

**WIRRAL’S HOUSING INVESTMENT PROGRAMME 2010-11**

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**1.0 EXECUTIVE SUMMARY**

1.1 The purpose of this report is to seek Cabinet’s approval to:

- i. Wirral’s Housing Investment Programme for 2010-11, subject to the completion of a Deed of Variation between Newheartlands and the Homes and Communities Agency (HCA) to secure Housing Market Renewal funding for 2010 -11.
- ii. Delegate authority for programme management and delivery and completion of the Deed of Variation to the Deputy Chief Executive/Director of Corporate Services and the Director of Law, HR and Asset Management.
- iii. Underwrite from HMRI funds, if required, Keepmoat Homes’ reasonable costs up to a maximum of £150,000 to enable the momentum of Housing Market Renewal new build in Birkenhead to continue in advance of securing legal agreement between the Council and Keepmoat Homes.

**2.0 BACKGROUND**

2.1 From 1st December 2008, the Homes and Communities Agency (HCA) became responsible for administering the Housing Market Renewal Initiative (HMRI) and its funds from the Department of Communities and Local Government.

2.2 Newheartlands (the Merseyside Housing Market Renewal Pathfinder) was allocated financial resources for 2008-11. These are shown in the following table alongside Wirral’s allocation.

	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
HMRI Allocation to Newheartlands	£53.96 m	£50.956 m	£47 m
Allocation to Wirral	£10.51 m	£9.91 m	£9.11 m

2.3 The Newheartlands Business Plan for the 2008-11 programme was approved by Cabinet on 4th October 2007. This set out the vision for Wirral’s HMRI Strategy, specific housing market renewal objectives, priorities for investment and a range of programme scenarios. The overall HMRI Programme for 2008-11 was agreed by Cabinet on 9th July 2008.

2.4 Regional Housing Pot funding allocated over the same period of time was:

	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
Allocation to Wirral	£5.121 m	£5.241 m	£2.355 m

2.5 The majority of this funding has been used as match funding to Housing Market Renewal funding. The remainder being used mainly to fulfil statutory responsibilities within and

outside the HMRI area. Cabinet should note the significant reduction in Wirral's allocation for 2010-11 compared to 2009-10. This is in line with other Local Authorities and results from a reduced Regional Housing Pot.

- 2.6 The basis of the Council's approach to delivery of the housing market renewal clearance programme is through negotiation and agreement underpinned by Compulsory Purchase as a last resort. In a market of falling prices, it has proved difficult to keep up with demand from property owners to sell to the Council within priority areas, hence progress is good. However, the Council may have to use compulsory purchase powers in 2010-11 to complete longstanding acquisition projects for key sites.
- 2.7 Funding for 2010-11 will allow Wirral to continue its successful Housing Investment Programme.

Principally this will achieve:

- completion of further new homes on the Sevenoaks Scheme in Rock Ferry
  - commencement of new retail development in Church Road, Tranmere
  - completion of new homes at Whitford Road, Tranmere
  - completion of new homes at Holt Hill, Tranmere
  - completion of new homes at Woodhall/Royston Avenues, Wallasey
  - completion of Extra Care housing scheme at Gorsey Lane, Wallasey
  - completion of large scale refurbishment projects in Birkenhead.
  - progression of large scale clearance projects in Birkenhead including assembly of sites for new build and development of major new build proposals.
  - a Living Through Change Programme supporting communities through services such as the Live Wirral Wardens.
- 2.8 The housing market in 2010-11 faces a number of challenges and this Housing Investment Programme will use innovative schemes to address this including new build gap funding based on using land values from overall development packages, shared equity to support home ownership, improved services to support businesses and help the local economy. The programme for 2010-11 is aligned to the New Growth Point project and wider government housing stimuli, such as Kickstart funding for stalled new build developments, support for homeowners at risk of losing their homes, funds available through the National Affordable Housing Programme, government funding for new affordable housing and an energy saving programme investing in social housing with the aim of reducing carbon emissions.
- 2.9 Cabinet is advised that Newheartlands has agreed the Deed of Variation for 2010-11 with the Homes and Communities Agency (HCA), subject to approval of Liverpool, Sefton and Wirral Councils. The Deed of Variation entitles Newheartlands to claim funds from the national pathfinder programme. Therefore, Cabinet is asked to agree this programme subject to the completion of the Deed of Variation and is asked to delegate authority to the Deputy Chief Executive/Director of Corporate Services and the Director of Law, HR and Asset Management to effect this.

### 3.0 **THE HOUSING INVESTMENT PROGRAMME 2010-11**

- 3.1 The Housing Investment Programme 2010-11 which builds upon priorities and initiatives in previous reports, consists of the following initiatives, for which Cabinet's approval is sought:

- Birkenhead Clearance
- Rock Ferry (Fiveways) Clearance
- Tranmere (Church Road) Clearance
- Tranmere (Borough Road) Clearance
- Wallasey (Royston/Woodhall Avenues) Clearance
- Strategic site assembly
- Group Repair/Facelift Improvements
- Private Sector Home Improvements
- Private Rented Sector Home Improvements
- Living Through Change
- New Build

3.2 Appendix 1 contains a spreadsheet showing the Housing Investment Programme for Wirral for 2010-11, including the funding sources and the outputs which will be achieved.

3.3 The following sections of the report set out the detail of each of the above initiatives

#### 4.0 **BIRKENHEAD CLEARANCE**

4.1 This project will complete two clearance projects in the North Birkenhead area at Milner/Carrington Streets and in the Bray/Brassey/Laird Street area. HMRI funds of £2,275,000, Regional Housing Pot Funds of £825,368, Growth Point funding of £600,000 and recycled capital receipts of £534,000 will allow for acquisitions and demolition in these and other strategic areas.

#### 5.0 **ROCK FERRY (FIVEWAYS) CLEARANCE**

5.1 The implementation of the land assembly component of the Fiveways scheme is almost complete with only 3 residential units to be acquired as part of the 2010-11 programme. HMRI funding of £430,000 will complete a programme of acquisition and clearance of 300 properties spanning five years. 24 homes for rent and 10 for shared ownership being developed for Riverside Housing Association, in Phase 1, had been completed by the end of 2009/10. The remaining 21 units for rent and 5 for shared ownership will be completed by June 2010. 7 units for outright sale were completed by end of March 2010. A further 47 open market units will be built in Phase 1 but the rate of completion is dependent on market conditions. The completion of the clearance scheme as part of the 2010-11 programme makes land available for a further 169 units to be developed.

#### 6.0 **TRANMERE (CHURCH ROAD) CLEARANCE.**

6.1 It is planned to spend HMRI funding of £1,600,000, in 2010-11 to complete the acquisition and clearance of retail, commercial and residential units in Tranmere, in line with the Church Road Masterplan. The Programme for 2010-11 will enable the acquisition of 1 residential and 7 commercial properties identified for clearance and will facilitate the commencement of new build development. Until now, all property acquisitions have been achieved through negotiation but it may be necessary to use compulsory purchase powers in 2010-11 to acquire some of the remaining properties, in order to proceed with planned new build development phases.

## **7.0 TRANMERE (BOROUGH ROAD) CLEARANCE**

7.1 It is planned to spend HMRI funding of £300,000 to acquire the remaining 4 properties and demolish the block 305-329 Borough Road, Tranmere. An after use for the site is still to be determined.

## **8.0 WALLASEY (ROYSTON/WOODHALL) CLEARANCE**

8.1 HMRI funding of £100,000 will allow acquisition of the remaining property in the Royston/Woodhall Avenue (Wallasey) Statutory Clearance Area to enable final demolition to take place and allow Phase 2 of the redevelopment of the site to take place. New Build development began on the first phase site in March 2009.

## **9.0 STRATEGIC SITE ASSEMBLY**

9.1 The sum of £925,000 of Regional Housing Pot funding remains allocated for the years 2010-11 for strategic acquisitions, in the Wallasey neighbourhood. This funding will be used to acquire land or properties to create sites suitable for housing development. A number of sites have been identified and negotiations are underway.

## **10.0 GROUP REPAIR IMPROVEMENTS**

10.1 It is intended to complete Phase 4 of the Triangles Group Repair Scheme, in Birkenhead. Client contributions of almost £589,000, from earlier phases, will be used to meet the overall costs of the scheme and provide excellent value for money to the Council. Phase 4 of the scheme will complete the Triangles Group Repair Scheme and encompasses retail units on Laird Street and Mallaby Street. Phases 1, 2 and 3 have been very successful with take up of 95% from eligible applicants and have resulted in a major uplift in the local housing market.

## **11.0 PRIVATE SECTOR HOME IMPROVEMENTS**

11.1 It is intended to allocate a total of £3,201,034 of HMRI and Regional Housing Pot funding, in 2010-11, to enable improvements to sustainable private sector housing stock.

11.2 The Craven/Paterson Streets, Neighbourhood Facelift Scheme, Birkenhead involves renovation of the external fabric of the houses over two phases. Works include, where necessary, re-roofing, strengthening of roof timbers, repairs to chimney stacks and flashings, new windows, doors, fascias, gutters and pebbledash, re-covering of bay windows, new non slip tile frontage, rear boundary walls made good and rear yard gates. Work may also include the installation of solar water heating panels, where appropriate. Other works will be undertaken to improve the general environment and street scene. The scheme offers a 75% grant with a means tested household contribution of up to 25%, supported by a reducing 3 year financial charge on the property. Phase 1 of the scheme is almost complete and in 2010/11, HMRI funding of £1,150,000 and £250,000 Regional Housing Pot funding has been allocated to the scheme. Maritime Housing Association (part of the Regenda Group) is renovating properties in its ownership, within the scheme boundary, at a cost of £600,000 and is also project managing the entire scheme. The first phase of the scheme started on site in May 2009. Phase 2 will start in July 2010. 8 Empty properties have been acquired and will be renovated and sold for owner occupation, under the HOUSED scheme (see 11.5).

11.3 Equity Renewal Loans will continue to enable low income homeowners, with sufficient equity in their property, to fund improvements/repairs which otherwise may not be possible due to financial constraints. The cost of works will be calculated as a

percentage of the overall estimated value of the property, and this will be registered as a charge against the property. There are no repayments on the loan, until the client or executor sells the property, or until the client decides to repay a lump sum.

11.3 Applicants can have the following works undertaken:

- Works to the Decent Homes Standard (up to £30,000 subject to there being a minimum of 20% free equity in the property)
- Environmental sustainability works subject to the house meeting the Decent Homes Standard on completion.

11.4 £280,000 of Regional Housing Pot Funding will be used for Equity Renewal Loans across Wirral but targeted primarily in the HMRI area.

11.5 The terrace 11-41 Trafalgar Road, in Wallasey, is currently the subject of an options appraisal to determine the best course of action for dealing with the major disrepair and dereliction in the block. One option being considered in detail involves the full renovation of the houses already owned by the Council and the external renovation of the remaining properties in private ownership. The implementation of the outcome of the appraisal will be in 2010-12 and in anticipation of the outcome involving renovation, an indicative allocation of £375,000 will be made, in 2010-11, using Regional Housing Pot Funding.

11.6 The HOUSED (Home Ownership Using Sustainable Empty Dwellings) Scheme purchases long term empty properties, improves them and sells them to support owner occupation. The properties are refurbished to Secured by Design standards and a 10% discount is offered to help first time buyers. Priority is given to those living in clearance areas or people in urgent housing need. £250,000 of recycled capital receipts from HOUSED sales will be used to fund HOUSED in the HMRI area.

11.7 Empty Property Loans of up to £10,000 will be made available to bring back into use long term empty properties. Applicants who are not first time buyers must agree to accept tenant nominations from the Council and make the property available for letting for a minimum period of 5 years. £100,000 Regional Housing Pot Funding will be used for this scheme.

11.8 Empty Property Grants of up to £2,000 will be piloted in 2010-11. These will be available to support the renovation of strategically located long term vacant properties. Assistance is conditional upon the property being brought back into use. £20,000 Regional Housing Pot Funding will be used for this scheme.

11.9 The Empty Property Team continues to work in partnership with the Homemovers Service, on the First Homes scheme.

11.10 First Homes encourages and supports primarily first time buyers (subject to eligibility criteria) into home ownership in the Housing Market Renewal area. The scheme provides support and guidance, a financial incentive up to £2,000 towards purchasing and moving costs, and referral to an Independent Financial Adviser for mortgage advice and access to other support services. In 2010-11, the scheme will use £33,000 of Regional Housing Pot funding.

11.11 The Energy Efficiency Scheme will receive HMRI funding of £165,000, Regional Housing Pot funding of £150,000 and Warm Front funding of £500,000 to provide for private sector properties:

- Central heating and heating improvements to vulnerable households so they reach the thermal comfort criterion of Decent Homes Standard
- Free loft and cavity wall insulation
- Solid wall insulation to properties being renovated by the Empty Property Team
- Interest free loans for replacement boilers, solar water heating and for facilitating the installation of loft and cavity wall insulation

11.12 Members should note the Energy Efficiency Scheme targeted at properties in HMRI is separate to the Wirral Free Insulation Initiative. Members approved the use of £1.049 million Council resources in 2010/11 to deliver the first year of a four year programme of loft and cavity wall insulation to private sector homes in the Borough. This is due to be launched in July 2010.

11.13 Regional Housing Pot funding of £400,000 has been allocated for Home Repair Assistance. This is discretionary assistance in the form of a loan designed to provide help with small scale emergency works of repair.

## 12.0 PRIVATE RENTED SECTOR IMPROVEMENTS

12.1 Healthy Homes is a new project focusing on improvements in the private rented sector and initially targeting a small area in New Brighton which has the highest concentration of HMOs (Houses in Multiple Occupation) in the Borough. These properties are over three times more likely to have a serious building related hazard and typically have the most vulnerable households. A targeted approach to improvements and enforcement is proposed to reduced hazards and improve the health and wellbeing of residents in the area.

12.2 The project has been developed through a multi-agency steering group involving the Primary Care Trust, Merseyside Fire and Rescue Service and a number of Community and Voluntary Sector Agencies such as Citizens Advice Bureau, Age UK and Reach Out.

12.3 The project will work pro-actively with landlords encouraging up-take of Wirral's Property Accreditation Scheme, offering training and loans to landlords to remove hazards such as excess cold and inadequate fire precautions. Regional Housing Pot funding of £100,000 will be used for Fire Safety Loans up to the value of £10,000 each and works in default as required.

12.4 Regional Housing Pot funding of £20,000 has been allocated to HMO Licensing to support licensing and enforcement activity.

## 13.0 LIVING THROUGH CHANGE

13.1 The Living Through Change Programme will cover a number of non-physical interventions aimed at maintaining environmental standards, community safety and community cohesion throughout the Housing Market Renewal areas. In addition, the programme will support the Clearance, New Build and Improvement programmes and reduce the potential negative impact on residents, in the Housing Market Renewal areas. It is planned to use a total of £1,190,000 for the initiatives that make up the programme, allocated as follows:

- Live Wirral Wardens £375,000
- HMR Anti-Social Behaviour £60,000
- Handyperson Scheme £60,000
- Landlord Accreditation £200,000
- Community Schemes £15,000
- Build Wirral Employment Project £85,000
- Homemovers Service £260,000
- Environmental Improvements £135,000

13.2 The programme of initiatives is a continuation of the successful schemes implemented in 2004-10.

13.3 The award winning Live Wirral Wardens will continue their work with the community keeping them informed, organising activities and events and keeping the HMRI areas clean and tidy.

13.4 HMR Anti-Social Behaviour funding will pay for an officer and two part time youth workers to address issues in the HMRI areas. They will specialise in community engagement and tackle the causes and effects of anti-social behaviour.

13.5 The very successful Homemovers Service will continue with the current level of staffing. This has been recognised as a model of good practice nationally and retained the Government's Charter Mark for Customer Service excellence, in March this year.

13.6 The Handyperson Scheme will continue to undertake small maintenance and repair jobs and some security improvements to homes in the HMRI area.

13.7 The Landlord Accreditation Scheme will further the accreditation of private landlords, in order to improve property conditions and management standards in this sector of the housing market.

13.8 Environmental Improvement funding will be used for small scale improvement works to complement the Clearance, Improvement and New Build programmes.

13.9 Community Schemes, including a Wirral Youth Voice Conference and schools work are planned to enhance community engagement.

13.10 The Construct Wirral objective is to ensure the involvement of local individuals and companies in the redevelopment and regeneration schemes taking place in Wirral. The intention is to increase the number of people, within Wirral's priority neighbourhoods, with the necessary recognised construction industry skills and qualifications, to meet the needs of employers, whilst also supporting economic growth of local businesses involved in the construction sector. A number of interventions are planned working in conjunction with Private Sector Developer Partners, Public Sector Partners, supporting and promoting Wirral Traders Scheme, Invest Wirral and other key stakeholders. This project will link with the Construction Employment Integrator Project.

#### 14.0 **RELOCATION SUPPORT**

14.1 Relocation loans and support (subject to eligibility criteria) will be made available to both householders and businesses. £200,000 of HMRI funding and £120,000 of Regional Housing Pot funding will be used for this purpose.

## 15.0 **NEW BUILD**

15.1 The new build programme is most advanced in Sevenoaks, Rock Ferry where 41 homes have been completed in Phase 1. The retail development in Church Road, Tranmere is now on site. Work started on the site in Whitford Road, Tranmere in January, following a successful bid under the Government's Kickstart programme. 56 homes will be completed by end of March 2011. The remaining residential new build for Sevenoaks and Church Road will be brought forward when the housing market recovers. Elsewhere new build schemes are on site at:

- Royston/Woodhall, Wallasey
- Gorsey Lane (Extra Care), Wallasey
- Holt Hill, Tranmere
- Falkland Road, Wallasey
- Fox Street, Birkenhead

15.2 Discussions are continuing with Keepmoat Homes, the Council's private sector developer partner for Birkenhead, and local residents about plans for the future redevelopment of the declared clearance areas. These plans require considerable developer and architectural input and in order to keep Keepmoat Homes active involvement, it is recommended that the Council underwrites, if required, Keepmoat Homes' reasonable costs to continue project development alongside the legal negotiation. The Council is only liable to pay Keepmoat Homes' abortive costs should legal agreement not be reached. In 2007, the Council agreed to underwrite Lovell's costs and this enabled schemes in Rock Ferry and Tranmere to progress.

15.3 The Housing Strategy Team is looking to procure a Registered Social Landlord to work alongside the Council and Keepmoat Homes on the redevelopment of cleared sites in Birkenhead. Work is underway on the proposed structure for engagement of a Registered Social Landlord partner and will be the subject of a further report for Members' consideration

15.4 Future new build will be determined by site availability, market conditions and access to funds to increase the attractiveness of new build homes. These will be reported to Cabinet as required.

## 16.0 **HOUSING POLICY WORK**

16.1 An independent evaluation of the impact and operation of the Wirral HMR programme to date will be commissioned this year, following a similar study in Liverpool and advice from the Audit Commission. The evaluation will review achievements, consider how changes to the housing market have affected delivery; explore challenges for future strategy and delivery of the programme in the current economic climate. This will enable assessment of the operation and impact of the programme in order to maximize benefits. It will be used to advise residents and communities affected by the programme on progress of outcomes, outputs and future direction. The findings will inform development of future interventions, support continued momentum and assist engagement with communities, stakeholders and strategic partners in the vision of creating sustainable neighbourhoods.

16.2 Work is underway on a basic Design Guide to inform and encourage quality innovative and responsive design within all developments in HMR areas. It will be used also as a basis for the preparation of more formal guidance in the future as part of Wirral's Local Development Framework. It will advise future site specific guidance, including

development briefs, setting out design principles for how an area will function and the location of necessary transport and community facilities.

- 16.3 Research is underway to develop an approach to place making in HMRI areas based on an assessment of the impact of investment dating back to 1998 in Tranmere and Rock Ferry. The strategy will examine what makes a good place to live and how the neighbourhoods of Tranmere and Rock Ferry measure up to this. It will be informed by a series of consultations with residents from the areas, particularly those affected directly by regeneration activity. This information will then be used to devise a strategy to tackle what remains to be done in Tranmere and Rock Ferry to make it a more attractive area to live and work.

## **17.0 FINANCIAL IMPLICATIONS**

- 17.1 Homes and Communities Agency funding, RSL investment and private sector funding will contribute over £20 million into the overall programme for regenerating the housing market of Wirral. This is in addition to HMRI, Regional Housing Pot, Growth Point funding and Capital Receipts shown in the programme budget.

## **18.0 STAFFING IMPLICATIONS**

- 18.1 The programme will be delivered using the existing staffing structure which has been reduced recently through early voluntary retirement.

## **19.0 EQUAL OPPORTUNITIES/EQUALITY IMPACT IMPLICATIONS**

- 19.1 Equality Impact assessments have been completed and reviewed for the Housing Market Renewal Programme, the Private Sector Housing and Regeneration Assistance Policy, the Housing Strategy Statement, Private Sector Housing Strategy and Affordable Warmth Strategy. The issues and actions within these are addressed in the initiatives and projects within the Housing Investment Programme. The programme will have a positive impact on some of the most socially and economically deprived areas of Wirral. Improvement and Living Through Change projects will improve quality of housing and access to help and support for all residents. Redevelopment of sites for new build housing will help promote greater choice, increase quality and choice of housing for all local people.

## **20.0 COMMUNITY SAFETY IMPLICATIONS**

- 20.1 HMRI will result in some clearance of poorly designed, unsafe or obsolescent areas and the creation of safer, more secure living environments.

## **21.0 LOCAL AGENDA 21 IMPLICATIONS**

- 21.1 Housing Market Renewal will improve the quality of living environments and environmental standards throughout many parts of Wirral. New high quality, decent homes with enhanced energy efficiency standards and better use of renewable building materials will contribute towards Local Agenda 21 priorities.

## **22.0 PLANNING IMPLICATIONS**

- 22.1 HMRI aims to bring about a fundamental change in the character of some of the most deprived areas of the Borough. Proposals for new development will be brought forward with the assistance of the preferred private developer and Registered Social Landlords and will be integrated with the Council's Local Development Framework, as either

Supplementary Planning Documents or Development Plan Documents. Residential redevelopment is in conformity with Policy HS4 of the Unitary Development Plan, while mixed use development incorporating retail use will be considered against retail policy including Policy SH4 of the Unitary Development Plan. Other uses will be considered against UDP Policy HS15.

### 23.0 ANTI-POVERTY IMPLICATIONS

23.1 Build Wirral is seeking to help disadvantaged groups access training and employment opportunities.

### 24.0 SOCIAL INCLUSION IMPLICATIONS

24.1 Build Wirral is seeking to help disadvantaged groups access training and employment opportunities.

### 25.0 LOCAL MEMBER SUPPORT IMPLICATIONS

25.1 The HMRI areas are within the following Wards: Bidston and St James, Birkenhead and Tranmere, Rock Ferry, Seacombe, Liscard, Cloughton, Oxtan and Bromborough. Regional Housing Pot funding which is not matched funding for the HMRI programme can be used in all Wards.

### 26.0 BACKGROUND PAPERS

26.1 North Birkenhead Framework for Regeneration, Tranmere (Church Road) Masterplan, Rock Ferry (Fiveways) Masterplan, Strategy for Inner Wirral 2004-14, Wirral's Strategic Integrated Investment Framework for HMRI (2006-08).

### 27.0 RECOMMENDATIONS

27.1 That:

- (1) Subject to the DCLG/Newheartlands Deed of Variation being completed under delegated authority by the Director of Law, HR and Asset Management, the Housing Investment Programme 2010-11 for Wirral, which is summarised in the table below and in Appendix 1, be agreed.

<u>Funding to be allocated</u>	<u>£,000</u>
Birkenhead Clearance	4,234
Rock Ferry Clearance	430
Tranmere Clearance	1,900
Wallasey Clearance	1,025
Private Sector Home Improvements	4,540
Living Through Change	1,190
Staffing and Resources	1,932
Relocation Loans	320
New Build Schemes	600

- (2) Cabinet delegates authority for programme management and delivery and completion of the Deed of Variation to the Deputy Chief Executive/Director of Corporate Services and the Director of Law, HR and Asset Management with future progress reports being presented to Cabinet.

- (3) Cabinet agrees to underwrite from HMRI funds, if required, Keepmoat Homes' reasonable costs up to a maximum of £150,000 to enable the momentum of Housing Market Renewal new build in Birkenhead to continue in advance of securing legal agreement between the Council and Keepmoat Homes.

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