

EXECUTIVE

YOU ARE REQUESTED TO ATTEND A MEETING OF THE EXECUTIVE TO BE HELD IN PRINCIPAL COMMITTEE ROOM, THE DEANE HOUSE, BELVEDERE ROAD, TAUNTON ON WEDNESDAY 11TH JANUARY 2006 AT 18:15.

AGENDA

1. Apologies
2. Public Question Time
3. Minutes
4. Treasury Management Update
Report of Financial Services Manager (enclosed)
5. Replacement Printer
Report of Corporate Support Services Manager (enclosed)
6. Housing Stock Transfer Consultation
Report of Housing Transfer Consultation Manager (enclosed)
7. Housing Needs Report
Report of Acting Head of Housing (enclosed)
8. Security System Replacement, Deane House
Report of Property Services Manager (enclosed)

G P DYKE
Member Services Manager

The Deane House
Belvedere Road
TAUNTON
Somerset

TA1 1HE

04 January 2006

Executive Members:-

Councillor Bishop

Councillor Mrs Bradley

Councillor Edwards

Councillor Garner

Councillor Hall

Councillor Leighton

Councillor Mrs Lewin-Harris - Deputy Leader

Councillor Williams - Leader



Members of the public are welcome to attend the meeting and listen to the discussion. Lift access to the main committee room on the first floor of the building is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available. There is a time set aside at the beginning of the meeting to allow the public to ask questions



An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact Greg Dyke on:



Tel: 01823 356410
Fax: 01823 356329
E-Mail: g.dyke@tauntondeane.gov.uk

Website: www.tauntondeane.gov.uk (Council, Executive, Review Board & Review Panel Agenda, Reports and Minutes are available on the Website)

Executive – 7 December 2005

Present: Councillor Williams (Chairman)
Councillors Bishop, Mrs Bradley, Cavill, Garner, Hall, Leighton and Mrs Lewin-Harris

Officers: Mrs P James (Chief Executive), Ms S Adam (Strategic Director), Ms J Wishlade (Strategic Director), Mr P Weaver (Head of Health and Leisure), Mr M Western (Head of Housing), Mr C Brazier (Housing Transfer Consultation Manager), Mr S Hughes (Sports Services Manager), Mrs K Hughes (Leisure Development Manager), Mrs E Collacott (Principal Accountant), Mr J Barraah (Chief Environmental Health Officer), Mr D Thompson (Chief Valuer) and Mr G P Dyke (Member Services Manager)

Also Present: Councillors Coles, House, Paul, Prior-Sankey, Stuart-Thorn and Mrs Whitmarsh.

(The meeting commenced at 6.15 pm.)

110. Apologies

Councillor Edwards

111. Minutes

The minutes of the meeting held on 16 November 2005 were taken as read and were signed.

112. Public Question Time

Mr Geoff Thomas, Press Officer, Taunton Bowls Club drew attention to the activities of the Bowls Club and emphasised that it was an integral part of Vivary Park. He referred to the proposed changes in the management of Vivary Park and the adverse effect they would have on the Club. The proposals, particularly those relating to car parking charges, would impose an increased financial burden on members. He asked that Councillors look at the proposals again and find some way of helping the Club's members.

Councillor Williams explained why discounted car parking charges had originally been offered. It was not to provide cheaper parking but to ensure that the amount paid remained the same as in the town. Car parking charges at Fons George had been artificially inflated to deter general parking and the Council had offered a rebate to reduce it to the standard level. He explained the wider responsibility the Council had to the taxpayer and acknowledged that he was conscious of the effects of price rises on Club members and older citizens. Vivary Park had to be paid for, this was a balancing exercise and every effort had been made to mitigate its effects. Mr Thomas' views would

be taken into consideration when this matter was considered later in the meeting.

113. Housing Stock Transfer Consultation - Financial Update

Reported that the project update, submitted to the Executive on 16 November 2005 (Minute 109/205 refers) briefed members on the progress generally and shared the latest information on the warranted stock condition survey.

A report was now submitted which picked up on that work and provided an update on the financial issues on the project taking into account:

- the results of the stock condition survey; and
- the latest budget position of the Council.

The final report to the Executive in July 2004, on the Stock Options appraisal outlined the expected financial position on Housing Stock Transfer. Pricewaterhouse Coopers (lead advisors on this project) had now updated this financial position to reflect the impact of the stock condition survey and the latest position of the Council's housing budgets. Their full report was submitted.

Whilst the update, together with the detail, set out in Pricewaterhouse Coopers' report provided the current financial position on this project, it was noted that further reports would be presented at regular intervals as the project progressed. These would set out clearly the financial implications of key decisions as they were taken.

RESOLVED that the updated financial position on this project be noted.

114. Vivary Park Management Proposals

Reported that the Health and Leisure Review Panel had monitored a review of the management of Vivary Park and considered a number of proposals designed to improve the service. The Panel had recommended that its proposals be agreed.

The review included a reassessment of how the budget for Vivary Park was used and of the potential of the site to generate additional income. The proposals arising from the review would redeploy resources to create a management resource to coordinate the management of the park, generate income in future years, provide a reassuring staff presence at times of maximum usage and ensure that everyone complied with the rules of using public space. The result would be an improved service to the public, an improving infrastructure and future decrease in the cost of the park to the Council.

A need to address management issues in Vivary Park had been identified to ensure that it remained affordable to maintain it to its current high standard

and to address concerns about antisocial behaviour which had prompted calls for a staff presence in this important open space.

It was a condition of the Heritage Lottery Fund Grant that a draft budget for maintaining the park over the next ten years be assembled. This exercise made it apparent that the cost of managing Vivary Park would need an increasing amount of subsidy from a reducing Parks Service budget. Details were submitted of the current and future financial position of the park, together with proposals for monitoring the budget.

When the review of management arrangements in Vivary Park was undertaken, it considered the outcome of the 2003 public consultation about the park's service, together with the range of service managers responsible for various aspects of the park, the conditions and arrangements that existed with the tenants, the potential for income generation and the recently adopted ten year management plan for Vivary Park. A number of issues had been identified in the review, including how to address fears of personal safety and inappropriate behaviour, the need to generate income, the lack of enforcement of lease conditions and the need for a coordinated approach to managing the park. Details were submitted of the proposals recommended from the review together with the recommendations of the Housing and Leisure Review Panel and the detailed proposal for setting up a trading account for Vivary Park. The report also covered in detail, the possible appointment of a new site manager, new parking arrangements and charges, new and improved facilities for park users and more extensive events and activities to take place.

RESOLVED that the following proposals be implemented with effect from 1 April 2006:

1. The setting up of a trading account.
2. The appointment of a new site manager (to be limited to a 12 month temporary contract and then reviewed further).
3. The designation of the Fons George car park as a "shopper 2" car park.
4. Vivary Golf Course users only to be able to claim a refund on six hour car park tickets.
5. The withdrawal on a four year phased basis of refunds for Vivary Golf Course users.
6. The withdrawal on a four year phased basis of free car park passes for Golf Club staff/volunteers.
7. Immediate withdrawal of the refunds to users of the Bowls Club.

8. Immediate withdrawal of the free car park passes for Bowls Club staff/volunteers.
9. The extension of parking regulations to cover the area at Wilton Lands.
10. The reduced use of Wilton Lands for parking by the two clubs to a maximum of eight occasions a year and the introduction of a charge.
11. Efforts to reconfigure ground maintenance schedules to release time for gardeners to interact with the public.
12. Changes to vehicle access to the park.
13. New and improved facilities for park users (toilets, mini golf, changing for golfers, café, play areas, young people's kickabout area).
14. A more extensive events and activities programme and better control of third parties hiring the park.
15. The provision of additional car parking spaces in Fons George.
16. The introduction of pay and display on Ash Meadows.
17. The monitoring of the success of the proposals by the Health and Leisure Review Panel.

(Councillor Paul declared a personal and prejudicial interest in this matter and left the meeting during its consideration.)

115. Savings Delivery Plans 2006/07

Reported that as part of the budget process for 2006/07, the various Heads of Service had produced savings delivery plans which, if accepted, would enable the forecast budget gap (based on a forecast Council Tax increase of 4.5%) to be closed to within £50k. The Review Board had considered the savings delivery plans at its meeting on 24 November 2005 and made no formal suggestions for amendments.

Details were submitted of the latest budget gap of £0.70 m together with the main reasons for a decrease since it was last reported. The summary of targets and proposed savings for 2006/07 was submitted. The detailed delivery plans were also submitted as an appendix to the report. Although no formal suggestions for amendments had been received from the Review Board, details of the comments it made were submitted.

It was important that the Authority ensured that it was able to deliver a sustainable budget which did not rely on the use of reserves to fund ongoing expenditure. The savings delivery plans went a long way to closing the gap. Further consideration was actively being given to ways of closing the reported gap of £50,000.

RESOLVED that:

1. The updated budget gap for 2006/07 be noted.
2. The change in operational procedures at Castle Green public conveniences and the removal of the attended service be agreed.
3. The proposals outlined in the savings delivery plans, be agreed and included in the draft 2006/07 budget.

116. Litter Control in Taunton Deane

Submitted report, previously circulated, which considered the legislative powers that were now available to allow local authorities to deal with litter. The report also advised on progress with the partnership between Taunton Deane Borough Council and Avon and Somerset Police on the use of Fixed Penalty Notices for the offence of dropping litter.

Litter was of increasing public concern with the cost of collection and disposal rising significantly. Recent legislative developments had sharpened the powers available for local authorities to deal with those who dropped litter. This has resulted locally in a new agreement for Police Community Support Officers to issue Fixed Penalty Notices for persons they witnessed dropping litter in the Borough. This was a fresh initiative designed to deter persons from littering in the Borough, that would hopefully result in an improved local environment.

The report gave details of Fixed Penalty Notices for dropping litter, the progress of the partnership with Avon and Somerset Police and the action to be taken by the Council if the new powers were to be implemented.

RESOLVED that the partnership scheme between this Council and Avon and Somerset Police be implemented and that:

1. A Litter Control Strategy be developed to complement the use of enforcement measures such as Fixed Penalty Notices.
2. The Council act under Part IV of the Environmental Protection Act 1990 as amended, and when appropriate to use the powers identified in the report.
3. A zero tolerance policy be adopted for the issue of Fixed Penalty Notices following the proposed introductory period.
4. The level of Fixed Penalty for dropping litter be £75.
5. An early payment incentive be provided for litter Fixed Penalty Notices where a reduced fee of £40 will be payable where payments were made within seven days.

6. The net money realised from this scheme be transferred to the street cleansing service following subtraction of the Council's administrative expenses.
7. A three month introductory period for the issue of Fixed Penalty Notices where persons witnessed dropping litter would receive a warning and be invited to pick the litter up, during this period extensive promotional work will be undertaken to make the public aware that after a certain date Fixed Penalty Notices will be issued for any person witnessed dropping litter.
8. The project be reviewed following six months of the start date.

117. Somerset Waste Partnership - Contract Integration

Further to Minute 3/2005 when the Council agreed to take part in the development of a contract integration for Waste Collection Services, submitted report which set out details of the draft vision and constitution principles for the Somerset Waste Board. The joint contracts were due to start on 1 June 2007 and in order for this date to be delivered agreement needed to be made now by all partner authorities.

Details were submitted of the Somerset Waste Board vision, together with its constitutional principles. It was acknowledged that neither the vision nor the constitution principles set anything in stone but they did take a significant step towards the agreement of a final constitution for the Somerset Waste Board. It was important that they were adopted by all the partner authorities at this stage to allow the development of the final agreement to take place within a clear framework and to allow the partnership to articulate the project to staff and the public.

RESOLVED that:

1. The report be noted together with the progress made to date on implementing the Somerset Waste Board.
2. The Somerset Waste Board vision and constitutional principles, as set out in the report be agreed.

118. Fees and Charges 2006/07

Consideration was given to the proposed fees and charges for 2006/07 for Land Charges, Cemeteries and Crematorium and Licensing. Details were submitted on the proposed charges for each of the above services. For the Land Charges Service, no increase in the basic search fee was proposed. For the Cemeteries and Crematorium an estimated £132,000 would be generated by the proposed charges. A summary of the Licensing fees and charges was submitted with the exception of the Licensing Act 2003 fees, as these were set by statute and were currently under review centrally. In

general terms, Licensing fees must be seen to be reasonable and could only be used to pay for the costs incurred by a Local Authority in determining the relevant License.

For those Licensing fees where there was local flexibility to set an appropriate amount, fees would be increased by approximately 10%. Income from Licensing was expected to raise £150,00 in 2006/07, which was lower than the current year as each License was not necessarily renewed annually. The Review Board at its meeting on 1 December 2005 had considered the proposed fees and charges and details of its comments were submitted.

RESOLVED that Council be recommended that the fees and charges for 2006/07 in respect of Land Charges, Cemeteries and Crematorium and Licensing be agreed.

119. Council Tax Base 2006/07

Reported that the Council Tax Base, which was calculated annually, had to be set between 1 December and 31 January each year.

The Council Tax Base was the Band D equivalent of the properties included in the Valuation Officers Banding List as at 30 November 2005 as adjusted for voids, appeals, new properties etc and the provision for non-collection.

The Band D equivalent was arrived at by taking the laid down proportion of each band as compared to Band D and aggregating the total. The approved base had to be notified to the County Council, the Police Authority and to each of the parishes.

Adjustments had also been included for new dwellings and for initial void exemptions for empty properties. The Council Tax Base for 2005/06 was 39,010.22 and the recommended base for 2006/07 of 39,358.90 represented an increase of 348.68 or 0.89%.

RESOLVED that:

- (i) The report of the Financial Services Manager, for the calculation of the Council Tax Base for the whole and parts of the area 2006/07 be agreed.
- (ii) Pursuant to the Financial Services Manager's report, and in accordance with the Local Authority (Calculation of Tax Base) Regulations 1992, the amount calculated by Taunton Deane Borough Council, as its Tax Base for the whole area, for the year 2006/07 shall be 39,358.90 and for the parts of the area listed below shall for 2006/07 be:

Ash Priors	71.85
Ashbrittle	89.30
Bathealton	82.42

Bishops Hull	1,068.44
Bishops Lydeard/Cothelstone	1,914.26
Bradford on Tone	276.07
Burrowbridge	199.58
Cheddon Fitzpaine	635.09
Chipstable	117.71
Churchstanton	307.09
Combe Florey	120.30
Comeytrowe	2,073.08
Corfe	131.85
Creech St Michael	935.78
Durstun	58.53
Fitzhead	123.83
Halse	143.16
Hatch Beauchamp	251.30
Kingston St Mary	451.55
Langford Budville	213.25
Lydeard St Lawrence/Tolland	196.08
Milverton	585.69
Neroche	242.82
North Curry	707.64
Norton Fitzwarren	689.40
Nynehead	151.51
Oake	325.22
Otterford	162.43
Pitminster	447.92
Ruishton/Thornfalcon	614.37
Sampford Arundel	129.59
Staplegrove	706.51
Stawley	116.52
Stoke St Gregory	381.55
Stoke St Mary	201.61
Taunton	15,726.14
Trull	990.12
Wellington	4,509.64
Wellington (Without)	292.29
West Bagborough	157.62
West Buckland	405.49
West Hatch	139.97
West Monkton	1,095.98
Wiveliscombe	1,118.34
Total	39,358.90

120. Big Lottery Fund Application

Reported that the Big Lottery Fund had recently announced a new funding stream called Living Landmarks. The fund was available nationally on a one-off basis for major capital projects. The Big Lottery had made it clear that they were interested in innovative and exciting concepts at this stage. Those

projects that succeeded in the first assessment would then be granted funding for detailed development of the project. This would then go through a final assessment before the final projects were chosen for implementation.

Match funding of at least 25% of the total project costs was required. This was seen as a real opportunity to access funding for large scale projects which had wide ranging support and which would make a real difference to the communities in which they would exist. It was suggested that an application be made for a project that focused on the canal and river corridor between Bridgwater and Wellington with Taunton as the central hub. An outline of the project was submitted together with the links it would make to the Vision for Taunton, the proposed partners and the cost and timescale.

RESOLVED that Taunton Deane become a partner in this project and its application for Big Lottery Funding.

121. Firepool Development Options

Following the meeting of the Vision Steering Group held on 29 November 2005, submitted report which gave details of the preparation of the livestock market site for development so that by this time next year the Council would be in a position to programme the submission of a planning application and all other site preparation works to enable a start on site in the second or third quarter of 2007.

Various options for procuring development on the site had been considered and the recommendation of the Vision Steering Group was submitted.

RESOLVED that it be agreed in principle that the Council advertise the opportunity in the market and select a development partner for the whole site. The freehold interest in the sites to be sold would be subject to building agreements. It was acknowledged that further work would need to be undertaken on this matter, and detailed terms for the proposed sales would need to be submitted and considered before any final agreement was given. In this connection, the sale proposals would be agreed following appropriate professional valuation advice to the Council at the appropriate time, to ensure that any requirement of S 123 of the Local Government Act 1972 were complied with. Suitable consultants for this purpose will be appointed in due course.

122. Exclusion of Press and Public

RESOLVED that the press and public be excluded from the meeting for the item numbered 14 on the Agenda because of the likelihood that exempt information would otherwise be disclosed relating to Clause 9 of Schedule 12(a) of the Local Government Act 1972.

123. Vision for Taunton - Vision Steering Group Meeting 29 November 2005

Following a meeting of the Taunton Vision Steering Group held on 29 November 2005, the following matters were reported.

(a) Funding to purchase properties in third party ownerships

A number of properties in third party ownerships that were required for the Firepool site to be opened up for development had been identified. A final analysis of which properties were absolutely necessary was still being undertaken.

It was noted that funding was required and that various options were being investigated. A final recommendation would be submitted to the Vision Steering Group within the next few months.

(b) Relocation of Taunton Livestock Market

The results of a meeting with Taunton Market Auctioneers regarding their proposed relocation to Chelston, Wellington, had been submitted and the various options for proceeding had been considered.

RESOLVED that:

- (i) the principle of financial support for Taunton Market Auctioneers move to Chelston be agreed subject to submission and approval of their business plan and subject to approval of the joint venture agreement and the amount to be invested;
- (ii) the request for an extension to Taunton Market Auctioneer's current lease of the existing Taunton Livestock Market be not agreed at this stage, pending the receipt of further information regarding the relocation of the livestock market.

(c) High Street

The present position regarding possible redevelopment of the High Street had been reported.

(d) Possible Sale of Land at Tangier, Taunton to Somerset County Council - Time Stream Project

Consideration had been given as to whether to agree in principle to a sale of land at Tangier Taunton to Somerset County Council for the proposed Time Stream project on terms and conditions to be agreed by the District Valuer.

The Steering Group had recommended that the Borough Council sell this site to the County Council for this purpose in principle, at market value.

RESOLVED that the sale of this land to the County Council be agreed in principle, at market value, on terms and conditions to be agreed by the District Valuer.

(e) Possible Sale of Part of Coal Orchard Car Park, Taunton to Somerset County Cricket Club

The Steering Group had also considered whether to agree, in principle, to a sale of part of Coal Orchard Car Park to the Somerset County Cricket Club. The sale of this land would help in the Cricket Club's aspirations for the re-development of its existing ground.

RESOLVED that it be agreed, in principle, that the Council sell this site (less any adjustments required to maintain access to the rear of the Brewhouse Theatre and car park) to the Somerset County Cricket Club at market value on terms to be agreed by the Chief Valuer.

(The meeting ended at 9.15 pm.)

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 11th JANUARY 2006

REPORT OF THE PRINCIPAL ACCOUNTANT

This matter is the responsibility of Executive Councillor Williams
(Leader of the Council)

TREASURY MANAGEMENT UPDATE 2005/06

EXECUTIVE SUMMARY

- The Bank of England base rate is currently at 4.5% with the expectation of downward movement to 4.0% by end of 2006.
- Investment income on target to meet budget, but future income at risk of downward trend in interest rates.
- Investments outstanding £19,943,000 on 22/12/05.
- Return on investments 4.51% - 5.40%.

1. Purpose of Report

- 1.1 To update the Executive on the current position for treasury management activities in 2005/06, and to raise any issues regarding the remainder of this financial year and into the next.

2. Interest Rates

- 2.1 As expected, the Bank of England cut rates from 4.75% to 4.5% in August 2005. However, speculation and discussion still persist over the trend over the next few years and on what basis / indicators will move the Bank of England to change rates again. Our advisors still expect further drops to 4.0% over the next year, before an eventual rise back to 4.5% by summer 2007.

- 2.2 Investment returns for 05/06 are expected to be on budget, but the trend above suggests lower returns in the future.

3. External Debt

- 3.1 Some £8k has been repaid to the PWLB since June 2005, with no opportunities to refinance at this time. This is constantly under review in effort to reduce costs to the revenue budget.

4. Investment Transactions

- 4.1 As at 22nd December 2005, sums totalling £19,943,000 were invested as set out in Appendix A.
- 4.2 At the end of 2005/6 it is expected that at least £8-10 million will remain invested, with the remaining investments drawn down to meet cash flow demands between now and 31/03/06.

4.3 The average rate of interest achieved on all new investments for 2005/06 ranges from 4.51% to 5.4%, with the differences reflecting length of the investment.

5. Effect on Corporate Priorities

5.1 Treasury Management impacts on all aspects of the Council's revenue and capital finances and therefore affects all Corporate Priorities.

6. Recommendation

6.1 The Executive is requested to note the treasury management position to date for 2005/06.

Background Papers: Executive 9th March 2005, Treasury Management & Investment Strategy Statement 2005/6; Executive 22nd June 2005, Treasury Management Update.

Contact: - Steve Murphy
Principal Accountant
Tel: 01823 331 448
E-mail: j.murphy@tauntondeane.gov.uk

Appendix A

Investments At 22nd December 2005 (in Order of Maturity)

Borrower	Amount £	Rate of Interest %	Date of Investment	Date of Maturity
Newcastle Building Society	1,000,000	4.52	15/12/05	16/01/06
Derbyshire Building Society	1,000,000	4.51	18/10/05	18/01/06
Nationwide Building Society	1,000,000	4.50	01/12/05	19/12/06
Portman Building Society	1,000,000	4.52	01/11/04	25/01/06
West Bromwich Building Society	1,000,000	4.54	01/11/04	01/02/06
Portman Building Society	1,000,000	4.54	01/11/05	01/02/06
Derbyshire Building Society	1,000,000	4.53	03/10/05	03/02/06
Coventry Building Society	1,000,000	4.56	15/11/05	15/02/06
Cumberland Building Society	1,000,000	4.57	15/11/05	15/02/06
Progressive Building Society	1,000,000	4.52	17/10/05	17/02/06
Dexia Banque a Luxembourg SA	1,000,000	5.00	01/03/05	28/02/06
Kent Reliance Building Society	1,000,000	4.55	28/10/05	28/02/06
Skipton Building Society	1,000,000	4.57	15/12/05	15/03/06
Stroud & Swindon Building Society	1,000,000	4.55	18/11/05	17/03/06
Skipton Building Society	1,000,000	4.54	01/12/05	17/03/06
Leeds Building Society	1,000,000	4.56	05/12/05	17/03/06
Coventry Building Society	1,000,000	5.03	31/03/05	31/03/06
Cheshire Building Society	1,000,000	5.27	15/04/05	13/04/06
Stroud & Swindon Building Society	1,000,000	5.40	09/05/05	08/05/06
Abbey National Business Reserve	555,000	4.50	N/A	On Demand
Bank of Scotland Business Reserve	10,000	4.00	N/A	On Demand
Royal Bank of Scotland	378,000	4.00	N/A	On Demand
TOTAL	19,943,000			

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE – 11TH JANUARY 2006

**Report of the Corporate Support Services Manager
(This matter is the responsibility of Councillor T Hall)**

Replacement Printer

Executive Summary

This report seeks “invest to save” funding of £41,857 to purchase upgraded colour print facilities giving the ability to bring back in-house considerable amounts of printing with savings estimated at £32,000 per year. Additional business of around £10,000 per year is also estimated

1 Introduction

1.1 Demand for full and part colour quality printing requirements over the last 5 years has increased in excess of expectations. The Design team have seamlessly been able to produce work to customer specifications by utilising their skills and employing Apple Mac design software and hardware technology. We have, however, arrived at a situation where the Print team are only able to partially support this work, only producing 30% of this type of design work in house with the remaining print work having to be externally sourced.

1.2 The only full colour resource that has been available to the section is a Sharp digital network copier printer, which prints 16 full colour copies per minute. This machine is now exhausted having been used to its’ maximum capacity by the section producing almost 150,000 colour copies per year. Annual print room internal recharges for work undertaken on this machine amount to nearly £35,000. Over the past 4 years the unit have outsourced printing to the value of £262,775. An average of £65,693 per year.

1.3 Conscious of the need to obtain best value quotations for outsourced work, and to ensure that control of these projects are effectively managed by the section a “print procurement system” was put in place in April 2004. This has proven to be a successful operation, however the cost to the authority of outsourcing is increasing year on year. It is important to understand that we have the personnel abilities to carry out this work in-house, but not the technology. The attached spreadsheet (Appendix 1) details our current outsourced expenditure.

1.4 There are a number of advantages in producing work in house:

- It will allow us to promote a more cost effective print on demand environment

- Customers can be confident of the fact, that their work having been archived, will be available for additional runs of 1 to 2,000 with minimum notice
- Proofs, amendments and updates to documents can be easily carried out at any stage
- Work can be personalised with the recipient's name
- Additional business opportunities can be promoted and exploited – we could look at increasing the number of external customers we currently carry out work for (i.e., not for profit organisations such as CAB, Shelter etc)
- More expenditure would be generated internally. Less “hard cash” transactions would be necessary and staff time and admin costs would be saved on processing invoice payments.
- There are significant potential savings for the authority

2 Way Forward

2.1 Approval was recently received to replace the Sharp Colour Printer with the Xerox Docucolour 3535. This is a significant upgrade in quality, networking resources and speed, but it does not feature the production capabilities to allow us to handle a notable percentage of what is currently out sourced. Following discussions at the recent Managers in-scope workshops it is apparent that services want us to manage their requirements in-house as the service provides flexibility and value for money.

2.2 Further talks identified that for a minimal additional investment over the 5-year period proposed we could upgrade further to “Digital Press Technology” i.e. a fast production full colour printer with on line booklet making facilities, comprehensive networking and variable data capabilities.

2.3 A request is therefore being made to consider the purchase of an alternative to the Docucolour 3535 proposed. Docucolour 250 is a newly launched “Starter” Digital Press and offers production grade technology for colour copy/prints. Duplex A3 and A4 full colour copies are produced at a speed of 50 per minute (64 black & white) and the machine will handle paper stocks up to 300gsm.

2.4 A full financial breakdown is given at Appendix 2, The finances involved in procuring this machine are shown as follows:

Purchase:

Purchase price: £41,857.

All servicing, labour and toner costs met by cost per copy quarterly billing at 6 pence per A3/A4 colour copy, 0.65 pence per A3/A4 mono copy. (If we doubled our colour production output to 300,000 copies this would equate to a recharge of £18,000 per year).

In addition support charge for the Fiery network controller is £250 per quarter. In summary: An initial outlay of £41,857 and then annual costs of £19,000.

Lease:

3 year lease option at £3,688.44 per quarter.
Equates to £14,753.76 per year.
A total of £44,261.28 over a 3 year lease.
Servicing, labour, toner and Fiery support costs, as detailed above.
In summary: Annual costs of £33,753.76

In addition to the above an online Booklet Maker would be required.

Purchase price: £1,782. 3 year lease option at £157.03 per quarter. (£1,884 total lease cost)

Please note also available is the Docucolour 240 with the same specification delivering colour prints at the speed of 40 per minute – details of this, together with the machine already approved, is also shown in Appendix 2.

Over 5 years the Docucolour 250 will cost £11,822 more than the previously agreed Docucolour 3535, but has the added advantage of generating savings.

2.5 The Council's Financial Services Unit have appraised the various funding options for this potential capital investment and this shows the taking into account the capital cost and the expected volumes of work which will be undertaken that outright purchase is the cheaper option. A copy of the full financial appraisal is available from Financial Services (ext 2515) upon request.

2.6 On the basis of the financial analysis it is anticipated that the printer would be paid and the council will be reaping revenue savings at around the same time as any ISiS venture would commence. It is expected that savings would then continue into the ISiS Partnership. The printer purchased is also of a higher standard than that currently used by our partners and so should be secure beyond the commencement of any ISiS arrangement.

3 Potential Annual In House Colour Volume in Financial Terms

3.1 We currently produce £35,000 of digital colour printing annually and a further £40,000 via 2 colour Litho printing. There is an additional £11,000 spent on council stationery, which is single colour. It is expected that at least 50% of the current outsourced print could be brought back in house with the appropriate equipment, totalling £32,000 per year. This could increase smaller print on demand runs are undertaken. Experience and annual customer surveys tell us that improved facilities always generate work and I would expect £10,000 of new in the first 12 months for a printer such as the Docucolour 250.

3.2 New business opportunities would be sought from organisations such as Tone Leisure (current spend with us £16,000 with much being sourced elsewhere). A machine of this type could be promoted to other local authorities, local business, voluntary groups, charitable organisations etc.

3.3 The Docucolour 250 will enable us to reduce the councils existing copier fleet, giving further ongoing savings.

4 Conclusion

4.1 The previously agreed upgrade to a Docucolour 3535 is an excellent step forward and will certainly enhance service delivery to customers. However this machine will not enable the council to significantly reduce the amount of printing we currently outsource.

4.2 It is important that council consider the need for Design and Print unit to migrate to a totally digital environment and acquire digital colour press technology. This is the only way for the section to produce the majority of the documents that it designs in house.

4.3 This will ensure the authority will derive all the benefits to be had from in house service delivery matched with the very latest in colour digital technology.

5 Recommendation

5.1 The Executive are asked to approve a supplementary estimate of £41,857 from unallocated capital reserves for the purchase of the Docucolour 250, under the invest to save principles laid out in the Council's Financial Strategy. This will be paid back within 18 months after which part way through 2007/08 revenue budget savings will start to accrue. Under the "Invest to Save" principles subsequent approval from Full Council is not required.

Contact: Claire Bramley
Corporate Support Services Manager
Email: c.bramley@tauntondeane.gov.uk
Telephone: 01823 356429

Appendix 1

PRINTING OUT SOURCED TO PRIVATE PRINTERS BY THE DESIGN & PRINT UNIT FOR LAST 5 FINANCIAL YEARS.

FINANCIAL YEAR	TOTAL EXTERNAL EXPENDITURE OVER THIS PERIOD	POSSIBLE TO PRINT IN HOUSE WITH UPGRADE
APRIL 2005 TO OCTOBER 2005	£63,717.27	£30,000
APRIL 2004 TO MARCH 2005	£55,179.36	£26,000
APRIL 2003 TO MARCH 2004*	£70,335.14	£35,000
APRIL 2002 TO MARCH 2003*	£58,034.36	£30,000
APRIL 2001 TO MARCH 2002*	£79,226.26	£40,000

*NOTE QUARTERLY ISSUES OF "THE VOICE" @ AVERAGE COST OF £2,300
NOT PRINTED FROM MARCH 2004.

INHOUSE TOTALS DO NOT INCLUDE LARGE PRINT RUNS OF 5,000 AND OVER UNLESS IT IS THOUGHT SMALLER QUANTITIES ARE A REALISTIC POSSIBILITY WITH PRINT ON DEMAND BEING AN ACCEPTABLE SOLUTION FOR THE CLIENT.

NOTE THAT PAPER AND CARD WOULD NEED TO BE CAPATIBLE WITH COLOUR DIGITAL PRODUCTION.

INHOUSE FINISHING CAPABILITIES WOULD HAVE TO BE REVIEWED OR A FINISHING HOUSE CONSIDERED FOR SOME WORK.

Docucolour 250								
	Yr	0	1	2	3	4	5	
Purchase		£41,857.00						
Servicing / Labour / Toner			£18,000.00	£18,000.00	£18,000.00	£18,000.00	£18,000.00	
Fiery Network Support			£1,000.00	£1,000.00	£1,000.00	£1,000.00	£1,000.00	
		£41,857.00	£19,000.00	£19,000.00	£19,000.00	£19,000.00	£19,000.00	
	Discount Factor (6.5%)	1	0.9390	0.8817	0.8278	0.7773	0.7299	
		£41,857.00	£17,841.00	£16,752.30	£15,728.20	£14,768.70	£13,868.10	£120,815.30
Lease			£14,754.00	£14,754.00	£14,754.00	£14,754.00	£14,754.00	
Servicing / Labour / Toner			£18,000.00	£18,000.00	£18,000.00	£18,000.00	£18,000.00	
Fiery Network Support			£1,000.00	£1,000.00	£1,000.00	£1,000.00	£1,000.00	
		£0.00	£33,754.00	£33,754.00	£33,754.00	£33,754.00	£33,754.00	
	Discount Factor (6.5%)	1	0.939	0.8817	0.8278	0.7773	0.7299	
		£0.00	£31,695.01	£29,760.90	£27,941.56	£26,236.98	£24,637.04	£140,271.50

Docucolour 240							
	Yr	0	1	2	3	4	5
Purchase		£38,546.00					
Servicing / Labour / Toner			£18,000.00	£18,000.00	£18,000.00	£18,000.00	£18,000.00
Fiery Network Support			£1,000.00	£1,000.00	£1,000.00	£1,000.00	£1,000.00
		£38,546.00	£19,000.00	£19,000.00	£19,000.00	£19,000.00	£19,000.00
	Discount Factor (6.5%)	1	0.9390	0.8817	0.8278	0.7773	0.7299

		£38,546.00	£17,841.00	£16,752.30	£15,728.20	£14,768.70	£13,868.10	£117,504.30
Lease			£13,587.00	£13,587.00	£13,587.00	£13,587.00	£13,587.00	
Servicing / Labour / Toner			£18,000.00	£18,000.00	£18,000.00	£18,000.00	£18,000.00	
Fiery Network Support			£1,000.00	£1,000.00	£1,000.00	£1,000.00	£1,000.00	
		£0.00	£32,587.00	£32,587.00	£32,587.00	£32,587.00	£32,587.00	
	Discount Factor (6.5%)	1	0.939	0.8817	0.8278	0.7773	0.7299	
		£0.00	£30,599.19	£28,731.96	£26,975.52	£25,329.88	£23,785.25	£135,421.80

Docucolour 3535 (Purchase not considered as this is current proposed agreement)								
	Yr	0	1	2	3	4	5	
Lease			£4,927.52	£4,927.52	£4,927.52	£4,927.52	£4,927.52	
Servicing / Labour / Toner			£20,700.00	£20,700.00	£20,700.00	£20,700.00	£20,700.00	
Fiery Network Support			£600.00	£600.00	£600.00	£600.00	£600.00	
		£0.00	£26,227.52	£26,227.52	£26,227.52	£26,227.52	£26,227.52	
	Discount Factor (6.5%)	1	0.939	0.8817	0.8278	0.7773	0.7299	
		£0.00	£24,627.64	£23,124.80	£21,711.14	£20,386.65	£19,143.47	£108,993.70

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE – 11th JANUARY 2006

Report of Housing Transfer Consultation Manager
(This matter is the responsibility of Councillor Garner)

HOUSING STOCK TRANSFER CONSULTATION

Executive Summary

The purpose of this report is to provide the Executive with an update, an overview of the returned Tenants Priority Survey and finally an introduction to the Offer Document.

Attached are two appendices, being:

- i) Tenants Priority Survey Key Areas
- ii) Report by Pinsent Masons on the Introduction to the Offer Document

1. Background

1.1 Members will be aware that progress reports have been provided recently through a number of guises, for example:

- i) November's Executive focussing on the warranted stock condition survey
- ii) December's Executive focussing on the current financial position
- iii) December's Full Council providing an overview of the process from the previous Full Council and up to February's meeting
- iv) December's Quarterly Members Briefing where presentations were given by the Office of the Deputy Prime Minister and the Housing Corporation on their involvement in this process

2.0 Tenants' Priority Survey

2.1 Members will be aware that a Priority Survey was sent to tenants in the autumn of last year with the purpose of understanding the type of housing service they wish to see in the future, including areas that were of the most importance to them.

2.2 Nearly 50% of the questionnaires sent were returned, which is a far higher response rate to any other survey the Council has carried out. Secondly, this is much higher than returns recorded where other Authorities have undertaken similar exercises, where a 30% return would be viewed as good.

- 2.3 It is therefore reasonable to assume that the high level of returned surveys provides evidence that tenants do really care about what happens to their homes and the future of the housing service. Indeed, the feedback from the 20% of tenants who spoke to the Project Team when the door knocking was taking place certainly indicated that they had a desire to both understand more about the process and what may take place in the future.
- 2.4 The percentage return across all the wards was reasonably evenly spread, ranging from the low 40's to mid 50's, which is encouraging in knowing the message about the work being undertaken is being received by our customers.
- 2.5 Attached as Appendix 1, is a list of the key areas ranked in the order that are important to tenants and which they wish to see improved. The geographical spread of tenants wishing to see these improvements was spread evenly across all the wards. This was also the case with the age profile when a pro-rata exercise was undertaken.
- 2.6 Some headline figures were that 1 in 2 tenants wished to see improvements to their kitchens and bathrooms, 1 in 2 tenants wished to receive new front and / or back doors with improved security, 1 in 3 tenants wished to see areas provided for their wheelie bins, 1 in 4 tenants wished to see better car parking and finally 1 in 4 tenants wished to see improved cleaning of communal areas.
- 2.7 Analysis was undertaken on the area of improved access and amenities for people who are disabled and although there was a higher return from the more mature tenant, the spread was still relatively even at 1 in 3 tenants.
- 2.8 Further analysis was undertaken on the area of anti-social behaviour, showing this being a high priority across all wards but more so in the more urban areas across the Borough. On average over 1 in 2 tenants' wished to see more action taken to tackle anti-social behaviour with it being higher in urban areas.
- 2.9 The final area that was looked at more closely was the desire to have area offices. The higher returns were in some areas of Wellington and the urban areas of Taunton. However, less than 15% of those surveys returned indicated this as a desire.

3.0 **Introduction to the Offer Document**

- 3.1 Attached to this report as Appendix 2, is a report written by Pinsent Masons, introducing the concept of the Offer Document. Quite simply, the offer document will explain what the transfer is, why the Council is proposing to transfer and what level of service tenants could expect should they vote either "No" or "Yes" to transfer.
- 3.2 Key elements of the Offer Document will be drawn from the returned Tenants Priority Survey, to ensure the offer is matching the desires and aspirations of our tenants. As the process develops a further report on the Offer Document will be presented.

4.0 **Recommendation**

4.1 The Executive is asked to note the report and appendices.

Contact: Carl Brazier
Housing Transfer Consultation Manager
email: c.brazier@tauntondeane.gov.uk
Telephone: (01823) 356312

Appendix 1

Tenants Priority Survey Key Areas

Inside and around your home:

1. An improved / modern kitchen
2. An improved / modern bathroom
3. Improved access and amenities for people who are disabled
4. Better insulation between homes
5. Storage of wheelie bins
6. Better garden fencing
7. Better car parking
8. Telephone, TV, digital and computer points
9. New double-glazing
10. Improved cleaning of communal areas
11. Better insulation to keep heat in
12. Plumbing for a washing machine
13. More storage space
14. New or extended central heating
15. Better play areas
16. An extra loo where possible

Safety and security:

1. New front and / or back doors with improved security
2. Security lights
3. Windows with locks
4. Secure and lockable entrance doors to communal hallways
5. Better street lighting

Managing your home:

1. More action to tackle anti-social behaviour
2. Higher quality repairs
3. Housing staff out and about more in local neighbourhoods
4. Faster repair times
5. Greater choice of colours and finishes when improvements are carried out
6. More local housing offices

Appendix 2

REPORT TO:	TAUNTON DEANE BOROUGH COUNCIL – EXECUTIVE
DATE:	11 JANUARY 2006
AUTHOR:	PINSENT MASONS
TITLE:	INTRODUCTION TO THE OFFER DOCUMENT
PURPOSE:	REPORT FOR INFORMATION

1. INTRODUCTION

The Stage 1 Consultation Document or "Offer Document" will be sent out by the Council to the tenants in the first half of this year. It will create a formal context for the informal consultation undertaken with tenants to date and will provide tenants with details of the Council's transfer proposal.

The Offer Document will explain what the transfer is, why the Council is proposing to transfer and what the benefits to tenants and the wider community would be if the transfer takes place. It will give brief details of the other options the Council and tenants have considered and will explain what would happen to the housing stock and the housing service if the transfer does **not** take place. The Offer Document will give the information to the tenants in a balanced way so that tenants can make a genuine choice when it comes to the ballot.

The procedure the Council has to follow when formally consulting its tenants is laid down by law and the Office of the Deputy Minister ("ODPM") Housing Transfer Guidance. The key requirements are as follows:

- The Offer Document is sent to all secure and introductory tenants;
- Tenants consider the terms of the transfer proposal;
- Tenants contact the Council or their independent advisers if they need any more information or clarification;
- Tenants express their views to the Council by returning the pre-paid response form;
- The Council formally considers the views expressed by the tenants and then decides whether to hold a secret ballot to test tenants opinion; and
- If the Council decides to proceed to the next stage, an independent secret ballot will be conducted.

2. THE OFFER DOCUMENT

The Offer Document contains promises made by the Council on behalf of the new transferee registered social landlord ("RSL") detailing the commitments the RSL will be required to deliver in relation to the housing stock and housing service if the transfer goes ahead. The commitments can be summarised in the following sections:-

Appendix 2

2.1 Rights

The Council should give a commitment that tenants' key existing rights will be protected, if the transfer goes ahead. For example, confirmation that the transfer will have no adverse effects on tenants rights to live in their homes; the right to pass on their homes when they die; or their right to buy. Tenants should also be advised that they would not keep their Right to Manage. In all other respects, tenants should be given no fewer rights than they have enjoyed as secure tenants of the Council. The new tenancy agreement will form part of the Offer Document, so tenants will be able to see that their rights will be preserved in a formal contract.

2.2 The RSL

As well as giving specific detail about the formal offer itself, the Offer Document will also explain the nature of the new RSL. It will give details of the Board and Board Members, explain how the Board Members were appointed and will set out the RSL's priorities if the transfer takes place. The Offer Document will also explain why the RSL would be able to borrow the money needed to make the improvements in the borough of Taunton Deane when the Council cannot. It will also give details of the roles and responsibilities of the Housing Corporation, Audit Commission and (if applicable) the Charity Commission in the monitoring and regulating of the RSL.

2.3 Monitoring

The Offer Document will give tenants reassurance that as well as being regularly monitored by the Housing Corporation, Audit Commission and (if applicable) the Charity Commission, the RSL will also have a legally binding contract with the Council who will have the powers needed to make sure that all promises made to tenants are kept.

2.4 Price

The Offer Document will give a basic description of how the price for the homes will be calculated and how this differs from the calculation of the price of a property if it is being sold to a tenant under the Right to Buy. Tenants will also be advised how the Council will use the receipt.

2.5 Rent and Other Charges

Certainty on the level of rent levels is likely to be a key issue for tenants in the transfer proposal. From April 2006, the information used by the Council and the RSL to calculate the "target rent" for similar properties will be the same based on local earnings and property values. This principal will be captured in the Offer Document to confirm that, whether or not transfer goes ahead, any future change in rent levels will be calculated in exactly the same way.

The Offer Document will describe how rent will be paid if the transfer goes ahead and how housing benefit will be treated. Tenants will need to know that their eligibility for housing benefit will not be affected and that they would still be able to obtain advice and assistance from the Council. Much of the information here will be supplied by the lead housing consultants from their detailed rent calculations and business planning assumptions.

The rent section will probably be linked to the section of the Offer Document which deals with the repairs programme. This is so that the tenant can appreciate that although the rents will to be similar with the Council or the RSL, the RSL will be able to deliver significant modernisations and improvements that the Council would be unable to do (because of financial restrictions).

Service charges can also be a major issue and it is important to describe in the Offer Document what services charges would cover with the RSL, how they would be calculated and how any proposed charges would compare with charges payable to the Council.

2.6 Repairs and Improvements

One of the key benefits of transfer will be the programme of repairs and improvements that the RSL can provide.

Appendix 2

As much specific detail as possible will need to be given to tenants about the proposed capital investment in the stock and the improvements to the housing service in the future. Detailed work will be done to plan the specific works programme and to find out the priorities tenants have for the improvement of their homes and services (i.e. the "Deane Standard" which will exceed the Government's Decent Homes Standard).

The Offer Document will need to advise tenants of the works to be carried out; whether tenants have to have the works done; whether there will be additional charges as a result of the works; the proposed timescale; whether the tenant will have to move home while the works are being done; and who, broadly speaking, will carry out the work.

Linked to the improvements in the bricks and mortar will be improvements in the housing service. Tenants will need to be given details of the RSL's proposed repair response times; performance standards; responsibilities for maintenance of, for instance, open space or other common areas; and also the RSL's complaints procedure.

2.7 Tenant Participation

Another key benefit of transfer is the opportunity for tenants to become more involved in the hands-on management of their homes. The RSL will have a policy allowing tenants to take part in decision making on housing matters which might affect them. The Offer Document will be an opportunity for the RSL to explain ways in which it would consult tenants and the support and training it would give to tenants' organisations who represent tenants in their area.

2.8 Regeneration and Anti-Social Behaviour

The transfer will not just be about the housing stock and housing service. The RSL will have a significant role to play in tackling anti-social behaviour and wider regeneration within the borough of Taunton Deane. The RSL's intentions as regards these issues will need to be set out in the Offer Document.

2.9 Leaseholders

Although the Council's statutory duty is to consult its secure and introductory tenants, the views of leaseholders are important. At the time the Offer Document is sent out to secure and introductory tenants, leaseholders will also be given information about how the transfer would affect their rights.

3. DEVELOPMENT OF THE OFFER TO TENANTS

For the Offer Document to be relevant to the tenants of Taunton Deane, the input of several groups will be needed in its development. These groups will be the tenants' representative group and their independent advisers, elected members, Council officers and members of the Shadow Board. As well as your legal, communications and lead consultants, officers of the ODPM, the Housing Corporation and the Community Housing Taskforce will also be given an opportunity to comment as the Offer Document takes shape.

As an initial first step, we will prepare a draft framework document which will set out the information recommended by the ODPM's Housing Transfer Guidelines.

Once the framework document is prepared, we will work with your officers to tailor it to the particular circumstances of Taunton Deane's transfer. The document will then go to your tenants' representative group and their advisers, who will work with your officers to decide what the priorities are for your tenants. Inevitably, the expectations of tenants will need to be managed, as the RSL will probably not be able to afford to meet all tenants' aspirations. This work is well underway following on from the findings of the Tenant's Priority Survey dated October 2005 in which 49% of tenants participated.

It is important to bear in mind that this will be the **Council's** offer to its tenants and Council members and officers will have a significant role to play in deciding what they want the transfer to deliver.

Appendix 2

Officers of the Housing Corporation and the Community Housing Taskforce on behalf of the ODPM will have the opportunity to comment on each and every draft of the Offer Document as it is prepared. The Housing Corporation's principal role is to ensure that the promises made on behalf of the RSL are realistic and appropriate for a registered social landlord to deliver. The Community Housing Taskforce will want to see that the offer to tenants keeps within the Government's policy on housing transfer, is within the principles of good practice and within the Government's guidelines on tenant consultation.

The lead consultant's role in the development of the Offer Document will be to make sure that commitments given to tenants on rents and service charges, capital investments and improvements to services will be affordable to the RSL within its business plan.

The Board of the RSL must also be comfortable that the promises being made to tenants by the Council on their behalf take the RSL in the direction that the Board would want it to go in the future. Although the Board will appreciate that it is the Council's offer to its tenants, the Board will be given the opportunity to comment on the Offer Document itself as part of the development process.

4. **CONCLUSION**

The Council's officers and consultants will work with tenants and their advisers to bring together the information needed to put together a formal offer to the tenants.

The Offer Document will be drafted in plain, understandable English and strictly in accordance with the Government's guidelines on consultation, which state that all material sent out to tenants must be fair and even handed. The Offer Document will be considered carefully by all of the Council's consultants, the Community Housing Task Force and the Housing Corporation to make sure that before it is sent out to tenants it meets the Government's requirements and its fairness cannot be challenged.

Even though this will be the Council's offer to their tenants, it is the officers and Board of the RSL who must ultimately carry out the commitments to the tenants. The RSL must be comfortable that its business plan gives it the funds and flexibility it needs to do so.

PINSENT MASONS

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE

Report of the Acting Head of Housing

(This matter is the responsibility of Councillor Greg Garner)

HOUSING NEEDS REPORT

Executive Summary

The Executive is asked to agree the recommendations of the Housing Review Panel relating to the attached Ark Draft Housing Needs Report..

1 **Background**

- 1.1 Members will remember that in 2002 DCA Associates carried out a Housing Needs Survey, which informed our Social Development Plan.
- 1.2 The five Somerset Districts decided in 2004 to use a common method to inform all the Councils of their Housing Needs. This would provide consistency, accuracy and economics of scale. The methodology was approved by the Office of the Deputy Prime Minister.
- 1.3 Ark Consultancy were appointed to carry out this work.
- 1.4 Our Consultant, Rupert Scott, has completed the Draft Report, the Taunton Deane part of which is attached as the Appendix and the summary which introduces this Report.
- 1.5 Rupert Scott reported his findings to the Housing Review Panel held on 9 November 2005.
- 1.6 The County-wide Report was presented to a wider audience at the Wyvern Club on 18 November 2005. The report is now being finalised and will soon be released to all interested parties.

2 **Recommendations**

- 2.1 The Executive is asked to agree that the attached Housing Needs report is used to inform the Planning Service of the need for social and affordable housing in future plans.
- 2.2 The Executive is asked to agree that this survey method be used to update our Housing Needs plans in future as necessary.

Contact Officer: Malcolm Western,
Acting Head of Housing
Tel: 01823 356 441
Email: m.western@tauntondeane.gov.uk



Somerset Sub Regional Housing Assessment

Draft Report – Chapter relating to:

Taunton Deane Borough

October 2005

Contents

- 8.1 Taunton Deane Housing Need and Supply
- 8.2 Updating the 2002 Survey Projections
- 8.3 Conclusions from Updating the 2002 Survey
- 8.4 The 2005 Housing Assessment
- 8.5 Conclusions and Recommendations
- 8.6 Local Housing Market Areas within Taunton Borough

Appendices (to follow)

- Appendix 1: Population and Stock Profile
- Appendix 2: Projected Housing Supply 2005-2026

8. Taunton Deane Housing Need & Supply

8.1 The 2002 Housing Need Survey

A Housing Need Survey was carried out by David Couttie Associates in late 2001, and published in 2002. It concluded that there was a gross need for 608 affordable (i.e. subsidised) dwellings p.a., and that re-lets at 477 p.a. would reduce this to a shortfall of 131 p.a.

The Couttie survey also concluded that the supply of entry level housing was inadequate to meet the level of need for it, and that “there is an additional need for the provision of 120 unsubsidised low cost market dwellings over the next five years to address the requirements of households earning in excess of £20,000 p.a. and able to access the market for new units” (Para. 8.8.2). That represented a further shortfall of $120/5 = 24$ p.a.

The Survey used Land Registry data for the 3rd quarter of 2001 to show that terraced housing, which made up around 35% of the total annual supply of market housing, was priced from around £55,000 (average just over £80,000), and flats represented around 7.5% of supply, with prices from around £30,000 (average just below £60,000). It estimated that the entry level prices were:

Table 8.1 Access Prices for Owner Occupation – Jan 2002

Property Type	Taunton	Wellington	Wiveliscombe
1 bed flat	£29,950	£27,500	£28,725
2 bed flat	£59,950	N/A	£59,950
2 bed terrace	£52,950	£57,950	£55,450
3 bed terrace	£74,950	£64,950	£81,633
2 bed semi-det.	£52,950	£74,950	£82,633
3 bed semi-det.	£74,950	£75,000	£74,975

Source: DCA House Price Survey (January 2002)

The Survey identified the shortage of low cost market dwellings as being for households with incomes of £20,000 and above who were able to access the market, but for whom there was insufficient volume of supply. As 65% of potential new households were identified as being unable to access the market, these households with incomes of £20,000 and above represented 35% of new households. The Survey expressed concern that the private rented sector made very little contribution to meeting this need, and if house prices continued to rise faster than incomes, the shortfall in the private sector would increase further.

8.2 Updating the 2002 Survey Projections

With the benefit of hindsight, it is now possible to correct some of the projections that were made in the 2002 Survey:

Supply of Social Rent from re-lets: Although the projected level of 477 was exceeded in 2001/2, the trend has since been downward, levelling out in the last two years to 409 and 407. The overall level of supply for the 4 year period has averaged 472 p.a., a reduction of just 20 dwellings.

However, it is no longer realistic to project annual supply at more than the average of the last 2 years, which is 408, so future projections need to be based on 408 rather than 477 p.a.

Supply of Low Cost Market Housing: The Survey was based on Land Registry information available up to and including the 3rd quarter of 2001, and the total number of flats and terraced houses sold in the preceding 12 months was 1,344. For the 3 subsequent 12 month periods the numbers averaged 1,240, and for the most recent 12 month period for which figures are available (3rd quarter 2004 to 2nd quarter 2005) the total number was 986. Even if the recent slowdown in the market is a discounted as a temporary situation, that still shows a minimum reduction in supply of 100 terraced and flat properties from the level on which the Survey's findings were based. In fact, the whole of the reduction has been represented by terraced houses, as the number of flats has remained constant.

Cost of Low Cost Market Housing: Quite apart from **amount** of supply, we need to consider the cost, or more accurately the **affordability**, of that supply, bearing in mind that any household which had a gross income of more than £20,000 p.a. was judged to be able to access the market.

In order to measure comparable affordability over time, it is necessary to consider changes to both interest rates and earnings, as affordability is a measure of the proportion of income required to purchase the property rather than the purchase price of the property, and as a general rule an affordable cost can be taken as one third of gross household income.

One third of £20,000 p.a. (the income figure above which the market could be accessed in 2001) is £6,667 p.a. or £552 per month. That represents the monthly cost of a £77,000 repayment mortgage, over 25 years, at 7%. With a 5% deposit that equates to a purchase at £81,000, and with a 10% deposit £85,500.

In 2001, the median price for Taunton Deane was £89,450, which means that half of all the 2,965 sales were at prices below that level. In round figures, **that represents 1,500 sales around or below the level at which households earning £20,000 p.a. could afford**, and the Survey concluded that, with this level of supply, there was still a need for a further 24 p.a.

The Survey noted that mortgage interest rates in early 2002 were the lowest for 35 years, which would have been around 5%. From a level that had fluctuated between 7% and 8% for a number of preceding years, the generally available rate had dropped from around 7% at the beginning of 2001 to around 6% by the middle of the year and 5% at the year end. Since then it has fluctuated a little way either side of an average of around 5.5%, but there is no significant difference in mortgage interest rates between early 2002 and late 2005.

Over the four years from 2001 to 2005, earnings will have increased by not more than 10% (the 2003 to 2004 figure was 1%, and for 2001 to 2003 it was 6.2%), so taking that into account comparable affordability for 2005 would be:

One third of £22,000 p.a. (adjusted for a 10% increase in earnings) is £7,333 p.a. or £611 per month. That represents the monthly cost of a £103,000 repayment mortgage, over 25 years, at 5%. With a 5% deposit that approximates to a purchase at £108,500, and with a 10% deposit £114,500 i.e. around £110,000.

In 2004, the lower quartile price for Taunton Deane was £127,000, which means that only one quarter of all the 2,523 sales were at prices below that level. In round figures, that represents 630 sales below a price that is considerable less affordable than the level at which 1,500 was considered to be not quite sufficient.

In other words, had the 2002 Survey been able to factor in the net reduction in affordability that has take place since that date, it would have identified a need for a much larger increase in the supply of properties at no more than £110,000 – or at the cost that was equivalent to a purchase at that level, which is around £600 per month. At the very least that would have been the difference between the 1,500 sales in 2001 and the 630 in 2004, which amounts to:

An annual shortfall of 870 properties which would cost of no more than £600 per month.

New Supply of Subsidised Affordable Housing: This has amounted to a total of 228 for the last four years, against a need for 4 x 131 p.a., which equals 524. A supply of 228 against a need for 524 amounts to a cumulative shortfall of 296, which added to the reduced supply from re-lets of 20, that gives:

A total shortfall of 316 subsidised affordable dwellings over the last four years.

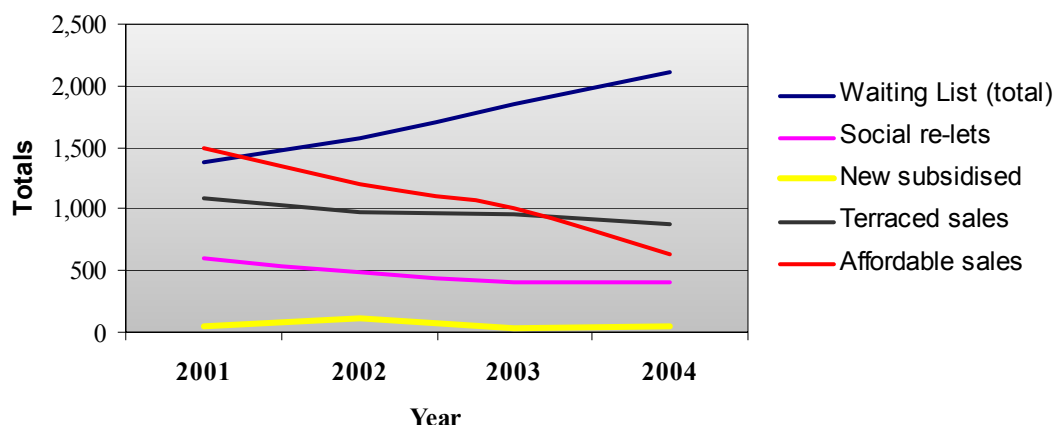
While all of these aspects of supply have been lower, the level of housing need as indicated by the Housing Waiting List has been rising as shown in the table and graph below:

Table 8.2: Affordable Housing Need and Supply 2001 to 2004

	2001	2002	2003	2004
Waiting List (total)	1,383	1,582	1,848	2,111
Social re-lets	594	480	407	409
New subsidised	42	107	31	48
Terraced sales	1,095	973	962	875
Affordable sales	1,500 (below £89,450)	1,200 (est.) (below £100,000)	1,000 (est.) (below £120,000)	630 (below £127,000)

Source: HIP returns to ODPM, plus HM Land Registry

Taunton Deane Affordable Housing Need and Supply 2001-2004



8.3 Conclusion from Updating the 2002 Survey:

The 2002 Survey summarised the position, for subsidised affordable housing in accordance with the Basic Needs Assessment Guidance in current ODPM guidance:

Table 8.3: Basic Needs Assessment Model - 2002

Reduction of Backlog of Need: (311 / 5) (to eliminate this existing need over 5 years)		62
Newly Arising Need: (from newly forming households, plus existing households falling into need)	plus	546
Gross Annual Need: (62 plus 546)	equals	608
Annual Supply from Re-lets	less	477
Net Requirement for New Supply	equals	131

This table can be updated by adding the 316 backlog arising from the shortfall in new provision from the last 4 years, and by changing the annual supply from re-lets from 477 to 408 to reflect the actual level over the last two years.

However, this is not the complete picture, as the Survey also identified a small shortfall in housing supply for households who could in theory access the market with an income of £20,000 or more, despite the supply of around 1,500 properties p.a. that were affordable on that level of income.

As we have seen, that supply of 1,500 properties has been reduced to less than 630, so **at least 870 households p.a. have been excluded from the market.** Not all of these households will necessarily be in housing need: some will probably have moved away from the Borough, some may have been deterred from moving into it, and others will have accessed an enlarged private rented sector where it has offered a cheaper alternative to owner occupation.

Although it is not possible to put a figure on the amount of housing need that has been created by this factor, it is clear that the 24 p.a. requirement for low cost market housing can now be met only through some form of subsidised housing, so it would be logical to add that figure to the updated table, which will therefore be:

Table 8.4: Basic Needs Assessment Model - Updated from 2001

Reduction of Backlog of Need: (311+316 = 627) / 5 (to eliminate this existing need over 5 years)	125
Newly Arising Need: (from newly forming households, plus existing households falling into need)	546
Further Need for low cost (now subsidised) housing	24
Gross Annual Need: (125 plus 546 plus 24)	695
Annual Supply from Re-lets	408
Net Requirement for New Supply	287

This compares with the forecast shown in Appendix 2 of this Assessment, that new affordable housing supply, (based on current policies) will in fact average **197 p.a. for 2006/11, and 253 p.a. thereafter.**

8.4 The 2005 Housing Assessment

8.4.1 Registered Need

Section B above, describes how the increase in the size of the Council’s Housing Register can be used as a measure of the extent to which housing need was being under-provided for. Rather than taking the total number of applicants, these have been filtered so as to exclude any applicants where the number of points awarded indicated the possibility of them not meeting the more rigorous definition of housing need in the ODPM’s draft replacement guidance on housing assessments. (This suggests that a single person’s desire for independent accommodation does not in itself constitute housing need.) Others who would be excluded are those whose existing accommodation is considered to be sufficiently suitable for their objective needs, so their application could be considered to be a reflection of preference, or where a simpler solution than moving house would resolve their problem, rather than a need for alternative and affordable housing.

In August 2005, there were a total of 3,532 households on the Housing Register. 1,021 of these were transfer requests from existing Council or RSL tenants, and a further 479 were applicants for sheltered accommodation for whom it is not possible to assess housing need in the same way. That left 2,032 applicants for general needs accommodation, and by deducting the 711 whose level of points might exclude them from the more stringent definition of need, the number reduces to 1,321, which is 65% of the total.

It has not been possible to make any such assumptions about need levels for applicants for sheltered accommodation, and it is quite possible that many of these will be releasing other types of affordable housing, either in the public or private sectors, so these have not been included in the assessment at all at this stage, in order to avoid the risk of double counting.

Backlog Need can therefore be expressed as:

Total General Needs Applicants, times the % which have at least the number of points required to be defined as being in housing need

Backlog Need is therefore 2,032 x 65% = 1,321

Newly Arising Need can also be calculated from past movements in the Housing Register, in the following way:

If the numbers remain the same, then the annual level of newly arising need will have been matched by the annual supply from re-lets and new supply. Any increase in the numbers will therefore represent the amount by which newly arising need has exceeded that supply. Therefore:

Newly arising need = total supply, plus increase (or minus decrease) in the housing register.

Total supply is a combination of **re-lets**, which has been at the level of 408 for the last two years, and **new supply** has averaged 40 over the same period, which amounts to **448**.

Increase in the housing register has average 264 over the last two years, but by only counting the 65% who may not meet the more stringent definition of need, that reduces to **172**.

Newly arising need has therefore been 448 + 172 = 620 p.a.

It is therefore possible to complete the ODPM Basic Needs Assessment table, in the same way as the 2002 Survey, but with a less ambitious target of 10 years, rather than 5 for reducing Backlog of Need:

Table 8.5: Basic Needs Assessment Model - 2005

Reduction of Backlog of Need: (1,321 /10) (to eliminate this existing need over 10 years)	132
Newly Arising Need: (from newly forming households, plus existing households falling into need)	620
Gross Annual Need: (132 plus 621)	752
Annual Supply from Re-lets	408
Net Requirement for New Supply	344

The two key variables in this projection are, of course, the assumptions as to the on-going level of supply from re-lets, and the increase or decrease in the housing register. Both of these can be monitored annually, and the net requirement adjusted accordingly.

Future new supply of affordable housing can be projected on the basis of Appendix 2 as 197 for the period to 2011, rising to 253 beyond that date, so there will almost certainly be a substantial and accumulating shortfall throughout both periods.

8.4.2 Unregistered Need – or Intermediate Market Need

All of the above calculations are based on meeting housing needs that are known through registration. As pointed out in Section B it is well established that a significant number of households do not register their needs on Waiting Lists – either because they can see no point in doing so, or because they feel they would not be interested in the type and/or location of the properties they expect they would be offered. This group has been referred to as ‘concealed households’, and might also be described as ‘displaced households’ or ‘suppressed household formation’. It is perhaps more useful to adopt the term **‘intermediate market need’**, as representing a need for housing that fits in the gap between the social rented sector and the open market – a gap that has dramatically widened in recent years both in terms of monthly cost and annual income requirements.

Projections of the need for affordable housing should take into account this group as well as those who already register their needs, but by definition it is much harder to identify who they are and what they need. What can be demonstrated, however, is the scale of the reduction in the number of properties that can be purchased with average and below average earnings through a combination of market research and Land Registry data.

The next two tables have been compiled from a review of new and re-sale properties on the market in October 2005. It shows the household incomes that would be required in order to obtain a 90% mortgage for different types of property, based on a 3.75 multiplier for single incomes and 3.25 for joint incomes.¹ plus the monthly cost of a 25 year repayment mortgage at 5%. In each case, the prices are the lowest examples of properties that are, or have recently been available:

Table 8.6 New Build Affordability – October 2005

Property Type	Price	90% mortgage	Monthly cost at 5%	Single Income (3.75 times)	Joint Income (3.25 times)
1 bed flat	£110,000	£90,000	£533	£24,000	£27,700
2 bed flat	£130,000	£117,000	£693	£31,200	£36,000
2 bed house	£145,000	£130,500	£773	£34,800	£40,200
3 bed house	£160,000	£144,000	£852	£38,400	£44,300

It is clear from this table, that additional supply for new households on average or below average incomes cannot be expected to come from new build properties sold at open market values.

Even within the second hand market, the supply which can be purchased with average or below average incomes will be very limited:

¹ The 3.75 and 3.25 multipliers used by Professor Steve Wilcox in his most recent study on “Affordability and the intermediate market” for the Joseph Rowntree Foundation, October 2005, on the basis that this is the level above which only one quarter of mortgages were granted in 2003. He also assumes an 18% deposit, which is the UK average for all first buyers over the last decade. Professor Glen Bramley’s “West of England – Housing Need and Affordability Statement” – May 2005, uses multipliers of 3.5 and 2.975, and nil deposit, which will result in a greater number of households being assessed as being unable to access the market. By taking the Wilcox multipliers and a 10% deposit the Somerset Assessment will be in between these two alternatives.

Land Registry data shows that for Taunton Deane, only 9% of property sales in 2004 were below £100,000, compared with 12% for the county as a whole, and in the first half of 2005 this proportion had dropped to just 6%, compared with 10% for the county.

The table below shows the lowest priced properties for sale by Estate Agents in Taunton, using the same headings as for the above table on new properties, and excluding any that appeared to require improvement and the cheapest two in each category. The vast majority of properties available were significantly more expensive, especially outside Taunton.

[Section 8.6 below provides a more localised analysis, which shows that in Wellington, although values were comparable, availability below £150,000 was negligible, and elsewhere in the Borough values were significantly higher and supply below £150,000 virtually non-existent.]

Table 8.7 Re-Sale Affordability – October 2005

Property Type	Price	90% mortgage	Monthly cost at 5%	Single Income (3.75 times)	Joint Income (3.25 times)
1 bed flat	£95,000	£85,500	£506	£22,800	£26,300
2 bed flat	£110,000	£90,000	£533	£24,000	£27,700
2 bed house	£120,000	£108,000	£639	£28,800	£33,200
3 bed house	£125,000	£112,500	£666	£30,000	£34,600

The combination of this table, and the most recent Land Registry data, shows the limited extent to which even the second hand market can be expected to meet the needs of households on or below average incomes.

Unlike properties for sale, it is not possible to establish the total number of properties that become available for rent, or the number that would be available at a lower cost than purchasing a similar property. However, from a survey of letting agents the following table has been compiled, showing the full range of rents at which standard property types are generally available.

Affordability at each end of the price range is illustrated by showing the level of income that would be required to obtain a mortgage with the equivalent monthly cost, and then the price of the property that could be purchased with that income:

Table 8.8a Private Renting Affordability – Lowest Level Rents

Property Type	Lowest monthly rent	Single Income	Joint Income	Equivalent purchase price
1 bed flat	£400	£18,000	£21,000	£75,000
2 bed flat	£475	£21,500	£25,000	£90,000
2 bed house	£500	£22,500	£26,000	£95,000
3 bed house	£575	£26,000	£29,000	£110,000

Table 8.8b Private Renting Affordability – Highest Level Rents

Property Type	Highest monthly rent	Single Income	Joint Income	Equivalent purchase price
1 bed flat	£500	£22,500	£26,000	£95,000
2 bed flat	£600	£27,000	£31,000	£112,500
2 bed house	£600	£27,000	£31,000	£112,500
3 bed house	£750	£34,000	£39,000	£140,000

By bringing the above four tables together, and adding the level of rents charged by the Council and RSLs, the relative monthly cost of each option can be compared:

Table 8.9 – Comparable monthly costs - new, resale and rented property:

Property Type	New Build purchase	Re-sale purchase	Market Rent (high)	Market Rent (low)	Social Rent
1 bed flat	£533	£506	£500	£400	£250
2 bed flat	£693	£533	£600	£475	£275
2 bed house	£773	£639	£600	£500	£300
3 bed house	£852	£666	£750	£575	£330

It can be seen that for 1 and 2 bedroom properties there is very little difference in cost between the upper end of the market rental range and the bottom end of the re-sale market, and while the level of supply in each sector is quite limited, purchasers nevertheless do have some element of choice. The cost of these options, however, are at least twice the cost of social rent.

The lower end of the market rental range, however, does provide a roughly mid-point alternative. Supply at this level is very limited in both number and distribution, so it cannot provide a satisfactory solution to most ‘intermediate market need’. It does, however, suggest the level of cost that would be appropriate for intermediate market products.

Table 8.8a shows that this cost level would be available to households with a single income between £18,000 and £26,000 p.a., or joint incomes between £21,000 and £29,000, and would equate to the cost of purchasing a property between £75,000 (1 bed flat) and £110,000 (3 bed house).

8.4.4 House Types Required

For social rented properties, it is necessary to consider the house types required to meet the needs of existing tenants who have applied for a transfer, as well as housing register

applicants. By meeting that transfer request, a different type, and even location, of property will be released for letting to a new tenant.

Without more sophisticated systems than are currently available, it is not possible to factor in the exact vacancy implications of every transfer requests, but there is one predominant factor, which is the widespread need for larger accommodation. It is inevitable that properties are generally fully occupied on first letting, which means they are as just as likely to become over-occupied as under-occupied as the household composition changes. Under-occupiers are, however, far less inclined to seek a move to a smaller property, so meeting the needs of over-occupying households needs to be reflected in this analysis.

In order to do this, the assumption has been made that every general needs transfer applicant would be seeking one additional bedroom, and therefore vacating a property one size smaller. The number of new applicants for each property size in the general needs section has therefore been adjusted by adding the number of transfer requests for that size of property, and deducting the number of transfer requests for the next smaller one.

No such adjustment has been made for the sheltered needs, but it is generally recognised that 1 bedroom properties are much more widely available than 2 bedroom ones, (See Appendix 1) and a 1 bedroom property will normally be considered to be suitable for a couple, as well as a for a single person.

The analysis does not include those who have been excluded from the needs assessment, and it produces the following breakdown for the remaining 1,323 applicants for general needs, plus the 479 applicants for sheltered accommodation:

Table 8.10 Net need by house type – new and transfer applicants

1 bedroom general needs	378	29%
2 bedroom general needs	496	37%
3 bedroom general needs	379	29%
4 bedroom general needs	70	5%
Total – general needs	1,323	
1 bedroom sheltered	374	78%
2 bedroom sheltered	105	22 %
Total – sheltered	479	
Total – All Types	1,802	

Although this analysis has taken account of transfer requests, it does not follow that these percentages should be taken as the basis for determining the most appropriate mix for new supply, when that supply will inevitably be inadequate to meet all need:

Firstly, the larger family accommodation will enable a single property to meet the needs of more than one household – a 4 bedroom house could in theory be let to a household which would vacate a 3 bedroom one, which in turn could be let to a household needing to move from a 2 bedroom, and so on. The comparisons of need and supply in Section 8.6 show that although the number of applicants is lower, the waiting time is much longer.

Secondly, and to contrary effect, it must be recognised that any new property will be expected to have a useful life span that is far longer than any single tenancy. Demographic changes mean that in the longer term there will be a reduced need for larger accommodation, and it is generally the case that a significant number of existing 3 bedroom properties are under-occupied by older people who are being assisted to stay in the family home for many years after the family have left. This has inevitably reduced the rate of vacancies, but not indefinitely. A clearer picture of longer term need would emerge from more information about the age and household profiles of tenants, and this could be obtained from suitably designed tenant satisfaction surveys.

Thirdly, the large proportion of applicants for 1 bedroom properties may reflect realistic expectations rather than true aspirations or needs, which would seem to be borne out by the much higher rate of turnover for this type of property as shown in Section 8.6. This is particularly relevant to sheltered properties: by definition, the great majority of applicants can be categorised as needing a one bedroom property, but many elderly tenants (especially those who are under-occupying family houses) do not wish to move to one bedroom flats, and some one bedroom flats, as well as bed-sits, can be difficult to let.

For the intermediate market the greatest volume of need will be for 1 and 2 bedroom properties, but it is those households who need 3 bedrooms who are faced with the greatest affordability problem: the income requirement for accessing the market is significantly higher, and the upper end of the market rental range has a higher cost than re-sale purchase. This is also the property type that is least readily available through social re-lets.

8.4.4 Tenures Required

Tenure split cannot be readily pre-determined, when there is almost always going to be more need for any one tenure than there is total supply of affordable housing.

Social rented housing will usually be the highest priority for at least some of the affordable supply, if only because local housing authorities have a statutory duty to certain categories of homeless and vulnerable households, and there will be unsustainable financial as well as social implications if these households cannot be accommodated.

However, the needs of the most vulnerable have to be balanced against the need to ensure a mixed and inclusive community, a prosperous local economy and the provision of a full range of essential services. With an increasing proportion of newly forming households unable to access the market, it could be argued that these considerations make the establishment of an intermediate market just as important.

This point is eloquently expressed by Margaret Clark, Director of the Commission for Rural Communities in her introductory remarks to the Wilcox report for the Joseph Rowntree Foundation:

“It is important not to lose sight of the profound implications that the lack of affordable housing to buy, as well as to rent, will have for rural communities, because even if it were possible to meet the needs of those in the ‘social housing’ market, there would still be a very significant shortfall of affordable homes. Those people in the ‘intermediate’ market, typically employed in schools, health or other public services, local trades and so on – often newly formed households who want to make the first step on the ladder to home ownership – would normally look to the

open market to meet their housing needs. If there is no such ‘intermediate’ housing available and they are effectively forced to leave the area to find suitable housing, then rural communities are likely to become more socially and economically polarised and, consequently, less sustainable.”

This report shows that in Taunton Deane Borough 31% of working households aged 20-39, excluding those who are in receipt of housing benefit, could not afford the lowest decile prices for 2 and 3 bedroom dwellings (that is, the cheapest 10% on the open market), which is only very slightly higher than the proportion in South Somerset, West Somerset and Sedgemoor, and quite significantly lower than Mendip, East and North Devon and Exeter.

[In practical terms, the only areas with better affordability for employees in the Taunton area are Bridgwater and Yeovil, which are themselves surrounded by higher priced areas, so the scope for housing needs to be displaced to cheaper areas, even if desirable, is extremely limited.]

The Wilcox report concludes, however, with two important cautionary notes: firstly, that

“investment in intermediate market housing schemes should be expanded and contracted over the housing market cycle, rather than in response to changing political and policy fashions”, and secondly that

“there is a much stronger case for schemes that assist households that would not be able to access home ownership at the very bottom of the housing market, rather than those that provide a greater degree of social diversity in more expensive locations.”

This last point has particular relevance to Taunton Deane District, which has reported that of 1,000 households on the housing waiting list who had expressed an interest in shared ownership, only 14 have responded positively to details of a current scheme for 25 houses, where the combined costs of rent and mortgage amounted to substantially more than the figures shown in Table 8.8a.

If the costs of a shared ownership scheme exceeds the cost of outright purchase, or rent, of the cheapest equivalent-sized property in the area, (which would seem to be the general rule) then these properties do not meet the government’s own definition of affordable housing in Circular 6/98, or the definition in the Taunton Deane Borough Local Plan.

The assessment of housing need in Taunton Deane Borough, and the Wilcox report, show that the need for intermediate market housing probably matches, if not exceeds, the need for social rented housing, and almost certainly exceeds the total amount of housing supply that will be permitted through the Regional Spatial Strategy. The crucial issues are therefore:

- How to maximise the proportion of new housing that can be secured as affordable.
- How to balance the need for it against the need for social rented housing.
- How to ensure that the intermediate market is provided with a range of products that are affordable to the wide range of incomes that exist between those who can expect to obtain social rented housing, that is, along the lines of Table 8.8a.

All three issues are interlinked – the first two in particular:

The far greater subsidy (whether public, private or combined) required for social rented housing, coupled with the commercial imperatives of private and speculative development, limits the amount that can be realistically sought. It should be noted that the price an RSL can pay for a social rented property is less than half of the ‘equivalent purchase price’ shown in Table 8.8a, which clearly meets the requirements of the intermediate market.

South Hams District Council has a policy of 1/3 social rent, 1/3 intermediate market, and 1/3 open market, and appears to be achieving development on those terms, but this is probably exceptional and it may not be achievable where there is no public subsidy and/or where there are significant infrastructure requirements or alternative use values. It would be unlikely to be an appropriate aspiration for Taunton Deane to adopt for its larger settlements, given the need for development to make major contributions to infrastructure, but it might be an option to consider for smaller settlements.

An alternative radical approach is that adopted by South Shropshire: In the market towns all open market housing is required to be matched by affordable housing, and in villages the only housing that is permitted is affordable housing, albeit that it can be provided without the involvement of an RSL through a unique equity sharing arrangement. This could provide another option, subject to a assessment of financial viability, for urban extensions and brownfield sites.

However, where local authorities have sought more than 25% of the total number of dwellings as social rent on medium and large scale developments, they have met strong resistance that has impeded development activity. On the other hand, there are examples of local authorities securing 40%, where this is made up of 25% social rent plus 15% shared ownership, and even 50% where half is social rent and half a mixture of different types of low cost home ownership.

There does seem to be a sound argument for seeking the maximum total amount of affordable housing and then taking a flexible and pragmatic view to tenure split in the light of site viability and grant availability. The alternative would be a policy that is capable of being implemented rigidly in all situations – a lowest common denominator approach which would be bound to be produce a lower output in return for lower effort.

The third consideration can reinforce this argument: there seems to be little doubt that unless local authorities are able to specify the maximum level of occupier cost of an intermediate market product, then the natural competitive and commercial instincts of developers and RSLs will allow that cost to be too high for it to be accessible by much of the intermediate market. That is certainly the situation that prevails in Taunton Deane in common with many other parts of the country.

This means that all the parties involved need to agree:

- The range of products that will be appropriate,
- how the appropriate product(s) for different circumstances will be determined, and
- how applicants will be prioritised.

As a starting point, there would seem to be two key priorities that should always take precedence:

- Enabling social renters, and priority housing register applicants, to become home owners, which will increase the supply of social rented property for those who cannot afford any alternative; and
- enabling people employed, or offered employment, in the locality to access housing which they can afford.

However, in order to ensure that these priorities do in fact take precedence, there would need to be a far more specific definition of affordable housing than that currently used in the adopted Taunton Deane Borough Local Plan. This merely repeats the broad definition in government guidance Circular 6/98, without providing any detail of the incomes, and therefore the affordable housing costs, for the intended beneficiaries of the policy.

Table 8.8a and 8.9, updated as necessary, could provide the basis for a definition for future affordable housing policy.

8.4.5 Housing Supply

New housing supply in Taunton Deane Borough has been around 460 p.a. in recent years, comprising an average of 400 open market and 60 affordable dwellings p.a. The draft Regional Spatial Strategy is proposing that this level be increased as a central plank in its drive to concentrate a higher proportion of housing supply in the main urban centres where employment growth is highest, and where services and facilities can be more efficiently provided.

It has therefore been suggested by the Regional Assembly that new housing supply in Taunton Deane should increase around 860 p.a., of which 800 p.a. will be in Taunton and Wellington. These figures would have been higher still if the Joint Study had been able to support that as being realistic.

There are two key issues here:

- Firstly, how much of this increased housing supply can be achieved as affordable without inhibiting the rate of development and the funding of infrastructure and other community needs?
- Having established the answer to the first question, is it realistic for some of the affordable, as well as market, housing needs of the rest of the County to be met in Taunton and Wellington, and if so, how much?

It is clearly too early to answer the first question, as the costing and funding exercises have not yet been carried out, so it will be necessary to consider a range of options.

It is of course also necessary to consider both principal sources of supply – from turnover of the existing housing stock, as well as the provision of new housing. Over the last 5 years (2000 to 2004) an average of 2,700 dwellings p.a. have been sold in the Borough as a whole, but for the first half of 2005 this dropped to just 842 (compared with 1,309 for the first half of 2004).

That means new market housing has comprised just under 15% of total supply, (400 out of 2,700) and the drop in turnover for the most recent 6 month period was more than a full year's supply of new housing.

This reduction may be no more than a temporary lull in the market that will soon return to normal – but it might also be at least in part a reflection of the greater difficulty that households have in moving up the property ladder when the gaps between the rungs have become wider and when there is greater competition from in-migrants. That would have serious implications for first time buyers, as well as for existing homeowners: If one homeowner in the middle of the market is prevented from moving when they want to – either through lack of an affordable alternative or through competition from an in-migrant, this can wipe out a whole chain of potential purchasers below them, often including a first time buyer opportunity at the end of the chain.

This 'double whammy' effect of rapidly increasing house prices and competition from in-migrants does not only affect rural and coastal areas, and it can create the same effect in urban growth areas, especially when coupled with urban regeneration that can result in attracting purchasers who become out-commuters.

There is a similar situation with affordable housing supply: This comprises re-lets as well as new provision – an average of 472 plus 57 over the last four years - which means that new provision has amounted to just 11% (57 out of 529) of the total. Over half of the increase in new provision, from the past 57 p.a. to an average of just under 200 p.a. for 2006-11, will only compensate for the drop in the level of re-lets.

Again, there are many possible reasons for the reduced supply of re-lets, but two factors are likely to be quite significant: Fewer social tenants moving into the private sector, and older people staying longer in family housing, both of which offer the prospect of an improved rate of re-lets if suitable alternatives can be provided.

Projected new housing supply for Taunton Deane

This has been based on the proposals submitted by the Borough, via the County, to the Regional Assembly. Appendix 2 shows how this proposed supply can realistically be divided between the local housing markets within the Borough, and between market and affordable housing.

Total Housing Supply up to 2011 comes from a combination of already identified sites, plus an identified balance from existing consents and windfalls that will be necessary to meet the existing annual target, plus an allowance for windfall and exceptions sites developed by RSLs.

Total Housing Supply post 2011 comes from the uncompleted balance of sites already identified in the earlier period, plus sufficient additional sites to meet the targets and the distribution proposed by the Borough.

Affordable Housing Supply up to 2011 is assumed to be in accordance with current policy for 20% - 35% of new developments to be subsidised affordable housing, where the total number of dwellings is 25 or more (or the site is 1 ha or more) in Taunton and Wellington, and on sites of 3 or more in villages, plus an allowance for windfall and exceptions sites developed by RSLs.

The amount of this supply that could potentially be delivered as affordable housing post 2011 is set out in Table 8.11, based on the following assumptions and alternatives:

1. Baseline Position for Affordable Housing post 2011

This would be in accordance with new policy that sets a target of 35%, which will that will probably achieve 28% of all supply by the private sector as affordable, after deduction of non-qualifying sites, and the tail end of large sites under previous policy. The windfall and exception sites that are developed by RSLs should increase this to about **30% overall**.

2. First Alternative for Affordable Housing post 2011

This would be a combination of higher %s and lower thresholds that increase the overall 28% outturn figure for private sector supply to 35% in the main towns. Rural areas should achieve a higher figure, but even when RSL developments are added, the proportion would be unlikely to reach more than a total of **38% overall**.

3. Second Alternative for Affordable Housing post 2011

This assumes a more radical approach that would probably require the restriction of open market housing to Taunton and Wellington, where, subject to financial viability it might just be possible to secure an overall 40% as affordable (with a policy target of 45-50%). By restricting almost all development in Rural Centres and Villages to affordable housing, that could increase the proportion to **42% overall**.

Table 8.11 Potential affordable housing supply from three alternatives:

	% Affordable	2006-11	2011-16	2016-21	2021-26
Total		787	860	860	860
Baseline	30%	197 (existing policy)	258	258	258
1 st Alternative	38%		327	327	327
2 nd Alternative	42%		361	361	361

8.5 Conclusions and Recommendations

The annual shortfall in affordable housing supply that is represented by those who have registered their need has increased to in excess of 400 p.a., and this will be predominantly, though not exclusively, for social rented accommodation.

The annual shortfall in affordable housing supply for those who would in the recent past have been able to meet their needs in the market place is quite possibly even greater than this amount – and new supply in this ‘intermediate market’ may indeed be able to meet some of the present demand for the social rented sector if it is sufficiently affordable.

Taken together, the total need for affordable housing probably matches the total amount of housing supply that the Joint Study has assessed as being the maximum that the Borough can accommodate, on the assumption that 93% of it should be in Taunton and Wellington.

There is therefore a clear need to maximise both the amount of housing supply, and the proportion of it that will be accessible to the local working population. This could be achieved through the careful targeting of new housing supply, and setting the most ambitious proportions of, and thresholds for, affordable housing that are economically viable, including the allocation of sites exclusively for affordable housing for local people as provided for in the changes to PPG3 announced earlier this year.

Another consideration is whether the figure of 60 dwellings p.a. for all of the rest of the Borough is adequate:

Sites outside Taunton and Wellington could be required to contribute much higher proportions of affordable housing, as they are unlikely to be required to make the same contribution to major new infrastructure as the urban extensions, or to involve the high alternative use values of most urban brownfield sites. The South Hams model of 1/3 social rent, 1/3 intermediate market and 1/3 open market could be applied to the Rural Centres and larger villages, and in addition sites could be allocated for affordable housing only where appropriate.

The extent of the additional housing that this approach could provide will, of course depend on the balance between sites that were 100% affordable, or a mix of affordable and market, or market only (i.e single plots), but it is quite conceivable that the overall proportion could be well above 50%, and quite possibly 65-75%.

It will, however, be crucial that all affordable housing supply, both urban and rural, is delivered at costs that make it accessible to those who are employed locally, and who would otherwise be unable to afford to purchase or rent in the local housing market, as set out in Tables 8.8a and 8.9.

8.6 Local Housing Market Areas within Taunton Borough

Much of the information that relates to the whole Borough can be broken down into the four distinct Local Housing Market areas that have been identified within it.

This will be particularly relevant for illustrating the differences in the levels of need, supply, and cost for different property types. In an area which is planning for an increased rate of growth in the urban area, and a reduced rate of growth in the rural areas, this will reinforce the necessity of different policies and different implementation strategies for different areas.

8.6.1 The Housing Market

Prices for Wellington and Taunton are very similar, but the level of supply in Wellington is much more limited: At the time of the October 2005 estate agent survey the very high proportion of properties that were sold subject to contract suggested that supply is diminishing further. Unlike Taunton, Wellington has no significant level of new house building, and the one large site allocated in the Local Plan had not yet commenced at that date.

Prices in the Wiveliscombe area (including Bishops Lydeard), and in the Taunton Fringe area (including Creech St Michael and North Curry) are noticeably higher, but with such limited supply at the lower end of the market that it is not possible to establish how typical the quoted prices are.

Table 8.12 Access Prices for Owner Occupation - October 2005

Property Type	Taunton	Wellington	Wiveliscombe	Taunton Fringe
1 bed flat	£95,000	£95,000	N/A	N/A
2 bed flat	£110,000	£110,000	N/A	N/A
2 bed house	£120,000	£120,000	£140,000	£150,000
3 bed house	£125,000	£125,000	£150,000	£160,000

The private rented market, outside Taunton is predominantly for properties at the upper end of the market, with no supply at all at the lowest levels, as Table 8.8a, a very limited supply at the higher levels shown in Table 8.8b, and the majority above these levels.

Unlike Taunton, where there is a reasonable choice of properties for purchase and rent at the lower end of the market, there are significantly fewer such options in Wellington, and effectively none at all in the rural parts of the Borough.

8.6.2 Social Rented Housing – Ratio of Need to Supply

By looking at the Housing Register in more detail, it is possible to compare the relative levels of need for each broad type of property within each of the Local Housing Markets. This is quite straightforward for new applicants, by taking account of their first choice of location and property type, after disregarding those (about 35% of the total) who might not meet the definition of housing need as set out in the draft guidance on Local Housing Assessments (this definition is more rigorous than that contained in the existing guidance).

For transfer requests this is more complicated, as existing tenants who move to another property will release one for letting to a new applicant. It is also possible that they will move to another area altogether, but this cannot be accounted for at present. On the assumption that transfer requests within the general needs stock are generally for a larger property, and that each transfer applicant would release a property with one bedroom less than they are applying for, the amount of need for each property size has been adjusted to allow for the effect of all transfer requests being met in this way.

For sheltered transfer applicants it is not possible to make any such assumptions, but as there are hardly any lettings in the 1 bedroom stock (none at all in 2004/5) this has little practical effect.

Comparing the net need for each type of property with the actual supply through re-lets in the past year, produces a ratio which shows its relative shortage or surplus. In effect, this

is the number of years it would take to meet all of the existing and registered housing need at the current rate of supply:

8.6.3 Taunton – Social Rented Housing

Table 8.13 Taunton – Ratio of Need to Supply

Property	Applicants	Transfers	Net Need	Re-lets 2004/5	Ratio of Need:Supply
1 bed	579	226	350	154	2.3:1
2 bed	429	229	435	162	2.7:1
3 bed	168	223	336	41	8.2:1
4 bed	9	55	64	4	16:1
All General Needs	1,185	533	1,185	361	3.3:1
1 bed	325	157	325	56	5.8:1
2 bed	94	50	94	0	N/A
All Sheltered	419	207	419	56	7.5:1

Quite typically, this shows the much higher ratio of need to supply – or the longer waiting time – for larger property types.

Although 3 and 4 bedroom need, even after adjusting for transfer requests, amounts to a 33% of all need, it benefits from only 12.5% of the supply.

For sheltered housing, 94 applicants are waiting for a 2 bedroom property – for which supply in 2004/5 was nil.

These disparities are not simply a reflection of shortage of stock – and a comparison of stock and lettings shows the different rates of stock turnover:

Table 8.14 Taunton – Stock and Lettings

Property Type	Total Stock	2004/5 re-lets	Stock Turnover
1 bed	920	154	17%
2 bed	1,809	162	9%
3 bed	1,267	41	3%
4 bed	167	4	2.5%
All General Needs	4,163	361	9%
1 bed	761	56	7%
2 bed	3	0	N/A
All Sheltered	764	56	7%

It is not surprising that the smaller property sizes have a higher rate of turnover than family houses which have more established households, but the rate of only 3% for 3 bedroom houses may suggest that there is scope for investigating the extent to which under-occupiers, and potential owner-occupiers, might be assisted to meet their aspirations.

8.6.4 Wellington – Social Rented Housing

Table 8.15 Wellington – Ratio of Need to Supply

Property	Applicants	Transfers	Net Need	Re-lets 2004/5	Ratio of Need:Supply
1 bed	38	8	23	32	0.7:1
2 bed	21	15	25	32	0.8:1
3 bed	9	11	19	15	1.3:1
4 bed	0	1	1	2	0.5:1
All General Needs	68	35	68	81	0.8:1
1 bed	15	4	15	13	1.1:1
2 bed	3	1	3	0	N/A
All Sheltered	18	5	18	13	1.4:1

For an urban area, this shows remarkably low ratios of need to supply, and a clear indication that applicants will put Taunton ahead of Wellington as their choice, despite the fact that their chances of being offered a property are better than in Taunton. This is something that would seem to merit further investigation.

Table 8.16 Wellington – Stock and Lettings

Property Type	Total Stock	2004/5 re-lets	Stock Turnover
1 bed	162	32	20%
2 bed	354	32	9%
3 bed	448	15	3%
4 bed	39	2	5%
All General Needs	1,003	81	8%
1 bed	249	13	5%
2 bed	1	0	N/A
All Sheltered	250	13	5%

The turnover rates are almost identical to Taunton, despite the ratios of need to supply being so much lower. It is therefore clear that the low ratios are not the result of unusually high turnover, and the market data certainly does not suggest that affordability and supply in the private sector are any better than in Taunton.

The very low turnover rates for 3 and 4 bedroom houses, as with Taunton, suggest that there is still scope for investigating the extent to which under-occupiers, and potential owner-occupiers, might be assisted to meet their aspirations, but this would need to be in conjunction with addressing the question of why it is a less popular location.

8.6.5 Wiveliscombe Area – Social Rented Housing

Table 8.17 Wiveliscombe Area – Ratio of Need to Supply

Property	Applicants	Transfers	Net Need	Re-lets 2004/5	Ratio of Need:Supply
1 bed	15	0	-1	9	N/A
2 bed	15	16	24	31	0.8:1
3 bed	11	7	16	13	1.2:1
4 bed	1	2	3	2	1.5:1
All General Needs	42	25	42	55	0.8:1
1 bed	16	5	16	5	3.2:1
2 bed	5	2	5	0	N/A
All Sheltered	21	7	21	5	4.2:1

These figures are very similar to the Wellington ones, and are surprising for a rural area where supply is usually far outstripped by need.

Table 8.18 Wiveliscombe Area – Stock and Lettings

Property Type	Total Stock	2004/5 re-lets	Stock Turnover
1 bed	41	9	22%
2 bed	154	31	20%
3 bed	102	13	13%
4 bed	14	2	14%
All General Needs	311	55	18%
1 bed	6	5	83%
2 bed	9	0	N/A
All Sheltered	15	5	33%

These figures are significantly higher than for the urban parts of the Borough, which is contrary to the norm, and may reflect a lack of satisfaction with local services, facilities or employment. Taken together with the ratios of need to supply, it would certainly suggest that affordable housing needs in this area do not lie in the social rented sector.

8.6.6 Taunton Fringe Area – Social Rented Housing

Table 8.18 Taunton Fringe Area – Ratio of Need to Supply

Property	Applicants	Transfers	Net Need	Re-lets 2004/5	Ratio of Need:Supply
1 bed	10	0	6	7	0.9:1
2 bed	11	4	12	3	4:1
3 bed	5	3	8	3	2.7:1
4 bed	2	0	2	0	N/A
All General Needs	28	7	28	13	2.1:1
1 bed	18	3	18	1	18:1
2 bed	3	0	3	0	N/A
All Sheltered	21	3	21	1	21:1

Although the figures are very small, they do suggest that there is a greater proportion of unmet need than in the other rural part of the Borough.

Table 8.19 Taunton Fringe Area – Stock and Lettings

Property Type	Total Stock	2004/5 re-lets	Stock Turnover
1 bed	243	7	2.9%
2 bed	485	3	0.6%
3 bed	477	3	0.6%
4 bed	40	0	N/A
All General Needs	1,245	13	1%
1 bed	191	1	0.5%
2 bed	27	0	N/A
All Sheltered	218	1	0.5%

Taunton Deane Borough Council – Housing Review Panel – 9/11/05

Report on the Initial Findings of the Somerset Sub-Regional Housing Assessment that relate to Taunton Deane Borough

1. Introduction

The full draft report on the Somerset Sub-Regional Housing Assessment is due to be presented to a group of stakeholders on 18th November, and a meeting of the Project Steering Group on 29th November will consider any changes which may be appropriate to make in the light of that consultation event. The final report will then be considered by each of the five commissioning authorities prior to it being submitted to the County Council on 7th February, for them to forward to the Regional Assembly to inform the draft Regional Spatial Strategy.

The section of the draft report that relates to Taunton Deane Borough has been completed in advance of the other sections of the report, and is attached for consideration by the Housing Review Panel.

Other sections of the report will describe the economic and demographic context in which influence the housing market in Somerset, and set out the draft Regional Spatial Strategy which will determine the amount and distribution of new housing supply for the period up to 2026.

The key economic and demographic factors are:

- Virtually full employment, and a shift in the growth of employment from the market towns to the major towns, but with no advance in the level of technical skills and productivity that are necessary to achieve growth in earnings.
- A continuing high rate of population growth, especially in the older age groups, but also to a lesser extent in the 15-24 age group, with the prospect of continuing high levels of in-migrants that are either wealthier or poorer than the average for the existing population.
- A dispersed population, with only 29% of the county's population in the major towns and 40% in settlements below 3,000.

The key message from the Regional Spatial Strategy is:

- Although there will be no overall increase in the level of new housing supply, it will be much more concentrated in the major urban areas – especially in Taunton Deane where the past average of 460 p.a. will increase to 860 p.a., of which 800 p.a. will be in Taunton and Wellington.

2. Methodology

The report is based on an analysis a wide range of data sources that can be reviewed on an annual basis (ore more frequently if necessary), so that projections can be kept up to date and policies and strategies adjusted as appropriate. It also reviews the most recent local, regional and national research and guidance into housing need and affordability issues, and is structured at three levels to provide:

- **An overall sub-regional assessment** that will fit in with other similar assessments that have already been carried out or are being planned, as the means by which Regional Spatial and Housing Strategies can be properly informed from the bottom up as well as from the top down.
- **A detailed assessment for each of the five Borough/District Councils** in Somerset that will inform both their Local Development Frameworks, (in respect of the appropriate distribution and tenure proportions of new housing supply), and their Housing Strategies (in respect of priorities for investment and intervention).
- **A review of the data at a sub-district level**, for each of the 4 local housing markets it has identified within Taunton Deane Borough (24 within the County) to allow for the consideration of different policies and strategies to deal with different circumstances.

3. Recent Trends in Housing Need and Supply

The last four years have shown a steady increase in housing need as indicated by the housing waiting list, and a steady decline in each of the elements of affordable housing supply:

	2001	2002	2003	2004
Waiting List (total)	1,383	1,582	1,848	2,111
Social re-lets	594	480	407	409
New subsidised	42	107	31	48
Terraced sales	1,095	973	962	875
Affordable sales	1,500 (below £89,450)	1,200 (est.) (below £100,000)	1,000 (est.) (below £120,000)	630 (below £127,000)

4. Calculation of Housing Need - Registered

The need for affordable housing supply to meet registered need is calculated as shown in the box below: An analysis of the housing register resulted in 1,321 applicants being assessed as being currently in housing need, and a calculation that the annual rate of addition to the register (before lettings) amounts to newly arising need of 620 p.a.

Reduction of Backlog of Need: (1,321 /10) (to eliminate this existing need over 10 years)		132 p.a.
Newly Arising Need: (from newly forming households, plus existing households falling into need)	plus	620 p.a.
Gross Annual Need: (132 plus 621)	equals	752 p.a.
Annual Supply from Re-lets	less	408 p.a.
Net Requirement for New Supply	equals	344 p.a.

5. Calculation of Housing Need - Registered

The need for affordable housing to meet un-registered cannot be so precisely calculated, but an indication of the scale of it can be seen from the following:

The recent report by Professor Wilcox for the Joseph Rowntree Foundation shows that 31% of working households in the 20-39 age group (excluding those in receipt of housing benefit) could not afford to purchase the lowest decile price for a 2 or 3 bedroom property, even with an £18,000 deposit and a mortgage of 3.75 x a single income or 3.25 x a joint income.

In 2001, 1,500 properties were sold in below the price that was affordable to a person earning not more than £20,000.

In 2004, even after adjusting for increased earnings, the number of properties that were at a comparable level of affordability had reduced to less than 630, thus removing 870 prospective purchasers from the market.

Although many of these may have found alternatives – such as private renting, sharing or continuing to live with parents – at the very least this would indicate that around a quarter of the 870 represented: **Intermediate Market Need of 215 p.a.**

6. Total Affordable Housing Need

Even on this conservative treatment of both registered and unregistered need, the annual requirement is: **344 plus 215 = 559 p.a.**

7. Affordable Housing Supply

The report considers three policy options for the post 2011 period (almost all affordable housing due to be delivered up to that date being subject to existing policy). The baseline assumes no change, the first alternative would be in line with most current policy proposals in the region, and the second alternative would match the most ambitious targets in recently adopted Local Plans.

While existing policy should ensure an increase in annual supply from less than 100 p.a. to almost 200 p.a. for 2006/11, the post 2011 options would produce the following from a total of 860 dwellings p.a.

Post 2011:	% affordable	Number affordable
Current policy	30%	253
Other proposals	38%	327
Most ambitious achieved	42%	361

It is clear that new supply alone will be far from adequate to meet the level of identified need, and a significant proportion can only be met through reversing the recent decline in re-lets. This might be through assisting tenants and priority applicants into lower cost forms of home ownership, or making better use of low demand sheltered housing.

8. Policy Recommendations

Definition of Intermediate Market Affordable Housing - This should be linked to a level of monthly cost that is comparable to the lower level of the private rented sector, as evidenced by the following table of monthly costs:

Property Type	New Build purchase	Re-sale purchase	Market Rent (higher level)	Market Rent (lower level)	Social Rent
1 bed flat	£533	£506	£500	£400	£250
2 bed flat	£693	£533	£600	£475	£275
2 bed house	£773	£639	£600	£500	£300
3 bed house	£852	£666	£750	£575	£330

These costs will require considerable modification to the prevailing models of shared ownership, involving the sale of a lower percentage of the equity and a lower (or nominal) rent charge. This will reduce the price that an RSL can pay a developer for the property, but still leave it at more than twice the price they can pay for a social rented property when no grant is involved.

Proportion of Affordable Housing - There is ample justification for a 50% target in urban areas and 2/3 in rural areas, split equally between social rent and intermediate market. There appears to be no reason why the LDF should not allocate sites for affordable housing only in suitable rural settlements, in line with the recent amendment to PPG3.

Compromises on account of Financial Viability - Financial viability should be properly established prior to a site being either allocated or identified as suitable for residential use as a windfall. A lower proportion, or some other compromise, can then be established at the outset rather than after an application is received.

Securing Continuing Affordability - With an increased proportion of intermediate market housing, the amount of unsold equity will be substantial. In rural areas it might be appropriate to restrict the level of equity that can be purchased through 'stair casing', but in urban areas this should not be necessary as long as the receipts are ring fenced for re-investment.

Establishing the Policy Requirements - To ensure that the essential policy requirements can be achieved, the principles of each element will need to be set out in the Local Development Framework policy and elaborated in a Supplementary Planning Document. If these requirements are developed, and subjected to consultation at an early date, this will speed up their eventual implementation.

9. Administrative Requirements

Establish Comprehensive Management Information System for all records of affordable housing need, stock and supply. This will enable simple updating of the Assessment, and help ensure that the right type of new supply is secured.

Develop more affordable intermediate market products that will be accessible to all income groups who are excluded from the market.

Increased re-lets and better use of existing stock - meeting tenant's aspirations, and addressing under-occupation and low demand sheltered housing.

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 11 JANUARY 2006

REPORT OF THE PROPERTY SERVICES MANAGER
(This matter is the responsibility of Executive Councillor Hall)

SECURITY SYSTEM REPLACEMENT, DEANE HOUSE

EXECUTIVE SUMMARY

The existing door entry security system is now proving to be problematic. The installation is time expired, spare parts are becoming difficult to obtain and breakdowns are now fairly common. It is now considered essential to replace the existing system as soon as possible.

Purpose of Report

To obtain approval to purchase a suitable system so that installation can be achieved by the end of this financial year.

This may entail the placing of an order for the work with a specialist contractor without submitting the work to competitive tender. Negotiations are ongoing at the present time with the Council's current security system installation and maintenance contractor – Coomber Security Systems Ltd. This contractor is familiar with the Deane House, knows its officers and has provided good service to the Authority over many years.

Background Information

The existing security system was installed some 8 - 10 years ago. The technology is now old and incapable of further expansion and spare parts are now almost impossible to obtain due to various companies either going out of business or discontinuing their products.. It is no longer cost effective to keep the system functioning.

Current position

Coombers Security Systems Ltd have been asked to provide a solution and price. The proposal put forward is to supply identity cards that require a "show only" procedure to a reader for the car park and entry around the building, with a "swipe" facility required for time keeping purposes. It would appear to be too costly to replace the "time keeping" element of the system with a "show only" reader. As stated previously discussion is ongoing with Coomers . It is likely that the cost will be in the order of £17,000. If approved the work would be funded out of Unallocated Reserves. If an order is placed before the end of January 2006 the work would be completed by the end of this financial year.

Clearly if agreement cannot be reached with the proposed contractor then further prices will be sought - although this is considered to be unlikely. If this is the situation the work may not be completed in this financial year.

A Mini Par is attached.

Recommendation

The Executive is requested to :-

- (a) approve the purchase of a new security system for the Deane House and Car Park; and
- (b) approve the appointment of Coomber Security Systems Ltd to purchase and install the system – funded from Unallocated Reserves.

S J M Rutledge, Corporate Property Officer
01823 356509 s.rutledge@tauntondeane.gov.uk

PAR Requirement for Security System Replacement, Deane House

System replacement £17,000

The existing system is now proving problematic. With the installation now obsolete, procurement of spare parts is becoming extremely difficult. Breakdown situations severely compromise the security of the building and these are occurring on a more regular basis.

A new system would link into the car-park barrier etc. System design is being investigated, to ensure the best available technology for our needs can be utilised.