

## CABINET ITEM COVERING SHEET PROFORMA

**AGENDA ITEM**

**REPORT TO CABINET**

**12 JULY 2017**

**REPORT OF SENIOR  
MANAGEMENT TEAM**

### **CABINET DECISION**

**Regeneration and Housing – Lead Cabinet Member – Councillor N Cooke**

#### **STRENGTHENING OUR JOINT WORKING / DEVELOPING A JOINT INVESTMENT PLAN (Stockton-on-Tees Borough Council and Thirteen)**

1. Summary

As members will recall the Council completed a large scale stock transfer to Tristar Homes Limited in December 2010 which facilitated a multi-million pound investment programme of upgrading existing stock, funding environmental improvements and the delivery of much needed new affordable homes in the borough.

Recently Tristar Homes has with the support of the Council, been dissolved and consolidated within 'Thirteen' (the single landlord). Consolidation will enable Thirteen to deliver an internal efficiency programme and as importantly will give greater flexibility for the single landlord to lever in additional financial resources to support future investment programmes across the Tees Valley. Thirteen remain committed to working in collaboration with the Council and want to be our *'partner of choice'*. This report provides an overview of Thirteen's recent investment into the borough, highlights Thirteens future investment commitments which members will note are significant in terms of value and impact and details the work currently being undertaken with the Council to align our collective investment priorities to maximise impact through the development of a Joint Investment Plan.

2. Recommendations

Cabinet are asked to:

1. Note Thirteens continued commitment to long-term investment in the Borough as detailed in paragraph 6.
2. Note that the scrutiny work programme includes a review of Thirteen (following consolidation into a single landlord). This scrutiny review will be undertaken by Place Select Committee during 2018.
3. Support the development of a Joint Investment Plan.
4. In 2012 (29.11.12 Cabinet) members approved the allocation of £910k grant funding to the Fabrick Housing Group to support the redevelopment of the former Housing Market Renewal Parkfield / Mill Lane site in central Stockton (now known as West End

Gardens). The grant funding was specifically awarded to support the delivery of affordable housing on the site. As Thirteen have now indicated this resource is no longer required, Cabinet are asked to support the re-direction of these monies (up to a maximum of £910k) to support alternative projects which will deliver much needed affordable housing in the Borough. Pending this approval, Cabinet are asked to delegate authority to commit the £910k to the Director of Economic Growth and Development in consultation with the Cabinet member for Regeneration and Housing.

3. Reasons for the Recommendation(s)/Decision(s)

As referenced within the report Thirteen have an ambitious multi million pound investment plan which will be focused within the Borough. Working collaboratively we (the Council and Thirteen) propose to strength our investment capacity to deliver both maximum value and impact for residents of our 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).

## **AGENDA ITEM**

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Growth and Development in consultation with the Cabinet member for Regeneration and Housing.

## DETAIL

1. Thirteen (via their predecessor landlords) have a strong history of partnership working with the Council and during all discussions regarding the consolidation proposal have emphasised they want to continue to be the Council's '*partner of choice*'. The strength of Thirteens inward investment into our borough has been significant since stock transfer (December 2010), **exceeding £150m**. This investment has impacted positively on our local communities as well as making a real difference to the lives of our residents in terms of the provision of quality homes, neighbourhoods and services. As importantly Thirteen have played a key role in assisting the Council drive forward its ambitious regeneration priorities and supporting the delivery of some of the Council's key policy plan principles. Thirteen's £150m investment has delivered:

- **Property and environmental improvements:**

Between 2012/13 to 2016/17 over **£108m** was invested improving properties located within the borough. **Appendix 1 (Table A)** provides an overview of the number and type of individual property improvements.

- **The provision of new much needed, affordable housing:**

Since 2010 Thirteen (via their predecessor landlords) have delivered **368 new affordable homes** within the Borough. Assuming an average investment value of £115,000 per unit this equated to a further cc. **£43m** capital investment. These new homes have been delivered in a variety of locations including Yarm, Thornaby, Eaglescliffe, Norton, Hardwick, Stockton, Hardwick and Billingham. **Appendix 1 (Table B)** provides a comprehensive listing of these new build affordable housing units.

- **The provision of services to support the most vulnerable in our local communities:**

Working in partnership with Thirteen a number of new build developments have assisted the Council address the individual needs of our local communities. These have included bespoke developments such as *Winford House in Billingham* and *Accorn House in Thornaby*. Winford House is a 'care ready' 38 unit apartment scheme (for those over 55+ years) which opened late 2015. The scheme promotes independent living with access to on-site support around the clock. The scheme was developed following a £4m investment by Housing Hartlepool (now part of Thirteen) and a successful grant award of £475k secured from the Homes and Communities Agency. A further example Accorn House is detailed in **Appendix B**, this is a new build apartment scheme of 15 units which has enabled residents with a learning disability to live independently.

- **Social and community support:**

Thirteen have also played a vital role in supporting our local communities through the provision of training and employment initiatives as well as supporting voluntary and communities groups via the Thirteen Community Fund. During 2016/17 **45 grant applications** in the Borough were financially supported to the value of £54k. Examples of successful projects included:

- *Billingham Team Parish*: awarded a grant to support the 'Messy Holiday Club' for children living in Port Clarence in the summer holidays.

- *Hardwick in Partnership*: secured funding to support the provision of digital skills sessions for 23 weeks / 6 hour sessions.
  - *Salter's Lane Residents Association*: secured grant support to deliver a Summer Fun Day which attracted 300 local residents.
  - *Neighbourhoods Team*: grant funding supported the transformation of a communal space into a low maintenance garden at High Grange House which can be enjoyed by local residents who now maintain the space.
2. In addition to physical investment, Thirteen have sought to strengthen their relationship with the Council at all levels including reinforcing their day to day working with local ward members. This has included inviting all members into their North Shore offices to facilitate discussion with the Thirteen local teams and the introduction of a 'Our Commitment' sheet which details how they propose to work and engage with local ward members.
  3. The Council and Thirteen (through their predecessor landlords) have a strong history of partnership working, to demonstrate the impact of this **Appendix B** highlights examples of how by working together we have made a positive impact on people's lives and /or supported the regeneration of the borough.
  4. As noted previously the Council did support the consolidation process on the understanding that the new single landlord would enable Thirteen to address the financial pressures it faces and give far greater flexibility in terms of leveraging in additional financial resources which would be spent on continued investment into delivering quality housing services and supporting broader regeneration activity. To reassure the Council that Thirteen (post consolidation) continue to deliver these commitments a scrutiny review will be undertaken by Place Select Committee during 2018.

### **Looking ahead: Joint Investment Planning**

5. Following consolidation into 1 single landlord Thirteen are now the largest Registered Housing Provider (RP) in the Tees Valley and one of the largest in the North East. Looking forward, their investment capacity and ambition to support ongoing regeneration projects across the Tees Valley is significant. Bearing in mind Thirteens continued desire to be the Councils '*partner of choice*' now is an opportune time to further strengthen our existing relationships. As part of this process we propose to develop a Joint Investment Plan. The purpose of this Plan will be to ensure that (where viable) we take full advantage of our collective ambitions and investment potential, with the aim of maximising both the economic benefit and outcomes for the residents of our Borough. As part of this exercise colleagues from both organisations will meet with the aim of understanding the others priorities and start the process of plotting future financial investment to determine potential alignment opportunities. This process will be supported by exploring how we can work collaboratively to maximise service delivery and consider new models of working such as joint venture opportunities.
6. Detailed below are examples of current and/or proposed Thirteen projects which will be explored (in terms of how we can enhance) through the development of a Joint Investment Plan:
  - **Supporting the ongoing regeneration of the Borough:**

Thirteens commitment to supporting the Councils ambitious strategic economic and regeneration priorities are clearly evident on sites such as West End Gardens, Norton Park and Victoria. As members will be aware we have worked collaboratively to decant the estate and are now exploring potential redevelopment options and delivery models.

Another example of our strategic alignment is Thirteens purchase of the vacant Alma Street Resource Centre. The Council was recently made aware that it had been deemed surplus by the NHS property Unit and been put on the market. Given its adjacency to the town centre we were concerned that left to a speculative purchaser a potential re-development may have a negative impact on the Councils recent investment into Stockton town centre. We brought this building to Thirteens attention and with our full support Thirteen have now purchased the site and plan to demolish the existing building and replace it with much need housing that will address local housing needs and complement both the existing town centre housing offer and the Councils ambitious regeneration plans for Stockton town centre.

- **Thirteen's future investment into their housing stock and local neighbourhoods:**

In the coming 5 years (2017-2021), a further £55m property investment programme is planned. Of this £8m, will be ring-fenced for investment into High rise blocks in the borough, with Thirteen exploring the introduction of heat metering and further energy efficiency measures. A further £6m will be spent of delivering an environmental programme (including improvements to landscaping works).

By understanding the timing and areas for delivery of this programme will enable us to explore how best we can align any proposed investment activity. This may include for example exploring adjacent land ownership with the aim of facilitating development opportunities and/or improving local neighbourhoods.

- **Continuing delivery of new build, quality affordable housing:**

Thirteen have already secured a future new build development programme of 190 units for the period 2017-2021. Whilst a number of these new units will be delivered on key regeneration sites such as Norton Park (the former Swainby Road site) and West End Gardens (the former Parkfield Housing Market Renewal site) Thirteen will also deliver affordable housing in Yarm, Stockton, Eaglescliffe and North Shore. Many of these units will be delivered on private sector housing sites where the Council has secured the inclusion of affordable housing as a planning condition following successful negotiation with a private house builder.

In addition to the 190 units Thirteen have secured HCA funding for a further 120 'indicative' units in the Borough (i.e. funding for as yet un-named sites). Both parties are working collaboratively to explore potential locations and delivery mechanisms.

- **Supporting the most vulnerable within our local communities:**

Working collaboratively with the five Tees Valley Local Authorities, Thirteen and Coast and Country Housing have secured £710k from the DCLG from the 'Homelessness Prevention Trailblazers' programme (1 of only 28 national funded programmes). Thirteen are the lead partner on delivering the service which is aimed at providing holistic support to people who may be homeless or face the threat of homelessness. The project is targeted at two main groups' single aged 18 – 34 who are at risk of homelessness and those leaving prison. Interventions extend beyond just addressing housing-related problems and are also aimed at providing advice and support in finding a job to building personal resilience and independence. In this instance the DCLG funded elements of the project are match funded by services already provided by Thirteen such as 'Support to Stay' Teams (which support new tenants sustain their tenancies), 'Through the Gate' service (supporting those leaving prison) and Thirteens existing employability provision. This project provides an excellent example of how Thirteen are directly supporting the council assist some of the most vulnerable members of our community and offer vital a further 'tool' to address homelessness.

As referenced Thirteen play a critical role in assisting the Council address a range of key agendas, as part of our Joint Investment planning we propose to continue to explore how we can continue to work together to address adult social care pressures.

## **COMMUNITY IMPACT IMPLICATIONS**

7. As referenced Thirteen are a key strategic partner of the Council in supporting the Council deliver a number of its key Community Plan Policy principles. These include:
- Protecting the vulnerable
  - Creating economic prosperity
  - Promoting equality of opportunity through targeted intervention
  - Developing strong and healthy communities

## **FINANCIAL IMPLICATIONS**

8. As noted previously in 2012 Cabinet approved a maximum £910k of capital funding to support the then Fabrick Housing Group (now part of Thirteen) to deliver affordable housing on the West End Gardens Development in central Stockton. Due to number of constraints on the site it is now proposed that the development will be built out on a phased basis with the first phase (60 units) completed this summer. Thirteen remain commitment to the long-term development of the site and are currently working with council and local ward members on options for phase 2 of the site. As a result Thirteen have indicated that they are unlikely to require the £910k grant. On this basis Cabinet are asked to redirect this resource to facilitate additional units of affordable housing elsewhere in the Borough and that approval to commit this money is delegated to the Director of Economic Regeneration and Transport in consultation with the Cabinet Member for Regeneration and Housing.

## **LEGAL IMPLICATIONS**

9. None in this report.

## **RISK ASSESSMENT**

10. The proposal detailed is deemed to be low to medium risk for the Council. Existing management systems and daily routine activities are sufficient to control and reduce risk.

## **COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES**

11. As referenced within the body of this report Thirteens recent and continued investment into the Borough will support a number of policy priorities including; protecting the vulnerable, delivering strong and healthy communities and supporting economic regeneration.

## **CORPORATE PARENTING IMPLICATIONS**

12. No direct implications contained within this report.

## **CONSULTATION INCLUDING WARD/COUNCILLORS**

13. As the Joint Investment Plan develops consultation will take place with appropriate Cabinet and ward members. Cabinet are asked to note that Cabinet member for Regeneration and Housing and appropriate ward members have been consulted on the phasing proposal for the West End Gardens development.

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Education related?

No.

Background Papers

Cabinet report: Consolidation of the Thirteen Housing Group (19.1.17).  
Cabinet report: Parkfield / Mill Lane Housing Regeneration Scheme (29.11.12)

Ward(s) and Ward Councillors:

Not applicable in this instance.

Property

There are no implications for Council property.



Table A: Thirteen property and environmental improvements between 2012/13 – 2016/17

<b>No of properties improved</b>	<b>Nature of improvement works</b>
2,050	New kitchens
1,200	Electrical upgrades
2,300	New bathrooms
1,300 plus 428	Heating upgrades New fires
4,200	Replacement windows and doors
500	Property rewires
5,120	External property improvements (including porches, canopies, rooflines, external cladding and boundaries)
1,287	External Wall insulations
In addition to individual property improvements 120 communal areas have been improved plus significant improvement works (both internal and external) have been carried out on a number of high rise blocks across Stockton, Billingham and Thornaby.	

Table B: New build affordable housing schemes 2017 – 2017

<b>Site Name</b>	<b>Scheme sum (complete unless indicated)</b>
<i>Morley Carr Farm Yarm</i>	17 units (ongoing)
<i>Acorn House, Thornbay</i>	16 units
<i>Urlay Nook Eaglescliffe</i>	7 units (ongoing)
<i>Norton Park</i>	22 units
<i>Hardwick</i>	16 units
<i>West End Gardens</i>	40 units (ongoing)
<i>Billingham 'with care' scheme</i>	38 units
<i>Rosthwaite Avenue</i>	15 units
<i>Queensgate</i>	16 units
<i>Acorn House (adjacent bungalows)</i>	12 units
<i>Former Derwent House site</i>	18 units
<i>Victoria Park</i>	33 units
<i>Parkfield</i>	19 units
<i>Meadow Rise</i>	10 units
<i>Queensgate</i>	10 units
<i>Northshore</i>	15 units
<i>Nursery Gardens</i>	12 units
<i>Kvaerner site</i>	21 units
<i>Redbrook</i>	28 units
<i>St Johns Way</i>	3 units
<b>Total</b>	<b>368 units</b>

## Examples of partnership working

**Council Plan policy principles: developing strong and healthy communities and promoting equality of opportunity through targeted intervention**

### West End Gardens

This site in central Stockton was a former 'Housing Market Renewal' area which secured central Government funding for the demolition of obsolete terraced housing. 236 predominately residential, low demand, poor condition terraced properties were demolished to clear the site for a future residential redevelopment. Working in partnership with Tees Valley Housing (now consolidated within Thirteen) a programme of housing led regeneration was agreed.

Planning permission was granted in July 2013 and the first phase of 65 units will be completed during the summer of 2017. This initial phase includes a mix of 2 and 3 bedroom family houses, 2 bedroom apartments and 2 bedroom bungalows. As importantly this new development includes a high quality street scene and landscaping. The anticipated build cost of Phase 1 is £6.4m.

A Local Lettings Plan was been agreed between the Council and Thirteen. This will ensure 100% of nominations into these new build properties support the Council in addressing our local housing needs.



**Council Plan policy principle: protecting the vulnerable through targeted intervention**

***Acorn House (former Blenheim House site) Thornaby***

Following the announcement by the Department of Health regarding the 'Care and Support Specialised Housing Fund' (back in 2012) the Council sought expressions of interest from a Registered Provider to work in partnership to develop a supported accommodation scheme for adults with learning disabilities. Blenheim House (a site owned by the Council) was identified as a potential location for a new development.

Following this competitive selection process Tristar Homes Limited (now part of Thirteen) were appointed as the Council's partner and a successful bid to the DoH secured £780k capital funding.

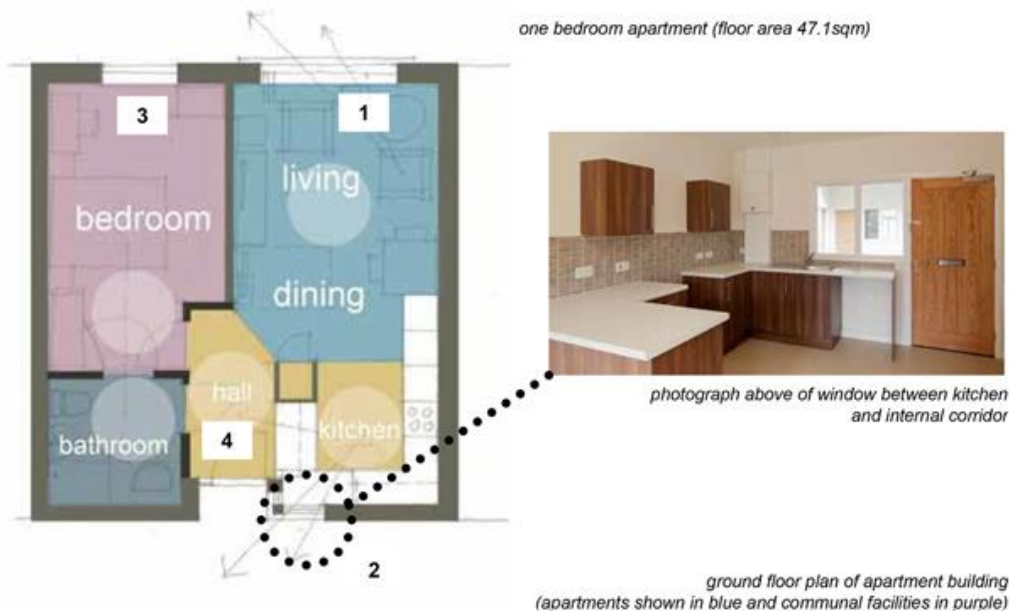
Following the demolition of the existing Blenheim House building, the new development, Acorn House was opened early 2017. This new build apartment scheme provides 15 (1 x bedroom self-contained) apartments, a large communal lounge (with kitchen area), office accommodation for support staff and a large communal garden.

This bespoke accommodation scheme for residents with a learning disability it's the first of its nature within the Borough and provides an opportunity for independent living close to local shopping and leisure facilities. The total cost of this new build development was £2.2m.

*"It's amazing. I have my own bathroom, I've always had to share the bathroom before" (Philip – Flat 9 Acorn House)*

*"I have been quite surprised at how quick she has settled, in fact it has been a bit of a shock! It is what we wanted for her and she sees it as her home and our house is now Mum and Dad's house. The building has some nice features. The support she is getting is good with help around when she needs it" (parents of Rachel – flat 3 Acorn House)*

Apartment layout



**Council Plan policy principle: developing strong and healthy communities**

The Council has undertaken a number of environmental projects in partnership with Thirteen, with the vast majority of these carried out with the co-operation of ward members, using the Community Participation budget to match fund financial support provided by Thirteen. More recently projects have developed with the Neighbourhood Shopping Parade Improvement Project.

**Windlestone Road Shopping Parade**

In 2016/17 Thirteen Group, undertook an option appraisal which led to the demolition of Windlestone House and the development of a small community garden area in its place. Council officers were kept updated of the options appraisal process and provided comments and suggestions regarding the community garden re-development. During this time discussions were also ongoing within the Council with regards to other shopping parades across the Borough and Windlestone Road was identified as a location that should be included in this project. Shop frontage improvements started in January 2017 and were completed April 2017.

*Before*



*After*



**An example of an environmental project undertaken with the support of ward members (supported by allocations from the Community Participation budget) - Elm Tree parking improvements (completed in 2015 at a total cost of £37k with a contribution from Thirteen of £24k)**

