

EXECUTIVE BOARD – 16th May 2017

Subject:	Redevelopment of Knights Close, Top Valley
Corporate Director(s)/Director(s):	David Bishop – Deputy Chief Executive/Corporate Director for Development and Growth
Portfolio Holder(s):	Councillor Jane Urquhart, Portfolio Holder for Planning and Housing
Report author and contact details:	Fran Cropper, Regeneration Team Leader, Development Directorate
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a) <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Total value of the decision: See exempt appendix	
Wards affected: Bulwell Forest	
Date of consultation with Portfolio Holder(s): 16/3/2017	
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input checked="" type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input checked="" type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input type="checkbox"/>
Adults, Health and Community Sector	<input type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
This report proposes the decommissioning, demolition and redevelopment of Knights Close. This supports the Council's 2015 Manifesto pledge to build 2500 new homes that Nottingham people can afford to rent or buy and to bring all social housing up to the Decent Homes Standard.	
Exempt information: State 'None' or complete the following	
Indicative costs and additional advice for the scheme are contained with the exempt appendix. This information is exempt from publication under paragraphs 1, 2 and 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and information which is likely to reveal the identity of an individual and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it could prejudice contract negotiations, and could reveal the identity of individuals at properties in the area.	
Recommendation(s):	
1 To approve the budget for the project as detailed in the exempt appendix and the outline scheme proposals.	
2 To approve the decommissioning and rehousing process for tenants, noting that the funding for homeless payments and security of the building is to come from the Housing Revenue Account.	

<p>3 To approve the process for obtaining vacant possession of the two occupied Housing Revenue Account commercial units, noting that the funding for any payments required will come from the Housing Revenue Account.</p>
<p>4 To approve Nottingham City Homes (NCH) to appoint a contractor to demolish the site and redevelop it on the Council's behalf, subject to tenders being returned within the financial envelope outlined.</p>
<p>5 To delegate authority to the Director of Strategic Assets and Property to agree terms with the affected business tenants.</p>

1 REASONS FOR RECOMMENDATIONS

- 1.1 There is an opportunity on this site for the Council to contribute towards its 2015 Manifesto Pledge, to build 2500 new homes that Nottingham people can afford to rent or buy.
- 1.2 The redevelopment of Knights Close will provide high quality housing and associated infrastructure, together with a local convenience store. The new community will actively regenerate the neighbourhood.
- 1.3 Approval of the recommendations will allow the contractor to be appointed, and the indicative architectural drawings to be further developed for submission to planning. The development will create a better connected and safer neighbourhood by improving the quality of the built environment.
- 1.4 The Council has accumulated an increasing amount of Right to Buy Replacement Receipts which can be used to meet up to 30% of the cost of developing new Council housing. If this funding is not spent within a certain period it will have to be repaid with interest. This development will be eligible for this funding for all units that are additional to the replacements for the existing units.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The Knights Close precinct off Old Farm Road in Top Valley has become increasingly dilapidated in recent years. This is due to the persistently high vacancy rate in the block of Housing Revenue Account shop units in the centre of the precinct and the long term dereliction of the former pub site immediately opposite this block.
- 2.2 The block consists of six flats above six shop units. Only two of the shop units are currently in use. The other four have been vacant for between one to seven years. It is estimated that investment of approximately £20,000 would be required to bring the four empty units to a lettable standard. However, this investment would not be sufficient to generate demand, as the shops are in a poor location to attract customers from beyond the immediate area, suffer from the competition from the nearby supermarket and more accessible shopping centre on Beckhampton Road, and would have to overcome the area's reputation for anti-social behaviour.

- 2.3 The former pub site has been vacant for over a decade. The site was on the market for sale throughout this period. Planning approval for a residential development was granted in 2008, but this came to nothing.
- 2.4 The Council is in the process of acquiring this land (see delegated decision 2728) and has acquired the single privately owned flat and corresponding shop unit (see delegated decision 2472) in the block in order to assemble the ownerships necessary to enable it to regenerate the area.
- 2.5 Further to receiving support for the scheme from the Building A Better Nottingham Steering Group, consultation has been carried out with all local ward Councillors, who fully support the scheme and are looking forward to this area of blight being transformed into a safe, well designed and welcoming neighbourhood.
- 2.6 Consultation has also commenced with residents who will be directly affected by decommissioning.
- 2.7 Further consultation with the wider community will commence once full approval for the scheme has been granted.
- 2.8 Preliminary designs have been worked up by an architect, via Nottingham City Homes. These designs will be subject to consultation and input from the local community and will create better connected and safer neighbourhoods by improving the quality of the built environment, and through the Secure by Design framework which will help to both reduce crime and the fear of crime.
- 2.9 The total cost of the schemes has been calculated by benchmarking Nottingham City Homes' current build costs against similar developments. Knights Close is a very complex site, and as such will cost more to develop than other schemes. Costs at this stage are therefore indicative, and will be adjusted when tenders are returned. Please see the exempt appendix.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Other development options have been considered.
- 3.2 The option of converting the shop units into flats was considered feasible and would have been eligible for Right To Buy Replacement Receipts funding but was rejected as insufficiently transformational, since the retention of the existing structure would prolong the life of the block but leave the surrounding environment largely unchanged.
- 3.3 The option of converting the shop units into workshops was considered. Although this would have the potential to generate employment, it was rejected as being financially unviable: the cost of development would be much higher than the potential income and it would be unlikely to attract external funding. In addition, it would do little to improve the local environment and could even reduce the quality of life of the residents living above.
- 3.4 Potential new development sites are reviewed strategically between Regeneration, Property, Urban Design, Planning and Nottingham City Homes. This site was selected above others as this project will regenerate the area, the buildings were nearing the end of their economic life and had high void levels, and the large site area allows for a significant net gain of units for family housing.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

4.1 See exempt appendix. Comments provided by Julie Dorrington, Senior Accountant, 11/4/2017.

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 Legal have no significant concerns provided all internal and external procedures in relation to the procurement of the contactor and the obtaining of vacant possession of the properties are followed.

Steve Fryer, Legal Executive, 12/4/2017

Brian Stewart, Solicitor, 12/4/2017

Sue Oliver, Procurement Manager, 12/4/2017.

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

6.1 Strategic Assets and Property have been working with and will continue to work with colleagues in other sections to negotiate and agree terms for the acquisition of the various property interests required to assemble the proposed redevelopment site

Rodney Martin, Development Manager, 12/4/2017

7 SOCIAL VALUE CONSIDERATIONS

7.1 The new development will enable better community interaction, and attract a new commercial opportunity to the scheme. The excellent standard of design for the new homes, coupled with Nottingham City Homes' energy efficient build specification, will dramatically improve the appearance of the area and the overall neighbourhood for new tenants and local residents. Environmental features will be incorporated within the design, incorporating principles of Building for Life 12 and Place Making. Jobs and training opportunities will be created for Nottingham residents, through traineeships and local employment opportunities.

8 REGARD TO THE NHS CONSTITUTION

8.1 Not applicable.

9 EQUALITY IMPACT ASSESSMENT (EIA)

9.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:

(Please explain why an EIA is not necessary)

Yes

x

Attached as Appendix 1, and due regard will be given to any implications identified in it.

10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

10.1 None

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 None

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

12.1 Philippa McKenna, Senior Development Manager, Nottingham City Homes
Mark Lowe, Head of Regeneration and Housing Delivery, Nottingham City Council.
David Baillie, Regeneration Officer, Nottingham City Council.