TAUNTON DEANE BOROUGH COUNCIL

Executive

You are requested to attend a meeting of the Executive to be held in The John Meikle Room, The Deane House, Belvedere Road, Taunton on 12 October 2011 at 18:15.

Agenda

1 Apologies.

2 Minutes of the meeting of the Executive held on 14 September 2011 (attached).

3 Public Question Time.

4 Declaration of Interests
To receive declarations of personal or prejudicial interests, in accordance with the Code of Conduct.

5 Halcon North, Taunton Regeneration Project. Report of the Growth and Development Manager (attached). See also confidential Appendices at Agenda Item 12.
Reporting Officer: Tim Burton

6 Installation of Solar PV on Council House Stock. Report of the Strategic Director (attached).
Reporting Officer: Kevin Toller

7 Project proposal for installation of a medium sized Solar PV array on a Taunton Deane corporate building or site. Report of the Climate Change Officer (attached).
Reporting Officers: Kevin Toller
Torsten Daniel

8 Taunton Car Parking Strategy 2011 - 2021. Report of the Strategic Director and the Parking and Civil Contingencies Manager (attached).
Reporting Officers: John Lewis
Joy Wishlade

9 Review of Floodlighting. Report of the Economic Development Specialist (attached).
Reporting Officer: David Evans

10 Proposal to Adopt a Client-based approach to delivering Construction Skills in Taunton Deane. Report of the Economic Development Specialist (attached).
Reporting Officer: David Evans

11 Executive Forward Plan - details of forthcoming items to be considered by the Executive and the opportunity for Members to suggest further items (attached)

The following items are likely to be considered after the exclusion of the press and public because of the likelihood that exempt information would otherwise be disclosed relating to the Clause set out below of Schedule 12A of the Local Government Act 1972.

12 Halcon North, Taunton Regeneration Project - Confidential Appendices (attached). See also Agenda Item No. 5.

Tonya Meers
Legal and Democratic Services Manager

12 January 2012

Members of the public are welcome to attend the meeting and listen to the discussions.

There is time set aside at the beginning of most meetings to allow the public to ask questions.

Speaking under "Public Question Time" is limited to 4 minutes per person in an overall period of 15 minutes. The Committee Administrator will keep a close watch on the time and the Chairman will be responsible for ensuring the time permitted does not overrun. The speaker will be allowed to address the Committee once only and will not be allowed to participate further in any debate.

If a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chairman will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

This is more usual at meetings of the Council's Planning Committee and details of the "rules" which apply at these meetings can be found in the leaflet "Having Your Say on Planning Applications". A copy can be obtained free of charge from the Planning Reception Desk at The Deane House or by contacting the telephone number or e-mail address below.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group.

These arrangements do not apply to exempt (confidential) items on the agenda where any members of the press or public present will be asked to leave the Committee Room.

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Lift access to the John Meikle Room and the other Committee Rooms on the first floor of The Deane House, is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available off the landing directly outside the Committee Rooms.

An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter.

For further information about the meeting, please contact Democratic Services on 01823 356382 or email d.durham@tauntondeane.gov.uk

Executive Members:-

Councillor J Warmington (Community Leadership)
Councillor J Williams - Leader of the Council (Leader of the Council)
Councillor V Stock-Williams (Portfolio Holder - Corporate Resources)
Councillor N Cavill (Portfolio Holder - Economic Development, Asset Management, Arts and Tourism)
Councillor K Hayward (Portfolio Holder - Environmental Services)
Councillor J Adkins (Portfolio Holder - Housing Services)
Councillor M Edwards (Portfolio Holder - Planning and Transportation/Communications)
Councillor C Herbert (Portfolio Holder - Sports, Parks and Leisure)

Executive – 14 September 2011

Present: Councillor Williams (Chairman)
Councillors Mrs Adkins, Cavill, Edwards, Hayward, Mrs Stock-Williams and Mrs Warmington

Officers: Shirlene Adam (Strategic Director), James Barrah (Community Services Manager), Donna Durham (Democratic Support Manager), Paul Fitzgerald (Financial Services Manager), Ian Franklin (Project Taunton Director), Martin Griffin (Retained HR Manager), Simon Lewis (Strategy Manager), Tonya Meers (Legal and Democratic Services Manager), Keith Pennyfather (Divisional Manager - Estates – Southwest One), Dan Webb (Performance and Client Lead) and Scott Weetch (Community Services Lead)

Also present: Councillors Gaines, Ms Lisgo, Morrell and A Wedderkopp
Phil Bisatt from UNISON

(The meeting commenced at 6.15 pm.)

73. Apology

Apology: Councillor Mrs Herbert

74. Minutes

The minutes of the meeting of the Executive held on 11 August 2011, copies of which had been circulated, were taken as read and were signed.

75. Essential and Casual Car User Allowance Scheme and Method of Application

Considered report previously circulated, concerning a new method of allocation of Essential and Casual Car User Allowances for staff.

The National Terms and Conditions of Service for Local Government Services terms included a Scheme of Car Allowances for employees who could be classified as either essential users or casual users. For essential users both lump sum payments and mileage payments were made, based on the engine capacity of the vehicle, to reflect that the post holder could not undertake their duties without the use of a vehicle. Payments to casual users provided mileage payments only.

There were no proposals to alter the national allowances. There were proposals for setting of rules as to the allocation of casual and essential user status and for keeping this under review. There were also some minor amendments to the local elements of car allowance payments.

Detailed discussions had taken place with both local and regional staff representatives on potential amendments to the Car Allowance Scheme and the allocation method of car allowances.

The proposals for consideration had been advised to all staff and UNISON had, during

July 2011, balloted their affected members with the following results:

In Favour	– 82%
Against	– 12%
Spoilt Paper	– 6%

A local UNISON representative stated that there had been a productive discussion on the issues over a period of eighteen months.

The Corporate Scrutiny Committee at its meeting on 18 August 2011 had recommended that the Executive proceed with the new allocation method.

Resolved that the new allocation method of Essential and Casual Car User Allowances (appended to these minutes) be approved.

76. Consultation on the registration of new Town and Village Greens

Considered report previously circulated, concerning a consultation on proposals to reform the system for registering new town or village greens under Section 15 of the Commons Act 2006.

The Government sought an improved balance between protecting high quality green space valued by local communities and enabling the right development to occur in the right place at the right time.

The proposals were summarised as follows:

- No Change;

- Streamline sifting of applications – this proposal would enable registration authorities to reject applications at an early stage where insufficient evidence had been submitted or where there was strong evidence that the application could not meet the criteria for registration;

- Declarations by landowners – landowners would be given the chance to make a statutory declaration to negate any evidence of use of a claimed green during the period when the declaration remained in effect;

- Character – new legislation would add a character test to the existing criteria for a green. Only land which was unenclosed, open and uncultivated would be eligible for registration;

- Integration with local and neighbourhood planning – this proposal would taken decisions on the future of sites into the planning system. It would prevent registration of land which was subject to a planning application or permission for development of the site, or which was designated for development or as a green space in a local or neighbourhood plan; and

- Charging fees – an applicant would be required to pay a fee when making an application. Legislation would allow each registration authority to set its own fee to a prescribed ceiling. It was not intended that the fee would allow for full cost recovery. Fees could be refundable if the application was granted.

The Community Scrutiny Committee, at its meeting on 6 September 2011, supported the majority of the questions, but made the following comments on others:

5.5 – Landowners should publicise a declaration in the same way as planning applications;

5.6 and 5.7 – there was insufficient time to discuss and reach a conclusion;

5.8 – neighbourhood plans were not sufficiently known by the public to rule out making a greens registration application; and

5.11 – Refunding the fee where an application was not granted was not supported.

Resolved that the suggested responses to the consultation, from the Community Scrutiny Committee be agreed and submitted to the Department for the Environment, Food and Rural Affairs.

77. Allocation of Growth Point Capital Funding

Considered report previously circulated, concerning the Growth Point Funding received from Central Government following the Council's bid for monies to regenerate the town centre and facilitate the growth of Taunton.

The report suggested the allocation of a further £72,000 of the funding to achieve the aims of Project Taunton, which would provide:

- expert advice on retail development in Taunton;
- play equipment in Goodland Gardens;
- project management for the construction period of the Castle Green project; and
- a contribution towards the planning application for the Brewhouse.

Members were advised that the Project Taunton Steering Group and Corporate Scrutiny Committee had already discussed the same topic and recommended approval of the funding. However, the Corporate Scrutiny Committee was concerned about the brief for the consultancy for retail development.

The Executive reported that the brief would be approved by the Chairman of the Project Taunton Steering Group. They were concerned about how much play equipment could be purchased for £5,000 and reported that this was being reviewed.

Resolved that the Growth Point capital funding be agreed for the following:

1. Up to £50,000 for expert advice on retail development in Taunton;

2. £5,000 for play equipment in Goodland Gardens;

3. Up to £10,000 for project management for the construction period of Castle Green; and

4. £7,000 towards the outline planning application for an extended Brewhouse.

78. Goodland Gardens Public Conveniences, Taunton

Considered report previously circulated, concerning the options for the Council owned redundant public conveniences at Goodland Gardens in Taunton.

The Council owned the freehold interest of these public toilets, which were closed in 2008, and the adjoining public open space.

Swan Paul had been appointed by Project Taunton and the Council as landscape architects for the planning and design of various projects along the River Tone. Their latest project was the enhancement of the riverside walk and the eastern part of Goodland Gardens.

Due to budget constraints, it was likely the Council would be left with a newly landscaped area, but a redundant toilet block. The planning application submitted included an unspecified change of use of the building.

The report showed six options for the Council regarding the toilet block:

i) Do nothing apart from external decoration works;

ii) Demolish and landscape the site;

iii) The Council to secure a planning permission for change of use to a café;

iv) Grant a leasehold for a medium term, say 15-30 years, with an obligation for the tenant to pay for and execute the renovation works;

v) Sell by way of a long lease, say 125 years at a premium, with nominal rent thereafter; and

vi) Sell the freehold.

The Community Scrutiny Committee, at its meeting on 2 August 2011, supported seeking unrestricted expressions of interest for the toilet block, for a maximum period of nine months. They suggested that if there was insufficient interest in the property at the expiry of nine months then funds should be found to demolish the property and landscape accordingly.

The Executive felt that unrestricted expressions of interest for the toilet block should be sought for a maximum of nine months, but if a suitable lessee was found, this should be progressed to a sale by way of a lease.

Resolved that unrestricted expressions of interest in the toilet block be sought for up to nine months. If a suitable offer was made, this would progress to a sale by way of a lease.

79. Financial and Performance Monitoring - Quarter 1

Considered report previously circulated, concerning the financial position and the performance of the Council to the end of Quarter 1 of 2011/2012 (as at 30 June 2011).

The monitoring of the Corporate Strategy, service delivery, performance indicators and budgets was an important part of the overall performance management framework.

The reporting process had changed for this financial year – the report would now be reported to the Corporate Scrutiny Committee first, followed by the Executive.

Four ‘Key Issues’ had been identified from analysis of the performance and financial data for Quarter 1. These were:

- Planning performance (speed of processing applications);

- Planning income;

- Car Parking (Off Street) income; and

- Licensing income.

Members were provided with detailed information on these Key Issues including the risks and impacts, the reasons for the issues emerging and management actions to address them.

Analysis of the overall performance of the Council revealed a similar position to the previous quarter, with 64% of all performance measures on target. An improving trend was shown in the Corporate Strategy Aims, Service Delivery, Key Projects and Key Partnerships.

The Corporate Scrutiny Committee, at its meeting on 18 August 2011, made the following comments:

- Car Parking Income - the reduction in car parking usage and income. The Parking Manager had reported that this was due to the economic recession and a reduction in long-stay parking due to the success of the current transport policies;

- Planning performance and income – why planning applications were not processed within target time. The Growth and Development Lead had explained that the applications that were determined in Quarter 1 included applications that had been received in Quarter 4 of the previous year. He had also reported that income was down partly due to the non-submission of major applications; and

- Health and Safety inspections – more information was requested. The Environmental Health Lead had explained that the Council were working with the Gas Safe Register on a Somerset wide project to ensure gas installations and appliances in catering businesses were being serviced correctly.

Unfortunately, non compliance was high which generated a high level of enforcement action.

Further reported that loss of income was a key driver in the forecast for the General Fund Revenue account. The Management Team were working to refresh spending so that the prospect for the year end outturn was improved.

Resolved that the report be noted.

80. Budget Review Project – High Level Principles

Considered report previously circulated, concerning high level principles for assessing options from within the Council's Budget Review.

The Councils Budget Strategy had been approved in October 2010. It described the need to set a four year balanced budget for the period 2012/2013 to 2015/2016 in the light of unprecedented funding cuts and funding uncertainty for local government. The projected overall budget to provide services to the public would be 40% less in 2015/2016 than it was today.

A report taken to the Executive in July re-confirmed the savings target, based on the latest financial data. It also outlined a process and timetable for Council approval of the 4 year savings plan by the end of December.

A 'financial options pack' containing a large range of options for increased income, service reductions and other financial savings had been made available to all Councillors in late July.

A key stage in the Budget Strategy process was for Councillors to establish and agree some high level principles. This would provide Councillors with an agreed 'framework' for assessing options from the financial options pack and selecting proposals later in the process, for setting a balanced budget.

The high level principles had been reported to the Corporate Scrutiny Committee on 18 August 2011 and the Committee's feedback had helped shaped them as detailed in the report. The eight high level principles were reported as follows:

- Corporate Priorities;
- Terms and Conditions;
- Staff Benefits;
- Devolving responsibility;
- Increasing Commerciality;
- Fees and Charges;
- Capital Strategy; and

- Key Partnerships.

Concern was expressed that economic investment was not included in the principles, but this would be considered when the Corporate Strategy was reviewed.

81. Exclusion of the Press and Public

Resolved that the press and public be excluded from the meeting for the following item because of the likelihood that exempt information would otherwise be disclosed relating to Clause 3 of Schedule 12A to the Local Government Act, 1972 and the public interest in withholding the information outweighed the public interest in disclosing the information to the public.

82. Budget Review Project – High Level Principles

Considered the confidential appendix relating to key partnerships.

Resolved that the High Level Principles be approved, with the addition of ‘and the Tartan Book’ at the end of the Terms and Conditions Principle.

83. Executive Forward Plan

Submitted for information the Forward Plan of the Executive over the next few months.

Resolved that the Forward Plan be noted.

84. Deane Helpline

Considered report previously circulated, concerning the Council’s Deane Helpline.

The Deane Helpline service provided community alarms, 24 hour monitoring, installation and emergency response services to over 1,900 vulnerable Taunton Deane residents and community alarm monitoring, Out of Hours Service and Lone Worker Monitoring to corporate customers, Housing Associations and other Local Authorities. Overall there were approximately 13,000 connections to the service.

The service was highly regarded by customers, and was subject to external scrutiny by the Telecare Services Authority and had again recently passed the annual audit. Service delivery performance also continued to be excellent.

Options for the future direction of the Deane Helpline were discussed.

Further reported that the Community Scrutiny Committee had considered the options at its meeting on 2 August 2011 and decided that Option 4 should be recommended to the Executive.

During the discussion of this item, Members agreed that Options 4 and 5 should be progressed further and proposals for each option built.

Resolved that Options 4 and 5 be pursued.

(The meeting ended at 7.55pm)

APPENDIX A

Essential and Casual Car User Scheme

20. Car Allowances

20.1 Employees required to use their motor vehicles for the efficient performance of their duties will receive allowances for the use of their motor vehicles on business only after being so authorised by the authority. The authority may determine whether the use is casual or essential and the cubic capacity of car considered appropriate.

20.2 The authority shall have the right to require an employee to carry official passengers without any additional payment.

20.3 Where appropriate public transport must be used.

Journeys should be authorised by the approving manager on SAP Employee Self Serve or by the responsible officer nominated by him/her and claims for travelling allowance must likewise be submitted to and approved by the the approving manager on SAP Employee Self Serve or other responsible officer nominated by him/her.

For approved non ESS Users car mileage and expenses should be claimed using approved paper based systems.

Employees must maintain an official record of their journeys, showing full particulars of and the reason for each, including the names of official passengers carried. Such details must be recorded in the employee's log book/claim forms at the start and finish of each journey. TDBC will provide log books/claim forms to employees for this purpose.

Employees shall not use their own motor cars on journeys when there is room in the car of another employee making the same journey on the same business and as far as possible journeys over the same route by employees should be arranged so as to synchronise.

20.4 Employees shall have included and maintain in their policy of insurance a clause (please see below*) indemnifying the local authority against all third party claims (including those concerning passengers) arising out of use of the vehicle on official business, provided that this requirement shall not apply where an undertaking has been given by an insurer to the local authority or the appropriate association of local authorities. Proof of this clause and a copy of the employees insurance policy must be provided to the HR Administration and Payroll section on an annual basis and at each change of insurance cover.

*"Employees who use their own vehicles for any business travel must have **full business use cover** on their insurance policy. Without this cover an employee must not drive on Council business. Driving to and from different work locations would be classed as business use."

Essential Users

20.5 The definition for essential users are those set out below. If the employee uses a private car in carrying out those official duties then they shall be entitled to receive the lump sum allowance and mileage rates set out in Appendix 2.

20.6 Where a car is not in use as a result of either a mechanical defect or the absence of the employee through illness:

(a) The lump sum payments should be paid for the remainder of the month in which the car first went out of use, and for a further 3 month thereafter. For the following 3 months, payment should be made at the rate of 50% of the lump sum payment.

(b) During the period when a car is off the road for repairs, reimbursement in respect of travel by other forms of transport should be made by the employing authority.

20.7 Payments of the lump sum allowance shall be made by instalments so that the amount of the total payments on account shall bear to the lump sum the same proportion as the number of completed months of the annual allowance period bears to twelve. The period over which the car allowances are paid should be from 1st April in any year to the succeeding 31st March.

20.8 In the case of an employee who takes up an appointment with the authority after 1st April in any year, or leaves the authority, the allowance should be so calculated that the amount payable bears the same proportion to a full year's allowance as the number of months in the year during which the officer uses his car bears to twelve. The calculation of the mileage allowances would thus be made on a proportionate basis in accord with the following procedure:

The mileage allowance to be paid at the higher rate would be equivalent to 709 miles per month of service.

The excess over 709 miles per month of service would be paid at the reduced rate. for example, where the total service in the financial year is five months then up to 3,545 miles would be paid at the higher rate and the excess over 3,545 miles would be paid at the lower rate.

Casual Users

20.9 All staff not considered to be Essential Users will be deemed to be casual users.

20.10 The Authority will not make it a condition of employment that employees designated as casual users should provide motor cars for official use.

20.11 The allowances are contained in Appendix 2.

Out of County and Training Mileage

20.12 An "out of county" mileage rate, equivalent to the lowest essential user mileage rate, is paid for the whole journey where

(i) any part of the journey is outside the Somerset county boundary.

20.13 The allowance is not paid to lease car drivers.

20.14 Staff are reminded that before 'out of county' mileage is undertaken alternative options relating to public transport and hiring a vehicle should be investigated, discussed with their line manager and used where appropriate.

Essential and Casual User Definitions

CAR USER ALLOWANCE CRITERIA

- Criteria for Car User Allowances

This policy specifies the criteria that must be satisfied for car user allowances to be allocated to a post. Outlined below is the criteria that needs to be satisfied to determine if the post should be allocated an essential user allowance. Other information to be considered at any appeal includes:

- The nature of the duties undertaken
- Why and how frequently a private vehicle is necessary
- Whether the timing of journeys can be influenced by the postholder and to what degree
- The number of miles actually undertaken by the postholder or similar posts
- If/why the number of miles travelled may change, and
- The views of the Theme Manager

Car User Allowance entitlement will be subject to review every two years across the authority. If an employee changes from an essential user allowance to a casual allowance no payments will be made in respect of this change.

1.1.1.1.1 ALLOWANCE		CRITERIA	REASON
1.1.1.2 ESSENTIAL	E1	An estimated or actual number of miles travelled on council business (within the Borough or other districts in Somerset as part of a partnership) as a requirement of the post of no less than 1,200 miles per annum	The Council needs to assist and support employees who travel a significant number of miles on Council business. The Council benefits directly from the convenience and time saved when officers travel in a private car when undertaking their duties
	E2	A regular requirement of the post to undertake frequent urgent journeys to attend locations around the District.	Being able to respond to urgent requests elsewhere can be an important factor in some jobs. Urgent – non scheduled visits relating to imminent health and safety, personal care or other such issues which must be done the same working day.

	E3	All staff contractually required to participate in corporately approved 'Out of Hours' Emergency Call Out Schemes and who undertake mileage.on a regular basis	
Casual User	C1	All other staff who undertake mileage will be paid at Casual User mileage rates.	

CAR ALLOWANCES

National NJC rate effective from 1st April 2011 (subject to annual review by the NJC)

Essential Users

	451-999cc	**1000 – 1199 cc**	**Above 1200 cc**
Lump sum per annum	£846	£963	£1239
per mile first 8,500	36.9p	40.9p	50.5p
per mile after 8,500	13.7p	14.4p	16.4p

Casual Users

per mile first 8,500	46.9p	52.2p	65.2p
per mile after 8,500	13.7p	14.4p	16.4p

The out of county mileage rate is 36.9p

Car Lease Rate

The car lease rate is 14.8p per mile

BICYCLE ALLOWANCE

For travel up to a 3 mile radius from place of work - 20p per mile

Taunton Deane Borough Council

Executive Meeting - 12 October 2011

Halcon North Regeneration Project

Report of the Growth and Development Manager
(This matter is the responsibility of Executive Councillor Mrs Jean Adkins)

1. Executive Summary

This report updates Members on progress of the project and presents the Project Brief. It outlines the main findings of the Development Appraisal commissioned and what a viable scheme might look like. The Executive is asked to consider four options (see paragraph 8.5) including whether the Council should proceed to the next stage involving developing a more detailed business case leading to the procurement of a developer.

2. Background

2.1 Halcon North comprises 7.25 hectarces of housing land and approximately 220 dwellings. This part of Halcon features in the top 5% of most deprived wards in the country. Although, much good work has been done over many years by a range of agencies, the deprivation indices show no sign of improvement. Housing is deemed to be a significant contributing factor, not simply because of its fabric, but also due to a high proportion of dwellings having only two bedrooms, which is resulting in overcrowding that in turns leads to other social problems.

2.2 The rationale for this Project is that to make a real difference in the area requires a physical shift in the type of place it is. Halcon should become a place that residents are proud off and want to be associated with.

2.3 To achieve these wider aspriations will need a multi-agency approach and the involvement of the local community.

2.4 This Committee was last updated on 7 December 2010. Since then the project team has further developed the Outline Business Case and the Project Brief (See Section 3 of this report).

2.5 Advice from the Housing Quality Network has been sought in assessing delivery mechanisms and from Savills in developing a Development Appraisal to demostrate whether a viable scheme could be delivered, and if so, what that might look like in terms of mix and tenure.

2.6 The Housing Enabling Lead has continued to keep residents engaged and informed and support for the project has been sought from key stakeholders, such as the Head Teacher of Halcon Primary School, the local Police Beat Sergeant, the Somerset Youth Service and Somerset College, all of whom are hugely supportive of the project and its aspirations.

3. The Project Brief (attached as Annex 1)

3.1 The Project Brief defines the project scope and its vision, sets out the Outline Business Case and the Project management and governance arrangements.

3.2 The Outline Business Case sets out the strategic case for redevelopment, which aligns with all four of the Council's corporate priorities (tackling deprivation and sustainable community development, regeneration, affordable housing and climate change). This project could also make a significant contribution to delivery of the aims of the Priority Areas Strategy.

3.3 The Delivery Options Analysis (Section 4 of the Project Brief) concludes that delivery by a developer for the market housing, in partnership with a Registered Provider for the affordable housing, is the preferred mechanism and in Section 5 that this be through vacant transfer.

3.4 The financial constraints are set out in Section 6 of the Brief and are also summarised in Section 4 of this report.

4. Project Viability and Resultant Impact on Mix and Tenure

4.1 <u>Development Appraisal (attached as Confidential Annex 2)</u>

4.1.1 In order to understand the deliverability of the North Halcon scheme, and to assess the impact of the scheme on the Council's finances, the Council has commissioned a development appraisal which has been carried out by Savills.

4.1.2 The development appraisal explores financial viability by considering the various elements including:

- The number and type of new homes to be built on the site – using information from the original architects' study
- The tenure mix to be provided – the balance of private for sale and affordable housing, and within the affordable housing, the balance of social rent, affordable rent (80% market rent) and low cost home ownership/shared ownership
- Build costs
- Sales values
- Future rental income (net of management and maintenance)

4.1.3 The appraisal calculates a gross development value of the various different types of home, and then deducts development costs (construction, professional fees, financing and profit) to produce a scheme surplus or deficit. In order for the scheme to have a neutral impact on Council finances, the surplus needs to be sufficient to fund the costs of buying back properties previously sold under the Right to Buy and the decanting costs of moving tenants to enable the development (estimated by the Council to be in the order of £3.8m). It would also need to fund the cost of developing any units which the Council wished to retain.

4.1.4 Different scenarios have been run in order to determine the scheme which produces the best financial viability, while addressing as many of the project objectives as possible.

4.1.5 The initial appraisal assumed a total of 400 homes being built on the site, with 300 of these affordable. This was based on the original architects' study, with some adjustments to reflect a greater proportion of houses compared with flats, with a corresponding reduction in the overall number of homes built.

Original Mix based on Boon Brown massing study

Tenure	**Flat**	**%**	**house**	**%**	**Total**
General Needs Rent (GNR)	24	27%	64	73%	88
Affordable Rent (AR)	30	23%	102	77%	132
Shared Ownership (SO)	8	22%	28	78%	36
Shared Equity (SE)	4	29%	10	71%	14
Private Sale (PS)	18	18%	82	82%	100
Retained Units	8	27%	22	73%	30
Total	**92**	**23%**	**308**	**77%**	**400**

4.1.6 This initial appraisal indicated a scheme loss. The main reasons for the loss were

- The high proportion of affordable units meant that there was insufficient cross subsidy from private sales.
- High S106 costs assumed to be payable on all 400 units
- Suppressed sales values to reflect current housing market

4.1.7 While it was felt that the scheme addressed project objectives in terms of new affordable units and addressing levels of overcrowding, it did not meet project objectives for financial viability and deliverability. Therefore sensitivities were run to consider the impact of:

- Increasing the proportion of private sales to increase cross subsidy

- HCA grant received based on discussions the Council has held with HCA

- S106 payments only made in respect of additional homes with no education related contribution on any flats

4.1.8 Two revised tenure mixes were modelled. Both included 50% affordable housing (200 units). Within the affordable housing one mix assumed the Council retained 50 units and one 30 units.

Revised A: 50% Affordable Housing - 50 Retained Units

Tenure	Flat	%	house	%	Total
GNR	12	24%	38	76%	**50**
AR	12	24%	38	76%	**50**
SO	8	22%	28	78%	**36**
SE	4	29%	10	71%	**14**
PS	24	12%	176	88%	**200**
Retained Units	10	20%	40	80%	**50**
Total	**70**	**18%**	**330**	**83%**	**400**

Revised B: 50% Affordable Housing - 30 Retained Units

Tenure	flat	%	house	%	Total
GNR	13	22%	47	78%	60
AR	13	22%	47	78%	60
SO	8	22%	28	78%	36
SE	4	29%	10	71%	14
PS	24	12%	176	88%	200
Retained Units	8	27%	22	73%	30
Total	**70**	**18%**	**330**	**83%**	**400**

4.1.8 It should be noted that whilst this produces equivalent numbers of affordable housing to that already on the site, the replacement affordable housing would be a mix of general needs rent, affordable rent, and low cost home ownership which is different to the current mix of 100% general needs rent.

4.1.9 Details of assumptions around grant rates and S106 payments are contained in the development appraisal.

4.1.10 There is a risk that large number of sales will flood the local housing market and reduce sales values. This risk is managed by staggering sales over several years, reflecting the rate of sales that has been achieved on other local developments. This means the delivery of the scheme would need to be staggered over up to 8 years.

4.1.11 Local registered providers have identified grant funding for around 100 units. These would need to be delivered within HCA timescales (e.g. 4 years) which would mean the Council would need to take decisions promptly about proceeding with the scheme. Further details on timetable are provided below.

4.1.12 The revised development appraisal has shown that it is possible to produce a broadly viable scheme by reducing the percentage of affordable units on the scheme to 50%. At this level the scheme produces a surplus. The scheme surplus is larger if fewer retained units are required. The retained units could be funded through a mix of debt and cross-subsidy from land value. If one includes the cost of decanting tenants and buying back private properties, there still a funding gap although this is relatively small compared with overall scheme costs.

4.1.13 The appraisal assumes that the scheme delivery is developer led, in order to deliver the private sales element, with the majority of the affordable housing provided in partnership with a Registered Provider, with the balance retained by the Council.

4.1.14 The appraisal makes assumptions about sales values based on the current condition of the market. The Council may wish to consider negotiating a development agreement which requires the developer to share any uplift in sales values which is achieved above a certain level so that the Council shares in any value gain generated through the regeneration and/or more general market recovery.

5. Impact on Housing Revenue Account

5.1 Revenue impact of removing stock

5.1.1 The development appraisal will inform the assessment of the financial impact of the scheme on the Council. As set out above, this will depend to a large extent on decisions about the number of retained units and the proportion of affordable housing provided.

5.1.2 Other factors to consider include an assessment of the impact of the scheme on the HRA include:

- The impact of lost rental income on the HRA. Typically homes would be vacated on a phased basis which would help to manage the financial impact.

- The extent to which there could be a corresponding reduction in costs of future major repairs, day to day maintenance and management. The latter will be limited by fixed overheads within the HRA which cannot be reduced in line with property numbers.

5.1.3 The cashflows relating to the North Halcon units are being modelled as the new business plan is being developed in order to understand the extent to which these units currently contribute to the business plan, or reduce the value of the overall Council portfolio. If cashflows for these assets are weak, then removing them may have a beneficial impact on the HRA business plan. If cashflows are strong, then removing them will have a negative impact on the plan.

5.1.4 Under HRA self financing the Council will take on additional housing debt from April 2012. The North Halcon units are included in CLG's assessment of the value of the Council's housing stock, and subsequently the level of housing debt to be taken on. They can only be excluded from the calculation where there is a Council resolution to demolish the units within the next three years.

5.1.5 If the cashflows for these units are weak, and they do not currently generate enough income to cover the attributable HRA debt, then removing them from the business plan will actually improve the ability of the remaining units to repay housing debt, as a business plan liability will have been reduced. If cashflows are strong, then the remaining units will need to be able to repay the housing debt that would otherwise have been serviced by these units.

5.1.6 This is currently being modelled through the business plan and will be tested as the scheme develops.

5.2 Impact of new build on HRA borrowing

5.2.1 Any borrowing that the Council undertakes to fund the retained units, will need to be undertaken within the debt limits imposed under HRA self-financing. The Council currently has some additional borrowing capacity below the debt limit. This" headroom" is estimated at £16m. The Council would need to agree to use an element of this additional borrowing capacity to finance the borrowing required for the retained units. This borrowing would be repaid from the net rental income from the new units. The Council may also need to forward fund the buy backs in advance of scheme surpluses being generated. Where scheme surpluses are sufficient, this borrowing would be repaid as surpluses materialise.

5.2.2 Peak debt for the retained units is estimated at between £3.5m and £5.5m for 30 and 50 units respectively.

5.2.3 Debt as a result of forward funding project costs would depend on the final plans for phasing the development, but would never exceed total buy back costs, currently estimated by the Council of £3.8m.

5.3 Project costs

5.3.1 The Council will need to fund project costs to deliver the scheme including:

- Commercial advisors to assist with procurement of developer partner and negotiation of development agreement (estimated between £100K - £150K)

- Legal advisors to draw up the legal contract (development agreement) between the Council and the developer/RP (estimated between £75K - £100K)

- Urban design input to produce an outline masterplan to be used to procure a partner (c£20K)

- Additional surveys (geotechnical, environmental, services) c£50K

5.3.2 This comes to a total of between £245K and £320K which would be spread over several financial years. This represents less than 1% of total scheme costs.

5.3.3 The final cost of professional advice will depend on the balance of internal and external resources available to support the project.

5.3.4 The Council would also need to consider staff costs to manage the project delivery which is likely to represent an increase in current staffing levels.

5.3.5 Where these costs cannot be met from scheme surpluses, they will need to be met from the HRA business plan or other capital receipts (e.g. Right to Buy or S106).

5.3.6 The advantage of the delivery method proposed is that the developer/RP would fund the majority of costs in relation to design and planning and large proportion of the intensive tenant consultation required at individual household level as the scheme progresses.

5.3.7 The Council can also seek a contribution to its own project costs through the competitive procurement process of selecting a partner.

6. Process/Timetable for Next Stage

6.1 An indicative project plan is summarised below. There are several steps required before work can start on site. In summary these are as follows – from the point at which a decision to proceed with the development is taken by the Council.

Task	Timescale
Preparing for procurement • Draft information brief • Procure advisors • Consult residents • Legal and procurement advice • Specification/employers' requirements • Draft heads of terms • Establish evaluation panel	4 – 6 months Many of these tasks can run simultaneously. Details employers requirements and draft heads of terms would not be required until later stages of procurement process
Procurement process • Full OJEU or HCA panel	4 – 12 months Procurement process can be reduced through use of HCA panel and by structuring the process in limited number of stages
Negotiation of development agreement with selected partner	2 – 6 months Time can be reduced by issuing heads of terms as part of the procurement process
Master planning and planning application • Development of scheme masterplan in consultation with residents • Outline planning for whole scheme and detailed planning for phase one	2 – 6 months. Can be run at same time as negotiation of development agreement providing the partner is prepared to work at risk.
Minimum lead in from Council decision to start on site	**12 months**

6.2 The minimum timescales would be required in order to start on site to deliver the affordable housing units in a timescale that fits with grant requirements.

7. Position on Void Properties

7.1 When properties become vacant in the project area, the works required to bring them back to the lettable standard are assessed. Where these works exceed £5000 we will hold the property vacant. Where works are under this amount these properties are re let. There is currently only one property held on this basis. We will shortly be reviewing this provision in light of refreshed timescales for the project overall.

8. Conclusion

8.1 This project has benefitted from cross-party support within Taunton Deane, as well as as from a wide range of stakeholders and a significant proportion of the local community since its inception. Whilst one regeneration project is not going to solve all of Halcon's problems, there is a strongly held consensus that physical regeneration of this part of the estate could act as a catalyst for wider social and economic change. It would also deliver additional housing and provide a wider range of tenure which should result in a more mixed and diverse community. This must be good for the area.

8.2 However, the need for redevelopment to be financially viable in what are difficult economic circumstances, means that any proposal will deliver the additional dwellings as market housing, (as set out in paragraph 4.1.8 above) and of the remainder there needs to be a mix of affordable tenures, with only a maximum of 50 of those being returned to the Council.

8.3 The Tenant Services Management Board considered these issues at their meeting on 19 September 2011 and whilst they continue to support the proposal, raised serious concern about the small number of properties that would be returned to the Council's stock.

8.4 The above factors need to be carefully considered by Members in making a decision whether to proceed to the next stage of the Project or not.

8.5 Options available to the Council would appear to be:-

i Accept that the wider benefits of regeneration outweigh any concerns around mix and tenure and proceed to the next stage and procurement of a developer.

ii Remove the requirement to return any properties to the Housing Revenue Account which would improve viability and, therefore, increase the overall proportion of affordable housing within the scheme.

iii Move away from current proposals and explore options for a smaller scale redevelopment.

iv No longer consider full regeneration and look at retrofit options funded through the HRA to address the overcrowding issues.

8.6 This matter was considered at the Community Scrutiny Meeting held at All Saints Church Hall, Roman Road on 3rd October. A large number of local residents were in attendance. Following a wide ranging discussion, which a number of the Executive were in attendance to hear, a proposal to follow option (iii) was not supported. Members subsequently resolved to support option (i) with the proviso that a minimum of 50 dwellings be returned to the Council. More detailed notes of the Community Scrutiny Committee will be available by the date of this meeting.

9. Risk Management

9.1 A risk register for the project has been prepared and is attached to the Project Brief as Appendix B.

10. Finance Comments

10.1 The Council's S151 Officer is the Project Sponsor and has been closely involved throughout the development of the Project Brief. As outlined above, Savills have provided support and advice around project viability.

11. Legal Comments

11.1 Specialist legal advice will be required if the project is to progress to the procurement phase.

12. Links to the Corporate Aims

12.1 The Halcon North Regeneration proposal has strong links to all of the Council's Corporate Aims.

13. Equalities Impact Assessment

13.1 An Equalities Impact Assessment has been prepared for the project and is attached to the Project Brief as Appendix C.

14. Recommendation

14.1 The Executive is asked to consider each of the four options set out in paragraph 8.5 of this report and to decide on which of the options they wish to pursue.

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TAUNTON DEANE BOROUGH COUNCIL

PROJECT BRIEF

Halcon North Regeneration Project

Project Brief Definition

Project process and documentation will be managed in accordance with PRINCE 2; the Council's chosen project methodology.

The purpose of this document is to provide a commonly understood and well defined start point for the project. This documentation will be refined and extended into the Project Initiation Document (PID) should the project proceed to the next phase. The Project Brief will contain:

- Project Definition
- Outline Business Case (OBC)
- Project management & governance
- Description of the project team and roles.

CONTENT

SECTION 1

Project Definition

1. Background

North Halcon features in the top 5 % of the most deprived wards in the country. Despite much good work over a number of years by a range of agencies the indices have shown no material improvement. Whilst it may only be part of the solution to the many problems here, a major regeneration project will result in a more efficient use of the land, a better mix of housing in terms of both size and tenure, and improved community facilities. It will also provide a better quality public realm and living environment for those living there in the future. The benefits to be derived from regeneration have been promoted by a range of agencies and individuals working locally. The Homes and Communities Agency have also indicated that this would be the type of scheme which they would like to give support to.

In June 2010 the Council's Executive approved the regeneration of this area as a formal Council project. Work has subsequently taken place to develop a business case, as well as continued consultation with the local community to inform objectives, outcomes and potential delivery options. This project will be closely aligned to the development of the Priority Areas Strategy (a multi agency project), as well as supporting the Council's corporate priorities which are; tackling deprivation, affordable housing, regeneration and climate change.

2. Project Vision

2.1 To regenerate the area of Halcon North through a change in both the physical and social environment, by providing green space, community facilities and improvements in housing quality and choice.

2.2 The change in physical and social environment will promote access to learning, job skills and healthier living standards. Halcon North will therefore become a place where people want to live and where residents are no longer disadvantaged economically, socially or through health problems.

2.3 This physical and social regeneration is key to increasing opportunity and achieving long term prosperity for the area and its residents.

3. Project Scope

3.1 The project scope is the regeneration of the North Halcon Area standing on 7.25 hectares of housing land, comprising of 192 council owned houses/flats and 31 privately owned properties.
Specifically:
- Moorland Road
- Valley Road
- Beadon Road
- Creechbarrow Road.

Please refer to Appendix A for a full map of the area.

3.2 Whilst this project is focused on a specific area of Halcon it is important that it is aligned to the Council's wider regeneration agenda and specifically the work in the Halcon area undertaken through the Priority Areas Strategy (PAS) and the multi-agency group.

4. Project Objectives & Deliverables

Objective	Critical Success Factor	Measures/targets
To meet the housing needs of the community	A wider choice of housing size, quality and tenure	• Range of offer in terms of accessibility size, number of bedrooms etc • Buildings for Life score of 16 or above • An appropriate mix of owner/occupier, social and affordable rent properties
	Reduction in over occupied dwellings	• Improved internal space standards and layout • Creation of lifetime homes • Better attendance, achievement and behaviours at school • Reduction in domestic abuse
	More sustainable housing and community green stuff To provide an exemplar housing development which demonstrates the highest environmental standards?	• Compliance with the Taunton Protocol • Reduction in fuel poverty • A minimum of Code for Sustainable Homes level 4 • Passive housing • Community environment • Allotments • High levels of carbon reduction (Code 5 or 6) through energy efficiency and use of

		renewables • Water recycling and overall reduction of water consumption • Promotion of health and wellbeing through design Reduction in fuel poverty; • Ecological gain through overall design, including green roofs, landscaping and allotments Compliance with the Taunton Protocol.
To support the aims of the Priority Areas Strategy	Improvements in health and well-being	• Support the delivery of community facilities • Green open space • Health Indicators • Reduction in Social Security referrals • Reduction of teenage pregnancy
	Development of a pride of place and formation of a close knit community	• Number of and success of community groups operating in the locality • A public realm that scores highly in terms of both Buildings for Life and Secured by Design • Creation of a permeable environment allowing good access to shops and services • Reduction in crime levels • Resident participation in development solutions • Increased CBL's • Increased house prices
	Increased access to safe open space, play and youth facilities	• Continued investment in public open spaces through s106/CIL • New play spaces delivered as part of project (LEAPs Neaps etc)
	Safe access to public transport	• Maintained access to bus provision • Increased number of people accessing public transport
	Increase in economic activity	• Number of residents accessing skills and training • Reduction in unemployment rates

4.2 Project deliverables

1. Increased housing supply in the area
2. Widened choice of housing size, quality and tenure
3. Accessible Community Facilities
4. Safe open spaces
5. Network of safe pedestrian routes
6. Create a place where people want to live
7. Reduction in fuel poverty
8. Support and influence raised income through employment opportunities
9. Support and influence skills training and employer placement programmes
10. Low carbon living
11. Act as a catalyst for change in an area of deprivation.

5. Constraints and Assumptions

The success of the project delivery will be dependant on the management of key constraints and assumptions. An initial identification of these is detailed below however these may change over time as the project develops. The management of these will be through the formal project process and governance.

5.1 Constraints

- Shrinking Public Sector Financial environment
- Limited Funding From Homes and Communities Agency
- Long-Term Viability of the Housing Revenue Account
- Decreased Land Values and Developer Profit Margins
- Difficult property market conditions
- Additional costs of brown field development
- Complexity of social housing reforms
- Access to required private sector funding
- Priorities of other agencies might not be focused on Halcon
- Capacity to deliver a project of this complexity
- Expertise and ability to conduct robust analysis.

5.2 Assumptions
- Continued cross party political support for the project following the May 2011 election
- Residents continue to engage positively with the consultation
- Project continues to align with the Council’s corporate priorities.

6. Stakeholders

6.1 The project has cross party political support and is supported by the Corporate Management Team (CMT). Initial engagement with key partners through Multi Agency Group and Taunton Development Partnership has also confirmed endorsement of this project.

The project will need to align and will affect many aspects of service delivery for Taunton Deane Borough Council as well as requiring support from external agencies and citizens. Clear identification of all stakeholders is essential along with a robust plan of engagement and joint working.

Identification of key stakeholders groups are identified below. Engagement will be maintained through the communication strategy project process and governance.

1. Residents
2. Schools
3. Landlords
4. Faith groups
5. Support Groups
6. Healthcare Providers
7. Police & Fire and Rescue
8. Social Services and other Somerset County Council Service Providers
9. Skills development support
10. Utility Providers, County Highways, Waste Services
11. Local business and transport infrastructure
12. Taunton Deane Borough Council, Members, CMT, Services and union
13. Resident and multi agency boards
14. Tenant Services Board
15. North Halcon Multi agency group.

Section 2

Outline Business Case

1. Summary

1.1 The purpose of the Outline Business Case (OBC) is to set out the business need for the proposed regeneration project, and to identify any investment in resources necessary to progress the project. It will outline the reasons for carrying out the project, why it will benefit the residents of Taunton Deane and how it will support the Councils Corporate Objectives. It will contain:

- o Strategic case
- o Benefits
- o Dis-benefits
- o Delivery Options
- o Finance and Delivery Appraisal.

1.2 The OBC will act as verification at each project key decision point ensuring that the project remains justified and the objectives can be realised

1.3 The OBC is written as a 'live' document and will be continually updated as new information becomes available to ensure it can act as the key verification for project decision points

2. Strategic Case

2.1 North Halcon features in the top 5 % of the most deprived wards in the country. Good work has been carried out over a number of years by a range of agencies and the Council. The indices for multiple deprivation show that deprivation has been improving across a number of important themes including health and education however more is required and the regeneration of the physical living space is a key way of building on this current work.

2.2 For over three decades TDBC has invested significant amounts of money into the modernisation, maintenance and repair of these properties built in the 1930's. Whilst they are superficially reasonable looking properties, built of brick with a tiled roof, they do not make good family homes due to the small nature of the rooms. They generally do not have a dining room or a separate area big enough to put a table. Most families eat on their lap in the sitting room. There is no room for children to study quietly. Overall, the layout and size of the rooms do not cater for the day to day living requirements of the modern family impacting health and well being.

2.3 The houses on Halcon North were extremely land hungry and gardens are often overgrown or simply dumping grounds. However, this land hungry layout does afford an opportunity to increase the density significantly which would allow for the retention of a significant element of Council Housing stock whilst introducing other tenures as well as a range of dwelling sizes. The local Police Beat Sergeant is convinced that improved layout and better public realm will reduce problems and increase self-policing of the area. The combination of factors affecting these four streets makes them the right choice for redevelopment.

2.4 It is widely accepted that the area has for a long time had a 'stigma' attached to it. Many people will not admit where they live when asked. There are significant numbers of single parent families housed on this estate. This has come about by these roads being very difficult to let in the past and priority homeless applicants have been the only people who would accept an offer of housing in these streets. This has occurred due to these roads being very difficult to let at times in the past when priority homeless applicants have been the only people who would accept an offer of housing here.

2.5 Many households have very young children who have to share a bedroom with much older teenagers. This mix does not work well. The younger children are kept awake by the activities of the older siblings and are therefore then not fit for school in the morning. The Head teacher at Halcon Primary School was convinced that overcrowding was having a serious impact on educational achievement and as a result was having to let some of the children have a sleep and breakfast each morning before they could engage with school work.

2.6 Over time kitchen and bathrooms have been replaced or updated. However, during discussion with residents they have identified damp as a major issue on parts of the estate. Tenants who try to keep their home decorated feel that their precious money is wasted because the damp keeps coming through the paint or wallpaper.

2.7 Whilst redevelopment alone cannot deliver all the solutions for Halcon, it can create an area in which people will want to live and ultimately become proud of. It will deliver much needed additional housing in an area in which it is hoped that Taunton can be justifiably proud.

The project will make a significant contribution towards the achievement of all of the council corporate aims:

- Tackling Deprivation and sustainable community development
- Regeneration
- Affordable Housing
- Climate Change.

The Councils commitment to tackling deprivation and sustainable community development has largely progressed by the Priority Areas Strategy (PAS). The PAS is a multi-agency project whose governance rests with the Taunton Deane Partnership and multi agency groups for North Halcon and Taunton East. TDBC provides leadership and scrutiny. The aims of the PAS are:

- Supporting the local community to take action on its own

- Enabling strong, informed and active communities whose members are involved in decisions that affect them
- Improving the quality of life in local communities
- Coordinating how we interact with local communities to ensure that resources allocated to communities are efficient and effective
- Providing an insight into local needs and priorities for service providers.

The North Halcon projects scheme can play a significant part in helping to deliver the aims of the PAS

3. Delivery Options appraisal

Delivery Options appraisals identify and appraise a range of options that will deliver the outputs required. Best Value is achieved by a thorough and robust comparison of these various options. The aim of the options appraisal is to determine the option(s) that best meet our objectives and which delivers Best Value.

The following list of potential delivery models have been identified as part of the options appraisal work.

Model	Description
Do nothing	An option to look at in the light of the housing market conditions that exist is “doing nothing.”
Retrofit to provide energy efficiency	Carbon emission reduction relies on two broad types of housing intervention: improving energy efficiency measures (e.g. insulation and efficient heating) and providing local energy and heat generation (e.g. combined heat and power plants, district heating schemes, and utilising renewable energy sources).
Joint venture with a private developer	This would involve setting up a joint venture company with a private sector developer on the basis that risks and rewards of a site redevelopment are shared.
The Traditional Housing Association Enabling Route	The traditional “enabling” route through the National Affordable Housing Programme (NAHP) was administered by the Homes and Communities Agency (HCA). Previously, HCA money was designated for local authorities under the NAHP to deliver new affordable housing projects through registered providers (housing associations). This NAHP money provided capital cover for housing association borrowing serviced from future rental income streams. Combined with land subsidy from local authorities, it was a successful route for regeneration schemes not involving local authority ownership of homes.

HCA Delivery Initiatives	The HCA announced their new Public Land Initiative (PLI) to improve housing delivery. The aim of this scheme is to streamline affordable housing development on publicly owned land by introducing new ways of working, creating better local delivery conditions in the current market, and ensuring more diverse delivery partners are involved
Development Partnership led by the Council	A hybrid option is the one being led by Cambridge City Council where 4 housing associations and 2 developers have been formed into a development partnership. The role of this partnership is to develop or redevelop several sites owned by the Council for affordable housing, either to be retained in Council ownership and/or to be in housing association ownership.
Local Authority New Build	Under the NAHP there was a delivery option open to all local authorities to develop their own affordable housing, using HCA funding, local authority land and prudential borrowing serviced by rental income from their new properties

4. Delivery Options Analysis

4.1 The delivery options have been evaluated by Officers with support from external expertise, Housing Quality Network (HQN).

Option	Funding	Benefits	Risks	Explore Yes or No
Doing Nothing	Cheapest of all the options as will not require any staff or financial resources for regeneration – and would utilise existing resources in the HRA.	Easiest to implement in the short term with minimal disruption. Council retains ownership and management.	Unpopular with residents hoping for regeneration. Adverse impact on HRA through increased re-let times/more difficult to let through social problems not being addressed.	No
Retrofit	Affordable for HRA @ cost of £60k per dwelling – total cost to HRA £11.5 million.	Would reduce carbon emissions from HRA stock. Could be managed as part of a standard improvement scheme. Keeps stock in HRA and Council control.	No assistance for private owners. Could prove unpopular with tenants hoping for regeneration. Only addresses one aspect of deprivation. If Council subsequently decides to go for regeneration, money invested in retrofit wasted. Investment needs to be prioritised alongside that needed to the rest of the Council stock – Halcon may not be the area with the highest need.	No
Joint Venture with a Private Developer	Would be more costly and time consuming to develop than traditional housing association enabling work. Extra costs would make big inroads into financial benefits of this approach.	Risks and rewards of selling open market housing would be shared. Detailed planning, build and marketing of scheme would draw on skills and experience of developer.	Exposure to sales risks in a relatively low demand housing market. Tenants could have some concerns about the nature of such a joint venture and how it would benefit them. Tight contractual arrangements needed to protect Council. Borrowing for scheme could remain on the Council's balance sheet.	No

Traditional Housing Association Enabling at sub-market "social" rents	Combination of land and/or capital subsidy from Council plus grant from Homes and Communities Agency (HCA) made low cost social housing viable.	Allowed new affordable housing to be provided at sub-market rents with appropriate financial input from Council. Risks and scheme management dealt with by partners.	No longer a viable option. This pre-dates the HCA's February 2011 framework for affordable housing – in this HCA grants for social housing schemes will only be given in "exceptional circumstances" as the emphasis will be on new rents nearer market levels.	No

Option	**** Costs	Benefits	Risks	Explore Yes or No
Housing Association Redevelopment Scheme at new "Affordable Rents"	Would require land and/or capital subsidy from the Council, plus HCA grant. Vacant property transfer to housing association would require the Council to decant, compensate and re-house affected tenants. If tenants are transferred to another landlord it would require consultation and a ballot. Both are costly and time consuming. Privately owned properties would have to be purchased. All of this impacts on costs and scheme	Has the cost advantage of being able to access HCA funds, which makes other contributions go further. This housing association transfer option (vacant property or tenanted) shifts the offloads the onerous complexities of managing estate redevelopment, re-letting and regeneration to someone else. A tenanted transfer, unlike a vacant transfer, to a housing association, would also mean the Council does not have to find suitable alternative accommodation for tenants, and deal with private owners, for the scheme to go ahead, as the association would do all this. A vacant transfer would allow the Council to exert more influence	Vacant property transfer depends on Council's ability to decant tenants and to acquire homes in private ownership. This needs careful management to avoid negative impact on finance and timescale. With a tenanted transfer, the Council would have to manage the risks of tenant consultation and balloting. Vacant and tenanted housing association transfer have common risks: the ability of the Council to influence and control the subsequent redevelopment; the HRA would be left with a level of debt associated with the existing dwellings, with no income to pay it; the deal would have to pass strict value for money tests and obtain Secretary of State consent; and there is limited HCA funding. The new "Affordable Rent" may not be acceptable to tenants and the Council.	Yes

	viability.	over final scheme design, mix of tenures and any added value regeneration sought.		
Local Authority New Build at new "Affordable Rents"	Total cost of £19.2 million (HQN figure). A number of assumptions were used for an indicative feasibility assessment of this option. These included costs of all fees, demolition and construction, buying privately owned properties.	The development of the affordable element may be possible through the self-financing HRA route as "broad-brush" indicative figures suggest it may be feasible within existing "headroom". However, more detailed financial appraisal and sensitivity modeling is needed to get to a definitive position and the impact on investment available for remaining Council stock needs to be considered	This route would be heavily dependent on the Council's ability to secure grant – which to date has not been available to Councils for the low cost home ownership elements of the affordable housing proposed on the scheme. The Council would retain control over both ownership and management but would also bear a greater proportion of development and delivery risk. Existing tenants could be more enthusiastic about this option over other options. Higher "Affordable Rents" could increase arrears, bad debts and re-letting times. Existing tenants would need to be offered accommodation at social rents – a large proportion of this would be off site. The Council would take all the risk of managing the redevelopment at a time when the relevant skills, experience and appetite for this risk is insufficient for success. A further significant risk is the cap on the HRA debt which limits flexibility to deal with unforeseen costs as the development proceeds: and using available HRA "headroom" for this could preclude future flexibility.	No
Homes and Communities Agency	Costs for these initiatives are fully met by the	Maximises the delivery potential of land in public ownership by	Government has already allocated HCA resources for these initiatives over	No

Delivery Initiatives	HCA through their support staff.	utilising different approaches to housing procurement. Has unlocked some new sites for affordable housing.	the 4 year (2010-2014) Spending Review period and there are currently no new initiatives to bid for. The risk is waiting for any new initiatives when they may not materialise.	
Development Partnership Led by the Council	Significant set up costs for the Council are anticipated based on the experience of this option elsewhere.	The Council retains control over the procurement and development process, and thus can exert influence over the design, tenure and added. The Council (not the developer or the housing association) makes the decision on the amount of risk and reward it is prepared to take in the scheme – although this would still need to be negotiated with the partners. The scheme would still be reliant on cross-subsidy from market sales to make it viable.	Complexity of partnership arrangements with both developers and housing associations requires robust legal and delivery frameworks to manage effectively. Possible insufficient size of estate to attract sufficient developer and housing association interest as these partnerships are suited more too much larger (500+ homes) schemes.	No

5. Recommended Delivery Option overview

5.1 With help from Housing Quality Network (HQN), a high level viability review was undertaken of potential delivery options for the Halcon Regeneration Project.

5.2 This review took account of the latest Government initiatives on the Housing Revenue Account (HRA), and the new Affordable Housing Framework introduced by the Homes and Communities Agency (HCA).

5.3 The review assessed the ability of different options to deliver the project objectives and deliverables outlined in section 4 of this report.

Viability Review

5.4 A summary of the delivery options assessed and the initial conclusions drawn from this viability review is summarised in the Delivery Options Analysis table in section 4 above.

5.5 The high level review identified the most viable option to explore in more depth was a housing association redevelopment of the site – this would either involve the transfer to a housing association of the vacant site (after Council tenants have been decanted) or a transfer of Council tenants in their homes to a housing association.

Vacant Transfer

5.6 Transferring the vacant site to a developer/housing association would result in up front costs and risks for the Council to deliver vacant possession. The Council would endeavor to recoup all this through negotiations with any housing association(s) on the redevelopment.

5.7 It is estimated that a vacant transfer would have significant financial implications: estimated £3m-£4m buy back costs for 31 ex-Right to Buys (RTBs); estimated up to £1.4m (£6-£7k per tenancy) decant home loss costs; the punitive impact of empty homes on New Homes Bonus payments; lost Council Tax revenue whilst old homes are empty and until new homes are built and occupied; any compulsory purchase costs to ensure the sight is vacant before transfer; the added Housing Benefit costs of new homes at higher "affordable" rents, and the associated risk of increased Council Tax Benefit costs to cover this. In order for there to be a neutral financial benefit, scheme surpluses, from the value of land transferred, would need to be sufficient to cover these costs. New Homes bonus would also be payable on new units. Costs would also be phased over the development period to manage risk.

5.8 Apart from the above up front costs to factor into the negotiations with any housing association development partner(s), vacant transfer is likely to have a major impact on the HRA: there could be a risk of debt settlement costs for 200+ HRA demolitions, without any rental income to service this, although there would also be a reduction in costs and liabilities associated with the existing stock.; and it would limit headroom in the HRA at a time when maximum HRA business plan capacity is needed for self-financing – to fully finance future HRA ambitions and to ensure the theoretical HRA debt cap is not breached.

5.9 Nevertheless, whilst it is still possible include all of the above costs in negotiation(s) with any developer/housing association partner(s), this could then potentially mean the Council obtaining less out of scheme, in terms of the balance of new low cost "social" housing and new "affordable" homes developed at much nearer market rents. This compensatory balancing of costs and returns during negotiations could also impact adversely on the Council's aspiration to "add value" to a regeneration scheme on the site, by creating the conditions to deal with deprivation.

5.10 A vacant transfer also could run reputational risks for the Council due to bad publicity over ex-RTB purchases and home loss payments offers not being regarded as sufficient; new tenants on higher “affordable” rents with fewer rights than previously; and an increase in density at the expense of environmental space to make the scheme viable for redevelopment.

5.11 Even so, a vacant transfer precludes the huge risks and costs of tenanted transfer ballot and the extensive tenant consultation that is needed for this. It also allows for each individual tenant to make a decision about their future rehousing. This should be seen as a big advantage of this option.

Tenanted Transfer

5.12 Tenanted transfer has huge risks and costs for the Council. This is a well tried and tested process for housing refurbishment schemes, but less common for redevelopment. It would involve the Council in taking on major up front costs and risks, with no guarantee of any return on them if tenants decided not to transfer. The Council has been in this position before and would need to think very carefully before doing this again. It is unusual for a Council to progress a regeneration scheme as a tenanted transfer as this involves a significant element of ballot risk which is unnecessary for a scheme that involves demolition of existing tenanted homes. Tenanted Transfer would only be an option a Council would need to consider if the scheme involved partial demolition and therefore the transfer of tenanted units for refurbishment.

5.13 The tenanted transfer process is a long, time-consuming and extremely resource hungry option, which usually starts with tenant involvement in the choice of housing association(s) partner(s). Tenants are balloted on a potential transfer following a formal consultation offer, but, in this ballot, if the majority of tenants vote against the proposal it will not go ahead. If this happens, the Council will not be able to recoup its costs.

5.14 However, should tenants vote for transfer, costs for subsequent decants and ex-RTB purchases to make the site vacant would fall on the development partner(s) instead of the Council – although the costs of this would be reflected in the value of the stock to transfer and may need to be supported by a Council dowry where this value is negative. However, (as above) this could impact adversely on overall scheme viability and “added value” regeneration flexibility for Council. If tenants vote in favour, extensive tenant consultation, legal and independent tenant advice costs, whilst the Council’s responsibility for vacant possession, could be picked up by the partner(s). Either way on the vote, the Council would run reputational risks during the transfer ballot, and still lose HRA rental income and HRA business plan capacity (as above).

5.15 As with vacant transfer, transferring tenants are protected and would need to be offered homes at social rents, a large proportion of which may be off site. New homes built are likely to be at higher rents than in Council homes once the scheme is redeveloped – which would add to the General Fund bill for Housing Benefit and potentially increase rather than decrease benefit dependency. This criticism equally applies to the vacant transfer option where new homes are developed at the 80% “affordable” rents being encouraged by the HCA.

5.16 If tenants decide not to transfer the Council could revert to a vacant transfer to a housing association, which would not require tenant consent in a ballot, but this would not look good after tenants had rejected it in the first place.

5.17 Tenanted transfer has some advantages for the Council: it would not need to find alternative accommodation for tenants that is required for a vacant transfer (providing the transfer was to a housing association with sufficient stock locally; and the significant risks and costs of ex-RTB buy back and decants to ensure a vacant site to redevelop belong to the development partner(s). Housing associations also have experience of 200+ home redevelopment schemes and are used to managing risks of this magnitude – although they may not be used to managing the substantial element of private sale that may be involved in this scheme.

5.18 Both options have under gone risk analysis and equalities impact assessment as per appendix A and B

6. Finance

6.1 HRA Reform

The Council currently manages 6000+ homes. All the associated costs and income from being a “landlord” are collected for in the Housing Revenue Account (HRA). Historically, Taunton Deane has been in a negative subsidy position – paying around £7m annually to the Govt to support the national Housing position.

6.1.1 The Government are progressing plans to move away from this system to a system of self-financing. For Taunton Deane, this would mean the Council taking on additional debt currently estimated at £87m. The costs of servicing this debt would be met from the money no longer paid to the Govt in negative subsidy. This will be finalised via the Localism Bill which is currently progressing through the various Parliamentary stages of debate and approval.

6.1.2 The move to self-financing is welcomed, and will bring new freedoms and flexibilities to local authorities in how they manage their housing stock. Clearly there are also new risks that have to be managed. To support this change, a corporate project team (supported by advisors) is developing a 30 year business plan. The Business Plan will be a

very important document, and a key tool in managing the service moving forward, and in supporting decision making on future investments and future regeneration projects. The team working on self-financing is linked to the team progressing this project as there are very important linkages to be made.
The settlement debt figure of £87m assumes that the properties currently managed by the Council will continue to be managed by the Council over the next 30 years. This equates to approximately £19k of settlement debt per property.

6.1.3 Any changes to this, through regeneration projects for example, will impact on future rental income for the Council and therefore our ability to repay the debt etc. This regeneration project could – if no properties are retained in Council ownership – result in a £700k reduction in rental income each year. There would be a reduction in spend (in maintenance and management costs) to help offset this. The extent, to which the removal of these properties has a positive or negative impact on the business plan, and on the ability to repay debt, will depend on the cash flows relating to these properties. This is being assessed through the development of the HRA business plan.

6.1.4 The Government recognise that there are Councils who have some regeneration schemes “in progress” and have asked for details. We have logged this Councils regenerations projects with the Government – even though many are at a very early stage. It is unlikely that they will be removed from the calculation of debt settlement as the Council is not at this stage in a position to make a formal resolution to demolish.

6.1.5 The Government will look for hard evidence of the Councils commitment to the schemes, of community consultation, and of plans to physically deliver the schemes within the next 5 years. We won’t know until the end of this year whether the Halcon Regeneration Project is recognised or not. If it isn’t, it doesn’t mean the scheme can’t progress. It just means that Councillors will have to make choices on priorities with the HRA Business Plan.

Impact of new build on HRA borrowing

6.1.6 Any borrowing that the Council undertakes to fund the retained units, will need to be undertaken within the debt limits imposed under HRA self-financing. The Council currently has some additional borrowing capacity below the debt limit. This” headroom” is estimated at £16m. The Council would need to agree to use an element of this additional borrowing capacity to finance the borrowing required for the retained units. This borrowing would be repaid from the net rental income from the new units. The Council may also need to forward fund the buy backs in advance of scheme surpluses being generated. This borrowing would be repaid from scheme surpluses from private sales.

6.1.7 Peak debt for the retained units is estimated at between £3.5m and £5.5m for 30 and 50 units respectively.

6.1.8 Debt as a result of forward funding project costs would depend on the final plans for phasing the development, but would never exceed total buy back costs, currently estimated by the Council of £3.8m.

6.2 Financial Issues To Consider

6.2.1 From the earlier section on delivery options, it appears the most appropriate delivery option for this particular scheme is a Developer/Housing Association scheme. As explained in para 5.6 – 7.17, there are 2 routes to achieving this:-

- o A Vacant Transfer (where the Council is responsible for decanting the properties prior to redevelopment)
- o A Tenanted Transfer (where the Housing Associations is responsible for the tenants. This is effectively a mini stock transfer.)

6.2.2 The end result of both routes is that the new affordable properties will be in Housing Association ownership and management. Either option may offer some opportunity for some Council owned properties to be delivered – but this will be significantly less than at present

6.2.3 The more usual option is the one referred to as a Developer/Housing Association scheme. Under this option Council control is achieved through a development agreement, either with a developer or a registered provider (RP), or a consortium of both. Under this option the development agreement forms a contract which sets out the respective roles and responsibilities of the Council and the developer/RP. The agreement will set out the pre-conditions and terms of transfer of land, the phased process of decant, transfer of vacant units and development. The new affordable units developed may pass to an RP on completion, but can alternatively pass to the Council. Legal advice is needed to determine an appropriate procurement route. Most Councils consider the agreement to be subject to public contract regulations, requiring an OJEU compliant process, either through competitive dialogue, negotiated procedure or selection from a pre-approved framework such as the HCA developer panel.

6.2.4 The estimated financial issues associated with a Housing Association regeneration project of this scale are set out in the development appraisal prepared by Savills. .

6.2.5 In the Vacant Transfer route – The development appraisal explores financial viability by considering the various elements including:

- o The number and type of new homes to be built on the site – using information from the original architects' study
- o The tenure mix to be provided – the balance of private for sale and affordable housing, and within the affordable housing, the

balance of social rent, affordable rent (80% market rent) and low cost home ownership/shared ownership

- o Build costs
- o Sales values
- o Future rental income (net of management and maintenance)

6.2.6 The appraisal calculates a gross development value of the various different types of home, and then deducts development costs (construction, professional fees, financing and profit) to produce a scheme surplus or deficit. In order for the scheme to have a neutral impact on Council finances, the surplus needs to be sufficient to fund the costs of buying back properties previously sold under the Right to Buy and the decanting costs of moving tenants to enable the development (estimated by the Council to be in the order of £3.8m). It would also need to fund the cost of developing any units which the Council wished to retain.
Different scenarios have been run in order to determine the scheme which produces the best financial viability, while addressing as many of the project objectives as possible.

6.2.7 It shows that it is possible to produce a broadly viable scheme of 400 units by reducing the percentage of affordable units on the scheme to 50%. At this level the scheme produces a surplus. The scheme surplus is larger if fewer retained units are required. The retained units could be funded through a mix of debt and cross-subsidy from land value. If one includes the cost of decanting tenants and buying back private properties, there still a funding gap although this is relatively small compared with overall scheme costs.

6.2.8 The appraisal assumes that the scheme delivery is developer led, in order to deliver the private sales element, with the majority of the affordable housing provided in partnership with a Registered Provider, with the balance retained by the Council.

6.2.9 The appraisal makes assumptions about sales values based on the current condition of the market. The Council may wish to consider negotiating a development agreement which requires the developer to share any uplift in sales values which is achieved above a certain level so that the Council shares in any value gain generated through the regeneration and/or more general market recovery.

6.2.10 In the Tenanted Transfer route – the Housing Association would bear 100% of the costs of achieving vacant possession and redevelopment costs and these would be reflected in the transfer value or price paid by the association to the Council for the stock. The Council would bear all risks of the project until a successful ballot had been achieved. It isn't clear what the "transfer value" would be on such a deal (whether the Housing Assoc would pay TDBC for the transfer of these properties – or whether TDBC would have to pay the Housing Assoc to take them on).

6.3 Conclusion

6.3.1 The challenge facing the Council is that none of the above will be known with any certainty until we progress the next stage of the project. If this scheme is something the Council wants to see delivered, then we have to move forward to the next stage. This brings risk to the Council but there are ways of minimising the impact.

6.3.2 These could include:-

- o Engagement with the HCA to try and gain their financial support to the project.
- o Making it clear in the brief issues to prospective partners that we expect them to bring money to the table to help deliver this scheme.
- o Setting aside some Council funds to support this scheme. This could be from capital receipts or from the HRA business plan.
- o Set some parameters for the next stage negotiations

7. Resource Costing

7.1 The Council will need to fund project costs to deliver the scheme including:

- o Commercial advisors to assist with procurement of developer partner and negotiation of development agreement (estimated between £100K - £150K)
- o Legal advisors to draw up the legal contract (development agreement) between the Council and the developer/RP (estimated between £75K - £100K)
- o Urban design input to produce an outline master plan to be used to procure a partner (c£20K)
- o Additional surveys (geotechnical, environmental, services) c£50K.

7.2 This comes to a total of between £245K and £320K which would be spread over several financial years. This represents less than 1% of total scheme costs.

7.3 The final cost of professional advice will depend on the balance of internal and external resources available to support the project.

7.4 The Council would also need to consider staff costs to manage the project delivery which is likely to represent an increase in current staffing levels.

7.5 Where these costs cannot be met from scheme surpluses, they will need to be met from the HRA business plan or other capital receipts (e.g. Right to Buy or S106).

7.6 The advantage of the delivery method proposed is that the developer/RP would fund the majority of costs in relation to design and planning and large proportion of the intensive tenant consultation required at individual household level as the scheme progresses.

7.7 The Council can also seek a contribution to its own project costs through the competitive procurement process of selecting a partner.

8. Risks

8.1 Risk is the chance of something happening that will have an impact upon objectives. Risk can be defined as the chance of exposure to the adverse consequences of future events. Risk becomes a major factor to be considered at a all stages in the life of a project:

8.2 Other risk areas to consider are reputational risk - risks from any of the project stages that might impact on customers, users, stakeholders and political risk – an uncertain political climate can adversely affect the effectiveness of the partnership or the willingness of others to partner with the authority.

8.3 Risks will be managed by the Councils adopted risk management methodology

9. Conclusion of Findings

9.1 There is a clear desire on behalf of a range of stakeholders as well as the Council, to do something tangible in the Halcon area which can act as a catalyst for social and economic change.

9.2 A regeneration project covering these four roads will increase the density of development significantly and as a result deliver much needed new housing as part of Taunton Deane's commitment to the growth agenda. It will also introduce a wider mix of tenure and therefore a more balanced community. Better quality public realm and a more permeable layout will improve security and the self policing of the area. Modern methods of construction and design will minimise the running costs of these new properties.

9.3 None of the delivery options assessed come without risk. However, the assessment has clearly identified that the combination of a developer and a Registered Provider represents the option with most benefits when assessed against risk. This leaves the Council with the option of progressing a vacant or tenanted transfer. Whilst there could be some benefits from a tenanted transfer in terms of cost and risk, the advice received has strongly encouraged the vacant transfer route as the preferred option.

9.4 This preferred option inevitably brings with it risks around delivery and financial impact, both on the Housing Revenue account and the General Fund, and therefore managing these risks will be a key component of the Project initiation stage, and will tie in with work already being undertaken by Savills on the Housing Revenue Account Business Plan.

9.5 This project has benefited from cross-party support within Taunton Deane as well as from a wide range of stakeholders and a significant proportion of the local community. Whilst one regeneration project is not going to solve all of Halcon's problems and in current economic conditions won't deliver the preferred tenure split, there is still a strong belief that physical regeneration of this part of the estate could act as a catalyst for wider social and economic change.

.**Section 3**

Project Management & Governance

1. Project Management Arrangements

1.1 The project is managed in accordance with the principles of Prince 2.

1.2 The proposed governance structure is as follows:

Executive Board

- To approve the strategic direction, outline scope of activity, agree outcomes and benefits and authorises procurement process
- To approve recommended partner(s) at the end of the procurement process.

Member Change Forum

- Provides political direction to the project
- Review project progress and approves any exceptions to the approved scope
- Ensures process is properly aligned at all stages to the strategic outcomes required.
- Supports key communication processes across all key stakeholders.

Corporate Management Team ***Director Project Sponsor: Shirlene Adam***

- The Corporate Management Team exists to monitor and give guidance to the Project Lead or Project Manager
- The Corporate Management Team will monitor and review the project, provide guidance on project conflicts, act as a sounding board and formally accept the project deliverables once agreed.
- Owns the strategic vision for the project provides clear leadership and direction during the course of the project
- Takes key decisions
- Receives monthly highlight reports.

Project Lead*:* ***Tim Burton***

- Is directly accountable for the delivery of the project delivering agreed outputs to required specification and quality within budget
- Maintains close liaison and communication with Key Stakeholders
- Provides day to day direction for the project, responds to project issues and takes decisions to ensure project maintains momentum and that the timetable is achieved
- Ensures business case is maintained and remains relevant to the overall strategic aims
- Ensures that communications with internal and external stakeholders are effective
- Manages the key strategic risks facing the project
- Meets with the project manager at least weekly to review progress
- Commissions and chairs reviews during the project to ensure alignment with objectives, capability of delivery and measurable achievement of benefits.

Project Manager ***Alison North***

- Directs and motivates the project team
- Provides project information and advice to partner organizations and stakeholders
- Project manages and plans all stages of the project
- Prepares project reports and monthly highlight report
- Manages on a day to day basis the business and project risks
- Liaises with members of associated activities e.g PAS and
- Communications
- Monitors progress, expenditure, resources and initiates corrective
- Action
- Keeps Officer Working Group and CMT informed of deviations in plans and associated action (i.e. Change Control)
- Establish quality strategy with appropriate members of the Officer Working Group
- Prepare End Project Report
- Identifies and obtains support and advice necessary for the management, planning and control of the project
- Manages the development of the communication strategy and delivery of the communications plan.

Officer Working Group:

The Working Group exists to represent the user side and to represent any specialist input. The Project Manager will report regularly to the group, keeping them informed of progress and highlighting any problems she can foresee.

- Actively leads the working groups and contributes expertise to the project
- Supports the communication with external stakeholders as agreed through the Communication Strategy
- Receives regular reports on project progress
- Informs discussions on and develops business objectives and expected benefits
- Coordinates and provides all service specific information required by the project team at all stages of the project
- Approves key procurement documents
- Takes decisions to resolve any business or project issues
- Identifies, owns and actively supports/leads the management of project risks and related contingencies
- Ensures adequate resources are available during the life of the project
- Makes recommendations to the CMT Project Board via the Project Manager
- Receives feedback from and directs and advises on action to be taken by work stream leads as they are appointed to project activities.

Frequency of Meetings: Fortnightly from Jan 2011 or as project issues demand.

Working Group Officers:
Shirlene Adam; James Barrah; Stephen Boland; Tim Burton; Martin Daly; Paul Fitzgerald; Jayne Hares; Mark Leeman; Stephanie Payne; Dan Webb; Lesley Webb; Scott Weetch; Phil Webb, David Evans, Fiona Gudge.

1.3 The project will be managed by stages as shown below with high level activities. Each stage will be run by work streams. In the project current stage of Start up work stream leads are also identified below and within the project plan.

Stage	**Description of activity**
Start up	Formation of Project Management , Outline Business case produced, Procurement of consultants to support delivery options appraisal, Delivery options appraisal Development of communication strategy Stakeholder consultation Equality Impact Assessment Executive Board sign off to move to the next stage
Initiation	Production of Project Initiation Document (PID) Production of detailed business case & costs Formation of detailed project management Detailed communication strategy Stakeholder consultation Equality Impact Assessment

	Executive Board sign off the move into delivery
Delivery	Delivery of project plan Delivery of Communications Strategy Regular checkpoints for approval through governance Continued monitoring of Business case and benefits against objectives
Closure	Project evaluation Outcomes and criteria evaluation Benefits Review Executive Board authorisation to close the project

Start-up Stage Work stream Leads

Work stream	**Lead**	**Supported By**
Business Case & Strategy Development	Tim Burton	Mark Leeman, Steve Boland, James Barrah, , Scott Weetch, Lesley Webb
Risk Analysis	Dan Webb	Officer Working Group
Delivery Options	Martin Daly	Fiona Gudge, Steve Boland, Tim Burton, , Lesley Webb
Finance	Fiona Gudge	151 officer support Paul Fitzgerald
Assets	Phil Webb	Fiona Gudge Tim Burton
Community Engagement	Lesley Webb	Jayne Hares, Penny Comley-Ross, Lucy Hawkins and Debbie Rundle
Stakeholder analysis & Communications Plan	Alison North	Mark Leeman, Debbie Rundle, Jayne Hares, Penny Conley Ross, Lucy Hawkins, Lesley Webb

Section 4

Project Plan

1. Summary

1.1 The purpose of the project plan is to ensure effective communication and control of the project deliverables. It describes how, when and by whom project targets will be achieved and will provide a means by which to monitor project progress.

1.2 The project plan will be kept in line with the business case at all times and will be approved by the project governance in place.

2. Next Project Steps – Initiation Stage

If the project proceeds to the next stage the following activities will be completed:

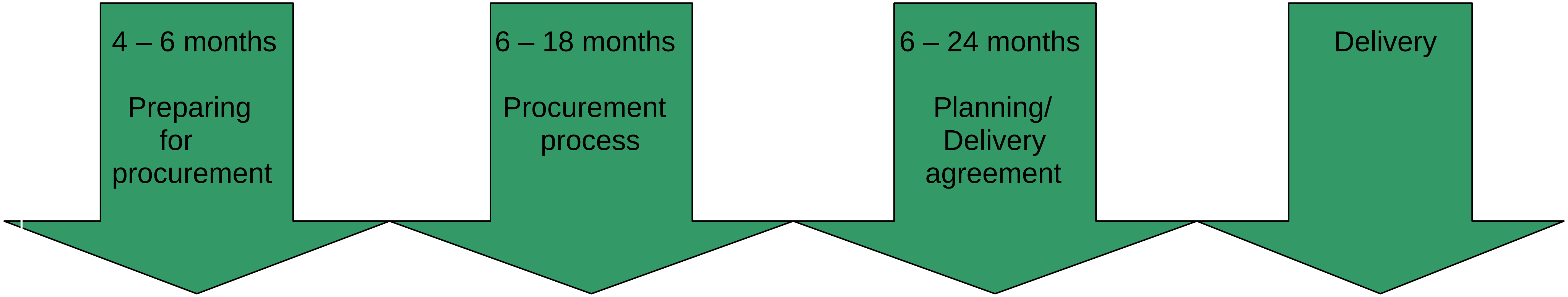
1. Information Brief – this will be produced in consultation with tenants and partners. It will provide high level design work which will help bidders understand the requirements and the aspirations of the Council and residents. It will also enable the bids to be assessed on a like for like basis

2. Additional surveys to test site conditions and updated urban design input to ensure deliverability of final scheme.

3. Member agreement and sign off of the development brief

4. Procurement of developer /partner – this will be as per OJEU and could be through a direct competition run by the Council, or through the use of OJEU approved panel at the HCA.

High Level Plan



Preparing for Procurement
- Information brief
- Procure advisors
- Resident/member consultation
- Legal and procurement advice
- Heads of term and specification/employers' requirements
- Establish evaluation panel

Procurement process
-OJEU route/HCA panel

Can be shortened to 4 months if run in a single stage through HCA panel

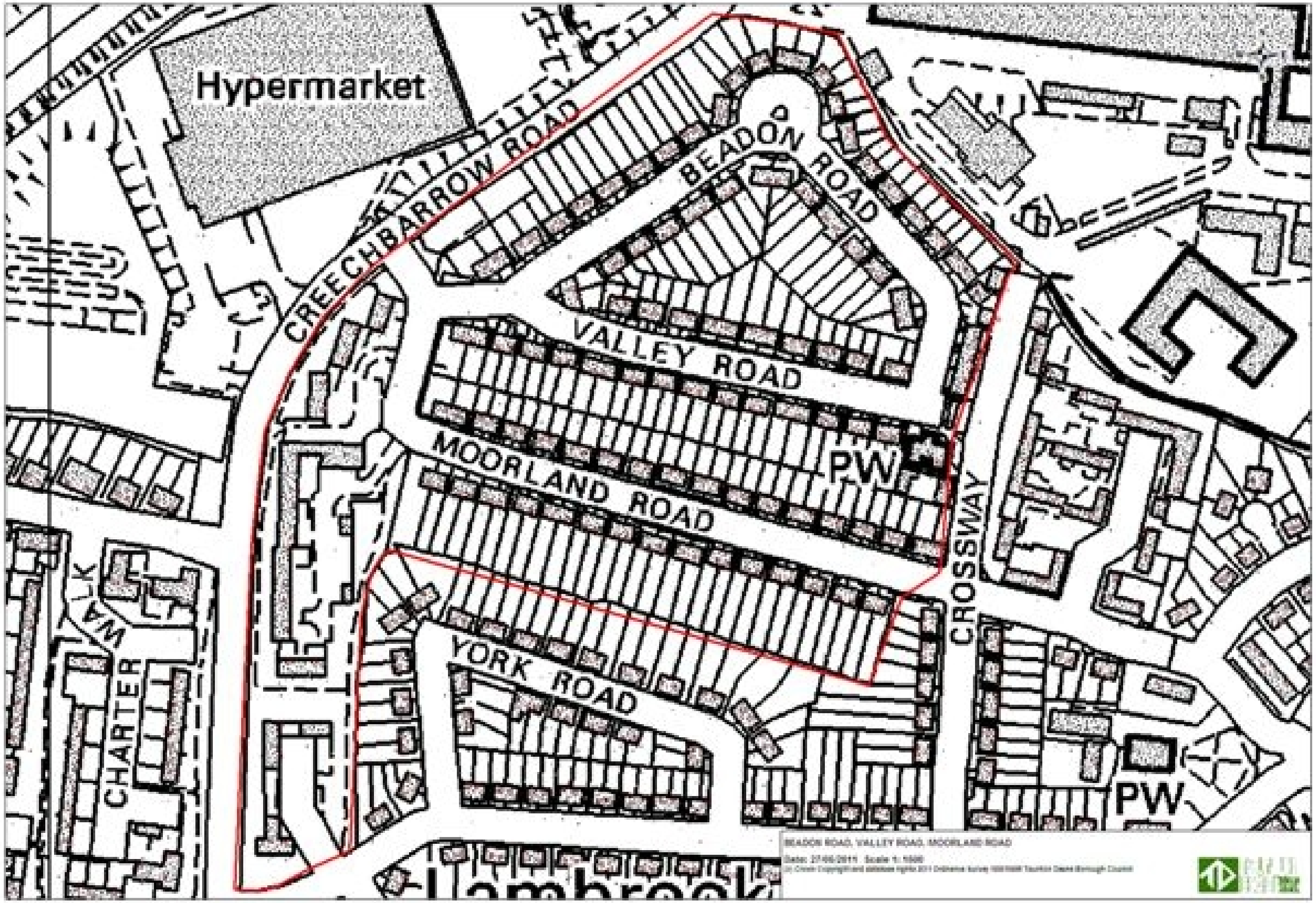
Planning and Development Agreement

c8 years

Appendices:

Appendix A	-	Map of Halcon
Appendix B		Delivery Options Risk Analysis
Appendix C	-	Equalities Impact Assessment

Appendix A


Hypermarket
CREECHBARROW ROAD
BEADON ROAD
VALLEY ROAD
MOORLAND ROAD
PW
CROSSWAY
YORK ROAD
WALK
CHARTER
PW
BEADON ROAD, VALLEY ROAD, MOORLAND ROAD

Halcon North regeneration - Vacant Transfer (option A)

16-Jun-11

Risk No.	Risk & descriptions	Risk Owner	Consequences	Existing Control Measures	Assessment: Impact	Assessment: Probability	Score
A	FINANCIAL RISKS						
A1	TDBC may be unable to recover upfront costs (min £5m)		Detrimental impact on TDBC finances		Critical	Feasible	15
A2	Loss of rental income if local authority housing stock not replaced through the new housing provision (c£700k p.a)		Less income available to repay settlement debt and invest in stock maintenance.		Significant	Very Likely	15
A3	HRA Self Financing debt settlement could assume TDBC retains income potential from these properties? (£19.5k per property = approx £3.6m of debt repayment + interest)		HRA liable for settlement debt on properties no longer owned by the Council. Potentially reduced debt cap restricting opportunity for investing in new houses & other investment priorities		Significant	Very Likely	15
A4	New rents nearer market levels		Increased Housing Benefit payments. Reduced number of social lets / increase in need for temporary accomodation		Minor	Very Likely	10
A5	Interest rates increase leading to higher than anticipated capital financing costs		Capital financing costs in the General Fund are unaffordable reducing availability of funding for direct service costs		Significant	Feasible	9
A6	Capital investment costs exceed Prudential Borrowing limits (dependent on overall costs and other Council investment plans)		Council may not be able to afford capital financing costs, placing the business case at risk		Significant	Slight	6
A7	Additional maintenance costs may be incurred		Repairs & maintenance investment not efficient. Funds would need to be directed away from other properties		Minor	Very Likely	10
B	TIMESCALE						
B1	Project initiation stage could be time and resource intensive		Diversion from other corporate projects and workloads.		Significant	Very Likely	15
B2	Project demands generally are difficult to implement to required quality within a reasonable timescale		Loss of momentum in project and fatigue in project team		Significant	Feasible	9
C	RISKS TO RESIDENTS						
C1	May not be able to meet tenants' rehousing expectations		Reputational damage / stress to tenants		Significant	Feasible	9
C2	Owner-occupiers are disgruntled		Reputational damage		Significant	Feasible	9
C3	Tenant/Resident support diminishes		Tenant/Resident disatisfaction		Minor	Slight	4
C4	Increased feeling of vulnerability after decamp starts (those 'left behind')		Tenant/Resident disatisfaction/ fear of crime etc		Significant	Very Likely	15
D	TDBC OPERATIONAL RISKS						
D1	Failure to achieve OJEU compliance (European procurement legislation)		Legal challenge and reputational damage		Major	Very Unlikely	4
D2	Managing the complexities of a development appraisal and matching this with the project vision		Decisions not informed / Project objectives not met		Major	Feasible	12
D3	Partner selection is not objective		Potentially Self-limiting in terms of delivery of aspirations. Lack of interest from potential partner(s) and/or poor quality bids		Significant	Feasible	9
D4	Insufficient funding from Homes and Communities Agency for this project to achieve outcomes & vision		Vision & outcomes not achieved		Critical	Feasible	15
D5	Partner(s) fails to deliver council's objectives		Opportunities from scheme not realised		Significant	Slight	6

Halcon North regeneration - Tenanted Transfer (option B)

16-Jun-11

Risk No.	Risk & descriptions	Risk Owner	Consequences	Existing Control Measures	Assessment: Impact	Assessment: Probability	Score
A	FINANCIAL RISKS						
A1	TDBC may be unable to recover upfront costs (£?)		Detrimental impact on TDBC finances		Major	Feasible	12
A2	Loss of rental income if local authority housing stock not replaced through the new housing provision (c£700k p.a)		Less income available to repay settlement debt and invest in stock maintenance.		Significant	Very Likely	15
A3	HRA Self Financing debt settlement could assume TDBC retains income potential from these properties? (£19.5k per property = approx £3.6m of debt repayment + interest)		HRA liable for settlement debt on properties no longer owned by the Council. Potentially reduced debt cap restricting opportunity for investing in new houses & other investment priorities		Significant	Very Likely	15
A4	New rents nearer market levels		Increased Housing Benefit payments. Reduced number of social lets / increase in need for temporary accomodation		Minor	Very Likely	10
A5	TDBC may have to pay recipient Housing Association (need to determine if a revenue or capital item)		HRA would need probably need to borrow funds or use HRA working balances		Significant	Very Likely	15
B	TIMESCALE						
B1	Project initiation stage could be time and resource intensive		Diversion from other corporate projects and workloads		Significant	Very Likely	15
B2	Project demands generally are difficult to implement to required quality on time		Compromise on strength of transfer proposal offer to tenants		Significant	Feasible	9
C	RISKS TO RESIDENTS						
C1	May not be able to meet tenants' rehousing expectations		Reputational damage		Significant	Feasible	9
C2	Owner-occupiers are disgruntled		Reputational damage		Significant	Feasible	9
C3	Tenant/Resident support diminishes		Tenant/Resident disatisfaction		Significant	Feasible	9
D	TDBC OPERATIONAL RISKS						
D1	Failure to achieve OJEU compliance (European procurement legislation)		Legal challenge and reputational damage		Major	Very Unlikely	4
D2	Managing the complexities of a development appraisal and matching this with the project vision		Decisions not informed / Project objectives not met		Major	Feasible	12
D3	Partner selection is not objective		Potentially Self-limiting in terms of delivery of aspirations. Lack of interest from potential partner(s) and/or poor quality bids		Significant	Feasible	9
D4	Insufficient funding from Homes and Communities Agency for this project to achieve outcomes & vision		Vision & outcomes not achieved		Critical	Feasible	15
D5	Partner(s) fails to deliver council's objectives		Opportunities from scheme not realised		Significant	Slight	6

Equality Impact Assessment – pro-forma

Responsible person	*Tim Burton & Lesley Webb*	**Job Title North Halcon Project Lead & Housing Enabling Officer**	
Why are you completing the Equality Impact Assessment? (Please mark as appropriate)	Proposed project		North Halcon Regeneration
	Change to Policy or Service		n/a
	Budget/Financial decision – MTFP		n/a
	Part of timetable		Project Plan requirements
What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)		**The impact of recommended delivery option of vacant transfer**	
Section One – Scope of the assessment			
What are the main purposes/aims of the policy?	*The vision is to regenerate Halcon North by a change in its physical and social environment. The means to do this is through a vacant transfer – where the Council transfers ownership of a vacant site to one or more housing association partners who then redevelop the site. This requires the Council to move its own tenants and acquire any properties that have been purchased under Right to Buy before transferring ownership of the whole site on a vacant possession basis to the partner(s), so that regeneration on a vacant site can take place. The housing association partner(s) subsequently demolish empty properties, rebuild and manage the site in accordance with the regeneration vision set by the Council.*		
Which protected groups are targeted by the policy?	*General community of North Halcon and all protected groups*		
What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used The information can be found on....	Resident consultation Idiocies of multiple deprivation PAS survey results PAS Bench marking report Front line staff		

Section two – Conclusion drawn about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality
People who could be affected by the Regeneration of Halcon North. ▪ Disabled individuals, family members ▪ Metal Health suffers ▪ Single parent/s ▪ Unemployed ▪ Ethnic minorities ▪ Low income households ▪ Schooling ▪ Alcohol/drug dependency ▪ Elderly ▪ Overcrowded households ▪ Community interdependent ▪ Hard to reach groups – young. **How we propose addressing these issues:** Communication has a major role. To keep people well informed through regular news letters, phone calls, visits to residents homes and consultations. All communication should be delivered in Braille or large text for those partially sighted or with sight impairment. Induction loop system to be available to assist the hard of hearing, and the provision of interpreter on visits or at consultations where appropriate.

To ensure that no one is disadvantaged by their disability, all new builds should incorporate level access, life time homes, hand rails, heat regulator on taps or water systems for those people with sensory loss. Provision for adjustable working levels in the kitchen to assist those with disability, but also for convenience to other family members.

Tenants with a disability should be identified at an early stage so that the correct or most suitable adaptations can be built in at construction time. This will help to keep costs down.

Personal interviews have been held with Mental Health suffers, this will continue.

Support workers, carers and family members, where appropriate, will always be included in these meetings. Plenty of time should be allowed and careful explanations are essential.

For single parents, the unemployed and low income households could have similar issues. Personal meetings and interviews should be arranged where requested. Careful discussion regarding compensation payments, costs associated with the move to be explained clearly.

Worry over future schooling should be alleviated at all times where possible. We should explain we will do everything possible to keep children at the same school or as close to their school as possible. We will also give consideration to future housing when there is a change of school on the horizon. Explaining the cost of new school uniforms can be included in the displacement compensation.

Many elderly residents see change, especially moving house, as a great source of worry. Every effort should be made to dispel this. Regular contact is paramount. Support to be given at all times. This could include packing and unpacking. Help with letters to utility companies, change of GP etc. Keeping family and friends informed where appropriate. Provision of an information pack.

To assist ethnic minority groups information should be available advising the location of religious establishments, specialised food shops, schooling and GP centres.

It is necessary to be proactive when other minority groups of people present themselves. We should look carefully at how we can provide the relevant support in line with the best practice.

The introduction of a ‘site’ office situated close to Halcon North as soon as possible will help to provide hands on assistance and relevant information and guidance to all the residents and also to any other groups which may not be immediately obvious. Many minor worries can be alleviated by friendly talks over

tea or coffee.
I have concluded that there is/should be:

No major change - no adverse equality impact identified	
Adjust the policy	
Continue with the policy	We have identified actions to mitigate identified impacts
Stop and remove the policy	

Reasons and documentation to support conclusions	
Section four – **Implementation –** timescale for implementation	
Take out	
Section Five – Sign off	
Responsible officer Tim to sign Date	Management Team Date
Section six – Publication and monitoring	
Published on website and public report. Will be monitored	
Next review date	Date logged on Covalent

Action Planning

The table should be completed with all actions identified to mitigate the effects concluded.

Actions table					
Service area			Date		
Identified issue drawn from your conclusions	Actions needed	Who is responsible?	By when?	How will this be monitored?	Expected outcomes from carrying out actions

AGENDA ITEM NO. 6

Taunton Deane Borough Council

Executive - 12 October 2011

Installation of Solar PV on Council Housing Stock

Report of the Strategic Director
(This matter is the responsibility of Executive Councillors Mrs Jean Adkins and Ken Hayward)

1. Executive Summary

This report considers in detail options for the installation of solar PV on suitable council owned homes. It has been considered and is supported by the Tenant Services Management Board. The Community Scrutiny Committee considered the report on 11th October 2011. Their comments will be reported verbally at the meeting. The Executive are asked to approve the proposal to enter into a procurement exercise for the installation of solar PV on appropriate homes owned by the Council.

2. Background

2.1 Solar PV and the Feed in Tariff (FIT)

Feed in Tariffs became available in Great Britain from the 1st of April 2010. The overall aim of the scheme is to encourage the deployment of additional small scale low carbon electricity generation. The scheme offers a minimum payment for all electricity exported to the Grid. These payments are in addition to the fuel bill savings made by using the electricity generated on site.

The primary financial benefits are:

1. The Generation Tariff – the set rate paid by the energy supplier for each unit (KWh) of electricity generated – The Energy Savings Trust (EST) estimates this benefit to be valued at approx £700 per annum for a typical 2KWp installation.

2. The Export Tariff - a payment of 3p/KWh received from the energy supplier for each unit exported back to the grid. The EST estimates an income of around £25 per annum for a typical 2KW installation.

3. Energy Bill Savings – The typical benefit to tenants/residents, dependant on their consumption profile, is expected to be between £90 and £120 per year.

2.2 Advantage Southwest (ASW)

TDBC had recognised early on the potential benefits of installing Solar PV to its properties and has already identified 720 suitable properties that meet the criteria for maximising the benefit of solar PV installation namely a south/southwest facing and a recently refurbished roof.

Through its membership of Advantage Southwest we were actively participating in a consortia based approach being led by ASW. This approach aimed to establish a framework for the provision of a “rent-a- roof scheme” available to all of its members.

Unfortunately this project was abandoned primarily due to differing expectations of risk transfer between PV providers and landlords and, in particular, issues around the consequences of right to buy and property demolition.

2.3 The reduction in the feed in tariff (FIT)

The generation tariff for PV retrofit is currently 41.3 pence per kWh produced.

The current FIT only applies to properties with Solar PV fully installed prior to the 31/3/12. For the period of the 1/4/12 – 31/3/13 the tariff applicable to new installations will fall to 39.6 pence per KWh. Once an installation has joined the scheme the FIT is fixed for 25 years.

TDBC’s own estimation of the effect of this known reduction in the FIT will have on the income to the PV Provider is given in the table below.

	electricity generated per kW installation	Av. size of array	number of houses	generation tariff. p/KWh	tariff fixed for x years	TOTAL	Loss in %
Installations completed before 31/03/12	950	2	720	0.413	25	£14.125K	
Installations completed after 31/03/12	950	2	720	0.396	25	£12.928K	
Loss if installations start from April 2012						£581K	4%

The reduction in the income received by the Solar PV provider is expected to be around 4%. However given the falling costs of PV equipment and increased competition among installers similar returns may be still be possible against the reduced FIT.

What is not known is the effect on the FIT from April 2012 of the Governments current review of the scheme.

At the time the scheme was designed it was made clear that early reviews would need to take place. Early in 2011 a fastrack review of the FIT scheme was carried out as a response to evidence that larger projects were being deployed much more quickly than first envisaged. As the spending envelope for the scheme is limited it was felt that the amount available for small schemes would be threatened and consequently the FIT for larger schemes was reduced to reflect the increasing return on investment being experienced.

The Governments Comprehensive Spending Review has stipulated the need to make a 10% savings to the scheme in 2014. This review of the FIT scheme will provide an opportunity to make adjustments in the light of market developments, such as the rapid fall in the global module costs witnessed since the start of the scheme and increasing rates of return being achieved.

2.4 The Offer Received by TDBC

Since the cessation of the ASW project TDBC had been approached by a national PV provider with a specific lease based “rent a roof” proposal.

The offer was based on a single upfront payment per property in return for the rights to the FIT tariff. The payment increased with the size of the installation/property but based on a typical 2.07KWp installation the offer presented a payment of £330 per property. This represents a one off up front payment to TDBC of approximately £238k for the 720 identified properties. This would increase to £288k for 2.11KWp installations and £324k for 2.3KWp installations

The contract period for this, as is the case with similar schemes is 25 years. The income receivable under the FIT by the Solar PV is expected to be in the region of £14m over this period. Therefore the upfront payment represents approximately 1.75% - 2.25% of the projected FIT income received by the provider.

It was not possible to assess the transfer of risk under this particular proposal due to the requirement to sign a confidentiality agreement.

3. Strategic Procurement Service Review

At this point the Strategic Procurement Service was approached to advise on the relative value for money of the offer received and the procurement implications for accepting the offer or any similar proposal.

3. 1. Market Summary

Since the launch of the Feed in Tariff in April 2010, there has been substantial mobilisation in the solar photovoltaic (PV) market. There continues to be a high level of interest from registered providers and local authorities seeking to procure PV installations on their housing stock. The primary drivers are to secure the benefits of reducing fuel poverty (allowing tenants to take advantage of free electricity generated by the panels), carbon reduction and the potential for an attractive financial return through the “feed in tariff” (FIT)

In terms of the supply and installation of Solar PV equipment large scale DIY consortium deals are already securing available market capacity. The costs of the PV units are reducing and competition between installers in driving down installation costs. Estimates on return on investment vary but are typically quoted as having fallen to between 7 and 11 years for a large scale project.

3.2 Differing Models

The rapid growth of the PV market has led to a range of different solutions and models. The most appropriate route will depend on the approach to risk, availability of funding and resourcing levels. There are two basic types of model – rent a roof, and DIY.

3.2.1 "Rent a Roof" models

There are a number of variations to the "rent-a roof" deals in the marketplace.

Under "rent-a-roof" arrangements, the PV provider installs the panel at nil cost for the landlord, and allows any free electricity generated by the panels to be used by the resident. Recently more sophisticated schemes have developed whereby the landlord gets an up-front premium/installation fee (either alone or in combination with an annual 'roof rental' fee). As an alternative, PV providers may propose sharing FITs, or assigning the benefit of the FIT after they have repaid debt and made a sufficient return. Other models are set up as community enterprises utilised to distribute the income from the FIT into community projects.

These schemes are applicable where an organisation is not able to invest or have sufficient staffing resources to deliver such a project.

These solutions are often regarding as being lower risk to the landlord in that the full risks of the project are handed to the PV Provider. However, the financing arrangements that sit behind such schemes often rely on a significant risk transfer to landlords.

Primarily there are two differing approaches

“Lease based” Under this model, the LA grants a formal lease of roof space to the PV provider usually for a period of 25 years.

- The grant of a lease by an LA is a disposal of land. This causes potential issues:

  - S32/43/123 consents will be required. Whilst these consents should be easy to obtain they will still take time and administrative effort.

  - Stamp Duty Land Tax (SDLT) will be payable by the PV Provider - which will probably mean a reduction in rental payable

  - The lease will need to be registered with the Land Registry; Land Registry requirements on the registration of these sorts of leases remain uncertain (for example individual plans for each roof may need to be prepared) and there are of course Land Registry fees to pay. From a commercial perspective, these costs could make the PV Providers offering in a competitive market less attractive.

"**Licence based".** Under this model, the LA simply grants a licence of roof space to the PV Provider to enable the PV Provider to install maintain and operate the PV system - an arrangement not dissimilar to a licence to maintain and operate advertising hoardings or cashpoints in supermarkets.

- All of the aspects that an LA and PV Provider would need to operate the PV system are capable of being drafted in a licence (for example the right of installation, the right to run wires over the social housing dwelling, the right of access (on notice) to repair and the right to install the inverter etc.).

- The grant of a licence is not a disposal - so statutory consents are not required.

- SDLT is not payable, nor is the licence registrable at the Land Registry- so there are project cost savings that can be passed on to a LA.

Most schemes are managed through a Special Purpose Vehicle (SPV) funded by a bank or pension fund comprising the lender, an installer and often a utility company.

To date there is little evidence of large scale adoption of these models although projects such as those being implemented in Stoke on Trent and North Tyneside illustrate acceleration in the number of projects progressing to the installation phase.

One of the primary reasons why a number of early projects have not been concluded is the different expectations of risk ownership/transfer between the PV providers and landlords. However, some models are now being developed that present a more balanced approach to the sharing of risk and benefits. Standard forms of licence and lease agreements are now available for purchase from legal firms supporting activity in this area.

To fully understand the risks and benefits to TDBC that the different types of "rent-a-roof" models present would require a detailed analysis. This analysis would need to understand the implications from property, landlord, resourcing and procurement angles.

Given the differing models available in the market, a procurement exercise allows landlords to compare proposals on a like for like basis driving best value through the procurement process.

3.2.2 "DIY" models

Registered providers who have access to funding and local authorities, who can access prudential borrowing, can procure and install PV systems themselves. Most examples of Solar PV installations to date fall into this category. The rewards are much greater as the FIT can pay around £700 - £800 per property per year for 25 years.

In such cases the procurement of the PV equipment and/or the installation contractors is subject to OJEU as such contracts are defined under the European Procurement Regulations as either works or supplies contracts.

Assuming an average cost of £10k per property, TDBC would need to borrow over £7m to fund a DIY installation on 720 homes. This is not considered feasible.

3.2.3 Consortia approaches

Consortia approaches have been or are being set up for both "rent-a-roof" and DIY structures. Such joined up working offers volume to the market and efficiencies to members. In respect of early projects similar problems around risk transfer between the PV Provider and the Landlord have led to projects being either abandoned or delayed.

3.3 Compliance with Procurement Regulations

Many potential PV Providers put forward the argument that the procurement of "rent-a-roof" type schemes" are not subject to The Public Contracts Regulations 2006 (amended 2009). This argument is usually presented on one of two grounds:

Argument 1 - Such transactions are "Service Concessions" and therefore are exempt from the Public Contract regulations.

Argument 2 - That lease based schemes are land transaction based schemes comprising the grant of leases and ancillary property rights and therefore do not anticipate the use of a "Service Concession"

It is our view that any form of "rent-a roof" type scheme" including lease based schemes meets the definition of a "Service Concession". This has been verified by a legal firm who specialise in providing support in this emerging market and is view adopted by other local authority procurement units that have been consulted.

Directive 2004/18/EC defines Service Concessions as contracts of the same type as a public service contract except for the fact that the consideration for the provision of services consists either solely in the right to exploit the service or in this right together with payment.

Service Concessions are not subject to any detailed rules in the Directive. However although full compliance with the OJEU procurement process may not be required the Treaty prohibits any discrimination on grounds of nationality and establishes rules on the free movement of goods, the freedom of establishment, and the freedom to provide services. Ordinarily, to avoid the risk of a legal challenge in the award of a Service Concession, such a requirement would be advertised as a voluntary OJEU Notice thereby meeting the requirements for non discrimination.

However there is some evidence that some authorities may be taking the view that the risk of a challenge for not placing such a voluntary notice is fairly small particularly when considering the status as a Service Concession and the pressure of the FIT deadline is taken into account.

Service Concessions are however still subject in particular to Articles 28 to 30 and 43 to 55. These articles govern the manner in which any procurement would be carried out and are based on the principles of equality of treatment, transparency, proportionality and mutual recognition. These principles are enshrined into public sector procurement best practice and govern how all procurement should be carried out and consequently the application of the OJEU regulations should not just be seen as applicable only in respect of facilitating trade with other EU member states. These principles should be embedded into any procurement exercise.

Similarly TDBC standing orders and the “best value” rational would require a solution procured through open market competition. The aim being not just to secure the largest potential income but to consider the varying degree of risk associated with each offer and the added value of any other benefits each proposal might bring.

The two projects given as examples given in 3.2.1 above – Stoke on Trent and North Tyneside - were both awarded following full OJEU procedures. Although recognized as Service Concessions by the respective authorities both chose to carry out full OJEU procurement processes.

3.4 Available Frameworks

Initially it was hoped that a specific framework for the provision of a “rent-a-roof type” scheme existed. Such a framework would offer an OJEU compliant solution under which a single supplier is presented or a further mini competition is required.

This is the model that was being developed by Advantage Southwest. Where such projects have been undertaken the regional approach is typical. A similar procurement is being run by “Efficiency North” but would not cover properties in the SW region.

A number of frameworks exist, such as those put in place by North Somerset and Procurement for Homes for the provision of the actual Solar PV equipment, but these are designed to support the “DIY” delivery model.

The Yorkshire Purchasing Organisation (YPO) has recently put in place a framework for sustainable technologies. This framework contains provision for Solar PV. Although this framework was not set up specifically for “rent-roof-schemes” it is understood that similar schemes are being procured through the framework although generally these relate to installations on commercial property rather than large scale domestic installations.

The YPO Framework includes 15 Solar PV providers for the southwest area. These include some of the known national contractors who are actively delivering domestic solar PV installations to local authorities. Since its launch in August a large number of enquiries and projects have been channelled through the framework primarily due to the need to meet the March FIT deadline.

This framework is OJUE compliant and potentially offers a reduction in the timescale within which TDBC could approach the market. However, contractors have confirmed that installation capacity is being rapidly exhausted. Further enquiries would need to made to establish if enough of the framework contractors would be interested in the TDBC requirement to ensure a procurement under the framework would deliver a satisfactory result.

3.5 General Research

During our research it became clear that the market for “rent-a-roof” schemes is still developing.

The number of UK based potential providers is around 30.

Early indications based on the income received by other organisations suggested a target income level of around 3-4 times that which had been offered to TDBC. Similar figures had been achieved by other organisations in more northerly locations.

Publications within “inside housing” had also emphasised the need for Landlords to consider alternative proposals in order to maximise the income stream and other potential benefits.

During the research a number of indicative proposals were presented to TDBC. It should be noted that in all cases, including the original proposal received by TDBC, that no detailed analysis of the respective terms and conditions has been carried out.

Indicative Offer 1

Leased Based approach

- Annual air concession fee expected to be approx £120 per property per year over 25 years equating to an approx total income of £2.16m.

- Free electricity to tenants.
- Return = approximately 15% of the FIT
- This offer was based on a similar proposal which is currently being presented to a neighbouring authority.

Indicative Offer 2

Leased Based approach

- Annual lease payment per property approx £84 per property over 25 years – equating to approx £1.5m over 25 years
- Free electricity to tenants
- Return approx 11% of FIT

Indicative Offer 3

- Licence based approach
- Free electricity to tenants
- Licence payment of £19.23 per KWp (£41.34 based on 2.11KWp) per property per year. Approx total = £744,120 (approx 5% of the FIT)
- Licence payment linked to RPI
- A 50% share of the net pre-tax profit (variable with cost and income) estimated by the landlord to be £72.26 pa (2.11KWp system) equating to £1,300,680
- Total potential income £2.04m
- Return approx 14.5%

In all cases more detail is required to verify the potential income streams and to determine the full commercial terms.

Several offers have cited other benefits of their proposals. At this stage it is not clear if any of these additional benefits would have a negative affect on the potential income streams.

- Local employment (They will recruit local workforce first to do the installations. There might be potential for an element of up-skilling / training provision)
- Tenant management (If we want, they do all the liaison work with the tenants for us, i.e. writing letters, making contact, dealing with queries / complaints etc)
- Tenant workshops (They teach tenants how to make best use of free electricity)
- Failure reporting (each installation is monitored remotely. Failures will be detected immediately)
- Replacements (Company covers all replacement costs for failing units)
- Monitoring (TDBC will have access to a portal where we can see exactly how the installer is getting on with the job)
- Free loft insulation to 400mm to any properties that are part of the project.
- Most of these companies will regard the 720 south & south/west facing properties that have been identified is regarded as a starting point. More

properties could have solar PV installed later or the cooperation could be extended to provide solar thermal and air source heat pumps.

3.6 Practical issues and consents

Aside from the procurement issues, there are a number of other issues that will need consideration, including:

- It is clear that the implementation of a “rent-a-roof” project for 720 properties would be extremely complex requiring legal support in terms of property, social housing and procurement. The resource input and legal costs would need to be considered against the potential income stream. These costs have not been established but would inevitably reduce the benefits of any offer.

- Tenancy Agreements will need to be changed for those tenants on whose dwellings the panels are installed to ensure that adequate rights are in place.

- Experience elsewhere is suggesting that around 3% of tenants are unlikely to take up the offer of solar PV installation. This could reduce the number of properties to 698, with a corresponding drop in income received.

- Right to buy – one of the stumbling blocks with many of the schemes so far has been in dealing with right to buy situations. Proposals within the latest available “rent a roof” schemes are indicating that the PV provider would take on the risk of RTB’s reducing their return. Undoubtedly this would be factored in to the offer made to TDBC. On the other side of the RTB coin, the value of homes will be increased as a result of the installation of solar PV.

- Members will recognise that not all tenants will benefit from the installation of solar PV and the availability of free electricity. It is expected that the income generated from solar PV could be used for other types of renewable energy installation over coming years – such as air source heat pumps – in properties which would be more suited to these alternatives.

- Any installation will require liaison with individual tenants and a contract management resources during the implementation. Some of the PV providers are able to offer significant aspects of this as part of their service, reducing the demand on TDBC resources.

- The extent to which property rights are granted to a PV provider under a 'rent-a-roof' model.

- Maintenance issues for asset management of stock with PV installations – particularly if the PV installer becomes unable to repair or maintain the installations.

- The capacity of any chosen partner to carry out the installations within the time frame.

- The financial status and the long term commitment of many of the new SPV's entering the market.

- Clarity of Insurance responsibilities between the various parties.

- Clarity on the risks of any changes to the FiT level being borne by the installer.

- There are many models in the market place with potentially onerous indemnities and compensation mechanisms if certain events cause the PV provider to lose the FITs. These events may or may not be within the landlord's control. The risks need to be carefully considered to determine whether or not they present an acceptable risk profile when considered alongside the financial return that is being offered. Such risks relate to claims for loss of the FiTs in the event of, for example tenants, cancelling their supply agreements on vacation of a property, loss of income while a property is empty, the loss following and "right to buy". Property shading and distribution capacity have been cited as other reasons for reductions in the actual number of suitable properties.

- VAT and Tax treatment of the roof rents

It is anticipated that many of this issues would be resolved during a procurement process.

4 Benefits to Tenants

PV systems can have positive financial benefits to tenants, as they get to use the electricity generated. It should be remembered that electricity not used cannot be stored, but is exported to the grid. The amount that a tenant benefits, therefore, will be dependant on the amount of the free electricity they can use, which is likely to be related to how much they are at home during the daytime.

It is also important to appreciate that tenants will not get 100% of their electricity requirements free of charge.

The possibility of the value of the free electricity being generated being spread across all tenants has been explored and there is no way currently in which this could be done. The beneficiaries of the free electricity therefore will be the tenants of the particular property.

If the income from the project is reinvested in other renewable energy schemes, more and more tenants will benefit.

The proposal was considered by the Tenant Services Management Board on 19th September 2011. The TSMB were very supportive of the proposal. The TSMB strongly recommended that the income from the solar PV is ring-fenced within the HRA to work in relation to renewable energy and dealing with fuel poverty.

4 Consideration of the Options

It is clear that the potential income from the implementation of a rent-a-roof type scheme is much greater than the initial proposal received by TDBC. Under the current FIT levels the target share of the FIT should be in the region of 10-12 % rather than the 1.75 - 2% initially offered.

It is recognised that given the planned reduction in the level of the FIT (31 March 2012), and the unknown consequences of the comprehensive spend review that TDBC will need to act quickly to give a realistic opportunity of maximising PV installations in the available timescale.

A licence based approach is more suitable for the reasons given in 3.2.1

The complexities of implementing such a project, the related legal support, and the general resource requirements that will be regarded to deliver could easily erode the benefits of any scheme that delivered low % return.

Notwithstanding the increasing market activity and timescale pressure, it is crucial that TDBC does not expose itself unnecessary risk or sign up to deals which do not offer best value.

To take advantage of the current FIT rates, it is important to move very quickly. Many PV providers are saying that they need to be mobilised by October.

There is insufficient time to run a full OJEU compliant procurement and achieve any significant numbers of installations before the end of March 2012. There are, however, two approaches to the procurement that could be adopted by TDBC. In either case the timescales are very challenging, and there are no guarantees that all 720 properties could be installed by the end of March 2012.

- A TDBC run competitive procurement exercise in isolation. If the authority carries out its own procurement the risk of a challenge from not complying with the full requirements of the EU procurement regulations would remain. This would be partially mitigated by ensuring an openly advertised tender through a media such as “Inside Housing” and ensuring that the procurement is, in all other respects, managed as if it were OJEU procurement.

- A mini competition through the YPO framework. The use of the YPO framework would remove the risk of challenge but may limit the size of response due to the available capacity of the Contractors.

Either way the authority should aim, as far as possible, to specify what it wishes to achieve rather than invite offers and to try to evaluate the variations in proposal that might otherwise be received

Whichever route is chosen there are two potential ways in which it could be approached. In both cases legal assistance would be required to support the development of the Tender and Contract documents and in evaluation the proposals received.

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a. The first is to treat this as an accelerated competitive dialogue process under which TDBC would send out a base PV licence (or a lease if TDBC considers it more appropriate) and to then require providers to provide a mark up which will be assessed alongside other scoring criteria (e.g. licence fee, quality of written submissions etc.).

b. The second is to simply list "non-negotiable" elements of our proposals and ask bidders to bid based on those assumptions (e.g. licence rather than lease etc.)

5. Conclusion

On the basis of the above analysis it is considered that if the Council wishes to install solar PV on appropriate homes which it owns the following route is most appropriate - subject to a satisfactory assessment that there will be enough interest from contractors, to carry out a mini procurement process using the YPO framework based on a “rent a roof” style scheme operated through licence rather than lease.

4. Finance Comments

To follow

5. Legal Comments

The Council should have the statutory power to enter into such an arrangement under its general powers of housing management contained in s21 Housing Act 1985. In addition, s2 Local Government Act 2000 provides the Council with a power to do anything which it considers is likely to achieve the promotion or improvement of the economic, social or environmental well-being of the area. This power expressly includes the power to enter into arrangements or agreements with any person.

The Council may be required to grant rights of access to its properties for assessment, installation, maintenance and repair during the 25 year operating period. This may involve the Council granting licenses and easements, which it has the power to do under a general consent granted under s32 Housing Act 1985.

The Council will have a duty, under s105 Housing Act 1985, to consult with any tenants who are likely to be substantially affected by a matter of housing management, which specifically includes maintenance or improvement of dwelling houses, or the provision of services.

A draft agreement with the ultimate PV provider is not available and so no advice can be given on the implications of any terms and conditions contained in any proposed contract. However there are some risks and costs which are envisaged should be covered by the provider such as:-

- any maintenance liabilities that arise in respect of roofs damaged by the installation
- all maintenance costs of the panels themselves or associated elements of the installation
- insurance cover for the panels
- if the roofs need to be repaired/replaced within the 25-year period then there will be a cost to remove and re-install the solar panels
- the ownership of the panels when affected homes are sold under the Right-to-Buy.

These issues are recognised and will form part of the procurement process and subsequent legal agreements.

6. Links to Corporate Aims

This proposal is directly linked to the Council's Climate Change Corporate Aim, particularly in the Council's capacity as civic leader, and also in having a major impact on the community-wide response to climate change.

7. Environmental Implications

The installation of solar PV on up to 720 council owned homes will have a significant impact on reducing the carbon footprint of teh borough. It will also assist in making the Borough more energy resilient.

8. Community Safety Implications

The installation of solar PV on domestic property is normally considered to be permitted development and does not require planning consent. There is a risk that installations could become targets for vandalism

9. Equalities Impact

The criteria for installations depends entirely upon the roof orientation of the building and takes no account of any equality factors relating to individuals or groups. This is because of the technological limitations of the equipment. It is anticipated that therefore installations will be of benefit to a wide part of the community, with no discrimination on equality grounds. It is likely that some homes currently in fuel poverty will be positively affected. It is also hoped that the income derived from the project can be utilised to widen the application of renewable energy technology across the Council's housing stock, benefitting more of our tenants.

10. Risk Management

Risks are identified in the report.

11. Partnership Implications – the project will be implemented with the full involvement of the Tenant Services Management Board.

12. Recommendations

The Executive is recommended to approve the proposal that subject to a satisfactory assessment that there will be enough interest from contractors, to carry out a mini procurement process using the YPO framework based on a "rent a roof" style scheme operated through licence rather than lease.

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AGENDA ITEM NO. 7

Taunton Deane Borough Council

Executive – 12 October 2011

Project proposal for installation of a medium sized Solar PV array on a Taunton Deane corporate building or site

Report of the Climate Change Officer
(This matter is the responsibility of Executive Councillor Ken Hayward)

1. Executive Summary

An action in the Council's approved Carbon Management Plan is to "generate Taunton Deane electricity". Over the past months officers have assessed the suitability of several Council buildings and sites as locations for a medium sized solar PV installation. The result of the assessments so far is in favour of the roof of the Station Road Swimming Pool. Initial assessment from a consultant has indicated that an installation of 36kW would provide the best return on investment (11.59% pa) to the Council. Such an installation would cost around £100,000. In order to maximise on the Government's subsidy for generating electricity from Solar PV the installation would need to be completed by 31 March 2012. This presents a tight timeframe. A project plan has been produced and a project team been set up to try to achieve this target.

Corporate Scrutiny Committee on 22 September 2011 considered and supported the project in principle and the Station Road Swimming Pool as the preferred location for it.

2. Background

In April 2010, central Government introduced the Feed in Tariffs (FIT) scheme to incentivise small scale electricity generation e.g. through solar PV installations. The FIT scheme guarantees a minimum payment for all electricity generated from Solar PV over 25 years regardless whether this energy is fed back into the grid or used on-site.

The current rate for feeding electricity back into the grid is £0.031/ kWh, whilst if used on-site it is worth the commercial rate of the electricity that it replaces, i.e. the value of the amount of electricity that doesn't need to get imported from electricity companies any longer. Government has recently significantly reduced the FIT rates for Solar PV installations above 50kW to discourage large scale installations.

Since the introduction of the FITs, central Government has urged LAs to grasp the opportunity and create income from renewable energy generation. In order to support this it has lifted the ban on the sale of surplus electricity to the grid by councils, which creates the opportunity to potentially raise £100m a year new incomes for councils in England and Wales. Interestingly, South Somerset District Council has just approved the installation of a council funded 40kW Solar PV array on their main council building in Brympton Way in Yeovil.

Tackling climate change by reducing CO_2 emissions is one of four corporate priorities for TDBC for the period 2010 to 2013. The Council produces annual Carbon Management Plans to steer this process. A key action in the current CMP – that was approved by the Executive Committee on 10 August 2011 – is "to generate TDBC electricity from Solar PV". This report is the first step for delivering this action.

3. Full details of the Report

3.1 Defining the best size of installation

An initial quote for a roof-mounted installation of solar PV panels on Station Road swimming pool was received from Rainbow Renewables Ltd. in March 2011. The company modelled different installation layouts for the roof in terms of orientation and tilting of the panels. This exercise resulted in three options. The options have a size of 32kW, 36kW and 69kW. Out of the options, the medium sized installation would deliver the highest rate of return on investment. Table.1 below shows the details for this installation as quoted by Rainbow Renewables[1].

Table.1: Return on medium sized Solar PV installation (36kW)	
Total power output	36.00kW
Total installed costs (ex. VAT)	£100,000
Estimated annual energy performance (kWh)	32,200
FIT rate – Generation	£0.329
FIT rate – Export	£0.031
Estimated annual income from FIT (Generation)	£10,594
Estimated annual income from FIT (Export)	£998
TOTAL	£11,592
Annual return on investment	11.59%
Payback Period (Years)	8.6
Total earnings over 25 years	£289,800

The total earnings from the installation could be higher than in the table above if electricity generated would be sold to a third party at a rate above £0.031.

[1] Figures from original quote have been updated to reflect Retail Price Index adjustments of FIT rates in August 2011.

The costs of the installation would roughly split into £83,000 for the kit and £17,000 for the installation works. The carbon reduction from the installation would be about 19 tonnes of CO_2 per year. Full details on the two other two options can be found in 11.2 of the Appendix.

Two other sites have been considered as potentially feasible – Wellington Sports Centre and the DLO Nursery. A 36kW installation on the roof of Wellington Sports Centre is feasible and would give the same returns as in the table above. The roof is capable of carrying the additional weight. However, the roof covering of the Centre needs to be replaced before any installation. This is estimated to cost £100,000 - £150,000, for which there is currently no funding. The Centre has therefore not been considered further.

An installation at the DLO Nursery site would be ground-mounted and wired to provide electricity to the buildings on-site. Rainbow Renewables quoted that for a £100,000 investment they could deliver an installation of about 40kW. The space requirements for a slightly larger, 50kW installation are known to be about 0.2 acres depending on the type of installation.

Two other sites have also been considered – Blackbrook Sports Centre and Deane House. Blackbrook Sports Centre is considered unsuitable because of having a very thin, frail metal roof. A platform would need to be build to carry the installation. The roof of Deane House is pitched and not easy to access. Compared to a building with a flat roof, panels are more difficult to install on a pitched roof and annual maintenance would require scaffolding thus increasing installation and running costs. Both options have therefore been discounted.

3.2 Project Specification

3.2.1 Size of installation

Of the options assessed above, a 36kW installation gave the best return on investment. Any TDBC owned installation should be below 50kW because of the recent drop in FIT rates for installation beyond 50kW. More detailed modelling could be undertaken to find the optimum size of an installation in terms of best return on investment as part of the procurement process.

3.2.2 Funding arrangements

The full funding arrangements for the project will be reported verbally at the Executive meeting. The current proposal is to partly or fully fund the installation from the Climate Change budget.

It is recommended to use the income from the scheme to increase the Council's ability to deliver carbon reduction projects by transferring it into the Climate Change budget.

It is assumed that the installation that gives the Council the best return will cost around £100,000. This can be met either from the climate change budget or a combination of the climate change budget and revenue.

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3.2.3 Location of the installation

The suitability of Station Road Pool and the DLO Nursery site have been assessed in order to enable a decision for one site:

3.2.3.1 Station Road Pool

Results of preparational assessments:

- A structural survey of the roof of Station Road Pool was completed in September 2011. The recommendation of the survey is to provide a framework to support the solar panels such as the extra loads are only taken directly onto the main roof trusses. The survey arrived at this recommendation as no information concerning the roof structure could be found in the technical drawings available.

- There is no proximate shading onto the roof from surrounding trees or buildings

- According to Rainbow Renewables Ltd who visited the site on 23 September 2011 it is likely that the cable from the installation can be inserted into the building's consumer board

- Western Power Distribution has confirmed that an installation of 36kW size can be connected to the National Grid with no need for additional cabling

- The TDBC Development Management Team has been consulted 'high level' about the likelihood of needing a planning permission for the installation. The principles are that if an installation is visible and changes the shape of the roof then a planning permission would be required. However, depending on how the installation is sited, it may not be visible from the street level and thus not require permission. Once the detailed design of the installation is known, formal opinion from Development Management will be sought on this. If planning permission is needed, the minimum statutory consultation period for the application will be 28 days.

Advantages of Station Road Pool site:

- A flat roof and easy access
- Roof cover will last for at least 15 – 20 years
- 100% of electricity generated could be used on-site
- Installation may be visible to public

Disadvantages of site:

- Building's future beyond 2026 is uncertain, as the Council's commitment currently doesn't go any further than to retain the site for 15 years

3.2.3.2 DLO Nursery Site

Advantages of site:

- TDBC owns and runs the site, i.e. no negotiations with other parties e.g. about the sale of electricity would be needed
- A ground-mounted installation would deliver a slightly larger installation for the same price, i.e. generate a higher rate of return.

Disadvantages of site:

- A ground-mounted installation could be more open to vandalism
- Mature trees on the edges of the site may overshadow the installation thus reducing its efficiency
- Expansion land for the nursery would be lost through the space taken up by the installation
- The electricity from the installation would exceed the electricity need of the Nursery, i.e. excessive energy would need to be fed back into the grid. As shown above this is not the most economical use of the energy generated.

On the basis of these disadvantages the DLO Nursery site is considered a less suitable location for the installation than Station Road Pool.

3.2.4 Timeframe and Tendering

The crucial date for the project is the 31 March 2012 by when the installation must have been completed and registered in order to maximise the benefits from the FIT payments. After 31 March 2012 the FIT rate paid per kWh will drop from £0.329 to £0.301.

Table.2 below shows the suggested timeframe of the project.

Table 2: Timeframe for project	
Completion dates:	
15 September 2011	Structural survey
15 September 2011	Other assessments
12 October 2011	Executive decision to proceed
End October 2011	Full building condition survey (if needed)
January 2012	Tendering process
February 2012	Planning Permission (if needed)
March 2012	Installation
March 2012	Registration

According to the SWOne Procurement Team a full OJEU isn’t required for this size of project and the tendering process is likely to take three to four months. It will be led by the SWOne Procurement Team or the SWOne Property FM team.

As part of the tendering process more refined quotes need to be sought. Any quote should include the costs of maintenance and potential replacements as well as it should factor-in the loss in the efficiency of the panels over 25 years. An expensive part of the installation that is likely to need replacement within the 25 years is the inverter.

The physical process of installing the Solar PV would take about one week and must be undertaken by an MCS (Microgeneration Certification Scheme) certified installer. The DLO is currently not certified under the MCS, which means it couldn’t be used for this project.

Any installation needs to be registered for receiving FITs. An installation below 50kW can be registered with MCS within one day.

3.3 Potential risks

3.3.1 Site cannot be used for 25 years

The FITs for an installation are paid for 25 years. The question is what happens if a site does get sold or demolished within this time period. In case of a sale, the installation could be added to the value of the building. In case of demolition, it would need to be assessed whether it is viable to re-install the installation at a different location. The costs for this have been quoted twice the installation costs, i.e. £34,000. There are various options for re-using parts of the installation only as well, i.e. by fitting them on council houses.

If Station Road Swimming Pool is chosen as location for the installation and the pool would shut after 15 years, the installation would already have accrued an income of £173,880 (if installed before 31 March 2012).

3.3.2 Failure of parts of installation

Parts of the installation like the inverter are likely to need replacement over the duration of the installation. Other parts like panels, cabling, etc. could potentially fail as well. An appropriate proportion of the annual income should be set aside to cover those potential costs.

The risk of the Council making a loss on the installation because of the failure of parts is highly unlikely. Even if the installation would need to be fully replaced over the 25 years, the Council should still see a return of around £80,000.

3.3.3 Delay in project delivery

If the installation is not completed and registered by 31 March 2012 the cumulative financial loss over the 25 year period because of the reduction in FIT rates from 01 April 2012 is £22,500 (see Appendices 11.1 and 11.3).

4. Finance Comments

Initial assessment has indicated that an installation of 36kW would provide the best return on investment (11.59% pa) with an annual income of £11,592 over 25 years to the Council.

The aim is to use £55k that were set aside within the Climate Change budget for a new boiler at Deane House for the installation. There is accord between officers and Members of the Carbon Management Steering Group that the existing boiler is not in need for replacement at this stage and the funding should therefore be used for the Solar PV project.

The remainder of £45k will be met from Revenue. Details of this will be confirmed verbally at the Executive meeting.

5. Legal Comments

n/a

6. Links to Corporate Aims

Tackling climate change by reducing emissions from the Council's operations is one of TDBC's corporate aims.

7. Environmental and Community Safety Implications

The proposed project would reduce the Council's emissions by about 19 tonnes of CO_2 per year. This amount is equivalent to the amount of carbon emitted by 3 average households per year.

8. Equalities Impact

No equality impacts can be foreseen from the project.

9. Risk Management

Any risks e.g. from failure of parts of the installation will be factored in from the start. An appropriate proportion of the annual income will be set aside to cover these potential costs.

10. Partnership Implications

TDBC will offer Tone Leisure to use the electricity generated on Station Road Swimming Pool at a price below the commercial rate for electricity, i.e. Tone Leisure will benefit from the project through the purchase of cheaper electricity.

11. Recommendation

The recommendation for the Executive Committee is to approve:-

1. the proposed Solar PV project in principle;
2. the main roof of Station Road Swimming Pool as the location for the installation; and
3. an installation size of about £100,000.

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Appendix

FIT tariffs including Retail Price Index adjustments and Fast Track Review amendments – Tariff rates effective from August 2011:

- 2011/12 Generation tariff for Retrofit installations below 50kW: £0.329 / kWh
- 2011/12 Generation tariff for Retrofit installations above 50kW: £0.19 / kWh
- 2012/13 Generation tariff for Retrofit installations below 50kWr: £0.301 / kWh
- 2011/12 & 2012/13 Export tariff: £0.031 / kWh

Full details on the three installations modelled for Station Road Swimming Pool by Rainbow Renewables Ltd in March 2011. Figures from original quote have been updated to reflect Retail Price Index adjustments of FIT rates in August 2011:

	Option 1	**Option 2**	**Option 3**
Total power output	31.68kW	36.00kW	69.12kW
Total installed costs (ex. VAT)	£95,000	£100,000	£195,000
Estimated annual energy performance (kWh)	29,500	32,200	56,900
FIT rate – Generation	£0.329	£0.329	£0.19
FIT rate – Export	£0.031	£0.031	£0.031
Estimated annual income from FIT (Generation)	£9541	£10,594	£10,811
Estimated annual income from FIT (Export)	£899	£998	£853
TOTAL	£10,440	£11,592	£11,664
Annual return on investment	10.9%	11.59%	5.98%
Payback Period (Years)	9.1	8.6	16.7
Total earnings over 25 years	£261,000	£289,800	£291,600

Income from 36kW option if installed before 31 March 2012 and if installed between April 2012 and 31 March 2013 (using revised FIT rates):

	Income pa	Earnings over 25 years	Income in YEAR 9 (2020/21)
2011/12 rate	£11,592	£289,800	£104,328
2012/13 rate	£10,690	£267,260	£96,214
Difference	-£902	-£22,540	
Loss in % pa	7.80%		

The table above shows that if installed before 31 March 2012 the installation pays back for itself in YEAR 9 (2020/21). If installed after 31 March 2012, the installation pays back for itself in YEAR 10 (2021/22). If the installation is delayed until after 31 March 2012 the cumulative loss over the 25 year payment period is £22,500 or 7.8%.

AGENDA ITEM NO. 8

Taunton Deane Borough Council

Executive - 12 October 2011

Taunton Car Parking Strategy 2011 - 2021

Report of the Strategic Director and Civil Contingencies and Parking Services Manager
(This matter is the responsibility of Executive Councillor Edwards)

1. Executive Summary

The most recent review of car parking provision for Taunton occurred in 2008 (Executive May 2008). Closure of some of the town centre car parks has now occurred and time scales for development in other parts of the town centre have changed. The economic downturn and the opening of the second Park and Ride have also had an impact on parking behaviour. This strategy looks at the period 2011 – 2021, although it is recognised that it will need further review at regular intervals within this period. The strategy mainly deals with the question of availability of spaces to meet demand although the potential financial impacts are dealt with within section 4 of this report.

2. Background

The last report to the Executive on this subject was in May 2008. That report looked at both the availability of spaces and the future impact on Taunton Deane's revenue funding. Three years further down the line, some of the closures have occurred and there is a clearer understanding of when other closures may occur. The second County Council Park and Ride facility, at Taunton Gateway (J25), has also opened. This update of the strategy deals with the numbers of spaces predicted as needed to meet demand within Taunton over the next 10 year period – though clearly it will need regular review and updating during that period. It looks at a number of management issues by which more spaces can be made available as well as recommending some car parks remaining open in the medium term.

The financial implications for the preferred option in the strategy are dealt with within section 4 of this report. However, it is clear that the economic downturn and the opening of the park and ride are also having a significant impact on the revenue generated from pay and display. This is something that must be considered as a corporate issue, and perhaps some of the recommendations in the May 2008 report (investment of capital income to produce returns) taken forward. This will be considered as part of the Budget Review programme.

3. The Strategy Options

The objectives, options and a description of the measures are found within the strategy document at Appendix A. The conclusions reached are for discussion and it is recognised that members may wish to reach alternative conclusions.

4. Finance Comments

The Medium Term Financial Plan already picks up the potential loss of income from the redevelopment of the retail centre in the town centre. The viability of this scheme is still marginal and the developer would need to take all the income from the parking provision to make it work. However, the discussions on the terms for any agreement are still to be had and we will want to ensure that as the economic situation improves and schemes become more profitable, that some return will be available for Taunton Deane. However, for the purposes of the MTFP a loss of £900k is identified, which is the worst case scenario based on closure of the two multi-storey car parks with no replacement funding stream.

All of the options for better space and traffic management identified in the Strategy have financial implications. Some options are inter-related and the overall impact will depend on decisions made, and, not least perhaps, on reactions and changes in behaviour by motorists.

5. Legal Comments

The Council's car parks are governed by the Off-Street Parking Places Order 1985 (as mended). Any proposals to alter charging times, tariffs or classes of vehicles subject to charges or limit duration of stays will have to be taken through the formal public process to amend the Order

6. Links to Corporate Aims

The provision of car parking is a key element of Project Taunton which links to the Corporate Aim Regeneration.

7. Environmental Implications

Included in the aims of the strategy are: reducing congestion and making a better town centre environment.

8. Community Safety Implications

No particular issues identified. Any new car parking would need to consider safety as part of the design and operation.

9. Equalities Impact

If members choose to support the proposed changes to the parking of Blue Badge Holders, a full equalities impact assessment will be required.

10. Risk Management

There are considerable reputational risks and risks to the local economy if the Council does not take a longer term and strategic view on the supply of parking spaces to meet demand within the town centre.

11. Partnership Implications

Somerset County Council has provided extremely valuable assistance in modelling the options contained within this report.

12. Scrutiny Committee

Scrutiny Committee debated the Strategy on 22 September. Members welcomed the review, felt the document was very thorough and reaffirmed the existing strategy of maintaining town centre spaces primarily for shoppers and visitors whilst encouraging commuters and long term parkers to use Park & Rides sites or other peripheral car parks. They were broadly supportive of Package 2, although some concerns were expressed on Sunday charging. Other issues specifically mentioned were future demand for spaces, disabled parking provision and charges, RingGo, motor cycle and bicycle parking, electric vehicles and the impact of public transport.

13. Recommendations

The Executive is recommended

(i) To approve the Strategy;
(ii) To agree to a phased implementation of Package 2 as the best range of options to achieve the aims, including
- restricting some car parks to short-stay only;
- adjusting disabled parking length of stay;
- encouraging use of Park & Ride;
- adjusting the charging scheme and reviewing payment methods;
- charging on Sundays;
- increasing fees on long stay; and
- providing better information to users

(iii) To require further work, and consultation as appropriate, on the above to be undertaken prior to implementation and in particular

- car park usage, travel habits and modelling of the impact of travel planning
- costs of alternative space provision as part of a phased approach to retail redevelopment
- useage by Blue Badge Holders

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Taunton Car Parking Strategy

2011-2021

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August 2011

Revision	Purpose	Summary of changes	Originator	Date
Version 1.0	Report to Scrutiny Committee		JDL	31.08.11

TAUNTON PARKING STRATEGY REVIEW

Executive Summary

This Strategy has been produced in order to realign parking requirements for the future in light of the recent economic downturn.

The aims of this Strategy are to identify measures to:

- Reduce long stay in town centre;
- Increase supply for shoppers;
- Create a better town centre environment;
- Reduce congestion; and
- Make the transport network more efficient.

The timescale for this Strategy looks to a 10-year period from 2011 to 2021, with a provision for interim review and update every two years to reflect any changes in circumstance and to look at the Project Taunton achievements and proposals. Data has been examined to determine:

The Current Situation

- Existing Car Park Capacity
- Ticket Pricing
- Park and Ride
- Analysis of Car Park Data
- Current Demand for Pay and Display Car Parks
- Length of Stay in pay and Display Car Parks
- Current Demand for Park and Ride Car Parks

Future Proposals

- Planned Changes to the Car Parks
- Impact of Car Parking Closures

This identified that commuter parking supply is likely to be adequate up to 2021 but shopper parking supply would fall short over the same time period.

From this, a number of options were identified and drawn up into Packages to address shortfall in shopper car parking.

It is recommended that TDBC pursue a light-touch approach in the short term (1-2 years) as part of Package 2. This will include:

- Restrict some car parks to short-stay only;
- Adjust Disabled Parking Length of Stay; and
- Efficiency Options:
    - Adjust Charging Scheme;
    - Increase parking fees on long stay;
    - Provide better information to users; and
    - Review Payment Methods.

Following further assessment, implementing the remainder of Package 2 (a Smarter Choices-based approach) is most likely to achieve the strategy objectives and it is recommended that this is pursued in the longer term. This includes:

- Retain Castle Street and Enfield
- Encourage shoppers to use Park and Ride; and
- Efficiency Options:
    - Implement Charges on Sundays; and
    - Increase Motorcycle Spaces.

Package 2 would also align well with the Somerset Future Transport Plan 2011-2026 (FTP) and the Bridgwater, Taunton and Wellington Future Transport Strategy (formerly TTSR2) 2011-2026, which supports the reduction in congestion and the improvement in traffic management. A more engineered-led Package (Package 3) does not align as well with these transport strategies because it is likely to attract more vehicles to the town centre, which will increase congestion and be contrary to traffic management initiatives.

1. Introduction

1.1 Background

The Parking Strategy for Taunton originates from the late 1990s when various options for improving traffic and congestion management in the town were proposed. The original Strategy was produced jointly between Taunton Deane Borough Council (TDBC) and Somerset County Council (SCC).

The main aims were to

- reduce the number of short distance vehicle trips within the town;
- encourage all day parkers to use car parks on the outskirts of the town, leaving the central car parks for use by shoppers and visitors, using tariffs as the main mechanism for influencing use;
- provide Park & Ride facilities on the main east and west approaches to retain and grow Taunton's position as an economic hub; and
- introduce Decriminalised Parking Enforcement (later Civil Parking Enforcement (CPE)) to achieve better use of the highway network, including residents parking schemes and on-street charging, where appropriate

The Strategy was developed alongside the County Council's Local Transport Plan, the Urban Design Framework, and the Vision for Taunton aspirations.

It was reviewed in 2005 by W S Atkins, and again in 2007 by Parsons Brinckerhoff, with reports going to the TDBC Executive. The latter review looked at the effect of the first Park & Ride site at Silk Mills, the latest developments and timetable for the Project Taunton initiatives, and the overall need (demand) for off-street parking provision.

It is now prudent to review the position again in the light of:

- TDBC's proposed Core Strategy;
- the current Project Taunton timetable;
- the Taunton Town Centre Action plan;
- changes in Planning Policy advice from Central Government;
- the newly adopted Somerset Future Transport Plan (2011-2026)
- the planned introduction of county-wide CPE; and
- the present economic climate.

'Project Taunton' is one of the largest town centre regeneration programmes in the South West. It is a multi-million pound programme of improvements for Taunton, ensuring a sustainable and prosperous future for Somerset's principal town. Within the town it will help create 2,200 new homes and 6-7,000 new jobs. Project Taunton will also provide 67,000m^2 (gross) retail space and a further 85,000m^2 of other commercial floorspace including office and leisure uses. Across the Borough Council's area there is provision for around 17,000 new homes over the period 2008-2028. Some of the redevelopment proposals will require closure of car parks and provision of replacement parking stock.

1.2 Review of Parsons Brinckerhoff Study

In 2007, Parsons Brinckerhoff undertook a study 'Taunton Parking Strategy Review' to determine likely capacity requirements for parking demand in Taunton until 2021. This was based on data used in an earlier study in 2006 by WS Atkins 'Taunton Parking Study: Development Review' and data that Parsons Brinckerhoff collected as part of the study. The Parsons Brinckerhoff report was updated in 2008 and showed that, based on their work, there would be a shortfall in shopper/short stay parking but commuter/long stay parking provision was adequate and would more than likely have an oversupply in the future when both park and ride sites were built to capacity. The report presented a number of different options to mitigate the short stay shortfall.

One issue the current Strategy has identified with the Parsons Brinckerhoff and WS Atkins work was that the parking numbers used to make the calculations were incorrect, assuming 5722 spaces in total. Data provided by Taunton Deane Borough Council and an audit of car parks undertaken in October 2010 by Somerset County Council suggests that at the time of these studies there were in the region of 5540 spaces in Taunton.

1.3 Aims, Objectives and Strategy Timescales

The underlying context of the Strategy remains the requirement to manage the impact of congestion within the town whilst ensuring adequate parking provision for those needing to bring vehicles into the town for shopping, visiting or commercial purposes.

The aims of this Strategy are to identify measures to:

- Reduce long stay in town centre;
- Increase supply for shoppers;
- Create a better town centre environment;
- Reduce congestion; and
- Make the transport network more efficient.

The timescale for this Strategy looks to a 10-year period from 2011 to 2021, with a provision for interim review and update every two years to reflect any changes in circumstance and to look at the Project Taunton achievements and proposals.

1.4 Methodology

This is to be examined in the light of the aims mentioned in 1.3 above by considering:

- current usage of existing car parks, including location and tariff;
- the impact of the current Park & Ride provision;
- current national and local policies in relation to tariff;
- nature of charging regime, e.g. Pay & Display, Pay on Exit etc;
- approved Project Taunton developments; and
- planned Project Taunton developments.

Issues currently not taken into consideration include:

- the effect of new road schemes (TTW and NIDR[1]);

[1] Taunton Third Way and Northern Inner Distributor Road

- the impact of future additional Park and Ride provision; and
- potential effect of changes to on-street provision.

2. The Current Situation

2.1 Existing Car Park Capacity

Since Parsons Brinckerhoff's work was done, Old Gas Works, a private SCC car park, Greenbrook Terrace and Livestock Market have all closed. This means that the existing stock of car parking spaces in Taunton is currently 4880 (including 1565 private spaces belonging to supermarkets, Somerset County Cricket Club and Network Rail). This means approximately 2/3rds of the parking stock is under TBDC control. This data is shown in Table 2.1. The location of these car parks are shown in Figure 2.1.

Location	Ownership	Number of Commuter Spaces	Number of Shopper Spaces
Belvedere Road	TDBC	0	110
Canon Street	TDBC	0	288
Castle Green	TDBC	0	61
Castle Street	TDBC	0	70
Coal Orchard	TDBC	0	110
Crescent	TDBC	0	226
Cricket Ground	Private	200	0
Duke Street	TDBC	0	58
Elms Parade	TDBC	0	27
Enfield	TDBC	197	0
Fons George	TDBC	0	83
High Street	TDBC	0	257
Kilkenny	TDBC	259	0
Lidl	Private	0	77
Marks & Spencer	Private	0	59
Morrisons	Private	0	436
Orchard Multi Storey	TDBC	0	553
Priory Bridge Road	TDBC	464	0
Railway Station	Private	200	0
Sainsbury's	Private	0	263
Tangier	TDBC	247	0
Tesco	Private	0	330
Victoria Gate	TDBC	73	0
Whirligig	TDBC	0	36
Wood Street	TDBC	0	196
TOTAL		**1640**	**3240**

Table 2.1 showing total current parking provision at March 2011.

During Summer 2011, it is likely that some of the car parks will be closed or changed. These are discussed in more detail in Section 3.

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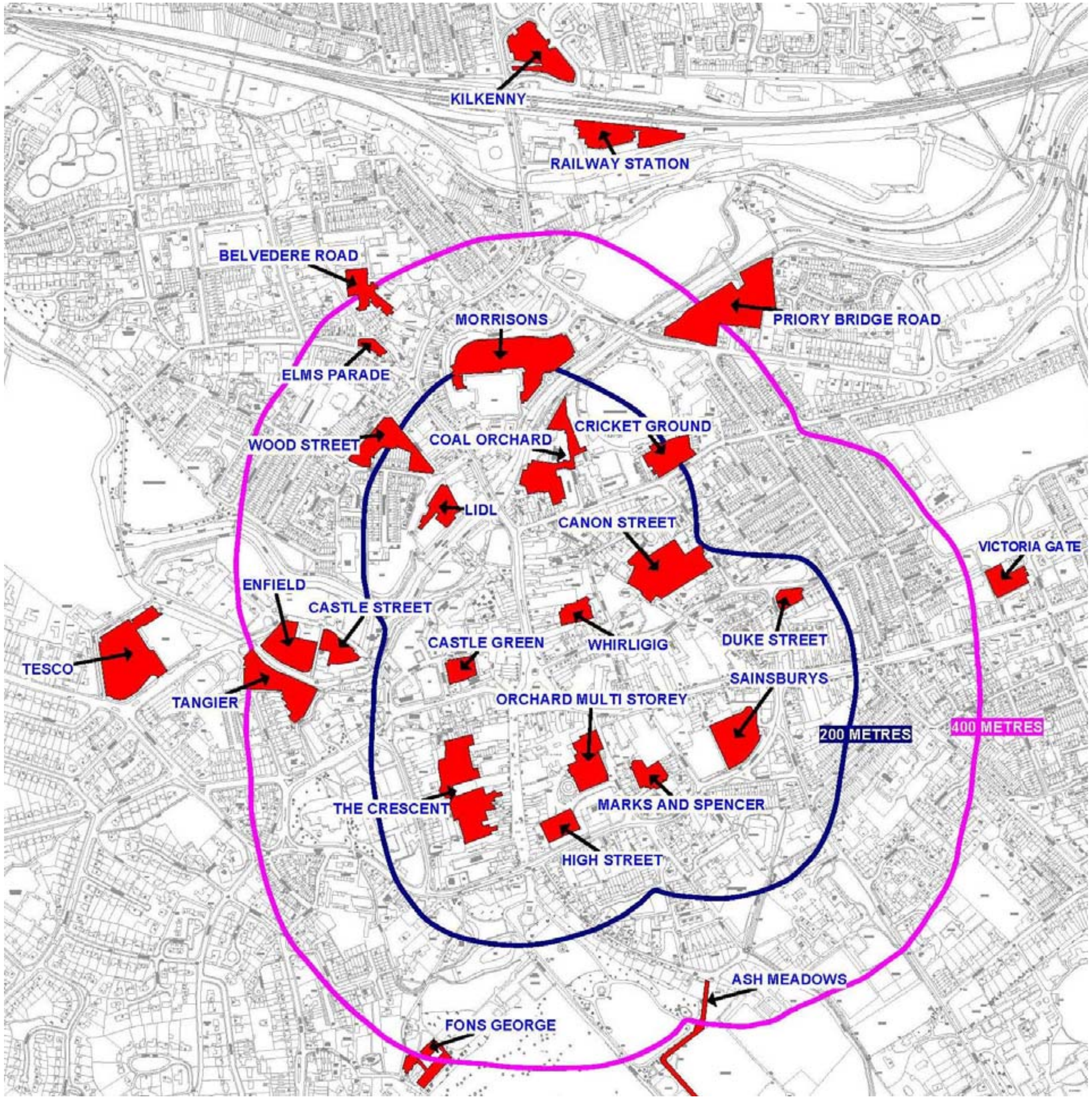


Figure 2.1 – Location of car parks within Walking Distance of the Shopping Area.

200m - All car parks within this area are designated Shopper.

200m to 400m - All car parks within this area are designated Shopper apart from Enfield, Priory Bridge Road and Tangier – all Commuter.

Beyond 400m - All car parks within this area are designated Commuter.

Based on a medium walking speed of 3mph (www.walkit.com), 200m will take 2 and a half minutes to walk and 400m will take 5 minutes to walk.

Privately-owned car parks have also not been included in any detailed analysis of current trends, along with 4 existing public car parks that were likely to skew current trend analysis due to their unique nature. These are shown in Table 2.2:

Castle Green	Limited Waiting of 2 hours and likely to be closed in the next 6 months.
Fons George	Located on the 400m perimeter from the town centre and not near any retail premises. It has a 6 hour maximum stay and its primary purpose is to serve leisure use at Vivary Golf course and Park.
Shire Hall (County Hall)	Limited to use on a Saturday as used privately during the week.
Whirligig	Limited Waiting of 2 hours and only provides 36 spaces in total. Plays a role for those needing to make a very short visit to Taunton Town Centre.

Table 2.2 Public Car Parks not considered during current trend analysis

However, all of these car parks have been included in future trend predictions.

2.2 Ticket Pricing

Table 2.3 shows the current TDBC car park pricing structure, as of March 2011. Of note are the three different tariffs. Whirligig and Castle Green are not represented. Charges apply on Saturdays and Bank Holidays but not Sundays.

Shopper 1 Car Parks Canon Street Coal Orchard Crescent (maximum stay 4 hours) High Street, Orchard Levels 1, 1A, 2, 2A, 3 and 3A	Up to	
	1 hour	£1.20
	2 hours	£2.00
	3 hours	£2.70
	4 hours	£3.40
	5 hours	£5.70
	6 hours	£6.10
	7 hours	£7.00
	Over 7 hours	£7.60

Shopper 2 Car Parks Ash Meadows (maximum stay 3 hours) Belvedere Road Castle Street Duke Street Elms Parade Fons George (maximum stay 6 hours) Orchard Levels 4, 4A, 5 and 5A Wood Street Shire Hall/The Well/County Hall Car Park (Saturdays)	Up to	
	1 hour	£1.10
	2 hours	£1.80
	3 hours	£2.10
	4 hours	£2.60
	5 hours	£3.70
	6 hours	£4.40
	7 hours	£5.20
	Over 7 hours	£5.90

	Up to	

Commuter Car Parks Enfield Kilkenny Priory Bridge Road Tangier Victoria Gate		1 hour	£1.10
		2 hours	£1.80
		3 hours	£2.10
		4 hours	£2.60
		5 hours	£3.50
		6 hours	£4.30
		7 hours	£4.60
		Over 7 hours	£5.10

Table 2.3 Car Park Charges for Taunton

All of these car parks are pay and display. All TDBC car parks operate RingGo, which allows users to book their car into the car park over the phone without displaying a ticket. The latest data shows that 8% of parking charges are currently paid for using RingGo (2010/11). Long stay is currently defined as over 7 hours.

2.3 Park and Ride

Since the last review, Gateway Park and Ride (east of M5 J25) has been completed. A planned extension to the Silk Mills site has been postponed due to the economic downturn and lack of current demand. Data is shown for the park and ride sites from November 2010 to mid June 2011[2]:

	Silk Mills – Cars Capacity - 600	Gateway – Cars Capacity - 1000	Ticket Sales
Total Daily Average	344 (57%)	313 (31%)	1030
Weekday Average	375 (63%)	344 (34%)	1106
Saturday Average	178 (30%)	153 (15%)	625

Table 2.4 Average Car Occupancy and Ticket Sales at the Park and Ride sites

It is also possible to identify the average people per car overall based on tickets purchased (not including data on Season tickets):

	People per car
Weekdays	1.5
Saturday	1.8

Table 2.5 Average People per Car at Park and Ride sites

Clearly there is still plenty of capacity within both car parks for these to take on further demand in the short to medium term.

Pricing for the Park and Ride is as follows (July 2011):

- Adult Day Return - £2.20; Child Day Return - £1.30 (5-15 years old inclusive);
- Shopper Special Ticket - £1.50 per car. Valid for up to 5 people travelling in the same car, who must travel together on both journeys. Available for use 10am to 4pm on Mondays to Fridays only;

[2] Note that this includes the Christmas period and snow affected days

- Group ticket - £5.50 (up to 5 people travelling together; valid on day of purchase only). This ticket makes travel into town even cheaper for groups of people who car share to the site;
- Weekly ticket - £9.00 or Flexirider - £11.00 (allows 12 single journeys; valid for one calendar month from day of issue);
- Calendar monthly ticket - £30.00 or Annual season ticket - £300.00.

Data from both the Silk Mills and Gateway Park and Ride sites[3] for an average weekday shows that most entries (72%) into the car park occur by 9.00am. Figure 2.2 shows entries into both sites over time during the day, which shows the peak time for entry is around 8am.

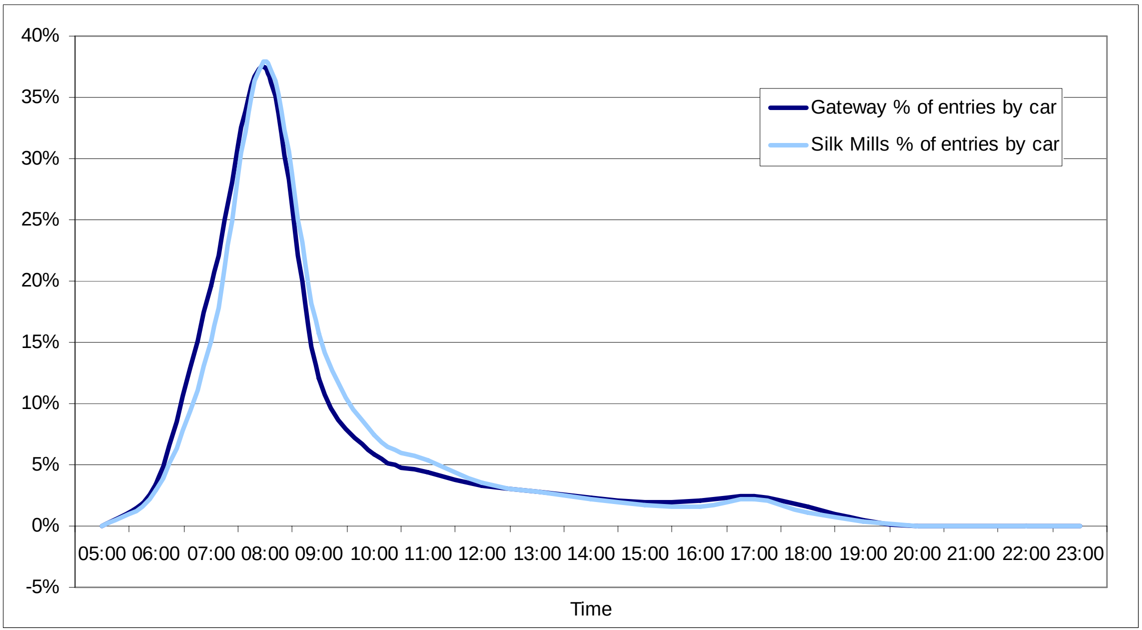


Figure 2.2 Entries by car at Silk Mills and Gateway Park and Ride on an average weekday (April 2010 to April 2011)

2.4 Analysis of Car Park Data

Figure 2.3 shows the total transactions for each month and the percentage split over time during the day. This data shows that length of stay in the car parks is broadly consistent during the year and that most shoppers/short stay users park for 2 hours or less. The exception is in December, where shoppers/short stay users park for up to 4 hours with a slight trend still shown at 5 hours. After this point, there is a significant fall in the number of tickets purchased for each hour until 7 hours and over. Statistical data of this pattern is shown in Appendix A.

[3] Automatic Traffic Counters at the entrance to the Park and Ride site

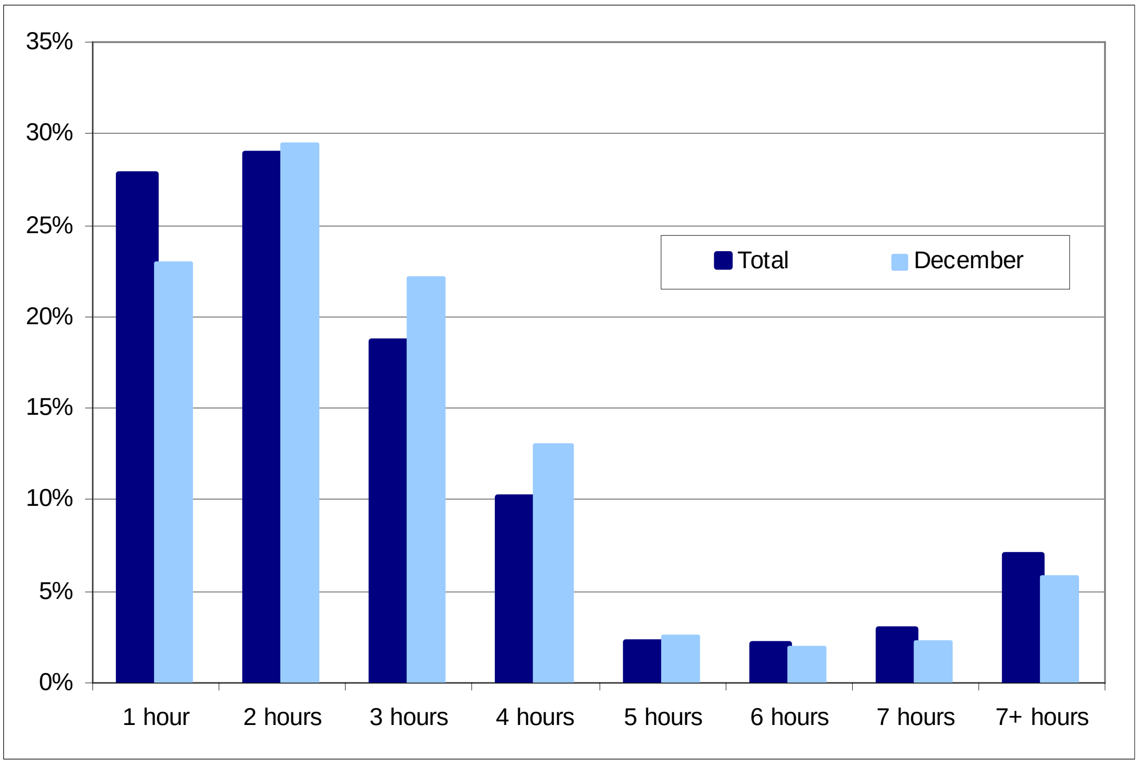


Figure 2.3 Percentage of tickets sold for each time period during the day in all car parks compared with December only, 2010/11

2.5 Current Demand for Pay and Display Car Parks
One way to determine current demand is to identify utilisation rates in each car park and correlate this against the available capacity. This will effectively give a percentage of the capacity that is currently used. In order to achieve this, In and Out surveys were conducted in October 2010. During the data collection process, the vehicle registrations were recorded on entry and exit of each car park, along with the time that this took place. Using software to match the registrations, it was possible to build a precise picture of the patterns of activity in each car park.

The data gives the number of vehicles in the car parks of every five-minute intervals between 7am and 6pm. From this, it is possible to identify the maximum number of vehicles in the car park at any one point in the day. However it should be noted that this does not necessarily mean that all those vehicles are parked. Some people may just drive in, wait for a short while or sometimes just leave straight away. Indeed 14% of all cars entering and exiting the car parks did so within the same five-minute period, indicating a drop-off or collection visit. The highest levels of this activity were identified in The Crescent and Elms Parade car parks.

By dividing the maximum number of spaces used per day in the remaining car park by the total number available, it was possible to establish how close to capacity each car park was (i.e. the utilisation of car parking). In some car parks, utilisation exceeded 100%. This included Castle Street, the Crescent and Belvedere Road. It was felt that in these three car parks, additional activity is taking place that changes the dynamic of the car park and skews the data and these are discussed below:

- Belvedere Road Within this car park there was a significant amount of long stay (likely to be from TDBC staff and residents over night), very short stay (especially between 12pm and 2pm) as well as activity likely to be generated by the Tone Leisure Centre. Due to the uncertainties in these patterns, it is unwise to use this data in capacity analysis.
- Castle Street The data from this car park showed a significantly higher utilisation to the spaces available. In practical terms it is not possible to explain this activity that may well be due to the location of the data collectors, the trips generated to the car park by the Castle Hotel as well as activity generated by taxis.
- The Crescent There were times during the day when utilisation exceeded capacity but it is likely this is in part generated by the existence of a motor repair shop, as well as most deliveries to the High Street accessing these locations via this car park. In addition the newly opened Tesco store has its own car park which would not have been included in the TDBC car park audit.

Due to the factors examined above, it was decided that these three car parks should be excluded from the overall assessment of existing demand. In addition, Enfield car park was not included in the original In and Out counts.

The data was combined to give an overall indication of utilisation. This was divided into Shopper and Commuter parking to ensure that neither datasets were skewed. This data is displayed in Appendix B. The calculations show the current demand for Shopper car parks is 83%. In Commuter car parks this figure is 34%.

2.6 Length of Stay in Pay and Display Car Parks

A further calculation was undertaken to identify the total length of stay of each vehicle that went in and out of the car park. All car parks except Enfield were included in this analysis. Average length of stay for all car parks is shown in Figure 2.4. This shows that Commuter car parks have the highest length of stay at the beginning of the day and this drops off as the day goes on. Shopper car parks also see a peak prior to 9am, which assumes commuters using these car parks, and a further peak around 11am, which is more likely to be shoppers. On average, people in commuter car parks stay longer than in shopper car parks.

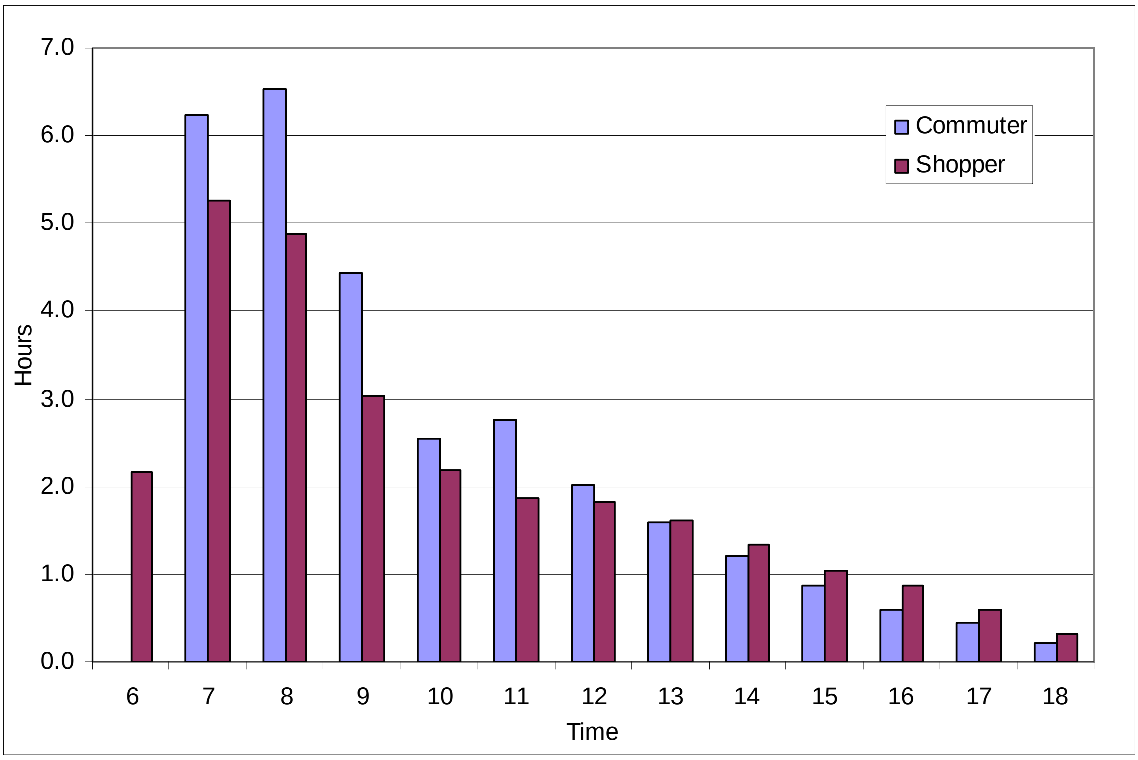


Figure 2.4 Average length of stay in Shopper and Commuter Car Parks by arrival time

In addition, Appendix C shows the proportion of vehicles staying up to a certain length of time, for example, 1 hour, 2 hours and so on in all car parks. Also shown is the proportion of vehicles staying for over five and over seven hours. This is broken down by car park location to show the car parks within 200m, within 400m and beyond 400m of the shopping area. This shows that within 200m of the shopping area, the majority of users stay for up to 2 hours. However it should be noted that in Duke Street, High Street and in Orchard Multi Storey, 11% of vehicles stay longer than five hours. This is important because all the car parks within 200m of the shopping area are designated as Shopper car parks. Clearly commuters are using these car parks for long stay purposes. In addition, of the Shopper car parks beyond 200m and within 400m of the shopping area, Belvedere Road and Castle Street both have high levels of occupancy over five hours (30% and 42% respectively). It is interesting to note within this category that Priory Bridge Road has low occupancy over five hours (8%) despite it being designated as Commuter car park. However, it is anticipated that the new development at Firepool will significantly increase demand for commuter car parking in this area. Beyond 400m, car parks are solely for commuter use and this is largely reflected in the patterns of length of stay. This supports the discussion in Section 2.4 regarding length of stay of users.

While commuters parking in shopper spaces isn't currently a problem in capacity terms, as spaces become more in demand in the future this could become an issue. It is also well known publicly that the lack of Traffic Regulation Order preventing returns within the day at the Crescent Car Park allows users to stay all day (by returning to buy an additional ticket as needed). Although The Crescent Car Park is a four hour maximum stay the Traffic Regulation Order does not prevent returns on the same day. Renewal of a parking stay can be affected with RingGo.

2.7 Short stay / long stay timescales

The current cut-off between short stay and long stay in TDBC car parks is 7 hours. Through our analysis of In and Out data and the data summarised in Section 2.6, it is clear that a short stay of up to 7 hours could easily accommodate commuter use and that commuters frequently park in designated shopper car parks. The Parsons Brinckerhoff 2007 Report defined short stay as over 6 hours, although this was based on historical best practice rather than evidence of use.

In order to define a more accurate cut-off for short and long stay, the In and Out data collected from shopper car parks was used. The length of stay in hours for every vehicle arriving between 9am and 4pm in these car parks was determined. This timeframe was chosen to specifically rule out any obvious commuter users prior to 9am and also to align with the typical retail opening timescale. The 90th percentile was taken from this data and came to 4.1 hours. The 95th percentile came to 5.6 hours. This means that more than 90% of users in shopper car parks stayed for less than 5 hours.

Additionally, the data in Figure 2.3 showing the percentage of tickets purchased for 5 hours or more give a representation of the amount of long stay users parking in short stay car parks. This shows a drop in ticket purchases between 4 and 5 hours.

Based on the above analysis, it can be assumed that short stay in shopper car parks is realistically up to 5 hours.

2.8 Current Demand for Park and Ride Car Parks

It cannot be assumed that people using the Park and Ride sites would automatically park in the town centre if the Park and Ride did not exist so although it provides additional capacity, different behaviours cause people to choose whether to park in the town centre or to park at a Park and Ride. Not all the people using the two sites will wish to travel to the town centre. Some people are also not prepared to pay for parking in the town centre. Furthermore, it is known that some people park and share or park and cycle from the two sites. It is not therefore possible to use the total mean value of use as the current demand for Park and Ride. Based on these externalities, it has been assumed that 75% of the average car park use at the Park and Ride sites contributes to the overall demand for car parking in Taunton.

3. Future Proposals

3.1 Planned Changes to the Car Parks

The Project Taunton regeneration work identified the car parks still to be redeveloped within Taunton:

Existing Car Park	Total Spaces	Total Number of Parking Spaces Lost	Original Predicted Year of Closure	Revised Predicted Year of Closure	Notes	Importance to Project Taunton (1-very important;3-mildly important)
Castle Green	61	61	2008	2011	Not counted in this study	1
Cricket Ground	200	200	2008	2013	Out of TDBC control	3
Coal Orchard	110	110	2009	2014		1
Tangier	247	40	2009	2013	Will lose spaces for coach parking	1
The Crescent	226	226	2011	Not closing		-
High Street	257	257	2011	2014	Reopen in 2017	1
Orchard Multi Storey	553	553	2011	2014	Reopen in 2017	1
Priory Bridge Road	464	264	2012	2011	Reduce to 200 & relocated at Firepool	1
Castle Street	70	70	2012	2016		3
Enfield	197	197	2012	2016		3
TOTAL	**2385**	**2062**				

Table 3.1 Car Parks likely to be required for Project Taunton regeneration plans

3.2 Impact of Car Parking Closures
Taking into consideration the above information and using it to project forwards to 2021, assessments of the demand and available capacity have been undertaken.

<u>Commuter Parking Levels</u>
Table 3.2 and Figure 3.1 represent the likely impact on commuter car parking supply and demand if the Project Taunton plans are implemented without any intervention to mitigate this change. Parking capacity declines steadily until 2014. At this point, it is assumed that the Silk Mills Park and Ride will be extended, increasing commuter supply, and parking supply remains static from this point forwards.

The commuter demand reflects the projected growth in non-residential (commercial) development (equating to 60,000m² of floor space), which is likely to take place over the next 10 years. This assumes that 1000 spaces will be required to accommodate this growth[4], with development tailing off after 2018. Commuter demand assumes a consistent rate of growth to 2018. The demand also assumes that all non-residential development will solely use public car parks. Realistically, at least some development will provide private spaces. For

[4] Parsons Brinckerhoff 2007 Report

more information on the previous calculations, see the Parsons Brinckerhoff 2007 Report.

Year	Commuter Do Nothing	Commuter Demand	Difference between capacity and demand	Notes
2010	3458	1057	2401	Current Usage inc P&R + those using shopper spaces
2011	3194	1182	2012	Priory Bridge Road - 264 reduction
2012	3194	1307	1887	
2013	2947	1432	1515	Tangiers Closed - 247
2014	3147	1557	1590	Silk Mills Extension + 400; Cricket Ground Closed - 200
2015	3147	1682	1465	
2016	2950	1807	1143	Enfield Closed - 197
2017	2950	1932	1018	
2018	2950	2057	893	
2019	2950	2057	893	
2020	2950	2057	893	
2021	2950	2057	893	

Table 3.2 Comparison of Commuter capacity and predicted demand

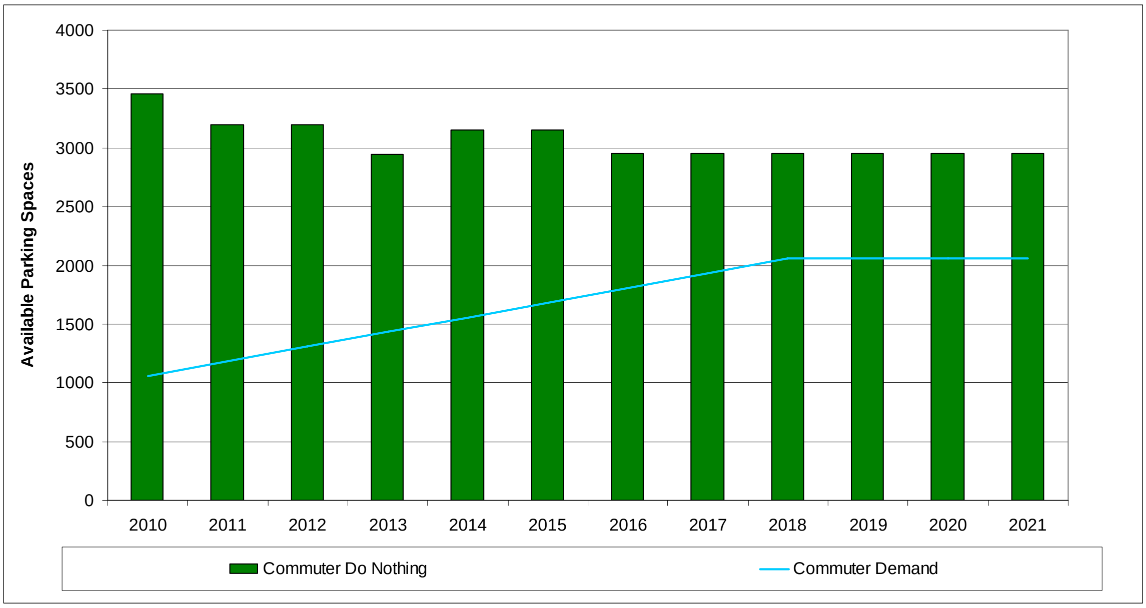


Figure 3.1 Future Demand - Commuter shown against current levels ('Do Nothing' approach)

<u>Shopper Parking Levels</u>
Table 3.3 and Figure 3.2 represents the likely impact on shopper car parking supply and demand if the Project Taunton plans are implemented without any intervention to mitigate this change.

The shopper demand reflects the assumption that an additional 721 additional parking spaces will be required to serve the predicted retail floor space increase of 50,100m² to 2021. More information on this report can be found in the Parsons

Brinckerhoff 2007 Report. This has been distributed evenly across the lifetime of the strategy and reflects the growth in population of the town through the Local Development Framework process. In addition, the IHT 2005 document 'Parking Strategies and Management' suggests that for retail parking, a degree of capacity should always be retained to allow for people circulating car parks looking for a space. It is suggested that this figure is somewhere between 10% and 15%. For the purposes of this strategy, this figure has been set at 10%.

Year	Shopper Do Nothing	Shopper Demand	Difference between capacity and demand	Shopper Demand +10%	Difference between capacity and demand +10%	Notes
2010	3022	2519	503	2771	252	Current Usage including reduction in spaces assumed to be used by commuters
2011	2961	2584	377	2842	119	Castle Green Closed - 61
2012	2961	2649	312	2914	48	
2013	2851	2714	137	2985	-134	Coal Orchard closed - 110
2014	2041	2779	-738	3057	-1015	High Street and Orchard MS Closed - 257 - 553
2015	2041	2844	-803	3128	-1087	
2016	1971	2909	-938	3200	-1228	Castle Street Closed - 70
2017	2781	2974	-193	3271	-490	High Street and Orchard MS Reopened + 553 + 257
2018	2781	3039	-258	3343	-561	
2019	2781	3104	-323	3414	-633	
2020	2781	3169	-388	3486	-704	
2021	2781	3234	-453	3557	-776	

Table 3.3 Comparison of Shopper capacity and predicted demand

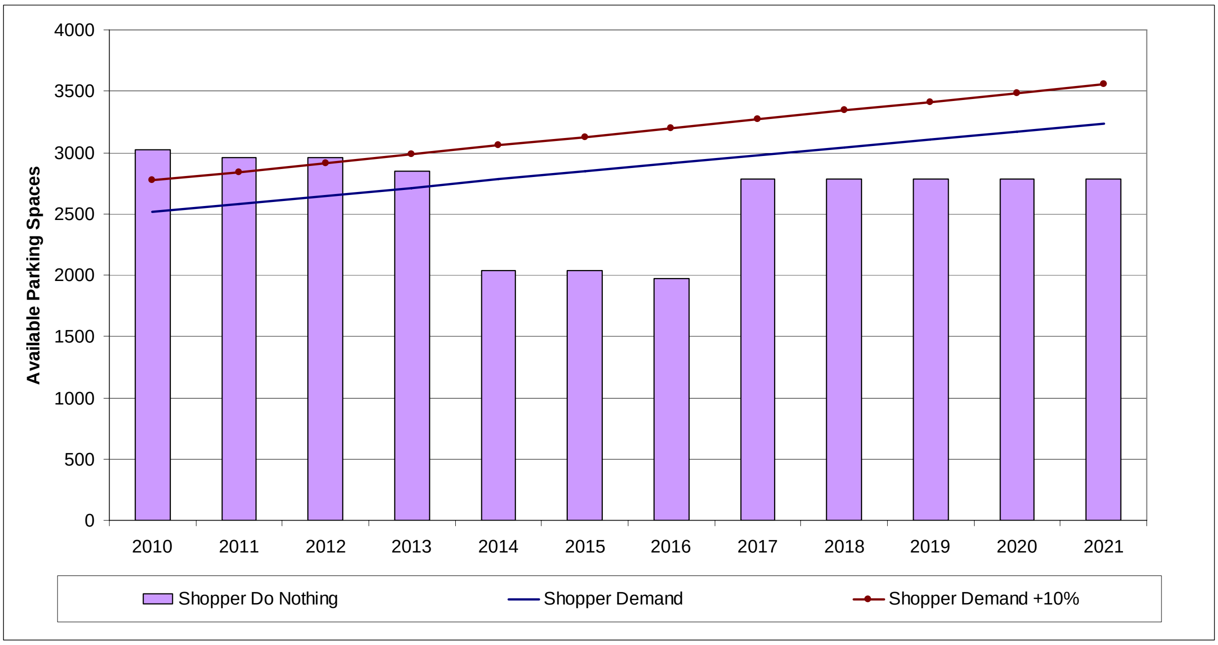


Figure 3.2 Future Demand - Shopper shown against current levels ('Do Nothing' approach)

4. Possible Strategies to Mitigate Shortfall

The data suggests that given the current provision for commuters, there should be sufficient parking to meet overall demand when taking into account the two Park and Ride sites available to users. It is assumed that the Silk Mills Park and Ride will be extended within the lifetime of the strategy. However, a number of options need to be considered to address the shortfall in public parking spaces for shoppers and short-stay visitors. In addition, other options are needed to address how the car parks function to see if they could be made more efficient or easier to use. Sections 4.1 and 4.2 look at these two sets of Options separately. The options are provided simply to give a scope of the range of measures that can be used to achieve the objectives, without a detailed assessment of how they may be implemented or supported. Section 5 examines how each option performs against the Strategy objectives and also at any pros and cons for each one.

4.1 Options to increase shopper capacity

All of the Options below work on the assumption that the Park and Ride sites have capacity to take displaced commuters from the town centre[5].

Option 1 – Restrict all commuter parking in the town centre

It is clear from the analysis that there is capacity within the existing car parking supply to accommodate shopping users from commuter parking stock if parking was to be unequivocally reallocated to meet shopper demand. An approach of limiting the length of stay and greatly increasing long-stay pricing would provide in the region of 700 additional spaces long-term to 2021. This option would apply to all TDBC-controlled car parks in Taunton. Commuters would be expected to use either the Park and Ride or private long stay car parking within the town centre. It is acknowledged that this option may prove difficult to implement and may not be appropriate given the lack of flexibility this would then mean for people wishing to park in Taunton.

Option 2 – Restrict some car parks to short-stay only

As discussed in Section 2.6, some commuters use short stay car parks for long stay use because there in no restriction on this activity. One way of addressing this would be to designate more car parking within the town centre (within 200m of the retail area) as short stay, rather than giving a choice of staying longer. Retaining some commuter parking both inside and outside of the 200m retail zone alongside the provision of the two Park and Ride sites should still provide sufficient provision for commuters, although this should be discouraged through a pricing mechanism. The short stay for shoppers would also encourage a higher turnover of users in the car parks. This option would make it more difficult (but not impossible) for commuters to park in the core of the town centre, prioritising available capacity for short stay retail purposes. As noted in Section 2.4, short stay should be set at 5 hours or less. Suggested car parks to include are:

- High Street;
- Orchard Multi Storey, potentially retaining some commuter parking at a premium;

[5] It should be noted that the Silk Mills P&R site has not yet been extended from 600 to 1000 spaces.

- Canon Street;
- Coal Orchard; and
- Realign the Crescent Traffic Regulation order to 4 hours, no return.

In order to determine the likely additional spaces that could be available, the percentage of users over 5 hours in these car parks was determined, using data summarised in Appendix C. However, it should also be noted that some of these car parks will be closed over the lifetime of this Strategy and therefore the total additional number of spaces is relatively low. It is anticipated that approximately 200 spaces are currently being used by commuters/long stay. However, more importantly, this process will create a behaviour change among users so that commuters are not encouraged to park in the town centre. Long stay parking will still be available in short stay car parks within 400m of the Town Centre at:

- Belvedere Road;
- Duke Street
- Elms Parade;
- Priory Bridge Road (Firepool);
- Tangier; and
- Wood Street.

Option 3 – Adjust Disabled Parking Length of Stay
The present charging policy allows blue badge holders to park without payment in any bay in any car park for any length of time. As Table 4.1 shows, there is an under provision in disabled spaces in some car parks[6], although Taunton Deane Borough Council has made progress in ensuring that car parks nearest the town centre have higher levels of disabled parking than those further away. This means that if disabled users turn up later in the day and wish to park, they may be forced to use standard bays.

Car Park	Percentage Disabled Bays
Canon Street	3%
Coal Orchard	7%
Crescent	3%
Duke Street	2%
High Street	0%
Orchard Multi Storey	1%
Wood Street	0%
Whirligig	19%
Belvedere Road	4%
Castle Street	4%
Elms Parade	0%

Table 4.1 Percentage of Disabled Bays at Shopper Car Parks in Taunton

This option proposes to restrict the time that blue badge holders can stay for free in marked disabled bays to 3 hours in line with current best practice. In addition,

[6] From DfT document ‘Inclusive Mobility’ For car parks associated with shopping areas, leisure or recreational facilities, and places open to the general public: A minimum of one space for each employee who is a disabled motorist, plus 6% of the total capacity for visiting disabled motorists.

more marked bays should be provided, particularly where demand is likely to be higher. Disabled users parking in unmarked bays would be expected to pay. Counts of current usage would be useful to determine existing demand.

Option 4 – Retain Castle Street and Enfield
As shown in Table 3.1, Castle Street and Enfield car parks are not as fundamental to the Project Taunton regeneration plans as the other car parks. An option is to retain these car parks and ensure they are both short stay only.

Option 5 – Retain Coal Orchard
There are currently plans to develop on the Coal Orchard car park and they have been identified as fundamental to the Project Taunton proposals. This option would retain Coal Orchard, which is likely to have an impact on the regeneration plans.

Option 6 – Encourage shoppers to use Firepool
Some of the commuter parking spaces to be provided by the proposed Firepool car park (Priory Bridge Road) could be re-allocated to shoppers in order to diminish the shortfall in town centre parking. The location of this car park will be beyond the desirable walking distance of 200 metres from the edge of the Primary Shopping Area. Therefore, due to the distance from the town centre core area, this is possibly only an option for very mobile shoppers/short stay visitors, or used at Christmas as an overspill facility. This would be very unfavourable for the mobility impaired.

Option 7 – Encourage shoppers to use the Park and Ride
At present data from traffic counters at the Silk Mills site suggests that just over 20% of shoppers and short-stay visitors use the Park & Ride facility in Taunton. When the shortfall of shopper parking spaces occurs, more shoppers may consider using the Park & Ride facilities rather than attempt to find a parking space in the town centre. Tickets purchased between 10am and 4pm are cheaper for individuals and groups. An estimated 15% increase in Park and Ride use would see 200 more spaces being occupied across the two current sites. A further part of this option would be to allow group tickets to be purchased on Saturdays.

Option 8 – Provide temporary parking facilities
Figure 3.3 shows that during the years of 2014, 2015 and 2016, the number of town centre parking spaces for shoppers/short-stay visitors will be at the lowest following the closure of the Orchard Multi Storey and High Street car parks. These three years will have a maximum shortfall of approximately 500-680 spaces from the 2010 demand levels before the new Paul Street car park opens in 2017. This option only aims to mitigate the 3-year significant shortfall in provision and not any long term shortfall in parking provision. It would be necessary to work with the developer to phase parking facilities in and out to minimise the impact during construction.

Option 9 – Convert Canon Street to a Multi-Storey
The potential to convert the existing Canon Street surface car park into a multi-storey car park is identified in the Taunton Town Centre Area Action Plan (October 2006), produced by TDBC. This could provide an additional 300 parking spaces that could be allocated to shoppers and short-stay visitors. Canon Street

car park is located within 200m of the edge of the Primary Shopping Area. However there are a number of problems associated with this option: the car park is situated adjacent to a conservation area, the surrounding highway network is congested at peak times and the road geometry of Canon Street itself is relatively poor. Additionally, there is a significant cost associated with this option, which would need to be addressed.

4.2 Options to improve car park efficiency

Option A – Adjust Charging Scheme
The current scheme consists of three different tariffs – Shopper 1, Shopper 2 and Commuter. It is not clear what the difference is in these and operationally to users given the minimal price differences, it is unlikely to make a significant change in behaviour. This is especially true where the Orchard Multi Storey has 2 sets of shopper charges on different levels. It is possible that this car park could still retain a limited amount of Commuter parking at a premium rate. The charging tariffs could be realigned to simply a single shopper tariff and one for the commuter. Alternatively, the scheme could be redesigned to a short-stay tariff and a long stay tariff.

Option B – Implement Charges in the Evenings
The current charging tariff ends at 6pm. One option is to charge a flat tariff after this time for evening use. This is most likely to affect residents parking in public car parks and people accessing evening events and recreation in the town centre. Counts of current use are needed to determine existing demand.

Option C – Implement Charges on Sundays
The current tariff system does not charge for parking on Sundays. One option is to charge a flat tariff for Sunday use. This is most likely to affect people shopping on Sundays, as Sunday shopping has increased in recent years. Counts of current use are needed to determine existing demand.

Option D – Increase parking fees on long stay
The car parking within Taunton offers relatively low charges for long stay parkers. Current parking charges for the existing long term starting point (7 hours) are as follows:

Shopper 1	£7.60
Shopper 2	£5.90
Commuter	£5.10

Increasing charges on long stay (over 5 hours) in both commuter and shopper car parks would make it a less attractive option for long stay parking in the town centre. One issue that needs to be considered is that it should not be possible to buy two short stay tickets for a lower price than one long stay one. Additionally, maximum stays should be enforced to prevent long stays. Current government advice seeks not to increase costs on motorists so re-profiling of tariffs would be required, potentially supporting Option A.

Option E – Provide better information to users
Variable Message Signing on the entrance to the town centre that adjust as car parks fill up are useful tools to help the motorist find a car parking space more efficiently, although various studies have questioned their effectiveness over the

long- term[7]. Additionally, improved information via leaflets and the internet (e.g. height information, availability of disabled spaces and motorcycle parking) can be made available for users to make better choices before they arrive in the town centre.

Option F – Increase Motorcycle Spaces
As part of making Taunton a better environment to shop and live, allowing people to park motorcycles is important as these modes can help to reduce congestion. Provision in car parks for motorcyclists would fill an identified need[8]. More information is required on demand as current use is not known. .

Option G – Review Payment Methods
Taunton Deane Borough Council uses Pay and Display on arrival in all of its car parks as well as operating RingGo. Pay on Foot is a more popular option with users where motorists are issued a ticket and pay as they leave for the time that they used, but significant investment is required for implementation. It is suggested that as new car parks are constructed, such as Firepool and Paul Street, Pay on Foot is designed in. A phased programme of changes could be drawn up for the existing car parks where pay on foot could be viably implemented. Since the system relies on barriers, there may be car parks where this realistically may not be feasible due to the operational nature of the car park.

Option H – Environmental Improvements
Advances in alternative fuel technology have provided a viable market for electric vehicles. The Government has recognised the environmental benefits of this through its purchase subsidy. Running parallel with this is the provision of charging points. Taunton Deane Borough Council, in conjunction with Project Taunton and Somerset County Council, has installed two charging points at the Gateway Park & Ride site and will shortly have twp points in a central Taunton car park. It is suggested that further investment should be made to increase the number of charging points across the Borough as vehicle ownership grows.

4.3 Progressing Options
The next section looks at the options appraisal process to see which of the above options fit best with the aims of this Strategy, as outlined in Section 1.3.

[7] Smith, J. and Phillips, S. (1993) H5/9E:Evaluation of the Leeds Car Park guidance system TRL, Crowthorne. // IHT/I Struct E (1984) Design Recommendations for Multi-storey and Underground Car Parks (2nd Edition), IHT/ IStructE // Axhausen, K.W..; Polak, J. W.; Bolttze, M. and Puzicha, J. (1994) Effectiveness of the Parking Guidance Information system in Frankfurt au Main, Traffic Engineering and Control, May 1994, 304-309.
[8] Research for the emerging Somerset Motorcycling Strategy identified that lack of suitable places to secure their vehicles in public car parks is a significant issue for users.

5. Option Appraisal

Each option is appraised against the aims of the Strategy, outlined in Section 1.3. An assessment of the main issues is outlined.
Strongly supports aim ✓✓; Partly supports aim ✓; Neither supports nor conflicts with aim -; Conflicts with aim×; Strongly conflicts with aim ××

Option	Option Description	Reduce long stay in town centre	Increase supply for shoppers	Create better town centre environment	Reduce congestion	Make transport network more efficient	Pros	Cons
1	Restrict all commuter parking in the town centre	✓✓	✓✓	-	✓	✓✓	Should help reduce peak hour traffic in town centre; Encourage commuters to use Park and Ride; Opportunity for travel behaviour change; Should increase turnover of shoppers in car parks.	Would prove unpopular given the reduction in choice available to those wishing to park for longer periods in the town centre (even at a premium price); Initial changes are likely to cause confusion as people learn new habits; Unlikely to be popular with the business community as it requires changes of patterns of use; More information is needed to determine the exact impacts on traffic flows.

Option	Option Description	Reduce long stay in town centre	Increase supply for shoppers	Create better town centre environment	Reduce congestion	Make transport network more efficient	Pros	Cons
2	Restrict some car parks to short-stay only	✓✓	✓✓	-	✓	✓	Encourage commuters to use Park and Ride; Opportunity for travel behaviour change; Should increase turnover of shoppers in car parks.	Initial changes are likely to cause confusion as people learn new habits; Unlikely to be popular with the business community as it requires changes of patterns of use; More information is needed to determine the exact impacts on traffic flows.
3	Adjust Disabled Parking Length of Stay	✓	✓	-	×	×	Increased turnover of users; Enforcement through existing blue badge (clock system); Fairer system for all users, as opposed to those who arrive first.	Need to identify demand from commuters with a blue badge to ensure they are not put at a disadvantage; No current knowledge of use.
4	Retain Castle Street and Enfield	-	✓	-	✓	×	Both car parks within 400m of retail zone; Not identified as fundamental to plans by Project Taunton	Enfield is a commuter car park so not designated as short stay; Unlikely to be that effective without Option 2

Option	Option Description	Reduce long stay in town centre	Increase supply for shoppers	Create better town centre environment	Reduce congestion	Make transport network more efficient	Pros	Cons
5	Retain Coal Orchard	-	✓	-	✓	×	Within 200m of retail zone; Captures vehicles coming from the north before entering the town centre even after the Firepool development	Reduces availability of land for development; Capacity not fully utilised if Option 2 not implemented.
6	Encourage shoppers to use Firepool	×	✓	✓	✓	×	Captures vehicles from the north before they enter the town centre; Frees up short stay in the town centre; Puts less demand on sites needed for development and could affect the need for Options 4 and 5.	On the cusp of 400m from the retail zone; Distance may cause an inconvenience for shoppers; May not provide significant capacity due to proposed use; Without Option E, may increase vehicle trips around town.
7	Encourage shoppers to use Park and Ride	×	✓	✓✓	✓✓	✓✓	It is cheaper for groups or families due to the availability of group tickets; Less traffic in the town centre	Reliant on a strong marketing campaign; Makes the shopping experience less convenient.

Option	Option Description	Reduce long stay in town centre	Increase supply for shoppers	Create better town centre environment	Reduce congestion	Make transport network more efficient	Pros	Cons
8	Provide temporary parking facilities (likely to be Canon Street or the Crescent)	×	✓	×	×	×	Resolves phasing issues with High Street and Orchard Multi Storey; Could increase short stay spaces with or without Option 2.	Significant cost implication would need committed funding; Would need to take into account Conservation Area issues; Encourages more traffic into the town centre; Any beyond 400m from the retail zone are likely to be undesirable.
9	Convert Canon Street to a Multi-Storey	×	✓✓	××	×	××	Could increase short stay spaces with or without Option 2.	Significant cost implication would need committed funding; Would need to take into account Conservation Area issues; Encourages more traffic into the town centre.

Option	Option Description	Reduce long stay in town centre	Increase supply for shoppers	Create better town centre environment	Reduce congestion	Make transport network more efficient	Pros	Cons
A	Adjust Charging Scheme	✓	✓	-	×	✓	Easier for decision makers and users to understand; Make better use of the transport network by influencing behaviour; Best implemented in conjunction with other efficiency measures.	Little value implementing in isolation
B	Implement Charges in the Evenings	-	-	-	×	-	Increased revenue stream for TDBC.	Potential displacement of people using car parks for overnight (residential) purposes; Does not help increase supply for shoppers or reduce congestion since the shops are shut and congestion is less of an issue in the evenings; Discourages growth in the night-time economy; Needs more enforcement resource.

Option	Option Description	Reduce long stay in town centre	Increase supply for shoppers	Create better town centre environment	Reduce congestion	Make transport network more efficient	Pros	Cons
C	Implement Charges on Sundays	-	-	-	×	-	Greater control of demand which has historically not been needed; Increased revenue stream for TDBC.	Would need more enforcement; Will produce objections from residents, retail sector, leisure economy and Sunday-specific activities; Potential detrimental effect on on-street situation as drivers look to avoid payment off-street; Need more information on whether it has a long term profit.
D	Increase parking fees on long stay	✓	✓✓	✓	✓	✓✓	Should deter some commuters; Frees up more spaces for short stay; Still allows long stay parking in retail zone at a premium. Could be more effective alongside other measures to increase shopper supply.	Current government advice seeks not to increase costs on motorists so re-profiling of tariffs would be required; Politically unpopular.

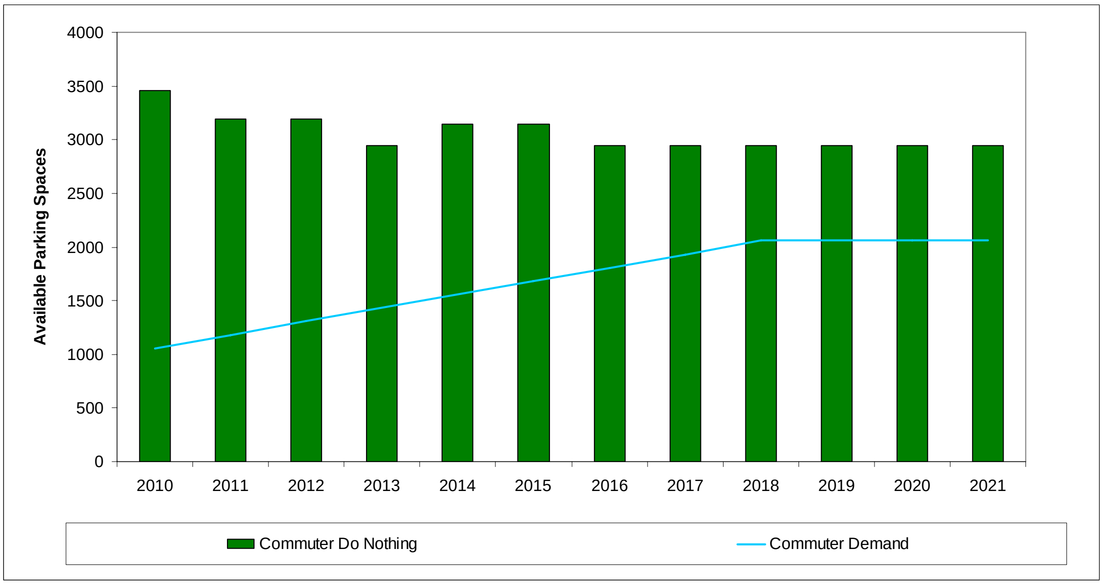
Option	Option Description	Reduce long stay in town centre	Increase supply for shoppers	Create better town centre environment	Reduce congestion	Make transport network more efficient	Pros	Cons
E	Provide better information to users	-	-	✓	✓	✓✓	Reduce the number of vehicles going round the town; Better informed drivers with a potential to change behaviours; Best implemented in conjunction with other efficiency measures.	Siting important so drivers can make early decisions (prior to the Park and Ride sites); Implementation and funding likely to be via a third party (SCC); Most people will be local and may not wish to change behaviours; Little value implementing in isolation
F	Increase Motorcycle Spaces	-	✓	-	✓	✓	Would marginally improve traffic management and congestion by taking up less road space than cars; Would also improve the street scene by removing motorcycles parked where they are able to be secured.	May take up car parking spaces therefore reducing capacity and income.

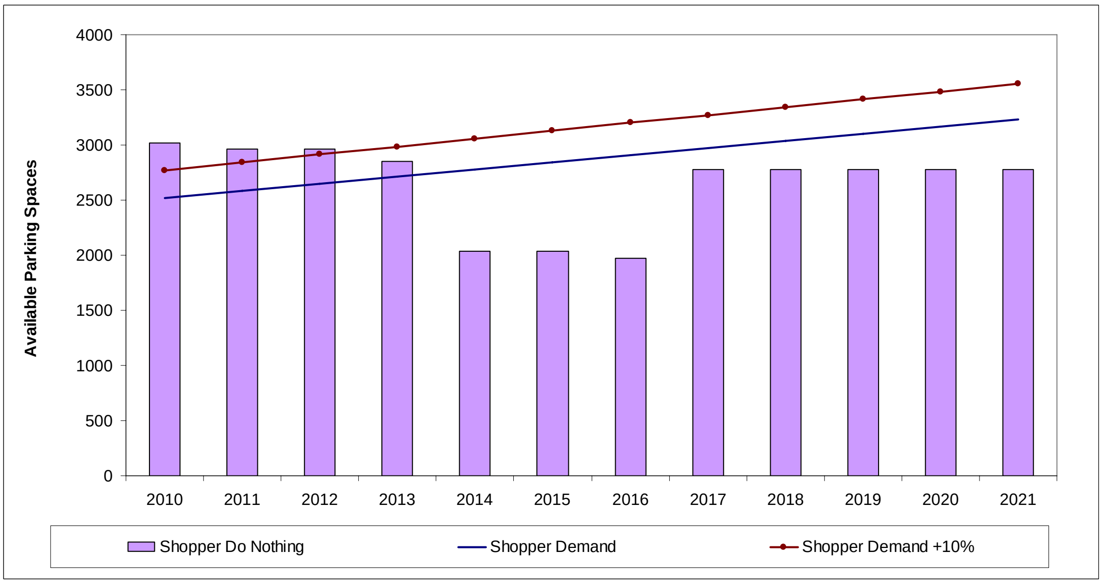
Option	Option Description	Reduce long stay in town centre	Increase supply for shoppers	Create better town centre environment	Reduce congestion	Make transport network more efficient	Pros	Cons
G	Review Payment Methods	-	-	✓	-	✓	Makes payment more efficient and often seen as cheaper and better value by users; Reduces the need for enforcement, with a potential for long-term revenue saving.	Costly to implement, requiring significant capital investment to change.
H	Environmental Improvements Electric vehicle charging points	-	-	✓			Reduces pollution throughout vehicle journey	Requires capital investment

Table 5.1 Assessment of Options

6. Packages to Address Shortfall

	Long Stay	Short Stay	Environment	Congestion	Traffic Management
Do Nothing	x	x	x	x	x
Description: No Options	Maintains the existing programme of regeneration without implementing any mitigation measures through parking.				
No Supporting Options	Likely to create a shortfall in shopper/short term parking in the medium to long term.				

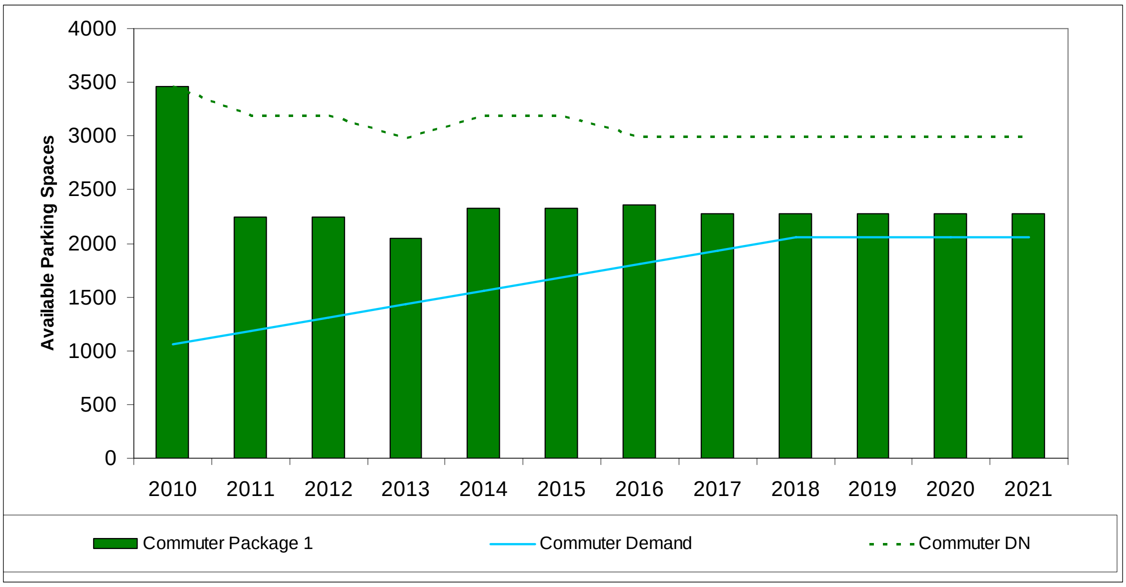


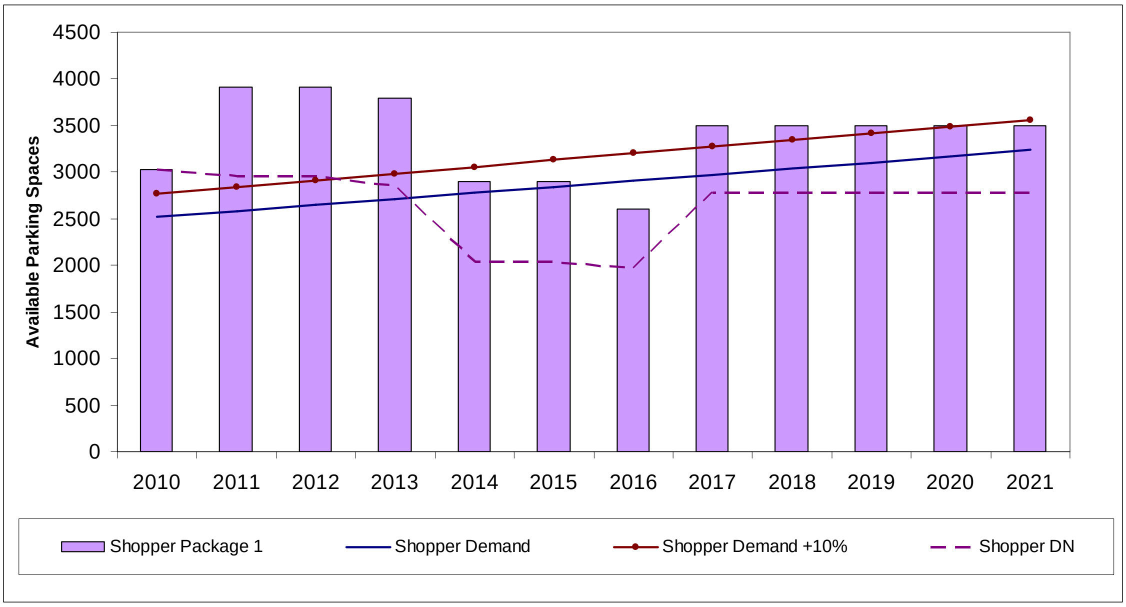


Figures 6.1 and 6.2 Do Nothing (DN) Approach against Demand for Commuter and Shopper.

As discussed in Section 3.2.

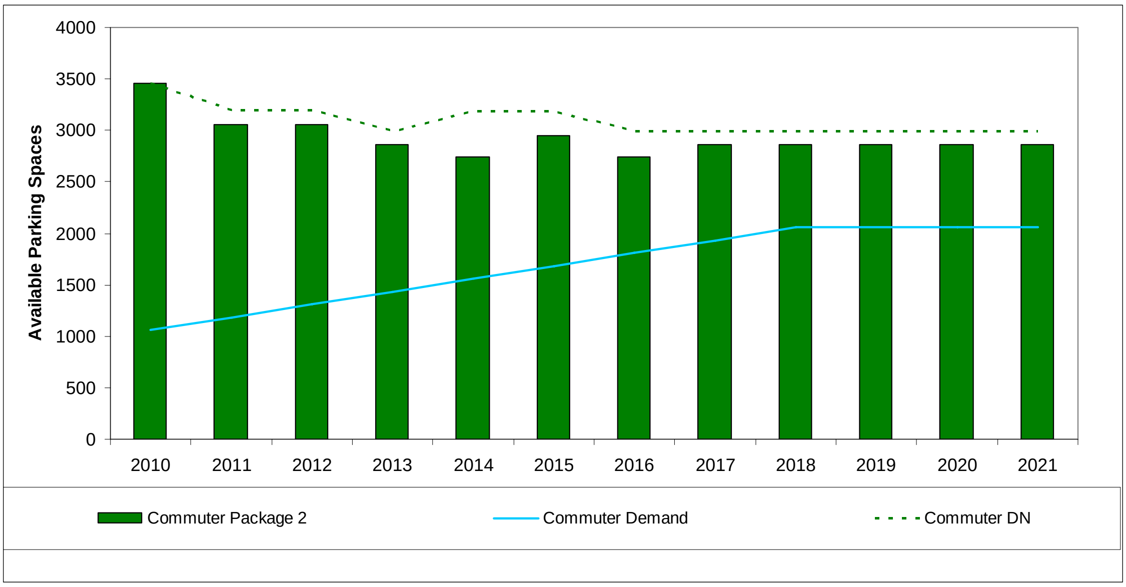
Package 1	✓✓	✓✓	-	✓	✓✓
Description: Option 1, 3	Look to designate all short stay spaces noted in Option 1 as well as improvements to information and payment methods.				
Supporting Options: A, D, E, G	Likely to create a shift in user behaviour in the short term as they adjust to the changes. Displaces commuters to the Park and Ride sites or privately owned sites in Taunton Town Centre. Work would need to be undertaken to assess the public acceptability of this option.				

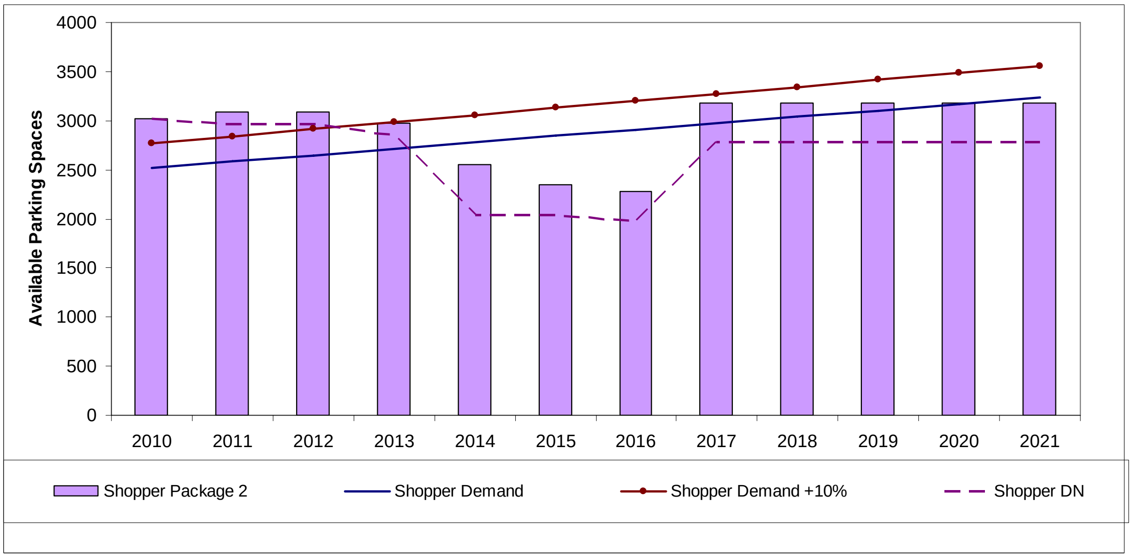




Figures 6.3 and 6.4 Package 1 compared against the Do Nothing (DN) (shown as dashed line) This Package provides an increase in parking supply for shoppers to the detriment of commuters and starts to create a behaviour change in users so that central car parks are only used by shoppers. Shopper demand is close to +10%, which is important in shopper car parks. Commuter parking is solely in Park and Ride sites or in private long stay in the town centre.

Package 2	✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓
Description: Option 2, 3, 4, 7	Using Option 2 (placing some restrictions on long stay use) as a basis plus enhanced changes to car parks (e.g. charging on Sundays), improved smarter choices measures e.g. enhanced promotion of the Park and Ride, particularly during 2014 and 2017.				
Supporting Options: A, C, D, E, F, G	Greater short stay provision than the Do Nothing option and with information elements, users should be able to get to sites more easily. Uses some space identified for Project Taunton regeneration (Enfield and Castle Street) although these have not been identified as crucial to success of the development. Shortfall between 2014 and 2017 mitigated by increased promotion of Park and Ride to shoppers during this timescale.				

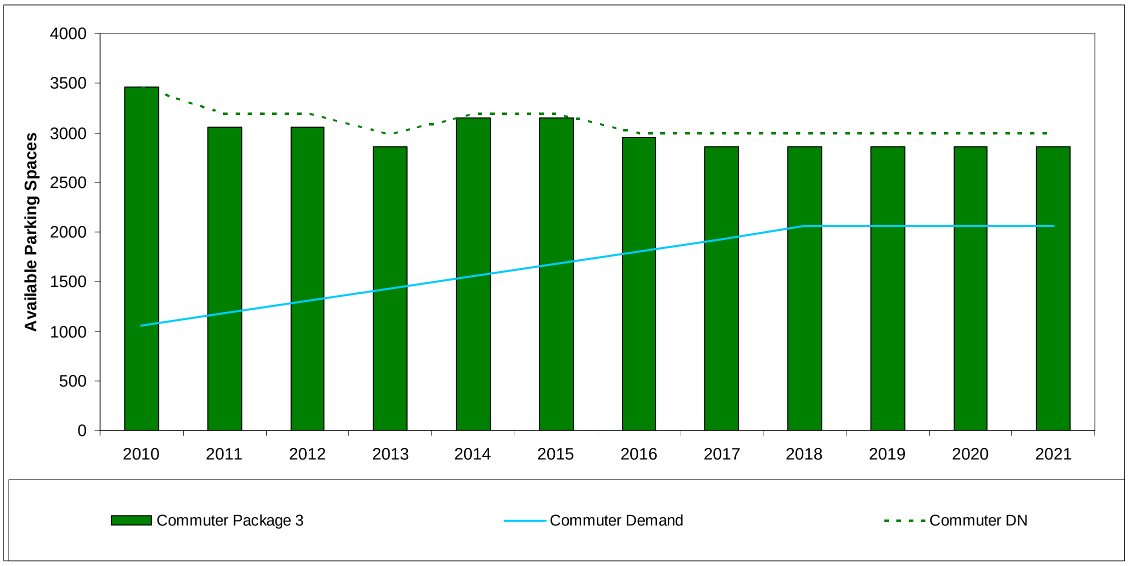


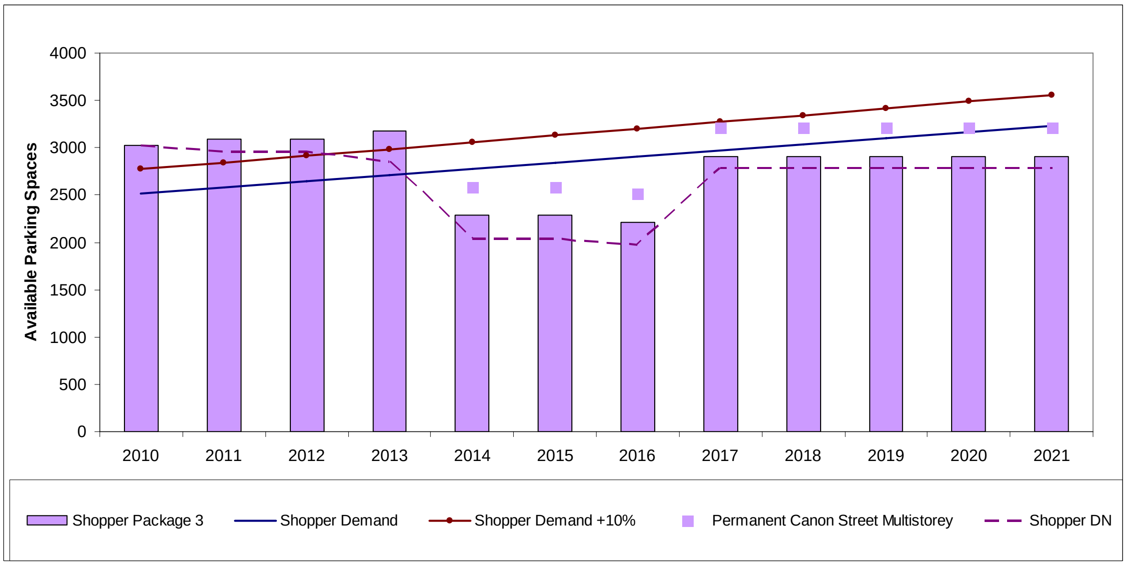


Figures 6.5 and Figure 6.6 Package 2 Assuming a 15% shopper switch to Park and Ride compared against the Do Nothing (DN) (shown as dashed line)

There is an increase in shopper spaces between 2014-1016 which creates a decrease in commuter spaces. Commuter supply is still greater than demand. By 2021, Shopper Demand is nearly achieved.

Package 3	✓✓	✓✓✓	✓	✓	✓
Description: Option 2, 3, 6, 8, 9	Using Option 2 (placing some restrictions on long stay use) as a basis plus enhanced changes to car parks (e.g. charging on Sundays) and provision of multi-storey temporary deck on either Canon Street or Crescent car park between 2014 and 2017.				
Supporting Options: A, B, C, D, E, F, G	Slightly more provision of parking but still not sufficient to achieve the levels of demand between 2014 and 2017. A feasibility study would be required to identify where a temporary multi-storey car park could realistically developed, along with likely costs. The additional trips to the town centre generated by this Package will have a negative impact on the environment, congestion and traffic management. Adding in Option 9 significantly increase vehicle trips and would impact on the town centre. Options 8 and 9 would require traffic modelling and testing.				





Figures 6.7 and 6.8 Package 3 Compared against the Do Nothing (DN) (shown as dashed line)

This Package increases shopper supply and retains commuter supply. Providing a permanent deck on Canon Street and a temporary deck at the Crescent increases supply to the equivalent of Package 2.

7. Conclusion

7.1 Discussion around the Packages

The data shows there is over-provision of commuter parking across all packages and time periods, which is an inefficient use of parking stock. It has been assumed that the extension to Silk Mills Park and Ride will be delivered during the lifetime of the strategy. Additionally these figures do not factor in the following which will also reduce the demand required in public car parks:

- new employment development within the town centre will have some private provision. This is the case for Firepool and also possible for other employment site is; and
- this strategy does not take into account the impact of progress made on travel plans over the same timescale. This should help to reduce the demand on public commuter spaces.

Figures 6.1 to 6.8 show the different Packages of options available to meet shopper demand. As shown, Package 1 is the best performer, balancing the parking stock efficiently. However, implementing such a scheme would be complex to implement and would be unpopular with non-retail businesses in particular. In many ways this could be seen as representing the theoretical ‘best’ solution, however in reality it may well be considered preferable to continue to retain a degree of flexibility in order to minimise any negative impacts on the view of Taunton as a place to do business. While catering for retail/tourist demand is important, this should not be at the expense of undermining Taunton’s reputation as a business and economic centre given the employment-led focus on strategic growth.

Packages 2 and 3 meet the long term demand through alternative ways, although it should be noted that neither fully meets the likely shopper demand in 2014 to 2017. As can be seen between 2014 and 2016, there is a dip in shopper spaces but is an oversupply of commuter spaces. Package 2 could provide a low-cost alternative to any multi-storey options in Package 3 by providing and promoting cheap bus travel to and from the existing park-and-ride sites, as well as any new facilities at Monkton Heathfield and Chelston in Wellington. With sound marketing, this option could resolve the short-term issue of insufficient parking in the town centre shoppers

Further work is required to enable more detailed assessment, including:

- survey/interviews of car park use;
- public acceptability of restricting commuters to the town centre;
- modelled assessment of the impact of smarter choices/travel planning work;
- cost of providing and delivering multi-storey car park on the Crescent and on Canon Street;
- feasibility of increased promotion of the park and ride sites to shoppers; ~~and~~
- current disabled use; and
- variable message signing.

7.2. Recommendations

It is recommended that TDBC pursue elements of Package 2 in the short term (1-2 years) to achieve ‘quick wins’. This will include:

- Restrict some car parks to short-stay only;
- Adjust Disabled Parking Length of Stay; and
- Efficiency Options:
    - Adjust Charging Scheme;
    - Increase parking fees on long stay;
    - Provide better information to users; and
    - Review Payment Methods.

The feasibility of fully implementing Package 2 and Package 3 would need to be explored further as there are unknown elements to both. In terms of achieving the strategy objectives, Package 3 offers a better alignment and it is recommended that this should be pursued as the favourable Package. This includes:

- Retain Castle Street and Enfield
- Encourage shoppers to use Park and Ride; and
- Efficiency Options:
    - Implement Charges on Sundays; and
    - Increase Motorcycle Spaces.

Package 2 would also align well with the Somerset Future Transport Plan 2011-2026 (FTP) and the Bridgwater, Taunton and Wellington Future Transport Strategy (formerly TTSR2) 2011-2026, which supports the reduction in congestion and the improvement in traffic management. Package 3 does not align as well with these transport strategies because it is likely to attract more vehicles to the town centre, which will increase congestion and be contrary to traffic management initiatives.

Option H can be taken forward independently or as part of either package.

8. References and Data Sources

8.1 References

Axhausen, K.W..; Polak, J. W.; Bolttze, M. and Puzicha, J. (1994) Effectiveness of the Parking Guidance Information system in Frankfurt au Main, Traffic Engineering and Control, May 1994, 304-309.

Institute of Highways and Transport /I Struct E (1984) Design Recommendations for Multi-storey and Underground Car Parks (2nd Edition), Institute of Highways and Transport / IStructE

Institute of Highways and Transport (2005) Parking Strategies and Management

Parsons Brinckerhoff (2007) Taunton Parking Strategy Review

RingGo - www.ringgo.co.uk

Smith, J. and Phillips, S. (1993) H5/9E:Evaluation of the Leeds Car Park guidance system TRL, Crowthorne.

Somerset County Council (2011) Somerset Future Transport Plan 2011-2026

Taunton Deane Borough Council (2006) Taunton Town Centre Area Action Plan

Taunton Deane Borough Council (2011) Taunton Deane Core Strategy 2008-2028 (2011)

WalkIT – www.walkit.com

WS Atkins (2006) Taunton Parking Study: Development Review

8.2 Data Sources

Ticket pricing – Taunton Deane Borough Council

Car Park Bay Audit Data - Taunton Deane Borough Council

Parking ticket transactions - Taunton Deane Borough Council

Park and Ride Car Park and Ticket Sales - Somerset County Council

Silk Mills and Gateway Park and Ride Automatic Traffic Counter data - Somerset County Council

In and Out Car Park Survey Data - Somerset County Council

Appendix A – Percentage of tickets sold during 2010/11

	1 hour	2 hours	3 hours	4 hours	5 hours	6 hours	7 hours	7+ hours	**Total**
April	28.7%	29.3%	18.2%	9.7%	2.2%	2.2%	2.9%	6.9%	100.0%
May	29.3%	26.0%	18.3%	9.9%	2.4%	2.5%	3.3%	8.2%	100.0%
June	28.4%	29.4%	18.0%	9.7%	2.3%	2.2%	3.0%	7.1%	100.0%
July	28.6%	28.8%	18.1%	9.5%	2.3%	2.3%	2.9%	7.4%	100.0%
August	27.2%	29.8%	18.9%	9.9%	2.2%	2.2%	2.7%	7.1%	100.0%
September	28.0%	28.6%	17.7%	9.6%	2.3%	2.5%	3.3%	7.9%	100.0%
October	28.4%	29.5%	18.4%	10.1%	2.1%	2.0%	3.0%	6.4%	100.0%
November	26.7%	28.1%	19.4%	11.3%	2.5%	2.2%	3.1%	6.7%	100.0%
December	22.9%	29.5%	22.1%	13.0%	2.5%	1.9%	2.2%	5.8%	100.0%
January	28.5%	30.3%	18.3%	9.6%	2.0%	1.7%	2.8%	6.6%	100.0%
February	28.8%	29.4%	17.9%	10.0%	2.1%	1.9%	3.2%	6.7%	100.0%
March	28.7%	28.8%	18.2%	9.8%	2.3%	2.1%	3.3%	6.8%	100.0%
Total	27.8%	29.0%	18.7%	10.2%	2.3%	2.2%	3.0%	7.0%	100.0%

Percentage of tickets sold for each time period during the day in all car parks during 2010/11 (from Ticket Sales, 2010/11)

Appendix B – Calculation of current Pay and Display car park demand

Car Park	Maximum occupancy at any one time	Number of Spaces	Ratio of Demand to Supply	Used in Capacity Calculations
Belvedere (S)	186	110	169%	No
Canon Street (S)	317	288	110%	Yes
Castle Street (S)	168	70	240%	No
Coal Orchard (S)	85	110	77%	Yes
Crescent (S)	249	226	110%	No
Duke Street (S)	46	58	79%	Yes
Elms Parade (S)	25	27	93%	Yes
High Street (S)	204	257	79%	Yes
Kilkenny (C)	118	259	46%	Yes
Orchard Multi Storey (S)	339	553	61%	Yes
Priory Bridge Road (C)	85	464	18%	Yes
Tangier (C)	177	427	41%	Yes
Victoria Gate (C)	41	73	56%	Yes
Wood Street (S)	148	196	76%	Yes

	Sum of Max Demand	Sum of Supply	Ratio of Supply and Demand
Shopper Max	1481	1777	83%
Commuter Max	421	1223	34%

Calculation of Capacity in Taunton Car Parks (from In and Out data, October 2010)

Appendix C – Percentage of Length of Stay in Pay and Display Car Parks

Within 200m	1 hour	2 hours	3 hours	4 hours	5 hours	6 hours	7 hours	Total 7+ hours	Total 5+ hours
Canon Street (S)	35%	28%	16%	8%	3%	2%	1%	6%	9%
Coal Orchard (S)	54%	23%	13%	4%	2%	1%	0%	3%	4%
Crescent (S)	45%	27%	12%	5%	3%	2%	1%	4%	7%
Duke Street (S)	47%	22%	14%	3%	3%	2%	1%	8%	11%
High Street (S)	30%	32%	18%	7%	2%	2%	2%	6%	11%
Orchard Multi Storey (S)	23%	32%	21%	9%	4%	2%	2%	7%	11%
Wood Street (S)	38%	23%	15%	10%	5%	1%	1%	6%	8%
Between 200m and 400m	1 hour	2 hours	3 hours	4 hours	5 hours	6 hours	7 hours	Total 7+ hours	Total 5+ hours
Belvedere (S)	25%	21%	12%	4%	8%	3%	3%	24%	30%
Castle Street (S)	17%	15%	12%	7%	7%	7%	8%	26%	42%
Elms Parade (S)	71%	13%	3%	5%	2%	0%	3%	2%	6%
Priory Bridge Road (C)	34%	16%	22%	16%	3%	2%	1%	6%	8%
Tangier (C)	23%	17%	9%	6%	6%	4%	5%	30%	40%
Beyond 400m	1 hour	2 hours	3 hours	4 hours	5 hours	6 hours	7 hours	Total 7+ hours	Total 5+ hours
Kilkenny (C)	22%	8%	3%	3%	2%	4%	7%	51%	62%
Victoria Gate (C)	58%	10%	7%	4%	2%	3%	3%	13%	19%

Length of Stay in Car Parks (from In and Out data, October 2010)

Taunton Deane Borough Council

Executive - 12 October 2011

Review of Floodlighting

Report of the Economic Development Lead
(This item is the responsibility of Executive Councillor Norman Cavill)

1. Executive Summary

1.1 The purpose of this report is to obtain authority from the Executive to carry out necessary safety and repair works to the Council’s floodlighting installations in advance of inviting third party property owners – ie the owners of those properties in which many of the installations reside - to take over their control and management.

1.2 This report takes into account the recommendations of the Corporate Scrutiny Committee, which considered a report in February 2011. That report presented four options on how the Council might deal with the floodlighting installations.

2. Background

2.1 Floodlighting was originally installed by the Borough Council in order to illuminate some of the Borough’s Churches, monuments and other architectural features. Many of the installations are situated in private property, illuminating third party structures. Many of the fittings were installed between 1986 and 1993.

2.2 The flood lighting was historically managed by the former electrical engineer (John Perkin) until his departure some six years ago. Various DLO officers have subsequently maintained them as part of the un-metered supply inventory. During this time no one has proactively managed the floodlighting assets specifically.

2.3 Since the Council ceased to carry out the repair and maintenance work in-house (through a contract with Deane DLO) some 18 years ago, various contractors have carried out the maintenance work (Connect SW, and SEC). Recently, SEC has been carrying out repairs on an ‘as instructed’ basis but with no contract.

2.4 Currently there are 43 sites with 114 fittings listed on the inventory, including churches, monuments and public buildings. Appendix 2 summarises the properties that are lit, with those owned by TDBC highlighted. In addition to floodlights, some sites have TDBC owned / controlled area lighting within porches, lynch gates etc. It is acknowledged that the inventory may be out of date due to 'owners' of the unmetered supply inventory not being informed of changes to / removal of fittings.

2.5 At Officers' request during the Summer of 2011 the DLO's Building Supervisor [Electrical], Richard Eastman (MIET) arranged for the inspection of all the installations, and the carrying out of minor upgrade work to ensure their immediate safety. From those inspections, a schedule of works required to enhance the safety of / bring the installations up to a reasonable standard has been produced. A summary of this schedule can be made available to individual Members

2.6 Files referring back to the installation of the floodlights imply that no formal legal agreements were entered between the Council and the third party property owners. However, the items were installed on the unwritten understanding that, should it be in the Council's interest at the appropriate time, the assets would transfer to the third parties at no cost.

3. Current position and costs

3.1 The Council maintains a budget, which is held by Economic Development, for the repair and maintenance of the assets, as below. That budget has been used for electricity costs and by the DLO to instruct contractors to repair lights and fittings on an ad hoc, responsive basis.

2008/9	£5,000
2009/10	£9,500 (increase due to electricity inflation indexing)
2010/11	£9,500
2011/12	£9,750 (increase due to electricity inflation indexing)

3.2 In 2008/09 that annual budget was split between energy consumption costs and repairs as follows:

Energy Consumption (37657kWh / Year)	£4,428.71
Cost of repairs only:	£4,637.01
Total expenditure	**£9,065.72**

3.3 It is anticipated that the energy consumption costs will increase year on year, as will repairs to the light fittings as they continue to age and decay.

4. Suggested Options

4.1 The Corporate Scrutiny Committee considered this item at its meeting in February 2011. That report presented four options on how the Council might deal with the floodlighting installations, which are summarised in this section. Having carried out his inspections of the installations since February, some of the financial figures mentioned differ from those that Corporate Scrutiny considered.

4.2 A summary of the financial implications of each option is presented in Appendix 1.

Option 1: Do nothing: Continue existing programme of ad hoc repairs

4.1.1 The inspections carried out over the summer have shown that although there is no immediate concern over the safety of the installations, deterioration is such that without a planned schedule of maintenance and repair, they may pose a potential Health and Safety risk to the public as time goes on. That, plus the ad hoc management arrangement, the environmental impact of the lights, and the anticipated increase in costs forces a fundamental review of the floodlighting policy, and imply that this is not a viable option.

4.2 Option 2. Disconnect electricity supply to all fittings, but leave fittings in situ.

4.2.1 Western Power Distribution has stated that in order for the sites to be removed from the UMS inventory, a physical disconnection must be made (ie. the Council cannot just remove the lights and leave the Western Power Distribution supply in place)

4.2.2 Western Power Distribution would disconnect all the supplies and leave fittings in place in a safe condition. If the site owners wish to reinstate, they could do so at their own expense, having ensured that the electrical system is brought up to a safe condition. Alternatively if the site owners do not wish to continue with lighting they could remove all fittings and un-metered supply points at their own expense.

4.2.3 Total average cost per unit to disconnect the electricity supply safely (based on average of TDBC labour and Western Power Distribution costs): £400

Number of sites: 43
Total estimated one-off cost: (43 @ £400 per site: £17,200

4.2.4 This is a worst case scenario, which would result in an annual budgetary saving during future years of £9,750 per annum plus inflation, but a one-off additional cost in 2011/12 of approximately £17,200.

4.3 Option 3. Offer lights to third party owners, and remove or refurbish the TDBC owned installations

4.3.1 Were the Council to transfer ownership and control of the lights and fittings to third party landowners, Western Power Distribution un-metered supplies unit has confirmed that it would be willing to set up agreements with individual churches and property owners, of which there are 36 of the 43 sites. This would involve each site entering into an ‘Un-metered connection agreement’, and then TDBC handing over sites.

4.3.2 This option would mean a proportion of the properties could remain floodlit.

4.3.3 The cost depends upon how many the Council would wish to maintain within its own property, but to guide Members decisions it is estimated that:

Refurbishment of those on third party properties: £15,445

Refurbishment of those remaining on TDBC property: £3,200, or disconnection of those remaining on TDBC property: (£400 x 6 sites) £2,400

4.3.4 This option would reduce the Council's ongoing costs, but would still require revenue funding (for electricity, repair and a rolling programme of 6 yearly inspections) for those within its ownership that remain (approximately £2,500 per annum).

4.3.5 In this option the third party owners would be invited to consider taking on the management and funding of the floodlighting, and given a reasonable period of time to respond to the Council before action is taken at the end of the current financial year. Should the third party owners not wish to take on the installation, it will be safely removed as per Option 2.

4.4 Option 4. Upgrade all electrical equipment and fittings and continue to light all premises.

Based on his inspection programme during the Summer of 2011 Richard Eastman estimates that a one off expenditure of £18,645 would be required to ensure the safety of all current installations.

4.4.1 The work to upgrade the electrical systems and replace damaged fittings in all 43 sites would therefore involve a one-off cost of around £18,645 (maximum) plus ongoing costs at the current level of a minimum of £9,750 per year, plus an annual sum of £500 to pay for a rolling programme of 6 yearly inspections.

5. Corporate Scrutiny Recommendation

5.1 Although Corporate Scrutiny's consideration of the above options were based on slightly different estimates of the costs of repairs, the same principles still stand. Members of that committee recognised that 'doing nothing' is not an option. Furthermore they requested that, should Option 3 be adopted, the third parties be given adequate notice to consider taking on the installations. Members also raised concerns over the impact of the lighting on the environment, referring specifically to the Dark Skies Initiative, which lobbies against light pollution of the night skies. At the end of the discussion the Committee resolved that the Executive Member be recommended to offer floodlights to third party owners, incorporating a notice period and that all Council owned installations be removed.

5.2 Corporate Scrutiny's resolution is as per Option 3 in Paragraph 4.3 above.

6. Finance Comments

6.1 Appendix 1 presents a summary of the estimated cost of each of the four options.

6.2 Officers would recommend that where costs over and above the existing budget (£9,750) are required, that funding should be taken from the Council's General Reserves.

7. Legal Comments

7.2 There are legal implications if the installations are not brought up to regulatory standards. Documentary evidence does not apparently exist to ascertain whether or not any agreement was entered into with third party land owners. New legal agreements will be required should members wish to go ahead to transfer ownership of lighting and fixtures to third parties.

8. Links to Corporate Aims

8.1 The lights were originally installed with the intention of enhancing the attractiveness of the Borough's built assets to visitors and tourists. Removal of the lights will have a correspondingly negative impact on this, which links into Aim 2: Regeneration.

8.2 Removing the lights and reducing the energy consumption would reduce Carbon Emissions in the Borough and light pollution in rural areas, both of which would contribute to delivering Aim 4: Climate Change.

9. Environmental and Community Safety Implications

9.1 There are significant likely environmental and community safety implications, particularly in relation to the physical safety of the decaying light fittings, if action is not taken.

9.2 Removing the lights and reducing the energy consumption would reduce Carbon Emissions in the Borough and light pollution in rural areas

10. Risk Management

10.1 The IEE (Institution of Electrical Engineers) BS7671:2008 recommends electrical testing and inspection of Highway electrical supplies (The nearest comparable installation) at a frequency of every 6 years.

10.2 The ILE (Institution of Lighting Engineers) recommends any supports (Columns) are inspected for structural integrity at a maximum of 3 yearly intervals. To the best of officers' knowledge, no testing has been carried out by the DLO, or either of the subsequent contractors (SEC confirmed no testing by themselves within the last 10+ Years).

10.3 Should the Council decide to retain responsibility for all or some of the floodlights it is important that provision is made for periodic inspection and proactive management by the maintenance contractor.

11 Equalities Impact

11.1 The are no immediate equalities impacts arising from this report

12. Recommendations

12.1 That the Executive selects Option 3, offering those floodlighting installations on third party land to the owner of that land before the end of the current financial year, and that the Lead Executive Member be given authority to ascertain which of those that remain on TDBC property should remain in operation.

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Appendix 1

Summary of estimated costs associated with each option

		Option 1 Do nothing*	**Option 2 Disconnect all**	**Option 3 Transfer to 3rd party & retain TDBC**	**Option 4 Retain all & electrical repair**
		£ estimate	£ estimate	£ estimate	£ estimate
One-off repair		0	0	£18,645	£18,645
One off disconnect		0	£17,200	£0	0
Total one off cost in 2011/12		**0**	**£17,200**	**£18,645**	**£18,645**
Annual revenue costs	Maintenance	£4,750	0	£1,200	£4,750
	Electricity	£4,750	0	£1,200	£4,750
	6 yearly inspections	No current budget	0	£100	£500
Total annual revenue cost		**£9,500**	**0**	**£2,500**	**£10,000**

* Members will appreciate that Option 1 may result in legal action being taken against the Council (and potentially major costs) should an accident occur as a result of the inadequately maintained installations

Appendix 2

FLOODLIGHTING - SITES IN TAUNTON DEANE

TOWN/VILLAGE	**LOCATION**
BISHOPS HULL	CHURCH
BISHOPS LYDEARD	CHURCH
BRADFORD ON TONE	CHURCH
BURROWBRIDGE	CHURCH
	MUMP
CORFE	CHURCH
DURSTON	CHURCH
HILLFARRENCE	CHURCH
KINGSTON ST. MARY	CHURCH
LANGFORD BUDVILLE	CHURCH
MILVERTON	CHURCH
NORTH CURRY	CHURCH
NORTON FITZWARREN	CHURCH
OAKE	CHURCH
ROCKWELL GREEN	CHURCH
RUISHTON	CHURCH
SAMPFORD ARUNDEL	CHURCH
STAPLE FITZPAINE	CHURCH
STAPLEGROVE	CHURCH
STOKE ST. GREGORY	CHURCH
STOKE ST. MARY	CHURCH
TAUNTON	ALL SAINTS
TDBC	**BURMA**
TDBC	**CASTLE BOW**
	HALCON BAPTISTS
TDBC	**HANKRIDGE "TAUNTON" SIGN**
	HOLY TRINITY
TDBC	**OLD LIBRARY GARDENS**
TDBC	**MARKET HOUSE**
	NORTH ST.
TDBC	**OMB**
	ST. ANDREWS
	ST. GEORGES
	ST. JAMES
	ST. JOHNS
	ST. MARYS
	ST. PETERS, LYNGFORD
	WILTON CHURCH
TRULL	CHURCH
WELLINGTON	CHURCH
WEST BUCKLAND	CHURCH
WIVELISCOMBE	CHURCH

Highlighted rows are in TDBC ownership

Taunton Deane Borough Council

Executive - 12 October 2011

Proposal to Adopt a Client-based Approach to Delivering Construction Skills in Taunton Deane

Report of the Economic Development Specialist
(This matter is the responsibility of Executive Councillor Norman Cavill)

1. Executive Summary

1.1 Officers are seeking the Council's approval to work with other Somerset local authorities and ConstructionSkills to adopt a Client-Based Approach (CBA), to deliver employment, apprenticeships and training through their major construction projects.

2. Background

2.1 Construction projects are increasingly recognised as an opportunity to deliver recruitment, training and other social benefits, including improving the local skills base. Many Local Authorities and other public sector bodies are already using charters, voluntary agreements and contract clauses to achieve this, tying developers and construction companies into delivery of a minimum number of skills and employment opportunities.

2.2 ConstructionSkills is the Sector Skills Council and Industry Training Board for the Construction industry. The Client-Based Approach (CBA), adopted by ConstructionSkills and the National Skills Academy for Construction, provides a toolkit to deliver employment, apprenticeships and training for public sector clients through their construction projects. Based on successful National Skills Academy for Construction projects, it includes all of the necessary components to deliver opportunities on any new-build or repair and maintenance contract, including 16 benchmarks that have been 'employer approved'.

2.3 Somerset Local Authorities already have some experience of negotiating education, employment and skills outcomes for local people through the Project Taunton and Building Schools for the Future contracts. The CBA would build on Project Taunton's 'Taunton Protocol' by putting firm, measurable outputs into construction contracts.

2.4 Whilst the Key Performance Indicators (KPIs) and benchmarks developed for the CBA apply to construction contracts only (including new build and maintenance) there is the potential to work together with other Sector Skills and Training bodies to develop a set of KPIs and benchmarks for non-construction contracts.

2.5 The KPIs and benchmarks, approved by employers within the Construction sector, may also be used to support the Local Authorities to justify and secure s106 contributions for education, employment and skills through the planning process. Officers will liaise with colleagues in Development Management with a view to extending the CBA approach to all major construction projects in the Borough, depending on its success in relation to the Council's own projects.

2.6 In Taunton Deane there are a number of significant infrastructure projects on the horizon, for which the Local Authority (TDBC or SCC) will be the client. These include the Taunton Northern Inner Distributor Road, Taunton Town Centre Redevelopments, and Superfast Broadband Delivery. Each project would have a dedicated Employment and Skills Plan, submitted by contractors, with 16 KPI's and associated benchmark targets. Assuming that 70-75% of costs associated with these schemes are construction costs and using ConstructionSkills benchmarks, the NIDR and Superfast Broadband contracts alone could generate a minimum of 15 apprentices, 30 local jobs, 20-30 NVQ's and multiple links to local schools for work placements and curriculum activities.

2.7 The Corporate Scrutiny Committee considered this item at its meeting on 6 September 2011 and supported the proposal.

3. Proposal

3.1 ConstructionSkills has approached the Council to adopt a Client Based approach to its major construction projects. The approach would be embedded in all contracts above £1m and would open up the opportunity for the Council to apply for National Skills Academy for Construction Status.

3.2 Working alongside the other local authorities in Somerset Officers propose that the Council:

- Confirms its commitment to jointly adopting the CBA and applying for National Skills Academy for Construction Status;
- Revise the necessary procurement policies and processes to embed the CBA;
- Maintain ongoing dialogue between Procurement services and Economic Development Teams across the County to explore the adoption of social value clauses in all future contracts.

3.3 Should other Councils in Somerset also sign up it is proposed that the County Council's Economy Group be requested to provide the administration of the scheme. This will ensure that:

- Each Local Authority can calculate the education, employment and skills benefits that can be expected from construction contracts;
- The KPIs and expectations of any contractor in Somerset are consistent across the County;
- The Authorities make best use of existing officer resources and avoid duplication of effort.

4. Author's Comment

4.1 In adopting this approach, the Council can strengthen its commitment to generating and safeguarding jobs within the local economy, supporting a rebalancing of the economy and providing leadership to other public, private and voluntary and community sector organisations.

4.2 Officers are keen to progress and implement the CBA alongside the County Council and other District Councils in Somerset. However, should any one of those potential partners encounter difficulties in adopting the protocol it is important that Taunton Deane is not delayed by that partnership approach.

4.3 It is inevitable that the majority of contracts will not run in parallel with the academic year. Therefore, particularly when apprenticeships are offered, it will be vital to make timescales explicit.

5. Finance Comments

5.1 ConstructionSkills offers a Management Information System called SPONSA (Skills Plan of the National Skills Academy), which facilitates data collection, and enables the benefits of best practice sharing and benchmarking against other clients and projects. It has a nominal charge of £3000 per annum but Officers will only subscribe if joint purchase of the system with Somerset County Council is possible. That cost would be met from the existing Economic Development budget.

6. Legal Comments

6.1 There are no legal implications directly arising from this report.

7. Links to Corporate Aims

7.1 This proposal links to the Regeneration Aim of the Corporate Strategy.

8. Environmental and Community Safety Implications

8.1 There are no direct environmental or community safety implications arising from this report.

9. Equalities Impact

9.1 The Client Based Approach will strengthen the Council's commitment to enabling people from a disadvantaged background and people who are from a background of deprivation and a low income to access skills and employment opportunities.

10. Risk Management

Risk	Low/Medium/High	Mitigating Action
Benchmarks are set at too high a level and act as a disincentive to development	Low	The benchmarks proposed by ConstructionSkills have been drawn up after close consultation with construction employers. If the CBA does act as a disincentive the Council will be able to disengage from the programme.

11. Partnership Implications

11.1 Other local authorities in Somerset have been similarly approached by ConstructionSkills, so a partnership approach with those authorities would make practical sense. In addition to Taunton Deane Borough, this will also support the Heart of the South West Local Enterprise Partnership and the Somerset Employment and Skills Board to achieve their priorities for job creation, economic inclusion and skills, as well as providing opportunities to develop local supply-chains.

12. Recommendation

12.1 That the Council adopts the Client-based approach to ensure delivery of employment and skills opportunities in all major construction projects in which it has a controlling influence, and authorises Officers to progress an application for National Skills Academy status.

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07/12/2011, Report:Housing Revenue Account 30 year Business Plan
Reporting Officers:Stephen Boland

07/12/2011, Report:Quarter 2 Performance Report
Reporting Officers:Dan Webb

07/12/2011, Report:2012/2013 Budget Gap Update and Budget Savings Plan
Reporting Officers:Simon Lewis

07/12/2011, Report:Voluntary and Community Sector Grant Fund Review
Reporting Officers:Lisa Redston

07/12/2011, Report:Council Tax Base 2012/2013
Reporting Officers:Paul Fitzgerald

07/12/2011, Report:Fees and Charges 2012/2013
Reporting Officers:Maggie Hammond

07/12/2011, Report:Capital Strategy
Reporting Officers:Maggie Hammond

07/12/2011, Report:Review of Earmarked Reserves
Reporting Officers:Maggie Hammond

07/12/2011, Report:Refresh of the Corporate Strategy
Reporting Officers:Penny James

07/12/2011, Report:Reuse of the public conveniences in Goodland Gardens, Taunton
Reporting Officers:John Sumner

09/02/2012, Report:Proposed Passivhaus Development
Reporting Officers:Lesley Webb

09/02/2012, Report:Housing Revenue 30 year Business Plan
Reporting Officers:Stephen Boland

09/02/2012, Report:Capital Programme 2012/2013 to 2016/2017
Reporting Officers:Paul Fitzgerald

09/02/2012, Report:General Fund Revenue Estimates 2012/2013
Reporting Officers:Paul Fitzgerald

09/02/2012, Report:Housing Revenue Account Estimates 2012/2013
Reporting Officers:Paul Fitzgerald

09/02/2012, Report:Council Tax Setting 2012/2013
Reporting Officers:Paul Fitzgerald

09/02/2012, Report:Disposal of Land to Registered Providers Task and Finish Review
Reporting Officers:Richard Bryant

09/02/2012, Report:Theme 5 Restructure - Legal and Democratic Services
Reporting Officers:Tonya Meers

09/02/2012, Report:Housing and Community Development Restructure Proposals
Reporting Officers:James Barrah

09/02/2012, Report:Taunton Town Centre Business Improvement District Ballot
Reporting Officers:David Evans

14/03/2012, Report:Quarter 3 Performance Report
Reporting Officers:Dan Webb

14/03/2012, Report:Potential Development Site, Taunton
Reporting Officers:John Sumner

14/03/2012, Report:Treasury Management Strategy Statement
Reporting Officers:Maggie Hammond

14/03/2012, Report:Affordable Rent Policy
Reporting Officers:Martin Daly

11/04/2012, Report:Confidential Item
Reporting Officers:James Barrah

11/04/2012, Report:Corporate Strategy 2012-2016
Reporting Officers:Mark Leeman