

REPORT TO: POLICY & RESOURCES COMMITTEE - 26 NOVEMBER 2007

REPORT ON: WHITFIELD DESIGN FRAMEWORK - REPORT ON DELIVERY METHOD

JOINT REPORT BY: DIRECTOR OF PLANNING & TRANSPORTATION,
DIRECTOR OF ECONOMIC DEVELOPMENT AND
DIRECTOR OF HOUSING

REPORT NO: 499-2007

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to advise the Committee on progress and to seek approval of the preferred means for making available the Council's land interests and securing the full implementation of the revised Whitfield Design Framework.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee:
- a Approves the proposal to market parcels of development land in Whitfield as appropriate. The City Council will project manage delivery of the regeneration using a proportion of the capital receipts generated to fund the delivery of strategic infrastructure;
 - b Remits the Assistant Chief Executive (Management) to submit a report to the Policy and Resources Committee to establish a temporary seconded post to project manage the regeneration of Whitfield; and
 - c Remits the Director of Planning & Transportation and the Director of Housing to establish a Steering Group comprising public and private interests to work together to secure the successful physical, economic and social regeneration of Whitfield.

3 FINANCIAL IMPLICATIONS

- 3.1 The sale of development land will generate capital receipts, a proportion of which will be required to fund the provision of strategic infrastructure and to fund costs associated with the establishment of the project manager post. These costs will initially be met from prudential borrowing and existing departmental budgets and then recovered from capital receipts. The majority of income from the sale of development land will benefit the Housing Revenue Account and will be used to achieve the Scottish Housing Quality Standard throughout Dundee.
- 3.2 The Scottish Housing Quality Standard Delivery Plan requires a minimum of £37.7m raised from capital receipts to achieve the required outcome. The requirements of the Scottish Housing Quality Standard will be given consideration when deciding how land sales receipts are to be utilised in order to ensure an appropriate prioritisation of their re-investment.

4 BACKGROUND

- 4.1 Reference is made to Article II of the minute of the meeting of the Planning & Transportation Committee of 11 December 2006 when it was agreed to:
- a note the results of the public consultation exercise on the Draft Framework;
 - b approve the revised Design Framework as a basis for taking forward discussion to secure the implementation of proposals to further regenerate the Whitfield area;
 - c remit the Director of Planning & Transportation and the Director of Housing to consult with interested parties on the draft Design Guide;
 - d remit the Director of Planning & Transportation, the Director of Housing and the Director of Economic Development to further investigate issues in relation to Dunbar Park and the Whitfield Shopping Centre that emerged through the consultation process;
 - e remit the Director of Planning & Transportation, the Director of Housing and the Director of Economic Development to bring forward a report outlining the preferred means for making available the Council's land interests and securing the full implementation of the revised Design Framework; and
 - f remit the Director of Planning & Transportation to investigate the issues of vandalism of street lighting in Whitfield and identify lighting columns and footpaths that could be removed.

Consultation

- 4.2 Consultation has continued internally between the key departments. The Leisure and Communities Department has assessed the community facilities that would be required to support the enlarged community and the Education Department is considering the impact the increase in population will have on school rolls in Whitfield.
- 4.3 Externally discussions are ongoing with NHS Tayside to consider the needs of the new community and the long term future of health facilities in Whitfield. Discussions continue with other external partners, including Tayside Police, Tayside Fire and Rescue, Communities Scotland, Registered Social Landlords and prospective private developers.
- 4.4 There has been continued dialogue with the community regarding the Draft Design Framework. Overall feedback on the content of the concept layout, the type and quality of new housing and the development process has been positive. The process of public involvement has been assisted through the establishment of the Whitfield Design Group comprising.
- 4.5 Some minor alterations have been made to the Concept Layout (Design Framework) as a result of the recent internal and external consultations and a revised version is available in the Members Lounge and a copy has been passed to each Group Secretary. It is recommended that the Committee approve the Concept Layout as a

document that will guide future development in Whitfield and for it to be a material consideration in the determination of any planning applications.

Update on Specific Issues

- 4.6 During earlier public consultation concerns were raised regarding issues of low property values, factoring and anti social behaviour at Dunbar Park. These concerns have been further investigated with the conclusion that, whilst local management issues exist, there is no basis for radical intervention. To allay residents' concerns the Director of Housing sent a letter to all the properties confirming that there is no intention to demolish any property in Dunbar Park at this time.
- 4.7 Concerns remain regarding the unattractive Whitfield Shopping Centre and the need to improve local shopping provision to support the sustainable regeneration of the area. The owner of the existing shopping centre has recently contacted the Council and indicated his willingness to discuss its future. However, it is considered that replacement shopping facilities located in the heart of Whitfield and accessible to all areas should be pursued as part of the wider regeneration and this proposal is contained in the Design Framework.
- 4.8 The street lighting in Whitfield, in particular those sections serving former housing sites, was subject to repeated vandalism. The streetlights received sustained and determined vandalism leaving the columns and control boxes in a state that poses a risk to public safety. Following a meeting with community representatives a public meeting was held to discuss which sections of lighting should be extinguished. It was agreed that several sections in the south of Whitfield would be extinguished. The Street Lighting team report that there has been a reduction in incidents and it is hoped that this will continue through the winter months.
- 4.9 The City Council has to date been unable to identify funding to remove these columns and associated redundant footpaths. The Planning & Transportation and Housing departments will continue to pursue the necessary funding.

Delivery of the Whitfield Design Framework

- 4.10 Key to the physical regeneration is the provision of all the infrastructure required to achieve a sustainable community and for this to be provided at the time and point of need. The regeneration must also generate the capital receipts which will contribute to the programme of expenditure required for Dundee City Council's housing stock to meet the Scottish Housing Quality Standard.
- 4.11 The vision for the regenerated Whitfield is that it will be a popular, safe and attractive place to live, with a positive identity. The design and layout of new areas of housing and green space will ensure that the enlarged community will be sustainable, inclusive and well connected socially as well as physically with neighbouring communities. Improvements to the street network will make Whitfield a convenient and accessible place to live with permeability for cars, public transport and cyclists with an emphasis on pedestrian priority.
- 4.12 To enable the regeneration to meet these aims the chosen delivery method must be fit for purpose. Given the area of land to be made available for development and the focus on delivering a high quality physical regeneration, two principal methods have been identified. Each method has its own merits. The purpose of this report is to

briefly discuss how successful each will be in delivering this vision and to indicate the preferred method and seek Committee approval to use that method.

- 4.13 In brief, one delivery option is to divide the available land into several development sites and sell these individually on a competitive basis to developers on a site by site basis in conformity to the Design Framework. The City Council would take a lead role in this process both planning and delivering the necessary strategic infrastructure and community facilities.
- 4.14 The other delivery option involves a single disposal of all Council owned development land in Whitfield to a consortium of housebuilders. This will involve a competitive selection process with the successful consortium having responsibility for masterplanning and delivery of all infrastructure.
- 4.15 The likely process for each method is briefly discussed below and shown in the flow diagrams in Appendix 1.

Council Managed Site by Site

Process

- 4.16 The concept layout would be further developed by the City Council into a deliverable design framework. This would be augmented by detailed plans for the implementation of the infrastructure and community facilities. The development land would be divided up into approximately ten sites and Site Planning Briefs prepared for each. Each site or potentially groups of sites would then be marketed for sale on a competitive basis. Bids would be considered against the content of the design framework and site planning briefs.
- 4.17 Key to this method is that the City Council would design, build and fund all necessary strategic infrastructure including a new road network, new or improved community facilities and larger areas of new or improved open space. This strategic infrastructure would be provided early in the development process to create not only a better residential environment for those first new residents but to potentially increase the attractiveness and therefore value of the remaining development sites. The City Council would front fund these works from prudential borrowing and existing budgets with the costs recovered from land sales.
- 4.18 It is recognised that the management and delivery of the regeneration using this method would place a significant burden on existing staff resources particularly in the early stages of the process. To alleviate this burden it is proposed that a project manager post be created. The post holder would manage a virtual project team comprising officers from the partner departments. This post would initially be funded from existing budgets and the costs recovered from future land sales.

Developer Consortium

Process

- 4.19 All of the development land would be sold through a competitive process to a consortium of developers and their partner Housing Associations. The chosen consortium would be selected as a result of a two stage competition. Interested developers would be invited to submit outline proposals based on the concept layout. A selection panel (consisting of relevant Council departments, Councillors, Communities Scotland and community representatives) would then select a shortlist

and invite them to produce more detailed proposals. These would be assessed against a number of weighted criteria including design, sustainability, deliverability, programme, communities' preference and price.

- 4.20 The successful bidder would then produce, in consultation with the City Council and the community, a detailed masterplan based on the concept layout and develop in accordance with that.
- 4.21 Key to this method is that the consortium would design, build and fund all necessary infrastructure including new and upgraded roads, new or improved community facilities and new or improved open space.

Strategic Infrastructure Provision

- 4.22 The table contained within Appendix 2 lists the infrastructure that a developer of any residential site in Dundee would be expected to provide and also the strategic infrastructure that would potentially be provided as part of the Whitfield Regeneration. This strategic infrastructure is prioritised into primary and secondary with the primary infrastructure being that which the City Council would look to provide and finance from land sales under the site by site method or that which would be provided by the consortium. The secondary category is infrastructure that involves upgrading or replacing publicly and privately owned physical assets including the shopping centre and library. Under both methods this would in part be funded from external sources including the private sector.

Preferred Method

- 4.23 Closer analysis of the two methods reveals that they are closely matched in their potential to deliver the vision for the regenerated Whitfield. Both will use a masterplan and design guide to control a phased development and both will provide the full infrastructure and community facilities necessary to not only support the new community but to fill gaps in the provision for the existing. Strong project management should ensure that both methods deliver a high quality, sustainable community. Differences between the two projects lie with the control the City Council has, the financial benefits for the City Council and the timing of delivery.
- 4.24 Using the site by site method the City Council, as project managers, would have direct control over the project and with this increased flexibility. This allows the regeneration to respond to the emerging needs of the new community and to react to the changing needs and demands for new housing in Whitfield and Dundee. Of particular note is the current Housing Need, Demand and Affordability Study (see report 198-2007). The results of this study will be reported in mid-2008 and this will provide a clearer picture of the current housing market and projected needs and demands for housing in Dundee. Given the timeframe for the Whitfield regeneration - 5 to 10 years - there is scope for the regeneration to respond to the results and recommendations of the study. Aside from this there may be other needs emerging from the new and growing community in Whitfield that will require minor changes to be made to the design and detail of the project.
- 4.25 The developer consortium can not provide this level of flexibility. The consortium business plan would be based on the current vision for Whitfield and the current understanding of housing demand. As such they would be unlikely to make such

sweeping changes without seeking some form of financial recourse from the City Council.

- 4.26 On current trends the value of land in Whitfield will continue to rise and as each phase of the development is completed expectations are that this would accelerate the rise in value of remaining development sites. Recognising this, the developer consortium method would allow for regular site valuations and with the City Council in partnership with the consortium both would share in these rises. As site values can also fall this method would also protect the City Council from any falls in land values by setting a minimum price.
- 4.27 The City Council would also benefit from rises in site value using the site by site method. Releasing sites on a phased basis to the open market would ensure that the full market value of the sites would be realised. This differs from the consortium method as the Council would not have to share this windfall with the consortium. However, this method does expose the City Council to risk. Whilst it would benefit fully from any rise in land values there would be no safeguards to a falling market.
- 4.28 The proposal to undertake a comprehensive physical regeneration of Whitfield was first put forward in 2005. In the meantime demolition of surplus housing stock has continued, some infrastructure works have been completed and the expectations of the community have grown, thus the need to make a start on the ground is greater than ever. Using the developer consortium method there would be a lengthy preparation phase before construction work would commence. It is estimated that the design competition, masterplanning, a lengthy legal process and then the first planning applications would take a minimum of 12 months to complete. With the City Council leading the site by site method the process would be less complex. Whilst the concept layout is finalised into a deliverable masterplan and details for the infrastructure are completed the Council could release a number of smaller development sites. These would create income for the Housing Revenue Account (towards meeting the Scottish Housing Quality Standard) and would give confidence to residents and prospective developers.
- 4.29 In summary, both methods are capable of delivering the vision for the physical regeneration of Whitfield. Differences between the methods mean that with the City Council taking the lead the site by site method would be more flexible and more responsive. Financially this method would also enable the City Council to benefit more from rises in land value although this benefit is tempered by the increased risk that the City Council would be exposed to should there be a fall in the property market. With a less time consuming preparatory phase it should be possible to commence development by mid-2008.

5 POLICY IMPLICATIONS

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. The major issues identified are:

5.2 Sustainability

The Design Framework is considered to have a positive impact on the Council's Sustainability Policy, as the proposals would meet the relevant key principles of the

Policy. In this case the key principles are: Compliance with Environmental Legislation, Energy and Water, Transport and Travel, and Built Environment.

5.3 Strategic Environmental Assessment

As the Design Framework and Design Guide are developed they will be screened for applicability to the EU Directive.

5.4 Anti-Poverty

In accordance with the Community Plan and Local Housing Strategy the Design Framework will positively address poverty issues in the Whitfield area.

5.5 Equal Opportunities

There are no major issues. This will continue to be considered in developing and implementing the physical regeneration.

6 **CONSULTATIONS**

- 6.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance), Head of Finance and Assistant Chief Executive (Community Planning) have been consulted and are in agreement with the contents of this report.

7 **BACKGROUND PAPERS**

- 7.1 Dundee Local Plan Review.

Report 247-2005, Report 668-2006, Report 198-2007.
Local Housing Strategy

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Director of Planning & Transportation

Elaine Zwirlein
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13 November 2007

Appendix 1 - Process Diagrams

Figure 1: Site by Site disposal

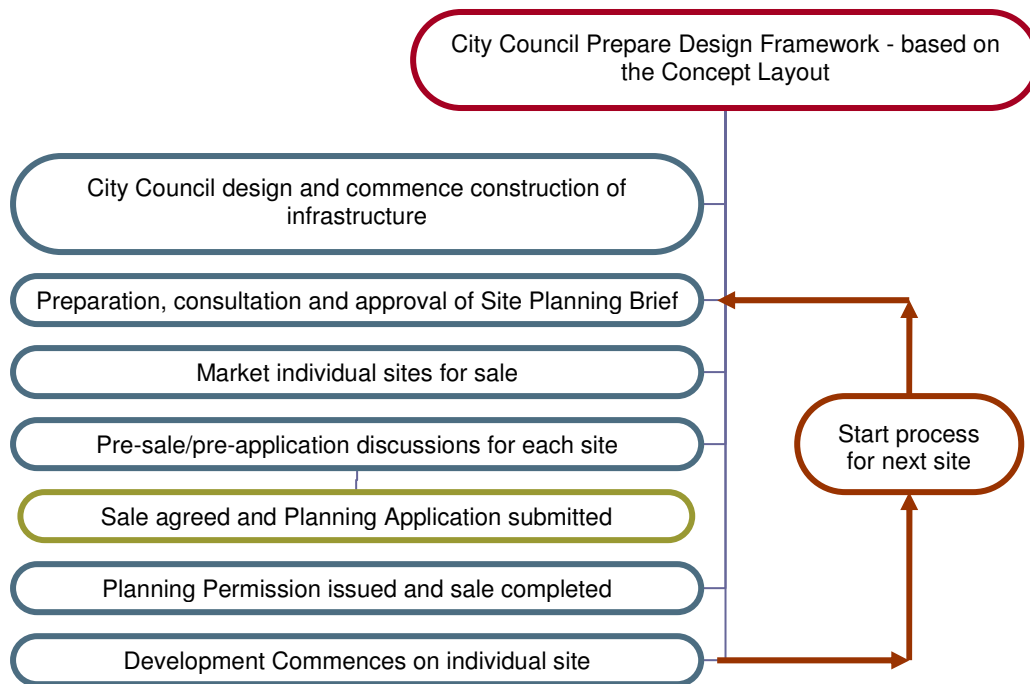
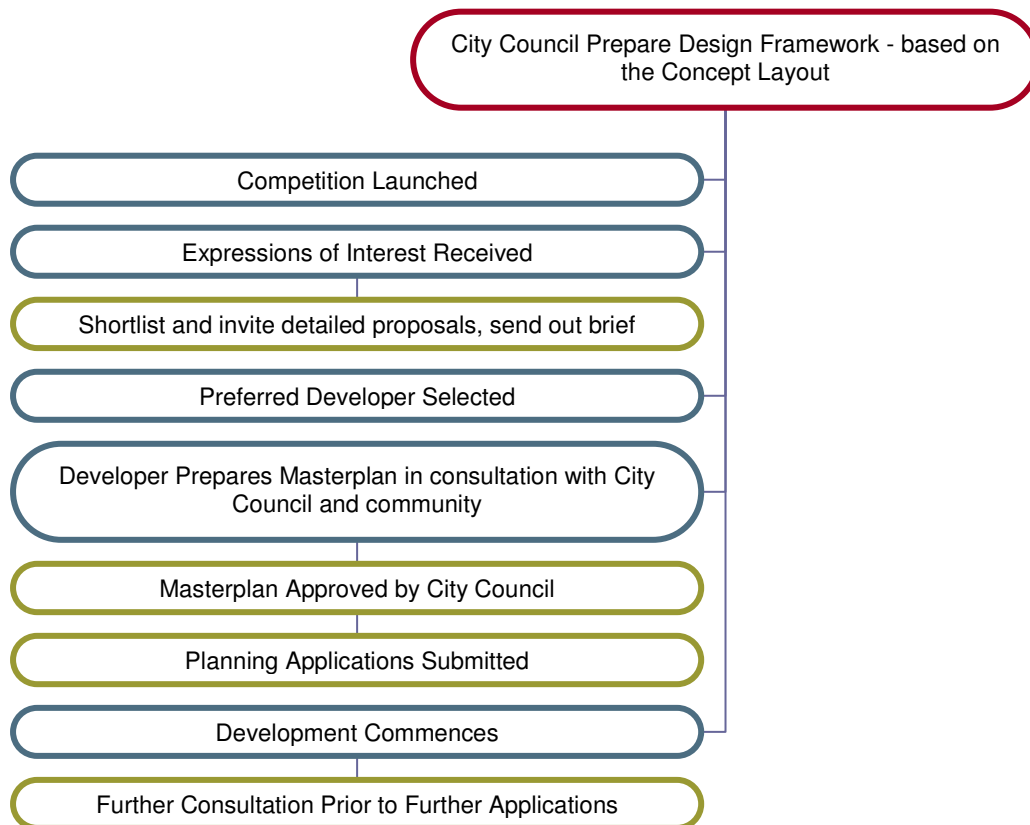


Figure 2: Developer Consortium



Appendix 2 – Infrastructure

Anticipated infrastructure provision within Whitfield Regeneration

		Strategic Infrastructure			
	Costs normally met by developer.	Primary	Provider/Financier	Secondary	Provider/Financier
Affordable Housing	None.	In total 150 RSL houses.	Developer.		
Transportation and Highways	Street network within development site. Street lighting.	Upgrade to existing road network. Including the 'High Street'.	Undertaken by DCC with some costs recovered from land sales.		
Education	Contribution per household if no capacity.				
Community Facilities	None.			Community Hall - upgrade or replacement.	DCC and Developer and/or Private and/or Lottery
Library Services	None.			Library - replacement or upgrade.	Undertaken by DCC with some costs recovered from land sales.
Recreation and Leisure (P.O.S.)	Open space as per Local Plan Policy 5.	Public Open Space - rationalise/upgrade. Formal outdoor sports. Children's equipped play. Children's casual play.	Undertaken by DCC with some costs recovered from land sales.		
Landscaping and Biodiversity	None unless site specific circumstances e.g. red squirrels or TPO's.	Pedestrian and cycle links to countryside. Structure Planting. Amenity Planting. Public Seating.	Undertaken by DCC with some costs recovered from land sales.		
Waste Disposal	None.	Financial contribution towards start up costs for kerbside recycling collections.	Cost split between DCC (Waste Management) and Site by Site Developer or; Consortium.		(table continues)
Sustainable Drainage	All.	Connections to existing system.	Developer as DCC has provided the		

			main infrastructure.		
Other				Social Work Facility. Child and Family Centre.	Undertaken by DCC with some costs recovered from land sales.
				GP Facility.	NHS Tayside or Private.
				Shopping Centre relocation and upgrade. Public House/ restaurant. Corner Shops network upgrade.	Developer and/or Private. DCC could make sites available for replacement centre and for leisure facilities.

Concept Layout

A copy of this document is available in the Members lounge and a copy has also been passed to each group secretary.