

North

Feasibility Study

On behalf of Dudley MBC



Final Report

20th April 2006

Tribal HCH
Llewelyn Davies Yeang

Priority



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1 Introduction

1.1 The Commission

- 1.1.1 Dudley Metropolitan Borough Council (DMBC) identified North Priory Estate as at risk of market decline and suffering from problems of high turnover and low demand for lettings. It therefore commissioned Tribal and Llewelyn Davies Yeang to undertake a feasibility study in November 2005 to establish what the options are for the future of this area.
- 1.1.2 The brief identified a number of key problems that led to the commissioning of this project in North Priory:
- 'Risk of market decline' (2001 Housing Market Study);
 - Difficulty in letting some properties; and
 - High turnover rate for 3 bedroom houses.
- 1.1.3 Importantly the study needed to develop a solution, or solutions, that were not dependant upon funding from the DMBC.

1.2 Objectives

- 1.2.1 Specifically the objectives of the commission were:
- To identify issues which have a negative and positive impact on the short, medium and long term sustainability of the North Priory Estate.
 - To identify options available to tackle the issues which have been identified as having a negative impact on sustainability.
 - To identify funding opportunities to deliver the options identified.
 - To develop an action plan for the estate that will enhance its short, medium and long term sustainability as a housing estate.
- 1.2.2 From the outset it was clear that the main challenge in North Priory was to produce a strategy that will lead to the creation of a vibrant, high-demand housing market – a place where people choose to live and invest, that will improve the quality of life for existing and incoming residents. In order to do this the strategy needed to:
- Identify the underlying causes of the area's decline and how to address them;
 - Identify potential opportunities and how to exploit them;
 - Link to its wider context;
 - Attract funding and investment;
 - Have stakeholder support; and
 - Be deliverable

1.3 Process

- 1.3.1 Fundamental to this project was getting behind the problems identified in the brief and through consultations, in order to understand what is causing them. Once an understanding has been reached as to the causes of these problems the challenge was then to develop solutions to address them. Some of these were possible to address within

the scope of this study, but others (in particular the wider physical, social and economic problems) were beyond it.

1.3.2 The specific process involved a number of stages:

- Baseline Review
- Option Development
- Option Refinement
- Action Plan and Final Report

1.3.3 In developing solutions it was important for us to ensure that they are both feasible and have a high degree of stakeholder support. In terms of feasibility this meant that the solutions proposed must be achievable (e.g. affordable and deliverable). 100% stakeholder support is unlikely if not impossible, but trying to achieve a high degree of support was critical, particularly amongst the key stakeholders.



Illustration 1 – Housing in Berry Road, North Priory

2 Baseline Summary

2.1 Introduction

- 2.1.1 The purpose of the baseline work was to establish or confirm what the key issues in the area are. In particular its aim was to provide an understanding of the problems of the area and also to identify potential opportunities. This was not just a case of looking at the study area itself, but also understanding the context within which it sits. This context includes the initiatives and policy that impact upon the area as well as the surrounding physical, social and economic conditions and context. A separate detailed Baseline Report was produced in December 2005.
- 2.1.2 This understanding and context provided a basis for identifying and developing the potential options for the future of the area.

2.2 Process

- 2.2.1 The baselining approach involved the following:
- Document review – Desk-based review of relevant policies, strategies and initiatives.
 - Key Stakeholder consultations – Telephone interviews or face-to-face meetings with groups or individuals that have a strong interest or role in the area, or have an understanding or insight into the area or its context.
 - Site Appraisal – Broad-brush analysis of relevant surrounding context and identification of key physical features on site - routes, open space, landscape features and built form. It included a Strength, Weakness, Opportunity and Threat analysis.
 - Baseline Report – A report summarising the context and issues as well as setting out findings and conclusions. A Draft Baseline Report was submitted to DMBC on 7th December 2006 and approved at the Steering Group Meeting on 9th December.

2.3 Context

- 2.3.1 The baseline work examined the context in which the problems of the North Priory need to be addressed. This included its:
- Physical context
 - Strategy and policy context
 - Development and market context
 - Social and economic context
- 2.3.2 Some of this context was negative. For example, the North Priory area currently suffers high levels of social and economic deprivation. The area as it stands does not seem to be sustainable. The existing housing is in low demand with high levels of voids and high turnover. Houses get let to those with a very low score, which creates an impression that people get 'dumped' on the estate.
- 1.1.1 The area also seems to have a reputation for crime and anti-social behaviour and Pine Road appears to be central to a lot of the problems of the estate. A lot of those problems seem to stem from its isolation. See Illustration 2.



Illustration 2 – Isolated open space on Pine Road is abused

2.3.3 Whilst the wider neighbourhood of Dudley North is quite mixed in terms of house types and tenures the local neighbourhood of Priory has a strong predominance of Council housing stock. This is set against an identified shortage of affordable housing in the Borough in the Council's Housing Strategy. This begs the question should DMBC and their partners be looking to create more private housing to create more of a sustainable tenure mix in the local area, or should they be looking at re-providing more social housing to meet the district's affordable housing need.

2.3.4 There is a lack of variety in the stock within the estate (e.g. no housing for the elderly), but it generally appears to be physically robust – but is small compared to the wider Priory estate (see Illustration 3.) The rear gardens are generally relatively large and difficult for many owners to maintain.

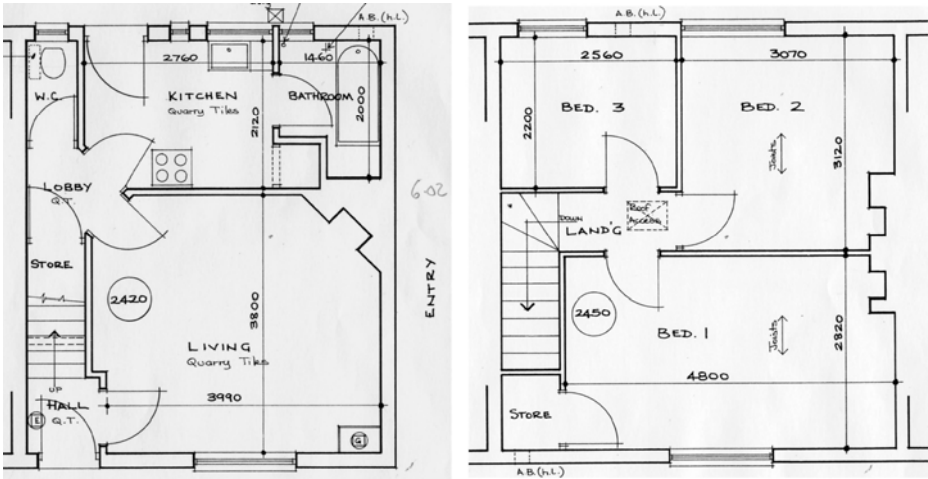


Illustration 3 – Floorplans of 3 – bedroom houses prior to modernisation in 1970's-80's

2.3.5 Whilst there are some retail facilities in and around the area these are of a poor appearance, would seem to be struggling and some of the units are vacant (see Illustration 4.)



Illustration 4 – Shops on Priory

Road

2.3.6 But there are positives, such as the housing market in the surrounding area, which appears to be reasonably healthy with privately-built houses and ex-council stock both selling well. Close to the estate there are a range of open spaces and outdoor recreation facilities. The area is also well located within Dudley with reasonable links to Wolverhampton and Birmingham. However on a local level its connection with adjoining roads and neighbourhoods are poor, creating a degree of isolation. Physical isolation often leads to social and economic isolation. See Illustration 5.



Illustration 5 – Established private housing stock isolated from North Priory by the Birmingham New Road

2.3.7 The recently produced masterplan for the nearby Town Centre and the proposed redevelopment of the adjoining Castle and Zoo (see Illustration 6,) indicate a potentially positive future for the surrounding area.

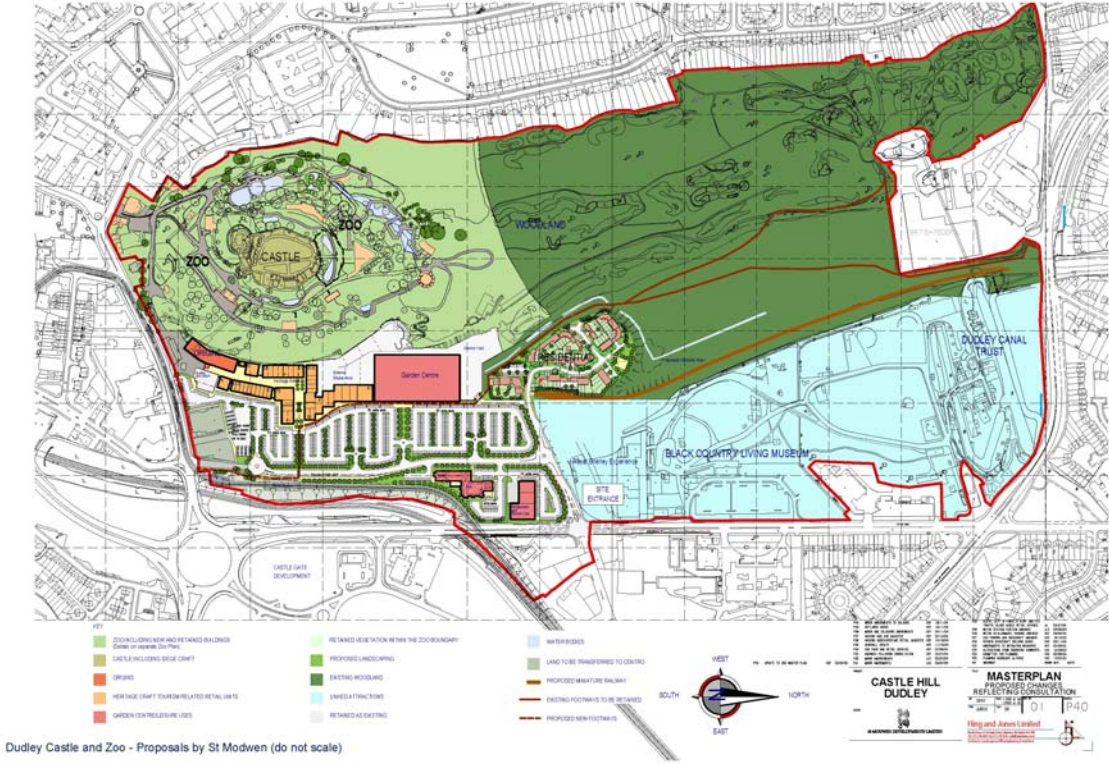


Illustration 6 – The Castle and Zoo master plan – the woodland on the top right of the drawing abuts the North Priory

2.3.8 There has recently been a lot of housing market research work done in the wider area (as part of the Black Country Study and the emerging Black Country and Telford HMRA), which provide a useful context for this work. One of the conclusions emerging from this work is the need to create more of the housing stock that will attract affluent workers (A/B households) to live in the area. As well as being within the HMRA, North Priory is also within AWM’s Arc of Opportunity Regeneration Zone.

2.4 Key Issues & Findings

2.4.1 The key issues and findings can be viewed as potential constraints and opportunities.

- 2.4.2 Potential constraints include:
- A significant proportion of the population have strong ties to the area, although potentially a lot of others do not.
 - The difference in site levels between Birmingham New Road and the estate.
 - A lack of public sector funding.
 - The existence of RTB properties on the estate.

2.4.3 Potential opportunities include:

- A significant proportion of the population have strong ties to the area, although potentially a lot of others do not.
- The estate is currently quite low density, but there may be the opportunity for higher density redevelopment, particularly near the main roads.
- North Priory, whilst located next a large area of Council stock, it is also on the periphery and next to areas of desirable private housing.
- High levels of Council ownership in the area.
- Initial soundings suggest that there is market interest in the area.
- Adjacent to the site there is an industrial area, which may offer the scope for (partial) redevelopment in the future.
- Prominent location on Priory Road and Birmingham New Road.
- The emerging HMRA covering the area will provide a strong housing market context for the future of the estate, and may also open up funding opportunities.

2.5 Conclusions

2.5.1 The approaches that are needed to properly address the issues in North Priory need to be more than cosmetic. The problems in the area are deep-rooted and appear to have existed for significant period of time.

2.5.2 Whilst no one single option for addressing the area's issues stood out at the baseline stage, it was felt that superficial treatments such as boundary treatments, enveloping schemes and environmental improvement schemes are unlikely to be sufficient to turn around these deep-seated problems. Therefore at the baseline stage, very broadly the approaches that it was felt needed to be considered for the area covered most of the remaining range of available options, including the following:

- Refurbishment – Partial or complete improvement of the existing housing stock.
- Extension – Partial or complete extension of the existing housing units.
- Redevelopment – Partial or complete demolition, clearance and replacement of the existing housing stock.
- Remodelling – Redesign of the external layout of the estate.
- Improving the context within which North Priory sits – Addressing the environment and market of the wider, surrounding area.
- Neighbourhood and housing management actions – Actions to address how the estate is managed.
- A Mixed Approach – An approach that involves element of some or all of the above.

2.5.3 These options formed the basis of the option development process.

3 Option Development and Selection Process

3.1 Introduction

- 3.1.1 This section sets out the process that was gone through to arrive at the preferred option, together with the outcomes at various stages.

3.2 Option Development

- 3.2.1 An initial public consultation event, took place on 14th December 2005, early on in the study, to establish if our initial understanding of the issues was correct and to get an initial idea about how residents' view the potential options for addressing them. This together with the other baseline work to establish the context and issues in and around North Priory enabled us to develop the initial list of options that came out of the baseline work (listed in 2.5.2 above). In developing these options we undertook consultations with a wide variety of stakeholder organisations that were able to inform the nature of the emerging proposals.
- 3.2.2 As of that initial option development process, we held a consultant team and client workshop on 9th December 2005 to develop a number of potential solutions that would address the area's problems and build upon its opportunities. The workshop also discussed the viability of options. The main conclusion from the workshop was that options involving some level of redevelopment were necessary to generate the level of transformational change necessary to turn around the area's fortunes.
- 3.2.3 An evaluation of the short-listed options then took place, considering them in terms of their feasibility as well as their ability to help create 'a vibrant, high-demand housing market'. This included discussions with a major housebuilder with experience of similar schemes and knowledge of the local area and market. As part of this evaluation 3 redevelopment options emerged and were considered, based upon the level of demolition required:
- Minor (20%)
 - Mid-range (41%)
 - Total (100%)
- 3.2.4 The key elements of this evaluation were financial modelling work to establish the financial viability of the options in conjunction with design and layout development to establish what can be achieved in physical regeneration terms.
- 3.2.5 Also considered in parallel were the potential delivery options for achieving redevelopment:
- Private developer partnership - Cross-subsidising demolition, refurbishment and/or new social housing units through development of private housing for sale.
 - RSL developer manager - Funding of demolition, refurbishment and/or new-build through transfer of stock to an RSL
 - Relationship with another site - Would involve either: refurbishment or demolition through cross-subsidy from development of council owned site; or refurbishment of existing social housing in lieu of new 'affordable' provision as part of residential development
 - Other public funding - Identifying and securing public funding from other sources such as AWM, RHB, or future HMR.

- PFI - Bidding for and securing PFI credits to undertake wholesale redevelopment and refurbishment.
- 3.2.6 Our analysis ruled out all but one of these options as the potential lead mechanism for redevelopment. PFI was ruled out completely because the redevelopment was not of sufficient scale (minimum threshold is £22 million). The RSL developer/manager approach was seen as inappropriate as the main delivery mechanism as it would not deliver a mix of tenure and RSLs would be unlikely to raise sufficient funding on the site to make the impact required. Redeveloping in conjunction with another development site as the main means of delivery was also seen as unfeasible as no sites of sufficient scale or in DMBC ownership could be identified to make this work. Due to the level of funding required for redevelopment costs (around £18 million) using public funding as the main means of delivery was also unfeasible.
- 3.2.7 It was therefore felt that the most likely delivery option was a private developer partnership as the lead mechanism with potentially some involvement from the other options (except PFI) to support that delivery.
- 3.2.8 The evaluation work suggested that any redevelopment of significantly less than 40% of the existing estate would not work financially and would not give the developers redeveloping the estate a sufficient scale of development to be able to get frontages to Priory Road and Birmingham New Road or create the 'critical mass' and change in perceptions necessary to sell the new houses. The outcome of this evaluation was presented to the client in the Interim Report Presentation on 20th January 2006 (the initial scenarios are shown in Illustration 7.) Following the presentation it was agreed that 2 options would be taken forward and examined in more detail to establish their feasibility:
- Partial redevelopment (around 40%)
 - Total redevelopment (100%)

3.3 Option Refinement

- 3.3.1 The 2 broad options shortlisted from the evaluation were developed in some more detail with refinement of the financial model and further design work. Particular elements that were considered further included:
- Highways – Jacobs Babbie undertook an examination of the existing and proposed transport infrastructure in and around the estate and gave advice relating to layout and design of the road network, junction feasibility and safety and infrastructure costs (Transport Infrastructure Advice Report – Jacobs Babbie, 1st March 2006).
 - Refined designs – Working up designs and layouts for the redevelopment options in more detail.
 - Detailed costings – Refining high-level costs, in particular for infrastructure
 - Further modelling – The model was refined in terms of additional costs or income sources being added, assumptions refined, costs added and refined and scenarios tested.
 - Further consultation – A stakeholder consultation and 2nd Public Consultation were held on 23rd February 2006 to establish how these options meet stakeholder and resident needs, demands and aspirations.

3.3.2 These consultations, in combination with the funding and financial appraisal, the physical regeneration appraisal and the assessment of how the options meet the challenges, all went to inform the selection of the preferred option/s.

3.3.3 The resulting refined options form part of the conclusions of this report.

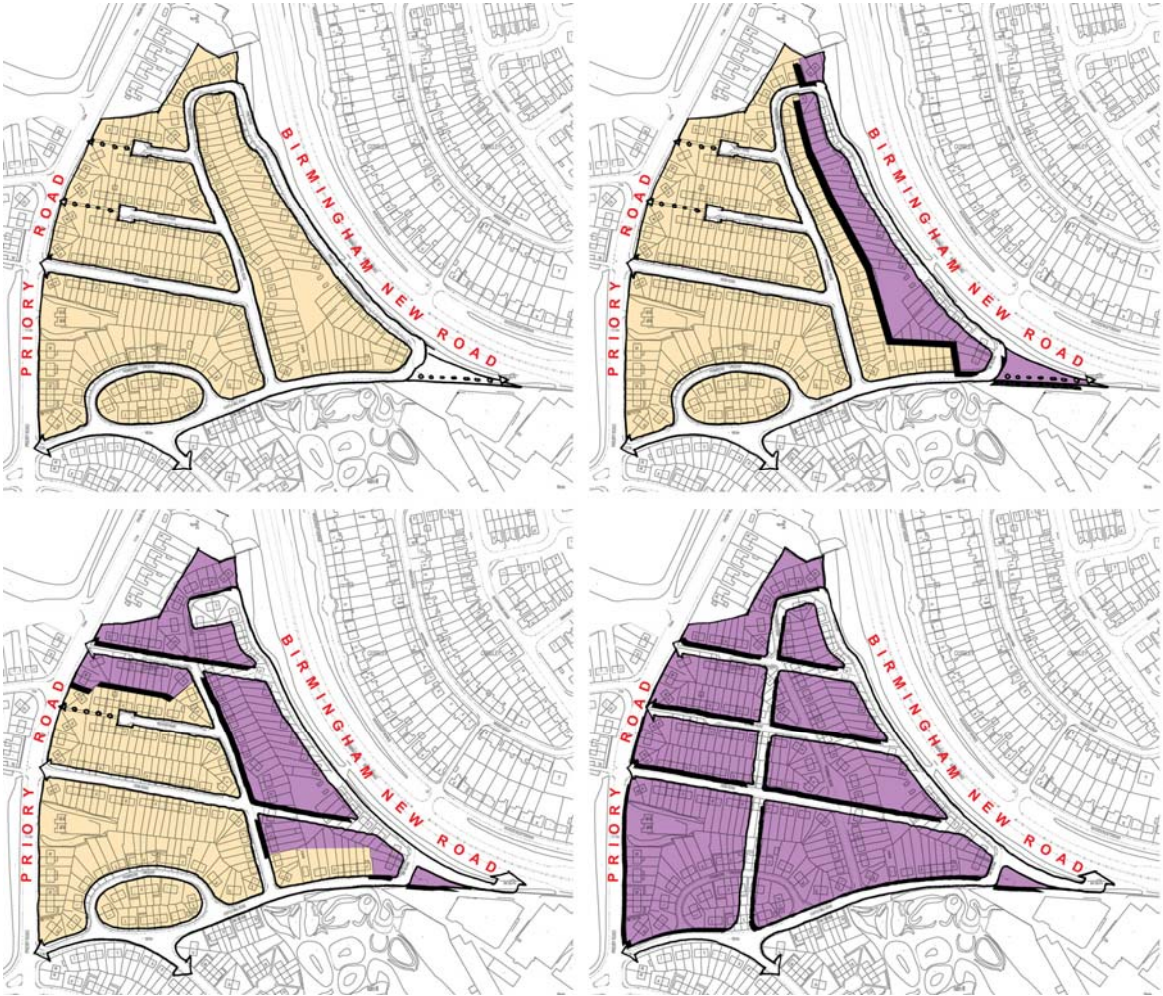


Illustration 7 – Four initial possible levels of intervention – purple tone indicates extent of demolition and rebuilding. Top left – no rebuilding: top right – partial redevelopment along Pine Road only: bottom left - partial redevelopment (40%:) bottom right – full redevelopment

4 Financial Model

4.1 Introduction

- 4.1.1 A fundamental part of this feasibility study was to develop options that are financially feasible. In order to establish and test this financial feasibility a model was developed .
- 4.1.2 DMBC made it clear at the outset of the commission that it was to be assumed that there would be no additional Council funding towards any options, and this was to be reflected in the testing of their feasibility.

4.2 Model Development

- 4.2.1 When an initial view had been reached that some level of physical redevelopment of the estate was necessary, some initial high-level modelling was undertaken in order to understand the level of redevelopment which may be financially viable in different funding scenarios. This involved an examination of 3 redevelopment options, based upon the level of demolition required:
- Minor (20%)
 - Mid-range (41%)
 - Total (100%)
- 4.2.2 Whilst the model assessed their potential impact in terms of financial feasibility, this was done in parallel with examination of their potential impact on the physical form of the area.
- 4.2.3 This initial modelling was based around some key assumptions, but it was developed as a flexible model with the ability to change assumptions and alter the balance of potential solutions. High level cost estimates were used to inform the model.
- 4.2.4 The initial modelling work suggested that the level of gap funding required for the minor redevelopment option would be prohibitively high, but that the mid-range and total redevelopment options could potentially work financially and were therefore worthy of further investigation. These formed the basis of the option refinement work:
- Partial redevelopment (around 40%)
 - Total redevelopment (100%)
- 4.2.5 The more detailed modelling work was therefore done on these 2 options, and involved:
- Refining the assumptions;
 - Refining costings; and
 - Testing a number of redevelopment scenarios.
- 4.2.6 As a result of this more detailed modelling work we established a number of key findings about the level, form and mix of redevelopment that may be viable and drew conclusions, which are outlined below.

4.3 Assumptions

- 4.3.1 The following are list of some of the key assumptions we have made in developing the financial model. We where possible endeavoured to be prudent with the assumptions we have made.

The Existing Study Area

- 4.3.2 We have taken the North Priory area to be 270 housing units of which 16 are Right to Buy (RTB) properties, 2 are in use as retail with a residential property above and 4 are in community use (the Mini LAC and training centre). For the purposes of the financial model we have assumed the costs associated with relocating the retail and community tenants are the same as for the residential tenants.

Vacancy levels

- 4.3.3 3.2% of the properties will be vacant when the redevelopment process begins.

Density

- 4.3.4 We have assumed that the redevelopment areas will be built out at a density of 40 units per ha

Land and Property Values

- 4.3.5 We have assumed that the Council land and properties will be transferred to any development partner at nil value
- 4.3.6 The RTB properties have a value of £85,000, based upon reviews of the current market and previous sales.
- 4.3.7 New build properties will sell for the following prices (based upon discussions with estate agents and developers):

House Type	Sales Value (£)
1 Bed Apartment	115,000
2 Bed Apartment	140,000
2 Bed Terrace house	150,000
3 Bed Terrace/semi detached	155,000
4 Bed Semi detached/detached	170,000

Right to Buy (RTB) Properties

- 4.3.8 Partial redevelopment of a certain level (e.g. 40%) could be configured in a number of ways and different configurations may have slightly different impacts on the proportion of RTBs to be acquired and demolished as these are not completely evenly spread across the estate. However for the purposes of the model the assumption has been made that the percentage of RTB properties acquired and demolished will be directly proportional to the

percentage of overall properties demolished in order to simplify testing of various partial redevelopment scenarios.

CPO

- 4.3.9 Of the RTB properties to be acquired 50% will require compulsory purchase and the remainder will be acquired by negotiation. Based upon comparable schemes elsewhere, the additional acquisition costs associated with CPO will be a further 10% on the negotiated acquisition costs.

Homeless and Disturbance Payments

- 4.3.10 There will be statutory Homeless and Disturbance payments. For the RTB properties there will be £8,500 (10% of value) Homeless payment and a £2,000 Disturbance payment for each property demolished. For Council properties there will be £4,000 Homeless and £2,000 Disturbance for each property demolished. These figures are based upon Government guidelines and comparable schemes elsewhere.

Equity Loan

- 4.3.11 There will either be a £10,000 equity loan to fund the gap in value between a £85,000 RTB property on the North Priory Estate and the estimated likely value of a similar replacement RTB property elsewhere (e.g. on the Priory Estate) of £95,000, or there will be a £65,000 equity loan to fund the gap in value between a £85,000 RTB property on the North Priory Estate and the estimated likely value of a similar replacement new build property in the redeveloped North Priory of £150,000. These values are based upon discussions with estate agents and developers. The future repayment of the loan is not currently included in the financial model.

Decent Homes Funding

- 4.3.12 Based upon information from DMBC we have assumed that there is due to be £2,000 on average to be spent on each existing Council property in the North Priory under Decent Homes Standards works. For the purposes of the financial model this has been assumed as a lump sum income contribution of £508,000 (254 current council properties x £2000).

Refurbishment

- 4.3.13 £27,000 will be spent on each existing property to be refurbished, with 25% of those refurbished having an additional £10,000 spent on them to cover structural works (underpinning, wall ties, etc.). The costs are based upon information from developers based upon comparable schemes they have undertaken elsewhere. The assumption that 25% of properties will require structural work is based upon information from DMBC on previous structural work undertaken on the estate.

Remodelling

- 4.3.14 £57,000 will be spent on any existing property to be fully remodelled over 2 storeys. This includes for £30,000 for a 2 storey extension and £27,000 for refurbishment. £45,000 will be spent on any existing property to be remodelled on 1 storey. This includes for £18,000 for a ground floor extension and £27,000 for refurbishment. This is based upon information from DMBC relating to extensions they have undertaken on similar properties elsewhere in

Dudley and from developers based upon comparable schemes they have undertaken elsewhere.

Shared Ownership

- 4.3.15 10% of the new private housing for sale developed will be shared ownership, to contribute to the supply of affordable housing, particularly for first time buyers. There will be a 25% stake held by the developer. This will give a residual asset to the developer which is identified in the model but does not form part of the current income projections. New build shared ownership properties will sell for the following prices (based upon discussions with estate agents and developers):

House Type	75% Sales Value (£)
1 Bed Apartment	86,250
2 Bed Apartment	105,000
2 Bed Terrace house	112,500
3 Bed Terrace/semi detached	116,250
4 Bed Semi detached/detached	127,500

House Type Mix

- 4.3.16 The mix of the new build housing, which it is felt will give a sufficient range and sustainable mix, will be as follows:

New House Type	Percentage
1 Bed Apartment	10%
2 Bed Apartment	10%
2 Bed Terrace house	40%
3 Bed Terrace/Semi detached	30%
4 Bed Semi detached/detached	10%

Social Housing Costs

- 4.3.17 New build units for social housing will be sold by the developer at 60% of open market value (OMV). 35% OMV will be met by the RSL from their own resources, with the remaining 25% OMV being met from the income generated by the scheme (or possibly by the Housing Corporation). This is based upon information from our Social Housing Development Team who work closely with RSLs in bringing forward developments.

Demolition Costs

4.3.18 Based upon comparable developments, these are £8,000 per unit, plus an additional £300 security costs and £200 contingency per unit.

Build Costs

4.3.19 Based upon comparable developments, these are £65 per sq.ft. (£700 per sq.m) with additional fees and costs as follows, based upon a percentage of build costs: developer profit at 17%; marketing at 3%; contingency at 10%; and professional fees at 10%.

Time Lags

4.3.20 There are no time lags as it is assumed that all units will be sold within 12 months of being completed.

Infrastructure

4.3.21 Infrastructure costs are based upon Jacobs Babbie's report of 1st March 2006. The costs are as follows:

4.3.22 100% Redevelopment –

- Basic works - £2,662,000
- Fully signalised Birmingham New Road cross roads junction - £80,000
- Accommodation works - £10,000
- Drainage - £10,000
- Contingency – 10%
- Fees – 10%
- Total Cost - £3,312,000

4.3.23 40% Redevelopment

- Basic works - £1,802,000
- Road Closures - £20,000
- Accommodation works - £10,000
- Drainage - £10,000
- Contingency – 10%
- Fees – 10%
- Total Cost - £2,210,400

Services

4.3.24 For the provision and re-provision of services there will be a cost of £230 for every metre of new road that is created. No contingency has been included. This is based upon advice from Jacobs Babbie.

Public realm

- 4.3.25 Upgrading to the embankment will cost £70,000 plus a 10% contingency. A new local park is included within the 100% redevelopment option at a cost of £317,386 plus 10% contingency. These are based upon similar recent schemes undertaken by Llewelyn Davies Yeang.

Tenant Support

- 4.3.26 There will be support to residents through capacity building and to keep them informed about and engaged in the process. This will be in the form of a part time liaison/support worker, their accommodation, meetings, presentations, workshops, visits, etc. Based upon our best estimates this will be £35,000 per annum for the 5 years of the redevelopment process.

Management Costs

- 4.3.27 The demolition costs include for security and management of vacated properties during the actual redevelopment process. However the costs do not cover the lead-in period, before the site is handed over to the development partner.

Social housing revenues

- 4.3.28 The financial model presents a capital cost development appraisal over the redevelopment period and takes no account of any impact on Dudley's Housing Revenue Account. All rent rents, subsidies, allowances and costs associated with the (existing and future) social units have been excluded, as agreed with DMBC.
- 4.3.29 Options that reduce the number of council homes will have a complex effect on future management, maintenance, subsidy and rents. Council officers estimate that the loss of economy of scale from demolition of 254 properties (as in the 100% redevelopment options), if capitalised would cost around £2.2 million. This figure, we understand, is primarily based upon their assumption that for every property demolished DMBC lose £460 of management allowance, and if they demolish 250 properties they are likely to save at most one housing manager post (about £150 per year per property).

Wider revenue impact on DMBC

- 4.3.30 As with the above, the capital cost development appraisal over the redevelopment period takes no account of the wider budgetary or revenue implications of the redevelopment for DMBC. It does not for instance take into account the impact upon Council Tax revenue of the increased number of properties provided in the redevelopment and the higher bandings that most of them are likely to have.

Inflation

- 4.3.31 All values in the model are shown at present values (i.e. costs and income have not been inflated to reflect future values).

4.4 Findings

- 4.4.1 When these various assumptions were put into the model it was then possible to test a range of redevelopment scenarios in order to understand what form and mix of development may be financially feasible.
- 4.4.2 The key sensitivities we tested included:
- Proportion of redevelopment – partial redevelopment as opposed to full redevelopment
 - Social/private mix of new development – The balance between the level of new private development (the more there is the more the scheme works financially) and the level of creation/retention of social housing (that enables existing tenants to remain in the area).
 - Level of equity loan provision – a £65k loan to support re-housing in the area or £10k loan to support them moving elsewhere.
- 4.4.3 Figure 1 overleaf sets out 6 scenarios based upon variations in these sensitivities.

Level of Redevelopment	100%			40%		49%
	1	2	3	4	5	6
Private/Social % split of <u>new</u> development	68/32	64/36	45/55	75/25	100/0	100/0
Total number of <u>all</u> social units resulting	96	108	164	192*	162*	138*
% of social households retained in the area	38%	43%	65%	76%	64%	54%
Level of equity loan to relocate RTBs	£65k	£10k	£65k	£65k	£65k	£65k
% of RTB households retained in the area	100%	0%	100%	100%	100%	100%
Public subsidy	None	None	£6.1M (25% OMV from HC)	£4.5m	£1.7m	None
Surplus	Break Even (+£258k)	Break Even (+£44k)	Break Even (+£103k)	None	None	Break Even (+£30k)

Figure 1 – Redevelopment Scenarios

Scenario 1

4.4.4 This scenario seeks to identify, in the event of complete redevelopment taking place and the provision of £65k equity loans to enable all the RTB residents to get new properties in the redevelopment, what would be the largest proportion of social housing that could be re-provided in the new development and still allow it to break even financially. The model established that this would enable a maximum of 32% social housing in the new development, which would allow 38% of the current social households on the estate to be

re-housed in the new development. Provision of in excess of 68% of the new properties as private would put the scheme in profit, but reduce the number of existing residents who could be re-housed in the area.

Scenario 2

- 4.4.5 A variation on the above, this scenario demonstrates that if instead of spending £65k on equity loans to enable all the RTB residents to get new properties in the redevelopment, they were only given £10k loans to enable them to move elsewhere, there could be a greater level of social housing (36%) provided in the new development, enabling more current social households on the estate to be re-housed in it.

Scenario 3

- 4.4.6 Another variation on the full redevelopment option, this scenario looks at the situation if the Housing Corporation were to fund the 25% of open market value on the social housing units (as with Scenario 1, it assumes a £65k loan to retain all the existing RTB owners). If this were to happen the proportion of social housing that could be provided would rise to 55%, allowing 65% of current social households to be re-housed in the area.

Scenario 4

- 4.4.7 This scenario looks at a partial redevelopment of the estate (40% of existing properties demolished) and considers what the impact of rebuilding that part of the estate with 75% private housing and 25% social housing would be. It assumes a £65k loan to retain all the existing RTB owners. It also assumes that £27k will be spent on refurbishing 75% of all the retained Council stock and £37k (£27k + £10k structural works costs) on the remaining 25%*. This scenario will retain 76% of current social households, but will require £4.5 million gap funding.

Scenario 5

- 4.4.8 A variation on Scenario 4, this scenario demonstrates that on a 40% redevelopment, even with the rebuild being 100% private housing there will be a funding gap of £1.7 million.

Scenario 6

- 4.4.9 A variation on the above, this scenario seeks to establish what is the minimum level of redevelopment which when being replaced with 100% private housing will break even. Again assuming a £65k loan to retain all the existing RTB owners and the same level of refurbishment to retained properties, it indicates that a minimum of 49% of existing properties need to be cleared in order to be viable without gap funding. This would enable 54% of current social households to be retained.

- 4.4.10 [* On the partial redevelopment options, for the purposes of developing these scenarios, we have assumed that £27k will be spent on refurbishing 75% of all the retained Council stock and £37k (£27k + £10k structural works costs) on the remaining 25%. However, the same outcomes would be achieved in all these partial redevelopment scenarios if only a third of the retained properties were refurbished, a third were remodelled with 2 storey extensions and refurbishment (£57k), and the remaining third had only the minimal Decent Homes Standard works (£2k) done to them. There are a whole variety of other permutations and balances of works to the retained stock that would achieve similar outcomes.]

4.4.11 The assumptions and consolidated sheets for each of these 6 options are attached at Appendix A.

4.5 Conclusions

4.5.1 Key conclusions from the financial modelling work are:

- Both partial (over 49%) and total redevelopment options can work financially without gap funding, dependant upon the mix of private and social units in the new build.
- It is possible to retain circa 50% of current social housing tenants and 100% of current owner occupiers and break even financially with partial redevelopment. With total redevelopment it is possible to retain circa 40% of current social housing tenants and 100% of current owner occupiers and break even financially. Anything in excess of that level of tenant retention is likely to require additional public subsidy (potentially up to around £6 million) and therefore will be dependant upon the availability of public gap funding. This raises the critical issue of the level of tenants/residents to be retained, which as well as being a financial issue is also a housing market, housing allocation and community retention issue.
- Partial redevelopment, unless well over 50%, will result in creating North Priory as an area where the new build housing is all private and the retained housing is almost exclusively Council housing.
- The retention of current social housing tenants may be with either an RSL in the case of the new build units (as the model assumes 35% of open market value for the new social rented properties will come from an RSL) or with the Council in the case of refurbished units. This raises the issue of landlord preferences amongst tenants, as the level of new build social housing compared to retained stock will impact upon the number of tenants who will have an RSL as opposed to the Council as their landlord.

4.5.2 This financial modelling work was carried out in parallel with the development of the physical design framework which is set out in the following section.

5 Design Framework

5.1 Introduction

5.1.1 This section recaps on key findings from the baseline stage and describes the extent to which issues raised could be addressed in a regeneration master plan that involves either partial or full rebuilding of the North Priory. More detail on the analysis of existing condition is to be found in the Baseline Report. Illustration 8 shows the combined opportunities drawing derived from the baseline stage analysis.

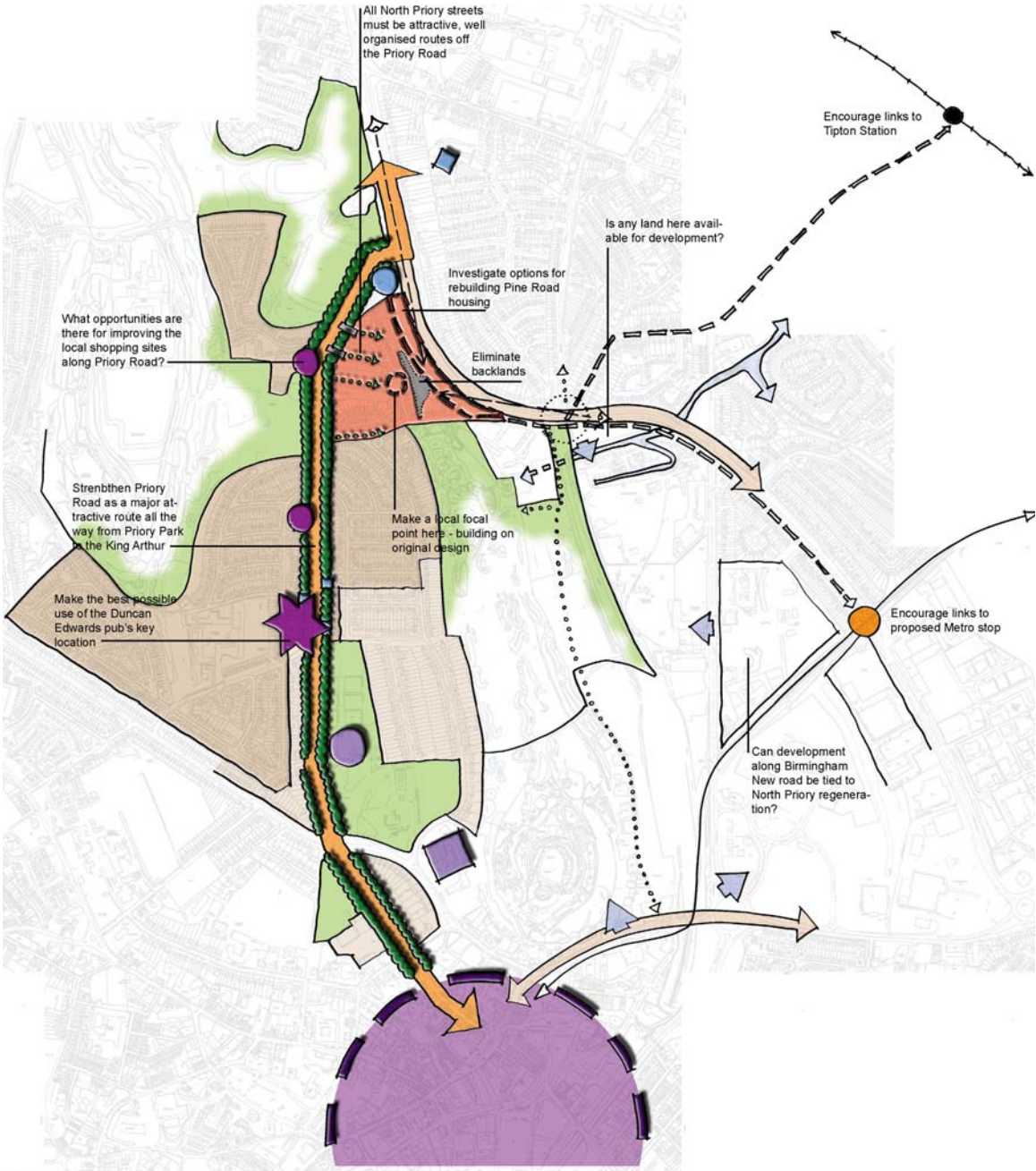


Illustration 8 – Context/initial opportunities drawing from baseline stage

5.2 Context

Location and linkages

- 5.2.1 The North Priory is located on the main northbound route out of Dudley and connections into the town centre by bus are good – about a ten minute journey with frequent service. The service to Wolverhampton is also fairly good but public transport to Merry Hill shopping centre and to Birmingham is weak.
- 5.2.2 There is a Rail station at Tipton, a twenty-minute walk to the north east, but the route is currently difficult as it involves crossing the Birmingham New Road.

The study area and its neighbours

- 5.2.3 The North Priory has a strong relationship with the rest of the Priory Estate and the entire estate has traditionally been seen as one entity, albeit that over time the North has emerged as a particularly disadvantaged location in what is otherwise a reasonably attractive and popular area. The Priory Estate is composed largely of Council-owned social housing with a proportion having been sold under Right-to-Buy.
- 5.2.4 The Wren's Nest Estate, also Council-owned, to the east of the Priory is seen as a separate community and there is an element of rivalry between the two estates. The estates' separation is reinforced by the nature reserve between them.
- 5.2.5 A large area of established private housing sits adjacent to the North Priory on the opposite side of the Birmingham New Road. The road itself however presents a major barrier to any linkages between these areas. In contrast the private housing bordering the southern edge of the Priory shares the same network of residential streets and provides a useful model of tenure integration.

Visibility

- 5.2.6 The eastern edge of the North Priory has a prominent aspect onto the Birmingham New Road and the western edge is prominent along Priory Road.

5.3 Urban Design, Highways and Building Type Issues

The Street Network (see also Highway Engineers' report by Jacobs Babbie)

- 5.3.1 **Overall** – linkages on all three sides of the study area are weak. Priory Road is the main thoroughfare relating to the estate but only two of the four connections are conventional streets – the other two are footpaths (“gulleys”) linking to cul-de-sacs. The Birmingham New Road forms a barrier to the East and is connected the estate road network only by footpath. To the south Forest Road provides a connection with the rest of the Priory but there is no opportunity to proceed directly northwards from this point.
- 5.3.2 Generally it is not possible to see far into the estate from any side of it, as the internal road layout is quite convoluted. These factors contribute to the estate’s apparent isolation and insularity.
- 5.3.3 **Priory Road** – the main thoroughfare leading into Dudley is an asset – lined with mature trees and well served by buses. It is conventionally fronted by houses, interspersed occasionally with shops (although these generally appear to be struggling.)
- 5.3.4 **Birmingham New Road** – this is currently problematic as on the North Priory housing is disposed intermittently on a disconnected parallel slip road (Pine Road) and consequently seems extremely isolated. However the private housing on the opposite side shows that a denser frontage along a connected slip road along the top of a bank can allow desirable housing.
- 5.3.5 **The North Priory Residential streets** – these create difficulties as they are narrow and as a result the area is in part dependant on a one way system. The opportunity for on-street parking is very limited and as a result cars are often inconveniently parked. A number of front gardens are also used for parking, often impairing the appearance of the public realm.
- 5.3.6 **Residential streets in the rest of the Priory** – these offer a better model as they are wider, straighter and more simply linked together. They rely generally on on-street parking and this creates a strong street condition as there are relatively few cross-overs onto on-plot parking.

Public Open Space

- 5.3.7 There are very extensive green spaces adjacent the site (including the Wren’s Nest nature reserve, Bluebell Park and the woodland backing onto the Zoo) which offer the opportunity of walking and nature observation but present security problems as well, particularly in the case of the woodland that borders Castlemill Road.
- 5.3.8 The nearest designed public open space is Priory Park which is a high quality facility but some 600m from the study area.
- 5.3.9 The small areas of open space on the North Priory itself are generally undesigned and attract anti-social behaviour. The bank between Pine Road and Birmingham New Road is poorly overlooked by the housing that exists and accumulates refuse in its undergrowth. The Community Garden on Pine Road is created from previous back gardens and has no passive surveillance at all, creating a security risk for all homes backing onto it.

Non-residential functions on the estate

- 5.3.10 The estate shop and the mini-LAC represent assets to the area. However it could be argued that both would benefit from a more prominent location.

Residential stock

- 5.3.11 *Generally* – the traditional layout of terraces of houses facing the street and with secure back gardens is in principle a robust approach to urban design. However the shortcomings of the street layout (see above) and house type (see below) seriously militate against the success of the area.
- 5.3.12 *Density* – the residential density is 36 units/ha which puts it in the lower half of the PPG3 bracket of 30-50. In principle therefore there is the opportunity for a modest increase in density.
- 5.3.13 *Variety of stock type* – this is very limited. The stock is almost entirely composed of 2-bed and 3-bed terrace or semi-detached house types in an approximately 50/50 split.
- 5.3.14 *House design* – both house types are small. However whilst the 2-bed is potentially adequately sized for 3 people the 3-beds are wholly inadequate in floor area for the number of people who would normally be expected to inhabit a 3-bedroom house. There is a particular problem with houses being very difficult to adapt for use by disabled or elderly occupants. The rest of the Priory Estate offers a great deal of similar stock that is much more adequately sized. In effect the North Priory represents a pocket of the poorest examples of a ubiquitous local housing type.
- 5.3.15 *Structure* – the study area sits partly over disused mine works. Dudley Council have confirmed that :
- 5.3.16 “all limestone mines below the development area have been fully investigated and stabilised by injecting a mixture of Cement, PFA and water. This work was undertaken several years ago. Following this work validation site investigation work was also undertaken. This investigation confirmed the success of the infilling works.”
- 5.3.17 A general rule within Dudley MBC is that where there is evidence of abandoned mining, of any sort, a minimum requirement is for a reinforced concrete raft foundation to be adopted for new development.”
- 5.3.18 A number of properties have been referred to the Council’s structural engineers because of tenants’ concerns over cracking or other apparent failure (records from the past 3.5 years show 7 of these). Not all of these referrals resulted in serious remedial work but the concern remains that existing properties are prone to movement induced by ground conditions and by inadequately restrained hipped roofs.
- 5.3.19 *Condition* – the condition of the homes generally appears acceptable, although all homes are not equally specified (there is a mixture of single and double glazing and heating systems vary) The Council is committed to bringing all homes up to “Decent Homes” standards however this is will not impact dramatically on the condition of homes in the North Priory as these standards are relatively basic. The problems experienced by residents in their homes generally seem to derive from the combination of lower levels of insulation associated with older housing, high levels of occupancy and the restrictions of

the social rented tenure – for instance condensation and long waits for boiler repair figure highly.

5.3.20 *Gardens* – many houses have extensive rear gardens which in some cases are a prized asset, in others an area of serious neglect. Tenants are obliged to maintain their own rear garden fencing and this is often not achieved. The particularly long gardens between Pine and Thornhill Roads have generated an area of insecure backland as a result of lack of maintenance.

5.3.21 *Market failure* – The properties in properties at the northern end of Pine road have the poorest reputation. This is reflected in high turnover rates and evidence of considerable abuse of the public realm. Fern Road has also developed a poor reputation on the estate.

5.4 Urban Design, Highways and Building Type Approach

Overall aim

5.4.1 The aim of any redevelopment is to transform the area fundamentally by improving the housing mix and quality, supporting a more balanced community and addressing the image and therefore the local reputation of the North Priory in order to make it a place that people will choose to come and live in and stay in. Illustration 9 shows an impression of how a full redevelopment of the area might look. On the one hand the process involves creating a clearly visible element of new development and on the other hand it requires integrating the area with its neighbours in order to dissolve the current sense of isolation. It also involves creating a greater range of house types. The design components intended to achieve this are described below.



Illustration 9 – Aerial impression of a rebuilt North Priory. Priory Road is in the foreground

Better linkages from all sides

- 5.4.2 In a full rebuild option it would be possible to achieve significant improvements in this area. From Priory Road all routes into the site could become conventional roads, with the current Berry Road being realigned to form a crossroads with Mayfield Road leading from the Wren's Nest. Forest Road from the south presents an excellent opportunity for direct continuation north into the study area. Finally there is the option of re-establishing the link from Castlemill Road to Birmingham New Road. This is potentially controversial as it was previously closed off in order to prevent rat-running. The benefit would be increased activity along Pine Road and the creation of a road network that was less of a dead end, addressing the isolation that exists in significant parts of the area. Ideally the link would be situated to form a crossroads with the small residential road leading from the established private development on the opposite side of Birmingham New Road. Traffic lights at this point would allow safe pedestrian crossing, improving linkages both with the housing and potentially Tipton station beyond.

Clear views into the area and simpler internal street network

- 5.4.3 In a partial redevelopment it would be possible to extend, for example, Fern Road directly through to Pine Road. In a full rebuild all roads from Priory Road could run straight through to the far side of the development, increasing the area's legibility and helping to address the feeling of isolation on the eastern side of the area.

Enhance Priory Road

- 5.4.4 The opportunities to do this within the confines of the North Priory exercise are somewhat limited, however it is important to highlight this as an aim, as Priory Road needs to be consistently attractive in order to maintain confidence in the area during the journey north out of Dudley. The North Priory redevelopment offers the possibility of strengthened building frontage for its particular section of the road, together with locating some appropriately housed services (such as the relocation of shop units or community facilities from inside the estate). It is worth noting however that as part of this study it has emerged that the Duncan Edwards pub has traditionally been a landmark and community focus for the whole Priory Estate and that its current empty state has a negative impact on the area – finding an appropriate use for this site will be critical to the perception of Priory Road. Any consideration of retail and community facilities on the Priory Road frontage as part of the redevelopment needs to be looked at in relation the whole of Priory Road.

Proper overlooking to Pine Road/Birmingham New Road

- 5.4.5 As discussed above the continuous frontages on the north side of Birmingham New Road provide a precedent for the treatment of this area.

Residential streets of an appropriate width

- 5.4.6 Where new streets are created these should be able to accommodate two-way domestic traffic (at slow speeds) together with parallel parking on both sides of the street interspersed with tree planting (see Illustration 10.) This would provide significantly more parking than is currently available – a sensible target for a sustainable development might be one space per dwelling with a modest allowance for visitor parking. We propose that the majority of this would be in the form of unallocated on-street parking, allowing the most efficient uptake of spaces and limiting the amount of traffic crossing over pavements. With this approach the streets would fit in seamlessly with those in the rest of the Priory. It

should be note that on-street parking is less space-hungry than in-curtilage and should the latter approach be taken it would result in a loss of density.



Illustration 10 – The components of a possible new street

5.4.7 Opportunities to widen existing streets in a refurbishment scheme are more limited due to the presence of services in the footway and established front gardens. In a refurbishment situation streets and footways would be resurfaced, parking marked out where feasible and the use of front gardens for parking rationalised and possibly expanded where appropriate. The overall parking provision would however remain comparatively low.

Treat the Birmingham New Road bank

5.4.8 The tall mature trees along here are an asset providing a visual buffer to the road but the extensive undergrowth below should be removed and replaced with tough but controllable ground cover (the bank is too steep to be conveniently mown.) The aim is to provide an area which discourages anti-social gatherings by being easy to see across but not easy to walk into. It also needs to be reasonably easy to clear fly-tipping, should this persist. A

management plan for the development will need to identify a degree of maintenance to this area.

Make better use of the community garden/disused back gardens

Investigate the viability of a small well-overlooked public garden/toddlers play area.

- 5.4.9 These areas can be of great local benefit, and would complement the larger but more distant Priory Park facilities. There is a risk however that anti-social behaviour could develop, particularly in evenings. Generally the better overlooked the area the lower the risk of such behaviour – we are suggesting that it may be advantageous to face small blocks of flats onto such a space so that multiple living rooms face onto the space from different heights. The space ideally should be partially visible from Priory Road and connected to the rest of the Priory Estate in order to encourage plenty of people to use it. It would combine well with amenities located on Priory Road

Use open spaces and trees in streets to continue the “green links” that characterise much of the area.

Provide better locations for non-residential amenities

- 5.4.10 The existing estate shop could benefit from a more prominent position on Priory Road, although there would be potential competition from the parade opposite. The mini-LAC and Training Centre would also be more appropriately housed on Priory Road itself either within the North Priory area or perhaps as part of a community use of the Duncan Edwards pub site should such a project emerge.

Improve the variety and density of residential stock.

- 5.4.11 We believe it is appropriate to propose a density of up to 40 units per hectare on this site, on the grounds that it is reasonably well connected to its local town centre. The newbuild mix would still be dominated by houses (80%) but of a greater variety than the existing – 2,3, and 4 bed – with the remaining 20% as 1 and 2 bed flats, some of which would be lifted.

Refurbish or remodel any retained properties

- 5.4.12 Refurbished properties would be brought up to Decent Homes Standards as a minimum and potentially would have a further sum of money allocated to them for refurbishment work such as redecoration or external works improvements. This would be most appropriate for 2-bedroom houses which are fundamentally reasonably sized for a 3-person family. Remodelling properties allows the option of improving the spatial performance of the inadequate 3-bedroom houses. This could involve works to return them to 2-bedroom properties, or the creation of a 2 storey rear extension with a kitchen diner at ground level and a double bedroom at first would allow the houses to function as conventional 3 bedroom homes.

Build new housing to high modern standards

- 5.4.13 New homes would be of higher space standards than the existing stock, with those built as affordable being subject to the Housing Corporation’s Scheme Development Standards. In

addition it would be beneficial to apply “Lifetime Homes” standards which allow continued occupation of units (with simple conversion) by disabled or elderly occupants.

- 5.4.14 Terrace, semi-detached and detached houses have been assumed as a 6-metre frontage which allows linked front and back reception rooms with a stair to the side. A mixture of 2, 2.5 and perhaps occasionally 3storey designs would allow a range of 2, 3 and 4 bedroom units (see Illustration 11.) As discussed above most houses would rely on properly designed on-street parking, with end of terrace and semi-detached/detached conditions offering the possibility of garages.



Illustration 11 – Modern 2.5 storey housing in short terraces

- 5.4.15 Flats are assumed as small blocks of 3 storeys with about 8 units to a vertical core, some cores with lifts. All flats should have useable private open space in the form of a large balcony or enclosed patio and possibly an area of communal garden private to the blocks. We have assumed that various of the blocks would be provided with secure courtyard parking, easing the pressure on the street bays.

Distribute new housing in “character zones”

- 5.4.16 In a full rebuild option it would be possible to distribute different building types in order to create character zones appropriate to the area of the site. Thus the flats and larger houses might be gathered around the public open space and the section of Priory Road overlooking Bluebell Park, putting the highest density in the most accessible part of the site and allowing balconies to overlook greenery and enjoy afternoon and evening sun. Conventional terraces of housing would populate the bulk of the scheme but at the far northern end density could drop to allow all homes to be semi-detached and detached, interspersed with greater amounts of planting in the public realm.

5.5 Preferred Layout and Design Options

Partial rebuild – see Illustration 12

- 5.5.1 Housing - This option rebuilds areas stemming from those suffering most from market decline – namely Fern and Pine Roads.

- 5.5.2 53% of the stock (143 units) is demolished and 158 new homes are created. (The 53% figure differs slightly from the percentage used in the final calculations for the break-even partial rebuild option elsewhere in this report – the exact appropriate proportion would in fact fluctuate around this region until finalisation of the project.)
- 5.5.3 In this option the new homes would comprise 16x1bed flats, 16x2bed flats, 63x2bed houses, 47x3bed houses and 16x4bed houses.
- 5.5.4 Of the remaining 127 units all could be refurbished to a good standard, but this would leave them all suitable only for very small families. An alternative would be to refurbish third to “Decent Homes” standards only, a third to an enhanced standard and extend a third. This would result in 85 houses suitable for very small families and 42 suitable for conventional 3-bedroom use. The total number of homes rises from 270 to 285.
- 5.5.5 Streets – both Fern Road and Berry Road are extended to meet Pine Road and the north end of Pine Road is reconfigured. New frontage is achieved along the whole of Pine Road and along part of Priory Road.



Illustration 12 – Partial rebuild option in plan

Full Rebuild - see Illustrations 13-14

- 5.5.6 Housing – This option rebuilds the entire North Priory study area.
- 5.5.7 299 new homes are created comprising 30x1bed flats, 30x2bed flats, 119x2bed houses, 90x3bed houses and 30x4bed houses. The total of 299 new homes reflects a modest rise in density to 40 units per hectare.
- 5.5.8 As discussed above the housing could be laid out in “character areas” with denser development around public open space at the junction of Priory Road with Castlemill Road, short terraces of housing in the main residential area and a zone of semi-detached houses to the north.
- 5.5.9 Streets – The road network is completely reconfigured, with all east-west streets running through from Priory Road to Pine Road and new linkages to Forest Road and potentially Birmingham New Road.



Illustration 13 – Full rebuild option in plan

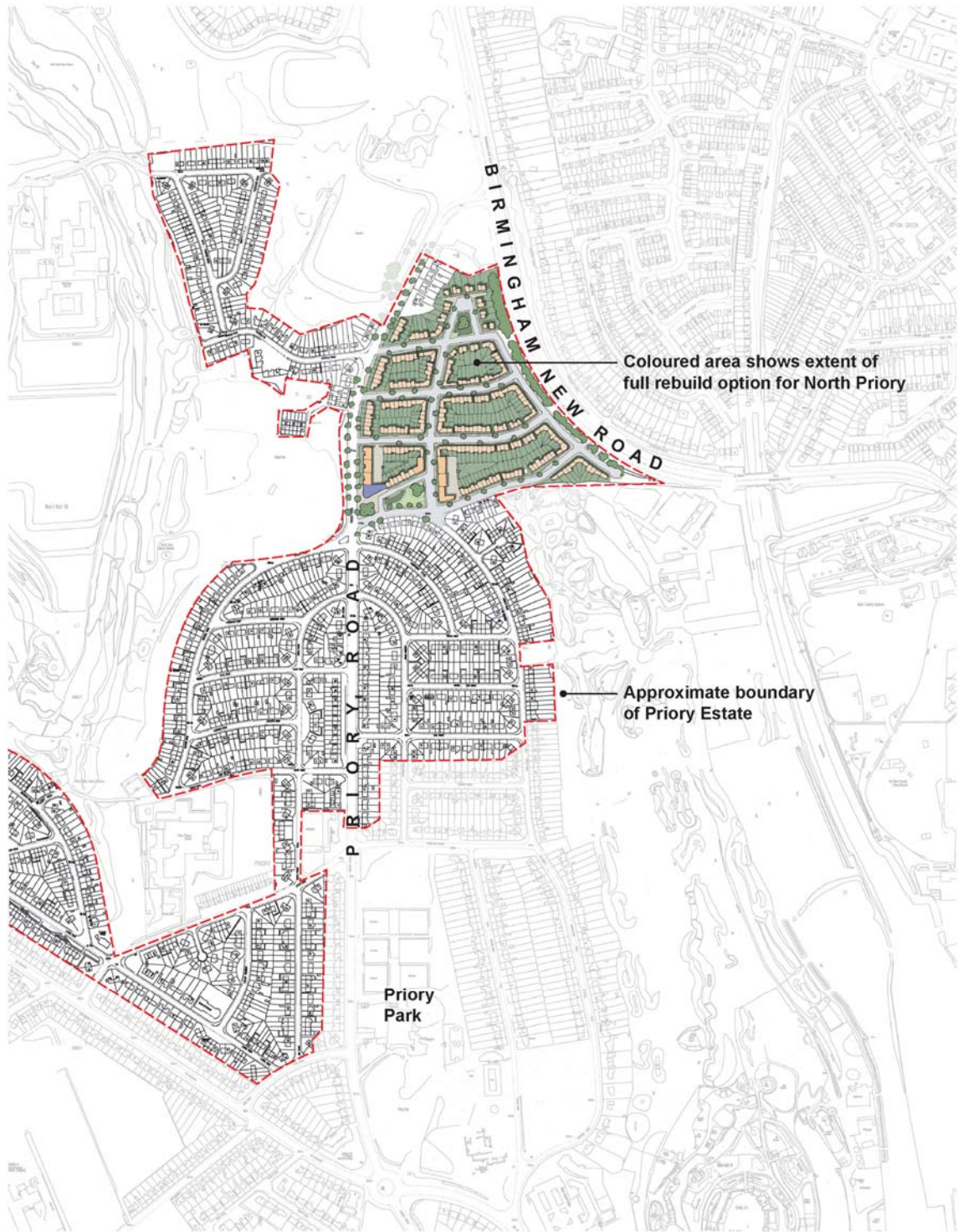


Illustration 14 – Full rebuild option in the context of the Priory Estate as a whole

5.6 Conclusions

- 5.6.1 In principle only the full rebuild option achieves in full the design targets set out under “Urban Design, Highways and Building Type Approach” above.
- 5.6.2 The partial rebuild option achieves some better linkages and longer views into the estate but some remain poor. The Pine Road frontage is much stronger but Priory Road would only show limited evidence of transformation. Internally some streets would be redesigned but the remaining existing narrow streets would still make the area fairly difficult to circulate around and parking would be improved but would remain at a fairly low level of provision. The housing stock would of course be improved but this benefit is tempered by the potential social divisiveness of using the new stock primarily for sale. “Invisible tenure” would not be wholly achieved.
- 5.6.3 In design terms the full rebuild option has clear advantages as it provides a well-linked and easy to navigate street network with strong new frontages to Priory Road and Pine Road, adequate parking provision and the potential for public open space as a local focal point. The variety and quality of all housing stock is greatly improved and all tenures occupy new homes. The opportunity to create a site-responsive series of character zones allows a development with a clear positive identity to emerge and the chance to achieve a genuine sense of place.

6 Consultation Summary

6.1 Introduction

- 6.1.1 Stakeholder and the December Public Consultations were primarily aimed at gathering and confirming baseline information, together with taking an initial sounding on the concept of demolition and rebuilding with mixed tenure. The February Public Exhibition and associated events presented partial and full rebuild options for comment, together with background information explaining the route to these proposals. At both the December and February events attendees were requested to fill in feedback forms.

6.2 Stakeholder Consultations

- 6.2.1 This took place with a range of individuals and organisations with an existing or potential interest in the area. Those involved included representatives from the various DMBC Departments, elected Members, potential funders, potential developers/investors and estate/property agents.
- 6.2.2 There were also consultation meetings with representatives of residents' associations from across the whole Priory Estate (including residents on the North Priory itself.) These aimed at deriving baseline information on the subjects of the North Priory's relationship with the rest of the Priory and other areas, layout and condition of the houses and streets and local facilities available, as well as gaining views on developing options. The information gathered formed the basis for much of the baseline report and helped to refine the options.

6.3 Public Consultation

December Consultation

- 6.3.1 As anticipated, turn out was weak due to early stage consultation having been carried out on previous occasions on the estate. 12 residents and 2 councillors attended.
- 6.3.2 Generally it was agreed that the North Priory is seen as part of the Priory as a whole, but is suffering a decline in reputation particularly around Pine Road. It was agreed that houses and streets were often inadequately sized.
- 6.3.3 There was some cautious support for the concept of knocking down and rebuilding parts of the estate, but with at least one resident suspicious of including sale units. There was also some suggestion that less socially responsible tenants were moving in.

February Public Exhibition

- 6.3.4 Turn out was much better, with 39 feedback forms received on the day. Conclusions from these forms were broadly as follows:
- A majority (24 out of 39) like living on the estate. However significant minorities are either unsure (7) or don't like the estate (7.) These statistics do not apparently vary according to length of residence on the estate.
 - A majority (26) agreed with the demolition principle and, on paper at least, with the replacement with mixed tenure. There is however significant minority opposition (10,) concentrated among those who have been on the estate for 10 years or longer.

- A solid majority (18 to 5) favoured full demolition over partial.
- A significant majority (31) wished to stay on in a regenerated North Priory, including many who currently don't like it. Regarding the minority who actively said they would not come back, this group comes entirely from people who have been on the estate 5 years or less.

Further forms filled in by subsequent visitors to the exhibition

6.3.5 14 further forms were received containing the following feedback:

- A majority (11) of respondents said they like living on the estate. 2 respondents said they don't like living on the estate. 1 respondent was unsure if they liked living on the estate.
- 13 respondents agreed with the idea of demolishing some or all of the Estate.
- 1 disagreed with the idea.
- All 13 who agreed thought it should be full demolition.
- 11 respondents wanted to stay on the estate if re-built, the other 3 were unsure.

Door-Knocking exercise

6.3.6 Primarily as a way of encouraging visitors to the exhibition a door knocking exercise was carried out on the day of the February exhibition. It was also felt that this might allow opinions to be gathered from those residents who are less interested in the future of the estate.

6.3.7 35 residents were spoken to (including 3 owner-occupiers) with length of occupation varying from 1 to 52 years. As anticipated there was a greater level of apathy than amongst the group who visited the exhibition, with a number unwilling to answer questions. Generally there appeared to be less commitment to a future on the estate – 16 stated they liked living on the estate with 7 stating a dislike. 10 stated that they would prefer to live elsewhere and 9 stated that they would not. However 14 stated that they would wish to stay in the event of full or partial rebuild with 6 stating they would still want to leave.

Follow-on consultation – Homeowners

6.3.8 This event was held specifically to address the concerns of homeowners on the estate, raised following the public exhibition. 15 feedback forms were received back (representing therefore almost all homeowners on the estate.) These can be summarized as follows:

- 9 supported redevelopment with full demolition (some stated that their support is dependant on the deal offered,)
- 4 cautiously supported partial demolition only,
- 2 were fundamentally opposed to the demolition and rebuild approach.
- Across the above 9 said they would want to stay on the new estate and 3 said they might.

6.3.9 In general within this group there is a majority in-principle support, tempered by considerable anxiety about the detail of the compensation packages on offer.

7 Implementation & Delivery

7.1 Introduction

7.1.1 This Section sets out the options and recommendations for bringing about the successful implementation and delivery of the redevelopment approach and the structures and means for doing that.

7.2 Delivery Structures

7.2.1 Given funding constraints, the best and possibly only way of delivering significant physical change in this area is through a partnership between the DMBC and a private developer/s. This would be a partnership where the Council would contribute its land and property holdings and the developer would contribute the demolition, redevelopment and possibly refurbishment of housing units. The funding for the scheme ultimately comes from the sale of private houses built on a proportion of the land. The viability of the scheme would be affected by the level of redevelopment that takes place and the amount of that redevelopment that is for private housing for sale.

7.2.2 Our recommendation therefore, arising from the options appraisal, is that the Council enter into a partnership with a private developer to advance the proposals for the North Priory Estate. The detailed form, structure and governance of that partnership will be a matter of negotiation with the preferred developer, but the Council and the residents will clearly wish to ensure it is fit for purpose and allows for an appropriate degree of accountability, particularly with regard to issues such as:

- Influencing the timing of decanting and development, ensuring it is in line with the developer's original proposals;
- Penalties for late or non performance;
- Feedback on the development site and its impact on residents and an ability to influence the working habits of contractors; and
- The ongoing role of developer as a minority equity holder in the shared ownership homes; and
- Any claw back or overage agreements.

7.2.3 It is unlikely – given the scale of the North Priory site – that either the Council or the developer will wish to establish a specific delivery vehicle for the development. This is likely to be prohibitive in terms of establishment costs and the timescales associated with company set up (which might well run counter to the stated priority of many residents to see rapid progress in the light of 'study fatigue'). In that context, the development agreement between the Council and the developer is likely to become the primary document that governs the development partnership, and we would recommend that:

- It is drafted in such a way as to make explicit reference to conditions around each of the above points, ensuring an appropriate degree of influence and control for the Council and residents; and
- It specifically refers to a programme of review meetings on an open book basis that allow for ongoing Council and resident feedback and influence on the emerging development.

- 7.2.4 There are also a number of other delivery means and structures that may be used in conjunction with a private developer partnership.
- 7.2.5 One of these is involving RSLs as developers or managers. In this instance we think the main role for RSLs would be in the management of new build social housing units created by the development, rather than in the actual redevelopment. They would contribute to the purchase price of the units. However there is additional potential for RSLs to get involved in the funding of demolition, refurbishment and/or new-build through the transfer of council stock to an RSL. The involvement of RSLs in the redevelopment raises the issue of landlord preferences amongst existing Council tenants on the estate, as the new replacement social housing (and even potentially the existing refurbished stock) would become RSL managed.
- 7.2.6 Another mechanism for delivery is the creation of a development relationship with another site. Whilst this could involve either: refurbishment or demolition through cross-subsidy from development of another council owned site; or refurbishment of existing social housing in lieu of new 'affordable' provision as part of residential development elsewhere, in this instance it is likely to mean the identification of a site or sites elsewhere where the affordable housing element can be targeted at those potentially being re-housed from North Priory.
- 7.2.7 Any development partnership should involve those key partners like funders but also very importantly, they should include representation from existing local residents. We would propose resident involvement is written into the process from a very early stage. The Neighbourhood Planning approach which is being taken to the regeneration of East Manchester is a good example of a successful approach. The area has been divided into 17 neighbourhoods and it has always been recognised that each neighbourhood, whilst benefiting from detailed consultation, may require different methods of consultation to find solutions to different existing conditions. In some areas where development partnerships have been set up, structures have been put in place early on to ensure that residents are involved in the development of the partnering briefs, the selection process and then in the subsequent development of the detailed plans for the area in partnership with the developers, regeneration agencies, Council and other stakeholders.
- 7.2.8 An important part of the Neighbourhood Planning process is the consideration of issues that are much wider than just the physical redevelopment and housing. For example transport, local service provision, the opportunity for local labour and training associated with the building work, etc.
- 7.2.9 We would therefore recommend that a Steering Group of local residents is set up at the beginning of the process. Their role and remit will need to be clearly defined from the outset. They will not be an elected decision making body, as that role will ultimately lie with the elected Council, but they will still have a very important role which will predominantly be:
- To guide and steer the process – acting as a sounding board
 - To assist the flow of information – both dissemination to the community and feedback from them
- 7.2.10 This Steering Group would not be a replacement or a substitute for existing tenants and residents groups but would work with them. They would be a small group of around 8 to 10 residents which would include representatives from these existing groups, but also those who would not normally be involved.

7.2.11 There also needs to be support given to residents to assist them to fully engage in the planning and redevelopment process. This is about giving residents the knowledge and understanding of things like the planning system, design, highways, and a whole host of other areas that will enable them to engage fully on an informed basis. It is also about helping them through the complexities and upheaval of the actual redevelopment, acting as a contact point for their concerns and issues. This may be possible through existing Council resources and officers, but it is likely to require additional resources and skills. We have allowed within the financial model a budget throughout the redevelopment process for that support, to cover salary, accommodation and funding for training sessions/workshops and visits to other schemes.

7.3 Funding

7.3.1 Whilst the options developed have been produced in order to stand on their own without the need for public funding, there may be the need for public funding support to deliver elements of the project or to provide gap funding. Those elements in particular which may require public funding are those that need to be funded up front before the development partner is in place, in order to enable the best delivery of the project. This may for example include community development and capacity building works, security works to properties, interim environmental works, or even some demolitions. Where involved in funding a project the funders will also need to be involved in overseeing its delivery.

7.3.2 Potential funders include the following:

Housing Market Renewal

7.3.3 The emerging Black Country and Telford HMRA have no spare funding in the coming financial year. They are however looking to put a case to the Comprehensive Spending Review in 2007 for funds. Whilst the area within which North Priory lies is one of their priorities, a significant number of other priorities exist in Wolverhampton and Walsall. Therefore there is unlikely to be any funding from this source in the next couple of years, but there may be the opportunity for some limited funding in subsequent years.

Advantage West Midlands

7.3.4 North Priory is located within the Arc of Opportunity – one of six Regeneration Zones established through Advantage West Midlands (AWM), targeted at sustainable economic, environmental and social development within the West Midlands Region. The key aim of the Arc is to link regeneration and opportunity with areas of greatest need, and provide the framework for development of a cohesive and co-ordinated approach to funding, with benefits of 'added value'.

7.3.5 Whilst a fundamental part of AWM's role lies in contributing to the renewal of the housing stock, with regard to North Priory direct intervention in housing schemes does not fall within the Agency's remit. However, they feel they may have a role in any potential related economic development activity.

English Partnerships

7.3.6 Housing Gap Funding is a European-Commission-approved investment tool available to the public sector to enable it to support regeneration and housing supply. The approval enables Local Authorities, Regional Development Agencies, the Housing Corporation and English Partnerships to give grants to private developers and housing associations for

housing-led regeneration and development whilst remaining compliant with European State Aid rules. The precise focus for the use of the scheme is decided by those agencies wishing to use it. There is however no new money available from Government and there is no national fund. Therefore while the mechanism is there to deliver public gap funding support, there needs to be a source of funds which views North Priory as a priority for funding support.

7.3.7 English Partnerships manages the Land Stabilisation Programme (LSP), which provides funding to deal with the effects of abandoned non-coal mine workings (e.g. salt, metal, stone, chalk, etc.). The focus of LSP funding is principally on removal of blight or enabling investment to regenerate areas where underground mine workings are present. Blight would normally be characterised by built-up areas becoming derelict, neglected or unsightly as a result of mine-induced collapse or subsidence. Given the land stability issues and potential risks in North Priory, particularly around Pine Road, due to the mine-workings below, we feel that the potential of utilising this fund should be examined further. A non-exhaustive list of typical eligible works is outlined below:

- Site surveys and investigations (whether or not stabilisation works are subsequently carried out), or monitoring of abandoned workings pending a decision being taken on the need to carry out works;
- Technical assessments to characterise underground voids, determine the collapse or subsidence risk and any effects at the ground surface;
- Design, procurement and execution of stabilisation work, monitoring or other management activities required to remove blight and/ or enable regeneration;
- Post-treatment maintenance monitoring (only in special cases and then subject to time limits);
- Other appropriate works depending on the circumstances of the individual project.

7.3.8 A Methodology for Assessment of Applications is available on EP's website, and includes an appraisal methodology for outline and full applications. One of the objectives supported by the funding is 'enabling regeneration'.

7.3.9 EP have confirmed that funding is available for the right projects. They would advise an initial meeting between DMBC and EP in order to give EP a better understanding of the proposals and to enable them to advise on whether and how to pursue LSP support. EP have also confirmed that there is the potential of tying in funding support through their LSP with other gap funding available through their regional office.

Regional Housing Board/Housing Corporation

7.3.10 Funding will be available through the National Affordable Housing Programme (the new name for the Approved Development Programme – ADP) for the funding the provision of high quality affordable housing.

7.3.11 The Housing Corporation (HC) locally have expressed an interest in the proposal and would like to be kept informed if it is taken forward. There are a number of ways they could potentially assist with the project:

- Providing funding assistance via RSLs, private developers, or a partnership of both (however this would be dependent upon analysis of the scheme and regional and local strategies and priorities for funding);

- Advising on RSLs to work with on this type of project; and
- Support with the re-provision elsewhere in the Borough of the social housing stock lost from North Priory in the redevelopment.

7.3.12 Through Innovation and Good Practice (IGP) funding the HC supported projects across a wide range of themes including resident involvement, promoting modern methods of construction, and tackling homelessness and anti-social behaviour. However this funding is now fairly limited and generally no longer available for resident capacity building and support work.

7.4 Timetable

7.4.1 If one of the redevelopment options is felt to be the right way forward for North Priory, the process is then likely to be as follows:

- 1) Seek approval of the proposed redevelopment approach by the Council
- 2) If approved by the Council, the process of selecting a development partner will begin. Selection process is likely to involve a competitive bidding and design process with a decision made based upon what they propose to do and the financial side. They may propose different level of redevelopment than the option selected through this process.
- 3) The selected preferred developer will then refine or amend proposals
- 4) Approval of final approach by Council
- 5) Formal approvals and preparations (e.g. planning approval, acquisitions, re-housing plans, etc.)
- 6) Undertake redevelopment

7.4.2 The timescales for the above may be in the region of:

- 1) – 4) = 1-1½ years
- 5) = 6 months – 1 year
- 6) = 2 ½ - 3 years

7.4.3 Therefore if the process were to begin now it is likely to be 4–5½ years until completion.

7.5 Quick Wins

7.5.1 Given the nature of the deep-rooted problems in the area and option that is being proposed to address them, we do not think that quick wins in the form originally envisaged (physical works delivered in the short term) should be pursued to any great extent. There may be the scope to achieve some minor physical works utilising the Community Safety Budget. If that is the case these should be targeted particularly on Pine Road to alleviate some of the more serious environmental problems (fly-tipping, fires, etc.) that currently exist there.

7.5.2 There is also a potential quick win in bringing about changes to lettings approach on North Priory. Given the size of the properties on the North Priory estate (in particular the cramped nature of the 3 bed houses) they should only be let from now on to smaller households.

7.5.3 We do however feel that there is one key 'quick win' that can and should be delivered. This is to ensure that that process for the Council to reach a decision on this option (and then subsequently deliver it) is driven forward to ensure that there is minimising of uncertainty amongst the local residents at the earliest opportunity. As part of that process we feel it is vital to have the structures in place to ensure that existing residents are fully informed about and engaged in the process as it develops. Again this should be at the earliest

opportunity. We would recommend a Residents' Steering Group is put in place, as described at paragraph 7.2.7.

8 Conclusions & Recommendations

8.1 Introduction

8.1.1 This Section sets out the main conclusions that have come out of this study. From these it produces a set of recommendations regarding the nature and scale of the approach that needs to be taken in North Priory. Finally it sets out a short term action plan for the way forward.

8.2 Report Conclusions

8.2.1 The problems of the North Priory area are deep rooted:

- It suffers high levels of social and economic deprivation.
- The existing housing is in low demand with high levels of voids and high turnover.
- The area has a reputation for crime and anti-social behaviour.
- There is a lack of variety in the type and tenure of stock within the estate and the units are small.
- The area as it stands does not seem to be sustainable.

8.2.2 It is therefore felt that transformational change required. This means that the level of change needs to be sufficient to 'turn the area around' and reverse its decline in order to turn it into a vibrant, high-demand housing market.

8.2.3 The way this can be best achieved is through redevelopment of a significant proportion, or all, of the existing housing. This approach is appropriate because, unlike the other options examined, it will:

- Introduce a greater mix of house types
- Introduce a greater mix of tenures
- Create a more balanced socio-economic profile of residents
- Enable redesign to address the isolation of certain parts of the area as well as car parking issues.

8.2.4 Also redevelopment, when delivered through a development partnership approach, offers a financially viable option that does not rely on public funding.

8.2.5 The views of residents on redevelopment, gleaned through this study, are mixed. Some are strongly opposed, while others are undecided, but a significant proportion also feel that something radical needs to be done to the area and that redevelopment may be the best way to achieve it. Many are understandably very concerned about what exactly redevelopment will mean for them and their circumstances. This is crucial. It is very difficult to persuade someone to support or even go along with a concept without spelling out in as much detail as possible what the implications are for them, their families, communities and homes. It will therefore be important as early as possible in the process to set out what assurances or guarantees can be given to existing residents about their future circumstances.

8.2.6 However this then raises the issue of what the level of redevelopment needs to be. It needs to be a minimum of 40% to work in market/regeneration terms, but it needs to be a

minimum of 49% to work without any public gap funding. However there is an argument that a greater level of redevelopment, potentially up to 100%, would enable a better solution to be achieved.

- 8.2.7 Another key issue the study raises is the balance of private and social housing in the redeveloped estate. This relates to the conflict, flagged up in the initial baseline work, between an identified shortage of affordable housing in the Borough in the Council's Housing Strategy and an identified imbalance of social housing in the local area (44.5% Council stock in Castle & Priory Ward). Should the redevelopment be used primarily to redress the tenure imbalance in the local area, significantly altering the housing market with the emphasis on creating a greater socio-economic mix? Or should it be primarily about retaining existing residents in housing of an improved quality and range of types, in an enhanced neighbourhood. To what extent can both be achieved?
- 8.2.8 Something else that needs to be determined is whether the social housing element of a future redeveloped North Priory estate is owned and managed by the Council or by an RSL. This will to a large extent need to be resolved between the existing landlord, the Council, their tenants and any prospective RSL landlord. Some of the key factors that will determine views on this will be rental levels, type and quality of replacement houses, level of refurbishments and rights to buy/acquire.
- 8.2.9 Our feasibility study has involved a capital cost development appraisal of the potential options. As well as the capital implications that this report considers, DMBC also need to consider all the budgetary and revenue implications that the redevelopment options have for the Council, including the possible £2.2 million impact on Dudley's Housing Revenue Account referred to in paragraph 4.3.29.

8.3 Recommendations

- 8.3.1 This is only the beginning of what, should it be agreed, will be a long and difficult process.
- 8.3.2 We recommend that the area should be redeveloped by the Council with a private developer partner. While the level of that development needs to be somewhere between 40 and 100%, it is felt that the full redevelopment option is the preferred option, on the basis that it will provide:
- More scope to provide the most appropriate layout for the area
 - The opportunity to create more 'lifetime homes' to cater for the elderly
 - A greater mix/balance of social housing types
 - More of an impact on image and perceptions of the area
 - New build houses for both owner occupiers and tenants
- 8.3.3 However this needs to be considered against the likelihood that partial redevelopment will provide:
- A higher level of retention of social households (modelling suggests 54% as opposed to 38% at the financial breakeven point)
 - The option for those tenants that remain in the area to stay as tenants of the Council as opposed to transferring to an RSL.
- 8.3.4 The level of support amongst the existing local community for redevelopment will, understandably, be determined by the nature and scale of the assurances and guarantees

that can be given to them about the impact of the redevelopment on them, their homes and their circumstances. Key areas where the Council should look to consider the provision of assurances or guarantees to residents at the earliest opportunities are:

- Right to remain in the area (or the criteria to do so)
- Re-housing in property types/sizes similar to their current property
- Compensation for works done by residents to their properties
- Equity loans to enable owner occupiers to relocate to similar properties either within the area or the surrounding area
- Rental levels
- Right to buy/acquire on new properties
- Re-housing options for those wishing to leave / unable to be re-housed in the area

8.3.5 With regard to the balance of private and public housing in the area following redevelopment, we feel that this is the most difficult issue to come to a clear view upon. On one hand it is clear from the consultations undertaken that there is the strong core of a community within the North Priory with many residents and their families having lived there a long time (some since it was first built), others with extended families in the area and some strong community and neighbourly bonds. A fundamental lesson from most successful residential redevelopment schemes is that the retention of strong communities, where they exist, is a critical part of the success. In looking to regenerate a neighbourhood we should look to build upon those successful and strong elements that exist, rather than relocating or dispersing them and trying to start from scratch. On the other hand there is a need to enable a more balanced community not only within North Priory, but within the wider Priory Estate. This will involve getting a greater mix of tenure and attracting residents from broader range of socio-economic groups into the area, which will require the provision of a significant level and range of private housing for sale as part of the redevelopment.

8.3.6 The degree to which these two aspirations overlap and conflict will depend upon the size of that strong 'core' community within North Priory. It has been difficult to determine from consultations undertaken so far as part of this study, as it is inevitably the 'concerned citizen' who have a strong interest in there area who tends to turn up at these type of events. There therefore needs to be further more detailed consultation if the redevelopment approach is taken forward, in order to establish the level of desire amongst existing residents to stay in the area. It may be appropriate to undertake a 100% 'census' of existing residents to establish the extent to which each household is embedded in the community. Ultimately there will be two determining factors for tenants affected:

- Firstly, do they wish to be re-housed in the area? If no, they will need to be re-housed elsewhere (the level of these answers will to an extent be determined by the other options they are offered – e.g. do they move to the top of the housing list?). If yes:
- Then, if the number saying yes is more that the number of units to be re-provided in the area, those wishing to stay could be appraised against a list of key criteria. These could for example include: number of years lived in a property; family connections in the area; tenancy record; etc. These criteria could be agreed with tenants' representatives.

8.3.7 Potential relationships with another development site or sites should be investigated further for the purposes of establishing the timescales and opportunities for relocating (if necessary) some existing North Priory tenants to appropriate new build social housing on

those sites. This would: help to resolve re-housing supply issues; mean tenants were re-housed in properties to meet their needs; and enable some relocated tenants to be re-housed with neighbours. Potential housing sites nearby in Dudley (see Illustration 10) which are identified in the UDP and thought by DMBC Planning Department to be likely to come forward for development in the relevant timescale of 2007-11 include the following:

Site	Potential total no. of housing units on the site	No. of affordable units (assuming 30%)
Tipton Road Development Area	350	105
Russell's Hall*	200	60
Castle Street/Tower Street	40	12
Upper High Street/Trident Centre	60	18
St. James Road/Priory Road*	60	18
Total	710	213

* There may be the opportunity to get a greater level of affordable provision than 30% on these sites, as they are Council owned.

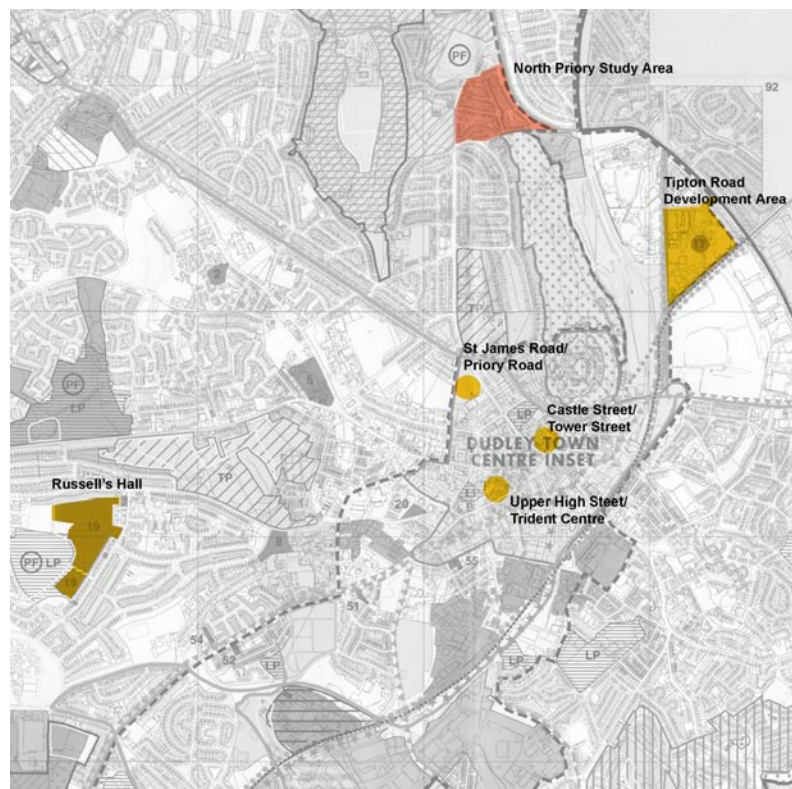


Illustration 10 – Potential housing sites nearby in Dudley

8.3.8 In relation to owner occupiers it is assumed that they all have a commitment to the area, which is evidenced by their investment in the area, and it is therefore assumed that they will wish to stay in the area. This will be affected by the nature of the support that can be offered to enable them to do so. An element of the income from the scheme should be invested as an equity loan to support affected owner occupiers to enable them to relocate either outside the area or, at a higher cost to the scheme, within the area. This loan would

be based upon the gap in value between the existing property and the replacement. This stake (which may for example be a fixed amount, or a possibly a proportion of the property value) will be paid back to the Council upon sale of the property.

- 8.3.9 An element of shared ownership in the redevelopment, which has been allowed for within the financial model (10% of private housing), may help some of the existing tenants or their families to access home ownership within the estate.
- 8.3.10 Our view at this stage, and it does not have the benefit of a detailed assessment of resident views and aspirations, is that the solution is that if a complete redevelopment approach is pursued it should provide between 68% and around 75% of the new units as private units. 68% is Scenario 1 and represents the financial break even point. It means that 38% of existing social tenants could be retained in the area (in 96 new social units) and 100% of existing owner occupiers retained (with the support of £65k equity loans). It would bring 187 new private households into the area. 75% private means that 30% of existing social tenants could be retained in the area (in 75 new social units) and 100% of existing owner occupiers (with the support of £65k equity loans). It would bring 208 new private households into the area and a potential capital receipt to the Council of £2.2 million which could be spent on improving or increasing social provision elsewhere, and/or go to address any negative revenue implications of the redevelopment.
- 8.3.11 If the level was to go much above 75% private we feel there would need to be strong evidence of the lack of a significant existing 'core' community and also a strong argument in relation to how any profit from the scheme would be spent on social housing improvement or re-provision elsewhere.
- 8.3.12 To ensure a high level of resident engagement and involvement in the redevelopment process and a good flow of information between the Council and residents, a Residents' Steering Group should be set up early on in the process. Not only will it achieve a 'quick win' and start to build resident engagement, it will also in the long run aid the smooth(er) running of the redevelopment process, as a process that excludes residents and becomes confrontational invariably takes a whole lot longer, costs more and presents additional risks that will deter a development partner.

8.4 The Way Forward

- 8.4.1 There are a number of actions which now need to be implemented in order to take this project forward. The main action, without which things cannot progress further is:
- Securing of Council Support – Support needs to be secured for one of the options or a variation on them. This requires endorsement of the approach and the means of delivering it.
- 8.4.2 In parallel with this the following actions need to take place.
- Set up Residents Steering Group – The Steering Group needs to be put in place at the earliest possible opportunity and could be involved initially in assisting with establishing assurances and guarantees, as well as levels of residents wishing to stay, then in the development of the Development Prospectus (see below) and selection of the development partner.
 - Establish assurances and guarantees – The Council need to work with residents and the Steering Group to start to develop and then agree what assurances and guarantees are important and which can actually be given.

- Establish levels of residents wishing to stay – The Council need to undertake detailed survey work as well as work with residents, their representatives, residents’ forums and the Steering Group to try to refine this understanding. This also needs to establish the criteria for selection in the event that all those wishing to stay are unable to.
- 8.4.3 Following on from this the next stage will be to progress with procuring a development partner. This should involve producing a prospectus inviting proposals from potential development partners who will work with DMBC on the regeneration of North Priory, through the preparation of a masterplan and implementation framework for the comprehensive improvement of the area. The development partner will be able to access funds and be prepared to invest within North Priory. The prospectus can set out some key principles of the redevelopment. These could include:
- Boundaries of the redevelopment
 - Proportions
 - Mix of uses
 - Mix of tenures
 - Infrastructure
 - Facilities
 - Design and layout
- 8.4.4 These can be general or specific, and can be guides, aspirations of fixed requirements.
- 8.4.5 The prospectus should make it clear that DMBC are fully committed to a process of neighbourhood planning, which maximises the opportunities for local people to participate in the improvement of their neighbourhoods, and there is an expectation that development partners will be fully and directly involved in this process. It should also make clear that the prospects for securing funding support from public sector partners are realistically very limited in North Priory, and that it will be particularly important therefore that potential partners are commercially driven in their response to the prospectus.
- 8.4.6 In terms of the selection of the development partner, this should initially be based upon a number of higher level criteria including:
- An established track record in the development of successful residential redevelopments in similar locations
 - An understanding of the needs of the local stakeholders and a willingness to work with them to agree a framework for development that is robust and deliverable
 - Financial and organisational credentials that can demonstrate an ability to deliver
- 8.4.7 On these criteria developers could be then be shortlisted to produce the following proposals, based upon which the preferred bidder could be selected:
- Design proposals for the area
 - Financial proposals for the redevelopment
- 8.4.8 It would be prudent to allow around 4 months from initial advertisement to the selection of a preferred bidder.

