

ABERDEEN CITY COUNCIL

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COMMITTEE	Finance, Policy and Resources
DATE	30 <sup>th</sup> September 2014
DIRECTOR	Pete Leonard
TITLE OF REPORT	Haudagain Upgrade (Middlefield) Update
REPORT NUMBER:	H&E/14/067
CHECKLIST RECEIVED	Yes

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**1. HAUDAGAIN UPGRADE (MIDDLEFIELD) UPDATE**

1. PURPOSE OF REPORT

This purpose of this report is to report to the Committee as instructed at its meeting on 6<sup>th</sup> May 2014

2. RECOMMENDATION(S)

The Committee is recommended

- i) to note the content of the report
- ii) to note the actions taken as a result of instructions given by the FP&R Committee at its meeting on 6<sup>th</sup> May 2014
- iii) to instruct officers to report progress to future Communities, Housing and Infrastructure Committees as appropriate.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications related to the purpose of the report.

Fuller financial implications of the project will be considered within a later report when the costs of rehousing tenants in Middlefield, the proposed cost of rental loss and the valuation of the properties to be purchased by Transport Scotland are known.

Further financial implications will be discussed when clarity is given as to the proposed relocation needs of community facilities currently housed in Council Houses within the proposed route of the road.

#### 4. OTHER IMPLICATIONS

There are implications for Housing Management which are documented in the appendix 1. These reflect changes to housing allocations policies to accommodate the needs of the tenants to be rehoused.

There are implications for the Communities, Housing and Infrastructure Directorate which supports the community groups to be relocated. They will work with the community groups to seek the most suitable solution to ensure continuous service delivery.

There are implications for private owners who will be subject to the same purchase orders as the Council as an owner.

There are implications for Environmental Services who will be required to ensure the delivery and maintenance of environmental measures as a result of the new Haudagain relief road is in accord with their current maintenance strategies.

There are implications for Housing Asset Management to deliver projects protecting the HRA investment in adjacent council housing stock to match the Haudagain relief road proposals.

There are implications for the regeneration strategy for Middlefield, which will be delivered as a project within the Strategic Infrastructure Plan (SIP) to be a catalyst for wider and further regeneration initiatives.

There are implications for the new build affordable housing opportunities being developed by the SIP throughout the City which will be mindful of the demand the regeneration of Middlefield may generate.

There are implications for community engagement with the local community which will be co-ordinated and structured to ensure the Council takes a lead role as a partner with Transport Scotland, and other partners.

#### 5. BACKGROUND/MAIN ISSUES

Background

At its committee on the 6<sup>th</sup> May, members of the Committee requested a report following the recommendations of the committee to

**(e) *instruct the Directors of Housing and Environment and Corporate***

***Governance to report back in September 2014 with a feasibility study and proposals to re-house the directly affected tenants in Middlefield and to regenerate the wider Middlefield Area; this should include proposals to relocate affected community facilities;***

*1. The instruction to deliver a study and plan to rehouse the directly affected tenants,*

The local housing office and Council's strategic housing management team for the last few months have been gathering information from every tenant affected, and this was the basis for a report submitted to the Housing and Environment Committee on 26<sup>th</sup> August 2014, attached at Appendix 1.

The report details the proposals which are and will be deployed to re-house those tenants directly affected by the proposed road bypass in Middlefield.

*2. The instruction to deliver proposals to regenerate the Middlefield area*

Officers from the Council are in the process of developing a programme for regeneration in the area which will include the road bypass. This programme includes indicative proposals for

- New Housing in the area of mixed tenure
- Refurbished housing assets
- New road Infrastructure
- New area of open space
- Fit for purpose community facilities
- Environmental improvements
- Community Consultation and involvement

This programme is at a draft stage and will be subject to further consultation through the use of a development consultant. The consultant's remit will be to work with the local community on placemaking in light of the projects which are to be delivered.

A crucial part of this work is to deliver options for the 'triangle' site to enable officers to make future recommendations to appropriate Committees on the best use and value of that site. It will also ensure the Council secures its own advice when negotiating with Transport Scotland on the impact the road has for the regeneration of the area in conjunction in recognition that this is one of the reasons it has been proposed as the preferred option to manage the traffic in the area.

*3. The instruction to include proposals to relocate affected community facilities*

Discussions are ongoing to ascertain the needs of each of the community groups using facilities which at this stage are understood to require to be relocated. This has been positive to date.

A proposal has been developed which would see the construction of new, purpose built accommodation onto the existing Henry Rae Community Centre, creating a new “community hub” which would house the existing Middlefield Community Project and potentially other affected community activities. This would ensure the facilities are relocated in the Middlefield area, and would help to address the lack of community space within this geographic area as identified through the ongoing CLD and libraries review.

- (f) *instruct the Directors of Housing and Environment and Corporate Governance, to report back in September 2014 with potential funding solutions for the new build and regeneration proposals, noting that the Council had previously expressed the view that the Scottish Government should meet the cost of relocating the affected community facilities. The Scottish Government should also be asked to consider what additional financial support could be given to the new build and regeneration proposals for Middlefield; and***

The Scottish Government through its housing officers has made it clear that the money made available for affordable housing to the City normally accessed by Social Housing providers will be available also to the Council for this purpose should it choose to access it. If additional housing grant is required then a future discussion will be encouraged.

Other potential funding solutions for the new build proposals will be met through the procurement of a long term delivery partner for the affordable housing needs as identified through the SIP. This is currently ongoing, but will be market led based on the Council receiving best value for its land holdings being used for this purpose.

The funding for the road and associated environmental works is to be delivered by Transport Scotland

The funding for refurbished housing assets and additional environmental works will be through the Housing Investment programme delivered through the Housing Revenue Account (HRA) where these assets are held on the HRA.

The potential funding of the replacement community facilities is the subject of a bid submission to the Scottish Government’s Regeneration Capital Grant Fund. Approval for the bid to progress to stage 2 of the process was provided in July 2014, and the Stage 2 bid was submitted on 8 September 2014. The Scottish Government is expected to make its decision on the application in November 2014.

The Scottish Government is in discussions through its Housing and Welfare team on prospects of additional funding to be given to the regeneration programme. This will be project dependent on individual projects being submitted for funding requirements at the appropriate stage in their development.

Attached at appendix 2 is a risk register which accompanied the report to Housing and Environment Committee on 26<sup>th</sup> August which recognises as a risk the costs associated to the Council for the delivery of the Haudagain Relief Road which may in the future be the basis of a discussion with the Scottish Government as and when there is a clearer understanding of any additional cost the Council may incur as a result of the project.

- (g) *instruct officers to consult with the residents of Middlefield on new housing and regeneration matters and that the results of the consultation be reported back in September 2014.***

A programme of consultation with the local community and residents of Middlefield has already started. This has happened in a number of ways.

Officers have been consulting with residents on their housing needs through local housing officers. This is current and involves house visitation.

The Local housing team has opened an office in the area in Logie Place as a focal point for consultation and communication. Its opening hours have been posted to all residents, and the intention is for this to be utilised to maximum effect to provide assistance, independent advice and be a communication portal for the regeneration of the area.

Officers have consulted with local community groups on their relocation needs, and these have informed the development of the proposals which have been subject to the Scottish Government Regeneration Capital Grant Fund.

Through the requirement of a development plan for the road/triangle area, officers in conjunction with planning architects will meet with local people on this, as a first stage of a wider consultation programme.

Other communication processes (events etc.) will be established in due course to meet the needs of the community and project delivery.

- (3) *in the offered spirit of co-operation to instruct officers to approach the Minister of Housing and Welfare to discuss Scottish Government support in the event of a shortfall arising between***

***the compensation paid and the replacement of the lost homes;  
and***

Senior officers of the Council have met with the Scottish Government to discuss this matter. Government officials have indicated quite clearly that they would expect to review any proposals presented when the shortfall is known, and to measure any request for additional funding against spend incurred from the funding already allocated for affordable housing development in the City to be spent by the Council, RSLs and development partners.

6. REPORT AUTHOR DETAILS

John Quinn  
Head of Regeneration and Housing Investment  
[jquinn@aberdeencity.gov.uk](mailto:jquinn@aberdeencity.gov.uk)

01224 439203