

## **FLINTSHIRE COUNTY COUNCIL**

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

**DATE:** 7TH JULY 2014

**REPORT BY:** CHIEF OFFICER COMMUNITY AND ENTERPRISE

**SUBJECT:** STRATEGIC HOUSING AND REGENERATION PROGRAMME (INCLUDING FLINT)

### **1.00 PURPOSE OF REPORT**

1.01 This report seeks scrutiny views on the commencement of early action (serving a PIN notice) to begin the procurement exercise to: progress the regeneration of Flint Town Centre and redevelopment of the cleared sites of the maisonettes, and to procure a development partner to deliver a council house building programme.

### **2.00 BACKGROUND**

2.01 At cabinet in December 2011, a phased programme to empty and demolish the 214 Flint maisonettes was agreed. This was a key element in taking forward the delivery of the Town Centre master plan.

2.02 To date, there are only a small number of tenants and one home owner awaiting re-housing. Negotiations with the home owners are complete. Clwyd Alyn Housing Association who own 5 maisonettes are working in collaboration with the council to empty their properties and are seeking a land swap in lieu of any "cash payment" for the agreed value. The Chief Officer Community and Enterprise has delegated authority to resolve this.

2.03 Of those still requiring re housing 6 are waiting for the Wales and West apartments being built on the site of Flint house and due to be completed later this year. Of the remainder, most have been offered a property, leaving only a small number awaiting suitable offers. To date four of the 11 blocks have been demolished and it is expected that all sites can be cleared by Spring 2015.

2.04 Delivery of the master plan has been progressing well with a number of schemes already successfully completed. These include landscaping, retail unit improvements, development of Flint Flintshire Connects, new housing developments by Wales and West and Clwyd Alyn; work to create a social enterprise at the Old Court House, and significant work to bring a number of key empty properties back into use as high quality town centre living. The next stage is to move forward with the housing and other developments now being considered for the site of the maisonettes.

### 3.00 CONSIDERATIONS

- 3.01 Work has been ongoing for some time to develop options for the recognized need for the provision of extra care housing in the town and a preferred RSL partner has been chosen to take forward proposals for a new 60 plus bed scheme on the site of the maisonettes.
- 3.01 In addition, work has been underway to progress plans to provide a new primary health care centre in the town. BCU has stated a preference for this to be on the site of the Leas maisonettes. This would provide a strong connection between the retail park, leisure centre and Church street; assuming that the building can be of excellent design and sufficient height to occupy such a significant gate way site in the town?
- 3.02 A joint scheme between the chosen RSL and BCU is being explored which could create maximum impact on the site; and make best use of the land available.
- 3.03 Should this be deliverable then that would leave the whole of the Walks site for a new housing development? This could provide circa 100 new homes to the design previously agreed as part of the Housing design brief. This would be a mixed tenure development comprising circa 30 social rented homes, 60 for rent at affordable levels and 10 for Rent to Buy. In addition there may also be the potential to include the site of the courts and police station, (which is opposite Castle Heights). This could provide an extra 12 homes on a rent to buy basis.
- 3.04 Including the extra care scheme the total scheme could provide 170 new homes and a Primary Health care centre on what was the site originally for 214 homes. The tenure mix proposed, (including the extra care flats) would be:
- 90 Social Rented homes
  - 60 Affordable Rented Home
  - 22 Rent to Buy

Should it not be possible to agree a joint scheme between BCU and the Housing Association then the total number of new homes provided would be severely restricted (the extra care scheme would take up virtually all of the Walks site), and this would affect the desire to develop a sustainable housing market of mixed tenure in the town centre. An alternative site for the Extra care scheme might need to be explored should this materialise.

- 3.05 Plans are also being developed to secure Eco funding for the High Rise blocks to improve their thermal efficiency, appearance and to enhance the life of the concrete. The ECO funding obligation on energy companies has been restricted by Central Government and there is concern that any significant schemes should be secured as soon as practicable. Subject to a suitable offer being secured following a tender exercise, then it is now

- planned, subject to budget approval, to bring forward the investment in the external works to the blocks starting later in 2014 and completing 3 blocks over 2-3 financial years.
- 3.06 There is evidence to support that the site would not be suitable for an open market housing scheme in the short to medium term, There is too much competition from large sites close by and although there is a desire to have a broader housing offer in the town centre the predominant need is for affordable housing. Soft market approaches have identified that a scheme of a total of circa 130 plus properties i.e. £13m in value would be advantageous to gain maximum economies of scale.
- 3.07 Soft market testing has been underway for the last 18 months reviewing and considering options and proposals to bring forward the development of the new homes needed. The next step in the process is to carry out formal consultation with the market, (serving a PIN notice), prior to seeking approval from cabinet to commence a procurement process in September 2014. The overarching commissioning objectives have been drafted and are attached to this report as Appendix A. In addition, Appendix B identifies a draft time line for the procurement, (subject to cabinet approval).
- 3.08 Council Housing programme  
Proposals are now well advanced to introduce self financing for Council Housing replacing the Housing Revenue Account Subsidy system. Flintshire has identified a need and aspiration to build new council housing for many years and is confident that it will achieve a borrowing limit which will allow the council to meet the need for stock investment to achieve WHQS by 2020 **and** to commence a new council house building programme. Welsh Government and the Housing Minister are as anxious as the council to commence this programme as quickly as possible and the procurement process referred to in this report (and needed for Flint) is a timely opportunity to also include a 100 home council house development programme.
- 3.09 The HRA has a number of sites suitable for housing development. These include sites previously identifies as surplus, garage sites and other sites. There are also a number of sites in the ownership of the council fund where a need for housing development has been identified. These could be purchased by the HRA for development.
- 3.10 A review of the sites is currently underway, assessing suitability, housing need in that particular area and planning policy. The procurement process will take a minimum of nine months leaving the next 3-4 months to finalise sites, property type etc. What matters most for the procurement exercise at this stage is to give the market a guide on the total number of homes broadly.

- 3.11 Therefore in total, the council could be seeking a total development initially of some 200 plus homes, at various sites across the county. A development of this scale could be delivered by a number of procurement routes including the restricted tender procedure, competitive dialogue, a framework, land development agreement etc. A Prior Information Notice (PIN) is to be made week commencing 7<sup>th</sup> July to allow informal discussion with the market including potential developers and funders (for Flint). Following this exercise and receipt of feedback, then a formal decision will be made about the most appropriate procurement route.
- 3.12 Procurement will take some 9 months, (or potentially longer), depending on the chosen procurement method and resources available to manage the process; meaning that preferred partners could be appointed by March 2015. This allows for the earliest start on site (subject to planning permission) for any development to be Autumn 2015.

Any council homes developed will be owned and managed in the self financing HRA. Any homes developed for affordable rent or affordable purchase will be managed by NEW Homes, (with a view to them being purchased by this company longer term).

A programme team has been put in place led by a Programme Manager and including a procurement lead (appointed temporarily), and colleagues in legal, finance, planning, estates and valuations, housing and regeneration). The programme is sponsored by the CO Community and Enterprise.

While developers/funders are being appointed a review will be undertaken of the skills needed to take forward management of a new build construction programme, so that this is in place at the appropriate time. The council's project management system is being utilised to manage this programme. A comprehensive risk map and communications plan is also in place and reviewed regularly.

#### Conclusion

The council is now at a point to take forward some exciting new developments which will help it to meet key targets in its Housing Strategy to meet local housing need and key housing objectives in its 14/15 Improvement Plan.

## **4.00 RECOMMENDATIONS**

### 4.01 Scrutiny is asked to:

- Support the proposals contained within this paper to take forward the procurement of new homes in Flint to replace the maisonettes and for small scale new development on other key council sites.

## **5.00 FINANCIAL IMPLICATIONS**

Immediate financial implications are the costs of the procurement exercise. These can be met from existing capital programmes for the Council Fund and HRA 14/15 capital programmes. Costs will be apportioned on the basis of the beneficiary of the development.

Long term financial impacts would be the costs to develop new council housing which would be funded via HRA borrowing and programmes over the 2015-2020 years. A revised business plan is currently being developed for approval by cabinet in the Autumn and this means that the full financial implications can be modelled ahead of any formal appointment/commitment being made by the council. Finance costs will be met through rental income so the developments should be cost neutral, with new homes let at benchmark rents.

The remaining developments, circa 112 homes would be funded via private finance and the aim at this stage is that these would be “off balance sheet” for the council.

NEW Homes would receive a management fee for any homes it managed and would have a management lease in place with the council/Funder.

## **6.00 ANTI POVERTY IMPACT**

6.01 The provision of new high quality homes will have a direct impact on the quality of life for local people. All rents will be affordable.

## **7.00 ENVIRONMENTAL IMPACT**

7.01 All new homes developed and all those improved via Eco will be to high standards and will reduce energy costs for tenants and offer increased thermal efficiency.

## **8.00 EQUALITIES IMPACT**

8.01 New homes developed will help meet the need for affordable housing.

## **9.00 PERSONNEL IMPLICATIONS**

9.01 A Programme Manager has been appointed internally to lead this programme.

## **10.00 CONSULTATION REQUIRED**

10.01 Detailed consultation will be required with local members, local stakeholders and residents prior to any schemes being taken forward.

## **11.00 CONSULTATION UNDERTAKEN**

11.01 Local ward member consultation and tenant consultation has taken place regularly to date.

**12.00 APPENDICES**

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

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