

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM 10

REPORT TO CABINET

9 MARCH 2006

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

***Regeneration & Transport – Lead Cabinet Member - Councillor Cook
Housing– Lead Cabinet Member - Councillor Leonard***

PARKFIELD / MILL LANE HOUSING REGENERATION PHASE TWO

1. Summary

The report advises Members of the mechanisms required for bringing about the redevelopment of the Parkfield / Mill Lane Phase 2 regeneration area.

2. Recommendations

1. Members approve the relocation initiatives for the Parkfield Phase two regeneration scheme and delegate responsibility to the Corporate Director of Development & Neighbourhood Services in consultation with the Cabinet Member for Housing to develop any further relocation initiatives as required.
2. Members approve the ring-fencing of Capital Receipts from the sale of land be used to help finance the scheme.
3. Members delegate responsibility to the Corporate Director of Development & Neighbourhood Services in consultation with the Cabinet Member for Housing, to develop a local lettings policy for the allocation of new-build Housing Association properties within the Phase Two area.

3. Reasons for the Recommendations/Decision(s)

To enable the housing regeneration of Parkfield / Mill Lane to be delivered.
To improve the quality and choice of housing within Parkfield and Mill Lane area.

4. Members Interests

Members (including co-opted members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (paragraph 10 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting is being held, whilst the matter is being considered; not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc.; whether or not they are a member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting, and if their interest is prejudicial, they must also leave the meeting room during consideration of the relevant item.

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CABINET DECISION

PARKFIELD / MILL LANE HOUSING REGENERATION PHASE TWO

SUMMARY

The report advises Members of the mechanism required for bring about the redevelopment of the Parkfield / Mill Lane Phase 2 regeneration area.

RECOMMENDATIONS

1. Members approve the relocation initiatives for the Parkfield Phase Two Regeneration scheme and delegate responsibility to the Corporate Director of Development & Neighbourhood Services in consultation with the Cabinet Member for Housing to develop any further relocation initiatives as required.
2. Members approve the ring-fencing of Capital Receipts from the sale of land to ensure the scheme is self-financing.
3. Members delegate responsibility to the Corporate Director of Development & Neighbourhood Services in consultation with the Cabinet Member for Housing to develop a local lettings policy for the allocation of new-build Housing Association properties within the Phase Two area.

DETAIL

1. The Masterplan for the Parkfield / Mill Lane Regeneration Phase Two areas was previously endorsed by Cabinet on 3rd November 2005. Details of the redevelopment have previously been presented to Cabinet. In summary the scheme seeks to demolish approximately 193 properties and 7 commercial properties in order to regenerate and redevelop the area with a private developer partner and Registered Social Landlord (RSL). Since the last report to Cabinet, funding has been secured to commence the implementation of the scheme, and a phased programme of delivery has been developed.

RELOCATION INITIATIVES

2. During consultation with residents throughout the masterplan process officers have developed and tested potential relocation initiatives. The purpose of the relocation initiatives are to enable residents to relocate to alternative accommodation and ensure that any financial gap between the value of the two properties can be bridged.
3. "Parkfield Regeneration – Homes for All" is a bespoke package of relocation initiatives which builds on the good practice already developed in the Parkfield Phase One area and the Mandale and Hardwick Regeneration Schemes. "Homes for All" offers residents (subject to eligibility) access to one of the following initiatives:
 - Home Owners Relocation Scheme
 - Purchase & Repair Scheme
 - Shared Ownership Scheme

- Equity Share Scheme
- Early buy-back scheme
- Open Market Home Buy
- Housing Association property for rent
- Provision of financial advice.

Further detail outlining each initiative is attached at **Appendix one**. Members are also asked to agree that delegated responsibility is given to the Corporate Director of Development & Neighbourhood Services and the Cabinet Member for Housing to develop any further relocation initiatives as required, as the scheme develops.

FINANCE

4. A formal financial appraisal of the scheme has been undertaken and funding has now been secured from the Regional Housing Board to commence the acquisition of properties and commercial premises within the phase two area. However this funding is not sufficient to deliver all of the programme and there will be a gap in funding. To help bridge the gap Members are asked to agree that the Capital Receipts raised from the sale of the land can be ring-fenced to the regeneration scheme. A further report outlining the finances of the scheme will be presented to Cabinet following the appointment of the private developer partner.

TEES VALLEY HOUSING GROUP

5. In order to ensure that a sustainable community can be created, the housing re-provision within the new development will contain approximately 20% Housing Association properties (subject to successful bids for funding to the Housing Corporation).
6. Tees Valley Housing Group are the Councils selected RSL partner for the regeneration of Parkfield / Mill Lane.
7. To assist with the decantment of residents from existing properties, Members are asked to provide delegated responsibility to the Corporate Director of Development & Neighbourhood Services in conjunction with the Cabinet Member for Housing to develop a local lettings policy for the allocation of properties.

FINANCIAL & LEGAL IMPLICATIONS

8. The legal content of this report has been checked and verified by the Councils Appointed Legal Advisors.
9. A further report outlining the financing of the scheme will be presented to Cabinet following the appointment of a private developer partner.

RISK ANALYSIS – BROAD LEVEL

10. There is a small risk that the scheme relocation initiatives could not be generous enough to meet its objective of encouraging homeowners to sell by agreement. However, the relocation initiatives have been developed based on good practice and a number of the initiatives have already been tested elsewhere. Officers have monitored the housing market and considered the apparent gap in property prices when determining the value of relocation packages.

COMMUNITY STRATEGY IMPLICATIONS

11. The Regeneration Scheme has been developed in accordance with the Key Objective of Making the Most of our Community within the Community Plan and the Regeneration Strategy. The proposal is also developed in conjunction with the Neighbourhood Management Pathfinder Delivery Plan and aims to establish a programme to tackle falling house prices in some parts of the Neighbourhood Management area and reduce the number of empty homes. This also links with targets to increase house prices and reduce the number of long term empty dwellings.

ENVIRONMENTAL IMPLICATIONS

12. The scheme will enable major environmental improvements to the area.

COMMUNITY SAFETY IMPLICATIONS

13. Community Safety will be part of the design specification.

CONSULTATION INCLUDING WARD COUNCILLORS

14. The Ward Councillors and relevant Cabinet Members have been consulted on the content of this report.

Corporate Director of Development & Neighbourhood Services

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Background Papers

Parkfield / Mill Lane Cabinet Report 3.11.05

Education Related Item?

No

Property Implications

Yes – the scheme will result in a reduction of the Council owned housing stock and the sale of approximately 3.6 hectares of land for redevelopment.

Ward(s) and Ward Councillors:

Stockton Town Centre – Cllr Coleman & Cllr Kirton

Appendix 1 – Homes for All Relocation Initiatives

Residents can choose **one** of the following initiatives, subject to meeting the eligibility criteria:

1. **Home Owners Relocation Scheme.** This scheme is intended to help bridge any gap between the value of residents current home and the cost of buying another similar property in the area. A maximum grant of £15,000 is available and eligibility will be tested. Residents will be required to carry all equity in their current home forward to their new home. A land charge will be shown on the property for five years. To be eligible home owners must have owned and been in full occupation of the property on the scheme announcement date for their phase.
2. **Purchase and Repair Scheme.** This scheme enables residents to purchase an alternative property that is in disrepair and receive improvement works up to the value of £15,000. Officers will project manage the improvement works and will agree eligible works with residents following a survey of the property. The works will aim to bring the property up to the Decent Homes Standard. A land charge will be shown on the property for five years.
3. **Shared Ownership Scheme.** This scheme will enable residents to buy a share in an alternative property in partnership with a Registered Social Landlord. A maximum discount of 50% will be available, home owners will be required to pay rent on the part owned by the Registered Social Landlord.
4. **Equity Share Scheme.** This initiative will be available on new-build housing within the Parkfield Phase One and Phase Two areas. The scheme will be developed in partnership with the successfully appointed private developers and RSL partner. The scheme will enable residents to purchase housing on the new development at a discounted price (normally around 70%) while the private developer owns the remaining part of the share. Home owners can then choose to escalate up and purchase remaining parts of the share when their circumstances allow them to.
5. **Early Buy-back Scheme.** This initiative enables homeowners to sell their property to the Council ahead of their position within the programme. However, if residents choose this option then they will not be eligible to receive other relocation initiatives. This initiative is offered only if sufficient funding is available in the scheme budget to enable properties to be purchased ahead of programme.
6. **Open Market Home Buy.** This scheme is currently being finalised by the Yorkshire Building Society and Nationwide Building Society in partnership with Central Government. The scheme will be available from October 2006. This initiative enables residents to purchase any property on the open market while only having to finance 75% of the purchase price. The remaining share is held by the building society.
7. **Housing Association Property for Rent.** Residents who are living in the phase 2 regeneration area will be given a priority for re-housing within the new housing association properties that will be built.
8. **Financial Advice.** The Council will fund the provision of independent financial advice.