

ABERDEEN CITY COUNCIL

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COMMITTEE	Housing & Environment
DATE	1 March 2011
DIRECTOR	Pete Leonard
TITLE OF REPORT	Donside Urban Village
REPORT NUMBER:	H&E/11/012

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1. PURPOSE OF REPORT

At their meeting on 12<sup>th</sup> January 2011 the Committee asked that a report be provided to the next meeting detailing all progress made to date in relation to the Donside Village Project.

2. RECOMMENDATIONS

1. Note the contents of this report.

3. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

4. OTHER IMPLICATIONS

The increased provision of good quality affordable housing will make a significant contribution towards the delivery of the Council's affordable housing targets and in particular increase provision of housing for homeless households.

5. BACKGROUND/MAIN ISSUES

At their meeting on 12<sup>th</sup> January 2011 the Committee asked that a report be provided detailing all progress made to date in relation to the Donside Village Project.

The Donside Urban Village development is the biggest RSL affordable housing project in the North East of Scotland with up to 230 affordable units being delivered. This project will provide a major contribution to meeting the Council's affordable housing delivery targets.

Tenants First Housing Co-operative (TFHC), the lead Registered Social Landlord on the project, has provided the following information.

An Acquisition Housing Association Grant (HAG) application was submitted to the Scottish Government on 3<sup>rd</sup> February 2006 and the Scottish Government subsequently approved it on 24<sup>th</sup> February 2006.

The Donside Urban Village was purchased using Housing Association Grant from the Government on 20<sup>th</sup> March 2006.

At this point the site still had the old mill buildings covering most of its 20 acre footprint.

The original purchase agreement required the sellers to

1. demolish remaining structures;
2. remediate the site; and
3. remodel the site for development.

Demolition was completed between April 2006 and March 2007. The sellers could not complete elements 2 and 3 above due to the failure to secure planning consent to do so while the housing proposals were still going through the planning process. This meant that the sellers contractors left the development site with the understanding that the remaining remediation and remodelling works would be completed by the purchasers when consent was issued, and that costs would be recovered from the sellers land receipt to do this.

The remediation and remodelling was recommenced by TFHC in October 2008 and completed in November 2009.

The interim period between acquisition and tender involved:

- establishing the Devanha contract & frameworks (2007);
- securing planning consent (April 2008);
- developing a cost target process with contractor (2008/09);
- delivering a Business Plan delivered (August 2008 - May 2009);
- remediating the site remediation (October 2008 - November 2009)

The planning application for the site was submitted on 27<sup>th</sup> February 2007. Planning approved was provided on 24<sup>th</sup> April 2008.

A Tender HAG application was submitted to the Scottish Government on 27<sup>th</sup> April 2010.

In addition to the local Housing Investment Team, the project was appraised centrally by the Scottish Government on account of its size and profile as a mixed use, multi tenure development. This led to a longer timescale for assessment and approval.

Tender HAG approval was provided on 8<sup>th</sup> June 2010.

Site works started on 9<sup>th</sup> August 2010.

Major sewer diversion works have now been completed, services work and road construction commenced. The foundations for the first housing plots are underway.

On 26<sup>th</sup> January 2011 TFHC submitted a new planning application for the urban square area, as this was not shown in much detail in the original planning application.

The application includes a proposed re-design of the urban square, including flats, offices including start up units, cafe and two small retail units.

A further new application is to be submitted for a nursery with flats above, this would replace a crescent of houses.

The current programme shows the first handover of housing to be achieved by September 2011, with all works being complete by July 2013.

## **Summary**

The overall value of the project including private housing and non housing elements is £50.3 million.

The total value of Government grant is £20.8 million

The site currently has planning consent to deliver 278 properties

- 142 affordable rental units
- 62 LIFT (low cost home ownership)
- 74 open market sales units

If the additional planning applications detailed above receive consent then this will provide an additional 29 properties

- 2 affordable rental units
- 21 mid market rental units
- 3 LIFT (low cost home ownership)
- 3 open market sales units

The site will also deliver

- A café
- An office/business centre
- Small shops
- A cyclepath / boardwalk

The delivery of a Hydro Power Scheme is currently under discussion.

## 6. IMPACT

The Community Plan sets out our vision for the future of the city. Our vision is a city which is vibrant dynamic and forward looking an even better place to live and work, where people can expect high quality services that meet their needs.

The delivery of the new affordable housing aims to provide our citizens with an increased supply of affordable rented homes which would support the following challenge in the community plan:

- ◆ Homes Challenge – improving the quality of housing and environment for individuals and the community and eradicating homelessness by 2011.

The provision of affordable housing also aims to fulfill the following VD&FL objectives:

- Work with Registered Social Landlords to develop affordable housing including 2,000 new affordable houses.

The report is likely to be of interest to the public given the high demand that exists in the city for affordable housing.

## 7. BACKGROUND PAPERS

No background papers.

## 8. REPORT AUTHOR DETAILS

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