

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

16th MARCH 2017

**REPORT OF
CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

**Environment and Housing – Lead Cabinet Member - Councillor M Smith
Regeneration & Transport – Lead Cabinet Member – Councillor N Cooke
Adult Services and Health – Lead Cabinet Member - Councillor J Beall**

VICTORIA ESTATE REGENERATION: URBAN VILLAGE LIVING (PROMOTING ACTIVE AND HEALTHY AGEING)

1. Summary

To update members on progress made re the development of an urban village promoting active and healthy living for older persons on the former Victoria Housing Site. To provide details of research into resident demand for such a village, the financial viability of the scheme and some outline concepts on design with a view to moving the project to detailed business planning stage in partnership with Thirteen Housing Group.

As members are aware, the Victoria estate is uniquely placed in terms of its proximity to the municipal heart of Stockton and its ease of pedestrian access to the town's retail and leisure facilities. The sites location offers an opportunity to develop a new housing offer for older persons one that currently does not exist within the Borough. The scale of the regeneration proposed would transform Victoria and bring significant inward investment which would impact positively on supporting the Council's broader vision for a vibrant Stockton town centre.

2. Recommendations

Cabinet are asked to: approve:

1. Officers progressing to the next project stage, scheme design and the development of an associated business plan for the Victoria site, to illustrate how the scheme could be delivered and the likely scale of investment required.
2. Officers further explore the appropriate relationship between SBC and Thirteen Housing Group to take forward the Victoria redevelopment. Members are asked to note that this will include giving detailed consideration to whether additional partners/investors are required.
3. A final report is presented to Cabinet (anticipated to be within six months).

3. Reasons for the Recommendations/Decision

To develop a new housing offer for older persons, one which promotes independent living, health and well-being and supports a number of the Councils strategic agendas (enabling residents of our Borough to live independently as they age and supporting economic growth through physical regeneration and investment).

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)

AGENDA ITEM

REPORT TO CABINET

16th MARCH 2017

REPORT OF SENIOR MANAGEMENT TEAM

CABINET DECISION

Environment and Housing – Lead Cabinet Member - Councillor M Smith
Regeneration & Transport – Lead Cabinet Member – Councillor N Cooke
Adult Services and Health – Lead Cabinet Member - Councillor J Beall

VICTORIA ESTATE REGENERATION: URBAN VILLAGE LIVING (PROMOTING ACTIVE AND HEALTHY AGEING)

SUMMARY

To update members on progress regarding the development of an active living urban village for older persons on the former Victoria Housing Site. To provide details of research into resident demand for such a village, the financial viability of the scheme and some outline concepts on design with a view to moving the project to detailed business planning stage in partnership with Thirteen Housing Group.

As members are aware, the Victoria estate is uniquely placed in terms of its proximity to the municipal heart of Stockton and its ease of pedestrian access to the town's retail and leisure facilities. The sites location offers an opportunity to develop a new housing offer for older persons, one that currently does not exist within the Borough. The scale of the regeneration proposed would transform Victoria and bring significant inward investment which would impact positively on supporting the Council's broader vision for a vibrant Stockton town centre.

RECOMMENDATIONS

1. Officers progressing to the next project stage, scheme design and the development of an associated business plan for the Victoria site, to illustrate how the scheme could be delivered and the likely scale of investment required.
2. Officers further explore the appropriate relationship between SBC and Thirteen Housing Group to take forward the Victoria redevelopment. Members are asked to note that this will include giving detailed consideration to whether additional partners/investors are required.
3. A final report is presented to Cabinet (anticipated to be within six months).

DETAIL

Background

1. In June 2012 Members agreed to progress a 'residential only' led redevelopment of the Victoria estate. At the time of supporting this recommendation, it was envisaged that the sites future redevelopment would provide mixed tenure family housing with the potential inclusion of an extra

care housing scheme. In November 2014, as a result of changing market conditions, Cabinet were presented with an update report which explained the lack of appetite from private sector house builders to develop out the Victoria site following soft market testing, and requested approval to meet the needs of an increasingly growing older population by undertaking a detailed option appraisal to explore the concept of redeveloping the site as an 'Urban Retirement Village' providing housing exclusively for those aged over 55 years.

2. Since this date Cabinet received an update on progress in January 2016 when following an initial analysis of the concept, officers were asked to carry out more detailed research as to the viability of such a scheme. This work has been overseen by a Project Board headed up by the Director of the Transformation Team and with senior input from Finance, Adult Social Care, Housing and Regeneration.

Local Demand for the Village

3. Establishing demand for the village was a key area of work. Consultants Arc4 were appointed to determine the needs and wants of residents of the Borough aged 50+ years in relation to retirement housing at Victoria. Whilst this research considered a range of tenure options, detailed consideration was given to 'purchase options' as it is anticipated that a significant proportion of housing in the village will be for sale. Arc4 carried out their research by sending out 10,688 questionnaires, holding open days, focus groups, looking at existing research, talking to local estate agents and considering the findings of the HAPPI review, an all-party parliamentary group who considered ideas for positive ageing.
4. Arc4 research led us to the following information and conclusions which are summarised below:
 - There are currently over 40,000 people over the age of 50 in Stockton and 77% of this cohort are homeowners. This number is set to increase as the population ages.
 - 20% of the cohort (circa 8000 people) see themselves moving within the next five years.
 - 59% of the current over 50's in our borough would consider moving to a retirement village.
 - The over 50's who want to move in the future are looking for a smaller property and to release equity, but many felt the main hurdle to moving was the lack of suitable accommodation. There is huge and growing unmet demand for accommodation for older people locally.
 - Stockton Town Centre and Yarm were the joint top preferred wards to move to. The town centre is seen to host a range of good facilities but there are perceptions about antisocial behaviour which will need to be tackled.
 - People are looking for flexible tenures for example outright sale, shared ownership/fixed equity, market rent, rent to buy, future guarantee of buy back. The need to remove the barriers to sale/purchase has been identified (successful examples include 'Easy mover' schemes which support individuals to sell their homes / arrange the move etc.).
 - Local estate agents have advised that housing demand from this demographic group outstrips supply in the Borough and in their opinion demand would exist for the type of accommodation proposed.

- The housing aspirations of this segment of the population include access to services, peace of mind and easy to manage accommodation.

Extra Care Charitable Trust (ECCT)

5. In developing our village concept we visited a housing development based on the same principles in Sheffield. This scheme is one of 15 older people's villages developed by the Extra Care Charitable Trust (ECCT). This charitable organisation aims to provide better lives for older people to enable them to live healthier, longer, happier lives. The Trust have five further developments in the pipeline and offer accommodation across tenures to rent, buy and also shared ownership. You can move into their villages with or without care needs. The accommodation is primarily two bed apartments built to a high specification all with a private balcony or terrace and with access to a large range of facilities onsite. Each village has a village activity co-ordinator in addition to a manager, care management, a well-being nurse to promote healthy living plus catering and maintenance staff.
6. Moving to a village is much more than just moving to a housing complex, it represents a changed lifestyle. ECCT report their residents range from 55 to 100 years of age from wealthy residents to those on limited budgets. Resident involvement is central to the scheme with lots of residents volunteering and helping to run services and facilities.
7. ECCT villages provide a range of care services for those that do need it (usually around 20% of the village population) including standard care packages, re-ablement and palliative care, plus support for dementia, memory loss and cognitive impairment.
8. The schemes are primarily built on brownfield sites, some in city centre locations, some adjacent to industrial or commercial units and some directly next to areas of deprivation. The villages are certainly not built on leafy green-field sites but are popular for the lifestyle they offer and the choice they provide. A move in co-ordinator makes sure the physical move goes smoothly helping with practical things like removal and getting carpets. There is a happiness guarantee of buy back by the Trust within one year of moving in, if the residents don't settle into the scheme.
9. Marketing is key to the success of their villages and there is a healthy waiting list for all their schemes. Partnership with the relevant Local Authority has also been essential and in Birmingham the ECCT have been developing four care villages to assist the city Council in meeting the housing needs of their older population.
10. We have commissioned the EECT to provide some intelligence and support on areas such as marketing, scheme design, service charge model to stress test the development of our business plan and financial modelling. This will enable us to learn from the considerable experience the trust has in developing successful older person's villages.
11. Members can view additional information on the work Extra Care Charitable Trust by accessing the following link <http://www.extracare.org.uk/>

Key Features of the Village

12. The proposed village could provide circa 350 properties. The property mix will need to be determined but the majority are likely to be two-bed high quality apartments with private balconies or terraces, some one-bed apartments and potentially some bungalows and three-bed properties targeted at the over 50's. The site has many mature trees and these will be primarily retained to add to the appeal of the site. Use of the current road and services infrastructure will reduce build costs. Marketing of the scheme would begin from an early point building up a database of those who want to move to the scheme specifically those who want

to buy or part buy. This approach which will likely be modelled on the successful tried and tested approach adopted by the ECCT, will ensure timely occupation of the scheme and reduce void costs. The accommodation will be centred around a vibrant central hub which will host a café/bar/restaurant plus leisure facilities, activity spaces and classes. Connectivity with nearby facilities such as SPLASH and central library will also be important. These facilities will form the hub where people (there could be over 600 people living in the village) come together to socialise and enjoy improved wellbeing. The site will be host to the latest technology to assist with future proofing. **Appendix 1a and 1b** shows how the Victoria scheme could look.

13. The village facilities, whilst primarily for residents, could be made available to the wider population as is the case with some of the ECCT villages. This is usually done in consultation with residents. At our visit to the Sheffield ECCT village, we observed a hub which looked like a shopping street with high quality fittings and furnishings. A range of facilities were accessed off the street including a shop restaurant, small community library, work and activity rooms, a gym and a greenhouse. We spoke to current residents who talked about the high quality of their life in the village and the various volunteering experiences. We witnessed people volunteering in the community library, the greenhouse, café and shop and many of the regular activities such as themed entertainment events were run primarily by volunteers with support from the village facilities co-ordinator. The emphasis is on residents being active and involved in the running of the village.

Added Value

14. Appendix 2a shows the added value that can be achieved from an older person's village. Appendix 2b shows what can be achieved if a 250 person village was built locally; this is based on information from the Extra Care Charitable Trust.

The Financial Appraisal

15. Once the site is cleared, 80% of the land will transfer back into the ownership of SBC site with 20% owned by Thirteen Group (originally Tristar Homes) as part of the stock transfer deal. If Members wish to move this project to the next stage, this would be the development of a Business Plan.
16. A financial appraisal has been prepared to inform the development of the Business Plan. The plan is capable of modelling the capital and revenue cashflows for many forms of tenure including affordable rent, market rent, shared ownership for the elderly, and market sales. The appraisal allows the investor(s) to examine the investment returns for each phase of development and for each form of tenure, it will provide the scale of funding required, peak debt, and it is capable of carrying out comprehensive sensitivity analysis to appreciate the potential range of financial outcomes.
17. Considerable market research and assessment of demand has been undertaken and the results of this work is now be closely analysed in order to formulate the optimum mix of property types, and the best blend of tenures. The aim is to fully exploit the market demand and achieve the best possible returns. At this stage we would be expecting the project to achieve returns consistent with social housing sector expectations for each form of tenure.
18. As previously referenced options for funding this development opportunity are currently being considered. These options will include joint funding with an investment partner, as well as potentially utilising the benefits of Borrowing.
19. The Council would need to determine what their role will be in the village going forward, for example it could be simply as a capital investor and asset owner with the level of financial

commitment to be determined once a detailed business plan is developed. Cabinet would be further appraised of the financial options at this stage.

What the Proposed Village Could Deliver

20. The proposed Victoria scheme would:

- Support the purchase or renting of accommodation based on lifestyle choice for older people (rather than an assessed care need).
- Enable care and support (at varying levels) to be made available (on site) as and when it is required. This would be provided to the individual in their home.
- Provide an improved housing offer, meeting new and emerging housing markets and aspirations by targeting a diverse customer base (for example those seeking to downsize, last time buyers as well as those seeking more traditional retirement living).
- Accommodation would be tenure blind. It is anticipated that the majority of units will support homeownership (including outright sale and intermediate sale options), however all units will be affordable by their nature as sale or rental values will be reflective of the location and target market.
- The ethos of the scheme will be to promote independent living and healthy ageing.

Supporting Broader Council Strategic priorities

21. The 'Urban Village Living' concept proposed will not only provide a unique opportunity to provide an exemplar new housing development, it will intrinsically support a broader range of council objectives including:

(a) Supporting the adult social care and broader health care agendas by:

- Promoting healthy ageing.
- Focusing on prevention and early intervention, promoting well-being, supporting re-enablement, supporting access and helping to deliver improved outcomes for residents, carers and families.
- Integrated working to deliver health and social care efficiencies (**see Appendix 2b**)

(b) Supporting the Boroughs wider economic and regeneration agendas:

- Given its close proximity to Stockton Town Centre, this housing redevelopment would support the Councils vision for 'a modern, successful and vibrant town'. It would deliver multi-million pound inward investment and attract a new demographic supporting town centre/urban living.

Next Steps

22. Pending Cabinet approval, it is proposed that the project moves to the detailed design and planning stage. Next steps would include:

- Producing a detailed scheme design and associated business plan to illustrate how the scheme could be delivered and the likely scale of investment required from partners (this will involve procuring appropriate external support such as architects).

- Exploring joint venture/ investment model between SBC and Thirteen Housing Group and considering whether additional partners/investors are required

23. Following this a further report would be presented to Members for consideration and an investment decision and then subject to the necessary approvals the scheme would become 'live' and work would commence on other work streams such as marketing, development of homeowner products, working with stakeholders and future residents and, considering operating options.

FINANCIAL IMPLICATIONS

24. As previously reported to Cabinet a budget of £500k is in place (to cover the cost of range of services including specialist consultancy services including architects/cost advise and marketing as well as completing the extensive site investigation works). As the Council and Thirteen have a joint interest in the site, expenditure incurred in progressing to the next stage of the project will be split equally between both parties. As previously reported to Cabinet the Council's share of these costs (250k) will be met from the current Victoria regeneration budget.

LEGAL IMPLICATIONS

25. Consideration to be given as to the nature of the relationship between SBC and Thirteen Group in developing the Victoria Regeneration Scheme.

RISK ASSESSMENT

26. A detailed risk assessment will be undertaken as part of the development of the business plan for the village

COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES

27. The proposed redevelopment directly supports the following Council Plan themes:

Economic Regeneration and Transport: as detailed within the body of the report the redevelopment of Victoria will support the economic regeneration of Stockton town centre.

Environment and Housing: the proposed redevelopment would deliver a range of additional housing options for the boroughs residents as they age (across all tenures).

Safer Communities: any future redevelopment would be designed to ensure a sustainable and safe community.

Health and Wellbeing: the provision of an Urban Village Living would promote active and healthy ageing.

Adults: the proposed redevelopment would create a high quality environment for both current and future generations of the Boroughs population as they age, in a vibrant, safe and healthy environment.

Arts Leisure and Culture: the proposed scheme provides the opportunity to integrate the provision of arts, leisure and cultural activities.

COMMUNITY IMPACT ASSESSMENT

28. As Cabinet is not being asked to agree a final delivery strategy for site redevelopment an EIA has not been completed. This exercise will be undertaken before Cabinet are asked to sign off the final scheme proposal.

CONSULTATION INCLUDING WARD/COUNCILLORS

29. Consultation briefings have taken place with the Leader and Cabinet Members for Environment & Housing, Regeneration & Transport and Adult Services & Health.

Julie Nixon
Transformation Team

Name of Contact Officer: Jane Edmonds
Post Title: Strategic Housing Manager
Telephone No. 01642 526682
Email Address: jane.edmonds@stockton.gov.uk

Education related?

No

Background Papers

- Victoria Estate Regeneration – Urban Village Living 14.1.2016
- Victoria Estate Regeneration Proposal. Report to Cabinet 6.11.14
- 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 Kirton – Stockton Town Centre ward
Councillor Hewitt – Stockton Town Centre ward

Property

As detailed within the body of the report