

# WIRRAL COUNCIL

CABINET – 25 JUNE 2009

## REPORT OF THE DIRECTOR OF REGENERATION

### WIRRAL'S HOUSING MARKET RENEWAL PROGRAMME 2009-10

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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 Market Renewal Programme for 2009-10, subject to the completion of a Deed of Variation between Newheartlands and the Homes and Communities Agency (HCA) to secure funding for 2009 -10.
- ii. delegate authority for programme management and delivery to the Director of Regeneration, the Deputy Chief Executive/Director of Corporate Services and the Director of Law, Asset Management and HR.

#### 2.0 BACKGROUND

- 2.1 From 1<sup>st</sup> December 2008, the Homes and Communities Agency took over responsibility for administering the Housing Market Renewal Initiative (HMRI) and its funds from the Department of Communities and Local Government.
- 2.2 In 2008, Newheartlands (the Merseyside Housing Market Renewal Pathfinder) was allocated a financial resource for 2008/09 with indicative allocations for 2009-10 and 2010/11. These are shown in the following table alongside Wirral's allocation.

	2008-09 Actual	2009-10 Indicative	2009-10 Actual	2010-11 Original Indicative	2010-11 Revised Indicative Total
HMRI Allocation to Newheartlands	£53,960 m	£51 m	£45.9 m	£47 m	£42.3 m
Allocation to Wirral	£10.51 m	£9.91 m	£8.89 m	£9.11m	£8.2 m

- 2.3 Wirral's actual allocation of HMRI funds for 2009-10 is 10% lower than the indicative allocation published in 2008. This amounts to £8.89 million for Wirral in line with the 10% reduction in the overall allocation to Newheartlands. The HCA has invited Newheartlands to submit a bid for a sum equivalent to the 10% funding reduction, some £5 million, and this is currently being prepared. The HCA has indicated that the programme will be reduced by a further 10% in 2010/11.
- 2.4 The Newheartlands Business Plan for the 2008-11 programme was approved by Cabinet on 4<sup>th</sup> 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 9<sup>th</sup> July 2008.
- 2.5 Housing Market Renewal funding for 2009-10 will be complemented by £4.44 million Regeneration Capital Programme funding, which is considered as match funding to HMRI funds.

- 2.6 The basis of the Council's approach to delivery of housing market renewal is through negotiation and agreement rather than Compulsory Purchase. In a market of falling prices, it has proved difficult to keep up with the 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 2009-10 to complete longstanding acquisition projects.
- 2.7 Funding for 2009-10 will allow Wirral to continue its successful HMR Programme. Principally this will achieve:-
- completion of the first new homes on the Fiveways Scheme in Rock Ferry
  - commencement of new retail development in Church Road, Tranmere
  - progression of large scale acquisition, demolition and refurbishment projects in Birkenhead including assembly of sites for new build
  - a Living Through Change Programme supporting communities through services such as the Live Wirral Wardens.
- 2.8 The housing market in 2009-10 faces a number of challenges and the HMR programme will use innovative schemes to address this including new build gap funding, shared equity new-build, improved services to support businesses and help the local economy and commissioning an Integrated Regeneration Study for Birkenhead. The HMRI Programme for 2009-10 is aligned to the New Growth Point project and wider government housing stimuli outlined in the £16 billion housing investment set out in the April 2009 Budget, such as Kickstart funding for stalled new build, support for homeowners at risk of losing their homes, and funds available through the NAHP programme 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 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 Director of Law, Asset Management and HR to effect this.

### **3.0 THE HOUSING MARKET RENEWAL PROGRAMME 2009-10**

3.1 The Housing Market Renewal Programme 2009-10 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 Improvements
- Private Sector Home Improvements
- Living Through Change
- New Build

3.2 Appendix 1 contains a spreadsheet showing the Housing Market Renewal Programme for Wirral for 2009-10, 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 take forward two clearance projects in the North Birkenhead area at Milner/Carrington Streets and in the Bray/Brassey/Laird Street area. HMRI funds of £1,760,000 and Regeneration Capital Funds of £1,881,000 will allow for good progress and the start of demolition.

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

5.1 The implementation of the Fiveways scheme is proceeding very well with only 8 residential units to be acquired as part of the 2009/10 programme. It is intended to allocate HMRI funding of £800,000 to complete acquisitions and clearance. The first homes in Phase 1 of new build development will be ready in July 2009 and all 114 units completed by 2011. Completion of the clearance scheme makes land available for a further 169 units.

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

6.1 It is planned to spend HMRI funding of £1,475,000, in 2009/10 to continue the acquisition and clearance of retail, commercial and residential units in Tranmere, in line with the Church Road Masterplan. The Programme for 2009-10 will enable the acquisition of 11 commercial and 4 residential 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 2009-10 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 £225,000 to acquire 5 residential units in the block 305-329 Borough Road, Tranmere.

#### **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 and completion of demolition. New Build development began on the first phase site in March 2009.

#### **9.0 STRATEGIC SITE ASSEMBLY**

9.1 The sum of £1,300,000 remains allocated for the years 2009-11 for strategic acquisitions, primarily in the Wallasey neighbourhood. This funding will be used to acquire land or properties to create sites suitable for housing development.

9.2 The vast majority of acquisitions will be made by the Council directly from property and land owners. However, in line with Newheartlands eligibility criteria, Cabinet is asked to approve the use of Registered Social Landlords (RSLs) to act as agents to acquire properties and sites to assist with the delivery of the programme. This has happened occasionally in the past, such as at Railway Road in Rock Ferry. Acquisitions via RSL Partners will be managed by the Regeneration Department using independent valuation advice, where required, to ensure value for money.

## **10.0 GROUP REPAIR IMPROVEMENTS**

10.1 It is intended to allocate £200,000 Regeneration Capital Programme funding to implement Phase 4 of the Triangles Group Repair Scheme, in Birkenhead. Client contributions of almost £400,000 will contribute to meeting 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 market.

## **11.0 PRIVATE SECTOR HOME IMPROVEMENTS**

11.1 It is intended to allocate £915,000 of HMRI funding and Regeneration Capital Programme funding of £1,620,000, in 2009/10, 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 will 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 and, 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. In 2009/10, HMRI funding of £750,000 and £950,000 Regeneration Capital Funding has been allocated to the scheme. Maritime Housing (part of the Regenda Group) will renovate the properties in its ownership, within the scheme boundary, at a cost of £600,000 and will also project manage the entire scheme. Empty properties will be renovated and sold for owner occupation. The first phase of the scheme started on site in May 2009.

11.3 £250,000 of Regeneration Capital Funding has been allocated to complete the remaining agreed 50/50 Renovation Grant/ Loans, in the Church Road area of Tranmere. The works will be completed by the end of 2009-10 and complement new build works planned in adjoining streets and regeneration work in Tranmere.

11.4 Equity Renewal Loans will enable low income homeowners, with 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 Legal 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.

11.5 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.

11.6 £200,000 of Regeneration Capital Funding will be used for Equity Renewal Loans in the HMRI area. Equity Loans for Renewal will be made available for:

- Internal works to properties to complement the Craven/Paterson Street, Birkenhead neighbourhood facelift scheme
- External and internal works in Egremont to complement new build investment in the area.

- 11.7 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 and Ecohomes standards and a 10% discount is offered to help first time buyers. Priority is given to those living in clearance areas, who are Housing Association tenants, or waiting for smaller homes and can guarantee vacancies of popular homes which can be re-let to people in housing in need. £200,000 of Regeneration Capital Funding will be used for HOUSED in the HMRI area.
- 11.8 The Empty Property Team continues to work in partnership with the Homemovers Service, on the First Homes scheme.
- 11.9 First Homes encourages and supports 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 2009/10, the scheme will use £20,000 of Regeneration Capital funding.
- 11.10 The Energy Efficiency Scheme will receive HMRI funding of £165,000 in 2009/10 and provide:
- Central heating and heating improvements to households so they reach the thermal comfort criterion of Decent Homes Standard
  - Discounts to owner occupiers on loft and cavity wall insulation
  - Solid wall insulation to properties being renovated by the Empty Property Team

## **12.0 LIVING THROUGH CHANGE**

- 12.1 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             | £400,000 |
| • HMR Anti-Social Behaviour       | £60,000  |
| • Homemovers Service              | £240,000 |
| • Handyperson Scheme              | £55,000  |
| • Landlord Accreditation          | £200,000 |
| • Environmental Improvements      | £135,000 |
| • Community Schemes               | £15,000  |
| • Build Wirral Employment Project | £85,000  |

- 12.2 The programme of initiatives is a continuation of the successful schemes implemented in 2004-09.

- 12.3 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.
- 12.4 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.
- 12.5 The Handyperson Scheme will continue to undertake small maintenance and repair jobs and some security improvements to homes in the HMRI area.
- 12.6 The Landlord Accreditation Scheme will continue with the current level of staffing and progress further the accreditation of private landlords, in order to improve property conditions and management standards in this sector of the housing market.
- 12.7 Environmental Improvement funding will be used for small scale improvement works to complement the Clearance, Improvement and New Build programmes.
- 12.8 Community Schemes, including a Wirral Youth Voice Conference, are planned to enhance community engagement.
- 12.9 The Build Wirral objective is to ensure the involvement of the 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. This will align HMRI and Working Neighbourhood strategies.

## **13.0 NEW BUILD**

- 13.1 The new build programme is most advanced in Fiveways, Rock Ferry where the first homes will be ready in July 2009. The retail development in Church Road, Tranmere will begin in autumn 2009. A bid under the Government's Kickstart programme has been submitted for the site in Whitford Road, Tranmere. If successful in receiving funding this will enable a start on the redevelopment of the residential units for the Church Road area. The remaining residential new build for Fiveways and Church Road will be brought forward when the housing market recovers. In the short term, New Growth Point funding will be used to offer shared equity products and this may become an important product in helping the market to recover. Elsewhere new build schemes are on site at:
  - Royston/Woodhall, Wallasey
  - Stringhey Road, Wallasey
  - Gorsey Lane (Extra Care), Wallasey
  - Bedford Road, Rock Ferry
  - Southwick Road, Tranmere
  - Aspendale Road, Tranmere
  - Fox Street, Birkenhead
- 13.2 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.

## **14.0 FINANCIAL IMPLICATIONS**

- 14.1 In addition to HMRI funding for 2009/10, the Council's Regeneration Capital Programme, Housing Corporation funding, RSL investment, private sector funding and Capital Receipts will contribute over £9.4 million into the overall programme for regenerating the housing market of Wirral.

## **15.0 STAFFING IMPLICATIONS**

- 15.1 The programme will be delivered using the existing staffing structure.

## **16.0 EQUAL OPPORTUNITIES IMPLICATIONS**

- 16.1 Wirral's Housing Market Programme will have a positive impact on some of the most socially and economically deprived areas of Wirral.

## **17.0 COMMUNITY SAFETY IMPLICATIONS**

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

## **18.0 LOCAL AGENDA 21 IMPLICATIONS**

- 18.1 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.

## **19.0 PLANNING IMPLICATIONS**

- 19.1 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.

## **20.0 ANTI-POVERTY IMPLICATIONS**

- 20.1 None arising from this report.

## **21.0 SOCIAL INCLUSION IMPLICATIONS**

- 21.1 None arising from this report.

## **22.0 LOCAL MEMBER SUPPORT IMPLICATIONS**

- 22.1 The HMRI areas are within the following Wards: Bidston and St James, Birkenhead and Tranmere, Rock Ferry, Seacombe, Liscard, Claughton, Oxton and Bromborough.

## **23.0 BACKGROUND PAPERS**

- 23.1 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).

## **24.0 RECOMMENDATION**

- 24.1 That:

- (1) Subject to the DCLG/Newheartlands Deed of Variation being completed under delegated authority by the Director of Law, Asset Management and HR, the Housing Market Renewal Programme 2009-10 for Wirral, which is summarised in the table below and in Appendix 1, be agreed.

<u>HMRI Funding to be allocated:</u>	<b>£'000</b>
Birkenhead Clearance	1,760
Rock Ferry Clearance	800
Tranmere Clearance	1,700
Wallasey Clearance	100
Strategic Site Assembly	650
Private Sector Home Improvements	915
Living Through Change	1,190
Staffing and Resources	1,625
Relocation Loans	150
New Build Schemes	0

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

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