

ABERDEEN CITY COUNCIL

COMMITTEE	Communities, Housing & Infrastructure
DATE	16 January 2018
REPORT TITLE	Shaping Middlefield – Triangle Site
REPORT NUMBER	CHI/17/293
INTERIM DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Kay Diack/Martin Smith

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 the recent market testing exercise. These proposals support Aberdeen City Council's regeneration and community empowerment objectives.

At Committee on 29 August 2017, the following recommendations were approved:

- a) Instruct Officers to undertake a market testing exercise to determine interest in one or both options presented, namely a) retail and greenspace or b) retail, greenspace and housing and report back to the January 2018 meeting of the Communities, Housing and Infrastructure Committee.
- b) Instruct the Head of Service for Communities and Housing, on the basis of the consultation results, to undertake immediate further dialogue with the Council's Economic Development Service to gauge potential demand for business incubator units in the Triangle Site.
- c) In the event that the outcome of (b) above indicates demand for incubator units on the Triangle Site, instruct the Head of Service for Communities and Housing to update the Business Case accordingly and report back to a future meeting of the Communities, Housing and Infrastructure Committee.
- d) Instruct the Head of Service for Communities and Housing to undertake immediate further dialogue with Education and Children's Services to gauge potential demand for land in the Middlefield area for Early Learning and Childcare provision and staff training facility and update the Business Case accordingly, and report back to a future meeting of the Communities, Housing and Infrastructure Committee.

2. RECOMMENDATION(S)

It is recommended that Committee:

- (a) Note the outcome of the market testing exercise instructed by this Committee on 29 August 2017;
- (b) Instruct the Head of Land and Property Assets to openly market the site in accordance with Aberdeen City Council's aspirations and report back with the outcome to a future and appropriate Committee in due course;
- (c) Note the outcome of the further dialogue with the Council's Economic Development Service regards potential demand for business incubator units in the Triangle Site note and that this option will not progress any further at this stage; and
- (d) Note the outcome of the further dialogue with Education and Children's Services in relation to potential demand for land in the Middlefield area for Early Learning, Childcare provision and staff training facility and note that this option will not progress any further.

3. BACKGROUND AND MAIN ISSUES

3.1 Middlefield is a priority neighbourhood for community regeneration for Aberdeen City Council and Community Planning Aberdeen. Significant community engagement and developments are on-going. A Locality Plan¹ has been developed with the community and community planning partners to set out a 10 year plan to improve social, economic and environmental outcomes. The redevelopment of the Triangle Site presents an exceptional opportunity to support regeneration aspirations.

3.2 Market Testing Exercise Outcome

Letters were issued to two potential retail occupiers, three commercial/residential development companies and three Housing Associations to establish interest. Responses were received from all parties with the exception of two of the Housing Associations. A summary of the responses is provided as follows:

3.3 Retail Site

The response from the market testing exercise indicates that there is firm interest in developing the site for retail use.

3.4 This is of particular importance to the Middlefield community. Middlefield has the lowest percentage of car ownership in the City. This makes accessibility to retailers very challenging. Over a lengthy period of time, the community have clearly articulated their desires and aspirations for this type of development within the Triangle Site. In addition, this is a

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

significant opportunity to meet the regeneration aspirations of Aberdeen City Council, in terms of creating employment opportunities within the area.

3.5 Residential Site

The information provided by private developers shows that there is no interest in developing the site as 72 single person (bedsit) units. However, one developer did suggest that they could build the units on behalf of Aberdeen City Council. None of the private developers provided any alternative development options for the site.

3.6 The Housing Association who responded suggested that they would be interested in developing the site with some single person (bedsit) units, with the suggestion that they would also intend to relocate a homeless hostel from another location. However, they did state that their preference would be to develop the site to include some family accommodation as well as single person (bedsit) units.

3.7 Early involvement and ongoing dialogue with Aberdeen City Council's Urban Design Team has not highlighted any issues of significant concern to date regards these proposals.

3.8 Housing demand in Middlefield

In terms of demand for housing, the waiting list for the Logie/Middlefield areas (as at 17th November 2017) was as follows:

Beds Req	LOGIE	MIDDLEFIELD	Sum:
1	1037	1275	2312
2	399	552	951
3	159	294	453
4	30	49	79
5	5	6	11
Sum:	1630	2176	3806

3.9 Economic and Business Development dialogue

After expansive discussions with various potential partners, although it was felt that provision of basic incubator units would successfully let, there was a lack of hard evidence to demonstrate this, and therefore, at this stage, this is not recommended for progression.

3.10 Education and Children's Services dialogue

After extensive work regarding identification of demand and future profiling, Education and Children's Services have indicated that they would prefer to utilise the existing estate as opposed to develop a new build provision. This resource utilisation can provide a quality Early Learning and Childcare provision, as well as a cost effective means of delivering requirements for provision of Early Years and Childcare for the Locality. This option will not progress any further.

3.11 Next Steps

If Communities, Housing & Infrastructure Committee approve the aforementioned recommendations, it is anticipated that the following actions will need to be effected as next steps:

- Maintain dialogue with Aberdeen City Council's Urban Design Team, Planning and Sustainable Development Service
- Continue previously agreed actions to secure vacant possession of properties on the Triangle Site
- Formally market Triangle Site
- When an outcome is agreed, the Interim Director of Communities, Housing and Infrastructure will write to the Scottish Government regarding regeneration funding assistance for this site

3.12 Summary

Soft market testing has confirmed that there is interest in retail provision on the site.

Information from the housing waiting list indicates that whilst we have no demand for single person (bedsit) accommodation, there is considerable demand for larger units, i.e. one to five bedrooms. The recent redesignation of Smithfield Court back into mainstream letting will support the demand for one/two bedroomed units.

Conversations with private developers give no evidence of any demand for single person (bedsit) accommodation.

Discussions with a Housing Association indicate that there is demand for family accommodation on site.

Given the positive responses from retailers, a developer and a Housing Association, and also given the current economic climate, it is important to progress this in a timeous manner, hence the recommendation to proceed with the marketing of the site.

4. FINANCIAL IMPLICATIONS

4.1 There will be a receipt of £9mn from the Scottish Government for the compulsory purchase of properties which are to be demolished for the Haudagain Road Realignment Programme. In addition, Officers should work with Scottish Government officials to seek financial support towards project costs for the Middlefield Triangle development. Financial assessment and impact on the 30 year HRA Business Plan/Aberdeen City Council's Capital and Revenue budgets shall continue to be key considerations in developing plans for the site.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations within this report.

6. MANAGEMENT OF RISK

6.1 Financial

Description	Mitigation	Status
HRA and/or General Fund cannot proceed due to financial pressures	Research market demand for site by opening dialogues and soft market testing. If positive, proceed to hard market testing. Open dialogues with Scottish Government regarding financial support.	Low

Delays in Triangle redevelopment achieving full planning permission having impact on project schedule and key milestones not being met, therefore causing delays and additional costs	Follow Aberdeen City Council's pre-application advice procedure and use the advice to shape emerging proposals, Planning Permission in Principle (PPIP) for the application would establish use and some detail flexible to needs	Medium
Actual build costs are higher than original budget cost estimate causing delays to project until additional funds have been approved and are available	Fixed price tenders will be invited. Any additional scopes of work will be controlled under management of change.	Low
Due to the recent oil and gas downturn, there is a risk that market demand in Aberdeen for retail space has decreased	Dialogue has been opened regarding demand for retail land and the site will be designed so that future developments can be accommodated	Low

6.2 Employee

Description	Mitigation	Status
Changing work scope having impact on project schedule and key milestones, including increased budget cost estimates	Raise a change control to seek approval. Undertake risk assessment in terms of cost and schedule. If approved, Quantity Surveyor to recalculate budget cost estimates in line with any new scope of work	Low

6.3 Customer/citizen

Description	Mitigation	Status
Home owners refuse to vacate their properties resulting in delays to project schedule, key milestones and increased costs	Dialogue is ongoing with home owners regards financial agreement.	Low

6.4 Environmental

Description	Mitigation	Status
Difficulty in maintaining green space	Plant low maintenance trees and shrubs, develop relationships with community groups with a view to community ownership and include clauses in	Low

	contract for lease/sale of land	
Site conditions may affect the development	Desk top study and site investigation required to confirm site and underground conditions	Medium

6.5 Technological

This has been considered and no risks have been identified.

6.6 Legal

This has been considered and no risks have been identified.

6.7 Reputational

Description	Mitigation	Status
Maintenance, quality and vision of Triangle site development not meeting community needs and subsequently not achieving regeneration of the Middlefield area	Take account of community consultations and market demand for housing	Low
Negative media coverage	Project Team to develop a Stakeholder Communication Plan	Low
Proposed single person housing does not attract new tenants	Robust evidence provided by Housing on demand for this	High

7. IMPACT SECTION

7.1 Economy

Shaping Middlefield and the Triangle Site in particular is a priority for Aberdeen City Council as it is fundamental to the desire to regenerate and improve the local economy of Middlefield via retail provision, which will provide local employment opportunities. This, in turn, has a positive effect on quality of life for local people.

7.2 People

This proposal will impact positively on people. The recommendations in the report are based upon the express aspirations of the local community, which we have empowered and given a voice.

The plans for the Triangle Site will ensure that physical and social barriers are removed for those with a disability and they will be able to access services provided as well as public space.

This proposal fully meets the Mainstreamed Equality Principles in terms of ensuring an engaged and informed community. The community have been regularly involved, informed and consulted throughout the development of this work in the last 18 or so months. This engagement will continue for the foreseeable future.

The main aim of this work is to regenerate Middlefield and reduce social isolation for all, which will positively impact on its residents. Retail provision will ensure better access to shops for everyone in the community, but particularly for older people and people without access to a car or who find accessing public transport difficult.

Resident's views and the regeneration of the Middlefield are central to considerations and the recommendations made.

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.

7.3 Place

This proposal has a positive impact on environmental standards. Currently the housing in the Triangle area is of very poor quality and in a state of general disrepair. The redevelopment of the Triangle will be far more aesthetically pleasing and sustainable. The green space proposed could have a positive effect upon air quality via the provision of plants, trees and shrubs.

7.4 Technology

This proposal will fully embrace technology as it progresses from define and design to delivery stage. The available technologies will be utilised at all stages, from demolition to construction and occupation. Further details of this will be available in subsequent committee reports.

8. BACKGROUND PAPERS

A90(T)/A96(T) Haudagain Junction Improvement to Full 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, 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

Shaping Middlefield – Triangle Site to Communities, Housing and Infrastructure Committee, 24 January 2017

Shaping Middlefield – Triangle Site to Communities, Housing and Infrastructure Committee, 29 August 2017

9. APPENDICES (if applicable)

1. Zone plan

10. REPORT AUTHOR DETAILS

Kay Diack
Locality Manager
kdiack@aberdeencity.gov.uk
Tel: (07778) 872309

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

HEAD OF SERVICE DETAILS

Derek McGowan
Head Communities and Housing
demcgowan@aberdeencity.gov.uk
Tel: (01224) 522226