

## SLOUGH BOROUGH COUNCIL

**REPORT TO:** Cabinet **DATE:** 19<sup>th</sup> March 2018  
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**PORTFOLIO:** Housing – Cllr Mohammed Nazir

### PART I NON-KEY DECISION

#### UPDATE ON 50 AND 52 STOKE ROAD – CONSERVATIVE GROUP MOTION ON 30<sup>TH</sup> JANUARY 2018

##### 1 Purpose of Report

The purpose of this report is to update Cabinet on progress in relation to the agreed Conservative Group Motion. The Motion requested that the Council enter into negotiations with London & Quadrant (L&Q) to explore the possibility of L&Q redeveloping part of the site at 50 and 52 Stoke Road, particularly the car park to provide some additional specialist supported, half way house type accommodation for needy and vulnerable clients in Slough. Also to rename the resultant complex of buildings and facilities the Darren Morris Centre, in memory of the late Councillor Darren Morris.

##### 2 Recommendation(s)/Proposed Action

- 2.1 The Cabinet is requested to note L&Q's response to the points raised in the Motion and
- 2.2 The Cabinet is also requested to agree that the Covenant, which governs the site, be lifted, as outlined in sections 5.2.3 to 5.2.6 in order for London & Quadrant to progress their proposed development.

##### 3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

###### 3a Joint Wellbeing Strategy Priorities

The proposal meets the following priorities of the Joint Wellbeing Strategy

- Housing is a key priority of the Slough Joint Wellbeing Strategy which has been taken full account of in the production of the Housing Strategy and cross linked to the JSNA and the Five Year Plan. The Housing Strategy Action Plan details the housing priorities agreed for Slough with our health partners across all housing themes including housing supply.
- The supply of new high quality homes has been recognised by all of our partners as fundamental in delivering their own objectives, which have wider health and economic benefits for the residents of Slough.

### 3b Five Year Plan Outcomes

The proposal also makes the following contributions to corporate objectives:

#### **Outcome 4: Our residents will have access to good quality homes**

- The proposed scheme at 50 and 52 Stoke Road of 102 properties will provide Slough residents with the opportunity to buy, part-own and rent. The proposed compliant scheme of 40% affordable homes will be increased subject to negotiation of the release of the existing Covenant.

### 4 Other Implications

#### (a) Financial

The site is owned by London & Quadrant Housing Association (L&Q) and was used as a Foyer to accommodate young, vulnerable people. There is an existing covenant on the land, which reads:-

*'Not to use the property for any purpose other than as a residential foyer comprising of 64 bedsits, two warden flats and ancillary, office reception, training, conference, restaurant, bar and retail areas plus a three storey headquarters office building.'*

L&Q have asked Slough to lift the Covenant, which has now been valued by the District Valuer. The result of the valuation is that the site has a higher value in its existing condition than it does as a policy compliant scheme. In short it is worth more now than it would do once developed. As there is no uplift in value, a consideration based on uplift is not required.

At the present time, it is assumed that L&Q will fully fund any costs associated with the development of this site and there are no direct funding implications for the Council.

#### (b) Risk Management

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
Legal	None	
Property	The property on the site is empty (currently occupied by Guardians) and L&Q are proposing a residential scheme.	The scheme will provide much needed housing accommodation for households in need.
Human Rights	None	
Health and Safety	None	
Employment Issues	None	
Equalities Issues	None	
Community Support	None	
Communications	None	
Community Safety	None	
Financial	None	

Timetable for delivery	None	
Project Capacity	None	
Other	None	

(c) Human Rights Act and Other Legal Implications

There are no human rights implications arising from this report.

Under Section 270 of the Local Government Act 1972 “land” is defined as including “any interest in land or any easement or right in, to or over land”.

Accordingly, any release by the Council of the restrictive covenant in its favour over the property at 50 and 52 Stoke Road would constitute a disposal of land.

Under Section 123 of the Local Government Act 1972 the Council cannot dispose of land for a consideration less than the best that can reasonably be obtained without the consent of the Secretary of State.

The Secretary of State has issued a General Consent under Circular 06/03 (Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained) which permits local authorities to dispose of land for an undervalue of up to £2,000,000 if the local authority considers that the purpose for which the land is to be disposed of is likely to contribute to the achievement to one or more of the promotion or improvement of the social well-being, the promotion of improvement of the economic well-being or the promotion or the improvement of the environmental well-being of the whole or any part of its area or of all or any persons present or residing in their area.

(d) Equalities Impact Assessment

There are no equality issues arising from this report.

(e) Property

The property and site at 50 and 52 Stoke Road are owned by London & Quadrant Housing Association and therefore there are no property implications for Slough Borough Council.

## 5 Supporting Information

### **Detail**

#### **5.1 Background**

5.1.1 The site at 50 and 52 Stoke Road is owned by London & Quadrant Housing Association (L&Q) and is where the Foyer was based. This was used for young, vulnerable people.

5.1.2 Officers of Slough Borough Council, in consultation with L&Q and also the relevant Lead Member, closed the Foyer because it was half empty for a considerable period of time. As a result the age range was changed from young people to those up to 35 years old, but this had minimal impact.

5.1.3 Other approaches were considered, including a possible reconfiguration of the interior to turn the rooms into self-contained units but the cost was prohibitive. Slough used the building on an ad hoc basis for its severe weather provision but has not used the building for over two years.

## **5.2 The proposed housing development on the site**

5.2.1 In October 2017, L&Q officers met with the Council to discuss proposals for a 102 unit development, comprising of 61 units for sale, 16 for shared ownership and 25 for rent. L&Q confirmed that they were proposing a planning compliant scheme but that they required the existing Covenant to be lifted.

5.2.2 The Council indicated that a compliant housing development would be welcomed in the borough and undertook to review the Covenant issue.

5.2.3 As stated above in 4 (a) the Covenant has been valued and the site has a higher value in its existing condition than it does as a policy compliant scheme. The council has four options: -

- (a) refuse to lift the Covenant – this will likely result in no development coming forward and the site/buildings remaining empty. L&Q will also challenge this decision;
- (b) ask for a consideration (money) for releasing the Covenant, although the valuation determined no monetary uplift. This will be subject to negotiation and would likely result in a viability issue resulting in less affordable housing;
- (c) lift the Covenant based on a compliant scheme coming forward or
- (d) lift the Covenant on the condition that L&Q increase the affordable housing element of the scheme to an agreed level (at least 10%).

5.2.4 It is the view of officers that the Council should opt for option d above. L&Q have already indicated that they will be bringing forward a compliant scheme, which will deliver 40% affordable housing to this borough. Negotiating on at least a 10% uplift of this figure is realistic.

5.2.5 Although this is one less provision in the borough for single vulnerable households, Strategic Housing are discussing these issues with the Commissioning Team, responsible for this type of provision, who are currently reviewing the needs of this cohort. The Homelessness Strategy will also be addressing the gaps in provision, which currently exist.

5.2.6 Officers in Asset Management have indicated that the Council could be challenged for imposing 'unreasonable' consideration and conditions. Any of the options chosen would be subject to the agreement of L&Q's Board.

## **5.3 The Conservative Group Motion on 30th January 2018**

5.3.1 At Full Council on 30<sup>th</sup> January 2018, the Conservative Group Motion was agreed. This can be found at Appendix A to this report.

5.3.2 Based on this resolution, the Council met with L&Q on 6<sup>th</sup> February 2018 to discuss the issues and to request that the Motion agreed at Full Council be considered.

5.3.3 Whilst L&Q indicated that any negotiated position would have to be agreed at their Board, they confirmed that they intend to move to pre-application stage for planning permission of the 102 unit scheme that they had discussed with the Council at the

meeting in October 2017. They did point out however, that the affordable housing units, whilst available for general needs purposes, are also likely to assist vulnerable households.

5.3.4 L&Q indicated that they are amenable to naming the development or part of it, at least, after the late Councillor Darren Morris.

5.3.5 L&Q, however, stated that this proposal would not be presented to their Board until they had a viable scheme, which they are currently working on. They must therefore arrange a pre-application meeting with Planning and this is estimated to take place in May 2018 with a Planning Application in November 2018. This can be all subject to change. However, understanding the Covenant position will enable the ball to start rolling.

## **6 Comments of Other Committees**

6.1 Officers are not currently planning to consult other committees on this matter. Once the issues discussed in this report are resolved, L&Q will take this through the formal planning process.

## **7 Conclusion**

7.1 Officers have discussed with L&Q the Motion agreed at Full Council and have requested that the two issues are considered by them. L&Q have been in discussion with the Council since October 2017 about bringing forward a Planning Policy Complaint Scheme but in order for the development to go ahead a restrictive Covenant has been requested to be lifted.

7.2 The Council will receive a formal response from L&Q after pre-application stage when they know if their proposed scheme is viable and once their Board is consulted.

## **Appendices Attached**

'A' - The Conservative Group Motion – 30<sup>th</sup> January 2018

## **Background Papers**

'1' - Transfer – Land Known as 42 – 64 Stoke Road, Slough. HM Land Registry: 8<sup>th</sup> December 1995

'2' - Beacon House & The Foyer, Slough – Concept. MEPK architects: 21<sup>st</sup> July 2017 (confidential)