

 REPORT TO EXECUTIVE www.carlisle.gov.uk			
PORTFOLIO AREA: CROSS CUTTING			
Date of Meeting:		28 APRIL 2003	
Public			
Key Decision:	Yes	Recorded in Forward Plan:	No
Inside Policy Framework			

Title: RAFFLES AREA STRATEGY : POSITION STATEMENT

Report of: Head of Economic and Community Development

Report reference: ECD.14/03

Summary:

The report updates the Executive on progress made in implementing the Raffles Vision. It gives an overview of the known and estimated financial implications and asks the Executive to recommend the revised budget to Council.

Recommendations:

The Executive is asked to:

- Consider the progress made on implementing the Raffles Vision and comment as appropriate
- Approve the freehold acquisitions by agreement under the Constitution
- Recommend to Council that the expenditure be incurred of £407,100 as set out in the report be funded by the HRA Balance.

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ECD.14/03

1. BACKGROUND INFORMATION AND OPTIONS

1.1 At the Executive meeting on 3 March 2003, Members discussed the implications of the Raffles Vision and the Council's role in taking the Vision forward. They agreed to commence discussion on a Partnership Agreement with CHA and Lovells for the management and maintenance of open space and also to receive further reports on other matters as they were developed and clarified. These other matters included:

- Redevelopment Areas
- Parks and Open Space
- Existing non – residential premises
- Land use and Planning issues
- Health
- Other Partnership work
- Management issues.

1.2 Further work has now been done to clarify the current and future commitments and the resulting budget implications for the Council. This report gives an update on progress in all of the areas listed above. It sets out matters that need to be resolved in the short term, gives a detailed breakdown on the budget position regarding existing commitments and highlights future commitments which will need to be considered in detail once the programme has developed further.

Redevelopment Areas

1.3 The demolition work on phase 4 has started with the preliminary service disconnections. The demolition of 76 properties starts towards the end of April, with CHA having added 14 additional properties. It is forecast that the overall cost of this outstanding work is likely to exceed the current budget allocation by £37,100.

1.4 The position relating to acquisitions is as follows. The Council has acquired many properties at Raffles – and prior to LSVT, sold some – to owner-occupiers. Negotiations are very complex and difficult – involving substantial time. The development negotiations with Lovells are ongoing and a report outlining terms will be presented to Members in early summer. In the meantime, decisions are required to acquire the following properties:-

Address	£ Consideration (all freehold)	Year of Acquisition
149 Brookside		

	Agreed	03 / 04
17 Creighton Avenue		
	Agreed	03 / 04
197 Brookside		
		03 / 04
65 Dalton Avenue		
	Estimated valuation	
77 Raffles Avenue		
46 Creighton Avenue	Estimated valuation	04 / 05
48 Creighton Avenue		
101 Raffles Avenue		
27 Shady Grove Road		
TOTAL	£194,000	

1.5 The Code of Compensation is being used in regard to the valuation basis for acquisition, although they are by agreement rather than through compulsory purchase. Members are asked to approve these freehold acquisitions by agreement under the Constitution. Terms are agreed for the purchase of 8 Orton Place but acquisition will be by Carlisle Housing Association and is due to go before the CHA Board on 13 May 2003.

Parks and Open Space

1.6 A Sub Group has been established involving officers from Property Services, Culture, Leisure and Sport, Commercial and Technical Services and Economic and Community Development, to discuss the terms of a Partnership Agreement between the City Council, CHA and Lovells for the management and maintenance of open space. A further meeting will have taken place by the time this Executive meets and an update will be given at the meeting. It is intended to bring a draft agreement to the Executive for consideration during the summer and once progress has been assessed at the next officer meeting a date will be confirmed for the Forward Plan.

1.7 There are some outstanding restoration works (soiling, seeding etc.) from previous phases of demolition. There is a requirement to continue with works

of reinstatement and annual maintenance to the clearance areas until they are brought into the redevelopment programme. The annual cost for maintenance for existing landscaped areas is £2,000. This will reduce as the sites are built on. The cost of landscaping those areas which have already been demolished but not seeded is £60,000. The annual cost of future maintenance will be £4,000. This figure will depend on the standard of maintenance required, after consultation with the residents through the Partnership Agreement. As regards the existing Heysham Park, it is proposed by CHA that some of the demolished areas be incorporated into the park and the park itself be upgraded. The cost of this work is unknown and subject to negotiation. As a partnership approach is being taken for the implementation of the Raffles Vision, the resources of the City Council, CHA, Lovells and external funding bodies will all feature as part of the total package. The Council's future financial commitment will need to be reviewed in the light of proposals and the availability of other sources of funding.

Existing non – residential premises

1.8 There have been no further detailed discussions on the future of these premises since the last report.

Land use and Planning issues

1.9 A planning application is expected to be submitted by Lovells in due course.

Health

1.10 There is no further information to report at this stage.

Other Partnership work

1.11 CHA is now publishing its Neighbourhood Investment Plans for discussion with Partners.

Management issues

1.12 The previous report to the Executive on 3 March highlighted the need for a dedicated project management resource to coordinate all the outstanding issues and support staff working on specialist areas within individual Business Units. This would enable the Council's contribution to the Raffles Vision to be properly coordinated and issues to be identified and addressed in good time to facilitate the decision making process. As suggested in the Council's draft Project Management Guidelines, a Project Champion needs to be identified who will act as the Lead Officer and take overall responsibility for the delivery of the project. They must ensure that there are robust reporting mechanisms in place to keep the Portfolio Holder and Executive closely involved and informed on progress and identify any variations to the programme or budget.

1.13 It is proposed to secure the necessary support for up to 2 years to enable this work to be undertaken. It may be possible to identify a suitably experienced officer through an internal secondment provided that the secondees substantive post can be covered. Alternatively it may be necessary to involve external expertise. A detailed job description will be developed and the recruitment process can be undertaken through the Staffing Forum. A sum of £40,000 per annum for this work would allow for the Council's costs to be covered.

14. The future of the Environmental Task Force must also be considered as existing temporary, fixed term contracts for staff employed by the Council are due to run out at the end of September 2004. Following further discussions with Carlisle Housing Association, detailed reports will be brought back to the Executive.

2. CONSULTATION

1. Consultation to Date.

Discussions are ongoing with CHA as set out in the report

2. Consultation proposed.

Further discussions are programmed with CHA and with Lovells.

3. RECOMMENDATIONS

The Executive is asked to:

- a. Consider the progress made on implementing the Raffles Vision and comment as appropriate
- b. Approve the freehold acquisitions by agreement under the Constitution
- c. Recommend to Council that the expenditure be incurred as set out in the report.

4. REASONS FOR RECOMMENDATIONS

To enable the Raffles Vision to be realised and to ensure that the resource implications for the Council are properly covered.

5. STAFFING/RESOURCES IMPLICATIONS

Resources are already being deployed to deal with urgent matters. The report sets out the need for a project management resource.

6. FINANCIAL IMPLICATIONS - COMMENTS OF HEAD OF FINANCE

6.1 The 2003/03 budget for the Raffles Area Strategy (RAS) was held within the Public Sector Housing Capital Programme and originally totalled £829,270. An additional £150,000 was added to this sum as part of the budget cycle, to be funded from HRA balances, giving a total budget of £979,270.

6.2 As at the end of March 2003, actual spending to date totals £647,000 however when commitments are included the total is £1,082,370 i.e. an over-commitment against the budget of £103,100 (excluding RTB buy backs). This total of £1,082,370 can be analysed as follows:

Demolition Works 507

Decants and Home Loss Payments 321

Environmental Task Force 80

Estate Wardens 45

Environmental Works 39

Other Items 24

Parks and Open Spaces 66

Total 1082

3. In addition to the £103,100 over-commitment, it would be prudent to allow a further contingency element to be built into the estimates to cover any unforeseen expenses and it is suggested that a figure of £30,000 be included in carrying out the remainder of the works required to complete this stage of the RAS, making a total of £133,100.
4. Elsewhere in the report, the following items have been identified as future RAS requirements

£000's

Project Co-ordinator (Two year term) 80

RTB Buybacks 194

Total 274

In total therefore, the additional amount required for the project over a two

year period is £407,100 (£133,100 plus £274,000) to be funded as follows:

2003/04 £249,100

2003/04 £158,000

Total £407,100

5. It is recommended that the most appropriate source of funding is the Housing Revenue Account. The HRA balance at 31 March 2003 was forecast to stand at £2,877,000 at revised estimate stage. The City Council had always identified that a minimum balance of £1.6m would be required to cover the need to fund additional housing benefit expenditure on rent allowances for three years until an appropriate adjustment was made in the revenue support grant payable to the City Council. While the HRA for 2002/03 has not yet been closed, the above items predicate that the HRA balance would be reduced to £2,470,000.
6. Clearly it would be very unwise to commit a substantial part of the HRA balance until at least the accounts for 2002/03 have been closed, both because of the inherent uncertainty and also the need to ring fence £1.6m to fund extra benefit expenditure. However there does appear at this stage to be sufficient scope to commit the above expenditure from the HRA as presently stated, subject to members' approval
7. For Members information, as regards the wider issue of the most appropriate source of funding for the RAS, the HRA balance is the most appropriate source at this stage for funding expenditure on what is still legally HRA land and property. In due course these assets will be appropriated to the General Fund. Indeed such a move would be an essential prerequisite to the eventual closure of the HRA and the transfer of the remaining balance to the General Fund. When that has taken place, General Fund resources would have to be identified albeit they would eventually be replenished once the HRA was finally closed and the balance subsumed within the General Fund. However members will wish to note at this stage that the RAS was identified during the budget cycle, along with the GIS project, as a scheme that might require an input of capital resources in 2003/04 although at that time it was not possible to identify the sums required.

7. LEGAL IMPLICATIONS

The Head of Legal and Democratic Services commented previously on the importance of clarity on roles and funding commitments in any formal partnership agreements. Legal advice will continue to be sought as the negotiations continue.

8. CORPORATE IMPLICATIONS—

The work is being carried out by a cross service group of officers and one of the Executive Directors has now begun to oversee the work at a strategic

level. CMT will be kept updated on progress.

9. RISK MANAGEMENT IMPLICATIONS

The failure of the Council to co-ordinate its actions, work corporately and alongside external agencies could lead to a lack of understanding about timescales, budget allocations and funding availability, missed opportunities for synergy and an inability to plan adequately for future spending and service delivery.

10. EQUALITY ISSUES

A cross cutting approach enables the needs of all sections of the community to be taken into account.

11. ENVIRONMENTAL ISSUES

A significant element of the work highlighted in the report relates to environmental improvements.

12. CRIME AND DISORDER ISSUES

The prompt removal of empty properties as part of the demolition programme, the construction of new homes and the improvement of open space can all be effective in the reduction of crime.