

**FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **CABINET**

**DATE:**                 **TUESDAY, 15<sup>TH</sup> OCTOBER 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 cabinet approval;
- For the use of Compulsory Purchase Order (CPO) powers if necessary.
  - To develop firm proposals to resolve Clwyd Alyn's interest in 5 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 13<sup>th</sup> 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, along with a map of the site as Appendix 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 5 Maisonettes. Clwyd Alyn are 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, based on the value of the maisonettes.

3.15 Option 3 is the recommended option and cabinet approval is sought for delegated authority to be granted to the Cabinet Member for Housing along with the Head of Housing and Head of Assets and Transportation to develop and implement a mutually agreed land

transfer at no detriment to the Council.

### 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. Following recent input from Cabinet and Housing scrutiny committee on key principles to be followed for the scheme, final evaluation of options is underway and firm proposals for developing the new homes will be presented to the November cabinet for approval.
- 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.
- 3.26 Key questions considered to date to determine final decision making
- 3.27 **Ownership of the homes developed**
- The Council is interested in managing new homes built in Flint (with the exception of the Clwyd Alyn scheme), to ensure that its interest as a key stakeholder in delivery of the town centre master plan can be maintained. Ownership of all or some of the homes would also be desirable.
- 3.28 **Affordability**
- The council wants to be certain that rent increases and rents themselves will be affordable for the life of the scheme for local people.
  - The council also wants some options for local people to access affordable home ownership
- 3.29 **Space standards and design features**
- The council wants homes built to good standards for the whole development with no visible differences for homes of different tenures
  - The council wants the new homes to meet the aspirations of the design brief
- 3.30 **Risks**
- The council recognises that in any long term financial modelling, assumptions must be made, but it wants to minimise risk as it builds its capacity and experience in developing and procuring new homes
  - The council is happy to develop the homes itself as long as it

brings in the right expertise to lead this.

**3.31 Length of arrangement with partner**

The council is happy to enter into long term arrangements for the funding and delivery of new homes as Housing Assets themselves have a life in excess of 60 years.

**4.00 RECOMMENDATIONS**

Cabinet are asked to:

- 4.01
- Approve the development brief so it can be adopted as supplementary planning guidance
  - Agree to the use of Compulsory Purchase Order (CPO) powers if necessary.
  - Provide delegated authority to the Cabinet Member for Housing along with the Head of Housing and Head of Assets and Transportation to develop and implement a mutually agreed land transfer at no detriment to the Council to resolve Clwyd Alyn Housing Association's interest in 5 maisonettes
  - Note that final proposals for developing the c180 new homes in Flint will be brought to a future cabinet for approval.

**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 guidance provided by Cabinet Members and Housing Scrutiny Members.

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 Housing Scrutiny Committee fully supports the content of this report and its recommendations.

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.

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