

DesBox & HQube Funding

Cabinet Member: Cllr. Steve Broadbent

Ward(s) Affected:

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PROPOSED DECISION

Cabinet is asked to approve:

- (i) The release of the approved capital budget for Phase 1 DesBox and the supplementary estimate and virements as set out in para 3 in the Financial Implications section in the Confidential Appendix subject to the deliverability and confirmation that the value engineering proposed will be acceptable;
- (ii) The use of monies already in the Capital Programme to provide interim development finance for HQube, pending cross-financing from the sale of the Upper Site, Bellfield Road for residential development, as set out in para [4] in the Financial implications section in the Confidential Appendix;
- (iii) To delegate to the Corporate Director, Head of Finance & Commercial Services and Major Projects Executive and the Cabinet Members for Finance and Economic Development & Regeneration, the authority to enter into construction contracts for DesBox and HQube, as set out in paras [1 & 3] Confidential Appendix.

Reason for Decision

- (i) The earlier assumption that DesBox could be phased has proved to be untenable.
- (ii) The Upper Site residential disposal will be completed after HQube needs to start on site.
- (iii) To maintain the development programme.

Corporate Implications

The budget approvals are subject to the financial implications set out in the Confidential Appendix.

The budgeted receipt for the Bellfield site is still subject to market conditions and determination of grant funding so the exact amount cannot be determined. A prudent estimate has been made in the budget setting in determining the level of capital funding available to finance the capital programme.

Executive Summary

1. DesBox is a proposed small studio workspace development, forming part of the Council's Baker Street area renewal initiative. DesBox was approved by Cabinet in July 2017, based on an initial estimate of its cost.

HQube is a proposed small workshop development, forming part of the Council's Hughenden Quarter regeneration scheme. HQube was approved by Cabinet in June 2017, based on a preliminary design and cost.

Detailed project work-up on both designs and their competitive tendering for contractors' prices has resulted in changes to the original appraisals, requiring fresh Cabinet decisions.

Sustainable Community Strategy/Council Priorities - Implications

2. The Council's three priorities, as set out in the Corporate Plan 2015-19 are:

- Regeneration and Infrastructure – our place priority
- Cohesive communities – our people priority
- Value for money services – our pounds priority

These priorities support the Council's long term vision to 2031 as set out in the Sustainable Community Strategy 2013 – 2031 (SCS): Wycombe District:

Economically strong and the place to live, work and visit.

They are also in line with and support the five themes in the SCS:

- Thriving Economy
- Sustainable Environment
- Safe Communities
- Health and Wellbeing
- Cohesive and Strong Communities

Baker Street Area Renewal is a regeneration project that will make a positive contribution to the Council's priorities and key themes.

Background and Issues

3. DesBox comprises a proposed innovative three storey small workspace development forming part of the Council's Baker Street area renewal initiative. It is based on re-purposed shipping containers, aimed at providing studios for the arts, crafts and creative design sectors. The concept was supported by a Cabinet decision in July 2017.

HQube comprise a proposed innovative single storey small workshops development, forming part of the Council's Hughenden Quarter regeneration scheme. It too is based on re-purposed shipping containers, using them as 'bookends' to support clear-span flat roofs. The concept was supported by a Cabinet decision in June 2017.

Planning permission has now been granted for DesBox. A planning application has been submitted for HQube. The pressure is on to implement because the developers of Leigh Street are progressing their redevelopment scheme.

The original development concept – to use repurposed shipping containers – was intended to provide a form of simple, pre-fabricated lightweight construction that has a ‘funky’ edge to it (thus appealing to demand from the creative design sector). In addition, the schemes were envisaged as ‘demountable’, to reflect the possibility of further redevelopment in 20 years’ time.

The aim was to minimise groundworks. However, building regulations have now caught up with this construction trend and it is no longer recognised as ‘temporary structures’. This means that requirements for proper foundations, more insulation and the full impact of fire regulations have increased construction costs. It is also now clear that both the DesBox and HQube schemes cannot be split into two phases – all the groundworks have to be constructed in one go (and subsequent stacking of containers onto a partially occupied site is not practical). The financial implications of this are set out in the Confidential Appendix.

Consultation

4. Undertaken at planning application stage.

Options

5. Abandoning the projects is an option.

Conclusion

6. The proposed developments show returns above the regeneration ‘hurdle rate’, once let.

Next Steps

7. To enter into construction contracts.

Background Papers

All background papers are held by the Major Projects & Estates Executive.