

RECORD OF EXECUTIVE DECISION

Tuesday, 21 August 2012

Decision No: (CAB 12/13 8615)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	HOUSING AND LEISURE SERVICES
SUBJECT:	TOWNHILL PARK REGENERATION FRAMEWORK: FURTHER CONSIDERATION OF THE FINANCIAL MODEL AND APPROVAL OF THE CAPITAL EXPENDITURE FOR THE IMPLEMENTATION OF PHASE 1
AUTHOR:	Alan Denford, Finance Manager

THE DECISION

- (i) To approve the vision and themes of the Townhill Park Regeneration Framework based on the modified Central Park option 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.

- (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, 34, and 35
- Phase 2 comprising zones 9, 11 (redevelopment), 12, 19, 20, 27 and 28
- Phase 3 comprising zones 13, 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 Zone 33 is now proposed in Phase 1 and Zone 25 in Phase 3. Further public consultation is planned in the next couple of months with residents of Phase 1, prior to a firm decision on proposals for this site.

- (iii) To note that further consultation will be carried out, starting in August 2012, with residents affected in phase 1, and residents affected by the proposed new road, and reported back to Cabinet

- (iv) To agree to recommend to Council that the HRA capital programme will fund the site preparation costs set out in this report, currently estimated at £11.8M, and 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 Townhill Park, the phasing for which is set out in Appendix 1.
- (v) To note that the HRA will be required to incur further capital expenditure to acquire the 450 units of social housing, 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.
- (vi) 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.
- (vii) 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.
- (viii) To agree to recommend to Council that:
 - a) £23.9M 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.
 - b) 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

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. Redevelopment will 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.
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 4th July 2011 (and Council on 13th 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 preparatory 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: 21 August 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)*