

TELFORD & WREKIN COUNCIL

**CABINET – 9TH JUNE 2009
COUNCIL – 25TH JUNE 2009**

**HCA FUNDING COMMITMENT TO SUPPORT SUTTON HILL – PHASE 1
DELIVERY**

REPORT OF HEAD OF THE INTEGRATED HOUSING PROJECT

1.0 PURPOSE

- 1.1 To update members on the establishment of the Housing & Regeneration Partnership with the Homes & Communities Agency (HCA)
- 1.2 To seek approval to accept a “matched” contribution of up to £2.93m from the Homes & Communities Agency to support work on Sutton Hill Phase 1 Regeneration and to confirm that the Council’s funding shortfall will be met.
- 1.3 To establish a protocol for the assessment and approval of a programme of small works on the Sutton Hill estate, as part of the long-term regeneration of the estate

2.0 RECOMMENDATIONS

- 2.1 That Cabinet endorses the establishment of the Housing & Regeneration Partnership Board and the work carried out by the Board so far;
- 2.2 **TO RECOMMEND TO COUNCIL that it agrees to receive a “matched” contribution of up to £2.93m from the HCA towards Sutton Hill Regeneration and that to maximise the leverage of HCA funding into the area, the Council’s additional funding of £589k is approved as part of the accelerated Borough Towns/New Town estates regeneration programme;**
- 2.3 That subject to the agreement of full Council in 2.2 above, the Head of the Integrated Housing Project is delegated authority to negotiate and finalise the terms of a Funding Agreement with the HCA after consultation with the Cabinet Member for Regeneration, and the Head of Legal Services be delegated authority to execute the Funding Agreement once finalised;

2.4 That the Head of the Integrated Housing Project be granted delegated authority, in consultation with the Cabinet member for Regeneration, to approve and implement minor works programme schemes put forward by the appraisal group (as referred to in the protocol in Appendix 2).

3.0 SUMMARY

- 3.1 A Housing & Regeneration Partnership Board has been established with Telford & Wrekin Council (TWC), Homes & Communities Agency (HCA) and Advantage West Midlands (AWM) to drive forward the delivery of housing growth and housing led regeneration across the Borough. The Partnership has committed to establish a joint Local Investment Plan setting out shared priorities and financial commitments to housing delivery. A draft of the initial 3 Year Plan is anticipated in September 2009.
- 3.2 The Board has identified the South Telford former New Town estates as its top priority for housing-led regeneration, and is supporting the development of a project for the regeneration of Sutton Hill. The HCA want to make a contribution towards the re-development of Sutton Hill local centre on the basis of 50/50 matched funding of total scheme costs. TWC has already committed £2 million towards Phase 1 regeneration in Sutton Hill focusing on the Local Centre. In addition, the Council has recently spent or committed up to £648k on the Sutton Hill Project, of which £150k has been funded from the £2m capital allocation. This existing housing spend/commitment has been endorsed by HCA as eligible to be classed as matched funding. HCA have offered a “matched” commitment of £2.93M, thereby enabling work on the re-development of Sutton Hill local centre to be brought forward.
- 3.3 A Funding Agreement will be established with HCA setting this commitment within the wider context for the regeneration of Sutton Hill. Through the H&R Partnership Board and the forthcoming Local Investment Plan the partners will seek to identify a funding package to support subsequent phases of the regeneration plans.
- 3.4 Following consultation with Sutton Hill residents over the past year, it is recommended that an additional small budget is established to enable a number of minor environmental improvements to be achieved. A protocol will be agreed with residents and it is proposed that a small budget is allocated for 2009-10.

4.0 INFORMATION

Housing & Regeneration Partnership

- 4.1 The Housing & Regeneration Partnership was established in January 2009 and a Memorandum of Understanding was signed between TWC

and HCA on 12th March 2009 (Appendix 1). The Partnership Board has been established to manage the 'single conversation' between TWC and HCA and to ensure the alignment of the HCA's Strategic Development Programme and the Council's strategic priorities for housing and regeneration.

- 4.2 The Board also includes AWM and will actively engage with other key housing stakeholders, the Local Strategic Partnership and housing delivery bodies.
- 4.3 The Board is now working on a 3 Year Local Investment Plan (LIP) setting out shared priorities and financial commitments to housing growth and housing-led regeneration. The LIP will be set in the context of the new Housing & Regeneration Priority Plan.
- 4.4 The Council with HCA and AWM have identified 3 themes that will underpin the Priority Plan and LIP:

Housing Regeneration – focusing on South Telford and the Borough Towns

Growth – focusing on 'unblocking' existing commitments and establishing a medium/long term development and infrastructure framework

People – focusing on delivering the tenure, mix, location and phasing of development delivered through growth and regeneration to address the provision of affordable & accessible housing, homelessness and the improvement of existing housing stock

- 4.5 A key priority for the Board is the regeneration of Sutton Hill. The LIP will consider the delivery and financing of the long term strategy for Sutton Hill but the Board and HCA have recognised the urgency of progressing early interventions on the estate, in the form of a Phase 1 local centre scheme, as soon as possible.
- 4.6 Through the Partnership the HCA have offered a contribution of £2.93M to be matched by the Council to support the delivery of Phase 1. A Funding Agreement with HCA will underpin this initial contribution setting out the overall regeneration objectives and indicating how future phases will progressively deliver the regeneration of the estate. Future commitments by HCA towards Sutton Hill will be sought through the development of the Local Investment Plan.

Sutton Hill Housing

- 4.7 Since early 2008, the Council has been consulting widely with residents to better understand issues faced by people living on the Sutton Hill estate. This has identified significant issues with the quality, condition and mix of housing provision in Sutton Hill. It has also illustrated that the condition of the housing itself is only one of the infrastructure issues

that will need to be considered in developing sustainable solutions. Other issues include problems with drainage, poor quality retail provision in the local centre and, in common with other Radburn layouts, estate roads terminating in open parking courts with no connectivity across the estate and to the surrounding communities.

- 4.8 In January 2009 Cabinet approved proposals to undertake a master-planning exercise leading to the identification of options for technical consideration and stakeholder consultation. This work includes a stock options appraisal which has now been commissioned.

Sutton Hill Regeneration Phase 1 – Local Centre

4.10 While technical work to support long term plans for the Estate is progressed, there is an opportunity, as a first phase of the regeneration of Sutton Hill, to bring forward the comprehensive regeneration of the local centre. Work is progressing on design options which will be subject to consultation later in 2009.

- 4.11 It is recommended that further reports are presented to Cabinet as the design options are finalised.

Minor Works Programme

4.14 Amongst a wide range of issues considered over the past year has been the suggestion that a small budget be established to enable minor environmental improvements to be achieved on the estate. The nature and extent of these improvements has not been fully explored with residents, but they are likely to be primarily works associated with the environment, landscape and public spaces.

4.15 Attached to this report as Appendix 2 is a draft protocol for this programme, which would then be the subject of discussions with local residents. The key principles are;

- Approved schemes should not displace investment that statutory agencies would otherwise be required to carry out.
- Approved schemes should seek to benefit as many residents as possible.
- As far as is reasonably possible, approved schemes should not compromise the ability to effect future long-term change.
- Residents should be involved in identifying the potential schemes, assessing their suitability and making recommendations for those to be supported.
- Potential schemes will be encouraged to secure matched funding from other partners where possible.

4.16 For budgeting purposes, it is recommended that a sum of £30,000 is made available for this programme in 2009/10.

- 4.17 The protocol recommends that an Appraisal Group is established to invite scheme bids, to appraise submitted schemes and to recommend the schemes to be supported. The Appraisal Group would comprise members and residents and would be supported by officers supporting the Sutton Hill regeneration project.

5.0 LEGAL COMMENT

- 5.1 The Council has powers to accept the HCA funding and carry out the work mentioned in this report pursuant to Section 2 of the Local Government Act 2000 (the wellbeing powers). Use of these powers in this context is consistent with the Council's Community Strategy and the Secretary of State's Guidance about exercise of the wellbeing powers.
- 5.2 The Memorandum of Understanding between the Council and the HCA and the Terms of Reference for the Board record the objectives of the partners, and make it clear that whilst working collaboratively as the Integrated Housing & Regeneration Board, the parties will still seek their own internal approvals to funding and projects as work progresses.

6.0 OPPORTUNITIES AND RISKS

- 6.1 The finance proposals offer the opportunity to move forward Phase 1 of the regeneration of Sutton Hill and to undertake community consultation in the knowledge that additional finance is available to deliver on some immediate term improvements. This is important to build confidence within the community that change will be delivered.
- 6.2 However it is also important that expectations are not raised beyond what is achievable at this stage. There is a risk that this then undermines community confidence and partnership support for the delivery of the overall strategy.
- 6.3 The draft protocol must achieve transparency in the assessment and decision-making processes associated with the expenditure of public money. These risks will be mitigated through the careful drafting and application of this protocol.

7.0 FINANCIAL IMPLICATIONS

- 7.1 As highlighted in the main body of the report HCA are offering a 50:50 match funding commitment towards qualifying expenditure for the regeneration of Sutton Hill Local Centre. This is really good news for the area and in order to maximise the grant leverage they have confirmed that they will accept as match funding Council budgets that have already been spent/committed of circa £498k.

- 7.2 The estimated capital cost for Phase 1 regeneration is £5.519m, giving a total scheme cost of £6.017m. This includes the £30k proposed for the minor works scheme and feasibility works outlined in para 4.5.
- 7.3 HCA has approved a maximum funding contribution of £2.93m with the expectation that TWC provide a matched contribution. There is an existing approval within the 2008 – 2011 capital programme of £2m and TWC are able to include in the matched contribution £498k of spend already incurred in the regeneration of Sutton Hill. The table below outlines the budget and funding available.

Expenditure

	£'000
Existing ACC expenditure within	498
Scheme costs	5,269
Expenditure identified in 12 th Jan 2009 Cabinet Report	220
Early wins fund	<u>30</u>
Total	<u>6,017</u>

Funding

<u>BTW</u>	£'000
Existing ACC Funding	498
Approved capital funding	<u>2,000</u>
	<u>2,498</u>
<u>HCA Funding</u>	<u>2,930</u>
Shortfall	<u>589</u>

- 7.4 The Council shortfall to maximise the leverage of HCA funds amounts to £589k. This can be met from the package of accelerated works on the rolling programme of Borough Towns/New Town estates work which is being brought forward and funded from a mix of capital programme review and Treasury savings.
- 7.5 The scheme design requires the development of replacement retail provision, which is currently held within the PIP. One of the options for delivery may be through a private developer; however in the light of current market conditions the Council may seek to develop the units. The level and cost of such provision is not yet known and will be informed by the retail capacity study which is currently underway. However, the Council's interest through the PIP will have to be protected. A further report will be brought forward as appropriate.

8.0 ENVIRONMENTAL COMMENT

- 8.1 The proposals for Sutton Hill aim to achieve a long-term sustainable solution. This will deliver improvements to the quality, energy efficiency

and design of housing, create a sense of place within the local centre, address connectivity of estate roads enabling more effective public transport provision and provide opportunities for improvements to public realm and green spaces.

9.0 WARD IMPLICATIONS

9.1 The Sutton Hill Estate falls within the Cuckoo Oak Ward.

10.0 CONCLUSION

10.1 The establishment of the HCA and the new Partnership with TWC and AWM offer significant opportunities to align strategic and regeneration priorities and work collaboratively to finance key projects.

10.2 The immediate term combination of HCA and TWC funding will enable immediate environmental improvements to take place in consultation with the local community and move forward on the comprehensive regeneration of the Local Centre. This will build local confidence and partner commitment to the long term strategy for Sutton Hill.

10.3 The current recession has led to a significant reduction in construction development across the Borough. Through this funding a key development can move forward more quickly addressing not only the needs of Sutton Hill's residents but also providing immediate and longer term opportunities for local employment and support for the local economy.

Report prepared by Katherine Kynaston, Head of the Integrated Housing Project and Will Schofield, Regeneration Manager, Transforming Telford

APPENDIX 1

MEMORANDUM OF UNDERSTANDING - March 2009

TELFORD & WREKIN HOUSING & REGENERATION PARTNERSHIP BOARD

1. INTRODUCTION

Telford & Wrekin Council ("TWC") and the Homes & Communities Agency ("HCA") wish to begin the "single conversation" immediately in relation to housing and regeneration in the borough.

TWC and HCA wish to record key elements of the conversation through this non legally binding Memorandum of Understanding which will evolve as the conversation moves on, possibly into a local investment agreement to support delivery of the Local Investment Plan.

2. CO-OPERATION AND CONSENSUS

The "single conversation" ethos will permeate all of the work between TWC and HCA but in particular TWC and HCA will co-operate, negotiate and reach consensus through establishment of a Partnership Board. TWC and HCA will meet as a Partnership Board but will act under their own individual powers and subject to their own internal approval processes.

3. AIM OF THE PARTNERSHIP BOARD

The aim of the Partnership Board is to act as an advisory group to help secure **more and better housing, infrastructure, community asset and regeneration outcomes for the borough of Telford & Wrekin** (the "Outcomes") by working together than would otherwise be possible, and in order to achieve the Outcomes the Partnership Board will :

- agree the vision and strategy for housing and regeneration in the borough for the next 20 years
- agree a "local investment plan" as the basis for TWC and HCA's investment in these areas (to reflect the longer term vision and strategy)
- monitor actual investment and delivery performance against the local investment plan
- develop longer term proposals in the light of the local investment plan for HCA and TWC investment of land, capital, skills and people in a "joint venture" with an initial ethos of reinvestment of profits to achieve more Outcomes
- identify and address blocks to existing housing and regeneration projects which have been affected by the economic downturn
- agree the priority areas for action in the borough
- develop strategies to increase house building and completions
- develop strategies for bridging the housing affordability gap (mixed tenures)

- develop strategies for meeting demand for temporary and social housing and tackling homelessness
- maximise use of New Growth Point and grant funding to achieve the Outcomes
- promote and procure sustainable high quality development
- promote and where possible require development in accordance with the Building for Life standard
- work in partnership with Advantage West Midlands and others in order to help achieve the Outcomes
- collaborate with and engage others such as RSL's, developers and funders
- actively engage with the Local Strategic partnership and its partners
- use their statutory powers to achieve Outcomes
- support the "Act Local" initiative providing local employment opportunities and using local materials wherever possible
- bring together regeneration projects across different agencies to promote a "big bang" effect on Outcomes
- develop a joint communications strategy

through all of this the Partnership Board will:

- focus on **delivery**
- act **quickly**
- be creative and flexible in its approach, and
- **intervene**

4. TWC'S ROLE

TWC will (subject to Cabinet consideration and approval of proposals) ensure full alignment with the Partnership Board's Vision and Strategy and local investment plan

TWC will establish a project team and resources to support the Partnership Board and its work.

TWC will convene and provide admin for meetings of the Partnership Board and will be the linkage between members of the Partnership Board and other stakeholders. It will also act as programme manager for activity within the LIP

5. HCA'S ROLE

HCA will (subject to any necessary internal approvals) ensure that its Strategic Development Programme is fully aligned with the Partnership Board's Vision and Strategy and local investment plan.

HCA will provide technical and consultancy resources and will contribute to the project team to support the Partnership Board.

APPENDIX 2

Sutton Hill Minor Works Programme – Draft Protocol

1. Background

- 1.1 Telford & Wrekin Council has committed to deliver the long-term regeneration of the Sutton Hill estate. Working with a range of partners, the Council will bring forward a range of measures that will seek to ensure the long-term sustainability of the estate.
- 1.2 The Council has been consulting and proactively working with residents in connection with the regeneration of their estate since early 2008. The consultation acknowledges that many of the interventions through necessity will be medium to long-term. There may be a number of relatively small pieces of work that would be sensible to carry out ahead of the longer-term measures. This will be known as the Minor Works Programme.

2. Principles

- 2.1 There are a number of principles that will be adopted in the implementation of the Minor Works Programme;
- Approved schemes should not displace investment that statutory agencies would otherwise be required to carry out.
 - Approved schemes should seek to benefit as many residents as possible.
 - As far as is reasonably possible, approved schemes should not compromise the ability to effect future long-term change.
 - Residents should be involved in identifying the potential schemes, assessing their suitability and making recommendations for those to be supported.
 - Potential schemes will be encouraged to secure matched funding from other partners.

3. Methodology

- 3.1 It is not the intention to widely promote the availability of the Minor Works Programme, as this could generate a larger number of potential schemes and commit a larger amount of funding than would be sensible. However, there are already a number of issues that residents have raised over the past 12 months that could be suitable for inclusion in this programme.

Stage 1 - Identification of Potential Schemes

- 3.2 Potential schemes may be raised by residents via the local Project Office at the Sutton Hill Community Centre, or via members of the RUSH (Residents Upgrading Sutton Hill) residents group. Exceptionally, potential schemes may be suggested by officers working on or associated with the estate.

- 3.3 A pro-forma will be produced to ensure that basic information about the proposed scheme can be recorded. A Project Sponsor needs to be identified for each scheme. This person will be the primary contact point for queries about the proposal.
- 3.4 The Neighbourhood Co-ordinator (South) will receive the suggestions and will ensure that the scope and intent of the proposal is properly understood and described in the pro-forma.

Stage 2 – Initial Appraisal

- 3.5 The RUSH group, supported by Council officers, will meet to discuss the proposal(s) and to carry out an initial appraisal of each. The two ward members could be involved in this stage. This Appraisal Group will cover aspects such as;
- Is the proposal clear?
 - Who are the intended beneficiaries?
 - Could schemes of a similar nature be applied to other parts of the estate?
 - What is the overall “value for money” of the proposal?
 - How would the scheme be implemented?
 - How would the scheme be maintained, and by who?
- 3.6 Schemes that are appraised at Stage 2 may be initially approved (and go forward to Stage 3), rejected, or more information may be sought from the project sponsor. A record of the decisions taken and the reasons will be maintained. The Neighbourhood Co-ordinator (South) will advise each Project Sponsor of the outcome of the appraisal, together with the reasons.
- 3.7 All proposals should identify the future maintenance that will be required, and indicate how that maintenance should be carried out, and by who? Where the scheme comprises environmental or landscaping work, the view of the Council’s Environmental Maintenance team should be sought and included in the proposal.
- 3.8 The Council will generally wish to commission all the schemes that are approved. At this stage it is not intended to impose a ceiling on individual scheme values, though this may be reviewed in due course.

Stage 3 – Technical Appraisal

- 3.9 Some potential schemes will require a technical appraisal. These will be initiated by the Neighbourhood Co-ordinator (South) and will assess whether the scheme is technically possible, whether it will provide a detailed cost and determine whether there are any reasons why the scheme should not be implemented.
- 3.10 The outcome of the technical appraisal will be reported back to the Appraisal Group who will assess if the scheme should proceed on the basis of the additional information received.

- 3.11 Subject to the views of the Council's Cabinet, the Appraisal Group's recommendations could be presented to Cabinet for determination, or authority could be delegated to the Corporate Director of Environment & Regeneration, in consultation with the Cabinet Member for Regeneration.

Stage 4 - Implementing the Schemes

- 3.12 The Council will lead on the implementation of approved schemes. The Neighbourhood Co-ordinator (South) will be responsible for the overall co-ordination of the schemes, and will instruct appropriate agencies to undertake the works.

4. Monitoring the Schemes

- 4.1 It will be the responsibility of the Project Sponsor to assess the success of the scheme in achieving the intended outcomes, and to make this information known to the Appraisal Group. The Appraisal Group may wish to take account of the outcome of completed schemes in determining schemes to be approved in the future.

5. Publicising the Schemes

- 5.1 Though it is not the intention of the Council to proactively promote the availability of the Minor Works Programme, it will record and publicise those schemes that have been carried out. This will be led by the RUSH group with the support of the Neighbourhood Co-ordinator (South).

6. Funding

- 6.1 The Council has initially indicated that it will make a sum of £30,000 available to support the Minor Works Programme. Depending on the number of potential schemes that are submitted, and those that are approved and implemented.