

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 16th July 2018

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WARD(S): Central

PORTFOLIO: Cabinet Member for Corporate Finance & Housing, Cllr Nazir

PART I NON-KEY DECISION

UPDATE ON TOWER & ASHBOURNE HOUSES

1 Purpose of Report

Further to the report to Cabinet on 22nd January 2018, this is to update Cabinet in respect of Tower House & Ashbourne House regarding:

- Progression to Planning Application stage
- Progress in identifying potential sources of institutional finance

2 Recommendation(s)/Proposed Action

The Cabinet is requested to resolve that the update report be noted.

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

3a. Slough Joint Wellbeing Strategy Priorities

The provision and maintenance of good quality and affordable family housing can reduce housing need for local households and contribute to the identified priorities of the JSNA by increasing the availability of good quality accommodation. This initiative will provide an opportunity re remodel and improve the safety, health and well being of families in the Town Centre.

3b Five Year Plan Outcomes

It is well established that having a stable, attractive home has a significant impact on a person's health and well-being. Demolition of the two tower blocks and remodelling of the site to provide 195 units of housing close to the town centre will contribute to the following 5 Year Plan outcomes: :

- Our children and young people will have the best start in life and opportunities to give them positive lives.
- Our people will become healthier and will manage their own health, care and support needs.
- Slough will be an attractive place where people choose to live, work and visit.
- Our residents will have access to good quality homes.

4 **Other Implications**

(a) Financial

There are none at this stage

(b) Risk Management

There are none at this stage

(c) Human Rights Act and Other Legal Implications

There are none at this stage

(d) Equalities Impact Assessment

There are none at this stage

(f) Property

The Housing Revenue Account currently carries the burden for loss of accommodation that due to its condition is not available for social housing. This is a loss of rental revenue and a burden upon other rent payers as security and utility cost are on going. The report presents an update on measures to demolish, remodel and rejuvenate the site by taking design and financial options that enable not only replacement but additional affordable housing on the site.

5 **Supporting Information**

5.1 **Progress to Planning Application**

5.1.1 Savills were appointed formally on 24 April 2018 to project manage the planning application on behalf of the Council for the remodelling of Tower House and Ashbourne House and HTA architects were also appointed to continue the work undertaken to date on the feasibility studies and progress the design to RIBA stage 3 in preparation for planning application submission.

5.1.2 As a reminder, the current proposal assumes the redevelopment of the two towers, to provide 195 homes in total, with 74 one bed homes, 109 two bed homes and 12 three bed homes. This may change depending on housing needs identified. The Council's proposal is that there are is no net loss of social rented homes on the site. As such, the proposal assumes 104 homes for social rent with the balance 91 homes to be provided as intermediate tenures. The proposals also include the provision of a small café/commercial unit and an office for Housing Management staff.

5.1.3 Programme

The headline milestones in the current programme are set out below:

All key surveys and investigations appointed	22 June
Commence formal pre-application discussions	Mid July
Design development	Ongoing
Public Consultation event no.1	17 July
Public consultation event no.2	Mid September
Design Freeze	Beginning October
Submit planning application	Beginning December
Planning Determination	End March 2019
Planning Decision Notice	April 2019

5.1.4 Professional Team appointments

The following site surveys, investigations and support throughout the planning application have been commissioned:

- Tree assessment
- Transport assessment
- Ecology Phase 1 study
- Ground conditions survey
- Noise impact assessment

These initial surveys are being undertaken currently, and due to be completed, with initial reports returned within the next four weeks. The following surveys are in the process of being appointed and will be commissioned within the next two weeks. Following appointment, their services will be ongoing, feeding into the design development of the scheme:

- Daylight/sunlight assessment
- Townscape & visual assessment
- Sustainability and energy assessment
- Air quality assessment
- Flood risk assessment and drainage strategy
- Utilities assessment
- Fire risk strategy

5.1.5 Meetings with Planning Authority

The project team met with colleagues from planning and transport, to refresh everyone of the initial concept and discuss taking it to full application the application. The meeting was positive and built on the areas agreed with Planners at previous meetings around the height, scale and massing of the proposed scheme. Transport, car parking and consultation requirements were also discussed. A Planning Performance Agreement (PPA) has been circulated to the team, with terms to be agreed around timescales for future formal pre-application advice.

5.1.6 Consultation Events

There are a number of issues with the redevelopment that are likely to be of significant interest to the local community and stakeholders, such as car parking and public realm. Therefore, public consultation on the proposals will be important, to ensure the project gets the support of the local community, in order to reduce objections to the application and lower the planning risk to the Council as applicant. The Chalvey Community Forum has been identified as an important stakeholder, and as such, the project team is keen to meet with them at an early stage of the project to garner their thoughts on the proposals and allow them the opportunity to feed into the development of the designs. To this end, the project team will be meeting with the Forum on 20th June, to present the proposals to date.

The consultation strategy has been discussed and the first general public consultation event is scheduled for Tuesday 17th July from 3pm to 7pm. The venue has not been confirmed but it likely to be held in The Curve building in Slough. A subsequent public consultation event is planned for later in the programme, around mid-September, where the project team will be able to demonstrate how initial feedback from the local community has been taken on board in the design development. Finally, a briefing to the Planning Committee members is anticipated to take place in September as part of the milestones agreed in the PPA.

5.1.7 Land assembly

The Council continues to negotiate to acquire properties from the three remaining leaseholders and telecoms providers. Please refer to the separate agenda item 'Proposed (Tower and Ashbourne) Compulsory Purchase Order 2018'.

5.2 Private finance and institutional investment

- 5.2.1 In order to create a competitive approach to securing the best deal for Slough, a total of nine investors have been identified as having a particular interest and objectives around investing in new affordable rented and shared ownership housing. The investors range from pension funds, institutions managing insurance and private pension funds, together with ethical investors operating funds with a social purpose.
- 5.2.2 These investors have been approached with a "teaser" inviting investment into the proposed Tower and Ashbourne redevelopment scheme for 195 new homes with an estimated cost of between £30-35million. The investors are being invited to discuss terms for the provision for both Development Funding (to ensure that the scheme can be built) and Investment Funding - long-term finance for the scheme. investors have responded very positively to date and all nine have entered into Non-Disclosure Agreements with Savills within a matter of days of the scheme being presented to them.
- 5.2.3 The Project Plan is aimed to achieve Planning Submission towards the end of 2018 with a decision before the spring of 2019 – this timeframe should allow all planning issues to be covered in the submission. It is felt important that the investment partner is able to influence design and delivery in the context of the pre-planning process – hence be on board for more detailed development of the scheme in time for the autumn.
- 5.2.4 The outline timeframe to reach a position for preferred partner is therefore:

- June – initial and informal discussions with potential investors to be completed with details of potential terms to be developed
- July – selection of preferred partner to take discussions forward
- August-October – working up preferred solution for planning; agreement of financial terms to put funding in place (subject to planning)
- November/December – planning submission
- February/March 2019 – planning outcome

5.2.5 Depending on the outcome of the initial discussions, the Council may wish to take detailed discussions forward with more than one potential partner in order to maintain some degree of competition throughout.

5.2.6 A further report on progress will be made in the autumn with a recommendation for a preferred investor partner.

5.2.7 Investors are being alerted to the potential for more investment opportunities in Slough - many will be looking to invest considerably more than £30m and this provide a good opportunity for the Council to obtain competitive terms.

6 **Comments of Other Committees**

None

7 **Conclusion**

7.1 The report updates Cabinet on progress in respect of progress on a planning application and identifying an institutional finance partner, that will enable not only replacement but significant additional social housing on the site.

8 **Background Papers**

None