

Members: Federica Smith-Roberts (Chair), Benet Allen (Deputy Chair), Chris Booth, Ross Henley, Marcus Kravis, Richard Lees, Peter Pilkington, Mike Rigby, Francesca Smith and Sarah Wakefield

Agenda

1. Apologies

To receive any apologies for absence.

2. Minutes of the previous meeting of the Executive

To approve the minutes of the previous meeting of the Committee.

(Pages 5 - 14)

3. Declarations of Interest

To receive and note any declarations of disclosable pecuniary or prejudicial or personal interests in respect of any matters included on the agenda for consideration at this meeting.

(The personal interests of Councillors and Clerks of Somerset County Council, Town or Parish Councils and other Local Authorities will automatically be recorded in the minutes.)

4. Public Participation

The Chair to advise the Committee of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public who have submitted any questions or statements, please note, a three minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue.

Temporary measures during the Coronavirus Pandemic

Due to the Government guidance on measures to reduce the transmission of coronavirus (COVID-19), we will holding meetings in a virtual manner which will be live webcast on our website. Members of the public will still be able to register to speak and ask questions, which will then be read out by the Governance and Democracy Case Manager during Public Question Time and will either be answered by the Chair of the Committee, or the relevant Portfolio Holder, or be followed up with a written response.

5. Executive Forward Plan

To receive items and review the Forward Plan.

(Pages 15 - 16)

6. Recommendation from the Scrutiny Committee

At their meeting on the 13 May 2020 the Scrutiny Committee recommended that:-

- 1) The Executive opened discussions with First Group as a matter of urgency for the temporary emergency opening of the bus station with consideration of the Covid-19 situation.
- 2) The Executive opened discussions with both First Group and Somerset County Council on the Bus Transport Strategy in Taunton and the wider district.

For information – the Scrutiny Committee invited the relevant Portfolio Holders (Cllr Rigby and Cllr Kravis) to their next meeting which held on 3 June 2020 where the Committee resolved:-

- 1) To establish a task and finish group to examine the current provision in relation to public transport in the district and what is required to increase provision and modal links including consideration of carbon neutrality.

7. Committee Governance Arrangements Report

(Pages 17 - 22)

8. Access to Information - Exclusion of the Press and Public

During discussion of the following item it may be necessary to pass the following resolution to exclude the press and public having reflected on Article 13 13.02(e) (a presumption in favour of openness) of the Constitution. This decision may be required because consideration of this matter in public may disclose information falling within one of the descriptions of exempt information in Schedule 12A to the Local Government Act 1972. The Council will need to decide whether, in all the

circumstances of the case, the public interest in maintaining the exemption, outweighs the public interest in disclosing the information.

Recommend that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the next item of business on the ground that it involves the likely disclosure of exempt information as defined in paragraph 3 respectively of Part 1 of Schedule 12A of the Act, namely information relating to the financial or business affairs of any particular person (including the authority holding that information).

9. Zero Carbon Affordable Homes Pilot

(Pages 23 - 46)

10. Commercial Investment Portfolio Review

(Pages 47 - 52)

A handwritten signature in black ink, appearing to read 'James Hassett', written in a cursive style.

**JAMES HASSETT
CHIEF EXECUTIVE**

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If you would like to ask a question or speak at a meeting, you will need to submit your request to a member of the Governance Team in advance of the meeting. You can request to speak at a Council meeting by emailing your full name, the agenda item and your question to the Governance Team using governance@somersetwestandtaunton.gov.uk

Any requests need to be received by 4pm on the day that provides 2 clear working days before the meeting (excluding the day of the meeting itself). For example, if the meeting is due to take place on a Tuesday, requests need to be received by 4pm on the Thursday prior to the meeting.

The Governance and Democracy Case Manager will take the details of your question or speech and will distribute them to the Committee prior to the meeting. The Chair will then invite you to speak at the beginning of the meeting under the agenda item Public Question Time, but speaking is limited to three minutes per person in an overall period of 15 minutes and you can only speak to the Committee once. If there are a group of people attending to speak about a particular item then a representative should be chosen to speak on behalf of the group.

Please see below for Temporary Measures during Coronavirus Pandemic and the changes we are making to public participation:-

Due to the Government guidance on measures to reduce the transmission of coronavirus (COVID-19), we will holding meetings in a virtual manner which will be live webcast on our website. Members of the public will still be able to register to speak and ask questions, which will then be read out by the Governance and Democracy Case Manager during Public Question Time and will be answered by the Portfolio Holder or followed up with a written response.

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SWT Executive - 20 May 2020

Present: Councillor Federica Smith-Roberts (Chair)

Councillors Benet Allen, Chris Booth, Ross Henley, Marcus Kravis, Richard Lees, Peter Pilkington, Mike Rigby, Francesca Smith and Sarah Wakefield

Officers: Dawn Adey, James Barrahan, Nick Bryant, Paul Fitzgerald, James Hassett, Alison North, Andrew Penna (Garden Town Coordinator), Sarah Povall, Andrew Pritchard, Marcus Prouse, Clare Rendell and Amy Tregellas

Also Present: Councillors Ian Aldridge, Norman Cavill, Simon Coles, Libby Lisgo, Janet Lloyd, Hazel Prior-Sankey, Andrew Sully, Anthony Trollope-Bellew, Ray Tully, Brenda Weston and Gwil Wren

(The meeting commenced at 6.15 pm)

129. **Apologies**

No apologies were received.

130. **Minutes of the previous meeting of the Executive**

(Minutes of the meeting of the Executive held on 18 March 2020 circulated with the agenda)

During the discussion, the following points were made:-

- Councillor G Wren queried: at the briefing to councillors prior to the acquisition of the bus station, it was made clear that the decision to close the bus station was made by First Bus alone for their own commercial reasons. However, at Scrutiny Committee on 20 May 2020, the Southwest Director of First Bus, Mr Alex Carter, stated that negotiations for the acquisition had included a facility for First Bus to leaseback the bus station for a period of time. However, as the completion date neared, the offer of a lease was withdrawn by the Council. Could the Portfolio Holder please clarify if a leaseback arrangement was part of the negotiations and if so, why it was withdrawn at the last minute?

The Portfolio Holder advised that the initial approach to purchase the bus station was made by First Bus Group as they had already made the decision to close the bus station and wondered if Somerset West and Taunton Council (SWT) would be interested in purchasing the site. That was the initial contact that had been explained at the briefing. During the deal being finalised, discussions were had with Somerset County Council and further options were debated on whether SWT could lease back the site to First Bus Group. Due to the regulations on the building, it meant that only a short term lease could be granted to allow them to park their buses on site. The decision to close the bus station was that of First Bus Group. Another complication with the negotiations was that SWT felt pressure to conclude the deal by 31 March 2020, due to time constraints

on First Bus financial year end. The final agreement was to lease back the site for 6 months to be used as a bus storage and driver layover facility.

- Councillor B Weston requested sight of the written responses to questions raised by the public speakers about the Bus Station and alternative arrangements raised at the Executive meeting on 18 March 2020. The Portfolio Holder would arrange for the answers to be distributed to all Councillors.
- Councillor B Weston also took the opportunity to ask a question about the pigeon nuisance and repeated installations of failed deterrents under Kingston Road Bridge. The Chief Executive advised from an operational stand point, the bridge was owned by the rail company, therefore, negotiations would always be required to apply any infrastructure on the bridge. Ordinarily, the Council would have carried out operation clean sweep two, which would involve a jet wash of the area amongst other work. However, due to the Covid Pandemic, the work had to be reprioritised and other work had been deemed to be more important during the lockdown period. The Portfolio Holder was happy to include the work in the project being undertaken to improve the layout and concourse of the railway station.

Resolved that the minutes of the Executive held on 18 March 2020 be confirmed as a correct record.

131. **Declarations of Interest**

Members present at the meeting declared the following personal interests in their capacity as a Councillor or Clerk of a County, Town or Parish Council or any other Local Authority:-

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr C Booth	All Items	Wellington and Taunton Charter Trustee	Personal	Spoke and Voted
Cllr N Cavill	All Items	West Monkton	Personal	Spoke
Cllr S Coles	All Items	SCC & Taunton Charter Trustee	Personal	Spoke
Cllr R Lees	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr L Lisgo	All Items	Taunton Charter Trustee	Personal	Spoke
Cllr J Lloyd	All Items	Wellington & Sampford Arundel	Personal	Spoke
Cllr P Pilkington	All Items	Timberscombe	Personal	Spoke and Voted
Cllr H Prior-Sankey	All Items	SCC & Taunton Charter Trustee	Personal	Spoke
Cllr M Rigby	All Items	SCC & Bishops	Personal	Spoke and Voted

		Lydeard		
Cllr F Smith	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr F Smith-Roberts	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr R Tully	All Items	West Monkton	Personal	Spoke
Cllr B Weston	All Items	Taunton Charter Trustee	Personal	Spoke
Cllr G Wren	All Items	Clerk to Milverton PC	Personal	Spoke

132. **Public Participation**

Mr Tony Laurence spoke on agenda item 7, Monkton Heathfield: SS1 Policy Area and MH2 Concept Plan and Design Principles.

I am speaking in my capacity as Chair of the Conservation of West Monkton Society. Over the past three years, we have raised concerns with Councillors and officials about the impact on our community of proposed changes to highways connected with the Monkton Heathfield development - in particular the proposed bus-gate on the A3259, which, we believe, will lead through traffic to use local roads, including those through our village, as a rat-run and defeat the purpose of having the bus-gate. We have consistently been told that the installation of the bus-gate was a legal requirement arising from the section 106 agreement. So earlier this year, when Persimmon were consulting on traffic calming measures on the A3259, we took legal advice.

The legal advice we received is that the proposal for the bus-gate was indicative only and that therefore there is and never has been a decision or legal or contractual requirement to install the bus-gate. Persimmon's consultation was therefore invalid. I conveyed this information to officers and Councillors of both Somerset County Council and Somerset West and Taunton Council in May.

Despite this, para 4.31 of Mr Penna's summary paper for item 7 (SWT 83/20) states that the bus-gate is to go ahead because it is 'is required by legal agreements dating from the first phase of the Monkton scheme'.

I am calling on the Council now to rescind this statement - or to justify it. We are asking for the proposal for the bus-gate to be re-considered along with the other proposed solutions to road and traffic issues as suggested at para 4.30 of the same paper.

Thank you, Tony Laurance

The Portfolio Holder responded: The County who were responsible for the legal agreement and the bus gate had confirmed that the position set out in the Report was correct.

Mr Mark Besley spoke on agenda item 7, Monkton Heathfield: SS1 Policy Area and MH2 Concept Plan and Design Principles.

The Parish Council supports the majority of the aims of the Concept Plan and Design Principles and has had positive engagement with the project lead from SWT. It is heartening to see that the plan has been changed following discussions on the first draft plan presented to the PC in January. There are however three points that I would like to make.....

Firstly, the text of the Design Principles Section 9 states that 'the existing A38 is to be retained for local traffic provision' however later under 'Potential positive interventions' it states that 'Consideration should be given to potential for part/total pedestrianisation of the current road subject to ensuring continued local road access to existing homes and businesses'.

There is real concern that closing the A38 between the Langaller and Cricket Club roundabouts will result in high levels of local business traffic (including HGV's) having to go through the District Centre. This is contra to the Garden Town ethos and conflicts with the objective of the District Centre (Section 8) which is to 'produce an environment that is safe, well-enclosed and a focus for social interaction'.

It is unclear how the 'total pedestrianisation' of this stretch of the current A38 could still maintain the road being retained for local traffic provision. We request that the reference to the option of 'total pedestrianisation' is removed from the document to correct this contradiction.

Secondly, in the Design Principles in Section 10 The downgrading of the existing A38 alignment under 'Barriers to integration' the document states 'The road can be retained for local traffic provision' and 'Local traffic will still have to be allowed along this route to access the existing dwellings'. The document also states that 'consideration should be given to bus only routes or bus gates' - please clarify how this can be achieved – what is the mechanism used to facilitate a bus gate and still allow local traffic?

Finally the installation of a bus gate on the A3259 is a contentious issue with concerns that it will force unsuitable traffic along unsuitable roads. The main Concept Plan and Design Principles document - section 4.31 states 'The bus gate location is required by legal agreements dating from the first phase of the Monkton scheme'. There is a genuine question of whether the bus gate is a legal requirement or was 'indicative' in previous plans (this is being challenged by some residents). Prompted by requests from the Parish Council in 2015 it received correspondence from SCC that 'no traffic modelling run or minuted meeting can be provided which evidences the original decision to locate the bus gate where currently proposed or what consultation took place'. Traffic calming measures required by the Western Relief Road, Hartnells Farm development and further up the A38 should be aimed at deterring through traffic and making the road used by local residents and local business users only. The Parish Council requests that decisions regarding bus gates on the A3259/A38 are made based on traffic flows after traffic calming has been installed on the A38/A3259 and on modelling that considers actual and projected traffic flows covering the entirety of the development and is not based on decisions made a considerable time ago when the highways infrastructure and pressures were very different. In order to maintain the cohesion of the village it may be that the more suitable location for the bus gate would be where the new ERR branches off the old A38.

The Portfolio Holder responded: Thank you for those helpful comments which would be considered in full as part of the public consultation on the draft plans and supporting design document.

Simon Hutchings spoke on agenda item 7, Monkton Heathfield: SS1 Policy Area and MH2 Concept Plan and Design Principles.

You will recall that representatives of both West Monkton (WM) and Creech St Michael (CSM) Parish Councils (PC) attended the Executive on the 28th January 2020 to further voice the concerns that had been previously raised in the preceding months, in writing with Officers, on the lack of consultation, the failure to take on board points being made, to express a need for real consultation prior to the issuing of future reports to the Executive and to set out a number of specific issues about proposals for the Developments causing concern to the Parish Councils.

Since then a meeting was held on the 15 March 2020 in CSM with the Leader and Portfolio Holder, representatives of sec and officers which unfortunately, I was unable to attend. This included a minibus tour of the sites in order to demonstrate the key issues on the ground. At that meeting a number of principles were agreed alongside discussion of each of the major shortcomings of the plans and our Parish Councillors (PCllrs) came away believing that there was finally an acceptance on the need for proactive consultation and acceptance of the points raised.

Since then our clerk has had to frequently ask to discuss the contents of the report planned for this Executive, and despite written assurances that we would be informed, once again this has not happened. No further consultation has taken place and we have had to wait until the report was published on the 13 May to obtain a copy.

CSM PCllrs are very disappointed to learn that despite the statement in Para 1.6 "that changes have been made" that our main concerns have been totally disregarded as the plans attached to the report still show, for example, the road between the Cricket Ground and the Langaller Roundabout to be pedestrianised, the exit from the rear of the Employment site at Manor Farm onto Hyde Lane is still in situ, and vehicle access to the School is not from the existing A38, etc. We are however pleased to see that the report does now acknowledge the need for impacts on the wider road network to be assessed (para 4.27).

We feel strongly that far from a community-based approach there is a continuing disregard of the practical views about these developments of the two Parish Councils, Creech St Michael and West Monkton & Cheddon Fitzpaine, who will represent this area in future. For example, the site visit and meeting in March is mentioned in the covering paper but the report does not set out what our concerns are. For the benefit of members not involved in that meeting these should have been reported in detail in the report. Our views are the result of experiencing living and working in the area, and reflect the knowledge of how MH1 is performing as a residential environment.

Hopefully, in the future we can work closer together as proposals for MH2 progress, as the majority of the build will be within the Parish of Creech St Michael.

KEY ISSUES:

(1). Hyde Lane. CSM & WM & CF PCs don't want an exit onto Hyde Lane from the proposed industrial site; the entrance should be off the ERR roundabout. Hyde Lane is a safe route to school and an exit would require students to cross the road, with 50 tonne lorries, vans and cars exiting and then "rat running", as a short cut through CSM village past the village infant/junior school and medical centre, and connecting to the A358/MS. The PC want pedestrians and cyclists only to have access from employment site.

- (2). Access to the Playing Fields. Hyde Lane is subject to access from rugby club following pedestrianisation but would like access; this need to be discussed along with the playing fields. The heap of spoil adjacent to the Hyde Lane Cottages needs to be removed and looked at as part of those discussion.
- (3). ERR. The ERR needs to have another lane to prevent queueing to enable turning right and left at the Bathpool roundabout and adjacent junction. There is room though there may be an issue on how far back it can come. It can do approx. 100 metres.
- (4). Milton Hill. The issue is the bus stop; every time a bus stops there it will grid lock the traffic and prevent use of both routes.
- (5). Road between Cricket Ground and Langaller roundabouts. This road needs to be kept, with trees and the bunds and fences removed in order to open up the development.
- (6). Highways. The CSM & WM & CF PCs asked for a copy of the Highways scoping documentation. We were advised in March that it was an ongoing commercially sensitive discussion at present which could not be shared as the data would all need to be collected and processed to enable the impacts to be understood. We have still not seen this document.
- (7). Bus Gates. Further discussion on Bus gating is required. Current proposal with a bus gate on the A38 is not supported by CSM PC.
- (8). CSM Road Safety. We were reassured that the problems are now understood but no conversation on mitigation has yet been discussed.
- (9). School. Design, Facilities to be provided, Vehicle Access and Parking (to be off Existing A38 not District Centre).
Simon Hutchings, Chairperson, CSM PC.

The Portfolio Holder responded: The Report set out that the Plans had changed since they were first reported to Executive in January 2020. As agreed with the Parish Councils when the Leader and PFH met with them in March 2020, the Report made clear that no options were ruled in or out at this stage. The Plans were being published, as also agreed with the Parishes, for public consultation so that the views of local residents and businesses could be gathered.

David Redgewell gave the following statement:

Can you please forward our statement to the Executive meeting as the need to make progress on the designing of the Bus and coach station?

We would very much support the lease of the operational area of the Bus Station to First Group and for the use by National Express Coaches. The layout need to allow social distancing and marking and signage on platform areas. The bays need to allow social distancing and disabled access. The waiting room will need the seating layout changed to be safe for passengers with social distancing. The Council can also make money from bringing back the take away cafe in the future. As this is an emergency and we need to make our public transport network safe in Somerset and Taunton, progress on the lease is very important as it is not possible to social distance buses on Castle Way and the Parade as departure points in line with the Department for Transport regulations. Under the guidance a double decker bus can only carry 20 passengers to route 22 Wellington or route 21 Bridgwater and Burnham on Sea with just 10 bus passengers on the Minehead route 28. For example it will require 3 buses to Wellington at peak time to carry just 60 passengers.

Finally laying out emergency social distancing bays is the only safe option for passengers as Taunton and Somerset slowly return to work. The alternative is to barrier off bus stops in the Parade and provide marshals for bus services and line up buses on the street similar in Castle Way which is not a very safe practice. Castle Way will need to be used by Hatch Green bus services. Travel Watch South West Railfuture Severnside and South West Transport Network would welcome urgent action on the bus station lease. Somerset County Council, the transport authority, needs to be involved in the discussions, as the rest of the bus and coach station and interchanges in the south west are local authorities owned. We would welcome signage in the bus station showing it's owned by Somerset West and Taunton Council. David Redgewell, South West Transport Network and Railfuture Severnside.

The Portfolio Holder responded: that the answer was covered in the response given to the question raised when the minutes of the previous meeting were debated.

133. **Executive Forward Plan**

(Copy of the Executive Forward Plan, circulated with the agenda).

The Governance Specialist advised the Committee that the Forward Plan had been updated after the agenda was published and gave details on what items were due to be on the agenda for the June meeting of the Executive.

Councillors were reminded that if they had an item they wanted to add to the agenda, that they should send their requests to the Governance Team.

Resolved that the Executive Forward Plan be noted.

134. **Wellington and Cullompton Railway Station Project: Phase 1 (Strategic Outline Business Case) - Approval of Project Governance Arrangements**

During the discussion, the following points were raised:-

- The Leader reminded the Committee that the discussion was on the governance arrangements.
- Councillors were pleased to see the report coming forward and that progress was being made.
- Councillors queried how often would the Project Board meet?
Officers advised that not much had changed at the Steering Board level and that they would meet every 6 weeks.
- Councillors supported the report and that it was a good project for the South West and the people of Wellington.
- Councillors queried why the County Councils were not able to support the project financially. Wellington Town Council and the former Taunton Deane Borough Council had given money towards the project, but they queried why Somerset County Council (SCC) had pulled away from the project and were only a silent partner, even though they were the Transport Authority for the area.

The Portfolio Holder agreed it was regrettable that the Transport Authority were not engaged in the project. However, it was indicative of the financial positive that SCC were in.

- Councillors queried how funds from the New Homes Bonus could be given to support the project and requested clarification on what New Homes Bonus could be spent on.

Officers advised that New Homes Bonus could be spent on local infrastructure and gave clarification.

- Councillors queried that the Project Board was the only place an elected councillor appeared in the process, even though Somerset West and Taunton Council were contributing financially. They further queried how often would information be fed back to Full Council and Scrutiny.

The Portfolio Holder advised that he would be happy to attend Scrutiny to feedback information from the Project Board.

Resolved that the Executive approved the governance arrangements set out in Appendix A.

135. **Monkton Heathfield: SS1 Policy Area and MH2 Concept Plan and Design Principles**

During the discussion, the following points were raised:-

- Councillors were pleased to see the report and that it included work on sustainability and climate change. It was exciting to see a new site for generations to come and that developers had taken the report on board with carbon neutrality.
- Councillors were committed to the report and agreed that the viability of residents should be taken into account.
- Concern was raised that during MH1, local residents were not listened to during the consultation stage and Councillors did not want to repeat that with MH2. Councillors requested that if decisions were made against that of local feedback, they should be told why those decisions had been made.
- Councillors queried how the strategies that had been introduced after MH1 would be included in MH2, for example, Garden Town and the New Design Guide.

All strategies fed into the process, all material planning considerations and setting out the masterplan gave officers something to use for the proposals and in their judgement of the plans. Viability was still important within the planning consideration.

- Councillors requested an update on the district centre in MH1 and what had happened and how the implementation would be improved in MH2. *Officers highlighted that there were many reasons why the district centre had not been finished but agreed that it needed to be delivered in MH2.*
- Councillors queried whether housing orientation was included in the design.

Officers advised that the District Design Guide advised on housing orientation.

- Councillors queried the figures given on electric vehicle charging points and what was deemed as 'significant'.
The charging points were part of the product design and could be located in garages or on driveways, the figures were aspirations as this was a high level report, so more detailed figures would be given later on in the project.
- Concern was raised on the chaos caused by the lack of parking near the school and whether the district centre would resolve that.
Councillors were advised that the area allocated for parking had not been tarmacked and that planning officers had been in contact with the developers to find out what progress could be made. They also wanted to check that the contractors hadn't breached any of the planning conditions. Councillors were advised that progress had been slow.
- Councillors highlighted that other garden towns had been mentioned within the report, but that they wanted the project to be carried out based on local merits.
Officers advised that the reference to garden towns was to illustrate that the Council could deliver quality spaces and bring forward MH2 as a garden community in a modern context.
- Concern was raised on the lack of infrastructure in MH1 and who had been responsible for that.
Clarification was given.
- Councillors urged that the project needed design principles that would be delivered. Further details were given on the Section 106 agreement for MH1.
- Councillors agreed that they were pleased with the report and that good communications were in place with the local Parish Councils and that feedback from their experience with MH1 had been welcomed and they looked forward to moving forward with MH2.
- The Leader advised that she had been out and met with the Parish Councils to discuss the work being done. She reminded the public to take part in the consultation and feedback any concerns or information they had. She wanted to ensure that all concerns could be resolved.

Resolved that the Executive recommended that:-

- 1) The draft SS1 Policy area Framework Plan, the draft MH2 Concept Plan and the draft MH2 Design Guidance be published for public consultation; and
- 2) That the outcome of the public consultation, including any appropriate suggested amendments, be reported back to the Executive as soon as possible with a view to seek approval to adopt the Plans and Guidance for Development Management decision making purposes.

(The Meeting ended at 7.45 pm)

EXECUTIVE

Executive Meeting	Draft Agenda Items	Lead Officer
17 June 2020	Commercial Investment Portfolio Review	Gerry Mills
VIRTUAL	Committee Governance Arrangements Report	Amy Tregellas
RD = 5 June	Zero Carbon Affordable Homes	Chris Brown/James Barrah
15 July 2020	Firepool (SPV)	Tim Bacon/Joe Wharton
ERD = 3 July	Hinkley Phase 3 - Housing Funding Strategy	Mark Leeman
IERD = 9 June	Obridge?	Tim Bacon
SMTRD = 27 May	Tangier?	Tim Bacon
	Performance Report	Malcolm Riches
19 August 2020	Monkton Heathfield Phase 2 Masterplan	Andrew Penna/ Nick Bryant
VIRTUAL	Public Realm Design Guide for Taunton Garden Town - Feedback	Fiona Webb
ERD = 7 August	Somerset West and Taunton Districtwide Design Guide & Urban Design Masterplan Frameworks - Feedback	Fiona Webb
IERD = 14 July		
SMTRD = 1 July		
16 September 2020	Somerset Wide Climate Change Strategy	Graeme Thompson
	Small Scale Industrial Space LDO	Sarah Povall
ERD = 4 September	Otterford	Gerry Mills/Andrew Penna
IERD = 11 August	Housing Strategy - Action Plan for SWT	Mark Leeman
SMTRD = 29 July	Firepool LDO	Andrew Penna
21 October 2020	Firepool (Infrastructure Approval)	Tim Bacon/Joe Wharton
	Firepool (Commencement of Detailed Planning)	Tim Bacon/Joe Wharton
ERD = 9 October	Everyone Active Update	Natalie Green
IERD = 15 September	Future SWT Rough Sleeper Provision	Simon Lewis
SMTRD = 2 September		
18 November 2020	Social Value Strategy (linked with LLA)?	Paul Harding
	Client Based Approach (CBA) to Local Labour Agreements (LLA)?	Colleen Blake
ERD = 6 November	Financial Assistance for Low Income Owner Occupiers in Priority Areas	Chris Brown/James Barrah
IERD = 13 October		
SMTRD = 30 September		
16 December 2020	Commercial Investment Portfolio Review	Gerry Mills
ERD = 4 December		

IERD = 10 November		
SMTRD = 28 October		

Somerset West and Taunton Council

Executive – 17 June 2020

Somerset West and Taunton Council Governance Arrangements

This matter is the responsibility of the Portfolio Holder for Corporate Resources, Cllr Ross Henley

Report Author: Amy Tregellas, Governance Manager and Monitoring Officer

1.0 Executive Summary / Purpose of the Report

1.1 The purpose of this report is to recommend to Members that mechanisms are put into place to investigate and carry out an options appraisal on Council Governance Arrangements, with particular focus on the type of structure that would suit Somerset West and Taunton Council.

1.2 It is proposed that this is done through:

1. Holding an all Member 'away day' so that all Members can input to the discussion
2. Establishing a politically balanced, cross party Member Working Group to fully investigate the options available to the Council

2.0 Recommendations

2.1 The Executive recommend to Council that:

- a) An all Member 'away day' is arranged to consider the items listed at section 4.5
- b) A cross party Members Working Group is established to investigate the options and to report back through the appropriate democratic pathway
- c) The Terms of Reference for the Council Governance Arrangements Working Group (Appendix A) are approved
- d) Seven Councillors are selected to form the Working Group along with the Portfolio Holder for Corporate Resources

3.0 Risk Assessment

3.1 The Local Government Association Report titled '*Rethinking Governance – Practical Steps for Councils considering changes to their governance arrangements*' sets out a staged process to ensure that all risks are assessed as part of this process.

3.2 All risks associated with changing the Council's Governance Arrangements need to be identified, logged and mitigated as part of the options appraisal process being carried out by the Member's Working Group

4.0 Background and Full details of the Report

- 4.1 Following the introduction of the Localism Act in 2011, a number of Councils have reviewed their Council Governance Arrangements and made amendments where appropriate.
- 4.2 There is an appetite from Somerset West and Taunton Councillors that we also carry out a review of our arrangements.
- 4.3 To this end it is recommended that a Members Working Group be established. To enable this review to be carried out, Terms of Reference for the Working Party have been drafted and can be found in Appendix A.
- 4.4 The Terms of Reference suggest that the Working Group will follow the five step process as set out by the Local Government Association, 'thinking toolkit', i.e
- Step 1 – Plan your approach, and assess your current position
 - Step 2 – Consider some design principles
 - Step 3 – Think of ways to meet these objectives and put a plan in place
 - Step 4 – Make the change
 - Step 5 – Return to the issue after a year and review how things have gone
- 4.5 In order to ensure that all Members can feed their views into this process it is recommended that an all Member 'away day' is arranged to consider how the Council Governance Arrangements have been in the first twelve months including:
- What does work well in the current model?
 - What doesn't work well in the current model?
 - What changes could be made to improve the governance arrangements?
 - Can the current model be modified to make it more inclusive for all Councillors?
- 4.6 The recommendations are set out in section 2.1 of this report

5.0 Links to Corporate Strategy – N/A

6.0 Finance / Resource Implications – The review of the Council Governance Arrangements would need to consider the financial implications as part of the options appraisal process

7.0 Legal Implications - The review of the Council Governance Arrangements would need to consider the legal process and implications as part of the options appraisal process. The review and any decision will need to consider the principles of decision-making set out in Article 13.1 in the Constitution

8.0 Climate and Sustainability Implications - None

9.0 Safeguarding and/or Community Safety Implications - None

10.0 Equality and Diversity Implications - None

11.0 Social Value Implications - None

12.0 Partnership Implications - None

13.0 Health and Wellbeing Implications - None

14.0 Asset Management Implications - None

15.0 Data Protection Implications - None

16.0 Consultation Implications - None

Scrutiny/Executive Comments / Recommendation(s) – None at the current time. The report is being discussed by the Audit, Governance and Standards Committee on Monday 8th June 2020 and an addendum with their comments will be circulated following the meeting.

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – Yes**
- **Cabinet/Executive – Yes**
- **Full Council – Yes**

List of Appendices

Appendix A	Terms of Reference for the Council Governance Arrangements Working Group
Appendix B	
Appendix C	
Appendix D	

Contact Officers

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Council Governance Arrangements Member Working Group

Terms of Reference

Role of the Council Governance Arrangements Member Working Group

A cross party, non-decision making Member Working Group who will investigate the options available and the type of governance structure that would suit Somerset West and Taunton Council.

The Working Group will report back to the Audit, Governance and Standards Committee and Executive prior to a final report going before Full Council

The panel will meet on a regular basis to review the options available to the Council

Scope

The Members Working Group will consider:

- The main features and advantages and/or disadvantages of each type of Council governance structure i.e. Leader and Executive, Committee and Hybrid arrangements
- Guidance produced by the Local Government Association, Centre for Public Scrutiny and others on Council governance arrangements
- Any other research available on Council Governance arrangements
- Case studies - examples and feedback from other Councils that have changed their Council governance structures
- Consider the feedback from an all Member ‘away day’ on what works well and how improvements could be made
- The impact of making a change to the Council governance arrangements i.e. cost, risk, impact on officers, impact on members of the public, etc
- Changes that could be made to the organisational culture
- What a finished system would look like and the practicalities as to how it would work

Membership

The membership of the group will be politically balanced, with all political parties being represented.

Name	Political Party / Role
Cllr	Liberal Democrat
Cllr	Liberal Democrat

Cllr	Liberal Democrat
Cllr	Liberal Democrat
Cllr	Independent
Cllr	Independent
Cllr	Conservative
Cllr	Labour

Method of Working

- Chaired by the Portfolio Holder for Resources with support from our Governance team.
- The Working Group will meet virtually on a regular basis, via Zoom
- The Working Group will follow the five step process as set out by the Local Government Association, 'thinking toolkit' , i.e
 - Step 1 – Plan your approach, and assess your current position
 - Step 2 – Consider some design principles
 - Step 3 – Think of ways to meet these objectives and put a plan in place
 - Step 4 – Make the change
 - Step 5 – Return to the issue after a year and review how things have gone
- The Working Group can make recommendations but is not a decision making body, collective views will feed into the Working Group report, which will be taken through the democratic process
- Where possible papers will be issued 5 working days ahead of meeting, allowing sufficient time to review and prepare for the meeting.
- Meeting notes and actions will be circulated to the Working Group with 5 working days
- All papers will be distributed electronically only.

Report Number: SWT 93/20

Somerset West and Taunton Council

Executive – 17 June 2020

Zero Carbon Affordable Homes Pilot

This matter is the responsibility of Executive Member for Housing, Councillor Francesca Smith

Report Author: Chris Brown, Assistant Director Housing Development and Regeneration (Interim)

1 Executive Summary / Purpose of the Report

1.1 In 2019, the Council declared a climate emergency and committed to working towards achieving carbon neutrality and climate resilience by 2030. As a result SWT is developing policies and delivering actions to reduce the pace of climate change. In 2020 the Council agreed a Housing Revenue Account (HRA) 30 year Business Plan. This plan included an ambition to develop 1000 new affordable homes for the HRA over 30 years. These ambitions have been joined in this proposed pilot scheme to build up to fifty (50) zero carbon council homes and create a blueprint for future affordable housing developments in the District.

2 Recommendations

2.1 The Executive Committee makes the following recommendations to Full Council:

- (a) Approve the development of up to fifty (50) Zero Carbon Affordable Homes.
- (b) Allocate a Zero Carbon Affordable Homes Capital budget of £10.8m to deliver up to fifty (50) new homes which will include Right to Buy Receipts on all eligible units plus additional borrowing. This comprises a supplementary capital budget increase of £9.3m and a transfer of £1.5m from the social housing development budget within the existing approved capital programme.
- (c) Support the use of underused SWT garage sites and one temporary housing site for new zero carbon affordable homes.
- (d) Delegate authority to the Housing portfolio Holder and Director of Housing and Communities, in consultation with the Assistant Director – Finance (Section 151 Officer), to sign off the plans for each site.
- (e) Delegate authority to the Housing portfolio Holder and Director of Housing and Section 151 Officer to determine the final funding profile for this scheme once the development plans of each individual site has been finalised to identify which elements qualify for RTB

funding.

- (f) Note the use of affordable rents for new build HRA homes in line with the 2020 Rent Setting Policy. The affordable rents will be set to ensure scheme viability at between 60% and 80% of market rent.
- (g) Agrees to suspend investment and letting of garages on the identified sites and support the negotiation of alternative garage accommodation for garage tenants and garage owners, and where required the Director of Housing and Communities negotiate and complete the purchase of privately owned garages.

3 Risk Assessment (if appropriate)

3.1 The key risks associated with this project are:

Risk	Score out of 25 based on probability x impact	Mitigation
Insufficient market interest to engage in the tender process.	8 (probability 2 x impact 4)	To mitigate this a pre tender questionnaire has been sent to procurement framework members to understand interest and ability to support essential client requirements. The Council will promote the tender opportunity more widely should insufficient interest be shown.
The number of units reduces due to site anomalies	5 (probability 5 x impact 1)	The pilot has identified seven sites with the capacity to deliver circa sixty (60) units. In the case of fewer than fifty (50) homes the pilot would retain its purpose and benefit.
The blend of house types and sizes may change	3 (Probability 3 x impact 1)	The final blend will be agreed through the planning process. The current blend is weighted to large homes (inc.15x4bed) and pilot includes 4 fully wheelchair accessible unit. The final blend will be agreed through the planning process but the current mix has been included in the costs
Right to Buy Receipts must be used within three years to avoid payment back to Government with interest	8 (probability 4 x impact 3)	The Council has requested, with other authorities an extension to the requirement to spend RtBR within the three year one for one agreement as the Covid lockdown restricted the council's ability to progress developments and buy backs. The scheme will still draw on RtBR if the government does not support our request however officers energies and some HRA capital investment will be diverted to acquiring homes from the market
Twelve (12) temporary accommodation units will be cleared to create	6 (probability 3 x impact 2)	This site is likely to be developed in 2021-2023. Accommodation through lease arrangements with the HRA will be

Risk	Score out of 25 based on probability x impact	Mitigation
a scheme circa 20 units The 12 units may not be eligible for subsidy.		achievable to ensure homelessness provision is maintained. The scheme has included within £10.8m all costs for developing the scheme.
Timescale could slip - The timeline for delivering the first homes is very ambition especially to complete a comprehensive procurement process and gain planning permissions.	15 (probability 5 x impact 3)	A number of consultants have already been appointed and discussions with procurement and procurement frameworks. Early discussions have taken place with planning however site are likely to be assessed by planning as a separate applications. The delivery of the 50 units will be split into 2 Lots and 3 phases which provides some opportunity for staggering planning and highway approvals. Off-site manufacture should reduce the on-site delivery time.

4 Background and Full details of the Report

- 4.1 The Zero Carbon Affordable Homes pilot aims to build up to fifty (50) low carbon affordable homes within thirty (30) months.
- 4.2 The pilot will provide the opportunity for learning and a specification to support future SWT low carbon developments and in particular low carbon affordable housing.
- 4.3 Seven (7) sites have been identified for these homes including six (6) garage sites identified through the garage site review. The seventh and largest site is currently used for the provision of temporary accommodation.
- 4.4 The sites are all in SWT ownership although circa 6 garages have been previously sold and require purchase through negotiation with the owners.
- 4.5 The planning process will consider any necessary garage/parking re-provision which may be required due to the loss of garage sites. However many garages are not used for vehicles and some re-provision is possible within alternative SWT garage sites.
- 4.6 The pilot will need to ensure the re-provision of accommodation to compensate for the loss of twelve (12) units of temporary accommodation. This could be achieved through off site lease or purchase arrangements.

The proposed development sites

- 4.7 The garage site review is looking at 146 SWT garage sites. Around twenty (20) sites have been identified to date with development potential. These sites are either underused, require investment and/or are causing blight.
- 4.8 Many of these are small and difficult sites to develop but the pilot provides an opportunity for SWT to retain the assets and reuse land for a new purpose. The garage sites vary in their potential and their site constraints. Appendix 1 shows the six garage sites

proposed for redevelopment and their ranking within the garage site review.

4.9 Garage site constraints include:

- being of a small size and less inviting for development contractors
- trees and buried services
- more costly to develop as build economies are difficult and more infrastructure and site set up works are required
- there are privately owned garages within the Council-owned sites
- sites may be overlooked from neighbouring properties or subject to previously granted access rights restrict land use
- little or no room for construction site compounds
- narrow access to the sites
- many of these sites will not be suitable for traditional building methods

4.10 The Council owns land and twelve properties, including eight (8) poor quality prefabricated homes and 4 small one bed units, at Sneddon Grove, Taunton. This site has some site constraints including maturing trees and current service layout. The properties are occupied as temporary accommodation and alternative temporary or permanent accommodation would be required though or outside of the scheme. Recently the Council has increased its supply of temporary accommodation and time is available to manage licences to allow the site to be developed.

4.11 Although the seven sites have the potential for circa 60 units it is envisaged the pilot will be constrained to fifty (50) or fewer dwellings or the blend of dwellings may change due to site constraints.

Building Zero Carbon Affordable Homes

4.12 Zero carbon homes are becoming more common and the technology to build low carbon homes using traditional or off site manufacturing techniques is becoming better understood.

4.13 SWT has been exploring off-site manufacture able to meet the Council's carbon neutral ambition. The Council is not committed to off-site construction to deliver zero carbon homes however on some sites new methods of construction are better suited. Off-site manufactured homes can be delivered quicker than traditional housing as the site preparation and build process can take place simultaneously.

4.14 Officers believe that off-site manufactured units or panellised systems could be better suited to managing some of the garage site complexities and provide an opportunity to deliver more units on sites which have otherwise low development potential.

4.15 It is intended to deliver up to fifty (50) affordable homes for rent. The final mix of unit types and sizes will emerge through the ongoing site assessment studies, procurement and planning processes.

4.16 The current financial appraisal is heavily weighted in favour of larger units and includes 4 fully wheelchair accessible homes. The starting assumption is:

- 5 x 1 bed flats
- 14 x 2 bed flats
- 12 x 2 bed houses

- 4 x 3 bed houses
- 15 x 4 bed houses
- 4 of the above units are proposed to be fully wheelchair accessible.

Developing a low carbon standard for SWT

- 4.17 Most low carbon exemplar schemes focus on a fabric first (well insulated, air tight homes requiring little energy to heat) and renewable heat and energy often from on-site technology.
- 4.18 These qualities produce great homes for the user and require little energy to heat. The SWT zero carbon affordable homes pilot aims to deliver dwellings which are carbon neutral when occupied.
- 4.19 However, the pilot seeks to go further and develop its knowledge in relation to Net Zero Carbon Homes. Net Zero Carbon Homes are homes which are not only carbon neutral during their occupation but also in their manufacture and disassembly. A Net Zero Carbon Home is therefore a much bigger challenge than a zero carbon home as we need to measure and develop an understanding of the use of carbon in the materials, transportation of materials and labour, construction, maintenance and reuse of components or materials.
- 4.20 With the decarbonisation of the grid on-site renewable energy will reduce in importance in delivering zero and net zero homes and considerations in relation to the materials, transportation of materials and construction processes will increase in importance to climate change.
- 4.21 Understanding carbon capture and energy use in the construction of homes is less well understood and we aim to develop SWTs understanding during the delivery of these homes.
- 4.22 To understand the performance of homes ongoing data collection and analysis is required. One of the aims of the pilot is to incorporate a data collection rigour which will allow the carbon and energy performance be measured and therefore allow the council to evidence carbon and cost benefits. Ensuring the council is able to evidence carbon and fuel benefits will increase the opportunity for customers and development partners to support and adopt a higher standard.
- 4.23 The pilot will contract an energy advisor to develop our capacity to measure carbon and energy and a longer term project, ideally with local colleges linked to a university, will be run to help collect and analyse data to evidence low carbon living benefits when the homes are occupied
- 4.24 As each site is developed it is intended to create temporary show homes to help promote low carbon living. It is envisaged that the show homes would support SWT climate change awareness events and opportunities to support school and college curriculums.
- 4.25 The pilot seeks to develop an approach to low carbon which considers a broad range of carbon and energy factors through benchmarking alternative tender proposals against the London Energy Transformation Initiative (LETI) standard.
- 4.26 The LETI standard is one of several standards which the council has considered but is unique in its emphasis on the use of carbon and energy in the use of materials and construction of the house and in the rigor of collecting data to evidence carbon and

energy savings. A summary diagram of the LETI standard can be found in Appendix 2.

4.27 The LETI standard considers four (4) key criteria:

- Carbon capture and energy use in the manufacture/construction of homes
- Fabric first / well insulated and air tight buildings
- Renewable heat and energy
- Data collection and analysis

4.28 In addition to benchmarking against the LETI model the programme will be guided by the Taunton Garden Town principles and SWTs Design Guide and Checklist.

Procurement

4.29 A traditional development approach would tend to require the development of a client specification, progress planning permission and then procure a development partner to deliver the specification. The pilots approach is to recognise that offsite manufacturers tend to have a single or limited number of products which vary in quality and characteristic. Therefore we need to engage with manufacturers and test their product qualities before appointing.

4.30 The pilot is therefore seeking to use a competitive dialogue procurement process. This procurement approach allows a two stage tendering process where a short list of contractors is created after an initial tender process. The initial procurement stage usually allows two or three strong contractors to enter a conversation with the client to explore their offer in more detail for example through site visits, additional examination of their products, materials and approach. A second procurement stage will lead to a lead contractor(s) being appointed.

4.31 The use of a competitive dialogue process will allow SWT to be better able to measure bidders against the LETI benchmark standard. The procurement process will also require certain quality hurdles to ensure the form first approach retains prominence for example thermal insulation values.

Rents for new build zero carbon homes

4.32 The Council wishes to retain flexibility over setting affordable or social rents to ensure homes are truly affordable to those in housing need whilst ensuring new housing schemes are financially viable. Appendix C contains more information about affordable rents and how they would be applied.

4.33 The approved HRA rent setting policy April 2020 provides the following guidance on rent charges for new homes. The guidance does not recognise the additional cost savings to the tenant of Zero Carbon Homes over the benefits in quality and thermal efficiency of a modern new home which achieves build regulation standards of thermal comfort.

HRA Rent Setting Policy

4.34 The Council has the option to charge an affordable rent for all new build properties. Affordable rents are set at up to 80% of the market rate inclusive of service charges but must not exceed Local Housing Allowance (LHA) rates. In exceptional cases wheelchair adapted properties are set at rents higher than the LHA with the assumption the additional rent will be covered through other welfare income.

- 4.35 Affordable rents need to be periodically rebased to ensure they continue to reflect the market rent. The market rate will vary from property to property, but cannot exceed 80% of the equivalent market rent for the property. In determining the market rate, we will consider affordability in the local area and viability of any new build housing schemes. The market rate will typically range between 60% and 80%.
- 4.36 Any decision to apply an affordable rent at less than 80% of market rate will be made after completion of an affordability and viability review and will be subject to approval by the Director of Housing. The new homes will be reappraised prior to homes being advertise to ensure the final rent supports the schemes costs but conforms to the parameters of the rent setting policy.

What benefits will the Council gain as a result of this pilot?

4.37 The council will benefit from:

- Up to 50 Zero Carbon Council owned and managed homes which are close to Passivhaus standard (high quality low carbon homes)
- 50 HRA affordable rented homes with on-site renewable heating and energy (no gas)
- Neighbourhoods where SWT's Garden Town and Design Guide and checklist have been applied
- Better use of Council assets and the removal of some blighted sites
- A build specification that is capable of being used or adapted to future council affordable housing schemes
- An investment solution to resolve poor quality temporary accommodation
- Test the alignment of planning and housing in the delivery of low carbon homes
- The collection of a significant amount of knowledge gained through the delivery of the schemes and applied to the pipeline of council developments
- A number of challenges which the council will need to consider to sustain its zero carbon ambition and move towards a net zero carbon homes. Some of these may also come forward within the pilot:

Key Milestones

4.38 The timescales proposed are ambitious. Officers have appointed a number of contractors to support feasibility work including engineers to survey the sites, architects and an EA to prepare initial tendering briefs with the council and site capacity drawings.

4.39 Next Steps

- July – procurement of energy consultant
- Pre application planning discussions June/July
- July onwards - Consultation with garage tenants and negotiation with garage owners to purchase or swap their garages
- July procurement of architect
- August – commence procurement of main contractors potentially through a competitive dialogue process with site visits
- September – November - Main contractor appointment
- December 2020 – April 2021 - Planning permission progressed
- April – July - Start on site and off site construction phase 1 – 4-6 month programme

- Phases 2 and 3 follow including reducing the use of Sneddon Grove for temporary accommodation and providing suitable accommodation in other localities.

5 Links to Corporate Strategy

- 5.1 In 2019, the Council declared a climate emergency and committed to working towards achieving carbon neutrality and climate resilience by 2030. The development of low carbon affordable homes in the District has been identified in the Somerset Climate Change action plan.
- 5.2 In 2020 the Council agreed the HRA 30 year business plan. The business plan included the commitment to build 1000 council homes over 30 years.

6 Finance / Resource Implications

- 6.1 Members are being asked to approve a £10.8m capital budget to fund the delivery of up to 50 new zero carbon homes to be let at an affordable rent.
- 6.2 This scheme fully supports the aspiration to deliver 1,000 new homes into the community over the next 30 years as seen in the HRA 2020 Business Plan that was approved in February 2020, as well as working towards the Council's commitment of achieving carbon neutrality by 2030.
- 6.3 The estimated cost to deliver these 50 units is higher than the development costs previously estimated within the Business Plan and consequently increases the expected capital development costs by approximately £3.5m. This premium, however, will be affordable if Members approve to let these units at an 'affordable rent' based on between 60% to 80%. The application of affordable rent, as opposed to social rent, is slightly compensated as these zero carbon homes will provide lower running costs and a larger living space footprint for the tenants than the market would provide. The application of affordable rent will also help to maximise future rental income for the Housing Revenue Account (HRA) to increase the probability that the remaining new build aspirations are affordable and viable in the long term, as highlighted in the Business Plan report. The Business Plan originally estimated social rent income for all new builds and acquired properties.
- 6.4 As indicated in section 4, key milestones, the scheme is likely to start incurring provisional costs such as planning during 2020-21 with the first delivery of new homes anticipated in the summer of 2021-22 and final delivery during 2022-23. A high level estimated spend profile per year is in Table 1 below. Due to this planned profile of spend, £1.5m (funded 30% by RTB capital receipts and 70% by borrowing) will be utilised from the existing 2020/21 capital budget of £6.898m approved in February 2020, with the remainder of the £10.8m requested as a supplementary budget.

- 6.5 Table 1: Estimated Spend Profile

	£k
2020-21	1,500
2021-22	5,000
2022-23	4,300
Total	10,800

- 6.6 The total development cost of £10.8m includes an allowance for buying back garage plots previously sold to private ownership, as well as a contingency of 10% on fees and

6% on Works. At appendix D a summary of financial considerations can be found . However there is still a risk that the financial cost of this scheme may change as the project progresses (if approved), for example from a procurement perspective we do not know how COVID-19 will impact the market and the availability of the products / materials required for this type of build and the pricing of those products / materials. The investment appraisal also makes assumptions with regards to rates of inflation and the cost of borrowing which may change in reality. Therefore the costs of delivering each site will need to be reviewed in light of the project as a whole as the scheme progresses through each phase.

- 6.7 This scheme also supports the Right To Buy (RTB) 'one-for-one' spend requirements where the Council needs to spend approximately £3.8m in 2021/22 and £7.7m in 2022/23 to avoid returning some the receipts to the Treasury. This scheme will be able to contribute towards that spend requirement and means that up to 30% of the project costs could be funded from existing RTB capital receipts with the remainder being funded by borrowing. The final funding profile for this scheme will be determined and approved by the Section 151 Officer once the development plans of each individual site has been finalised to identify which elements qualify for RTB funding. Whilst this scheme alone does not fully meet the 'one-for-one' spend requirements this does fulfil a large proportion of this requirement with the remaining planned to be met from other existing schemes such as the North Taunton Woolaway project.
- 6.8 The cash flow forecast within the investment appraisal for this scheme assumes full tenancy at affordable rent net of void / bad debt provision, maintenance, service costs, management costs, major repairs and interest payments (net of RTB contribution) over the next 60 years.. It assumes full RTB capital receipt funding at 30% with the remaining funded through borrowing at 3.5% (as per the business plan). The discounted cash flow analysis of this scheme returned a positive internal rate of return (IRR) and a positive Net Present Value (NPV) after interest, indicating that the financial return generated by this project over the long term is higher than the implementation costs thus indicating scheme viability. In comparison, we also modelled this on social rents which resulted in a negative NPV which means that the business plan would have to financially support this scheme for at least the next 60 years. The Business Plan also maintains a reasonable provision of Interest Rate Cover when adjusting the cost per unit for the 50 units and forecasting affordable rent income.
- 6.9 In terms of affordability to the Housing Revenue Account, the development should be affordable in the longer term and deliver a positive impact on the ongoing annual revenue budget implications after an initial period of net costs due to financing costs. The projections suggest that net income after assumed interest payments is positive and increases thereafter from estimated inflationary increases on affordable rents. The investment appraisal then assumes a contribution to the major works capital programme from Year 7 onwards, reflecting the need to maintain the properties as they age, and this still continues to deliver a positive net income

7 Legal Implications (if any)

- 7.1 .The proposed redevelopment needs to be in accordance with the planning permission.
- 7.2 The proposed works need to be in accordance with current building regulations.
- 7.3 Section 11 (6) of the Local Government Act 2003 relates to the Council's ability to retain and use Right to Buy receipts to fund affordable housing RTB receipts to be spent in accordance with the one for one retention agreement with Central Government.

8 Climate and Sustainability Implications

- 8.1 The Zero Carbon Affordable Housing Pilots will evidence the council commitment to tackling climate change. The use of the LETI model to benchmark its low carbon homes shows a commitment to a Net Zero Carbon target.
- 8.2 The development of zero carbon homes in the District will grow SWTs knowledge which can then be applied to other HRA and corporate initiatives.
- 8.3 The development of zero carbon show homes will promote low carbon living and increase the opportunity to engage with customers and partners.

9 Safeguarding and/or Community Safety Implications (if any)

- 9.1 The pilots include the use of under used garage sites some of which cause blight.
- 9.2 There are no safeguarding implications.

10 Equality and Diversity Implications (if any)

- 10.1 The pilot has considered the districts housing needs. The homes will all be rented at affordable rent levels.
- 10.2 The blend of homes has been weighted in favour of larger homes including fifteen four (4) bedroom homes. Four (4) of the fifty (50) homes will be fully wheelchair accessible.

11 Social Value Implications (if any)

- 11.1 The procurement process will consider the additionality contractors can contribute in terms of social value in particular local labour, use of local contractors and supply chain.
- 11.2 The LETI approach encourages the use of local material and labour to minimise carbon and energy used in the construction of homes.

12 Partnership Implications (if any)

- 12.1 Establishing low carbon exemplar housing in the District will show commitment and leadership within SWTs affordable housing partnership.

13 Health and Wellbeing Implications (if any)

- 13.1 Zero carbon homes which are well insulated, have good levels of airtightness and use mechanical ventilation systems are considered healthy homes. The construction methods remove the opportunity for condensation and damp. Fuel poverty is reduced where onsite renewable energy is incorporated and a fabric first approach is adopted.
- 13.2 A number of homes will be fully wheelchair accessible to allow greater independent living for families.

14 Asset Management Implications (if any)

- 14.1 The pilot proposes to make better use of underused council garage sites and replace twelve (12) poor quality prefabricated units with circa twenty two (22) high quality Zero

carbon homes

15 Data Protection Implications (if any)

15.1 No data protection considerations

16 Consultation Implications (if any)

16.1 Consultation will be required with tenants and owners of garage sites and adjacent properties.

16.2 Temporary accommodation customers living at Sneddon Grove will be informed about the council's intention however temporary tenancies typically last between a few months and a year. This means that at a certain point in time no new licences will be granted and a natural vacation of homes will take place. The council will ensure alternative accommodation is available has recently secured more homeless accommodation which could also be utilised.

17 Scrutiny Comments / Recommendation(s) (if any)

(To be included usually in reports which are submitted for consideration by the Executive or Full Council.)

17.1

Democratic Path:

- **Scrutiny Committee – No**
- **Executive – Yes**
- **Full Council – Yes**

Reporting Frequency: Once only

List of Appendices

Appendix A	Sites identified with development potential ranked according to the development criteria (CONFIDENTIAL)
Appendix B	London Energy Transformation Initiative Standard (Small Homes)
Appendix C	Affordable rents to support new council affordable homes (CONFIDENTIAL)

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

The four themes of the London Energy Transformation Standard (LETI)

APPENDIX B

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- Fabric
- Heat and Power
- Embodied Carbon
- Data Disclosure



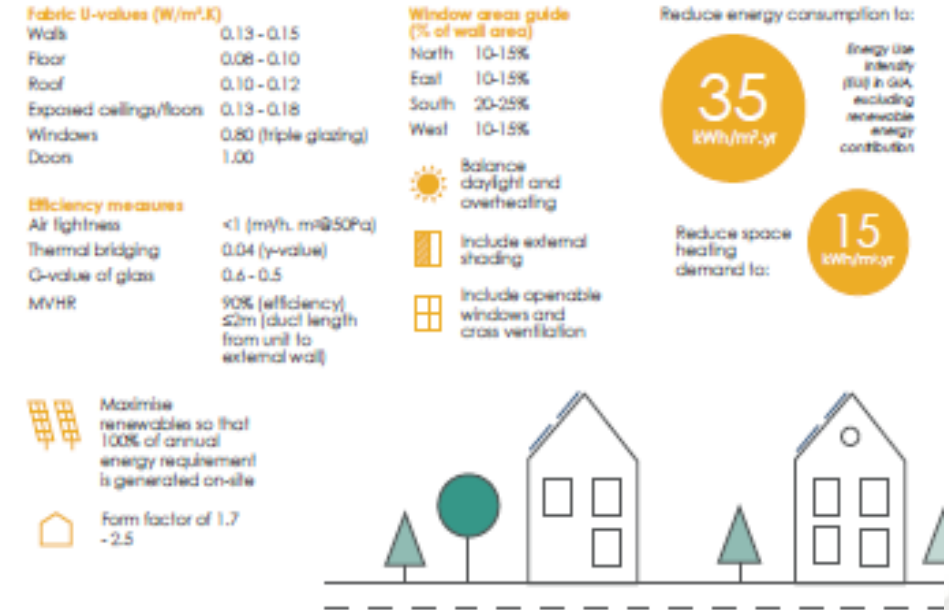
Somerset West
and Taunton

Fabric – Benchmark

APPENDIX B cont.

- Fabric U values – Windows, Walls, roof, etc.
- Efficiency Measures – Air tightness, thermal bridging, G values glass, MVHR
- Maximise renewables
- Window area guidance
- Shading
- Reduced energy consumption to 35kwh/m2 per year
- Reduce space heating demand to 15 kwh/m2 per year

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[LETI Climate Emergency Design Guide](#)

Somerset West
and Taunton

Heating, Hot water, Demand Response – Benchmark

APPENDIX B cont.

- Fuel (no Fossil fuel/No Gas)
- Heating max 10 w/m² peak heat loss
- Hot water max dead lag hot water of 1m, green euro water outlets
- Peak time reduction of energy use
- Electricity generation and storage
- Electric vehicle charging
- Behavioural change

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Heating and hot water

Implement the following measures:



Fuel
Ensure heating and hot water generation is fossil fuel free



Heating
Maximum 10 W/m² peak heat loss (including ventilation)



Hot water
Maximum dead leg of 1 litre for hot water pipework

'Green' Euro Water Label should be used for hot water outlets (e.g.: certified 6 L/min shower head – not using flow restrictor).

Demand response

Implement the following measures to smooth energy demand and consumption:



Peak reduction
Reduce heating and hot water peak energy demand



Active demand response measures
Install heating set point control and thermal storage



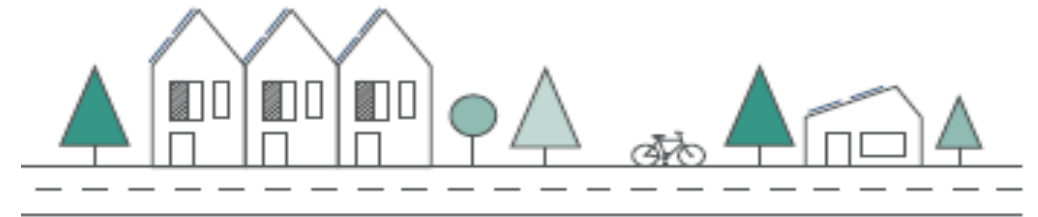
Electricity generation and storage
Consider battery storage



Electric vehicle (EV) charging
Electric vehicle turn down



Behaviour change
Incentives to reduce power consumption and peak grid constraints.



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Embodied Carbon – Benchmark

APPENDIX B cont.

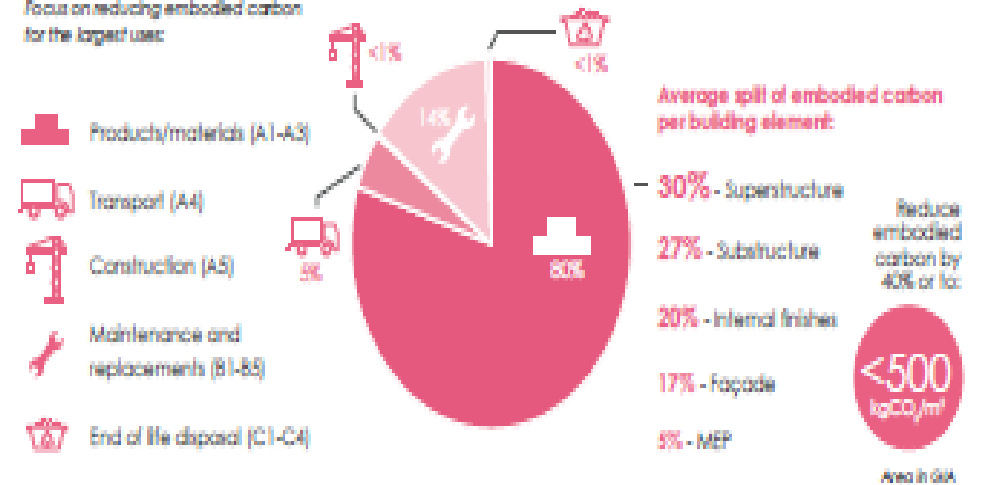
- Production materials
- Transport
- Construction
- Maintenance and replacement
- End of life disposal
- Reduce embodied carbon by 40%
- Less than 500 kgCO₂/M²

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Embodied carbon

Focus on reducing embodied carbon for the largest uses:



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Data Disclosure – Ambition

APPENDIX B cont.

- Metering
 - renewables
 - vehicle charging (where applicable)
 - heating
 - internal temperatures
 - smart metres
- Annual Building Energy consumption
- Annual reporting by scheme
- Data sharing opportunities



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Data disclosure

Meter and disclose energy consumption as follows:

Metering

1. Submeter renewables for energy generation
2. Submeter electric vehicle charging
3. Submeter heating fuel (e.g. heat pump consumption)
4. Continuously monitor with a smart meter
5. Consider monitoring internal temperatures
6. For multiple properties include a data logger alongside the smart meter to make data sharing possible.

Disclosure

1. Collect annual building energy consumption and generation
2. Aggregate average operational reporting e.g. by post code for anonymity or upstream meter
3. Collect water consumption meter readings
4. Upload five years of data to GLA and/or CarbonBuz online platform
5. Consider uploading to Low Energy Building Database.

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of the Local Government Act 1972.

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