

Somerset West and Taunton Council

Special Full Council – 1 December 2020

North Taunton Woolaway Project

This matter is the responsibility of Executive Councillor Member Francesca Smith

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1 Executive Summary / Purpose of the Report

- 1.1. The North Taunton Woolaway Project (the Project) is the flagship regeneration project of SWT's housing development programme and tackles some of the Council's worst performing homes in one of the most socially deprived areas in our County.
- 1.2. The Report recommends the approval of funding for all future phases of the Project as set out in Appendix A. A budget for Phase A and Enabling Works for Phases B-E totalling £14.5m was approved in February 2019. This included the purchase of twenty-two (22) owner occupied properties and decanting fifty-five (55) tenanted properties. A confidential financial summary is included at Appendix D for the purchase of the private property, which is within Phase C of the Project.
- 1.3. The Project has seen the demolition of 26 homes in Phase A and will start building 47 new homes with the first of these properties completed by August 2021 and Phase A is estimated to complete by September 2022.
- 1.4. To ensure a smooth transition between all future phases and to quicken the pace of regeneration, permission is being sought to approve the budget to fund the remaining Phases B–E and all cost associated with the regeneration activity, demolition and works to complete the scheme.
- 1.5. The Project will deliver two hundred and twenty-nine (227) new Council homes and comprehensively refurbish twenty-seven (27) Council homes over an eight and a half (8.5) year period rather than the original ten (10) to twelve (12) year period. The Project will also provide a community facility/project office in Phase A which can be converted into 2 homes should a sustainable business plan not be achieved at the end of the Project. This would increase the number of new homes to 229.
- 1.6. The Project is an essential part of the Council's commitment to offer a choice of good quality homes for our residents, whatever their age and income, in communities where support is available for those in need. The recommendations in this Report will assist the progression of all phases in a timely manner, complete the buy back of private dwellings and decanting of residents, demolition, completion of works and provide certainty and security to the North Taunton Woolaway Project tenants.

- 1.7. The NTWP will make a significant contribution toward delivering quality housing to meet the needs of SWT residents. The Project will provide a significant contribution towards:
- Resolving severe structural matters in relation to 162 defective Woolaway Homes through demolition and replacement with 227 new low carbon homes and 27 defective Woolaway properties with better insulated and structurally sound refurbished homes.
 - Affordable Housing supply; with 227 new homes for rent
 - Healthier homes and community; well-designed green space and road layout and efficient to heat homes
 - Low carbon homes; a significant step toward zero carbon with a fabric first approach and a fund for renewable heat and power
 - Accessible housing; a major contribution towards meeting the councils demand for wheelchair accessible homes
 - Garden Town; the scheme adopts many principles of the Garden town design guide
 - Larger accommodation; national space standards have been maintained throughout the scheme including the design of larger family accommodation (4 / 5 bed)

2 Recommendations

2.1 Full Council is recommended to approve:

- 2.2 To allocate a total scheme budget and borrowing requirement for Phases B-E and the conclusion of all phases of the regeneration scheme as set out in confidential Appendix A.
- 2.3 To delegate authority to the Section 151 Officer to determine the final funding profile for each future phase once the finalised designs have been received for Phases B-E and any relevant planning approval and contract costs have been received.
- 2.4 To the decant of tenants within Phases B which will allow Gold band status in the Homefinder Somerset allocations system for tenants in this Phase and allow those who wish to move outside the regeneration area sufficient priority to move home.
- 2.5 To delegate authority to the Director of Housing and Communities in consultation with the Portfolio Holder for Housing authority to approve future decanting and demolition for future phases.

- 2.6 That all new build properties (Phase A-D) will be set at affordable rents 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 rates. However, all NTWP SWT secure tenants who lived within the NTWP (Phases A-D) at February 2019, when the Council made its decision to regenerate the neighbourhood, will have their rents capped at the equivalent social rent if being rehoused in the new NTWP development. These rents will remain with the tenant as long as they retain their tenancy. No current NTWP SWT tenant will be required to pay above the equivalent social rent and service charge for their home in line with the Council Shadow Full Council approval to allow existing SWT tenants to remain on a social rent level.
- 2.7 That a formal annual review of the project is undertaken to ensure that the project continues to deliver its objectives, positive outcomes for the community, our promises to tenants and value for money. That the report will be presented annually to Scrutiny Committee and Executive Committee.

3 Risk Assessment

- 3.1 A risk assessment can be found at Confidential Appendix B however the main schemes risks are set out in Table 1 below:

Table 1: Main Scheme Risks

Risk	Score out of 25 based on probability x impact	Mitigation
Construction costs rise significantly at the procurement stage and during schemes deliver.	10 (probability 2 x impact 5)	Full site investigations will be carried out prior to entering into contract. All costs will be carefully assessed by our Employer's Agent. PCSA process adopted to understand costs pre-works, material being reviewed due to supply chain disruption/Covid.
Not securing vacant possession of the site – purchasing remaining private homes.	5 (probability 1 x impact 5)	Enabling budget approved to purchase the remaining private homes within Phases B–D. 10/19 have already been purchased and a further 3 are currently in negotiations. CPO powers could be considered.
Not securing vacant possession of the SWT tenanted properties.	5 (probability 1 x impact 5)	Tenants are being decanted in phases giving 12 – 18 months to decant each phase when tenants will be Gold banded on Homefinder Somerset and Taunton homes ring fenced for NTWP tenants. New builds in earlier phases will be allocated to existing NTWP tenants, decant homes available in later phases and as a last resort, Notice of Seeking Possession could be considered.

Risk	Score out of 25 based on probability impact	Mitigation
Party Wall claims for refurbished SWT homes or boundaries adjoining home owners' properties.	12 (probability 3 x impact 4)	Areas within the development are being identified by the Architect and Contractor which may be subject to Party Wall Act. Party Wall Surveyor being employed to provide advice, assistance and conduct negotiations where required for any compensation due.
Failure to gain Reserved Matters planning consent.	10 (probability 2 x impact 5)	Outline planning permission already granted, weekly meeting with planning consultants for resolution of design matters. Customer engagement through working groups, open public events planned and communication through newsletters and Facebook. Monthly monitoring of programme and budget. The development falls within the Somerset levels water catchment area and therefore an assessment of the impact of phosphates will be carried out and if required compensatory measures.
Highways adoption.	12 (probability 3 x impact 4)	The access road leading to the site will need to be adopted in advance of adoption proceeding for the residential development.
Reputational damage to SWT.	8 (probability 2 x impact 4)	Significant customer engagement and communication, customers engaged in the design process, working groups being set up to engage more customers and in particular seeking to bring additional benefit to the neighbourhood, NTWP team meetings occur daily and close working with consultants and ENGIE. The Project is being considered as one continuous project and the dialogue with consultants and ENGIE aim to reinforce the smooth transition between phases expected (subject to suitable performance).
Delay in Project progress at any stage resulting from a further COVID-19 outbreak and subsequent lockdown, or similar occurrence.	12 (probability 3 x impact 4)	There are a range of ways in which Covid could affect the scheme from site lockdown to supply chain interruption to workforce and material inflation. The scheme will review Covid risks on a daily basis.

4 Background and Full details of the Report

- 4.1 The Shadow Full Council in February 2019, approved the redevelopment of the North Taunton Woolaway Project area following the Structural Engineering report carried out in 2013 and the Report Addendum dated 2016.
- 4.2 The 2013 report highlighted that the Woolaway units were showing signs of deterioration. The Addendum Report, following further investigations during the demolition of the Woolaway units at Rockwell Green, confirmed the units were in a worse condition than identified in the 2013 report.
- 4.3 Woolaway homes were Designated Defective under the Housing Defect Act 1984. This does not mean Woolaway units are unsafe, it just prevents any more of this house type being built.
- 4.4 The existing site comprises of 212 Woolaway homes of which the Council retain ownership of 167 and 45 have been purchased through the Right to Buy. A breakdown of the properties is set out below in Table 2:

Table 2: Tenure of North Taunton Woolaway Project Area

	In SWT Ownership	In private ownership	Total
Existing Woolaway Homes in the NTWP	167	45	212
Units to be Demolish	140	22	162
Units to be comprehensively refurbished	27	0	27
New SWT homes to be built	227*	0	227*
Net Increase of affordable SWT homes	87*	0	87*

**the scheme will build a community facility/project office in Phase A which will be converted into 2 homes should a sustainable business plan not be achieved at the end of the NTWP. This would increase the number of new homes to 229 and the net increase of affordable homes to 89.*

- 4.5 Detailed planning permission for Phase A and outline planning permission for Phases B–E was approved by the Planning Committee in March 2019. Phase A will deliver 47 new social rented homes and a community facility. The outline planning permission for Phases B–E will deliver up to 180 new build Council homes and refurbish 27 existing Woolaway Council homes. The indicative scheme will provide a net increase of 87 affordable Council homes.
- 4.6 The new homes will be built to Nationally Described Space Standards and Housing Quality Indicator layout standards. The homes have been designed predominately to Building Regulations Part M4 Category 2 with nine (9) anticipated as wheelchair adapted homes at Category 3. The costs associated with these larger than average homes has been calculated into the new budget request. The Council has an acute need for larger homes and wheelchair accessible homes. Table One shows 229 households in SWT registered as needing wheelchair accessible housing and a study of housing occupational therapist caseload identifies 80 households in need with six on the emergency list

Table One - Households within SWT that are registered as needing wheelchair accessible housing

Households within SWT that are registered as needing wheelchair accessible housing (registered with SWT)							
<small>Data taken from Homefinder Somerset report Nov 2020</small>							
Bed size need	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed	Total
Full WCH need	125	64	28	11	1	0	229

4.7 The Building Regulations Part M deals with the ease of access to and use of buildings, including facilities for disabled visitors or occupants, including the ability to move through the house easily including access to toilets and bathrooms. There are three main categories:-

4.7.1 M4(1) Category: visitable dwellings – reasonable provision should be made for people to gain access to and use the dwelling and its facilities. (Suitable for most people including wheelchair users to approach, enter the downstairs rooms and toilet).

4.7.2 M4(2) Category: accessible and adaptable dwellings – in addition to the M4(1) provisions, must be sufficient to meet the needs of occupants with differing needs, including some older or disabled people and to allow adaptation of the dwelling to meet the changing needs of occupants over time. (Suitable for wide range of occupants including older persons, reduced mobility and some wheelchair users to access and use the accommodation).

4.7.3 M4(3) Category: wheelchair user dwelling – in addition to the M4(1) provision, must be sufficient to allow simple adaptation of the dwelling to meet the needs of the occupant who use wheelchairs, or meets the needs of occupants who use wheelchairs. (Wheelchair accessible – wheelchair user can live in the dwelling and use any associated private outdoor space and parking).

4.8 The range of property sizes offered by the Project will also help to address existing overcrowding and under occupation which has been identified through the one to one interviews with tenants. Over ninety existing tenants are seeking to be rehoused within the new NTWP homes.

4.9 The mix of homes is indicative at this stage and will be reviewed prior to submitting Reserved Matters for subsequent phases. The intention is to undertake the project in five phases, to support the decant requirements of existing residents and enable each phase to be assessed against changes in housing need, affordability and mitigate future unknown changes which may affect the scheme proposal and financing.

4.10 The intent of the project is to retain complete ownership of the redevelopment area and the budget request and viability assessment is based on the scheme being 100% council rented accommodation at social or affordable rent levels. However should the need be required each phase could be reappraised to provide a range of housing tenures, including discounted sale and shared ownership to support residents who show interest in home ownership.

4.11 Table 3: Indicative Housing Mix for the North Taunton Woolaway Project

Phase	SWT New Build	Private Homes	Sub Total
A			
1 bed	17		
2 bed	14		
3 bed	11		
4 bed	5		47
B			
1 bed	4		
2 bed	17		
3 bed	8		
4 bed	2		31
C			
1 bed	10		
2 bed	19		
3 bed	38		
4 bed	12		
5 bed	1		80
D			
1 bed	1		
2 bed	14		
3 bed	35		
4 bed	17		
5 bed	2		69
E			
2 bed	21	15	
3 bed	6	8	
4 bed			50
TOTALS	237	23	277

4.12 The funding of the regeneration of the North Taunton Woolaway Project noted by the Shadow Full Council in February 2019 was £45m. This was based on a number of assumptions and indicative costs. These assumptions include:

4.12.1 Development Programme of 5 phases over 10-12 years to support the decant of existing residents and enable each phase to be assessed against housing need, affordability and mitigate any future changes which may affect the scheme proposal and financing (the Phasing Plan is attached and marked Appendix C);

4.12.2 Estimate for market factors such as construction costs, rental income, interest rates, rise in house prices etc.

4.12.3 Costs of indicative designs subject to planning approval;

4.12.4 No allowance for contamination or remediation works;

4.12.5 Indicative housing type and tenure mix, estimated budget including provision of a range of affordable housing tenures including social rent, affordable rent and options for residents who aspire to home ownership.

4.12.6 Existing NTWP tenants would receive a like for like which included the right to be

rehoused in a new home at social rent and to be entitled to a property of the same bed size as they occupied when the decision to regenerate the estate was made.

4.13 The supplementary budget for Phase A was increased from £7.2 to £8.7 million by Council on 3 December 2019.

4.14 A further supplementary budget of £5.7 million for the enabling fees for Phases B–E of the Project was also approved on 3 December 2019 to purchase the remaining private homes and commence the enable works and Reserved Matters planning. This was based on a number of assumptions and indicative costs which are explained in 1.2 above.

4.15 The mix of homes is indicative at this stage for Phases B-D and is currently being reviewed prior to submitting the Reserved Matters applications in the Spring 2021. Work is also being carried out to agree an uplift in the low carbon quality of the homes. An uplift above building regulations has been agreed for Phase A and additional uplifts for Phases B-E are being refined.

4.16 **Regeneration Benefits**

4.17 The regeneration of North Taunton Woolaway Project area brings more than just new homes but supports the growth within the local economy and offers health, environmental and employment opportunities. The Project offers the Council the opportunity to maximise the social investment for the benefit of the community now and in the future.

4.18 SWT will work in partnership with the appointed Contractor, ENGIE, to facilitate a number of working and information forums to ensure active community participation and deliver:-

- Promotion of various career opportunities in construction with local schools and colleges and undertake Health & Safety talks.
- Mock interviews and career events for local colleges.
- Local employment opportunities and provide new training and development opportunities for residents, customising our approach to the communities bespoke requirements.
- Training Programmes both Accredited and Non-Accredited such as Fire Marshall training, Emergency First Aid, Mentoring, Energy Efficiency Training, DIY skills day, Silver Surfer training and Smart Phone Training.
- Training commitment for the Unemployed such as the Kick Start Program, Safety Training, Employability skills, work experience and mock interviews.
- Inspiring the next generation of construction workers, ENGIE are proud that 7% of their workforce is made up on Trainees, Apprentices and Graduates which is above the national average of 5%. SWT and ENGIE will be developing a Targeted Training and Recruitment Plan (TTRP) which will be reviewed at the monthly performance reviews.

4.19 For Phase A the TTRP will provide:-

- Trainee/Apprenticeship opportunities
- Work Experience placements
- New Employment opportunities with targeted recruitment

- Employability Workshops/Training
- School/College curriculum-based site visits/workshops
- Commitment to local labour
- Supporting local initiatives – fundraising, refurbishing community facilities, promotion of healthy living and link with local groups to identify initiatives.
- Promoting the use of local facilities to ENGIE’s construction workforce to use local cafes, shops, venues for consultation events etc.
- 1 – 2 days of Job Shadowing opportunities across the whole range of occupations within ENGIE’s workforce.

4.20 For Phases B – E:

- ENGIE was named Wales ‘Most Community Focused Contractor’ in both 2015 and 2018 by the Chartered Institute of Housing for its work ‘Beyond Bricks & Mortar’ specifically in supporting people, places and communities through its regeneration activities and delivering tangible community benefits to leave a long term positive impact. We will be working with ENGIE to develop a Targeted Training and Recruitment Plan for Phases B–E with similar phased targets as set out in 4.18 above.
- In addition to the TTRP, the Project will deliver additional regeneration benefits such as supporting local charities, a variety of community and school engagement ranging from school assemblies, investigate the provision of a handy man service for decanting tenants through ENGIE’s supply chain, home energy advice including an advice booklet, safety talks and volunteering opportunities through the GIFT day (Get Involved Find Time) – this can be on a local community or charity project.

4.21 NTWP Update and Achievement

- 4.22 All Phase A tenants (19) and owner occupiers (3) were successfully decanted and now live in their new forever home off the Project Area or await the completion of their new home within the Project area.
- 4.23 In total the Council have decanted eighty-one (81) out of the one hundred and sixty-two (162) tenants. Of these tenants, seventy-seven (77) tenants have moved to their forever home off the Project Area. This is a higher number of tenants choosing to move away from the Project Area than originally anticipated.
- 4.24 To date, 13 of the 22 private homes within the Project Area have now been purchased and negotiations are on-going for a further 3 properties.
- 4.25 All Phase A properties have been demolished and the site has been levelled and fenced.
- 4.26 The demolition contractor, L A Moore had their Considerate Constructors Scheme audit on 13th August 2020 and the auditor was impressed with the state of the site, the works and the continued communication with the community from the Council and awarded a score of 44/50 with scores of 8 or 9 in each of the five categories indicating ‘excellent’ or ‘exceptional’ performance.
- 4.27 During the demolition all of the windows and timber removed from the site has been recycled and 98% of the construction and demolition waste has been diverted from

landfill and the crushed hard-core will be re-used by the new development.

- 4.28 Twenty-seven (27) vacant homes in Phases C-E have received void works and have been used for non-complex homeless families. The use of the properties for homeless families has been particularly beneficial to the families and Council during the Covid lockdown period. The properties will continue to be used for temporary lettings via a licence until they are required for demolition or for those tenants in Phase E whose homes are being refurbished. This approach has also reduced the rent loss for these homes as their phase awaits development.
- 4.29 ENGIE has been appointed the main contractor for Phase A and subject to performance against set Key Performance Indicators, will also deliver later phases within the Project.
- 4.30 The Council and ENGIE have agreed the works costs for Phase A through the use of a Pre-Contract Services Agreement (PCSA) and the PCSA is also supporting the detailed planning Reserved Matters application.
- 4.31 Various surveys and investigations are currently being completed to inform the Reserved Matters submissions and the architect is currently preparing the draft drawings in readiness for review by the Implementation Working Group and public consultation in Spring 2021.
- 4.32 The Implementation Working Group (IWG) which is a resident group, continues to meet monthly with the Council to review the progress of the Project and provide feedback to the Project Team to help shape the way the Project is delivered and maximising the positive impact upon the community and promote community initiatives.
- 4.33 The Project was awarded Commended by the Royal Town Planning Institute under the category 'Excellence in Other Planning Work (Community Involvement Schemes)' in November 2019.
- 4.34 The Project was been shortlisted in the Michelmores Award for 'Masterplanning for the Future' award November 2020.
- 4.35 During the Covid 19 lockdown, Ivor Goodsites worksheets were shared via the NTWP Facebook page to tenants and local schools for children to learn about site safety by completing fun quizzes.
- 4.36 The Project is currently in five phases, A–E and delegation to the Director of Housing and Communities and the Portfolio Holder for Housing is requested to ensure timely decanting of Phases E, C and D. Table 4 (4.37) is an indicative timeline for the five phases, however once the sequence of refurbishment is known Phase E will be sub divided into smaller phases to allow timely decanting in line with the required refurbishment sequence. Phases C and D could also be sub divided if it would support residents with greater clarity of when their home will be required and greater opportunity to find a home of their choice through Homefinder Somerset. Please note as early phases are built out it will be easier for tenants in later phases to move only once to a new home within the scheme.
- 4.37 The refurbishment of Phase E will run along-side phases A-C which will help create some time efficiencies. A number of owner occupiers in Phase E have invested in the structure of their home but for others there is an opportunity to consider investing in

their homes and adopt the Council’s specification. For low income households access is available to Lendology (previously Wessex Resolutions CIC) financial assistance and the Council is being asked to consider a top up equity loan for low income households as part of the revision to the Private Sector Renewal policy at Full Council on 1st December.

4.38 Table 4: Indicative Timeline by Phases

Phase	Number of units	Date of Decanting Priority	Start on site (inc demolition)	Estimated Practical completion
A	47	Complete	February 2020 – Hoarding March – June 2020 surveys, inspections, disconnections and stripping out July 2020 - demolition	Summer 2022
B	31	December 2020	January 2022	October 2023
C	80	October 2021 (potential sub phases)	November 2022	September 2025
D	69	January 2024	February 2025	November 2027
E	27	Phased Comprehensive Refurbishment	September 2021	*November 2025

**Refurbishment could run into Phase D timeline depending on the number of owner occupiers who wish to participate.*

**The community facility is being built as part of phase A.*

5. **Links to Corporate Strategy**

- 5.1 The scheme compliments the Council’s Corporate Strategy 2020 - 2024 - Homes and Communities – to offer a choice of good quality homes for our residents, whatever their age and income, in communities where support is available for those in need.
- 5.2 The Project significantly increases the number of affordable and social homes in Taunton and will be built by the Council including a range of housing types to cater for single person, family, vulnerable and elderly households.
- 5.3 The Project compliments that strategy objectives within the Housing Revenue Account Business Plan 2020-2050 objectives:
- 5.4 **Providing Quality Homes.** We are committed to investing in our existing homes to deliver good quality of life for residents and value for the money spent, and to developing new homes that meet local needs.

- 5.5 **Supporting the most vulnerable.** We are committed to letting homes to people who have the fewest housing options, and will provide additional support that helps people who are older, disabled, or socially excluded to live comfortably in their Council-owned home.
- 5.6 **Better Service.** We are customer and community focused and are committed to improving our services in line with what our residents have said matters to them. Our approach will support people to move through our social housing provision to cater for their changing needs and aspirations over time.
- 5.7 **A Stronger Business.** We will prioritise efficiency to support delivery of our social priorities and objectives. It sets out how we will improve our business practices, drive out value for money and pursue new activities.
- 5.8 Engaging and listening to our residents has been the primary driver and embedded in the Project principles established at the initiation of this project. The key Project principles are:-
- 5.8.1 Existing SWT residents within the scheme will be given the opportunity to remain on a social rent level.
- 5.8.2 Existing SWT residents within the scheme will be supported to downsize through the scheme design but retain the right to return to an equivalent size property within the new scheme.
- 5.8.3 The Project is underpinned by the SWT development aspirations and provide new, high quality and energy efficient homes.
- 5.8.4 The new development compliments The Vision for Taunton as a Garden Town, specifically the themes:
- 5.8.5 Growing our town greener – quality of the environment. The scheme incorporates green spaces and play spaces and provides more street trees.
- 5.8.6 Growing Quality Places – quality of our places and neighbourhoods. The design of the scheme focuses on places and spaces with high quality homes, green streets and public spaces. The homes will be energy efficient and aim to incorporate sustainable technologies.

5.9 Unitary Authority Considerations

- 5.10 The Report has reflected on the potential consequences of the impact of unitary authority status when considering its recommendations. The following statements provide comfort that the recommendations of the Report are appropriate:
- The increased supply of affordable housing is a district priority and a Somerset wide priority. This is evidenced in the Somerset wide Housing Strategy and through the demand recorded through the Somerset wide Homefinder Somerset lettings system.
 - The HRA Business Plan is a thirty (30) year Business Plan approved in February and set out an ambition to build homes to increase the supply of affordable homes in the district and in the county. The HRA Business Plan is ring fenced and therefore applies HRA rules and the Council's HRA Business Plan discipline.

- The four District authorities have different structures to manage their housing responsibilities including stock transfer organisations, ALMO and SWT has retained its stock. It is difficult at this moment to make assumptions of how a unitary authority(s) would manage its housing duties or the emphasis it would place on new development. We therefore consider the Business Plan is a relevant guide to support the Council's decision making.
- All authorities within the unitary proposal are subject to the government climate change policies and targets including net carbon zero by 2050.

6. Finance / Resource Implications

- 6.1 Members are being asked to approve the capital budget for the remaining costs to complete the delivery of 227 new homes built to low carbon standards in excess of building regulations, a community facility and costs associated with regeneration activity such as resident engagement, decanting, site clearance, security and customer support. This scheme will support the aspiration to deliver new homes into the community over the next 30 years as per the approved HRA 2020 Business Plan.
- 6.2 This is a very complex regeneration scheme requiring substantial investment to rebuild some of the Council's worst performing Woolaway homes in one of the most socially deprived areas in our County.
- 6.3 In order to assess the affordability and viability of the NTWP scheme as a whole, a number of key variables have had to be considered and assumptions made based on information available at this point in time. Confidential Appendix A provides a detailed narrative and outcome of the thorough investment appraisal undertaken.
- 6.4 The business plan is also being reviewed on a continuing basis as new information comes to light (e.g. new inflation and borrowing rates) and further independent professional advice has been received to provide further assurance that the schemes currently being proposed, collectively are deliverable and contribute positively to the overall 30 year business plan.
- 6.5 All new build properties (Phase A-D) will be set at affordable rents 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 rates. However, all NTWP SWT secure tenants who lived within the NTWP (Phases A-D) at February 2019, when the Council made its decision to regenerate the neighbourhood, will have their rents capped at the equivalent social rent if being rehoused in the new NTWP development. These rents will remain with the tenant as long as they retain their tenancy. No current NTWP SWT tenant will be required to pay above the equivalent social rent and service charge for their home in line with the like for like offer made to tenants by the Council.

7. Legal implications

- 7.1 Statutory Home Loss and Disturbance Payments will be made in line with legislative guidance and the North Taunton Woolaway Decant Policy. As properties are anticipated to be purchased under, or 'under the threat of' the exercise of Compulsory Purchase Order (CPO) powers there is scope for utilisation of the HMG guidance on compensation payments.
- 7.2 Whilst the Council intends to work closely with each household and seek agreement to achieve vacant possession in the event an acceptable agreement cannot be sought,

the Council approved in February 2019 the principle to utilise Compulsory Purchase Powers should vacant possession not progress. The CPO will be delegated to Executive in the event this is required.

- 7.3 If vacant possession cannot be provided to a contractor by the long stop date in the build contract, the Council will be at risk of litigation for specific performance under the contract and this will potentially have associated financial implications.
- 7.4 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.

8. Climate and Sustainability Implications

- 8.1 New build homes will be constructed to Part L of the Building Regulations which will substantially improve the thermal performance of the dwellings compared to the existing dwellings. Some dwellings currently have EPC ratings as low as band E.
- 8.2 The external wall construction will be upgraded and windows replaced to the refurbished homes which will increase the insulation, upping their fabric energy efficiency and improving the environmental performance of the dwellings.
- 8.3 A series of renewable heat and energy options are being considered including Air Source Heat Pumps, PV and batteries. However the current specification includes gas central heating and a change to renewable heat would require consultation with tenants seeking to remain on the estate.
- 8.4 Phases B–E already include the provision of electric vehicle charging points. However, the development is seeking to increase the provision by taking advantage of SWT funding for electric vehicle charging points available as part of the Council's Climate Change Action Plan.
- 8.5 The new development has been designed to take advantage of biodiversity opportunities in the neighbourhood such as planting trees and creating a new public open space.
- 8.6 The Project has enabled the Council to embrace and design a new garden community to incorporate the Garden Town Principles and safeguard the natural environment, providing areas of planting and open space whilst ensuring residents have access to suitable homes and facilities.
- 8.7 More energy efficient central heating will be installed to both the refurbished and new build dwellings.
- 8.8 Energy efficient lighting can be installed in the refurbished and new build dwellings and water saving sanitary ware such as aerating taps and dual flush water cisterns will reduce the water consumption.
- 8.9 Progressing the Reserved Matters for Phases B–E will provide the Council with a further opportunity to review the plans to consider the impact of climate change and explore modern methods of construction and further built environment energy efficiency initiatives.

- 8.10 This scheme falls within the water catchment area of the Somerset Levels and Moors Ramsar Site. A significant issue has arisen in relation to the consideration required by the Local Planning Authority (LPA) as to whether schemes will give rise to additional phosphates within the catchment.
- 8.11 The NTWP scheme is within the water catchment area and advice is being sought from the LPA as to the steps the developer (SWT) must take to gain planning approval. It appears likely that there will be a need to establish, through expert opinion, if the scheme will give rise to additional phosphates within the area and therefore some studies will need to take place possibly through the undertaking of a Habitats Regulations Assessment.
- 8.12 The assessment will establish if the development will give rise to additional phosphates and, if so, propose a compensation strategy as part of the scheme to offset the increase so as to avoid either permanent or temporary increases in phosphate loads to the designated site. The requirement will be for the development to be phosphate neutral.
- 8.13 The ultimate risks to the scheme of not resolving this matter to the satisfaction of the LPA is for the scheme to fail to gain planning permission. The requirement for additional studies and mitigation will add expense and time to the scheme, potentially challenging the scheme viability or require the scheme to compromise on design quality or outcomes. It is understood that SWT is working as LPA and competent authority to make arrangements for strategic compensation. This strategic solution may allow developers including SWT to manage any compensation efficiently

9. **Safeguarding and/or Community Safety Implications**

- 9.1 Through the design of the Project, tenants and residents will feel safe in the public realm and feelings of safety and security in the home due to the adoption of crime prevention measures in the new development.
- 9.2 Consultation with Police and other statutory authorities has already been undertaken as part of the planning application process. No implications arose thanks to the meticulous design and resident consultation that was undertaken to achieve planning permission.

10. **Equality and Diversity Implications**

- 10.1 An initial Equality Impact Assessment (EIA) was previously provided in February 2019. This will be reviewed by January 2021. An Equality and Diversity Impact Assessment is also being prepared to clarify the benefits of the councils HRA new build programme in its entirety.
- 10.2 The quality of the new housing being provided will help create and encourage better living environments for everyone. As a consequence, it is expected the health outcomes for the area will be improved as well as opportunities for reaching better educational outcomes for households.
- 10.3 The community space and open space will be accessible for all groups in the community reflecting the diversity of the local population, helping to bring people together and foster good relations between different groups.

11. **Social Value Implications**

- 11.1 The resident consultation phase of the Project has delivered social value through providing the opportunity for residents to be actively involved in the scheme design process and provide valued and informed contributions.
- 11.2 The Design Working Group comprised of a group of local residents with no development experience, the Design Group process provided the individuals with the necessary skills to comment and critique the scheme designs and house types in an informed manner. This has led to a deeper appreciation of the environment they live in.
- 11.3 A volunteer from the Implementation Working Group accompanied the Project Team during inspections of the refurbished void properties to be used as temporary decant homes and received Health & Safety training.
- 11.4 A volunteer from the Implementation Working Group was included in the Moderation Panel for the selection of the preferred Contractor for the Project.
- 11.5 LA Moore as part of the social value element of their demolition contract decorated the exterior of the Priorswood Community Centre after the property was damaged by fire.
- 11.6 Social Value formed part of the selection criteria for the procurement of Phase A main contractor and for future phases. Details of the minimum social value benefits to be delivered by this Project are set out in Section 4.16, these initiatives will be regularly reviewed and where possible, exceeded.

12. **Partnership Implications**

- 12.1 Any Project opportunities for partnership working with different organisations and agencies that enhance the benefits of the scheme will be explored as they arise. For example, NHS Talking Therapies and MIND have worked in partnership with us to provide a local presence for resident mental health and well-being. This has improved our tenant access to services, enabling them to receive support that they might not have otherwise accessed if not for the regeneration of the scheme.

13. **Health and Wellbeing Implications**

- 13.1 The Project as a whole has been designed to Nationally Described Space Standards to ensure properties are future-proofed and residents can benefit from some of the principles of lifetime homes and will contribute to the improve health and wellbeing of the residents.
- 13.2 Phase A includes a new community building to provide a focal point for local people to meet and enhance community spirit and interactions.
- 13.3 The Reserved Matters submission for Phases B–E will include the provision of public open space for community use. Options for this space will form part of the consultation process to assess the aspirations and community need for this space.

14. **Asset Management Implications**

- 14.1 The Housing (HRA) Asset Management Strategy 2016 reflects the challenges the Council faces and improving its focus on value for money for the Council and for our residents:

14.1.1 To promote sustainable local communities through coordinated capital investment and housing management.

14.1.2 To work closely with residents to ensure that their homes meet their needs and aspirations.

14.1.3 To invest in stock, to achieve good quality and environmental standards and to ensure that all statutory obligations are met.

14.1.4 To ensure that stock secures and strengthens the financial viability of the business plan and safeguards its long term future and the income stream it generates.

14.1.5 Deliver Value for Money through targeting investment where it will have the best financial and social return.

14.1.6 To carry out options appraisals on stock that does not meet the above criteria, exploring the widest range of alternative options to improve outcomes for residents and for our Business Plan.

14.1.7 To deliver investment programmes in an effective way, achieving agreed quality and value for money.

14.2 Through the evaluation, the asset management model identified 4% of the total stock with an average Net Present Value which is negative. These were exclusively for the Council's Woolaway constructed properties, reflecting the anticipated need for major works to these properties in the medium term.

14.3 The HRA Asset Strategy 2016 recognised the Woolaway house type as the Council's lowest performing stock with a limited life expectancy and high future maintenance costs. Unless action is taken to address the structural defects, the properties will continue to deteriorate, increasing the problems of a poorly performing dwelling.

14.4 Providing new energy efficient, affordable homes with a range of property sizes will improve the living standards for residents to create a sustainable community of high quality homes. In addition, increasing the scheme density will generate greater income and make best use of the Council's assets.

15 Data Protection Implications

15.1 All personal data is held in accordance with GDPR and Data Protection Act requirement.

16 Consultation Implications

16.1 Community Engagement and supporting the residents affected by the scheme, have been at the forefront of the Project's ethos to regenerate the area.

16.2 Officers have held 1 to 1 interviews with residents achieving approximately 90% coverage. This is in addition to attending the Implementation Working Group monthly meetings to provide updates on the progression of the scheme. The Implementation Working Group comprises a group of local residents who are affected by the Project. Further Working Groups to discuss subject specific matters such as Works and Low

Carbon, Communication, Environment and Green Space, Employment and Training and Community Facility have been set up to encourage wider public participation to ensure the community can influence the outcomes.

16.3 The Project office has been a very effective tool in breaking down barriers with the community and encouraging communication.

17 Scrutiny Comments / Recommendation(s)

17.1 The Report was reviewed by Scrutiny Committee on 11th November 2020.

The Scrutiny Committee had the following comments and questions;

When considering matters raised during the scrutiny of this paper the Committee considered that it must be kept abreast of future financial commitment in terms of the NTWP and the HRA Business plan and it has an important role to play in understanding the schemes progress, costs and risks.

17.2 The Scrutiny Committee questions included the following:

- Is there a separate assessment of construction price inflation carried out?
- The need for a revised Equality Impact Assessment
- Clarity on the difference between Low Carbon Measures v Zero Carbon
- Will the development be phosphate neutral?
- Social or affordable rents to be modelled at 60%, 70% as well as 80% of market rents
- What is split of affordable and social rent anticipated for these homes?
- What is the feedback from residents about how they feel about the project, design and demolition?
- Why is the council not demolishing all homes?
- Alternative viability assessment approach to inc. sale of land and capital receipt being used instead of on site delivery
- Will the council need to use CPO powers?
- Why have costs increased dramatically?
- Is there sufficient contingency in the budget?
- What is the Hectare of the site?
- Can members have a comparison of m2 for the properties being built by property type and in comparison to other council schemes and the market

17.3 The Portfolio Holder for Housing has listened carefully to the comments raised by Scrutiny Committee as noted in section 17.1 and 17.2. The Portfolio holder is recommending at 2.7 of this report that the Scrutiny Committee and Executive Committee receive a formal annual Project Review Report to ensure project oversight, monitoring of outcome delivery and tenant and community benefits, efficiency, adherence to businesses plan and value for money.

Democratic Path:

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

List of Appendices

Appendix A	CONFIDENTIAL Finance Report
Appendix B	Risk Register
Appendix C	Phase Plan
Appendix D	Images of the NWTP new development

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