



City of Westminster

Cabinet Member Report

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| Meeting or Decision Maker: | Cabinet Member for Regeneration and Renters |
| Date: | April 2024 |
| Classification: | <p>Part Exempt Appendix A of this report are to be exempt from disclosure as (i) it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, (ii) it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings under paragraph 5 of Schedule 12A of the Local Government Act 1972; (iii) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p> |
| Title: | Church Street Site A – Approval to Appoint the Demolition Contractor for Church St Site A |
| Wards Affected: | Church Street Ward |
| Policy Context: | <p>The proposed renewal of Church Street Site A, will meet the Council’s Fairer Westminster outcomes, including:</p> <ul style="list-style-type: none">• Fairer Communities – Enable all our communities to share in the economic prosperity of the area, through protecting and enhancing the unique heritage of the neighbourhood.• Fairer Housing – Providing high quality, greener and affordable homes to support the needs of residents.• Fairer Environment – The scheme proposes an ambitious sustainability strategy and will provide access to high quality green spaces and community facilities.• Fairer Council – demonstrated by engaging residents and local stakeholders in a comprehensive consultation process that has provided the community with the opportunity to have a stake in the scenarios considered for the future |
| Key Decision: | Yes - expenditure |

**Financial
Summary:**

The budget allocation as per approved capital strategy for 2023/24 is £3.4m. A more detailed analysis of the financial viability on the preferred option will be given in the financial implications section.

Report of:

Debbie Jackson, Executive Director of Regeneration, Economy, and Planning

1. Executive Summary

As part of the Housing and Regeneration Development Programme, Westminster City Council (WCC) are seeking to appoint Keltbray Built Environment Ltd to demolish Church Street Site A of the Regeneration Scheme. The project encompasses the demolition of several buildings, residential and commercial, located off Church Street and includes five main building units:

- Lambourne House
- Ingrebourne House
- Cray House
- Pool House
- Blackwater House
- 129 Church St
- 382-286 Edgware Road

The Church Street Regeneration Programme will deliver up to 1,120 new homes and the re-provision of all the existing council homes for social rent with Site A being the first phase to come forward delivering 328 new homes.

This paper seeks the approval to appoint Keltbray Built Environment Ltd contractor under a JCT Design & Build 2016 Contract to carry out the Demolition and associated works on Church Street Site A.

2. Recommendations

That Appendix A of this report be exempt from disclosure as they involve the disclosure of information as prescribed by paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972, (as amended), in that they contain information relating to the financial or business affairs of any person (including the authority).

That the Cabinet Member for Regeneration and Renters:

- Gives authorisation to the Executive Director of Regeneration, Economy, and Planning (REP) to enter into a contract with Keltbray Built Environment Ltd to carry out demolition and associated works to Church Street Site A.
- Approves expenditure of £3,210,711 to complete demolition of Church Street Site A.
- That the Cabinet Member for Regeneration and Renters delegates authority to the Executive Director of Regeneration, Economy and Planning to approve and enter into other agreements and property documents including but not limited to leases, warranties, substation leases, wayleaves, licences, deeds of easement, asset protection agreements, section 104 agreements, section 185 agreements and any other statutory agreements and utilities agreements in connection with ancillary works required to facilitate the demolition activity and construction related to the demolition works for site A.

3. Reasons for Decision

Church Street is a vibrant, complex area but despite this, it has issues of social and economic exclusion, which results in poorer health outcomes and lower than average rates of economic activity, than neighbouring areas. As such the Council has ambitious plans and is committed to significant investment to regenerate the area into a model of social, economic, and environmental sustainability.

The masterplan embellishes the real character of Church Street and the importance of the local community in delivering transformational change, and four drivers have been established which are: Health and wellbeing; Homes; Market and enterprise; and Making connections.

The proposed development will also contribute the well-being of the Council's area in the following ways:

- **Economic Well-Being** of the area demonstrated by engaging residents, commercial occupiers and local stakeholders in a comprehensive consultation process that has provided the community with the opportunity to have a stake in the scenarios being considered for the future of Church Street.
- **Social Well-Being of the area** by promote opportunity and fairness providing more affordable homes to create a vibrant community through the creation of high-quality homes and landscaping.
- **Environmental Well-Being of the area** through the creation of a healthier, greener environment that connects better to surrounding communities. This scheme will enable all our communities to share in the economic prosperity of the area, through protecting and enhancing the unique heritage of the neighbourhood. This will ensure the site will fit well into the surrounding neighbourhood and remains a great place to live, work and visit both now and in the future.

4. Background, including Policy Context

The proposed redevelopment of Church Street site A forms part of the wider Church Street Masterplan which was approved by Cabinet in December 2017. Through extensive public consultation, part development and part refurbishment of Church Street was identified as the preferred way forward and approved by Cabinet Member in the initial Outline Business Case (OBC) in June 2019. This included establishing three defined sites, known as A, B and C.

The key objectives of the development are to:

- Optimise site capacity to maximise the delivery of housing, and particularly the delivery of affordable housing.
- Provide good quality living, all of which are dual aspect, providing private amenity space, adaptable for changing needs and tenure.
- Good quality and attractive streets and open spaces with opportunities for play, leisure and recreation alongside improved pedestrian and cycle connections.

- A secure environment which feels safe with good natural surveillance.
- A place which promotes and supports enterprise and jobs, provides a comprehensive and affordable retail offer, in particular for existing Church Street residents.
- A revitalised Church Street market with modern and suitable infrastructure, which is economically sustainable, but remains relevant to existing Church Street residents.

A Cabinet Report was approved in July 2023 to the making of a Compulsory Purchase Order pursuant to Section 226 (1)(a) of the TCPA and section 13 of the 1976 Act in respect of the Order Land, to facilitate delivery of the CPO Scheme for Site A. The demolition programme will follow a phased approach in order to accommodate remaining residents on site.

An OBC refresh was undertaken in December 2023 reaffirming the preferred option and delivery route for Church Street Site A. In January 2024 a CMR approved which concluded and addressed a joint venture delivery partner as the preferred option to deliver the scheme.

Following a rigorous procurement strategy, Keltbray Built Environment Ltd was identified as the preferred Demolition Contractor through a technical evaluation and detailed commercial schedule overseen by the Council's appointed Cost Consultant (Mace). Mace have confirmed that the Contract Sum for the demolition works represents reasonable value for money.

Party Wall Matters

The Council has instructed specialist Party Wall Surveyors to review the site in relation to party wall matters. Our earlier initial land registry enquiries revealed that there is interest from neighbouring properties, there is on-going dialogue with leaseholders and freeholders. Party wall notices have been issued to satisfy the next phase of demolition activity.

Notices for main works can only be served with a drawing showing the type and depth of foundation in a section. Notices should be served approx. 12 to 16 weeks in advance of the works to provide sufficient time for party wall matters to be concluded. The adjoining owners have the right to request security for expenses, and the surveyor can ask for an advising engineer to scrutinize the design.

5. Financial Implications

This report seeks authorisation to the Executive Director of Regeneration, Economy, and Planning (REP) to enter into a contract with Keltbray Built Environment Ltd to carry out demolition and associated works to Church Street Site A for the value of £3,210,711.

The Project has an approved budget for demolition of £3.4m of which £78k has been spent on initial demolition of the garages leaving a balance of £3.3m in the budget.

The award of demolition contract to Keltbray Built Environment Limited for the value of £3.1m will be covered with the remaining budget of £3.3m. This award of contract will also require an approval to spend of £3.3m to cover the contract value which is has been included in the CMR recommendations above.

6. Legal Implications

The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness - the best value duty.

The Council has a general power of competence under section 1 of the Localism Act 2011; this is the power to do anything an individual can do, provided it is not prohibited by other legislation.

Section 32 of the Housing Act 1985 grants a local authority the power to dispose of land held by the local authority with the consent of the Secretary of State (subject to limited exceptions such as letting on a secure or introductory tenancy which do not apply here). The Secretary of State has issued a number of consents for the purpose of section 32, pursuant to powers in section 34 of the Housing Act 1985. General Consent A of the General Housing Consents 2013 under Section 32 of the Housing Act 1985 (**General Consent**) was issued under those and other powers.

Paragraph A.3.2 of the General Consent provides a local authority may dispose of vacant land. Paragraph A.3.1 of the General Consent provides that a local authority may dispose of land for a consideration equal to its market value. Paragraph 8 of the General Consent permits local authorities to dispose of vacant land and assets that are not dwellings at any price determined by the local authority. So long as the disposals covered by this report fall under the General Consent, specific consent is not required.

This report seeks approval of the Cabinet Members to delegate to the Executive Director of Growth, Planning and Housing to approve and enter into agreements and property documents in connection with ancillary works required to facilitate the construction works for Site A of the Church Street regeneration.

Under paragraph 12.3 of Chapter 3 of the Council's Constitution, a Cabinet Member may delegate their executive functions to an officer. The delegation to the Executive Director of Growth, Planning and Housing to execute ancillary documents is justified for expeditious execution of various documents required to give effect to the decision and for efficient use of Cabinet Member time.

7. Carbon Impact

The Council has committed to achieve net zero carbon emissions from operations by 2030 and across the city by 2040. The scheme aligns with Westminster's City Plan -

objective 7 which outlines WCC's commitment to reduce carbon by minimising detrimental impacts from developments, policy 36 outlines the Council's aim of promoting net zero developments and the means for doing so. The demolition contractor will work with Westminster to achieve waste reduction and circular economy targets by adhering to a 're-use, recycle and recover' strategy for all materials where possible during demolition. A Site Waste Management Plan (SWMP) will be produced which will set out the requirements for waste minimisation on the project and monitored on a weekly basis.

8. Equalities Impact

Section 149 of the Equalities Act 2010 created the public sector equality duty. Section 149 states:- (1) A public authority must, in the exercise of its functions, have due regard to the need to: (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

The Council needs to pay due regard to its findings when exercising its functions and making decisions regarding impacts on local communities.

The Equalities Impact Assessment (EqIA) has been considered in light of the development plans with an assessment on actual benefits and any negative impacts of the scheme throughout the development considered in design. The EqIA has been updated at key milestones in the project.

The Church Street Regeneration will contribute to improvements for the Church Street ward through an increase in affordable housing, new employment opportunities associated with the construction, new landscaping, and green space. An EQIA for Church Street was undertaken in September 2023 and can be found in Appendix 2 of this report.

9. Consultation

The Regeneration Team have worked with the local community to ensure that all key stakeholders are engaged and aware of the ongoing regeneration of the site. Extensive formal and informal engagement with the local community has been undertaken, and the consultation feedback has been thoroughly reviewed by the team and key themes responded to.

Continuous, structured engagement is planned, and this will allow the Council to achieve its objectives throughout the demolition and build. A local engagement presence will create an environment where local people will understand the aims of

the scheme and are engaged in the ongoing construction process. By embedding an engagement team in the local community, the Council can build on strong relationships with key local stakeholders and take a proactive approach to bringing the community together. This will ensure that residents are well-informed of the ongoing works in the area and have direct access to accurate information.

Regular dialogue with the community will aim to ensure misinformation about the project is allayed, whilst providing a trusted channel of communication for ongoing queries. There will be continuous, structured, proactive communications and engagement throughout.

The Church Street Ward Members have been provided a Briefing Note ahead of this Cabinet Member Report and no comments or concerns have been received.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

Appendices

Appendix A – Value for Money Report (Exempt from Publication)

Appendix B – Equalities Impact Assessment

NB: For individual Cabinet Member reports only

For completion by the **Cabinet Member for Regeneration and Renters**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____
NAME: **Councillor Matt Noble**

State nature of interest if any:

(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled Church Street Site A – Approval to Appoint the Demolition Contractor for Church St Site A and reject any alternative options which are referred to but not recommended.

Signed: _____

Cabinet Member for Regeneration and Renters

Date: _____

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed

from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.