

encourage more active lifestyles, improved mental health and wellbeing, increase life expectancy and encourage strong, healthy and attractive neighbourhoods; and

- Priority 4: The development and operation of new commercial ground floor premises within a vibrant mixed use scheme will create quality permanent local employment opportunities, in a canal side setting, promoting workplace health within the borough.

3b. **Five Year Plan Outcomes**

The development will help deliver the following of the Five-Year Plan outcomes:

- OUTCOME 2: creating engaging canal side public spaces will encourage healthier lifestyles helping our people to be healthier and manage their own care needs,
- OUTCOME 3: a mixed use regeneration at the end of the Grand Union Canal will contribute to Slough being an attractive place where people choose to live, work and stay,
- OUTCOME 4: increasing the supply of good quality new homes will contribute towards our residents living in good quality homes; and
- OUTCOME 5: a significant regeneration scheme within the central ward of Slough will increase demand, footfall, vibrancy and activity in the town centre helping to attract, retain and grow businesses and investment that creates opportunities for our residents.

4 **Other Implications**

a) Financial

SUR is a Limited Liability Partnership owned by Slough Borough Council (“SBC” or “the Council”) and Morgan Sindall Investments Ltd (“MSIL”). Part of its objective is to make a commercial return for the partners. The delivery cost of the scheme is covered by development sale receipts.

Stoke Wharf Development LLP (“SWD LLP”) is a Limited Liability Partnership owned by SUR and Waterside Place (a joint venture between the Canal and River Trust (“CRT”) and Muse).

On General Fund sites such as the SBC owned elements of Stoke Wharf; the land value represents the Council’s equity investment into SUR. This equity investment is documented in what is termed a loan note. The loan note put simply is a document which records the fact that the Council has loaned money to SUR which is intended to be repaid on the development’s completion. Because the land value represents the Council’s “equity investment” in SUR, the risk of the development and land value remain with the Council. As a result the precise level of capital that will be returned to the Council at the end of the development will depend upon whether there are sufficient funds available from the eventual sale of the completed development.

Based on the current development appraisals the Gross Development Value (“GDV”) of the scheme is in the region of £100m. SBC will receive best consideration for its land holdings whilst participating in SUR’s share of any development profits made upon completion of the development (provided it retains a 50% equity stake and subject to any future agreement to relinquish profit share).

All reasonable acquisition and development costs incurred by SBC will be added to the minimum land value and recovered on repayment of the loan note.

Land values for the Travis Perkins site (acquisition costs plus reasonable development and holding costs) and for SBC's original land holdings (comparable rate per square metre as the existing use value being paid for Canal and River Trust land holdings) will be realised by the Council.

b) Risk Management

Recommendation from section 2 above	Risks/Threats / Opportunities	Current Controls	Using the Risk Management Matrix Score the risk	Future Controls
a) the Draft Indicative Site Development Plan appended to this report is approved	Market conditions – the global pandemic and associated economic recession may impact the schemes viability.	Abortive project costs are shared between the JV partners	6	The Stoke Wharf LLP Board comprises directors from the public and private sectors with experience in regeneration developments.
b) authority is delegated to the Interim Director of Regeneration, in consultation with the Leader, to relinquish some or all of Slough Borough Council's anticipated profit share from Stoke Wharf Development LLP to ensure that the level of affordable housing on site moves further towards policy compliance	SBC will forgoing part or all of it's anticipated profit share but taking the same level of speculative development risk	The Stoke Wharf LLP development managers have significant experience in regeneration development.		The Stoke Wharf LLP Board comprises directors from the public and private sectors with experience in regeneration developments.

c) Human Rights Act and Other Legal Implications

Under Section 13 of the Planning and Compulsory Purchase Act 2004 the Council must keep under review the matters which may be expected to affect the development of their area or the planning of its development.

These matters include the principal physical, economic, social and environmental characteristics of the area, the principal purposes for which land is used in the area, the size, composition and distribution of the population of the area, the communications, transport system and traffic of the area, any other considerations which may be expected to affect those matters and such other matters as may be prescribed or as the Secretary of State (in a particular case) may direct. The matters also include any changes which the Council think may occur in relation to any other matter and the effect any such changes are likely to have on the development of the Council' s area or on the planning of such development.

The Council must also keep under review and examine the above matters in relation to any neighbouring area to the extent that those matters may be expected to affect the Council's area and must consult with the local planning authority of the neighbouring area in connection with such matters.

d) Equalities Impact Assessment

The Stoke Wharf masterplan will be subject to a full EqIA, full consideration has been given to accessibility and other equalities issues, as part of the ongoing design parameters of the scheme.

e) Property Issues

See Section 5 below.

5. **Supporting Information**

Background

- 5.1 The Stoke Wharf (formerly known as the Slough Basin) site is a 3.3. ha brownfield site located approximately 500m north of Slough railway station, at the end of the Grand Union Canal.
- 5.2 The concept of Slough Basin has been promoted by the Local Planning Authority ("LPA") for over 20 years, however the development of this brownfield site has always suffered from viability and land assembly issues, making it's deliverability by the private sector alone unachievable.
- 5.3 The site allocation within the Local Plan includes land owned by Slough Borough Council, the Canal and River Trust ("CRT"). It previously included land owned by Travis Perkins Plc until SBC bought out their interest, at existing use value, in June 2017.
- 5.4 The SBC owned land was optioned to SUR in August 2017 for 5 years.
- 5.5 The demolition of the former builders merchants buildings was undertaken by SBC and completed in July 2018.

Slough Urban Renewal (SUR) and Stoke Wharf Development LLP ("SWD LLP")

- 5.6 SUR is Slough's Local Asset Backed Vehicle ("LABV") jointly owned with Morgan Sindall Investments Limited ("MSIL"). The role of SUR is to offer a long-term approach to regeneration. Through the joint venture, the Council receives market value from the disposal of assets, with the benefit of planning, and because it is a 50% partner in SUR receives 50% of any developer profit made upon completion of the development (provided it retains a 50% equity stake). The Partnership Agreement ("PA") regulates how SUR operates and on speculative development projects SBC makes individual sites available for SUR to develop, under a standard option agreement, allowing SUR to acquire sites for development once various conditions (planning, procurement etc) are satisfied.
- 5.7 Given the acquisition and demolition costs expended by SBC, amendments to the standard option agreement were made to include minimum land values for the former Travis Perkins site and comparative values for the remaining CRT and SBC land (linked to existing industrial land values).
- 5.8 The Stoke Wharf Development LLP 50:50 joint venture between SUR (SBC and MSIL) and Waterside Places (CRT and Muse) was created in February 2019 to jointly promote and development the combined sites.

Draft Indicative Site Development Plan (“DISDP”)

5.9 The scheme vision is to provide:

- A new, high quality, mixed-use development that will draw on the heritage of Slough and the Grand Union Canal,
- An improved public realm and enhanced open spaces for local people,
- A new destination, offering retail and leisure uses for those living within and beyond this new neighbourhood,
- An accessible place to live, with a vibrant mix of uses, creating room to breathe a few minutes from the town centre; and
- A clean and green development with energy efficiency optimised and emissions reduced or eliminated.

5.10 The current scheme comprises 312 homes, 2 commercial units, associated car parking, public realm and open space improvements to Bowyers Field.

5.11 The scheme envisages providing a range of homes split across apartments, mews and townhouses:

Schedule of Accommodation		
Unit Type	Amount	% Split
Studios	31	10%
1 Bed Apartments	140	45%
2 Bed Apartments	128	39%
3 Bed Mews Houses	8	3%
3 Bed Townhouses	9	3%
Total	312	

Affordable Housing

5.12 The objective is to target policy compliant affordable housing whilst recovering “sunk” expenditure to respective land owners and creating a viable development proposal.

5.13 The planning viability consultants for the scheme believe that the existing use value, remediation costs and urban realm improvements could justify promoting a scheme without affordable housing. However, this is not a tenable position for a SUR project.

5.14 SUR has optimised the scheme. Through a combination of redesign, reduced costs and lower profit margins, SUR can provide a minimum of 15.4% affordable housing based on the following tenure split:

Schedule of Accommodation		
Tenure	Units	% Overall
Private	264	84.6%
Slough Living Rent	16	5.1%
Shared Ownership	32	10.3%
Total	312	

5.15 Although not currently policy compliant the tenure split allows this important scheme to be worked up into a full planning application and there will still be an opportunity to increase the affordable offer as the scheme becomes further refined ahead of

planning submission. In addition, public sector finance or grant would provide an opportunity to increase the affordable provision further.

Sustainability and Transport

- 5.16 A draft sustainability transport strategy has been developed and will be submitted as part of a detailed planning application.
- 5.17 Planning policy requires 1.25 car parking spaces per 1 Bed and 1.75 spaces per 2 & 3 bed unit equating to circa 459 spaces. The scheme is seeking to minimise the parking on site whilst retaining a commercially viable scheme that will secure planning consent.
- 5.18 The current draft indicative proposals include a parking ratio of 0.4 equating to 142 car parking spaces (including visitor spaces and car club spaces) of which 10% will provide electric vehicle charging points spread throughout the scheme.
- 5.19 An e-bike docking station will be provided and every home will have secure cycle storage.
- 5.20 The creation of Canalside public realm and improvements to Bowyer Park will support the wider cycle and pedestrian networks.
- 5.21 As mentioned in 5.9 above increased energy efficiency and reduced emissions are a core part of the scheme's vision.

Consultation

- 5.22 The scheme has been developed to date through extensive engagement. There is a Planning Performance Agreement (PPA) in place and so far eight pre-app meetings have taken place with the LPA and Council departments including Highways, Parks, Housing, Sustainability and Leisure plus the Secure by Design Officer from Thames Valley Police and a Design South East ("D:SE") design review panel.
- 5.23 Public engagement was undertaken with four public consultation events at the end of last year and through a dedicated public consultation website. 71% of comments received were positive with 14% negative and 15% neutral.
- 5.24 A further round of officer level consultation and online public engagement is proposed prior to the submission of the detailed planning application at which point the project will enter the formal planning consultation stage.

Programme

5.25 The proposed development programme including pre-construction, construction and sales period has been estimated at three and a half years:

Programme		
Key Stages	Start	Finish
Prepare Planning Application	August 2020	October 2020
Planning Consent		February 2021
Technical Design	January 2021	May 2021
Financial Close		July 2021
Enabling Works	May 2021	August 2021
Construction	July 2021	December 2023
Sales	September 2022	January 2024

6. **Comments of Other Committees**

6.1 This report has not been considered by any other committee.

7. **Conclusion**

7.1 SUR has worked hard with the Council and it's development partners to create a proposal that supports the creation of canal side public realm, open space enhancements, quality architectural design, private and affordable homes, retail uses and a sustainable development.

7.2 Approval of the DISDP will enable: further investment in the project, a full detailed planning application to be submitted; and further constructive engagement and consultation with the Local Planning Authority and our residents.

8. **Appendices**

Appendix One – Stoke Wharf DISDP August 2020 (contains exempt information in Part II of the agenda)

9. **Background Papers**

None