

<b>DECISION-MAKER:</b>	<b>OVERVIEW &amp; SCRUTINY MANAGEMENT COMMITTEE</b>
<b>SUBJECT:</b>	<b>TOWNHILL PARK REGENERATION: UPDATE</b>
<b>DATE OF DECISION:</b>	<b>11 NOVEMBER 2021</b>
<b>REPORT OF:</b>	<b>COUNCILLOR VASSILIOU CABINET MEMBER FOR COMMUNITIES, CULTURE &amp; HERITAGE</b>

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<b>STATEMENT OF CONFIDENTIALITY</b>	
Not applicable	
<b>BRIEF SUMMARY</b>	
<p>The report is an update on the progress of the Townhill Park Regeneration. The report covers:</p> <ul style="list-style-type: none"> <li>the progress on Part 1 of the Design &amp; Build contract with Drew Smith on the designs for Plots 2, 9 and 10, currently part of the Pre-Contract Services Agreement to achieve planning consent for a financially viable scheme.</li> <li>an update on the decommissioning of Townhill Park post the revised Decommissioning order of July 2021, including the current proposal to progress a Compulsory Purchase Order for Rowlands Walk in order to avoid delays to the demolition</li> <li>communications and community engagement.</li> <li>indicative new build programme.</li> <li>changes to tenure, timeline and how the design/programme has been informed by lessons learned from early phases and</li> <li>Information on the approach to each redevelopment plot.</li> </ul>	
<b>RECOMMENDATIONS:</b>	
(i)	That Overview Scrutiny and Management Committee (OSMC) consider and note the report setting out the update on Townhill Park Regeneration.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	

1	To provide information to answer the request from OSMC to receive an update on Townhill Park Regeneration and to address the particular points raised by the committee in their request.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
2	This section is not relevant as the report is in response to a request for an update on Townhill Park Regeneration requested by OSMC.
<b>DETAIL (Including consultation carried out)</b>	
	<b>Design &amp; Build Contract for Plots 2, and Plots 9 &amp;10</b>
3	<p>In July 2020 Council approved the 1000 Homes Programme for the delivery of 726 new homes and this included Townhill Park Plots 2, 9 and 10. £144 Million was added to the capital programme and delegated powers were given to the Executive Director Place to approve the details of the programme. The delegation states:</p> <p>Subject to the financial approvals of Council, to delegate authority to the Director of Place following consultation with the Cabinet Member for Homes and Culture, Executive Director Communities, Culture and Homes, the Executive Director Finance and Commercialisation and the Service Director Legal and Governance:</p> <ul style="list-style-type: none"> <li>-To deliver a programme in accordance with the overall financial parameters and assumption outlined in this report and to approve and agree the details of each individual scheme which will be based on a specific scheme by scheme business case evaluation.</li> <li>- To establish a new Programme Board to oversee the delivery of the programme.</li> <li>- To enter into contracts with consultants, design teams and construction companies as required.</li> <li>- To agree the final housing and tenure mix for each individual scheme.</li> <li>- To approve funding applications and successful awards towards this programme.</li> <li>- To take any other actions required, ancillary approvals or enter into any agreements required to give effect to this decision.</li> </ul>
4	In response to the approval the New Homes Board was set up which meets monthly and reviews progress on schemes and supports the Executive Director Place in decision making in line with the delegated authority.
5	Plots 2 9 and 10 follow on from the construction of 56 new council homes completed in April 2019 (a block of 50 flats and 6 x 3 bedroomed houses). The council undertook a procurement first to engage an Employer's Agent (EA) and then with the professional expertise of the EA to procure a Design and Build contractor for the plots. The plots are covered in 2 separate contracts Plot 2 and Plots 9 & 10. Other improvements include the environmental improvements to Meggeson Avenue and the current creation of the new Townhill Green (local park) both funded through Homes England Housing Infrastructure Grant.
6	Earlier this year Drew Smith Ltd were appointed to Part 1 of the Design & Build contracts for the delivery of new homes, by the council, on Plot 2 and Plots 9&10 (see Appendix 1 Location Plan). Part 1 of the Design and Build contracts is to design and gain planning consent for financially viable schemes on the 3 sites under what is known as a Pre-Construction Services Agreement. It is usual for the same contractor to be appointed to Part 2 the build phase. However,

	approval of the construction budget is required to enable the building contract to progress.
7	Approval for the build contract and other decisions concerning the schemes is delegated to the Executive Director Place under the July 2020 Council report on the 1000 Homes Programme.
	<b>Design Brief Key Elements</b>
8	The brief to Drew Smith has included the preferred bedroom mix for the 3 plots and the Designers' Manual. The former and key elements of the latter are described below.
	<u>The Bedroom Mix and Accessible Units</u>
9	The mix paper was approved by the Executive Director Place and supported by the New Homes Board. This is the initial preferred mix arrived at after consultation with Housing Management and Housing Allocations and is likely to undergo some change as the design progresses.
10	The indicative mix for Plot 2 and Plots 9 & 10 is still under development but is likely to remain broadly the same. The Bedroom mix information is shown in Appendix 2.
11	On Plot 2, which is all flats, discussions have been held with Housing Management to agree the numbers of different bedroomed homes that they would prefer. In addition, they also recommended no 1 bed General Needs on the ground floor, where the preference is for families and accessible/disabled units.
12	In response to council's initial comments Drew Smith Ltd has introduced a greater variety of bedroom sizes for the accessible/disabled homes. Due to the stacking of similar size units, which maintains cost efficiency, this has contributed to a smaller number of 3 bedroomed flats.
	<u>Designers' Manual</u>
13	Drew Smith Ltd are using the Council's Designers' Manual (DM) approved at Council in 2020. The DM sets out and recommends a range of design standards and aspirations in order to ensure the delivery of high-quality energy efficient homes for the future. The aspiration is to implement the DM as far as possible, within budget constraints. A couple of important DM elements are described below.
	<u>Energy Efficiency</u>
14	A major element of the DM is achieving a good standard of energy efficiency in the new properties. Currently, the Council is working with Drew Smith to set the parameters of the Energy Strategy which will be used to determine how far energy efficient measure can be implemented within the budget.
15	The 3 standards that will be investigated and costed are: <ol style="list-style-type: none"> <li>1. Building Regulations Part L (exact details are still to be published in 2021, but will be current at the time of planning consent)</li> <li>2. RIBA 2025</li> <li>3. RIBA 2030</li> </ol>

	The 2030 challenge focuses on the three environmental sustainability outcomes that all new or refurbished buildings contribute to: energy use, embodied carbon and water use with an overall aim to target net zero whole life carbon emissions (or better) by 2030 at the latest.
16	This will give the Council informed options; the standard in place at planning consent, a higher standard to meet RIBA 2025 and an even higher standard to achieve RIBA 2030. There are many variations involved in order to achieve these standards, so the council will await the results of the expert consultant's report being commissioned by Drew Smith Ltd. Budget allowing, the aim is to also meet the requirements of Planning's Sustainability criteria. The sustainability checklist sets out key principles for sustainable development. This checklist is used by planning applicants to demonstrate compliance with the city of Southampton Core Strategy Policy CS20 (tackling and adapting to climate change).
	<b><u>Nationally Described Space Standards (NDSS)</u></b>
17	In line with the recommendations of the DM the scheme is being designed to Nationally Described Space Standards (NDSS). This standard deals with internal space within new dwellings and is suitable for application across all tenures. It sets out requirements for the Gross Internal (floor) Area of new dwellings at a defined level of occupancy as well as floor areas and dimensions for key parts of the home, notably bedrooms, storage and floor to ceiling height. These standards are more generous those previously widely used in the industry. . NDSS is the standard proposed for the new Southampton Local Plan.
	<b><u>Accessible and Wheelchair dwellings</u></b>
18	The scheme also allows for a number of accessible units designed to M4(2) and M4(3) standard as prescribed by the Building Regulations. M4(2) allows buildings to be accessible and adaptable for a range of disabilities and M4(3) is a full specification to allow wheelchair access and use of the home.
	<b><u>Engagement on the Design</u></b>
19	Community engagement is already informing the design development and will continue to do so. In addition, SO18 Big Local (SO18BL) requested a focus group be formed to become closely involved in the design process. The SO18BL Design Forum has been set up and has met. It comprises SO18BL members and, as requested by them, council officers whose work covers Townhill Park. The current iteration of the design was also presented to the Townhill Park Forum on 21 <sup>st</sup> October. The Council's Communications team are developing a Communications Plan, which includes Drew Smith Ltd and SO18BL to achieve an integrated approach and a wider public engagement is being planned. In December 2021, the council set up a monthly e-bulletin to keep residents updated and engaged with the wider regeneration project. To date, there are 504 subscribers. Residents and stakeholders can sign up to this monthly e-bulletin via the main Townhill Park regeneration page on the council's website.
	<b><u>Tenure</u></b>

20	<p>The tenure of Plots 2 and Plots 9 &amp;10 is to be a mixture of Shared Ownership (SO), Affordable Rent and Social Rent. The percentages of each tenure are still to be finalised. The final numbers are likely to result from consideration of a number of factors including the results of the market study identifying the market appetite for SO in Townhill Park and the financial viability of the schemes. One of the objectives in the Corporate Plan agreed in July 2021 is to promote home ownership and the delivery of shared ownership properties on these sites will contribute to that objective.</p>
	<p><b>Timeline for Plot 2 and Plots 9 &amp; 10</b></p>
21	<p>Drew Smith has set the following ambitious and indicative programme:</p> <ul style="list-style-type: none"> <li>• Formal Planning pre-application feedback end October / early November 2021</li> <li>• Design freeze mid-November 2021</li> <li>• Application preparation until February 2022</li> <li>• Southampton City Council (SCC) approval to submit March 2022</li> <li>• Application determination June 2022</li> <li>• Start on site October 2022</li> </ul>
22	<p>The programme is caveated by the following assumptions:</p> <ul style="list-style-type: none"> <li>• Limited amendments required through the formal planning pre-application process</li> <li>• No delays in the determination of the application, the S106 process, and SCC approval</li> <li>• SCC instructing the detailed design element during determination of the application</li> </ul>
23	<p>The construction programme is still approximate and is dependent on the production of technical information stage (RIBA Stage 4) to be approved prior to planning consent in order to facilitate start on site sooner. It also assumes that Drew Smith would be appointed to the construction phase, which would be usual industry practice for a 2 stage Design &amp; Build contract.</p>
24	<p>The construction of Plots 2, and Plots 9 &amp; 10 would proceed in 2 contracts and run concurrently to the following approximate dates:</p> <ul style="list-style-type: none"> <li>• Plot 2 Start on Site Oct 2022 and completion on or before the end of 2024. As this is a large site the intention would be to have phased handovers of the 3 blocks, but proposed dates are not yet available.</li> <li>• Plot 9 Start on Site Oct 2022 with completion early summer 2024 and</li> <li>• Plot 10 Start on Site Oct 2022 with completion by the end of 2023.</li> </ul>
	<p><b>Lessons Learned incorporated in the new proposals</b></p>
25	<p>The Roundhill Close development of 50 flats and 6x3 bed houses was completed in April 2019. Covid-19 has made it more difficult to carry out follow up consultations with the new residents. However, SO18BL and a member of the council's Tenants Participation team did seek feedback via a survey in December 2020. There was positive feedback in relation to the homes but residents did suggest a number of improvements to the communal areas. Many of these have now been implemented and include improvements to the postal arrangement, better vehicular access for bin collection and the installation of CCTV.</p>

26	It is a priority that lessons are learned from Roundhill Close and that with Housing Management and the SO18BL Design Forum improvements are passed onto and incorporated into the new designs.
	<b>Decommissioning and Future Redevelopment of the remaining Plots</b>
	<u>Decommissioning Order 2021</u>
27	In response to requests for the local community by residents the council agreed to carry out a consultation on the order of the decommissioning at Townhill Park. The consultation was carried out in the latter part of 2020. Residents supported the changes proposed and they were approved in July 2020 and widely publicised locally. Decommissioning of the next plot in the order (Plot 5) has commenced. See Appendix 3 for a copy of the Decommissioning Order 2021 including timeline.
	<u>Proposal to seek to make a Compulsory Purchase Order at Rowlands Walk</u>
28	The council is still completing the decommissioning of Plot 9 Rowlands Walk. This has taken longer than anticipated largely due to the impacts of Covid-19. Despite this good progress has been made by introducing Covid safe guidelines and supporting staff and residents. However, there are 2 leasehold properties where the council has been unable to agree a negotiated settlement for the purchase of the properties. This is now a real risk of causing delay to the demolition of the old properties and start of the new build. Options are being considered in relation to these properties.
	<u>Redevelopment of other plots and timescale</u>
29	The council will continue to directly delivery the new homes on Plot 2 and Plots 9 &10. The decommissioning also continues as per the agreed decommissioning programme. The approach to delivering homes on the remaining sites identified in the regeneration programme at Townhill Park beyond Plot 9 &10 is currently being reviewed and options will be considered.
30	At this stage it is not possible to provide a timescale for the redevelopment of the remaining plots. However, redevelopment naturally follows on from the dates of completion of the decommissioning of each plot. Once blocks are void it is then possible to demolish and rebuild.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
	<u>New Homes Budget (formerly the 1000 Homes Budget)</u>
31	The New Homes budget has been approved for use to fund the PCSA costs for Plots 2, 9 and 10. When the build contract figure is established, subject to financial appraisals and necessary approvals by the New Homes Board, the build contract funding will be met by the New Homes budget.(formerly the 1000 Homes Budget approved in the July 2020 Council report). Further details of this are contained in the Council report 1000 Homes Programme July 2020.
	<u>Townhill Park Approved Budget</u>
32	Townhill Park Regeneration has its own approved budget which covers decommissioning costs and enabling works. The current budget was approved in February 2019 in response to the requirement to provide £10.3M gap funding

	to support the delivery of the remaining 609 residential units which the council has committed to build in return for the Housing Infrastructure grant of £3.75M from Homes England. This budget therefore supports the decommissioning costs for all the plots in Townhill Park Regeneration, not all of which were included in the 1000 Homes Programme. The budget will support the demolition and site development of the plots as decommissioning and demolition costs for Townhill Park were not factored into the assumptions of the 1000 homes programme.
<b><u>Property/Other</u></b>	
33	The Council's Contract Procedures Rules govern the Council's procurement of goods, services, and works. These rules reflect European and UK Law. Procurement which is compliant with the Council's Contract Procedure Rules has been undertaken.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
34	The Council has powers under the Housing Acts, Landlord and Tenant Acts and the Town and Country Planning Act 1990 to undertake the estate regeneration proposals. A power of general competence is also available under Section 1 of the Localism Act 2011, the exercise of which is subject to any pre- or post-commencement prohibitions or restrictions that may exist.
35	The council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness-the best value duty.
	Under Section 3 of the Local Government Act 1972 the Council has the power to do anything incidental to the exercising of any of its functions.
36	The general power of competence under section 1 of the Localism Act 2011 gives local authorities a broad range of powers "to do anything that individuals generally may do" subject to limits within other legislation and there are no adverse limits on the proposed scheme under the current legislation
<b><u>Other Legal Implications:</u></b>	
37	The Council is able to make a Compulsory Purchase Order to acquire land and interests in land to bring forward development in its area using, amongst other powers, the powers under s.226(1)(a) of the Town and Country Planning Act 1990 (as amended). To apply, it must be considered that the development is likely to contribute to the achievement of the promotion or improvement of the economic, social, or environmental wellbeing of the area
	The right to compensation is detailed under the Land Compensation Act 1973.
<b>RISK MANAGEMENT IMPLICATIONS</b>	
38	A high-level risk register is in place and this will be refined through the development of each plot. The New Homes Programme Board will receive regular reports relating to the current position of the risk register and all the actions and mitigations will be kept under review. The Board will also receive regular finance updates on each of the projects.
39	Key identified risks include:

	<ul style="list-style-type: none"> <li>• Impact of Covid19 – and new impacts on the construction sector including current shortages of materials</li> <li>• General inflation and the cost of borrowing.</li> <li>• Demand in the housing market in relation to Shared Ownership properties.</li> <li>• Homes England Funding being available.</li> </ul>
40	Risks such as those linked to planning which include securing approval for the densities required and nitrates issues will be continually reviewed.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
41	The proposal in this report reflects the Council's Corporate Plan 2021-2025 , the Green City Charter, Southampton City Council Housing Strategy 2016-2025, and the Core Strategy.

<b>KEY DECISION?</b>	<b>Yes</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	Harefield and Bitterne Park and residents of Townhill Park
<u>SUPPORTING DOCUMENTATION</u>	
<b>Appendices</b>	
1.	Location Plan of Townhill Park Plots
2.	Indicative Bedroom Mix
3.	Decommissioning Order 2021

#### Documents In Members' Rooms

1.	None
<b>Equality Impact Assessment</b>	
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>	<b>Yes</b>
<b>Data Protection Impact Assessment</b>	
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>	<b>No</b>
<b>Other Background Documents</b>	
<b>Other Background documents available for inspection at:</b>	
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>
1.	None