

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***

HOUSING REGENERATION SCHEME UPDATE – THE VICTORIA ESTATE

1. Summary

Following the conclusion of the master planning exercise undertaken on the Victoria estate to seek Cabinet approval to progress a 'residential only' redevelopment of the estate. The report also outlines a number of critical next steps that will enable the successful progression of this regeneration project. A vibrant and sustainable Victoria residential development is integral to the Council's future vision for Stockton town centre.

2. Recommendations

Cabinet are asked to:

1. Approve a 'residential only' led development for the regeneration of the Victoria estate (Option 3).
2. Support the production of a development brief which reflects the conclusions of the master planning exercise and public consultation feedback.
3. Delegate authority to agree the development brief to the Corporate Director of Development and Neighbourhood Services in consultation with the Cabinet Member for Housing and Community Safety and Cabinet Member for Regeneration and Transport.
4. Following community consultation on a draft 'decant plan', delegate approval for the final 'decant plan' to be agreed by the Corporate Director of Development and Neighbourhood Services in consultation with the Cabinet Member for Housing and Community Safety and Cabinet Member for Regeneration and Transport.

3. Reasons for recommendations/decisions (s)

The interventions and next steps proposed will bring improvements to both the housing and quality of life for residents the Victoria estate and will contribute to the delivery of the Council's housing regeneration ambitions for the borough.

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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CABINET DECISION

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

HOUSING REGENERATION SCHEME – THE VICTORIA ESTATE

SUMMARY

Following the conclusion of the master planning exercise undertaken on the Victoria estate to seek Cabinet approval to progress a 'residential only' redevelopment of the estate. The report also outlines a number of critical next steps that will enable the successful progression of this regeneration project. A vibrant and sustainable Victoria residential development is integral to the Council's future vision for Stockton town centre.

RECOMMENDATIONS

Cabinet are asked to:

1. Approve a 'residential only' led development for the regeneration of the Victoria estate (Option 3).
2. Support the production of a development brief which reflects the conclusions of the master planning exercise and public consultation feedback.
3. Delegate authority to agree the development brief to the Corporate Director of Development and Neighbourhood Services in consultation with the Cabinet Member for Housing and Community Safety and Cabinet Member for Regeneration and Transport.
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DETAIL

1. The Victoria estate is located in Stockton town centre directly adjacent to 'Splash'. The estate comprises of 254 dwellings (40 x 3 bedroom maisonettes, 70 x 2 bedroom ground floor flats and 44 x 1 bedroom flats or bedsits. Of these, 222 properties are owned by Tristar Homes Limited and 32 are leaseholders (properties previously purchased through Right to Buy).
2. Members will recall that as part of the stock transfer option appraisal, the Council, working in conjunction with THL, reviewed the sustainability of all its housing stock. At that time it

was identified that the Victoria estate was not sustainable in the long-term and more radical regeneration plans were required. As part of the formal stock transfer negotiations, agreement was reached (and detailed in the legal Transfer Agreement) that Tristar Homes would, post transfer, retain the practical and financial responsibility for decanting and demolishing their properties, while the council would retain the responsibility for the 32 leaseholders. Once cleared Tristar will maintain a 20% interest in the site with the remaining element returning to Council ownership at nil value, enabling the Council to lead on the future regeneration of the area.

3. In order to inform the regeneration of the estate and as previously reported to Cabinet (February 2012), DTZ were jointly commissioned by the Council and Vela Homes to undertake a detailed estate master planning exercise. The purpose of the exercise was to; examine options on how the site could be redeveloped, identify a development vision for the site and assist in developing an action plan for how the site could be prepared for redevelopment. This exercise included:
 - Examining the site's feasibility for redevelopment including site capacity, boundaries, ownership and investment needs;
 - Evaluating future use options; and
 - Producing draft masterplan options.

An overview of the masterplan options

4. Three potential options for the site were identified as part of this exercise (an indicative site layout for each is attached in **Appendix 1**). These included:
 - Option 1:**
 - A mixed use development incorporating a large supermarket and a mix of residential development.
 - In summary this layout included a 100,000 sq ft (9290 sq m) supermarket, a small parade of retail units of approximately 500 sq ft (500 sq m) and 110 residential units.
 - Option 2:**
 - A 'residential only' led development with significant infrastructure realignment.
 - The indicative layout indicates a capacity of approximately 190 residential units (a combination of houses and apartments) orientated around a new public park.
 - Option 3:**
 - A 'residential only', led redevelopment.
 - This option seeks a more sustainable, approach to regeneration by seeking to retain as much of the existing infrastructure and tree layout possible.
 - The indicative layout indicates a capacity for approximately 210 residential units on the site.
5. Each of the options was then evaluated against a number of criteria including financial viability and qualitative considerations. A summary of this evaluation is detailed overleaf:

Option	Positives	Negatives
1	On the assumption of securing interest from a 'supermarket' this option secures the largest positive receipt.	<p>The delivery of this option requires the boundary of the site to be expanded significantly and involves acquiring substantial third party land ownership, this is <u>unlikely</u> to be secured by agreement and therefore a CPO would be essential. It is likely that a CPO would be contested.</p> <p>A number of the commercial properties that would need to be purchased (on the frontage) are within a conservation area.</p> <p>A commercial development of this nature would not support the wider regeneration objectives for the current Town Centre (in essence it would provide more competition to the high street).</p> <p>In summary this option presents the need for extensive upfront costs and risks to the Council.</p>
2.	<p>From a design prospective this option creates a strong frontage along Maritime Road.</p> <p>This option does not require the site boundary to be expanded (and therefore substantial additional costs to be incurred).</p>	<p>The development is likely to lack a strong connection to the High Street, which may result in the new community feeling remote.</p> <p>The realignment of infrastructure introduces significant additional cost and uncertainty.</p> <p>A phased redevelopment of the site would not be possible, as any new build would require a completely cleared site.</p> <p>This option may still require a CPO depending on the ability of the Council to secure all leaseholder properties by voluntary agreement.</p> <p>In summary, the need for substantial realignment of infrastructure will have a significant and negative impact on a capital receipt.</p>
3	<p>This option presents a more sustainable approach by maintaining the existing road network, tree layout etc.</p> <p>This option presents an opportunity to have a phased redevelopment of the site.</p> <p>This option does not require the site boundary to be expanded (and therefore substantial additional costs to be incurred).</p>	<p>This option may still require a CPO depending on the ability of the Council to secure all leaseholder properties by voluntary agreement.</p> <p>In summary, this option is considered to be the most viable to deliver.</p>

Additional considerations for the redevelopment of the site

- As members are aware there is a growing need for older persons housing in the Borough (as evidenced in 2012 Strategic Housing Market Assessment). Given the key location of this site in terms of its close proximity to the town centre, health and leisure facilities, we are also keen to explore its potential for including extra care housing to be included in the redevelopment. With this in mind, early discussions have commenced with Vela Homes. Therefore in addition to producing an indicative master plan layout, DTZ were also asked to

consider each of the 3 site options against its ability to incorporate a potential extra care housing scheme. As demonstrated on the site layouts only options 2 and 3 provide this potential.

Masterplan conclusions

7. Following the conclusion of the master planning exercise Cabinet are asked to endorse a 'residential only' option for the redevelopment of the Victoria Estate. On the assumption that Cabinet support this recommendation we will then use the design principles contained within Option 3 to inform a development brief that in turn will be used to procure a development partner/s for the redevelopment of the site. The development brief will include the provision of housing for both sale and rent. The mix of rented units will be determined by the preferences of tenants (i.e. do they wish to return), our wider housing intelligence (the Strategic Housing Market Assessment) and the broader Welfare Reform implications (specifically to prevent future under-occupation were possible).

Next steps

Agreeing a Decant Plan

8. We have currently being working with the Vela Housing Group to agree a 'decant plan'. The purpose of the 'decant plan' is to ensure that residents move off the estate in a phased basis and to ensure that were possible remaining residents are not left isolated i.e. with a significant number of empty properties around them. Our intention is to share the 'decant plan' with Victoria residents so they understand the likely time period that households will move. We anticipate that it could take 5 years to clear the full estate, however this is subject to change and could quicken if residents decide not to move into social housing (i.e. they find alternative accommodation in the private sector) or if the frequency of properties which become vacant increases (as it is likely that in the future Tristar will take the decision to suspend lettings in the early decant phases). Once we have this information we will share with other colleagues to ensure that we can collectively plan for the consequences of decanting estates including for example the potential movement of children between schools.

Communicating with Victoria residents

9. A drop-in session for all residents and also other interested stakeholders (such as surrounding local businesses) has been arranged for 26.6.12. This session has a number of purposes:
 - (i) It is our intention to gather additional information on each resident's rehousing needs and preferences.
 - (ii) To explain recent changes in Welfare Reform Legislation specifically the loss of housing benefit if a property is deemed to be under-occupied as this may impact on households rehousing requirements.
 - (iii) To present a draft 'decant plan' and seek resident feedback on this.
 - (iv) To present the indicative masterplan (option 3) and seek comment/feedback.
10. For those residents that are not able to attend on the 26.6.12, home visits will be arranged.
11. Following the June consultation event we will review the draft 'decant plan' and taking on board the comments/views of the local community make any final revisions. It is recommended that approval for the final 'decant plan' is delegated to the Corporate Director of Development and Neighbourhood Services in consultation with the Cabinet Members for Housing and Community Safety and Economic Regeneration and Transport.

12. A follow-up consultation session will then take place in early September to confirm the final decant plan with Victoria residents. To ensure ongoing communication it is also our intention to hold weekly surgeries in the Victoria community house (with representatives from both the Housing Regeneration Team and Vela/Tristar Homes in attendance).

Elm House Apartments

13. Elm House apartment abuts the boundary of the Victoria Road site. Whilst ownership of the building was transferred to Tristar Homes as part of the stock transfer the council hold a lease for the ground floor accommodation and for a number of flats within the block itself. Tristar Homes have recently contacted the Council to explain that the building is in need of substantial property investment, that they are intending to carry out a detailed options appraisal and that these findings will be reported back/discussed with the Council. It should be noted that Elm House is not part of the current regeneration scheme.

FINANCIAL IMPLICATIONS

14. As previously reported to Cabinet in an earlier housing regeneration update report (9.2.12), the Council's contribution to the Victoria scheme is expected to be £3.3m which is anticipated to be covered by the future land receipt. In order to progress the scheme in advance of a land receipt the council's costs would be covered through a combination of VAT shelter receipts and surplus developer receipts. This approach was approved as part of the Medium Term Financial Plan Update Cabinet Report 23.2.12

LEGAL IMPLICATIONS

15. There are no specific legal implications contained within this report.

RISK ASSESSMENT

16. The Victoria regeneration project is at this time low to medium risk. Existing management systems and daily routine activities are for this project and these are sufficient to control and reduce the majority of risks. A risk register for the 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

17. The proposals 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

18. An Equality Impact Assessment has been undertaken in consultation with the Diversity Team. Option 3 (a 'residential' led development) has been scored as having an overall positive impact. An action plan has been developed and will be implemented for the regeneration of the Victoria estate.

CONSULTATION INCLUDING WARD/COUNCILLORS

19. 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.

20. Victoria tenants and leaseholders have been consulted on Councils plans for regenerating the area, initially this commenced as part of the stock transfer process. As detailed within the body of the report a community consultation event is to be held on the 26.6.12 and be followed up with a further session in September. This will be complimented by a regular surgery in the Victoria community centre.

Corporate Director of Development & Neighbourhood Services

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Background Papers

Housing Regeneration Scheme Update – Parkfield/Mill Lane (Phase 2) and Victoria Estate – report to Cabinet 9.2.12

Housing Futures: Transfer of Housing Stock to Tristar Homes - report to Cabinet 18.11.00

Medium Term Financial Plan Update and Strategy – report to Cabinet 23.2.12

Education Related

No

Ward(s) and Ward Councillors:

Stockton Town Centre – Cllr Coleman & Cllr Kirton

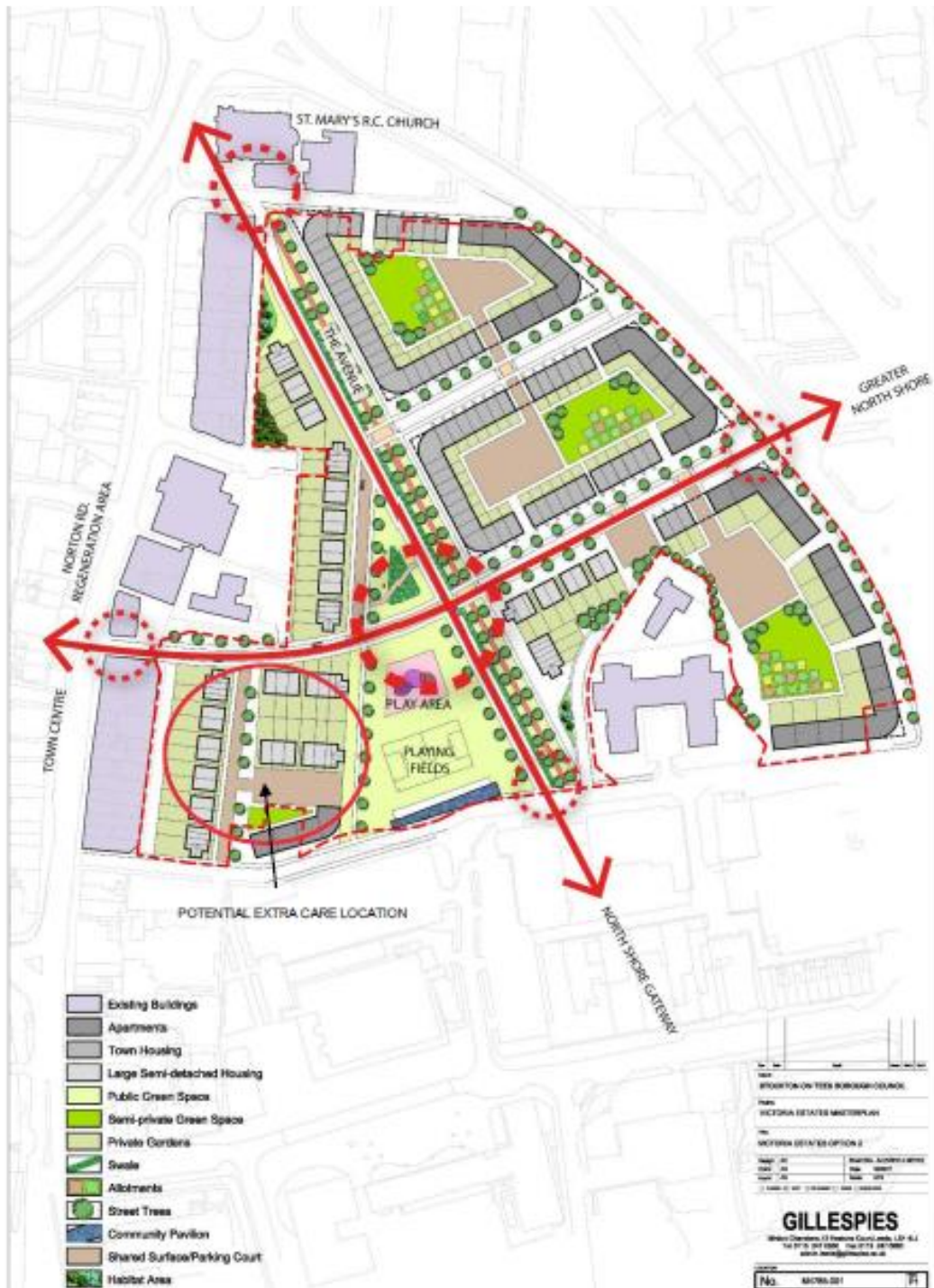
Property

As detailed within the body of the report

Option 1 – Mixed use development



Option 2 – ‘Residential only’ development with significant infrastructure realignment



Option 3 – ‘Residential only’ sensitive development

