

DECISION-MAKER:	OVERVIEW AND SCRUTINY COMMITTEE		
SUBJECT:	ESTATE REGENERATION - TOWNHILL PARK		
DATE OF DECISION:	6 FEBRUARY 2020		
REPORT OF:	CABINET MEMBER FOR HOMES AND CULTURE		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY	
BRIEF SUMMARY	
The purpose of this report is to provide an update on the progress with the Townhill Park regeneration programme.	
RECOMMENDATIONS:	
(i)	That the committee notes the current progress outlined in the report.
REASONS FOR REPORT RECOMMENDATIONS	
1.	At the request of the Chair of the Committee.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	Do Nothing – this is not a recommended option given the current and future demand for homes in the city.
3.	Sale of all vacant sites for the highest capital return– this would secure a capital receipt for the council but would not maximise the number of affordable homes or deliver more council homes. This is evidenced by the reduction in the number of affordable homes built in the city by developers in recent years.
4.	Sale of all sites to Housing Associations with agreement that these are for the provision of more affordable homes – this is unlikely to secure a maximum capital receipt; it could secure affordable homes, but not council homes with secured tenancies.
5.	Sale and Lease back – this option involves an external investor funding the development in return for a rental payment over a period which may vary but is generally between 20-40 years, the models presented to the council have relied on a mix of affordable and market rent properties. The model does not allow for Right-to-Buy to apply. This is a complex arrangement with financial risk and procurement issues. This option does not maximise the number of affordable homes on the site as there would need to be a significant percentage of market rental properties, so it relies on a demand for market rent across the sites.

6.	A Joint Venture for all sites – there are a number of different types of joint venture, because there would be a need for the joint venture partner to benefit from the arrangement through the sale of properties or receipt of profits this may not maximise the number of affordable council homes on the site and has a lengthy programme of selection and implementation associated with it. This would not be suitable in the short term for the early phases of the programme.
DETAIL (Including consultation carried out)	
7.	Homes are more than just about bricks and mortar, they are about the people that live in them, their quality of life in their homes, and the sense of community and stability they create. The aim is to provide: <ul style="list-style-type: none"> • Homes that Southampton people need • Homes that are affordable, of quality, sustainable, safe and secure • Homes that create and enrich communities.
8.	The ambition to provide homes is underpinned by: <ul style="list-style-type: none"> • A long-term vision to continue to provide homes for those in need across the city • The aim to address the continual reduction of the council stock of between 105-164 homes per year (over the last 5 years) through the Right-to-Buy programme • The ability for the council to have control over the delivery of homes to address the local need • Giving opportunities through the HRA to give residents secured tenancies • The ability through shared ownership to help households into property ownership that may not otherwise have been achievable.
9.	Between 800 and 1000 new homes have been delivered across the city per year over the last few years, this includes developments by housing associations, developers and the council. The number of affordable homes being delivered has reduced significantly since 2014/15 which has resulted in fewer opportunities for the council to nominate residents from the housing register to new homes. The council works with developers to build homes across the city but the market has produced gaps and these will be the council's priorities as part of this programme.
10.	In the Autumn Budget 2017 the government confirmed its commitment to deliver 300,000 homes per year. This was followed by the abolition of the Housing Revenue Account (HRA) borrowing from 29th October 2018. It was stated that this would enable “councils to increase house building to around 10,000 homes per year” and “deliver a new generation of council housing”. The lifting of the borrowing cap has created opportunities for the council to take forward the development of new homes where previously the funding opportunities available were proving challenging to implement. Many of the options outlined in paragraphs 4 to 7 were investigated in Southampton for Townhill Park. Plot 1 which involved the delivery of 56 new homes was approved prior to the lifting of the borrowing cap, this project progressed because it could be funded at the time predominantly by council resources.
11.	In May 2016 planning consent with outline approval was achieved for 665 residential units on 11 development plots at Townhill Park. The council's

	<p>revised decommissioning policies and a revised decommissioning programme for Townhill Park was approved by Cabinet in November 2017. This programme suggested that decommissioning could be concluded in 2024. This was followed by plots 10 (Copse Road) and 8 (Ozier Road), the latter is where the new improved park and play area is to be developed. Currently plot 9 (Rowlands Walk) is in the process of being decommissioned. Appendix 1 includes the full approved decommissioning programme (November 2017) and Appendix 2 shows those plots still to be decommissioned. This programme is dependent on the period it takes to find alternative homes for residents and also for negotiations needed with leaseholders. In addition, following a request from SO18 Big Local, the community organisation in Townhill Park, a commitment has been made that the agreed final decommissioning programme will be the subject of further community engagement.</p>
12.	<p>The removal of the HRA borrowing cap has given the council an opportunity to review the delivery options at Townhill Park and pursue approaches involving further borrowing that would not have been previously available. The commitment to deliver up to 665 new homes at Townhill Park remains and will be delivered with a phased approach. 56 homes have already been completed on plot 1. The aim is to get a contractor working on the plot 2 project during 2020 with works to take place on site before the end of the year. A draft programme for Townhill Park has been developed which was presented to the SO18 Big Local meeting in January 2020 for feedback. This was positively received by the community and they accepted the approach in principle, however as a result of this engagement there will be further involvement with the community regarding the ordering of the decommissioning programme and this has the potential to widen the programme.</p>
13.	<p>The homes developed at Townhill Park will be predominantly one and three bedroom homes as these are the homes for which there is the greatest demand on the housing register. There will be a mix of social rent, affordable rent, and also shared ownership to assist those who feel able to take the first step on the housing ladder. The mix of homes proposed for each site will be dependent on the size and location of the site. There will also be significant engagement with local residents and with key stakeholders in the area going forward and a communication plan is currently being developed. There is also an intention to involve SO18 Big Local in discussions about the design of these new homes.</p>
14.	<p>Progress has been made with the public realm project which is being funded by the Housing and Infrastructure Fund grant of £3.75M that the council was successful in securing from Homes England. Balfour Beatty has been appointed to take forward this work and they held a successful public consultation event in November 2019 about the works and programme. The project involves traffic calming measures along Meggeson Avenue and the creation of the new local park in the centre of the area, both of which were identified as priorities by residents. The local community has been involved in the design of these improvements through extensive public consultation and engagement and there will be further engagement on the final proposals for the open space/play area.</p>
RESOURCE IMPLICATIONS	

<u>Capital/Revenue</u>	
15.	A task and finish group was set up to explore the opportunities created by the lifting of the borrowing cap. So as not to impact negatively on the finances of the Housing Revenue Account it was recommended that future programmes of housing development should demonstrate financial viability.
16.	Financial appraisals are being developed which include assumptions in relation to construction, management and maintenance costs. These also take into account income including right to buy, land value, any grants, contributions from shared ownership and also rental income. The financial appraisal then determines what can be afforded.
17.	The full Townhill Park programme will need further capital funding approval to deliver on all sites.
<u>Property/Other</u>	
18.	There is work ongoing to refine the council's requirements for future homes as part of the 1000 council homes programme. This is being developed in consultation with a number of teams across the council to ensure that properties will meet client group needs, with a quality specification which is easily maintained and that reflect the council's green aspirations.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
19.	The legislation that allows the council to build and acquire homes is Section 9 and 17 of the Housing Act 1985.
20.	Specific legal advice is obtained on a project by project basis. This can involve for example: <ul style="list-style-type: none"> • The Use of Right to buy Receipts - Section 11(6) of the Local Government Act 2003 relates to the Council's ability to retain and use Right- to- Buy receipts to fund affordable housing. • Helping to identify appropriate procurement methods for each project or programme. • Appropriation of land - The legislation that allows the council to appropriate the land into the Housing Revenue Account from the General Fund is Section 19 Housing Act 1985.
<u>Other Legal Implications:</u>	
21.	None
RISK MANAGEMENT IMPLICATIONS	
22.	A risk register will be developed for each site and programme as part of the delivery of 1000 council owned homes.
POLICY FRAMEWORK IMPLICATIONS	
23.	The project to deliver new affordable quality council homes in Townhill Park is in line with the Southampton City Council Housing Strategy 2016-2025, they will also contribute towards the targets in the Core Strategy. The Southampton City Council Core Strategy Adopted version January 2010 in policy CS4 outlines the target to provide an additional 16,300 homes to be provided between 2006 and 2026, this will be revised in the New Emerging Local Plan

KEY DECISION?	No	
WARDS/COMMUNITIES AFFECTED:	Bitterne Park and Harefield	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	2017 Approved Decommissioning Programme for Townhill Park	
2.	Decommissioning To Be Completed	
Documents In Members' Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out?		No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?		No
Other Background Documents		
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	