

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....14th January 2010

1. Title of Item/Report

Parkfield/Mill Lane and Swainby Road Housing Regeneration

2. Record of the Decision

Consideration was given to the associated issues regarding the delivery of the Council's Housing Regeneration ambitions at Parkfield/Mill Lane and Swainby Road, including proposals for the delivery of the two individual schemes and a way forward presented for mitigating future funding risks post the next comprehensive funding review.

Significant progress had been achieved on the Parkfield/Mill Lane scheme ,including:

Phase 1

- 190 demolitions
- 67 new mixed tenure homes built

Phase 2

- 176 properties acquired and households successfully relocated
- 124 properties scheduled to be demolished January 2010
- 2 commercial properties acquired

Phase 3

- Detailed community consultation undertaken which identified face lift and refurbishment for residential properties as preferred option for local residents
- Face lift works completed at Outram Street
- Improvements to Trinity Church Gardens
- 12 new Tees Valley Housing Group homes for rent under construction due for completion February 2010

During this time, a number of significant events had also occurred, including the global recession, cuts in public spending, the decision to retain and refurbish Phase 3 and approval of planning consent for Aldi, which had resulted in the need to review the delivery strategy and masterplan for this area. An independent review of the masterplan was undertaken in 2007 by Nathaniel Litchfield and Partners (NLP) following

the decision to retain the Phase 3 area, and again in September 2009 in light of the recession. Both these reviews had recommended extending the demolition boundary of the Phase 2 area to Dovecot Street, details of which were provided, in order to provide enough scale of change to bring sustainable regeneration and attract the private sector and new households to come and live in the area. The reviews also concluded that frontage on to Yarm Lane was still a key driver for the success of the scheme.

The Homes & Communities Agency (HCA) had recently confirmed an additional allocation of £8m to help fund the extension of the demolition boundary but required this funding to be split between Swainby Road as well as PML Phase 2. A condition of this funding was that any capital receipts generated from the sale of land within the scheme areas would be split in accordance with the relative contributions. This is currently anticipated to be 67% to HCA and 33% to SBC. In addition to the HCA funding, PML Phase 2 was funded by Single Housing Investment Pot (SHIP) and Housing Market Renewal (HMR) funding. Until very recently this funding was presumed to be a certainty in future Comprehensive Spending Reviews (CSR), however, this can no longer be presumed to be the case due to anticipated cuts in public spending.

It was noted that even after the HCA £8m allocation, there would still be an estimated financial shortfall to complete the boundary extension of £3.9m. It was hoped that this would be met by SHIP/HMR in the next CSR announcements. However, as a contingency, an arrangement had been provisionally agreed with the HCA where they have agreed to invest their share of the anticipated Swainby Road capital receipt (approximately £2.7m) on condition that SBC contributes their share (approximately £1.3m). This is clearly financially advantageous to the Council given the higher value of the HCA's share of the receipts and in line with a previous Cabinet decision which approved that surpluses in housing regeneration schemes should be used in the first instance to off set short falls in other housing regeneration schemes (Min 15/03/07 1077 refers). In addition, 50% of any capital receipts the Council receives from the sale of 'Housing' land is required to be 'set aside' to pay off the Council's overhanging debt unless they are reinvested for 'Regeneration' under the terms of the Local Government Act 2004. This recommendation is based on the Swainby Road capital receipts rather than PML Phase 2 as the Swainby Road site will be brought to the market first. It was therefore proposed that the Council's share of the capital receipts from the Swainby Road site be utilised in the first instance to off set any financial shortfall with the PML Phase 2 boundary extension. Contingency plans had also been agreed with the HCA should the Swainby Road receipts be less than anticipated given that they are estimates provided in a very uncertain housing market.

The Masterplan for PML included the acquisition of commercial premises to provide the much needed frontage on to Yarm Lane AND also recommended the demolition of the commercial premises on the opposite side of Yarm Lane within the Phase 3 area although this was not approved due to the decision to undertake further community consultation with the residents there. To date, the M & D Club and Tony's Motors had been purchased. The Council's ability to complete the assembly of the remainder of the commercial premises had been constrained due to the loss of the 'Aldi site' following the recent approval at Planning Committee of the supermarket application. The total estimated cost of acquiring the remainder of the commercial premises on both sides of Yarm Lane was currently estimated to be in the region of £4.3m. It was therefore proposed that a further report outlining the way forward be brought to Cabinet after the next CSR when the funding position was clearer. Further to the required change in strategy, it was proposed that Cabinet approve a '2 stage' consultation process with residents regarding demolition of their homes in order that all affected were properly informed of the reasons behind the amended strategy.

The Swainby Road proposal sought to create a sustainable community through the demolition of 187 Council owned properties, 2 former Right to Buy (RTB) properties, 15 privately owned terraced houses on Norton Road, a small piece of private land on Windmill Terrace and 2 commercial premises (Fish and Chip Shop and Brown Jug Public House). This approach would create an attractive development site for new high quality homes for sale and rent. The homes for rent would be provided by a Registered Social Landlord (RSL) and ring fenced for the original residents who's homes had been demolished.

Extensive consultation had been held with the community (82% of the community having taken part) which revealed that there was:-

- Strong recognition of the need for regeneration
- Over 99% support the demolition proposal (only one tenant said they didn't)
- 57 tenants want to return
- 17 of those wishing to return would like bungalow accommodation
- The Fish Shop and Brewery which own the Brown Jug Public House also support the demolition proposal

Moving forward, the only significant community issue foreseeable was the over demand for the new social housing built. Although the design of the new neighbourhood had not begun, it was estimated that the new site would be able to accommodate approximately 40 new social rented homes at a ratio of circa. 20%. This approach was in line with the

Governments Sustainable Communities Plan which encouraged mixed tenure neighbourhoods to deliver sustainable regeneration. 60 of the Council properties were occupied by Asylum Seekers and the Asylum Seeker contract with the Home Office was due to end May 2011 and these residents would move as part of this coming to an end. A decision was yet to be made on whether the contract would be renewed but if it was, accommodation would be procured from the private rented sector and Asylum Seeker residents would be dispersed in small clusters throughout the Borough. It was proposed to commence relocating Council tenants at Swainby Road in January 2010, funded by SBC housing capital programme funds and to begin acquiring the private properties on Norton Road from April 2010 with HCA funding. In order to move the scheme further forward, it was proposed that approval be sought to appoint a Registered Social Landlord partner for Swainby Road and a private developer partner(s) for the sites through a Development Brief.

RESOLVED that:-

#### Parkfield Mill Lane Phase 2

1.The commencement of a '2 stage' community consultation process with local residents at Parkfield Mill Lane Phase 2 'Extended Area' (as detailed in Appendix 1 to the report provided) be approved on the proposal to extend the demolition boundary and final approval to acquire and demolish the properties be delegated to the Corporate Director of Development and Neighbourhood Services in consultation with the Ward Councillors, Cabinet Members for Housing & Community Safety and Regeneration & Transport, subject to the results of the consultation and funding.

2.The position surrounding the remaining commercial premises be noted and that a further report be presented to Cabinet on the way forward once future funding is confirmed.

#### Swainby Road

3.The Swainby Road housing regeneration scheme and demolition area (as shown at Appendix 2 to the report provided) be approved.

4.A local lettings policy be developed with local residents and the appointed Registered Social Landlord partner and be then agreed by the Corporate Director for Development and Neighbourhood Services in consultation with the Cabinet Members for Housing & Community Safety and Regeneration & Transport and thereafter implemented in accordance with the policy.

5. The serving of Initial Demolition Notices in order to suspend the Right to Buy in the area approved for demolition and within the boundary of the scheme, be approved in accordance with Schedule 5A of the Housing Act 1985 as amended by S. 183 of the Housing Act 2004, and authority be delegated to the Corporate Director for Development and Neighbourhood Services in consultation with the Cabinet Members for Housing & Community Safety and Regeneration & Transport authority to determine the period to be specified in the Initial Demolition Notices having regard to the programme of phased development of the site.

6. The Corporate Director of Development and Neighbourhood Services, in consultation with the Cabinet Members for Housing & Community Safety and Regeneration & Transport, be authorised to instruct the Head of Legal Services to serve the Final Demolition Notices at the appropriate time.

#### Joint Scheme Recommendations

7. Development briefs be finalised taking on board the public consultation issues as appropriate and thereafter be agreed by the Corporate Director for Development and Neighbourhood Services in consultation with the Cabinet Members for Regeneration & Transport and Housing & Community Safety.

8. Both schemes be progressed on a phased basis in accordance with their finalised development briefs, to include all necessary acquisitions, demolitions, appointments of Registered Social Landlords and private developer partners and authority to enter into all necessary legal agreements and other documents necessary to give effect to the development briefs subject to appropriate funding being available in respect of each phase, with amendments to be agreed by the Corporate Director of Development and Neighbourhood Services in consultation with the Cabinet Members for Housing & Community Safety and Regeneration & Transport.

9. The Council enters into the £8m Funding Agreement with the Homes and Communities Agency and the Corporate Director for Development and Neighbourhood Services and Corporate Director for Resources be authorised to agree the final terms and conditions of the Funding Agreement in consultation with the Cabinet Members for Housing & Community Safety and Regeneration & Transport.

10. The need for the exercise of compulsory purchase powers to deliver both regeneration schemes be recognised in principle, and officers be authorised, in consultation with the schemes legal advisers, to investigate

further the cases for compulsory purchase and to formulate strategies for the potential use of compulsory purchase powers, with further details to be reported back to Cabinet in due course.

11. The statutory policy for Home Loss Payments be reinstated for all qualifying tenants across all the Council's major housing regeneration schemes to allow payments to be made only if they have occupied the properties for more than 12 months (amending the current discretionary policy).

RECOMMENDED to Council that-

12. The capital receipt from the sale of the Swainby Road site be utilised to off set any financial shortfall in respect of the extension of the demolition boundary at Parkfield/Mill Lane Phase 2.

3. Reasons for the Decision

The interventions proposed will bring improvements to both the housing and quality of life for the residents of Parkfield / Mill Lane and Swainby Road and contribute to the delivery of the Council's housing regeneration ambitions for the Borough.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

Not Applicable

7. Date and Time by which Call In must be executed

In respect of Resolutions 1-11 only, by not later than Midnight on Friday 22nd January 2010.

Proper Officer  
18 January 2010