



Report of the Director of Neighbourhoods and Housing

Executive Board

Date: 17th May 2006

Subject: Allocation of Regional Housing Board Funding within Beeston Hill and Holbeck

Electoral Wards Affected:	Specific Implications For:
Beeston & Holbeck	Ethnic minorities <input type="checkbox"/>
	Women <input type="checkbox"/>
	Disabled people <input type="checkbox"/>
	Narrowing the Gap <input type="checkbox"/>

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

Executive Summary

1. A bid through the West Yorkshire Housing Partnership was made in 2005 for funding from the Regional Housing Board (RHB) via the Housing Market Renewal Fund (HMRF) to support regeneration targeted at Beeston Hill and Holbeck as a result of the area's significant housing needs. Subject to ministerial approval an allocation of £9.6 million has been made available to projects within the area to be spent between April 2006 and March 2008. This report sets out three options for the allocation of a proportion of this funding. The three options have been considered in detail and all have their merits in terms of regeneration of the area. Of the options, it is recommended that Executive Board supports the contribution of a proportion of the HMRF for 2006/8 to commence the acquisition of privately owned properties within the densely terraced area of Holbeck detailed on Option 2 and use part of the overall funding to undertake a feasibility study on option 3.

1.0 Purpose Of This Report

- 1.1 The report seeks the Executive Board's agreement to the allocation of a proportion (£2.8 million from a total of £9.6 million) of RHB finance within Beeston Hill and Holbeck.

An allocation of RHB finance (Housing Market Renewal fund – HMRF) for 2006/8 totaling £9.6 million has provisionally been made for the area. This bid has been provisionally agreed at regional level and is awaiting ministerial approval by the ODPM. There is agreement amongst the local Regeneration Partnership Board as to where £6.8 million of the money is spent as part of the long term regeneration of the area. In relation to the remaining £2.8 million there has been considerable debate amongst partners without full consensus. Three options have been considered. Each of these has merits and will need to be revisited as part of the long term regeneration of the area.

- 1.2 Due to the lack of clear consensus amongst partners on the outstanding allocation of HMRF, Executive Board is requested to make the final decision on which of the three options should be progressed in 2006/8.

2.0 Background Information

- 2.1 A bid by partners on behalf of the Beeston Hill and Holbeck Regeneration Board (BHHRB) was made to the RHB for Housing Market Renewal (HMR) funding for 2006/8. Provisionally £9.6 million has been allocated to projects in the Beeston Hill and Holbeck area. This allocation is subject to Ministerial approval by the ODPM.
- 2.2 The allocation is grant funding and must be spent within 2006/8. The bid was made on the basis the funding must contribute significant transformational change with a multagency approach targeting neighbourhoods in need and that funding must be used as part of a long term strategy to ensure sustainability for future generations.
- 2.3 It is currently proposed and agreed locally that £5 million be spent on the completion of the acquisition and demolition scheme in the Beverley's area of Beeston Hill and £1.8 million on the third phase of external group repair works to properties in Beeston Hill. There is agreement by all parties regarding these projects and allocations. This leaves £2.8 million of the allocation remaining. The area for this action has been subject to debate by partners regarding a number of options.
- 2.4 Option 1 formed part of the original bid for which the allocation was granted and is in relation to the Garnets area at the rear of the Dewsbury Road district centre. It consists of 241 properties of which 115 are type 3 back to back properties, 114 are type 2 back to backs, 9 are though terraces and the remaining 3 are modern town houses. The tenure mix is 55% public (LFHA own 73 and LSH manage 57) 19% owner occupied 21% privately rented and 5% of unknown ownership. Government deprivation (SOA) data indicates the area to be part of the 5th worst out of 36000 super output areas nationally in terms of living environment in the country. The 2006/8 allocation would allow the commencement of the purchase of the area. The total cost for acquisition and demolition is estimated to be £11 million for the private sector. Funding for the Garnets with any further allocations, could allow the potential regeneration of the district centre along Dewsbury Road. There is also potential to link to the relocation of the current Police station and the potential diversion of heavy traffic off Dewsbury Road. This could act as a gateway to the area and a catalyst to wider regeneration. The Garnets area is part of the Beeston Hill and Holbeck Statutory Renewal Area in which there has been previous investment. Acquisition and demolition would provide an opportunity to make an immediate impact and demonstrate the continuing commitment of the Council and its partners to wider regeneration of the area.

- 2.5 Support for the Garnetts was based on a substantial review of housing needs in the neighbourhood and the part that the poor condition of stock plays in lowering quality of life and environmental amenity. Both public sector housing providers have carried out appraisals on their stock. These have shown that there is not a business case for investment in the housing stock to meet decency. Leeds South Homes have void levels higher than average, tenancy turnover is high and longevity is low. Current appraisal indicates that decency works would require additional expenditure to meet the necessary standard. The conclusion is that the stock is not sustainable and should be disposed of. Leeds Federated Housing Association has shown that they will suffer a financial loss over the next 15 years if they invest in decency. An option for them would be the disposal of their 73 properties on the open market with the possibility that many of these would become part of the private rented sector in the area. The Garnetts received the support of both major public sector housing providers at the local Regeneration Partnership Board meeting in March. However the board voted against this option (it is not located within the current proposed PFI area) and for the allocation to be relocated to Holbeck (which is in the PFI area). The value of this decision is dependant on a successful PFI bid, however, the Board's preference for the use of funding in the PFI area noted this risk and preferred the allocation to be used for a potential retail development in the 'Pleasants' neighbourhood (Option 3). This would provide a much needed facility regardless of the success of the PFI expression of interest.
- 2.6 Option 2 concerns the acquisition and demolition of properties in the Holbeck area specifically targeting an area with type 2 back to back properties. This area is within the proposed PFI boundary and complements the Expression of Interest. It is part of a larger concentration of the older type 2 and 3 back to back properties totaling approximately 1500 properties. The area is the 7th worst neighbourhood area for living environment nationally based on Government statistics. Part of the long term regeneration proposals for the Holbeck area are a combination of renovation of the better stock and acquisition and demolition of the poorer type 2 housing is proposed. Phase 1 of these proposals would concentrate the PFI credits and the HMRF in the area with the highest levels of Leeds South Homes stock in order to create an area of cleared land that could be used for new development or greenspace or other improvements. This area covers Crosby Road, Terrace, Place and View, Shafton Street, Place and part of Shafton View and parts of Runswick Terrace, Street, and Place. This area consists of 123 LSH properties and 157 private properties. The 2006/8 funding would allow the commencement of the acquisition of the private housing stock. The complementary nature of this proposal relates not only to the PFI but also to the proposed development of the nearby Matthew Murray site and could also start to indirectly enhance nearby retail properties. This option is preferred by officers within Neighbourhoods and Housing. This option could be an important part of the PFI development offer. Should the PFI project not happen then the cleared area would form a development site within a larger South Leeds Regeneration Area programme.
- 2.7 This option was not however supported by the Beeston Hill and Holbeck Regeneration Partnership Board when discussed alongside option 3 and the funding will not make an immediate impact given that the PFI bid, if successful, will not come on stream until 2009. The board recognized that Option 2 may, however, be favored if Option 3 could not be delivered within the required timescale of the RHB allocation which has to be spent by 2008.

- 2.8 Option 3 involves the remodeling of the Pleasant's area of Holbeck. The area consists of two streets 26 privately owned type 2 back to back properties and 4 established commercial properties and is within the proposed PFI boundary. The area is ranked based on SOA data as 2799th in the country in terms of living environment - the other housing is predominately 1970/80's properties, mainly in public sector ownership. The area also contains 300 Leeds South Homes flats which are proposed for demolition. In principle it is proposed that the properties are acquired with a view to remodeling them in conjunction with a private partner. This would create high quality residential space for a contemporary market. Small areas of adjacent LCC land would also be included in the scheme. Similar projects have been undertaken in other areas of the country. The project would demonstrate options for this type of housing and be a flagship project which could act as catalyst to improve the commercial area of Holbeck. Other benefits could include a catalyst for significant enhancement of the nearby retail area and might be possible to undertake and deliver the scheme within the timeframe thereby having something concrete to show for the allocation. This option was supported by the majority (six votes to five) of the Beeston Hill and Holbeck Regeneration Partnership Board at its March meeting. However it was recognized that this option required further development. If it proved not possible to deliver within the 2006/8 timescale then a compromise would be for a feasibility study on option 3 and the allocation used to commence option 2. Should this occur then the study would be completed to allow option 3 to form part of any future bid for finance for 2008/10.
- 2.9 The main drawbacks of this proposal relate to the fact that this area in living environment terms does not reflect the level of deprivation of the other options: that there are no costings or design/feasibility work funded or commissioned: and it does not complement the PFI Expression of Interest as clearly as option 2.
- 2.10 In relation to the acquisition of the properties in all three options this would be led by the Low Demand Delivery team within Neighbourhoods and Housing Department. At present no resources have been identified in relation to option 3. In order for this to be progressed beyond the acquisition of the Pleasant's a feasibility study on the various options requires to be undertaken. This would look at both the technical and economic issues around the remodeling of the area and appraise the outcomes. These would then need to be discussed at the various forums and a final option agreed for the area.

3.0 Implications For Council Policy And Governance

- 3.1 All three options are in conjunction with the overall regeneration strategy for the area help support Corporate Priorities and contribute to the Vision for Leeds.
- 3.2 The proposed areas in options 1 and 2 have been shown to be within the worst 3% according to the Government's SOA statistics. Option 3 the Pleasants has a type of property which is poor in design and fails to meet the new Housing Health and safety Rating System introduced by the Housing Act 2004 due to design issues. Issues of poor housing and the built environment have been identified as problems for the area. These proposals will help contribute to reducing the poor housing stock and conditions allow the redesign of the environment to improve livability. As part of the overall strategy they will contribute to achieving decency in all housing stock be it the public or private sectors. In the private sector stock these options will contribute to reducing the levels of non decent houses occupied by vulnerable people in line with PSA 7.

4.0 Legal And Resource Implications

- 4.1 The HMRF allocation has been provided in the form of a grant and must be spent within the financial years of 2006/8. The provisional allocation of £9.6 million has been made on the basis that the £2.8 million be used to commence the acquisition and demolition of the Garnets. Any variation will require the approval of the Regional Housing Board, however it is the view of officers that none of the proposals will create any problems in this regard. Provided the criteria originally laid down for all bids is met this should occur once a decision has been made by Executive Board.
- 4.2 To acquire the properties the Partnership would acquire them by negotiation in the first instance. In some cases there may be a need to involve Compulsory Purchase procedures. A further report will be made to the appropriate body or individual regarding any property or properties where this action may be necessary.
- 4.3 In all cases owners and tenants of properties will be entitled to compensation for the purchase of their homes. Market value for all properties is paid plus a home loss payment of 10% of this value to all owner occupiers, with a basic loss payment of at least £3,800 to qualifying tenants. All compensation is paid in line with the various statutes covering compulsory purchase.
- 4.4 Regard must be had to the Human Rights Act 1998, including Article 8 (respect for private family life and home). If Compulsory Purchase Orders are to be granted then a balance between public interest and the individual must be considered. As compensation is payable the provisions referred to in paragraphs 5.3 and 5.4 above are considered to be compatible with the Human Rights Act.

5.0 Conclusions

- 5.1 All three options have their merits as part of the overall regeneration of Beeston Hill and Holbeck. Each will need to be addressed as part of the long term action plans being devised for the area. The Garnets would contribute to the gateway regeneration around the commercial centre of Dewsbury Road. The main terraced area in Holbeck complements the Round 5 PFI bid and could help in obtaining up to £100 million of credits within the area. The Pleasants would allow a showcase project to create options for the older housing stock other than demolition and act as a catalyst for wider regeneration in the area. The issue is which of the options should be progressed using the 2006/8 HMRF allocation.
- 5.2 Option 1 is outside the PFI area and should be discounted as its strategic relevance to the local and wider regeneration of the area is unknown. It is also opposed at the local level which may make acquisition more difficult.
- 5.3 Option 3 is not developed beyond an idea at this stage. There are consequently risks of under- or non-spending, and a risk of making substantially less regeneration impact than would be expected with a cash investment of this scale.
- 5.4 It is therefore, proposed that Option 2 is supported, a scheme which will deliver reliable and significant benefits within the PFI area.

6.0 Recommendations

- 6.1 It is the recommendation of officers from Neighbourhoods and Housing Department that the Executive Board supports the allocation of £2.8 million to

option 2, to commence the acquisition of properties within the densely terraced housing area of Holbeck.