

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Cabinet
01 December 2021

Report Title: Estate Regeneration Fund – Grant Acceptance

Submitted by: Executive Director – Commercial Development & Economic Growth

Portfolios: Finance Town Centres & Growth

Ward(s) affected: Chesterton

Purpose of the Report

To seek authority to receive £414,352 Estate Regeneration Fund (ERF) grant funding from government and act as Accountable Body in respect of the same and its use by Aspire Housing in the regeneration of the Cross Street, Chesterton housing estate.

Recommendation

That Cabinet authorise the receipt of £414,352 Estate Regeneration Fund (ERF) grant funding from government and authorise the Council to act as Accountable Body in respect of the same and its use by Aspire Housing in the regeneration of the Cross Street, Chesterton housing estate.

Reasons

To assist in the regeneration of the Cross Street, Chesterton housing estate.

1. **Background**

- 1.1 This decision is brought as an urgent item because of the fact that confirmation of award was only recently received and Government requires the grant funding agreement to be completed by close of play on Friday 3 December 2021.
- 1.2 The Estate Regeneration Fund (ERF) is a capital funding programme administered by Government (through the Department for Levelling Up, Housing and Communities) against which bids can be made to fund projects to regenerate the “public estate”. It provides capital funding for social housing estates to support regeneration activity in 2021/22.

2. **Issues**

- 2.1 Aspire Housing have made an application for ERF funding to support its regeneration of the Cross Street housing estate. More specifically, the funding is to be applied to renewing existing provision on the estate.
- 2.2 The existing homes on site were not fit for purpose and required major investment, made poor use of space, were unpopular and residents welcomed the redevelopment of the 6 x blocks of low-rise flats in particular. The express aim of this flagship mix-used scheme is to replace the existing not fit for purpose housing stock with new, energy efficient, highly accessible, high quality, contemporary housing.

- 2.3 Abnormal costs associated with the site's development are hindering progression. For example, the planning permission requires widening of the adjacent Gibson Grove to alleviate existing on-street parking issues. This adds extensive development costs to a low value development area. Furthermore, the drainage diversion costs are also a significant cost that prevents the development of the scheme in a low value area. As such, grant funding is required to help the scheme progress with a first phase that will in turn unlock the subsequent phases.
- 2.4 Prior to the development of a masterplan, Aspire reached out to the local community for their views on what estate redevelopment should look like and what was required. The brief and direction for the master plan has developed throughout the project between Aspire and the Council alongside the community consultations. The consultation process ran throughout 2018 and 2019 with a number of iterative versions of the emerging masterplan being presented to residents and amended according to feedback received.
- 2.5 Political support has been evidenced through the public consultation process, which involved local elected Councillors, and the subsequent inclusion of the scheme in the Town Investment Plan for Newcastle-under-Lyme.
- 2.6 An extensive Public Consultation process was then undertaken with four consultation events being held between March 2018 and October 2019. The events were well attended by local residents and members of the community.
- 2.7 The consultation process carried out has focused on the views of the community to assist the design development of the overall master plan. This process has allowed a transparent dialogue between Aspire and the community to propose the appropriate tenure for each site and provide communal facilities where required.

3. **Proposal**

- 3.1 That Cabinet authorise the receipt of £414,352 Estate Regeneration Fund (ERF) grant funding from government and authorise the Council to act as Accountable Body in respect of the same and its use by Aspire Housing in the regeneration of the Cross Street, Chesterton housing estate.

4. **Reasons for Proposed Solution**

- 4.1 To assist in the regeneration of the Cross Street, Chesterton housing estate.

5. **Options Considered**

- 5.1 The only alternative is a "do nothing" option which would see a valuable funding contribution lost.

6. **Legal and Statutory Implications**

- 6.1 The funding is provided on standard terms acceptable to the Council in terms of its "accountable body" obligations. The Council will require Aspire to enter into reciprocal agreements with it to further protect its position such that the Council can recoup from Aspire any amounts Government seeks to recoup from it on account of any breach of the funding agreement.

7. **Equality Impact Assessment**

7.1 None directly arising, but the regeneration scheme is understood to be fully equalities compliant.

8. **Financial and Resource Implications**

8.1 The Section 151 Officer is content with the grant funding and “accountable body” conditions and requirements.

9. **Major Risks**

9.1 The major risks are around breached of the grand funding conditions which are adequately addressed by entering into reciprocal arrangements with Aspire.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 As a sustainable social housing development, the grand funding contributes to achieving the following goals:-



11. **Key Decision Information**

11.1 This is a Key Decision on account of the sums involved, relevant processes have been followed in terms of the waiver of advanced notification on account of the time pressures.

12. **Earlier Cabinet/Committee Resolutions**

12.1 Not Applicable.

13. **List of Appendices**

13.1 None.

14. **Background Papers**

14.1 Grant funding application, award letter and grant conditions.