

## RECORD OF EXECUTIVE DECISION

Tuesday, 13 November 2012

**Decision No:** (CAB 12/13 9155)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	CABINET MEMBER FOR HOUSING AND LEISURE SERVICES
SUBJECT:	TOWNHILL PARK REGENERATION FRAMEWORK - SCHEME APPROVAL FOR PHASE 1
AUTHOR:	Sue Jones

### THE DECISION

Cabinet are recommended:

(i) To approve the vision and themes of the Townhill Park Regeneration Framework based on the modified Central Park option, as set out in this paper, and to delegate authority to the Director of Environment and Economy to finalise the Townhill Park Regeneration Framework following consultation with Head of Finance and IT (CFO) and the Cabinet Member for Housing and Leisure and Leader of the Council.

Note: A number of proposals contained in the Framework documents require further study and consultation and these studies and consultation may necessitate some changes to be made to the Framework, approval as delegated above.

(ii) To approve in principle the redevelopment of Townhill Park in three phases with the following zones in each phase:

- Phase 1 comprising zones 1, 33, and 34
- Phase 2 comprising zones 9, 11 (redevelopment), 12, 19, 20, 27 and 28
- Phase 3 comprising zones 3, 14, 17, 24, 29, 30, and 25

including additional associated open space and highways improvements incorporated in the proposals and to delegate authority to the Director of Environment and Economy, following consultation with the Head of Finance and IT (CFO) and the Cabinet Member for Housing and Leisure to amend Phases, to move or amend zones within phases, to decide the extent of improvements and when to implement the additional open spaces and highways improvements incorporated in the proposals.

Note In the August 2012 Cabinet paper Zone 33 was proposed in Phase 1 and Zone 25 in Phase 3. In this paper Site 35 is removed from Phase 1

The public consultation on Phase 1 has been carried out and is reported as part of this Cabinet paper.

- (iii) To note that the wider consultation with residents has also taken place including consultation on the proposed new road link to Cornwall Road and is reported as part of this Cabinet paper.
- (iv) To delegate authority to serve Initial Demolition Notices on secure tenants under the provisions of the Housing Acts 1985, as appropriate on all 3

Phases properties of the proposed redevelopment to the Director of Environment and Economy following consultation with the Cabinet Member for Housing and Leisure, the Head of Legal, HR and Democratic Services and the Head of Finance and IT (CFO).

- (v) To implement the adopted Decant Policy in relation to Phase 1, and to delegate authority to the Senior Manager Property and Procurement to negotiate and acquire by agreement any legal interests or rights held in respect of the properties in Phases 1, 2 and 3, not held by the Council, using such acquisition powers as the Head of Legal HR and Democratic Services advises. In each case subject to confirmation from Capita, acting as independent valuers, that the price represents the appropriate Market Value.
- (vi) To delegate authority to the Director for Environment and Economy, following consultation with the Head of Finance and IT (CFO), the Head of Legal HR and Democratic Services, and the Senior Manager Property and Procurement and Cabinet Member for Housing and Leisure to:
  - a) Produce, finalise and approve the range of documents necessary for the delivery of Phase 1 including as required; a Development/Contractor Brief, planning application, tender specifications and associated employer's requirements for Phase 1.
  - b) To decide and undertake the appropriate procurement route and the appropriate development model for the Council under the prevailing circumstances in order to enable, subject to Cabinet approval, to entry into appropriate Development Agreements/contracts to deliver Phase 1 in accordance with the Council's Contract Procedure Rules to deliver Phase 1
- vii) To report back to Cabinet the outcome of the procurement activity referred to in vi) b) above, as appropriate, and to seek further authority from Cabinet to appoint a preferred bidder(s) based upon the results of that procurement activity and to seek consent to any required land disposal within Phase 1 and/or to seek approval to appointment of a developer/contractors under an appropriate development or construction agreement.
- viii) To agree to recommend to Council that that the HRA capital programme will fund the site preparation costs set out in this report, currently estimated at £11.8M, and:
  - a) To recommend that Council approve a virement of £10.5M from the uncommitted provision for Estate Regeneration, which exists in the HRA capital programme and business plan, and £1.3M from the uncommitted funding for affordable housing in the Housing GF capital programme to establish a specific budget of £11.8M for the regeneration of Townhill Park, the phasing for which is set out in Appendix 1.
  - b) To recommend that Council approve, in accordance with Financial Procedure Rules, capital spending of £3.9M on site preparation costs, including the purchase of leasehold interests, for Phase 1 of the Townhill Park regeneration project, phased £0.5M in 2012/13, £2.0M in 2013/14 and £1.4M in 2014/15.
  - c) To recommend that Council approve, in accordance with Financial Procedure Rules, capital spending of up to a further £3.9M on the purchase of leasehold interests for properties in Phases 2 and 3 of the Townhill Park regeneration project, phased £0.5M in 2013/14, £0.8M in 2014/15, £1.4M in 2015/16 and £1.2M in 2016/17.
- ix) a) To approve, in accordance with Financial Procedure Rules, the addition

of a Townhill Park enabling project budget to the HRA Capital Programme, funded by Direct Revenue Financing (DRF) provisions of £200,000 within the HRA Business Plan, primarily for professional fees relating to the development agreement, the procurement process and for design and planning advice.

- b) To approve capital expenditure of up to £200,000 on enabling activities, including professional fees, phased £60,000 in 2012/13, £120,000 in 2013/14 and £20,000 in 2014/15.
- x) To note that the HRA will be required to incur further capital expenditure to acquire the 450 units of social housing at an estimated cost of £47.7M, provision for which has been included in the 30 year HRA Business Plan projections for these proposals, but with the timing dependent on the final details of the development agreement and subject to future Cabinet/Council approvals.
- xi) To note that the General Fund capital programme will be required to fund highways infrastructure, and open space improvements, at an estimated cost of £2.6M with the method of funding this being agreed once the use of the Community Infrastructure Levy and the value of the GF capital receipts are known.
- xii) To agree that the preferred approach for the provision of the new social housing is for this housing to be supplied by the Council, as part of the HRA, and that this new social housing provision will be provided for letting at Affordable Rents, subject to approval from the Department for Communities and Local Government / Homes and Communities Agency.
- xiii) To agree that the following proposals in the Townhill Park Regeneration Framework will not be implemented:
  - The road connection from Townhill Park to Cornwall Road at the junction with Litchfield Road
  - The opening up of Cutbush Lane to vehicular traffic.
- xiv) To agree to recommend to Council that:
  - a) £23.9M of the 30 year HRA revenue surplus will be utilised to meet the long term revenue costs of the regeneration of Townhill Park, which includes the requirement to repay the debt on the dwellings that have been disposed of from the general HRA revenue balance as there is no net capital receipt to fund this repayment.
  - b) The General Fund capital programme will fund the highways infrastructure and open space improvements at an estimated cost of £2.6M with the method of funding this being agreed once the use of the Community Infrastructure Levy and the value of the GF capital receipts become known.

## **REASONS FOR THE DECISION**

1. Estate Regeneration is a major programme of renewal which is part of a wider commitment by the Council to deliver sustained economic growth and tackle deprivation on Southampton's Council estates. The Estate Regeneration programme has grown from the Phase 1 pilot at Hinkler Parade through to an Estate Regeneration Framework for Townhill Park, which is focused on developing a strategic approach to delivery across the

estate.

2. Redevelopment provides the opportunity to deliver improved modern local facilities to meet the needs of residents. It will also provide a mixed tenure environment and good quality accommodation, together with significant improvements in the public and private realm on site, to ensure a cohesive and sustainable community.
3. Selecting areas of the City which are the most deprived, but have the greatest potential for housing gain will also contribute to the City wide priority of economic growth, the Core Strategy target of delivering over 16,000 new homes between 2010 and 2026 and the aim to deliver more affordable housing. Regeneration will provide the opportunity to tackle some of the socio economic challenges in the area.
4. Regeneration is supported by the community and further consultations will be held as the proposals for the area develop. As the Townhill Park Master Plan proposals are implemented over a period of at least ten years there will be many further opportunities for the community to engage with the proposals as they evolve and develop through the various stages of implementation.
5. To approve the financial implications of the regeneration framework for Townhill Park so that the regeneration proposals can proceed.

#### **DETAILS OF ANY ALTERNATIVE OPTIONS**

1. The updated Housing Strategy 2011-15 and Housing Revenue Account Business Plan 2011-2041 approved by Cabinet on 4<sup>th</sup> July 2011 (and Council on 13<sup>th</sup> July 2011) confirm estate regeneration and the provision of affordable housing as a key priority for the Council.
2. This report proposes the delivery of the next projects within a programme of Estate Regeneration. The option of doing nothing would not achieve the Council's objectives of creating successful communities on our estates.
3. The option of doing nothing would result in a lack of strategic direction for the future of the area and a lost opportunity to meet the Council's objectives of economic growth.
4. The Estate Regeneration programme began with a pilot and one off sites, which has given the Council experience of regenerating housing, but is piecemeal. Taking a whole estate, as in Townhill Park, has allowed opportunities to deliver enhanced impact, which are not possible with a site by site approach.
5. Furthermore there has been considerable community consultation with local tenants and residents at Townhill Park, as part of the development of the regeneration framework, which has raised community hopes and expectations.
6. The option of not approving the financial contributions to meet the cost of delivering the regeneration framework has been rejected as it would not enable the regeneration of Townhill Park to proceed.

#### **OTHER RELEVANT MATTERS CONCERNING THE DECISION**

None.

**CONFLICTS OF INTEREST**

None.

**CONFIRMED AS A TRUE RECORD**

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 13<sup>th</sup> November 2012

Decision Maker:  
The Cabinet

Proper Officer:  
Judy Cordell

**SCRUTINY**

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*