

Executive – 6 November 2008

TOTNES SOUTHERN AREA SCHEME – Improving the Eco-credentials of the Development - Heath Way West Solar Panels

Report of Strategic Director (Community)

Statutory Powers: Local Government Act 2000

Financial Implications: If Members approve the recommendation as set out in the report, there will be a cost of £22,500 which it is currently estimated can be funded from the anticipated income the Council is likely to secure from the overage provisions contained within the land sale.

Purpose

This report sets out proposals to further enhance the sustainability standards of the 10 dwellings at Heath Way West, currently being constructed in the Totnes Southern Area (TSA). The developer, Midas Homes, is already required to meet Eco Homes Excellent standard for the development and this current proposal would further improve the scheme's sustainability credentials by the installation of renewable energy sources.

This report supports the Council's CP3 and CP4 priorities relating to the environment and the cross-cutting commitment to reducing climate change.

Recommendations

That Executive RECOMMENDS to Council that £22,500 from the capital receipt for the Totnes Southern Area development is allocated to fund improved sustainability standards as set out in this report.

Background

1. Members will be aware that the TSA development is well underway and is going to deliver 53 residential units, of which 26 are affordable for rent or shared ownership. Midas Homes are the developer and are working closely with the Council and our architects, Harrison Sutton, to ensure that the scheme meets the expectations of all those that have been involved.
2. To remind Members, the Council set several key criteria for success when working on the project and these were:
 - a. The capital receipt from the scheme must not be less than £1m
 - b. The amount of affordable housing on the site must be maximised
 - c. To minimise the loss of car parking for public use
 - d. To deliver a comprehensive development scheme which is complimentary to the high quality character of Totnes.

3. In addition, there was a clear requirement from the community, through Design Our Space (DOS), that the opportunities for use of open space in the area should be maximised.
4. Whilst the requirement for sustainability was not specifically articulated in the key criteria for success, it was recognised that this should be pursued in some way in relation to the scheme as there was a clear message from the community that this is an important and growing issue. As a result, Harrison Sutton recommended that achievement of the Eco Homes Excellent standard was made a requirement of the successful bidder for the development. This had the advantage of being a quantifiable measure which the developers could assess themselves and fully incorporate in their bid proposals.
5. Midas Homes, as the successful bidder, have a contractual requirement to achieve Eco Homes Excellent. Eco Homes is a wide assessment of the sustainability of a development looking at a range of issues including energy consumption, insulation, materials, public transport links and many other associated matters.
6. The construction methods and materials used by Midas Homes achieved the Eco Homes Excellent standard and provided an insulation standard which exceeds those required under the current Building Regulations.
7. A report to Executive on the 6 September 2007 approved that £32,800 from the capital receipt for the Totnes Southern Area development was allocated to help fund enhanced levels of insulation across the development, in conjunction with similar contributions from both Midas Homes and Sovereign Housing Association.

Current Issue

8. In an endeavour to deliver even greater levels of sustainability Midas Homes had been proposing to install twin coil hot water cylinders in the 10 town houses on Heath Way West. The purpose of this was to give purchasers the option of fitting solar panels on the roof of their house which could then be directly connected to the twin coil hot water cylinders provided. It had been understood that these cylinders would operate normally when connected to the boilers installed in the houses and that retro fitted solar panels could be used if required. Unfortunately, this has not proved to be the case and the cylinders will only operate correctly if the solar panels are connected from the start.
9. Midas Homes have undertaken extensive research to try and find a suitable solution to this issue, but have concluded that the solar panels must be fitted now (during the current phase of the development) or replaced by traditional cylinders which will not provide the future options for solar panels. The cost of fitting solar panels is £4,500 per unit giving a total cost for the 10 houses of £45,000.
10. Midas Homes would like to fit the solar panels but, particularly in the current economic climate, are not able to fully fund these. Unfortunately, the installation will not result in a higher sales value for the units and therefore the additional cost cannot be recovered in that way. It has been suggested that if Midas Homes was able to fund 50% of the additional cost and South Hams Council covered the balance then Midas Homes could go ahead with the installation. If this is not possible then Midas

Homes will unfortunately revert to the use of standard hot water tanks in the properties.

11. The solar panels will not directly enhance the sales values of the properties, but may well assist with marketability and therefore help to sell the units more quickly than would otherwise be the case, particularly in this very difficult market. Clearly, this would be a benefit to both South Hams Council and Midas Homes in terms of securing respective receipts from the sales of the properties sooner. It is important to note that this proposal only relates to the market housing to the west of Leechwell Lane and not the affordable housing.
12. Midas Homes are currently progressing this phase of the development, and have requested an urgent decision. In the absence of a decision the company will use a conventional approach.

Value for Money

13. The Council has invested in the region of £1m assembling the TSA site which Members wished to ensure would be recovered through the development. The proposal for the installation of renewable energy sources to improve sustainability measures will not impact on this position.

Strategic Risk Assessment

14. There are a number of risks related to this proposal as set out in the table below:

Opportunity	Issues / Obstacles:	Benefits:
Introduction of renewable energy sources	<ul style="list-style-type: none"> • Additional costs are not covered by extra income from the scheme • Failure to fund the enhanced sustainability standards could be seen by the community as the Council not taking issues of sustainability and climate change seriously 	<ul style="list-style-type: none"> • Supports the Council's commitment to reducing climate change • Aligns with the Council's current engagement on the Carbon Trust's carbon reduction programme.

Conclusion

15. This report sets out the opportunity for the Council to secure enhanced standards of sustainability within the Totnes Southern Area which will reduce consumption of fossil fuels and energy costs. This will also indicate the Council's commitment to the sustainability agenda in terms of the use of its own assets.