

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **HOUSING OVERVIEW & SCRUTINY COMMITTEE**

DATE: **MONDAY, 23 SEPTEMBER 2013**

REPORT BY: **DIRECTOR OF COMMUNITY SERVICES**

SUBJECT: **FLINT TOWN CENTRE (HOUSING REGENERATION)**

1.00 PURPOSE OF REPORT

- 1.01 The purpose of this report is to consider the next steps in progressing delivery of the Housing element of the Flint town Centre master plan, including seeking Member support.
- For the use of Compulsory Purchase Order (CPO) powers if necessary.
 - To develop firm proposals to resolve Clwyd Alyn's interest in 7 maisonettes
 - For firm proposals to be developed for approval to progress the new housing development

2.00 BACKGROUND

- 2.01 There has long been a local ambition to regenerate the town centre of Flint. During 2011/12 DTZ were appointed by the council to undertake a master planning exercise which was adopted by council following extensive stakeholder and community consultation in June 2012.
- 2.02 The master planning exercise identified options and proposals to improve the environment, retail, civic, housing and commercial offer in the town centre. The master plan identified the sites for housing regeneration which this report seeks to address.
- 2.03 On 13th December 2011 the Executive approved a phased programme to empty the Flint maisonettes in preparation for a regeneration scheme which would see new high homes provided as part of a package of measures to regenerate Flint Town Centre.
- 2.04 To date, 157 maisonettes are empty, and one leaseholder has sold their property to the council. Of those who have been re-housed, 57% have been re-housed to council property in the North Area, 4% to both the Easy and South respectively. 4% have moved into the private rented sector, 8% to Housing Associations and the remainder have either moved in with family, deceased or been evicted etc.
- 2.05 Six further tenants have accepted offers and are waiting to move. Three further leaseholders have now accepted offers. Across the remaining 3 Leas blocks there are only 2 home owners and one

tenant whose situations are not fully resolved.

- 2.06 As the area has become increasingly empty there have been security issues and an increase in the level of ASB. Security sheeting has had to be fitted on ground floor and accessible vacant units, and an overnight security service is in place. Cleaning and keeping the area tidy is a high priority and the police have been working in partnership with the council to manage the situation.
- 2.07 The first fully vacant block was Coleshill Lea, and this and the garages adjacent to it were demolished in the Summer of 2012.

3.00 CONSIDERATIONS

- 3.01 The plan for Flint is based around the following six strategic objectives:-
1. Transform Flint's physical image*
 2. Reconnection of Flint's assets
 3. Promote the town and it's opportunities
 4. To better serve the local people*
 5. Create economic growth through job creation*
 6. To embed Flint into a sub regional tourism network
- 3.02 Following approval of the Masterplan and building on its work, a housing development brief was commissioned for Flint. The significant footprint of the existing maisonette blocks provides an opportunity to re-build nearly a quarter of the original medieval planned town – with the new houses and streets aligning more sensitively to the original grid pattern. It is intended that the new build provision within the redevelopment will provide between 173 and 180 units dependent upon the final agreed layout. These will be made up of a mix of, apartments and 2 and 3 bedroom houses.
- 3.03 The development brief has now been completed and in April 2013 the Flint Steering Group approved the final draft version, for recommendation to cabinet for approval. Once approved this will form supplementary planning guidance for any schemes which come forward. The plan guides the developer on the density and layout of properties, design features to follow etc. This will allow the council to make sure that the new homes compliment the town and its history. The design brief is attached to this report as Appendix A and B.
- 3.04 **Compulsory Purchase Order**
It is recommended that work commences to gain a Compulsory Purchase Order for the whole of the housing redevelopment site. The advantage of this is that it ensures that the council has clear title for any future redevelopment and it could help with the repurchase of the 5 leaseholder maisonettes should negotiation not be successful.

- 3.05 Approval to use CPO powers does not mean that the Council will issue a CPO, however, it does allow for the flexibility to do so, should it become necessary. In the event that a CPO is sought affected residents would have the opportunity to object. Any objections would be dealt with by way of a Planning Enquiry overseen by a Welsh government Planning Inspector. Given that this process is driven by the Planning System it would be advantageous for the Council to have an approved Planning Permission for the Maisonettes site, which gives the Inspector the opportunity to balance the community benefit from the proposal against the rights of the individual. The Council would be in a strong position to request a CPO under these circumstances, as a clear plan is in place, the values offered are reasonable and there will have been ongoing dialogue with the owners around other forms of support.
- 3.06 Currently the Council is seeking to acquire by agreement land required for the scheme which is owned by third parties. It may be that such efforts are unsuccessful, in which case it would be necessary for the Council to pursue the acquisition of the land by compulsory purchase (by way of a CPO) as that will be the only mechanism by which the Council can be certain that it will be able to take possession of the land when required. As the CPO process can be lengthy, Members' support is sought at this stage to the making of a CPO.
- 3.07 Section 226 91) (a) of the Town and County Planning Act 1990 enables the making of a CPO if the Council thinks that the acquisition of land will facilitate the carrying out of development, re-development or improvement on or in relation to land in the area, improving the economic, social or environmental well-being of the area. That is considered to be the case in relation to the Flint Town Centre Masterplan.
- 3.08 In particular the acquisition of the Order is essential to facilitate:-
- (a) the comprehensive redevelopment and improvement of Flint Town Centre
 - (b) the delivery of a range of new house types, providing a mixed tenure scheme for the Town Centre
 - (c) bringing forward a more diversified housing provision and the re-invigoration of the local housing market supporting the wider regeneration and sustainability of Flint Town Centre
- 3.09 If approval is given to the making of a CPO, it is intended to instigate the process as soon as possible. However, this does not mean that the Council will have to rely on the CPO, but it does allow for the flexibility to do so, should it become necessary.
- 3.10 Whilst the CPO would be made primarily to deal with parcels of land owned by third parties who are unwilling to sell (for whatever reason) it would cover all the land to be the subject of the scheme, including

land owned by the Council. By doing so, any issues or restrictions relating to the title(s) of the land can be overcome.

3.11 Leaseholder negotiations

The Council continues to negotiate with the 5 remaining leaseholders within the Maisonette blocks. Following valuations from the District Valuer (DV) and further valuation by an independent local estate agent, each leaseholder has received an offer. The offers reflect prices for equivalent sized accommodation within the Flint area, and show the Council has been reasonable, taking into account a balance of factors including the value of the homes, costs of security and council tax while blocks remain standing.

- 3.12 Currently 3 offers have been accepted and this will influence the phasing plan. The remaining 2 leaseholders have rejected the offers made. Officers do not believe there is scope to increase the offer; however, they continue to engage with the owners to offer other non financial support with re-housing in an attempt to reach agreement.

3.13 Clwyd Alyn properties

Clwyd Alyn Housing Association own 7 Maisonettes originally purchased in 2005. (They were keen to partner with the Council in any regeneration scheme). Clwyd Alyn are still very interested in being a partner with the council for the delivery of this current regeneration scheme and have been doing some work with tenants of the maisonettes to develop interest in forming a housing co-operative as part of the new development.

- 3.14 The council has a number of options to deal with the Clwyd Alyn interest on the site. These include:

1. Purchasing the properties Clwyd Alyn own.

This would provide clear title but would be challenging for the council alongside other competing priorities for the housing capital programme.

2. Asking a developer to purchase the units from Clwyd Alyn.

This could cause delays in getting blocks demolished and could provide title issues for the new development as there would be mixed land ownership

3. Agree a “deal in the round”

The aim of this approach is that there would be no financial outlay for the council in cash terms. This arrangement would involve the council providing land for future developments to an agreed value.

- 3.15 Option 3 is the recommended options and member support is sought to develop firm proposals for formal approval.

3.16 **The New Development**

The current tenure mix in Flint Town Centre is shown below.

	Social rented	Owner occupied	Private rented
Flint Town Centre	49%	45%	5%
Wider Flint	20%	75%	5%
County as a whole	12%	77%	11%

- 3.17 The regeneration proposals have, as part of delivering a more vibrant sustainable town, had ambition to enhance the housing offer, providing a number of homes for social rent (between 20-40), and with the remaining (c120- 140) homes for let at affordable and (a small number) market rents with a small number potentially also for sale.

The broad tenure mix being planned is for 40 homes for social rent developed by a RSL and/or the council, 15 homes for Rent to Buy, 105 homes at affordable (LHA) rents and 20 homes at market rents.

- 3.18 The mix of units has been designed to meet emerging needs for small houses and apartments to help address the impacts of Welfare Reform. Housing for sale will work on the site in later years, (but probably not in the early stages), as the housing development progresses and confidence in the housing market increases, therefore rent to buy is being considered as a tenure that can support owner occupation long term. Also a large for sale development is taking pace at Croes Atti and this will meet a significant amount of the need for home ownership in the local area.

- 3.19 Affordable rents, although higher than social rents, can allow properties to be developed without public subsidy in the form of Social Housing Grant, and the rents are still fully eligible for housing benefit for those who have limited incomes.

- 3.20 The development site covers the footprint of the existing maisonette site and could take in other sites in the town centre should these become available.

3.21 **Clwyd Alyn interest**

Officers are considering options for land to be transferred to Clwyd Alyn for c20 homes to be built for social rent on the site. These would be managed on a co-operative model subject to resident support

3.22 **Financial model for delivery**

Council officers have been exploring a range of options for meeting the housing requirements in the Local housing strategy and investigating a range of options for delivering homes for affordable rent. A paper was presented to Scrutiny Committee and Cabinet in July 13 describing the work to date and the various models. Independent legal advice has been sought which confirms that each

of the models can be delivered from a legal perspective and each will need to be evaluated scheme by scheme to decide which would be the preferred model. Once a decision on preferred funding model has been made, then tendering to appoint a developer/funder will almost certainly be necessary.

3.23 This paper sets out the options for Flint and asks for a steer from Scrutiny Committee on the principles to be applied in arriving at the chosen funding option.

3.24 It is important to note that **all options are self financing** as in all cases the council will receive new rental income to service any costs in delivering and managing any homes built.

3.25 Appendix C provides a summary of each of the options for ease of consideration. This will be applied to arrive at final proposals once key principles have been agreed.

3.26 **Key questions to determine final decision making** (agreeing our principles for this scheme)

3.27 **Ownership**

- How important is it that the Council owns all (or part) of the development at the end of the scheme?

3.28 **Affordability**

- Does the council want the lowest cost scheme for the Council over the life of the scheme? (That may mean taking on more risk regarding the annual affordability of a scheme?)
- Does the council want the lowest possible rents for tenants?

3.29 **Space standards and design features**

- Do we want to set high end or mid range design standards?

3.30 **Risks**

- In any long term financial modelling assumptions must be made. How much tolerance to change in these assumptions, which affect costs, do we want to build into the model?
- Is the council happy to take the development risk?

3.31 **Length of arrangement with partner**

- Schemes range from 5 years upwards to 45 years
- Is the council happy to enter into 45 year arrangements?

3.32 **Simplicity**

Some models are more complex than others, which will lead to higher costs in administering the scheme.

- Does the council want to focus on the simplest most straight forward models?

4.00 RECOMMENDATIONS

- 4.01
- Support the development brief so it can be adopted as supplementary planning guidance
 - Support the use of Compulsory Purchase Order (CPO) powers if necessary.
 - Seek member support to resolve Clwyd Alyn's interest in 7 maisonettes
 - Seek support for the tenure mix and "key principles" for the scheme which will then form a firm recommendation as to the delivery model for new homes

5.00 FINANCIAL IMPLICATIONS

- 5.01 A substantial piece of work to evaluate the financial affordability of each model from a revenue budget perspective has been undertaken, with emphasis being placed on all models needing to prove that they are self financing. This work will now be revisited and refined to take account of discussions Members will have on factors that are key in the process of selecting a financial model (as described in section 4 of this report).
- 5.02 Independent advice is being commissioned to assist Officers in building sensitivity analysis into the financial affordability calculations and to provide guidance on specialist areas including tax, financial reporting and governance which affect each model. This cost will be met from existing budgets.

6.00 ANTI POVERTY IMPACT

- 6.01 Each of the models will provide additional affordable housing and would therefore have a positive anti poverty impact.

7.00 ENVIRONMENTAL IMPACT

- 7.01 All new affordable housing arising out of these financial models will be built to high standards which would provide a positive environmental impact.

8.00 EQUALITIES IMPACT

- 8.01 There are no equality implications arising out of this report.

9.00 PERSONNEL IMPLICATIONS

- 9.01 There are no personnel implications arising out of this report.

10.00 CONSULTATION REQUIRED

- 10.01 Further consultation will be required with local residents, key stakeholders and local members as the scheme progresses.

11.00 CONSULTATION UNDERTAKEN

- 11.01 Senior Members and Member stakeholders have received a presentation on each of the financial models with an opportunity to evaluate the risks and benefits of each.
- 11.02 Regular tenant and resident meeting have been held over the last 3 years and these have included meetings to inform the regeneration plan.

12.00 APPENDICES

- 12.01 Appendix A – Design Brief
Appendix B – Flint Plans
Appendix C – Evaluation of Funding Options

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 **BACKGROUND DOCUMENTS**

None.

Contact Officer: Clare Budden
Telephone: 01352 703800
Email: clare.budden@flintshire.gov.uk