



Cabinet Meeting

11 March 2015

Report title	Heath Town Regeneration	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Peter Bilson Economic Regeneration and Prosperity	
Key decision	Yes	
In forward plan	Yes	
Wards affected	Heath Town	
Accountable director	Nick Edwards, City Assets	
Originating service	Housing	
Accountable employee(s)	Jane Trethewey Tel Email	Section Leader – Housing Development 01902 555583 Jane.trethewey@wolverhampton.gov.uk
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Report to be/has been considered by	Executive Team Strategic Executive Board	10 December 2014 26 February 2014

Recommendation(s) for action or decision:

The Cabinet is recommended to:

1. Approve proposals on the Heath Town Regeneration Project as listed below:
 - I. The revised phasing for the delivery of the project based on the revisions to the masterplan as set out in paragraph 3.1.

- II. Further revisions to the masterplan, subject to amendment of details considered in sections 3 and 4 including the inclusion of the additional General Fund sites at Alma Street, Wyrley Street and Qualcast Road.
 - III. Delegate authority to the Cabinet Member for Economic Regeneration and Prosperity in consultation with the Strategic Director for Place to determine if the Grosvenor Street site should be included within the Heath Town regeneration scheme having considered the outcome of the discussion at Petitions Committee on 13 March 2015.
 - IV. The utilisation of the revised masterplan to develop a procurement prospectus and to procure a developer through the Homes and Communities Agency Delivery Partner Panel 2. Appointment of the development partner will be subject to a further report to Cabinet to confirm the appointment.
 - V. The progression of the actions set out in sections 3 and 4 subject to such further reports to Cabinet or Cabinet (Resources) Panel as required following the completion of feasibility and related negotiations with the parties concerned.
 - VI. To re-house affected tenants from Chervil Rise, the block proposed for demolition, and award Band 1 priority together with the Home Loss and disturbance payments set out in the report.
 - VII. To ring-fence void properties which have received Decent Homes works on the Heath Town estate for transfers as an incentive for tenants to move.
2. To receive further reports to consider the enabling works required, including procurement of re-routed District Heating and utilities infrastructure, demolition works, and associated mechanical and electrical works. This work relates to the proposed demolition of identified Chervil Rise and Hobgate Road buildings and will not extend to the rest of the estate.

Recommendations for noting:

The Cabinet is asked to note:

1. Progress made with the Heath Town Regeneration Project.
2. The on-going discussions with Black Country Make Community Investment Company around providing access to a small site on a leasehold basis for the development of community build homes on the Heath Town estate.
3. The requirement to fund and procure enabling works including utility separations in advance of the planned demolition.
4. The revised project plan timescale and the communications strategy.
5. Wolverhampton Homes' planned development of wider investment plans for the retained housing stock within the Heath Town estate.

1.0 Purpose

- 1.1 The purpose of this report is to provide an update on the activity undertaken to develop a programme for the regeneration of the Heath Town estate since the last Cabinet report of March 2014, to note the additional planned work still required, and to seek approval of specific proposals set out in the recommendations which will inform the development of the regeneration proposals.

2.0 Background

- 2.1 The Council has had an ambition to redevelop and improve the Heath Town estate for a number of years. Recognising the likely complexity and challenges to effectively regenerate the estate the Council sought specialist external advice to develop a masterplan for Heath Town. This was undertaken with support from Wolverhampton Homes, Heath Town residents and Council employees. The masterplan was intended to provide a framework for the enhancement of the estate including a programme of limited demolition and re-modelling to facilitate a change to the estate.
- 2.2 The Heath Town estate was built in the 1960s to a high density configuration of high rise blocks of flats and deck access blocks with a small number of houses and traditional low rise flats, totalling 1,151 properties. Most of the estate is let as Council housing managed by Wolverhampton Homes, with a small number of leaseholders.
- 2.3 The estate was originally designed with community facilities, including a school, community centre, GP surgery, pub and small shopping precinct, most of which have already been closed or demolished. In developing the masterplan our Wolverhampton City Council (WCC) advisors were asked to consider opportunities for re-modelling around the buildings and sites that have closed down, including the shopping precinct.

3.0 Progress to date

- 3.1 The intention is now to utilise the revised masterplan to develop a prospectus for the procurement by the Council of a delivery partner. Project phasing and timescales have been revised due to the additional survey work that has been commissioned to ascertain costs and issues around demolition, implications around the enabling works and the sequence of tasks required for re-development. Due to the complexity of the project, and to better manage the on-site works on the occupied estate, the project has been separated into three broad phases as follows:

Phase 1 (2014 - 2015)

- Completion of the Decent Homes programme by Wolverhampton Homes
- Procurement of a development partner, and early development of clear sites at Wyrley Street, Qualcast Road, Grosvenor Street, and the Duke of York site
- Procurement of a contract to re-route utilities and district heating pipework

Phase 2 (2016 - 2019)

- Early development of cleared sites at Wyrley Street, Alma Street, Qualcast Road, Grosvenor Street, and the Duke of York site

- Enabling works to achieve separation in advance of demolitions, specification, procurement and delivery of a contract to re-route utilities and district heating pipework in preparation of the demolition works at Chervil Rise and Hobgate Road. This work will not extend to the rest of the estate
- Decanting and demolition of parts of Chervil Rise including 34 residential units and garages in Hobgate Road
- Delivery of new housing development within the estate and associated works
- Wolverhampton Homes to start investment in retained blocks with initial works starting on stairwells and walkways

Phase 3 (2017 – 2020)

- Wolverhampton Homes to continue implementation of investment in retained blocks
- Wolverhampton Homes to deliver wider environmental works across the estate

- 3.2 Over the last year the proposals from the masterplan have been subject to consultation with residents, and stakeholders across the Council. The original masterplan proposals set out in the March 2014 Cabinet report showed the regeneration proposals limited to the Heath Town estate itself. However, a subsequent review with Corporate Landlord to discuss financial viability identified the estimated costs of enabling works may challenge the viability of the overall scheme. Consequently the area of the proposals has been reconsidered to enable several neighbouring General Fund sites that have been declared surplus and identified for housing to be added to assist the financial viability of the masterplan development.
- 3.3 The areas planned for demolition and redevelopment include existing infrastructure for the estate's electricity, water and district heating systems, which will need to be re-routed prior to works for demolition. Due to the risk of disruption to residents, this work will need to be handled through a council contract. Works on the district heating system must be carried out in summer to minimise impact on estate households. The earliest this could be delivered would be summer 2016, which impacts on the demolition phase and subsequent delivery of new homes in these areas. However this enabling and demolition work can be performed in parallel with the initiation of housing development of the General Fund sites, enabling a smooth progression of development activity across the estate.
- 3.4 A number of existing community services will be affected by the demolition plans, including a Police base, the Wolverhampton Homes local office, a Nursery facility in occasional use, a GP's surgery, and the Hope Family Centre. During consultation, residents are clear that these services are an important part of the estate and there is a desire to see these services re-located if possible. It is the Council's intention to retain these services to sustain the local Heath Town community if at all possible. Housing and Corporate Landlord employees are therefore continuing to work with these organisations to explore how these services may be retained on the estate, through relocating them to alternative premises. A summary of the current position is as follows.
- i) **Children's Services and Police** – some disused space in an existing residential block (Hawthorn House) has been identified for re-location of these two services. A feasibility report has been completed with costs to re-model and refurbish this space. Housing employees are working closely with Corporate Landlord

employees to take this forward as a potential option subject to funding, affordability, appropriate lease arrangements and financial viability.

- ii) **HOPE Family Centre** – negotiations with HOPE are continuing with a view to explore how these services can be retained. Some disused space in an existing residential block (Ling House) has been identified for use by HOPE. A feasibility report has been completed with costs to re-model and refurbish this space. This is currently being reviewed with Legal Services to clarify any state aid implications.
- iii) **Wolverhampton Homes** - Wolverhampton Homes' local office is located within the area proposed for demolition. Their requirements are being considered within the new development proposals. Wolverhampton Homes' representatives attend the monthly Heath Town Project Team meetings and are aware of the proposals.

3.5 The Duke of York site was marketed for sale in the summer of 2014 but no acceptable proposals were received. Consequently, this site was reviewed in light of the masterplan proposals and considered to be a key site. The Duke of York site is a very appropriate location for future GP/health facilities given its central position to the overall Heath Town area. This site has therefore been discussed with the NHS for the relocation of the existing GP surgery currently on Chervil Rise. Subject to NHS and Council approvals, this will deliver a purpose built medical practice for two GPs. Both the GP and NHS have agreed that it is an appropriate proposal in principle.

3.6 In addition consideration is being given to residential development across the rest of the Duke of York site to accommodate an Extra Care scheme for older people. A community space to support the Extra Care scheme, including services targeted for older people from outside the facility, and space accessible for wider community use, is being considered as part of the development. Any proposals being put forward will be subject to a financial viability analysis prior to the commencement of any procurement for the scheme.

3.7 Whilst the Chervil Rise shopping precinct has many vacancies, there are still some current commercial occupants. A report on commercial viability in the summer of 2013 showed that retail provision within the estate would not be sustainable, given competing existing shopping facilities in the area and close proximity to the City centre. The masterplan proposals do not now replace any commercial provision at the Chervil Rise location. The commercial tenants on Chervil Rise have been individually advised of this, and of the terms of their leases. The Council will not seek termination of leases until demolition dates have been set, which is likely to be around two years away. These timescales have changed since the original proposals were presented due to proposals to relocate the GP surgery to the Duke of York site.

3.8 The Council has been enabling the activities of a group called Black Country Make (BCM), a Community Interest Company (CIC) which supports young people by training them in digital technology to deliver social, economic and environmental benefits to their local community. BCM has been working from empty shop premises on Chervil Rise on the Heath Town Estate for the last 18-24 months, working with unemployed estate residents to learn digital design and manufacture skills. The Project Team has noted BCM's successes as a training provider, and in principle supports their initiatives to build

on this to deliver employment and housing opportunities, subject to clarification, appropriate approvals and consents to use Council assets to support the project. They are now seeking to expand their activities to explore the potential for community self-build to produce workshops and homes on the estate, which will be the subject of further reporting in future.

- 3.9 During a consultation event some residents contacted the Project Team to advise the Grosvenor Street site, which is one of the General Fund sites proposed for inclusion in the scheme to enhance viability, is currently used for local football practice sessions. Subsequently a petition was received providing the same information and the Heath Town Tenants and Residents Association has recently expressed a view that the area should be retained as a green space. The matter is due to be considered by Petitions Committee on 13 March 2015 and the proposal is to still include the Grosvenor Street site within the Heath Town regeneration scheme but to provide mitigation through the proposed upgrade and improvements to the existing Multi-Use Games Area (MUGA) on the Heath Town estate. Further work to review the future options for both spaces, and consult upon the appropriate investment into the MUGA, and associated open space, including improved play facilities and the installation of 'green gym' equipment, is planned prior to procurement of development on the estate.
- 3.10 All residents in the 34 maisonettes the masterplan proposes for demolition have been consulted individually about the proposals, and are kept regularly updated on progress. Employees are investigating the possibility of using vacant units arising from the decanting as temporary accommodation on a short-term basis, pending demolition of Chervil Rise. This will ensure the units remain in housing use for as long as possible, and minimise rent loss. On 11 September 2013, Cabinet approved the suspension of lettings due to the proposed demolition of Chervil Rise. Currently there are ten voids out of the 34 units in this block.

4.0 Current Considerations

- 4.1 In addition to the progress set out in section 3 a number of issues are currently subject to further consideration including;

i) **Surveys**

A series of surveys have been commissioned for the whole of the Heath Town estate to review the district heating, mechanical, electrical and structural details of the blocks affected by the planned works and also the areas proposed for new development. This information is critical to understanding the costs associated with demolition, and therefore to the financial viability of the masterplan proposals. The survey work has also been extended to the additional development sites that have been included within the project. The results of these surveys are supporting the development of a 'constraints plan' which will highlight the risks on site ahead of any demolition and building works that may take place.

ii) **Wider Estate Improvements**

Beyond the areas directly affected by the masterplan, the Heath Town estate also has wider investment needs. There is a need to enhance the look and function of the retained stock so it benefits existing residents and complements the regeneration project. This work is essential to ensure issues such as resident security and safety, access control and pedestrian transit are addressed. Council employees are working closely with Wolverhampton Homes colleagues to ensure there is consistency between the current regeneration plans and the plans for the long-term asset management of the remaining blocks of the estate. This will also ensure the design solutions are created holistically, to avoid problems such as anti-social behaviour being pushed from one area to another. As the two projects will present numerous logistical challenges, careful planning and sequencing of activities between the two project teams will also be essential.

As many of the elevated walkways are being demolished this is the opportunity to provide each deck-access block with its own defensible space, thereby improving the security for the residents and visitors to those blocks. This will involve reviewing how the common parts such as the stairwells and the refuse chutes currently function and redesigning them to resolve the known issues. This work will be complemented by the enhancement of the external envelope of the deck-access blocks (including the replacement of the roofs, doors and windows).

The environmental work across the estate, particularly those adjacent to the retained blocks, will need to be carefully designed to eliminate risks to the safety and security of residents.

iii) **Land Assembly Proposals**

The initial masterplan proposals for the area were reviewed by Housing and Corporate Landlord colleagues. To improve the financial affordability and viability of the overall scheme, a broader area of land assembly with sites adjoining the masterplan site area was deemed appropriate. Sites that form part of the land assembly are Alma Street, Wyrley Street, Qualcast Road and Grosvenor Street.

These sites had previously been declared surplus for individual disposal, but this carried a risk of piecemeal development within an area of predominantly industrial uses. A review of the benefits and dis-benefits of their inclusion in the masterplan were considered and concluded their inclusion within the masterplan area would improve:

- Financial viability and affordability for the masterplan
- The opportunity to kick start the development of this corridor to the south of Heath Town for residential use as part of a wider regeneration opportunity established by the Bilston Corridor AAP, rather than that of a piecemeal approach
- The opportunity to provide community facilities within the masterplan area without loss of much needed amenity space provides the advantage they can be progressed as an early phase of development. This will assist affordability

for the developer prior to the work required on the wider Heath Town estate

iv) **Heath Town Footbridge**

The Project Team is also looking at solutions to the Heath Town footbridge which will require changes to the part attached to Chervil Rise which is planned for demolition. A CCTV survey and questionnaire regarding the footbridge established that approximately 100 people used the footbridge per day to access St Stephen's and Woden Primary Schools, the Chervil Rise shops, and the GP Surgery and Wolverhampton Homes' housing office on Chervil Rise. The planned demolition of Chervil Rise will move some of these services elsewhere, reducing the rationale for the bridge to remain as an access route.

Further resident consultation has revealed that of those who responded, most understood why the bridge might be taken down and agree that the existing two pedestrian crossings over Wednesfield Road are sufficient to take the additional pedestrian traffic. Transportation employees have advised that the footbridge is not required to manage pedestrian traffic in this location. Further detail is now being sought from structural engineers on the costs of demolishing or retaining the footbridge before a final recommendation is proposed.

5.0 Consultation

- 5.1 The Heath Town masterplan has been subject to a series of public consultations over the last two years. A number of events were organised with residents to view information displays including a three-dimensional model of the proposals, and questionnaires have been sent to all properties on the estate seeking views. Council employees have also met with various tenant and resident groups across the estate.
- 5.2 A communications plan is being drafted to accompany the delivery of the planned phases of work, to ensure the diverse nature of the estate continues to be taken into account in consultation exercises, and there are regular updates provided to residents, key stakeholders and participants to the redevelopment.

6.0 Proposed Next Steps

- 6.1 This report provides an update on the revisions to the masterplan proposals for regeneration of the Heath Town estate and recommends approval to progress this plan for estate regeneration through the appointment of a development partner subject to any modifications arising from survey results. A number of decisions are being sought, as set out in the recommendations.
- 6.2 The next key steps will be to consolidate the Heads of Terms for the procurement of a development partner, finalise surveys and complete the financial analysis to determine viability and affordability from the Council perspective. Following this, a development partner will be procured, the enabling works to prepare the estate for demolition will be delivered and then a demolition contractor for Chervil Rise and Hobgate Road will be procured. The key steps are further outlined below.

- a) **Develop a procurement prospectus**
The revised Heath Town masterplan will be developed into a procurement prospectus, which will set out in detail the Council's requirements for redevelopment. In addition to housing outcomes, it will also specify a range of supporting features, such as play facilities, improvements to open space, car parking requirements and other detail requirements which have become evident through consultation.
- b) **Procure a development partner**
Procurement of a development partner to deliver the masterplan will be undertaken through use of the Homes and Communities Agency Delivery Partner Panel 2 and subject to a further report to Cabinet.
- c) **Monitor budgets and provide reports as required**
A budget of £5.0 million is in the current approved capital programme. This budget includes the cost of survey and site investigation works, along with specific enabling works which include re-routing of utility pipework along with demolition and remediation works. This funding will allow the project to start delivery of the enabling works whilst the cleared sites are being marketed for early housing development.
- d) **Progress a phased development approach**
The delivery of the Heath Town project is planned in a phased approach. This will help facilitate the potential relocation of the Heath Town GP surgery to the Duke of York site (subject to NHS England approval). In addition, this will enable the sites at Qualcast Road and Grosvenor Street to provide for early residential development, alongside the enabling works and demolition phase within the body of the Heath Town estate. The project will be separated into three broad phases as identified in paragraph 3.1.
- e) **Progress the decanting of residential and commercial units of the 24 affected properties in Chervil Rise**
The March 2014 Cabinet report approved the decanting of residential and commercial units on Chervil Rise, this is likely to take place in 2016/17. This report seeks approval of funding for the costs associated with this. Currently tenants receive £4,700 each in statutory homeloss payments plus allowances for disturbance. At present there are 24 tenanted properties in Chervil Rise affected and approximately £131,000 will be required to provide this compensation.

To encourage tenants in properties proposed for demolition to leave their homes, decisions are required to ring-fence void properties on the Heath Town estate for these decant transfers, to suspend eligibility requirements for properties of an equivalent size to their current home, and to provide Home Loss and disturbance payments to cover the costs of their moves. These measures will allow residents access to refurbished voids which have already had Decent Homes works carried out, ensure that they are not disadvantaged by their move, and can remain in the community. This is a departure from the Council's Allocation Policy, and requires formal decisions set out in the recommendations.

- f) **Progress the relocation of community services**
Progress has been made in exploring the options to relocate community services, to facilitate regeneration by decanting them from the Chervil Rise area, whilst maintaining support for residents by providing continuity of service provision. These proposals are subject to ongoing viability assessments and the availability of finance to convert under-utilised spaces in existing Heath Town blocks for use by these services. Negotiations are being progressed in respect to existing community provision currently located in Chervil Rise, where demolition is planned, to establish if these can be relocated to alternative premises on the estate to ensure continuity of services. Where this involves leases with external organisations such as the Police and the Hope Family Centre, advice is being provided by Corporate Landlord and Legal Services. Further reports will be required to approve details when these have been finalised.
- g) **Communications**
The Communications Strategy for the project has been devised to ensure that all stakeholders and participants have the opportunity to engage in the development of these proposals. Heath Town is an estate that is multilingual and engagement in formal consultation is typically low. It is therefore important to continue to provide opportunities for residents to access information and contribute their views through a variety of means throughout the project.
- h) **Co-ordinate all regeneration proposals through the Project Team**
The Project Team includes representatives from Wolverhampton Homes, who are working closely with the Council so that the wider investment plans for the Heath Town estate are co-ordinated with the proposed regeneration activity. A significant investment programme is required for the estate, and this is likely to run over a number of years, subject to HRA Capital funding and approvals.
- i) **Work with Black Country Make on the community-build proposals**
Corporate Landlord employees have included a number of General Fund sites to the masterplan to support the overall scheme viability. It is intended to exclude a small site on the estate for the potential grant of a lease to the Black Country Make CIC to support their community-build proposals, subject to further separate approvals and consents.
- j) **Provide further reports to Cabinet or Cabinet (Resources) Panel**
Further reports will be provided to Cabinet on the progress of the project and to seek the formal approvals as required for individual elements of the project as the detailed proposals are finalised.

7.0 Summary of Project Proposals (this is only indicative)

Proposal	Action required	Proposed Timescale
Completion of Decent Homes Programme	Wolverhampton Homes to plan delivery	March 2015
Development of a constraints plan and project plan	Finalise details of enabling works, demolition and re-development	July 2015
Development of financial viability analysis	Results of all on-site surveys including additional sites	July 2015
Approve the principle of re-locating existing community provision	Agree the Heads of Terms for leasing units to local service providers	July 2015
Continue work with BCM to deliver a community build housing scheme	Proposal required from BCM	July 2015
Revision of masterplan into a procurement prospectus	Incorporation of final design changes, and results of surveys/site investigations/consultation	September 2015
Initiation of the phased delivery of the project, starting with early development of cleared sites at Wyrley St, Qualcast Rd, Grosvenor St and Duke of York site	Procurement of a development partner for the Heath Town regeneration, including agreement with NHS Property on the commissioning of the new GP surgery	September 2015
Re-routing of utilities and district heating pipework	Procurement of a contractor	Summer 2016
Demolition of Chervil Rise and Hobgate Road	Decanting of residential and commercial units	2015-2017
Development of new housing	Planning application	2016-2018
Investment into retained blocks	Agree programme with Wolverhampton Homes	2016-2020
Look at wider investment plans and detail around environmental works for the estate	Meet with Wolverhampton Homes	2017-2010
Works to Heath Town footbridge	Awaiting comparative costs for demolition or restructuring works	2019

8.0 Financial implications

8.1 The Decent Homes works for the Heath Town estate are fully funded within the Council's Decent Homes programme, which is in the approved housing capital programme. The HRA feasibility costs will be funded from the approved HRA feasibility revenue budget. The feasibility studies on the General Fund sites will be funded by Corporate Landlord through the disposal of sites programme. The detailed survey work will look at the demolition implications and highlight risks across the site. This work will then feed into

the development of a viability appraisal before the project is procured. The cost of the initial survey work, a range of enabling works, and demolition works, are estimated at £5.0 million, which is funded within the HRA Capital Programme.

- 8.2 The proposed demolition of the Chervil Rise block is estimated to result in a reduction in rental income of £187,000 per annum to the HRA. In addition, the 26 garages that are proposed for demolition will result in a loss in rental income of £6,480 per annum to the HRA.
- 8.3 A sum of £131,000 is required to cover the costs of decanting the 24 tenants from Chervil Rise, required to deliver Phase 2 of the proposals. This will be funded from the £5.0 million HRA capital budget.
- 8.4 Any capital receipts generated through the sale of the sites at Duke of York, Qualcast Road, Adventure Playground on Hobgate Road and Grosvenor Street will accrue to the General Fund. At present it is not possible to estimate the value of this receipt. Due diligence will be undertaken and will include an evaluation on potential capital receipts prior to going out to the market.
- 8.5 The capital receipt generated from the sale of the General Fund and HRA sites will be paid in a single payment. This payment will be apportioned between the General Fund and HRA based on site areas owned by each fund, with the exception of the sites identified in paragraph 10.4 above.
- 8.6 There will be a maximum payment of £5,000 to compensate for the termination of both the protected tenancies for the commercial leases, which can be absorbed by the approved budget.
[CF/19022015/F]

9.0 Legal implications

- 9.1 Corporate Landlord is working with the commercial tenants regarding lease terms. The majority of leases will be coming to an end in the near future. These units will be re-let as short term leases with no further rights of renewal, allowing Corporate Landlord to bring to an end the occupation in a short period.
- 9.2 Corporate Landlord and Legal Services are also working with the Project Team to structure the most appropriate Heads of Terms and conditions to achieve delivery and be compliant with all relevant legislation including best value considerations, EU Procurement and State Aid.
[RB/16022015/O]

10.0 Equalities implications

- 10.1 This report has implications for the Council's Equal Opportunities Policy as the implementation of the Heath Town masterplan will provide high quality mixed use development for a diverse community. An Equalities Impact Assessment has been developed. An on-going equality analysis will be undertaken for each of the phases of this project.

11.0 Environmental implications

11.1 The Heath Town estate is located within the Heathfield Park Neighbourhood. A Sustainability Appraisal has been prepared for the whole of the Neighbourhood Plan area. This will inform and influence the regeneration opportunities on the Heath Town Estate and maximise sustainability. The newbuild housing created through the masterplan proposals will be of a high level of environmental sustainability, to meet modern standards.

12.0 Human resources implications

12.1 The project work is being managed within existing resources.

13.0 Corporate landlord implications

- 13.1 Corporate Landlord is part of the Heath Town Project Team and provides professional and technical support on the various aspects of the scheme in relation to procurement and financial viability of the development proposals. All property related transactions resulting from this proposal will be reported to the Strategic and Operational Land and Property Boards for approval following which a Joint Housing and Corporate Landlord Report will be made to Cabinet Resources Panel.
- 13.2 Corporate Landlord has implemented a strategy to ensure that all commercial tenants are no longer in occupation just prior to any works commencement connected with demolition. These tenants have been kept informed of the masterplan proposals.
- 13.3 There are several leases currently in place within the Chervil Rise Shopping Precinct at Heath Town. Some are contracted out tenancies, which are able to be terminated without compensation as part of the redevelopment proposals. There are only two protected tenancies that remain. They are the Police and a retail unit and each of those will be subject to compensation and/or relocation provisions.
- 13.4 The Police as part of the community provision are being re-housed within the new development, and therefore will only seek disturbance costs in the form of removal costs to the new location.
- 13.5 In respect of the retail units there are no opportunities to relocate within the new development, and should the tenant wish to terminate, a compensation payment will be in the region of £2,500.
- 13.6 The initial masterplan area was reviewed with Housing and Property Services to consider what enabling and remediation works are required to facilitate development and achieve a viable and affordable scheme to the City Council. Land assembly was considered to be most appropriate. A financial analysis and model is being developed as part of the feasibility proposals for the overall scheme. This model will be used to establish affordability and financial viability of the scheme to determine what if any capital receipt would be obtained from the redevelopment proposals being put forward to the market. This will be fully developed and cost quantified once the outcomes of specific surveys are known and cost quantified.

- 13.7 A draft outline Heads of Terms for the development has been established and these are being further developed as more information is made available.
- 13.8 Dialogue with the various community groups and NHS England are progressing in relation to their individual terms of occupation which will form part of the procurement arrangements.

14.0 Schedule of background papers

- 14.1 Draft Heathfield Park Neighbourhood Plan and Heath Town masterplan – 11 September 2013 – Cabinet Report

Heath Town Regeneration – 26 March 2014 - Cabinet Report

Seeking authority to declare property surplus to requirements and approval of the disposal strategies - 9 September 2014 - Cabinet (Resources) Panel