
COCKERTON REGENERATION – 2012 TO 2014

**Responsible Cabinet Members – Councillor Veronica Copeland,
Adult Social Care and Housing Portfolio and
Councillor Chris McEwan, Economy and Regeneration**

**Responsible Directors – Murray Rose, Director of People and
Richard Alty, Director of Place**

SUMMARY REPORT

Purpose of the Report

1. To seek the release of funding from the annual Housing Capital Programme in 2012/13 (£2M) and 2013/14 (£1.13M) to support the regeneration of an area of Council Housing in Cockerton as part of the Medium Term Financial Plan.

Summary

2. The report proposes a programme to commence the regeneration of an area of Council Housing in Cockerton and the internal funding likely to be required to deliver the programme to continue to meet decency standards, improve the external environment, and, provide a desirable and sustainable neighbourhood.

Recommendation

3. It is recommended that:-
 - (a) Members agree the proposed programme to regenerate Cockerton on a phased basis over two years, including the demolition of 20 houses and 57 flats (one of the 2 bed flats is owner occupied) as identified on the attached plan at **Appendix 1**, subject to Secretary of State approval.
 - (b) Members approve the release of funding from the Annual Housing Capital Programme in 2012/13 (£2M) and 2013/14 (£1.13M) as part of the Medium Term Financial Plan.

Reasons

4. The recommendations are supported by the following reasons:-
 - (a) The proposed regeneration in Cockerton provides an opportunity to decrease the oversupply of 1 bed flats, reduce the density of 2 bed flats, and, increase the supply of family homes to meet identified local housing need.

- (b) The long term sustainability of this area of Cockerton will be improved through a change in local demographics, reducing the concentration of single people, and, subsequently the rate of turnover of existing Council properties which are traditionally high amongst single people increasing void property costs.
- (c) The proposed regeneration of Cockerton provides an opportunity to increase the long term sustainability of the area through environmental improvements and addressing emerging issues of non-decency amongst council owned housing.
- (d) The proposed regeneration of Cockerton will provide an opportunity to diversify the local housing offer and provide shared ownership and market sale housing alongside new social housing supply.

Murray Rose, Director of People
Richard Alty, Director of Place

Background Papers

Capital Medium Term Financial Plan 3 March 2011

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S17 Crime and Disorder	The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is considered that some of the improvement works identified in this report will be beneficial in reducing crime.
Health and Well Being	The proposed regeneration of Cockerton will improve the health and well being of residents through improved housing conditions and improved access to sustainable transport routes.
Carbon Impact	The implementation of the proposed Cockerton regeneration programme will reduce energy usage and provide higher levels of thermal comfort for dwellings benefitting from these measures thus reducing carbon emissions.
Diversity	The proposed regeneration of Cockerton will provide a more diverse housing offer to meet the housing needs of local people across all tenures.
Wards Affected	Cockerton.
Groups Affected	Residents of Cockerton.
Budget and Policy Framework	This report does not recommend any changes to the policy framework.
Key Decision	This is a key decision because agreement to the recommendation will result in the Council incurring expenditure that is significant.
Urgent Decision	For the purpose of the 'call-in' procedure this represents an urgent matter, in order to meet the requirements of the Homes and Communities Agency (HCA) funding agreement which is part of the National Affordable Homes Programme (NAHP) 2011/15 and the CLG requirements for removing the demolished properties from the debt settlement calculation prior to the HRA moving to self-financing.
One Darlington: Perfectly Placed	The proposed regeneration of Cockerton contributes to the delivery of the Sustainable Community Strategy through each of the theme areas.
Efficiency	Planned investment through the proposed regeneration at Cockerton will reduce the frequency and cost of reactive repairs and maintenance.

MAIN REPORT

Information and Analysis

5. Members agreed the Council's 2011/12 Capital Medium Term Financial Plan on 3 March 2011, including the Housing Capital Investment Programme 2011-2015. The commitment of £3.13M over the 2 year period 2012-2014 is programmed for Cockerton within this period. The £3.13M capital investment will provide the required finance to undertake internal planned maintenance (retained council properties), cover any disturbance or relocation costs, purchase any retained leases for shops, and, improve the external environment.
6. Cockerton is predominantly a mono tenure council owned housing estate. A map is attached at **Appendix 1** illustrating a proposed phased approach to selective demolition and clearance to facilitate the redevelopment of Cockerton. The proposed regeneration of this area of Cockerton is seeking to address an imbalance in the local housing market between the local demand for housing and the housing choices currently offered in Cockerton. The regeneration offers an opportunity to reduce the density and oversupply of 1 bed flats with poor design standards which have a high rate of turnover and historically have been a magnet for incidents of antisocial behaviour. The proposed selective demolition of 2 bed flats allows a new green corridor to be created improving access throughout the estate, reducing density, and, assisting with the diversification of the local housing offer. Cockerton is also illustrating emerging issues of non-decency which will need to be addressed in 2012/13 identified as part of the planned 30 year Housing Business Plan.
7. The primary aims of the regeneration programme are to diversify the local housing offer in Cockerton providing mixed tenure housing options, increasing the supply of family homes which are of very high demand and in short supply, create a safe and attractive external environment, and, reduce the oversupply of flats.
8. A "one off" opportunity arose in May 2011 to bid for grant funding from the Homes and Communities Agency to support the delivery of new affordable homes for the period 2011-2015. The Homes and Communities Agency announced in August 2011 their support for the Cockerton regeneration programme, providing indicative grant funding of £900k. This followed some exploratory feasibility work with two Registered Provider partners at no cost to the Council. The award of the grant funding will be subject to a delivery agreement between the Homes and Communities Agency and the preferred partner(s) following completion of the procurement process. If the programme is not approved the grant funding investment will be lost.
9. Following approval from Cabinet, the Council will explore the most effective procurement route to deliver the regeneration activity in accordance with Legal and Procurement protocols, and, in close dialogue with the Homes and Communities Agency. The detail of the procurement framework and delivery partners will be the subject of a future Cabinet report.

10. The vision is to create a new quality external environment to support a green corridor, sustainable modes of transport and access to existing cycle routes. Consultation will take place to review the local provision of quality open space, introduction of traffic calming measures, review the future need of local commercial premises, and, where appropriate, renegotiation of existing public transport routes with commercial partners.
11. Properties not identified for clearance and redeveloped will be refurbished in accordance with the cycle of renewal outlined within the 30 year Housing Business Plan. Any displaced tenants will be assisted to relocate either within Cockerton or another preferred area with all removal and relocation costs being met by the Council. Home loss and disturbance payments will also be provided in respect of one property in private ownership and the “buy-out” of any shop leases. Dedicated Customer Liaison Officers will make direct contact with individuals to ascertain their requirements and record their preferences.
12. Key to the regeneration programme will be to deliver, within the £3.13M budget available, surplus new homes over and above any dwellings subject to clearance so the spatial design and density of Cockerton will be instrumental in achieving this ambition. As a result, some existing open space may be developed but any discussions in this respect will be in accordance with planning policy and, where required, lost open space will be replaced or existing open space enhanced to ensure that all planning obligations are met with the new urban design.
13. The delivery of new housing supply and an increase in the delivery of new affordable housing is a key corporate target for the Council. Where possible existing new housing supply will be linked to the regeneration at Cockerton to enable any displaced residents to become accommodated elsewhere in the Borough as quickly as possible. Priority will also be given to displaced residents through the sub-regional Choice Based Lettings policy (COMPASS) to secure suitable alternative accommodation. The delivery of new affordable housing supply will help in reducing temporary accommodation costs for identified priority need Homeless families and young people. In recent months, revenue costs for temporary accommodation have increased in Darlington as the demands on the Housing Options service have increased during the recent economic conditions.

Financial Implications

14. Based on feedback from a recent consultation exercise with local residents, it is proposed that up to 20 houses and 57 flats as identified at **Appendix 1** are cleared resulting in an annual loss to the HRA of £172k (adjusted to reflect lost rental income as well as savings on maintenance and capital investment). This net loss has been factored into the 30 year business plan and is affordable.
15. The Council will require Secretary of State approval for the disposal of any surplus land and Council housing. Under the terms of the Council House Finance Reforms identifying the properties for demolition to the Department of Communities and Local Government (DCLG) now will save the Council £59k per annum for the next 25 years (approximate overall saving over the full 25 year term of £1.487M). The selective demolition will then facilitate an increase in overall net family housing supply generating additional New Homes Bonus for the general fund over a six year period.

16. The Medium Term Financial Plan has identified a requirement for £3.13M of funding from the annual Housing Investment Programme to help finance the improvements at Cockerton. This will be on a phased basis with £2M requested in 2012/13 and £1.13M in 2013/14. The financial viability of the development will be assessed to ensure that there is sufficient value within the programme.

Outcome of Consultation

17. Initial resident consultation was undertaken in August 2011 with questionnaires and letters being circulated to 414 properties in total. The questionnaires invited resident comments on a range of issues including Internal Planned Maintenance (for Council tenants only), Environmental works, Traffic Calming, Bus Stops and Bus Routes, Quality of Open Space, Mix of Properties, Mix of Ownership, Cycle Routes and Car Parking. In total 73 responses were received representing an 18% response rate. Respondents were also invited to participate in a focus group to further develop and agree forward plans for investment, 29 respondents positively volunteered to be part of a focus group.
18. Respondents placed particular importance on investment in internal planned maintenance, reduction in flats and more family homes, improving boundary fencing for security purposes, improving open space provision creating natural surveillance, and introducing some form of traffic calming. Further consultation subsequently took place in early September with the Tenants Board and local residents to firm up plans to improve the area including selective demolition.