

AFFORDABLE HOUSING REGENERATION PARTNERSHIP

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Portfolio: Planning, Regeneration & Town Centres

Ward(s) affected: All

Purpose of the Report

Significant physical, social and economic regeneration has been undertaken over many years in the borough, including most recently the housing led Renew programme. Whilst these programmes have delivered many successes there are areas which could be improved further and it is appropriate that the Council considers partnerships and priority areas for future development, particularly in light of growing housing need against the backdrop of a sharp decline in the availability of external funding.

Recommendations

(a) That Cabinet considers the proposed Partnership approach proposed with Aspire Housing and authorises officers to prepare and execute a Partnership Agreement in consultation with the relevant Portfolio Holder based on the principles outlined.

(b) That an appropriate Governance Structure is established including the Leader of the Council and/or Portfolio Holder and appropriate Senior Officers.

(c) That the Partnership commits to a jointly funded feasibility appraisal and that the Council's contribution is met from the existing strategic housing service budget.

(d) That the Partnership Board be authorised to finalise the Partnership Agreement and to commission the Feasibility Study.

Reasons

As a Strategic Housing Authority the Council has a duty to provide housing to meet the needs of our residents and in line with housing and economic development priorities it is appropriate for the Council to consider ways to regenerate key areas of the borough. This report outlines a partnership approach to delivering physical regeneration in conjunction with Aspire Housing. It is appropriate that Cabinet considers the outlined partnership approach and gives direction to officers as to how the Council may wish to develop the approach.

1. Background

- 1.1 The Council has a strategic enabling role to ensure that housing is provided to meet the needs of local people. Evidence demonstrates that there continues to be a significant need to provide affordable housing in the borough (by reviewing both the current Housing Register and Housing Market Assessment data). For a variety of reasons it is anticipated that this need may become more acute for certain households (e.g. an increasing elderly population; changes arising from Welfare Reform legislation; an imbalance in the type and size of the current affordable housing stock; the ongoing impact of the global economic recession, particularly upon first time buyers, etc.).
- 1.2 Through this strategic enabling role the Council works with relevant partner agencies to influence the development of housing, particularly the provision of affordable housing. The Council has an adopted Local Investment Plan (LIP) which was produced with the support of

local Registered Providers (formerly known as Housing Associations) to meet the requirements of the Homes and Communities Agency (HCA). Of course, as a matter of principle, the Council welcomes discussions with any provider about the potential scope to bring forward appropriate schemes to deliver the ambitions of the LIP.

- 1.3 Aspire Housing is the main affordable housing provider in the Borough, with significant experience of over the past decade delivering housing led regeneration initiatives. Aspire also owns several significant sites in key former coalfield communities that have been the subject of past regeneration programmes; in particular, in locations such as Knutton/Cross Heath and Chesterton/Crackley. The council owns land and/or property in those neighbourhoods too and has experience of enabling physical regeneration projects through the use of powers in Planning, Strategic Housing and in the Assets function.
- 1.4 This reports sets out options for the Council and Aspire Housing to support the delivery of affordable housing and potentially other community facilities that could aid regeneration on sites where both partners have existing land ownership and are in line with the LIP.

2. **Issues**

2.1 **Partnership working principles and objectives**

The Council and Aspire Housing have a shared ambition to deliver affordable housing and other community assets in Newcastle to meet the needs of our local residents. It is therefore appropriate that both parties seek to work together on a more formalised basis in order to support the delivery of affordable housing. In so doing it would be important to establish agreed principles/objectives at the outset and the following has emerged from discussions between the parties:

- To ensure that affordable housing is delivered within short to medium term timescales, utilising land in key regeneration areas.
- To deliver tenure diversification and a mix of housing type/tenure to meet the housing needs of the local community.
- To improve the sustainability of key neighbourhoods through the provision of new housing and facilities for the community.
- To continue the delivery of physical, social and economic regeneration, including the completion of schemes started under the Renew programme.
- To benefit from the enabling role of the council through alignment of the Council's resources including strategic housing and planning.
- To maximise training and skills development in line with the Social Value Act, primarily through engagement with PM Training.
- To provide employment opportunities for local contractors and sub-contractors.
- To utilise the HCA's OJEU-compliant DPP to secure the most appropriate development partners.
- To work with other partner agencies such as Staffordshire County Council (where there are land ownership opportunities and links regarding community contributions) and Stoke on Trent City Council (as the accountable body for Renew for outstanding permission requirements).
- To maximise the use of each other's staff capacity and expertise by working towards common objectives.
- To achieve best value and leverage from the combined physical assets and human resources of the partners to deliver agreed schemes.

It is envisaged that the partners will sign a Partnership Agreement which will clearly outline the approach to ensuring that each party's interests and expected returns/risks are understood from the outset, based upon the broad principles set out above.

2.2 **Governance Structure**

Clearly there is a need to establish a governance structure which involves both the Council and Aspire Housing. At this stage officers are of the opinion that, in order for the Partnership to deliver effectively, it would be necessary to establish a Partnership Board including the Leader of the Council and/or relevant Portfolio Holder; this will enable the Council to hold regular meetings with Aspire to review progress and to give direction to officers. In order to implement the views of Cabinet and the proposed Partnership Board it is proposed to form a steering group comprising key senior officers from the Council and appropriate representatives of Aspire. As the Partnership evolves it may be necessary to consider and agree upon some form of delegation scheme for decision making; equally the governance structure might need to be modified from time to time to ensure that it is fit-for-purpose (albeit based around the principles cited above).

2.3 **Project Feasibility and Timescales**

One of the benefits of developing a modest sized partnership with a focus on the regeneration of specific sites of mutual interest in the Borough should be that schemes can be developed effectively and importantly are deliverable. In order to provide early momentum it is recommended that the Partnership commits to a jointly funded feasibility appraisal and that the Council's contribution is met from existing funding within the strategic housing research budget.

Subject to Cabinet views it is proposed that the Partnership Agreement is developed over the next month on the basis of the principles set out and this is then followed by commissioning the feasibility study which could report in the summer of this year. If the partnership proves viable it is reasonable to assume that a development partner could have been procured by the last quarter of 2013/14.

3. **Options Considered**

- 3.1 In simple terms the council has three options: (i) the Council could take no pro-active action to achieve the stated housing and regeneration objectives other than to deploy its enabling role; (ii) the council could consider developing new regeneration schemes in isolation of other partners or; (iii) a partnership approach could be considered.

4. **Proposal and Reasons for Preferred Solution**

- 4.1 Throughout the Renew programme a partnership approach was taken whereby the Borough Council worked with Stoke on Trent City Council and other partner agencies, particularly Aspire and other housing providers, to develop and implement housing-led regeneration schemes to address housing need. This approach demonstrated that additional capacity, resources and skills could be combined across partner agencies to deliver schemes effectively. As the main affordable housing provider in the borough who own land in key regeneration sites Aspire Housing is a key potential partner. In particular both Aspire Housing and the council have significant land holdings in important regeneration locations and it is appropriate to work with Aspire Housing to consider regenerating and redeveloping these areas because of the mutuality of interest.

5. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 5.1 The delivery of housing and regeneration contributes to the corporate priorities of Creating a Cleaner, Safer and Sustainable Borough and a Borough of Opportunity.

6. **Legal and Statutory Implications**

- 6.1 There is no legal or statutory requirement for the Council to take a partnership approach; neither is there any barrier to prevent it provided procurement legislation is adhered to. The Council could consider working alone however the partnership approach seeks to deliver schemes in the most resource-efficient and effective manner. Should the partnership approach be approved then it is recommended that a legal agreement is developed to specify each partner's intentions. Should the partnership at a future date, and subject to future Cabinet reports, agree to specific schemes then there will be a requirement to secure appropriate development partners/contractors through a suitably competitive or OJEU-compliant process and, in due course, to enter into legally binding contracts. At this stage the proposed approach is for the two parties to jointly procure a development partner from the HCA's OJEU-compliant framework.

7. **Equality Impact Assessment**

- 7.1 The priorities of housing and regeneration are outlined in the adopted Housing Strategy, upon which an EIA has been completed.

8. **Financial and Resource Implications**

- 8.1 The recommended course of action seeks to develop a partnership approach based on the principles set out above which will then lead onto the Partnership undertaking a feasibility study. It is recommended that this cost will be met equally between Aspire Housing and the Council (probably about £20k in total). This cost would be met from within the existing strategic housing service budgets.
- 8.2 Should the feasibility assessment demonstrate that there are viable regeneration schemes then further reports will be made to outline the options including opportunities, risks and financial implications. At the development of the options stage consideration will need to be given to funding requirements including any Council funding (which could involve the contribution of land or property in lieu of capital funding) and the potential to secure external funding from partners such as the Homes and Communities Agency.

9. **Major Risks**

- 9.1 A project-specific risk assessment will be undertaken to identify risks in relation to the partnership overall and for specific sites as the feasibility studies are developed.

10. **Key Decision Information**

- 10.1 The proposed partnership will cover more than one ward.

11. **Earlier Cabinet/Committee Resolutions**

None.

12. **List of Appendices**

None

13. **Background Papers**

- 13.1 There is a range of Government / HCA guidance and reports that encourage Local Authorities to facilitate growth through utilisation of land assets.