

**CALL-IN OF EXECUTIVE DECISION CAB 12/13 9155 - TOWNHILL PARK
REGENERATION FRAMEWORK - SCHEME APPROVAL FOR PHASE 1**

Contents Page

Introduction	1
Initial Notification to Residents of Townhill Park regeneration	1
Public Consultation during the development of the Townhill Park Regeneration Framework	1
Break in Consultation	3
Update Letters (June and August 2012)	4
September 2012 Consultations	4
Phase 1 Consultation s105 1985 Housing Act	7
Tenant Liaison Officer Visits	8
Details about new social homes and Affordable Rent	10
Post November Decision Correspondence	11
Response to the Post Cabinet/Council Correspondence with Residents	12
Use of Affordable Rent	15
Affordable Rent background and Government Aims	15
Welfare benefit	16
Affordability for People in Work	16
Link between Affordable Rent and Government affordable housing grant	17
Government view of allocating to Affordable Rent	17
Impact on lettings in Southampton to date	18
Feedback from Housing Associations	18
National comparison	19
Local Modelling of impact of Affordable Rent	19
Energy Charges	20
The cost of no introducing Affordable Rent	20
Impact of phasing in Affordable Rent	21
Appendix 1	22

CALL-IN OF EXECUTIVE DECISION CAB 12/13 9155 - TOWNHILL PARK REGENERATION FRAMEWORK - SCHEME APPROVAL FOR PHASE 1

Introduction

1. The 13th November 2012 Cabinet decision has been called in for examination. The reason for the call in is 'concerns about the consultation undertaken with residents and the use of affordable rents.'
2. This report sets out all the consultation that has been done to date in Townhill Park and the use of affordable rents.
3. The report sets out the consultations in chronological order. First, details are provided of the consultations that took place during the development of the regeneration framework undertaken by the consultants. Letters to residents followed and then consultations held in September 2012, with Phase 1 residents and the wider local community. This is followed by a section on the use of Affordable Rents giving both national and local information. A table of the order of events is included in Appendix 1. Copies of consultation documents have been sent to Overview Scrutiny Management Committee in a separate report.

Initial Notification to Residents of Townhill Park regeneration

4. In March 2011 an initial letter and leaflet was sent to all residents in the Townhill Park study area informing them that a team was being appointed to work with local residents on developing ideas for the improvement of the area.

Public Consultations during the development of the Townhill Park Regeneration Framework (Sept 2011 – Jan 2012)

5. During the development of the Townhill Park Regeneration Framework a series of consultations were held with residents. These were led by the consultants CBRE and Urban Initiatives and supported by officers.
6. The consultants provided a report on the consultations which formed Appendix 1 of the Townhill Park Regeneration Framework document. This document has been available since the publication of the March 2012 Cabinet report.
7. Consultation was as follows:

Date	Type of Consultation	Purpose	How Residents were informed about the consultation
17 th September 2011	Consultation Event Introducing the Process	Introduce Regeneration Framework Process, Recruit Neighbourhood Team.	Leaflets to all in the study area; the leaflet gave 3 ways of getting in touch - the event, website and direct telephone number to Project Manager. Posters were put up in all walk up blocks and shops.
4 th October 2011	Neighbourhood Team Meeting Townhill Park Vision	Brief the Neighbourhood Team on Project. Consider the type and degree of change local people would support in Townhill Park.	Letter sent to those who expressed an interest in becoming a member of the Neighbourhood Team to invite them.
29 th October 2011	Neighbourhood Team Meeting Townhill Park Challenge	Use a bespoke game board to play out and generate different options for the framework.	Direct letters of invite sent to members of the Team
10 th December 2011	Consultation Event Different Approached to Regeneration	Seek opinions on three different approaches to regeneration; <ul style="list-style-type: none"> - Retain and Improve (Refurbishment) - "Village Green" (partial redevelopment) - "Central Park" (Comprehensive redevelopment) 	Leaflets to all in the study area and to those who attended the first event in September; the leaflet gave 4 ways of getting in touch - the 2 events, website and direct telephone number to Project Manager. Posters were put up in all walk up blocks and shops.
14 th December 2011			

21 st January 2012	Consultation Event Preferred Option	Present a preferred option representing a combination of the “Village Green” and “Central Park” approaches.	Leaflets to all in the study area and those who have attended previous events - the leaflet gave 3 ways of getting in touch - the event, website and direct telephone number to Project Manager. Posters put up in all walk up blocks and shops.
20 th February 2012	Neighbourhood Team Meeting Draft Regeneration Framework	Presentation of the draft regeneration framework, and response to issues previously raised in the exhibition events.	Direct letters of invite sent to members of the Team

The Neighbourhood Team

8. The Neighbourhood Team was made up of residents from the Townhill Park area to inform, shape, and scrutinise the development of the Regeneration Framework. The Neighbourhood Team were also involved in an interactive workshop to develop and test the ideas for the Framework.
9. The Team was made up of local residents and Council Officers from Estate Regeneration, Regeneration and Housing management.
10. The majority of the events and meetings were held in the Townhill Park Community Centre on Meggeson Avenue. Both the meeting on the 17th September 2011 and the meeting on 20th February 2012 attracted around 100 people, although exact numbers are not known. The events before Christmas were not so well attended with around 38 attending.

Break in Consultation (March - May 2012)

11. The original programme for the project was for a Cabinet report on the principles of regeneration Cabinet paper in March and Cabinet paper on finances in April followed by Council in May 2012.

12. There was a no communication or consultation with residents, except in response to individual enquiries during this period, as it formed the purdah period.
13. The Council meeting in May 2012 followed the election of the new administration and the Council paper was deferred in order to give the new administration time to review the project.

Update letters (June and August 2012)

14. In June and August 2012 letters were sent to resident both within the Townhill Park study area and to Southampton residents living close to the estate. The June letter explained the delay in the decision and let residents know that there would be further opportunity to comment on the proposals at future consultation events.
15. The August 2012 letter was sent to all local residents covering of the Townhill Park study area and SCC residents surrounding Townhill Park giving them an up date and letting them know that there would be consultation meetings to which they would be invited in the next month. A letter was also sent to residents of site 33 informing them that they were now included in Phase 1 (2-44 Paulet Close and 122-142 Meggeson Avenue evens only).

September 2012 Consultations

Aim of September Consultation

16. The consultations carried out in September 2012 were organised by the Council and their main aims were to carry out:
 - Statutory consultation obligations under s105 1985 Housing Act, specifically with residents affected by Phase 1 proposals
 - Provide an update and information on the Master Plan proposals and regeneration framework for local residents both within Townhill Park and Southampton residents living nearby
 - Specific consultation on the proposed link road from Townhill Park to Cornwall Road at the junction with Litchfield Road with all residents who attended the consultation meetings.

17.4 drop-in meetings were held in September as follows:

Date	Type of Consultation	How Residents were invited
11 th September 2012 (Tues) 5-7.30pm	Consultation Event for Phase 1	Letters to Phase 1 residents and leaflet
15 th September 2012 (Sat)	Consultation Event for Phase 1	

10-1pm		
18 th September 2012 (Tues) 5-7.30pm	Consultation Event	Leaflet (circa 2000) delivered to all residents in the study area and Southampton residents in the surrounding area
22 nd September 2012 (Sat) 10-1pm	Consultation Event	

18. Numbers attending the September Drop-in Meetings

Meeting	Numbers Attending	Numbers attending from the study area	Numbers attending from the adjacent area
11 th and 15 th September	36		
18 th September	171		
22 nd September	128		

Consultation Events

19. All 4 drop-in meetings had the same display material, questionnaire, comments opportunities and format. They were all held in the Townhill Park Community Centre on Meggeson Avenue and were staffed by Council officers. Generally at least six officers were at each meeting.

September Consultation Report

20. A report on the September consultation formed Appendix 2 of the 13th November 2012 Cabinet report and 14th November Council report and was also available for the Overview Scrutiny Management Committee meeting 8th November 2012.

Consultation Event Feedback/ Questionnaire

21. The drop in questionnaire consisted of 4 statements which people could agree or disagree with by ticking their chosen box. The questionnaire also included a section where residents could leave any comments on any topic.

Results of the Feedback/ Questionnaire's and Comments received

22. Residents made comments in a variety ways and so the analysis is based on the number of comments received on issues not comments per person.

23. The highest numbers of comments were received on the proposed link road and on the possible opening up of Cutbush Lane to

vehicular traffic. An analysis of these comments is contained in the September consultation report.

24. Full results of the questionnaire statement analysis are contained in the September consultation report Appendix 2 of the report to OSMC on 8th Nov, Cabinet on 13th November and Council on 14th November 2012.
25. Other comments were gathered by type and described in a section of the consultation report.

Where residents who came to the consultation events live

26. Residents were asked to register when they arrived at the meeting and provide their address. This is voluntary and so numbers signing in do not necessarily give a full picture of the numbers attending meetings.
27. With the information provided by residents attending the consultation it was possible to do an analysis of the areas from where people lived. 141 residents attended from the study area and 194 from the surrounding area.
28. Extract from Appendix 3 of the September Consultation Report: Analysis of Areas where Residents live who attended the Townhill Park Public Consultation

	Phase 1 residents	18th Sept Residents	22nd Sept Residents	Totals
In the Study Area	35	50	56	141
Cornwall Rd Area	0	82	55	137
Cutbush Lane Area	1	23	6	30
Frog's Copse Area	0	11	11	22
Other	0	5	0	5

Information about residents who attended the September consultation events

29. Consultation events are aimed at being welcoming to residents and information collected is voluntary and aimed at not putting

people off attending or giving their views freely. The 4 drop in events had a feedback questionnaire which attendees were asked to complete.

30. Residents could indicate whether they were SCC tenants, leaseholders, private tenants or local residents. From the information that was given the following analysis was undertaken, see below.

31. Extract from Appendix 3 September Consultation Report
Analysis of Residents within the Study area by tenure

	Phase 1 meetings		18 th Sept meeting		22 nd Sept meeting	
SCC tenants	31		21		16	
Private tenants	1		0		0	
Leaseholders	2	4 Total	10	29 Total	10	39 Total
Insufficient information Most likely private owner/tenant	2		19		29	
Totals	36		50		55	

32. Residents were not asked any other information about their household, including financial information as this would be a barrier to participation.

Phase 1 Statutory Consultation s105 1985 Housing Act

33. Section 105 of the 1985 Housing Act states that a landlord authority shall maintain such arrangements as it considers appropriate to enable those of its secure tenants who are likely to be substantially affected by a matter of housing management to which this section applies—

- (a) to be informed of the authority's proposals in respect of the matter, and
 - (b) to make their views known to the authority within a specified period;
- and the authority shall, before making any decision on the matter, consider any representations made to it in accordance with those arrangements.

34. The statutory consultation with Phase 1 residents has principally taken the following forms:
- A letter to all Phase 1 SCC tenants and all leaseholders
 - Visits by Tenant Liaison Officers to SCC Tenants homes
 - Invitation to all Phase 1 residents to attend 2 drop in sessions on the 11th and 15th of September 2012
 - Invitation to visit leaseholders who live in homes include in Phase 1.
35. The Phase 1 statutory consultations with tenants included a letter to all tenants setting out the intention to redevelop their homes. In addition, and in order that tenants are fully aware of the proposal, visits were carried out by the Tenant Liaison Officers (TLO's).

Tenant Liaison Officer Visits

36. All 136 properties in Phase 1 were visited by the TLO's (employed by Capita to provide this service for the council) and leafleted with information. This included details of the 4 public consultations meetings to which Phase 1 tenants were welcome to attend and also a telephone number to ring to discuss any queries/information.
37. The TLO's were able to speak in person to 90 tenants out of the 115 total of Council tenants (88 tenants in their homes and 2 at the public consultation drop-ins). Discussion with tenants includes the following topics:
- What redevelopment means including ensuring that tenants realise this includes demolition and that they will have to move
 - How the process works; including examples of other Estate Regeneration projects and what has happened with tenants
 - Likely timescales
 - Financial information including home loss and disturbance allowances
 - Options for moving including disturbance allowance or tailor-made removal service
 - Priority points allocation and how to use Homebid
 - Any questions

TLO Discussions with Tenants

38. Visits to tenant cover a wide range of issues around redevelopment, but the primary purpose is to ensure that SCC tenants have understood that the proposal being considered means that their home will be demolished and that they will be required to move and to find out their view of this.
39. Each visit is tailored to the needs of the tenant and many issues are discussed around decanting and compensation. TLO's

explore tenant’s initial wishes for alternative accommodation, whether they have special circumstances, such as school age children or carer responsibilities. They are informed of the offer that they can return and whether they think they might like to do this. It is pointed out that there is a considerable time from decant to the houses being built and tenants being able to move back to new homes. Some people were very clear that they would like to move to another area of the city, where as a high number wished to remain in the locality.

40. The results of the Phase 1 consultations are contained in the consultation report.

Results of the Phase 1 Consultations

41. The results of the Phase 1 consultation are as follows:

Results of the face to face meetings	
Total number of tenants that have been visited by the TLO’s or attended the Phase 1 consultation only	90
Number of tenants who do not agree with the proposal and do not want to move	3
Number of tenants that are unsure about the proposal and moving	2
Number of tenants who have stated that they are in agreement with the redevelopment and would be agreeable to move	85
Number of tenants who have received information but chosen not to make contact with the TLO’s	25

42. 74% of the 115 Council tenants accept the redevelopment of their homes and would agree to move.

43. No written representations were received from SCC tenants in Phase 1.

Tenant Liaison Officer Visits and Information

44. The legal letters to tenants were followed up by a visit from a Tenant Liaison Officer. Tenant Liaison Officers (TLOs) (employed by Capita to provide this service for the council) visited every tenant in Phase 1 of the Townhill Park project to go through the implications for them. Their primary purpose is to ensure that SCC tenants have understood that the proposal being considered

means that their home will be demolished and that they will be required to move and to find out their view of this.

45. At visits many other issues are also discussed around decanting and compensation and include tenant's initial wishes for alternative accommodation, whether they have special circumstances, such as school age children or carer responsibilities, the offer that they can return and whether they think they might like to do this. Some people are very clear that they would like to move to another area of the city.
46. They saw 74% of the phase 1 tenants face to face in their own homes and a couple at the Phase 1 consultations, The remaining tenants were left letters offering them the opportunity to arrange a meeting at a time suitable to them, but chose not to take this offer up.
47. The TLOs had a script to help them go through all the information. This included the proposed Affordable Rents, and the fact that these would be higher than current rent. The TLOs have confirmed that they discussed Affordable Rent with any tenant who expressed any interest in returning to Townhill Park at their meetings. Their feedback was that it was not highlighted as a significant concern for the residents they met.

Phase 1 Leaseholders

48. The 15 leaseholders in Phase 1 also received the statutory consultation letter. In addition an offer was made to visit those leaseholders who live in their homes. No written representations were received from leaseholders.

Details about the new social homes and Affordable Rent

Development of the Townhill Park Regeneration Framework Consultations

49. During the consultations on the development of the Townhill Park Regeneration Framework general information was provided on the new homes. However, specific information was not given on Affordable Rent. Where residents asked they were advised that it was anticipated that the new houses would be provided by a Housing Association at rents higher than current Council rents.
50. Although no formal record was kept during these consultations it is understood from officer feedback that there were very few inquires from residents around rent levels.

Details about the new homes and Affordable Rent available at the September drop-in meetings

51. Further details about the new homes were contained on one of the display boards of the September drop-in meetings. Included in this information was a section on the proposed new rents being at Affordable Rent (80% of market rent) and a couple of examples were given. See Appendix 1 Display Board 2 'What could this mean for you.'
52. Officers received few verbal comments from those attending the consultation events regarding the information on rents and future rents were not raised as an issue in written residents comments.

Affordable Rent discussions with Phase 1 tenants

53. The Tenant Liaison Officers (TLO's) were given a script that included information about Affordable Rent being charged.
54. Currently it is the practice that it is not expected that detailed notes would be kept of each visit as the idea is that the meeting feels relaxed so that residents feel comfortable asking questions. This practice will now be reviewed.
55. The TLO's tend to respond to residents own concerns and questions at these meetings i.e. the visits are tenant led. This information was given to residents who expressed an interest in moving back to Townhill Park.
56. Where any tenant raised the issue of returning to Townhill Park after redevelopment the TLO's addressed the new Affordable Rents. If tenants had no interest in returning, the Affordable Rent point was less relevant to them.
57. The TLO's reported that they found that residents had an expectation that Council rents will be going up to be equivalent to other social landlords and the market.

Post November Decision Correspondence

58. Following the Cabinet/Council decision of 13th and 14th November 2012 a letter was sent to SCC tenants in Phase 1, on the 16th November, informing them of the decision, but letting them know that work could not begin until after the call in period.
59. The letter also included information on the next steps for Phase 1 tenants following approval, and providing clarification on Affordable Rents following media reports.
60. This was followed by a similar letter of 20th November to other residents in the study area. However, as this was a later letter it

was possible to include information on the call in and its implications.

Response to the Post Cabinet/Council Correspondence with Residents

61. There has been limited response from residents to the letter. Three e mails have been received from tenants who are disappointed that the project has not been approved and there is further delay. See copies below.
62. A letter of support for the project has also been received, with 21 signatures. The letter expresses disappointment with the delay in the approval and also comments on the media coverage. See copy below.
63. There have been no negative calls or correspondence received around Affordable Rent information contained in the letters.

Written Correspondence Received in Response to Post November Decision Feedback

64. The following written feedback has been received in response to the Council's post November decision correspondence with residents as described above. Personal details have been removed for data protection reasons.

65. Email 16th November 2012
Subject: TOWNHILL

I live in the phase 1 area of townhill , after reading the daily echo report on tenants not being told of the rent increases.I feel it is only right to inform you that i had two council ladys knock my door and tell me about the plans for townhill.They told me all the details including the rent increase they even told me that it will be as high as some housing associations and possibly a little more.Which i think is fair as these will be brand new houses.Please can you deal with the matter as soon as possible and let us know whether phase 1 is going ahead or not.I dont know why people would not have been told about these raises in rent,as i was told and i have no intention of moving back to townhill.We thought we had the dicision that we all wanted, f and now thats been put back by the daily echo report saying we were not told.Well i was told and my neighbours were told the same, that the rents xwill be going up. thank you

66. Email 26 November 2012

Dear

I spoke to a really nice lady today to ask about the townhill park regeneration she was so helpful as i was a little confused about not getting a letter the weekend and across the road had one to say it was on hold again until the 3rd of december. Can i say that all the meetings and letters that i have recieved are very good and understandable, all iv been hearing is about the rents gone up when this finally goes ahead all i can say is that if they dont read the letters or go along to find out at meetings its there own fault. I think you and you team are doing really well in explaining it all well done. Lets hope it all goes through shortly.

Yours faithfully

67. Email 26 November 2012

By the same author who has led the letter with the 21 signatures

On behalf of myself and numerous residents i would like to voice the concerns we have about the possible opposition to above scheme. For 3 or more years we have been waiting for it to go ahead especially when we were left out of the new bathroom and kitchen programme . We thought it would be for the better in the end . It is a massive understatement to say we are disappointed after all this time that it may not happen to this area of much needed regeneration . Also we were concerned about the local echo reporting stating eg that rents would double , they said single bed flat was £60 when in fact it is £78 weekly rent . What the benefit for this false reporting one can only speculate . Resident

Continued on next page

**68. Letter of Support for the project signed by 21 residents
Received 29 11 12**

As a resident of Lawnhill Park, I and on behalf of many neighbours, would like to voice our concerns about the possible opposition to the development scheme of our area. This is an area of much needed regeneration. Some years ago we were left out of the programme of updating the bathroom and kitchens, but after learning of the future plans for the area it appeared to be for the better in the long run, so now we continue to live in dated and sub standard properties.

It is a massive understatement to say we are extremely disappointed at the opposition to improve our homes and neighbourhood, but remain hopeful that the plans will be approved next month.

It is also worth noting that contrary to reports in the Echo, we realise that the rents would rise somewhat, whether we returned or moved elsewhere. This is inevitable and to be expected with new and improved housing.

Also the rent for eg a 1 bed flat is £75 weekly and not the £60 that was stated in the Echo therefore the rent would not double. One can only

speculate as to what gains could of been made by this false reporting and in turn jeopardising the proposed plans

Once again we very much hope that the plan will be finally approved and led forward to a better standard of housing and environment

Use of Affordable Rent

69. The following section of the report gives a strategic overview of Affordable Rent at both national and local level, followed by details of its impact on Southampton to date and local modelling which has been carried out on affordability of Affordable Rent.

Affordable Rent- background & Government aims

70. The Government announced an intention to introduce a new tenure as part of the October 2010 Spending Review. Under this model social landlords are able to offer tenancies at rents of up to 80% of market rent levels within the local area. The additional finance raised is then available for reinvestment in the development of new social housing.

71. Essentially, this model envisages the replacement of the capital grant supply subsidy for social housing with a revenue subsidy. The scheme was expected to contribute to the delivery of 150,000 new affordable homes over 2011-15. After a successful bidding process the Government increased this estimate to 170,000 new homes (of which it is expected that 80,000 will be affordable rent and affordable home ownership properties) utilising £1.8 million in grant funding.

72. Local authorities have been able to build using this scheme since the reform of Housing Revenue Account subsidy is finalised in April 2012.

73. The Government intention for Affordable Rent was to:

74. maximise the delivery of new social housing by making the best possible use of constrained public subsidy and the existing social housing stock

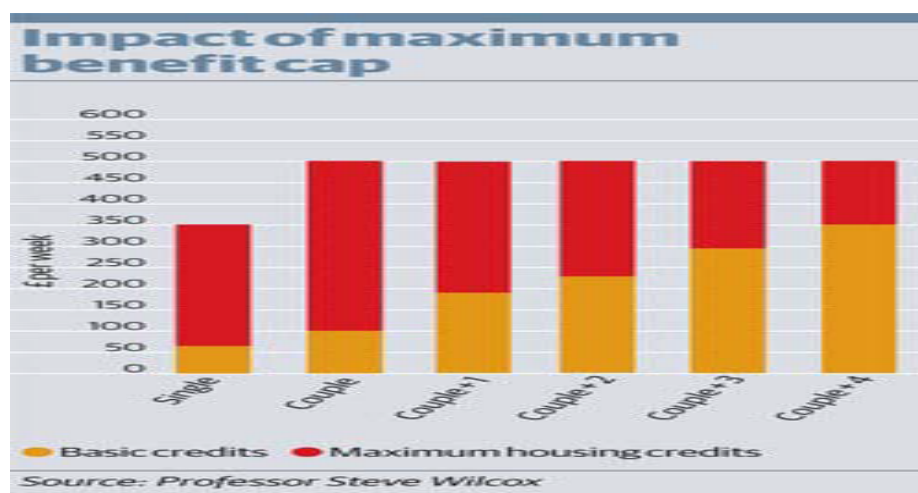
75. provide an offer which is more diverse for the range of people accessing social housing, providing alternatives to traditional social rent

76. Grant Shapps (former housing minister) advised parliament that

Another criticism that I have heard is that this will be the end of mixed communities. In fact, it is quite the opposite, because what you are doing is building homes or providing affordable rent in areas that may previously have been only for social rent. You are, therefore, potentially mixing up the community better with people on different income streams and different levels of earning power. You are providing aspirational assistance to people who may continue to live there and pay a higher rent, at the end of their affordable-rent period, or who may even buy that home.

Welfare benefits

77. From October 2013 Universal Credit will introduce a benefit cap which caps benefits at £500pw for families and £350 pw for single people under 35. People in work are exempt from the cap, even if in very low pay work.
78. Universal Benefit Cap limits income to £500 per family per week – so limits amount of rent that different size families can afford after basic benefit credits accounted for:



79. Affordability is only threatened if rent payments plus other benefits exceed the Benefits Cap
80. As an example, a family of 2 non- working adults and 2 children living in a 3 bedroom Affordable Rent property on Townhill Park would pay £166.15 per week from their Universal Benefit, leaving them £333.85 each week for other living expenses, ie £17, 360 per annum once their housing costs are paid.

Affordability for People in Work

81. People in work are not affected by the Universal Benefit cap. Their income remains the same regardless of rent level because Housing Benefit (HB) increases to cover the additional rent – up to the Housing Benefit Cap.
82. Locally the Housing Benefit caps are currently: 1 bed £115.38/ 2 bed £150.00/ 3bed £178.85 / 4bed £242.31.
83. All the proposed Affordable Rent levels for Townhill Park are within these caps, so anyone working on a low income would be able to get help to pay the rent up to the full rent level.

84. The Government's overriding principle is that work should pay and that no-one working should be in a worst position.

Link between Affordable Rent and Government affordable housing grant

85. The Homes and Communities Agency (HCA) are the organisation that administers all grants for affordable housing.

86. For their 2011-15 bid round the expectation was that any organisation seeking grant funding to build new homes would be charging Affordable Rent. Only in exceptional case would the HCA consider a bid that included social/ target rent. Usually this would be in areas where the Affordable Rent is actually lower than a social/ target rent such as in parts of the North.

87. Although the council did not bid under the 2011-15 bid round for Townhill Park, charging Affordable Rent would at least mean we are in a position to bid should additional funding become available and it was felt a bid was beneficial to the council.

88. It is not yet clear what the position will be after 2015 but it is generally believed that Affordable Rents will remain the norm.

Government's view of allocating to Affordable Rent

89. The HCA's guidance is:

Allocations and nominations processes for Affordable Rent homes are expected to mirror the existing frameworks for social rented housing. Providers will be under the same statutory and regulatory obligations when allocating Affordable Rent homes as they are when allocating properties for social rent.

90. There is scope for local flexibility within the existing allocations framework. Provided that a local authority's overall scheme is framed around the Reasonable Preference categories, local authorities can opt to reserve certain properties for allocation to other client groups. They may decide to exercise this discretion in relation to Affordable Rent, eg to target it at households in work but on low incomes. Similarly, providers will have discretion to allocate properties to households who are in work where those properties do not form part of nominations agreements with local authorities.

91. Effectively then, the council has the opportunity to consider a local lettings plan for Affordable Rent properties. However, any restrictions on who such properties are let to would potentially reduce the choice of applicants and might even impact on tenants wishing to return if they were not within the plan.

Impact on lettings in Southampton to date

92. Since the introduction of AR, the council has allocated 72 housing associations homes (via HomeBid, the Choice Based Letting Scheme) on AR. 21 of these were to tenants not in receipt of HB.
93. So, in 20% of cases the tenant is totally responsible for paying the full rent. In the other cases the tenant receives whole or part HB depending on their level of income. *(This does not mean only 20% are working, as those working on low income would be entitled to some HB too.)*
94. This compares to 25% of cases (in a representative sample) across all lettings including sheltered (excluding sheltered this drops to 18%). Basically then there is little difference in profile of new residents between AR and social rent tenancies.
95. All new council tenants ie non transfers, are now being charged target rent for existing properties rather than 'social rent'
96. The council's Allocations Team confirm that refusals for AR units are no higher than for social/ target rent. Their view is that rent level is simply not a determining factor in refusals. Issues such as parking, location etc are of far more concern to applicants.

Feedback from housing associations

97. As these housing associations (HAs) are working across areas larger than Southampton, their experience is useful.
98. One of our HA partners- (large regional) reported: They have seen no impact since introducing AR. Of their new AR letting, 47% have been to people receiving no HB, 20% to people on partial HB and 33% on full HB. Demand and relet times have not been affected and income recovery levels remain very good. All AR rents are within current Local Housing Allowance (HB levels).
99. Another partner (national) advises: To date they have not identified any difficulties letting AR properties. Of the units let on AR so far, 40% of tenants have not been in receipt of any HB, 15% on partial HB only and 44% on full HB. They advise this is not significantly different to the overall profile of their social rent tenancies.
100. Another partner (large regional), advised: On 17 AR homes let in Southampton, 22% of residents are economically active compared to 33% of those who enter social rent accommodation.
101. Another partner (large regional), advised: They have had no difficulty letting AR properties (1 refusal from 232 lettings due to rent level), and conversion of existing properties to this rent have

not made any of them hard to let. The data they have shows they have not seen any change to the make up of their tenants following AR, with no change in financial circumstances of new tenants.

102. All advised that they are working hard internally to prepare for any potential impact of welfare reform, but none can quantify what the effect, if any will be.

103. In summary, HAs are not finding that AR is having a significant impact on any aspect of lettings or tenancies.

National comparison

104. For comparison the national breakdown on lettings for 2010/11 is included- this would not have included Affordable Rent tenancies, so is a useful basepoint for comparison.

105. What this shows is that at 20% of all AR units let to residents not receiving any benefits, the current situation in Southampton at worst mirrors the national picture pre Affordable Rent. However it is highly likely the situation in Southampton is better, because the 21% nationally working full time could still be receiving housing benefit.

2010/11

	HA	LA (adjusted) ²	Total (adjusted)	Total %
Working full-time ³	33,200	19,546	52,746	21.1
Working part-time ⁴	15,528	8,778	24,306	9.7
Govt training/New Deal	287	349	636	0.3
Jobseeking	30,711	22,286	52,997	21.2
Retired	11,276	9,706	20,982	8.4
Home/not seeking work	33,120	21,551	54,671	21.9
Student	2,480	1,691	4,171	1.7
Unable to work due to sickness or disability	18,339	11,627	29,966	12.0
Other adult (over 16)	2,423	6,812	9,235	3.7
TOTAL	147,364	102,347	249,711	

Local Modelling of impact of Affordable Rent

106. Sample modelling has been done using the best information currently available. The modelling was done using the AR rent for a 3 bed house- £166.15 pw

Model 1:

107. Based on a family with one working adult, earning the average full time salary in Southampton of £465.50pw (£23,998 pa) gross,

the household would be entitled to partial HB (£83.22 per week) as well as tax credits and council tax benefit.

108. Based on average outgoings, the model shows they would be able to afford to pay the AR each week after other usual outgoings were taken in consideration.

Model 2:

109. Based on the same family but this time with the second adult also working part time and earning £300pw (gross), the family would not be entitled to any benefits.
110. In this model the family would also be able to afford to pay the AR each week after other usual outgoings were taken in consideration.
111. In summary- modelling using realistic examples confirms AR is affordable for working families.

Energy Charges

112. The current average heating charge for a 2 bed council flat is £13.13 per week (based on district heating charges)
113. The indication from national figures provided by the Code for Sustainable Homes website is that the weekly cost for a 2 bed house (the nearest comparator) could be as little as £7.60 per week (for heat and power).
114. This gives a potential saving of over £5 per week. Clearly the actual savings will depend on the type of energy and energy efficiency measures used, and the lifestyle of the individual household.
115. Potentially though, households in the new homes could save over £280 per year on heating alone, in addition to savings on power and water. This will assist further with affordability.

The cost of not introducing Affordable Rent

116. Detailed modelling has been undertaken to illustrate the cost to the Housing Revenue Account (HRA), if the level of rent charged on the 450 social properties proposed for Townhill Park is reduced from the Affordable Rent level, which is equivalent to 80% of Market Rent, to a lower level, which is closer to the Target Rent level for existing HRA dwellings.
117. The attached graph (appendix 1) shows that the total net cost to the HRA, over the period of the 30 year business plan, increases

from the **£33.1M** figure, for an Affordable Rent at 80% of Market Rent, to an increased total net cost of **£47.2M** at 70% Market Rent and **£61.3M** at 60% Market Rent.

Impact of phasing in Affordable rent

118. Another option that has been modelled is a phasing in of the full Affordable Rent levels, so that the rent payable by the tenant is 60% of Market Rent in the first year of occupation and 70% in the second year of occupation. The full Affordable Rent, at 80% of Market Rent, would be payable from the third year of occupation onwards. This option would increase the total net cost to the HRA by £1.4M, i.e. an increase in total net cost from **£33.1M** to **£34.5M**.
119. It is also worth noting that only 8% of tenants eligible to return to Hinkler Green (formerly Hinkler Parade) following the estate regeneration phase 1 work chose to do so. The vast majority positively chose to remain in the property they had been decanted to.
120. The experience to date then would suggest the majority of tenants moving into new properties following the redevelopment of Townhill Park will be 'new' residents and so the concept of 'phasing in' is less applicable because they won't have been paying the previous social rent levels.
121. Any tenants moving in to the new properties will be aware of the new rent level in advance, and will be making a positive choice to move (via HomeBid, the council's Choice Based Letting scheme) HomeBid has been in place for a number of years now and is a well understood and established. The rent level of every property being advertised is very clearly shown in the advert.

Appendix 1

Townhill Park Consultation Process and Chronology

Date	Type of Consultation
Initial Correspondence	
21 st March 2011	Initial letter and leaflet to all Townhill Park residents and businesses in the study area advising them that a study to improve the area is to take place and we would like their ideas and involvement.
Consultation carried out by the consultants during the Development of the Regeneration Framework	
Sept 2011	Leaflet to all Townhill Park residents and businesses in the study area inviting them to the meeting on 17 th September 2011. Posters in walk up blocks and shops
17 th September 2011	Consultation Event Drop In Meeting 10-2pm Townhill Park Community Centre Introducing the Regeneration Framework and Recruiting for the Neighbourhood Team
September 2011	Letter to Neighbourhood Team inviting them to the Neighbourhood Team meeting on 4 th and 29 th October 2011
4 th October 2011	Neighbourhood Team Meeting - Townhill Park Vision Considered the type and degree of change that local people would support.
29 th October 2011	Neighbourhood Team Meeting – Townhill Park Challenge Regeneration game played to generate different options for the framework
early December 2011	Leaflet to all Townhill Park residents and businesses in the study area inviting them to the consultation meetings on 10 th and 14 th December 2011. Posters in walk up blocks and flats
10 and 14 th December 2011	Consultation Events Drop in Meetings, Sat 10 th 10-1pm and Wed 14 th 6.30-8.30pm seeking opinions on the 3 different options; Retain and Improve, Village Green and Central Park.
January 2012	Leaflet to all in the study area and those who attended previous consultation events inviting them to the consultation event on 21 st January 2012
21 st January 2012	Consultation Event Drop In Meeting 10-2pm presented the preferred option as reported to Cabinet in March 2012
February 2012	Letter to Neighbourhood Team inviting them to a meeting on the draft Regeneration Framework
20 th February 2012	Neighbourhood Team Meeting – presentation of the draft regeneration framework and consultants response to issues raised in the exhibition events

March to May 2012	
	Consultation period covered by purdah
Update Letters to Residents June-August 2012	
June 2012	Letter to all in the study area and Southampton residents in the surrounding area informing them of the delay in decision making in order to let the new administration review the details of the project and letting residents know there would be further opportunities for consultation.
August 2012	Letters to all in the study area and Southampton residents in the surrounding area. Separate letters sent to different groups: Phase 1 Site 1 and 34, Phase 1 Site 33, rest of the study area, surrounding area residents, Moorlands Community Centre Phase 1 Site 35.
August 2012	Letters to Phase 1 tenants, leaseholders and leaseholder tenants statutory letter under s105 1985 Housing Act
September Consultation Events	
September 2012	Leaflet to all Phase 1 residents inviting them to the consultation drop in events on 11 th and 15 th September 2012
September 2012	Leaflet to all residents in the study area including Phase 1 and to Southampton residents in the adjacent area inviting them to the consultation drop in events on 18 th and 22 nd September 2012
11 th and 15 th September 2012	Consultation Events – drop in events, Tues 11 th 5-7.30pm and Sat 15 th 10-1pm for Phase 1 residents to update and consult with them on the regeneration proposals and receive feedback on the proposed road link and other comments.
18 th and 22 nd September 2012	Consultation Events – drop in events Tues 18 th 5-7.30pm and Sat 22 nd 10-1pm for all residents of Townhill Park study area and Southampton residents in the surrounding area to update and consult with them on the regeneration proposals and receive feedback on the proposed road link and other comments.
Tenant Liaison Officer (TLO) Visits to Phase 1 Tenants	
Between 29.08.12 and 02.10.12	Visits by TLO officers to residents in Phase 1. All Phase 1 tenants visited and if not in a letter with contact details was posted through the letterbox.
Post November Cabinet Council Decision 13th/14th November 2012	
16 th November 2012	Letter to Phase 1 SCC tenants advising them of the Cabinet Council decision, but with the caveat of call in, and including information on Affordable Rent in relation to new homes in Townhill Park
20 th November 2012	Letter to Townhill Park residents excluding Phase 1 residents advising them of the Cabinet/Council decision, information on call in, and including information on Affordable Rent in relation to new homes in Townhill Park