

<b>CABINET MEETING – 2 November 2011</b>  <b>EXECUTIVE SUMMARY SHEET – PART I</b>	
<b>Title of Report:</b> Neighbourhood Renewal Assessment (NRA) for Maudlin Street, Hetton Downs	
<b>Author(s)</b> Executive Director Of Health, Housing And Adult Services	
<b>Purpose of Report:</b> The purpose of the report is to: <ul style="list-style-type: none"> <li>i) inform Cabinet of the findings and recommendations of the Neighbourhood Renewal Assessment (NRA) for Maudlin Street, Hetton Downs; and</li> <li>ii) inform Cabinet of progress on the Hetton Downs Area Action Plan, in relation to Maudlin Street and refresh of the acquisition and clearance policy for the area.</li> </ul>	
<b>Description of Decision:</b> Cabinet is invited to a) note and approve the outcomes of the NRA and the proposed actions described in this report, b) authorise the Executive Director of Health, Housing and Adult Services to continue with the programme of acquisition and assembly of land at Maudlin Street and the demolition of the street.	
<b>Is the decision consistent with the Budget/Policy Framework?</b> Yes	
<b>If not, Council approval is required to change the Budget/Policy Framework</b>	
<b>Suggested reason(s) for Decision</b> Implementing the outcomes of the NRA in Maudlin Street will provide the Council with the opportunity to deliver an appropriate course of action and robust housing policy for Hetton Downs set in the context of the Hetton Downs Preferred Option Area Action Plan.	
<b>Alternative options to be considered and recommended to be rejected:</b> The council could decide not to act on the outcome of the NRA. Without the delivery of the NRA, the Council would not be able to demonstrate that they are implementing the most appropriate course of action for the area and Homes and Communities Agency funding would be lost. This course of action is therefore not recommended.	
<b>Is this a “Key Decision” as defined in the constitution?</b> <div style="text-align: right;">Yes</div>	<b>Relevant Scrutiny Committee:</b>  Sustainable Communities
<b>Is it included in the Forward Plan?</b> <div style="text-align: right;">Yes</div>	



**REPORT OF THE EXECUTIVE DIRECTOR OF HEALTH, HOUSING AND  
ADULT SERVICES**

**NEIGHBOURHOOD RENEWAL ASSESSMENT (NRA) FOR MAUDLIN  
STREET, HETTON DOWNS**

**1.0 Purpose of the Report**

- 1.1 The purpose of the report is to:
- i) inform Cabinet of the findings and recommendations of the Neighbourhood Renewal Assessment (NRA) for Maudlin Street, Hetton Downs; and
  - ii) inform Cabinet of progress on the Hetton Downs Area Action Plan, in relation to Maudlin Street and refresh of the acquisition and clearance policy for the area.

**2.0 Description of the Decision**

- 2.1 Cabinet is invited to:
- i) note and approve the outcomes of the NRA and the proposed actions described in this report,
  - ii) authorise the Executive Director of Health, Housing and Adult Services to continue with the programme of acquisition and assembly of land at Maudlin Street and the demolition of the street.

**3.0 Introduction/Background**

- 3.1 Hetton Downs was designated a renewal area, after the Private Sector House Condition Survey in 2003 and Neighbourhood Renewal Assessments on Nicholas Street and Downs Lane in 2004 found that the properties studied in the area were among some of the poorest quality housing and living environments experienced in Sunderland.
- 3.2 These studies indicated strongly that a wider regeneration plan was required for Hetton Downs to prevent “the ripple effect” of decline spreading to other streets in the area. Consequently, on 14 July 2004, Cabinet agreed for a suitably qualified consultant to be appointed to develop area renewal plans for Hetton Downs. It also agreed to continue early acquisition of any appropriate properties within the priority area for regeneration at Hetton Downs under Section 2 of the Local Government Act 2000. Early acquisition was originally agreed at Cabinet in February 2004 for “properties identified within priority areas that have been subject to a Neighbourhood Renewal Assessment” and this was extended to the acquisition of “appropriate properties identified in the wider areas of potential regeneration at Hetton Downs” on 14 July 2004.

- 3.3 Further to the Cabinet report in July 2004, Coalfield Area Committee received and accepted a report on “Area Renewal and Regeneration of Eppleton (Hetton Downs)” in January 2005 which advised members of the three main priorities for Hetton Downs. These were: the development of a renewal plan (Area Action Plan) for the area; the voluntary acquisition of properties in Nicholas Street, Downs Lane, Thomas Street, Henry Street and Maudlin Street; and the implementation of a full community and stakeholder consultation programme.
- 3.4 Following Cabinet’s decision in July 2004 and the report to Coalfield Area Committee in January 2005, approval was given by the Director of Development and Regeneration in April 2005 to appoint Nathaniel Lichfield and Partners, an independent consultancy firm with a specialism in planning, to develop an Area Action Plan (AAP) for Hetton Downs which was to be taken forward for formal adoption within the Council’s planning framework. It is anticipated that this will be adopted in 2012 but consideration is currently being given to the proposals for neighbourhood planning introduced by the Coalition Government. In consultation with the local community and stakeholders, a Preferred Option was developed in 2007 (Appendix 1). The Preferred Option consultation raised several issues and objections around proposals relating to Eppleton Cricket Club, a proposed new access road and the future of Maudlin Street.
- 3.5 Within the Preferred Option Area Action Plan, Maudlin Street was proposed as part of a site for a new housing development. Community consultation showed that there were a number of people who opposed this proposal. A subsequent survey of owners and tenants in the street in 2008 showed that the majority of the 11 respondents wanted the street to remain.
- 3.6 The Council has regularly monitored the street and in the last year has had to intervene in 2 privately rented properties on the street and place Prohibition Orders on them as they were not fit for people to live in. Subsequently, these 2 properties were acquired by the Council to ensure that the properties were maintained safely and securely. The Council now owns 5 properties out of the 28 in the street. Additionally, as more landlords have bought up properties in the street, there are more privately rented properties (12) than owner occupied properties (11). Moreover, there are seven empty properties in the street, of which 5 belong to the council and 2 to private landlords.
- 3.7 The Homes and Communities Agency (HCA) has provided funding in relation to the Hetton Downs renewal area. In March 2010 a funding agreement was signed between the Council and the HCA for £7.15 million of funding for the assembling of land in the Hetton Downs area for the purpose of redevelopment. Cabinet approved the execution of the Funding Agreement on 14 January 2009.

- 3.8 It was agreed with the (HCA), the Government's regeneration body which is assisting with funding the current renewal programme in Hetton Downs, that the best way forward for Maudlin Street was to undertake a robust and objective assessment through a NRA which would enable a decision to be made on the future of the street and in turn enable residents and owners to make plans for their future. Additionally, it would enable the wider renewal programme, through the development of the Area Action Plan, to progress.
- 3.9 The NRA approach is built upon the statutory framework in Part IV of the Local Government and Housing Act 1989 and its methodology is described in the NRA Guidance Manual. Its strengths are that it provides a robust and systematic methodology, which has been tried and tested, to assess local areas within the context of renewal and regeneration. The methodology includes inspection of properties, community involvement, socio-economic research of the area, option development and rigorous appraisal before recommendations are made on which a decision will be made. The NRA process is such that it assists the Council in determining the best course of action in relation to the street.
- 3.10 Consult CIH (the consultancy arm of the Chartered Institute of Housing) was appointed as an independent consultancy, in October 2010, to undertake the NRA. Following the methodology above, they have consulted widely with residents, owners, ward members, town councillors and key stakeholders. A final NRA report with recommendations was produced in May 2011.

#### **4.0 Current Position**

- 4.1 The NRA report recommends as its preferred option that the remaining 23 properties in Maudlin Street are acquired by the Council and all 28 properties are demolished and replaced with a new housing development. This decision is based on the current condition of the properties, the surrounding environment (especially the unadopted road) and the size and design of the houses, all of which no longer make the street sustainable or desirable to meet the housing aspirations of today. Rigorous appraisal and value for money calculations have been used on all options, including the preferred option. Details of the options and the value for money calculations can be found in Section 9 of the NRA Report "Option Generation, Development and Appraisal" on pages 53 and 54. Appendix 2.
- 4.2 The findings of this report were presented to stakeholders (including ward members, the Deputy Leader and the Portfolio Holder for Sustainable Communities), residents and owners on 25<sup>th</sup> May 2011 by Consult CIH. The report appraised a number of options ranging from "do nothing", undertaking essential repairs through to refurbishment and demolition for redevelopment.

- 4.3 Following the presentation to residents and owners, a number of owners have approached the Council and requested that their properties be valued. Three owners have agreed terms with the Council and these properties will be acquired voluntarily and made secure in line with Cabinet's decision in July 2004.
- 4.4 The strategy for implementing the NRA will be based on that for Nicholas Street and Downs Lane in Hetton Downs. Owners will be written to with regard to the voluntary acquisition of their properties. They will also be offered one to one support to help them through this process and find a replacement home that meets their needs. Relocation Equity Loans up to £35,000, as set out in the Council's Financial Assistance Policy approved by Cabinet on 9 March 2011, will be offered to eligible owner occupiers who are unable to get a mortgage on the high street on reasonable terms. This is to help bridge the gap between the value of their existing property and the price of a similar replacement property. As properties are acquired by the Council they will be made secure and will be regularly monitored.
- 4.5 Once the land is assembled, it will form part of the overall Area Action Plan for Hetton Downs which is currently being developed by the Planning Implementation Team. The land is being proposed for housing development. Housing officers are working closely with the HCA, to ensure that the Mauldin Street development is part of the comprehensive development of Hetton Downs. Planning officers will give a more detailed update on the Area Action Plan to members of the Coalfield Area Committee.
- 4.6 As previously agreed by Cabinet on 14 July 2004 the route taken to achieve the future Maudlin Street development is voluntary acquisition on a "deemed CPO" basis. However, if all properties cannot be acquired on a voluntary basis, the use of compulsory purchase powers will need to be considered.

## **5.0 Reasons for the Decision**

- 5.1 Implementing the outcomes of the NRA in Maudlin Street will provide the Council with the opportunity to deliver an appropriate course of action and robust housing policy for Hetton Downs set in the context of the Hetton Downs Preferred Option Area Action Plan.

## **6.0 Alternative Options**

- 6.1 The council could decide not to act on the outcome of the NRA. Without the delivery of the NRA, the Council would not be able to demonstrate that they are implementing the most appropriate course of action for the area and Homes and Communities Agency funding would be lost. This course of action is therefore not recommended.

## **7.0 Relevant Considerations/Consultations**

- 7.1 Financial** – The Director of Financial Resources has been consulted on the financial implications. There is sufficient finance available from that to be provided by the Homes and Communities Agency (HCA), Housing Service Balances and the Council's own Single Housing Investment Pot to fund all acquisition, demolition, relocation and compensation costs in line with the NRA's recommendations. Forecasts estimate total costs for this to be just over £2m. See Appendix 3.

Financial resources that are available for the scheme are as follows;-

- i) HCA funding totalling £4,145,304 until 2015 long stop date, plus
- ii) Council funding (former SHIP carry over) £274,563 plus
- iii) Housing Service Balances of £46,000.

There are sufficient HCA resources to fund the purchase and demolition of Maudlin Street and for the purchase and demolition of the Springboard and former dairy premises adjacent to Downs Lane.

It is anticipated that some of the 5% fee income available to the Council from the HCA spend may be required to assist in the relocation costs of residents of Maudlin Street should all owner occupiers choose to take up and be eligible for the Council's Relocation Equity Loan.

- 7.2 Risk Analysis** – There is a risk that the acquisition of all properties cannot be secured by voluntary acquisition and powers of Compulsory Purchase may have to be used. To mitigate this risk, resident meetings and one to one support for residents have been provided. The Council's Financial Assistance Policy has provided for relocation loans to help bridge the gap between what owner occupiers may receive for their current property and the price of a replacement property. The staff involved in the project are experienced officers in acquiring properties and rehousing residents and will be able to fully support residents.
- 7.3 Legal Implications** – The Head of Law and Governance has been consulted and her advice is included in this report.
- 7.4 The Public** – the residents affected by this report were fully consulted through the NRA process and again on 25 May 2011 about the findings of the report. All residents and owners have been written to and provided with contact officers in the council who can answer any queries. They have also been provided with a list of frequently asked questions and answers and a summary of the report. The area renewal web page which is accessible to the public includes all key information about the NRA, including the NRA report.
- 7.5 Equalities** – There is no direct negative impact with regard to equalities. All residents will be given one to one support and elderly or disabled people will be provided with suitable accommodation which meets their needs.

7.6 **Project Management Methodology** – The Council’s project management methodology will be used. Officers have been trained in PRINCE 2.

7.7. **Sustainability** – the project meets aim 5 of the Sunderland Strategy.

## 8.0 **List of Appendices**

Appendix 1 Preferred Option Area Action Plan for Hetton Downs

Appendix 2 Section 9 of the NRA Report – “Option Generation, Development and Appraisal” pages 53 and 54.

Appendix 3 Financial Forecast

## 9.0 **Background Papers**

Neighbourhood Renewal Assessment – Guidance Manual 2004, Office of the Deputy Prime Minister.

Cabinet Meeting – 14 July 2004 Neighbourhood Renewal Assessments: Nicholas Street, Downs Lane, Hetton Downs, Eppleton and Barron Street South and Castle Street South, Castletown.

Coalfield Area Committee 12 January 2005 – Regeneration Issues Report: feedback on projects previously funded through strategic initiatives budget (SIB).

Maudlin Street, Neighbourhood Renewal Assessment Report – May 2011.