

<b>Title of Report:</b>	<b>The Restoration of Shaw House</b>	<b>Item 19</b>
<b>Report to be considered by:</b>	Executive	
<b>Forward Plan Ref:</b>	EX08091	

**Corporate Plan Priority:** **S4 – Achieving better and fairer outcomes for children and young people by delivering high quality integrated services through partnership.**  
**S9 - Enhancing the sustainability of the West Berkshire Community and preserving the local environment.**

The proposals contained in this report will help to achieve the above Corporate Plan priorities by:

Providing fit for purpose accommodation for the continuing professional development of teachers and other employees who work with children and young people. Providing high quality physical education facilities at Trinity School to comply with DfES and Sport England standards and improving class management. Removal of the education centre from the Fir Tree site will eliminate more than 100 traffic movements per day through the school entrance improving pupil safety and enhancing the overall learning environment.

Ensuring that a Grade I listed heritage building is restored and put into productive use. The overall project will provide replacement accommodation for the time expired and dilapidated wooden structure that forms the Education Centre and the existing school gymnasium. The removal of the sports facilities from within the curtilage of Shaw House itself will improve the setting of this building and will support future grant applications for external funding to restore the grounds.

Contributing to the diversity of visitor attractions that encourage the growth of the local tourism economy.

**Purpose of Report:**

**To outline the current state of progress in developing this project and to identify actions for moving towards completion.**

**Recommended Action:**

- 1. That the Executive approve a 3 phased implementation of the overall project as recommended by the Shaw House Project Management Board.**

**Phase 1 – Restoration works to Shaw House, the creation of a new means of access, and the construction of part of the car parking provision.**

**Phase 2 – Construction of replacement Sports Facilities for Trinity School and the subsequent demolition of the existing sports buildings, and completion of the car park.**

**Phase 3 – Restoration of the historic gardens.**

**If Recommendation 1 is agreed, then**

- 2. That the tender submitted by William Sappcott & Sons Ltd, the details of which are contained in the Part II section of this report, should be accepted and that the Head of Legal and Electoral Services be authorised to enter into the appropriate form of contract for the**

building works to be commissioned on behalf of the Council.

3. That the tender submitted by Oxford Archaeology, the details of which are contained in the part II section of this report, should be accepted and that the Head of Legal and Electoral Services be authorised to enter into the appropriate form of contract for the archaeological works to be commissioned on behalf of the Council.
4. That the terms and conditions for the acquisition of the parcels of land outlined in Appendix 19(e) in the Part II section of this report should be accepted, and that the Head of Legal and Electoral Services be authorised to enter into the appropriate form of contract to purchase these parcels of land on behalf of the Council.

**Reason for decision to be taken:** Following the meeting of the Executive held on 15<sup>th</sup> July 2004 invitations to tender were dispatched to shortlisted companies. Tenders were returned on 20<sup>th</sup> September. The price quoted in each tender is valid for 13 weeks from the date of submission. If no decision to award a contract is made before 20<sup>th</sup> December then a negotiated price revision would need to be obtained, or the contract would need to be retendered.

**List of other options considered:**

- 1) Abandon the restoration project.
- 2) Postpone a start on any aspect of the development pending the outcome of the Local Inquiry and the determination of the planning application for residential development on the site of the West Berkshire Education Centre.
- 3) Possibly in parallel with options 2 or 3, submit new planning applications for housing on land to south of Love Lane and a Sports Hall on the Trinity School playing fields.

**Key background documentation:**

- Stage One Application to Heritage Lottery Fund
- Stage Two Application to Heritage Lottery Fund
- Report to WBC Executive 23<sup>rd</sup> October 2003
- Planning Applications 03/02336/FUL, 03/02328/LBC,
- 04/01308/FULMAJ, 04/00622/OUTMAJ

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## **Implications**

### **Policy:**

In 1999, West Berkshire Council and English Heritage agreed a conservation plan for Shaw House and the historic grounds to the property. This plan recognised the need for some separation of the heritage asset and the operational areas of Trinity School. The work already undertaken to provide high quality permanent accommodation to replace the village of mobile classrooms, and the construction of new car parking and an artificial turf sports pitch, has already delivered some of the aspirations of that plan. This project will complete the restoration of the house and its' setting.

Although the project will contribute to the realisation of some of the Council's key priorities, a number of planning applications for the enabling development associated with the scheme have been contrary to normal planning policies. Each application has been accompanied by a statement outlining the case for allowing enabling development. It suggests that the importance of restoring this Grade 1 listed property is greater than the importance of protecting the existing settlement boundary.

Each application and a copy of this Council's recommended decision, have been further scrutinised by the Government Office for the South East. Although formal permission for the disposal of the playing fields has been obtained from the Department for Education and Skills, GOSE has confirmed that the planning application for housing development on Love Lane is to be the subject of a local Inquiry.

An application for residential development on the current site of the West Berkshire Education Centre will be determined in January 2005. This application will be for a brown field site that is within the defined settlement boundary. Although the layout and design of the development will need to be considered by the appropriate planning committee, it is thought that this development will not be contrary to existing planning policies.

### **Financial:**

The financial implications are contained within the body of the report.

### **Personnel:**

Completion of this project will create employment opportunities at Shaw House for staff whose positions at Ufton Court would be threatened by the closure of that facility. Staff currently employed at the West Berkshire Education Centre and Peake House will need to relocate. This relocation will be to a much improved working environment in comparison to their current situations.

The restored house will also provide a venue for personal development opportunities for all West Berkshire employees and the employees of other local, regional and national organisations.

Work to develop the project to this stage has been undertaken by a combination of appointed consultants, staff in the Amey West Berkshire property team and staff in the Culture and Youth Service. Representatives from Highways, Planning, Finance, Countryside and Environment, and Trinity School have also contributed to the overall development of the shape and scale of the project. As with any project of this complexity, the internal personnel resources required to deliver the project, should it proceed to implementation, will be considerable.

**Legal:**

The main tender documents and specifications for the restoration works will be completed by the architectural consultants. However, there will need to be some scrutiny of the process by the Council's own Legal advisors before the appropriate JCT works contract is concluded. The recommended action above delegates authority to the Head of Legal and Electoral Services to enter into the contract on behalf of the Council.

There will also be a significant legal input into the land acquisitions and disposals. Both areas of land for disposal were originally acquired by Berkshire County Council using compulsory purchase powers. The Critchel Down Rules will therefore apply and will need to be included in the disposal timetable.

**Property:**

Shaw House is a Grade I listed property dating from the sixteenth century. The house is nationally important example of an Elizabethan gentry house which has retained much of its original form and fabric. The house is one of three buildings in West Berkshire on the English Heritage Buildings at Risk Register (grade C). The other two are in private ownership. This category of buildings are identified as those where there is "slow decay and no solution agreed with English Heritage for its future". Only a Grade D classification "imminent danger of collapse" is a higher cause for concern.

The surrounding gardens are included on English Heritage's Register of Parks and Gardens as Grade II. Recent research has established that the raised terrace is a particularly rare example as some of the original yew trees also survive. This raised terrace is currently under consideration by English Heritage as a Scheduled Monument. This will bring a duty of care to a monument that is currently neither managed or interpreted archaeologically.

The restoration of Shaw House will fulfil the Council's statutory obligation to preserve this listed Grade 1 building. Moreover, the present project will remove Shaw House from English Heritage's 'Buildings at Risk' register.

The restoration of the house and gardens is included in the approved WBC Asset Management Plan.

**Risk Management:**

A revised risk assessment is attached as Appendix 19(b).

## Supporting Information

### 1. Background

- 1.1 Although reports exploring ways of restoring Shaw House now date back over the last 10 years, it is only relatively recently that detailed proposals have been developed. In the last two years stakeholders have been able to agree an overall vision for the site that meets the objectives of English Heritage, the Heritage Lottery Fund, West Berkshire Council and Trinity School. Extensive surveying has allowed a detailed schedule of works to be prepared for the restoration of the house and a business case and business plan has been agreed for the future operation of the restored building.
- 1.2 The business case and plan was considered by the Executive of West Berkshire Council at the meeting held on 23<sup>rd</sup> October 2003 and is attached to this report as Appendix 19(a).
- 1.2 The report considered by the Executive on 15<sup>th</sup> July 2004 listed a series of milestones that needed to be achieved in order to move forward to the implementation stage of the restoration of Shaw House. The latest position is set out below.

### 2. Current Position

<u>Milestone</u>	<u>Progress</u>
Application for Heritage Lottery Fund grant submitted and offer of grant received.	Application submitted October 2003. Formal offer of reduced grant received on 30 <sup>th</sup> June 2004. Grant contract received on 27 <sup>th</sup> July 2004. Grant contract signed and returned 18 <sup>th</sup> October 2004.
Planning approval and listed building consent for proposed works.	Planning Permission and Listed Building Consent for repairs to Shaw House, the creation of a new means of access, and the construction of the car park. Approved by WBC. Referred to GOSE who have confirmed that they are content with the decision. Decision notice issued 24 <sup>th</sup> March 2004.
Full specification of restoration works completed and tender documents distributed to select tender list. Tender replies received.	Tender return date 20 <sup>th</sup> September 2004. Tenders evaluated by quantity surveyors and architect. Contractor interviews held on 6 <sup>th</sup> October 2004. Evaluation report attached as Appendix 19(c).
Obtain planning approval for a replacement sports hall on land at the junction of Love Lane and Church Road.	Planning and Development Committee of West Berkshire Council resolved to grant conditional approval on 1 <sup>st</sup> September 2004. Decision notice issued 15 <sup>th</sup> September 2004.

<u>Milestone</u>	<u>Progress</u>
Obtain planning approval for housing development on land North of Love Lane as enabling development that secures the works to Shaw House and its restoration to beneficial public use.	Planning and Development Committee of West Berkshire Council resolved to grant conditional approval on 1 <sup>st</sup> September 2004. Planning permission for residential development on part of the Love Lane Playing Fields. Approved by WBC. Notice of call in for local Inquiry received on 26 <sup>th</sup> October 2004. Decision of planning inspector not anticipated until Summer 2005.
Purchaser can be found for land North of Love Lane.	Confirmation of general consent for disposal issued by Department for Education and Skills on 26 <sup>th</sup> July 2004. No further action possible until planning Inquiry concluded.
Obtain Planning approval for residential development on land at the junction of Fir Tree Lane and Turnpike Road.	Application refused by Planning and Development Committee on 1 <sup>st</sup> September 2004.  New application under development that seeks to address the concerns raised by Members of Planning and Development Committee and local residents.  Anticipated date for determination 5 <sup>th</sup> January 2005.
Purchaser found for land at Fir Tree School.	No further action possible until new planning application determined.
Land proposed as the site of the new indoor sports facilities and outdoor courts can be purchased from The Church of Jesus Christ and Latter-Day Saints (Mormon Church).	Terms have been agreed for this transaction. The details are given in Appendix 19(e) which appears in the Part II papers of this report.
Land proposed as the site of the new indoor sports facilities and outdoor courts can be purchased from Scottish and Southern Electricity.	Scottish and Southern Electricity have agreed in principle to sell to West Berkshire Council and broad agreement has been reached on land value. Scottish and Southern Electricity have asked for assistance in finding a replacement site and this issue remains outstanding.
A balanced budget position can be achieved between the overall cost of restoration, the consequential enabling works and the total resources available.	This is still uncertain. The best current estimate is provided in the tables given in Appendix 19(f) which appear in the Part II pages of this report.

2.1 Clearly, the overall budget estimates have changed significantly over the last twelve months. Without attempting to chart all of the exact movements, the following statements provide a commentary on the main issues.

- A detailed examination of the accommodation requirements for the sports facilities at Trinity School resulted in an amended accommodation schedule and a revised cost estimate.
- Discussion with Heritage Lottery Fund resulted in an amended schedule of works and the withdrawal of our request for an additional grant over and above the indicative figure contained in the stage 1 approval.
- Actual tender prices for the restoration works are in excess of the previously estimated costs
- New scheme for development at Fir Tree School will result in lower capital receipt than previously anticipated.
- The agreed price for the acquisition of land for the new sports hall is lower than previously estimated.

2.2 The overall budget position does show a potential budget deficit. For the actual restoration of Shaw House, the quantity surveyors advising WBC have identified an agreed schedule of reductions from the tender price. It is also suggested that further savings can be achieved by fitting out and furnishing only the public rooms in the house. Staff relocating to Shaw House from their existing place of work will need to take their existing furniture with them. Taken together with the interest on the deposited contributions for the 2004-2005 financial year, this appears to present a balanced budget against a confirmed cost base.

2.3 The budget position for replacing the Trinity School Sports Hall is still largely based on estimated costs and estimated capital receipts. It too shows a potential budget deficit. However, the revised planning application for residential development at Fir Tree School will eliminate the need for reinstatement of playing fields, which provides a saving. The decision of the Heritage Lottery Fund to remove the garden restoration from this stage of the project also removes the need to immediately reprovide the outdoor court areas. This will further reduce the construction costs and professional fees. Prior to commissioning this element of the project a firm cost base still needs to be established and the value of the capital receipts needs to be confirmed. Any requirements for the Council to bridge a potential budget shortfall from its own capital programme would occur in the 2006/07 and 2007/08 financial years.

### **3. Issue for Consideration**

3.1 Clearly, the first issue for consideration is the overall financial position. Even with the savings identified in paragraphs 2.2 and 2.3, it is now apparent that the current estimates suggest that West Berkshire Council may need to make a financial contribution from its own capital programme. The options analysis contained in the table on the next page draws attention to the risks and benefits of deciding not to progress this project further.

Option	Description	Risks	Benefits
1.	Abandon the restoration project as financially unviable.	<ul style="list-style-type: none"> <li>• No long term solution to meet responsibilities to a listed building.</li> <li>• Loss of credibility with HLF for any future projects.</li> <li>• Existing partnership funding will need to be returned to donors.</li> <li>• Outstanding requirement for replacement building for education centre remains as a future liability.</li> <li>• Outstanding requirement for replacement gymnasium for Trinity School remains as a future liability.</li> </ul>	<ul style="list-style-type: none"> <li>• Does not expose WBC to any short term financial uncertainty.</li> </ul>
2.	Commission restoration work to Shaw House but place all other aspects of project on hold.	<ul style="list-style-type: none"> <li>• Will need agreement of HLF to address the objectives of the conservation plan as a 2 phase programme of works.</li> <li>• Does not allow the full delivery of the business plan for future options of the site.</li> <li>• If Public Inquiry finds against WBC then a potential liability of £1.35 million to make good loss of capital receipt before Phase II can proceed.</li> </ul>	<ul style="list-style-type: none"> <li>• Allows the restoration work to start on schedule and within current tender cost envelope.</li> </ul>
3.	Postpone start on any aspect of the development pending the outcome of outstanding planning issues.	<ul style="list-style-type: none"> <li>• Building cost inflation adds to the overall project costs and impacts adversely on financial viability</li> <li>• Standing down the professional consultancy team and the preferred restoration contractor could result in disruption to the timetable as they commit to other work on other projects.</li> <li>• Would take the project beyond the HLF end date for grant draw down. Discussion required with HLF to see if this will require a reapplication for grant support</li> </ul>	<ul style="list-style-type: none"> <li>• Bring all aspects of the project, including receipts for land disposals, back onto a co-ordinated project time line.</li> <li>• Minimises financial exposure of the Council to the building cost inflation over the delay period</li> </ul>



- 3.2 Even if the overall financial situation is put aside at this point, there are a number of practical issues that would need to be addressed in trying to keep moving forward. The decision of GOSE to hold a local Inquiry results in a significant delay in fully implementing the currently agreed scheme. If the local Inquiry up holds the decision of the Planning and Development Committee, the resulting delay in commissioning the restoration works and marketing the land for disposal will still have a considerable financial impact. Building cost inflation has been running at approximately 9% per annum. A 6 month delay in accepting the tendered costs could result in a price increase close to £250,000. If this were the case then the Council's ability to achieve a balanced budget position would be even further eroded. Equally, if the local Inquiry overturns the decision then an alternative solution will need to be found to provide the finance for the new sports hall.
- 3.3 As an alternative to delaying the project and risking further cost inflation, it might be possible to split the overall project into two phases. Phase 1 would commission only those works that deal directly with the restoration of the house, the creation of the new means of access, and the provision of 30 car park spaces. If Phase 1 is commissioned immediately then the tender price identified in Appendix 19(c) is still valid and is a confirmed cost
- 3.4 Phase 2 would not be commissioned until the outcome of the local Inquiry is known and the new application for housing development on the site of the Education Centre has been determined. It would cover the construction of the replacement sports hall, the subsequent demolition of the old buildings, and the extension of the car park to the size required to satisfy the transportation and planning conditions for the project.
- 3.5 In considering the application to undertake works to this listed building, the meeting of the Planning and Licensing Committee held on 28<sup>th</sup> January 2004 were particularly concerned about the impact that the development would have on the local transport network. A number of conditions were attached to the planning and listed building consents to address these concerns. These included :
- Condition 10 *"The use hereby approved shall not commence until vehicular, pedestrian and cycle access into the site has been constructed in accordance with details submitted to and approved by the Local Planning Authority."*
- Condition 13 *" The number of persons attending the site for conferences shall be limited to 100 persons at any one time".*
- 3.6 Clearly, it would not be possible to hold events for 100 people with only 30 car parking spaces available. It will also not be possible to fully meet the terms of condition 10 until phase 2 is completed. Proceeding with Phase 1 of the project will therefore result in a restored building that cannot be brought into full beneficial use until phase 2 is complete. Although it may be possible to make some temporary arrangements for less intensive use of the site, particularly outside of school hours when the school car park is available, this does not deliver the business plan approved by the Heritage Lottery Fund as an essential element of the Council's grant application. A two phased approach will therefore only be possible with the specific approval of the Heritage Lottery Fund that an extended project timetable is acceptable.
- 3.7 Another consideration is any effect that a two phased approach may have on the outcome of the planning Inquiry. The basis of the argument for granting an application contrary to existing policy lies in the enabling link between the capital receipt and the resources required to undertake the project. If a two phased approach weakens that argument then this would increase the risk that the planning Inquiry might overturn the decision.

3.8 A meeting has been held with the Heritage Lottery Fund to explain the current situation and to seek their support for a two phased approach. A verbal response has now confirmed that they are minded to agree to this change in the project plan. Written confirmation of this position is expected before 9<sup>th</sup> December 2004.

3.9 At the local Inquiry, West Berkshire Council will need to present two cases. As well as being the Local Planning Authority, in this case the Council is also the applicant organisation. In order to provide clear separation of these roles independent planning advice has been obtained in order to present the applicants case. The view of that advisor is that

*"It is clear to me that your proposals have been the result of a lengthy and well considered process. I am therefore very mindful that if you were to delay the whole project on the basis of the outcome of the call-in appeal you could run the real risk of losing funding and potentially it could take years to get the project back on track. This would leave the Listed Building in an increasingly vulnerable situation with the risk of the Council incurring even greater maintenance costs.*

*I am sure an Inspector would understand the Council's needs to proceed with the first phase of the project and if anything this may strengthen our argument as he will see a scheme that is in the process of being implemented and the clear benefits it will bring."*

3.10 Essentially the key decision is whether to abandon, delay or re-phase this project. Each course of action contains an element of risk and it is the balance of risk that needs to inform the decision. Bearing in mind the number of failed attempts to restore this property in the twenty years since it was last occupied, further delay at this stage appears to be a greater risk than proceeding with caution. A summary of the main risks and benefits associated with each option is shown in tabular format between paragraphs 3.1 and 3.2.

3.11 Should the Executive decide to re-phase the project and continue, then the following additional decisions should also be considered.

#### **4.0 Decisions and Actions**

##### Appointment of Contractors for Restoration Works and Archaeology

4.1 Following representations from contractors on the select tender list, the closing date for the receipt of tenders to undertake the actual restoration works was extended to Monday 20<sup>th</sup> September 2004. Tender evaluation is now complete and a copy of the evaluation report is attached as Appendix 19(c). Interviews with the preferred contractor were held on 6<sup>th</sup> October 2004. The submitted tender price, minus agreed contract reductions, is valid until 20<sup>th</sup> December 2004.

4.2 Tenders were also sought for the archaeological investigation and recording that is an integral part of the restoration works. A copy of the evaluation report for this aspect of the project is attached as Appendix 19(d).

## Purchase of land for new Sport Hall

- 4.3 Negotiations with one of the owners of the parcels of land required for the construction of the replacement sports hall have been completed. Discussions continue with the second owner but are close to completion. Although work to construct the new sports hall will not now start until late 2005 or early 2006, there are a number of reasons to proceed with the acquisition of these parcels of land.
- (a) Any delay in purchase could lead to the current owners wanting to renegotiate the terms of the deal.
  - (b) Subject to the appropriate approvals, the land might provide some temporary solution to the parking issues that arise when opening the house for use. Although not ideally situated for visitors, this area could provide temporary parking for staff employed in the restored building. It may also be possible to designate it as the area for 6<sup>th</sup> form pupils who drive to school and thus free up spaces in the existing car park closer to the house entrance.
  - (c) By consolidating the area into a single ownership the land will acquire value for future development. If the sports hall is not developed on this site then the land can be disposed of in order to recover the costs of purchase.

- 4.4 Furthermore, if the local Inquiry upholds the decision of the Planning and Development Committee acquiring ownership is one of the planning conditions for disposal of the land at Love Lane. During the statutory consultation process, Sport England asked for a condition to be attached to any subsequent planning permission so that the land could not be sold until the proposed replacement land had been acquired. The proposed wording of this condition is:-

“The disposal of the application site for the development hereby approved shall not proceed until the land to be used for the replacement sports facilities pursuant to Applicant No. 04/01308/Fulmaj has been acquired by the applicant.”

REASON: To ensure the proper planning of the area and ensure that appropriate provision is made for replacement sports facilities.

## **5. Conclusion**

- 5.1 Bringing together all of the individual elements of this very complex project was always going to be a challenging task. Based on the information now available, it does appear that there is an opportunity to bring this property back into beneficial public use. The recommendation at the front of this report will allow this process to start early in the New Year.

## Part I Appendices

<b>Appendix 19(a)</b>	<b>Business Plan</b>
<b>19(b)</b>	<b>Risk Management</b>

Due to the size of Appendices 19(a) and 19(b) copies have been placed in the Member's Room. Further copies are available on request from Head of Culture & Youth Services.

## Part II Appendices

<b>19(c)</b>	<b>Tender Evaluation Report - Restoration</b>
<b>19(d)</b>	<b>Tender Evaluation Report - Archaeology</b>
<b>19(e)</b>	<b>Terms &amp; Conditions for land acquisition</b>
<b>19(f)</b>	<b>Budget Estimates</b>

**Consultation Responses:** The Shaw House Project Management Board met on the 15<sup>th</sup> November 2004. Although the Board Members were concerned about potential delays in delivering all elements of the project, the stakeholders remain convinced that the overall scheme provides the only viable solution to the reconciliation of the objectives of the various organisations represented on the board. They therefore recommend the rephrasing of this project as highlighted in the report.

**Local Stakeholders:** The Shaw House Project Management Board includes representatives from Trinity School, St. Mary's Church, Shaw cum Donnington Parish Council, the WBC Ward Member, and the Executive Member for Children and Young People. This Board has recommended the proposals set out in the business case and plan.

Earlier this year, an explanatory was delivered to householders in properties adjacent to Shaw House, Trinity School and that part of the school playing fields included in the overall project design. Included with this letter were information sheets outlining the scope of the project and the timetable for decisions.

An exhibition about the history of Shaw House and the plans for the restoration was held in Newbury Museum in November 2003.

**Officers Consulted:** Chief Executive  
Corporate Director Strategy and Commissioning  
Corporate Director Children and Young People  
Head of Highways and Engineering  
Head of Planning and Transport Strategy  
Head of Legal Services  
Head of Property Services  
Head of Resources.

**Trade Union:** No formal consultation at this stage.