

POLICY & FINANCE COMMITTEE

28 JUNE 2018

ESTATE REGENERATION - BRIDGE WARD

1.0 Purpose of Report

1.1 To provide the Committee with an update on the work being progressed on the Bridge Ward estate regeneration proposals, further to the Council successfully receiving 'Capacity and Enabling' funding through the Ministry of Housing, Communities and Local Government's (MHCLG) Estate Regeneration Programme.

2.0 Background Information

2.1 The Bridge Ward Neighbourhood Study undertaken in 2012 presented a key output relating to the 'transformational project' focussing on the growth and regeneration of the Yorke Drive estate (*predominantly Housing Revenue Account assets*) in Newark; along with proposals for delivering new homes on the Lincoln Road playing fields (*general fund land*) and enhancing the local sport and play provision offer and creating a community hub.

2.2 The Yorke Drive estate and Lincoln Road playing fields is an allocated housing site in the Council's Allocations & Development Management Development Plan Document, as illustrated at Appendix A.

2.3 The Study identified, in principle, a viable regeneration scheme of the Yorke Drive estate when cross subsidised by development of the adjacent Lincoln Road playing fields. However, work to progress this has been stifled due to the lack of: capital finance; internal officer resources; and skills and knowledge of the commercial sector.

2.4 As reported to the Committee on 21st September 2017, further to the successful Estate Regeneration funding bid (£986,799) to MHCLG the Council commissioned the housing and regeneration consultants Campbell Tickell (CT) to project manage the review and update of the 'transformational project' proposals in accordance with the below indicative timetable:

Deliverable	Indicative Timeframe
(1) Commissioning commercial capacity building	April - August 2017
(2) Due diligence	Spend throughout programme up until indicative December 2018 target
(3) Feasibility studies	August 2017 - April 2018
(4A) Refresh viability assessment	September 2017 - December 2017
(4B) Financial modelling completed	September 2017 – December 2017
(5) Engagement strategy	December 2017- December 2018
(6) Technical studies (<i>including the pre-planning application stage and initial outline master plan refresh</i>)	December 2017 –August 2018
(7A) Procurement of a development partner	May 2018 - September 2018

(7B) Revise and review the master planning & design	August - October 2018
(7C) Planning application submitted and presented to Planning Committee for a decision.	November - December 2018

2.5 At the September Committee meeting it was also noted that the proposals had been shortlisted as a potential project under the Government's Accelerated Construction Programme (ACP) aimed at accelerating the release and development of public land to help meet housing targets. The principles underlying the programme are:

- Homes built out faster than the normal pace
- Use of local builders or smaller construction firms
- Increased use of modern methods of construction

Full details of the programme can be found below:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/581520/Accelerated_construction_EoI.pdf

3.0 Estate Regeneration – Progress

3.1 On the appointment of CT a Project Team has been established, represented by officers from a range relevant Business Units, the Corporate Management team and Newark & Sherwood Homes. A Terms of Reference has been set for the Project Team, with its main purpose to support CT's delivery of the project and inform the work being taken forward.

Feasibility Review

3.2 In accordance with the timetable set out at paragraph 2.4 the first activity for CT was to undertake a feasibility review of the 'transformational project' from the findings of the 2012 Study.

3.3 This work has now been concluded involving a high level appraisal of the financial modelling, informed by a desktop review of the original master plan, updated construction costs and a market appraisal of the locality.

3.4 The modelling was based on a planning policy compliant development (*70% Market Housing & 30% Affordable Housing*), to help cross subsidise the cost of the scheme and enable new affordable homes to rehouse tenants whose homes had been demolished.

3.5 The modelling included a developers' profit margin and contingencies to allow for unknown areas of cost. Despite the high proportion of private sales the feasibility review showed the scheme had a substantial funding gap.

3.6 In summary the low market sales value in the area do not provide sufficient cross-subsidy to fully fund the costs of the wider regeneration proposals. The Committee should note that the feasibility review was very much a broad brush, desk top review of the development

proposals. It did not consider any detailed technical information about the site; therefore the outcomes of this review have to be considered as indicative.

- 3.7 It was recognised that detailed proposals needed to be developed in order to provide a firmer basis for appraising the financial position, to establish the practicality of the project and to help secure public funding.
- 3.8 Through Member and corporate consultation it was agreed to proceed with community engagement and the master planning activity in accordance with the timetable set, while commencing a dialogue with Sports England aimed at securing their agreement to a package of proposals on the playing field.

Community Consultation Programme

- 3.9 Prior to launching the master planning work, an 'Engagement and Communications Strategy' was agreed by the Project Team covering:
- Customer contact and response structures
 - Website and social media outlets on Facebook and Twitter.
 - Briefings for customer facing staff.
 - Initial letter from the Council for all residents of the estate area.
 - Member briefings.
 - Stakeholder engagement.
 - Establishing a team of Campbell Tickell and Council staff to carry out a household survey.
 - Formulating and carrying out the survey through home visits and drop-in sessions.
 - Press briefings.
 - Project branding.
 - Project newsletters.
 - Establishing a resident's consultation panel.
- 3.10 A letter publicly launching the project was then delivered to residents on 6th February 2018, and followed by a door to door household survey carried out between 9th February and 9th March.

Household Survey

- 3.11 The survey was aimed at raising the profile of the project and gathering residents' views on a range of topics including perceptions of their home and the area, use of the playing fields, priorities for improvement and their attitude towards development of new homes. The survey also asked how residents would like to be involved in shaping the proposals.
- 3.12 The survey had 232 responses out of 355 households, including Council tenancies, tenants of housing association properties owned by Nottingham Community Homes and PA Housing, and residents of privately owned homes. This included 191 completed surveys and 41 refusals. This is a return rate of 60.5% (not including refusals in the baseline) or 53.5% (if refusals are included in the baseline), which is a relatively high level of response for estate regeneration

projects and gives confidence that the data is an accurate representation of residents' views. The response rate broadly reflected the tenure breakdown on the estate.

3.13 Key outcomes of the survey showed:

- a) The estate has a stable population with over three quarters of residents having lived in their current home for 5 years or more, with 44% living there for over 10 years.
- b) Residents were generally satisfied with the quality of their home – 79% were satisfied, while 18% were dissatisfied. Reasons for satisfaction were location, good neighbours and community, and size of home and garden. The main reasons for dissatisfaction were repairs, anti-social behaviour and size of home.
- c) Overall satisfaction with the neighbourhood was slightly lower, with 60% satisfied, 21% dissatisfied and 21% action increasing to 21%. Satisfaction amongst homeowners was highest at 84% compared with 46% for tenants living in flats. Location, community spirit and the quiet nature of the area were cited as positive factors, while anti-social behaviour (ASB), appearance of the estate and speeding traffic were the main reasons for dissatisfaction. Residents stated that gardens, litter and how neighbours maintained their homes were contributing factors to their dissatisfaction.
- d) The top priorities for neighbourhood improvements focussed on dealing with anti-social behaviour and increasing security for residents. This included more CCTV surveillance, traffic calming measures and improved street lighting.
- e) Just under half of residents regularly used the playing fields, mainly for dog walking, children's play and summer events. Only 10 residents stated that they took part in organised sports. The main improvements suggested were improved sports and play facilities, all weather pitches and improved lighting and security.
- f) Some 51% of residents indicated that they would support some form of housebuilding on the playing fields, while 23% were opposed and 26% were unsure. Support for building new homes was generally qualified by caveats such as the need to improve local infrastructure and routes, prioritising the new homes for local people, the need to maintain green spaces and ensuring that the estate should benefit directly from any development.
- g) When asked about parts of the estate being considered for demolition, the majority indicated that they wanted to stay on the estate or in the immediate area and only 18% wanted to move out of the area.

3.14 34 residents expressed an interest in joining a Consultative Panel, and were subsequently invited to an initial meeting on 27th March 2018 where over 20 residents attended. The Consultative Panel has now been established and will be used as a focus for consultation in developing masterplanning proposals. The panel will be supported by CT associates experienced in recruiting to, training and running similar groups, with the aim of handing this role over to Newark and Sherwood Homes in the longer term.

- 3.15 The issues regarding disrepair and ASB on the estate have been discussed between CT, the Council and Newark and Sherwood Homes. It has been agreed that a 'housing management action plan' will be implemented to tackle these issues and taken forward by Newark and Sherwood Homes in a multi- agency approach. Some physical aspects (such as road access) will be picked up as part of master planning.
- 3.16 Following consultation with the Consultative Panel, the project has been branded "Yorke Drive Focus" and an initial newsletter produced and circulated to residents. This is the first in a series of newsletters, which will be used to inform residents and promote involvement in the master planning events.
- 3.17 The newsletters will be available on the websites, and sent to non-resident stakeholders who have expressed interest in the project including representatives from local schools, local employers, users of the Pavilion and playing fields, the community centre management committee and user-groups, local retailers and other agencies.
- 3.18 Local Ward Members are involved and being kept updated on the progress with this project and all consultation material, e.g. resident newsletters, will be saved to the Members extranet.

Masterplanning

- 3.19 To take forward the physical aspect of this transformational project (*focussing on the growth and regeneration of the Yorke Drive estate; along with proposals for delivering new homes on the Lincoln Road playing fields and enhancing the local sport and play provision offer and creating a community hub*) work is now progressing at the detailed master planning stage.
- 3.20 In this respect officers have utilised Homes England's Multi-Disciplinary Framework to procure core members of the consultant team to take the project through to an outline planning application. The core members are:
- HTA Architects: Masterplanner
 - HTA Architects: Landscape Architect
 - GL Hearn: Planning Consultant
 - WSP: Transport Consultant
 - WSP: Engineer

Further members of the team will be procured at the appropriate time to provide cost construction, legal and market valuation advice.

- 3.21 The first meeting of the Design Team took place in May 2018, and work will be progressed via fortnightly meetings. WSP are currently carrying out site surveys and technical investigations to help inform the design process and these will be available by the end of June 2018.

3.22 CT has set out a consultation and masterplanning programme aimed at producing detailed development proposals by September 2018. This involves a mixture of design workshops and public exhibitions, including:

- a) **Workshop 1** - 30th May 2018: Masterplan Issues and Options
- b) **Workshop 2** - 27th June 2018: Focus on Playing Field and Road Access
- c) **Public Exhibition 1** – 13th/14th July 2018: Masterplan Options
- d) **Workshop 3** – 15th August 2018: Focus on New Homes and Estate Improvements
- e) **Public Exhibition 2** – 31st Aug/1st September: Masterplan Proposals.

The first workshop took place successfully on 30th May, attended by approximately 20 residents.

3.23 This is a tight timescale which assumes that it will be possible to reconcile a number of key issues and secure broad consensus behind a set of proposals. The aim is to report the outcome to the Committee at its meeting on 20th September 2018, including a full appraisal of financial viability.

4.0 Development Issues and Risks

Playing Fields & Sport England

4.1 The Lincoln Road playing fields are currently used for junior level games on Saturday mornings by the Fernwood Foxes. It is also used for evening training when light permits and some informal summer activities, but apart from this the playing field area is little used for sport or leisure activity during the rest of the week.

4.2 As a result of the Neighbourhood Study (2012) the Lincoln Road playing field was included in the sites allocated for housing in the Local Plan. Nevertheless, given Sport England's powers in terms of planning, it will still play a key role in determining whether part of the playing field land can be released for development. It is clear that there is little merit in submitting a planning application involving development on playing fields without first securing Sports England's agreement.

4.3 Officers held an initial meeting with a representative from Sport England in January 2018 to outline the Council's wider proposals for additional sports provision in the district, including the new Sports and Community Village. Sport England appeared sympathetic to the broad aim of increasing and diversifying sports and leisure use of the Lincoln Road playing fields, and indicated it was happy to enter into a dialogue to see how this can be achieved. The key criteria on which it will need to be satisfied is that any release of land is compensated for, by an increase in the quantity and/or quality of local sports and leisure provision.

4.4 The Council's planning consultants are currently carrying out a review of the Council's policy and local provision, with the aim of helping define the baseline, before outlining proposals to Sport England. The planned workshop on 27th June will also involve the Fernwood Foxes and other local stakeholders so will be important in determining the basis of this offer.

Land Acquisition

- 4.5 Integral to the proposals is the requirement to seek to consolidate the Council's ownership of key sites and properties in the immediate locality. In this respect the south west corner of the playing field land was formerly used for allotments and is currently owned by the Town Council. Discussions have now taken place with the Town Council regarding acquisition of this land and it has been agreed to exchange this land for a piece of Council owned land needed to extend the Newark cemetery. The Committee is considering this matter at Agenda Item 7.
- 4.6 The Committee will also note the '*Urgency item - Purchase of Land Quibell's Lane, Newark on Trent*' presented on this Agenda, its links to this project and a broader viability appraisal, which has looked at the Quibell's Lane site, adjacent to land already in the Council's ownership, and its potential for development. This is because of its relationship and close proximity to Yorke Drive and Lincoln Road playing field proposals
- 4.7 There are a number of properties owned by housing associations on the Yorke Drive Estate, including 9 properties at 1-9 Lincoln Court originally owned by ASRA HA, now merged as part of the PA Housing Group. PA is disposing these homes as part of a stock rationalisation programme, and the Council has agreed terms to acquire these properties which occupy a significant location in terms of the estate frontage onto Lincoln Road.
- 4.8 The Council is looking to progress this acquisition with PA Housing Group, for which approval has already been obtained at the Committee meeting on 5th April 2018. It has also secured the agreement of Homes England to permit the grant attached to the properties to be retained within the scheme if they are redeveloped.

Rehousing and Compulsory Purchase

- 4.9 Subject to the final outcome of the master planning process (*which will be dependent on securing planning permission, attracting the necessary finance and Committee approvals*), the masterplan proposals inevitably raise issues regarding rehousing from Council properties affected by the potential demolition as well as acquisition of any privately owned properties on land essential to redevelopment.
- 4.10 These matters will be fully reviewed as part of the current masterplanning process, which will seek to minimise the number of homes required for demolition while achieving the Council's aim for transformation of the area.
- 4.11 In this respect it is proposed to develop rehousing policies which will give tenants affected by demolition priority for new homes being developed in the area. It is important to the community consultation process that this principle is accepted by the Council, while detailed rehousing proposals are being worked out for approval by the Council. Once agreed, individual discussions can then take place about the housing needs and aspirations of the households affected.

- 4.12 Once the masterplan proposals are clear, and subject to the matters set out in paragraph 4.9, the Council will need to approach owners of privately owned properties affected by the potential demolition to seek to acquire their properties by agreement. The principles of purchase at market value plus statutory home loss compensation will apply, and the Council will need to seek to offer assistance in buying suitable alternative property if required. The Council will also have to consider the rehousing needs of any tenants in privately owned property.
- 4.13 The Council will need to safeguard the delivery of the project against the prospect that it may not be able to acquire individual privately owned properties by agreement, and will therefore need to agree, in principle, to use its Compulsory Purchase powers as a last resort where this is the case.

Finance

- 4.14 As indicated at paragraph 3.5 this ‘transformational project’ is most likely to require an injection of public funding to enable the scheme to be financially viable and therefore the Council is currently moving forward with this project at risk. The true extent of any funding gap will only be known when the masterplan proposals have been finalised and financially modelled, which includes appraising the impact on the Housing Revenue Account Business Plan.
- 4.15 The project has been shortlisted for the Accelerated Construction Programme (ACP) funding administered by Homes England. While many details of the programme remain unclear, this offers the promise of a bespoke public funding package for the scheme.
- 4.16 The Council submitted a series of development appraisals to Homes England in February 2018 and is currently awaiting the outcome of Homes England’s Technical Due Diligence process, which was originally due to be completed by the end of March 2018. If the Council is successful in getting past this step it will be invited to enter into negotiations for a Funding Agreement.
- 4.17 The position is complicated by the fact that the development appraisals are based on the feasibility study carried out in November 2018, which may not reflect the final outcome of the masterplan process. The Council is therefore looking for flexibility to adjust the proposals as the project is developed in detail.
- 4.18 Discussions are continuing with Homes England officers about the project and the ACP programme itself, which is still in development. It is not yet clear whether the programme can deliver the funding required in full or in part, Members will be informed as this becomes clearer.
- 4.19 As the proposal is already subject to successful funding under MHCLG’s Estate Regeneration Programme, officers continue to liaise with both MHCLG and Homes England officials to ensure the work proposed to be undertaken through the ACP complements and does not duplicate the work already being taken forward.

4.20 There is also still the potential for the Council to submit a funding bid through MHCLG's Estate Regeneration Programme: <https://www.gov.uk/government/publications/estate-regeneration-programme>), which offers low interest loans to private sector development partners.

5.0 Proposals

5.1 In reviewing the detail contained within the above paragraphs it is proposed that the Committee consider the activities being progressed through the 'Capacity and Enabling' funding of Estate Regeneration Programme, to meet the timetable set out at paragraph 2.4, noting that an indicative funding gap has been identified, the potential implications of this and work officers are progressing with Homes England and MHCLG to secure Government finance to bridge this gap.

5.2 Committee approval is also required for the proposal to develop rehousing policies giving priority to displaced residents and potential use of Compulsory Purchase powers for residents of properties potentially affected by demolition and redevelopment, the details of which are set out at paragraphs 4.9 – 4.13.

6.0 Equalities Implications

6.1 Equality implications for this regeneration scheme will be considered as detailed proposals are developed and in this respect work is being progressed to complete an Equality Impact Assessment for this project.

6.2 The community consultation and master planning programme is aimed at ensuring that the needs and priorities of the existing community on Yorke Drive are addressed in developing the proposals.

7.0 Impact on Budget/Policy Framework

7.1 The activities in developing a masterplan and proposals for the Yorke Drive Estate and Lincoln Road Playing Fields together with the site at Seven Hills are fully funded through to planning stage through MHCLG's Estate Regeneration Programme 'Capacity and Enabling' funding.

7.2 Delivery of the project itself is likely to require public funding to be financially viable. There will also be implications in terms of staff resources for the Council and the HRA in taking over delivery of the project post planning.

8.0 Comments of Business Manager – Financial Services

8.1 Once details of the outcome of Homes England's Technical Due Diligence process are received, more detailed cost implications can be derived. This will then lead to further testing against the HRA BP to ensure that this still remains viable going forward.

8.2 Currently, as mentioned in paragraph 3.5, the project appears to have a substantial funding gap, which without external investment will make the project un-viable.

9.0 RECOMMENDATIONS that:

- (a) the Committee consider the progress being made under the 'Estate Regeneration Programme' for the Yorke Drive estate and Lincoln Road playing field transformational project;**
- (b) note the ongoing funding discussions with Homes England and MHCLG and potential implications in terms of delivery of the project; and**
- (c) approve the development of rehousing policies giving priority to displaced residents and possible use of Compulsory Purchase powers for residents of properties potentially affected by demolition and redevelopment.**

Reason for Recommendations

To progress the key outputs from the Bridge Ward Neighbourhood Study relating to the 'transformational project' focussing on the growth and regeneration of the Yorke Drive estate and Lincoln Road playing fields.

Background Papers

Nil

For further information please contact Rob Main, Business Manager - Strategic Housing on 01636 655930.

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