

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	13 th June 2013
DIRECTOR	Pete Leonard
TITLE OF REPORT	Haudagain Upgrade – A Way Forward (Middlefield)
REPORT NUMBER:	H&E/13/042

1. PURPOSE OF REPORT

This report provides background information on progress to date and decisions approved most recently by the Housing and Environment Committee on 14th May 2013 on a way forward for the regeneration of Middlefield as a result of the Haudagain Roundabout upgrade.

2. RECOMMENDATION(S)

The Finance and Resources Committee is recommended to note:

- i) Progress to date as recorded in the body of the report;
- ii) the next stages of work for Middlefield as instructed by the Housing and Environment Committee on 14th May 2013 and recorded in the following way:

Further to a vote, the Housing and Environment Committee resolved to approve and instruct the next stages of work for Middlefield:

- a. to review and note the decision to cease relets due to the announcement to upgrade of the Haudagain junction and to offer Short Scottish Secure Tenancy which will be reviewed and reported back as the project develops;
- b. to seek approval from Scottish Government for the exemption to the 'Right to Buy' (RTB) for all properties affected by the upgrade of the Haudagain junction;
- c. to re-evaluate the financial options for redevelopment of the triangle of land in Logie with a view to ring fencing any surplus monies for the regeneration of Middlefield depending on the overall viability of the project;
- d. to note land options with a recommendation to instruct available sites to be considered for housing re-provision. (see appendix 1)
- e. to transfer the assets for the Smithfield School site in order to facilitate the re-provision of housing as a result of the Haudagain upgrade;

- f. to report to the relevant Committees as soon as possible to advise on the project and at each stage of the project thereafter;
- g. report back on the programme progress at a future H&E committee;
- h. to note the meeting with Transport Scotland in May 2013 to discuss the way forward for regeneration in association with the Haudagain upgrade and instruct officers to report to the next meeting of Finance and Resources Committee outlining the financial implications for the project;
- i. where the rent of properties has been phased down and are still to reach the 'model' rent they are reduced to the appropriate model rent with effect from 27th May 2013;
- J. where properties were to be phased up to the 'model' rent they remain fixed at their current level with no future phasing;
- k. any future rent increases should not be applied to these properties; and
- l. to note that a Consultation Framework will be established with the local community to form the strategy for planning and engagement with the Community.

3. FINANCIAL IMPLICATIONS

The HRA asset management team has reserved within its capital plan budget a sum of money to pursue the purchase of the Smithfield School site subject to agreement, land valuation, housing mix and site investigations.

The rent reduction agreed at has been implemented with a total reduction in the rent charge for 2013/14 of £501.

Other financial implications will not be known until a meeting with Transport Scotland and its advisors takes place re-scheduled for June 28th.

4. OTHER IMPLICATIONS

- 4.1 Legal – no immediate implications arising directly from this report, however future involvement will be imperative throughout all stages of this project.
- 4.2 Resources – A fully resourced, multi-disciplinary design team is key to the successful delivery of these projects. Project Managers have been identified to lead on this project and work with coordinating services and personnel working in these areas. This has been progressed with other Council Services.
- 4.3 Personnel – none arising directly from this report.
- 4.4 Property – Both business and residential properties will be affected by the proposals. A meeting planned to take place in May 2013 with

Transport Scotland and mentioned in the recommendations has been rescheduled for 28th June 2013. This is to initiate discussions on the programme and detail going forward. Any future reprovision of new housing in this area will help ease pressure on the Council's housing waiting list whilst providing good quality and sustainable homes for the citizens of Aberdeen.

- 4.5 Equipment – none arising from this report.
- 4.6 Sustainability and Environment – Building and improving homes that are eco friendly will have a positive impact on the environment and add to the sustainability of our communities.
- 4.7 Health and Safety – The junction improvement will deliver localised improvements in terms of health and safety. The improvements in air quality and a more efficient and effective road network will be significant.
- 4.8 Risk Management –Management of risk will be monitored and mitigated in accordance with the ability to meet risk policy and programmed objectives. The projects will form part of the Programme Management Office (PMO) process and progress reports will be scrutinised by CMT at regular PMO Sponsors Board meetings.

5. REPORT

5.1 Background

- 5.1.1 The delivery of our Regeneration Initiatives are a key priority for both Scottish Government and the Council which is committed to increasing housing to meet the demands of its' waiting list and enhancing the environment and creating better places for people to live. The Council is dedicated to driving forward regeneration and improving the quality of life in Middlefield.
- 5.1.2 Middlefield is a largely residential area of Aberdeen and has the highest levels of multiple deprivation in the city. In particular, it is the most deprived area of the city in terms of employment, health, income and education and training.
- 5.1.3 The neighbourhood is located in the northern area of Aberdeen. It is located off the major transport corridor of the A96, which connects Aberdeen City Centre to the airport, major employment centres and Inverness. Middlefield's northern boundary is defined by the Bucksburn neighbourhood.
Middlefield has a population of 2,523 and is home to a large number of young people with 35% of the population under the age of 16 (Aberdeen Population Estimates, 2011) The average household size is much larger than the City average and there are considerably more households with dependent children than the Aberdeen average. This has real implications for local service providers.

5.1.4 It has been recognised that this area requires continued intervention if real and lasting change is to be implemented and the lives of the people of Middlefield are to be changed for the better.

6.0 Haudagain Upgrade

6.1 Members will recall that NESTRANS and the Scottish Government jointly funded a study to identify options for improving traffic flows at the Haudagain roundabout. The STAG (Scottish Transport Appraisal Guidance) Part 1 which was completed in September 2006. The STAG Part 2 was commissioned and reported to committee on 25 June 2008 to full Council recommending option 5 (the construction of a link road through the Middlefield area – see appendix 4 for map) which was approved.

6.1.2 The delivery of this project will facilitate an improved transport infrastructure at what is acknowledged to be one of the regions worst economic/transport bottlenecks. In community regeneration terms, this can contribute positively to the delivery of an improved physical environment, create local employment opportunities, access to goods and new or improved services and further tackle a negative perception of the local area.

6.1.1 The impact of this option will, however, involve the demolition of a number of properties owned by Aberdeen City Council and also some privately owned. This will require the re-location of tenants by the Council. Any costs for this re-location and income generated by the sale of required property from the Council to Transport Scotland will be reported back to committee in due course.

6.1.2 The triangle of land created by the link road option may not be suitable for future residential use and therefore future options for this site will need to be considered. A soft market testing will be carried out to determine commercial interest for the future. Traffic sensitivity testing has already identified some capacity for commercial use and the land has now also been identified as an opportunity site in the Local Development Plan.

6.1.3 At the full council committee on 25th June 2008 members agreed the principle of ring fencing any capital receipts within the Middlefield regeneration area accruing from the Haudagain junction improvements and the realisation of any future development associated with the triangle of land created by a link road, for contributing to the delivery of the regeneration proposals. An updated land valuation will be carried out along with some soft market testing and will be reported back accordingly.

7.0 Analysis of homes and services affected:

- 7.1 Appendix 2 highlights the possible types and numbers that maybe affected by the new road based on the attached indicative road layout, appendix 4. There is as yet no detailed information from government on the financial arrangements to be made to purchase assets required to deliver the Haudagain junction improvements. Early discussions are to take place with Transport Scotland on June 28 and routinely thereafter and the anticipated outcomes will be reported accordingly.
- 7.1.1 Future provision of housing need is currently being explored with Housing Management. Alongside this we will need to review and confirm our currently housing policies to ensure they meet the requirements of this project. It is also therefore prudent to seek approval from the Scottish Government for the exemption to the RTB for all properties affected by the upgrade of the Haudagain junction.
- 7.1.2. It is imperative to fundamentally realign property types with need and current legislation (e.g welfare reform) in order to substantially improve quality, and address need across the area. Wholesale redevelopment will also improve permeability and design quality.
- 7.1.3 Along with the loss of a number of homes, a range of premises which house services in the area will be affected and therefore may require relocation else where in Middlefield. Early discussions have commenced with some of the services regarding possible future requirements and relocation.
- 7.1.4 The importance of continuing to deliver these services will be fundamental to the regeneration and success of any redevelopment in the area.

8.0 Rents

- 8.1 At the Housing & Environment Committee on 28th August 2012 a report on Rent Restructuring was discussed.
- 8.1.2 The report stated “Committee will be aware that the proposal for a relief road at the Haudagain roundabout will lead to the demolition of a few hundred properties if given the go ahead. Once specific properties are identified, a report will be presented to committee to seek agreement on any impact this will have on the rent for these properties. Therefore until such time as the relief road is agreed the rent restructuring should be applied to these specific properties.”
- 8.1.3 Since the report was considered the new rent structure has been implemented for the properties referred to in this report and details of the impact of the road are now clear.
- 8.1.4 These properties are being maintained in a wind and watertight condition but will not have further investment.
- 8.1.5 Where the rent of properties has been phased down and are still to reach the 'model' rent it is proposed that they are now reduced to the appropriate model rent with effect from 27th May 2013. On 15th May

letters were issued to the 16 tenants whose rent will be reduced with effect from 27th May 2013.

- 8.1.6 Where properties were to be phased up to the 'model' rent is it proposed that they are now fixed at their current level with no future phasing.
- 8.1.7 It is also proposed that any future rent increases are not applied to these properties.
- 8.1.8 The proposed reduction in rental would see a potential loss of rental in 2013/14 to a maximum of £501 in relation to 16 properties.
- 8.1.9 The impact for future years is difficult to predict as properties will start to be removed from charge as they are not relet

9.0 Site Analysis:

- 9.1 Based on the principal of re-provisioning the approximate loss of housing (pending verification of road design completion and impact on surrounding properties) on a like for like basis as it currently stands (up to potentially 325 homes), we envisage that approximately 14 acres of land would be required in total.

Following advice and discussions with Asset Management and Operations, it is recommended to further investigate the suitability of the following sites for housing development, and to bring forward proposals for any land acquisition that is required.

to progress and develop for the re-provision of housing due to current availability, location and size.

- a) Former Smithfield School Site (to purchase) – 5.28 acres (2.2 Hectares)
- b) Former Cummings Park School site – 3.6 acres (1.5 Hectares)
- c) Manor Walk site – 6.24 acres (2.6 Hectares)
- d) Greenferns – 3.6 acres (1.5 Hectares)
- e) Woodside – 5.28 acres (2.2 Hectares)

(See appendix 1 for site locations)

10.0 Programme & Resources

- 10.1 Once the AWPR is complete in April 2018, works will commence on the Haudagain upgrade which means that all relocations, demolitions and new build need to be complete.
- 10.2 Appendix 3 details some of the key milestones and dates that need to be attained if we are to be in this position by 2018. Taking into account

that the new build re-provision may take up to 3.5 years to complete, this leave a very short lead in period for site assembly and other associated tasks.

- 10.3 In particular the decanting and demolition process needs to be phased and managed sensitively in advance in order to ensure minimal disruptions to our tenants.
- 10.4 Attention will be given to the communication needs of local staff and other service providers who have direct contact with local residents to ensure that every member of council and partner staff are able to support and communicate factual information to all residents and service providers alike.
- 10.5 The importance of delivering on target and budget for such a high priority project like this is vital to both the well being of our communities and successful delivery of the road upgrade.
- 10.6 Adequate resourcing is key to delivering and reaching deadlines at key stages of a project of this nature and size. The proposed service delivery structure (identifying a key contact across council services) along with the project management structure is proposed in order to proceed and deliver this project on target.

11.0 Consultation: Communication Plan

- 11.1 *“Acknowledge the importance of communication with all those affected by the approved option and instruct the appropriate officers to develop a communication strategy for local community and affected individuals”*
- 11.2 The above recommendation is taken from “the A90 (T)/A96 (T) Haudagain Junction Improvement” report on 25th June 2008, approved by full council.
- 11.3 A working group has been set up with members of the Middlefield Project alongside officers and local members to discuss progress and any concerns from the community.
- 11.4 ACC is fully committed to community consultation and a comprehensive consultation plan is currently being devised to ensure all stakeholders are consulted from inception to completion and at key stages in the delivery of this project over the next five years.

12.0 IMPACT

- 12.1 The Single Outcome Agreement refers to a need to enhance the quality of housing and environment for individuals and the community.
- 12.2 Furthermore within “Aberdeen – the Smarter City”, the Council’s policy document for 2012-2017, the following policy targets are set out:

12.2.1 Smarter Economy (Competitiveness)

We will improve access to affordable housing in both social rented and private sector, by supporting first time buyers, regenerating areas within the city and by working with developers to maximize effective use of developer contributions.

12.2.2 Smarter Mobility (Transport and ICT)

We will provide and promote a sustainable transport system, including cycling, which reduces are carbon emissions.

12.2.3 Smarter Governance (Participation)

We will seek to develop a sense of community in Aberdeen based on principles of openness, fairness, reciprocity and responsibility.

12.2.4 Equalities Impact Assessment

Following discussions with the Equalities team, an Equalities Impact assessment was duly carried out for this report and will be taken into consideration as this project develops.

13. BACKGROUND PAPERS

- 1.) Full Council, 25/06/08 – “The Haudagain Junction Improvement”
- 2.) Housing & Environment, 19/11/09 – “Delivering Middlefield Regeneration – Haudagain Phase Housing relets”)
- 3.) Housing & Environment, 28/9/12 – “Rent Restructuring”

11. REPORT AUTHOR DETAILS

John Quinn

Head of Regeneration and Housing Investment

jquinn@aberdeencity.gov.uk

Tel:439202

Maria Thies

Project Manager

Regeneration and Housing Investment

mthies@aberdeencity.gov.uk

Tel: 439295