

## South Somerset District Council

**Minutes** of a meeting of the **Scrutiny Committee** held on **Tuesday 12<sup>th</sup> February 2008** in the Main Committee Room, Council Offices, Brympton Way, Yeovil.

(9.30 am – 12.45 pm)

**Present:**

**Members:** Sue Steele (Acting Chairman)

John Calvert	Pat Martin
Geoff Clarke	Derek Nelson
John Hann	Tom Parsley
Hannah Lefeuvre	Alan Smith

**Also Present:**

Tim Carroll	Paul Robathan
Ric Pallister	Sylvia Seal
Patrick Palmer	

**Officers:**

Donna Parham	Head of Finance
Catherine Hood	Senior Accountancy Technician
Ian Potter	Acting Head of Housing & Revenues
Colin McDonald	Corporate Strategic Housing Manager
Emily McGuinness	Scrutiny & Acting Democratic Services Manager
Angela Cox	Committee Administrator

**Following the resignation of the Chairman in January, the Vice-Chairman, Councillor Sue Steele was nominated, seconded and unanimously elected as Chairman for the meeting.**

### 106. Minutes (Agenda Item 1)

The minutes of the ordinary meeting held on 8<sup>th</sup> January 2008 were approved as an accurate record and signed by the Chairman.

### 107. Apologies for Absence (Agenda Item 2)

Apologies for absence were submitted on behalf of Councillors Keith Ronaldson and Jean Smith.

### 108. Declarations of Interest (Agenda Item 3)

It was noted that, whilst some Members of the Committee held personal and prejudicial interests in Agenda Item 8, Revenue Budget, Medium Term Financial Plan and revised Capital Programme, as Members of Town Councils, as the Committee was not a voting or decision making body then they may remain and take part in the discussion at the discretion of the Chairman.

The Chairman agreed to allow them to remain and take part in the discussion.

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**109. Public Question Time (Agenda Item 4)**

There were no questions from members of the public.

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**110. Issues arising from previous meetings (Agenda Item 5)**

There were no issues arising from previous meetings.

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**111. Chairman's Announcements (Agenda Item 6)**

There were no announcements from the Chairman.

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**112. Progress Reports on Scrutiny Commissions (Agenda Item 7)**

The Scrutiny and Acting Democratic Services Manager reported that the Economic Vitality and Environment Overview Commission looking at Members IT provision had met the previous week and would meet again on 19<sup>th</sup> February at 11.30am in Committee Room 3/4, Brympton Way offices.

It was hoped that the Community Well-Being Overview Commission looking at the two Housing Commissions would be reinvigorated by the discussion later in the meeting.

An update on the Well Managed Services Overview Commission looking at Village Shops and Post Offices would be presented to full Council on 21<sup>st</sup> February 2008.

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**113. Revenue Budget 2008/09 – Medium Term Financial Plan and Revised Capital Programme (Agenda Item 8)**

The Portfolio Holder for Finance, Revenues and Support Services noted that this was the third time that the Scrutiny Committee had the opportunity to comment on the proposals in the Revenue Budget, Medium Term Financial Plan and revised Capital Programme, before presentation to full Council on 21<sup>st</sup> February.

He drew Members attention to the two amendments made at District Executive the previous week to recommendations (c) to clarify exactly how much the Council Tax rise would mean to the Council Tax payers of South Somerset, and (f) to withdraw the efficiency saving relating to 'Licensing – increased income from bringing delegated functions back in from Town Councils' and transfer the £12,500 saving to efficiency savings identified in the second tranche of voluntary redundancies.

He also noted that although the collection of green garden waste had been identified as a high priority at public consultation, it had not been included in the Revenue Budget as it would have caused an additional 2% rise in the Council Tax. He said that the trials of collecting plastic and cardboard, taking place in Taunton Deane, Mendip and Sedgemoor would also be trialling dual collection lorries which could enable the collection of residual, food and green waste in the same vehicle.

## Capital Programme

The Head of Finance noted that there were two additional capital schemes in the report; the proposed Wind Turbine at Ham Hill and the Yeovil Sports Zone.

In response to questions from Members, the Head of Finance confirmed that:-

- The risks attached to progressing the Sports Zone project were listed in the report
- The needs analysis for the whole of South Somerset demonstrated a shortfall in the provision of sporting facilities
- The Procurement Code of Conduct was still in draft form and all financial work relating to the Sports Zone would be carried out 'in house'.
- An impact statement was produced for each proposed voluntary redundancy and this was rigorously checked for its impact on each individual service. Service delivery would not be undermined.
- The County Pension Scheme was currently 95% funded, was less dependent on the stock market and had an asset value of £1 billion.

During discussion, the following points were made:-

- Unsure that all SSDC Council Tax payers should pay for the Sports Zone
- The funding of the Sports Zone project should be brought to Scrutiny Committee at each significant stage.
- Very pleased to see Wind Turbine project coming forward – SSDC need to be seen to lead by example.
- SSDC could adopt a 'use it or loose it' approach to the Capital Programme and ask that the responsible officers re-justify the need for the capital allocation each year.

## Council Tax

The Portfolio Holder reminded Members that detail had been added at District Executive to clarify exactly how much the Council Tax rise would be to the Council Tax payers of South Somerset. He noted that at the Simalto consultation exercise, community groups had said that a rise of £4.00 above inflation on the Council Tax would be acceptable and he confirmed that the level of Council Tax proposed would enable no forced redundancies and no reduction or cut in services across the district.

The Leader of the Council confirmed that he had spoken on local radio, emphasizing that SSDC would not be cutting services and itemizing the essential services. Other Executive Members were taking the opportunity to speak to as many local community groups as possible regarding this.

In response to questions, the Portfolio Holder confirmed that the process of budgeting for 2008/09 had already started and the Corporate Efficiency Analysis 'lean thinking – business process re-engineering' carried out by Consultants, Bentley Jennison, would be used in this process. There were clear areas where services could be redesigned and savings generated, whilst keeping services levels the same.

## Revenue Budget

The Head of Finance confirmed that the Corporate Efficiency Analysis produced by Bentley Jennison was now being reviewed by Management Board and Heads of Service. They were now particularly looking at the Housing and Revenues at ICT sections to

identify savings. It was agreed that there would be an opportunity for Scrutiny Committee to review the proposals in the report.

Whilst some Members did not agree with the proposals being put to full Council, all Members did agree that the process of budget setting had been carried out correctly.

**RESOLVED:** That the Scrutiny Committee agree the robustness of the budget setting process and acknowledge that comments of Scrutiny Committee and Scrutiny Commissions had been taken into account during that budget setting process.

*Donna Parham, Head of Finance – (01935) 462225  
e-mail: donna.parham@southsomerset.gov.uk*

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## 114. The Housing Service and Housing Issues (Agenda Item 9)

The Corporate Strategic Housing Manager provided Members with a power point presentation of housing statistics, the upcoming IDEA Inspection, successes and areas of improvement in the service. (Power point slides attached)

The Portfolio Holder for Housing, Health and Inclusion confirmed that the Housing Service had recently been temporarily restructured and Ian Potter would now be in charge of the housing front-line delivery and support services, which were based at Petters House, whilst Colin McDonald would now focus on housing development and would be based at Brympton Way offices.

He also outlined the impending Audit Commission inspection on SSDC's Strategic Approach to Housing, the IDEA were taking a County-wide external review, looking at development capacity, and, the 'lean thinking / business re-engineering' process with Bentley Jennison Consultants.

He noted the problems of bringing forward affordable housing developments as:-

- Developers could 'land bank' development sites and wait for favourable building conditions.
- Although 15 years of land supply for housing had been identified, they had yet to be developed.
- There was currently a 'mortgage famine' and a large gap between salaries in the South West in relation to the cost of houses.
- Villages had failed to identify land at market value for rural housing exception sites.
- The accuracy of the number of entries currently in the Housing Register had been called into question and although this was expected to be rectified by the introduction of a new system, demand for affordable housing would still outstrip supply.
- The link between the Planning Service and the Housing Service must be improved.

In response to questions, the Portfolio Holder and the Corporate Strategic Housing Manager confirmed that:-

- The County Court desk was monitored to identify potential house repossessions, which could impact on the Housing Service.

- Keyworker accommodation only extended to Public Sector employees.
- Developers had to genuinely prove through an 'open book' process to the District Valuer that providing 35% affordable housing was unviable before the Planning Service would accept a lesser percentage of affordable housing on a proposed development.
- The impending external review of the Housing Service by the IDEA should provide a strategic approach to the service.

The Acting Head of Housing and Revenues confirmed that the Housing Service would be the first service to go through the 'lean thinking / business re-engineering' process with Bentley Jennison Consultants, looking at 'primary processes' and identifying the 'value added' and 'non-value added' elements of those processes. He noted that a number of posts within the Revenues and Benefits service had been accepted for voluntary redundancy and some administrative work had been outsourced to the Area North Support team, who currently had capacity to help out.

The Chairman concluded that she hoped the Scrutiny Commissions would prove useful to the service and would not burden staff during the impending IDEA housing inspection.

**RESOLVED:** That the presentation and comments be NOTED.

*Colin McDonald, Corporate Strategic Housing Manager  
e-mail: colin.mcdonald@southsomerset.gov.uk or (01935) 462941*

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### 115. Scrutiny Work Programme 2007/08 (Agenda Item 12)

The Scrutiny and Acting Democratic Services Manager advised that the report on the Role of the Regulation Committee, due to be presented in March would now take the form of a Workshop in April 2008.

It was also noted that the next Cycling Promotion Scrutiny Commission meeting would be held on 18<sup>th</sup> March 2008.

**RESOLVED:** That the Scrutiny Work Programme 2007/08 be noted with the updates as above.

*Emily McGuinness, Scrutiny & Acting Democratic Services Manager – (01935) 462148  
e-mail: emily.mcguinness@southsomerset.gov.uk*

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### 116. Executive Forward Plan (Agenda Item 13)

The Scrutiny and Acting Democratic Services Manager noted that:-

- a report on SSVCS funding would be presented to the District Executive Committee in March 2008
- a report on the On-line validation of planning applications would be presented to the District Executive Committee in March 2008
- the report on the provision of public conveniences in Yeovil would now be presented to the District Executive Committee in April 2008.

**RESOLVED:** That the Executive Forward Plan be noted with the comments as above.

*Ian Clarke, Head of Legal & Democratic Services – (01935) 462184  
e-mail: ian.clarke@southsomerset.gov.uk*

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**117. Date of Next Meeting (Agenda Item 14)**

Members noted that the next meeting of the Scrutiny Committee would take place on **Tuesday 11<sup>th</sup> March 2008 at 9.30a.m. in the Main Committee Room, Brympton Way, Yeovil.**

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.....  
**Chairman**

# Housing

Presentation for Scrutiny Committee  
February 12<sup>th</sup> 2008

...what am I going to cover?


- The nature of housing need in the district.
- Understanding affordability – cost & public subsidy
- Bit of background and context setting.
- The Inspection: Strategic Approach
- Our Successes
- Things to Improve
- Questions?

...some questions

- Do you know anybody that has put off buying their own home?
- Have you noticed any relatives or neighbours where sons or daughters are still 'living at home'?
- How many people do you know in South Somerset that earn £42,000 or above?

...some questions


**What is the average price for a house in South Somerset? (2006)**



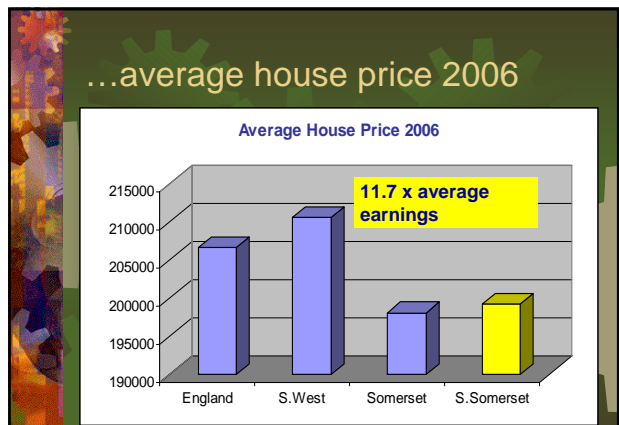
- £156,997
- £188,137
- £198,110
- £199,246
- £297,302
- £395,092

...some questions

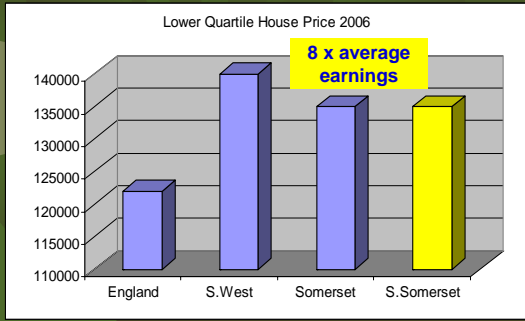
**What is the average price for a house in South Somerset? (2006)**



- £156,997
- £188,137
- £198,110
- £199,246
- £297,302
- £395,092



...lower quartile house price 2006



...some questions

What is the average income in South Somerset? <sup>(2006)</sup>

- £14,248
- £17,087
- £17,716
- £17,898
- £19,271
- £20,431

...some questions

What is the average income in South Somerset? <sup>(2006)</sup>

- £14,248
- £17,087
- £17,716
- £17,898
- £19,271
- £20,431

...average income 2006



...some questions

What is the income needed for a mortgage for average price house in South Somerset? <sup>(2006)</sup>

- £42,613
- £42,683
- £43,152
- £53,777
- £54,081
- £57,147
- £76,494

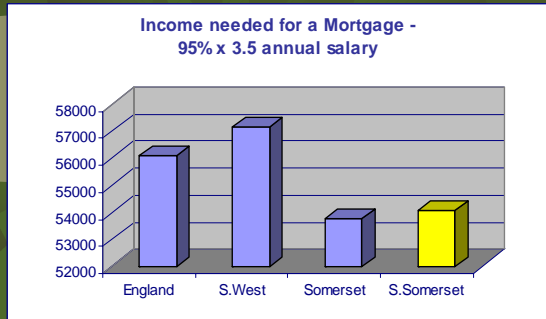
...some questions

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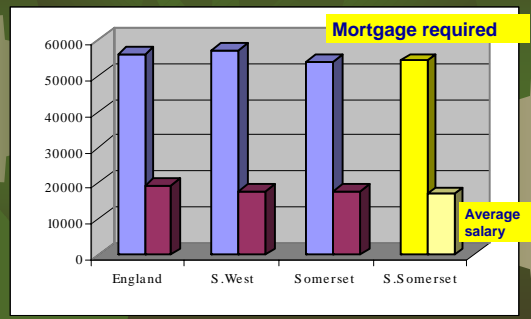
- £42,613
- £42,683
- £43,152
- £53,777
- £54,081
- £57,147
- £76,494



...income needed for a mortgage - 95% x 3.5 annual salary



...income needed for a mortgage - 95% x 3.5 annual salary & average annual salary



...some questions

How many houses have been sold in district under Right-to-Buy legislation 1979 – 2006?

- 1,767
- 2,354
- 2,876
- 3,594
- 4,322
- 4,664

...some questions

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...some questions

How many households are currently on our Housing Register ?

- 790
- 2,835
- 3,500
- 6,687
- 7,167
- 7,423

...some questions

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...some questions

How many homeless households do we currently still owe a duty to ?

- 15
- 55
- 105
- 155
- 237
- 385

...some questions

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...some questions

How many households currently have more than 75 points\* ?

- 127
- 227
- 327
- 627
- 927

\* Rough equivalent to 'Gold Band' status under CBL

...some questions

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- 127
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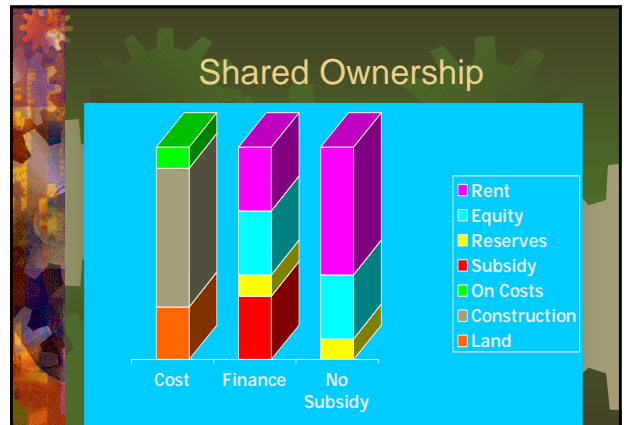
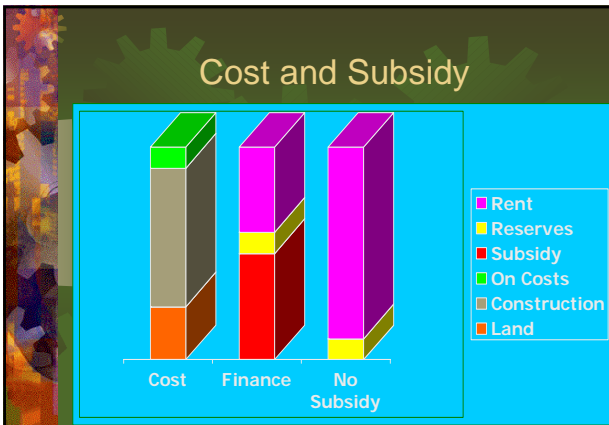
\* Rough equivalent to 'Gold Band' status under CBL

...what is affordable housing?

Age old question  
 Planning-speak not housing-speak  
 Best available definition:  
*"Housing provided to meet the needs of households who otherwise would not be able to afford to buy or privately rent within the local housing market (under prevailing conditions)"*  
 People who are unable to access the market/  
 People for whom the market has failed.

...what is affordable housing?

Housing for Rent.  
 Rent charged within Housing Benefit limits. Landlord usually municipal, charitable or friendly society  
 = 'social housing'  
 Shared Ownership.  
 Rent charged on freeholders share as above  
 Intermediate Rent  
 Higher than standard RSL rents but still lower than prevailing private sector rents.  
 BUT note Fordham's comments



### Subsidy

**KEEPING IT AFFORDABLE MEANS YOU NEED SUBSIDY**

Sources of subsidy:

- Developer
- Housing Corporation
- District Council
- Philanthropic Land Owner

### Financial Constraints

- Limit to what a developer can contribute
- NOT always the same as what they originally claim!*
- Limit to the amount of public subsidy that the Housing Corporation will permit on individual properties
- Limit to the amount of grant available
- Regional Funds
- Our own capital
- Available Land

### Background/Context

- Repossessions on the increase as cost of borrowing results in voluntary bankruptcies.
- More repossessions due thanks to the 'credit crunch'?
- Reported wavering in house prices will not encourage developers to bring new developments forward
- Affordability ratios have increased, leading to more people failing to access the market & increase in numbers on housing register

### Background/Context

- Need 370 + affordable homes today to meet statutory homeless needs alone
- Largest number of social housing units delivered ever in district = 227 in 2006/07
- Average cost per unit of affordable housing supported through our housing capital approx £50,000
- Our own capital programme approx £600,000 = 12 units

## Background/Context

High up the list of government priorities.  
Huge additional investment in new affordable house building... particularly in the South West.  
We need to position ourselves to take advantage of additional investment.  
Need to punch above our weight at regional level, and be seen to exert influence at sub-regional & county levels.

## Background/Context

Assess housing need robustly.  
Attract Housing Corporation investment by providing VFM & guaranteed delivery.  
Joined-up strategic approach with Planning Policy & Development Control colleagues.  
Need to commit right level of resources

## Background/Context

Average income in South Somerset £17,087.  
South West only region in the country with higher than average house prices, and lower than average incomes.  
Income required to support mortgage for average price house approx £54,000.  
Explains why we have over 7000 on the housing register.

## Background/Context

Our armoury for meeting housing needs  
Private Rented Sector – private landlords  
Social rented sector – housing associations  
Homeless at home  
Bed & Breakfast

## Background/context...qualifying sites

35% (from Fordham), Local Plan Enquiry  
50:50 (from Ark); policy to achieve 80:20 or better  
Pepper-potting/clusters (Social cohesion)  
Minimum space & other standards (SDS)  
Commuted Sums (exceptional)  
Preferred RSL provider  
Grant required to 'uplift'  
to achieve 35% where less achieved through planning obligations route, &/or  
To uplift ratio from 50:50 towards 80:20

## The Inspection: Strategic Approach

Initial Visit : 6<sup>th</sup> February 2008  
Self Assessment: submission 8<sup>th</sup> February 2008  
Pre-inspection visit : 20<sup>th</sup> March  
Inspectors on site: 31<sup>st</sup> March/4<sup>th</sup> April  
Today: Strengths & Improvement Areas

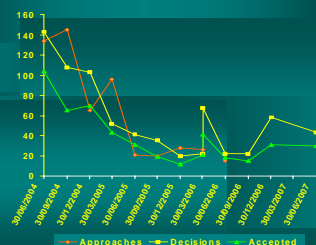
...what have been our successes?

**Chart D: Households in B&B per Quarter, September 2000 – September 2007**



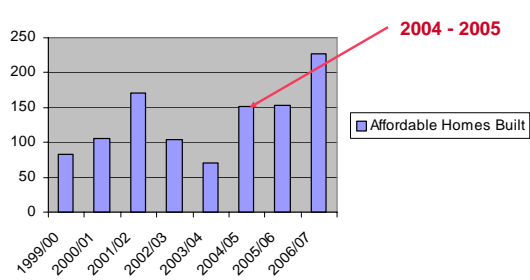
...what have been our successes?

**Chart A: Trends in Homelessness June 2004 – September 2007**



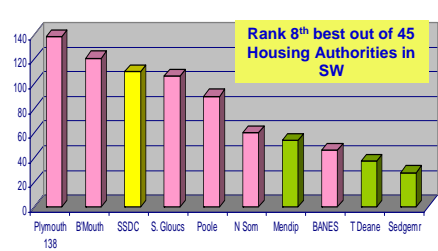
...what have been our successes?

**Affordable Homes Built**



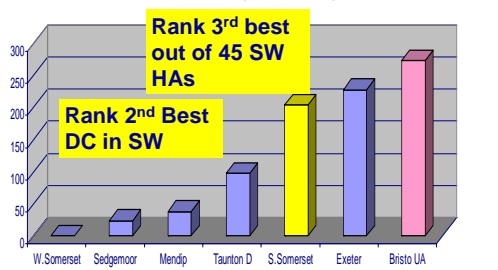
...what have been our successes?

**New Homes Completed through HC Funding 2004/2005**



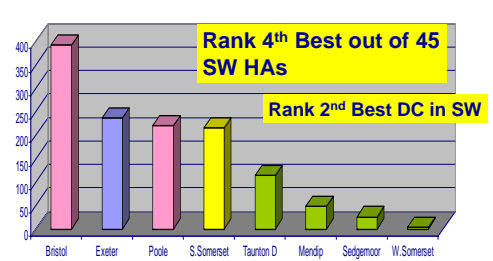
...what have been our successes?

**New Homes completed with Housing Corporation Funding 2005/06**

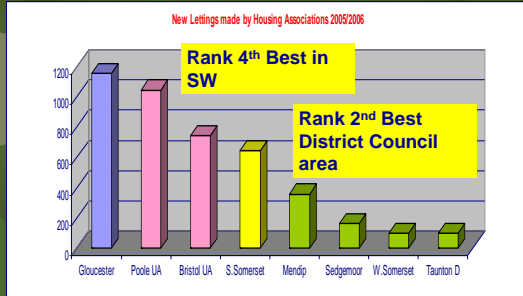


...what have been our successes?

**Total New Homes and other additions to HA stock with HC funding 2005/2006**



...what have been our successes?



...what have been our successes?



- County Wide Work
- SSHG
- SP Commissioning Body
- Choice Based Lettings
- Wessex Reinvestment Trust
- G & T Needs Survey
- ARK report
- County-wide Strategies

...what have been our successes?



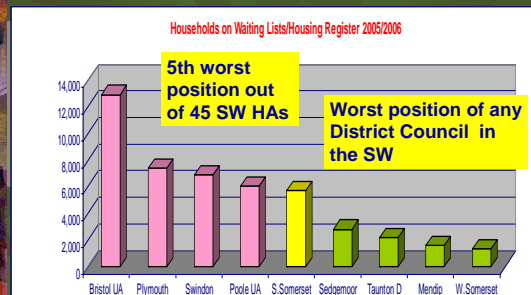
Best Level Partners

- Rent levels
- Tenant representation
- Home visits & surgeries
- Responsive repairs
- Tenant newsletter
- Complaints
- Out of hours

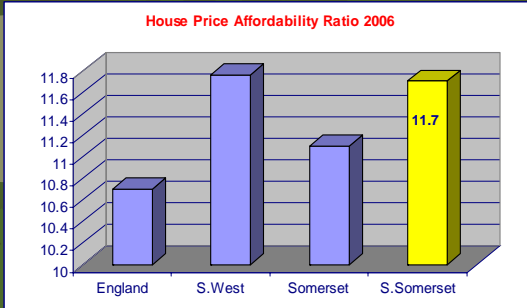
Best Level Partners

- Scheme designs
- Involvement of Parish/Town
- Tenant Involvement in design brief
- Community Safety
- Landbanking
- NDIS (HC appraisal)
- Client Charter Status

And now for some Improvement Areas



## Improvement Areas



## ... what are our needs ?

Housing Needs Assessment

Existing Backlog (3500 "waiting list") **add**

Newly Arising Need (growth, migration, ageing population)

**Subtract**

Existing Supply

**Subtract**

Need met from Non Planning Sources

**185 New Affordable Dwellings Per Annum Till 2011**

Greatest Need: Social Rented Housing approx 90%

Shared Ownership approx 10%

## ... level of need

Fordham – produced 35% requirement

Based on absolute requirement expressed as a percentage of the total housing delivery during the Plan period

Requirement is **NET**, taking into account

Usual level of 'casual' vacancies

**AND** level of new affordable housing being produced by HC funding alone

Annualised = **185** additional units per year

## ... since Fordham (2000/2002)

Housing Register risen to over 7,160

(additional 143% in five years 2001-2006)

Like rest of South West – higher than national average house prices and lower than national average earnings

Affordability ratio has risen to 11.7

(England 10.7; Somerset 11.2 on same measure)

Income required for mortgage average property now £ 54K

Ark – suggests 35% inadequate; more like 45%!

The gap was already bad, but is getting worse.

## .... up the down escalator

Fordham said **185** annualised net additional requirement

No key sites delivered any additional affordable housing since the Local Plan Enquiry in 2002

Ark suggests shortfall may be almost 1/3<sup>rd</sup> as much again as Fordham

BUT 35% is the policy

We set out **50** additional units in Corporate Plan

Rough average subsidy £50k per dwelling

Funding requirement to support 50 additional units is **£2.5M** pa, including gifted land.

## Improvement Areas

### Indicator performance:

All improving except average length of stay in Hostel (BVPI) and number in temporary accommodation (not a BVPI, BUT....)

Call in to GOSW 4<sup>th</sup> February 2008

Staffing/capacity issues

Delayed procurement decent Housing IT (BUT this is also a strength!)

## Improvement Areas

Developers gain from lowest figures (35% not 45%; 50:50 not 90:10)

Planning Policy, LDF/SPD

Will be updated in light of new SHMA (Fordham again!)

Insufficient capital funding

Insufficient land (BUT LSP funded work)

Getting from 'permission' to delivery

## Improvement Areas

Policies targeting decent homes ?

Only one rural exception scheme completed since stock transfer

(BUT more in the pipeline)

No standard/template s 106 agreement

Cuts in SP (revenue) funding

Poor level of data on migrant workers

## Housing

Questions?