

DECISION-MAKER:	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
SUBJECT:	ESTATE REGENERATION PROGRAMME		
DATE OF DECISION:	15 SEPTEMBER 2016		
REPORT OF:	LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY			
None			
BRIEF SUMMARY			
This report sets out the proposed high level strategy for Estate Regeneration in Southampton.			
RECOMMENDATIONS:			
	(i)	That the Committee discuss and note the proposed strategy for Estate Regeneration.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	At the request of the Chair of the Committee.		
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED			
2.	Continuing with the previous strategy of regeneration based on the master planning of single areas of the city at a time was considered and rejected.		
DETAIL (Including consultation carried out)			
3.	Southampton City Council owns and maintains close to 18,000 homes provided for rent at Social and Affordable rents. The majority were constructed between the early 1950's and 1970's with many based on similar designs that were replicated across the city.		
4.	Many of these homes were built at a time when greater emphasis was placed on the cost and speed of construction than the lifetime costs of maintenance and occupation.		
5.	Forward planning using the Council's Keystone Stock Condition and Data Management systems shows that the rate of increase in the cost of maintaining many of these is rising as they age. Controls on the management of the Housing Revenue Account mean that it will be increasingly difficult to continue to fund the maintenance of many of these properties from rental income.		
6.	Many of these properties are also becoming increasingly expensive to heat as they age increasing the risk and incidence of fuel poverty. A change in emphasis away from short term revenue expenditure on repairs to capital investment in major refurbishment and redevelopment is therefore considered		

	necessary.
7.	The recent approach to estate regeneration based on the master planning of specific areas of the city has proved slower to deliver than hoped (a problem certainly not unique to Southampton) and has meant that many of the buildings which will cost the most to maintain and occupy are not being addressed as early as would be ideal.
8.	An approach that prioritises the buildings and types of building that will require the highest pro rata regular expenditure on repairs and maintenance over the next 5, 10 and 15 years and identifies the most cost effective (based on a lifetime cost approach) major refurbishment and/or redevelopment options is now proposed.
9.	Many of these buildings were constructed in clusters of similar buildings and so this will not be a one by one approach. Opportunities to develop infill sites such as underused garage plots and the potential to improve local facilities and infrastructure as part of programmes of work will also be addressed.
10.	Opportunities to increase density and the mix of housing to include homes for market rent or sale (including shared ownership and starter homes) will also be pursued.
11.	It is proposed that new homes will be designed to be low energy, low maintenance, healthy homes that are cost effective to heat and built to last with lower repair and maintenance costs over a longer life expectancy whilst providing a healthy living environment. Major refurbishment projects will have similar aims. We will engage residents from existing tenants groups and the Peoples Panel in looking at best practice and emerging technologies in housing design to develop and evolve our specifications for new homes.
12.	Opportunities to better integrate planned expenditure on repairs and maintenance and refurbishment with regeneration plans will also be better exploited through the proposed integration of Housing Investment and Estate Renewal into the Capital Assets Team.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
13.	Accelerating investment in the redevelopment and or major refurbishment of the Council's housing stock will require, at least initially, greater capital expenditure than can currently be funded either from within the Housing Revenue Account or through borrowing on the account.
14.	A range of models for development and funding are therefore being pursued. These include :- <ul style="list-style-type: none"> • Direct Development within the HRA. • Use of the Council's Development and Investment Companies that will allow the Council to develop and invest in housing for sale and offer at market rent in order to reinvest development proceeds in the delivery of affordable homes. • The sale of sites to Housing Association Partners. • The sale of sites to institutional funding partners make completed units available to the Council through finance leases with options to

	purchase. It is proposed that the council will develop ongoing relationships with a number of development and funding partners with models replicated across the city.
15.	Over time as the Council's older stock is replaced or refurbished, the cost of repairs and maintenance as a proportion of income is expected to fall releasing more funding for regeneration and new housing development.
<u>Property/Other</u>	
16.	The Council's Capital Assets Team is being structured and resourced to facilitate the new approach but will also draw in expertise and resources from partners and external consultants on a project by project basis to manage revenue costs and capitalise costs most effectively.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
17.	There are no legal implications from the change in strategy from a place based approach to one based on need and opportunity. The requirements to consult with existing residents remain the same.
18.	Further advice is and will be taken on the specific delivery and funding models including consultation with other local authorities who have and are pursuing similar approaches.
<u>Other Legal Implications:</u>	
19.	None
POLICY FRAMEWORK IMPLICATIONS	
20.	Implementation of the above approach will help to achieve the following priority within the draft Council Strategy 2016-2020 <ul style="list-style-type: none"> To improve housing quality and reduce fuel poverty.
KEY DECISION	No
WARDS/COMMUNITIES AFFECTED:	None directly as a result of this report
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out.	No
Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	No
Other Background Documents - Equality Impact Assessment and Other	

Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None