long held that South Somerset is a rural area – and in terms of land form and overall size this is largely true. However, it is noteworthy that the district has 15 settlements, each with a population of approximately 2,000 or more residents.
- 3.3.2. The data presented in Table 3.5 below sets out the population for the settlements themselves, taking account of the built development footprint, rather than presenting data on a 'parish' or 'ward' administrative boundary basis.

**Table 3.5: Population of Settlements in South Somerset (2001 to 2011)**

Settlement	2001	2011	Change	% Change
Yeovil	40,282	45,339	5,057	12.55
Chard	11,631	13,074	1,443	12.41
Crewkerne	6,728	7,000	272	4.04
Iminster	4,285	5,808	1,523	35.54
Wincanton	4,803	5,435	632	13.16
Martock	4,309	4,522	213	4.94
Somerton	4,133	4,339	206	4.98
Castle Cary	3,056	3,232	176	5.76
South Petherton	3,177	3,367	190	5.98
Langport	2,977	3,063	86	2.89
Bruton	2,611	2,593	-18	-0.69
Milborne Port	2,644	2,802	158	5.98
Ilchester and Yeovilton	2,570	3,824	1,254	48.79
Tatworth	2,211	2,259	48	2.17
Stoke sub Hamdon	1,965	1,968	3	0.15

Source: Neighbourhood Statistics – Census

- 3.3.3. The data shows there are a number of settlements across the district with a broadly similar population. There are strengths and weaknesses to this pattern of development and population.
- 3.3.4. It can be conferred that this scale provides a sufficient level of activity to support a range of services and facilities in these locations, allowing them to be sustainable settlements that serve community needs. However, given the range of similar sized settlements in does also pose the question – how best to focus development in order to achieve a sustainable pattern of growth, whilst simultaneously protecting the natural environment? This is one of South Somerset's greatest dilemmas looking to the future. Finding a satisfactory solution will be at the heart of the choices in future local plan-making.
- 3.3.5. Table 3.5 also shows the level of growth and change in the main settlements between 2001 and 2011. The analysis reveals that population growth in Yeovil and Chard has been consistent over the last decade. Interestingly, the level of growth in Iminster has outstripped everywhere bar Yeovil, underpinning its status as one of the strongest towns in terms of market attractiveness.

- 3.3.6. The rate of population change in Ilchester and Yeovilton is significant during this period, but can be explained by the changing nature of the military-linked population at RNAS Yeovilton, and the relocation of service personnel from overseas. It is unlikely that this level of growth will be replicated in the future.
- 3.3.7. Perhaps most interesting of all is that for nine of the settlements, annual growth has been very small – in the tens of persons. Some of these settlements have only experience a 5% increase in population between the two Census periods. Somewhat surprisingly, the data also shows a reduction in population in Bruton over the ten-year period.
- 3.3.8. At a more general level, the table shows that South Somerset has a series of locations which are of a similar scale *and* in close proximity to one another (e.g. Langport & Somerton; Bruton & Castle Cary; Martock & South Petherton). As noted above, there are strengths and weaknesses to this dispersed pattern of development and population across the district.
- 3.3.9. Strengths include that each settlement is of a size to provide opportunities to live and work; whilst balancing impacts on environmental capacity. But, weaknesses can stem from each place competing against on another for scarce investment and infrastructure funding.
- 3.3.10. Because these places are the same size, there is the perception that they should be treated equally. That the level of investment, infrastructure and service provision must be identical in order for the locations to survive and prosper. The reality is that these locations are different, by virtue of history and geography. Therefore, the idea that each should be treated equally in terms of provision is unlikely to be successfully justified. Nor is it likely to be a successful strategy for growth looking to the future.
- 3.3.11. The Council's complementary work examining the role and function of these settlements will be crucial in shaping the strategy for future growth. A thorough understanding of the "functional" way that these settlements (or clusters of settlements) operate will be vital to ensuring that South Somerset maximises its opportunities and does not run the risk of perpetuating the status quo, which may be to the detriment of individual settlements and the district as a whole.
- 3.3.12. Analysing the functional role of these places requires an appreciation of the way that people access and utilise other supporting services and infrastructure (employment, education, healthcare, social services, leisure, etc). The Council's Infrastructure Delivery Plan (2015/2016) provides a frame of reference on each of these issues, and will be instrumental in future plan-making.
- 3.3.13. The question of how best to focus development in certain locations in order to achieve a sustainable pattern of development in the future remains one of the most challenging questions facing South Somerset. In looking to the future there may need to be a more deliberate strategy where certain locations are identified to receive additional growth which would see them overtake the population of other settlements, and indeed those in close proximity.

## 3.4. Age Profile

- 3.4.1. Whilst population growth is the main component of change in the district, the age-profile of South Somerset's existing population also has a significant influence on how the district functions. Table 3.6 compares the changing age profile of each of the local authorities in Somerset.

**Table 3.6: Change in Age Structure (2001-2014)**

Area	Under 15	15-29	30-44	45-59	60-74	75 & over	Total
<b>Mendip</b>	-6.6%	10.1%	-19.3%	13.2%	41.8%	22.3%	<b>6.6%</b>
<b>Sedgemoor</b>	2.5%	23.3%	-12.8%	16.4%	36.5%	20.9%	<b>12.3%</b>
<b>South Somerset</b>	-2.0%	13.1%	-14.6%	10.5%	38.5%	22.9%	<b>8.9%</b>
<b>Taunton Deane</b>	3.1%	10.7%	-8.7%	14.5%	31.1%	20.8%	<b>10.0%</b>
<b>West Somerset</b>	-16.3%	1.0%	-28.7%	-4.9%	22.8%	11.1%	<b>-2.1%</b>
<b>Somerset</b>	-1.8%	13.3%	-14.8%	12.0%	35.8%	20.8%	<b>8.6%</b>
<b>South West</b>	1.2%	16.7%	-8.4%	12.7%	30.1%	16.1%	<b>9.7%</b>
<b>England</b>	4.2%	12.9%	-4.0%	16.0%	24.1%	17.5%	<b>9.8%</b>

Source: ONS

- 3.4.2. Since 2001, South Somerset has seen a decline in both the 'Under 15' and '30-44' age groups, albeit the loss of those under 15 is modest. From the point of view of developing and maintaining a labour force within the area this could, in the long term, present some structural challenges about the availability of future employees.
- 3.4.3. To some extent this is counter-balanced by growth in the '15-29', '45-59' and '60-74' age groups, but of course, the older age category includes those individuals who will have passed the state retirement age and will therefore not be economically active. Data on the state of the economy (see Chapter 4) shows that there are no immediate issues linked to this loss of key segments of the workforce; however, it is something that requires on-going review to ensure there is not a long term problem generated.
- 3.4.4. It is interesting to compare the longer term trend in the 15-29 age group, against the year-on-year change set out in Table 3.4 above. Table 3.6 shows that over the last decade, there has been steady growth in that age group; whereas the latest yearly statistics indicate a significant loss of people. It will be interesting to see whether this more recent trend, which accords with a colloquial understanding of what happens to people in this age group, continues or not.
- 3.4.5. Interestingly, South Somerset is not alone in facing this issue. Each of the Somerset local authorities has experienced the same shift in its age-profile. Again, in looking at the long term future of Somerset, to ensure that it continues to be economically competitive, there may need to be a joined-up policy response to ensure that younger age cohorts are retained within the county.
- 3.4.6. For example, addressing the lack of a comprehensive approach to Further and Higher Education within the county, through a more consensual set of policies to delivery educational infrastructure, may be required to ensure the statistical trends do not continue to the detriment of the area.



## 4. Housing and Households

### SUMMARY OF KEY ISSUES:

- Between 2001 and 2011 South Somerset has delivered more dwelling than any other local authority in the county (7,263 dwellings).
- Most of the main settlements saw an approximate 10% increase in the number of dwellings over the period 2001 to 2011.
- The number of empty homes in the district remains consistent and relatively static, although recent good work has reduced the overall number since 2012 / 2013.
- South Somerset has seen a steady rise in the number of households in the district between 2001 and 2011.
- Latest projections for future household numbers show that South Somerset will need to provide for the second highest mount in Somerset, after Sedgemoor.
- The affordability of an average house in South Somerset is around 7.5 times the average income.
- Affordable housing need in South Somerset remains high. With approximately 25% of all need in the county arising from the district.

### 4.1. Dwellings

- 4.1.1. As the population of South Somerset increases, it is natural to expect the number of dwellings in South Somerset to also increase. Between 2001 and 2011, South Somerset delivered more new dwellings than any other local authority in Somerset. Indeed the rate of increase in South Somerset was higher than both the South-West and England average; and second only to Sedgemoor in Somerset.
- 4.1.2. Table 4.1 shows that between the period 2001 and 2011, South Somerset delivered over 7,200 new dwellings, at an annual average of 726.

**Table 4.1: Number of Dwellings per Local Authority (2001 – 2011)**

Local Authority	2001	2011	Change	% Change
Mendip	44,069	48,675	4,606	10.45
Sedgemoor	45,773	50,879	5,106	11.16
South Somerset	66,112	73,375	7,263	10.99
Taunton Deane	45,157	49,220	4,063	9.00
West Somerset	16,820	17,571	751	4.46
South West	2,180,746	2,401,289	220,543	10.11
England	21,206,804	22,976,066	1,769,262	8.34

Source: Neighbourhood Statistics – Census – All Dwellings

- 4.1.3. Whilst the Census data shows a track record of delivery between 2001 and 2011, the Council is also required to track the delivery of dwellings over the lifetime of the South Somerset Local Plan (2006 – 2028).
- 4.1.4. The Council carries out annual monitoring based upon the financial year period (1<sup>st</sup> April to 31<sup>st</sup> March). Between 2006 and 2016, the Council's monitoring shows that 6,252 new dwellings have been delivered in South Somerset. Further details on the Council's track record of housing delivery and the implications for the Council's five-year housing land supply position can be found in Section 10 and on the Council's website<sup>5</sup>.

**Table 4.2: Number of Dwellings per Settlement in South Somerset (2001 – 2011)**

Settlement	2001	2011	Change	% Change	Annualised Average Change (2001 to 2011)
Yeovil	19,469	21,691	2,222	11.41	222
Chard	5,769*	6,962	1,193	20.68	119
Crewkerne	3,084	3,427	343	11.12	34
Ilminster	1,588*	1,994	406	25.57	41
Wincanton	2,122	2,478	356	16.78	36
Somerton	1,909	2,065	156	8.17	16
Castle Cary	1,458	1,578	120	8.23	12
Langport	1,308	1,422	114	8.72	11
Bruton	1,073	1,141	68	6.34	7
Ilchester	789*	960	171	21.67	17
Martock	1,883	2,083	200	10.62	20
Milborne Port	1,170	1,325	155	13.25	16
South Petherton	1,213	1,339	126	10.39	13
Stoke Sub Hamdon	756	787	31	4.10	3

Source: Neighbourhood Statistics – Census – All Dwellings

\* Data for four output areas in Chard, two in Ilminster and two in Ilchester are not available from the 2001 Census, but are available in the 2011 Census. Therefore 'change' and 'percentage' change in these settlements is likely to be over-estimated, albeit not to the extent that it has a significant bearing on the overall conclusion.

- 4.1.5. Table 4.2 above shows that each of the main settlements across South Somerset saw a moderate level of growth in dwellings over the period 2001 to 2011. It is not surprising to see Yeovil and Chard experience the largest growth in number of dwellings given they are most strategically important settlements in the district. However, as per the data on population growth, it is interesting to see Ilminster recording the greatest rate of change in percentage terms, and the highest annual increase after Yeovil and Chard.

## 4.2. Vacant Properties

- 4.2.1. During the preparation of the local plan it was advocated that the overall housing requirement in South Somerset could be significantly reduced due to the changing nature of the number of vacant properties in the district.
- 4.2.2. Table 4.3 documents the number of vacant properties in South Somerset and the other local authorities in the county. Table 4.4 then sets out which of those vacant properties can be classified as long term vacant, and therefore not likely to come back in to habitable use.
- 4.2.3. The data shows that South Somerset has the largest overall stock of vacant homes within Somerset. Again, as per other datasets, this is not surprising given overall size and scale of the district and the total volume of properties.
- 4.2.4. When the overall quantum of vacant homes is compared with the number of long term vacant properties, it is clear that overall ratio has remained more or less constant since 2006. Some variation has occurred, particularly in 2013, but there is insufficient evidence to suggest there is a wholesale shift in the relationship between the overall number of vacant dwellings and the level of long term vacancies.
- 4.2.5. As such, the evidence does not suggest that the level of new housing delivery in South Somerset can be reduced significantly due to the prospect of resolving the overall number of vacant dwellings. Whilst the objective to reduce the number of vacant properties should remain, to help raise the quality of the residential stock, and address negative quality of place issues, there is nothing to suggest that it is a solution or realistic alternative to new housing provision.

**Table 4.3: Vacant Properties**

Local Authority	2006	2007	2008	2009	2010	2011	2012	2013	2014
Mendip	1,469	1,348	1,354	1,503	1,403	1,444	1403	1402	1461
Sedgemoor	1,873	1,460	1,575	1,671	1,566	1,468	1643	1886	1815
South Somerset	2,373	2,289	2,410	2,603	2,554	2,649	2588	2286	2108
Taunton Deane	1,281	1,319	1,431	1,583	1,665	1,602	1596	1644	1703
West Somerset	565	544	570	617	649	560	545	544	495

Source: DCLG – Live Table 615

**Table 4.4: Long Term Vacant Properties**

Local Authority	2006	2007	2008	2009	2010	2011	2012	2013	2014
Mendip	468	434	486	530	473	445	485	470	439
Sedgemoor	814	399	473	528	488	415	470	390	277
South Somerset	905	922	1,138	1,124	1,029	1,103	1,016	470	636
Taunton Deane	445	395	345	443	540	495	429	428	473
West Somerset	287	290	295	303	324	239	209	211	224

Source: DCLG – Live Table 615

## 4.3. Households

- 4.3.1. The Census records all residents living in households at the time of the survey. Table 4.5 sets out the overall number of households in South Somerset in both 2001 and 2011. A household is defined as one person living alone, or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room, sitting room or dining area.

**Table 4.5: Number of Households in South Somerset (2001 to 2011)**

Households	2001	2011	Change	% Change
South Somerset	63,769	69,501	5,732	8.99

Source: Neighbourhood Statistics - Households (Census 2001 and 2011)

- 4.3.2. The table can be read in conjunction with data set out in Section 4.1 and Section 4.2, to highlight that population growth, change in the number of households and the overall number of dwellings delivered in the district does not balance, and are not equal.
- 4.3.3. This is not surprising. The numbers of households does not directly translate into the number of dwellings required or built. Other factors, such as the propensity to form a household and average household size affect the overall number of dwellings that are ultimately needed or built.
- 4.3.4. That being said, the household projections produced by Government are a robust starting point from which to understand the change in number of households in an area, and the likely impact this will have on the need to plan for a future number of dwellings.
- 4.3.5. The most up-to-date household projections are the 2014-based CLG sub-national household projections (SNHP) published in July 2016. Those projections are underpinned by 2014-based ONS sub-national population projections (SNPP) published in May 2016.
- 4.3.6. The data from the SNHP shows that the average household size in South Somerset in 2014 was 2.25 persons per household. As household size continues to reduce, it is likely that household formation rates will increase, which in turn will raise the overall number of households that will be created in the future.
- 4.3.7. Notwithstanding the points raised in Section 4.3.2, the fact that household size is reducing and more households are being formed, is likely to mean that more dwellings will be required in South Somerset to accommodate this growth.
- 4.3.8. Table 4.6 below sets out levels of household growth expected by the CLG household projections in the 2014 – 2039 period. Across the whole County, the CLG household projections show household growth of about 50,000 – this is a 21% increase; slightly below equivalent figures for England (23%).
- 4.3.9. In absolute terms, South Somerset's projected growth is expected to be the second highest in the county after Sedgemoor. Although proportionately growth is projected to be highest in Sedgemoor (27%), and Taunton Deane (24%), with South Somerset somewhat lower at 18%.

**Table 4.6: Household Change 2014 to 2039 (2014-based CLG household projections)**

Area	Households 2014	Households 2039	Change in households	% change
<b>Mendip</b>	47,453	57,144	9,691	20.42
<b>Sedgemoor</b>	50,921	64,624	13,703	26.91
<b>South Somerset</b>	71,585	84,824	13,239	18.49
<b>Taunton Deane</b>	48,743	60,246	11,503	23.60
<b>West Somerset</b>	15,651	17,405	1,754	11.21
<b>Somerset</b>	234,353	284,532	50,179	21.41
<b>England</b>	22,746,487	28,003,598	5,257,111	23.11

Source: CLG – 2014-based household projections

- 4.3.10. The full implications of these household figures, and the subsequent requirement for the number of new homes required in South Somerset is not yet fully determined. The Council has commissioned a Strategic Housing Market Assessment (SHMA) which will explore these issues more thoroughly and present a conclusion on both household formation and the overall number of dwellings likely to be required in the future. This report is expected to be finalised in late September / early October and will be a crucial piece of evidence when looking at the proposed Early Review of the Local Plan.

## 4.4. Housing Affordability

- 4.4.1. Whilst the Government has tasked local authorities to boost significantly the supply of housing, there remains a major issue stemming from whether housing is affordable to those individuals in need.
- 4.4.2. Table 4.7 and Table 4.8 set out datasets highlighting the relative affordability of housing within South Somerset. Hopefully, the figures help outline some of the complex issues involved in housing provision, and the challenge facing local authorities in solving the problem of whether there is sufficient housing.
- 4.4.3. The Council suggests that the data shows, in the short term at least, that problems centred on housing affordability and access to the right type of housing in the right locations, is unlikely to be solved solely through increasing the volume of new dwellings delivered.
- 4.4.4. Arguably, the fact that housing is unaffordable to many is a symptom of fifty years or more of under-investment and under-delivery. Therefore, it is plausible to expect that a long term problem requires a long term solution. It is advocated that a more sophisticated, joined-up programme of investment and targeted action is required to ultimately resolve the complex issues.
- 4.4.5. Table 4.7 and Table 4.8 show the ratio of average house price to average incomes in South Somerset and how that has evolved since 2001. The tables also provide a comparison between South Somerset and the other local authorities in the county, and England as a whole.

- 4.4.6. The tables compare house prices and earnings at the lower quartile and median ranges. The lower quartile and median property price/income is determined by ranking all property prices/incomes in ascending order. The lowest 25 per cent of prices are below the lower quartile; the highest 75 per cent are above the lower quartile. The lowest 50 per cent of prices are below the median; the highest 50 per cent are above the median.
- 4.4.7. The ratios in both tables track the boom and bust cycle of the economy over the last decade, with ratios becoming their most extreme in 2008, and dropping back considerably afterwards. However, over the last three years of the data (2013 – 2015) the ratios are beginning to rise sharply and are now approaching the levels seen when the housing market was at its peak in 2008.
- 4.4.8. In Table 4.7 South Somerset's ratio is the lowest in the county; whereas in Table 4.8 South Somerset's ratio is the second lowest after Sedgemoor. South Somerset's ratios are perhaps not quite as high as say Taunton Deane or Mendip because of the sheer range in values of properties across the district. It is without doubt that in certain locations within South Somerset, the ratio will be much greater, and affordability pressures much higher.
- 4.4.9. Even though the ratios for South Somerset are some of the lowest in Somerset, it is still above the national level in both tables.
- 4.4.10. Furthermore, in general terms having a ratio of over seven to one cannot be deemed 'affordable' or indeed represent a long term sustainable housing market.

**Table 4.7: Ratio of lower quartile house prices to lower quartile earnings in Somerset**

Local Authority	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*	2014*	2015*
Mendip	5.29	6.68	6.93	8.50	8.46	8.63	10.12	9.69	8.53	8.08	8.96	9.22	8.41	8.84	8.91
Sedgemoor	4.23	4.88	6.05	7.75	7.71	7.97	8.56	8.22	7.11	7.37	7.56	7.41	7.19	7.94	7.89
South Somerset	5.12	5.51	6.67	7.82	8.13	8.27	8.49	8.39	7.44	8.02	7.23	7.41	7.17	7.52	7.63
Taunton Deane	5.68	6.56	7.51	8.53	8.99	8.23	9.41	9.39	7.58	7.67	8.10	8.30	7.86	8.46	8.08
West Somerset	.	6.10	7.51	11.26	.	8.62	10.97	10.90	9.82	8.92	10.36	9.25	9.50	10.12	10.19
England	4.08	4.45	5.23	6.28	6.82	7.15	7.25	6.97	6.28	6.69	6.57	6.58	6.66	6.95	7.02

Source: DCLG – Live Table 576

**Table 4.8: Ratio of median house prices to median earnings in Somerset**

Local Authority	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*	2014*	2015*
Mendip	5.18	6.40	7.28	8.34	7.94	7.71	8.43	8.69	8.09	7.66	7.59	8.72	8.02	8.72	9.06
Sedgemoor	4.71	5.62	6.50	8.08	7.89	7.12	8.16	8.40	7.08	8.02	7.52	7.36	7.48	7.36	7.59
South Somerset	4.76	5.23	6.45	7.38	7.60	7.47	7.98	8.04	7.27	7.73	7.07	6.99	7.19	7.39	7.79
Taunton Deane	4.82	5.76	6.99	7.60	7.98	7.59	8.13	8.06	6.94	7.53	7.53	7.67	7.46	7.73	7.87
West Somerset	.	.	.	.	.	7.68	.	.	.	6.27	.	.	.	.	.
England	4.47	5.07	5.83	6.58	6.81	6.97	7.23	6.93	6.27	7.01	6.69	6.86	6.92	7.25	7.49

Source: DCLG – Live Table 577

House Price data is sourced from ONS House Price Statistics for Small Areas (HPSSA) statistical release. Earnings data is sourced from The Annual Survey of Hours and Earnings (ASHE). House price data covers the 12 months up to September 2015. Earnings relate to the respondents place of residence rather than place of work. This means that affordability in commuter areas reflects the earning power of commuters.

\* New versions of the DCLG tables have been created using a different source of House Price data - the ONS House Price Statistics for Small Areas datasets. This leads to slight differences in the distribution of affordability ratios from 2013 onwards.

- 4.4.11. The ratios set out in Table 4.7 and Table 4.8 can be brought in to sharper focus when compared with the average sales values achieved for a range of properties across a range of settlements in the district. Sales values are taken from properties sold over the period September 2014 to March 2015.
- 4.4.12. The data shows some significant variations in average values realised across the district. Prices in Crewkerne are the lowest across the larger settlements in the district, and it is clear that the larger settlements realise lower values on average. This reflects the range and type of properties in these locations with the lower prices helping to moderate the average values. Elsewhere, in the smaller settlements across the district, values are significantly higher, with Milborne Port showing the highest average sales values.
- 4.4.13. Simply put, whilst South Somerset has one formal “Housing Market Area” spanning the whole of the administrative area of the district, it is clear that there are significant differences and sub-markets, which generate different housing affordability pressures.

**Table 4.9: Sales Values (2014 – 2015)**

Area	Average values per dwelling sold between September 2014 & March 2015	Average values £s per sq. m	Average values £s per sq. ft.
Yeovil	£190,667	£2,243	£208
Chard	£193,595	£2,278	£212
Crewkerne	£168,531	£1,983	£184
Ilminster	£243,578	£2,865	£266
Wincanton	£196,334	£2,310	£215
Martock	£216,681	£2,549	£237
Somerton	£258,144	£3,036	£282
Castle Cary	£193,595	£2,278	£212
Langport	£270,589	£3,182	£296
Bruton	£252,032	£2,965	£275
Milborne Port	£298,873	£3,515	£327
Templecombe	£273,904	£3,222	£299
<b>SSDC Average</b>	<b>£229,710</b>	<b>£2,702</b>	<b>£251</b>

Source: SSDC – Community Infrastructure Levy Viability Evidence (2015)



## 4.5. Households on Housing Register

- 4.5.1. In any discussion about households and affordable housing it is important to not just focus on purchase/rental price, but to also understand need and demand. Table 4.10 sets out the current number of households on the Homefinder Register, with their relative 'need' documented by the appropriate banding.
- 4.5.2. Table 4.11 can be read in conjunction with the assessment of need, and shows where within Somerset those on the register are seeking to live.

**Table 4.10: Households on Somerset Homefinder Register by banding (January 2016)**

Local Authority	Emergency	Gold	Silver	Bronze	Unknown	TOTAL
Mendip	1	147	589	569	0	1,306
Sedgemoor	1	192	583	1,585	2	2,363
South Somerset	3	271	708	1,092	1	2,075
Taunton Deane	3	330	571	1,616	0	2,520
West Somerset	0	80	168	369	0	617
<b>TOTAL</b>	<b>8</b>	<b>1,020</b>	<b>2,619</b>	<b>5,231</b>	<b>3</b>	<b>8,881</b>
<b>% of total</b>	<b>0.1%</b>	<b>11.5%</b>	<b>29.5%</b>	<b>58.9%</b>	<b>0.0%</b>	<b>100.0%</b>

Source: Somerset Homefinder Housing Register

**Table 4.11: Number of Households on Somerset Homefinder Register (January 2016)**

	Mendip	Sedgemoor	South Somerset	Taunton Deane	West Somerset	Outside Somerset	Unknown	TOTAL	% of total
Mendip	1,233	1	2	0	0	65	5	<b>1,306</b>	<b>14.7%</b>
Sedgemoor	5	2,198	7	2	1	140	10	<b>2,363</b>	<b>26.6%</b>
South Somerset	4	1	1,966	2	2	99	1	<b>2,075</b>	<b>23.4%</b>
Taunton Deane	1	8	4	2,381	2	120	4	<b>2,520</b>	<b>28.4%</b>
West Somerset	0	0	3	2	586	24	2	<b>617</b>	<b>6.9%</b>
<b>TOTAL</b>	<b>1,243</b>	<b>2,208</b>	<b>1,982</b>	<b>2,387</b>	<b>591</b>	<b>448</b>	<b>22</b>	<b>8,881</b>	<b>100.0%</b>
<b>% of total</b>	<b>14.0%</b>	<b>24.9%</b>	<b>22.3%</b>	<b>26.9%</b>	<b>6.7%</b>	<b>5.0%</b>	<b>0.2%</b>	<b>100.0%</b>	

Source: Somerset Homefinder Housing Register

- 4.5.3. Taken together Tables 4.10 and Table 4.11 give a useful guide to South Somerset's current affordable housing need. It is of interest to note that the vast majority of those in need who are currently within South Somerset wish to remain in South Somerset, rather than be housed elsewhere in the county.
- 4.5.4. The context provided by this data is vital in future discussions on policy-making for addressing projected newly-arising need. However, it is too simplistic to just look at current need to understand future need, with other factors such as the rate of newly forming households, and existing households falling into need ultimately affecting the overall quantum.
- 4.5.5. The council has commissioned a "Strategic Housing Market Assessment" (SHMA) via Justin Gardner Consulting and further details on future affordable housing requirements will be defined in that work. The final SHMA report is expected in late September / early October 2016.

## 5. South Somerset's Economy

### SUMMARY OF KEY ISSUES:

- South Somerset's Function Economic Area extends along the A303 corridor.
- Total number of jobs in South Somerset (which includes self-employed, government-supported trainees and HM Forces) was 82,000 in 2015.
- The 'Public administration, education and health sector' is the largest employer in South Somerset. Although the 'manufacturing' sector is a significant employer.
- In 2015, Manufacturing generated £785 million to the South Somerset economy. This sector's economic value has grown by over 25% since 2001.
- The number of enterprises in South Somerset has grown since 2010, but only steadily. The agriculture sector has the largest number of enterprises. Manufacturing, whilst the most valuable sector to the economy only has the third highest number of enterprises.
- In 2015, 98% of all businesses employed fewer than 50 employees. This Shows South Somerset's reliance on Small & Medium Enterprises (SMEs).
- Economic activity rates are at their highest recorded levels. In 2015, 85,600 people were economically active, which represents 84% of the population.
- Gross weekly wages for both males and females are lower than the national and regional average.
- The number of claimants in South Somerset is at the lowest level since 2001.

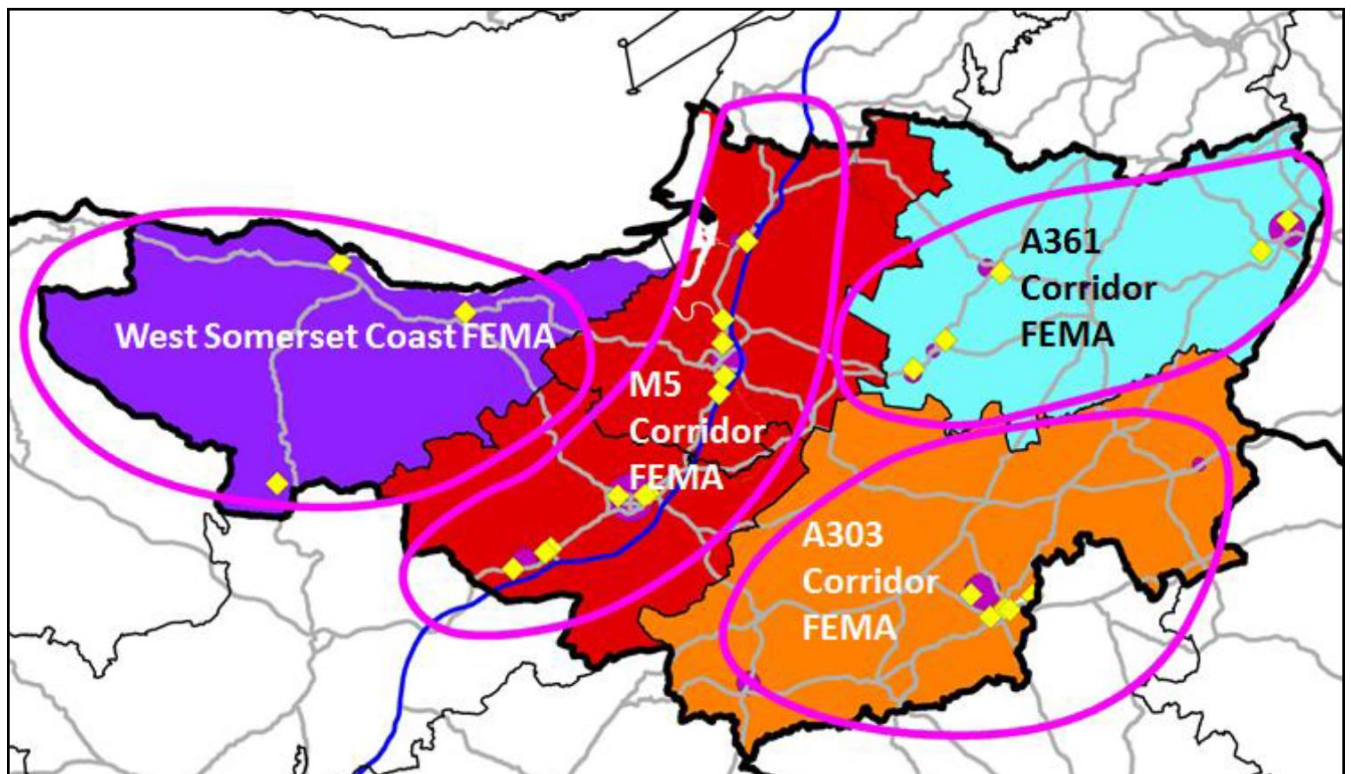
### 5.1. Overview

- 5.1.1. A strong and prosperous economy is one where: a major proportion of the local population is economically active, unemployment is low, workers and business are raising their productivity, employees are more highly skilled, and the overall number of jobs and businesses is increasing in the area.
- 5.1.2. In understanding the link between a strong economy and other issues, say housing delivery, it is important to recognise that it is a highly complex relationship. Changes and effects in one do have a bearing on the other, but the ratio is not an absolute one, and a number of other factors and assumptions affect the overall association. In summary, it is too simplistic to expect the provision of jobs in an area to equal the amount of new homes in an area (or vice versa). Assumptions about commuting, double jobbing (the proportion of people with more than one job), and future economic activity rates, also have an influence on whether an area's economy is deemed to be performing well and 'growing'.
- 5.1.3. So, whilst job growth and the changes in the economy should be used in the overall consideration of housing delivery and the future state of the district, caution is required to ensure that the too much emphasis is placed on the direct linked between one aspect and the other.

## 5.2. Functional Economic Area of South Somerset

- 5.2.1. To help understand all of the above, it is important to be mindful of the context within which the local economy operates. The economy of South Somerset does not operate in isolation. Influences at the national, regional, and local level affect how the economy functions, and there are inter-dependencies stemming from the make-up of the labour market; housing market; supply chains in industry and commerce; service markets for consumers; administrative areas; and transport networks.
- 5.2.2. As such, it is increasingly important to consider South Somerset's "Functional Economic Market Area" (FEMA). The latest work carried out on behalf of the Council, by Opinion Research Services (ORS), has clarified South Somerset's FEMA, and this is shown in Figure 5.1 below.
- 5.2.3. The work shows that South Somerset sits within the A303 Corridor FEMA, which is heavily influenced by the A303 as a strategic transport corridor connecting Somerset with the wider South West. The A303 Corridor, with Yeovil at the heart of it, provides a strong 'east-west' axis through the district, facilitating business connectivity as well as easy access to markets, labour, goods and materials. Future programmed improvements to the A303 (and the A358) therefore present an opportunity to enhance and strengthen the economy of South Somerset.

Figure 5.1: Functional Economic Market Area



Source: Housing Market Areas and Functional Economic Market Areas in Somerset (2015)

## 5.3. Economic Sectors in South Somerset

- 5.3.1. The economy in South Somerset has traditionally been dominated by agriculture and manufacturing. The district's long established link with the aerospace industry has provided a locational advantage that is unsurpassed in the rest of Somerset.
- 5.3.2. Table 5.1 sets out in more detail the number of people employed in South Somerset, by sector, since 2009. The data stems from the ONS' Business Register and Employment Survey and is an account of employee jobs, but it excludes self-employed, government-supported trainees and HM Forces, and also excludes farm-based agriculture. Table 5.1 can be read in conjunction with table 5.6 but they do not show the same information.
- 5.3.3. Increasingly, the number of employee jobs created and maintained in the service sector has overtaken the levels seen in manufacturing. The majority of the service sector in South Somerset is built upon those roles within public administration, healthcare and education; but there are significant service sector jobs in: wholesale and retail, accommodation and food services, and financial and business services.
- 5.3.4. A move away from any perceived (or real) over-reliance on manufacturing is, on the one hand, a positive. Over-specialisation can result in an area's economy becoming vulnerable to a downturn in that sector. However, it is also necessary to appreciate that service sector jobs are, on the whole, less valuable to the economy, and are often less productive. This is set out in more detail in Table 5.2.
- 5.3.5. As such, continuing to strengthening the higher value manufacturing sector, and in particular, nurturing the aerospace supply chain within South Somerset should remain a key objective of the Council and the business community to ensure a high value and resilient economy emerges for the long term.

**Table 5.1: Employee Jobs by Industry Sector in South Somerset (2009 – 2014)**

Sector	2009	2010	2011	2012	2013	2014
<b>Primary Services (A-B: agriculture and mining)</b>	100	100	200	200	200	100
<b>Energy and Water (D-E)</b>	400	400	700	500	500	500
<b>Manufacturing (C)</b>	13,800	13,300	14,400	12,800	13,500	13,200
<b>Construction (F)</b>	3,800	3,100	3,200	3,100	3,200	3,300
<b>Wholesale and retail, including motor trades (G)</b>	12,900	11,500	11,000	10,800	11,000	11,300
<b>Transport storage (H)</b>	2,500	2,500	2,200	1,800	1,900	2,000
<b>Accommodation and food services(I)</b>	3,700	3,900	3,700	4,000	4,000	4,100
<b>Information and communication (J)</b>	1,600	1,600	1,700	1,400	1,400	1,700
<b>Financial and other business services(K-N)</b>	9,700	9,900	9,900	7,700	8,200	9,100
<b>Public admin, education and health (O-Q)</b>	16,200	16,200	16,400	16,400	17,400	17,000
<b>Other Services (R-S)</b>	2,900	2,700	2,200	2,500	2,500	2,500
<b>TOTAL</b>	<b>67,600</b>	<b>65,200</b>	<b>65,600</b>	<b>61,100</b>	<b>63,700</b>	<b>64,600</b>

Source: NOMIS / ONS (Figures are rounded to nearest hundred and may not add up to totals)

## 5.4. Productivity

- 5.4.1. Productivity is considered the single most important determination of average living standards<sup>6</sup>. It is defined as the effectiveness of productive effort, as measured in terms of the rate of output per unit of input.
- 5.4.2. Table 5.2 highlights a general trend of economic growth in South Somerset (as measured by Gross Value Added (GVA)) since 2001, albeit a slight fall can be seen between 2006 and 2009 associated with the recession.
- 5.4.3. Manufacturing has consistently been the most productive sector in South Somerset, and remains hugely important to short and long term future of the economy. Elsewhere, the combined sectors of public administration, education, and health (O-Q); and financial and other business services (K-N) represent significant sectors of the economy, with each providing for approximately 20% of the GVA generated in South Somerset.

<sup>6</sup> Fixing the Foundations: creating a more prosperous nation, HM Treasury, 2015.

**Table 5.2: Gross Value Added by Industry Sector in South Somerset (2001 to 2015)**

GVA (£m, 2011 prices)	2001	2006	2009	2015	% change 2001 to 2015	% in 2015
<b>A : Agriculture, forestry and fishing</b>	42.03	61.92	59.63	56.19	<b>33.69</b>	<b>1.79</b>
<b>B : Mining and quarrying</b>	1.24	7.83	3.90	6.17	<b>397.58</b>	<b>0.20</b>
<b>C : Manufacturing</b>	489.97	616.62	637.10	784.78	<b>60.17</b>	<b>25.04</b>
<b>D : Electricity, gas, steam and air conditioning supply</b>	16.04	14.63	17.68	10.29	<b>-35.85</b>	<b>0.33</b>
<b>E : Water supply; sewage, waste management and remediation activities</b>	13.19	50.35	24.09	17.59	<b>33.36</b>	<b>0.56</b>
<b>F : Construction</b>	122.32	219.84	196.23	213.05	<b>74.17</b>	<b>6.80</b>
<b>G : Wholesale and retail trade; repair of motor vehicles and motorcycles</b>	330.22	406.99	356.29	358.07	<b>8.43</b>	<b>11.42</b>
<b>H : Transportation and storage</b>	78.62	79.02	98.81	86.28	<b>9.74</b>	<b>2.75</b>
<b>I : Accommodation and food service activities</b>	67.18	58.77	65.21	80.13	<b>19.28</b>	<b>2.56</b>
<b>J : Information and communication</b>	71.64	92.83	90.73	88.95	<b>24.16</b>	<b>2.84</b>
<b>K : Financial and insurance activities</b>	46.28	52.14	62.48	49.45	<b>6.85</b>	<b>1.58</b>
<b>L : Real estate activities</b>	334.56	326.02	297.29	328.61	<b>-1.78</b>	<b>10.48</b>
<b>M : Professional, scientific and technical activities</b>	68.74	106.65	103.87	139.24	<b>102.56</b>	<b>4.44</b>
<b>N : Administrative and support service activities</b>	33.17	85.27	130.79	132.24	<b>298.67</b>	<b>4.22</b>
<b>O : Public administration and defence; compulsory social security</b>	258.65	262.98	248.68	223.85	<b>-13.45</b>	<b>7.14</b>
<b>P : Education</b>	161.45	203.48	162.31	184.12	<b>14.04</b>	<b>5.87</b>
<b>Q : Human health and social work activities</b>	142.06	165.17	204.47	258.61	<b>82.04</b>	<b>8.25</b>
<b>R : Arts, entertainment and recreation</b>	24.48	29.24	38.80	31.36	<b>28.10</b>	<b>1.00</b>
<b>S : Other service activities</b>	89.89	93.96	73.06	85.58	<b>-4.79</b>	<b>2.73</b>
<b>TOTAL</b>	<b>2,391.72</b>	<b>2,933.72</b>	<b>2,871.41</b>	<b>3,134.57</b>	<b>31.06</b>	<b>100.00</b>

Source: Oxford Economics (from Heart of the South West LEP)

## 5.5. Business and Enterprise

5.5.1. South Somerset has the largest overall number of enterprises in the county, as shown in Table 5.3. Recessionary impacts were experienced between 2010 and 2013, with a fall in business numbers; however since then there has been steady growth. The overall rate of growth in this period has however been relatively low, with South Somerset's figures being the second lowest in the county, and lower than the South West trend.



**Table 5.3: Total Enterprises (2010 – 2015)**

Year	Mendip	Sedgemoor	South Somerset	Taunton Deane	West Somerset	South West	Great Britain
2010	5,090	4,360	6,685	4,230	1,730	197,935	2,031,845
2011	4,995	4,340	6,530	4,190	1,700	196,605	2,012,900
2012	5,090	4,425	6,515	4,180	1,655	200,500	2,081,700
2013	5,075	4,460	6,485	4,200	1,650	201,150	2,100,890
2014	5,210	4,535	6,680	4,265	1,685	207,470	2,197,000
2015	5,540	4,730	7,070	4,520	1,750	220,825	2,382,370
Change	450	370	385	290	20	22,890	350,525
% Change	8.84	8.49	5.76	6.86	1.16	11.56	17.25

Source: NOMIS / Inter Departmental Business Register / ONS

**Table 5.4: Total Enterprises by Sector (2015)**

Sector	Mendip	Sedgemoor	South Somerset	Taunton Deane	West Somerset
Agriculture, forestry & fishing	770	675	1,160	645	515
Production	425	350	515	245	75
Construction	755	640	905	560	145
Motor trades	180	185	275	185	50
Wholesale	190	180	260	185	45
Retail	395	325	485	330	150
Transport & Storage (inc. postal)	175	170	165	105	35
Accommodation & food services	330	345	390	240	155
Information & communication	325	185	360	210	45
Finance & insurance	65	80	95	95	15
Property	175	145	200	170	35
Professional, scientific & technical	780	625	975	645	170
Business administration & support services	370	320	460	300	110
Public administration & defence	35	35	50	25	15
Education	90	80	110	70	20
Health	155	135	250	225	45
Arts, entertainment, recreation & other services	325	260	415	285	125
<b>Total</b>	<b>5,540</b>	<b>4,735</b>	<b>7,070</b>	<b>4,520</b>	<b>1,750</b>

Source: NOMIS / Inter Departmental Business Register / ONS

- 5.5.2. It is interesting to note that, whilst employee jobs and productivity in the agricultural sector is relatively low, the actual number of businesses/enterprises engaged in that sector is the highest in the district. In contrast, there are significantly fewer “production” (or manufacturing) businesses. However, given the manufacturing sector’s role in providing employment and productivity, it only serves to further highlight the importance of these businesses to South Somerset.
- 5.5.3. The vast majority - 90% - of businesses in South Somerset are micro enterprises employing up to 9 people, a proportion that has remained broadly similar since 2010. Given this, planning policies and decisions should continue to support the



development of these sized businesses in the future as being vital to the local economy.

- 5.5.4. At the other end of the scale, there are only 15 (or 0.2%) large enterprises that employ more than 250 people in the district, a 25% fall since 2010. In considering the future growth of businesses, it is important to be realistic about the potential to attract numerous large enterprises to the district.

**Table 5.5: Size of Enterprises in South Somerset (2010 – 2015)**

Date	Micro (0 to 9) enterprises		Small (10 to 49) enterprises		Medium (50 to 249) enterprises		Large (250+) enterprises		TOTAL	
<b>2010</b>	6,020	90.1	565	8.4	85	1.3	20	0.3	<b>6,690</b>	<b>100</b>
<b>2011</b>	5,880	90.1	540	8.3	90	1.4	15	0.2	<b>6,525</b>	<b>100</b>
<b>2012</b>	5,840	89.7	560	8.6	100	1.5	15	0.2	<b>6,515</b>	<b>100</b>
<b>2013</b>	5,790	89.3	585	9	95	1.5	15	0.2	<b>6,485</b>	<b>100</b>
<b>2014</b>	5,960	89.2	605	9.1	100	1.5	15	0.2	<b>6,680</b>	<b>100</b>
<b>2015</b>	6,345	89.7	610	8.6	105	1.5	15	0.2	<b>7,075</b>	<b>100</b>
<b>Change</b>	<b>325</b>		<b>45</b>		<b>20</b>		<b>-5</b>		<b>385</b>	<b>100</b>
<b>% Change</b>	<b>5.40</b>		<b>7.96</b>		<b>23.53</b>		<b>-25.00</b>		<b>5.75</b>	<b>100</b>

Source: NOMIS / Inter Departmental Business Register / ONS

## 5.6. Employment and Jobs

- 5.6.1. The total number of jobs is a workplace-based measure and comprises employee jobs, self-employed, government-supported trainees and HM Forces. This is why the figures set out in Table 5.6 differ to those set out in Table 5.1 above.
- 5.6.2. The number of residents aged 16-64 figures used to calculate jobs densities are based on the relevant mid-year population estimates.

**Table 5.6: Total Jobs and Job Density (2001 – 2014)**

Year	South Somerset	South Somerset	South West	Great Britain
		(density)	(density)	(density)
2001	77,000	0.83	0.82	0.8
2002	76,000	0.82	0.83	0.8
2003	78,000	0.83	0.83	0.8
2004	80,000	0.84	0.83	0.8
2005	81,000	0.85	0.82	0.8
2006	81,000	0.84	0.82	0.79
2007	84,000	0.85	0.82	0.79
2008	82,000	0.83	0.81	0.79
2009	80,000	0.81	0.82	0.77
2010	81,000	0.82	0.82	0.77
2011	85,000	0.87	0.82	0.78
2012	80,000	0.82	0.81	0.78
2013	83,000	0.85	0.83	0.79
2014	82,000	0.84	0.86	0.82
<b>Change (2001 – 2014)</b>	5,000			
<b>Change (2006 – 2014)</b>	1,000			

Source: NOMIS / ONS

- 5.6.3. Table 5.6 indicates that the total number of jobs fell in the years following the recession, but have now recovered slightly. It should be noted that some fluctuations are also related to the accuracy of the ONS data rather than structural changes in the economy.
- 5.6.4. Latest data on the employment density in South Somerset are very similar to the regional and national average.

## 5.7. Economic Activity & Unemployment

5.7.1. As well as looking at the total number of jobs in South Somerset, it is important to establish the overall level of economic activity. A healthy economy is where the workforce is active, where there is a relatively high ratio between those who are capable of working and those who work. The table below shows a trend of rising levels of economic activity in South Somerset, with the number of people in employment increasing by 8,100 over the Local Plan period so far. Linking this housing growth, shows a broad balance of employment levels and housing growth over the last 9-10 years.

**Table 5.7: Total Jobs and Job Density (2001 – 2014)**

Date	Economically active		In Employment		Employees		Self-employed		Unemployed	
	South Somerset	(%)	South Somerset	(%)	South Somerset	(%)	South Somerset	(%)	South Somerset	(%)
2004	77,700	79.9	75,200	77.2	64,400	67	10,000	9.4	2,100	2.7
2005	75,800	76.2	72,200	72.4	58,800	60.2	12,300	11.2	2,400	3.2
2006	78,300	78.7	74,500	74.8	60,300	61.2	13,600	13	2,700	3.5
2007	81,000	81.1	78,300	78.3	64,200	64.4	13,000	12.8	2,600	3.3
2008	84,100	84.2	82,300	82.3	70,800	71.4	10,600	10.2	2,700	3.1
2009	84,300	80.4	79,200	75.8	69,400	67.6	9,800	8.2	4,100	4.9
2010	86,100	83.2	79,900	76.8	67,300	65.9	11,500	10.3	4,000	4.7
2011	78,900	77.9	75,800	74.8	61,800	61.9	12,500	12.1	3,800	4.7
2012	77,100	76.9	73,700	73.3	61,300	61.5	12,400	11.9	3,900	5.1
2013	82,200	81.3	80,000	79	64,000	64.4	14,800	13.5	3,600	4.3
2014	82,800	80.5	78,800	76.7	65,000	65.1	11,200	10	3,500	4.3
2015	85,600	83.7	82,600	80.6	64,400	64.7	17,500	15.1	2,800	3.3
<b>2004 – 2015</b>	<b>7,900</b>	<b>3.80</b>	<b>7,400</b>	<b>3.40</b>	<b>0</b>	<b>-2.30</b>	<b>7,500</b>	<b>5.70</b>	<b>700</b>	<b>0.60</b>
<b>2006 – 2015</b>	<b>7,300</b>	<b>5.00</b>	<b>8,100</b>	<b>5.80</b>	<b>4,100</b>	<b>3.50</b>	<b>3,900</b>	<b>2.10</b>	<b>100</b>	<b>-0.20</b>

Source: ONS annual population survey

Note: numbers are for those aged 16 and over, % is for those of aged 16-64

## 5.8. Economic Forecasts

- 5.8.1. An attempt at forecasting the economic future of a district or area is fraught with difficulty. There are a number of variables that can be subject to change, and the fortunes of industries and employers are hard to predict. Furthermore, the influence of other external factors, such as Government policy changes, and the relationship with the EU, mean that predictions made in 2016 can quickly become inaccurate.
- 5.8.2. That being said, there are a number of forecasts available to local authorities. Table 5.8 through to Table 5.10 set out the forecasts provided by Oxford Economics, which are currently being used by the Heart of the South West Local Enterprise Partnership to support plans for growth.

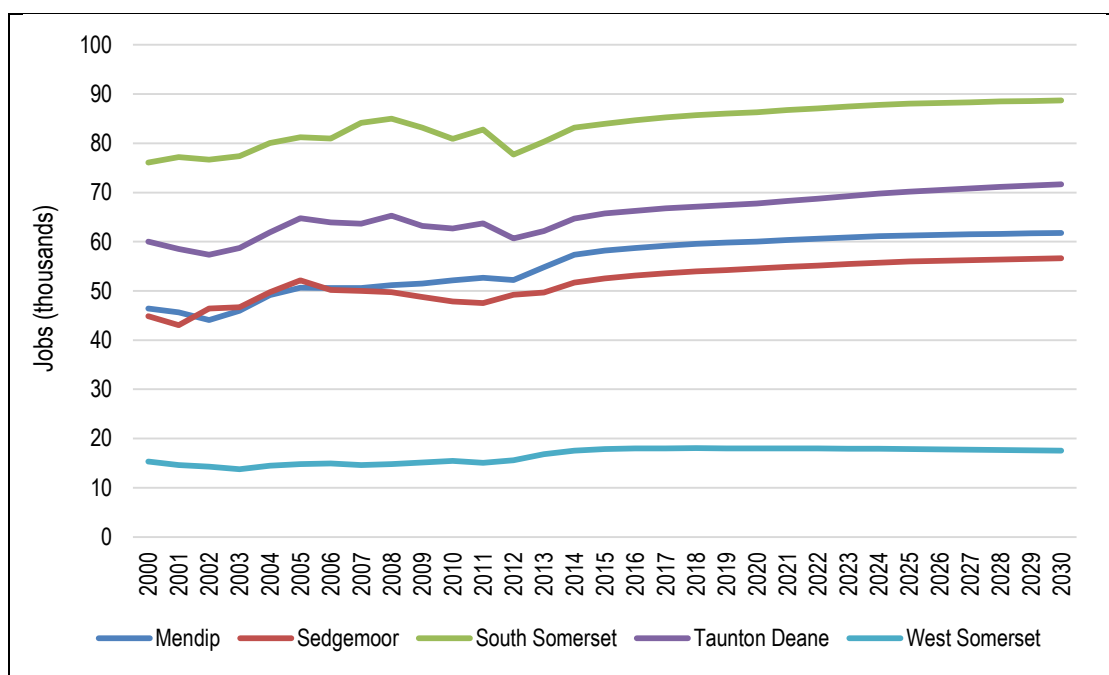
**Table 5.8: Past and forecast job growth – Somerset**

	Past growth		Forecast growth	
	2000-2014	Per annum	2014-2030	Per annum
<b>Mendip</b>	10,920	780	4,410	276
<b>Sedgemoor</b>	6,810	486	4,930	308
<b>South Somerset</b>	7,070	505	5,550	347
<b>Taunton Deane</b>	4,670	334	7,000	438
<b>West Somerset</b>	2,210	158	20	1
<b>Somerset</b>	31,680	2,263	21,910	1,369

Source: Oxford Economics (from Heart of the South West LEP)

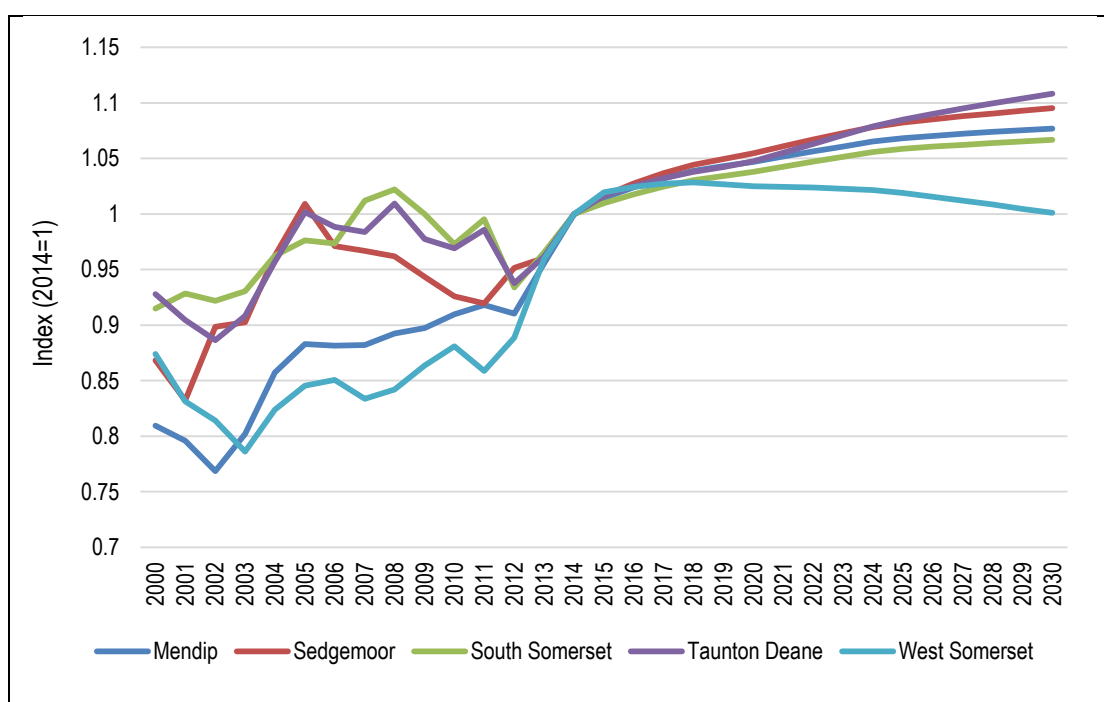
- 5.8.3. The figures below show past and forecast job growth (the first chart showing the total number of jobs in each area and the second showing the same information indexed to 2014). The key finding to note from these charts is the variation in the past trend figures; in some areas a year-on-year change of in excess of 5,000 jobs can be seen. In reality, such a change is unlikely and will be driven more by the quality of data available than any real changes that may have occurred.

**Figure 5.1: Total employment (jobs) – Somerset**



Source: Oxford Economics (from Heart of the South West LEP)

**Figure 5.2: Total employment (jobs) – Indexed (2014=1) – Somerset**



Source: Oxford Economics (from Heart of the South West LEP)

5.8.4. Whilst the figures above provide an indication of what has happened in the past (and what might happen in the future) it needs to be remembered that such forecasts are highly uncertain. Indeed, even estimates of past trends can vary from source to source. This can be seen through an analysis of ONS job data (shown in the table below) which covers a period from 2000 to 2013. Across the whole of the County the ONS data suggests a similar level of job growth (of about 2,000 per annum); however, some of the local authority estimates are quite different. These differences are likely to be due to the methodologies employed in different sources along with the fact that underlying data (often drawn from the Business Register and Employment Survey (BRES) is a sample survey which is subject to quite large margins of error at a smaller area level.

**Table 5.9: Estimated job growth (2000-13) - ONS**

Local Authority	2000-13	Per annum
Mendip	6,000	462
Sedgemoor	5,000	385
South Somerset	9,000	692
Taunton Deane	2,000	154
West Somerset	4,000	308
Somerset	26,000	2,000

Source: ONS

5.8.5. To work out the change in the resident workforce required to match the forecast number of jobs, the commuting ratio is multiplied by the amount of double jobbing (to give an adjustment factor) and in turn multiply this by the number of jobs – this is shown in the table below. Overall, the table shows that to meet the forecast growth in jobs (of 1,370 per annum) a slightly lower level of resident workforce growth would be needed (of about 1,341 people each year). If past trends in job growth are

to be repeated the analysis suggests an increase in the resident workforce of about 2,131 people per annum (it should be noted that in looking at past growth data has been combined from the OE analysis and the analysis of ONS job data). These figures give a total change in the resident workforce of 30,833 based on forecast growth and 49,010 based on past trends (over the 2014-37 period).

**Table 5.10: Forecast job growth/past trends in job growth and change in resident workforce**

Local Authority	OE estimate of future growth			Past trend analysis (combined sources)		
	Additional jobs (pa)	Change in resident workforce (pa)	Change in resident workforce (2014-37)	Additional jobs (pa)	Change in resident workforce (pa)	Change in resident workforce (2014-37)
Mendip	276	287	6,601	621	646	14,853
Sedgemoor	308	343	7,898	436	486	11,167
South Somerset	347	333	7,665	599	575	13,221
Taunton Deane	438	376	8,647	244	209	4,817
West Somerset	1	1	21	233	215	4,952
<b>Somerset</b>	<b>1,370</b>	<b>1,341</b>	<b>30,833</b>	<b>2,132</b>	<b>2,131</b>	<b>49,010</b>

Source: OE, NOMIS and 2011 Census

## 5.9. Employment by Occupation

- 5.9.1. Data presented so far indicates that the economy in South Somerset is performing relatively well, and appears to be recovering from the impacts of the recession. However, it is also true that a strong performing economy and successful local area will have a higher proportion of higher professional occupations and a more highly skilled workforce.
- 5.9.2. Table 5.8 sets out the number of people employed by occupation / skill type across South Somerset. It then compares those figures against the percentages seen across the South West and Great Britain. The data shows that South Somerset has a lower percentage of higher professional occupations (major group 1 to 3) than the South West and Great Britain.
- 5.9.3. Similarly, South Somerset has a much higher proportion of lower skilled occupations (major group 6 to 7; and major group 8 to 9) than the South West and GB.
- 5.9.4. Looking ahead, it will be a challenge for South Somerset to not only increase the number of people employed in the district, but to raise the standard of occupations within the district. Attracting, developing and maintaining higher skilled and higher professional occupations to the area will ensure that South Somerset's economy is more competitive and resilient in the longer term.

**Table 5.11: The level of skills in South Somerset (2001 to 2015)**

	South Somerset (numbers)	South Somerset (%)	South West (%)	Great Britain (%)
<b>Soc 2010 major group 1-3</b>	32,300	39.3	44.8	44.4
1 Managers, directors and senior officials	6,700	8.1	11.2	10.4
2 Professional occupations	14,600	17.7	19.2	19.8
3 Associate professional & technical	11,000	13.3	14.2	14.1
<b>Soc 2010 major group 4-5</b>	19,400	23.6	22.2	21.4
4 Administrative & secretarial	7,800	9.5	10.0	10.7
5 Skilled trades occupations	11,600	14.0	12.0	10.6
<b>Soc 2010 major group 6-7</b>	15,800	19.3	17.1	16.9
6 Caring, leisure and Other Service occupations	10,700	13.0	9.7	9.2
7 Sales and customer service occs	5,100	6.2	7.4	7.7
<b>Soc 2010 major group 8-9</b>	14,700	17.9	16.0	17.2
8 Process plant & machine operatives	4,800	5.8	5.3	6.3
9 Elementary occupations	9,900	12.0	10.7	10.8

Source: ONS

## 5.10. Qualifications

- 5.10.1. In looking to raise the profile of jobs and occupations in South Somerset it will be important to attract and retain more highly skilled and qualified individuals.
- 5.10.2. Table 5.12 outlines the qualifications held by the resident population aged 16-64 in South Somerset in 2015.

**Table 5.12: Qualification Levels in South Somerset (January 2015 to December 2015)**

Individual levels	South Somerset	South Somerset (%)	South West (%)	Great Britain (%)
<b>NVQ4 and above</b>	34,400	36.0	37.3	37.1
<b>NVQ3 and above</b>	63,300	66.2	60.4	57.4
<b>NVQ2 and above</b>	78,800	82.5	77.6	73.6
<b>NVQ1 and above</b>	87,600	91.6	89.7	84.9
<b>Other qualifications</b>	3,300	3.5	4.8	6.5
<b>No qualifications</b>	4,700	4.9	5.5	8.6

Source: ONS annual population survey

- 5.10.3. The data highlights that South Somerset has a lower percentage of people with no qualifications than either the South West average or the Great Britain average. But it is also true, that South Somerset has a lower percentage of people with the highest level qualification, NVQ4 (degree-level equivalent), than either the South West or Great Britain.
- 5.10.4. The Council will need to work closely with all education institutions, but especially further and higher education departments to ensure that those achieving the highest qualifications are not only taught here, but choose to stay here and live and work in South Somerset.

## 5.11. Pay / Wages

- 5.11.1. To complement an understanding of the type of occupations within the overall employment profile in South Somerset it is useful to look at the changing nature of wages earned in the district.
- 5.11.2. Table 5.13 shows the wage structure in the local area in terms of full-time weekly pay. The figures are the median earnings in pounds for employees living in the area. It highlights that across both male and female workers, the average weekly pay is considerably below the South West and Great Britain average.
- 5.11.3. The challenging circumstances prompted from South Somerset having a low paid workforce are manifest. Issues such as relative housing affordability, the strength of the economy, and the trends in retail and spend, can in various ways be linked back to the amount of wages earned. Raising the overall wage levels in South Somerset is a key challenge. Generating higher value jobs, which require a more highly skilled workforce, is a route to achieving this. Twinning this approach with delivering a higher quality residential offer so that those highly skilled workers remain in South Somerset is a critical joined-up policy response for future plan-making.

**Table 5.13: Average Weekly Pay in South Somerset Earnings by residence (2015)**

	South Somerset (pounds)	South West (pounds)	Great Britain (pounds)
<b>Gross weekly pay</b>			
<b>Full-time workers</b>	456.4	498.8	529.6
<b>Male full-time workers</b>	502.9	539.6	570.4
<b>Female full-time workers</b>	404.7	440.1	471.6

Source: ONS annual survey of hours and earnings - resident analysis

## 5.12. Claimants

- 5.12.1. Analysing data looking back to 2001 shows that the number of claimants in South Somerset has been consistently lower than the regional and national.
- 5.12.2. Even so, South Somerset was not immune to the impact of the recession, and in 2008 the number of claimants doubled. So much so, that 2009's figures represent the highest recorded number of claimants in the last 15 years.
- 5.12.3. Between 2009 and 2013 the number of claimants remained high, and significantly higher than historic records. However, since 2013 the figures have reduced dramatically and are now below figures recorded back in 2001. In proportional terms, South Somerset's number of claimants now represents less than 1% and is significantly below the South West and Great Britain average.



**Table 5.14: Claimant count in South Somerset (2001 to 2015)**

Date	South Somerset	South Somerset	South West	Great Britain
		(%)	(%)	(%)
Aug-01	1,000	1.1	1.6	2.5
Aug-02	950	1	1.6	2.4
Aug-03	890	1	1.4	2.3
Aug-04	810	0.9	1.2	2
Aug-05	990	1	1.3	2.2
Aug-06	1,040	1.1	1.4	2.3
Aug-07	790	0.8	1.2	2
Aug-08	850	0.9	1.4	2.2
Aug-09	1,820	1.9	2.7	3.8
Aug-10	1,570	1.6	2.3	3.4
Aug-11	1,740	1.8	2.5	3.7
Aug-12	1,660	1.7	2.5	3.7
Aug-13	1,370	1.4	2.1	3.2
Aug-14	790	0.8	1.3	2.2
Aug-15	610	0.6	1	1.6
<b>2001 - 2015</b>	<b>-390</b>			
<b>2006 - 2015</b>	<b>-430</b>			

Source: ONS

## 6. Retail

### SUMMARY OF KEY ISSUES:

- The future of the high street remains uncertain. With challenging conditions for both local and national retailers.
- Yeovil remains most important retail centre within the district. But the town centre faces competition from out-of-town retail estates and adjacent retail estates including in West Dorset.
- Vacancy rates in Yeovil town centre of Yeovil have increased since 2006 and recessionary impacts have been felt within the town centre and Primary Shopping Area.
- Future plans for the regeneration of Yeovil Town Centre are integral to the Council's "Investing in Infrastructure" programme. Further investment in the town centre needs to be co-ordinated to ensure the town remains its vitality.

### 6.1. Overview

- 6.1.1. Yeovil is the largest centre in South Somerset, followed by the market towns and rural centres which are spread across the district. Each centre has their own distinct role and function, providing a range of services and facilities for their surrounding area. The area varies according to the size of the centre, for example given the range and choice of facilities, Yeovil may act as a destination for shopping or entertainment across the entire district, whereas Martock, with its reduced facilities, may only be a local shopping destination. Naturally the bigger the centre, the more services and facilities on offer.
- 6.1.2. Town centres across the country have been in decline. Cheaper out of town centre locations and internet shopping have competed against traditional High Streets resulting in increased vacancy rates and 'dead' areas in need of regeneration.
- 6.1.3. South Somerset is no different and a key objective of the local plan through policies EP11 (Location of Main Town Centre Uses), EP12 (Floorspace Threshold for Impact Assessments) and EP13 (Protection of Retail Frontages) is to improve the vitality and viability of the district's town centres by making them the preferred locations for retailing and town centre uses.
- 6.1.4. Given that Yeovil has been the focus of pressure to develop retail uses outside of the town centre, this AMR will focus on retailing in Yeovil. Subsequent versions of the AMR will look more widely at retailing across the district.

## 6.2. Yeovil Town Centre

- 6.2.1. Yeovil Town Centre is the largest and most successful town centre in South Somerset in terms of physical size and trading ability.
- 6.2.2. There are two purpose built shopping centres in the town centre, the Quedam Centre and Glovers Walk. The Quedam Centre is by far the larger of the two, covering a significant proportion of the northern area of the town centre. It is occupied by national multiple retailers and also has direct access to a multi-storey car park. Glovers Walk, built in the 1960s, is located next to the Quedam Centre and incorporates the bus station. In recent years, despite its fairly central location, Glovers Walk has suffered from high vacancy rates and underperformance which have affected its physical environment.
- 6.2.3. The centre also benefits from a Tesco Extra store on its western side and Yeo Leisure Park on the south-eastern side. The leisure park features a cinema, bowling alley, health and fitness club and food and drink uses. Both locations provide for linked trips to other parts of the centre due to their close proximity to the primary shopping area.
- 6.2.4. The focus for retail provision in Yeovil Town Centre is within the High Street and Quedam Shopping Centre and these accommodate the majority of national multiple non-food operators, anchored by stores such as Marks and Spencer's, Boots, British Home Stores and Primark. There is an independent department store called Denners with two premises in the centre. Smaller independent stores are concentrated along the secondary shopping streets. The Primary Shopping Area and parts of the secondary areas are pedestrianised, which provide an accessible pedestrian environment.
- 6.2.5. In addition to the town centre, there are a number of retail locations outside of Yeovil town centre where national multiple retailers more normally associated with town centre locations trade. Namely:
- The Peel Centre (Babylon Hill);
  - Houndstone Retail Park;
  - Lynx Trading Estate; and
  - Lysander Road and pockets along Lyde Road.
- 6.2.6. Yeovil Town Centre is a successful town centre<sup>7</sup>. It has however experienced increased vacancies in recent years. The Council's Annual Retail Monitoring data, presented in Table 6.1 and 6.2 illustrates vacancy rates within the Town Centre and Primary Shopping Frontage (as defined in the Local Plan) since 2006.

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<sup>7</sup> South Somerset Retail Study Update, July 2010

**Table 6.1: Total Premises and Vacancies in Yeovil Town Centre (2006 to 2015)**

Year	Total Premises within Town Centre	Vacancies	%
2006	487	46	9.44
2007	468	48	10.25
2008	468	49	10.47
2009	471	61	12.95
2010	472	56	11.86
2011	480	56	11.66
2012	480	71	14.79
2013	480	72	15.00
2014	483	75	15.52
2015	494	70	14.17
<b>2006-2015</b>	<b>+7</b>	<b>+24</b>	<b>+4.73</b>

Source: SSDC

**Table 6.2: Total Premises and Vacancies in Yeovil's Primary Shopping Frontage (2006 to 2015)**

Year	Total Premises within Yeovil's Primary Shopping Frontage	Vacancies	%
2006	125	8	6.4
2007	126	8	6.34
2008	127	9	7.08
2009	128	17	13.28
2010	130	17	13.07
2011	128	12	12.5
2012	128	23	17.96
2013	136	24	17.64
2014	128	24	18.75
2015	131	19	14.50
<b>2006-2015</b>	<b>+6</b>	<b>+11</b>	<b>+8.1</b>

Source: SSDC

- 6.2.7. The data demonstrates that vacancy rates have increased over time. Whilst the last survey undertaken in September 2015 shows a slight improvement, the overall vacancy rate across the Town Centre of 14.17%, remains significantly above the national average of 12.5% recorded by Retail Gazette in March 2016. This is likely to be part in due to the UK economic climate and changing shopping habits and part in due to the age, attractiveness, availability and cost of property stock.
- 6.2.8. The Quedam Shopping Centre is a key contributor to the overall health and attractiveness of Yeovil town centre. The current owners, Benson Elliot, have had two applications approved to improve the existing offer with the town centre by extending, amalgamating and reconfiguring existing units. The South Somerset Retail Study Update (2010) concluded that the proposals for the extension of the Quedam Centre, if implemented would considerably improve the town centre offer by providing a range of modern retail units.
- 6.2.9. In addition to the Quedam Shopping Centre extension, there are other town centre sites that present major opportunities for investment and regeneration within Yeovil;

these include the Cattle Market and Stars Lane and Box Factory sites. Whilst the Council seeks to focus development within the town centre and to these sites, through the Local Plan and policy EP11 in particular, the development industry is keen to develop on out of town sites where generally development costs are lower and land is available.

- 6.2.10. This is demonstrated by the fact that in recent years there have been a number of significant proposals for both food and non-food shopping in out of town locations. Difficulties with the deliverability and/or availability of town centre sites at the present time is making it difficult to resist out of town retail proposals indefinitely and the time has come to address these issues if policy EP11 is to remain effective and future investment in Yeovil is to be within the town centre.

## 7. Transport and Travel

### 7.1. Commuting

- 7.1.1. The table below shows summary data about commuting to and from each local authority from the 2011 Census. Overall the data shows that Somerset sees a small level of net out-commuting for work with the number of people resident in the County who are working being about 3% higher than the total number who work in the area. This number is shown as the commuting ratio in the final row of the table and is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live). For individual local authorities, only Taunton Deane sees net in-commuting with net out-commuting being particularly high in Sedgemoor.

**Table 7.1: Commuting patterns in Somerset by local authority (2011)**

Local Authority	Mendip	Sedgemoor	South Somerset	Taunton Deane	West Somerset	Somerset
Live and work in LA	24,531	25,804	46,159	33,771	6,952	-
Home workers	8,764	7,339	10,805	6,815	3,998	-
No fixed workplace	4,926	4,685	6,246	4,009	1,390	-
Out-commute	11,464	9,214	15,228	15,737	2,785	-
In-commute	16,051	17,128	16,214	10,024	3,217	-
Total working in LA	49,685	47,042	78,438	60,332	15,125	250,622
Total living in LA (and working)	54,272	54,956	79,424	54,619	15,557	258,828
Commuting ratio	<b>1.09</b>	<b>1.17</b>	<b>1.01</b>	<b>0.91</b>	<b>1.03</b>	<b>1.03</b>

Source: 2011 Census

# Part Three: How Are We Tackling The Major Issues Facing South Somerset?

## Introduction

Whilst the context provided in Chapter 3 to Chapter 7 is useful and provides an overall frame of reference to how South Somerset looks and feels – it is important to emphasise the key strategic issues which dominate local opinion. Many of these stem from the dominant policies set out in the South Somerset Local Plan (2006 – 2028).

For the majority, the following issues are the most important, and are directly linked back to the South Somerset Local Plan (2006 – 2028):

- Housing delivery in rural areas;
- Delivery of employment and economic growth;
- Overall housing delivery and progress against targets; and
- Delivery of affordable housing; and
- Providing for Gypsies, Travellers and Travelling Showpeople.

Each of these issues is discussed in turn below.

## 8. Delivery In Rural Settlements (Policy SS2)

### SUMMARY OF KEY ISSUES:

- Delivery in the Rural Settlements in South Somerset remains strong.
- Delivery is ahead of the annualised target for this point of time in the South Somerset Local Plan (2006 – 2028).
- Larger existing Rural Settlements appear to be the focus for most new development.
- But there are also significant commitments in other, much smaller, locations.
- Will be important to monitor this situation careful – whilst the Rural Settlements represent vital component of the district’s new housing supply, without some control on numbers there could be a risk of over-development.
- A better understanding of infrastructure requirements and locations for growth is required in the future to inform better choices for where to focus development so that its benefits are maximised and impacts minimised.

### 8.1. Overview

- 8.1.1. The spatial strategy in the local plan focuses new development at Yeovil, followed by the identified Market Towns and Rural Centres. In addition, it also identifies a certain amount of growth in what are described as “Rural Settlements”. These Rural Settlements are the smallest locations within the district and are villages and hamlets spread across South Somerset.
- 8.1.2. In the Rural Settlements, Policy SS2 seeks to strictly control and limit development, subject to providing employment opportunities, creating or enhancing community facilities, and/or meeting identified housing need. Policy SS2 also sets out that development should be commensurate with the scale and character of the settlement, be consistent with community-led plans, and generally have the support of the local community following robust engagement and consultation.
- 8.1.3. Policy SS2 was used a total of 91 planning application decisions in the last year, comprising 66 times when refusing permission and 25 when allowing permission.
- 8.1.4. So far, there has been very little employment provision delivered through Policy SS2. Similarly, there has been a lack of delivery of community facilities and services at Rural Settlements in the last year, although some evidence indicates potential delivery since Policy SS2 has been adopted through the granting of planning permissions. For example, permission has recently been granted for a dwelling and a village shop in Bab Cary.
- 8.1.5. In terms of meeting identified housing need, 1,301 dwellings have been delivered in the Rural Settlements over the first 10 years of the local plan period (2006 – 2016).
- 8.1.6. This is some 282 dwellings higher than what would be ‘expected’ at this stage of the plan period. As at 2016, this figure also equates to 21% of the total housing



delivered in the district so far, which is higher than the proportion envisaged to be delivered via the Rural Settlements, which is set out in Policy SS5 as only 14%.

- 8.1.7. Delivery has been highest in Misterton, Henstridge, and Curry Rivel. This is interesting because these locations are already of a certain size (greater than 70 dwellings) and so it can be seen that the larger Rural Settlements with a stronger existing critical mass of dwellings and a greater provision of services and facilities are attracting the highest concentration of new development.
- 8.1.8. Given the fact that the local plan was only adopted in March 2015, it is important to note that the majority of housing delivery was prior to Policy SS2 being formally adopted. Nonetheless, the latest monitoring indicates that 145 dwellings were built in Rural Settlements in 2015/16, which is far greater than the annualised requirement of 102 dwellings, and is therefore not fully consistent with the local plan spatial strategy. Of the 145 new dwellings, 13 were affordable dwellings – 7 in Queen Camel, and 6 in Horton.
- 8.1.9. Although there were no individual Rural Settlements that delivered 10 or more dwellings last year, the Council is aware that some Rural Settlements have a relatively high level of existing commitments. This is set out in further detail in the Council's Five-year Housing Land Supply Paper (July 2016)<sup>8</sup>.
- 8.1.10. For example, in the monitoring year, planning permission was granted for a total of 50 dwellings in Keinton Mandeville, 30 dwellings in Curry Rivel, and 45 dwellings in Merriott (through the permitted redevelopment of Tail Mill). The Council will need to be mindful of allowing additional new development in these settlements. A greater appreciation of the infrastructure requirements and potential impacts on facilities, services; as well as the natural environment are required to ensure that over-development does not occur and that development to remains commensurate with the scale and character of settlement.
- 8.1.11. Policy SS2 was referenced in approximately a dozen appeal decisions at Rural Settlements over the monitoring year. Some of the key issues highlighted by Inspectors were:
- Early in the monitoring period, with a newly adopted Local Plan and a five-year housing land supply, full weight was given to Policy SS2;<sup>9</sup>
  - When there was a lack of a five-year housing land supply, Inspectors attributed less weight (in some cases "limited" weight) to Policy SS2 and applied the NPPFs 'presumption in favour of sustainable development'.<sup>10</sup>
  - Whilst some members of the local community may oppose development, this does not mean that there has been a failure by the applicant to undertake robust engagement and consultation with the local community – established planning law (and Policy SS2 itself) does not require public support before permission can be granted.<sup>11</sup>

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<sup>8</sup> SSDC Five-Year Housing Land Supply Paper (July 2016): [http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-\(2006-2028/project-management--monitoring/](http://www.southsomerset.gov.uk/planning-and-building-control/planning-policy/early-review-of-local-plan-(2006-2028/project-management--monitoring/)

<sup>9</sup> Land off Long Furlong Lane, East Coker APP/R3325/A/14/2224839; land off Boozer Pit, Merriott APP/R3325/A/14/2218660.

<sup>10</sup> Rear of The Burrows, High Street, Sparkford APP/R3325/W/15/3100543; land north of Stanchester Way, Curry Rivel APP/R3325/W/3018532

<sup>11</sup> Land at Tanyard, Broadway APP/R3325/W/15/3063768.

- Whilst 'localism' is an important Government objective, the NPPF also seeks to boost significantly the supply of housing.<sup>12</sup>

8.1.12. Overall, it is clear that Rural Settlements remain vital to South Somerset, and remain an important part of achieving housing delivery in the district. That being said, more housing has been delivered in the first 10 years of the Local Plan period and in the last year than the settlement strategy envisages. This may require the Council to be more restrictive when considering future housing proposals in the Rural Settlements.

8.1.13. However, given the current lack of a five-year housing land supply, it may be deemed that the benefits of housing delivery outweigh any conflict with the overall spatial strategy set out for Rural Settlements in Policy SS2 and Policy SS5.

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<sup>12</sup> Ibid.

## 9. Delivering Employment Land and Economic Growth (Policy SS3)

### **SUMMARY OF KEY ISSUES:**

- South Somerset's employment monitoring database not currently fit for purpose.
- Data is not sufficiently robust to provide an acceptable analysis at time of writing.
- Review of employment land is taking place as part of wider Strategic Housing and Employment Land Availability Assessment.
- Council proposes to table a separate Employment Monitoring Report by December 2016.
- All future AMRs will incorporate monitoring of employment land and premises.

- 9.1.1. At time of writing, the Council is unable to provide an in-depth analysis of the delivery against the policy targets set out in Policy SS3.
- 9.1.2. The Council's monitoring database is currently being overhauled in order to ensure that the data outputs from it are robust. Proposal is to produce a separate Employment Monitoring Report by end of December 2016. This will set out statistics and data on employment land and premises in South Somerset over the local plan period. This data will be included in all future AMRs produced by the Council.

## 10. Delivering New Housing (Policy SS5)

### SUMMARY OF KEY ISSUES:

- South Somerset's housing database has been overhauled to ensure monitoring data is robust.
- Completions recorded from 2006 to 2016 show a total of 6,252 new homes built across the district.
- This figure is behind target. At this point in the local plan, the Council should have achieved 7,250 new homes.
- Progress in meeting the target figure for new homes in individual settlements is mixed.
- Although development in each settlement is not judged on an annual basis, because development sites are planned to come forward throughout the lifetime of the plan, it is a useful indicator of progress to compare delivery against an annualised average.
- The annualised breakdown shows that eight out of the 14 settlements where a target figure is specified are behind schedule in delivering the number of homes that ought to have been achieved by 2016.

- 10.1.1. Housing delivery in South Somerset has been mixed. Under the previous local plan (dated 1991 to 2006) the Council achieved the entirety of its housing requirement of 13,700 new dwellings.
- 10.1.2. Under the newly adopted local plan (2006 to 2028), the plan covers a timeframe where the country experienced the largest, most significant economic recession ever seen. It is without doubt that this has had an effect on the delivery figures over the period 2006 to 2016.
- 10.1.3. Nevertheless, the current position is that the Council is behind its target in terms of the new number of new dwellings that should have been built during the plan period. The Council's most recent 'Five-year Housing Land Supply' paper sets out the latest figures on number of completions delivered and expected future commitments linked to planning permissions granted<sup>13</sup>. This section should be read in conjunction with the five-year housing land supply paper.
- 10.1.4. Table 10.1 and Table 10.2 re-iterate the current position as at 2016, with data fixed to the 31<sup>st</sup> March 2016, as this represents the end of the financial year period and is the date when the Council's monitoring database is analysed.
- 10.1.5. Table 10.1 confirms that Council is behind target on where it would expect to be by the 31<sup>st</sup> March 2016. There is a shortfall of 998 dwellings in terms of where the Council should be based on an annualised average figure through to 2016.

<sup>13</sup> South Somerset District Council – Five-year Housing Land Supply Paper (July 2016)

**Table 10.1: Delivery of Dwellings against South Somerset Local Plan (2006 -2016)**

Settlement	Local Plan Target to 2028	Annualised Target	Total Completions to 2016	Annualised Delivery
Yeovil	7,441	338	2,076	208
Chard	1,852	84	639	64
Crewkerne	961	44	349	35
Ilminster	496	23	263	26
Wincanton	703	32	594	59
Somerton	374	17	69	7
Langport	374	17	288	29
Castle Cary	374	17	68	7
Ilchester	141	6	1	0
South Petherton	229	10	219	22
Martock	230	10	76	8
Bruton	203	9	102	10
Milborne Port	279	13	200	20
Stoke Sub Hamdon	51	2	7	1
Rural Settlements	2,242	102	1,301	130
<b>TOTAL</b>	<b>15,950</b>	<b>725</b>	<b>6,252</b>	<b>625</b>

Source: SSDC Monitoring Database

- 10.1.6. There are some dangers with looking at the data at fixed points in time, and by drawing analysis on a per annum basis. The reality in terms of when developments come forward and are built out is linked to a whole range of issues, including access to finance, market capacity, sales rates, landownership agreements, infrastructure investment and delivery etc.
- 10.1.7. Some locations have historically been under-provided for in previous local plans. Therefore the market is ready to accommodate a number of sites, in a shorter time period, and therefore delivery has taken place in the early part of the local plan-period.
- 10.1.8. In other locations, the sites scheduled to be built out and the overall market conditions in that settlement are more challenging. As such, the profile of construction on those sites is slower, the time taken to build out is longer, and the quantum per annum is less. There should be no penalty for delivering development later in the local-plan period as long as a Council can continue to maintain a demonstrable five-year housing land supply.
- 10.1.9. That being said, there are some conclusions that can be drawn, in particular from analysing Table 10.2. It is clear that certain locations are performing better than others and have built out more homes than might have been expected based upon their annualised averages.

Table 10.2: Comparison of Dwelling Delivery Rate against South Somerset Local Plan (2006 -2028)

Settlement	Local Plan Target to 2028	Annualised Target For 2016	Total Completions to 2016	Difference Against Annualised Target for 2016	Difference Against Target to 2028	Percentage Against Annualised Target to 2016	Percentage Against Target to 2028
Yeovil	7,441	3,382	2,076	-1,306	-5,365	61.38	27.90
Chard	1,852	842	639	-203	-1,213	75.89	34.50
Crewkerne	961	437	349	-88	-612	79.86	36.32
Ilminster	496	225	263	38	-233	116.89	53.02
Wincanton	703	320	594	274	-109	185.63	84.50
Somerton	374	170	69	-101	-305	40.59	18.45
Langport	374	170	288	118	-86	169.41	77.01
Castle Cary	374	170	68	-102	-306	40.00	18.18
Ilchester	141	64	1	-63	-140	1.56	0.71
South Petherton	229	104	219	115	-10	210.58	95.63
Martock	230	105	76	-29	-154	72.38	33.04
Bruton	203	92	102	10	-101	110.87	50.25
Milborne Port	279	127	200	73	-79	157.48	71.68
Stoke Sub Hamdon	51	23	7	-16	-44	30.43	13.73
Rural Settlements	2,242	1,019	1,301	282	-941	127.67	58.03
<b>TOTAL</b>	<b>15,950</b>	<b>7,250</b>	<b>6,252</b>	<b>-998</b>	<b>-9,698</b>	<b>86.23</b>	<b>39.20</b>

Source: SSDC Monitoring Database

- 10.1.10. For example, the rate of housing delivery in the Rural Settlements over the first 10 years of the local plan period is greater than expected. The same is also true of delivery in Wincanton, Langport, South Petherton, Milborne Port, Ilminster and Bruton. Delivery in Yeovil and Chard is considerably less than the annualised average through to 2016.
- 10.1.11. No settlement has exceeded the total housing requirement based upon completions alone. This is not surprising given there are a further 12 years of the local plan period still to run.
- 10.1.12. However, in looking at the percentage rate of delivery against the total housing requirement figure through to 2028, it can be seen that places such as South Petherton, Wincanton, and Langport have already achieved over 75% of their local plan target. In addition, Milborne Port, Rural Settlements, Ilminster, and Bruton have already achieved over 50% of their local plan target. Given that the local plan is less than halfway through its life, this indicates that certain locations have accommodated and delivered development at a significant pace.
- 10.1.13. In order to gain a full picture of what is happening in a settlement it is also necessary to consider “planned commitments” in conjunction with the completion figures. The number of planned commitments is subject to change due to whether or not sites are given planning permission. The latest publicised data on planned commitments is contained in the Council’s most recent ‘Five-year Housing Land Supply’ paper .

## 11. Realising Affordable Housing (Policy HG3 and Policy HG4)

### SUMMARY OF KEY ISSUES:

- The Council's objectives set out in Policy HG3 and HG4 have been rendered out of date by a major change in Government policy on deliver affordable housing.
- The Government's new policy is that no affordable housing obligation should be placed on development schemes of 10 dwellings or less.
- Policy HG3 and Policy HG4 will be replaced through the Council's Early Review of the Local Plan.
- The 35% requirement for affordable housing on all sites which are above the Government's threshold remains.
- The affordable housing programme managed by the Strategic Housing team monitors delivery of all affordable tenure forms delivered over each financial year.
- Total delivery of affordable housing in South Somerset since 2006/2007 is 2,281 gross; and 1,553 net.

- 11.1.1. In monitoring delivery of affordable housing the Council is mindful that the policy approach set out in the South Somerset Local Plan (2006 – 2028) has been dramatically affected by a major change in Government policy.
- 11.1.2. The Government's policy is that local authorities should not seek affordable housing obligations from developments which are 10 dwellings or less. Therefore, the Council can only ask for affordable housing to be provided on a scheme which is 11 dwellings or more.
- 11.1.3. This renders the Council's affordable housing thresholds set out in Policy HG3 and Policy HG4 out of date. As such, the Council will seek to resolve this in preparing the Early Review of the Local Plan.
- 11.1.4. The evidence to inform the Council's revised affordable housing policy will be set out in the forthcoming Strategic Housing Market Assessment, which will be finalised in late September / Early October 2016.
- 11.1.5. That being said, the Strategic Housing team's monitoring of total affordable housing delivery allows the Council to track completions over time. This information is set out in Table 11.1.



**Table 11.1: Total Affordable Housing Provision**

Year	Net	Replacements	Gross
2006/07	n/a	n/a	227
2007/08	n/a	n/a	157
2008/09	172	48	220
2009/10	123	18	141
2010/11	357	97	454
2011/12	272	78	350
2012/13	90	44	134
2013/14	102	59	161
2014/15	181	0	181
2015/16	128	0	128
2016/17	59	0	59
2017/18	69	0	69
<b>TOTAL</b>	<b>1553</b>	<b>344</b>	<b>2281</b>

Source: SSDC Strategic Housing Monitoring Database

- 11.1.6. Projected Affordable Housing Delivery via Strategic Housing Paper to District Executive – September 2016 indicates that 59 in 2016/2017 and 69 in 2017/2018 will be achieved.
- 11.1.7. Always the case though that many sites produce none (below threshold) and others less than 35% (viability) so planning obligations alone is bound to be less than 35% overall – mathematically impossible to do otherwise.
- 11.1.8. On the other hand a few 100% (or thereabouts) sites controlled by housing associations, such as those which have been the backbone of our programme in the past, will compensate in the other direction. In fact I think raw data shows in excess of 35% of all dwellings being affordable in previous years.

## 12. Delivery Against Policy HG7 (Gypsies, Travellers and Travelling Showpeople)

### SUMMARY OF KEY ISSUES:

- South Somerset record of delivery on Gypsy and Traveller sites is very good.
- 35 residential pitches have been delivered since 2006.
- Future provision is still required across all types of pitches.
- Sites for transit and travelling showpeople are urgently required to meet local plan objectives.

12.1.1. The Council has been monitoring the net gain of gypsies, travellers and travelling showpeople since 2006-2007. Table 12.1 below shows the net gain per year.

**Table 12.1: Delivery of Gypsy, Traveller and Travelling Showpeople (2006 -2016)**

Settlement	Residential Pitches	Transit	Travelling Showpeople
2006 – 2007	/	/	/
2007 – 2008	1	/	/
2008 – 2009	6	/	/
2009 – 2010	1	/	/
2010 – 2011	6	/	/
2011 – 2012	3	/	/
2012 – 2013	3	/	/
2013 – 2014	2	/	/
2014 – 2015	1	/	/
2015 – 2016	12	/	/
<b>TOTAL</b>	<b>35</b>	<b>/</b>	<b>/</b>

Source: SSDC Monitoring Database

- 12.1.2. The data shows that the Council has consistently managed to deliver residential (i.e. where people can permanently stay), but has been less able to facilitate transit sites and sites specifically for travelling showpeople.
- 12.1.3. The local plan target has identified 23 pitches, and so in simple terms the Council is currently exceeding this target having realised 35 residential pitches since 2006. However, looking ahead, the Gypsy and Traveller Needs Assessment shows that over the period 2016 to 2020 the Council will need to deliver a further eight residential pitches, and therefore will still be required to take a proactive stance to continuing to meet needs.

## 13. Conclusion and Next Steps

- 13.1.1. Progress in the last 12 months, since the adoption of the local plan, has confirmed a series of on-going issues, and revealed a number of new challenges.
- 13.1.2. South Somerset remains one of the most important districts in Somerset, housing the greatest number of residents and businesses than any other local authority area. This puts South Somerset in a unique and advantageous position, to build upon its strengths and to use this critical mass to help overcome some of its challenges.
- 13.1.3. Population growth has been steady and is being driven by those locating from elsewhere in the UK. The number of new households formed in South Somerset has also increased, with the average size of a household continuing to reduce. Demand from new residents and households, as well as those generated by an increasingly older existing population, means South Somerset faces significant pressure in terms of future housing provision. This is compounded by housing affordability getting progressively more acute as the difference between average house prices and average wages becoming increasingly marked.
- 13.1.4. Business growth has also been stable and appears to have recovered from the most difficult issues associated with the recession. South Somerset has a strong economic identity, and benefits from a large agricultural sector, a strong service sector, and a highly productive manufacturing sector.
- 13.1.5. The business profile continues to be dominated by Small & Medium Enterprises (SMEs) and ensuring they received the correct support in terms of land, property, intelligence and business support is of paramount importance to ensure that South Somerset is economically competitive in the face of competition from others.
- 13.1.6. Those living in South Somerset have seen their ability to access employment increase, with economic activity rates at their highest recorded levels, and claimant rates at their lowest recorded levels. However, average wages are lower than the national and regional average; and the district has fewer highly skilled workers than the regional and national average.
- 13.1.7. Taken together, questions need to be asked of policy makers and those within the business community, as to how to best to generate a higher value-added economy, supporting a more highly skilled and highly labour force in South Somerset and ensure its long term competitiveness.
- 13.1.8. Housing delivery in the Rural Settlements in South Somerset remains strong and is ahead of target and is greater than envisaged at this point in time in the South Somerset Local Plan (2006 – 2028). In looking at the future, careful consideration is required over the long term role and function of the Rural Settlements, given their attractiveness for future residential schemes, but their vulnerability to the impacts of over-development
- 13.1.9. Overall housing completions recorded from 2006 to 2016 show that the Council is behind target, and has a shortfall of 998 dwellings. Analysing this data in more detail shows that performance across the settlements in the district is mixed

- 13.1.10. Although development in each settlement is not judged on an annual basis, because development sites are planned to come forward throughout the lifetime of the plan, it is a useful indicator of progress to compare delivery against an annualised average.
- 13.1.11. The annualised breakdown shows that eight out of the 14 settlements where a target figure is specified are behind schedule in delivering the number of homes that ought to have been achieved by 2016. Delivery in the two largest towns in South Somerset – Yeovil and Chard – is below target and the potential distortion between the planned housing distribution set out in the South Somerset Local Plan (2006 - 2028), versus what is emerging so far, is a critical issue that will be discussed as part of the Early Review of the Local Plan.
- 13.1.12. The Council's policy objectives for affordable housing have been rendered out of date by a major change in Government policy on deliver affordable housing. The Government's requirement that no affordable housing obligation should be placed on development schemes of 10 dwellings or less will require a new policy to be written, which will be included in the Early Review of the Local Plan.
- 13.1.13. The Council's monitoring database to track employment land, building and floorspace delivery is not fit for purpose. There is a direct action on the Spatial Policy team to provide an update on employment provision in a separate paper by December 2016. This data and information will be incorporated in to all future AMRs.
- 13.1.14. From looking at South Somerset's progress, particularly since 2001 and 2006, it is clear that the district is moving forward. There are real successes in the number of businesses grown, the number of people employed in the area, and the reduction in those seeking out-of-work benefit claimants. However, there are some clear challenges in terms of housing delivery and keeping pace with the needs identified by Government and as defined in the South Somerset Local Plan (2006 – 2028).
- 13.1.15. When comparing the performance of South Somerset with other locations, especially adjacent local authorities, it is clear that some of them are experiencing stronger growth than South Somerset. This may pose challenges in terms of ensuring South Somerset remains competitive and caters to the needs and demands of its residents and businesses. Proactive policy responses will be needed, in order to set a clear direction for how and where the district wishes to grow, regenerate, compete, and become more prosperous.
- 13.1.16. The analysis in this AMR indicates that the policies in the local plan are being successful to a point, but that continued appraisal is required to ensure that the balance between delivering growth and realising investment is twinned with a better understanding of how to focus growth to the right sites, in the right locations to truly advance as an area where people wish to live and work.
- 13.1.17. The data in this AMR will feed in to the first stages of the Early Review of the Local Plan, which is scheduled to take place later in 2016. The discussions as part of the Early Review of the Local Plan will provide the opportunity to test the findings of this AMR, and challenge the existing policy framework where it is deemed to be not achieving what is necessary to ensure that South Somerset becomes stronger, more resilient, and more successful.

# Agenda Item 10

## **Quarterly Corporate Performance and Complaints Monitoring Report – 1st Quarter 2016/17**

*Executive Portfolio Holder: Ric Pallister, Strategy and Policy*  
*Strategic Director: Rina Singh, Place and Performance*  
*Assistant Director: Martin Woods, Economy*  
*Service Manager: Andrew Gillespie/Charlotte Jones, Performance Managers*  
*Lead Officer: Anna-Maria Lenz, Performance Officer*  
*Contact Details: anna-maria.lenz@southsomerset.gov.uk or (01935) 462216*

### **Purpose of the Report**

The report covers the period from 1st April – 30th June 2016 (Q1)

### **Forward Plan**

This report appeared on the District Executive Forward Plan with an expected date of 1<sup>st</sup> September 2016.

### **Public Interest**

The Council is accountable for its performance to the local community and we publish performance data to enable us to demonstrate achievements against targets.

### **Recommendations**

The District Executive is asked to note and comment on the report.

### **Corporate Performance Monitoring - Background**

The Council adopted the new Council Plan '*Tackling the Challenges*' (2016-2021) in April 2016. The plan has five priority areas for investment:

- *Economy*
- *Environment*
- *Homes*
- *Health & Communities*
- *High quality, cost effective services*

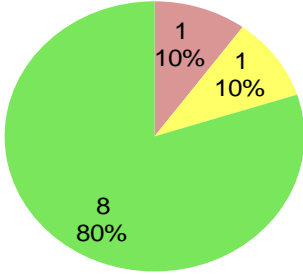
The Council wishes to see the delivery of performance in these areas monitored against annual corporate action plans and a methodology for doing this is being developed within the Council's Transformation Programme.

This report still uses the established framework based on the 20 performance indicators selected and approved by members in 2012. As such, they provide either an indication of the efficiency and effectiveness of SSDC services and/or of any changes in the key trends in South Somerset.

## Performance

A summary of performance from 1st April – 30th June 2016 (Q1) is shown below with more details provided at Appendix A:

Where appropriate, this information is colour coded, using red, amber, or green to indicate performance against target

Performance Summary:		Quarterly Breakdown:							
		Q1		Q2		Q3		Q4	
		1	10%	0	0%	0	0%	0	0%
		1	10%	0	0%	0	0%	0	0%
		8	80%	0	0%	0	0%	0	0%
		Commentary:							
		10 performance indicators can be compared against target for Q1. Percentages are rounded to the nearest whole number.							
>10% Below Target	1								
Within 10% of Target	1								
On or Above Target	8								

## Performance Exceptions:

Indicators with performance below target are classed as exceptions. In these cases Appendix A includes an explanation from the Service Manager and any corrective action being taken.

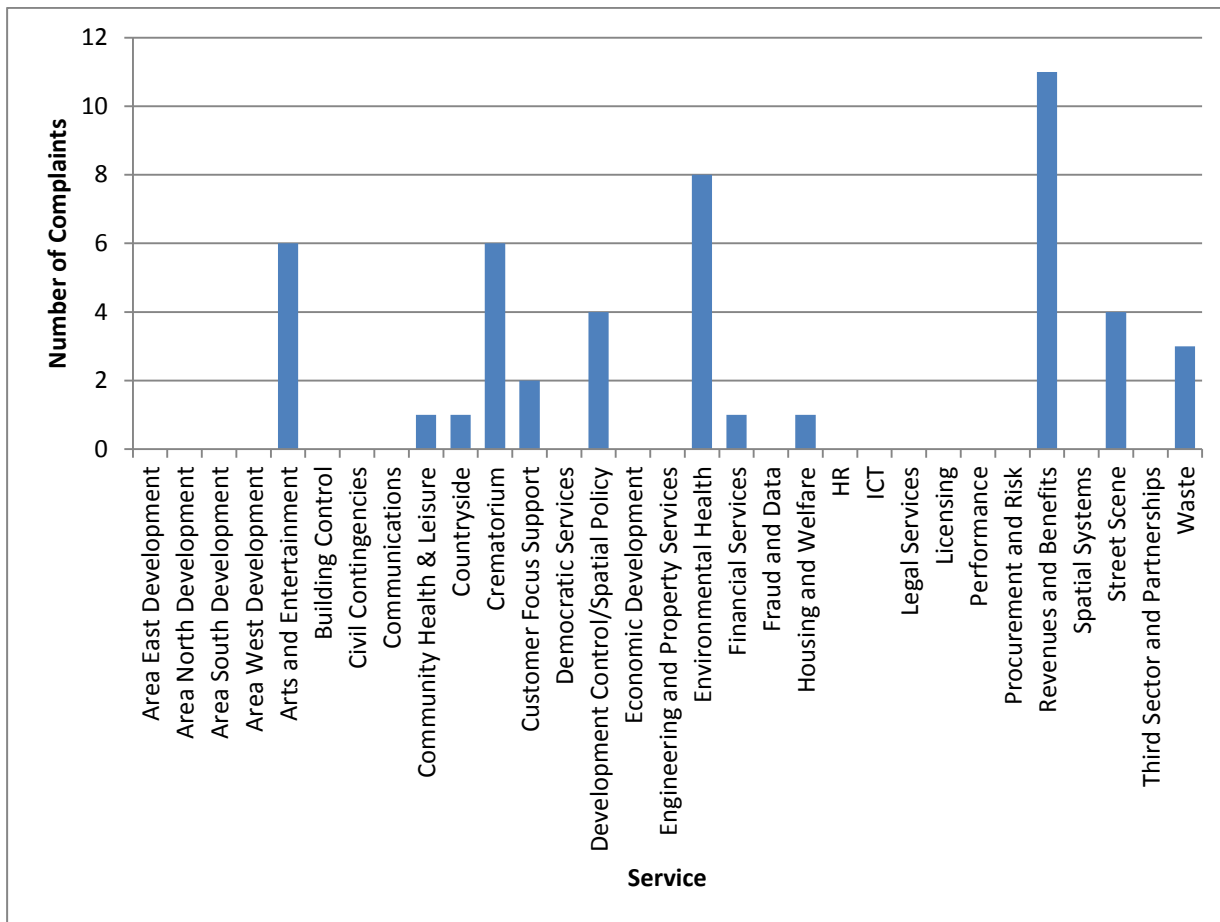
The exception for quarter 1 is as follows:

Measure	Target	Q1 Status
PI003 - % of planning appeal decisions allowed against the authority's decision to refuse	33%	R

## Complaints

During the period 1st April – 30th June 2016, SSDC received 48 complaints, which is a decrease of 29 when compared to the quarter 1 2015/16 outturn of 77.

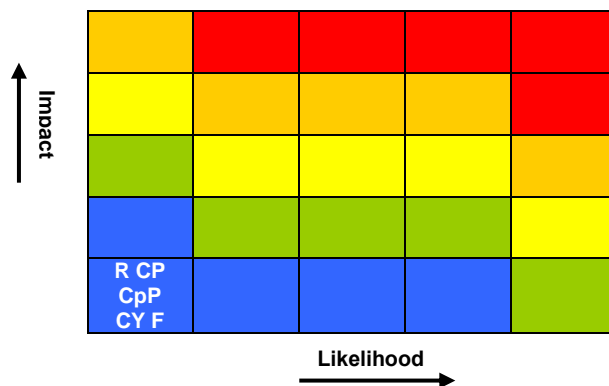
The chart and table below provide a summary of complaints received, with a detailed breakdown by service at Appendix B.



### Financial Implications

There are no direct financial implications related to this report. However, financial implications may need to be considered for possible actions necessary to address performance in failing areas.

### Risk Matrix



### Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability

CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

### **Council Plan Implications**

Corporate Performance Management contributes towards the delivery of the SSDC Council Plan through effective monitoring and smart target setting that help to deliver a continuous improvement.

### **Carbon Emissions and Climate Change Implications**

None

### **Equality and Diversity Implications**

None

### **Privacy Impact Assessment**

No issues.

### **Background Papers**

Council Plan 2016-2021  
(<http://www.southsomerset.gov.uk/about-us/council-plan-2016---2021/>)

SSDC Corporate Indicators – District Executive May 2012

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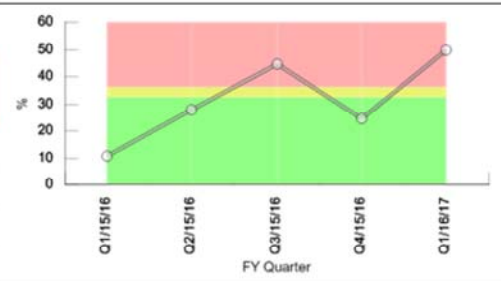


# Appendix A - Quarterly Performance Monitoring Report

Key:	Red (More than 10% below target)	Amber (Within 10% of target)	Green (On or above target)
------	-------------------------------------	---------------------------------	-------------------------------

## Performance Measures with Targets:

Indicator:	PI 003 - % of planning appeal decisions allowed against the authority's decision to refuse						
Quarter Target:	33.0%			Perf to Date:			
Annual Target:	33.0%						
2015/16:				2016/17:			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
11.0% <span style="color: green;">G</span>	28.0% <span style="color: green;">G</span>	45.0% <span style="color: red;">R</span>	25.0% <span style="color: green;">G</span>	50.0% <span style="color: red;">R</span>			

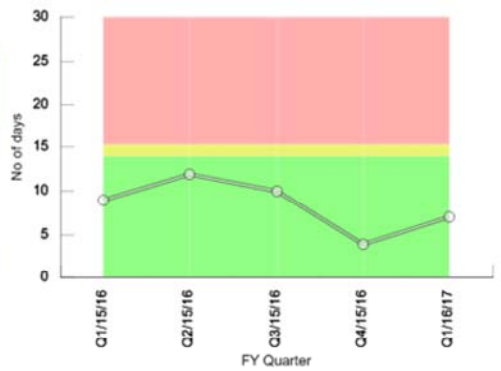


**Latest Comments including any necessary action:**

Over the last quarter we have received 18 appeal decisions. The council were successful in defending half of these appeals whilst the other 9 appeals were allowed. Of the 9 appeals that were allowed 6 of these were applications where the officer had recommended approval whilst the other 3 were determined under delegated powers.

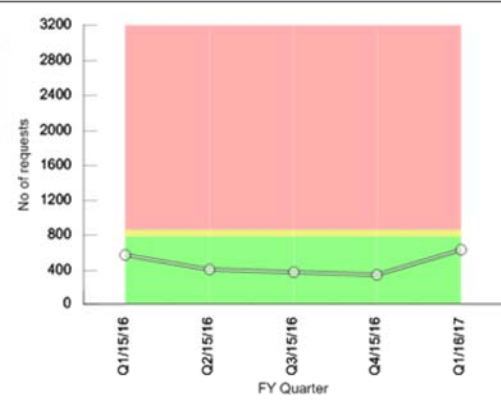
It is disappointing that we have been unable to successfully defend half of these appeals however it is not considered that this is a trend. It has been agreed that the more important appeal decisions will be discussed at the regular Portfolio Holders briefings.

Indicator:	PI 004 - Number of days taken to process Housing Benefit/ Council Tax Benefit new claims and change events						
Quarter Target:	14.00			Perf to Date:			
Annual Target:	14.00						
2015/16:				2016/17:			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
9.00 <span style="color: green;">G</span>	12.00 <span style="color: green;">G</span>	10.00 <span style="color: green;">G</span>	4.00 <span style="color: green;">G</span>	7.00 <span style="color: green;">G</span>			



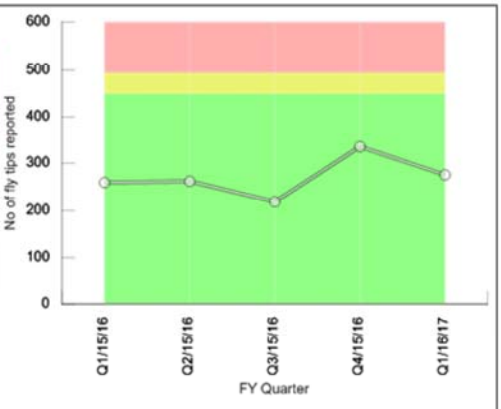
**Latest Comments including any necessary action:**

Indicator:	PI 008 - Requests for action from the Streetscene team						
Quarter Target:	775			Perf to Date:			
Annual Target:	3100						
2015/16:				2016/17:			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
568 <span style="color: green;">G</span>	415 <span style="color: green;">G</span>	383 <span style="color: green;">G</span>	355 <span style="color: green;">G</span>	628 <span style="color: green;">G</span>			



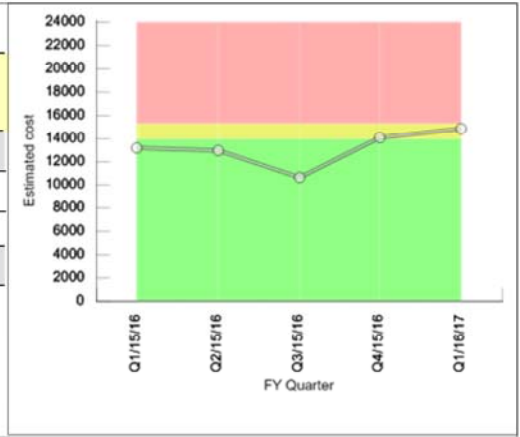
**Latest Comments including any necessary action:**

Indicator:	PI 010 - Total number of fly tips reported						
Quarter Target:				Perf to Date:			
Annual Target:	1800						
2015/16:				2016/17:			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
259 <span style="color: green;">G</span>	263 <span style="color: green;">G</span>	220 <span style="color: green;">G</span>	337 <span style="color: green;">G</span>	277 <span style="color: green;">G</span>			

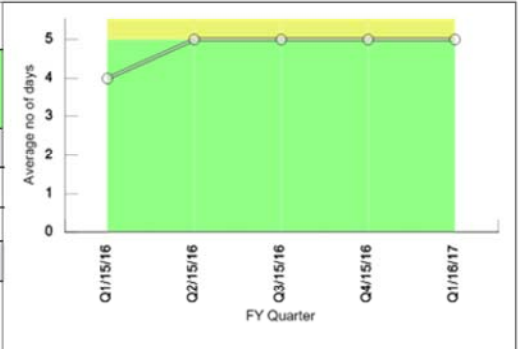


**Latest Comments including any necessary action:**

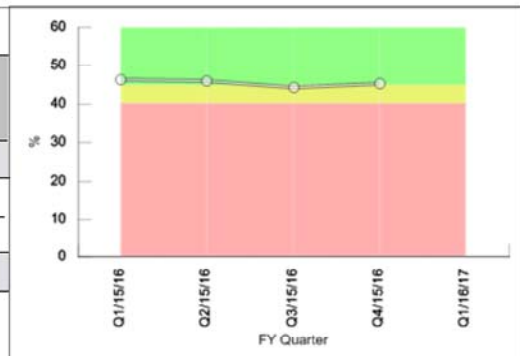
<b>Indicator:</b>	<b>PI 011 - Total estimated cost of clearing reported fly tips</b>							
<b>Quarter Target:</b>	13,965				<b>Perf to Date:</b>			
<b>Annual Target:</b>	55,860							
<b>2015/16:</b>				<b>2016/17:</b>				
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	
13,263 <span style="color: green;">G</span>	12,982 <span style="color: green;">G</span>	10,677 <span style="color: green;">G</span>	14,123 <span style="color: orange;">A</span>	14,841 <span style="color: orange;">A</span>				
<b>Latest Comments including any necessary action:</b>								



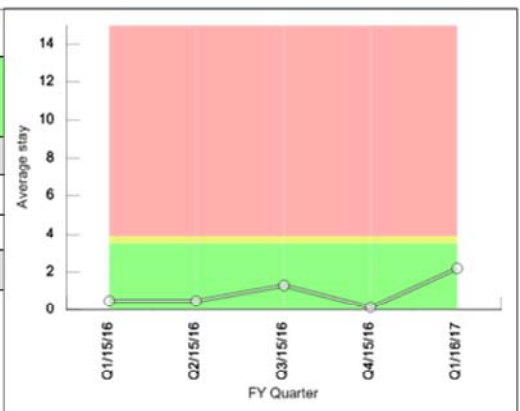
<b>Indicator:</b>	<b>PI 012 - Average number of days to respond to a reported fly tip</b>							
<b>Quarter Target:</b>	5.00				<b>Perf to Date:</b>			
<b>Annual Target:</b>								
<b>2015/16:</b>				<b>2016/17:</b>				
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	
4.0 <span style="color: green;">G</span>	5.0 <span style="color: green;">G</span>	5.0 <span style="color: green;">G</span>	5.0 <span style="color: green;">G</span>	5.0 <span style="color: green;">G</span>				
<b>Latest Comments including any necessary action:</b>								



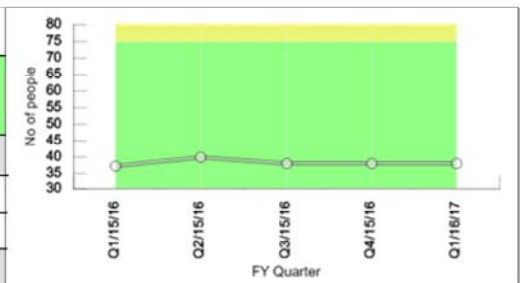
<b>Indicator:</b>	<b>PI 013 - % of household waste sent for reuse, recycling and composting</b>							
<b>Quarter Target:</b>	45.0%				<b>Perf to Date:</b>			
<b>Annual Target:</b>	45.0%							
<b>2015/16:</b>				<b>2016/17:</b>				
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	
46.5% <span style="color: green;">G</span>	46.0% <span style="color: green;">G</span>	44.4% <span style="color: orange;">A</span>	45.5% <span style="color: green;">G</span>					
<b>Latest Comments including any necessary action:</b>								
Please note, Q1 data is currently not available and will be inserted as soon as released.								



<b>Indicator:</b>	<b>PI 019 - Average number of days in Temporary Accommodation (Bed &amp; Breakfast)</b>							
<b>Quarter Target:</b>	3.9				<b>Perf to Date:</b>			
<b>Annual Target:</b>	4.5							
<b>2015/16:</b>				<b>2016/17:</b>				
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	
0.5 <span style="color: green;">G</span>	0.5 <span style="color: green;">G</span>	1.3 <span style="color: green;">G</span>	0.2 <span style="color: green;">G</span>	2.2 <span style="color: green;">G</span>				
<b>Latest Comments including any necessary action:</b>								
Performance was skewed this quarter by a number of unusual and difficult circumstances. April - no households left bed and breakfast. May - three households left bed and breakfast. Each household had been in bed and breakfast for three weeks. They were placed following a very serious incident on the Council's residential site at Ilton. June - three households left bed and breakfast. One household had been placed for only one night, and another for 5 nights. The longest stay was for 23 nights but the complex nature and the outcome of the case meant that bed and breakfast was the most suitable option.								

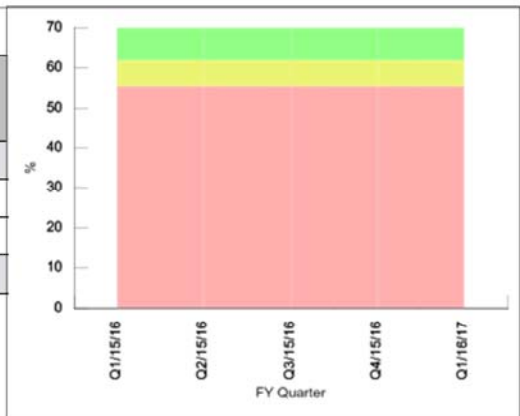


<b>Indicator:</b>	PI 020 - Total number of people in Temporary Accommodation (all types)								
<b>Quarter Target:</b>	75				<b>Perf to Date:</b>				
<b>Annual Target:</b>	75								
<b>2015/16:</b>				<b>2016/17:</b>					
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>		
37 <span style="color: green;">G</span>	40 <span style="color: green;">G</span>	38 <span style="color: green;">G</span>	38 <span style="color: green;">G</span>	38 <span style="color: green;">G</span>					



**Latest Comments including any necessary action:**

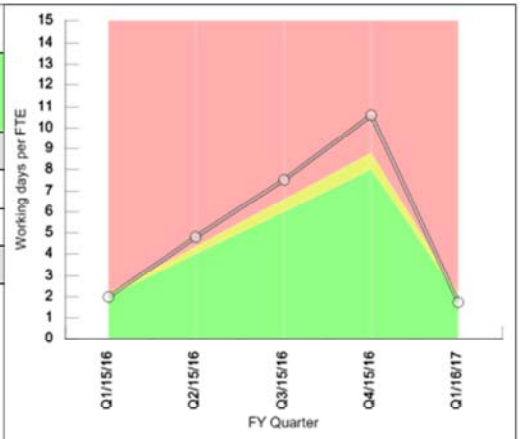
<b>Indicator:</b>	PI 031 - % of calls to contact centre resolved in the contact centre								
<b>Quarter Target:</b>	62.0%				<b>Perf to Date:</b>				
<b>Annual Target:</b>	62.0%								
<b>2015/16:</b>				<b>2016/17:</b>					
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>		
N/A	N/A	N/A	N/A	N/A					



**Latest Comments including any necessary action:**

This performance measure is not available. ICT are investigating additional software for corporate telephone system to gather more information. This software has not yet been purchased/installed so this measure remains unavailable.

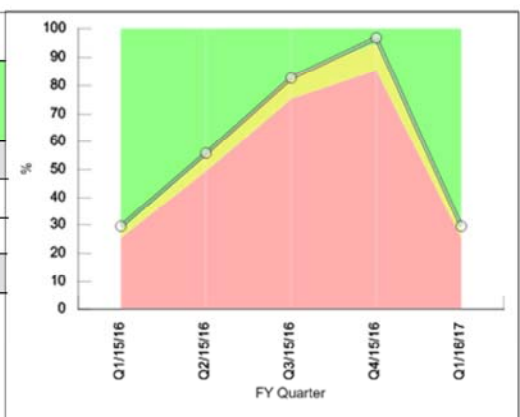
<b>Indicator:</b>	PI 032 - Working days lost due to sickness absence per Full Time Employee (FTE)								
<b>Quarter Target:</b>	2.00				<b>Perf to Date:</b>				
<b>Annual Target:</b>	8.00								
<b>2015/16:</b>				<b>2016/17:</b>					
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>		
2.01 <span style="color: orange;">A</span>	4.80 <span style="color: red;">R</span>	7.51 <span style="color: red;">R</span>	10.59 <span style="color: red;">R</span>	1.77 <span style="color: green;">G</span>					



**Latest Comments including any necessary action:**

54% long term sickness  
42% short term absence  
4% phased returns

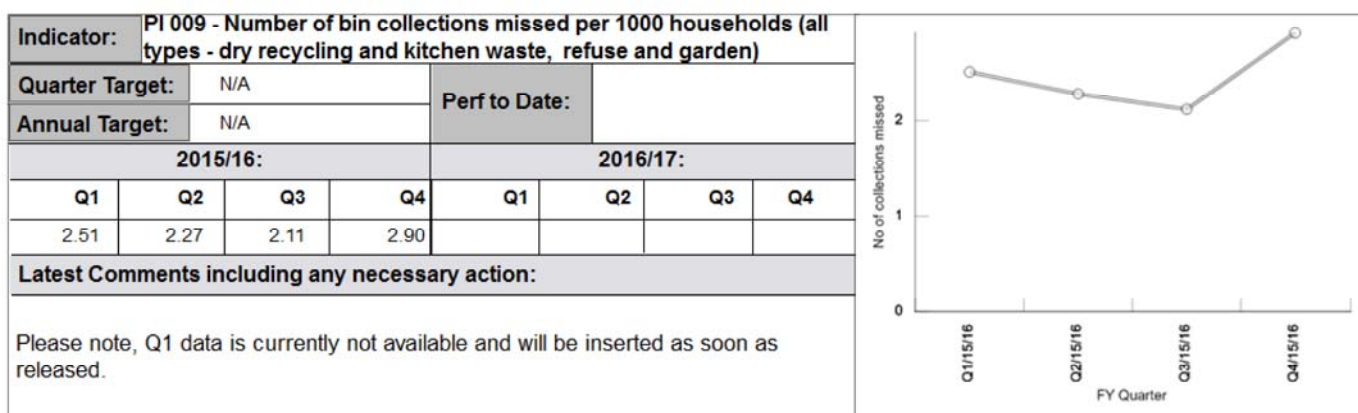
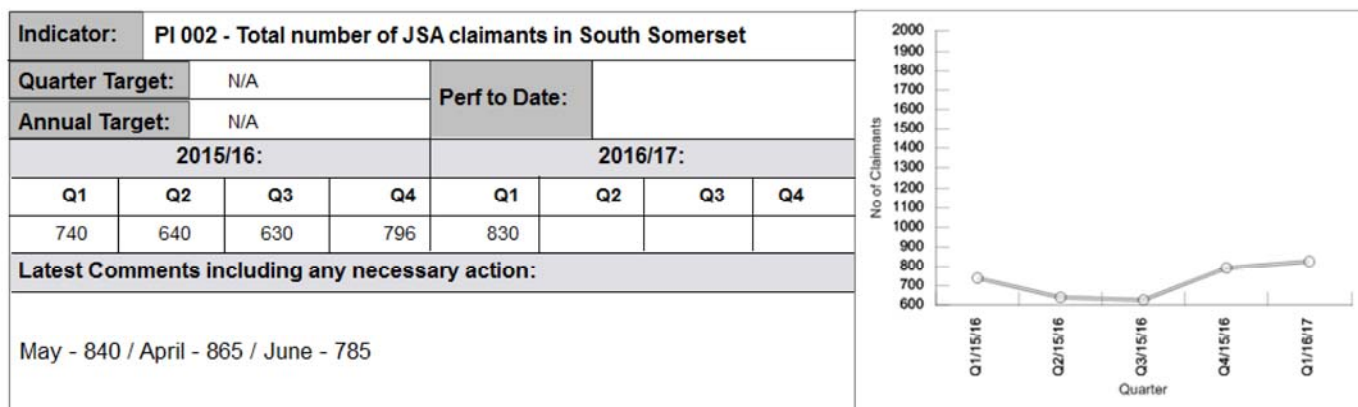
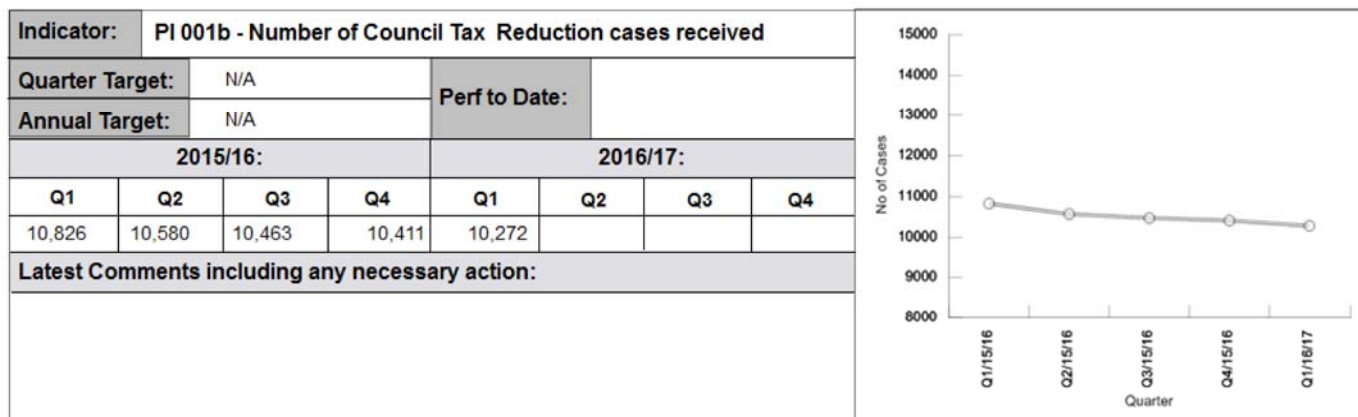
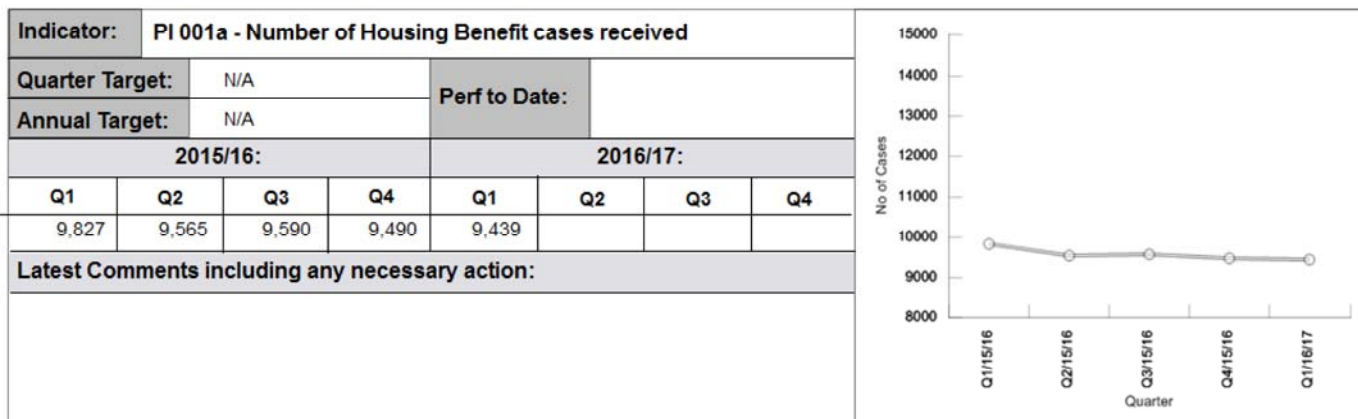
<b>Indicator:</b>	PI 035 - Percentage of Council Tax Collected								
<b>Quarter Target:</b>	28.5%				<b>Perf to Date:</b>				
<b>Annual Target:</b>	97%								
<b>2015/16:</b>				<b>2016/17:</b>					
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>		
29.6% <span style="color: green;">G</span>	55.9% <span style="color: green;">G</span>	82.8% <span style="color: orange;">A</span>	97.2% <span style="color: green;">G</span>	29.8% <span style="color: green;">G</span>					



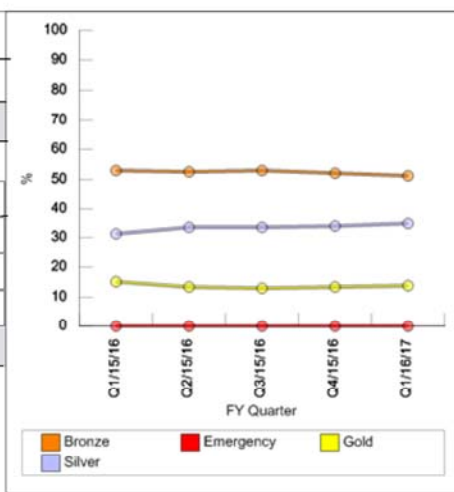
**Latest Comments including any necessary action:**



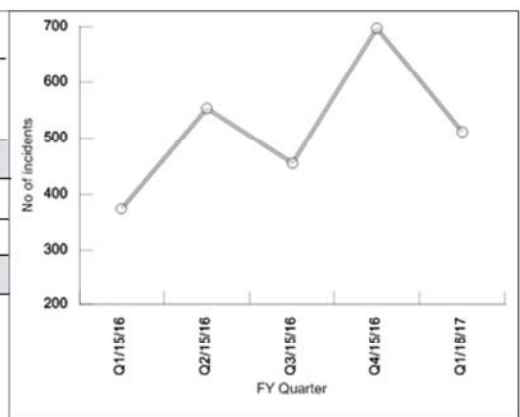
## Performance Measures of Trend (no targets set as SSDC do not directly influence):



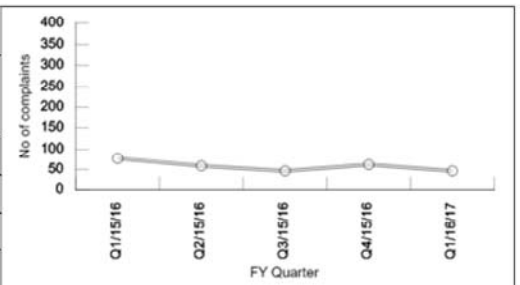
<b>Indicator:</b>	<b>PI 015 - % of households on the Choice Based Letting waiting list (all categories)</b>							
<b>Quarter Target:</b>	N/A				<b>Annual Target:</b>	N/A		
	<b>2015/16:</b>				<b>2016/17:</b>			
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Bronze	53.3%	52.7%	53.2%	52.4%	51.2%			
Silver	31.5%	33.5%	33.7%	34.3%	34.9%			
Gold	15.1%	13.6%	13.0%	13.4%	13.8%			
Emergency	0.1%	0.2%	0.2%	0.0%	0.1%			
<b>Latest Comments including any necessary action:</b>								
Q4 2015-16				Q1 2016-17				
Bronze	1,048			Bronze	1,039			
Emergency	0			Emergency	2			
Gold	267			Gold	280			
Silver	685			Silver	708			



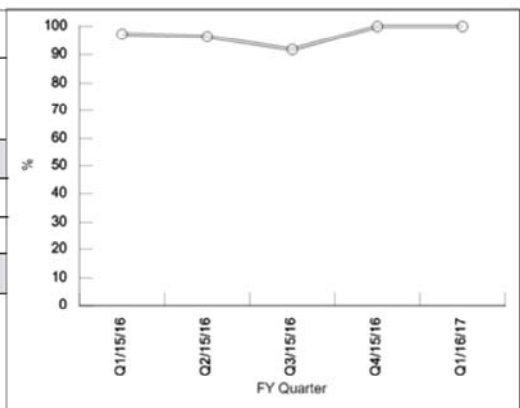
<b>Indicator:</b>	<b>PI029 - Number of incidents of antisocial behaviour reported to SSDC (excluding flytipping and dead animals)</b>							
<b>Quarter Target:</b>	N/A				<b>Perf to Date:</b>			
<b>Annual Target:</b>	N/A							
	<b>2015/16:</b>				<b>2016/17:</b>			
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
	373	554	455	698	513			
<b>Latest Comments including any necessary action:</b>								
<p>This is a 38% increase on the same period last year due in part to increased reports of Abandoned Vehicles that have nearly doubled to 107 reports. There is also slight increased reporting around Drug related issues and Neighbourly unrest.</p>								



<b>Indicator:</b>	<b>PI 033 - Total number of complaints received</b>							
<b>Quarter Target:</b>	N/A				<b>Perf to Date:</b>			
<b>Annual Target:</b>	N/A							
	<b>2015/16:</b>				<b>2016/17:</b>			
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
	77	59	48	63	48			
<b>Latest Comments including any necessary action:</b>								



<b>Indicator:</b>	<b>PI 034 - % of complaints resolved at stage 1 of complaints procedure</b>							
<b>Quarter Target:</b>	N/A				<b>Perf to Date:</b>			
<b>Annual Target:</b>	N/A							
	<b>2015/16:</b>				<b>2016/17:</b>			
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
	97.4%	96.6%	91.7%	100.0%	100.0%			
<b>Latest Comments including any necessary action:</b>								
<p>Stage 1: 48 Stage 2: 0 Stage 3: 0</p>								





**Appendix B**  
**Complaints Monitoring 1st April 2016 - 30th June 2016**

**Key:**  
 No Complaints

Service	Previous years totals						2016/17 complaints total	Access Method							Type							Stage			Compensation Issued? Y/N	Compensation Amount (£)	Action by SSDC							
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16		Email	In Person	Letter	Online	Other	Phone	Via CS	Equality	Failure to deliver	Issue with content/ publication	Issue with Policy/ Decision	Not SSDC	Responsibility	Other Type	Poor Communication	Staff Handling	Stage One (Service Manager)			Stage Two (Assistant Director)	Stage Three (Ombudsman)	NO ACTION REQUIRED	Changes in working practice/ procedure	Improved Communication	Improved Monitoring of Service Delivery	Improved Partnership Working	Problem Rectified
Area East Development	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0
Area North Development	2	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0
Area South Development	1	3	0	0	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0
Area West Development	2	2	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0
Arts and Entertainment	31	15	19	13	21	33	6	5	0	1	0	0	0	0	1	2	1	0	2	0	0	0	6	0	0	N	0	6	0	0	0	0	0	0
Building Control	0	1	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0
Civil Contingencies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0
Communications	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0
Community Health & Leisure	4	4	1	3	1	4	1	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	1	0	0	N	0	0	0	0	0	0	1	0
Countryside	9	10	1	1	3	2	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	N	0	0	0	0	0	0	1	0	
Crematorium	0	0	0	0	0	26	6	0	3	1	0	0	2	0	2	0	0	0	4	0	0	6	0	0	N	0	2	3	0	0	0	1	0	
Customer Focus Support	4	4	0	0	0	31	2	0	0	0	1	0	1	0	0	0	0	0	0	2	0	2	0	0	N	0	2	0	0	0	0	0	0	
Democratic Services	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	
Development Control/Spatial Policy	50	41	21	14	4	15	4	3	0	1	0	0	0	0	0	3	0	0	0	0	1	4	0	0	N	0	4	0	0	0	0	0	0	
Economic Development	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	
Engineering and Property	7	7	2	1	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	
Environmental Health	14	15	10	17	19	21	8	3	0	1	2	0	2	0	2	0	0	0	1	3	2	8	0	0	N	0	4	0	0	1	0	3	0	
Financial Services	0	0	1	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	N	0	1	0	0	0	0	0	0	
Fraud and Data	0	5	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	
Housing and Welfare	5	7	13	8	13	19	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	N	0	0	0	0	0	0	1	0	
HR	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	
ICT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	
Legal Services	0	8	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	
Licensing	4	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	
Performance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	
Procurement and Risk	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	
Revenues and Benefits	12	20	20	17	45	37	11	2	0	2	7	0	0	0	2	0	2	0	4	0	3	11	0	0	N	0	5	0	0	0	0	6	0	
Spatial Systems	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	
Street Scene	52	60	59	23	25	31	4	0	0	0	0	0	4	0	3	0	0	1	0	0	0	4	0	0	N	0	1	0	0	0	0	3	0	
Partnerships	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N	0	0	0	0	0	0	0	0	
Waste	45	20	19	20	12	16	3	2	0	0	0	0	1	0	0	0	1	0	0	0	2	3	0	0	N	0	1	0	0	0	0	0	2	
<b>Totals =</b>	242	236	177	119	148	243	48	18	3	6	10	0	6	5	0	11	2	7	1	13	5	9	48	0	0	No	0	26	3	0	1	0	16	2
								48							48							48				0	48							

# Agenda Item 11

## **District Executive Forward Plan**

*Executive Portfolio Holder:* Ric Pallister, Leader, Strategy and Policy  
*Assistant Director:* Ian Clarke, Legal and Corporate Services  
*Lead Officer:* Ian Clarke, Legal and Corporate Services  
*Contact Details:* [ian.clarke@southsomerset.gov.uk](mailto:ian.clarke@southsomerset.gov.uk) or (01935) 462184

### **1. Purpose of the Report**

1.1 This report informs Members of the current Executive Forward Plan, provides information on Portfolio Holder decisions and on consultation documents received by the Council that have been logged on the consultation database.

### **2. Public Interest**

2.1 The District Executive Forward Plan lists the reports due to be discussed and decisions due to be made by the Committee within the next few months. The Consultation Database is a list of topics which the Council's view is currently being consulted upon by various outside organisations.

### **3. Recommendations**

3.1 The District Executive is asked to:-

- I. approve the updated Executive Forward Plan for publication as attached at Appendix A;
- II. note the contents of the Consultation Database as shown at Appendix B.

### **4. Executive Forward Plan**

4.1 The latest Forward Plan is attached at Appendix A. The timings given for reports to come forward are indicative only, and occasionally may be re scheduled and new items added as new circumstances arise.

### **5. Consultation Database**

5.1 The Council has agreed a protocol for processing consultation documents received by the Council. This requires consultation documents received to be logged and the current consultation documents are attached at Appendix B.

### **6. Background Papers**

6.1 None.

## Appendix A - SSDC Executive Forward Plan

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
October 2016	Management of information requests (under the FOIA, EIR and RPSI regulations)	Portfolio Holder for Finance and Legal Services	Assistant Director (Legal and Corporate Services)	Lynda Creek, Fraud and Data Manager	District Executive
October 2016	Prevention Charter for Somerset	Portfolio Holder Leisure & Culture	Assistant Director (Health and Well-Being)	Angela Cox, Democratic Services Manager	District Executive
October 2016	Somerset Waste Partnership New Waste Collection Model	Portfolio Holder for Environment & Economic Development	Strategic Director (Operations & Customer Focus)	Vega Sturgess, Strategic Director (Operations & Customer Focus)	District Executive
October 2016	Charging for Mobile Home Sites	Portfolio Holder for Strategy and Policy	Assistant Director (Environment)	Alasdair Bell, Environmental Health Manager	District Executive
October 2016	Review of Private Sector Housing Grants and Loans Policy	Portfolio Holder for Area West	Assistant Director (Environment)	Alasdair Bell, Environmental Health Manager	District Executive
October 2016	Medium Term Financial Strategy & Medium Term Financial Plan for 2017/18 to 2019/20	Portfolio Holder for Finance and Legal Services	Assistant Director (Finance and Corporate Services)	Donna Parham, Assistant Director (Finance & Corporate Services)	District Executive



<b>Date of Decision</b>	<b>Decision</b>	<b>Portfolio</b>	<b>Service Director</b>	<b>Contact</b>	<b>Committee(s)</b>
October 2016	Community Right to Bid Quarterly update	Portfolio Holder for Strategic Planning (Place Making)	Assistant Directors (Communities)	David Crisfield, Third Sector & Partnerships Co-ordinator	District Executive
October 2016	Armed Forces Community Covenant Update	Portfolio Holder for Area West	Assistant Directors (Communities)	David Crisfield, Third Sector & Partnerships Co-ordinator	District Executive
October 2016	Request for Feasibility Study funding from the Income Generation Board (Confidential)	Portfolio Holder for Property, Climate Change and Income Generation	Assistant Director (Environment)	Alasdair Bell, Environmental Health Manager	District Executive
November 2016	Recycle More Project	Portfolio Holder for Environment & Economic Development	Strategic Director (Operations & Customer Focus)	Vega Sturgess, Strategic Director (Operations & Customer Focus)	District Executive
November 2016	Capital & Revenue Budget monitoring reports for quarter 2	Portfolio Holder for Finance and Legal Services	Assistant Director (Finance and Corporate Services)	Donna Parham, Assistant Director (Finance & Corporate Services)	District Executive
December 2016	Quarterly Performance and Complaints Monitoring Report	Portfolio Holder for Strategy and Policy	Strategic Director (Place & Performance)	Andrew Gillespie, Performance Manager	District Executive

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
December 2016	Local Strategic Partnership South Somerset Together (SST) Six Month Review	Portfolio Holder for Strategy and Policy	Strategic Director (Place & Performance)	Helen Rutter, Assistant Director (Communities)	District Executive
January 2017	Community Right to Bid Quarterly Update	Portfolio Holder for Strategic Planning (Place Making)	Assistant Directors (Communities)	David Crisfield, Third Sector & Partnerships Co-ordinator	District Executive
February 2017	Capital & Revenue Budget monitoring reports for quarter 3	Portfolio Holder for Finance and Legal Services	Assistant Director (Finance and Corporate Services)	Donna Parham, Assistant Director (Finance & Corporate Services)	District Executive
February 2017 February 2017	Medium Term Financial Strategy & Medium Term Financial Plan for 2017/18 to 2019/20	Portfolio Holder for Finance and Legal Services	Assistant Director (Finance and Corporate Services)	Donna Parham, Assistant Director (Finance & Corporate Services)	District Executive South Somerset District Council
March 2017	Quarterly Performance and Complaints Monitoring Report	Portfolio Holder for Strategy and Policy	Strategic Director (Place & Performance)	Andrew Gillespie, Performance Manager	District Executive
May 2017	Update report on Intelligent Enforcement Proposal for Council car parks	Portfolio Holder for Property & Climate Change	Assistant Director (Environment)	Garry Green, Engineering & Property Services Manager	District Executive

**APPENDIX B - Current Consultations – September 2016**

Purpose of Document	Portfolio	Director	Response to be agreed by	Contact	Deadline for response
<p><b>Self-sufficient local government: 100% business rates retention</b></p> <p>This consultation seeks views on the government’s commitment to allow local government to retain 100% of the business rates that they raise locally. Specifically this consultation seeks to identify some of the issues that should be kept in mind when designing the reforms.</p> <p>The government has announced it will undertake a fair funding review of what the needs assessment formula should be following the implementation of 100% business rates retention. As a first step, alongside this consultation, the government has issued a call for evidence which sets out the key questions that will need to be addressed as part of this review.</p> <p><a href="https://www.gov.uk/government/consultations/self-sufficient-local-government-100-business-rates-retention">https://www.gov.uk/government/consultations/self-sufficient-local-government-100-business-rates-retention</a></p>	Finance and Legal Services	Assistant Director (Finance and Corporate Services)	Officers in consultation with Portfolio Holder	Donna Parham / Ian Potter	26 <sup>th</sup> September 2016
<p><b>Reforming business rates appeals: draft regulations</b></p> <p>The government published a consultation paper on proposals for a reformed business rates appeals system in October 2015. This paper sought views on proposals for a new 3-stage approach to business rates appeals: ‘check, challenge, appeal’. Enabling primary legislation has been brought forward via the Enterprise Act 2016 and we are now consulting on the draft regulations.</p> <p><a href="https://www.gov.uk/government/consultations/reforming-business-rates-appeals-draft-regulations">https://www.gov.uk/government/consultations/reforming-business-rates-appeals-draft-regulations</a></p>	Finance and Legal Services	Assistant Director (Finance and Corporate Services)	Officers in consultation with Portfolio Holder	Donna Parham / Ian Potter	11 <sup>th</sup> October 2016

Purpose of Document	Portfolio	Director	Response to be agreed by	Contact	Deadline for response
<p><b>Mandatory Gender Pay Gap Reporting – Public Sector Employers</b></p> <p>This consultation paper sets out how we intend to introduce mandatory gender pay gap reporting for large public sector bodies in England and certain public authorities operating across Great Britain in relation to non-devolved functions. We are particularly interested in hearing from those public bodies who will be affected by the proposed regulations.</p> <p><a href="https://consult.education.gov.uk/equality-framework-team/gender-pay-gap-reporting-public-sector">https://consult.education.gov.uk/equality-framework-team/gender-pay-gap-reporting-public-sector</a></p>	Environment and Economic Development	Assistant Director (Legal and Corporate Services)	Officers in consultation with Portfolio Holder	Mike Holliday / Jo Morgan	30 <sup>th</sup> September 2016

# Agenda Item 12

## **Date of Next Meeting**

Members are asked to note that the next scheduled meeting of the District Executive will take place on **Thursday, 6<sup>th</sup> October 2016** in the Council Chamber, Council Offices, Brympton Way, Yeovil commencing at 9.30 a.m.