

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 1 February 2021

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PORTFOLIO: Councillor Swindlehurst – Leader of the Council and Cabinet Member for Regeneration & Strategy
Councillor Nazir – Cabinet Member for Housing & Community Safety

PART I **KEY DECISION**

PROPOSED REDEVELOPMENT OF ST MARTINS PLACE

1. Purpose of Report

- 1.1 On 28 May 2018, Cabinet agreed that St. Martin's Place ("SMP") should be redeveloped to provide a mix of affordable housing that would make a material contribution to the Housing Strategy.
- 1.2 On 16 March 2020, authority was given to enter into a Pre-Construction Services Agreement with Slough Urban Renewal ("SUR") to undertake a range of building surveys and preliminary design. Having undertaken a review of the preliminary design options, this report identifies remodelling SMP as the preferred option as the most feasible and expedient approach to redevelop this asset.

2. Recommendation(s)/Proposed Action

It is recommended that Cabinet:

- 2.1 Agree that the preferred option to redevelop SMP is as follows:
 - 2.1.1 To reconfigure the existing building under Permitted Development ("PD") rights to provide 64 properties.
 - 2.1.2 To transfer the asset to the HRA to develop a 100% affordable housing project funded via the HRA through a combination of borrowing, commuted sums and capital receipts.
 - 2.1.3 To incorporate car parking spaces for the Ice Arena and drop-off car parking for Claycotts Primary School.
- 2.2 To facilitate business planning, agree to provide delegated authority for the Executive Director of Place, in consultation with the Leader of the Council and the Executive Director of Corporate Operations to undertake the following:

- 2.2.1 Identify the preferred procurement route for construction works based on a combination of quality, cost and deliverability and undertake market testing to identify a cost base for the proposed business plan.
- 2.2.2 Identify vacant sites within the HRA that could be disposed of and undertake any necessary consultation on disposal of these assets.
- 2.2.3 Undertake a more detailed options appraisal, linked to current Council priorities, to inform a final business case for SMP.
- 2.3 Note that a report will be brought back to Cabinet in Q1 2021/22 to seek approval for the full business plan.

3. The Slough Joint Wellbeing Strategy, the Slough Joint Strategic Needs Assessment and the Five Year Plan

- 3.1 The delivery of new affordable housing at SMP within the HRA will contribute to the provision of affordable housing within the Borough and is consistent with the long term Housing Strategy.
- 3.2 The development will make a contribution to the following joint priorities captured within the Slough Wellbeing Strategy 2020- 2025:

Priority 1: Starting Well

Constructing the new development will improve local temporary employment opportunities as well as increasing apprenticeship opportunities enabling local people to start their working life well and improve their learning and skill base,

Priority 3: Strong, healthy and attractive neighbourhoods

Promoting an affordable housing scheme next to Salt Hill Park will encourage more active lifestyles, improved mental health and wellbeing, increase life expectancy and encourage strong, healthy and attractive neighbourhoods

- 3.3 The development will make a significant contribution to the following outcomes within the Slough 2020-2025 Five Year Plan:

Outcome 1: Slough children will grow up to be happy, healthy and successful

Promoting new affordable homes next to open space will have facilitate the best start for Slough's children

Outcome 2: Our people will be healthier and manage their own care needs

Creating affordable homes next to open spaces will encourage healthier lifestyles helping our people to be healthier and manage their own care needs

Outcome 3: Slough will be an attractive place where people choose to live, work and stay

Inventive re-use of obsolete buildings will ensure Slough remains an attractive place to live and work.

Outcome 4: Our residents will live in good quality homes

Direct provision of quality affordable homes for our residents.

Outcome 5: Slough will attract, retain and grow businesses and investment to provide opportunities for our residents

The re-use of an obsolete building to create affordable homes and provide opportunity to our residents will help retain business and investment.

4. Other Implications

a) Financial

This report comes with no financial implications. The report scheduled for later in the year will include the full business plan. It should be noted that the business plan will focus on the preferred option, namely that the scheme will be developed and financed by the HRA.

b) Risk Management

Recommendation from section 2 above	Risks/Threats / Opportunities	Current Controls	Using the Risk Management Matrix Score the risk	Future Controls
2.1.1 To reconfigure the existing building under Permitted Development ("PD") rights to provide 64 properties	Controlling the cost of a conversion relative to a new build can be difficult as conversion are more individual	SUR have delivered a range of community projects for the council. Third party contractors can also be procured through Regeneration Delivery	8	A costed business plan will be coming back to Cabinet in Q1 21/22
2.1.2 To transfer the asset to the HRA to develop a 100% affordable housing project funded via the HRA through a combination of borrowing, commuted sums and capital receipts.	Building via the HRA enables the utilisation of commuted sums and institutional finance and is independent of market conditions.	A detailed option review into the available options has been undertaken with the support of SUR.	4	A costed business plan will be coming back to Cabinet in Q1 21/22

Recommendation from section 2 above	Risks/Threats / Opportunities	Current Controls	Using the Risk Management Matrix Score the risk	Future Controls
2.1.3 To incorporate car parking spaces for the Ice Arena and drop-off car parking for Claycotts Primary School.	Moving the ice arena overflow parking enables the neighbouring Montem Lane scheme to come forward with additional homes	A detailed option review into the available options has been undertaken with the support of SUR.	4	A costed business plan will be coming back to Cabinet in Q1 21/22
2.2.1 Delegate authority to: Identify the preferred procurement route for construction works based on a combination of quality, cost and deliverability and undertake market testing to identify a cost base for the proposed business plan	Controlling the cost of a conversion relative to a new build can be difficult as conversions are more individual	SUR have delivered a range of community projects for the council. Third party contractors can also be procured through Regeneration Delivery	8	A costed business plan will be coming back to Cabinet in Q1 21/22
2.2.2 Delegate authority to: Identify vacant sites within the HRA that could be disposed of and undertake any necessary consultation on disposal of these assets	Releasing sites for market disposal could generate capital receipts towards the re-use of SMP	The review will be mindful of maximising the overall number of affordable homes achieved.	4	A costed business plan will be coming back to Cabinet in Q1 21/22

Recommendation from section 2 above	Risks/Threats / Opportunities	Current Controls	Using the Risk Management Matrix Score the risk	Future Controls
2.2.3 Delegate authority to: undertake a more detailed options appraisal, linked to current Council priorities, to inform a final business case for SMP	Controlling the cost of a conversion relative to a new build can be difficult as conversions are more individual	SUR have delivered a range of community projects for the council. Third party contractors can also be procured through Regeneration Delivery	8	A costed business plan will be coming back to Cabinet in Q1 21/22
2.3 Note that a report will be brought back to Cabinet in Q1 2021/22 to seek approval for the full business plan.	Controlling the cost of a conversion relative to a new build can be difficult as conversions are more individual	SUR have delivered a range of community projects for the council. Third party contractors can also be procured through Regeneration Delivery	4	A costed business plan will be coming back to Cabinet in Q1 21/22

c) Human Rights Act and Other Legal Implications

There are no Human Rights Act implications in relation to the recommendations in this report given there are no residents on the SMP site that might be adversely affected by the development.

The Council has the power under s.19(1) Housing Act 1985 to appropriate land and s.9 permits the Council to provide housing accommodation by erecting houses or converting buildings into houses, on land acquired by it for the purposes of Part II of that Act. Council owned and managed housing accommodation is financed within a ring-fenced Housing Revenue Account, which is separate from the general funds of the Council. The income and expenditure within the HRA must balance and rents and other charges must be set to meet the medium and long term maintenance and building plans set out with the Council's Housing Strategy.

There are a number of financing options for HRA projects, including borrowing, use of capital receipts from sale of specific HRA assets and s.106. agreements.

The Council has the power to dispose of land held within the HRA under s.32 of the Housing Act 1985. Secretary of State consent is required to dispose of HRA

assets, although there are a number of general consents, including where the Council wishes to dispose of vacant land. The Council has a duty to consult housing tenants on housing management issues. Once the Council has identified potential sites for disposal, it will consider whether these consultation duties are triggered and if so, delegated authority is provided to allow this consultation to be undertaken. The results of any consultation will be included in the final business plan.

The preferred option is to develop SMP via permitted development rights and officers will consult with the planning department to ensure that any development proposal complies with planning policy and is permissible within such rights. Further detail will be provided in the final business plan. The proposal may also involve the need to vary the existing planning conditions for the Montem site to release funding to use for the development of SMP and provision of 100% affordable housing. Further work is required to identify the most appropriate way to finance the redevelopment of SMP and this will inform the final business plan.

Whilst SUR has undertaken preliminary surveys and design work, the Council will need to procure contractors to undertake development works. Such procurement will need to comply with public procurement rules and the Council's internal procedures. Delegated authority is provided to allow further work to be undertaken to identify the most appropriate procurement route, including the option to use existing framework agreements. Further detail on the procurement plans will be provided in the final business plan.

d) Equalities Impact Assessment

An Equalities Impact Assessment was not carried out. The equality implications of the proposal will be set out in the final business plan.

5. Supporting Information

Background

- 5.1 In May 2020, SUR was appointed to examine the wider residential development potential of 33-51 Bath Road, which comprises the Council's former headquarters at SMP and the adjacent office block known as Capital Point. SBC owns the freehold interest of both assets.
- 5.2 Having ruled out the potential for a new build project on viability grounds and to ensure that the supply of affordable homes is increased as expediently as possible, this report recommends that the Council should reaffirm its previous preferred option to remodel SMP to provide circa 64 affordable housing properties. Due to their proximity to the open space at Salthill Park, and the open space improvements in the nearby Montem site, the conversion of SMP will provide an attractive location for residential housing.

Refurbishment Options

- 5.3 In terms of any refurbishment there are two main options:
 - 5.3.1 A conversion where the existing facade is reused as much as possible and would enable a Permitted Development ("PD") route through planning; or

- 5.3.2 A more fundamental ‘back to the frame’ concept with an element of new build and a totally new façade which is referred to in this report as a ‘**Top-hat**’ approach.
- 5.4 PD prior approval is typically a 56 day process, but would only apply if there are no material external alterations to the building. To proceed with this approach, it has to follow the prior approval process which requires the following to be considered and deemed to be acceptable by the LPA:
- The transport and highways impacts of the development;
 - Any contamination risks on the site;
 - Any flooding risks associated with the site; and ,
 - The ability to provide natural light

Subject to satisfying these conditions, PD would provide the most expedient route to delivery.

- 5.5 The Council’s intention would be to deliver an exemplar PD + scheme. This approach would provide very high quality accommodation with more generous space standards than typical PD schemes. Whilst external balconies *may* not be permissible, the proposal would be to explore the feasibility of introducing inward facing balconies.
- 5.6 The “Top-Hat” approach would have to follow a standard Planning Application process. It would not have the benefit of the “fast tracking” that a Permitted Development type would enjoy since it would involve more extensive liaison with the LPA and a full consultation process. The back-to-frame refurbishment option proposes to remove the roof and one floor of the existing SMP building and replace it with two new lightweight floors – thus increasing the overall net floor provision by one floor. The refurbishment option is technically part refurbish part new build. The LPA highlighted what they considered to be a substantial risk associated with the increased height since they felt that it would receive adverse reaction because of its impact on the setting of the Montem Mound as part of any consultation with English Heritage.
- 5.7 Given the planning risk, a straightforward more remodelling via PD is the preferred route.

Completed and Outstanding Surveys

- 5.8 SUR engaged a full set of consultants. Intrusive surveys were not undertaken since the building was occupied by Slough Children’s Services Trust. However SUR commissioned utility surveys and measured external surveys. SUR also engaged structural, highways and M&E engineers, all with a view to understanding more about the site and the major constraints on any development. A full Title was also commissioned to identify and understand any legal constraints.
- 5.9 Intrusive surveys could not have been done to the extent needed when the building was fully occupied. These will be required to support the PD approach and SUR will need to agree with the professional team the scope of any additional surveys for the roof, structure and external envelope. It is anticipated that the costs should be possible to accommodate within the existing budgets.

Parking

- 5.10 Any option for the redevelopment of SMP will be required to provide 100 car parking spaces allocated for the Ice Rink event parking. This provision accords to the planning permission that has been granted for the Montem new build development (planning reference P/07383/010).
- 5.11 SMP benefits from 136 basement car parking spaces. From this number, 100 would be allocated to the Ice Arena, with the balance allocated for residential car parking. This number will provide a ratio of 0.56 spaces per unit.
- 5.12 SBC's full council passed a motion titled 'Climate Change' which noted the urgency for national and international action to combat climate change and included a commitment to 'reducing emissions from transport by promoting sustainable transport, reducing car travel and traffic congestion and encouraging behaviour change' (July 2019). The Council has also adopted a Low Emission Strategy to improve air quality and health outcomes across Slough by reducing vehicle emissions through the accelerated uptake of cleaner fuels and technologies.
- 5.13 The SMP site is located within 1 mile (15 minutes walk) of Slough Town Centre and the train station and is located on the A4 public transport corridor with direct bus services to the Slough Trading Estate, Slough Town Centre, Heathrow airport, Maidenhead and High Wycombe.
- 5.14 SMP is also ideally located for cycling. There is an existing Slough Cycle Hub on Montem Lane directly outside the site. The existing A4 cycling provision (shared use cycle paths and bus lanes) are one of the primary east/ west routes across the Borough, and facilities are set to improve significantly with the proposed A4 east west cycle highway route presented to Cabinet in November 2020.
- 5.15 Micro-mobility transport options, such as e-scooters, will also enable sustainable local short journeys. An e-scooter parking station is located adjacent to SMP at the junction of Bath Road and Montem Lane, with additional parking stations nearby at Salt Hill Park and Tuns Lane.
- 5.16 Given the proximity of this site to the town centre, bus routes and train station, the proposed parking ratio is consistent with the objectives set out in the Transport Vision, which promote the use of public transport, walking and cycling.
- 5.17 An electric car club vehicle has been agreed to be provided as part of the Montem Lane redevelopment. This will be open to all local residents and would offer future residents of SMP access to use of a vehicle without the need for ownership of a vehicle. Consideration will also be given to introducing additional car club vehicles to meet demand in the area. Additionally, it is proposed that additional secure resident cycle storage is provided. Both of these proposals will further help to reduce the need for designated car parking spaces and are closely linked to the Low Emission Strategy.
- 5.18 The Ice Rink leisure operator (Everyone Active) was consulted during the PSCA process and was comfortable with the car park arrangements proposed. The primary concerns was the need to provide a new pedestrian access to the basement from the junction of Bath Road/Montem Lane and for their allocation of car parking to be physically distinct from the residential car parking. Both their requirements can be accommodated, and the latter was possible with the use of barriers etc.

- 5.19 Whilst the 100 spaces required for the overflow car park will be carefully managed to meet the specific demands of the Ice Arena users, options will be considered on how these spaces can be maximised in outside event periods.
- 5.20 The LPA advised the project team of the need to include drop-off facilities for Claycots Primary School. This requirement will be built into the delivery and future operation of the scheme.

Timescales

- 5.21 By using the PD route, the expectation is that a contractor could be on site by August 2021. Allowing for a 15 month contract, the 64 unit refurbishment would be ready for occupation by November 2022.

Delivery

- 5.22 Since the completed project will deliver 100% affordable housing, it is proposed that the remodelling of SMP should be delivered and financed via the HRA. The business plan will use a combination of HRA borrowing, commuted sums for affordable housing and capital receipts generated from the disposal of surplus HRA sites. The business plan will be submitted to Cabinet for Approval during Q1 2021/22.

Procurement

- 5.23 There are a number of procurement options to deliver this project. In addition to directly appointing SUR to develop the scheme through the Community Project route, the Council could:
- Run an OJEU process under restricted a restricted procedure.
 - Utilise the SCAPE framework, which was used to appoint the contractor for the redevelopment of Britwell locality building.
- 5.24 Use an existing pre-competed agreement such as Crown Commercial Service's agreement Construction Works and Associated Services under the relevant lot. Advice will be sought from Procurement to utilise the most expedient and cost-effective approach for this project, which may include options not identified above.

6. Comments of Other Committees

- 6.1 None

7. Conclusion

- 7.1 Having considered various options, which included the potential for a demolition and new build project, the feedback from the initial feasibility study was that refurbishment was the most viable option for SMP.
- 7.2 The options for remodelling SMP included a study into adding extra stories onto the existing structure. Whilst this would have generated additional units, it introduced an unsatisfactory degree of planning risk following consultation with English Heritage.
- 7.3 The preferred approach is to redevelop SMP through Permitted Development Rights. This method of development will speed up the supply of new homes and make the most expedient impact on meeting housing need. SBC will adopt a

PD+ approach, which will ensure that the completed units enjoy the quality and space standards associated with other SBC-led developments.

7.4 Subject to approval of the full business plan in Q1 2021/22, the expectation is that the 64 affordable new properties will be completed in Q3 2022/23.

8. Appendices Attached

8.1 None

9. Background Papers

9.1 None