

## RECORD OF EXECUTIVE DECISION

Tuesday, 19 November 2013

Decision No: (CAB 13/14 11351)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	CABINET MEMBER FOR HOUSING AND SUSTAINABILITY SERVICES
SUBJECT:	*TOWNHILL PARK REGENERATION- SCHEME APPROVAL FOR PHASES 2 & 3, AND UPDATE ON PHASE 1.
AUTHOR:	SUE JONES

### THE DECISION

- (i) To approve, in accordance with Financial Procedure Rules, capital expenditure of £1.75M, phased £1.081M in 2014/15, £56,000 in 2015/16, £13,000 in 2016/17, £200,000 in 2017/18 and £400,000 in later years, for the advancement of design work on Phases 2 and 3 of the Townhill Park regeneration to achieve planning consent, procurement and for the contract supervision of the building phase, which will be funded from an existing unapproved budget within the Estate Regeneration section of the HRA Capital Programme.
- (ii) To note that the cost of the design work on Phase 1 of the Townhill Park regeneration to achieve planning consent, procurement and the contract supervision of the building phase, estimated at £950,000, will be funded from an approved budget within the Estate Regeneration section of the HRA Capital Programme.
- (iii) To approve the commissioning of Capita to carry out the full design service to support the council in the delivery of Phases 1, 2 and 3 of Townhill Park regeneration according to their submission. The commission and subsequent payments will be revised if the full design commission is not implemented.
- (iv) To delegate authority to the Director of Environment and Economy following consultation with the Chief Financial Officer, the Head of Legal HR and Democratic Services, the Senior Head of Property and Procurement and the Cabinet Member for Housing and Sustainability to appoint Capita to undertake the full Design Service to support the delivery of Phases 1, 2 and 3 according to the agreed Work Package
- (v) To delegate authority to the Head of Housing Services to implement the current redevelopment decant policy for Council tenants

- (vi) To delegate authority to the Head of Legal HR and Democratic Services to
  - a) Negotiate and acquire by agreement any legal interests or rights held in respect of the parcel of land shown edged red in Appendix 2 not already owned by the Council (being Phases 1, 2 and 3 of the Townhill Park study area) using such acquisition powers as he advises
  - b) To serve Initial Demolition Notices on those secure tenants whose properties lie in the redevelopment area
- (vii) To note that part of the first stage of the Capita work will include investigation and evaluation of various options for the delivery model of the proposed development including their impact on the Housing Revenue Account (HRA). The options include:
  - a) A model where a developer is procured to build the whole site and the Council buys back the affordable housing units
  - b) A model where the Council acts as developer and uses a contractor to build but retains responsibility for the marketing and sales of the private units
- (viii) To note that a budget of £3.9M has previously been approved for the purchase of leasehold properties in Phases 2 and 3.
- (ix) To note the matters raised by residents at paragraphs 31 and 32 to 39 concerning the Ark Public House and to confirm agreement to the responses provided by officers.
- (x) To note that there will be a future report to Council seeking approval for the full capital spend, delivery model, and detail of procurement to build.

## **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. Work has already started on a phased basis to develop a regeneration framework for 6 of the council's estates, starting with, Maybush and Millbrook, and then moving onto Thornhill, Northam, Weston, and Holyrood.
- (2) Redevelopment of Townhill Park will provide the opportunity to deliver improved modern local facilities to meet the needs of residents. It will also provide a mixed tenure environment and good quality accommodation, together with significant improvements in the public and private realm on site. This will promote a cohesive and sustainable community and provide a net gain of housing including affordable housing.
- (3) Selecting areas of the City such as Townhill Park which are the most deprived, but have the greatest potential for housing gain will also contribute to the city's priorities in terms of economic growth and the need for more homes in the city (the Core Strategy has a target to deliver 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 in Townhill Park. Consultation started in September 2011 with further recent consultations held in September 2013. Future events will take place as proposals for the area develop. As the Townhill Park Master Plan proposals are implemented over a period of about ten years there will be many further opportunities for the community to engage with the proposals as they evolve and develop through the various stages of implementation.
- (5) The Council wishes to provide new homes including homes to add to the council's housing stock and is proposing to take forward this work by commissioning the Council's strategic partner Capita to provide a full design service to support delivery.

## **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 beyond Phase 1.
2. The updated Housing Strategy 2011-15 and Housing Revenue Account Business Plan 2011-2041 approved by Cabinet on 4<sup>th</sup> July 2011 (and Council on 13<sup>th</sup> July 2011) confirm estate regeneration and the provision of affordable housing as a key priority for the Council.
3. The option of doing nothing would not achieve the Council's objectives of creating successful communities on our estates.
4. 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.
5. There has been considerable community consultation with local tenants and residents at Townhill Park, which has raised community hopes and expectations.
6. Bringing forward the programme of work for Phases 2 and 3 provides a comprehensive framework for the whole estate, increased certainty for tenants and better economies of scale of delivery.
7. The Council is to be building homes at Townhill Park. The council last volume built council properties in the 1980's. Then it had a substantial in-house team with the required skills and experience to undertake design and project manage construction. These skills and experience have over the years been lost to the council. Therefore a review of the range of procurement options for the project has been carried out:
  - Setting up an internal department
  - Engaging Capita to provide the required service within the Strategic Partnership
  - Commissioning a Development Agent openly procured
  - Commissioning a Development Agent from the Wayfarer Consortia.
8. Setting up an internal department and commissioning a Development Agent openly procured were both rejected because of the expense and time it would take to achieve. Commissioning a Development Agent from the Wayfarer Consortia although speedier would not necessarily allow for the required flexibilities of delivery afforded by using our strategic partner Capita.

9. Therefore the review of procurement options resulted in the recommendation that Capita be commissioned to take forward the Townhill Park work. The use of Capita as a consultant via the council's Strategic Partnership makes use of their experience elsewhere in the country and provides a procurement route that is compliant with EU legislation. This achieves time and cost savings in the procurement process.

**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: 19 November 2013

Decision Maker: The Cabinet

Proper Officer: Ed Grimshaw

**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)*