

LILLINGTON REGENERATION

Master Planning and Feasibility Study

for

Warwick District Council



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Ref: AJH/AJB/GCR /131218/PM/17.2/R002
Issue: 006
Date: 02.03.15



Document History

Issue	Date	Comment	Author	Chk'd
001	05.02.15		AJB	
002	18.02.15		AJB	
003	22.02.15		AJB	
004	25.02.15		AJB	GCR
005	26.02.15		AJB	GCR
006	02.03.15		AJB	GCR

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APPENDIX A

Feasibility Study Area

APPENDIX BWillmott Dixon Further Feasibility Report
See separate document.

1.0 INTRODUCTION

This report has been prepared by Pick Everard. Its purpose is to provide an overview of the Further Feasibility Study, a report prepared by Willmott Dixon to look specifically at regeneration options for Warwick District Council in the Lillington area of the Crown Ward. Willmott Dixon's report is included in Appendix B.

The objectives of the Master Plan and Feasibility Study were to address a number of questions arising from a separate piece of work, entitled Feasibility and Options Appraisal; a joint report by Pick Everard and Willmott Dixon. The objective of the initial report was to look at the principles of developing the Lillington Hub (the shopping zone) and the Crest and to identify and appraise a number of high level options which could then be taken forward in this report. This report sets out those options.

Importantly, the options had to comply with Warwick District Council's regeneration objectives for the Lillington area, they are:

1. To safeguard existing jobs and create new employment and training opportunities in Lillington.
2. To support, sustain and revitalise local community facilities in Lillington.
3. To deliver a net increase to the district's housing supply of at least 250 new homes to meet Local Plan objectives.
4. To improve the quality and choice of council housing stock in the local area.
5. To increase the choice of housing in the locality by offering a greater range of tenures, including private housing.
6. To bring about environmental improvements, both in terms of the urban form in this part of Lillington, and improved linkages made between the urban and rural areas.
7. To create a strong, defensible and attractive urban edge where new development abuts the Green Belt.
8. To open up adjacent rural areas for recreation and community benefits.

Accordingly, Section 2 provides an Executive summary. Section 3 sets out the background and scope to the study. Section 4 summarises the methodology employed during the study programme. Section 5 describes the key findings and proposals. Section 6 sets out the socio economic benefits. Section 7 provides a brief narrative on Willmott Dixon's costs. Section 8 summarises the Project risks and constraints, Section 9 looks at potential funding options and finally Section 10 sets out the key findings and recommendations.

2.0 EXECUTIVE SUMMARY

1. This report demonstrates that it is feasible for Warwick District Council to deliver a scheme that incorporates land on Red House Farm in accordance with the Council's Garden Towns, Villages and Suburbs document and re-provision in such a way that it enables a Community Hub to be built.
2. The feasibility proposals could have a wider impact on improving the environmental quality of the area through creating a strong sense of place and identity for the whole community. Moreover, they represent an opportunity to support, sustain and revitalise local facilities.
3. The study does demonstrate that the regeneration will bring socio-economic benefits and these are set out in some detail. Through employing contractors committed to local spend, local labour and SMEs, the regeneration of Lillington will provide job opportunities, as well as education and training for the local community over the projected build-life of the project, as well as creating a legacy of jobs over a number of years to come. It is recognised, however, that these regeneration benefits do require further assessment and need to be more fully explored.
4. In addition to re-providing Housing Revenue Account properties, an additional 250 homes could be provided of which 40% could be affordable in accordance with planning policy.
5. The feasibility options take into consideration the need for a greater range of tenure across the HRA.
6. Willmott Dixon has proposed a range of feasibility options for Crown Way and in doing so has widened the initial study area. The review has concluded many of the local facilities are outdated and no longer meet the needs of the community.
7. The four options considered for Crown Way all include the demolition of 54 units (being 43 HRA, 10 private and 1 County Council asset) and the re-provision of approximately 105 units, a community hub and parking.
8. The proposals considered for Crest include the demolition of the 3 no high-rise tower blocks known as Eden Court, Ashton Court and Southorn Court, as well as a number of local HRA properties. This equates to the demolition of 259 HRA and right-to-buy properties and the re-provision of 159 HRA properties and associated parking.
9. The options for Red House Farm include Charity Trust land and show the provision of circa 318 properties and associated parking. It should be noted that this number may well vary if the design was progressed to the next stage.
10. Access to the Red House Farm is fundamental to the success of the feasibility proposals for sites C, D and E and early consideration would need to be given to the need to work with the land owner to deliver the proposals.
11. Should Warwick District Council wish to take forward any of the options it would need to acquire private properties and may need to consider whether it wishes to use Compulsory Purchase Order powers (CPO) to deliver the proposals set out. Further work should be undertaken to determine how appropriate and necessary it would be to use CPO powers.

12. Careful consideration has been given to landscaping proposals. The proposals seek to create an improved linkage with the recreation ground on Mason Avenue and Public Open Space (POS) on the proposed Red House Farm development area. The proposals also include for a buffer along Green Belt land on Red House Farm following the guidance notes set out in Warwick District Council's Garden, Towns, Villages and Suburbs document dated May 2012.
13. The risk of 'doing nothing' needs to be adequately understood; it is recommended a further piece of work is also required in this regard. The proposals offer the Council the opportunity to create a legacy within the Lillington area that will benefit the local community and the wider area for many years to come. The proposals are an opportunity to replace existing, 'tired' housing stock and change the density and mix with the area. That may become more challenging both financially and logistically if the objectives of Warwick District Council and Red House Farm are no longer aligned.
14. Warwick District Council should consider entering into a detailed dialogue with Warwickshire County Council and Sport England with a view to ascertaining and determining the extent of land which could be developed off Crown Way. In particular this should focus on whether any development activity can be undertaken upon the existing Lillington Primary School site.
15. Warwick District Council should consider setting aside a budget for undertaking detailed site investigation and survey works to enable the cost appraisals to be further refined whilst at the same gathering sufficient information to enable detailed planning applications to be submitted in due course.
16. Warwick District Council should give further consideration with regards to the development logistics in order to establish the preferred and optimum sequence of demolition and re-provision, potentially incorporating both existing and new stock as appropriate. This may therefore assist in delivering the overall regeneration scheme on a quicker timeframe.
17. Under the proposals in this Study, Warwick District Council cannot deliver the demolition and re-provision of HRA housing at the Crest without utilising some land on Red House Farm.
18. Should the Council wish to proceed with developing an improved access to the recreation ground, it should consider entering into discussions with the Roman Catholic Diocese, with regards to the potential acquisition and demolition of the existing buildings at the rear of the Church of Our Lady.

3.0 BACKGROUND AND SCOPE

3.1 Background

Warwick District Council has been investigating regeneration opportunities in Lillington focussing on two key areas (see map in Appendix A). The first relates to an allocation of land at Red House Farm for housing in the emerging Local Plan. The second relates to the provision of housing, health and community facilities within Lillington itself, focusing in particular on Crown Way and Mason Avenue.

The area of land on Red House Farm included within the study area comprises 11.75 hectares and lies within the Green Belt. The Local Plan acknowledges that when linked to the Crest this area of land may be able to facilitate a wider regeneration of the area

Crown Way is a hub to many of the current local community facilities. In many cases, these are housed in outdated buildings which make it difficult to provide modern efficient services which respond to customers' needs. The brief was to consider how these existing facilities could be renewed and new services provided to improve services and create a "community hub" within the heart of Lillington.

In June 2013, the Council considered these opportunities and commissioned Pick Everard and Willmott Dixon to undertake a Feasibility & Options Appraisal (FOA), to investigate the options and potential costs of the refurbishment and/or demolition and redevelopment/ re-location/ re-provision of housing stock at Crown Way and "The Crest" and the potential impact of such options on Warwick District Council's (WDC) Housing Revenue Account (HRA). The Feasibility and Options Appraisal (FOA) was delivered to the Council in February 2014, and reported to the Council's Executive on 12th March 2014. The report generated a number of further questions that necessitated further study, these included:

1. The need to refine the options generated by the Feasibility and Options Appraisal (FOA).
2. A review of the housing density assumptions made in the Feasibility and Options Appraisal (FOA).
3. The net and gross number of homes to be provided across the site overall mix of housing to be created/re-provided.
4. The nature and role of landscaping and green space within the proposed areas as well as an assessment of the landscape constraints on the site, in particular Red House Farm.
5. Issues around the mix of uses and the design of the "community hub."
6. A review of the finance options and impact on the HRA Business Plan.
7. Possible delivery models for bringing this development forward.

3.2 Scope

Warwick District Council's remit to Willmott Dixon was to look at regeneration options within the Crown Way and Crest. It should be noted the extent of the study areas have been determined by Willmott Dixon. The key sites within Lillington that make up the study area are detailed in Table 1 below and are shown in Figure 1. They are as follows:-

Site reference	Description	Area (approximate)
A1A2 B1 B2	Land either side of Crown Way	2.78 hectares
B3	Lillington Primary School	3.33 hectares
C	The Crest	3.10 hectares
D	Red House Farm	11.75 hectares.
E	Charity Trust Land	1.90 hectares
G	Mason Avenue	Position to be determined
H	Valley Road Recreation Ground	Position to be determined
J1	Land Corner of Mason Avenue	Position to be determined

Table 1

A full plan that shows the areas covered in this study can be found in Appendix A.

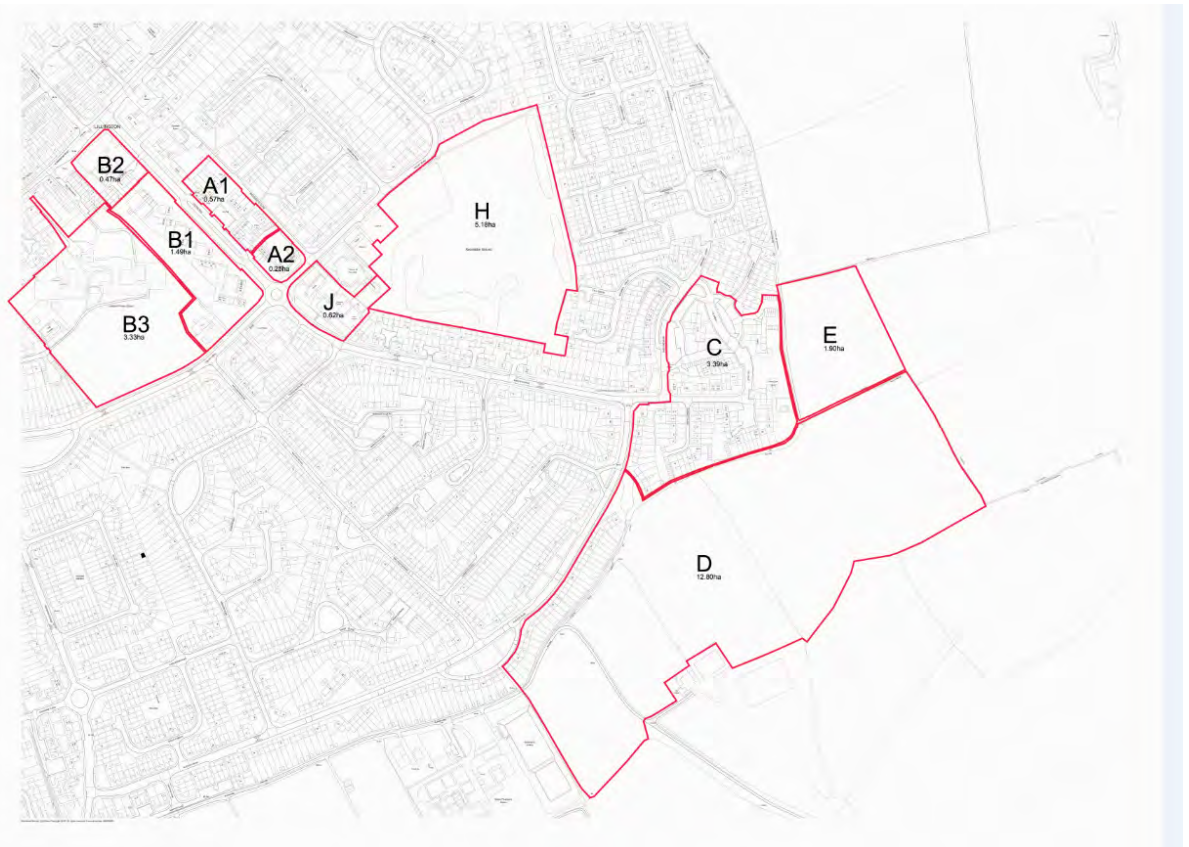


Figure 1

3.3 Additional Study Requirements

It was a requirement of the brief that any HRA properties earmarked for demolition would be re-provided within the Lillington study area.

The appropriate density of homes proposed had to take into consideration the Council's "Garden Towns, Villages and Suburbs" document, which was prepared to inform the design and density standards that would be applied to major new green field sites being allocated in the new Local Plan.

There was a willingness to consider changing the overall mix of housing within the study area by the introduction of more saleable (market) housing to create mixed-tenure development. It was acknowledged this may be necessary to support the overall viability of the proposal.

Consideration was to be given to landscape studies undertaken as part of the preparation of the Local Plan which sought to identify the appropriate extent of development.

Consideration was to be given to key access points into, and routes through, the site for vehicles (including public transport), pedestrians and cyclists, including a viable bus route.

Consideration was to be given to massing, scale, height and density of development across the site.

Public Open Space (POS) had to be provided to meet the needs of existing and new residents (in accordance with the principles set out in the Council's Open Space SPD).

Design options were required that both included and excluded the Primary Care Centre. It should be noted that all the feasibility options have been predicated on the need for a Primary Care Facility on Crown Way. Should this not be required this space could be utilised for either commercial or residential purposes.

It was a requirement to consider car parking needs across the study area.

There was a need for a financial appraisal of the development costs, including costs of demolition, likely costs of acquiring non-HRA land and buildings, any relocation costs for residents, and all relevant construction costs.

The proposals needed to set out the likely economic and other benefits to local people. This was to consider, but not be restricted to, the levels of job creation (including apprenticeship opportunities) both in the construction sector and, as far as possible, when any new facilities are operational.

4.0 METHODOLOGY

Pick Everard was appointed to provide project management and governance services, and manage the overall master planning and feasibility study process. Willmott Dixon was appointed to provide expert knowledge of the housing market as well as the likely socio-economic benefits. BM3 was appointed for its master-planning expertise and the production of study drawings, which provided specific conceptual plans for each of the redevelopment study sites, so as to enable high level feasibility appraisals to be prepared by Willmott Dixon. BM3 Architects was appointed as a sub-consultant to Willmott Dixon Housing.

A structured engagement process took place, with a number of different stakeholders and Council departments. Project Board Meetings took place on a monthly basis and Project Team Meetings on a fortnightly basis.

The Project Board consisted of the following:

Name	Role	Company Name
Andrew Jones	Deputy Chief Executive	Warwick District Council
Philip Clarke	Senior Projects Co-ordinator	Warwick District Council
Andrew Thompson	Head of Housing and Property Services	Warwick District Council
Jacky Oughton	Housing and Property Services	Warwick District Council
Abigail Hay	Housing and Property Services	Warwick District Council
Mike Snow	Head of Finance	Warwick District Council
Mark Smith	Finance	Warwick District Council
Julian Humphreys	Property Services	Warwickshire County Council

The Project Team consisted of the following:

Name	Role	Company Name
Philip Clarke	Senior Projects Co-ordinator	Warwick District Council
Jacky Oughton	Sustaining Tenancies Manager	Warwick District Council
Tony Corbett	Development Manager	Willmott Dixon Housing
Sophia Lawrie	Framework Manager	Willmott Dixon Housing
Tony Brady	Principal Project Manager	Pick Everard
George Rankin	Assistant Project Manager	Pick Everard
Ian Foden	Director	BM3 Architects

To ensure the overall design options were both deliverable and compliant with current planning policies, and Warwick District Council's predicted future housing requirements, engagement took place with Warwick District Council Housing Revenue Account and Planning department and Warwickshire County Council Estates and Highways Departments on a regular basis. Engagement also took place with Warwick District Council's nominated landscape consultants, Richard Morrish Associates. There were also briefings with elected members. Where appropriate, feedback has been included in the development proposal.

Advice on open market sales values (OMV) was provided by Jones Lang LaSalle, Chartered Surveyors, who provided comprehensive development appraisals on independent market commentary. This included advice on rental values for the commercial, Community Hub and housing values in respect of the properties to be acquired. They also provided likely sales values for open market properties within in the proposed sales area.

Full details of the meetings are listed below:

7 No. meetings with the Project Board, ensuring that the engagement strategy was approved by the Council and the master plan followed the brief set out by the Council.

Fortnightly Project Team meetings were held throughout the 5 month master planning and feasibility study process.

2 No. meetings with the Housing Revenue Account to ensure the correct tenure and mix of housing was achieved within the master plan, and to receive guidance on decant and future housing strategy of Warwick District Council.

3 No. meetings were held with Warwick District Council Finance department, to understand the reporting criteria and share the constraints of the feasibility study.

2 No. meetings with Warwickshire County Council – Highways department, to develop a high level compliant highways strategy within the design proposals.

1 No. meeting with Gleeson, the company nominated to act on behalf of Red House Farm. The objective of the meeting was to understand any additional constraints to the Further Feasibility Study.

2 No. meetings with Warwick District Council Planning department, this was to ensure any designs of the designated areas would be compliant with the Council's planning guidance.

Programme / Timeframe

The development proposals formulated over the five month feasibility period used well established design principles and have been subjected to the scrutiny of Pick Everard and Warwick District Council officers and elected members.

5.0 KEY FINDINGS AND PROPOSALS

5.1 Crown Way and Associated Areas - Potential Development and Design Strategy

The extent of the study area is shown in Figure 2. There are four options for the Crown Way which the Council may wish to consider, options A, B, C and D. Should the Council wish to take forward any of the options then the next stage would be for the Council to develop a detailed brief for the area clarifying what elements are included.

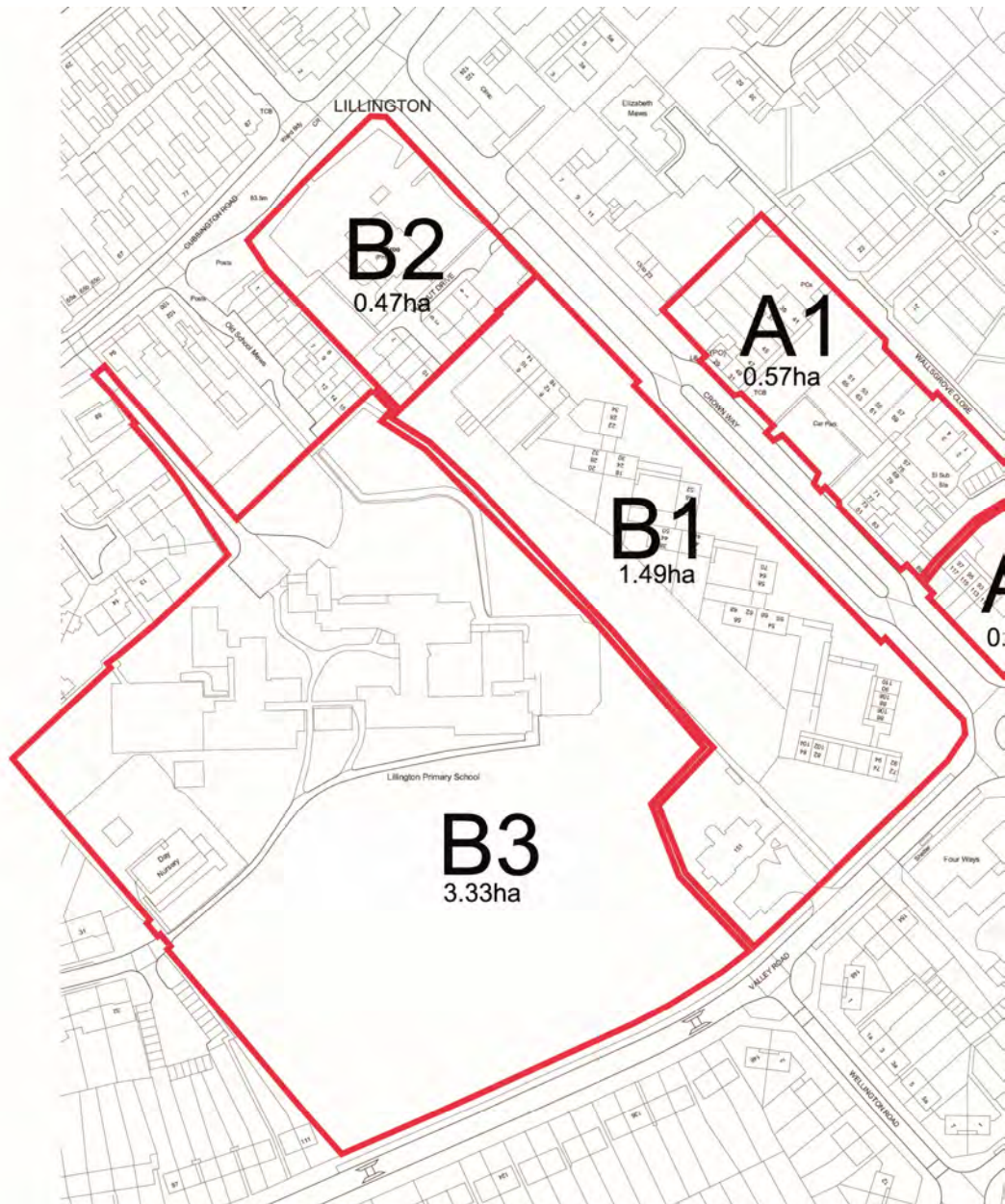


Figure 2

All included the creation of a new community hub incorporating a re-provided library, Youth Centre, Children's & Community Centre together with a new health facility incorporating a doctor's surgery (see Table 2 below).

The Crown Way site plays an important part in the re-provision of existing HRA stock of 1 and 2 bedroom properties, a key objective of Warwick District Council's brief. A proposed housing mix for Crown Way is set out in table 2 below.

Output	Option A	Option B	Option C	Option D
1 bedroom apartments	75	72	70	70
2 bedroom apartments	40	41	35	35
Community Hub	1	1	1	1
Housing for sale	0	0	28	28
Retail space	0	1	1	1
Primary school Re-provision	0	0	1	1
Nursery Re-provision	0	0	1	1
Car parking for apartments	95	91	80	80
Car parking for local communal hub	141	135	142	142

Table 2

The gross floor area of the Community Hub including parking varies depending on the option chosen. The services and approximate GIFA are set out below (see Table 3).

Community Hub	GIFA
Community hall	300m ²
Library	360m ²
Children's centre	480m ²
Youth services	360m ²
Primary care centre	1,800m ²
Communal space	250m ²
Parking spaces	142

Table 3

Parking provision, for all four options, per dwelling varies between 0.76 and 0.83 per unit. This does not comply with current parking standards. However, given the proximity of the site to local shops, services and bus routes it is considered that a case can be made to slightly relax the Council's adopted standards. Further engagement with the planning department would be required on this matter. Notwithstanding, there is a potential over provision of car parking spaces to the Community Hub which could be used to address any shortfall.

All proposals show an outdoor play space. It is acknowledged that ultimately any proposals would need to segregate these spaces.

5.2 Crown Way and Associated Areas – Design Options

Option A - Site B1 Crown Way

This option shows land within B1 being redeveloped (see Figure 3). This is land principally within Warwick District Council's ownership but does include 53 flats, 43 of which are within Warwick District Council ownership. This option is considered to be the simplest to deliver as Warwick District Council owns the majority of the land. It should be noted the tenant that occupies the County Council bungalow would need to be re-provided elsewhere. This option should be considered as the base position for the redevelopment of Crown Way.



Figure 3

This option shows a new community hub, broadly in accordance with Table 2, and 115 new self-contained one and two bedroom apartments with 95 dedicated car parking spaces below the amenity deck. It is proposed additional car parking for the community hub is located at the rear of the site in line with planning requirements.

Option B – Sites B1 and B2 Crown Way

This option shows land within areas B1 and B2 being redeveloped (see Figure 4). For this option to be viable a number of pieces of land would need to be acquired. The need to temporarily relocate the existing Tesco store prior to works commencing and then relocate it on completion would arguably make this option relatively expensive and problematic to develop. It was felt appropriate to consider this additional land within the study area as it allowed the potential to create a car parking square opposite the existing shops.



Figure 4

It shows 113 new self-contained one and two bedroom apartments with 91 dedicated parking spaces below the amenity deck. This option shows a reverse orientation to that within Option A. An allowance has been made to provide a new store in order to be able to relocate Tesco and provide dedicated car parking.

Option C – Site B1 and B3 Crown Way

This option shows land within areas B1, B2 and B3 being redeveloped (see Figure 5). This option is arguably controversial, as it shows the possibility of providing a new Lillington Primary School and Nursery to free up land for development.

Currently there is a two form entry primary school and nursery which would need to be replaced. Detailed discussions would be required with Warwickshire County Council, but this option demonstrates the potential benefits of including a new 5 aisle supermarket and an additional 28 saleable properties. The cost of providing a new primary school would need to be met out of the overall development costs. It has been assumed that Warwickshire County Council will not be in a position to fund any element of this cost.

The advantage of this option is that it does provide a more efficient use of land and more options for delivering the community hub, primary care centre and other development along Crown Way. It also delivers a new primary school for the County. The downside of this option is twofold. Firstly, it reduces the size of the school playing field, which may be a source of objection by Sport England. Secondly, it restricts the County's ability to increase the size of the school to a three form entry at some point in future.



Figure 5

It shows 105 new self-contained one and two bedroom apartments with 80 dedicated parking spaces below the amenity deck. By re-providing a brand new 2 form entry Primary School with a nursery and the associated outside play space and pitch, it makes it possible to develop a five aisle supermarket and provide an additional 28 saleable (market) houses for sale.

Option D – Sites B1 and B3 Crown Way

This option again shows land within areas B1, B2 and B3 being redeveloped (see Figure 6). This is a variation on Option C above, whereby the access point to the residential housing on the existing school site has been amended so that it's serviced from Grange Road and not from the proposed new access road.



Figure 6

This option segregates traffic to and from the proposed new housing development from that of the school. The access off Valley Road acts as the service point for both the retail space and the access point for the residential apartment site and potentially the School staff car park. This option, like option C reduces the size of the school playing field and may restrict the County's ability to respond to any future increase in pupil numbers.

5.3 The Crest and Red House Farm - Potential Development and Design Strategy

Figure 7 shows the study area. Area C is land at The Crest, and was identified by this Study as the broad area within which redevelopment of properties could be considered. Area D is Red House Farm and area E is owned by the Sir Thomas White's Charity and the King Henry VIII Endowed Trust. This option shows land within all three areas being developed

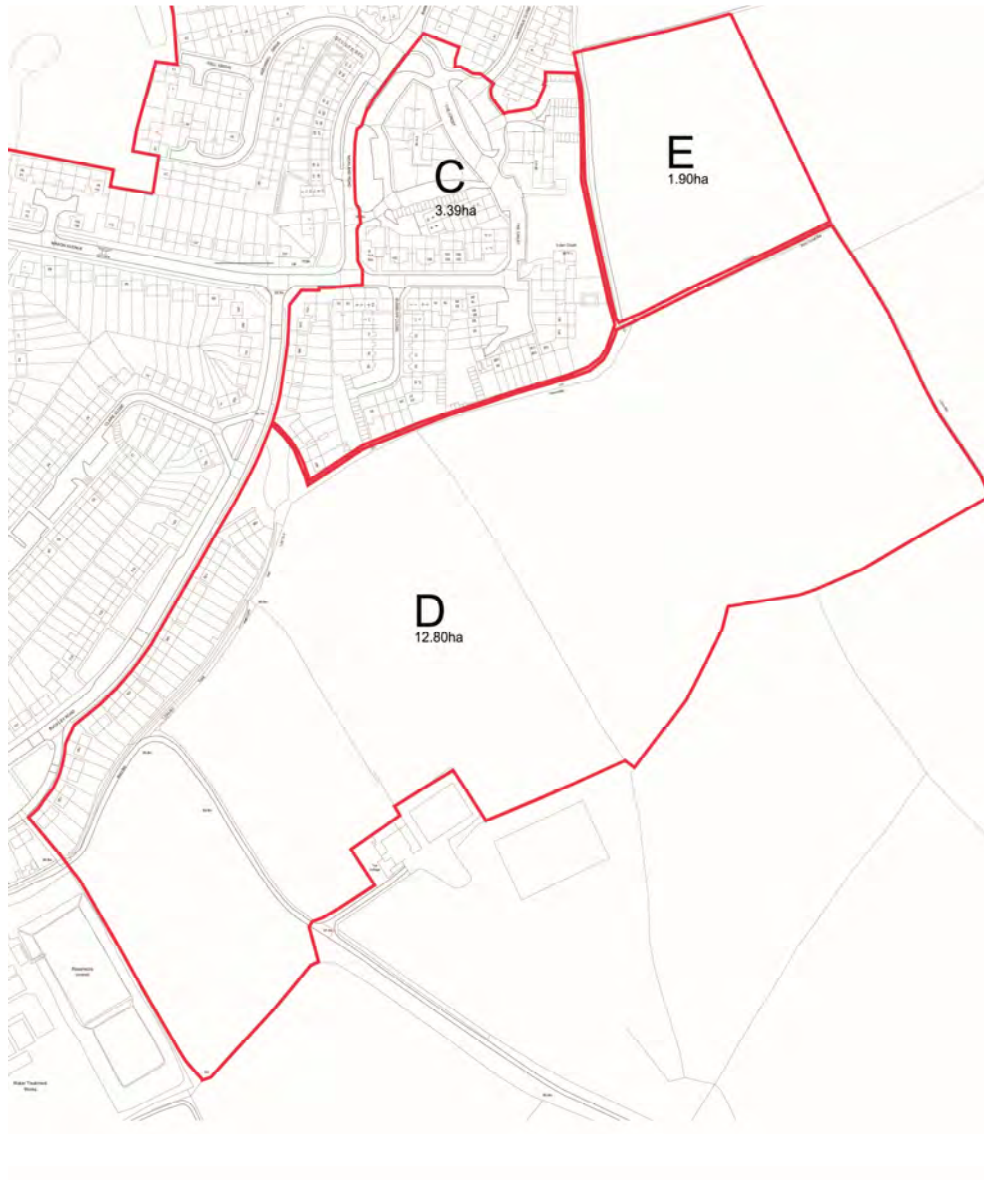


Figure 7

The Crest – Potential Development and Design Strategy

Area C, the Crest, plays an important role in providing a greater range of mix and tenure of properties (see table 4 below). The proposals show how area C could be redeveloped and could assist in delivering the Council's wider regeneration objectives. The options for study area C range from selective to wholesale demolition.

Note; the table below is indicative only. There are a number of ways this area can be delivered.

Output	HRA	Market
1 bedroom apartments	0	0
2 bedroom apartments	65	0
2 bed house	12	20
3 bed house	30	24
4 bed houses	8	0
Retail space	1	0
Total	115	44

Table 4

5.4 The Crest - Design Options

This option shows land within C being redeveloped (see Figure 8). This is land principally within Warwick District Council's ownership but does include 17 no privately owned properties. The proposals would see the creation of a new 'Urban Square' which would be bordered by three small apartment blocks, circa three stories in height and a small commercial / retail unit. The balance of the development proposals for the Crest incorporate predominately two storey traditional housing, the housing located on the Eastern boundary of the site would be more urban in form.

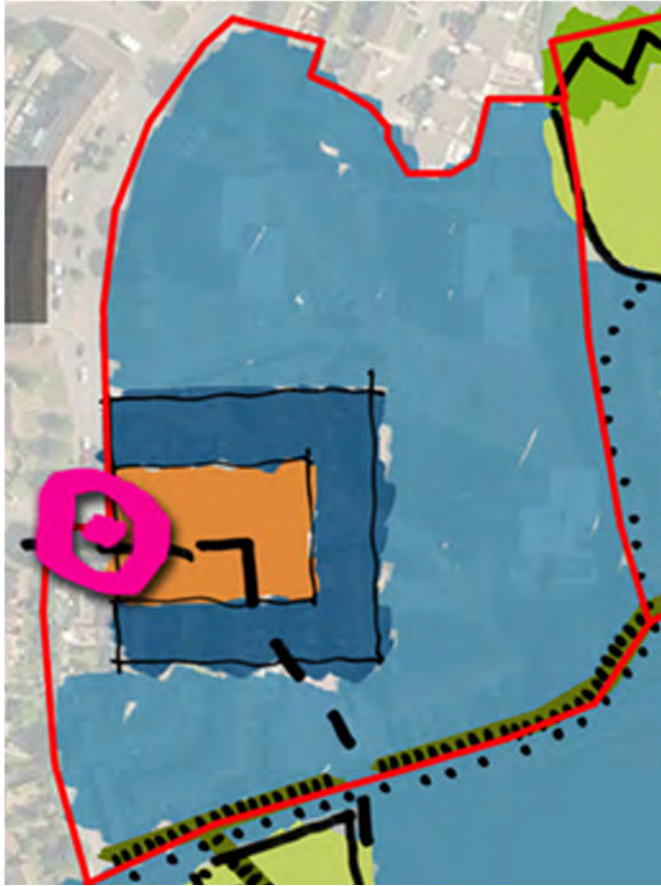


Figure 8

As an urban design solution the areas would benefit from a square, which would provide a sense of arrival and place. This may include a small number of apartment blocks, three and four storey in height as shown on the illustration below (see Figure 9).



Figure 9

The creation of a new 'Urban Square' could also act as a pick up and drop off point for local bus services, which would ultimately end up servicing both the new development on the Crest, Site C and the wider redevelopment on Red House Farm (Site D and E).

5.5 Red House Farm and Charity Trust Land –Design Options

The inclusion of area D within the study area delivers a number of important objectives. It delivers the local plan objective of at least 250 new homes; it allows the demolition of the 3 high rise towers at the Crest and re-provision of improved housing stock to a greater choice and quality, and it increases the choice of housing within the area by offering a greater a greater range of tenure and private housing.

Study area E is included in the Red House Farm proposal but is in separate ownership. It is owned by the Sir Thomas White's Charity and the King Henry VIII Endowed Trust.

The option shows the provision of 318 no properties within areas D and E respectively, (see Figure 10). It should be noted that these numbers would vary if a detailed sales mix were applied. It nevertheless represents a quantum of development, which would seem appropriate for the proposed site. A suggested mix is set out in Table 5.

Output	HRA	Market
2 bedroom houses	58	
3 bedroom houses	74	
4 bedroom houses	6	
2 bedroom bungalow	7	
Saleable (market) properties incl. Charity Trust land		173
Total	145	173

Table 5

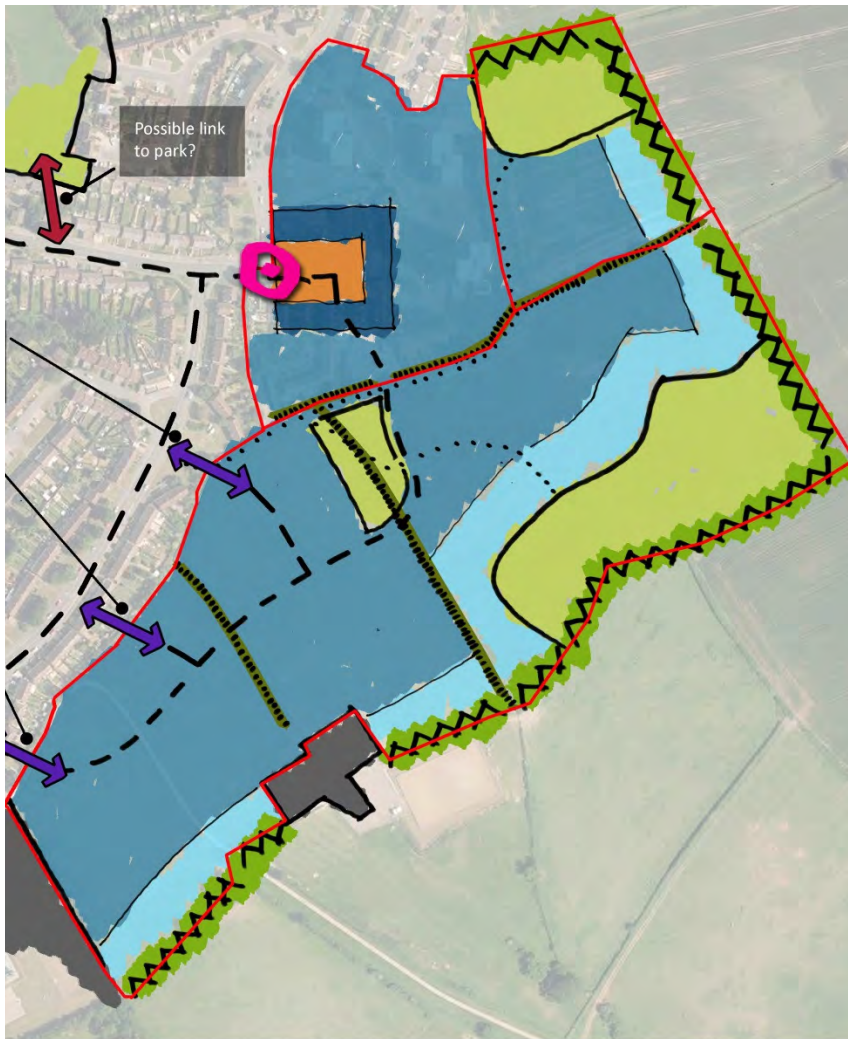


Figure 10

The proposal is formed of two storey housing, with a mix comprising a range of terrace, semi-detached and detached properties. The proposals would be to reduce the overall development density the further properties are developed away from the existing residential boundary (see Figure 10). The proposal fulfils the additional brief requirements for a strong, defensible and attractive urban edge where new development abuts Green Belt and opens up adjacent rural areas for recreation and community benefits.

Access to Red House Farm is fundamental to the delivery to sites C D, and E, early consideration needs to be given to forming the entrances.

Charity Trust Land - Site E

The site itself has a range of levels and drainage issues which would need to be addressed, in conjunction with the overall Red House Farm proposal.

5.6 Recreation Ground – Potential Development and Design Strategy

The Council may wish to consider improving access to the recreation ground on Mason Avenue, the entrance to which is not readily apparent. In effect, the recreation ground turns its back on the properties along Mason Avenue. The proposals would help to create a better, 'formal link' to the recreation ground, making it more accessible and visible from Mason Road / Crown Way.

5.7 Recreation Ground – Design Options

Valley Road - Site J

The study area for Site J is shown in Figure 11. The proposals are ambitious as they consider the possible demolition of the children's centre and community centre as well as the acquisition and demolition of the adjacent church hall and presbytery. These proposals could only be considered after the County Council facilities have been re-provided at the "community hub" along Crown Way.

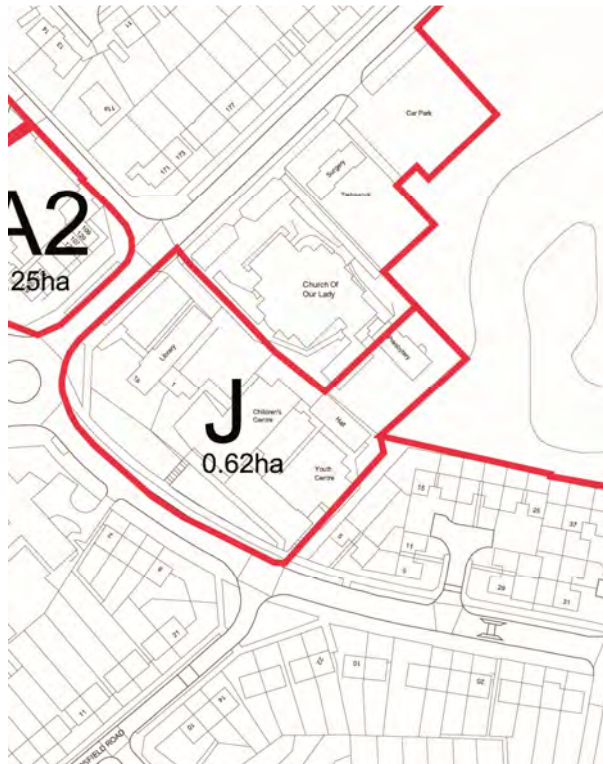


Figure 11

This proposal would need to be discussed with both Warwickshire County Council and the Catholic Church Diocese in order to determine deliverability. The cost of acquiring any church land or building would need to be incorporated into the financial model (see Figure 12).



Figure 12

The old library building would be retained and may have potential as a replacement hall for the Catholic Church. Furthermore, any proposals must recognise the need to provide a new presbytery on site, or in the immediate vicinity.

Mason Avenue – Possible access to site H

In addition, the Council may wish to consider creating improved access to the recreation ground by removing a small number of properties and forming a new entrance on Mason Avenue (see Figure 13).



Figure 13

6.0 SOCIO ECONOMIC BENEFITS

6.1 Background

Deprivation and social exclusion is prevalent within Lillington. Lillington East Local Super Output Area (LSOA) is ranked within the worst 10% nationally for employment and education, skills and training and amongst the worst 20% for overall deprivation and income. This is against a background where two thirds of the LSOA's in north Leamington overall are in the 50% least deprived in the country.

It is clear from the brief, that meeting the socio economic needs of the community is paramount and will be a fundamental element of any regeneration.

The overall regeneration of the Lillington area should not only aim to breathe life into the physical environment, but also aim to significantly improve the overall life chances and wellbeing of local residents within the Lillington area. This should be part of an overarching strategy between Warwick District Council, Warwickshire County Council and their wider stakeholders.

6.2 A commitment to Local Spend, Local Labour and SMEs

Willmott Dixon Housing has extensive experience of undertaking regeneration projects and has brought that knowledge to bear. Using this knowledge, Willmott Dixon has generated a number of Key Performance Indicators (KPIs) that the Council may wish to consider adopting when employing any future contractor, or developer.

A regeneration project of the magnitude proposed for Lillington (circa £70m) should aim to ensure the majority of capital expenditure is within the local area, where it can have a significant economic impact and assist in wider regeneration. Developers should therefore be contractually committed to deliver project specific Key performance Indicators (KPIs) focused on Local Spend, Local Labour and SMEs.

This legacy must be embedded in a procurement process that identifies local economic priorities and needs, and challenges private companies to meet them. A properly executed plan with realistic targets, one that maps a service provider's activities so they are aligned with local strategic needs and growth plans, should lead to tangible improvements.

Table 6, below demonstrates the target outputs that typically should be sought from developers. The outputs are derived from the Scape National Framework which sets of project specific Key Performance Indicators (KPIs) for contractors when undertaking capital projects.

Economic Outputs	Typical Developer Commitment	Outputs
Local spend	20% to be within 10 miles of site	£14.0m
	40% to be within 20 miles of site	£28.0m
	75% to be within 0 – 40 miles of site	£52.2m
SME spend	75% of total construction contract value to be Small and Medium Enterprises (SME)	£52.5m

Table 6

The definition of an SME is less than 20 employees and less or equal to £50m turnover.

Table 7, below demonstrates the target outputs that typically should be sought from developers in terms of local labour. The outputs are derived from the Scape National Framework.

Local Labour	Typical Developer Commitment	Outputs
	20% to be within 10 miles of site	25%
	40% to be within 20 miles of site	50%
	75% to be within 0 to 40 miles of site	90%
	Number of contracts awarded to social enterprises	4
	Number of Lillington residents employed by developers	15%
	Number of Lillington residents employed through supply chain	25% of workforce
	Number of apprentices employed throughout the project	Approximately 60
	Number of apprentices to be recruited from within the Lillington area	30%

Table 7

Table 8, below demonstrates the target outputs that typically should be sought from developers in terms of training. The outputs are derived from the Scape National Framework.

Training	Typical Developer Commitment	Output
	No of school / college / university students visiting site	3150
	No of students attending school / college workshops	2100
	No of work experience 15 – 17 years students	50
	No of work experience 18+ years students	100
	National vocational qualifications	192
	No of people attending short courses	4550
	Construction skills certification scheme	100%
	Number of trade taster sessions offered to residents	50
	Number of Lillington residents taking up training opportunities and qualifications	Approximately 200
	Number of NVQ qualifications achieved	75% achieve NVQ level 3
	Number of training opportunities offered to residents	20 days learning per year
	Number of Lillington residents receiving CSCS training and achieving card	Unlimited driven by demand

Table 8

6.3 **A Local Training Academy**

As part of any development proposals there should be a commitment to establish a local training academy in order to deliver life-long skills for those people living within the CV32 postcode and the wider community. Similar academies have been developed elsewhere within the region by a number of contractors /developers.

The academies typically offer training programmes ranging from short courses in electrical compliance, renewable technology, to lifetime skills such as NVQs and City & Guilds qualifications and accreditation to the Construction Skills Certification Scheme (CSCS). For example, Willmott Dixon formed the 4Life Academy in Aston Birmingham which delivers life-long skills to employees and the wider community. The academy has the capacity to train 2000, people per year and acts as a centre of excellence.

Subject to funding, the aim should be to create a local training centre that continues to operate and support the local community, with a range of employment and training programmes beyond the regeneration programme, creating a legacy to the local community.

There are a number of sites that could be suitable for a training academy. These include a site at Pound Lane, a former school that has been converted into an Adult Education and Learning Centre. It lies just outside Crown ward, less than half a mile from the Crown Way shops, and would be easily accessible to local people in Crown Ward. An alternative location would be the former library, once the new library facility has been provided

7.0 COMMERCIAL SUMMARY

The commercial review of Willmott Dixon's financial appraisals has focused on the cost/m² for the various sites and the proposed buildings within those sites. Using benchmark data from previous projects of a similar nature, Pick Everard has been able to comment on whether the costs, included at current prices, are within the ranges we would expect.

With the exception of the Crown Way options A to D, the costs submitted by Willmott Dixon are within the ranges expected at feasibility stage. As and when further design work is undertaken to the various sites and the Client brief is further developed, the costs can be revised and updated to provide more cost certainty.

It is worth noting that at this stage, the costs are at today's values with the following excluded:-

- Inflation;
- Phasing costs relating to the works;
- Asbestos removal;
- Removal of contaminated land;
- Other professional fee costs (Client PM, QS, CDMC etc.);
- Show units or marketing suites;
- Contingency;
- Surveys (Ground Investigation; Ecological; Topographical etc.)

The items above will need to be reviewed and allowed for within the overall project development costs currently excluded by Willmott Dixon.

An abnormal cost is defined as, associated with the site but outside the normal cost plan parameters.

It is recommended more work is undertaken to understand the costs of, and models for, providing the community hub.

8.0 PROJECT RISK /CONSTRAINTS

Clearly there are a number of significant risks to Warwick District Council, that need very carefully consideration should it decide to take forward the proposals set out in Section 5, these include:

Physical

1. The acquisition of a number of privately owned property and the time and costs associated with this.
2. The need to maintain suitable services and access points to the Crest area whilst the development is taking place.
3. Red House Farm would need to be developed in two distinct halves, with the affordable units needing to be delivered within the first stage of the development.
4. The cost for acquisition, demolition and landscape will however be an abnormal cost to the overall project.
5. Consideration must be given to Compulsory Purchase Order (CPO) powers and their appropriateness and necessity.
6. If Options C or D taken forward for Site B, a new primary school will be provided on the existing Lillington Primary School site. The existing school and nursery will need to be maintained whilst the new school and nursery is constructed on the existing playing fields. There will therefore be a need to provide alternative playing field facilities for between 12 and 18 month period and arguably re-provision elsewhere within the local community for the loss of playing fields, which would be subject to the agreement of Sport England.
7. The development of Site J which will provide a more formal entrance to the existing Recreation Ground will necessitate the demolition of the existing Presbytery and Hall to the rear of the existing Church of Our Lady. Any cost of acquisition, demolition and landscaping will also be an abnormal cost to the overall project.
8. Access to the Red House Farm is fundamental to the success of the feasibility proposals for sites C and D and early consideration would need to be given to the entrance(s).

Financial

1. The development proposals will require the demolition of up to 284 existing council properties that are currently contributing to the Housing Revenue Account (HRA).
2. Funding would need to be sourced in order to acquire the privately owned properties, many of which have been purchased under the right-to-buy. The precise cost of these can only be determined once detailed negotiations have commenced with all respective owners.
3. To ensure the re-provision of Warwick District Council properties at Red House Farm, it will be necessary to agree a suitable collaboration agreement and an appropriate Section 106 Agreement in relation to the delivery of affordable housing units and/or any alternative cash payment. Warwick District Council

would need to give both early and careful consideration to both these requirements as they are fundamental to the success of the project.

4. Careful consideration would need to be given as to the impact on the Housing Revenue Account (HRA) of undertaking such a comprehensive capital project across the Lillington area.
5. Warwick District Council would need to set aside both an appropriate compensation, and associated discretionary relocation payment, for each of the tenants who would need to be rehoused as part of the redevelopment process.
6. There is potential loss of Council revenue by forming additional entrances to the recreation ground.
7. Consideration should be given to the revenue impact of changes to public service hubs.
8. Careful consideration needs to be given to the revenue implications for the loss and re-provision of County Council and District Council public facilities.

Logistical

1. To ensure a resident is moved once and costs are kept to a minimum, the phasing strategy would need to ensure new replacement homes were readily available for HRA tenants.
2. The required replacement mix as indicated by Warwick District Council does not specifically match the mix of properties which are to be demolished. This will therefore need to be fully considered by Housing Management.
3. To enable the decanting of the Crest tower blocks, a key requirement of the phasing strategy is to develop Site B, Crown Way, primarily an apartment scheme for general letting purposes.

9.0 FUNDING ROUTES

Consideration has been given to the various delivery models that could be applicable to the overall Lillington redevelopment. Set out below is a brief narrative of some of the options available in respect of the affordable housing provision, the Community Hub, and properties yet to be allocated as either saleable or social housing.

9.1 Affordable Housing

Warwick District Council could choose to fund the replacement, and indeed any new affordable housing through a lease funding model.

Under these arrangements Warwick District Council would not have to fund any of the capital expenditure for either the pre-development costs or the physical construction work relating to any affordable housing.

Warwick District Council would typically use its covenant strength to engage in a longer term lease typically between 40 to 60 years, whereby at the end of this lease period the affordable housing would pass for a nominal value (typically £1) to the Council.

9.2 The Community Hub

In order to fund the Community Hub, both Warwickshire County Council and Warwick District Council could consider the possibility of leasing the required space from a commercial developer.

This would mean that the capital expenditure required to deliver the community hub and/or any retail space would fall outside of both the capital expenditure budgets. This would however then need to be considered in the context of the respective of both District and County Council's long term revenue expenditure budgets.

As part of any such arrangement Warwick District Council would need to consider whether they are prepared to transfer the required landholding for the neighbourhood hub for the nominal value, in exchange for a lower rental payment profile or alternatively whether they would need to receive a capital receipt for this land which would then need to be factored into any commercial developers appraisal.

9.3 Unassigned Properties

As part of the overall regeneration proposal Warwick District Council has the opportunity to either develop 44 shared ownership or sales properties on the Crest. These are in addition to any requirement to replace the existing council stock that would be demolished. If Warwick District Council is to develop either shared ownership or sales properties they will of course have a need to fund the construction of these properties.

Should the Council choose to develop these on either a sale or shared ownership basis they would receive an income from the disposal of these properties which would represent not only a generated land value but also a potential development of profit. These funds could then be recycled into the HRA.

Alternatively, Warwick District Council could procure the necessary planning approvals and then simply dispose of the land and receive a land payment which again could be utilised to cross subsidise any expenditure on the overall scheme.

10.0 RECOMMENDATIONS AND CONCLUSIONS

The recommendations and conclusions of the study are set out below:

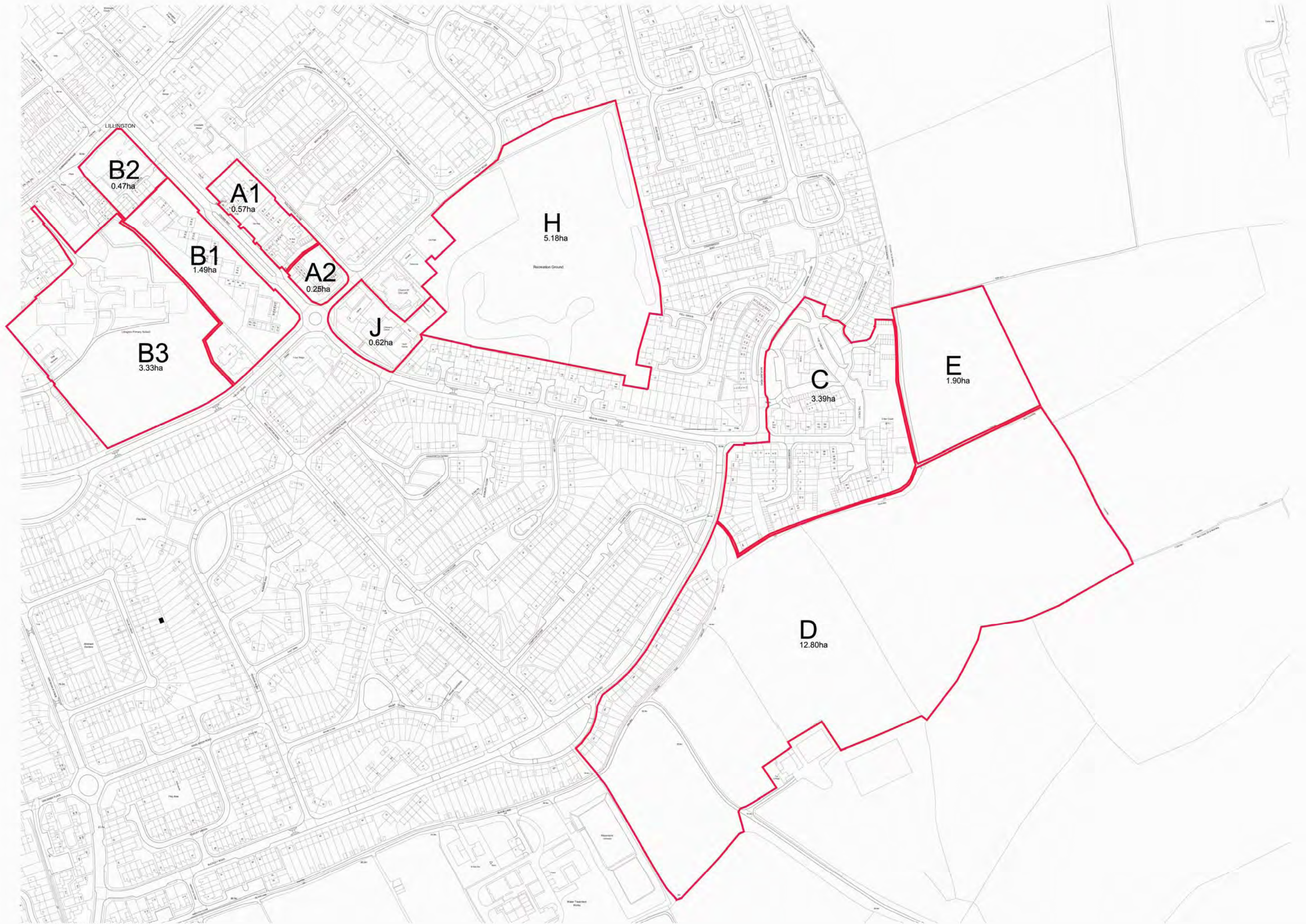
1. When considered against Warwick District Council's Brief, the design proposals for Lillington are considered feasible. The costs are also considered to be within the ranges expected at feasibility stage.
2. The study does demonstrate that the regeneration will bring socio-economic benefits. It is recognised, however, that these regeneration benefits do require further assessment and need to be more fully explored. It is recommended further piece of work needs to be undertaken in this regard before a final decision is made.
3. The redevelopment proposals would require the release of sites D and E from the existing Green Belt. Delivering the proposals included with the report will require a constructive relationship with Red House Farm.
4. Proposals for Red House Farm can help deliver a greater mix within the local area and a better urban edge and softer link with the Green Belt.
5. Funding of community facilities will be complicated. Consideration should be given to the revenue impact of any changes to public service set out in options from the Crown Way and the recreation ground.
6. Warwick District Council should consider entering into a detailed dialogue with Warwickshire County Council and Sport England with a view to ascertaining and determining the extent of land which could be developed off Crown Way. In particular this should focus on whether any development activity can be undertaken upon the existing Lillington Primary School site.
7. Warwick District Council should consider commissioning a further piece of work setting out in outline summary terms why the composite Red House Farm and the Crest area constitute a viable development area and why Red House Farm can help deliver the Regeneration aspirations set out in the study. This would use general development principles to satisfy the Inspector that due consideration has been given to specific site issues and to demonstrate that the site was deliverable. It would therefore support the proposed land release at the forthcoming Local Plan examination.
8. Consideration must be given to Compulsory Purchase Order (CPO) powers and their appropriateness and necessity.
9. Warwick District Council should consider setting aside a budget for undertaking detailed site investigation and survey works to enable the cost appraisals to be further refined whilst at the same gathering sufficient information to enable detailed planning applications to be submitted in due course.
10. Warwick District Council should give further consideration with regards to the development logistics in order to establish the preferred and optimum sequence of demolition and re-provision, potentially incorporating both existing and new stock as appropriate. This may therefore assist in delivering the overall regeneration scheme on a quicker timeframe.
11. It should be noted Warwick District Council cannot deliver the demolition of the Crest without acquiring some land on Red House Farm. Warwick District Council

should consider entering into discussions with the Roman Catholic Diocese, with regards to the potential acquisition and demolition of the existing buildings at the rear of the Church of Our Lady.

12. It is recommended more work is undertaken to understand the costs of, and models for, providing the community hub.
13. The risk of 'doing nothing' need to be adequately understood. The proposals offer the Council the opportunity to create a legacy within the Lillington area that will benefit the local community and the wider area for many years to come. The proposals are an opportunity to replace existing 'tired' stock and change the tenure, density and mix with the area.

APPENDIX A

Feasibility Study Area



LILLINGTON

B2
0.47ha

A1
0.57ha

B1
1.49ha

A2
0.25ha

B3
3.33ha

J
0.62ha

H
5.18ha
Recreation Ground

C
3.39ha

E
1.90ha

D
12.80ha

APPENDIX B

Willmott Dixon Further Feasibility Report

See separate document.