

<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	CITY WIDE MASTERPLANNING FOR ESTATE REGENERATION
<b>DATE OF DECISION:</b>	13 FEBRUARY 2012
<b>REPORT OF:</b>	CABINET MEMBER FOR HOUSING
<b>STATEMENT OF CONFIDENTIALITY</b>	
None	

### **BRIEF SUMMARY**

The city wide Estate Regeneration programme is now gathering pace.

It is proposed to procure consultants to produce a city wide Estate Regeneration Framework that would be a high profile and ambitious project that will have a long-term transformational impact on the social, economic and environmental aspects of the city.

### **RECOMMENDATIONS:**

- (i) To delegate authority to the Director for Economic Development, following consultation with the Cabinet Member for Housing and Director for Environment to commence a programme of consultation and engagement with residents and stakeholders and to procure and appoint consultants to prepare a city wide Estate Regeneration Framework document.
- (ii) Subject to the approval of the HRA capital programme by Council on 15 February 2012, to approve for the purposes of Financial Procedure Rules, capital spending of £50,000 in 2011/12, and up to £450,000 in 2012/13 on the masterplanning of a city wide Estate Regeneration Framework and associated fees and costs, provision for which exists in the HRA capital programme being submitted to Council on 15 February 2012.

### **REASONS FOR REPORT RECOMMENDATIONS**

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 One 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. It is proposed that the next phase of the programme, the subject of this paper, takes this a step further, with the preparation of an Estate Regeneration Framework which provides a long term strategic approach to the delivery of Estate Regeneration across the city. The Framework will comprise a series of documents including master plan and delivery options. (This will also enable economies of scale resulting in better value for money to be achieved).
2. Producing a city wide Regeneration Framework will (together with the Housing Revenue Account Business Plan) provide the strategic direction and overview for the long term future of the council's housing. This will enable a co-ordinated and focused delivery in a planned way over the next twenty years.

3. This strategic, long term approach will inform the long term business planning of the HRA , which is required as part of the new self financing regime.
4. 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, and the Core Strategy target of delivering over 16,000 new homes between 2010 and 2026.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

5. The option of doing nothing would result in a lack of strategic direction for the regeneration of the city's Council housing stock and a lost opportunity to meet the Council's objectives of economic growth.

### **DETAIL (Including consultation carried out)**

#### **Core Principles of the Estate Regeneration Programme**

6. The Estate Regeneration programme is a key component in delivering the City wide priority of sustained economic growth. The programme is also key to tackling economic deprivation and social disadvantage on Southampton's Council estates. Poor health outcomes and educational standards would also be expected to improve.
7. The objective of the estate regeneration programme is to create successful communities on our estates where people will want to live in the future. Communities will be comprised of people of different ages and backgrounds where work is the 'norm' for all who are able to. Homes and public spaces will be designed to provide safe and secure environments and local people will take an active involvement in ensuring the success of the community.
8. The outline principles of the programme are :
  - Taking a comprehensive approach to renewal in order to transform neighbourhoods into places where people want to live for years to come.
  - Maximising the number of new homes, including family homes, as part of the re-development.
  - Promoting mixed communities made up of affordable and private homes.
  - Involving local people in developing and designing their community for the long term.
  - Providing shops and community facilities, where needed and practicable.
  - Promoting economic growth and the creation of jobs and training opportunities
  - Providing homes and an environment that positively contributes towards sustainable development

#### **Current Progress**

9. Phase 1 – Hinkler Parade, £16M - Pilot project is now well underway, with the first homes in Phase 1 sold, first phase of affordable homes now fully occupied and shops all occupied and trading. The second phase of the development is under construction and due for completion by the summer of 2012.

10. Phase 2 – 4 sites, £30-40M project - Lovell has been appointed as the preferred developer for three out of the four sites, Exford Avenue Shopping Parade, 222-252 Meggeson Avenue and Laxton Close. Planning consent was granted on 22<sup>nd</sup> November 2011 and work will commence with demolition in the Spring of 2012.
11. The land disposal of Cumbrian Way is progressing with the site being demolished by the Council early in 2012 and the planning application due to be submitted imminently for 50 new homes and retail space.
12. Local Authority New Build - £7M Project – The first 6 sites totalling 33 new homes were completed and occupied by March/ April 2011. A further 4 new homes at Leaside Way were completed in May 2011, and 16 new homes at Cumbrian Way are on schedule to complete by March 2012. In total, both Phases will provide 53 new Council homes built at Code for Sustainable Homes Level 4.
13. Phase 3 - Weston Shopping Parade  
£10M project to redevelop the existing shopping parade and two adjacent blocks of flats. Site is 70% decanted. Developer is being sought from January 2012 using the HCA's Delivery Partner Panel framework. The target densities are 60-75 dwellings per hectare.
14. Total New Homes - In total the current Estate Regeneration programme, including the above sites, is set to deliver between 487 and 504 new homes, community facilities and retail units across 13 sites in the city. Links have been established to promote social and economic regeneration. For example, on Hinkler Parade, over 25% of the workforce constructing the project are local people and this project has supported new business start-ups.
15. Phase 3 - Townhill Park Estate Regeneration Framework.  
The development of this estate-wide project has been in progress for the last five months and will result in the production of a physical Master Plan, socio economic strategy and delivery model for the area to be completed by March 2012. The Estate Regeneration Framework will not only ensure that new developments are of mixed tenure and that existing homes are improved, but that physical changes will bring about job and training opportunities and improvements in health and education. A report will go to Cabinet on 12 March 2012, with developer procurement soon thereafter.

### **Sustainability**

16. The framework will seek to incorporate sustainable development measures which will contribute towards meeting sustainability requirements. These could include: proposals to transform the energy profile of our estates (and reduce fuel poverty) both through retrofit and high energy standards in new build; to design in sustainable travel through integrated transport and spatial masterplanning planning (which includes ensuring there is a full range of local community services); to plan for effective and accessible public transport services to our estates (as part of our broader Local Sustainable Transport Fund (LSTF) investment programme); to give full weight to biodiversity and landscape quality considerations; to carefully consider medium and long term flood risk and to incorporate appropriate flood mitigation measures to take us through the 21st

century and to take on board the requirements of the new Sustainable Urban Drainage System (SUDS) provisions.

### **Masterplanning**

17. A Master Plan is a comprehensive long range plan intended to guide growth and development of a community or region. It includes analysis, recommendations, and proposals for the community's population, economy, housing, transportation, community facilities, and land use. It is based on public input, surveys, planning initiatives, existing development, physical characteristics, and social and economic conditions. Producing a city wide Estates Regeneration Framework will (together with the Housing Revenue Account Business Plan) provide the strategic direction and overview for the long term future of the council's housing. This will enable a co-ordinated and focused delivery in a planned way over the next twenty years. Links with key community infrastructure such as schools, healthcare, business and transport facilities are shown, together with maximising opportunities brought about by the new jobs proposed in the city centre.
18. The city centre is the economic driver of the city and the City Centre Master Plan identifies many transformational projects aimed at delivering economic growth in the next 20 years. Delivering modern and strong communities, where residents have access to employment opportunities in the city is central to the overarching city vision. The city- wide Estate Regeneration Framework will need to complement the City Centre Masterplan, maximising opportunities for residents on Southampton's Estates to access jobs in the city centre.
19. The Townhill Park Estate Regeneration Framework will in addition set out a strategy which intrinsically links physical and socio-economic regeneration across the estate. It is intended that the city wide Estate Regeneration Framework continues this work.

### **The Case for Regeneration and Masterplanning**

20. In 2009, Terence O'Rourke consultants completed an Estate Regeneration Capacity Study. This identifies capacity to accommodate renewal and housing growth across the Council's housing estates to 2026.
21. In order to maximise housing growth through Estate Regeneration, the study recommends that the Council would need to focus on those sites which offer the most potential for housing gain (net increase on the existing properties). The study also identified those areas in the city which were the most deprived and in need of intervention. The table below provides a summary of the key findings of the study:

Estate	Potential for Growth	IMD 2010 Overall Rank of LSOA in the 10% most deprived in England with their rank in Southampton (where 1 is the most deprived)
Townhill Park*	36.5%	not in 10% most deprived
Northam	24%	2
Thornhill	22.8%	1,5
Millbrook	22.8%	6,7, 8, 9
Weston	22%	3
Maybush	13.1%	4

IMD = Index of Multiple Deprivation

LSOA = Lower Super Output Area; a geographical area designed for the collection and publication of small area statistics

\*Townhill Park is currently the subject of an Estate Regeneration Framework

22. The city wide Estate Regeneration Framework is to concentrate interventions on the areas in the above table (Appendix 1) in order to make the most potential impact on economic growth in the city it is also proposed to include the Holyrood estate (Appendix 1). The City Centre Master Plan identifies many transformational projects (Very Important Projects or VIPs) many of which are close to the Holyrood estate, which provides an important residential community in the city centre. Developed in the 1950's and 1960's it consists mainly of four storey blocks with three nine storey point blocks towards its southern edge. Part of the estate faces the shopping parade at Queensway. The estate is well liked. Although there has been and continues to be investment in Holyrood, both in terms of the residential units and the neighbourhood, there is concern that in years to come it will not keep up with the high quality of surrounding city centre developments. It is therefore, considered prudent to take this opportunity to include it in the city wide Estate Regeneration Framework although, in view of the recent programme of investment and tenant participation, it is anticipated that any proposals for change would be long term. Work would build on the strong community involvement already established in the area.

### **Reform of the Housing Revenue Account System**

23. Significant changes will be made to the Housing Revenue Account System from 1<sup>st</sup> April 2012 and the city wide Estate Regeneration Framework will have to factor this in. A devolved and localist system of financing for council housing is being established whereby councils like Southampton are able to manage their own stock using their own rents. This is achieved via a one-off debt settlement. The amount of debt allocated to each authority will be calculated on the basis of what the business is able to support since it will be based on assumptions about its income and expenditure needs over 30 years. Full details of the changes are set out in the HRA budget report that is being presented to Cabinet and Council on 6th February 2012.

24. A major feature of the new system is the requirement for long term business planning. Long term business planning (5 years and 30 years) is not only possible but is essential to the successful long term implementation of the new financial regime. The Council will retain responsibility for the management and financial viability of the HRA to ensure its homes can continue to be maintained for current and future tenants. The city wide Estate Regeneration Framework will inform and tie in with planning for the 30 year HRA Business Plan to ensure that there is always a viable HRA Business Plan.

### **Phasing**

25. This is a long term plan and the city wide Estate Regeneration Framework will include a strategic phased approach to interventions, including the management of the decanting of tenants and the number of properties available for letting in each year.

### **Consultation – Estate Regeneration Programme**

26. Consultation has been undertaken with a range of bodies in the development of the Estate Regeneration programme. Nationally, this includes the Homes and Communities Agency and Sub Regionally, the Partnership for Urban South Hampshire (PUSH). Locally, there has been consultation with tenants' representatives and trade union representatives. There has also been positive cross-party engagement

### **Consultation - city wide Estate Regeneration Framework**

27. Prior to this Cabinet meeting a letter was sent to all Council tenants and leaseholders in the areas to be included in the framework, advising them of the proposal to prepare a city wide Estate Regeneration Framework. This was done successfully at Townhill Park.
28. Formal consultation with residents will commence once consultants have been appointed to deliver the Framework and initial consultations are likely to commence in the summer of 2012.
29. Next Steps  
Should Cabinet approve the report recommendations, the next steps in delivering the city wide Estate Regeneration Framework will include:
- Notify tenants in identified areas
  - Tender and appoint consultants
  - Begin community consultation
  - Report back to Cabinet with the completed city wide Estate Regeneration Framework for approval to implement.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

30. Capital  
The updated HRA capital programme was presented to Cabinet on 6 February 2012 and is being submitted to Council for approval on 15 February 2012 as part of the HRA budget report and business plan. This programme has £50,000 in 2011/12 and £450,000 in 2012/13 for city wide

master planning. The HRA business plan contains specific provision of some £20M to support the implementation of further estate wide regeneration initiatives. It has also been agreed that it would be appropriate to utilise some of the HRA borrowing “headroom” to cash flow estate regeneration schemes.

31. Revenue

The revenue costs of implementing the proposals in the city wide Estate Regeneration Framework will be assessed when firm proposals are prepared. Consultants will be tasked with producing a financial model and viable solutions. It will be essential to ensure that the HRA business plan remains viable over the full 30 years of the plan.

**Property/Other**

32. The city wide Estates Regeneration Framework will identify how Council assets are to be used to deliver the regeneration ambitions. The Council has significant assets on the estates which need to be utilised, both residential and non residential. Baseline information about the Council’s assets and their condition will be gathered. A thorough options appraisal process will then be undertaken to identify the optimum use for those assets in delivering the Estate Regeneration vision for the city and Best Value.

33. Other - Procurement The Council’s Contract Procedures Rules govern the Council’s procurement of goods, services and works.

34. It is intended to use the Homes and Communities Agency (HCA) procurement framework and their Property Panel for the procurement of consultants. Since the Panel is already set up, using it speeds up the procurement process. The Council has experience of using the panel, including using it to appoint the consultants for Townhill Park.

**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

35. This report seeks approval to consult and engage with residents and stakeholders in relation to city-wide regeneration, and seeks to appoint appropriate consultants to develop a city-wide regeneration framework plan to reflect the Council’s intentions in this respect over the coming period.

36. The Council has powers under the Housing Acts to plan and implement regeneration of its housing stock and the well being powers contained within section 2 of the Local Government Act 2000 allow for projects that enhance the economic, social and environmental wellbeing of the area.

**Other Legal Implications:**

37. None.

**POLICY FRAMEWORK IMPLICATIONS**

38. The Housing Strategy 2011-15 and Housing Revenue Account Business Plan 2011-2041 confirm estate regeneration as a key priority for the Council. The proposals in this report will contribute towards the achievement of these objectives.

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**KEY DECISION?** Yes      **WARDS/COMMUNITIES AFFECTED:** All Wards

**SUPPORTING DOCUMENTATION**

**Non-confidential appendices are in the Members' Rooms and can be accessed on-line**

**Appendices**

1.	Map showing areas to be included in the city wide Estate Regeneration Framework
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**Documents In Members' Rooms**

1.	None.
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**Integrated Impact Assessment**

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	Yes
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**Other Background Documents**

**Integrated Impact Assessment and 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)
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1.	None	
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