

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 14th March 2011

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WARD(S): Britwell and Haymill

PORTFOLIO: Neighbourhoods and Renewal - Councillor Swindlehurst

PART I **KEY DECISION**

PHASE 1 & 2 BRITWELL & HAYMILL REGENERATION SCHEME – FROM CONCEPT TO REALITY

1 Purpose of Report

To provide an update on the progress following the decisions made by Cabinet on 7th February 2011 to seek approval for redefining and accelerating the delivery of the Britwell and Haymill Regeneration Scheme (the Scheme).

2 Recommendations

The Cabinet is requested to note that:

- A. to inform negotiations with SEGRO for bringing further land at Kennedy Park into the Council's ownership, that a second phase contaminated land analysis has been commissioned for completion by 31st March 2011.
- B. work has been undertaken to commission a brief to develop an options appraisal for the enhancement of the range and quality of activities in Kennedy Park in preparation for further public consultation.
- C. notices have been issued and served on the remaining users of the garages and an order placed to demolish the garage court to the west/rear of Wentworth Avenue shops with the requirement that the work be completed by 31st March 2011.
- D. wide-ranging discussions have been held with the representatives of the Britwell Scouts and Guide Groups currently located in Kennedy Park, adjacent to Pemberton Road to consider options for their relocation.
- E. a short public consultation has been conducted with the residents of Britwell on their priorities for services to be located in the new Britwell Community Hub (see recommendation (8) below).

The Cabinet is requested to resolve that:

- (1) officers should negotiate with Scottish and Southern Electricity to secure either the ownership or where appropriate access across the strip of land in their occupation between Kennedy Park and the SEGRO land.
- (2) the site of the Britwell Family Centre on Long Furlong Drive be included in Phase 1 (Kennedy Park) of the Britwell and Haymill regeneration Scheme.
- (3) subject to agreeing (1) above, that the rating for the Britwell Family Centre on Long Furlong Drive in the Asset Management Plan be changed from a Category A to Category D – asset for disposal.
- (4) officers now work formally with the users of the Britwell Family Centre to identify and agree suitable alternative accommodation for their future use when the Centre is required for construction.
- (5) delegate to the interim Assistant Director of Environment & Regeneration, in consultation with the Leader, the finalisation of the outstanding conditions in the Section 106 agreement associated with the Planning Committee's decision of 17th March 2010 to secure Outline Planning Permission for Phase 1 (Kennedy Park).
- (6) the whole of Phase 1 (Kennedy Park) and Phase 2 (Wentworth Avenue and environs) be procured through an EU compliant design and build tendering process at the earliest opportunity, subject to:
 - a. the availability Housing Revenue Account (HRA) funding of up to £6 million as a contribution to the estimated cost of developing Phase 1 (Kennedy Park) to reflect the need to develop at least 45 affordable homes for direct management by the Council.
 - b. by 30 September 2011, the Assistant Director of Housing to complete a property specific tenant (and where appropriate Leaseholder) consultation on the proposal to demolish Wentworth Flats and Marunden Green houses.
 - c. local residents being asked to become involved with the formation and development of a Neighbourhood Board and for the Board, once formed, to be consulted on the selection of the successful developer based upon the design proposals and other quality criteria within the Tender Documentation.
 - d. priority be given by the selected developer to constructing the social housing required to decant housing tenants from Wentworth Flats and to provide new retail units to provide for the local area.
 - e. at the earliest possible opportunity following the rehousing of the tenants of the Wentworth Flats, the flats and the shops in that block be demolished.
 - f. that, subject to the Local Planning Authority's requirements, a mixture of housing ownership and tenancies be created in both Phases 1 & 2 to secure maximum value from the use of the sites and the creation of balanced communities, with a minimum 30% social housing and 10% intermediate housing such as shared ownership.
 - g. to incorporate the use of "Building Licences" into the contract with the developer in order to incentivise the pace of development.

- h. that having regard to the development of the Community Hub and the existence of a range of other community buildings being located in Britwell an options appraisal be completed by 31 May 2011 to examine the community needs and use of suitable accommodation within the Britwell and Haymill Regeneration area and to report back to the Cabinet at the earliest opportunity after completion of the report.
 - i. the Assistant Director of Environment & Regeneration, in consultation with the Commissioner for Neighbourhoods & Renewal be authorised to determine the final specification for the Design & Build Tender Documentation.
- (7) to minimise the need to relocate tenants from both Wentworth Flats and the elderly people's dwellings on Marunden Green, that:
 - a. no further housing tenant allocations be made after 1st June 2011 to the Wentworth Flats (except on grounds of urgent medical need for rehousing);
 - b. no further housing tenant allocations be made and to the elderly people's dwellings on Marunden Green with immediate effect;
 - c. subject to the above, the Housing Service actively pursue rehousing the existing Housing tenants;
 - d. no further commercial lettings be agreed at any of the properties.
- (8) due to the level of vacant properties on Marunden Green, that at the earliest possible opportunity following the vacation of all surplus housing property, the elderly people's dwellings on Marunden Green be demolished and the site made good for redevelopment.
- (9) the Britwell Community Hub building created to relocate the Library and My Council be the subject to:
 - a. a competitive Design and Build Tender with 28 days to respond, that will identify design proposals, timescales for delivery and inclusive costs.
 - b. subject to (8) a. above, that the following two sites be the subject of the Tender, both separately and as a combined facility:
 - i. The old Housing Payment Office and MALT building at 41/43, Wentworth Avenue together with the adjoining land and buildings (shown as 1A in Appendix B);
 - ii. The Wentworth Industrial Court buildings together with the adjoining land (shown as 1B in Appendix B).
 - c. subject to (8) b. above, that officers should now work formally with the users of the Wentworth Industrial Court to identify and agree alternative accommodation for their future use once the site is required for construction.
 - d. That, subject to (8) b. above, Members of the Neighbourhood Board be consulted on the selection of the successful developer based upon the design proposals and other quality criteria within the Tender Documentation.
- (10) as the Council is already the freeholder, the lease for the vacant Jolly Londoner Public House be negotiated and, if attractive for the business plan to support the acquisition, the matter be reported back to a future Cabinet meeting.

(11) that a further progress report be made to the next Cabinet Meeting in April 2011.

3 **Community Strategy Priorities**

- **Celebrating Diversity, Enabling inclusion**
- **Adding years to Life and Life to years**
- **Being Safe, Feeling Safe**
- **A Cleaner, Greener place to live, Work and Play**
- **Prosperity for All**

The Britwell and Haymill Regeneration Scheme is the Council's response to the identified needs of the area which suffers from higher levels of deprivation, illness, unemployment and lower educational attainment. The area also contains some of the poorest quality social housing in the Borough, the improvement of which is beyond the Government's basic decent homes programme. Accordingly a successful regeneration programme will contribute to each of the above community strategy priorities.

4 **Other Implications**

(a) Financial

The financial implications of this report can be contained within the original provision of £100,000 revenue and £1.679 million capital set aside to develop proposals to Outline Planning stage which has yet to be fully committed. However, determination of the detailed cost and funding arrangements for the entire project will be directly linked to the outcome of the EU compliant procurement process.

The Homes and Communities Agency (HCA) have agreed to provide up to £800,000 to pump-prime the regeneration project. This grant is based on expenditure incurred before 31 March 2011.

Recognising the changes made to the availability of HCA funding, the HRA can use reserves to fund the Council social housing component of the development and £6 million could be set aside for this purpose. However, the changes proposed by the Government to replace the ring-fenced HRA with self-financing arrangements could provide further options of funding from borrowing (subject to the Prudential Code of Capital Finance) or a mixture of revenue reserves and Prudential borrowing). These changes are planned to be introduced from April 2012, but are subject to the Localism bill gaining Royal assent in May 2011. If there is any delay then self-financing is likely to be introduced in April 2013.

The precise arrangements for funding the Project, including cash flows will need to be determined closer to the time when the funding will be required in order to optimise the benefit to the Council and Housing tenants. Revised 30 year business plans will also be available to further validate the affordability of the proposals.

HRA reserves are forecast to be £9.2 million at the end of 2010/11. New borrowing limits will be introduced as part of self-financing which is currently estimated to provide a maximum borrowing for the HRA of £161 million. Existing borrowing is £25 million with a further £120 million of borrowing to be taken on as part of the change to self-financing. The £16 million gap represents potential borrowing that could be utilised, subject to the prudential code as above.

Existing debt of approximately £25,000 per property will transfer to SBC from central Government when self-financing is introduced. This includes potentially 96 HRA properties in Phase 1 on Marunden Green and Wentworth Avenue which will be demolished under existing plans. The self-financing regulations allow properties scheduled for demolition to be taken account of in the settlement, but plans must be firm and as a minimum property-specific consultation with affected tenants should be completed by September 2011. Clearly reducing the debt burden by approximately £2.4 million would be advisable to reduce the level of borrowing required to finance the housing stock upon transfer of the debt from Government.

The HRA Asset Management Plan and the 2011 - 2017 HRA capital programme does not include finance for these properties to deliver the Decent Homes standard, as they are scheduled for demolition. The cost of Decent Homes standard refurbishment would not be less than £1 million. This situation would further assist the audit trail to support demolition of the properties in Wentworth Flats and the selected properties in Marunden Green.

The current HRA Business Plan is being examined and remodelled in line with the proposals for self-financing and the plans contained in this Report.

The Revenue implications of the Report include the loss of rent from the vacated dwellings, garages and commercial units. The Capital implications include the potential receipts from land sales and the utilisation of capital allowances and Section 106 contributions. A further opportunity exists to apply for Homes and Community Agency grant funding for the social housing component of the Development, however new Government Policies now link HCA grant funding to the requirement that any social housing developed through the use of the Grant will be subject to the 80% affordable rent policy. However in balance, the HCA funding has been dramatically reduced as part of the national reduction in public funding.

(b) Risk Management

The regeneration of Britwell and Haymill will involve substantial capital and revenue investment from the Council and other third parties. The Phase 1 re-provision of around 25 existing commercial units and approximately 90 residential units and subsequently the Phase 2 demolition of the existing flats and shops on Wentworth Avenue and Marunden Green together with the construction of new houses within a densely populated area will require exceptional project management by the selected developer.

(c) Human Rights Act and Other Legal Implications

If the Council chooses to fund the project from borrowing there are strict limits on the overall amount of capital which can be released across the Council and this Scheme will need to compete with other corporate priorities for such funding. The HCA funding is subject to a legal agreement which binds the Council to deliver enabling works by the end of March 2011.

There are no direct Human Rights Act implications arising from the recommendations contained within this report.

(d) Equalities Impact Assessment

The future determination of detailed plans for the regeneration of Britwell and Haymill will be subject to equalities impact assessments and the replacement of commercial

and residential units will be required to meet both Planning and Building Control obligations with regard to disabled access. At this stage however there are no direct implications explicit in this report.

5 **Supporting Information**

- 5.1 At the last meeting of Cabinet held on the 7th February 2011 it was agreed to progress the Britwell & Haymill Regeneration Scheme and for a progress report to be made to the next meeting. It is clear that for the regeneration to commence and for the local community to have confidence that progress is being made a number of early actions was required. Appendix A defines the Britwell Regeneration area that is the subject of this report.
- 5.2 **SEGRO Land Acquisition** – From a due diligence perspective and to inform negotiations with SEGRO for bringing their land at Kennedy Park into the Council's ownership, a second phase contaminated land analysis has been commissioned for completion by 31st March 2011. This further analysis is being undertaken to ascertain the nature of the contamination on the site together with the level of remediation measures required to use the land for a footpath. This work will inform the negotiations with SEGRO and determine the viability for increasing Kennedy Park.
- 5.3 In addition to the SEGRO land, it is understood that Scottish and Southern Electricity has a lease for the land shown on the plan at Appendix A. It will be necessary to secure the legal agreement of Scottish and Southern Electricity if a pedestrian path is to be constructed to more effectively join Northborough Road with the Britwell area. Therefore permission is sought from Cabinet to enter into negotiation with Scottish and Southern Electricity to secure the level of access required by the proposed development.
- 5.4 **Kennedy Park Improvement Consultation** – The Council's Parks & Open Spaces Manager has commissioned the brief for developing options for the enhancement of Kennedy Park in preparation for further public consultation. This work will build upon the previous work undertaken some time ago and be used to consult residents further on the work that will be undertaken as part of the proposed Phase 1 housing and retail development elsewhere on Kennedy Park.
- 5.5 **Demolishing the garage court to the west/rear of Wentworth Avenue shops** – Notices have been issued and served to the remaining users and action taken to remove the contents of unauthorised use of the garages. The demolition work has been the subject of a competitive tendering exercise and an order placed to demolish the garage court with the requirement that the work be completed by 31st March 2011.
- 5.6 **Britwell Scouts and Guide Groups** - Wide-ranging discussions to consider options for relocation have been held with the representatives of the Britwell Scouts and Guide Groups currently located in Kennedy Park, adjacent to Pemberton Road. The discussions are progressing well but have not yet been concluded.
- 5.7 **Taking forward the housing and retail regeneration** – The Council has been frustrated by a number of interconnected issues and seeking sources of funding for the project. It is suggested that the time is now right to proceed without any further delay and in so doing, to optimise the combined value of the Phase 1 (Kennedy Park housing and retail development) and Phase 2 (Wentworth Avenue / Marunden Green housing development) - sites 2 and 3 in Appendix B. Whilst previously there was some benefit in seeking a Registered Social Landlord partner for the development, this was primarily due to the potential availability of funding from the Homes and

Communities Agency (HCA). However, the HCA funding has been dramatically reduced as part of the national reduction in public funding.

- 5.8 The proposition to proceed is that to secure the ingenuity and commercial feasibility of the private sector whilst avoiding the Council incurring substantial consultancy fees to support the planning process, scheme and detail design, etc that the two phases for the development be brought together into a single EU compliant procurement. A first stage in the process will be to develop the draft specification for the procurement and then invite potentially interested parties to a “soft market testing” meeting. The purpose of such a meeting would be to ascertain the level of interest in the proposed procurement and obtain feedback of ways that the attraction of the offer could be improved.
- 5.9 The overall procurement approach will provide developers with the potential to secure the appropriate value from the development to make it commercially viable, whilst delivering the communities main aspirations for the regeneration. The approach would fully comply with the Council’s policies to provide at least 30% affordable housing and a further 10% intermediate housing, but intermixed with housing for sale where practicable. The affordable housing in Phase 1 will be let and managed by the Council, in exchange for the Housing Revenue Account underwriting up to £6 million of the cost subject to the on-going viability of the Housing Revenue Account. The availability of this capital injection would provide a guaranteed and potential early income for the developer (subject to completing the affordable housing element first) and assist the cash flow to develop the rest of the site. In this way, the affordable housing element of the development would become available at an early stage to facilitate decanting the housing tenants from Wentworth Flats.
- 5.10 Britwell is a viable community within which the regeneration will take place. Therefore it will be important to demonstrate continuance and pace of the development with the minimum disruption to local people’s lives. So once the developer has been selected, the subsequent contract could include the use of “Building Licences”. Such licences retain the ownership of the land by the Council, but grant the developer the licence to build on the site. The licence would only be released upon sale or by a phased release as appropriate for the scheme. It has been demonstrated with other schemes that the use of Building Licences incentivises the developer through cost penalties not to secure the contract to develop the site and then make slow progress or no progress with parts of the site.
- 5.11 In addition to vacating the Wentworth Flats it is also necessary to decant the tenants from the elderly person’s accommodation on Marunden Green. Following previous decisions new nominations have not been accepted for some time for these properties and proactive opportunities have been taken to relocate the existing tenants. Of the 38 bedsit bungalows and 1 x 2 bedroom house that forms part of the Britwell and Haymill Regeneration Scheme in Marunden Green, 14 of these properties are now empty and won’t be relet, leaving 25 tenants to relocate to similar but Decent Home standard units elsewhere in the Borough. The Housing Service have advised that the tenancies in Wentworth Flats are generally stable with a low turnover. The retail units are generally undesirable with a low demand. Therefore, it would also be appropriate for the Council to stop any further housing tenancy allocations to Wentworth Flats or to let any more of the retail units. During the interregnum between vacation and the demolition of the buildings, the Housing Service are arranging for the installation of hoardings complete with design images to express the regeneration agenda now underway.
- 5.12 Originally Phase 1 proposed 71 housing units together with the potential for residential units over the retail units. It is now proposed that at least 45 affordable houses be made available to provide for decanting the housing tenants from

Wentworth Flats. In addition, by adding the Family Centre site located on Long Furlong Drive to the existing Phase 1 site, there is a potential for 19 more houses which would add approximately £1 million to the value of the development. To facilitate this change, it will be essential for officers to work with the users of the Family Centre to identify and agree alternative accommodation for their future use once the site is required for construction. The asset should also be changed from appearing in Category A (assets for retention) to Category D (assets for disposal) of the Asset Management Plan.

- 5.13 The proposed Britwell Community Hub (see 5.15 below) is deliberately being delivered as an early statement of the Council's investment in Britwell. This newly converted facility will ensure the community secure early benefit from enhanced community facilities. The new Britwell Community Hub, together with the plans to enhance facilities in Kennedy Park, offers the opportunity to review the range of existing public buildings and community facilities in Britwell to inform what further provision is required. It is therefore proposed that this review should be conducted through undertaking an options appraisal.
- 5.14 The precise level of financial underwriting required will be an important element of the competitive tendering process. A further factor will be how the Housing Revenue Account fund the social housing element of Phase 1 - from the HRA Revenue Reserve, or through a prudential loan. Dependant upon when the funding is required coupled with the Government progressing the self-financing proposals for the HRA the approach that is the most beneficial to the current and future housing tenants should be adopted.
- 5.15 The HCA are very supportive of the revised approach and the overall model for regenerating Britwell. Recently they have awarded the Council £800,000 to assist in pump-priming of the delivery of the regeneration. In addition the Council has allocated £1.679 million to the Scheme, with initial funding focussed upon developing the new Britwell Community Hub (see 5.15 below).
- 5.16 **Britwell Community Hub** – The report to the 7th February Cabinet explained the logic for relocating the existing Britwell Library and the My Council facilities into a newly refurbished building. It was subsequently agreed that the old Housing rent payment office and MALT Building located at 41/43, Wentworth Avenue together with the adjoining land and buildings (see 1A at Appendix B) should be refurbished for this purpose. However, a further and potentially longer term option exists through the initial conversion of the Wentworth Industrial Court buildings (see 1B at Appendix B) and then a further development of the adjacent 41/43, Wentworth Avenue site.
- 5.17 Therefore the proposal is to issue a competitive tender with 28 days for the contractors to respond, for a design and build project to convert either 41/43, Wentworth Avenue or the Wentworth Industrial Court buildings. If this approach is agreed by Cabinet, contractors will be required to supply designs, detailed costs and timescales for the completion of each option within their tender submission. Furthermore, costed designs will also be requested for the conversion of both sites into a single community facility, capable of housing a broader range of services.
- 5.18 If the proposal to incorporate the Wentworth Industrial Court buildings is agreed, then the current tenants will need to be relocated. Whilst the buildings have a relatively high vacancy rate, the existing users look towards the use of the Units as part of their businesses. Therefore, if the use of the building is agreed as part of the regeneration, officers will actively work with the tenants to understand their needs and business aspirations and secure their relocation to suitable alternative accommodation which is available elsewhere in the Borough.

- 5.19 Finally, relocating the existing library and removing the tenant from the Garage site provides the Council with access to further development land – shown as 3 in Appendix B. This land will form part of the land assembly envelope in Phase 2.
- 5.20 **The Jolly Londoner Public House** – The Council owns the freehold interest in the public house (shown as 4 in Appendix B), but the current leaseholder, a pub chain, have 30 years remaining on the lease. Preliminary discussions have indicated a strong interest by the leaseholder to dispose of the lease to the Council at a suitable price. If the Council acquired the lease, this would release further options for developing 6-8 housing units or alternatively to refurbish the building for retail or community use. Should negotiations have progressed sufficiently by the date of the Cabinet meeting, a separate Part II report will be available providing Members with the business case for acquisition.
- 5.21 **Resident involvement** – There has been a range of previous consultations and resident involvement in the regeneration of Britwell. In addition a website was created to provide updates on the progress being made. However, whilst there has been activity within the Council and the Housing Service have been proactive in managing their residential and commercial tenancies, such activity has had limited visible impact within the community demonstrating not only that regeneration has commenced, but is programmed to proceed to completion. With the tide of progress now proposed, the opportunity exists to build upon the experiences in Chalvey through creating a Neighbourhood Board.
- 5.22 It is proposed that in parallel to the early actions described above, that the representatives of the wide range of community and voluntary groups in Britwell be invited to select representatives to form a Neighbourhood Board. Having created the Board it is proposed that in addition to other consultation and involvement methods for the broader population, the Board will be invited to participate in the selection of designs for the new Britwell Community Hub and then for the developers proposals for the overall regeneration of Britwell.
- 5.23 The rapid progress being made with the development of the Britwell Community Hub has included a consultation document being issued with response requested by 14th March 2011. The purpose of the consultation has been to inform all residents of the area that the development of the Britwell Community Hub is proposed and to seek residents priorities for what services they would like to have available in the new Hub. The consultation was supplemented by an open day on Friday 11 March between 12 noon to 19.00 where an opportunity to talk to officers about the proposals was made available. The outcome of the open day will be given orally at the meeting.
- 5.24 **Planning Policy and Permissions** – The Britwell and Haymill regeneration area was recognised in the Slough Local Development Framework – Site Allocations DPD (adopted November 2010). This recognised that in order to support the regeneration of the area special planning consideration was required. In overview this required:
- 5.24.1 A comprehensive scheme for the regeneration area;
- 5.24.2 Any new retail floorspace should not exceed that already provided;
- 5.24.3 Any exceptions to Council Policy must be justified in accordance with Core Policy 1. If open space is lost then the remaining space should be enhanced in terms of quality and range of activities;
- 5.24.4 Access by travel modes other than the car and public transport in particular be enhanced;
- 5.24.5 A range of housing should be provided, but with an emphasis on family housing to help create mixed and stable communities;

5.24.6 Site contamination including methane gas should be investigated and remediated to the level required to support the proposed use;

5.24.7 The Council's normal design and community safety requirements will apply.

5.25 To assist the procurement process for the site, it is essential to secure the full Outline Planning Permission. In March 2010, Outline Planning Permission was granted in principle, but the required Section 106 Agreement was not concluded. Consequently, the Section 106 requires negotiation and agreement which should be undertaken by the Assistant Director of Environment & Regeneration, in consultation with the Leader. Whilst the Family Centre site and the Phase 2 Wentworth Avenue / Marunden Green sites will require separate Outline Planning Applications, this together with the reserved matters / detailed planning consent should be undertaken by the preferred development partner.

6 Comments of Other Committees

6.1 The timetable between Cabinets and the need to report back has meant that this report has been prepared without referral to Scrutiny. Future update reports will where possible be taken to the Overview & Scrutiny Committee in accordance with a previous determination by Cabinet.

7 Conclusion

The Britwell and Haymill Regeneration Scheme is now ready to commence with tangible actions in the community. The ambitious but grounded proposals in this report provide for some immediate actions to demonstrate progress, together with the critical ingredients to secure the overall progress with the regeneration.

8 Appendices Attached

Appendix A – Britwell Regeneration area

Appendix B – Proposed location for the Britwell Community Hub and land assembly for Phase 2

9 Background Papers

9.1 Slough Borough Council: Britwell & Haymill Regeneration Phase 1 – next steps, report to Cabinet 07/02/11

9.2 Slough Borough Council: Slough Local Development framework – Site Allocations (LDF 63) adopted November 2010.

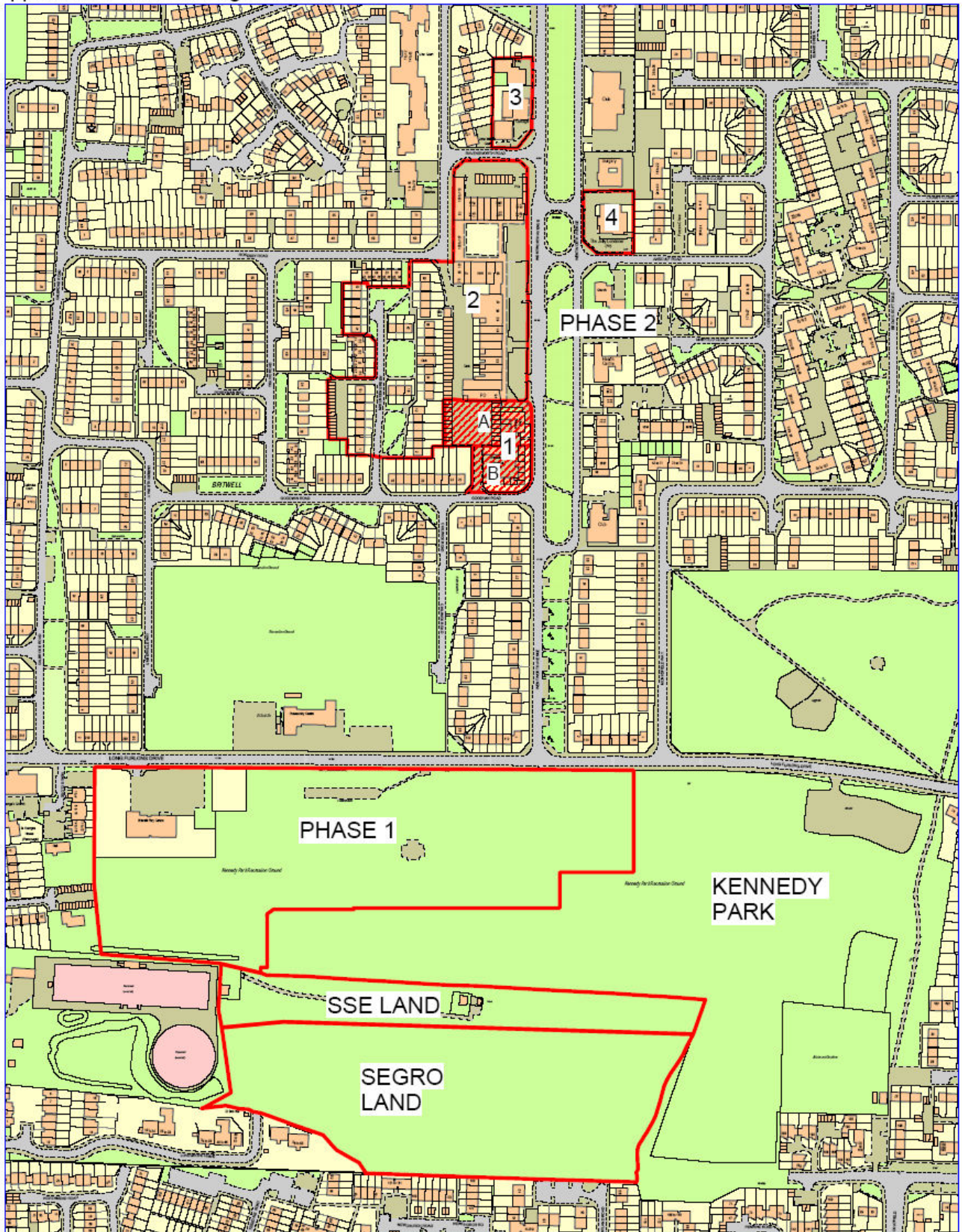
Asset Management Resources

Scale 1: 2,500



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Appendix A - Britwell Regeneration



Asset Management Resources

Scale 1: 1,250



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Appendix B - Proposed Location for Britwell Community Hub & Land Assembly Phase 2

