

RECORD OF EXECUTIVE DECISION

Monday, 16 April 2012

Decision No: (CAB 11/12 8121)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	CABINET MEMBER FOR HOUSING
SUBJECT:	TOWNHILL PARK REGENERATION FRAMEWORK: FINANCIAL MODEL AND PHASE 1 CAPITAL EXPENDITURE
AUTHOR:	Alan Denford

THE DECISION

- (i) To agree that the HRA capital programme will fund the site preparation costs set out in this report, currently estimated at £10.7M, and:
 - To approve a virement of £10.7M from the uncommitted provision for Estate Regeneration which exists in the HRA capital programme and business plan to establish a specific budget for Townhill Park, the phasing for which is set out in appendix 2.
 - To approve, in accordance with Financial Procedure Rules, capital spending of £2.8M on phase 1 of the Townhill Park project, phased £0.3M in 2012/13, £1.6M in 2013/14 and £0.9M in 2014/15.
- (ii) To note that the General Fund capital programme will be required to fund highways infrastructure, open space improvements and replacement community facilities where appropriate, at an estimated cost of £2.8M 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.
- (iii) To agree that the preferred approach for the provision of the new social housing is for this housing to be supplied by a Housing Association and that 50% of this new social housing provision will be provided for letting at target rents with a potential subsidy from the council, estimated at £3.9M, to be funded through a mixture of reduced land receipts (£2.6M) and utilisation of the uncommitted funding in the Housing GF capital programme (£1.3M), subject to legal advice on the potential financial implications for the HRA.
- (iv) To agree that the phase 1 regeneration of Townhill Park will be by way of a Development Agreement.
- (v) To agree to recommend to Council that:
 - £21M of the 30 year HRA revenue surplus is 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.

- The General Fund capital programme funds the highways infrastructure, open space improvements and replacement community facilities where appropriate, at an estimated cost of £2.8M 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.

REASONS FOR THE DECISION

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 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.
2. The option of the HRA providing the new social housing has been rejected as it would increase the impact on the 30 year HRA revenue surplus.

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: 16th April, 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)*