

Report for: ACTION
Item Number: URGENT ITEM



Contains Confidential or Exempt Information	No - Part I with exception of Appendix A which is Part II (Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)
Title	York Road Opportunity Area – Data House Acquisition and Demolition
Responsible Officer(s)	Chris Hilton, Regeneration & Economic Development Director Mark Shephard, Development & Property Manager Gail Kenyon, Planning Infrastructure & Regeneration Manager
Contact officer, job title and phone number	Mark Shephard, Development & Property Manager Tel: 01628 796082
Member reporting	Cllr P Love Principal Member for Maidenhead Regeneration & Property
For Consideration By	Cabinet
Date to be Considered	30 October 2014
Implementation Date if Not Called In	Immediate
Affected Wards	Belmont, Oldfield, Maidenhead Riverside, Boyn Hill
Keywords/Index	Maidenhead Regeneration, Development Management, York Road Opportunity Area, Waterways

Report Summary

1. This report outlines proposals to bring forward the redevelopment of the Data / St Ives / York Stream Houses Waterways fronting site of the York Road Opportunity Area.
2. It recommends that Cabinet authorises the acquisition of the long leasehold interest in Data House to provide the Council with full control of the site.
3. It further recommends that the site be demolished as soon as possible to save the Council approximately £290k pa in empty business rates and essential health & safety service contracts.
4. The total cost to acquire the Data House leasehold interest and demolish it along with the vacant buildings is £1.033m.

If recommendations are adopted, how will residents benefit?	
Benefits to residents and reasons why they will benefit	Dates by which residents can expect to notice a difference
1. Vacant Council buildings demolished (Data / St Ives / York Stream Houses) to provide a temporary car park saving the Council approximately £290k pa in empty business rates and essential health & safety service contracts.	May 2015
2. The demolished site will bring forward this part of the York Road Opportunity Area, being the first stage of the flagship scheme which in itself will bring further quality residential and office accommodation to the Town Centre.	2016-18
3. The proposal will complement the Waterways project to enhance the York Stream, and will further complement the Broadway Plaza scheme to the west and the Chapel Arches area to the north.	2016-18

1. Details of Recommendations

RECOMMENDATION: That Cabinet:

- i) Acknowledges the budget provision of £1.033m to fund the leasehold acquisition of Data House and the demolition of Data / St Ives / York Stream Houses.**
- ii) Authorises the Economic & Regeneration Director and the Development & Property Manager, in consultation with the Principal Member for Maidenhead Regeneration, to acquire the long leasehold interest of Data House on the attached terms (Part II Appendix A).**
- iii) Authorises the Economic & Regeneration Director and the Development & Property Manager, in consultation with the Principal Member for Maidenhead Regeneration, to formally appoint R Collard Ltd to undertake the demolition of Data / St Ives / York Stream Houses commencing 10th November 2014.**

2. Reason for Recommendation(s) and Options Considered

Background

At its meeting on 27 February 2014, Cabinet was updated on the outcome of the York Road Opportunity Area Feasibility Study undertaken by the Council's Development Manager, GVA. The Study was a financial exercise to determine the viability of redevelopment in the York Road Opportunity Area (YROA). Authority was granted by Cabinet to extent the GVA Feasibility Study to advise the Council on the implications of alternative development delivery processes. The instruction is ongoing and will be reported to Cabinet when complete.

Running parallel to the GVA instruction, Cabinet authority was also granted for the appointment of a Planning Stage Development Manager (from the Council's OJEU

compliant Development Manager Framework Panel), to pursue outline planning permission for a suitable development based on the financial viability of GVA's earlier study. The Planning Stage Development Manager's consultancy brief was prepared and tendered with GL Hearn subsequently winning the contract in August 2014.

GL Hearn's brief includes the undertaking of an architectural design competition to appoint a first class architect for the YROA. Following an initial expressions of interest exercise, RBWM and GL Hearn have now identified a short list of architectural firms and intend to make the successful appointment by December 2014. As the Council's Development Manager, GL Hearn (together with the winning architect and other supporting professionals) will work up a development brief for the entire YROA by spring 2015.

The YROA includes York Stream and St Ives Houses, the former Council owned offices opposite the Town Hall. They were vacated in their entirety earlier this year following the successful implementation of Smarter Working in the refurbished Town Hall.

Despite being empty pending the redevelopment of the YROA, the buildings remain a liability to RBWM. Essential health and safety contracts (lift maintenance, legionella etc), utility consumption (frost protection, alarm etc) and business rates cost the Council approximately £290k per annum (the majority, £270k pa being attributable to business rates). Following a gradual tightening of the law in recent years, property owners must continue to pay vacant business rates until redevelopment actually commences on site i.e. building work or demolition.

In view of this, an opportunity exists to demolish the site and bring forward redevelopment of this part of the YROA. To this end, GL Hearn's consultancy brief not only includes formulating the development brief for the entire YROA, but also includes the preparation and submission of a full planning application by spring / early summer 2015 for the York Stream / St Ives Houses waterfront site. The site would be ideally suited to a potential Private Rented Sector (PRS) scheme and this concept is being evaluated by GVA as part of their extended study.

Data House Acquisition and Demolition

In addition to York Stream and St Ives Houses, the Council also owns the freehold of Data House – the deep but narrow building located underneath St Ives House (closest to Maidenhead Library). Data House is subject to a separate leasehold interest of 99 years from 21 March 1964 to the Brian Noel Joyce Trust (the "Trust") at £750 per annum. The Council "inherited" the long leasehold arrangement when it purchased Data House along with St Ives and York Stream Houses in 1998. In turn, Data House is leased back to the Council by way of a short 3 year term at £36,000 per annum which will expire on 30 November 2014.

Terms have been agreed for the Trust to surrender its long leasehold interest to the Council (attached at Part II Appendix A due to the transaction being in solicitor hands).

Data House had been partially occupied until recently by the Union Office, the Cash Office and ICT teams. The Union Office and ICT (VDI) team have been relocated to York House, Windsor and the Cash Office outsourced. Town Hall staff using the site for parking will use the Town Hall or Hines Meadow car parks during demolition.

The procurement of a demolition contractor has already been completed by Building Services with R Collard Ltd identified as the most cost effective contractor. Pre - demolition preparations are ongoing and once this paper has been authorised by Cabinet, the contractor will commence “soft demolition” from 10th November 2014 – the removal of internal items that can be recycled.

Planning permission for the demolition of St Ives and York Stream Houses was granted in July 2014 and recently amended to include Data House. Post demolition, the site will become a temporary car park pending the early phase of the YROA redevelopment. To maintain security, the temporary car park will retain the existing car park barrier, lighting and CCTV and supplemented by new perimeter fencing.

To maximise the Council's existing Town Hall part time public car park, it is proposed that it becomes a full time public car park post demolition of the vacant buildings. Council staff will have access to the temporary car park and it is also envisaged that the Waterways Contractor will require part of the temporary car park as a site storage compound.

Shared Legal Solutions have been instructed on the acquisition of Data House and have already forwarded draft legal documentation to the Trust's solicitors for their consideration.

The total unbudgeted cost to acquire the Data House lease and demolish it along with the vacant buildings is £1.033m.

Option	Comments
<p>1. To acquire the long leasehold interest in Data House and subsequently demolish Data / St Ives and York Stream Houses for a total cost of £1.033m.</p> <p>Recommended option</p>	<p>The acquisition of Data House will enable it to be included in the demolition of St Ives and York Stream Houses. This will release the entire length of the Council's York Stream waterside frontage enabling an early phase of the York Road Opportunity Area to be brought forward. The demolition in itself will save the Council approximately £290k pa in empty business rates and essential health & safety service contracts.</p>
<p>2. To demolish St Ives and York Stream Houses in isolation of Data House and potentially CPO Data House.</p>	<p>Technically feasible but not cost effective as the demolition of Data House will add approximately £80k to the total cost of demolition if undertaken in two separate phases. The CPO process would potentially add up to a year's delay to this part of the YROA. In view of the favourable lease acquisition price, it is unlikely a CPO negotiated settlement would offer a lower figure.</p>
<p>3. Do nothing and leave the empty buildings standing.</p>	<p>The Council would continue to incur expenditure of approximately £290k pa in empty business rates and essential health & safety service contracts. An opportunity to bring forward an early phase of the YROA redevelopment would be lost.</p>

3. Key Implications

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered by
Acquisition of Data House	January 2015	December 2014	November 2014	n/a	December 2014
Demolition completed	August 2015	June 2015	May 2015	April 2015	June 2015

4. Financial Details

The main financial implications are included in the body of this report and more particularly described in Part II Appendix A. The £1m expenditure will ultimately be recovered from the proceeds of whatever development takes place on the site. Until the development is complete, the cost of financing this spend will be £35k pa. This cost is more than offset by the savings from business rates etc referred to above.

5. Legal Implications

Section 2 of the Local Authorities (Land) Act 1963 confers on the Council the specific power, for the benefit or improvement of its area, to erect any building and construct or carry out works on land. The Council is also able to rely on section 1 of the Localism Act 2011 and s.111 of the Local Government Act 1972 in taking any redevelopment actions outlined in this report.

The decision to add £1m to the Capital Programme is one which should be taken at Council. Because of the need to progress this initiative once Cabinet has approved this recommendation, the Head of Finance will seek permission from the Chair of Corporate Overview & Scrutiny to add the required funds to the 2014-15 Capital Programme. A decision that will, in accordance with the Council's Constitution, then be reported to Council at its next meeting.

6. Value for Money

The Council is mindful of not only its role as a regeneration facilitator but also its duty to residents to maximise its property assets, and thereby take advantage of any likely future increases in property values due to the Waterways and Crossrail infrastructure schemes, and other investments in Maidenhead Town Centre.

7. Sustainability Impact Appraisal

Any new proposals for this area will be subject to the Council's full sustainability standards.

8. Risk Management

Risks	Uncontrolled Risk	Controls	Controlled Risk
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The acquisition of Data House does not complete.	Medium	All property deals are subject to contract and the risk of a party withdrawing from the deal can never been removed. However, the Trust was independently advised and has instructed its solicitor to progress the transaction.	Low
Delayed Demolition	Low	The contractor has already been procured and lined up to commence as soon as possible. Site preparations are already underway.	Low

9. Links to Strategic Objectives

Residents First

- Improve the Environment, Economy and Transport
- Work for safer and stronger communities

Value for Money

- Increase non-Council Tax Revenue
- Invest in the future

10. Equalities, Human Rights and Community Cohesion

None required at this stage.

11. Staffing/Workforce and Accommodation implications:

None as all staff have previously been relocated from Data / St Ives and York Stream Houses under the successful implementation of Smarter Working in the refurbished Town Hall.

12. Property and Assets

North of York Road

The Council owns the freeholds of the Town Hall and Grove Road Car Parks. Whilst it also owns the freehold of Data / St Ives / York Stream Houses, Data House is subject to a separate leasehold interest of 99 years from 21 March 1964 to Brian Noel Joyce Trust at £750 per annum – as described in this report.

Third party property interests include 23-31 York Road (Shanly Group); 33 York Road (Shanly Group via an option to purchase the public house); 18 Park Street (The Heritage Centre); 40-48 Broadway (the North Family).

South of York Road

The Council owns the freehold of the King George VI Club and leased back to the Club for 99 years from 29 February 1984 at nil rent.

Third party property interests include Maidenhead Football Club; Desborough Bowling Club; St John's Ambulance and Maidenhead Spiritualist Church.

13. Any Other Implications:

Any proposals would be subject to full planning permission.

14. Consultation

- Corporate Services Overview & Scrutiny 28 October 2014
- The Area Action Plan (AAP) outlining the York Road Opportunity Area was subject to wide and extensive public consultation in 2010/11

15. Timetable for Implementation

Immediate

16. Appendices

Appendix A – Data House Heads of Terms & Total Cost Breakdown

17. Background Information

- Cabinet Report 27 February 2014 - Maidenhead Regeneration: York Road Opportunity Feasibility Study

18. Consultation

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
Internal				
Cllr Burbage	Leader of the Council	22/10/14	22/10/14	
Cllr Love	Principal Member for Maidenhead and Property	21/10/14		
Cllr S Dudley	Lead Member for Finance	22/10/14	22/10/14	
Mike McGaughrin	Chief Operations Officer	22/10/14		
Chris Hilton	Regeneration & Economic Development Director	21/10/14	22/10/14	
Gail Kenyon	Regeneration Manager	21/10/14		
Simon Hurrell / Suki Coe	Head of Planning and Property Services / Development Control Manager	22/10/14		
Maria Lucas / Sean O'Connor	Head of Legal Services / SLS	22/10/14	22/10/14	

Andrew Brooker / Anna Stamper	Head of Finance / Finance Partner	22/10/14	22/10/14	
Chris Targowski	Cabinet Policy Manager	22/10/14	22/10/14	
External				

Report History

Decision type:	Urgency item?
Key	Yes

Full name of report author	Job title	Full contact no:
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