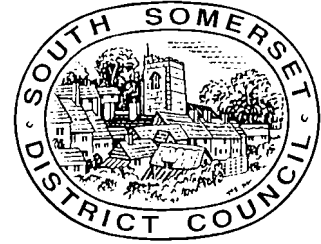


South Somerset District Council

Notice of Meeting



District Executive

Making a difference where it counts

Thursday 1st October 2015

9.30 am

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



Disabled Access is available at this meeting venue.

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

This Agenda was issued on Wednesday 23 September 2015.

Ian Clarke, Assistant Director (Legal & Corporate Services)

This information is also available on our website
www.southsomerset.gov.uk



INVESTORS IN PEOPLE

District Executive Membership

Ric Pallister
Carol Goodall
Peter Gubbins
Henry Hobhouse
Shane Pledger
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.

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

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District Executive

Thursday 1 October 2015

Agenda

1. Minutes of Previous Meeting

To approve as a correct record the minutes of the District Executive meeting held on 3rd September 2015.

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 15th 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. **Westland Leisure Complex** (Pages 5 - 21)
7. **Medium Term Financial Strategy and Plan** (Pages 22 - 31)
8. **Affordable Housing Development Programme** (Pages 32 - 53)
9. **Loan to Hinton St. George and Locality Rural Community Services Ltd** (Pages 54 - 56)
10. **Wyndham Park Community Facilities and Primary School Provision** (Pages 57 - 64)
11. **Community Right to Bid Quarterly Update Report** (Pages 65 - 72)
12. **District Executive Forward Plan** (Pages 73 - 78)
13. **Date of Next Meeting** (Page 79)

Agenda Item 6

Westland Leisure Complex

<i>Executive Portfolio Holder:</i>	<i>Cllr Sylvia Seal, Leisure and Culture</i>
<i>Strategic Director:</i>	<i>Vega Sturgess, Interim Chief Executive</i>
<i>Assistant Director:</i>	<i>Steve Joel, Assistant Director – Health and Well-Being</i>
<i>Lead Officer:</i>	<i>Steve Joel, Assistant Director – Health and Well-Being</i>
<i>Contact Details:</i>	<i>Steve.joel@southsomerset.gov.uk or (01935) 462278</i>

Purpose of the Report

1. This report has been prepared as part of the Council's work to give serious consideration to the refurbishment and operation of facilities at the Westland Sports and Leisure Complex on a broadly similar basis to their current use. Its purpose is threefold:
 - 1.1. To present the key findings emerging from the completion of the surveys of the roof structure, the condition and remaining life of the electrical services installation and mains equipment, the condition and remaining life of the mechanical services installation that were sought by the District Executive at the meeting held on 3rd September 2015.
 - 1.2. To assess the financial implications of South Somerset District Council (SSDC) potentially entering into an agreement with Finmeccanica – AgustaWestland ("AW") to take over the management and operation of the Complex.
 - 1.3. To supply Councilors with sufficient information so that a decision can be taken.

Public Interest

2. The Complex has been a locally important and long standing venue regularly hosting a vast array of sporting activities and different events ranging from functions, meetings, training events, to weddings, ballroom dances, award ceremonies, festivals and live music events.
3. The Complex is wholly owned by AW, and has been traditionally operated as a proprietors club for the benefit of AW employees, their families and associate community members under a formal constitution. In recent years use by employees and their families has steadily reduced as the AW workforce has contracted, such that today the majority of use stems from community users.
4. On the 12th May AW announced their decision to close the Complex at the end of September 2015. The decision was taken due to increasing costs and the growing subsidy AW has had to make to keep the complex open. Other factors taken into consideration were the impending major investments that would be required to modernise the facilities and declining membership.
5. Recognising the value and importance of the Complex, SSDC and Yeovil Town Council (YTC) met with AW at the beginning of June to discuss the future of the Complex. At the meeting all parties agreed to carry out a feasibility appraisal to assess the viability of SSDC or another organisation operating the site and continuing to provide a range of sports and leisure facilities for the overall benefit of the community.
6. At the District Executive meeting held on the 3rd September 2015, Councillors considered the report summarising the key findings and agreed:

- 6.1. To give serious consideration to the refurbishment and operation of facilities at the Westland Sports and Leisure Complex on a broadly similar basis to their current use.
- 6.2. That prior to considering the published recommendations 8.1 to 8.6, the Executive requires regular monitoring of the risk log by the project board, and in particular the following items:
 - 6.2.1. Roof structures.
 - 6.2.2. The condition and remaining life of the electrical services installation and mains equipment.
 - 6.2.3. The condition and remaining life of the mechanical services installation.
 - 6.2.4. A structural assessment of retaining walls around the site.
 - 6.2.5. Previous hire and bookings.
7. This report presents the key findings emerging from this survey work and provides updated financial implication information to provide Councillors with sufficient information to take the decisions regarding the potential refurbishment and operation of the complex.

The Appendices for this report are exempt from disclosure or publication under category 3 of part 1 of Schedule 12(A) to the Local Government Act 1972 as amended by Section 1 of the Local Authorities (Access to Information) (Variation) Order 2006 as it may comprise the Council's ability to secure best value through the subsequent commercial negotiations, and some of the information is subject to a Non-Disclosure Agreement with AgustaWestland (AW).

Recommendations

8. It is recommended that the District Executive:
 - 8.1. Recommend to Council they approve a 30 year £1,790,046 Public Works Loans Board (PWLB) Equal Instalment Loan currently at 2.96% interest for use towards refurbishment, to be repaid through the introduction of a Facility Levy.
 - 8.2. Subject to approval by Council of recommendation 8.1, authorise the Assistant Director (Health and Well-Being) in conjunction with Portfolio Holder (Leisure and Culture) to:
 - 8.2.1. Submit and negotiate the Statement of Principles set out in Appendix 6 with AgustaWestland (AW).
 - 8.2.2. Seek an annual financial contribution from Yeovil Town Council (YTC) towards the revenue costs and seek additional financial support from the other adjacent Parish Councils.
 - 8.3. Subject to approval by AgustaWestland (AW) of the Statement of Principles authorise the Assistant Director (Health and Well-Being) in conjunction with the Assistant Director (Legal and Corporate Services), Assistant Director (Finance and Corporate Services) and Portfolio Holder (Leisure and Culture) and the Leader of Council to negotiate and finalise the Lease, Funding Agreement and Business Transfer Agreement.

8.4. Subject to agreeing terms of the Lease, Funding Agreement and Business Transfer Agreement with AW, and a Funding Agreement with Yeovil Town Council (YTC) and other funding partners, pursuant to recommendations 8.2 and 8.3:

8.4.1. Enter into an agreement with AW to take over the management and operation of the Complex for a 30 year term.

8.4.2. Approve the use of up to £62,495 of general revenue balances to fund the revenue required to finance the operation of the facility, adding the requirement to the Medium Term Financial Plan (MTFP).

8.4.3. Approve the once-off use of £86,237 of general revenue balances that may be required to fund the PWLB Equal Instalment Loan repayments whilst the Facility Levy scheme is implemented during year 1.

8.4.4. Approve the once-off use of £60,000 of general revenue balances during the first year from handover to cover the net loss of revenue associated with the planned refurbishment works.

8.5. Subject to achievement of recommendation 8.1, authorise the Assistant Director (Health and Well-Being) in conjunction with Portfolio Holder (Leisure and Culture) to work with the clubs and individuals supporting the venue and petition to raise further funds towards the overall £2.628m estimated refurbishment effort.

Background

9. The Complex is wholly owned by AW, and has been traditionally operated as a proprietors club for the benefit of AW employees, their families and associate community members under a formal constitution. The Complex is situated centrally in Yeovil within a site of just over 12 acres in size, accessed off Westbourne Close.



10. The range of current leisure, entertainment, sport and recreation facilities available at the Complex is listed in **Table 1** below.

Table 1: Current Complex Facilities

Conference and Entertainment Complex	<p>Ballroom - standing capacity 1,800, theatre style (Flat floor) 900, cabaret style 330 – 500</p> <p>Costa Café Lounge / Bar - standing capacity 140, theatre style 40, cabaret style 70</p> <p>Family Lounge (Sportsmans Bar) - standing capacity 300, theatre style 40, cabaret style 50</p> <p>The Carling Lounge (Skittle Alley / Function Room) - standing capacity 300, theatre style 100, cabaret style 80 – 120</p> <p>Wessex Suite Meeting / Small Conference Room - standing capacity 200, theatre style 50, cabaret style 50 – 70</p> <p>Catering Kitchens</p> <p>Reception and Supporting Administration Offices</p>
Sports Facilities and Grounds	<p>Multi-Purpose 4 Court Sports Hall with spectator viewing gallery</p> <p>3 Squash Courts with spectator viewing gallery</p> <p>Cricket Pitch, Practice Nets (3), Pavilion</p> <p>Bowls Green, Pavilion</p> <p>Floodlit Tennis Courts (3), Pavilion</p> <p>Rifle and Pistol Range</p> <p>Table Tennis Room</p> <p>Snooker Room</p>
Recreation Facilities	<p>60 Allotments</p> <p>Model Engineering Track</p> <p>Yeovil Town Band Rehearsal and Storage Room</p>
Ancillary Areas	<p>Car Parking for 200 Vehicles</p> <p>Grounds Maintenance Equipment Store</p> <p>General Storage Compound</p> <p>Service Routes</p> <p>Public Path</p>

11. Up until 1st April 2013, the Complex was operated as a wholly owned subsidiary of AW. After that point the Complex was transferred to and managed by Sedexo, with the operating risks remaining with AW. Sedexo have operated the Complex through a core team of 12.5 permanent full time staff, assisted by a team of 10 FTE zero hours casual catering staff and 10 FTE zero hours casual bar staff.

12. Alongside the many competitive matches and training sessions delivered across the sports facilities by the 8 main sporting organisations based at the venue, in 2013-14 the Conference and Entertainment Complex hosted over 300 different events ranging from functions, meetings, training events, to weddings, ballroom dances, award ceremonies, festivals and live music events.

13. Operational costs including maintenance have been financed and subsidised by AW. Details of the operating costs and subsidy for the last 5 financial years are set out in the **Confidential Appendix 5**. The figures show the increasing costs and the growing subsidy AW has had to make to keep the complex open.

Survey Findings

14. Surveys of the roof structure, the condition and remaining life of the electrical services installation and mains equipment, the condition and remaining life of the mechanical services installation were carried out by KirkhamBoard, the Councils Property Advisers, on 9th September 2015.

15. No 'showstoppers' have emerged through these assessments. The main findings are:

15.1. Roofs:

15.1.1. Main (pitched) roof over conference and entertainment complex

15.1.1.1. The detailed inspection of the main pitched roof using a cherry picker confirms the original asbestos cement sheet roof has been over clad with a new profiled aluminium roof (the original asbestos cement sheeting is in good condition and still in-situ). The new roof appears to be sound, with no major issues noted. The only issues identified are where a number of penetrations have been made through the roof for ventilation ducts and the like. The water tightness of such penetrations will be checked should members wish to proceed, and an allowance has been made to install deck tight flashings around the penetrations to mitigate any potential issues.

15.1.1.2. The main downpipes are of asbestos cement. All of the downpipes have damage and holes, and are ineffective. Allowances have been made to replace the downpipes with new uPVC downpipes.

15.1.2. Flat roofs over rear areas of social club (Toilets, Furniture Store, Kitchen, Skittle Alley and Wessex suite)

15.1.2.1. The single ply membrane covered flat roofs over the areas referred to above have reached the end of their useful life - allowances have been made to replace the roof coverings and some (not all) soft areas of the decking, as well as the perimeter flashings and some of the rain water goods.

15.1.3. Sports hall roof

15.1.3.1. The detailed inspection of the sports hall and squash centre roof identified sections with end lap corrosion and corroded fixings. An allowance has been made within the costings to treat the end lap corrosion, replace corroded fixings, treat corroded gutters and re-paint areas of flaking coating.

15.2. Mechanical and electrical systems:

- 15.2.1. The mechanical and electrical services are compliant and working, but are now operating beyond their serviceable life.
- 15.2.2. The survey identifies the major plant items that need to be either repaired or replaced, and identifies the budget costs to be set aside for this work where the work has not featured as part of other previously planned refurbishment work.
- 15.2.3. Items identified have been split into 3 categories:
- Category A items - Items requiring immediate action (Statutory requirement) such as emergency lighting, disabled alarms, fire alarms, gas safety valves and hot water vents.
 - Category B items - Actions that would be required within the next 12-36 months including main distribution power labelling, boiler expansion valves and cold water pipe replacement.
 - Category C items - Actions within the next 36-60 months which includes some replacement of heating boilers, and main ventilation systems within the ballroom wall and roof.
- 15.2.4. As a general rule it tends to be more cost effective to replace these types of systems as a whole system on a planned basis rather than wait for breakdowns or adopt a piecemeal future maintenance work approach. As such within the cost report, we have included all items in the A, B, and C categories. A copy of the full M & E report is attached in **Confidential Appendix 1**.

15.3. Retaining wall structures:

- 15.3.1. The structural assessment of the various retaining wall structures around the site found that all walls apart from the one previously identified wall to the corner of the Wessex Suite to be sound. A cost provision to demolish this retaining wall, and to supply and lay a replacement retaining wall is included within the costings.

Feasibility Findings

16. The Complex still has the potential to be a vibrant Entertainment, Function and Conferencing Complex and successful Sport Hub, however, the facilities require extensive modernisation and refurbishment.
17. The evidence from the petition, submitted with support from over 8,000 residents (making it the largest petition submitted to SSDC) and the local reaction to the closure announcement indicates that residents wish to see the facility being saved and being retained as a versatile facility, highlighting its unique ability to accommodate large live events, functions, conferences, ceremonies and merit as a community, sporting and business facility.

Sports Facilities

18. In sporting terms the Complex:

- 18.1. Is a very important sporting hub for Yeovil and Somerset, hosting eight sport clubs with a collective membership of over 500 people who regularly use the facility week in week out.
 - 18.2. Hosts the only sports hall in South Somerset available during the daytime, the only cricket pitch in Yeovil, and the only community rifle range in the district.
 - 18.3. Benefits from good peak period and seasonal usage, although it has suffered from low off peak use, offering good scope for better programming and use going forward.
 - 18.4. Provides an opportunity to introduce 'added value' membership schemes linked with our other public facilities to provide a much enhanced offer for our residents.
19. Strategically there is a need to protect key strategic community sports facilities given current deficiencies. Before consideration of the potential loss of the facilities, our facility assessments for the catchment served by the Complex show that there are already extensive shortfalls in community hall provision (currently amounting to 490 sqm), indoor sports hall provision (a shortfall of 12 badminton courts in 2026, building from a shortfall of 4 courts in 2012 and 9 courts in 2022), indoor tennis court provision, and in outdoor cricket pitch space.
20. Representations to save the facility have been received from each of the sections using the site, the English Cricket Board and Badminton England, and Sport England.
21. It is important to recognize that the current outdoor tennis court area has scope to accommodate additional new sport and recreation facilities, thereby providing a platform to address strategic sport deficiencies without the need for land acquisition in future. Strategically this would be very valuable given the recreational land constraints in Yeovil.

Conference and Entertainment Complex

22. The Conference and Entertainment Complex hosted over 300 different events in 2014/15 ranging from functions, meetings and training events, to weddings, ballroom dances, award ceremonies, festivals and live music events.
23. It is the largest and most versatile venue across the district, with a capability to host:
- Live Music (up to 1800 standing)
 - Live Comedy (up to 1000 seats)
 - Live Events (650 – 1000 seats)
 - Ballroom Dances
 - Conferences, Functions, and Training Events
 - Balls, Awards Ceremonies and Charitable Events
 - Council Meetings and Election Counts
 - Parties
 - Exhibitions and Fairs
 - Weddings
 - Regular Community Activities
 - Civil Contingency Provisions
24. The analysis of use indicates:

- 24.1. By sector, the highest level of hires come from the private sector (58%), with 34% coming from community organisations, and 8% from the public sector.
- 24.2. By space, nearly half of all hires are for the main ballroom (48%), followed by Costa Lounge (27%), Carling Suite (23%), Wessex Suite (4%), and Skittle Alley (4%).
- 24.3. By booking type, the majority of all bookings are for meetings, training events and conferences (40%), followed by ballroom dance (25%), community activities (17%), music events (8%), live performance (3%), parties (3%), comedy events (2%), exhibitions and fairs (1%), weddings (0.5%), and charitable balls / award ceremonies (0.5%).
25. In reviewing the type and scale of the ballroom bookings, it does indicate that the majority would be unable to be accommodated in the same form within South Somerset should the venue close. As such strategically we are of the view that there is a need and considerable value to retaining a large and versatile conferencing and entertainment complex capability within the district's key economic centre going forward.
26. In terms of live music, comedy and performance bookings, our market analysis for these sectors across a 45 minute drive-time catchment indicates that the annual ticket sale capacity for the area is in the order of 282,863.
27. Taking into account the lack of competition from other venues - (Weymouth - 993 seats, Merlin (Frome - 241 seats), Memorial Theatre (Frome - 536 seats), Salisbury Playhouse (517 seats) and Strode (393 seats) – the Octagon Theatre market share (43% - 121,000 per annum), and the increasing number of performances now selling out, we are of the view that with effective management and modernisation, the facility has the ability to both continue to support the range of bookings whilst also becoming a successful destination venue that contributes to attracting visitors and audiences to Yeovil. Importantly given the nature and strengths of the WLC, the focus would be on the presentation of live music, supported by a range of other comedy and live performance work that the Council is unable to attract to the Octagon due to both its seat numbers and theatre configuration.
28. Strategically we cannot foresee that the market will bring forward a replacement facility with such an extensive capability in South Somerset. As such if we are to retain a large and versatile conferencing and entertainment complex capability within the district's key economic centre going forward, then it will only be realised through the leadership of SSDC alongside financial support from YTC and other adjacent Parish Councils to secure this valuable asset for the benefit of the communities we serve. With the knowledge of the financial implications of refurbishing, and operating the facility set out later on in this report, this is perhaps key the decision for members.
29. Such a step accords well strategically with the Council's Corporate Plan aspiration "To maintain and enhance the South Somerset network of leisure and cultural facilities". In replacement terms, our analysis indicates that the cost of replacing both the sports facilities and the conference and entertainment facilities would be in the order of £11,474,863. This excludes any costs associated with land acquisition, VAT or inflation beyond 2015. The breakdown is:
- Conference and Entertainment Complex - £7,541,370
 - Sports Hall - £2,620,000
 - Squash Courts - £473,494

- Cricket Pitch / Practice Nets - £275,000
- Rifle Range - £175,000
- Bowls Green - £115,000
- Pavilion - £275,000

30. In comparison, financially the option to take over and refurbish the facilities based on the proposals within this report offer both high public value and good value for money.

Refurbishment

31. A key factor contributing to the AW decision to close the facility was the impending major investments that would be required to modernise the facilities.

32. The various facilities at the site vary in age, with most of the being in the region of 40 years old. Age combined with a historical lack of maintenance and renewal works mean the facilities are extremely tired and require extensive refurbishment.

33. KirkhamBoard have assessed the condition of the facilities, considered the scope of refurbishments required to support the delivery of the proposed business plan and prepared an indicative cost plan for the works.

34. In broad terms the modernisation programme, subject to further detailed design, would comprise a refit of the:

34.1. Main ballroom - to incorporate automated retractable seating to capable of accommodating up to 1000 people with good viewing lines, new stage fit, new sound system, new lighting system, new air handling system, fire alarms, flooring, and redecoration.

34.2. Function and meeting rooms - including flexible room dividers, new ceilings, new flooring, desks, chairs, AV / wifi equipment, lighting, air handling and redecoration.

34.3. Bars – enabling the creation of a more flexible bar space, with room dividers, new ceilings, new flooring, tables, bar fit, chairs, AV / wifi equipment, lighting, air handling and redecoration.

34.4. Reception, toilets, administrative and other ancillary areas, including new access and CCTV control systems.

34.5. Sports hall and squash courts – including new flooring, LED lighting, air handling, storage, sports equipment, lift, redecoration and changing room refit.

34.6. New pavilion - with team changing rooms, official changing room, small kitchenette, bar and club area, adjacent to the cricket pitch and bowls green.

35. No changes are planned to the allotments, model engineering track, outdoor tennis courts, rifle and pistol range or car parking areas at this stage. However, rifle and pistol range provision is expected to feature as part of a planned SE Improvement Fund application once an appropriate scheme is developed.

36. The future of the outdoor tennis court provision would be considered as part of a future exercise in conjunction with the Lawn Tennis Association to assess the feasibility of developing indoor tennis provision, alongside additional fitness provision at the site.
37. Costs of the proposed refurbishments incorporating costs emerging from the additional survey works are estimated to be in the order of **£2,703,893**. A summary is set out in **Table 2** below and a detailed breakdown of the scope of works, all costs and assumptions is available within the Refurbishment Cost Plan Report in **Confidential Appendix 2 and 3**.
38. At this stage it should be noted that costs should be used to provide an indicative budget cost framework within which further design development and project risk analysis can be undertaken, as no detailed design works have been undertaken.
39. The total estimated figures refurbishment costs includes a provision for contingency which amounts to £125,185.

Table 2: Refurbishment Cost Summary

Cost Summary	£
Sports Facilities, including new Pavilion.	931,912
Conference and Entertainment Complex	1,696,981
Project Management	75,000
Total Estimated Refurbishment Cost	£2,703,893

Refurbishment Financing

40. No grants or Section 106 contributions are known to be available towards the costs associated with the refurbishment of the Conference and Entertainment Complex, however, it is expected that in the order of £838,847 would be available to support the refurbishment of the sports facilities. Further offers of financial support have been received in-principle across a number of the sporting organisations since the previous Executive meeting and it is expected that further contributions will be forthcoming should the project proceed. These are outlined in **Table 3** below.

Table 3: Sports Facility Refurbishment Grant and Section 106 Finance Estimate

Income	£
Banked Strategic Sports Hall Contributions	105,629
Unbanked Strategic Sports Hall Contributions	52,788
Banked Changing Room Contributions	180,695
Unbanked Changing Room Contributions	46,735
Sport England Improvement Fund Grant	400,000
Somerset Cricket Board Grant	35,000
Other Sport and Club Grants	18,000
Total Estimated Refurbishment Finance	£838,847

41. As members can see this would leave the Council needing to finance a shortfall of £1,790,046 in order to revitalise the facility and complete the necessary works. This sum has increased by £31,434 as a result of the additional work.

42. There are two options available to the Council to finance this shortfall. The options together with their costs are summarised in **Table 4** below:

43. **Table 4: Capital Finance Options / Revenue Cost of Capital**

Option	Revenue Cost of Capital (£)
1. Use SSDC Capital	£1,790,046
Annual Revenue costs of loss of interest @ 3.02%	£54,059
2. Finance through PWLB Equal Instalment Loan over 30 Year Term @ 2.96%	£1,790,046
Interest Repayable @ 2.96%	£797,055
Total Amount To Pay Back	£2,587,101
Annual Revenue Repayment	£86,236.69

44. In order to finance the annual loss of interest or annual loan repayment costs, it is proposed to introduce a nominal £1 facility levy to all ticket sales at both the Octagon Theatre and the Westland Leisure Complex, such that those that use our entertainment facilities make a higher contribution towards the cost of their provision than the general council tax payer.

45. Calculations indicate that annual ticket sale projections of 135,000 would generate in the order of £135K gross, £108K net of VAT. The sums generated would cover the annual loss of interest or annual loan repayment, with the remaining monies placed into a reserve to support future venue enhancements and renewals across both venues. Further facility levy projection illustrations are set out in **Confidential Appendix 4**.

46. As the allocation of SSDC's own capital resources to the refurbishment would have an impact on the Council's ability to fund other schemes, and there is an ability through the Facility Levy to meet the cost of annual loan repayments across the term, it is recommended that members finance the refurbishment works through the PWLB Equal Instalment Loan route.

47. This would be the most prudent long-term approach to the SSDC, enabling it to utilise its capital for other schemes going forward. An increasingly important factor for the Council in order to ensure it is well placed in the long-term to assist member's aspirations to support their communities and transform service delivery.

48. In planning to finance the annual loan repayment through the proposed facility levy scheme, members should note that as current performances are generally contracted 9-12 months in advance, there would be an initial timing gap between the start of the loan and receipt of the first facility levy contributions. It is therefore recommended that members approve the once-off use of £86,237 of general revenue balances that may be required to fund the PWLB Equal Instalment Loan repayments whilst the Facility Levy scheme is implemented during year 1.

49. Members should note that there is a risk to the refurbishment financing at present as no application has been submitted to the Sport England Improvement Fund. The next grant submission window for this fund is expected to open at the end of September 2015. Sport England have expressed their desire to safeguard the facilities at the Complex and

have encouraged SSDC to make an application. Subject to District Executive approval of the proposal, and the prior approval of AW, SSDC will work to submit a Stage 1 Expression of Interest Application to the Sport England Improvement Fund to support the refurbishment of sports facilities at the Complex.

50. Finally given the scale of support for the petition to save the facility, if members are minded to enter into an agreement with AW to take over the management and operation of the Complex, then it is recommended that SSDC seeks to work with the various sections, those leading the petition and the local media as part of the overall effort to raise further funds through encouraging individual donations to save and revitalise this much valued facility.

Operating Costs

51. In order to understand the financial implications associated with operating the Complex, SSDC has prepared an initial business plan setting out the income and expenditure projections associated with the potential programme and activity areas for the first full operating year post refurbishment.

52. In doing so it enables SSDC to determine whether operating the Complex would be affordable to the Council's medium term financial plan. The forecast has been prepared based on the following:

- Examination of the audited accounts for the period when the facility was operated as a subsidiary of AW covering 2010-11, 2011-12 and 2012-13.
- Examination of the annual contracts account figures submitted by Sedexo for 2013-14, and 2014-15.
- Examination of the operating information supplied by AW as part of the feasibility exercise.
- SSDC's experience of operating the Octagon Theatre and developing business plans for other similar sporting facilities.
- The facility being operated as a 'sister venue' to the Octagon Theatre, managed by SSDC. This approach:
 - a. Reduces operating costs through leveraging our existing box office, marketing, bar and refreshment, technical, operation and programming capabilities.
 - b. Ensures programming and marketing of both venues complement, rather compete with each other.
 - c. Delivers greater purchasing power.
 - d. Provides greater operational and venue resilience.
 - e. Reduces the time to build the staffing team central to operating WLC successfully from handover, and enables us to build upon our existing voluntary strengths in this area.

Members should note that there will be a need to appropriately apportion shared operational costs across budgets for the Octagon Theatre and

WLC should a decision to proceed with the refurbishment and operation of WLC be taken.

53. Based on this work, the revenue subsidy before consideration of other financial contributions, in the first full operating year post refurbishment is estimated to be in the order of £132,495.

Table 4: Operating Cost / Revenue Subsidy

Financial Projection	(£)
Income	£1,155,701
Expenditure	£1,288,196
Profit / (Loss) before Subsidy	(£132,495)
Partner Financial Contributions	£70,000
SSDC Subsidy	£62,495

54. Full details of the financial forecast are attached in **Confidential Appendix 3**. Details of the supporting assumptions underpinning the forecast are set out in **Confidential Appendix 4**.
55. In itself the first full operating year post refurbishment cost is significant at a time where SSDC alongside other local authorities need to respond to severe cuts in Government funding.
56. The consequence of this and the underlying expectation that local government finance is unlikely to improve in the medium term, means that it would only be prudent for SSDC to consider taking over the management and operation of the Complex and saving the facility for the overall benefit of the community if AW, YTC and other adjacent Parish Councils are prepared to make a long-term financial contribution to do so.
57. The indications are that, subject to proper consideration through their respective decision making processes and SSDC accepting the operating risks and capital financing responsibilities, that AW, YTC and other adjacent Parish Councils maybe prepared to make a financial contribution to save the facility. It is recommended that members formally seek annual financial support from YTC and the other adjacent Parish Councils.
58. Assuming these financial contributions from partners are met, the level of subsidy required from the Council would be expected to reduce by in the order of £70,000 per annum. This would represent an additional cost of £62,495 per annum for the first full operating year post completion of works. This would add £62,495 to the MTFP for 2016/17 and beyond as a commitment.
59. Similar to other venues that have gone through a period of prolonged closure and refurbishment, the first full operating year post completion of works is normally the most challenging. There are consequential revenue losses stemming from the cancelation of membership subscriptions, customers moving to alternative facilities, and the longer lead in timeframes often associated with bookings which can make it more difficult to secure bookings and attract artists. As such, the financial performance of the operation is expected to improve gradually in future years, as we witnessed at the Octagon in recent years.

60. It should be noted that it is anticipated that there will be a once-off requirement for £60,000 of general revenue balances during the first year from handover to cover the net loss of revenue associated with the planned refurbishment works. This figure assumes the Council undertakes and completes both the detailed design work and prepares the supporting tender packages at risk whilst the proposal is determined by AW.

Proposed Statement of Principles

61. Throughout the discussions with AW during the feasibility exercise, both parties have negotiated and prepared in good faith a 'Statement of Principles' that would form the basis of any future Lease, Funding Agreement and Business Transfer Agreement between the parties in the event that SSDC resolves to take over the responsibility for the complex and its operation on a broadly similar basis to its current use.

62. Details of the proposed Statement of Principles are set out in **Confidential Appendix 6**.

63. Members are asked to consider the terms contained within the document, and highlight any changes they may wish to submit and negotiate with AW should they decide to proceed.

AW Approval

64. Members are asked to note that on receipt of confirmation that SSDC wish to proceed, any proposal will be subject to satisfactory progress through the following 4 stage AW decision/approval process.

- 64.1. AW Project Team / Lead Director review and approval.
- 64.2. AW Board for review and approval.
- 64.3. AW Executive Steering Committee for review and approval.
- 64.4. Finmeccanica CEO for review and final sign off.

65. Only once the proposal is signed off by the Finmeccanica CEO, will AW be able to instruct their solicitors to finalise the Lease, Funding and Business Transfer Agreements with SSDC.

66. Taking account of this and our own respective decision making processes, it is expected after allowing time for the necessary legal work that occupation may commence at the earliest around the beginning of February 2016.

VAT Advice

67. Advice on the VAT implications of the proposal have been sought from LAVAT Consulting Limited to ensure SSDC accounts correctly for the associated VAT implications.

68. The advice has confirmed that the Council must structure the various hire, ticket sale, membership, and pay and play activities so that in VAT terms they are deemed to be standard rated. Consequently the Council will be able to recover all VAT associated with the cost of the refurbishment without putting the Council at risk of breaching its partial exemption threshold.

69. In moving this forward the Council will need to pay particular attention to ensuring that the arrangements associated with the occupation of land by for example the cricket,

bowls and rifle clubs are not treated as an exempt lease or licence to occupy land. The cost to the Council if its exempt input tax were to be within the exemption threshold would be £85,000 plus per annum. The various hire and use agreement arrangements will be structured to mitigate this risk.

Financial Implications

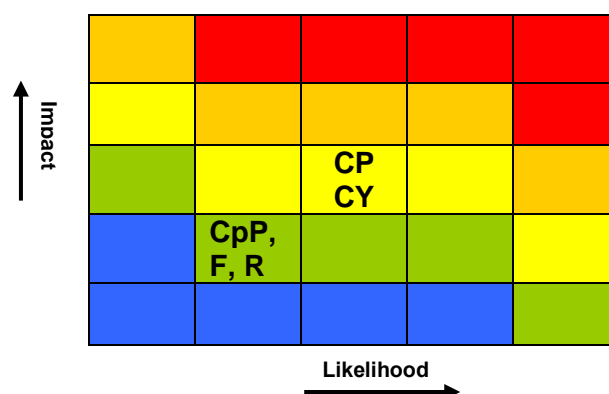
70. South Somerset District Council can take advantage of the certainty rate which gives a 0.2% reduction on the cost of borrowing. The current rate of borrowing for 30 years using the Equal Installment Payment rate is 3.16% but with the 0.2% reduction equates to 2.96%. It is important to note that the rate applied to the loan will be the rate at the date the loan agreement is made.
71. The overall repayment would be £2,587,101 which would consist of £1,790,046 principal repaid and £797,055 for total interest repaid. Based on a rate of 2.96%, the annual repayment would be in the region of £86,237, split between principal and interest payable.
72. Currently £25,074,000 of capital remains uncommitted and if capital receipts are used, this will reduce to £22,370,104. The loss of interest will be £54,059 per annum which would need to be added to the MTFP. Regardless of which funding option is chosen, an additional cost of £62,495 will be required per annum. This assumes financial contributions from partners will be met. This would add £62,495 to the MTFP for 2016/17 and beyond as a commitment. The costs for 2015/16 will be funded from non-earmarked balances. Non-Earmarked Balances currently stand at £5,374,000 and if members approve the recommendations, they will reduce to £5,312,000. The latest review of risks to SSDC balances shows that balances need to remain within the range of £3.4 to £3.8 million to meet current financial risks. Current balances as at 30th June are therefore adequate to meet current risks.
73. To summarise the MTFP implications, if capital receipts are utilised, £116,554 per annum would need to be added to the MTFP including loss of interest of £54,059 per annum and additional costs of £62,495. If borrowing is utilised, £148,732 would need to be added to the MTFP including repayment of principal and interest of £86,237 and additional costs of £62,495. It is anticipated that the users of the facility through the setting of a £1 levy on ticket sales would finance the annual loss of interest or annual loan repayment, so that it is those that use the entertainment facilities who make a higher contribution towards the cost of their provision rather than the general council tax payer.
74. There are a number of financial risks to the project:
 - The refurbishment costs are indicative and have not yet been finalized. The scheme would be subject to further detailed design and tender processes.
 - It is not guaranteed that unbanked S106 contributions will be received.
 - The levy raised on ticket sales are estimated.
 - The rate applied to the loan is subject to change as the rate applied will be the rate at the date the loan agreement is made.

Risks

75. The key risks at this stage are:

- 75.1. Delays associated with Full Council or AW decision making process.
- 75.2. Handover date.
- 75.3. Accuracy of supplied information.
- 75.4. Contractor availability.
- 75.5. Extent of revenue impact stemming from prolonged closure.
- 75.6. Extent of revenue impact associated with the phased refurbishment.
- 75.7. Artist ticket sale income during the first post refurbishment year.
- 75.8. Facility levy receipts.
- 75.9. Premises age.
- 75.10. External grant funding.
- 75.11. Pavilion planning approval.
- 75.12. Internal project management resource.
- 75.13. Inflationary pressures.
- 75.14. Site abnormalities.
- 75.15. Reputation.

76. A risk log has been created for the potential project. The level of risk associated with implementing this next stage is summarised below in the Council's 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

Corporate Priority Implications

77. The potential decision to take over the management and operation of the Westland Sport and Leisure Complex is in accordance with Corporate Plan Focus Four - Health and Communities, where SSDC set out its priority to maintain and enhance the South Somerset network of leisure and cultural facilities.

Carbon Emissions and Climate Change Implications

78. The refurbishment proposals set out in this report will result in significant reductions to the current level of carbon emissions from the Complex. This will result in the main from

the planned room divisions, air handling, stage, lighting, sound equipment and rain harvesting installation proposals. As part of the detail design process that would be associated with the next stage of development of the project further consideration will be given to the environmental credentials of the modernisation programme, ensuring the refurbishment works accord with current good practice.

Equality and Diversity Implications

79. The recommendations contained within this report will enhance access by all members of our communities. The proposed refurbishments will enable the facilities to become DDA compliant.

80. Should members wish to proceed, SSDC will consult with the Equalities Steering Group as part of the detailed design and operating planning processes.

Background Papers

Confidential Appendices 1 - 6

Agenda Item 7

Medium Term Financial Strategy and Plan

Executive Portfolio Holder: Peter Seib, Finance & Legal Services
Assistant Director: Donna Parham, Finance & Corporate Services
Service Manager: Amanda Card, 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 2016/17 to 2020/21).

2. Forward Plan

This report was included on the District Executive Forward Plan with an anticipated Committee date of October 2015.

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.
- (2) Approve that £314,000 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 2016/17 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.

5. Background

This is the first report outlining the Medium Term Financial Strategy, Capital Strategy and Medium Term Financial Plan for the financial year starting in 2016/17. 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 February 2012. The Medium Term Financial Strategy, Capital Strategy and Medium Term Financial Plan will need to reflect the revised Corporate Plan in due course.

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 Chancellor of the Exchequer announced that the Spending Review would be announced on the 25th November 2015. It will be a four-year plan and will set out departmental spending limits across government. The savings target is for £20 billion of savings by the end of 2019/20. The Spending Review will set the amount of grant for local government overall so SSDC will not know what grant is allocated probably until December 2015 once individual grants are calculated.

Some departments have been protected such as the NHS and therefore non-protected departments including local government have been asked to model scenarios of 25% to 40% cuts over the next four years. The Government has set itself five key principles in its decision making:-

- Promoting innovation and greater collaboration in public services;
- Promoting growth and productivity (partially delivered through devolution of power);
- Delivering high-quality public services;
- Promoting choice and competition;
- Driving efficiency and value for money across the public sector.

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

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

Revenue Support Grant – last year SSDC was allocated a provisional settlement, currently we have no indication of grant for 2016/17 and beyond;

NDR – last year SSDC was allocated a provisional base line, currently we only have our internal estimates;

Council Tax – we are currently awaiting referendum limits;

Devolution bids – successful devolution bids will be announced on the 25th November. 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 also needs to continue the drive to make services as efficient as possible.

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

10. Capital Strategy

The Capital Strategy allows new receipts to be released for new capital schemes. A further sum of capital receipts will be released to meet needs that deliver the Corporate Plan once the effect on revenue is assessed and can be funded within the Medium Term Financial Plan.

The “Spend to Save” scheme enables projects to come forward at any time which prove to give a return of the same or greater than the loss of interest that could be earned. This allows for individual schemes showing innovation, efficiencies, and income generation to be considered.

Schemes will also be considered utilising “Internal Borrowing” where bids can be made for loans that repay both capital and interest at PWLB rates.

Members approved a process for releasing Infrastructure Funding. This allows for funding outside of the normal annual budget process but all projects must outline the revenue implications when approved and these commitments will be added to the Medium Term Financial Plan.

District Executive has delegated authority to approve the use of up to 5% of capital receipts in any one year (approx. £1.5 million). Approvals beyond this sum must be agreed through full Council.

11. Strategy for New Homes Bonus

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 £350 for every affordable home occupied. The table in paragraph 16 shows a profile of the sums expected.

The agreed strategy for New Homes Bonus is to mainstream it with Revenue Support Grant to maintain services.

To ensure that risk is minimised the amount of NHB being used to fund the MTFP will be outlined each year. 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 should NHB funding be withdrawn.

The current strategy for the use of NHB in priority order is as follows:

- Supporting revenue spending to retain services that benefit the community;
- Supporting costs (revenue and capital) of spending on infrastructure before and on the introduction of CIL;
- Supporting capital spending for affordable housing (from the affordable housing element of NHB);
- Supporting business growth for the retention of business rates to stabilise and increase business rate income.

Currently NHB is being fully utilised to support revenue spending – this will be reviewed annually as part of the Medium Term Financial Strategy and Plan.

The current plan includes support of £3.0 million per annum from New Homes Bonus and assumes that NHB will continue to be funded for 2016/17 and beyond. At present SSDC holds sufficient NHB to fund £3.0 million in 2016/17 and £1.3 million for 2017/18. The allocation for 2017/18 will be topped up to £3.0 million plus £3.0 million will be set aside from the next allocation made to support the 2018/19 budget.

The maximum support from NHB in any one year for ongoing expenditure has been set at £3 million (10% of SSDC's gross spend). The limit and forward funding has been set to ensure that a reduction or the removal of NHB can be managed successfully over a reasonable length of time.

The current estimation is that if members agree to the annual savings targets outlined in the plan some NHB can be released for other priorities by 2017/18.

12. 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 2015/16 and the budget for 2016/17 and set the budget based on the most reasonable set of assumptions at that time. The main risks are still the around economic growth and appeals. The estimates currently shown within the MTFP are based on the Government's baseline figures for 2015/16 with an inflationary uplift. This will be updated as the budget process progresses.

SSDC agreed to participate in the Somerset NDR Pool for 2015/16. 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 expected from the pool was £2.4 million when budgets were set. SSDC was expected to retain £340k of this. Current

estimates are that the pool will retain £1.4 million of which SSDC will retain £90k. The risk of pooling is that the safety net is much higher than for individual District authorities and therefore any pool losses are likely to be borne by the pool.

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. 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.

13. 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.

14. 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.

15. 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 things become more certain. The table below shows the estimated additional expenditure required in future years, offset by increased income and savings already identified.

	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Base budget	17,389.6	16,722.3	16,495.8	16,392.6	16,384.9
Additional payroll requirement	591.6	405.1	391.3	169.0	161.0
Inflation allowance on contracts	233.4	210.7	214.9	219.2	223.6
Additional budget pressures	322.9	322.8	315.2	322.8	319.8
Savings	(127.2)	(9.7)	0.0	0.0	0.0
Revenue effects of Capital Programme	67.8	95.7	95.7	40.0	40.0
Once-Off Expenditure	(137.4)	0.0	0.0	0.0	0.0
Total Budget Requirement	18,340.7	17,747.0	17,513.0	17,143.6	17,129.3

Financed by:					
Revenue Support Grant	2,032.1	1,524.0	1,143.0	857.3	643.0
Council Tax Reduction Scheme then passed to Town and Parish Councils	(314.1)	(284.7)	(264.6)	(250.0)	(239.6)
Business Rate Retention Base Line	3,389.8	3,423.7	3,457.9	3,492.5	3,527.4
Received/Confirmed New Homes Bonus	3,000.0	1,737.7			
Expected New Homes Bonus	0.0	1,262.3	3,000.0	3,000.0	3,000.0
Council Tax	8,614.6	8,832.8	9,056.3	9,285.1	9,519.5
	16,722.3	16,495.8	16,392.6	16,384.9	16,450.3
Budget Shortfall	(1,618.4)	(1,251.1)	(1,120.4)	(758.7)	(679.0)

16. 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.
- 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 provisional allocation for a 25% reduction each year.
- Business Rate Retention will be in line with the estimates set within the NDR1 calculations.

The use of New Homes Bonus is estimated as follows:-

	2016/17 £'million	2017/18 £'million	2018/19 £'million	2018/19 £million
NHB carried forward	4,738	6,329	7,920	8,920
NHB Expected	4,591	4,591	4,000	4,000
NHB Use in year	3,000	3,000	3,000	3,000
NHB retained for budget support for following two years	6,000	6,000	6,000	6,000
NHB remaining	329	1,920	2,920	3,920

- Council Tax is nominally linked to expected Consumer Price Index (CPI) inflation (currently estimated at 1.5% for 2016/17) and will be dependent on the requirement to fund additional inflationary pressures on supplies and services.
- That the base rate is forecast to remain low at 0.5% at least in the short term – the MTFP will reflect actual rates earned current forecast is for 0.9% over the period of the plan.

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

- Legislative changes, eg welfare reforms.
- Growth in the community, eg 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, eg 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.

17. Council Tax Reduction Scheme

Members approved the current Council Tax Reduction Scheme in December 2013. A Scrutiny Task and Finish Group has been working on a revised scheme which will be reported to Scrutiny Committee. The Finance and Legal Portfolio Holder will then make recommendations to District Executive and full Council by the statutory deadline of the 31st January 2016. The current MTFP projections do not reflect any additional costs or savings to the scheme for 2016/17 as it is likely that central Government changes to tax credits will remove any savings achieved.

The scheme also affects Town and Parish Precepts. The Government has given a grant to District authorities to passport on to the Town and Parishes through their precept. The grant cannot now be identified through Revenue Support Grant (RSG) and members agreed last year that the grant should be reduced or increased at the same levels as the overall reduction in grant to SSDC. The decrease for 2016/17 using expected cuts in RSG and baseline estimate for NDR reduces the grant to the town and parishes by 10.6%. To enable

Town and Parish Councils to plan their finances members are being requested to passport £314,100 as part of this report.

18. Savings

Current estimates are that £5.4 million in savings will be required over the next five years. In a worst case scenario this could rise to £11.9 million. However, this is based on a number of assumptions which currently don't include further savings from Service Redesign nor Joint Working and Shared Services with our neighbouring authorities.

The MTFP is also based on the current Council Plan which is being refreshed for 2016. The Council Plan will outline the future priorities for SSDC and therefore the areas that require funding and also those that can be deprioritised and utilised for future savings.

A two year savings programme was agreed for 2015/16 and 2016/17. Included within the programme were the following four work streams:-

Optimising Income – actively increasing our income, earning income through new sources, and marketing existing services;

Service Redesign – process improvement, EDM, specialist roles, channel shift and sharing (includes Lean);

Contracts and Procurement – reviewing how procurement is delivered and reducing spend on contracts;

Asset Savings – identifying savings from council owned assets (buildings).

Interest rates have remained constant at 0.5% but the Treasury Management Team has continued to find opportunities to increase income and also the expected increase to base rates is being factored into some of the longer term lending and a further £50k can be added to the projected income for 2016/17.

The overall summary of the estimates so far are:-

Project Area	Assumed Achievement 2016/17 £
Optimising Income	402,000
Service Redesign	212,000
Contracts and Procurement	60,000
Asset Savings	48,000
Total	722,000
Other:-	
Treasury Management	50,000
Total Other	50,000
Shortfall to be found from other savings/income	846,400
Overall Total	1,618,400

19. Capital Projects

New capital projects will be presented to District Executive in December 2015.

20. 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.

21. 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 2016/17 and the revaluation of bespoke GP Surgeries has shown how unpredictable appeals can be.
- New Homes Bonus - There is a risk that NHB will cease or reduce although currently the Government has not outlined any plans to change the scheme;
- Revenue Support Grant – there is a risk of greater cuts than currently projected a further 5% in 2016/17 will mean further savings of £135k will need to be found;
- 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 from the other precepting authorities is not yet known.
- 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 has not yet been agreed and the MTFP currently does not include any increase in contribution from SSDC;
- Housing support and other services may be cut by other authorities which may lead to some of the costs being borne by SSDC.

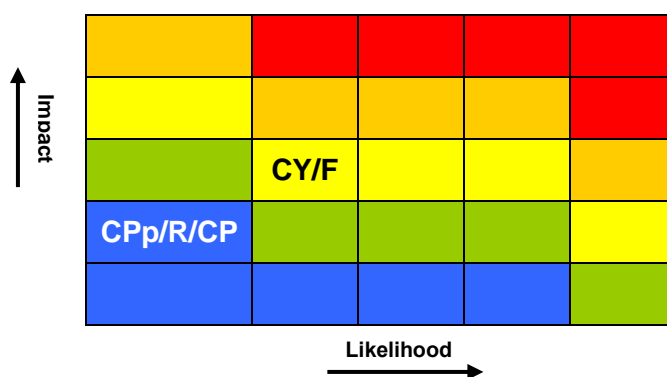
The key risks are determined and agreed by Management Board (MB) and subsequently outlined in each budget setting report to Council. A senior officer is identified to monitor and manage that risk.

22. Budget Deadlines

Scrutiny Committee:	October 15, December 15, January 16, February 16
District Executive:	October 15, December 15, January 16, February 16
Scrutiny Budget Workshop:	December 2015

23. Risk Matrix

This matrix only identifies the risk associated with taking the decision as set out in the report as the recommendation(s). Should there be any proposal to amend the recommendation(s) by either members or officers at the meeting then the impact on the matrix and the risks it identifies must be considered prior to the vote on the recommendation(s) taking place.



Key

Categories	Colours <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

24. Council Plan Implications

As outlined in the body of the report.

25. Carbon Emissions and Climate Change Implications

Not applicable.

26. 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.

27. Background Papers

District Executive, February 2015
Council Reports, February 2015

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 2014/15 and future prospects in the light of recent Government announcements. It further proposes new allocation of funds, including a new rural scheme at Misterton and some specialist bungalows in Yeovil, and to seek agreement to the principle of subsidising a scheme for those with learning disabilities. It also suggests a mechanism for the deployment of new funds gained through planning policy and confirms the outcome of the selection process for partner Housing Associations undertaken during the past year.

2. Recommendations

The Executive are asked to

- (a) Note the outturn position of the Affordable Housing Development Programme for 2014/15 [*ref section 6*];
- (b) Allocate £139,000 to Stonewater for Queensway, Yeovil [*ref section 8*];
- (c) Confirm the de-allocation of funds from BCHA [*ref section 8*];
- (d) Allocate £120,000 to Knightstone for Jarman Way (Furnham Road), Chard [*ref section 8*];
- (e) Allocate £396,661 to Yarlington for a scheme at Misterton, subject to planning permission [*ref section 8*];
- (f) Allocate £315,000 to Yarlington for three 3 bedroom bungalows in Yeovil, subject to planning permission [*ref section 8*];
- (g) Agree the principle of making an allocation to Stonewater for the provision for those with Learning Disabilities [*ref section 11*];
- (h) Note the outcome of the Housing Association selection review process in collaboration with Mendip District Council. [*ref section 12*];
- (i) confirm the approach suggested with respect to the aggregation of funds raised under planning policy HG4 [*ref section 13*];
- (j) confirm the delegation of authority to allocate funds raised under HG4 to specific schemes to the portfolio holder. [*ref section 13*];

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)
- 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

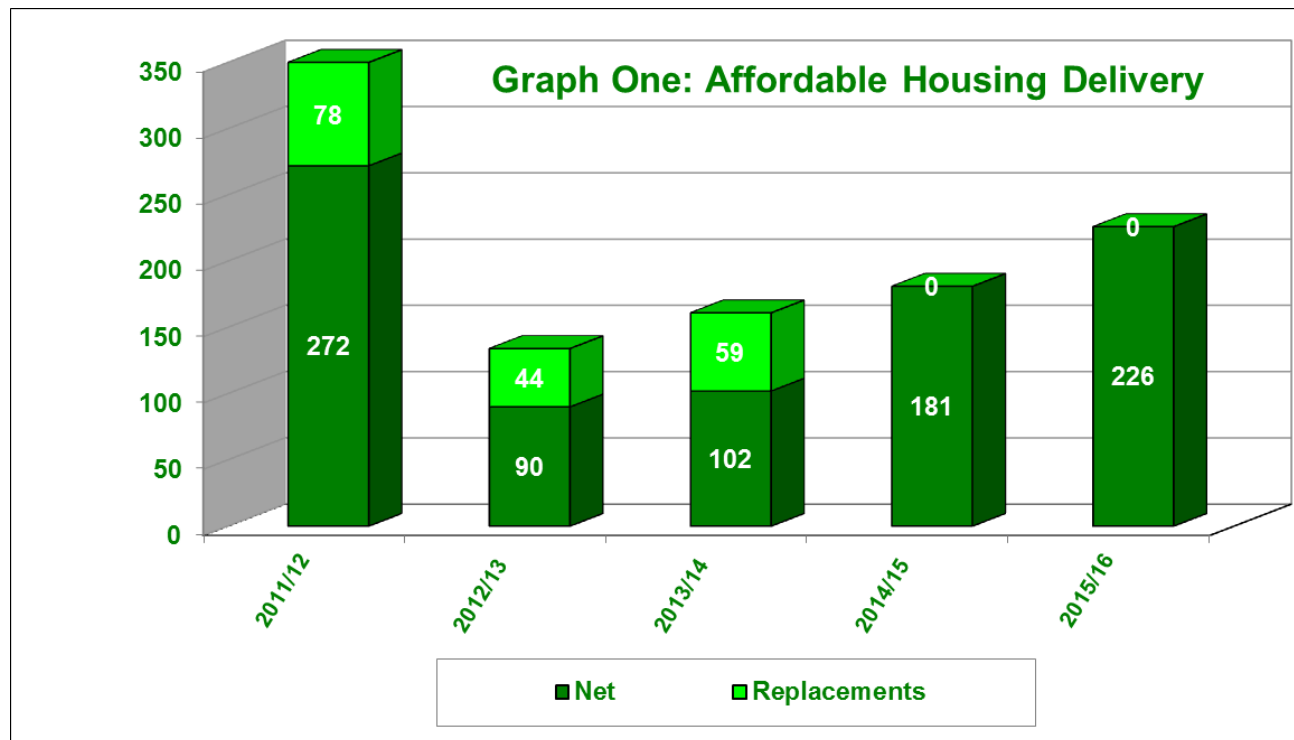
- 4.1. The overall programme is achieved through mixed funding (Housing Grant [administered by the Homes and Communities Agency - HCA], Local Authority Land, Local Authority Capital, Housing Association reserves and S106 planning obligations) and the careful balancing of several factors. This includes 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 4th September 2014 which considered the final outturn for 2013/14 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 2011 for the four year period 2011-15, accounting for the bulk of the programme since then. However there have been other allocations from other (smaller) funds administered by the HCA since then, most notably the Community Led fund and the Affordable Housing Guarantee Programme. A new programme, initially covering the period 2015/18 but since extended to 2020, was opened last year, with initial allocations confirmed in late July 2014.
- 4.5. The South Somerset Local Plan (2006 – 2028) was formally adopted on 5th 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 rendered policy HG4 unimplementable and effectively amended the threshold for policy HG3.

5. The Affordable Housing Programme: A five-year profile

5.1. The graphs below show the overall shape of the programme over the past four financial years (i.e. covering the last complete HCA four year programme 2011-15) and the projected outturn for the current financial year. Further detail on the first three years covered by these graphs can be found in the previous reports to District Executive (2nd August 2012, 1st August 2013 & 4th September 2014) and is not repeated here. The rest of this report considers the outturn for the last complete financial year, 2014/15 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.

5.2. Overall Delivery and Net Gain



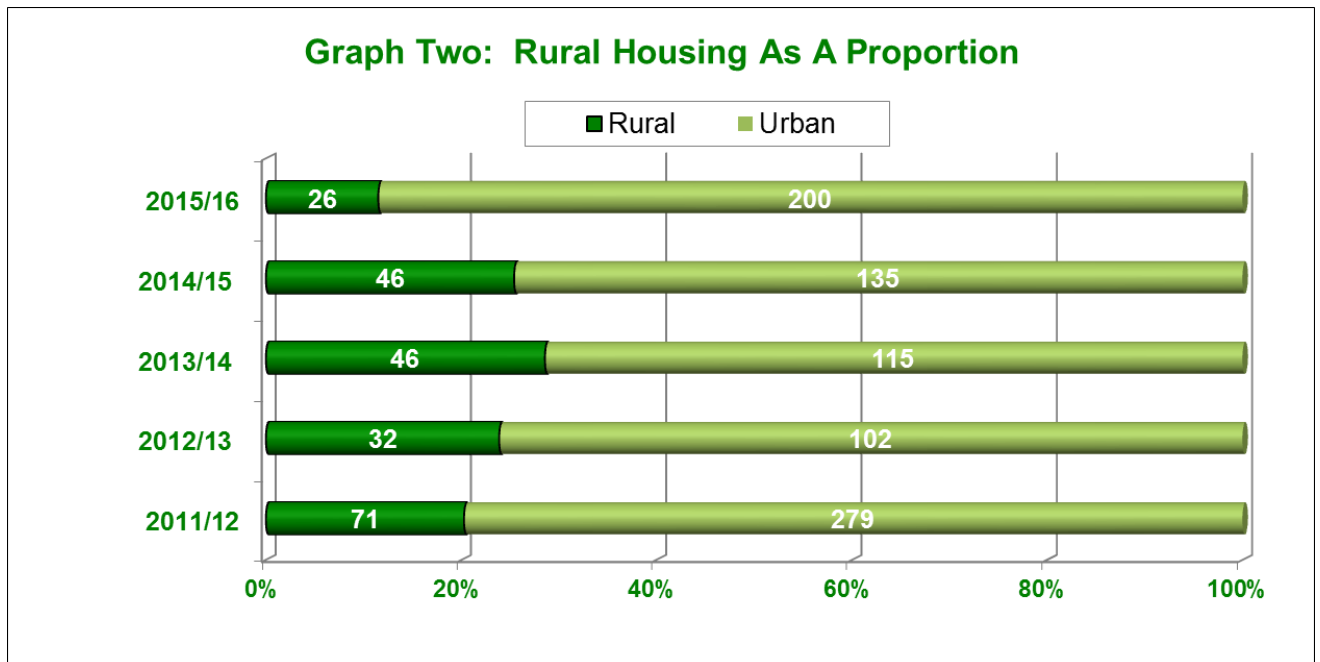
5.2.1. Graph one (above) shows the overall size of the affordable housing programme over the past four years and the expected size for the current year. 2011/12 was the second most successful year ever in delivering affordable homes. This was followed by lower delivery than average over the next two complete years and last year completions were pretty much at our longer-term average again. The average delivery over the past four years was 207 (rounded up). The projection for the current financial year is 226.

5.2.2. 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.

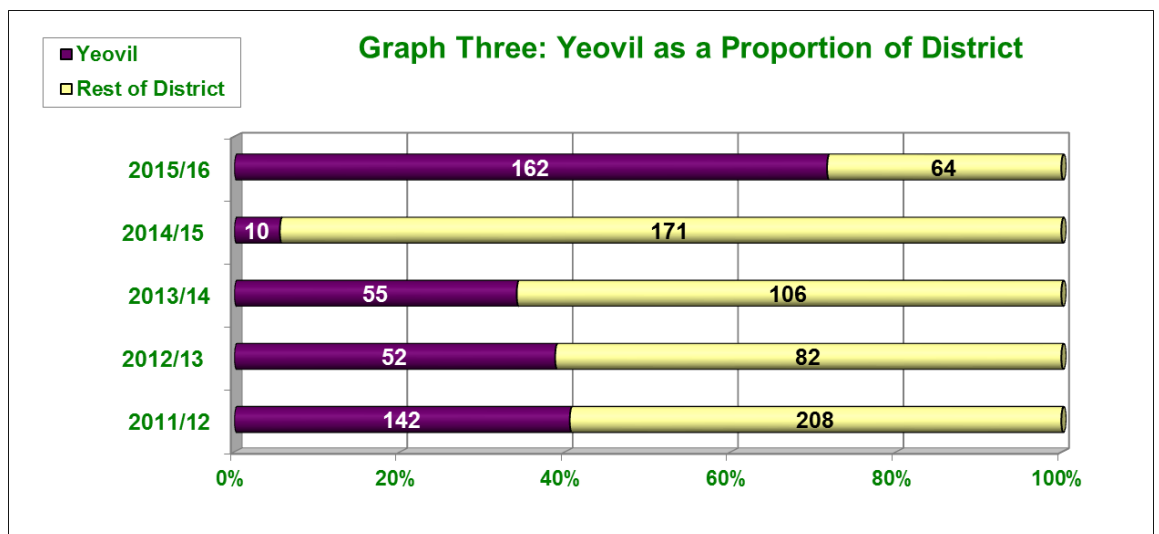
5.3. Rural Delivery

Graph two demonstrates that over the past four years we have consistently delivered around 20-30% of all new affordable homes in settlements of under 3,000 population. However this has fallen to just over 11% (projected) in the current year.



5.4. Delivery in Yeovil

Graph three demonstrates that for the first three years we delivered around 30-40% of all new affordable homes in Yeovil. Last year this fell to just over 5% but the current projection is that this year it will increase to almost 75%. This fluctuation is partly due to the slippage of a 59-unit scheme which should have been completed by 31st March 2015, had it done so then just under 30% of last years completions would have been in Yeovil, however we would still be predicting just under 65% this year.



5.5. Public subsidy

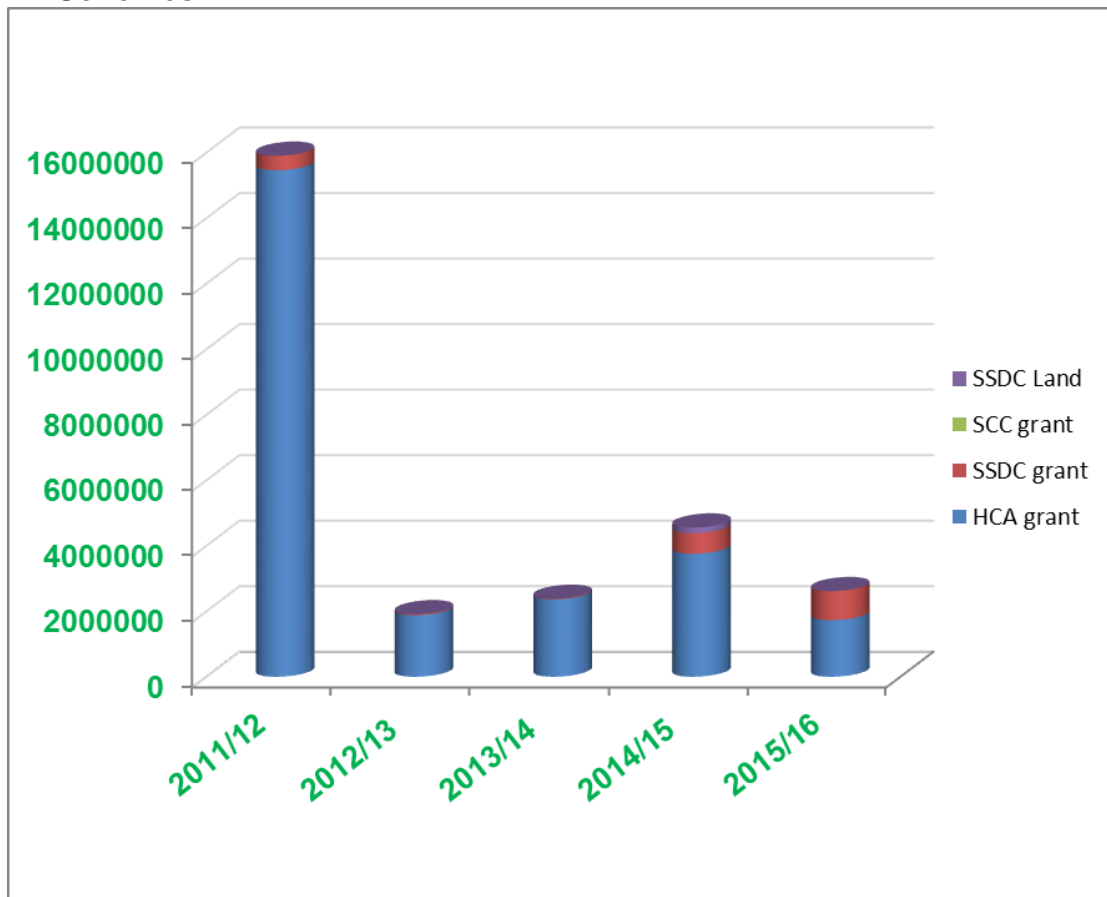
5.5.1. Graph four shows the level of public subsidy associated with schemes completing in each financial year. It should be noted that subsidy is paid at various stages and in most cases some proportion of the subsidy will have been paid over in the financial year/s prior to the year of completion, as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

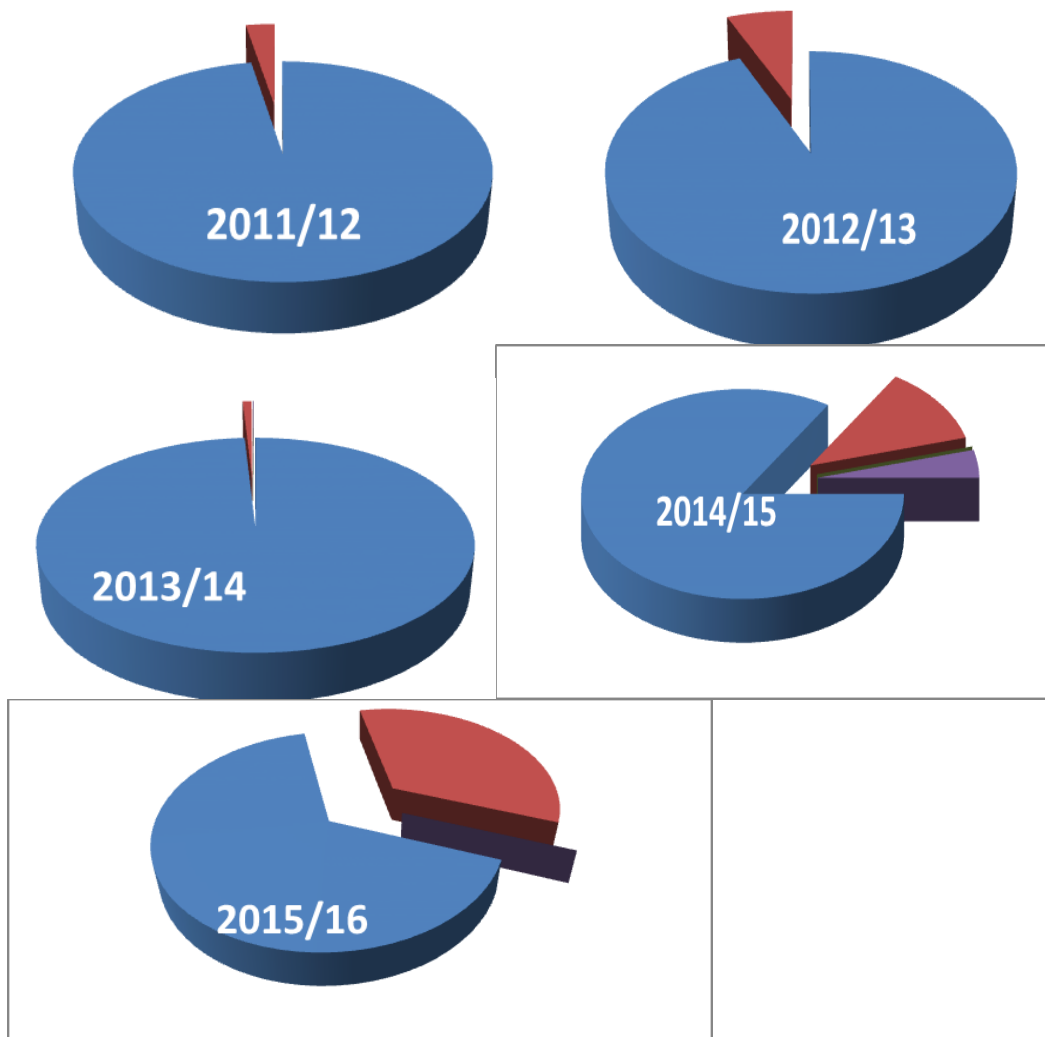
5.5.2. Over the past four years the total value of public subsidy has been as follows:

Homes & Communities Agency	£ 23,458,019	(95%)
District Council (Capital Grant)	£ 1,118,049	(5%)
District Council (Land Value)	<u>£ 172,000</u>	(<1%)
Total public subsidy	£ 24,748,068	

The pie charts show the relative degree of funding from these sources

Graph Four: Level of Public Subsidy Associated With Completed Schemes





5.5.3. Over the same four year period the capital receipts arising from former Council tenants exercising their preserved Right to Buy on Yarlington properties were as follows:

2011/12	£ 750,868
2012/13	£ 981,546
2013/14	£1,429,103
2014/15	<u>£1,040,000</u>
Total	£3,201,517

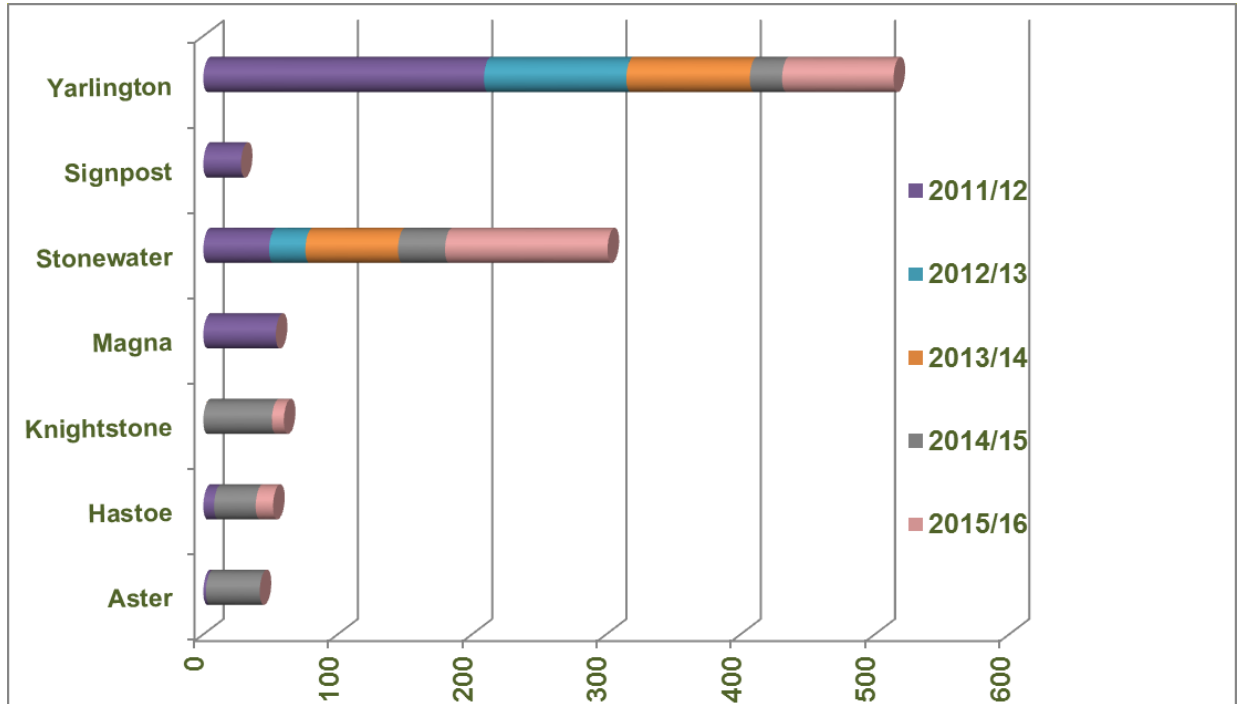
5.5.4. Graph four and the associated pie charts do not include the historic subsidy (in the form of a 'dowry' derived by the reduced capital receipt at the time of the council's large scale voluntary stock transfer) which has effectively gone into the replacement (but not net gain) properties on the Yarlington 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.

5.6. Delivery by Association

5.6.1. Graph five shows the delivery over the five year period (including the projected delivery for the current financial year) broken down by Housing Association. The majority of the programme over the long term has been

delivered by Yarlington, which delivered 431 new homes (including the replacement properties) over the past four years and is projected to deliver a further 83 this financial year.

Graph Five: Delivery by Housing Association



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

5.6.3. It should be noted that these graphs do not include a very small number of affordable dwellings delivered directly by private sector developers.

5.6.4. 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.

5.6.5. 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 earlier this year.

5.7. Outcome rents

5.7.1. Members of the Committee may recall that last year this report included a graph showing the most recent analysis of weekly rent levels, demonstrating the relationship between market rents, social rents, affordable rents and our own ‘hybrid’ rent model. Whilst the general shape of this graph remains the same, no attempt has been made to update it for this report due to the relatively recent Government announcements on future rents.

- 5.7.2. When Housing Associations entered their current HCA programme contracts they were informed that they could make assumptions that future rent rises would be capped at no more than CPI + 1% per annum. It was originally thought that this formula would continue to apply to social rents (the traditional tenure for social landlords) whilst the newly introduced affordable rent model would increase in a similar way for existing tenants but with readjustments to set back to 80% prevailing market rent when a new tenancy commences.
- 5.7.3. However more recently the Chancellor announced that for the next four years social rents will actually decrease by 1% per annum. His stated intention is to reduce the burden on Housing Benefit as part of the promised welfare savings and in turn decrease the level of benefit dependency for those on lower incomes.
- 5.7.4. The reduction does not just apply to the 'target rent' formula applied to social rents but also to the affordable rent regime where now 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.
- 5.7.5. Housing Associations have faced, with no prior warning, the need to completely revise their financial plans. The common assumption is that the enforced rent reductions are the equivalent of between 12% and 16% loss of income over the four year period, with a lower base position in year five. However loans arranged with lenders have been based on the original formula increase and offers made to developers for the pricing of affordable housing units (on sites with a planning obligation) have been made based on this leverage power. It is understood that the HCA now require submission of new business plans (from the entire sector) by next month.
- 5.7.6. Where a Housing Association has already entered into contract with a developer, such as gaining properties under a planning obligation, usually they will be unable to renege on the deal struck even though the borrowing potential of the future rental stream has now been significantly reduced.
- 5.7.7. Where a Housing Association is still in negotiation, they may have to reduce the offer made to the developer. Anecdotal reports suggest these reductions are in the region of 20%. This may affect the viability of a site and trigger renegotiation with the Council, as the relevant planning authority, of the planning obligations. In some cases either the developer or the Housing Association have suggested changing rented units into shared ownership dwellings as these remain largely unaffected by the enforced rent reductions. However our approach has been to take each case on its merits and retain the option to reduce the obligations in a variety of ways, including reducing the absolute numbers or the proportions of different tenure types. Crucially although in all cases these changes will mean a lower 'purchasing power' on behalf of the Housing Association, in some cases the overall site will still remain viable, albeit at a lower rate of return for the main developer.
- 5.7.8. The reduced borrowing leverage also affects traditional Housing Association sites (where they are in control of the site and are producing 100% affordable dwellings), including those where grant has already been allocated by the HCA or by the Council (or both).

5.7.9. The Chancellor also announced the proposed introduction of the so-called 'pay to stay' policy, whereby Housing Associations will be expected to increase rents to the prevailing market level for those existing tenants earning above a set threshold. When this was originally mooted it was widely thought that the threshold would be set at £100,000 per annum but the recent announcement indicates it will be £30,000. There are a range of implications of this policy – including whether it will be introduced using primary legislation and thus override obligations to keep rents at an affordable level (i.e. sub-market) in the relevant s106 Agreement and what the administrative implications are for Housing Associations keeping a constant track of all their tenants incomes.

5.7.10. For the purposes of this report it is perhaps best just to note that the increased income from some tenants being charged market rates will mitigate the impact of enforced reductions for all the others. Given that social rents tend to be much lower than the prevailing market rent, only a small percentage of tenants being affected will have a significant dampening effect on the overall change. However Housing Associations have not tended to take this into account on the grounds that they do not yet have enough details of the proposed policy.

5.8. New Homes Bonus

5.8.1. 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.

5.8.2. 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 five years, affordable housing currently accounts for roughly half of all monies received through New Homes Bonus.

6. 2014/15 outturn

6.1. During 2014/15 a total of 181 new affordable homes were completed, of which 70 were produced without direct public subsidy but through obligations imposed on developers under section 106 of the Town and Country Planning Act 1990. All but one of the 26 social rented dwellings were produced through such planning obligations. For the first time affordable rent dwellings were the clear majority – 116 in total. There was also an intermediate rent dwelling. The full details are shown at Appendix A.

6.2. Five different Housing Associations delivered nineteen schemes in twelve different settlements, benefitting from just over £3 ¾ million in public subsidy from the HCA supplemented by just over £½million capital grant from the District Council and land valued at £ 170,000.

6.3. Just over a third of all completions were in Chard, more than any other settlement. Three of the four sites due arising from us asking our housing

association partners to focus on Chard after several years of relatively low delivery.

- 6.4. This was the final year of the HCA's four year programme (2011-15) with an absolute deadline of completion by 31st March. The projection reported to District Executive last year was for 270 dwellings to be delivered but inevitably there was some slippage, the most significant of which was the first phase of the Lufton Key Site in Yeovil where we now expect 59 dwellings to be delivered by next month. The slippage was caused by a number of factors including some weather delays and some supply chain shortages but the most significant factor was the demise of Brookvale who were acting as main contractors for three Housing Associations on several sites, including Lufton. As a consequence of this slippage, delivery of new affordable housing in Yeovil was disappointingly low last year with only ten new homes.
- 6.5. The Hastoe scheme at Queen Camel, in conjunction with the Queen Camel CLT, delivered 13 properties by the 31st March deadline and the remaining 7 in April 2015, falling into the current financial year.
- 6.6. Notwithstanding that partial slippage, the year saw the completion of our first two CLT led schemes – the other being delivered by Yarlington in conjunction with the CLT at Norton sub Hamdon (strictly speaking within the parish of Chisleborough). Together these have delivered 30 new homes, both with a 'cascading' local connection clause in the s106 Agreement as agreed with the CLT.
- 6.7. Three schemes were completed without any recourse to public subsidy, with the affordable housing elements being delivered through planning obligations alone but on two other sites (Hastoe at Fern Green, Huish Episcopi and Knightstone on the Lyde Key Site in Yeovil) the planning obligations were supplemented with additional grant to boost the numbers.
- 6.8. Yarlingtons scheme at Mitchell Gardens in Chard had already delivered four other properties through planning obligations alone in the previous year (2013/14) and the final eleven slipped into this financial year, completing in April. The two other 'obligations-only' schemes were delivered by Aster, in Canal Way, Ilminster and at St Michaels Gardens in South Petherton.
- 6.9. Two Yarlington schemes (the Crewkerne purchase and repair properties and the final phase of Westfield, Curry Rivel) completed for all practical purposes in 2014/15 but grant was not sought from the HCA until April (this financial year) as the HCA had allocated funds from it's 2015/20 programme.
- 6.10. In addition to the renovation of a prominent empty building, Stonewaters acquisition of Chard Working Mens Club achieved some land assembly as they already owned properties adjoining the land at the rear of the building, allowing the potential for a future infill scheme of four 2 bedroomed properties.
- 6.11. Of note is the achievement of three new five bedroom houses in Yeovil. One acquired by Knightstone as part of a package of a small number of properties acquired at the Lyde Road key site combining both the last remaining properties due without recourse to public subsidy and a small number of additional properties achieved through an HCA allocation. The other two were created by conversions of existing properties, one with Stonewater and one with Yarlington, although neither of these made a net addition to the overall stock. No

five bedroom properties were acquired through 'bought not built' which tends to be a more expensive route, although it does make a net addition to overall stock.

- 6.12. The number of new Affordable Rent dwellings delivered is greater than the number delivered as social rent. Given that the HCA will no longer fund schemes on social rent, one might expect this to be the trend for the future. However we still insist on 2/3rds of those dwellings delivered under planning obligations alone as being on social rent, so the proportions will vary over time depending on the timing of peaks and troughs in the different forms of delivery.

7. Current Year (2015/16) Programme

- 7.1. During 2015/16 we expect a total of 226 new affordable homes to be underway, although many of these schemes are not expected to complete until 2016/17. 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.
- 7.2. Currently we expect four Associations to deliver twelve schemes in seven different settlements using just over £ 2½ million in public subsidy (of which just under £ 1 million is currently allocated by SSDC). The current programme includes no land donated by SSDC.
- 7.3. Over half (121 dwellings) of the currently funded programme will be delivered by Stonewater, with sites in Yeovil, Chard and South Petherton. This includes the first phase of their site at West Hendford, Yeovil where the council has agreed to underwrite the first 21 homes on the basis that Stonewater will apply to the HCA for funds in due course.
- 7.4. Four sites across the district, accounting for about a third of the total number expected to be delivered, produce affordable housing under a planning obligation, without recourse to public subsidy. This includes the first phase of the Lufton key Site which has slipped into the current year from last year.
- 7.5. 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

8. Programme Changes since September 2014

- 8.1. There have been a number of changes in the overall programme since the last such report to District Executive in September 2014, perhaps more so than in previous years.
- 8.2. The HCA had allocated £270,000 to Chapter One for the proposed refurbishment of Christopher House in Yeovil. The Strategic Housing Unit had begun discussions with Chapter One over the nature of the refurbishment and the particular client group that the building best suited. During the Housing Association re-selection process it became clear that a potentially serious issue was emerging with Chapter One nationally with the regulatory arm of the HCA keeping the governance and viability of the Association under very close scrutiny.

The allocation is now believed to be withdrawn and we have begun discussions with Chapter One about the potential transfer of the building to a different Housing Association with a view to a new bid then being submitted to the HCA to effectively re-allocate the lost funding.

- 8.3. The HCA had allocated £648,417 to Stonewater (then Raglan) for a proposed development of 33 dwellings at Dampier Place in Yeovil. This proposal fell through and the funds were reassigned to other developments, including £470,402 which was transferred to Stonewaters 19 unit scheme at Goldcroft in Yeovil.
- 8.4. In addition Stonewater has brought forward a scheme to develop twenty four flats on a site at Queensway in Yeovil, close to the Tesco store and the development at Wellington Flats inherited from the Council by Yarlinton. £457,607 has been reassigned from other former HCA allocations to achieve this scheme, but additional costs and the general reduction in borrowing ability has caused a shortfall of £139,000. It is proposed that Stonewater are allocated this amount from the Councils capital programme in order to ensure that the scheme is achieved.
- 8.5. The Council had previously allocated £100,000 to Bournemouth Churches Housing Association (BCHA) to create four new self contained flats at 80 South Street, Yeovil, together with the proposed day centre provision. After a lot of detailed consideration BCHA withdrew from the scheme and our other main partner Housing Associations were asked to look at the proposals and at alternative proposals to create five or six dwellings without the day centre provision. The cost of refurbishment works on a listed building, together with the general reduction in borrowing ability has caused each of our main partner Housing Associations to decline the building in turn. 80 South Street is now being considered afresh by the Councils Strategic Asset Steering Group and alternative proposals will be brought to the District Executive in due course. It is therefore proposed to de-allocate the £100,000 allocation from our capital programme.
- 8.6. The Council had previously agreed to the disposal of land at Furnham Road Chard to Knightstone for the creation of nine new dwellings for rent and £268,334 was secured by Knightstone in HCA subsidy. In addition to creating new affordable housing the proposal enables the creation of better play facilities on adjacent land. Difficulties with land costs on this site, together with the reduction in borrowing ability from revised outcome rents have caused a funding shortfall. Knightstone are able to seek additional funds for this from the HCA but it is thought this would not be looked on favourably. It is also possible that some recycled capital grant (known as RCGF) could be redirected to this site. On the understanding that Knightstone will continue to pursue these other potential sources of additional subsidy, but in order to ensure that the scheme goes ahead, it is proposed to allocate £120,000 from the programme.
- 8.7. The HCA allocated Yarlinton £166,000 to develop six houses on land they already owned at Millfield in Chard. The original proposed scheme proved to be unfeasible and Yarlinton have been pushed to find an alternative use for these funds within the timescale demanded by the HCA. They now propose to develop a scheme of six dwellings on land at South Cadbury, currently subject to planning permission, utilising the £166,000 award. This substitution means a modest increase in rural delivery at the expense of Chard where, as previously reported, we have recently seen increased delivery in response to the identified gap.

- 8.8. The HCA allocated Hastoe £190,500 to develop a rural exceptions scheme at Ash. Hastoe had identified a willing land owner but had significant difficulties in the costs of engineering works required in order to achieve a scheme acceptable to the highways authority. Delays ensued whilst acceptable proposals were debated between Hastoe, their agents and the relevant highways officer. However the land owner then withdrew and faced with challenging deadlines for identification of an alternative site, Hastoe had the funding re-allocated to an alternative scheme elsewhere in the country rather than lose the funding altogether.
- 8.9. The HCA allocated Yarlington £245,000 to develop seven houses on a scheme in Shepton Beauchamp which was subject to planning permission. The expectation was that Yarlington would gain some dwellings from the developer under planning obligations and purchase the additional units using the grant. The scheme has not come to fruition and Yarlington have had to ask the HCA to reallocate the funds to an alternative scheme.
- 8.10. The Council had previously allocated £240,000 to Yarlington to develop a scheme at Broadway Farm, Merriott. This proposal fell through and the funds were formally deallocated by the District Executive as part of the Quarter 1 Capital Monitoring Report considered in August 2015.

9. Proposed new Rural Scheme: Misterton

- 9.1. A local rural housing needs survey was undertaken in Misterton, published in June 2004 which identified a need for six additional affordable dwellings in the village. Ordinarily this need could have justified a new 'rural exceptions scheme', developing affordable housing outside of the village envelope. However it was established that some affordable housing would come forward within the current development boundary for the village through planning obligations.
- 9.2. The scheme of 100 new houses at the former Bradfords Yard, immediately north of Crewkerne railway station was given planning permission on the basis of providing ten affordable dwellings. As the site is within the parish of Misterton these ten would have met the need identified in the local survey. The developer insisted on providing the affordable housing directly rather than use a Housing Association causing various Council Officers considerable time and effort commenting on their proposed Unilateral Undertaking to ensure that the proposals met the same standards as we might normally expect from a Housing Association provider.
- 9.3. However last year the developer, Betterment Homes, went to the Area West Committee with a viability case (under the newly inserted section 106BA of the 1990 Town and Country Planning Act) which had been independently verified by the District Valuer. The Area West Committee were obliged to agree to the removal of any remaining affordable dwellings from the site.
- 9.4. Our Housing Association partners were alerted to the fact that the success of Betterments viability case meant that we had completely failed to address the needs identified in the parish survey so many years ago. Yarlington have brought forward an opportunity to develop a site adjacent to some of their existing stock, subject to planning.
- 9.5. The substantive site is capable of producing something in the region of 30 dwellings but it is proposed that the Council agree to allocate funds towards the

first 17 – being 11 for social rent and 6 shared ownership. This would address the very local need and probably also provide some additional housing for the general Crewkerne area given the significant constraint on affordable housing delivery in that part of the district. It is proposed to allocate £396,661, mainly from the rural contingency pot (reducing this to zero) with just over 10% coming from the main reserve.

9.6. In addition to the allocation being subject to planning permission, Yarlinton will be expected to submit a bid to the HCA, possibly for the whole site. If successful this would release funds back into the rural contingency pot. It should be noted however that if the HCA pick up the cost of subsidy the proposed social rent dwellings will have to become available on affordable rent instead.

10. Proposed new specialist scheme: 3 bedroom bungalows in Yeovil

10.1. Members of the District Executive will recall that part of the programme has always been held back for meeting specialist needs, including the very specific needs of those with particular physical disabilities. Our approach has included funding Housing Associations to purchase one off properties from the open market and then adapt these. Often this is a more rapid response to the very specific needs of a household that would otherwise be completely stuck, but it is also often more expensive in terms of the pro rata subsidy costs.

10.2. Yarlinton have brought forward an opportunity to create three 3 bedroom bungalows on a site in Yeovil, subject to planning permission. It is possible for each of the three bungalows to be designed flexibly, bearing in mind the specific needs of the intended households but allowing for ease of further adaptation in the future.

10.3. It is proposed to allocate £315,000 to Yarlinton to create these three bungalows on the basis that two are made available at social rent and the other as shared ownership.

10.4. In addition to the allocation being subject to planning permission, Yarlinton will be expected to submit a bid to the HCA. It is doubtful that the HCA would pick up the entire cost so we can expect some level of SSDC grant to be taken up even if the HCA do agree to co-fund. In addition we can expect some difficulty in keeping outcome rents to social rent level, the affordable rent model on such properties not being affordable for the two households identified.

11. Proposed new scheme – Learning Disabilities provision

11.1. The provision of care and support for individuals with learning disabilities is a responsibility of the County Council and in the past specialist accommodation has been developed across the County, much of which has now been identified as no longer fit for purpose and due for replacement. In addition demographics show improved life expectancy and thus a growing population.

11.2. The opportunity to develop new provision is mostly likely to be as part of a much wider site, for example as part of the 35% expected under planning obligations. One example has come forward as part of Stonewater's site at West Hendford in Yeovil where we have already agreed to forward fund the first twenty one dwellings.

- 11.3. Discussions with relevant colleagues at the County Council has produced a proposed design which has planning permission secured for six self contained flats in a single block, but with the intention that five are occupied as residential by individuals and the sixth is used as communal space for all five with their care and support workers.
- 11.4. It is intended that four of the five residents are decanted from an existing provision in Yeovil, deemed no longer fit for purpose. Once their current home has been emptied it can be sold and the funds realised, with the appropriate permission from the Clinical Commissioning Group (who have responsibility for the historic subsidy from the health service, known as s256 money) redeployed into the new provision. It is understood that the County Council control a modest capital budget intended to provide the bridge funding between paying for the new provision and realising the s256 funds from the old.
- 11.5. At the moment the exact cost of constructing the new provision has not been finalised as discussions are still taking place on the precise specification. Nor is it known what the level of s256 money from the former provision might be, however given the increase in the size and quality of the provision there is likely to be a funding shortfall and it is hoped that Stonewater will be able to submit a bid to the HCA to cover this.
- 11.6. It is proposed that the District Executive agree the principle of underwriting the scheme, in the expectation that in due course the County and/or the HCA will cover the majority of the subsidy required. Once we have fuller financial details, the exact amount of grant to be offered to Stonewater will then be subject to a formal portfolio holder report in due course.

12. Review of Selected Partners

- 12.1. We have operated a system of preferred Housing Associations partners for about twenty years, choosing our main partners on a range of criteria (not just concentrating on the efficiency and effectiveness of their development function but also taking into account their record of housing management, such as their ability to robustly respond to substantiated incidents of antisocial behaviour).
- 12.2. The system has evolved over that time and had been reviewed three times previously. The previous review was undertaken in conjunction with Sedgemoor and Mendip District Councils, which had the added advantage of sharing resources to run the process and Housing Associations having to produce one submission rather than three. That process completed early in 2011 with the new partnerships implemented in April 2011 for an intended five year period, subject to an annual review.
- 12.3. However a number of factors, not least the merger of two of our previous main partner Housing Associations, Jephson and Raglan, to form Stonewater, caused this to be brought forward by a year. As the previous selection exercise was run over four years ago, it was not prudent to simply 'promote' the Housing Association that came sixth
- 12.4. In September 2014 the District Executive considered bringing the review forward and how the process could be run in conjunction with neighbouring local housing authorities again. It resolved:
- that the Housing Association selection review process be brought forward by one year to be undertaken broadly in the manner described in the report, if

possible in collaboration with Sedgemoor and Mendip District Councils, or any other neighbouring local housing authority that may choose to join in

- that authority to confirm the outcome of that review be delegated to the Portfolio Holder, subject to a formal report

12.5. South Somerset and Mendip commenced the review towards the end of 2014 after some delay waiting to hear if Sedgemoor were willing or able to collaborate again. As before the process consisted of two stages. The overall scoring was balanced 40% from the first stage assessment and 60% from the second stage interview

12.6. Application packs were made available after 6th January 2015 with a deadline of return by 12 noon on Friday 30th January 2015. Provisional interview dates (for the second stage evaluation) were confirmed within the application pack.

12.7. The first stage consisted of analysis of information requested. Based on a strict scoring schema Housing Associations were awarded accredited status if they achieved a minimum acceptable score.

12.8. Interviews were held over two days on Tuesday 10th and Friday 13th March 2015, hosted by Mendip District Council at their offices in Shepton Mallett. The interview panel was chaired by Councillor Ric Pallister (South Somerset DC), Mendip District Council being represented by Councillor Linda Oliver. The interview panel also had two relevant officers – Nina Richards (Mendip DC) and Colin McDonald (South Somerset DC). Four years ago the interviews were hosted by South Somerset District Council and chaired by the portfolio holding member from Mendip District Council.

12.9. At the end of the process the three Associations emerged with the overall highest scores for both Councils. These were: Knightstone, Stonewater and Yarlington. Both Councils had previously agreed to appoint at least four Associations and possibly more in the event of a high degree of overlap in order to ensure an adequate spread of risk and capacity. For Mendip the fourth Association was Selwood, a Wiltshire based Association which had only applied for main partner status with Mendip. For South Somerset the fourth was Bournemouth Churches Housing Association which is currently working with the council to provide temporary accommodation for homeless households in Yeovil and has previously operated other supported housing in South Somerset under contract from the County Council

12.10. Aster Housing Group had been a main partner with both Councils for the past four years but their aggregate score was the lowest of all the interviewed associations, with a significant gap between them and the next lowest score.

12.11. A portfolio holder report published in April 2015 confirmed these outcomes.

13. The Local Plan – Policies HG3 & HG4

13.1. West Berkshire District Council and Reading Borough Council invoked Judicial Review to challenge through the High Court the lawfulness of the Governments imposition of a national threshold of ten dwellings. Whilst these proceedings were underway it was thought that the Governments changes to the

NPPG were sound and that policy HG4 in the Local Plan remained unavailable to us.

- 13.2. Now that West Berkshire District Council and Reading Borough Council have been successful in their Judicial Review it is possible to fully implement policy HG4 and steps have been taken to do so for all relevant planning applications that have not yet reached a determination, alongside implementing the original threshold adopted by the Council for policy HG3.
- 13.3. However, in common with all such s106 derived commuted sums, it is incumbent on the Council to be able to demonstrate how such monies collected are accounted for and deployed.
- 13.4. A system already exists for the deployment of capital subsidy for the provision of new affordable housing through the established affordable housing development programme. Financial allocations towards proposed schemes are generally agreed under delegated authority to the portfolio holder through a formal report which is published in the Executive Bulletin (and is open to the usual scrutiny call-in procedure). This overview report is then presented to the District Executive each year, occasionally thirteen months apart, which accounts for all such allocations and often recommends amendments to the programme, including new allocations.
- 13.5. It is suggested that funds raised through policy HG4 are accounted for through the same process, but when officers recommend deployment of funds for proposed schemes in the future this includes the specific amount, if any, derived from HG4. The formal approval (or otherwise) of such recommendations will then provide a clear audit trail enabling the Council to demonstrate where such funds have been deployed.
- 13.6. In general funds raised through HG4 in the larger settlements should initially be deployed on those larger sites where viability issues mean that the full 35% on-site provision expected under policy HG3 cannot be achieved and some 'grant' funding is required to bring the provision either back up towards 35% or to achieve a better tenure mix within an otherwise compromised 35%.
- 13.7. For obvious reasons, it will not always be possible to deploy funds raised under HG4 in the same rural settlement. It is proposed that monies derived from sites within rural settlements (defined as those with population 3,000 or less) are marshalled to be deployed in rural areas and are accounted for separately, in a similar fashion to the existing rural contingency fund within the affordable housing development programme.

14. Financial Implications

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

Affordable Housing Reserve	£,000(rounded)
Balance b/f (per DX report September 14)	621
Previous allocations returned to Reserve:	
Allocation to Great Western Road, Chard (DX 4.9.14)	460

Allocation to Millfield, Chard (DX 4.9.14)	390
Allocation to Furnham Road Phase II (DX 4.9.14)	180
Allocation to Bought not built for 2 Crewkerne Properties (DX 4.9.14)	80
Allocation to Bought not built Allocation (DX 4.9.14)	200
Allocation to Stonewater, 5 Bed Conversion	19
Allocations from reserve to:	
Knightstone Housing, Somerton Hybrid Rent (DX 4.9.14)	(14)
Yarlington, Buy back of share property (DX 4.9.14)	(65)
Mortgage Rescue Contingency Fund (DX 4.9.14)	(277)
West Hendford, Yeovil (PH 17/4/15)	(748)
2015/16 Funding Allocation	600
2016/17 Funding Allocation	600
Transfer of Housing Planning Delivery Grant into reserve	96
Total Remaining Balance of Reserve	2,142

15.1 If the District Executive approves the proposal to de-allocate £100,000 from BCHA, as per the recommendations, this affordable housing reserve will increase to £2,242,000.

15.2 Following this, if the District Executive approves the proposal to allocate:

- £120,000 to Knightstone Housing, (Furnham Road Phase II, Chard);
- £315,000 to Yarlington (bungalows in Yeovil);
- £139,000 to Stonewater (Queensway, Yeovil)

as per the recommendations, this affordable housing reserve will then decrease to £1,668,000.

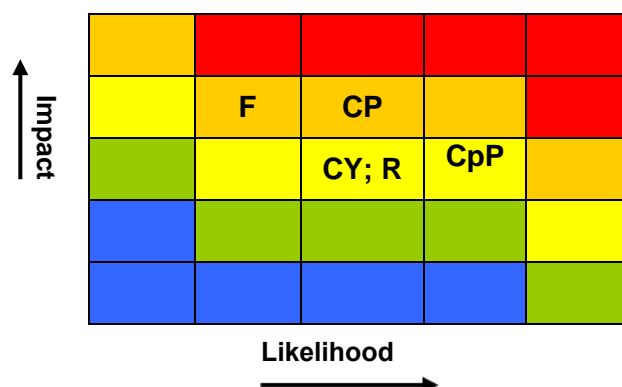
15.3 The general contingency funding has traditionally been held back to meet operational requirements, such as "Bought not Builts" for larger families; mortgage rescue and disabled adaptations specifically designed for clients where opportunities do not exist in the current stock.

Affordable Housing Rural Exception Schemes	£,000(rounded)
Balance b/f (per DX report September 14)	355
Allocation to Broadway Farm, Merriott (DX 4.9.14)	(240)
Return of allocation Broadway Farm, Merriott (DX 6.8.15)	240
Current balance remaining for 2015/16	355

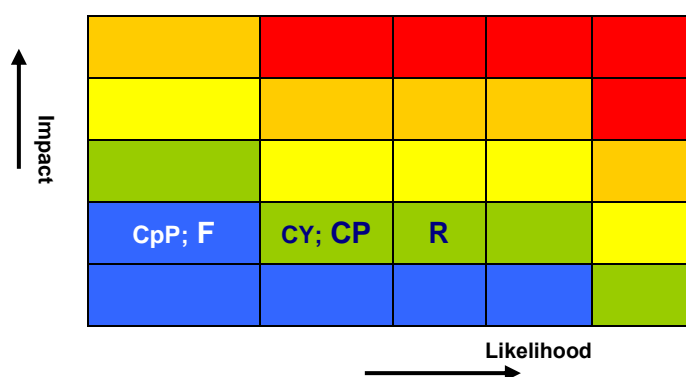
15.5 If the District Executive approves the proposal to allocate £396,661 to Yarlington Housing Association for the proposed scheme at Misterton, as per the recommendation, this rural exceptions fund will reduce to nil, and the balance of £41,661 be allocated from the main affordable housing reserve. This will leave £1,626,339 unallocated in the reserve.

16. 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

17. 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.

18. 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.

19. Implications for Corporate Priorities

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

"With partners, enable additional new homes to meet the needs of the district, including mixed housing schemes to buy or rent that are affordable."

and the major statement in the Plan:

"We want decent housing for our residents that matches their income"

20. Privacy Impact Assessment

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

21. Background Papers

Affordable Housing Development Programme – District Executive – 4th September 2014
Review of the Affordable Housing Development Partnership (Portfolio Holder Report)
Executive Bulletins no.s 668 & 669 (2nd & 10th April 2015)
Affordable Housing Development Programme: West Hendford, Yeovil (Portfolio Holder Report)
Executive Bulletins no.s 670 & 671 (17th & 24th April 2015)
2015/2016 Capital Budget Monitoring Report for the Period ending 30th June 2015 -
District Executive – 6th August 2015

Appendix A: Combined HCA & SSDC Programme 2014/15 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
Yeovil	Stonewater	Larkhill Road	0	0	1	1	£137,600	£137,600	£70,000	£0		Aug-14
	Stonewater	Hathermead Gardens*	0	1	0	0	£59,000	£59,000	£0	£0		Jun-14
	Yarlington	Westfield Place*	1	0	0	0	£70,000	£70,000	£0	£0		Dec-14
	Knightstone	Lyde Road** (Cunningham Rd)	1	8	0	9	£180,000	£30,000	£0	£32,016	✓	Jun-14
Chard	Knightstone	Furnham Road	0	31	10	41	£975,000	£0	£0	£975,000		Feb-15
	Stonewater	Working Men's Club	0	5	0	5	£366,575	£0	£0	£366,575		Mar-15
	Stonewater	Great Western Road, Phase 2	0	10	0	10	£236,576	£0	£0	£236,576		Jun-14
	Yarlington	Mitchell Gardens***	6	0	0	6	£0	£0	£0	£0	✓	Mar-15
Crewkerne	Yarlington	Purchase & Repair	0	1	1	2	£169,000	£89,000	£0	£80,000		Mar-15
	Yarlington	Hardy Court	0	2	0	2	£80,090	£0	£0	£80,090		Mar-15
Ilminster	Aster	Canal Way	11	4	8	23	£0	£0	£0	£0	✓	Jan-15
Langport (& Huish)	Hastoe	Fern Green, Langport (Huish Episcopi)	0	14	4	18	£380,972	£0	£0	£380,972	✓	Nov-14
South Petherton	Aster	St Michael's Gardens	7	4	6	17	£0	£0	£0	£0	✓	Nov-14
Somerton	Knightstone	St Cleers Orchard, Somerton	0	0	1	1	£99,000	£99,000	£0	£0		Nov-14
Rural (population below 3,000)	Yarlington	Minchington Close, Norton-Sub-Hamdon (CLT)	0	8	2	10	£420,000	£0	£0	£420,000		Sep-14
	Yarlington	Westfield, Curry Rivel	0	2	2	4	£40,000	£0	£0	£40,000		Dec-14
	Stonewater	Sparkford Road, Sparkford	0	7	6	13	£179,623	£0	£0	£179,623		Mar-15
	Stonewater	Font Villas, West Coker	0	6	0	6	£99,200	£143,000	£100,000	£99,200		Mar-15
	Hastoe	West Camel Road, Queen Camel (CLT)	0	13	0	13	£868,000	£0	£0	£868,000		Mar-15
Totals			26	116	41	181	£4,242,655	£627,600	£170,000	£3,758,055	70	

* extensions to create five bedroom properties, but no net gain in overall numbers

** Lyde Road - £150,000 of RCGF

*** Four further properties completed 2013/14

Appendix B: Combined HCA & SSDC Programme 2015/16 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
Yeovil	Stonewater	West Hendford	0	9	12	60	£748,000	£748,000	£0	£0		Nov-16
	Stonewater	Queensway	0	24	0	24	£457,607	£0	£0	£457,607		Nov-16
	Stonewater	Goldcroft	0	19	0	19	£470,402	£0	£0	£470,402		Jan-16
	Yarlington	Lufton Key Site	30	0	29	59	£0	£0	£0	£0	✓	Nov-15
Chard	Stonewater	Rosebank, Millfield Road	0	10	0	10	£335,786	£98,000	£0	£237,786		Sep-16
	Knightstone	Plot 5 Jarman Way (Furnham Road)	0	9	0	9	£268,334	£0	£0	£268,334		Jan-17
	Yarlington	Mitchell Gardens*	8	0	3	11	£0	£0	£0	£0	✓	Apr-15
South Petherton	Stonewater	Hayes End (phase II)	5	0	3	8	£0	£0	£0	£0	✓	Jan-16
Rural (population below 3,000)	Yarlington	Wheathill Way, Milborne Port	5	0	2	7	£0	£0	£0	£0	✓	Oct-15
	Yarlington	South Cadbury	0	4	2	6	£166,000	£0	£0	£166,000		Jan-17
	Hastoe	Shave Lane, Horton	0	6	0	6	£177,996	£48,000	£0	£129,996		2016
	Hastoe	West Camel Road, Queen Camel (CLT)*	0	3	4	7	£0	£0	£0	£0		Apr-15
Totals			48	84	55	226	£2,614,125	£884,000	£0	£1,730,125	85	

Agenda Item 9

Loan to Hinton St. George and Locality Rural Community Services Ltd

Executive Portfolio Holder: Peter Seib, Finance and Legal Services
Chief Executive: Rina Singh/Vega Sturgess, Interim Chief Executives
Assistant Director: Donna Parham, Finance and Corporate Services
Service Manager: Amanda Card, Finance Manager
Lead Officer: Donna Parham, Finance and Corporate Services
Contact Details: Donna.parham@southsomerset.gov.uk or (01935) 462225

Purpose of the Report

That District Executive request that full Council approves a loan of £190,000 to Hinton St George and Locality Rural Community Services Ltd. (HCRS) and is a registered society to replace their mortgage on the Hinton St George shop and Post Office.

Forward Plan

This report appeared on the District Executive Forward Plan with an anticipated Committee date of 1st October 2015.

Public Interest

SSDC has received a request for a loan from Hinton St George shop and Post Office to replace their current mortgage. The Council has a Loans Policy which supports loans at affordable rates to local community groups.

Recommendation

That District Executive recommend full Council approve a loan of £190,000 to Hinton St George and Locality Rural Community Services Ltd.(HCRS), to be repaid over 20 years, from the available capital balances and under the terms of SSDC's loans policy (with the exception that the loan is for £190,000 over 20 years).

Background

Hinton St George shop and Post Office was purchased by HCRS in 2011 through a commercial loan. It is the only shop in Hinton St George and serves an immediate community of 239 households. The shop employs 3 part-time staff assisted by a team of over 50 volunteers with 100 individuals having provided financial support. The applicants have outlined that when surveyed 99% of residents consider the shop to be important or very important to the community. The Group is seeking to obtain a fixed rate mortgage to mitigate the risk of rising interest rates and the impact that would have on their business plan.

Report

SSDC's Loans Policy was set up to provide affordable loans to local community groups at affordable rates linked to the Public Works Loans Board (i.e. the rate at which SSDC could borrow funds). This policy is aimed at providing small loans to outside bodies where alternative forms of borrowing are not available or at prohibitive costs. The Group has approached SSDC to request a fixed loan of £190,000 over 20 years. This is

outside of the loans policy that has been delegated to District Executive which limits the delegation to a maximum loan of £150,000 and loan duration to 10 years and therefore the loan needs full Council approval.

The building is a Grade II listed building in the centre of the village. The property includes a flat and garage that have been let to supplement the income from the shop. A Management Committee of up to twelve members elected by members at each AGM manage the society. The society as at September 2014 held £65,705 in shares. Interest may be paid on the shares of up to 5% above the base rate annually if agreed by the Management Committee. All other income is either retained or can be used for other social, environmental or charitable purposes within the locality.

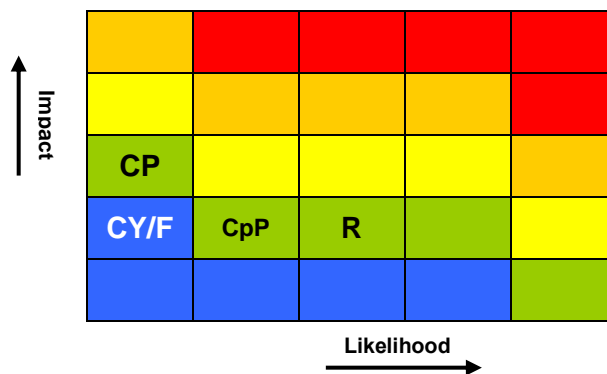
In reviewing the accounts and business plan the ability to fund the loan from annual income is marginal. The annual profit for 2014 was £4,464. The group have shown that this can be managed within their cash flow given their bank balance of around £40,000. I can concur with the group that rising interest rates would prove a risk to their future sustainability. If the Group had to finance a loan at 6% the annual cost would increase by almost £3,000. Future profits with an SSDC loan would remain around zero with a small loss over one or two years. However, given the value of the property, current bank balances and the support of the community the risk to SSDC of the loss of the £190,000 is minimal.

Financial Implications

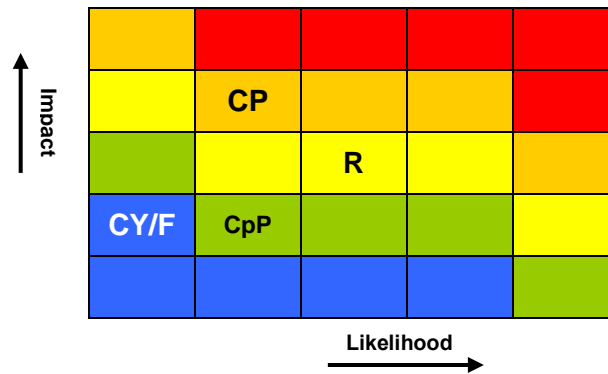
The loan of £190,000 will be found from capital resources. There will be no impact on revenue as the interest will be repaid as part of the loan. The capital sum will be returned to capital balances over the 20 year period of the loan. The interest will be payable from the start of the loan and the interest rate fixed at PWLB rates on that date. The likely interest rate will be approximately 2.89% (the same rate as the cost of Public Works Loans Board borrowing for 20 years). The annual payments will be approximately £1,024 per month.

The loan agreement will include a first charge on the property. The value of the property will be assessed by the time District Executive meets to ensure that the property is of sufficient value to repay the loan. The current Balance Sheet valuation is £290,000.

Risk Matrix of Recommendation



Risk Matrix of not giving the Loan



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

Implications for Corporate Priorities

The work of WCV contributes to Jobs and Health and Communities specifically to “Work with and lobby partners to help communities to develop transport schemes and local solutions to reduce rural isolation and inequalities to meet existing needs of those communities”.

Other Implications

None

Background Papers

Business Plan
Application Letter

Agenda Item 10

Wyndham Park Community Facilities

Executive Portfolio Holder: Councillor Ric Pallister, Strategy and Policy
Strategic Director: Rina Singh, Strategic Director (Place and Performance)
Assistant Director: Kim Close/ Helen Rutter, Assistant Director – Communities
Lead Officers: Kim Close, Area Development Manager - South
Contact Details: Kim.close@southsomerset.gov.uk or 01935 462708

Purpose of the Report

The purpose of this report is to update members on progress regarding the provision of community facilities to serve Wyndham Park, Yeovil, following the report to District Executive in November 2014. Approval is sought to allow SSDC to obtain an option on an adjacent site to enable the provision of both the Community facilities and a 7 classroom school. This option would only be required in the event that the forthcoming application for residential development Up Mudford SUE is not approved by spring 2016.

The report also seeks approval for access to be granted to Somerset County Council (SCC) for a temporary construction road across the SSDC verge at Lyde Road. This will allow the School site to be brought forward before the housing triggers in the section 106 agreement are reached.

Forward Plan

This report appeared on the District Executive Forward Plan with an anticipated Committee date of 1 October 2015.

Recommendation(s)

That District Executive approve:

1. That if required, SSDC obtains an Option to purchase the land required for a 7 classroom school at the Up Mudford Sustainable Urban Extension (SUE) in order to secure the current Wyndham Park 7 Class School site for the purpose of providing a community hall/playing field. On condition that any Option would carry a Deferred Payment Period of 3 years from the date of acquisition to allow the developers of the Up Mudford site time to secure the appropriate planning approval.
2. That access be granted to Somerset County Council (SCC) for a temporary construction road across the SSDC verge at Lyde Road. Allowing the School site to be brought forward before the housing triggers in the Section 106 Agreement are reached.

Background

In November 2014, the District Executive Committee approved a grant of £400,000 towards the cost of providing the much needed community facilities for the new Wyndham Park development in Yeovil. Combined with the developer contribution of £220,000 secured via the Wyndham Park s106 renegotiation making a total sum available approximately £620,000 to date.

The original local plan allocation did not require a community facility in the form of a hall to be provided on the Wyndham Park site. The existing deficit in the provision of community halls

in this area has now been compounded by the development of over 850 dwellings in total. Addressing the significant deficit in community facilities is now a high priority for members, residents and local stakeholders.

In addition to the lack of community provision, there is increasing pressure on primary school places within Yeovil. Places are urgently required to meet the demand for the September 2017 intake.

Site acquisition Options

No land had been allocated for community facilities within the Wyndham Park site itself, so a project team within SSDC have been working with SCC, Barratts the Wyndham Park Developers and Abbey Manor Group the developer of the Up Mudford site to identify possible land acquisition options in the immediate area.

The original 7 class school site at Wyndham Park was too small to accommodate a dual use school and community facility and would have required SSDC to purchase expensive residential land in order to provide a reasonable allocation of parking which would not have been cost effective.

Subsequently pre application discussions revealed the proposals for the Up Mudford site would, if approved, generate the need for a further 7 class school immediately adjacent to the Wyndham Park School site.

SSDC approached SCC with a proposal which would allow the provision of a 14 class school on the Up Mudford site on condition that the original school site at Wyndham Park be transferred to SSDC for community use.

The benefits of this proposal would be that the development and ongoing management of a 14 class school will be far cheaper than two 7 class schools and this would also provide a good sized site for the provision of community facilities, a playing field and parking on the original school site.

Details of the proposal

If the Up Mudford development is granted planning consent by Spring 2016 the land for the 14 class school will be included as part of the section 106 agreement for the site.

SCC will transfer the existing 7 class school site on Wyndham Part to SSDC for community use.

If the Up Mudford development fails to gain planning consent by spring 2016, SSDC needs to secure an option on land within the Up Mudford site in order to secure a site suitable for a 7 class room school to enable SCC to transfer the existing Wyndham Park site to SSDC for Community use.

In the event that SSDC is required to secure an Option this would carry a Deferred Payment Period of 3 years from the date of acquisition.

If during this 3 year period the developer of the Up Mudford site gains planning consent, then the land for the 14 class school will be dealt with as part of the Section 106 Agreement and SSDC would no longer need to use its Option.

SCC has submitted a planning application for the 14 class school on the Mudford site construction will not begin until Spring 2016. It is possible that the Up Mudford planning

permission and Section 106 Agreement will be finalised before this deadline and there would be no requirement for SSDC to use its Option.

This proposal, in effect, represents a guarantee to the developer that they will not suffer loss in respect of the provision of the school site, in the event that they fail to secure planning consent for the Up Mudford development. Members are therefore requested to approve recommendation 1 which will allow officer to proceed with obtaining an option for the land required, in the event that the planning consent is not finalised in time to meet SCC's Spring deadline.

Site Access Arrangements

The verge owned by SSDC at Lyde Road will potentially need to be utilised during the construction of the school and for an initial period once the school is in use. The issue of the access road has been subject to the SSDC consultation process with the involvement of the Parish Council who have no objections provided that their memorial bench is relocated, at the Developers cost, and it retains the views over the hills and valley to the east.

Therefore, members are requested to approve the recommendation to allow SCC to build a temporary construction road across the SSDC verge.

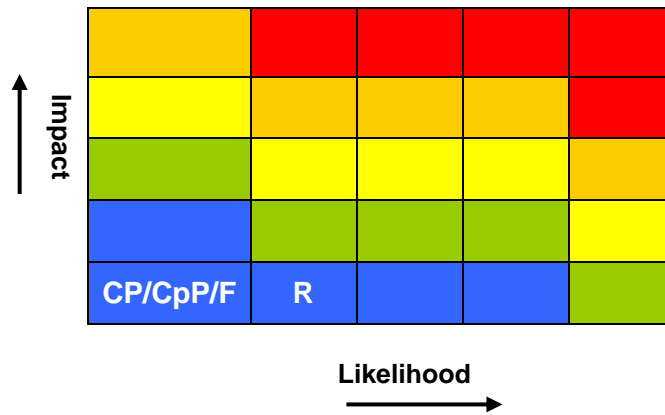
As part of the Up Mudford planning application, this verge would be used to enable access to the school as well as to some residential properties. Any monetary consideration due from this agreement would be off-set against the value of the land needed for the school and the land swap at Wyndham Park between SCC and SSDC.

Once the outcome of the Up Mudford planning application is known, a further report will be taken to members regarding the new access across SSDCs verge at Lyde Road. The financial implication involved in this access agreement would be covered within this report, as well as giving an update on the Community and School negotiations.

Financial Implications

None at this time. Should the S106 not be complete by Spring 2016 then SSDC would have to evoke its Option to Purchase, so the land could be transferred to SCC to make a start on building. An agreement will be reached with the landowner, whereby monies would only be drawn down by the landowner from SSDC if within a period of three years the Up-Mudford scheme had not been approved and thereby resolved as part of the s106. SSDC would be able to demonstrate to SCC that the land had been secured and would initially use the monies set aside to deliver the community facilities at Wyndham Park as the collateral. If the Up-Mudford site is approved, within the prescribed three year period, then SSDC would not be liable for any payment as the s106 would resolve the issue. If the Up-Mudford site was not approved within the three year period, then SSDC would have to relinquish the Wyndham Park Community facility monies to the landowner, but would have still achieved the former Wyndham Park site in return.

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

Corporate Priority Implications

Delivering Well-Managed Cost Effective Services.

- Provide even better value for money from our services

Carbon Emissions and Climate Change Implications

This will be covered in the planning and building specification for the properties, school and community hall

Equality and Diversity Implications

All properties will be built with disabled access and new pathways created to give easy access between the Wyndham Park and Up Mudford developments. Unfortunately, the site is on a hillside and it is not possible to remove all gradients.

Background Papers

District Valuers report
Wyndham Park Community Facilities report

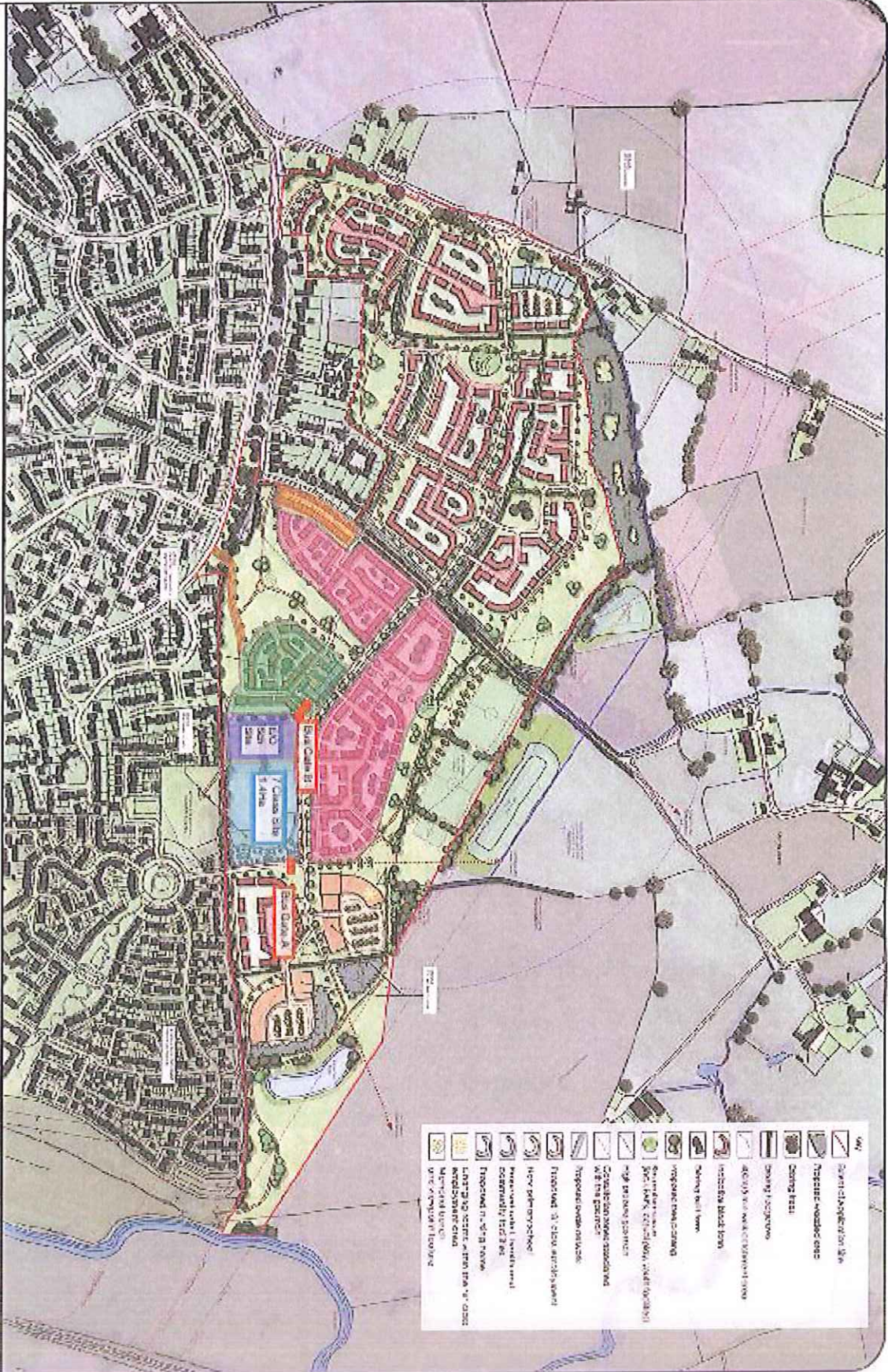


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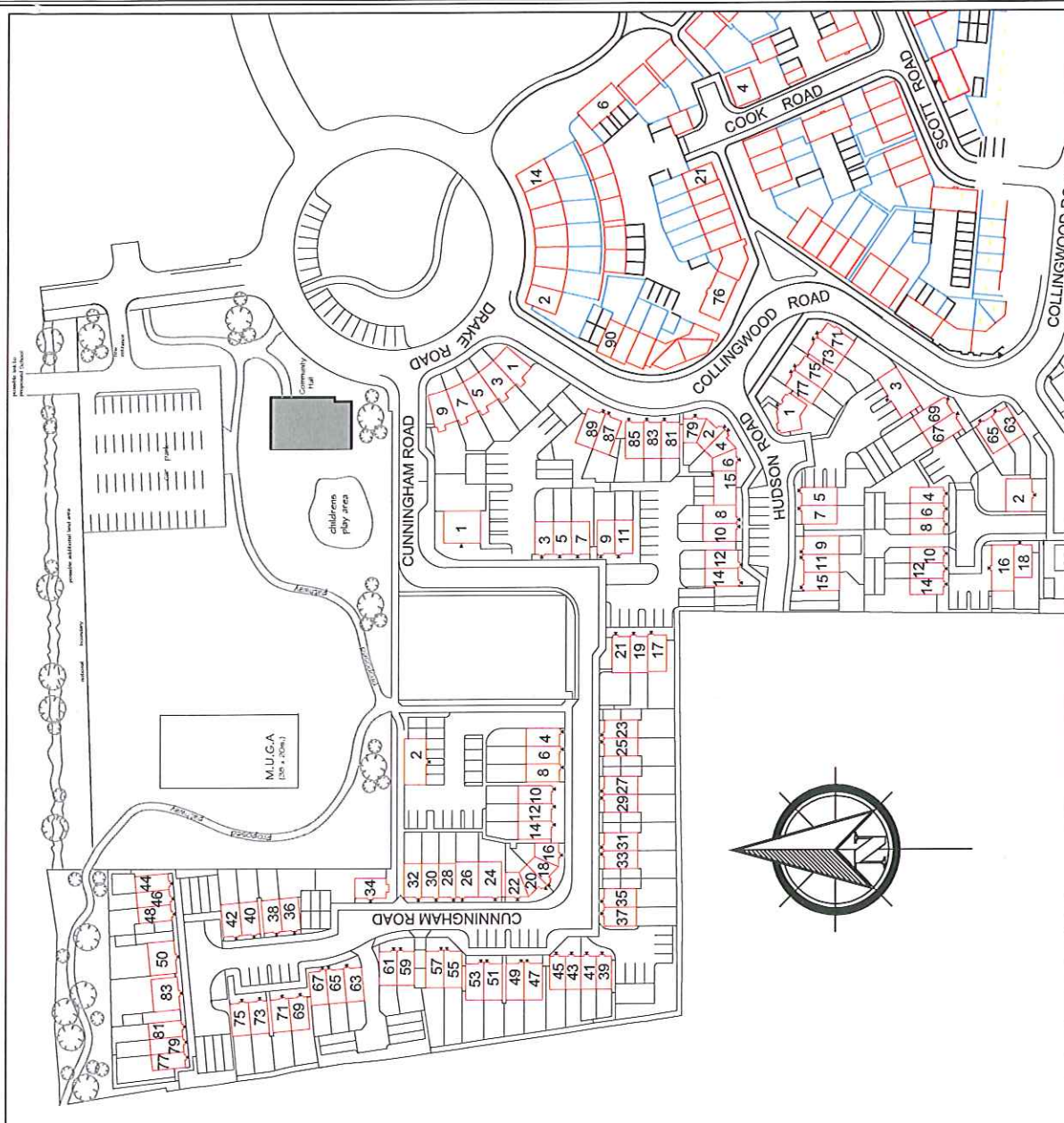
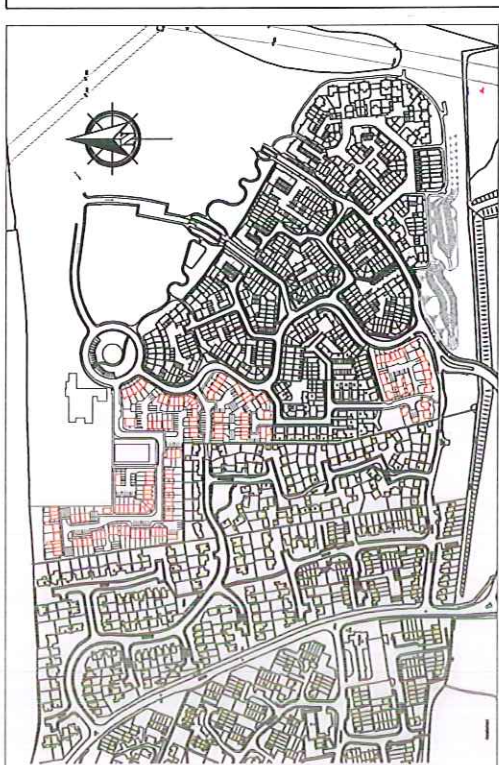
- Extent of Application Site
- Proposed wooded area
- Existing trees
- Existing hedgerows
- 400m/5 min walk catchment area
- Indicative block form
- Existing built form
- Proposed tree planting
- Recreation space (inc. LEAP's, casual play, youth facilities)
- High pressure gas main
- Consultation zones associated with the gas main
- Proposed sewage network
- Proposed 'B' class employment
- New primary school
- Proposed retail, health and community facilities
- Proposed nursing home
- Changing rooms within the 'B' class employment area
- Memorial bench and viewpoint feature

Prepared by: **burroughshawkins**
 Client: **Abbey Manor Group**
 Project: **Upper Mudford Yeovil**
 Drawing: **Illustrative Masterplan**
 Project No: **1616**
 Issue: **2004**
 Date: **21.05.2014**
 Drawn by: **SA**
 Checked by: **CH**
 Scale: **1:2500 @ A1**
 Date: **21.05.2014**
 Website: **www.burroughshawkins.co.uk**

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-  Building footprint
-  Road
-  Path
-  Fence
-  Tree
-  Grass
-  Water feature
-  Parking area
-  Boundary line
-  Boundary line
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-  Boundary line



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South Somerset District Council
 Engineering & Property Services
 Brympton Way, YEDEVIL, Somerset, BA20 2HT
 Tel : 01935 462462

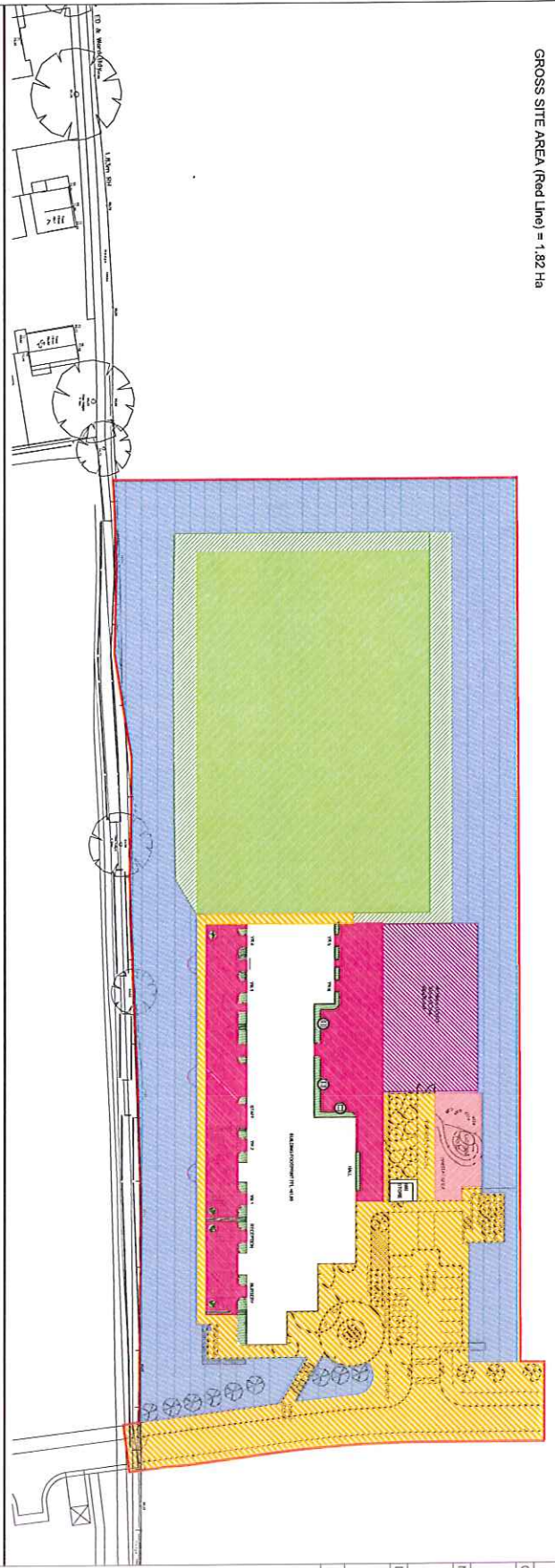
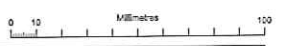
**LAND AT WYNDHAM PARK,
 YEDEVIL, SOMERSET**
 Possible layout for community area



Drawing no.	1296-Sk1
Drawn by	lkte
Scales	Not to scale
Platter scale	Trade Size

7 CLASS/ 1FE (210 Pupils) SCHOOL LAYOUT & BB103 PROVISION

GROSS SITE AREA (Red Line) = 1.82 Ha



DO NOT SCALE

SAFETY, HEALTH AND ENVIRONMENTAL INFORMATION

In addition to the Hazard/Risk normally associated with the types of work detailed on this drawing, note the following:

- CONSTRUCTION
- MAINTENANCE/CLEANING
- DECOMMISSIONING/DEMOLITION

It is assumed that all works will be carried out by a competent contractor working under appropriate, for an approved method statement



DISBURS PROVISIONS FOR PER AND OTHERS FOR SCHOOLS

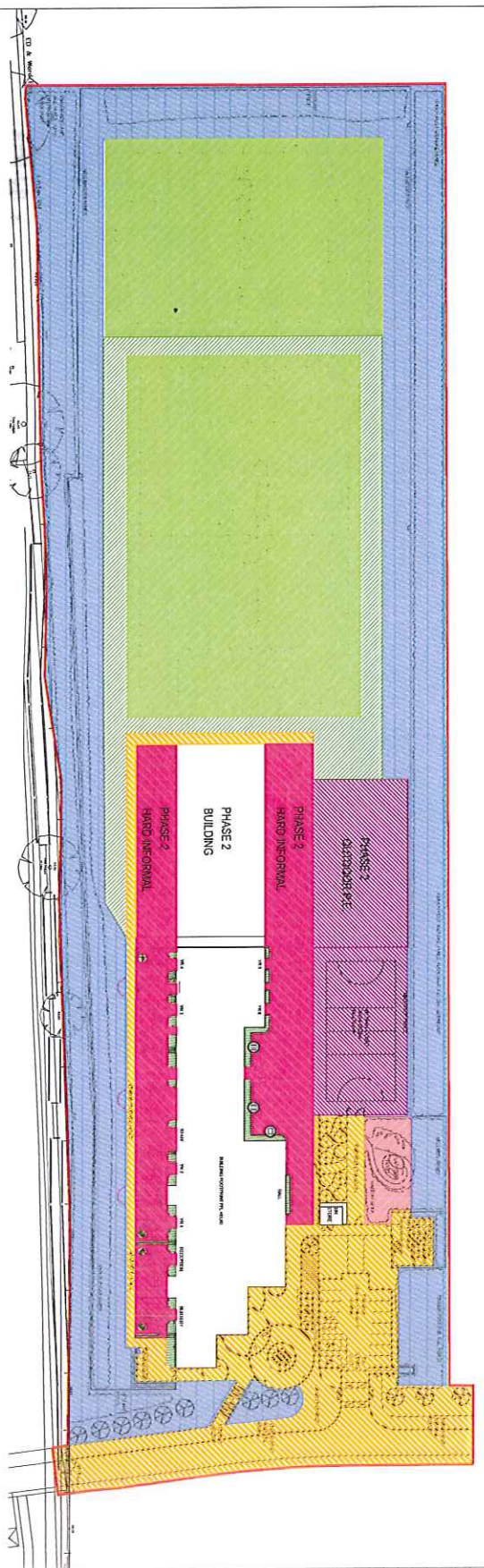
ITEM DESCRIPTION	1 FE	2 FE	3 FE
PER PROVISION	4.80m ²	9.60m ²	14.40m ²
PER PROVISION	4.80m ²	9.60m ²	14.40m ²
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PER PROVISION	4.80m ²	9.60m ²	14.40m ²

PER PROVISIONS

PER PROVISION	PER PROVISION	PER PROVISION
PER PROVISION	PER PROVISION	PER PROVISION
PER PROVISION	PER PROVISION	PER PROVISION

14 CLASS/ 2FE (420 Pupils) SCHOOL LAYOUT & BB103 PROVISION

GROSS SITE AREA (Red Line) = 2.64 Ha



Primeose Hill Primary School

Yeovil, Somerset

OVERALL SITE PLAN & BB103

Item	Description	Quantity	Unit	Contract	Contract	Contract
01	CONSTRUCTION	1	HA	08/21/15	08/27/15	08/27/15
02	CONSTRUCTION	1	HA	08/21/15	08/27/15	08/27/15
03	CONSTRUCTION	1	HA	08/21/15	08/27/15	08/27/15
04	CONSTRUCTION	1	HA	08/21/15	08/27/15	08/27/15
05	CONSTRUCTION	1	HA	08/21/15	08/27/15	08/27/15
06	CONSTRUCTION	1	HA	08/21/15	08/27/15	08/27/15

ATKINS

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 www.atkins.com



Agenda Item 11

Community Right to Bid Quarterly Update Report

Executive Portfolio Holder: Cllr Ric Pallister, Leader of the Council, Strategy and Policy
Strategic Director: Rina Singh, Place & Performance
Assistant Director: Helen Rutter / Kim Close, Communities
Service Manager: Helen Rutter, Communities
Lead Officer: Helen Rutter, Communities
Contact Details: helen.rutter@southsomerset.gov.uk or (01963) 435012

1. Purpose of the Report

The purpose of this report is to inform members of the current status of the register of Assets of Community Value in South Somerset using the Community Right to Bid during quarters one and two of the 2015/16 financial year. It also flags up any issues arising from implementation of this duty.

2. Forward Plan

This item appeared on the executive Forward Plan with a presentation date of 1st October 2015.

3. Public Interest

The Government is trying to provide communities with more opportunities to take control over the ownership and management of local assets. The Community Right to Bid came into effect on 21st September 2012 as part of the Localism Act 2011. It provides opportunities for voluntary and community organisations, as well as Parish Councils, to identify land and buildings which they believe to be important and which benefit their community. If they qualify, these can be placed on a Register of Assets of Community Value. If the asset comes up for sale, then in certain circumstances, an eligible community group can apply to be given time to make a bid to buy it on the open market.

4. Recommendations

That the District Executive note the report.

5. Background

In November 2012, District Executive agreed a process for considering nominations from communities to place assets onto the SSDC Register of Assets of Community Value. This was based on clear criteria set out in the Localism Act. When nominations are received, SSDC has 8 weeks to consider them and respond to the applicant.

The assessment of nominations is delegated to the relevant Area Development Manager in conjunction with the Ward Member(s) and Area Chair. The result of the assessment & decision is presented to the relevant Area Committee for information. A quarterly report is presented to District Executive, also for information. Decisions about any SSDC-owned properties will be brought to District Executive for decision.

Since the regulations came into force, SSDC has considered 23 completed nominations for the Register. All have been approved and placed onto the Register of Assets of Community Value.

6. Nominated Assets

One further asset has been added to the Register during the period covered by this report

- The Smithy Inn, Charlton Musgrove

7. The Picture to Date

At the time of the last quarterly report in July 2015 concerns were expressed by the Executive regarding the effectiveness of this legislation and the disappointment felt by communities unable to secure wanted community assets. A letter was sent to DCLG by the Leader, expressing these concerns and asking if a review of the Community Right to Bid's effectiveness is in hand. A copy of the letter is attached at Appendix 1. A verbal update on any response will be given at the meeting.

- Of the 23 registrations in South Somerset:
 - a) 14 are village pubs/clubs; four former school properties, the remainder mainly open spaces.
 - b) Of the 23 nominations, 18 have come from parish or town councils.
 - c) Two pub/club premises did not get a community expression of interest and now serve an exemption period of 18 months from further nomination leaving the owner free to sell; 3 pubs were sold as going concerns, one club is exempt due to being in hands of receivers.
 - d) One school has been leased by the community and a further school field is under informal negotiation by the community.
 - e) One asset is an area of open land where negotiations are ongoing between a parish and a public agency
- During the period covered by this report the 6 month moratorium for one asset, the Portman Arms, East Chinnock has expired and a further asset (Barrington School) has been nominated for registration by the Parish Council; negotiations are currently taking place with the agents working on behalf of the property owner (Diocese of Bath & Wells) regarding a challenge as to the eligibility of the asset for nomination.
- As of April 6th 2015 the legislation has been amended so that pubs nominated to be included on the Local Authority's list will require planning permission to be demolished or converted to any other use. In effect existing permitted development rights will be removed for pubs listed as ACVs for as long as the pub is on the Local Authority's list. The new regulations can be summarised as follows:-
 - All pubs listed as ACVs (including those already listed) will require planning permission prior to any change of use or demolition. This protection applies from the date of nomination and applies for the duration of the period the asset is listed (usually five years).
 - If the building is nominated, whether at the date of nomination or on a later date, the Local Authority must notify the developer as soon as is reasonably practicable after it is aware of the nomination, and on notification development is not permitted for the specified period.

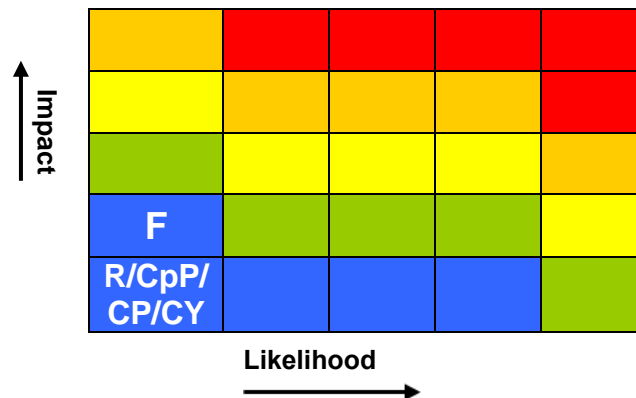
- The Local Authority has 56 days to confirm whether the pub is listed or nominated. This means that the owner cannot change use or demolish a pub lawfully within the prescribed 56 day period.
- A copy of the updated Register of Assets of Community Value is appended to this report.

8. Financial Implications

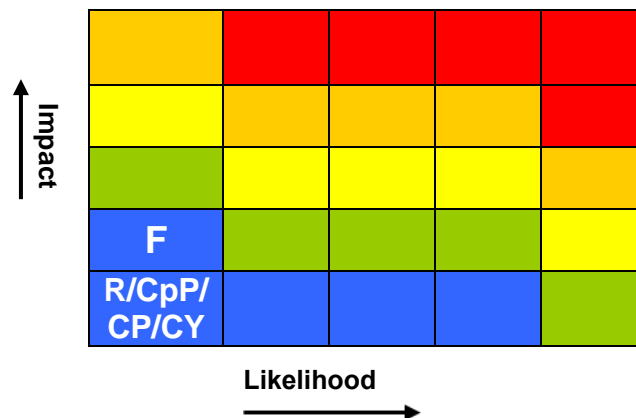
- There are none at this point in time. From 2014/15 onwards any costs must be absorbed into the Revenue Support Grant.
- Property owners who believe they have incurred costs as a result of complying with these procedures can apply for compensation from the Council. SSDC is in the process of designing this compensation scheme. Government recognises this as a potential risk to local authorities and will provide a safety net whereby any verified claims of over £20,000 will be met by Government.

9. Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

Categories	Colours <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

10. Council Plan Implications

Evaluate the overall requirements of the Government's Localism legislation and work with communities to develop plans for their community.

11. Carbon Emissions and Climate Change Implications

None in relation to this report.

12. Equality and Diversity Implications

None in relation to this report.

13. Privacy Impact Assessment

None in relation to this report.

14. Background Papers

- Localism Act 2011
- District Executive Agenda and Minutes November 2012;
- Assets of Community Value (England) Regulations 2012 Statutory Instruments 2012 n.2421;
- District Executive Agenda and Minutes August 2013; December 2013; September 2014; December 2014; March 2015; July 2015
- Nomination Forms received.

**South Somerset District Council
Register of Assets of Community Value**



Reference	Nominator (name of group)	Name, address and postcode of property	Date entered on register	Current use of property/land	Proposed use of property/land	Date agreed by District Executive or date of Area Committee decision	Date SSDC received notification of intention to sell	Date of end of initial moratorium period (auto-fill ie.6 weeks after date of notification to sell is received)	Number of Expressions of Interest received	Date of end of full moratorium period (auto-fill ie.6 months after date of notification to sell is received)	Number of written intentions to bid received	Date for Review	Reason for review	Date to be removed from register (auto-fill ie. 5 years after listing)
ACV1	Kingsdon Parish Council	Kingsdon Primary School School Lane Kingsdon Somerton Somerset TA11 7JX	05/04/2013	Unoccupied	Community café & multi-functional community facility	04/04/2013								05/04/2018
ACV2	Kingsdon Parish Council	Former Kingsdon Primary School playing field Mow Barton Road Kingsdon Somerton Somerset TA11 7JX	05/04/2013	Closed but used by residents for informal sports	Village consultation underway	04/04/2013	Now in the ownership of the Parish Council						05/04/2018	
ACV3	Barrington Parish Council	Barrington Oak Public House Main Street Barrington Ilminster Somerset TA19 9JB	10/05/2013	Licensed public house	Licensed public house	09/05/2013	Current disposal of property is exempt as it is being sold as a going concern						10/05/2018	
ACV4	Langport Town Council	Cockle Moor Off Parrett Close Bow Street Langport Somerset TA10 9PR	05/07/2013	Recreational space	Recreational space	04/07/2013	Town Council in active discussions with the Environment Agency to acquire the site						05/07/2018	
ACV5	Compton Dundon Parish Council	Former School Playing Field School Lane Compton Dundon Somerton Somerset TA11 6TE	01/08/2013	Not used	Community Allotments	01/08/2013								01/08/2018
ACV6	Dinnington Parish Council	The Dinnington Docks Dinnington Hinton St George Somerset TA17 8SX	21/08/2013	Public House	Not known - would like it to remain as village pub	21/08/2013								21/08/2018
ACV7	Montacute Parish Council	Montacute Working Mens Club & Associated Land The Hall Bishopston Montacute Somerset TA15 6UU	04/11/2013	Working Mens Club	Village Hall	04/11/2013	Moratorium period ceased on 03/05/2014 with no community interest. Asset is now protected from further nomination for the next 18 months.						04/11/2018	
ACV8	Combe St Nicholas Parish Council	Combe Wood Recreation Field Combe Wood Lane Combe St Nicholas Somerset TA20 3NJ	05/04/2014	Community Recreation Area	Community Recreational Area	05/04/2014								05/04/2019
ACV9	Queen Camel Community Land Trust	Mildmay Arms High Street Queen Camel Yeovil Somerset BA22 7NJ	28/05/2014	Public House	Public House	28/05/2014								28/05/2019
ACV10	Castle Cary Town Council	Castle Cary Constitutional Club Station Road Castle Cary Somerset BA7 7BY	13/06/2014	Constitutional Club	Private Club/Function House	13/06/2014	Current disposal of property is exempt (under exemption clauses P & Q of Part 5 Chapter 3 of the Localism Act 2011). The appeal against the listing had been dismissed by SSDC, but awaiting advice as to whether this elevates to First tier tribunal.				05/08/2014	Requested by Receiver	13/06/2019	

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**South Somerset District Council
Register of Assets of Community Value**



Reference	Nominator (name of group)	Name, address and postcode of property	Date entered on register	Current use of property/land	Proposed use of property/land	Date agreed by District Executive or date of Area Committee decision	Date SSDC received notification of intention to sell	Date of end of initial moratorium period (auto-fill ie.6 weeks after date of notification to sell is received)	Number of Expressions of Interest received	Date of end of full moratorium period (auto-fill ie.6 months after date of notification to sell is received)	Number of written intentions to bid received	Date for Review	Reason for review	Date to be removed from register (auto-fill ie. 5 years after listing)
ACV11	Ash Parish Council	The Bell Public House 3 Main Street Ash Somerset TA12 6NS	11/07/2014	Public House	Public House with other community facilities	11/07/2014								11/07/2019
ACV12	Drayton Parish Council	Drayton Arms Church Street Drayton Langport TA10 0JY	25/07/2014	Public House	Public House in community ownership	25/07/2014	Property is protected against further nomination or moratorium triggers as the moratorium period lapsed but the community's bid was unsuccessful. At this time the property remains on the ACV register.						25/07/2019	
ACV13	Ilminster Town Council	Land known as the Hammerhead Access to Britrens Field & Wharf Lane Recreation Grounds Canal Way Ilminster Somerset TA19 0EB	16/07/2014	Access to recreation area	Access to recreation area	16/07/2014	Ilminster Town Council currently in private negotiations with the landowner						16/07/2019	
ACV14	Save our Kings Head.org	The Kings Head Church Street Merriott Somerset TA16 5PR	06/08/2014	Public House	Public House in community ownership	06/08/2014	Moratorium period ceased on 29/09/2014 with no community interest. Asset is now protected from further nomination for the next 18 months.						06/08/2019	
ACV15	Hinton St George Parish Council	Parking Area Green Street/Hinton Close Hinton St George Somerset TA17 8SQ	28/11/2014	Car park	Car park	28/11/2014								28/11/2019
ACV16	Hinton St George Parish Council	Lord Poulett Arms High Street Hinton St George Somerset TA17 8SE	28/11/2014	Public House	To be determined but ideally a public house	28/11/2014								28/11/2019
ACV17	Hinton St George Parish Council	School House & Playing Fields West Street Hinton St George Somerset TA17 8SA	28/11/2014	School & Playing Field	To be determined but ideally a school & playing field	28/11/2014								28/11/2019
ACV18	Streetspace South Somerset	Chard Young People's Centre Essex Close Chard Somerset TA20 1RH	28/01/2015	Youth & Community Club	Youth Club	28/01/2015								28/01/2020
ACV19	North Cadbury & Yarlington Parish Council	The Catash Inn High Street North Cadbury Yeovil Somerset BA22 7DH	04/02/2015	Public House and Bed & Breakfast	Public House	04/02/2015								04/02/2020
ACV20	East Chinnock Parish Council	The Portman Arms High Street East Chinnock Yeovil Somerset BA22 9DP	26/02/2015	Public House	Public House	26/02/2015	Community bid deemed unacceptable by owner, proceeding with another purchaser. Property protected for 18 months as a result of the conclusion of the moratorium.						26/02/2020	
ACV21	Yeovil Dragons Community Association	The Green Dragon St Michaels Avenue Yeovil Somerset BA21 4LX	25/03/2015	Public House	Public House	25/03/2015								25/03/2020

**South Somerset District Council
Register of Assets of Community Value**



Reference	Nominator (name of group)	Name, address and postcode of property	Date entered on register	Current use of property/land	Proposed use of property/land	Date agreed by District Executive or date of Area Committee decision	Date SSSC received notification of intention to sell	Date of end of initial moratorium period (auto-fill ie.6 weeks after date of notification to sell is received)	Number of Expressions of Interest received	Date of end of full moratorium period (auto-fill ie.6 months after date of notification to sell is received)	Number of written intentions to bid received	Date for Review	Reason for review	Date to be removed from register (auto-fill ie. 5 years after listing)
ACV22	Gainsborough Community Interest Group	The Gainsborough Arms 74 Gainsborough Milborne Port Dorset DT9 5BB	27/03/2015	Public House	Public House	27/03/2015								27/03/2020
ACV23	Charlton Musgrove Parish Council	The Smithy Inn Charlton Musgrove Wincanton Somerset BA9 8HG	08/06/2015	Public House	Public House	08/06/2015								08/06/2020
ACV24	Barrington Parish Council	Barrington Primary School Water Street Barrington Ilminster Somerset TA19 0JR	09/09/2015	School	Education & social opportunities	09/09/2015								09/09/2020
ACV25	Barrington Parish Council	Barrington Primary School Playing Field Water Street Barrington Ilminster Somerset TA19 0JR	09/09/2015	School playing field	Community play space	09/09/2015								09/09/2020



South Somerset District Council

The Council Offices, Brympton Way, Yeovil, Somerset, BA20 2HT
Telephone: (01935) 462462 Fax: (01935) 462188
Website: www.southsomerset.gov.uk

Ric Pallister OBE *Leader of Council*
District Councillor for Parrett Ward
Office Tel No: (01935) 462102 Mobile: 07708 466722

The Rt Hon Greg Clark MP
Secretary of State for Communities and Local
Government
2 Marsham Street
LONDON
SW1P 4DF

Date : 17 August 2015
Your Ref :
Our Ref : rp.sn
Ask for : Ric Pallister
Direct Line : 01935 462102
email : ric.pallister@southsomerset.gov.uk

Dear Mr Clark

Localism Act – Community Right to Bid

Since this provision went live in 2012 SSDC have established a Register of Assets of Community Value and we review this on a quarterly basis to see the issues and trends that have arisen from this particular Community Right.

In recent times we have seen a lot of Registrations of public houses and similar institutions. This stems from community concern about the potential loss of these important local facilities. These are of course properties in private or Brewery ownership, with a trend towards closure and conversion to residential or other uses. We welcome the new regulation, April 2015 which remove permitted development rights from pubs on the Register to offer additional protection for these assets.

A number of communities have found it difficult and frustrating to hold meaningful discussions about community property acquisition with owners and agents when these are put onto the market. In some instances work has gone into developing a strong community business case and finance, but ultimately the community option has been unsuccessful. The pub chains and proprietors haven't really embraced the spirit of this legislation. We appreciate that this is a "Community Right to Bid" not a "Community Right to Buy", as enshrined in the legislation. The lack of teeth for the community ie no first right of refusal on the property concerned, seems to us to be a weakness in the legislation.

My Executive has concerns about the costs and benefits of this Right which currently appears not to be achieving the outcomes that the Government had intended. May we ask if there are any plans to assess its impact nationally including whether it has delivered its intended benefits? If this has taken place already, can we also ask if there are any plans to afford communities greater influence under this Right?

Yours sincerely

Ric Pallister
Leader of Council

If you need this information in large print, Braille, audio or another language, please contact me at the above address

Agenda Item 12

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 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.

SSDC Executive Forward Plan

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
November 2015	Investment in Market Housing	Portfolio Holder for Strategy and Policy	Strategic Director (Place & Performance)	Colin McDonald, Corporate Strategic Housing Manager	District Executive
November 2015	Update of the SSDC Statement of Community Involvement	Portfolio Holder for Strategic Planning (Place Making)	Assistant Director (Economy)	Jo Wilkins, Policy Planner	District Executive
November 2015	Adoption of a Revised Private Sector Housing Strategy	Portfolio Holder for Strategy and Policy	Assistant Director (Economy)	Alasdair Bell, Environmental Health Manager	District Executive
November 2015					South Somerset District Council
November 2015	Adoption of the Revised County Wide Tenancy Strategy	Portfolio Holder for Strategy and Policy	Assistant Director (Economy)	Colin McDonald, Corporate Strategic Housing Manager	District Executive
November 2015					South Somerset District Council
November 2015	Capital & Revenue Budget Monitoring 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
November 2015	Loan to Castle Cary Town Council	Portfolio Holder for Finance and Legal Services	Assistant Director (Finance and Corporate Services)	Donna Parham, Assistant Director (Finance & Corporate Services)	District Executive

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
November 2015	Yeovil Crematorium Update Report	Chairman of Area South Committee	Assistant Director (Environment)	Alasdair Bell, Environmental Health Manager	District Executive
November 2015 December 2015	Report of Licensing Fees Task and Finish Group	Portfolio Holder for Area South	Strategic Director (Operations & Customer Focus)	Nigel Marston, Licensing Manager	District Executive South Somerset District Council
December 2015 February 2016	Proposed Capital Schemes for 2016/17	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
January 2016	Update on Medium Term Financial Plan and Capital Programme	Portfolio Holder for Finance and Legal Services	Assistant Director (Finance and Corporate Services)	Donna Parham, Assistant Director (Finance & Corporate Services)	District Executive
January 2016	Community Right to Bid – Quarterly Update	Portfolio Holder for Strategic Planning (Place Making)	Assistant Director (Communities)	Helen Rutter, Assistant Director (Communities)	District Executive
February 2016 February 2016	Budget for 2016/17 and Capital Programme	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

Date of Decision	Decision	Portfolio	Service Director	Contact	Committee(s)
February 2016	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
April 2016	Community Right to Bid – Quarterly Update	Portfolio Holder for Strategic Planning (Place Making)	Assistant Director (Communities)	Helen Rutter, Assistant Director (Communities)	District Executive

APPENDIX B - Current Consultations – October 2015

Purpose of Document	Portfolio	Director	Response to be agreed by	Contact	Deadline for response
<p>Consultation on a review of the Feed-in Tariffs scheme</p> <p>This consultation proposes a set of measures to control costs under the Feed-in Tariff, including revised tariffs based on updated technology cost data, a more stringent degression mechanism and deployment caps leading to the phased closure of the scheme in 2018-19. It proposes that if such measures cannot put the scheme on an affordable and sustainable footing then there should be an end to generation tariffs for new applicants as soon as legislatively possible, which we would expect to be January 2016. It also proposes other measures to ensure the scheme is more closely aligned with other DECC policy.</p> <p>https://econsultation.decc.gov.uk/office-for-renewable-energy-deployment-ored/fit-review-2015</p>	Property and Climate Change	Assistant Director (Environment)	Portfolio Holder in consultation with officers	Keith Wheaton Green	23 rd October 2015
<p>The decapitalisation rates for the 2017 business rates revaluation</p> <p>A technical discussion paper on the rates to be adopted in England for properties assessed on the contractor's basis of valuation. The next revaluation for business rates takes effect from 1 April 2017. Rateable values will be updated by the Valuation Office Agency using market rental values at 1 April 2015. But for some properties where rents do not exist they will use the "contractor's basis" of valuation.</p>	Finance and Legal Services	Assistant Director (Finance and Corporate Services)	Portfolio Holder in consultation with officers	Ian Potter / Donna Parham	9 th November 2015

Purpose of Document	Portfolio	Director	Response to be agreed by	Contact	Deadline for response
<p>This technical discussion paper seeks views on setting the decapitalisation rates to be adopted when properties are valued using the contractor's basis of valuation for the 2017 revaluation in England.</p> <p>https://www.gov.uk/government/consultations/the-decapitalisation-rates-for-the-2017-business-rates-revaluation</p>					

Agenda Item 13

Date of Next Meeting

Members are asked to note that the next scheduled meeting of the District Executive will take place on **Thursday, 5th November 2015** in the Council Chamber, Council Offices, Brympton Way, Yeovil commencing at 9.30 a.m.