

Cabinet - 13th February, 2008

Report of the Director of Adult, Community and Housing Services

North Priory Estate Regeneration Project

Purpose of Report

1. To advise Cabinet on the progress of the North Priory Regeneration Project and to seek approval for the disposal of the site to Bromford Housing Group.

Background

2. The Cabinet at its meeting in November 2006 approved a report with a recommendation to proceed with the 100% redevelopment option of the North Priory estate. A further report was approved by Cabinet in February 2007 which authorised the Council to commence the re-housing of residents from the estate and to enter into negotiations with individual owner occupiers regarding the purchase of their properties.
3. There has been good progress made on the project since February 2007. Key items include: Developing a choice based lettings plan and commencing the re-housing of residents; Commencing the acquisition of owner occupiers properties by agreement; On-going work with the Independent Tenants Advisor in building residents' capacity and in providing support and advice to residents; Recognition by the Housing Corporation of the site's strategic importance; The selection of a registered social landlord to regenerate the estate.

Re-housing of residents

4. A lettings plan has been developed to establish how residents from the North Priory estate are to be re-housed. The plan covers residents' eligibility for property types, property availability and how properties will be let. The plan was developed in consultation with a residents' working group and the Independent Tenants Advisor who continue to monitor and oversee its operation.
5. An innovative feature of the lettings plan has been the use of a choice based approach to let properties. Available properties are advertised fortnightly through a newsletter and residents are able to 'bid' for the available properties. If more than one resident bids for an available property than an eligibility criteria is applied to determine the successful applicant. All residents are entitled to home loss and disturbance payments.
6. This approach has been popular with residents and a total of 1111 bids have been made for the 159 properties which have been made available since June 2007.

7. A total of 121 residents have moved from the estate and there are currently 148 empty properties on the estate (the total number of empty properties includes properties that were void before the start of the re-housing programme and properties that formed part of the asylum seekers contract)
8. There are 120 properties still in use on the estate of which 115 are residential households. Of these remaining households 32 have accepted offers of alternative accommodation and 4 have advised us that they will be finding their own accommodation. This means that there are 79 households left to find alternative accommodation for and it is anticipated that all these households will be rehoused by December 2008.

Acquisition of owner occupied property.

9. There has been good progress in acquiring the owner occupied properties and valuations have been agreed on all the properties on the estate with a total of nineteen properties out of a total of thirty one having been acquired by the Council. The situation with regard to the properties still to be purchased varies but common themes include: purchasers waiting to be rehoused by the Council, looking for a property to purchase, awaiting exchange / completion date.
10. Owner occupiers receive market value for their home together with home loss and disturbance payments. The market value is determined by the District Valuer in negotiation with the owner occupier's surveyor. All professional fees incurred by the owner in relation to the sale of their existing property and the purchase of their new property are paid for by the Council.

Housing Corporation Funding

11. A presentation was made in July 07 to the Housing Corporation – the government agency that funds new affordable homes – about the project and the added value that any Housing Corporation monies could bring to the project.
12. The presentation was well received by the Housing Corporation and they have recognised the scheme's strategic importance. They wish to be kept informed of the project's progress and have accepted it into their Forward Allocation Programme. This is a significant first step in attracting additional funding into the scheme.

Selection of Registered Social Landlord partner

13. A form of bid for the land disposal and redevelopment of the estate was issued to seven Registered Social Landlords in September 2007. Bids were invited from RSLs who had an existing commitment to the borough, a viable management presence in the borough and were committed to meeting a range of housing needs.
14. A total of four bids were received and these were evaluated against an evaluation criteria which split price / quality 50 / 50. The categories of quality included urban design, sustainable technologies and sustainable communities and these were assessed blind of price. The evaluation process also included each bidder presenting their proposals to an evaluation panel consisting of councillors, officers and residents.

15. Bromford Housing Group were selected, following this process, as the Council's preferred bidder. They will be working in partnership with Haslam Homes.

Key features of their bid include:

- A total of 329 homes to be built on the site. 35% social rented properties & 5% shared ownership. 60% of the properties will be for outright sale.
 - A range of house types for rent including 2, 3 & 4 bed houses and 2 bed bungalows.
 - All homes will be built to a high environmental standard (Level 3 Code for Sustainable Homes) and will meet the Secured by Design criteria.
 - Residents will have a say in the design of the estate and its future management.
 - A new community facility.
 - A commitment to training opportunities and employment for the local community
16. We will work with Bromford Housing Group over the next 6 months to agree terms and conditions for the sale of the land.

Indicative Timetable

17. Key activities scheduled for 2008 include: Agreeing terms & conditions for the sale of the land (June 2008); Consultation with key stakeholders (ongoing); applying for planning permission (July 2008 – October 2008); conveying the land to Bromford Housing Group (June 2008 – February 2009); On-going re-housing of residents (January 2008 – December 2008).
18. It is anticipated that demolition of the existing properties will commence in March 2009 with construction starting on site in August 2009 with completion by June 2012.

Finance

19. The proposals to incur expenditure in relation to the North Priory Regeneration Project were contained in the report *Deployment of Resources Housing Revenue Account and Public-Sector Housing Capital* which was approved by Cabinet in February 07. The Council's initial costs will be recouped from the capital receipt for the sale of the land.
20. A revised budget is proposed in the *Deployment of Resources: Housing Revenue Account and Public Sector Housing Capital* report being considered under this Cabinet agenda.

Law

21. Section 32 and 34 of the Housing Act, 1985 and the General Consents for the Disposal of Houses and Land, 1999, enable the Council to let and dispose of land and buildings held for housing purposes at the best price reasonably obtainable. Section 123 of the Local Government Act, 1972 enables the Council to dispose of its interests in land at the best price reasonably obtainable.

Equality Impact

22. It is intended that the regeneration of the North Priory estate will create a mixed, sustainable community providing a wider range of housing tenure and property types than currently provided. This will help to meet both a wider range of housing need and aspirations.

Recommendation

23. It is recommended that Cabinet note the contents of the report and give approval for the disposal of the site to Bromford Housing Group upon terms and conditions to be negotiated and agreed by the Director of Law and Property.



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