

 Executive – 11th March 2015		Agenda Item No. 9
Title	Regeneration in Lillington	
For further information about this report please contact	<p>Andrew Jones Deputy Chief Executive 01926 456830 Andrew.jones@warwickdc.gov.uk</p> <p>Philip Clarke Senior Projects Co-ordinator 01926 456518 Philip.clarke@warwickdc.gov.uk</p> <p>Andrew Thompson Head of Housing & Property Services 01926 456403 Andy.thompson@warwickdc.gov.uk</p>	
Wards of the District directly affected	Leamington Crown	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Executive 12 th March 2014 Minute no. 170	
Background Papers	<p>Local Plan 1996-2011</p> <p>Local Plan Submission Draft January 2015</p> <p>Achieving Social Inclusion in Warwick District, Warwickshire Observatory, April 2014</p>	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes (ref. 672)
Equality Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	N/A	Author
Head of Service	9/2/15	n/a (Chief Executive's Department)
CMT	16/2/15	Chris Elliott, Andrew Jones, Bill Hunt

Section 151 Officer	9/2/15	Mike Snow
Monitoring Officer	N/A	Author
Finance	9/2/15	Mike Snow
Portfolio Holder(s)	19/2/15	Cllr. Hammon, Cllr. Vincett, Cllr Caborn
Consultation & Community Engagement		
<p>Briefing to Warwick District councillors, 21st January 2015</p> <p>Workshop of District and County Council staff, November 2014</p>		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 The purpose of this report is to consider regeneration opportunities in Crown Ward, both to support the renewal of community services in the centre of the community, and on the edge of Lillington. Specifically, it reports on work that was commissioned to understand the feasibility of potential regeneration proposals and specific engagement that has been carried out with stakeholders to date.
- 1.2 Members should note that there is also a related report on the private and confidential part of this agenda. That report does not consider the principle of whether to support the regeneration proposals, but considers some of the detailed financial and other matters arising from any recommendations within this report, including those relating to assets owned by Warwick District Council and Warwickshire County Council.

2. **Recommendations**

- 2.1 That Executive notes the outcome of the Lillington Regeneration Masterplanning and Feasibility Study (the Study) attached as appendix A to this report, including the identified regeneration benefits that the scheme would bring to this part of Crown Ward.
- 2.2 That Executive notes the consultants' conclusions on the feasibility and financial viability of a regeneration project in this location, and the comments of the Council's Head of Finance contained in paragraphs 5.1 to 5.3.
- 2.3 That Executive affirms the Council's commitment to prioritise work in Crown Ward to support local communities and to address known deprivation and recognises the role of the Study in outlining a potential way of addressing these.
- 2.4 That Executive supports the potential opportunities that a regeneration project along the lines proposed by the Study would bring to the area, and authorises the work identified in paragraphs 3.15 and 3.16 to further scrutinise the effectiveness of the proposals and consider what alternative ways of delivering positive outcomes for communities in Crown Ward may be achievable.
- 2.5 That, subject to recommendation 2.4 above, Executive allocates £20,000 from the 2015/16 General Fund Contingency Budget for this work to be carried out in accordance with paragraph 3.16 below.
- 2.6 That Executive further agrees that further masterplanning work and community, tenant and stakeholder engagement should be carried out as described in paragraph 3.17 below.
- 2.7 That, subject to agreeing recommendation 2.6 above, Executive authorises £20,000 to support the community, tenant and stakeholder engagement and furthermore authorises Deputy Chief Executive (AJ) to seek to agree with the owners of Red House Farm how further technical and other work will be carried out and funded.

- 2.8 That, subject to agreeing recommendation 2.6 above, Executive asks Warwickshire County Council (WCC) to formally endorse its own support for the opportunities that a regeneration project along the lines proposed by the Study could bring to the area and furthermore asks that the WCC commits to working with the District Council along the lines set out in paragraph 3.23 of this report as these proposals are taken forward.

3. **Reasons for the Recommendations**

- 3.1 Members will recall that in March of last year, Executive received a private and confidential report which outlined a couple of potential regeneration opportunities in Crown Ward. It agreed that further feasibility work should be carried out to explore these in more detail, and asked that officers report back once this work was completed.
- 3.2 The two regeneration opportunities that were identified related to (1) the allocation of land at **Red House Farm** as part of the Local Plan, and the opportunity this allocation may present to offer wider regeneration benefits within Crown Ward, and (2) the opportunity to renew and improve the provision of local **health and community facilities** within Lillington. The report was private and confidential because the opportunities it identified would have major impact on key stakeholders and local residents in Lillington. Significantly, it would likely involve the demolition of Council properties and the potential acquisition of additional properties currently in private ownership. The Council agreed that it was important that detailed technical feasibility work be commissioned, and further engagement with local stakeholders undertaken, before making public the details of any opportunities.
- 3.3 The two potential opportunities are as follows:-
- In respect of the allocation of land at **Red House Farm** in the Local Plan, the Local Plan "Revised Development Strategy" document (June 2013) identified that the *"site has the potential to provide regeneration benefits for the Lillington area by providing a wider mix of housing (including private market housing), new opportunities for the existing population to access open space, and additional customers for local shops and community services. The development could also boost job creation in this area in the construction sector."* Executive agreed to explore whether there may be further regeneration benefits if, in addition to the land allocated in the Local Plan, further land and properties at, and in the vicinity of, The Crest were include as part of a wider regeneration.
 - In respect of the provision of **health and community facilities**, the opportunity relates to whether there may be scope to re-provide existing local facilities in a single "hub" and potentially provide accommodation for a new GP surgery in Lillington.
- 3.4 More details on the nature of the two opportunities are included in the "Background Information" section of this report below.
- 3.5 The detailed feasibility study has been carried out for the Council by project management consultants Pick Everard, working in conjunction with Willmott Dixon Housing and BM3 architects. Other specialist advice has been sought where needed on specific technical matters. Specifically, the consultants were asked to:-

- Identify areas for potential redevelopment within Crown Ward (specifically, but not exclusively at Crown Way and The Crest) and assess the possible mix of new development that could be provided in these locations.
- Prepare broad masterplans for any proposed redevelopment areas to understand development opportunities and costs in greater detail.
- Undertake broad financial appraisals to help the Council better understand the feasibility of any regeneration proposals and to enable it to consider how any regeneration would impact on the Council's Housing Revenue Account (HRA) Business Plan.

3.6 The feasibility study was overseen by a Project Board which included an officer from Warwickshire County Council as well as senior officers from Warwick District Council. The County Council has been fully involved throughout this work. The re-provision of the library, Youth Centre and Children's & Community Centre will only take place if the County Council is satisfied that this can be done in a way that meets its objectives for the provision of local services in this area. Similarly, officers have liaised closely with representatives from the NHS regarding any possible GP surgeries here. There is interest from three surgeries in Leamington Spa to relocate from existing premises and co-locate into a single building. Although at the present time, none of the surgeries wishes to be named, they are working on a detailed business case for relocation.

3.7 The consultants submitted their Study (titled the "Lillington Regeneration: Masterplanning and Feasibility Study") to the Council in February. The main study is attached as **appendix A** to this report. There is also a detailed technical appendix to the Study. This is not being put into the public domain as it contains detailed financial appraisals, and it forms part of a private and confidential report to Executive elsewhere on this agenda.

3.8 The consultants draw the following broad conclusions from the study:-

1. A regeneration project in Crown Ward, incorporating the redevelopment of properties at The Crest and along Crown Way, would be **feasible as a development project**. The report concludes that:-
 - A scheme could be delivered which demolishes a certain number of HRA properties and re-provides these within the local area, either in situ or on the land allocated at Red House Farm. Therefore, all existing council tenants whose properties may be required to facilitate the regeneration can be re-housed in the immediate locality. It does conclude that land within the Red House Farm Local Plan allocation is required for this to take place.
 - Any tenant that needs to be re-housed could be done so as part of a de-canting strategy by which they would only need to be moved once.
 - When all land is looked at together (including the land at Red House Farm), in addition to any re-provided HRA properties, an additional number of at least 250 additional homes could be provided of which 40% could in accordance with planning policy be affordable. The net increase of properties in the area would therefore be in accordance with the target for this allocation in the Draft Local Plan.
 - A regeneration scheme could include land for the provision of a "community hub" which could include space for the existing community

facilities currently provided on Mason Avenue (the library, Children's & Community Centre and Youth Centre). It could also provide space for a new GP surgery if required, meeting the need of more than one practice.

- The scheme may be financially viable subject to consideration of its impact on the Housing Revenue Account and consideration of the capital and revenue funding of the Community Hub and associated properties. It should be noted that the study does not seek to conclude on the impact of the project on the Council's Housing Revenue Account, however the consultancy team worked throughout with the Council's finance officers to enable them to provide advice to Executive. The advice of the Head of Finance is contained in Section 5 of this report.

2. A regeneration project could have a wider impact on improving the **environmental quality** of the area in the following ways:-

- It could bring about improvements to the setting of, and access into, the recreation ground. This could be achieved by removing the current Children's & Community Centre and Youth Centre and creating an enhanced access into the park in this location.
- It could assist in creating a stronger sense of place and identity for the whole community of this part of Crown Ward.
- It would create a better urban edge in this sensitive part of the Green Belt. The removal of the tower blocks would have a significant impact on the perception of this area from the countryside to the east and south.

3. The regeneration would have a wide **socio-economic impact** for the local area. The activity generated by the community hub and health facilities would increase levels of footfall and activity for the Crown Way shops. The consultants' study has identified the following opportunities (subject in some cases to the council putting in appropriate conditions in any agreement with a development partner).

- the creation of 60 apprenticeships during the period of the building works (estimated 6.5 years), of which at least 30% would be recruited from the Lillington area
- Links with local schools to provide 2,100 workshop places
- 50 work experience placements for 15-17 year olds and 100 placements for students aged 18+.
- Visits by 3,150 schools/college or university students.
- A commitment to skills development and training of the construction workforce involving the completion of 192 NVQs.
- A contractual requirement to ensuring that any building contract maximises local spend and labour. Similar projects elsewhere have achieved 20% spend within 10 miles of the site, and 25% of labour sourced from within 10 miles of the site.
- The establishment of a training academy in Lillington. Willmott Dixon has delivered this on major contracts elsewhere in the West Midlands. The Academy would offer training programmes ranging from short courses in electrical compliance and renewable technology to life-time skills such as NVQ and City & Guilds qualifications. The academy also provides accreditation onto the Construction Skills Certification Scheme. Willmott Dixon suggests that this could operate from the existing library building (once the library is relocated) or alternatively from the Adult

Learning & Education Centre on Pound Lane, and would be retained for the lifetime of the building contract. After the completion of the building works, this library building would be retained as a community resource.

3.9 A few specific comments should also be made on the consultants' proposals.

- The proposals for Red House Farm show a significant amount of land remaining as open space. This accords with the landscape advice given to the Council as it prepared the Submission Draft Local Plan. The proposals show approximately 3.1 hectares out of a total development area of 13.5 hectares remaining as open space. Within the remaining development area, the overall net density of housing development is approximately 31 dwellings/hectare. The proposals show that housing density is less at the urban edge in accordance with the principles set out in the Council's "Garden Towns" prospectus. The landscape architect who advised the Council on the Local Plan has been consulted on the consultants' emerging proposals and confirms that they do accord with previous advice given to the Council.
- One of the options for Crown Way includes the provision of a new building for Lillington Nursery & Primary School. The consultants' rationale for this is that the inclusion of the school land would allow a better use of the land at Crown Way for the provision of the community hub. The cost of re-providing the school would have to be met entirely from within the overall budget of the project (including from the sale of any surplus land that was created). The development strategy proposed by the consultants would allow the new school to be constructed before the old one is demolished, thereby minimising any disruption to the life of the school. Members will note, however, that there are other options for Crown Way that have been put forward that do not include re-providing the school.
- Three of the options for Crown Way include the provision of new or replacement shops. One of these includes the land occupied by the current Tesco Express store. If this land is proposed for redevelopment however provision is made for a replacement store for Tesco. Other options includes provision of a new shop. This would be a building of c10,000 sq.ft. In all likelihood this would be a foodstore. It should be noted that no assessment of the retail impact of such a new store has been undertaken to date. The consultants suggest that a foodstore would serve local people and could complement the shops at Crown Way. As with the school, Members will note, however, that other options for Crown Way do not include an additional store.
- The proposals do not directly affect the shops on Crown Way, but do include a package of environmental enhancements for the parade.
- The proposals for a Primary Care Centre are modelled on two GP surgeries combining. There may also be scope within the proposals for a third surgery to be included, and for the Crown Way Clinic to become part of primary care centre if it wished to do so.
- The consultants have met with officers from the County Council to consider the traffic impact of the proposals. As regards the proposals at The Crest and Red House Farm, the principle of this scale of development has already been discussed through the allocation of the land in the Local

Plan. There have also been general discussions about the proposed development along Crown Way. It is recognised that much more work would need to be done to assess the detailed traffic impact of any proposals in this area on the local and wider road network.

- The proposals for the corner of Mason Avenue and Valley Road show the demolition of the current presbytery and church hall that serve the Church of Our Lady. The proposals will need to allow for a sum of money to purchase a new presbytery and currently do not provide for a new hall. The current library building is retained and the consultants consider that this may have scope for a long term community use including as a replacement hall for the church.

3.10 In summary, the Study proposes a bold series of interventions that, cumulatively, could have a major impact on the appearance of this part of Crown Ward. Such an intervention would require a significant investment from the Council and its key partners, both in direct financial terms and in terms of staff time and energy. There would also be significant disruption to the lives of many people directly affected. Any council tenants whose properties were required to be demolished would need to be re-housed, and private property owners would have to have their homes acquired at market value, potentially through the use of compulsory purchase powers if negotiated agreements could not be reached. It is therefore necessary and reasonable to ask whether the potential benefits to the community at large counterbalance and compensate for the expense and disruption that would be an inevitable consequence of delivering these proposals.

3.11 A major consideration here is the Council's desire to reduce localised but significant deprivation within parts of the community. This is focussed within the Lillington East Local Super Output Area (LSOA). The nature and extent of the deprivation is discussed in more details in paragraphs 8.1 to 8.2 below. A report for the Warwickshire Observatory in April 2014 "*Achieving Social Inclusion in Warwick District*" sought to understand and rank the most socially excluded areas (LSOAs) in Warwick District. It assessed these against a number of key themes including isolation, health and wellbeing, Children & Young People, income and labour market and Housing & Homes. The report concluded:-

Lillington East in Crown ward is the most socially excluded area on the index. It is the worst performing area for two of the seven themes (Income and Labour Market and Children and Young People). Lillington East features in the top ten for five of the seven indicators. Only in the Isolation and Communities of Interest themes is the area ranked outside of the top ten. This area exhibits a wide range of exclusion related issues rather than a handful of problems which exist elsewhere.

3.12 This situation in this part of Leamington is not a new one, and is one that the Council and its partners, have been aware of for a long time. A great deal of work has taken place in the past, and is still doing so now, to meet community needs and address deprivation and social exclusion. A flavour of this work is described in paragraph 8.3 below. Alongside the technical feasibility work described in this report, a workshop was held with officers from the District and County Councils involved in this work, together with one of the district ward councillors to discuss the challenges facing the community and consider whether a physical regeneration such as proposed here could support and strengthen this work. These discussions are summarised in paragraphs 8.4 and

8.5 below. They do indicate that whilst many of the issues facing the community could be addressed with funding and other resources that are unrelated to any physical regeneration, there are tangible benefits to delivering housing and community services to the local community that could best be delivered as part of a physical regeneration such as being considered in this report.

3.13 It is, however, the case (as evidenced by the Warwickshire Observatory report) that many of the most acute areas of need within Crown Ward relate not to the built environment or the quality of housing but to issues such as unemployment, education, skills and training, and child poverty. The consultants were specifically asked to address this point within the Study, and they have concluded that with good management, the regeneration would have the capability of delivering a significant number of new jobs and training opportunities for local people, not only during the construction stage but also afterwards in terms of securing local jobs and providing new ones. There is a clear legacy opportunity for the Council to ensure that the investment here has a lasting positive impact on the local community.

3.14 Having taken the above comments into account, and having carefully considered the Study, officers are of the view that, on basis of the evidence presented to date, there is a potentially a strong case for the Council to support the regeneration opportunity that is now presented and for continuing to work to understand these and the opportunities they may bring in more detail. The potential benefits for the local community in Crown Ward could be as follows.

- The opportunity to change the character of this part of Lillington, improving the quality of the urban environment and establishing a foundation for future community development. The inclusion of land and properties owned by the Council would enable the new development at Red House Farm to be much better integrated into the urban fabric of the town
- The potential opportunity to provide a wide range of socio-economic benefits as described in paragraph 3.8 (3) above. In addition to the points noted in the Study, the relocation of three surgeries would bring approximately 60 existing jobs into the immediate area, and a new 10,000 sq ft foodstore (considered in two of the options for Crown Way) could create approximately 40 new jobs. In view of the known deprivation in parts of Crown Ward, and particularly in relation to issues of unemployment, education, skills and training and child poverty, this matter has particular local significance. It should be noted, of course, that much of this benefit will be delivered during the construction period of the project (estimated at 6.5 years), and therefore there remains questions as to how to build on this to provide a longer terms legacy for the community.
- The opportunity to re-provide existing community facilities within Lillington in a way that better supports the delivery of local services into the future. A single "community hub" building would allow greater efficiencies and effectiveness in the delivery of services and would, in some cases, allow existing old and inefficient buildings to be replaced.
- The shopping parade at Crown Way would be supported and strengthened by these proposals. In addition to a programme of environmental enhancements, the community hub would bring more

people to the area and the shops would be at the heart of the community in this part of Lillington.

- The opportunity to improve local health services have the potential to improve GP services across the whole of central and north Leamington and bring enhanced primary care services into the heart of Lillington. It should, however, be made clear that the delivery of this element of the regeneration requires full support and funding from the various agencies within the NHS, including NHS England, the local Clinical Commissioning Group, the three surgeries that have currently expressed an interest and, potentially, NHS Property Services. Without this support, the health element of the proposal cannot be delivered.
- The opportunity to renew a significant amount of HRA housing stock and widen housing opportunities in Crown Ward. This would allow the Council to reduce the number of municipal flats in the area in favour of family houses and bungalows, providing a wider range of housing opportunities for different household types. It would also increase the number of opportunities for people to buy a home including introducing to Lillington shared ownership properties for those who wish to buy a home but are unable to afford full market prices.
- The opportunity to significantly enhance the landscape quality of the area and local people's ability to access and use public open spaces. It should be noted that as part of the Red House Farm allocation further open space will be provided and these proposals will ensure that existing residents have easy and direct access to this.

3.15 It should be made clear, however, that despite the significant amount of work that has already been done to establish whether such regeneration is technically feasible and financially viable, officers are of the view that given the scale and cost of such a proposal, three fundamental issues of principle would benefit from further detailed scrutiny.

1. Further investigation should be carried out to explore the socio-economic benefits that would be derived from any physical regeneration. This would need to assess the local direct and indirect employment and training opportunities that would be created, and seek to take a view on the extent to which a regeneration that seeks to improve people's living conditions can also improve their wider wellbeing.
2. Further work needs to be done to explore what other interventions, unrelated to the physical regeneration proposed in the consultants' report, could be adopted by the Council and its partners to seek to address the causes of deprivation in this locality. These would build on the work described in paragraph 8.3 below. They should include a consideration of whether any physical works, either those described in this report or others (see 3 below), could support these interventions.
3. Further consideration should be given to whether other models of physical regeneration could still deliver the same (or better) socio-economic outcomes but in a less costly or disruptive manner. For example, could options involving substantially fewer demolitions (including, for example, retaining one or more of the tower blocks) still deliver such positive socio-economic outcomes? Could a reduced scale of regeneration focussing

primarily on (say) Crown Way and the delivery of the community hub still deliver the main socio-economic outcomes that the consultants describe?

- 3.16 If members wish to continue to move forward to explore regeneration opportunities in this area, officers consider that these issues need to be further investigated. As regards (1) above, this should be carried out wholly independently from the work that has been carried out to date, partly as a means of validating the work done so far. It could be funded from the General Fund Contingency Budget, and it is recommended that £10,000 be identified for this purpose. As regards (2), this work could initially be carried out in-house by officers working with partners (including the County Council). This is considered further in paragraphs 3.18 to 3.21 below. As regards (3), this work would need to be commissioned, and it is considered that, subject to meeting procurement requirements, the consultancy team that has carried out the work for this report would be well placed to undertake this. It is recommended that this work could be funded from the General Fund Contingency Budget and that a budget of £10,000 should be identified for this purpose.
- 3.17 Alongside this work, it is also recognised that more work needs to be done before the Council can formally consider whether to commit to any proposals.
1. Further detailed masterplanning work needs to be undertaken to develop further the proposals contained in the consultants' report.
 2. The financial aspects need to be considered in further detail, including the Council's ability to acquire any additional properties that are not in its ownership but which are fundamental to delivering the proposals.
 3. Updated information on the condition of the Council's HRA housing stock will be needed.
 4. A full programme of community engagement needs to be undertaken to explore in greater detail with the local community the different elements of the proposal.
 5. A full programme of tenant consultation and engagement needs to be undertaken.
 6. Agreement needs to be reached with the owner of the land at Red House Farm regarding how he and the Council can work together to bring these proposals forward. This matter is considered in more detail in the private and confidential report elsewhere on this agenda.
 7. Further dialogue is needed with key stakeholders, including the County Council and the various agencies within the NHS.
- 3.18 It is therefore also recommended that Executive authorises officers to continue to undertake work on the proposals along the lines set out in paragraph 3.17 above.
- 3.19 With regard to point 3 above, a separate report on the agenda of this meeting considers the HRA Business Plan Review. This will report on the forthcoming proposed condition survey of HRA stock and ensure that work is prioritised so that relevant information to support this project is provided in a timely manner.

- 3.20 With regard to point 4 above, it is proposed that a budget of £20,000 be provided to support any community, stakeholder and tenant consultation. Funding will also be required for further masterplanning and other technical work. It is reasonable that these and other costs are shared between the Council and the owner and promoter of Red House Farm, and officers will continue to discuss these matters with them. This matter is considered in more detail in the private and confidential report elsewhere on this agenda.
- 3.21 With regard to point 7 above, it is essential if this project is taken forward that there is a clear basis of understanding between the Council and Warwickshire County Council (WCC). The delivery of much of the community benefit in the vicinity of Crown Way relies on the full involvement of, and support from, WCC. The County Council owns land and buildings that are the subject of the regeneration proposal (Lillington Nursery & Primary School, the library, Youth Centre and Children's & Community Centre), and of course provides services within these buildings.
- 3.22 Up until now the County Council has been fully engaged in all discussions and an officer from the County Council has been a full member of the Project Board. Clearly, the County Council has its own priorities in terms of service delivery, and will need to be assured that it can absorb any operational and other costs that the project may necessitate moving forward. Equally, the District Council will need to be assured that the County Council is willing to continue to work with us to seek to realise the potential benefits that the regeneration proposals could bring to the whole community.
- 3.23 It is therefore recommended that the District Council seeks a more formal level of support from the County Council than it has hitherto required as a basis on which future work will be undertaken. It will also be important to agree some key principles with the County Council in order that decision making can take place in a transparent and consistent manner. These will include matters such as:-
- A commitment by both councils to share information
 - A commitment to provide and prioritise staff resources and technical expertise as the project moves forward, including in any assessment of other interventions, unrelated to the physical regeneration proposed in the consultants' report, that could be adopted by the Council and its partners to seek to address the causes of deprivation in this locality.
 - A commitment that the value of any surplus assets created through the regeneration will be fed back into the project to support its delivery. For example, in the consultants' study one of the options at Crown Way shows a redevelopment of Lillington Primary School. In this option, some of this land is used to deliver the new community hub, and the remainder is available for development (the proposals show this as being used for (private) housing). The Study assumes that (a) the County Council is happy to donate any land required for the community hub and (b) that any receipt from the sale of the surplus land for housing is returned to the scheme to help its financial viability.
- 3.24 It is not reasonable at this stage to ask the County Council to formally agree to the release of any specific site currently in its ownership. It is reasonable, however, to ask the County Council to agree, in a spirit of partnership, to work with the District Council to positively consider including all of these sites if and when further detailed technical feasibility work identifies that they may be required.

- 3.25 All of the above presupposes that the Red House Farm site is allocated in the Local Plan and taken out of the Green Belt. Without this allocation, it is likely that very little of this regeneration proposal can be realised.
- 3.26 In conclusion, it is clear that there is a strong case for the Council affirming its commitment to seek to address known deprivation issues in Crown ward and for exploring the best means of doing this. It is also recognised that the consultants' study would provide a means of helping to do this, and that this work should be taken forward. In tandem with this, and particularly given the scale and cost of the proposals outlined however, other work should be undertaken to validate this and explore more widely how the Council and its partners can best support local communities in this part of Lillington.

4. **Policy Framework**

- 4.1 **Policy Framework** – The Submission Draft Local Plan provides a planning policy framework for these proposals to be considered. As noted elsewhere in this report, land at Red House Farm is allocated for housing, with a specific reference to its ability to support regeneration in Lillington. There is also a regeneration policy within the Local Plan (DS18: Regeneration in Lillington) which supports development within or close to the Crown Way local shopping centre.
- 4.2 **Fit for the Future** – Undertaking a “Lillington Neighbourhood development feasibility study” is identified as a key project in the current FFF programme. The proposals identified in this report have the potential to contribute to many of the FFF priority themes:-
- Prosperity – by helping to create the right environment for unemployed people to move into work
 - Health & wellbeing – by enabling people to have improved access to a healthy lifestyle and sense of wellbeing
 - Housing – by improving the standard of new and existing housing in order to build healthy, safe and strong communities
 - Safer communities – by focussing in areas where we can make the most impact and contribute to “narrowing deprivation” in the District.
- 4.3 **Impact Assessments** – During the preparation of the Local Plan an Equalities Impact Assessment was undertaken and policies were amended to address any identified issues. If these proposals are taken forward, further work will need to be undertaken to consider equalities issues relating to any proposals.

5. **Budgetary Framework**

- 5.1 Indicative costs and phasing for the redevelopment options provided by consultants have been considered, however there will be a lot more work required to identify and allocate all costs and risks.
- 5.2 It will be noted that the separate report to this Executive on the HRA Business Plan recommends that any new development should be considered against a benchmark payback period of no more than 60 years. The arguments for replacing existing housing are very different to those for building additional housing. However it should be noted that the capital cost of demolishing and

re-providing housing is unlikely to be recouped compared to the 'stay as we are' option of continuing to maintain and let the existing homes.

- 5.3 More detail is considered in the related report on the private and confidential part of this agenda.

6. Risks

- 6.1 **Housing Revenue Account Resources.** The HRA currently has £8m of resources not committed to other developments. In addition the HRA can borrow at most an additional £13.8m within the 'debt cap' specified by the Limits on Indebtedness Determination, which is nowhere near enough to fund the more comprehensive redevelopment options for Council Housing. It is projected that annual surpluses from the HRA Business Plan (due to not repaying existing debt) will be able to fund the balance. However as redevelopment costs and future HRA rents and costs are estimates, the risk should be noted. An updated Stock Condition Survey will be carried out in 2015/16, which will significantly improve certainty around HRA planned maintenance costs.
- 6.2 **Impact on the Housing Revenue Account.** The demolition and provision of housing will commit significant HRA resources. Due to the 'debt cap' this will limit what other opportunities the HRA is able to finance simultaneously.
- 6.3 **Lack of funding or support from key stakeholders.** The realisation of the vision in the consultants' report relies on both cooperation and funding from all key stakeholders. The report addresses the key role that Warwickshire County Council will have in the scheme, both in terms of committing staff and other resources to move the proposals forward and also of providing land and buildings when required and agreeing to take the new space that is offered in due course. These physical changes will require different ways of delivering services to the local community, and the County Council will ultimately be responsible for delivering them. Another key stakeholder is the NHS and the three potential GP surgeries that may be co-locating. This will element of the project will require the active support of all parties and ultimately funding support from the NHS to enable the GP relocations to take place. There can be no certainty in the current (or foreseeable future) economic climate that this funding will definitely be provided.
- 6.4 **Additional risks, costs and delays to development programme.** A project such as this will inevitably have many elements that could cause delivery problems. Any process which may require negotiations to acquire third party land and property risks delays and increased costs if owners are non-compliant or there are delays to any compulsory purchase process. This could have significant cost and reputational risks for the Council. The process of de-canting a large number of residents is similarly complex and could potentially be subject to delay (with attendant increases in cost for the project).
- 6.5 **Risk of the Local Plan being found unsound or the Planning Inspector striking out the Red House Farm allocation.** As noted above, this is a risk to the whole project as the release of land at Red House Farm is required to deliver the regeneration package.
- 6.6 **Risk of Council not securing the cooperation of the owner and promoter of Red House Farm.** As noted earlier in this report, the co-operation of Red House Farm is essential to delivering this regeneration. The Council will need to

reach agreement with Red House Farm for a collaborative approach to bringing this land forward, and the means by which this is proposed is discussed in the other (private and confidential) report on this agenda.

7. Alternative Option(s) considered

- 7.1 The Council could decide not to proceed with further investigation of any of the regeneration proposals set out in this report but to direct resources to community development initiatives. This is not supported. There may be a strong case for seeking to target further resources to this area to support community development, and this may be part of a wider package of measures to help regenerate the area. It is considered, however, that the potential opportunities presented by the Red House Farm allocation in the Local Plan and the relocation of the GP surgeries represent a unique opportunity to consider wider regeneration opportunities in this part of Crown Ward. As such, there is a good case for taking this work further.
- 7.2 The Council could decide to support a smaller scheme to that proposed in this report; for example only focussing on Crown Way or only on The Crest. This option is not supported at the present time however neither is it discounted in the longer term. It is considered that both areas should remain the focus of further work, however the council should be open to the potential that following further feasibility work, it may decide to focus its resources on a smaller scheme.
- 7.3 The Council could decide to retain the tower blocks as part of any regeneration. This option has previously been considered and initially rejected this as not being feasible. This option will be considered further as part of the further option development described in this report. As is noted in paragraph 3.19 above, a separate report on the HRA Business Plan Review on this agenda will ensure that the forthcoming proposed condition survey of HRA stock will provide the necessary information to further inform any consideration of the future of the tower blocks (and indeed other HRA stock).
- 7.4 The Council could decide to seek to deliver the community hub but in another location not involving the demolition of properties on Crown Way. This has been explored but rejected. There are no locations that could be potentially feasible except for the Mason Avenue recreation ground which the Council would wish to protect as open space. If the community hub building was not adjacent to the Crown Way parade it would not be able to support the vitality and viability of the parade as a local shopping centre.

8. Background

Socio-economic background to this project: issues within Crown Ward

- 8.1 Crown ward contains some localised but significant deprivation within Leamington. This is focussed on the Lillington East Local Super Output Area (LSOA); an area containing The Crest, Burbury Close, Newland Road, Wackrill Drive, Fell Grove, Charnwood Way, Clare Close, Hanworth Close and Elan Close, and parts of Mason Avenue, Buckley Road and Denby Close. **Appendix B** to this report shows a plan indicating the extent of the LSOA, and its setting.

8.2 The key indicators of deprivation and social exclusion relating to this LSOA are as follows:-

- **Unemployment.** The LSOA has the highest levels of unemployment in Warwick District, measured at 9.4% in June 2013. This is within the worst 10% nationally. Unemployment is 3 times that of adjacent LSOAs.
- **Education, skills and training.** The LSOA is the worst ranked in Warwick District for educational attainment, unauthorised school absences, those not in education, employment or training (NEETS), and those with no qualification. It is within the worst 10% nationally for education, skills and training generally.
- **Child poverty.** The LSOA has the highest levels in Warwick District. 285 children (22%) in Crown Ward (within which the LSOA sits) are in poverty. LSOA has highest free school meal claimants in Warwick District.
- **Index of Multiple Deprivation.** The LSOA has the highest score in terms of overall deprivation in Warwick District and is within the worst 20% nationally.
- **Wellbeing.** The LSOA has the lowest measure of wellbeing in Warwickshire. 41% of respondents were identified as being within the low wellbeing range for "happiness".
- **Car ownership.** The LSOA has lowest levels in Warwick District; 54% of households own a car. Only three LSOAs in Warwickshire have lower levels of car ownership.
- **Social exclusion.** The LSOA is ranked as the most socially excluded LSOA in Warwick District by the Warwickshire Observatory Report "Achieving Social Inclusion across Warwick District" published in 2014.

Working with communities across Crown Ward

8.3 The Council and its partners, including Warwickshire County Council, already work extensively across Crown Ward to support local communities and address deprivation where this occurs. In particular:-

- The Council in its capacity as housing authority manages a large number of properties and works alongside partner agencies and tenants to ensure these are effectively managed and maintained, and that void levels, rent arrears and incidents of anti-social behaviour are kept low. Properties are let under the HomeChoice allocations policy i.e people choose where they wish to live and we support our tenants to sustain their tenancies.
- The Council's Community Partnership Team works alongside community groups and local agencies in the voluntary sector to reduce social exclusion and understand and meet local community needs
- Warwickshire County Council provides a number of front line services including the Children's Centre (now run by Barnados) and Youth Centre on Mason Avenue and the library.

8.4 Alongside the technical work on the feasibility study discussed in this report, a workshop was organised for officers from the district and county councils involved in all the above areas (together with district council ward members) to

review the main issues and challenges facing communities in Crown Ward. The following issues and challenges identified as:-

- Addressing the complex needs of a diverse population with different needs, including older and younger people and single parents.
- The isolation felt by some, particularly the older people, including to local service and facilities. This is compounded by high bus fares.
- The lack of communal space for the community to get together.
- A lack of pride felt by some residents in the area, due in part to the quality of the environment.
- High levels of unemployment and the need to break a culture of long term unemployment amongst some groups.
- The need for local community services at Crown Way to be more “joined up”.

8.5 In terms of addressing these issues, a range of priorities were identified.

- The need to support, retain and develop the Youth Service.
- The need to ensure that there is easy access to the full range of public services, and support for these being provided in a single “hub” building.
- More affordable housing for young and single people.
- Improvements to the physical environment, including to the quality of housing in the area and to the wider street scene.
- Tackling some anti-social behaviour issues, particularly noise issues in the tower blocks at night. (It should be noted, however, that the Council and its partners have a good record of managing anti-social behaviour in Lillington and this is not an issue that is being widely reported to the Housing & Property Services Department.)

The regeneration opportunities

8.6 As noted in paragraphs 3.2-3 above, there are two potential regeneration “opportunities” that have provided the basis upon which the Council has commissioned the feasibility study.

The “Lillington Hub”

8.7 The Council has been working with partners in Crown Ward to explore opportunities to regenerate and renew the community services in the heart of Lillington which presently focus on Crown Way and the library, Children’s & Community Centre and Youth Centre on Mason Avenue. A number of opportunities may exist here:-

- Lillington is well served by community facilities, however these are somewhat scattered and a number (the library and Youth Centre in particular) are housed in outdated buildings. The opportunity may exist to re-provide them in a manner whereby they can be run in a more efficient and responsive way to their customer’s needs.
- The Council is aware of the objective of three GP practices in the central and northern parts of Leamington to relocate onto a single site. In terms of the catchment population which this surgery would serve (in excess of 20,000 people across Leamington) Lillington is well located. Preliminary discussions have taken place with the surgeries and with other parts of the NHS to explore co-locating these with a new library, Youth and Children’s/ Community Centre. There is the potential for the former to act as a catalyst to deliver the latter.

- There may also be opportunities to look to improve the retail offer in the area to add to those currently provided within the Crown Way shops.
- All of the above would create and/or safeguard a significant number of jobs in Crown Ward. As well as construction jobs, there would be long terms training and employment opportunities once facilities are operating.

Red House Farm

- 8.8 Land at Red House Farm which abuts the built-up area of Lillington has been allocated for 250 homes in the Submission Draft Local Plan. This site is within the Green Belt, and exceptional circumstances need to be demonstrated to justify the sites inclusion in the Local Plan.
- 8.9 There are a number of potential benefits which would arise from allocating land at Red House Farm for housing. These include introducing a wider mix of types of housing into an area which has an above average level of council-owned properties, creating job opportunities through the construction of the new homes, and bringing new customers for local shops and social/community services and improving the environment of the area.
- 8.10 However, the location of the Red House Farm site, adjacent to an area of predominantly council-owned properties, also offers a particular opportunity to consider whether there is a case to deliver a significant regeneration of parts of Lillington in tandem with the adjacent green field development. The site abuts properties at The Crest and in particular the three blocks of flats; Eden, Southorn and Ashton Courts and associated garage blocks. These flats, together with their surrounding garage blocks, could provide the nucleus for regeneration if they were to be demolished and the area redeveloped.
- 8.11 There are good reasons for exploring further whether, in allocating the Red House Farm site, consideration should be given to whether there is a case for delivering a wider regeneration within Lillington to include the redevelopment of existing properties.
1. The Red House Farm allocation offers a unique opportunity to consider regeneration in this area in a wider context. The development of new homes on land currently occupied by the flats would be part of a wider provision of new homes in the area, increasing the choice of housing in the locality and improving the local environment. Rather than the Red House Farm site being "bolted on" to the edge of Lillington, selective redevelopment of land and properties within Lillington would allow the whole area to be masterplanned to improve the environment for both existing and new residents and to support a more comprehensive regeneration of the area.
 2. Although any demolition would involve the loss of existing council (HRA) properties, there may be the scope to re-provide these on-site or within the local area as part of a wider development. Furthermore, the development of the Red House Farm land would allow for further new affordable housing to be provided.