

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

6 NOVEMBER 2014

REPORT OF CORPORATE MANAGEMENT TEAM

CABINET DECISION

Housing and Community Safety – Lead Cabinet Member - Councillor S Nelson
Adult Social Care and Health – Lead Cabinet Member - Councillor J Beall
Regeneration & Transport – Lead Cabinet Member – Councillor M Smith

VICTORIA ESTATE REGENERATION PROPOSAL: URBAN VILLAGE (RETIREMENT / ACTIVE AGEING HOUSING)

1. Summary

Approval has previously been granted (June 2012, Cabinet Decision Record D120066) to progress a 'residential only' led redevelopment of the Victoria Estate which would consist of predominately family housing with the potential inclusion of an extra care housing scheme. At this time it was estimated (based on historical rates of decanting) that it would take up to five years to clear the estate and bring the site forward for redevelopment. The pace of decanting (as detailed in para. 2 of this report) is significantly more advanced than had originally been estimated and the first phase of demolition is now complete.

Members will be aware that our development partners are on site in locations in close proximity to Victoria, West End Gardens (Stockton centre) and North Shore. While Norton Park (the Swainby Road site) will commence redevelopment in the near future. All three sites are predominately providing family housing. Coupled with a continued preference by private housing builders for greenfield over brownfield development sites, there is a potential concern regarding the markets appetite for bringing forward another site for family housing within such close proximity. On this basis an exercise has recently been undertaken to explore other potential development options for the site.

The Victoria estate is uniquely placed in terms of its proximity to Stockton town centre, retail and leisure facilities. This combined with the need to strategically address the lack of appropriate retirement housing options (across all tenures) in the Borough has highlighted that the site may provide a unique opportunity to develop an 'Urban Village' exclusively providing active ageing/retirement housing. A sustainable and re-developed Victoria will play a key supporting role in the Councils vision for a vibrant Stockton town centre.

2. Recommendation

Cabinet are asked to:

1. Support the completion of a detailed option appraisal which will explore the viability of redeveloping the Victoria site as an exemplar 'Urban Village' providing exclusively active ageing/retirement housing.

2. Following completion of the above, agree that a further report be brought back to Cabinet.

3. Reasons for the Recommendation/Decision

To ensure that the Victoria estate is redeveloped into a vibrant and sustainable community, thereby supporting both Council's housing and broader regeneration ambitions for the borough.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, 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 and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code).

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

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RECOMMENDATION

Cabinet are asked to:

1. Support the completion of a detailed option appraisal which will explore the viability of redeveloping the Victoria site as an exemplar 'Urban Village' providing exclusively active ageing/retirement housing.
2. Following completion of the above, agree that a further report be brought back to Cabinet.

DETAIL

Background

1. The Victoria estate is located in Stockton town centre directly adjacent to 'Splash'. Members will recall that the need for large scale intervention (in terms of demolition and rebuild) was initially identified as part of the large scale stock transfer to Tristar Homes Limited. As part of the formal stock transfer negotiations, agreement was reached that Tristar Homes would (post transfer) retain the practical and financial responsibility for decanting and demolishing their properties, with the Council retaining this responsibility for leaseholders. Once cleared Tristar will retain the freehold interest in 20% of the site with the remainder returning to Council ownership at no cost, enabling the Council to lead on the future regeneration of the area.
2. Following detailed consultation with the Victoria community a 'decant plan' was agreed and a process of phased movement off the estate commenced. As at the end of October 2014, 112 of the 250 households will have vacated the estate. The first phase of demolition has recently concluded and further phases are programmed for spring 2015. Initially it was anticipated that it would take up to five years for all households to move (up to 2018), however decanting timescale have significantly quickened (due to the availability of alternative properties across the Borough and households moving voluntarily to address concerns over the 'spare room subsidy').
3. To ensure that the site is brought forward in a timely manner the Housing Service has recently revisited the initial master planning exercise undertaken on our behalf by DTZ (in 2012). This exercise has concluded that at this time / foreseeable future:
 - There is 'limited' appetite from private sector house builders / developers for brownfield development sites;
 - There are number of brownfield sites across the Tees Valley (potentially competing when they are marketed); and
 - There are number of new-build sites within close proximity to Victoria (including North Shore, White Water Glade, West End Gardens and in the near future Swainby Road). All of these developments are aimed at a traditional family housing market which would again provide competition to the Victoria site. In addition the Queens Park North site may also come forward in the future.
4. Whilst the Council has successfully secured a private sector partner for the Swainby Road site, this exercise did evidence the complexity of the issues detailed above. Therefore there is a concern that should the Victoria site be marketed in a traditional manner there is a risk the Council may fail to attract a development partner at this time. In the 2012 master planning exercise it was highlighted that the location of the site (in terms of its proximity to the town centre, leisure and shopping facilities) would support the inclusion of extra care housing. Bearing this in mind a recent exercise has been undertaken to consider the potential use for the site for an 'Urban Village' – which would be exclusively developed to provide retirement housing.

Retirement housing – the national issues

5. Nationally the supply of appropriate housing for older people is widely acknowledged as being seriously inadequate. Government projections suggest 60% of household growth through to 2033 will involve someone who is over 65. However only 2% of the county's housing stock is retirement housing. Whilst research carried out by the National Housing Federation identified:

- 65% of 60-65 year olds said they liked the idea of living in a self-contained homes with support or care available in later life;
- However 58% of over-60s interested in moving feel restricted by the lack of suitable alternatives.

(Data source: Anchor 'Grey Pride a Manifesto').

Retirement housing – local issues

Demographics

6. The Borough is predicted to have a growing population; however as with the national demographic picture the proportion of those over 65years will increase significantly:

The Borough's demographic prediction:

Year	0 – 15 yrs	16 – 64 yrs	65+
2012	19%	64%	16%
2037	19%	57%	24%

Data source: Office of National Statistics (released May 2014)

7. This rate of population change will place a major strategic challenge on authorities to ensure a range of appropriate housing and support options for their growing elderly populations.
8. The Boroughs JSNA also identifies the challenges faced by the Council (and its partners) in delivering services to a growing elderly population. In addition to the general trend of an 'ageing' population, the JSNA also highlights that the number of older people with dementia is set to rise significantly over the next 10 years in the Borough. In response to this situation the developing Adult Services Market Position Statement identifies that "the vision for older people is to enhance the range and quality of service provision which assists older people to remain at home where possible".

Bespoke retirement housing options

9. The current provision of specialist retirement housing options for residents in our Borough is limited; in summary there is:
- 1 private sector 'retirement apartment block' (in Eaglescliffe) – 100% market sale.
 - Planning permission has been granted for a 100 unit retirement care home and 350 older person's properties in Yarm - 80% market sale/20% affordable;
 - 3 extra care housing schemes providing 142 units (schemes at Hardwick and Thornaby) – 100% social/affordable rent
 - Development is about to commence on a 38 unit 'care ready' housing scheme (in Billingham) - 28 units for affordable rent and 10 for affordable homeownership.
 - A range of socially rented bungalows and sheltered housing schemes provided by our Registered Housing partners – 100% social rent.
10. Significantly, whilst there are a number of private sector housing developments on site or that have secured planning permission across the borough, the inclusion of bungalow or any form of retirement housing is the *'exception rather than the norm'*.
11. Against this challenging demographic background, a number of local authorities are committing to enabling the provision of significant numbers of specialist housing options for their aging populations. At a local level for example:

Redcar and Cleveland BC: is working in partnership with a Registered Housing Provider (RP) to create an additional 6 new extra care schemes (providing 225 additional units) between 2015 -2018.

North Yorkshire County Council: between 2003 to the end of 2015 will have supported the building of 20 extra care housing developments (providing 949 apartments and bungalows). By 2020, their aim is to increase this number to 2500 units / 50 older persons/extra care retirement schemes.

Sunderland Council: has worked in partnership to provide 174 mixed tenure extra care properties, with a further 408 units in development. Sunderland has adopted an 'active ageing housing programme'; their stated aim is to enable independence. With the development of specialist older persons housing as a response to the aspiration of older people to 'age in place'.

12. In light of changing demographics in our Borough and the continued demand for people to live independently in a home of their own; there is an identified need for additional older person's accommodation options that will compliment both existing provision and provide for the varied housing aspirations of our residents as they age. Whilst the Housing Service is working with both Registered Providers (on small development sites) and private developers (via S106 planning agreements) to ensure an element of older persons housing, current pipeline numbers will not address this growing need.
13. As the Victoria site will predominately return to the ownership of the Council (once cleared) one option available to the Council is to develop the Victoria estate as a mixed tenure 'Urban Village' exclusively providing active aging/retirement housing (via a range of property types).

'Bespoke' Retirement Villages – exploring the options

14. As a precursor to a comprehensive option appraisal, a working group (including Housing, CESC, Finance, Planning and Regeneration representatives) has examined a range of options and existing retirement schemes. These have included:
 - A Dutch model operated by the Humanities Foundation who have developed 32 care communities providing 3000+ self-contained units of accommodation. Chair of the Humanities Board is Dr Hans Becker who has revolutionised care for the elderly in Holland over the last 20years. The 'Becker' model is based on:
 - A critical mass (in terms of property numbers) which enables a range of quality services to be delivered. For example each development includes a 'village square' (large communal area), where social and leisure activities are concentrated, a bar and restaurant and a reminiscence museum (as a means to supporting residents with dementia but is also utilised by local schools and community groups).
 - Schemes are open to the public and encourage families and outside residents in.
 - The scheme philosophy is based on 'well-being', active engagement and volunteering.
 - All apartments are 'age proof' (acknowledging that older people are not a homogenous group and that within the 55 to 100+ age range residents needs vary enormously).

- Site visits were undertaken to:
 - Dovecot Mews in Sunderland, a partnership between Sunderland Council and Housing 21. Two adjacent apartment schemes providing 175 mixed tenure units (predominately extra care housing / 25 dementia housing units).
 - Hartfields in Hartlepool, a Joseph Rowntree Trust Retirement Village providing 242 mixed tenure units including both apartment living and 'Dutch bungalow' units.
15. What has been established at this early stage is that *good* retirement villages are not gated communities which only provide accommodation for affluent residents. Nor do they need to be located on 'green field' sites. Schemes of this nature should; encourage active ageing, enable a range of older people to live in an environment that promotes personal safety, social engagement and activity, maximise wellbeing and reduce the ill effects of social isolation (and the adverse impact on some long term conditions).
16. It would however be remiss not to acknowledge that one of the concerns about schemes of this size/nature is that they may result in out of borough residents moving into the Urban Village. Unlike private sector developments were the Council has no control on this site we would determine the number for sale. It is anticipated that the majority of units would be affordable and for these units a Local Lettings Plan would be adopted which would ensure those moving in are residents of the Borough.
17. Members may also be interested to note that The Extra Care Charitable Trust is currently working with Aston University to evaluate the link with health and care funding - interim evaluations have highlighted that three months after moving into a retirement village residents are experiencing positive impacts on health, social functioning and independence. ('To Housing for Older People': Housing LIN June 2014).

Delivering on the Victoria estate

18. It is essential that any proposed scheme does not compete with existing leisure and social facilities in Stockton town centre; rather support the Councils broader regeneration ambitions. Bearing this in mind, the initial site appraisals has identified that the site could accommodate a development of around 350 self-contained units. In summary:
- The 'village' approach (350 units) would ensure economies of scale (impacting positively on overall scheme costs).
 - At the centre of the development would be a 'core' building. The 'core' would have two potential purposes, its atrium entrance would be the hub of the neighbourhood (providing the communal and leisure facilities/activities) whilst the building would also provide the location of the extra care housing facility.
 - The scheme could include a full range of retirement homes – bungalows, apartments and houses.
 - There would be a village green/park to take full advantage of the current site layout.
 - Properties would be built to HAPPI standards ('Housing for our Aging Population: Panel for Innovation' a project commissioned by the HCA on behalf of the DCLG and DoH). HAPPI advocates that housing should meet high design standards for space and quality if it is to meet the needs and aspirations of the country's population at its ages and should include key design elements:
 - Space and flexibility

- Daylight in the homes and in shared spaces
 - Balconies and outside space
 - Adaptability and 'care ready' design
 - Shared facilities and 'hubs'
 - Plants, trees and the natural environment
 - Energy efficiency and sustainable design
 - Storage for belongings (and bicycles)
 - External shared surfaces and 'home zones'.
- Tenure options would be varied including; affordable rent, market rent, outright sale and a range of immediate homeownership options (including shared ownership, shared equity and Rent to Home Buy).
19. The development of a successful 'Urban Village' of this nature could:
- Support older people to have better and more attractive housing options which address their housing needs;
 - Ensure our residents remain safe and independent in their own homes;
 - Enable health and care services (when needed) to be delivered in/closer to home – providing better outcomes for older people and achieving savings to the public purse (including reducing dependency on acute services); and
 - Make a major contribution to the viability of Stockton centre.

Next steps

20. At this stage the potential to develop an Urban Village on the Victoria estate is very much a concept. Subject to Member approval, our challenge is to move forward on a number of levels. Including:
- a. Ensuring an Urban Village exclusively for active ageing / retirement housing is more than 'bricks and mortar' and is a vibrant, inclusive community.
 - We need to ensure that any 'Stockton offer' is tuned to the priorities of those over (or approaching) 55 years, has appeal in terms of tempting 'empty nesters' and those prepared to plan actively and positively for their future housing / care needs.
 - b. Working jointly with CESC and Public Health to further explore other housing / care models.
 - By building upon the 'Becker' model of care and examining other European models / evolving best practise both at a local and national level.
 - To work-up a model which will promote independence through self-caring, reduce the culture of dependency and intervene/provide care (when required) via a range of cost effective solutions.
 - c. Working jointly with CESC to cross reference the ongoing JSNA reviews and the developing Adult Services Market Position Statement:
 - To ensure that there is an evidenced 'need' for mixed tenure accommodation of this scale / nature.
 - d. Undertake a comprehensive financial appraisal which would build upon the initial, high level commercial appraisal which has recently been undertaken. Whilst this early appraisal has indicated that the scheme could deliver a positive financial receipt, we need to (a) thoroughly test this and (b) explore the potential options available to the Council for both bringing forward and delivering a scheme of this nature.
 - Delivery options include SBC taking the lead delivery partner role, a partnership / Joint Venture arrangement or a traditional land sale.

- e. To move forward the initial 'design' stage and develop a scheme proposal that is ready to be submitted for planning approval.
 - Pending Cabinet sign-off, ensure we move forward quickly and effectively and be ready to bid for potential funding (HCA and DoH), should these opportunities arise.
- f. Running alongside the above:
 - (i) To undertake further consultation with a range of stakeholders/interested parties (via a seminar approach) to discuss / tease out the concept and the potential future options of care.
 - (ii) Review other options to deliver older persons housing across the Borough (i.e. are there other sites/locations which collectively would address this need?).
 - (iii) Undertake further soft market testing of the other traditional development options for this site (as detailed in paragraph 4.)

FINANCIAL IMPLICATIONS

- 21. As detailed within the body of the report, an initial commercial appraisal has been undertaken which identified that the development of the site as an Urban Village exclusively providing 'active ageing/retirement housing' could deliver a positive financial receipt. A comprehensive financial assessment and risk assessment will now be undertaken and reported back to Cabinet as part of the broader option appraisal exercise.

LEGAL IMPLICATIONS

- 22. None directly from this report.

RISK ASSESSMENT

- 23. Low risk.

EQUALITIES IMPACT ASSESSMENT

- 24. As Cabinet is not being asked to agree a strategy for site redevelopment at this time an EIA has not been completed. An EIA will be completed and reported back to Cabinet as part of the detailed option appraisal study.

CONSULTATION INCLUDING WARD/COUNCILLORS

- 25. Initial consultation briefings have taken place with the Leader, Deputy Leader, and Cabinet Member for Housing and Community Safety and ward members.

Julie Nixon
Head of Housing and Community Protection

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Education related?

No

Background Papers

- Housing Regeneration Scheme Update – Victoria Estate. Report to Cabinet June 2012.
- 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

Ward(s) and Ward Councillors

Councillor Coleman – Stockton Town Centre ward

Councillor Kirton – Stockton Town Centre ward

Property

As detailed within the body of the report