

POLICY & FINANCE COMMITTEE
29 NOVEMBER 2018

ESTATE REGENERATION: YORKE DRIVE ESTATE & LINCOLN ROAD PLAYING FIELDS PROPOSAL

1.0 Purpose of Report

- 1.1 To report progress on the masterplan proposals developed for the Yorke Drive Estate and the Lincoln Road Playing Fields in Bridge Ward, Newark using funding from the Ministry of Housing, Communities & Local Government's (MHCLG) Estate Regeneration Programme.
- 1.2 The report also provides an update on the ongoing financial appraisal work being undertaken in Exempt item in **Appendix B** and the next steps in identifying a private developer partner to assist in taking the project forward.

2.0 Background Information

- 2.1 The Policy & Finance Committee has previously received reports in September 2017 and June 2018 outlining progress with the proposals on the Yorke Drive regeneration project.

Bridge Ward Neighbourhood Study 2012

- 2.2 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.
- 2.3 The Yorke Drive estate and Lincoln Road playing fields is an allocated housing site in the Council's Allocations & Development Management Development Plan Document.
- 2.4 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 the scheme was stifled due to the lack of: capital finance; internal officer resources; and skills and knowledge of the commercial sector.

Government Funding

- 2.5 In 2017 the Council was successful in bidding for and obtaining MCHLG Estate Regeneration funding of £986,799 to revive the project. The Council commissioned housing and regeneration consultants Campbell Tickell (CT) to project manage the process of community consultation, developing a masterplan, undertaking viability modelling, securing a planning consent and advising on development delivery options.
- 2.6 At the September 2017 Policy and Finance Committee meeting it was also noted that the proposals had been shortlisted as a potential project under Homes England'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 were funding to achieve:

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

Initial Feasibility Review

- 2.7 On the appointment of CT a Project Team was established, comprising officers from a range of relevant Business Units, the Corporate Management team and Newark & Sherwood Homes. Terms of Reference have 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.
- 2.8 CT undertook a feasibility review of the project informed by a desktop appraisal of the original master plan proposals, updated construction costs and a market analysis of the locality. The modelling was based on a planning policy compliant development (*70% Market Housing & 30% Affordable Housing*), to help cross subsidise the cost of the regeneration elements of the scheme and provide new affordable homes to rehouse tenants whose homes would be demolished.
- 2.9 Despite the high proportion of private sales the feasibility review showed the scheme had a substantial funding gap. 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.
- 2.10 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.
- 2.11 Through consultations with Members and Corporate Management Team it was agreed, in early 2018, to proceed with community engagement and the master planning activity, while commencing a dialogue with Sports England aimed at securing their agreement to a package of proposals in relation to the playing field and football pitches.

Initial Resident Engagement

- 2.12 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.
 - Carry out a household survey.
 - Press briefings.
 - Project branding.
 - Project newsletters.
 - Establishing a residents' consultation panel.

- 2.13 The strategy was launched with a door to door household survey carried out between 9th February and 9th March 2018. The survey was aimed at 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 the development of new homes. The survey also asked how residents would like to be involved in shaping the proposals.
- 2.14 The survey had 232 responses out of 355 households, including Council tenants, 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, which is a return rate of 60.5% (not including refusals in the baseline) or 53.5% (if refusals are included in the baseline).
- 2.15 The return rate shows 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.
- 2.16 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) 60% were satisfied with the neighbourhood, while 21% were dissatisfied. 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), the 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 occasional summer events. Only 10 residents stated that they took part in organised sports on the fields. The main improvements suggested were enhanced 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 undecided. 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.
- 2.17 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 been meeting regularly since then and has been successfully established as a focus for consultation in developing the master planning and project proposals.
- 2.18 Following consultation with the Consultative Panel, the project has been branded “Yorke Drive Focus” and a series of newsletters have been produced and circulated to estate residents and local stakeholders. The newsletters and other information have been posted on the dedicated page on the Council’s website.
- 2.19 Local Ward Members have been involved in all events and regularly briefed on the progress of the project.

3.0 Master Planning

Consultant Team

- 3.1 The Council utilised Homes England’s Multi-Disciplinary Framework to procure a consultant team to take the project through master planning 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 and Technical Surveys

Further one-off input for financial modelling purposes has been obtained from WT Partnership for construction costs and Savills for market and valuation advice.

Workshops & Exhibitions

- 3.2 CT set out a public consultation and master planning programme aimed at producing detailed development proposals by September 2018. This involved a mixture of design workshops and public exhibitions, including:
- **Workshop 1** - 30th May 2018: Masterplan Issues and Options
 - **Workshop 2** - 27th June 2018: Focus on Playing Field and Road Access
 - **Public Exhibition 1** – 13/14th July 2018: Masterplan Options
 - **Workshop 3** – 15th August 2018: Focus on New Homes and Estate Improvements
 - **Public Exhibition 2** – 21st September: Masterplan Proposals.

- 3.3 These events have been vigorous, constructive and increasingly well attended. Public Exhibition 2 and the following drop-in session were attended by over 160 residents. The consultation has been critical in shaping the masterplan proposals and ensuring that they address the needs and concerns of local residents.
- 3.4 In parallel with the process of public consultation the Consultant team has developed and tested design and planning approaches to key issues with the Council's Development Management Business Unit (through a Planning Pre-Application process) and key stakeholders such as Sport England (in relation to the playing field proposals) and Nottinghamshire County Council (regarding transport issues). Consultation has also been undertaken with other local stakeholders including the Fernwood Foxes Junior Football Club, current users of the football pitches and the Co-operative which owns the supermarket adjoining the estate on Lincoln Road.

Estate & Playing Field Analysis

- 3.5 The master planning commenced with an analysis of the existing Yorke Drive estate and the Lincoln Road Playing Fields.
- 3.6 The Yorke Drive Estate has 355 homes, of which 228 are owned by the Council, 55 by housing associations and 72 are privately owned former Right to Buy (RTB) properties. The estate has a mixture of 1 bed flats and bungalows, maisonettes, and 2 and 3 bed houses. The 2 storey 1 bed flat blocks accommodate a mixture of elderly people on the ground floor and younger single people on the upper floor.
- 3.7 The estate was built in the early 1960s and the properties are mainly of a non-traditional build called Wimpey "No Fines" (concrete construction). The properties have seen investment over the years including a "tops-off" programme converting maisonettes to houses, Decent Homes' works and more recently a thermal insulation programme. However, space standards are generally low. The housing association homes are infill developments built more recently.
- 3.8 The estate is designed to a back to front "Radburn" style layout, which has resulted in rear parking courts, unclear entrances and poorly designed private spaces, a confused external environment and many alleyways. There is only one road access into the estate, the estate roads suffer from speeding, and the external environment is generally poor. In terms of the national Index of Multiple Deprivation the estate falls within the Lower Output Area (007B), which is in the top 20% of most deprived areas in England.
- 3.9 It is considered that full scale redevelopment is not an economic option, particularly given the extent of private ownership on the estate and the fact that some areas and house types work relatively well. However, it is considered that demolition of the poorer quality homes in selected areas and their replacement with modern, spacious, energy efficient mixed tenure homes will have a transformative impact on the area. However, it should be noted that some homes are being considered for demolition due to their location, rather than being identified as poorer quality housing, in order to make more transformational regeneration changes to the estate.

- 3.10 The Lincoln Road playing fields cover an area of 6.8 hectares of which grassed football pitches utilise approximately 3.8 ha of the site. The football pitches are currently used intensively for junior level games on Saturday mornings by the Fernwood Foxes FC, but apart from this the playing field area is little used by residents for other sport leisure activity during the rest of the week. The area has suffered from some anti-social behaviour problems as a result of being large, unlit, unsupervised and un-overlooked.
- 3.11 The household survey indicated support for developing more general leisure use of the green area even if this meant building on part of the playing field. However, Sport England has a key role in determining the release of playing field land.
- 3.12 The Council has undertaken informal discussions with Sport England to assist in developing the masterplan, and has proposed replacement of the existing strategic playing field provision concentrated into a smaller area which can accommodate the multiple pitch sizes used by Fernwood Foxes for junior football. It has also proposed to build a new multi-use sports pavilion, a new children's play area, general leisure facilities (such as an outdoor gym trail) linked to landscaping, pedestrian paths and car parking.
- 3.13 Sport England appears sympathetic to this approach and to the broad aim of increasing and diversifying sports and leisure use of the Lincoln Road playing fields. However, this can only be formally tested once a planning application has been submitted.

Vision

- 3.14 The Council's broad vision has guided the master planning. This is to produce proposals which will transform the area by:
- Building new mixed tenure homes for rent and sale
 - Raising money for new rented homes and improvements to the whole estate
 - Providing improved sports and leisure facilities for all
 - Improving road access and the road network in the area
 - Making the whole area a better and safer place to live

Engagement

- 3.15 The master planning consultation process, which initially engaged residents on the approach towards selective demolition and redevelopment on the estate, found at the first Public Exhibition event that 67.6% of attendees who completed feedback forms supported the most radical option, which involved demolition of approximately 100 existing properties. There was also support for building new homes on the playing field provided that estate residents benefitted as a whole from such development. However, concerns were raised about the impact of a new access road, and additional construction and vehicular traffic on existing residents.
- 3.16 The Council sought to address these concerns in producing more detailed proposals for the second Public Exhibition in September 2018. It was proposed to build a new access road between the Co-op and the Church and to introduce a phased access and development approach to minimise traffic increase and disruption for existing residents.

- 3.17 It was also proposed to enlarge the area of estate redevelopment to achieve a more genuinely transformational impact, which increased the number of existing homes to be demolished to 130. However, outline details of the Council's "Resident Offer" stressed that a new home and compensation would be available for all Council tenants and homeowners who wish to remain in the area. Development on the playing field was condensed into a single area to make it a more commercial proposition in terms of the homes for sale.
- 3.18 Over 160 residents attended the exhibition and the drop-in that followed. While some press coverage focussed on the understandable concerns of residents affected by demolition, the feedback indicated overwhelming support for the proposals. Of the 84 residents who completed the Council's feedback questionnaire:
- Over 70% of residents indicated their support for the proposals to transform Yorke Drive, with 12% opposed.
 - 74% thought that the proposals would transform perceptions of Yorke Drive.
 - Over 80% approved of the proposals for new homes and improved leisure facilities and open spaces.
 - over 70% felt that the plans would improve access to the estate, while 53% felt that the revised plans would successfully reduce disruption and minimise traffic through the estate
 - 79% felt the estate improvement proposals were positive.

Scheme Revisions

- 3.19 The Council has continued to refine the proposals following the exhibition to take account of:
- Comments received from the Planning Pre-Application process
 - To make the scheme more commercially facing given the need to sell homes to cross subsidise the regeneration elements
 - To increase the number of houses rather than flats
 - Comments from Nottinghamshire County Council Highways regarding a revised main road access
 - Reducing costs to improve financial viability
- 3.20 The Council has commissioned GL Hearn to undertake a soft market testing exercise with potential developers and also obtained a market report from Savills. All of these parties have emphasised the need to ensure that the scheme is commercially oriented in terms of having an access and presence on Lincoln Road to enable properties to be marketed effectively. This, and the need to economise on construction costs, has meant that the design now proposes a new access road off Lincoln Road, south of the Co-op entrance. A phased development approach is proposed to try and ensure that the vast majority of residents displaced by demolition only have to move once and a separate construction road has been designed to minimise any traffic impact on existing residents.
- 3.21 The resulting masterplan layout is now based on 4 phases and is shown at **Appendix A**. Overall, the scheme provides 325 new homes, and a net gain of 195 new homes given that 130 homes will be demolished. 13 of the properties to be demolished are privately owned and will need to be acquired by the Council.

3.22 The phases have been geared to facilitate decanting of residents based on the household survey outcome that indicated 80% of residents wanted to stay in the area. The resulting mix continues to assume a base 30% rent and 70% sale tenure split, although this can be flexed if it turns out that more tenants want to remain on the estate.

Outline Planning Application

3.23 The revised scheme was presented to the Residents Panel on 7th November and is the basis of the scheme for which an outline planning application is sought. The Committee should note, however, that there still may be a requirement to make some minor amendments to the master plan design presented at **Appendix A** prior to submission of the planning application. This is to take into account any mitigation measures required as a result of the detail within the completed technical studies.

3.24 In addition, during the planning application process proposals may need to be adjusted to respond to the comments received from the Council and other organisations during the planning application process.

3.25 The outline planning application will establish a ‘framework’ for development of the overall site, facilitating development in phases over a period of years. It shows the scale of the proposed development in terms of a series of “parameter plans” and demonstrates how it meets the overall planning requirements of the local authority. It will include the following information:

- Number and tenure of homes
- Height and massing of proposed homes
- Location of access roads
- Location of open spaces
- Transport proposals

3.26 The Council (or its development partner) will need to secure further planning approvals to detailed ‘reserved matters’ applications for each phase. These have to be consistent with any outline planning consent. The detailed plans will include information on the design and layout of the buildings, roads and open spaces, in addition to the size and appearance of homes as well as indicating how any planning conditions will be satisfied.

3.27 The overall timetable for the project is to obtain planning approval by March 2019 and reserved matters approval for Phase 1 by March 2020, with a start on site by November 2020. On this basis the first homes would be completed by 2022 and the whole project would take until 2028 to complete, at this stage the project timetable is very much indicative and subject to change.

Development Partner

3.28 As stated in paragraph 3.20, a soft market testing exercise has been undertaken to identify developers who may be interested in exploring the regeneration proposals further with the Council. To date 5 developers have registered an interest. This will now be followed with more formal discussions, along with the Council commissioning some legal advice to ascertain the most appropriate vehicle/partnership to deliver the proposed regeneration programme. The outcome of this work will be reported to a future Committee meeting to seek the appropriate approvals to go ahead with the regeneration scheme.

4.0 Land and Property Acquisition

4.1 The Council recently acquired ownership from the Town Council of the land on the south west corner of the playing field land originally used for allotments. Like the remainder of the playing field this land will be held in the General Fund.

4.2 The Council has also agreed terms to buy the 9 housing association properties at 1-9 Lincoln Court owned by PA Housing Group. PA is disposing of these homes as part of a stock rationalisation programme and the Council's ownership of these properties will facilitate redevelopment and a new access road on the Lincoln Road frontage. This purchase was approved at the Committee meeting on 5th April 2018, and it is anticipated that the acquisition should be completed in late 2018 or early 2019. The existing tenants of these properties have received letters informing them of the Council's regeneration plans.

4.3 An opportunity has arisen to purchase one of the owner occupied properties (a non-resident owner) within the area of the Yorke Drive estate proposed for demolition. Subject to Committee approval work will be progressed to agree a valuation for this property with the intention to then acquire this.

4.4 At its meeting on 26 January 2017, the Policy & Finance Committee approved the establishment of a £2m site acquisition fund within the Housing Revenue Account (HRA) to be utilised either to bring additionality to the current HRA build programme and/or increase the HRA land portfolio for future programmes or schemes. The acquisition fund could be used to fund the purchase of this property.

5.0 The Resident Offer

5.1 The Council has been working with CT and Newark and Sherwood Homes on the development of a "Residents Offer" providing rehousing and compensation options for owners and occupants of properties which are required for demolition should the scheme go ahead. This will give tenants affected by demolition priority for new Council rented homes developed in the area. It will also provide practical support for residents in terms of the rehousing process.

5.2 A positive "Residents Offer" is essential to help allay the natural concerns of residents affected by the demolition process. If handled sensitively it should minimise or eliminate the need to take formal court action to secure possession or use CPO powers.

5.3 The Residents Offer was outlined during the Public Exhibition in September and was the subject of a presentation to the Residents Panel on 10 October, where it was received positively. In addition the Council has also now written to all affected residents and owners notifying them of their position and offering them an individual meeting to discuss their position.

5.4 The key principles of the ***“Residents Offer”*** are outlined below:

‘As the Yorke Drive regeneration scheme proceeds the Council will need to provide affected residents with rehousing options that meets their housing needs, provides financial compensation and a dedicated officer support.’

The Council will:

- a) Work with residents on a one to one basis to understand their needs, expectations and concerns.
- b) Provide dedicated officer support and a single point of contact.
- c) Provide a positive financial compensation package to residents move and practical support during the move.
- d) Provide clear and accurate information.
- e) Provide additional support and assistance to more vulnerable residents.

(a) Council Tenants

- Tenants will be offered a new rented home in Yorke Drive or an existing rented home on the estate, or elsewhere across the district if they so wish.
- The Council will build enough new Council rented homes on the estate to meet this commitment.
- Tenants will receive financial compensation to help them move, in the form of a lump sum Home Loss Payment (currently £6,300) and a Disturbance Payment to help cover the actual costs of moving.
- Tenants can be rehoused in homes close to existing neighbours or relatives if they wish.
- Tenants who are currently under-occupying will have the opportunity to have an extra bedroom (although tenants with that bed size need will have priority).
- Tenants who want to wait for a particular area of the development to be built out may be able to arrange temporary moves.
- The new homes will be built to meet the needs of residents with specific support or health requirements

(b) Resident Owner Occupiers

- Resident owner occupiers will receive compensation equivalent to the market value of their homes plus a home loss payment of 10% of the market value.
- For those who want to stay in the area and cannot afford to buy a new home there will be options to help them afford a new home. These may include:
 - reverting to a tenancy
 - a swop to another Council property of similar value
 - a discount on the price of a new home a “shared equity option” where the compensation goes into meeting part of the value of a new home, and the resident will not need to pay rent on the remaining equity while they live there
 - a bespoke and equitable solution based on the resident’s individual needs

(c) Non Resident Owners

- Non resident owner occupiers will receive compensation equivalent to the market value of their homes plus a home loss payment of 7.5% of the market value.

(d) Private Tenants

- The Council will offer advice and support to enable them to find alternative homes.

- 5.5 The Residents' Offer will need to be developed in more detail, but it is recommended that it should be approved in principle/outline to give residents assurance at this stage of the programme that their needs will be given priority in terms of the compensation and the rehousing process. The final 'Resident Offer' scheme submitted to Committee for final approval will also be subject to an Equality Impact Assessment to ensure that persons with protected characteristics are not disadvantaged in any way.
- 5.6 The shared equity option for owner occupiers is based on the proposition that they may not be able to afford a new higher value property in the same area. This option would allow them to convert the value in their existing home into an equity share in a new property without paying any additional rent on the unsold equity held by the Council while they continue to live there. The Council would only be able to realise the value of its unsold equity share when the property is ultimately sold on.

Initial Demolition Notice

- 5.7 Though dependant on the future approval of the Committee to implement the regeneration proposals, the Council needs at this stage to have clarity on the number of residents entitled to the "Resident Offer" and the likely total cost of this to be able to factor it into the financial modelling for the scheme.
- 5.8 In order to achieve this it is recommended that, immediately following the date of the planning application submission, the Council should issue Initial Demolition Notices for all properties to be demolished in accordance with Section 5A of the Housing Act 1985. The effect of this will prevent current and future Right to Buy Applications. The Initial Notices will be valid for a period of 5 years.
- 5.9 The notice issued will be accompanied by a letter to the affected residents to reassure them of the process being followed, the realistic timelines for the development and explain more about what serving the notice means. It will also offer one to one visits from Council/Newark and Sherwood Homes officers to explain this face to face. This matter will also be discussed at the next meeting of the Resident Consultative Panel.
- 5.10 The Council will also need to consider when to cease permanent lettings to those areas of the estate affected by demolition in order to minimise the number of tenants needing to be rehoused.

6.0 Finance

- 6.1 The project is considered to have a current funding gap and the result of financial modelling for the project is reported in Exempt item **Appendix B**. The Council is continuing to pursue grant funding to support the project, but it is considered that the true extent of any funding gap will only be known once the planning application has been approved, development delivery structures have been identified and the Council has selected a development partner. It is anticipated that there will be a further report submitted to the Council on the outcome of these issues by June 2019.
- 6.2 The potential outcome of bridging this funding gap will have implications for both the Council's General Fund and the Housing Revenue Account (HRA). However, further work is likely to be required to identify the capacity of the HRA to support the project once the Government's changes to remove the borrowing cap on the HRA are fully understood.
- 6.3 Homes England has made an initial funding offer of £2m under the Accelerated Construction Programme. However, it is not yet clear whether the funding conditions would be acceptable to the Council. Discussions are continuing with Homes England about grant funding to support the project both through the Accelerated Construction Programme (for the sale units) and the Affordable Housing Programme (for the rented units).

7.0 Proposals

- 7.1 In reviewing the detail contained within the above paragraphs the Committee should consider the activities being progressed through the 'Capacity and Enabling' funding of Estate Regeneration Programme to deliver the master plan proposals developed for the Yorke Drive Estate and the Lincoln Road Playing Fields in Bridge Ward, with the following activities being proposed for approval:
- a) To submit the outline planning application on the basis of the masterplan proposals set out at Appendix A, subject to any minor amendments.
 - b) To approve the principles of the "Residents Offer" as outlined in the report with the further development of detailed rehousing and compensation policies for households affected by demolition.
 - c) To issue initial Demolition Notices on tenants whose properties are scheduled for demolition, accompanied by a letter to the affected residents.
 - d) To acquire the non-resident owner property affected by the demolition, which has become available for sale, to be financed from the already allocated and approved HRA acquisition fund.
- 7.2 The Committee should also consider the update on the current funding position of the scheme covered in Exempt item **Appendix B** and the next steps in identifying a private developer partner to assist in taking the project forward.

8.0 Equalities Implications

- 8.1 Equality implications for this regeneration scheme have been considered and a draft Equality Impact Assessment, taking into account the proposals thus far and the accompanying consultation programme that has taken place for this project, is included with this report at **Appendices C and CA.**
- 8.2 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.

9.0 Financial Implications (FIN18-19/7652)

- 9.1 As stated above, there is a current funding gap based on the financial modelling for the project as reported in Exempt Item **Appendix B.**
- 9.2 There are a number of avenues open to the Council to help bridge this funding gap:
- Seek increased public sector funding (grant, low cost loans, etc.)
 - Identification of a development partner and appropriate delivery vehicle, to enable refining of the scheme costs.
 - Consider the scope for HRA borrowing given lifting of HRA cap
 - Recycle some of the Council controlled planning contributions into the scheme (e.g. for community facilities.)
 - Consider scope for other Council General Fund support over a period of years.

It might be possible to reduce the scope of scheme to reduce costs, but this would limit the impact of transformation.

- 9.3 The impact on the HRA will have to be modelled given that decanting and demolition would normally be considered HRA functions. The modelling also takes account of future rent loss on the demolished units, although this is offset by the affordable rents on the new rented units. This would then need to be assessed against the HRA financial business plan to assess the viability of the project in conjunction with the overall business plan.
- 9.4 The overall cost of the resident offer for Council tenants, including the home loss and disturbance payments, amounts to circa £971,100. This cost is included within the overall funding gap of the project, but must be a cost borne by the HRA. This figure excludes costs associated with compensation for privately owned units.
- 9.5 The purchase of the owner occupied property within the proposed demolition area can be funded from within the site acquisition budget set aside on the 26 January 2017. This budget is sat within the capital programme currently and has sufficient available budget in order to fund the purchase of this property.

- 9.6 Should the Council decide to cease permanent letting of properties within the affected area, this will have an effect on the HRA, as this will reduce the amount of rent that it will be able to generate, though an option could be to let these properties on a temporary basis to minimise revenue impact on the HRA.
- 9.7 Staffing costs post March 2019 will also need to be appraised dependant on the approvals given by the Committee on taking forward the regeneration proposals.

10.0 RECOMMENDATIONS that:

- (a) the progress made with the masterplan proposals for the regeneration and development of the Yorke Drive Estate and the Lincoln Road Playing Fields in Bridge Ward, using funding from the Ministry of Housing, Communities and Local Government’s Estate Regeneration Programme be noted;**
- (b) to approve the submission of an outline planning application on the basis of the masterplan proposals set out at Appendix A, with delegated authority being given to the Director – Safety to agree any minor amendments;**
- (c) to approve the Principles of the “Residents Offer” as outlined in the report and authorise the development of more detailed rehousing and compensation policies for households affected by demolition to be submitted to a future meeting of the Committee for final consideration and approval;**
- (d) that initial Demolition Notices be issued to tenants whose properties have been identified for demolition as part of the scheme, accompanied by an explanatory letter to those affected residents;**
- (e) to approve the acquisition of a non-resident owner property affected by the demolition, which has become available for sale, to be financed from the already allocated and approved HRA acquisition fund; and**
- (f) to note the funding position of the scheme covered in the Exempt Item at Appendix B and the next steps in identifying a private developer partner to assist in taking the project forward.**

Reason for Recommendations

To progress the ‘transformational project’, focussing on the regeneration of the Yorke Drive estate and Lincoln Road playing fields.

Background Papers

All key consultation documents are saved on the Members’ Extranet and can be found on the Council’s website.

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

Karen White
Director – Safety