

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

14 JUNE 2012

REPORT OF CORPORATE MANAGEMENT TEAM

CABINET DECISION

Housing & Community Safety – Lead Cabinet Member - Councillor S Nelson
Regeneration & Transport – Lead Cabinet Member – Councillor M Smith

SWAINBY ROAD HOUSING REGENERATION SCHEME UPDATE

1. Summary

This report provides an update on the Swainby Road Housing Regeneration scheme and seeks approval for a number of critical next steps that will enable the successful progression of this project. As part of the Northern Gateway, this site plays a crucial role in supporting the broader vision for a modern, vibrant and successful Stockton town centre.

2. Recommendations

Cabinet are recommended to:

1. In relation to the Compulsory Purchase Order (CPO):
 - a. Agree that the acquisition of the necessary outstanding properties will facilitate the development/redevelopment or improvement of the land shown on the Plan at **Appendix A** and will contribute to the achievement of the promotion of the economic, social or environmental well-being of the area.
 - b. Approve the use of the Council's CPO powers under the Town and Country Planning Act 1990 (Section 226(1)(a)) and the Acquisition of Land Act 1981 to acquire all necessary interests in respect of the area indicated at **Appendix A**.
 - c. Approve the use of all actions necessary in accordance with the serving of Requisitions for Information, the making of the CPO, the representation of the Council in relation to any Inquiry, the confirmation of the CPO, the actions necessary following the confirmation of the CPO either by the authority or the Secretary of State and consequent orders or actions including the service of Notices to Treat or the making of a General Vesting Declaration, and all other notices, orders or actions required to give effect to the authorisation to acquire the land compulsorily.
2. Note the progress made to date in terms of decanting scheme residents and in acquiring both private and commercial premises.
3. Note the use of the Homes and Community Agency Developer Partner Panel to appoint a private sector partner to redevelop the site.

4. Approve the processing of (any necessary) Traffic Regulation Orders, Stopping Up Orders or other necessary orders, notices or other actions associated with the future development of the site by the Director of Law and Democracy.

3. Reasons for recommendations/decisions (s)

The interventions and next steps proposed will contribute to the delivery of the Councils housing regeneration ambitions for the borough and bring improvements to both housing and quality of life for residents in the Swainby Road area.

1. 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 (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must 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 (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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Regeneration & Transport – Lead Cabinet Member – Councillor M Smith***

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This report provides an update on the Swainby Road Housing Regeneration scheme and seeks approval for a number of critical next steps that will enable the successful progression of this project. As part of the Northern Gateway, this site plays a crucial role in supporting the broader vision for a modern, vibrant and successful Stockton town centre.

RECOMMENDATIONS

Cabinet are recommended to:

1. In relation to the Compulsory Purchase Order (CPO):
 - a. Agree that the acquisition of the necessary outstanding properties will facilitate the development/redevelopment or improvement of the land shown on the Plan at **Appendix A** and will contribute to the achievement of the promotion of the economic, social or environmental well-being of the area.
 - b. Approve the use of the Council's CPO powers under the Town and Country Planning Act 1990 (Section 226(1)(a)) and the Acquisition of Land Act 1981 to acquire all necessary interests in respect of the area indicated at **Appendix A**.
 - c. Approve the use of all actions necessary in accordance with the serving of Requisitions for Information, the making of the CPO, the representation of the Council in relation to any Inquiry, the confirmation of the CPO, the actions necessary following the confirmation of the CPO either by the authority or the Secretary of State and consequent orders or actions including the service of Notices to Treat or the making of a General Vesting Declaration, and all other notices, orders or actions required to give effect to the authorisation to acquire the land compulsorily.
2. Note the progress made to date in terms of decanting scheme residents and in acquiring both private and commercial premises.
3. Note the use of the Homes and Community Agency Developer Partner Panel to appoint a private sector partner to redevelop the site.
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DETAIL

1. In January 2010 Cabinet (Decision Record CAB 157/09) supported the commencement of the Swainby Road housing lead regeneration project. The Swainby Road regeneration scheme is an area of principally social rented housing, located within the Mount Pleasant area of Stockton. This site forms part of the Northern Gateway scheme which also includes the new North Shore Academy and the integrated 'myspace' youth facility and the Queens Park North housing development (being delivered by Barratt Homes).
2. The third and final year of the decant plan commenced April 2012. Progress to date has been significant, only 28 of the 187 social properties are now occupied and Tristar Homes who are responsible for decanting these properties are confident that all remaining tenants will be rehoused within this financial year. The Councils Housing Regeneration Team are responsible for acquiring all privately owned properties (this includes 2 former council properties purchased via Right to Buy, 15 privately terraced houses on the Norton Road frontage, a small piece of private land on Windmill Terrace and 2 commercial premises). To date 11 private properties have been purchased and acquisitions are ongoing with a further 3 (including the Brown Jug Public House).
3. Whilst considerable progress has been made to acquire all property interests there are a small number of property owners who are either unwilling to enter into property negotiations or where agreement cannot be reached. Whilst all attempts at negotiation will continue, in order to ensure that the scheme proceeds the Council must be prepared, if required, to use its Compulsory Purchase Order (CPO) powers. On this basis Cabinet are asked to approve the use of the Council's CPO powers under the Town and Country Planning Act 1990 (Section 226(1)(a)) and the Acquisition of Land Act 1981 in order to acquire all necessary interests (in line with the plan attached at **Appendix A**) and approve the use of all actions and orders etc. that may be necessary to deliver the CPO.
4. Whilst no firm timescales (at this stage) can be given to the CPO process, it is anticipated that the likely time from Cabinet approving the use of CPO powers to gaining vacant possession of remaining property interests within the area is likely to be in the order of 12/18 months, however timescales are variable and will be impacted by a number of factors (i.e. if any objections are received/the need for a Public Inquiry etc).
5. In order to secure a CPO it is vital that we are able to demonstrate that the scheme is deliverable financially. The information contained within paragraph 11 demonstrates that based on current estimates the scheme is financially viable.

Moving the regeneration of Swainby Road forward

6. As previously reported to Cabinet (14.1.10) the Council has signed a Funding Agreement with the HCA, this Agreement is intended to financially support the regeneration of both the Swainby Road and Parkfield/Mill Lane (phase 2) housing regeneration schemes. In accordance with this agreement the Council was required to undertake a 'master planning' exercise for the Swainby Road site. This exercise concluded in late 2011 and was undertaken in full consultation with officers across a number of council service areas and the local community. The purpose of the master planning exercise was to establish design and development principles which would guide the redevelopment of the site. An 'Urban Development Brief' has subsequently been drafted (in full consultation with colleagues from Planning and Technical Services) and has been forwarded to the HCA in order for them to review and formally endorse. This document sets out the Council's planning requirements and expectations for the future redevelopment of the site. Its intention is to offer advice and guidance to all potential developers to ensure that the redevelopment is of a high quality and makes a positive contribution to the Northern Gateway area.

7. It is the Council's intention that the Swainby Road re-development will provide 'mixed' tenure housing (i.e. housing for sale and rent). The Urban Design Brief clearly states that the new development must include a minimum 30 units of affordable housing or 15% of the total number of new units to be delivered (whichever is the greater). Tristar Homes are the Council's appointed Registered Provider for this site; the housing mix for the new affordable rented units will be informed by the housing needs of a small number of tenants who have indicated a wish to return and the broader housing requirements for this area of the Borough.
8. Once the HCA has signed-off the Urban Development Brief (a requirement of the Funding Agreement), it is then our intention to use the HCA's 'Delivery Partner Panel' (DPP) to progress the appointment of a private sector development partner/s.
9. The DPP has been designed by the HCA to help deliver on housing commitments, attract investment by making the procurement of partners simpler and more streamlined. The DPP was only launched by the HCA in January 2010 and was therefore not available for use on our previous housing regeneration schemes (Mandale, Hardwick and Parkfield Phase 1). The DPP is fully OJEC compliant and offers some distinct advantages to the Council in terms of the reducing the timescales for appointing a developer partner and reducing legal and procurement costs. In summary, the HCA has undertaken the 'front end' of the procurement process by providing the Council with access to a pre-qualified list of 17 organisations. We have reviewed the 17 organisations and can confirm that this listing does include the leading private house builders/developers operating within our region (i.e. those we would expect to be interested in a regeneration scheme of this nature).
10. In order to appoint a panel member we will now run a 'mini-competition' and ultimately draw down the services of one of the 17 organisations. The procurement process to be adopted and an indicative timetable is detailed below:

Key action	Wk comm.
Initial email to all 17 northern panel 'cluster' members to ascertain interest	11.6.12
'Sifting' brief - uploaded	18.6.12
Return date (replies to the above)	Fri. 13.7.12
Bidders day	25.6.12
Short listing	16.7.12
Notify successful parties of progress to tender stage	23.7.12
Formal tender stage – uploaded	30.7.12
Reply date (replies to the above)	Fri. 14.9.12
Assessment of replies (including financial bids)	up to Fri 20.9.12
Interview/selection day	24.9.12

FINANCIAL IMPLICATIONS

11. As part of the stock transfer negotiations with Tristar Homes, agreement was reached (and documented in the Transfer Agreement) that Tristar Homes would retain the practical and financial responsibility for decanting all of their tenants in the Swainby Road area. Tristar are obliged to clear these properties (at no cost to the Council) and then once cleared return the site to Council ownership. The Council's only financial responsibilities are for the purchase of private homes and businesses. However as referenced previously the Council has entered into a Funding Agreement with the Homes and Communities Agency and via this agreement secured the necessary finances to acquire (and demolish) all private interests on Norton Road. The Council's only financial liabilities are therefore limited to project management (i.e. staffing) costs and the re-purchase of two private houses within the Swainby Road estate (purchased through Right to Buy). These costs will be met from within the overall Housing Regeneration Budget.

LEGAL IMPLICATIONS

12. The Council will continue to try to acquire the remaining properties by agreement, however as detailed within the report if agreement cannot be reached a Compulsory Purchase Order (CPO) may become necessary to achieve the required outcome.
13. The making of a CPO will need to be confirmed by the Secretary of State. If objections are received the Secretary of State will make arrangements for a Public Inquiry to be held to consider the objections before the Secretary of State decides whether to confirm the Order.
14. In arriving at a decision to make a CPO and thereby depriving a person of their interest in, and in most cases, occupation of property the Council should be satisfied that the public benefit will outweigh the private loss. In this case, the public benefits of the scheme lie in the regeneration of the area including the provision of new, modern homes and the provision of improved public realm.

RISK ASSESSMENT

15. The Swainby Road regeneration project is categorised as medium to high risk. Existing management systems and daily routine activities are in place which are sufficient to control and reduce the majority of risks. A risk register for this project has been developed and will be monitored and reviewed on an ongoing basis and reported to the Housing Project Board.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

16. The proposals detailed within the report are in accordance with the Sustainable Community Plan Key Themes of Economic Regeneration and Transport, Environment and Housing and Stronger Communities.

EQUALITIES IMPACT ASSESSMENT

17. An EIA was undertaken at the inception of this project and regular reviews are undertaken to ensure that the EIA remains accurate and robust.

CONSULTATION INCLUDING WARD/COUNCILLORS

18. Both ward councillors and Cabinet Members are provided with ongoing briefings to ensure they are kept up to date with the progress and informed of any key (or arising) issues etc.
19. As mentioned previously the local community was formally consulted on the master plan proposals for the area. We also send out information letters and have held community drop –in sessions to ensure community members are kept up to date. In terms of moving forward it is our intention to ensure that all stakeholders are kept up to date on the appointment of a private sector development partner.

Corporate Director of Development & Neighbourhood Services

Contact Officer: Julie Nixon

Telephone No. 01642 527072

E-mail Address: Julie.nixon@stockton.gov.uk

Background Papers

Housing Regeneration Schemes (report to Cabinet) 2.9.10

Parkfield/Mill Lande and Swainby Road Housing Regeneration (report to Cabinet) 14.1.10

Housing Futures: Transfer of Housing Stock to Tristar Homes (Final report to Cabinet) 18.11.10

Education Related

No

Ward(s) and Ward Councillors:

Norton South – Cllr Cook and Cllr Johnson

Property

As detailed within the body of the report