

ABERDEEN CITY COUNCIL

COMMITTEE	Communities, Housing & Infrastructure
DATE	24 January 2017
DIRECTOR	Pete Leonard
TITLE OF REPORT	Shaping Middlefield – Triangle Site
REPORT NUMBER	CHI/16/304
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to make recommendations on the future development of the Middlefield 'Triangle Site' including the outcomes of community engagement and consultation. These proposals support the Council's regeneration and community empowerment objectives.

2. RECOMMENDATIONS

Committee is recommended to:

- a) Approves options 4 and 5 as the preferred options for site redevelopment.
- b) Instructs officers to develop a detailed business case working in collaboration with the local community and report back to August Committee cycle.
- c) Instructs the Interim Director for Communities, Housing and Infrastructure to further engage Scottish Government Ministers, requesting appropriate assistance, including financial support, to support redevelopment of the Triangle Site in support of regenerating Middlefield.

3. FINANCIAL IMPLICATIONS

The financial implications of this report are detailed within the options appraisal and analysis. Officers should work with Scottish Government officials to seek financial support towards project costs, including future regeneration plans. Financial assessment and impact on the 30 year HRA Business Plan//Aberdeen City Council capital and revenue budgets shall continue to be key considerations in developing future detailed business plan for the site.

4. OTHER IMPLICATIONS

The project will be managed by Communities and Housing and specifically the Locality Manager, with significant involvement from the Area Housing Manager and Land and Property Asset colleagues.

Advice and support shall be required from Legal, Finance, Planning and the Land and Assets Team on the development of proposals to develop the preferred option. The recently approved Local Development Plan includes provision for retail development on the site.

The Communities and Partnerships Project Management Officer shall be responsible for establishing and maintaining a project management approach for this work.

5. BACKGROUND/MAIN ISSUES

At its meeting on 25th August 2016 the Communities, Housing and Infrastructure committee instructed officers to approve that the Triangle Site is redeveloped to support community regeneration, as well as to instruct Council officers to engage with the community and relevant stakeholders to develop plans for the future use of the Triangle Site, which should support the Council's community regeneration and community empowerment objectives and report back with detailed proposals at the January 2017 cycle. Officers were also asked to engage the Scottish Government seeking appropriate assistance, including financial support, to support redevelopment of the Triangle Site. Scottish Government's response (6 October 2016) indicates that they are "open to discussion on the Haudagain Triangle Site once Aberdeen City Council share a concrete plan for this area and its residents."

Middlefield is a priority neighbourhood for community regeneration for the Council and Community Planning Aberdeen. Significant community engagement and developments are on-going. A Locality Plan¹ is currently being developed with the community and community planning partners to set out a 10 year plan to improve social, economic and environment outcomes. The redevelopment of the Triangle Site presents an exceptional opportunity to support regeneration aspirations. The draft priorities for the developing Locality Plan are as follows:

Our People	Our Place	Our Economy	Our Technology
We will reduce levels of substance misuse	We will improve area housing	We will improve employability and income	We will improve Internet access, safety, security and awareness
We will reduce levels of crime	We will improve area transport and road safety	We will improve opportunities for people in our	We will increase awareness of age

¹ The Locality Plan includes Middlefield, Cummings Park, Northfield, Heathryfold and Mastrick

and antisocial behaviour We will further develop community involvement and participation	We will improve access to and provision of community facilities	locality We will improve access to and provision of shops	appropriate activity for children We will improve Information sharing (across services and locally)
-------------------------------------------------------------------------------------------------	-----------------------------------------------------------------	------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------

In making recommendations, officers have considered the developing Locality Plan, considered earlier community consultation outcomes, undertaken specific community engagement on development of the site and completed a comprehensive options appraisal.

The following objectives have been applied in developing options and subsequent assessments.

- Community Empowerment
- Delivery of regeneration outcomes
- Financial viability and asset performance
- Impact of provision of affordable housing
- Deliverability/risks

Community Engagement & Consultation

Given the decision to develop the site, a decision was taken to extensively engage the wider Middlefield community on potential Master Planning activities and establish preferences for the future of the site, reporting back to the January 2017 committee cycle with the feedback from the consultation exercise, including detailed proposals for consideration.

On 2 November 2016, a Middlefield Triangle Consultation event was arranged at the Manor Park Community Wing from 2-8pm. The whole Middlefield area was leafleted prior to this, community groups notified, social media utilised as a communication tool and press releases launched to maximise input, involvement and opportunities to contribute to this process. Using a drop-in approach, 41 Middlefield residents gave their views on the future use of the Middlefield Triangle.

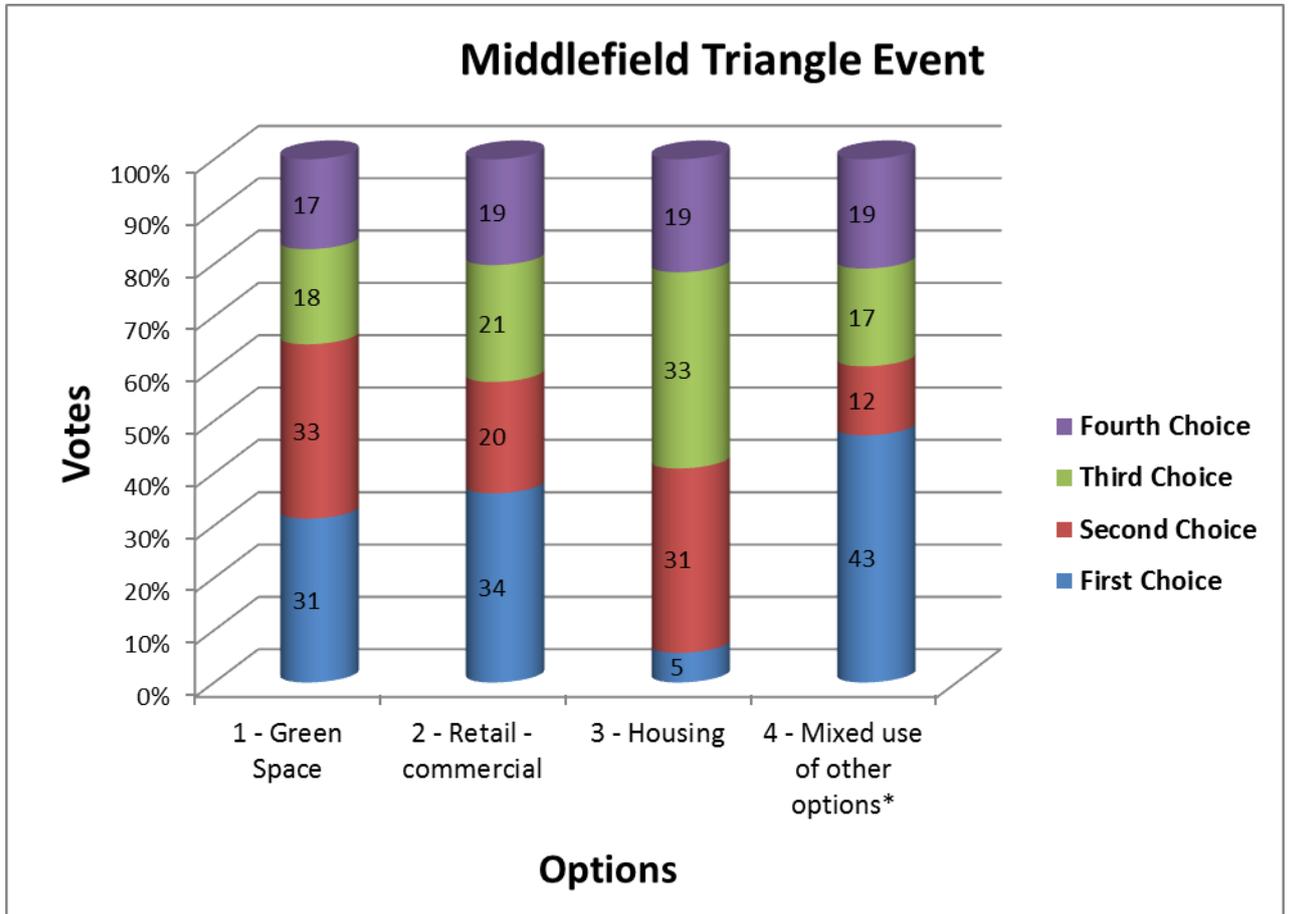
Options presented were:

- 1) Green space
- 2) Retail/commercial
- 3) Housing
- 4) Mixed use

In addition to this event, in order to ensure that the views of the community were more fully represented a further 69 views were collected from the following:

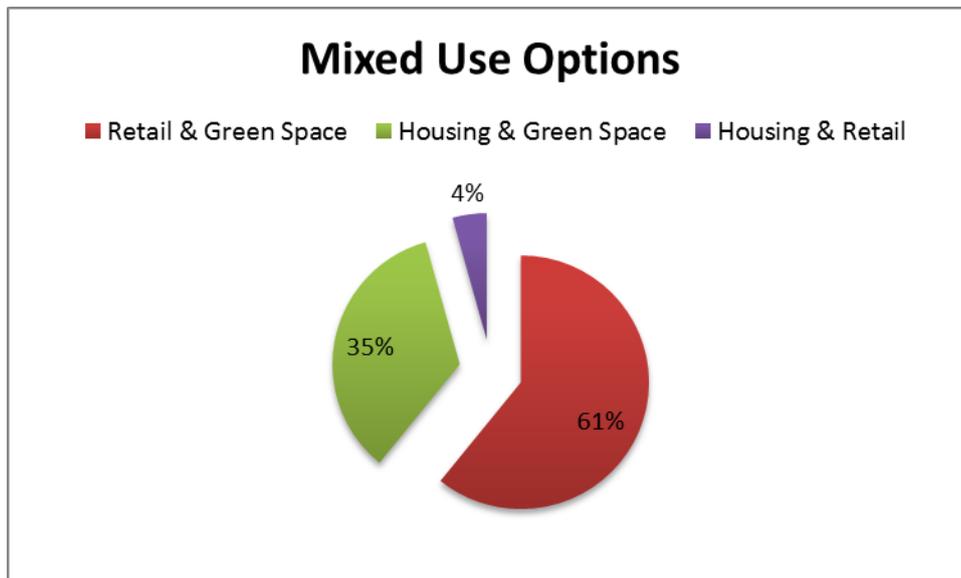
- Middlefield Community Project
- Healthy Hoose
- Manor Park Primary School (Parents Evening)
- Sunnybank Football Club

Each contributor was requested to rank each option in terms of preference. Results were as follows:



Of 110 respondents (approximately 4% of the Middlefield population), 43 people indicated that their first choice for the site would be Mixed Use, representing 39%. This was followed by 34 people selecting retail/commercial (31%) and 31 selecting green space (28%), Housing was the least popular choice with only 5 respondents selecting this option, representing 5%.

Of the 43 respondents who selected Mixed Use as the preferred option, the following options were selected:



No direction was given to respondents on how many Mixed Use options they should select. They were asked which of the options they wished to see co-developed on site. Mixed Use retail and green space was the most popular choice, with 61% of respondents selecting this option, followed by 35% who selected housing and green space. The least favourable option from the community perspective was housing and retail, with only 4% of respondents selecting this option.

Options Appraisal

To inform earlier community engagement and consultation, a range of options were developed and subject to appraisal. These were further refined by the developing Locality Plan and community engagement activity.

These five options, detailed below, were subject to an objective options appraisal workshop involving officers from Communities, Housing, Planning and Land and Property Assets. Each option was assessed against the following criteria:

- Does the option improve the financial viability of the ACC HRA?
- Does the option maximise ACC's ability to meet housing need (Strategic Impact)?
- Does the option maximise ACC's ability to meet housing need (Operational Impact)?
- Does the option maximise ACC's ability to deliver community regeneration?
- Does this option have a positive impact on asset performance?
- Is this option deliverable?

In terms of the financial assessment Net Present Values were calculated as follows:

- calculating and projecting net revenue income over a 30 year period (based on a specific set of assumptions);

- calculating and projecting net revenue expenditure over a 30 year period including reactive/planned maintenance and management cost per unit (based on an asset specific performance and cost profiles);
- calculating the net revenue contribution made by each asset over 30 years;
- deducting the projected 30-year capital investment from this revenue contribution to assess financial impact;
- deducting demolition, environmental and new build costs to assess the financial impact;
- applying a discount rate to translate this 30-year financial projection into today's money, measuring whether each option makes a positive or negative financial contribution to the housing business plan.

Option 1 – Demolition and creation of public amenity space

This option has a negative NPV of £5m. It will neither contribute to the impact of housing need on a strategic or operational basis. However, this option maximises community regeneration to a limited extent via investing in environmental aspects. The risks identified for this option is that the land would likely need to be sold from the HRA to the general fund, which would then be required to develop and maintain the space.

This option scored 1,100,000.

Option 2 – Demolition and Sale of Land (Assume ground works and hard surfacing required)

This option has a negative NPV of £2.4m. It will neither contribute to the impact of housing need on a strategic or operational basis. Whilst this option may deliver community regeneration, it will be outwith the control of Aberdeen City Council, which could be considered to be a risk. Additional risks identified for this option are the removal of assets from HRA, as well as the assumption that successful Compulsory Purchase Orders will be achieved.

This option scored 2,080,000.

Option 3 – Demolition and New Build of 156 units

This option has a negative NPV of £7.7m. It will contribute to the impact of housing need on a strategic and operational basis. It will partially contribute to community regeneration in terms of investment in new build and environmental improvements. This option scored well in terms of impact on asset base, however risks identified included rehousing of tenants and dependency on a successful Compulsory Purchase Order will be achieved. It is unlikely that planning permission would be granted, unless the site delivered a mix of housing types and sizes. Earlier decision to demolish existing houses considered that the site was unsuitable for family accommodation.

This option scored 3,330,000.

Option 4 – Retail and Green Space

This option has a negative NPV of £2.3m. It neither contributes to the impact of housing need on a strategic or operational basis. This option aligns with the communities preference for the site and regeneration. The risks are mainly associated with letting retail units in the current economic climate, as well as rehousing of tenants and dependency on a successful Compulsory Purchase Order will be achieved. It is likely that the site would require to be sold from the HRA to the general account to progress.

This option scored 2,120,000.

Option 5 – Demolition, Part Retail, Part Public Amenity Space and New Build (72 units)

This option has a negative NPV of £4.4m. It will contribute to the impact of housing need on a strategic and operational basis. Given earlier decisions that the site was unsuitable for family houses, the houses should be designed for single person use. This option scored well in terms of impact on asset base, however risks identified included letting of retail units in the current economic climate, rehousing of tenants and dependency on a successful Compulsory Purchase Order will be achieved. This option is desirable in that it provides a mix of use and in effect spreads risk. Further consideration would be required to determine if part of the land would require to be sold from the HRA to the General Fund.

This option scored 3,650,000.

Option Appraisal Outcomes

The baseline outcomes of the option appraisal based on the weighted criteria agreed by the group is as follows:

ACC Haudagain “Triangle” Improvements		
Option		Score
1	Stock Demolition and Public amenity space created	1,100,000
2	Demolition & Sale of Land (Assume grounds work & hard surfacing required)	2,080,000
3	Demolition of existing and new build of 156 units	3,330,000
4	Demolition, retail and green space	2,120,000
5	Demolition, part retail, part public amenity and new build of 72 units	3,650,000

Summary and Conclusions

The Triangle Site presents a significant opportunity to support community empowerment and regeneration at Middlefield. The development of the Locality Plan with the local community has identified priorities that we can

contribute towards with effective utilisation of the site, and in particular within the People, Place and Economy themes. Earlier community consultation led to the decision to demolish existing houses. The community engagement recently undertaken has identified a preference from those participating for a mixed use of the site. Retail and green space was the most popular choice, with 61% of respondents selecting this option, followed by 35% who selected housing and green space. However, retail and housing was the least favoured combination. The options appraisals identified a combination of part retail, part public amenity and new build housing as most viable option. It is closely followed by building 156 new units, however this option is undesirable given that it would need to comprise a housing mix, and earlier decision to demolish was taken considering that the site was unsuitable for family accommodation. The other three options are substantially lower than the highest scoring option. Assessing the draft Locality Plan, community consultation results and options appraisal, it is recommended that the site is developed for mixed use and that further engagement and planning work is required to establish a suitable mixed use site in line with options 4 and 5 to be reported back to committee in August 2017.

Next Steps

It is anticipated that the following actions will need to be effected as next steps:

- Maintain community engagement
- Continue previously agreed actions to secure vacate possession of properties on the Triangle Site by 31 December 2017
- Develop a detailed business case and report back to CHI Committee in August 2017

6. IMPACT

Improving Customer Experience –

Resident's views and the regeneration of the Middlefield are central to considerations and the recommendations made. Implementing the proposals will be consistent with the wishes of the majority of residents currently living within the area.

Improving Staff Experience –

Credibility of staff may reduce in the event that insufficient consideration is given to the community views they have collected. This presents an exciting development opportunity for the community and staff will be at the forefront of engagement works intended to support regeneration of Middlefield.

Improving our use of Resources –

A comprehensive options appraisal and financial impact assessment has been completed.

Corporate -

This proposal has the potential to support all key objectives within 'Aberdeen – the Smarter City'

- Smarter Governance – Participation
- Smarter Living – Quality of Life
- Smarter People – Social and Human Capital
- Smarter Environment – Natural Resources
- Smarter Economy – Competitiveness
- Smarter Mobility – Transport and ICT

This proposal supports People, Place and Economy outcomes in Community Planning Aberdeen's Local Outcome Improvement Plan, as well as the area's Locality Plan.

Public –

The matter has been and will continue to be one of significant public and media interest given the unprecedented scale of rehousing and wider regeneration which has already taken place and scheduled.

7. MANAGEMENT OF RISK

The most significant risk is continuing dissatisfaction and distress for tenants who have experienced uncertainty about this site since 2007/8. This will be alleviated with a positive decision from the Council to re-develop the site.

We must ensure that community views are fairly and accurately represented in order to prevent disengagement and mistrust. The building of positive working relationships with the local community will be critical for successful delivery of the Locality Plan.

8. BACKGROUND PAPERS

A90(T)/A96(T) Haudagain Junction Improvement to Council 25 June 2008

Delivering Middlefield Regeneration – Haudagain Phase Housing relets report to Housing and Environment Committee 19 November 2009

Haudagain Upgrade – A Way Forward (Middlefield) to Housing & Environment Committee on 14 May 2013

Policy Amendments – Haudagain Improvement Scheme report to Housing and Environment Committee 26 August 2014

Shaping Middlefield – Triangle Site to Communities, Housing and Infrastructure Committee 25 August 2016

9. REPORT AUTHOR DETAILS

Martin Smith, Area Housing Manager
martinsmith@aberdeencity.gov.uk
Tel: (01224) 788538

Kay Diack, Locality Manager
kdiack@aberdeencity.gov.uk
07778 872309