

# AGENDA ITEM 12

## COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

20 MARCH 2012

### REPORT OF HEAD OF COMMUNITIES & NEIGHBOURHOODS

#### FAIRMEAD REGENERATION PROJECT- DRAFT BUSINESS PLAN- 1<sup>ST</sup> PHASE

##### 1.0 PURPOSE OF REPORT

- 1.1 To update Members on the progress that has been made in relation to a regeneration project for the Fairmead Estate Business Plan and the potential 1<sup>st</sup> Phase.
- 1.2 For Members to approve the Fairmead Regeneration Masterplan and Prospectus and Business Plan for Regeneration of Fairmead.

##### 2.0 RECOMMENDATIONS

- 2.1 **Members note, comment and approve the Prospectus and Business Plan for Regeneration for Fairmead.**
- 2.2 **Members approve the Fairmead Estate Regeneration Masterplan report, to enable officers to explore funding opportunities.**
- 2.3 **Subject to approval of recommendations 2.1 and 2.2 ; Members delegate to the Head of Communities & Neighbourhoods in consultation with the Chair of Community & Social Affairs Committee, Head of Central Services and the Solicitor to the Council to progress and agree terms with the 3 Owner Occupiers affected by the Core Masterplan Scheme.**

##### 3.0 KEY ISSUES

- 3.1 On 24 January 2012, members of this committee were presented with a 'Fairmead Regeneration project' report which outlined the Core Master Plan for the Fairmead estate. To avoid many of the key issues raised previously this is attached as Appendix A
- 3.2 Members at that committee recommended:  
**RESOLVED** that a further report be made to this committee at the next CSA meeting to seek guidance from members upon housing factors which will affect the preparation of the Business Plan.
- 3.4 A Prospectus and Business Plan for Regeneration for Fairmead has been developed in respect of the Masterplan and this is attached as Appendix B
- 3.5 The document also refers to the Phasing of the Plan and Opportunities for Early Action. This has been focused on Plot A, the redevelopment of Estate Frontage and potentially Plots A1 and A2.

- 3.6 The redevelopment of the Nottingham Road frontage site under Plot A offers an overriding opportunity to kick-start the masterplan, the extent of property new build and the increase in housing units on the site with a demolition of 21 properties and the construction of 69, effectively resulting in a net gain of 48. Members may consider this offers opportunities to advance other areas as this has the potential to provide replacement accommodation.
- 3.7 Costs associated with this early phasing are outlined with the Prospectus and Business Plan for Regeneration for Fairmead as Appendix Plot A financial returns.
- 3.8 The financial table shows the varying degrees of Costs, Investment gap in terms of Asset and Income from 'All rental' and 'All Sales'. Members are asked to note that the model provides a variety of outcomes dependant on how the mix between rent and sales is determined.
- 3.9 Members are asked to note that they are not requested at this stage to determine those specific details, however, subject to approval of the Master Plan and Business Plan, that information will need to be considered and a further report will be brought back to members.
- 3.10 Approval is sought from members for the Masterplan [and subsequent Prospectus and Business Plan] to enable officers to explore potential funding opportunities. Members are advised that this may take 2-5 years if at all; however, this period is aligned to the 'shelf-life' of the Masterplan, before a significant re-fresh is required.
- 3.11 Owner Occupiers
- The Core Masterplan affects 3 owner Occupiers and members, at their meeting of 24 January 2012, commented that solutions need to be explored to address their concerns around loss of homes
- 3.12 Initial contact has been made with the 3 Owner Occupiers and early indications are that a range of options can be explored which may include:
- Home swap (Owner Occupier property for Council property elsewhere)
  - Outright Cash Purchase
  - Purchase with offer of rented property

#### 4.0 **POLICY AND CORPORATE IMPLICATIONS**

- 4.1 Fairmead is one of the council's priority neighbourhoods and falls within the neighbourhood management model. This means there is a determined effort to:
- Improving the estate in general and quality of life of its residents
  - Improving the image and desirability of the estate
  - Improving the quality and choice of housing available in the area
- Creating a more sustainable community
- 4.2 There are clear links with this project and some of the Council's priorities within the Corporate Plan:
- Improving the Well-being of vulnerable people

- Improve Places
- Increasing the public confidence & pride in neighbourhoods
- Help provide a stock of housing accommodation that meets the needs of the community.

## 5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 5.1 There are direct costs at this stage linked to the recommendation requested from members, in regards to the 3 owner occupiers; it is too early to advise on the financial resources as there a range of options available. Resources will be allocated from the Housing Revenue Account, a review of the Housing Business Plan and the option of decanting.

As the scheme can be delivered in a number of ways, and with the current uncertainty around any external funding we do not know the implications on HRA revenue and capital funding in regards to the overall Masterplan and 1<sup>st</sup> phase.. However, should the project reach a position of further progress and development, detailed financial analysis will be undertaken and reported back to members for approval as implications for the Housing revenue Account will need to be considered.

- 5.2 The Financial implications for the whole of Plot A are contained within the Business Plan, however, as a summary it shows a highly positive return under a rental scenario at £5.4 million, in turn the All sales condition produces an investment gap limited to -£1.4 million, reflecting the loss of rental income over the term of the assessment period. Conversely, a short term cash return of up to £1.5 million may be obtained if all the properties are sold, this however missing out on the potential to provide replacement accommodation in advancement of the wider plan. These figures relate to the Core option.
- 5.3 Members are asked to note that the HRA 2012/13 budget approved in January includes the development of a Housing Regeneration Reserve, which could be a contribution for this project, however, and be mindful of the borrowing cap and the increase of the rental income on an 'All Rental' scheme.

## 6.0 **LEGAL IMPLICATIONS/POWERS**

- 6.1 The Solicitor to the Council will need to ensure appropriate legal implications are considered and addressed, in regards to recommendation 2.3

## 7.0 **COMMUNITY SAFETY**

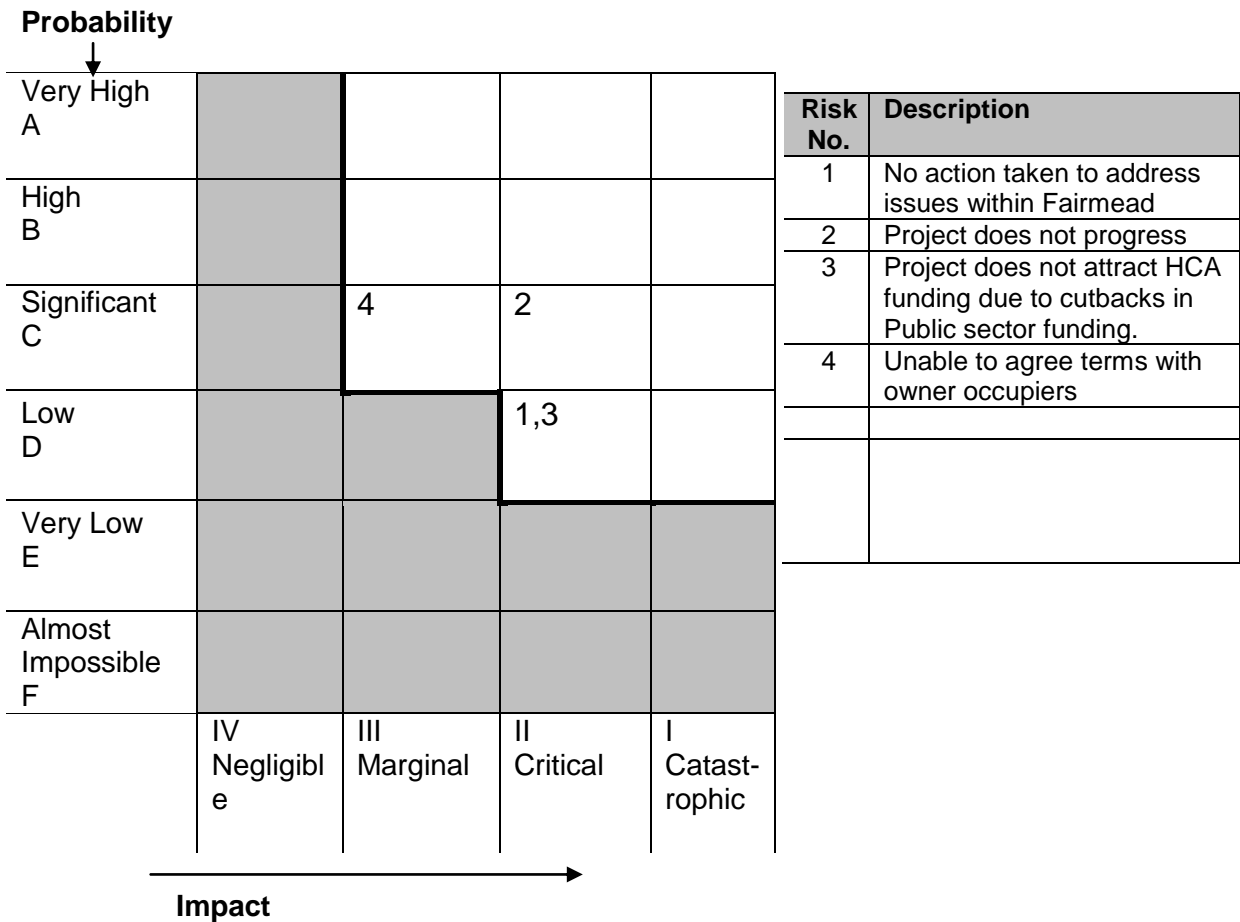
- 7.1 Although not directly relating to the recommendations in the report, the link between community safety and the estate have been made in this report

**8.0 EQUALITIES**

8.1 An Equalities Impact has been completed for this project and is attached as Appendix C.

**9.0 RISKS**

9.1 .



**10.0 CLIMATE CHANGE**

10.1 Not directly related to the recommendations, any design will seek to take into account any climate change issues

**11.0 CONSULTATION**

11.1 Extensive consultation has been carried out with the residents of the Fairmead estate, including surveys and public meetings, for the development of the project so far and is listed within the Masterplan.

11.2 A further 6 week consultation was also undertaken which ended on 9<sup>th</sup> December 2011. In summary 4 responses were received within the consultation period with a further 20 received shortly after, these were provided by a resident who had coordinated their own consultation, comments were as follows:

- Approximately 10 agreed good idea to regenerate the area
- Approximately 10 agreed certain parts of Masterplan were good e.g. parking outside properties, remove rat runs, but didn't agree with spine road as will be a racetrack or the removal of the MUGA
- Approximately 4 against the proposal

11.3 Further detailed discussions with all residents and landlords will need to take place; if/when the scheme is ready to progress from this stage in the future.

11.4 3 owner occupiers are affected by the core Masterplan and further consultation with them is required to develop an agreeable way forward. A further report updating members on this progress will be reported later in the year.

## 12.0 **WARDS AFFECTED**

12.1 All wards may be affected

Contact Officers            H Rai, Head of Communities & Neighbourhoods

Date:

Appendices:                Appendix A- CSA report January 2012  
Appendix B – Prospectus and Business Plan for Regeneration of Fairmead  
Appendix C - Equalities Impact Assessment

Background Papers:        Fairmead Estate Regeneration Masterplan

Reference: