

**Executive**

**25<sup>th</sup> June 2015**

**Report of the Assistant Director – Finance, Property and Procurement**

**Condition of 17- 21 Piccadilly**

**Summary**

1. This report updates the Executive on the condition of 17-21 Piccadilly, the former Reynards Garage, and seeks a decision on whether to demolish, or carry out emergency health and safety repairs, to the building. It also sets out recent activity to dispose of the site and forthcoming work on the strategic importance of this site to the wider Southern gateway area.

**Recommendations**

2. That the Executive agree to apply for planning permission to demolish 17-21 Piccadilly and proceed with the works to demolish the building as quickly as possible, if that permission is granted.
3. That the Executive will receive a report in September 2015 setting out the work undertaken to assess a future regeneration of the area so that an appropriate future use for the site can be identified, which supports the overall development proposals for the Southern Gateway project and ensures that a replacement structure reflects the important heritage of the current building.

Reason: In order to address the health and safety risks to the public.

**Background**

4. This vacant site (location plan at Annex 1) was part of a joint venture agreement between CYC and Lasalles with a view to jointly redeveloping the Castle Piccadilly area. This partnership was dissolved in September 2013 when Lasalles indicated that they were selling individual sites separately and did not intend to undertake a comprehensive redevelopment.
5. 17-21 Piccadilly was marketed for sale by CYC in October 2013. A number of bids were received for the site for a range of uses and with

vastly varying capital values. These bids were assessed against agreed criteria, these being the level of capital receipt, economic impact of the development, community benefit and the deliverability of the scheme.

6. A shortlist of the 4 bids which scored the highest against the criteria was drawn up in January 2014. All the shortlisted bids proposed a hotel with other facilities. They were all subject to planning approval and so further evaluation was needed to refine the initial evaluation. As a result, further information was sought from shortlisted bidders to be evaluated, before a preferred bidder could be identified.
7. At a meeting of the Council's Cabinet on 7<sup>th</sup> January 2014 it was resolved that the final evaluation and selection of a purchaser would be delegated to the Director of Customer and Business Support Services, in consultation with the Cabinet Member for Finance, Performance and Customer Services, subject to the provision of adequate supporting valuations.
8. Following the Cabinet decision the four shortlisted bidders were invited to present their proposals to a panel of officers. Two bidders declined to do so, and the two remaining bidders presented their proposals on 30<sup>th</sup> January 2014.
9. In February 2014 the Council were advised by English Heritage (now Historic England) that an application had been received to list the building. The sale was paused to enable determination of the listing. This application was rejected in mid June 2014 and the decision note is attached as Annex 2. Following this, further evaluation and due diligence of the two remaining bids was undertaken.
10. At the beginning of November 2014, following changes to property ownership in the area with the Lasalle assets going into receivership, the disposal was terminated whilst the plans for the wider Southern Gateway area were considered.

### **Southern Gateway Project**

11. The site forms a significant part of the Piccadilly frontage and the regeneration of this street as a key gateway to the city. The Southern Gateway project team are working on a planning framework for the area which will seek to balance quality considerations for the built environment and the sensitive proximity of heritage assets with the commercial deliverability of any scheme in this area.
12. As a result of the developer feedback and work carried out as part of the Southern Gateway project, it is unlikely that the existing structure will be recommended as part of a forthcoming planning framework for

the broader area. It is a poor quality industrial building with no significant architectural merit though it has historical interest reflecting its former short term use as the Air Speed factory between 1931 and 1933.

13. Whilst the building itself is generally of poor quality, its historical significance and association with aircraft manufacture in particular are recognised and acknowledged.
14. A Planning Statement from September 2013 sets out a concise urban analysis which refers to the strong urban grain of Piccadilly and the relationship of views from Parliament Street. It should be a key objective of site development to 'be seen' and draw footfall from Parliament Street. A new building with some historical interpretation could also be seen as an attractor.
15. The site is in a prime location and stands to take advantage of the recent refurbishment projects at the northern end of Piccadilly. The site has the potential to provide a range of uses and the Southern Gateway Team are modelling the possibility of this site to offer a high quality private rented sector residential scheme, providing the Council with a long term income.
16. It is proposed to retain the site as part of the broader redevelopment of the Southern Gateway area, a key regeneration project for the city. A further report on this will be brought to the Executive in September.

### **Structural condition of the building**

17. The structure of the building is in very poor condition. A condition survey undertaken in 2009 attached as Annex 3. identified a number of issues which required remedial work, specifically
  - Provide bracing to the rear elevation to regain longitudinal stability;
  - Provide strutting to all the steel columns along the Piccadilly elevation to provide lateral restraint;
  - Replace the missing timber purlins which would require some of the existing roof lights and sheeting to be replaced;
  - Check the condition of the existing fixings to the remaining purlins and replace any missing bolts etc.;
  - Obtain advice from a timber specialist to check the structural stability of ends of the purlins where these bear into or on the external walls;

- Wall bearing timber purlins to be strapped down to the wall in all locations and the top of the wall to be restrained with straps along the purlin and fixed to the wall;
  - Remove any loose render to the masonry elevations;
  - Remove any loose bricks to the gable walls to Dennis Street and Piccadilly;
  - The cracked reveals to the old Piccadilly entrance should be tied back to prevent further damage;
  - Remove the unstable partially demolished mezzanine wall.
18. Remedial work was not undertaken as at the time it was anticipated that the building would be sold or redeveloped in the near future. A recent update of this work attached as Annex 4 identified that the status of the building was largely unchanged in many respects but there was now severe corrosion of some of the metal columns where they meet the floor plate and a failed timber lintel to the rear of the building.
19. On the basis of this report Building Control have undertaken an inspection of the building and concluded that
- There is moderate to severe decay of timber supports
  - There is serious decay at ground level to the steel columns
  - The Gable ends have pronounced weathering with large areas of loose or missing rendering
  - There is evidence of roof movement
  - There is missing fire protection block work on some columns
  - The structural stability of the building is compromised and the building is in extremely poor condition
  - In its current state the building represents a danger to the public and a serious liability for CYC
  - This risk will increase as we progress towards the autumn and winter period when water ingress and high winds will inevitably exacerbate the structural problems.

## **Renovating the Structure**

20. We subsequently asked the Surveyors to make further comment on the extent of repairs that would need to be made to the structure if the

council wished to renovate or refurbish the property. This is attached as Annex 5.

21. The view of the Building Control Manager is that :-

- The structure is basically of steel frame construction with brickwork panels and a timber and steel roof.
- The internal steel columns are severely corroded and would be highly unlikely to be able to be relied on, to provide adequate support for any intended floors or for the roof. Structural engineer's calculations would be required to substantiate the structure.
- The roof itself has many damaged and rotten timber members. This would therefore require substantial replacement to enable a new roof with a suitable covering and insulation to be installed. (There is no roofing felt or insulation at present) This would then increase the load on the existing columns. Structural engineer's calculations would be required to substantiate the structure.
- How the existing steel columns connect to the foundations and the nature of the foundations would have to be exposed. It is likely that given the condition of the columns, that the connections will not be adequate (this can already be seen on several column bases) Structural engineers calculations would be required to substantiate the structure.
- The brickwork between the columns appears unrestrained and in poor condition. Measures would then have to be introduced to prevent these panels from falling out. Structural engineer's calculations would be required to substantiate the structure.
- The gables to the Piccadilly and St Deny's Road side require rebuilding as the brickwork is in a very poor condition (and currently poses a danger to the public).
- The existing floor construction is unknown and a floor construction complying with the building regulations in terms of structural capacity, damp protection and insulation installed. Structural engineer's calculations would be required to substantiate the structure.
- Steelwork and timber floors within the building need to have adequate fire protection. This has been removed on several columns and is non existant on the timber mezanine. Fire detection and emergency lighting, in conjunction with a completely new electrical system would need to be installed.
- There is no evidence of insulation in the building. Insulation would need to be provided to the floor, walls and roof, with the inherrent increase in loading to structural elements.
- Ventilation would need to be a consideration in any proposed use.
- New surface water and foul water drainage systems would need to be installed.

This list is not exhaustive as the potential use of the building would have to be considered and it is likely that several other requirements of the Building Regulations would also have to be applied.

Given past experience, and the current condition of the building, the Building Control Manager consider it is highly unlikely that any scheme to bring the building back into use and complying with the Building Regulations could be achieved, unless wholesale rebuilding of the major elements of the building takes place.

22. The Building Control requirements for a structurally sound renovated building would require the almost total replacement of the structural elements of the building with new foundations, steelwork, block work and roof, leaving a building that is in effect a replica of the original and retaining little of the original structure. We would effectively have to take it down and rebuild it. There is no way of estimating the cost of this without partially deconstructing the building to expose the extent of the works but it is likely to be very expensive and would therefore bring into question the financial viability of a redevelopment option.
23. It is not possible to entirely cordon the building off due to the close proximity of the road and neighbouring structures; however an emergency cordon has been put in place to close off the pavement on Piccadilly and St Denys's Rd to prevent injury from falling masonry.

### **Planning Considerations**

24. **Planning Act 1990** - Demolition of an unlisted building in a Conservation Area without planning permission is a criminal offence under the Town and Country Planning Act 1990. (Whilst there is no longer a requirement for Conservation Area Consent to demolish an unlisted building, changes were made to the Act, such that it is now 'an offence for a person to carry out or cause or permit to be carried out relevant demolition without the required planning permission' under s.196D (1) TCPA 1990. Similarly, it is 'an offence for a person to fail to comply with any condition or limitation subject to which planning permission for relevant demolition is granted' under s.196D (2)).
25. Both offences may go to trial, with a maximum sentence of 12 months imprisonment in the magistrates' court, or 2 years' imprisonment in the Crown Court, or a fine in either Court.
26. It is a defence for a person accused of an offence under this section to prove the following matters—

- a) that the relevant demolition was urgently necessary in the interests of safety or health;
- (b) that it was not practicable to secure safety or health by works of repair or works for affording temporary support or shelter;
- (c) that the relevant demolition was the minimum measure necessary;
- and
- (d) that notice in writing of the relevant demolition was given to the local planning authority as soon as reasonably practicable.

27. There would therefore be a significant risk that in demolishing the building without planning permission the Authority would be acting unlawfully.

## **Options**

28. Failure to take any action would mean that the council faces an ongoing risk that the structural integrity of the building might fail with the inherent risk to life and limb. In order to address this risk the Council has two options.

Option 1 – Apply for planning permission to demolish the building at an estimated cost of £100,000-£135,000. This would take 8-12 weeks to get a decision during which time the risk of collapse would persist. The building should be monitored, during the period before any planning application has been determined to review any further deterioration.

Option 2 – Carry out emergency structural reinforcement to the building, at an estimated minimum cost of £95,000, to prevent a potential collapse of the building. This would involve temporary shoring up of the building by inserting ties into the building to attach the walls to the floor and insert a missing truss into the roof. This work would have to be undone when any redevelopment was undertaken and it is extremely likely that if any facade were to be retained it would need to be taken down and rebuilt. It is therefore purely a short term measure to defer a decision about the retention of any part of the fabric of the building. These works will not enhance the value of the property. The cost of these works could escalate significantly as the work commences as new structural issues may be encountered.

## **Analysis**

### Option 1

29. This option removes the health and safety risk and prevents the risk of prosecution for failing to get planning permission but the risk of collapse would persist for 3 months whilst permission was sought. Any collapse or injuries during this period would continue to present a danger to the public and a serious liability for CYC. Ongoing monitoring of the building cannot entirely mitigate this risk.

### Option 2

30. This option keeps the building standing whilst the Southern Gateway project is progressed, but may need further attention as the building continues to deteriorate. If a subsequent decision was made to demolish the building then the demolition costs would still need to be met. The risk of collapse would be mitigated but the building would continue to deteriorate and further works may be needed. This is a very expensive short term option and in all probability any new scheme will recommend demolition.

## **Consultation**

31. Consultation has been undertaken with Historic England and they have made the following observations:-
- Historic England would expect to be notified about a local authority application for planning permission for relevant demolition in a conservation area.
  - Whilst the building has been identified as a building of merit in the Central Historic Core Conservation Area Appraisal, Historic England would also note the more recent Listed Building Assessment and its recommendation not to list the building for two principal reasons:
    - Architectural interest: the restrained Art Deco detailing of the building has been marred by the application of roughcast render and the physical loss of some of the detail through decay.
    - Lack of physical evidence: the use of the building as the start-up premises of Airspeed, and its association with individuals including Cobham, Tiltman and Shute (significant in the 1930's development of the British aviation industry) has left no significant identifiable evidence within the building

- Historic England are very keen to engage with the Council regarding the future regeneration of the Castle Piccadilly Area and meetings have now been arranged.

## Implications

32.

**Financial** – the work will be funded from the Capital budget for Health and Safety repairs. The most economically prudent option would be to fund the demolition of the asset as this cost can be quantified with accuracy and will be a one off cost with no future financial implications. The option to make the necessary repairs would require funding to a similar level but would not offer the same budget containment that demolition would realise. Under the repairs option it is expected further budget would need to be made available as and when further decision was taken to retain or demolish the structure.

**Property** – all the implications are contained in this report

**Legal** – The Planning implications are contained in paras 22-25. As the owner of the building the Council has duties and responsibilities under the Occupiers Liability Acts of 1957 and 1984 and under health and safety legislation. If the building is not demolished or repaired in an appropriate manner to render it structurally safe the Council could incur significant liability if someone within the building (even a trespasser) or in the vicinity of the building is injured, or adjoining property damaged, as a result of the building collapsing or pieces falling off it. If someone were to die as a result, the Council could even be prosecuted for corporate manslaughter.

**Equalities and Human Resources** – no implications

## Risk Management

33. **There are significant Health and Safety risks** - Failure to take any action would have considerable risk implications as the property would only continue to deteriorate from what is already a dangerous condition and as such the council may be challenged both in criminal and civil law should an incident occur. Both options have health and safety implications to those undertaking the work but as long as the work is undertaken by competent contractors in accordance with well established procedures for this type of work then the risk will be significantly reduced.

## Contact Details

### Tracey Carter

Assistant Director of  
Finance, Property and  
Procurement

### Chief Officers Responsible for the report:

#### Ian Floyd

Director of Customer and Business  
Support

**Report  
Approved**



**Date** 12 June 2015

### Specialist Implications Officer(s)

Ross Brown – Technical Finance Manager

Mike Slater – Assistant Director – Planning & Regeneration

Stuart Langston - Head of Health & Safety

Ian Asher – Head of Property Design & Commissioning

John Fowler – Building Control Manager

Derek Gauld – Regeneration Manager



**Wards Affected: Guildhall**

**For further information please contact the author of the report**

**Background Papers:** None

### Annexes:

Annex 1 - Site Plan

Annex 4 - 2015 Updated structural survey

Annex 5 - Surveyors view on work required to retain existing structure

### Annexes Online only:

Annex 2 –Notification report on application to list

Annex 3 –2009 Structural Survey