

# Somerset West and Taunton Council

**Executive: 15 June 2022**

## North Taunton Woolaway Project - Vacant Possession of Site

This matter is the responsibility of Executive Councillor Member Francesca Smith

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### 1 Executive Summary / Purpose of the Report

- 1.1. To request permission from the Executive Committee to purchase two privately owned dwellings in the North Taunton Woolaway Project (the Project), if purchased this will avoid CPO activity in relation to these properties.
- 1.2. The Project will deliver two hundred and twenty-seven (227) new Council homes and comprehensively refurbish twenty-seven (27) Council homes in five (5) phases over an eight and a half (8.5) year period, a phasing plan is attached at Appendix 1.
- 1.3. 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 proposals identified in this Report will assist the progression of the remaining Phases (B–D) in a timely manner and provide certainty and security to the North Taunton Woolaway Project tenants.
- 1.4. Officers are requesting the Executive, under their delegated authority, approve the purchase of two privately owned dwelling by mutual consent to progress with the demolition and development of the Project. A confidential financial summary is included at Appendix 2 for the purchase of these properties.

### 2 Recommendations

- 2.1 The Executive approves the purchase of the private dwellings as set out in Confidential Appendix 2.

### 3. Risk Assessment

- 3.1 A risk assessment can be found at Confidential Appendix 3 however the main risks in relation to vacant possession are set out in Table 1 below:

**Table 1: Main Scheme Risks**

Risk	Score out of 25 based on	Mitigation
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	<b>probability x impact</b>	
SWT fail to achieve the purchase of the remaining privately owned dwellings in NTWP phases B, C & D	10 (probability 2 x impact 5)	To date 16 of the 22 privately owned properties have been purchased and 2 properties are in final stages of negotiation. SWT provides an enhanced offer to owners to encourage purchase by mutual consent, the Council have introduced an equity share loan removing barriers to owners purchasing an alternative home from the market, the Council apply all statutory compensations as outlined in SWTs Decant Policy and in accordance with current legislation governing the use of Compulsory Purchase Orders under the Town and Country Planning Act 1990 (as amended) and the payment of compensation in accordance with the Land Compensation Act 1973 and the Planning and Compensation Act 1991. SWT resource the NTWP and staff are equipped to negotiate with private owners.
SWT fail to gain vacant possession of NTWP private dwellings in a timely manner.	8 (probability 2 x impact 4)	There remains two private dwellings in Phase Ci, none in Cii/Ciii and 4 in Phase D. SWT encourages negotiation with private owners at any time regardless of phase. The CPO allows a parallel approach to gain vacant possession.

#### **4. Background and Full details of the Report**

- 4.1 In February 2019 the Shadow Full Council approved the redevelopment of the North Taunton Woolaway Project area and approved the principle of using Compulsory Purchase Powers set out in Section 17 of the Housing Act 1985, should vacant possession not progress to acquire the properties under the regeneration initiative detailed in the Report.
- 4.2 In December 2021 the Full Council approved the use of Compulsory Purchase Powers set out in Section 17 of the Housing Act 1985 to be used in parallel with continued negotiations with private owners to try and agree a purchase by mutual consent.
- 4.3 The existing site comprises of 212 Woolaway homes of which the Council retain ownership of 162 and 45 have been purchased through the Right to Buy and are now in private ownership.
- 4.4 In total the Council have decanted one hundred and four (106) out of the one hundred and sixty- seven (167) tenants and purchased sixteen (16) of the twenty-two (22) private homes within the Project area. A breakdown of the properties is set out below in Table 2:

**Table 2: Tenure of North Taunton Woolaway Project Area**

<b>Phase</b>	<b>No. of Existing homes</b>	<b>No. of Tenants</b>	<b>No. of Private Home</b>	<b>No of Private homes left to purchase</b>
Phase A	26	23	3	0
Phase B	22	21	1	0
Phase Ci	16	12	4	2
Phase Cii	18	17	1	0
Phase Ciii	22	20	2	0
Phase D	58	47	11	4
<b>TOTAL</b>	<b>162</b>	<b>140</b>	<b>22</b>	<b>6</b>
<b>REFURBISHMENT ONLY</b>				
Phase E –	50	27	23	0 – none to purchase
<b>TOTAL</b>	<b>212</b>	<b>167</b>	<b>45</b>	<b>6</b>

- 4.5 Detailed planning permission for Phase A has been granted and construction is underway with practical completion estimated as June 2023. The Council's Planning Committee has resolved to grant outline planning permission for Phases B–E (in March 2019 and again in November 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 65 affordable Council homes.
- 4.6 The Outline Planning Permission for the redevelopment of Phase B – E is being held pending phosphates mitigation. In the meantime, a full detailed planning application has been submitted for Phase B – D to ensure the development is not affected by the current phosphate mitigation delays as there is no increase in housing numbers, we are currently awaiting the planning decision. Planning permission has been granted for the refurbishment of SWT properties in Phase E.
- 4.7 The purchase of a private dwellings within Phase C(i) and D have been agreed and details contained in confidential Appendix 2. The detail is confidential under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, namely information relating to the financial or business affairs of any particular person (including the authority holding that information). The purchase of this property is strategic to the regeneration scheme. The other alternative would be purchase using a Compulsory Purchase Order but this would have an adverse effect on the Project due to the timescales involved. Further, the owner is willing to sell which would mean the use of CPO powers would not be a last resort (one of the requirements of guidance on the use of CPO powers). The budget for purchasing private properties within phases B-D was agreed by Council 3<sup>rd</sup> December 2019 and 3<sup>rd</sup> December 2020.
- 4.8 **NTWP Update**

- 4.9 ENGIE (now EQUANS) are the appointed Contractor for the development of Phase A. From the 4<sup>th</sup> April 2022 ENGIE will be known as Equans. ENGIE created Equans as its new brand for service-led activity and brings together ENGIE's UK and Ireland. The same staff will continue to deliver the Project.
- 4.10 The programme for Phase A has been extended by 2 weeks due to delays by Highways in obtaining road closures but is still forecast to complete in June 2023. All the foundations have been poured for this Phase. The schemes first roof trusses have been stood and floor joists installed.
- 4.11 On 6<sup>th</sup> April 2022, Equans had their second visit from the Considerate Contractors Scheme and scored 45 out of 45 (Excellent Rating) stating it is a fully compliant site. The Considerate Contractors Scheme (CCS) is a not for profit, independent organisation founded to raise standards in the construction industry. Organisations registered with the CCS make a commitment to conform to the Code of Considerate Practice. Through consideration to community engagement, the environment and workforce wellbeing they strive to improve the impact of the construction industry and leave a positive legacy through the implementation of best practice.

## 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 Council's Housing Revenue Account Business Plan sets out the financial model for the Housing Service over a 30 year period. The Council has agreed a number of priorities in its updated Housing Revenue Account (HRA) Business Plan 2020-2050, which are included in the vision statement "*Great Homes for Local Communities*" that accompanies the business plan ('the **Action Plan**'). Its overarching mission statement is: "*Our homes will be safe and secure and we will build many more in which our tenants will thrive. To do this we will develop a great team to provide excellent and modern services...*" The Project compliments these strategy objectives:
- 5.4 **Deliver more new homes** – including a commitment that the Council will deliver 1000 new homes over the next 30 years; build new homes that help combat climate change; and implement exemplar regeneration in North Taunton (including the Scheme). The Action Plan also explains that when having their community regenerated, customers will have the opportunity to relocate or move back into new homes that will be more comfortable and cheaper to run.
- 5.5 **Provide great customer service** – the Council is committed to ensuring that the voices of their customers are heard and they influence the services offered, and also to improving how customers are kept up to date on what is happening.
- 5.6 **Improve our existing homes and neighbourhoods** – the Council will continue to invest in the safety of its homes, investigate ways to increase investment in the energy

efficiency of its stock, and look after the Council's estates. This will mean customers can expect: to live in good quality homes where they feel safe, warm, and secure and where they can thrive; that their communities can be attractive places to live, work and stay; and to live in homes that are cheaper to run and that reduce environmental impacts.

5.7 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:-

5.7.1 Existing SWT residents within the scheme will be given the opportunity to remain on a social rent level.

5.7.2 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.

5.7.3 The Project is underpinned by the SWT development aspirations and provide new, high quality and energy efficient homes.

5.7.4 The new development compliments The Vision for Taunton as a Garden Town, specifically the themes:

5.7.5 Growing our town greener – quality of the environment. The scheme incorporates green spaces and play spaces and provides more street trees.

5.7.6 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.

## 6. **Unitary Authority Considerations**

6.1 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.

## **7. Finance / Resource Implications**

- 7.1 Please see Confidential Appendix 2 regarding the purchase of the two private properties. The financial implications set out in Appendix 2 will be met from the current approved budgets.
- 7.2 The cost of staff time will be met from existing resources or charged to the capital scheme as appropriate.

## **8. Legal implications**

- 8.1 Statutory Home Loss and Disturbance Payments will be made in line with legislative guidance and the North Taunton Woolway Decant Policy. As properties are anticipated to be purchased under, or 'under the threat of' the exercise of CPO powers there is scope for utilisation of the HMG guidance on compensation payments.
- 8.2 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 contingency of the CPO is available and is currently proceeding in parallel with the negotiations.
- 8.3 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.
- 8.4 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.

## **9. Climate and Sustainability Implications**

- 9.1 New build homes will be constructed to a minimum of Part L of the Building Regulations which will substantially improve the thermal performance of the dwellings compared to the existing dwellings. In addition, the contracted specification for phase A has increased insulation, air tightness and reduced cold bridging. The units will also have Air Source Heat Pumps, PV, Batteries, and water reduction measures. The properties will have no gas and are zero carbon 2050 ready. The carbon and fuel efficiency is 12 times better than the Woolway homes being demolished. On the first let carbon saving and tenant fuel costs are anticipated to be 70%-80% less than current Woolway homes.
- 9.2 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.
- 9.3 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.

- 9.4 Phosphates and housing development within the hydrological catchment of the Somerset Levels and Moors Ramsar Site - This scheme falls within the water catchment area of the Somerset Levels and Moors Ramsar Site. The new planning application for Phases B, C and demolition of Phase D assumes a mitigation strategy is not required. However, a mitigation strategy is required to build homes in phase D and the HRA and Council are exploring options for mitigation. Phase D planning permission is not required until 2025 which allows significant time for a phosphate mitigation strategy to be agreed.

## **10. Safeguarding and/or Community Safety Implications**

- 10.1 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.
- 10.2 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.

## **11 Equality and Diversity Implications**

- 11.1 An Equality Impact Assessment was first undertaken in relation to the regeneration of the Project in February 2019. That assessment concluded that there would either be a positive or neutral effect on any protected groups.
- 11.2 An Equality Impact Assessment ("EIA") was undertaken in October 2021 to assess the impact on any protected groups of the making of a Compulsory Purchase Order and implementation of the Development, in line with the Equality Act 2010 (Appendix 4). The assessment concludes that there would either be a positive or neutral effect on any protected groups.
- 11.3 The public sector equalities duty is a continuing duty and the impacts on any protected groups will be kept under review should any new information come to light or circumstances change.

## **12 Social Value Implications**

- 12.1 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.
- 12.2 Social Value formed part of the selection criteria for the procurement of Phase A main contractor and for future phases.

## **13 Partnership Implications**

- 13.1 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.

#### **14 Health and Wellbeing Implications**

- 14.1 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.
- 14.2 Phase A includes a new community building to provide a focal point for local people to meet and enhance community spirit and interactions.
- 14.3 The new detailed Planning Application for Phases B–D illustrates the provision of public open space for community use which has been informed by public consultation.

#### **15 Asset Management Implications**

- 15.1 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:
- 15.1.1 To promote sustainable local communities through coordinated capital investment and housing management.
  - 15.1.2 To work closely with residents to ensure that their homes meet their needs and aspirations.
  - 15.1.3 To invest in stock, to achieve good quality and environmental standards and to ensure that all statutory obligations are met.
  - 15.1.4 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.
  - 15.1.5 Deliver Value for Money through targeting investment where it will have the best financial and social return.
  - 15.1.6 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.
  - 15.1.7 To deliver investment programmes in an effective way, achieving agreed quality and value for money.
- 15.2 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.

- 15.3 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.
- 15.4 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 requirements.

## 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 Home owners have been consulted regarding the new detailed planning application for Phases B – D. Negotiations will continue with the remaining home owners to agree terms throughout the CPO process.

## 17 Scrutiny Comments / Recommendation(s)

- 17.1 Nothing to report.

### Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – Yes / No** (delete as appropriate)
- **Cabinet/Executive – Yes / No** (delete as appropriate)
- **Full Council – Yes / No** (delete as appropriate)

### Reporting Frequency: Once only

### List of Appendices (delete if not applicable)

Appendix 1	Phasing Plan for NTWP
Appendix 2	<b>CONFIDENTIAL</b> Purchase of private residential property
Appendix 3	<b>CONFIDENTIAL</b> Risk Assessment
Appendix 4	Equality Impact Assessment October 2021

## Contact Officers

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