



Report to Scrutiny & Policy Development Committee

Report of: Simon Green and Richard Webb

Subject: Arbourthorne Fields Redevelopment Scheme

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Summary:

Phase 1 of the Arbourthorne Redevelopment Scheme was funded through the 2008-11 Housing Market Renewal (HMR) programme. When the HMR programme was terminated in March 2011 and no replacement funding stream was put in place, the Arbourthorne Fields Redevelopment Scheme was put on hold pending alternative resources being identified.

On 8th May 2013, a further report was agreed by Cabinet to use allocations from the Housing Revenue Account (HRA), the Capital Programme and the Local Growth Fund (LGF), to complete rehousing and demolition on the Arbourthorne Fields Redevelopment Scheme.

Type of item: The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	✓
Other	

The Scrutiny Committee is being asked to:

Note the information

Background Papers:

- Arbourthorne Fields Redevelopment Scheme Cabinet Report – 8 May 2013
- Arbourthorne Fields Redevelopment Scheme Cabinet Report – 22 October 2008
- Wybourn, Arbourthorne and Manor Park Masterplan Cabinet Report – 24 October 2007
- Wybourn, Arbourthorne and Manor Park Masterplan – May 2005

Category of Report: OPEN (please specify)

1. Introduction/Context

- 1.1 Following the Report presented to Cabinet on 8th May 2013, the Scrutiny Committee requested further information on the funding package for Arbourthorne Rehousing and Acquisition.
- 1.2 On 22 October 2008 Cabinet approved the phased acquisition and demolition of 422 non-traditional T-Type and '5M Finnegan' properties on the Arbourthorne estate. This was known as the Arbourthorne Fields Redevelopment Scheme. This was completed in 2010.
- 1.3 The 2008 Cabinet decision was made on the basis that Phase 1 of the scheme would be funded by the Government's Housing Market Renewal (HMR) Programme and a bid would be made to the HCA for funding on subsequent phases.
- 1.4 However, the HMR programme was ended in March 2011 and as no further external funding could be secured, the remaining two phases of the scheme were put on hold, pending the identification of alternative funding sources.
- 1.5 Local Members and the Cabinet Member for Homes and Neighbourhoods indicated that the continuation of the Arbourthorne scheme, in line with the October 2008 Cabinet decision, would be the first priority should funds be available.
- 1.6 Despite there being Cabinet authority and Member support to deliver the scheme, the funding environment has changed significantly since the scheme last went to Cabinet in October 2008. Therefore, since March 2011, the Housing and Neighbourhood Regeneration Team in conjunction with Sheffield Homes, Communities Finance and the Strategic Capital Investment Team, looked at a range of funding streams or alternative options for the remaining 5m homes.

2. Funding

- 2.1 Table 1 shows the cost of the scheme from 2013/14 – 2017/18, broken down by expenditure to the 193 Council and the 53 privately owned properties which make up phases 2 and 3 of the overall scheme.

	2013/14	2014/15	2015/16	2016/17	2017/18	Total
	£M	£M	£M	£M	£M	£M
Council	1.332	1.753	0.816	0.193	0.043	4.137
Private	1.211	2.767	2.329	0.315	0.158	6.780
Total	2.543	4.520	3.145	0.508	0.201	10.917

2.2 Table 2 shows the sources of funding available to ensure completion of the scheme.

	2013/14	2014/15	2015/16	2016/17	2017/18	Total
	£M	£M	£M	£M	£M	£M
Council						
HRA	1.332	1.753	0.816	0.193	0.043	4.137
Sub Total	1.332	1.753	0.816	0.193	0.043	4.137
Private						
Capital Receipts	0	0.898	2.329	0.315	0.158	3.700
Program me Savings	0.578	0.869	0	0	0	1.447
Local Growth Fund	0.633	1.000	0	0	0	1.633
Sub Total	1.211	2.767	2.329	0.315	0.158	6.780
Total	2.543	4.520	3.145	0.508	0.201	10.917

A further breakdown of how the funding will be allocated is given below. These costs are based on current rates provided by our Contractors.

Description	£
Council properties	
Decommissioning	55,005
Asbestos	46,460
Disconnection of Services	366,818
Demolition	1,432,060
Tenant Homeloss	907,100
Tenant Disturbance	193,000
Security	965,000
Professional Fees and Price uplift	172,272
Total Council Properties	4,137,715

The acquisition costs outlined in the table on page 5 are based on the acquisition costs paid during Phase 1, plus current values obtained from the Land Registry. Acquisition costs also include the payment of Surveyors fees, legal fees and other fees.

The figure of £1,663,500 has been secured from the Local Growth Fund for use as Relocation Assistance Loans for homeowners interested in buying a property on the open Market. The maximum available per RAL is set at £60,000. 27 RAL's would be available if all interested owners accessed the maximum allowed.

Description	£
Private properties	
Decommissioning	15,015
Asbestos	11,660
Drainage	3,710
Disconnection of Services	97,043
Demolition	393,260
Homeowner Disturbance	79,500
Acquisitions	4,230,000
Relocation Appreciation Loans	1,663,500
Security	255,000
Professional Fees and Price uplift	31,508
Total private properties	6,780,196

3 What does this mean for the people of Sheffield?

- It delivers on the WAMP Masterplan objectives and delivers the recommendations given in the 2008 Cabinet Report.
- It contributes to the Council's corporate outcome, 'A Great Place to Live', by demolishing properties which were originally built with a finite lifespan and which would require significant investment to bring them up to Decent Homes standards.
- It offers a comprehensive solution for both Council and privately owned homes
- It enables the creation of a better designed neighbourhood, with a wider range of properties, safer layout and improved linkages to open space.
- It increases the size of the existing land package, thus making it more attractive to potential developers
- It supports Sanctuary's £5million of investment into new older persons' housing development, which is due to be built on Phase 1A of the scheme. A further scheme to build over 40 new 1, 2, 3 and 4 bedroom homes has now been submitted for Planning approval. The Council will have 100% nomination rights to all of these new homes and will help facilitate the rehousing of existing residents who wish to remain in the local area.
- Any capital receipts from the sale of the land will go back into the HRA, which would reduce the overall support required for the scheme from the HRA.

4. Recommendation

- 4.1 The Committee is asked to note to contents of the report and provide views and comments to the Neighbourhood Housing and Regeneration Team.

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