



# Knab Redevelopment – Project Update

Policy and Resources Committee - 20 February 2024

# Purpose



- Update on progress since last investment decision on 22 February 2023
  - Work carried out
  - Budget position
- Proposals for next tranche of works and design
  - Covers 2024/25 and 2025/26
  - Includes future of listed buildings
  - Works element
  - Design element
- Islands Deal Full Business Case sign-off

# Progress



- Demolition almost complete
- Design of infrastructure complete
- Planning application for infrastructure submitted
- Utility connections to retained buildings
- Tender documents for enabling infrastructure being prepared
- Full Business Case for Islands Deal drafted
- Within currently allocated budget

**CENTRAL  
DEMOLITION LTD**

Demolition







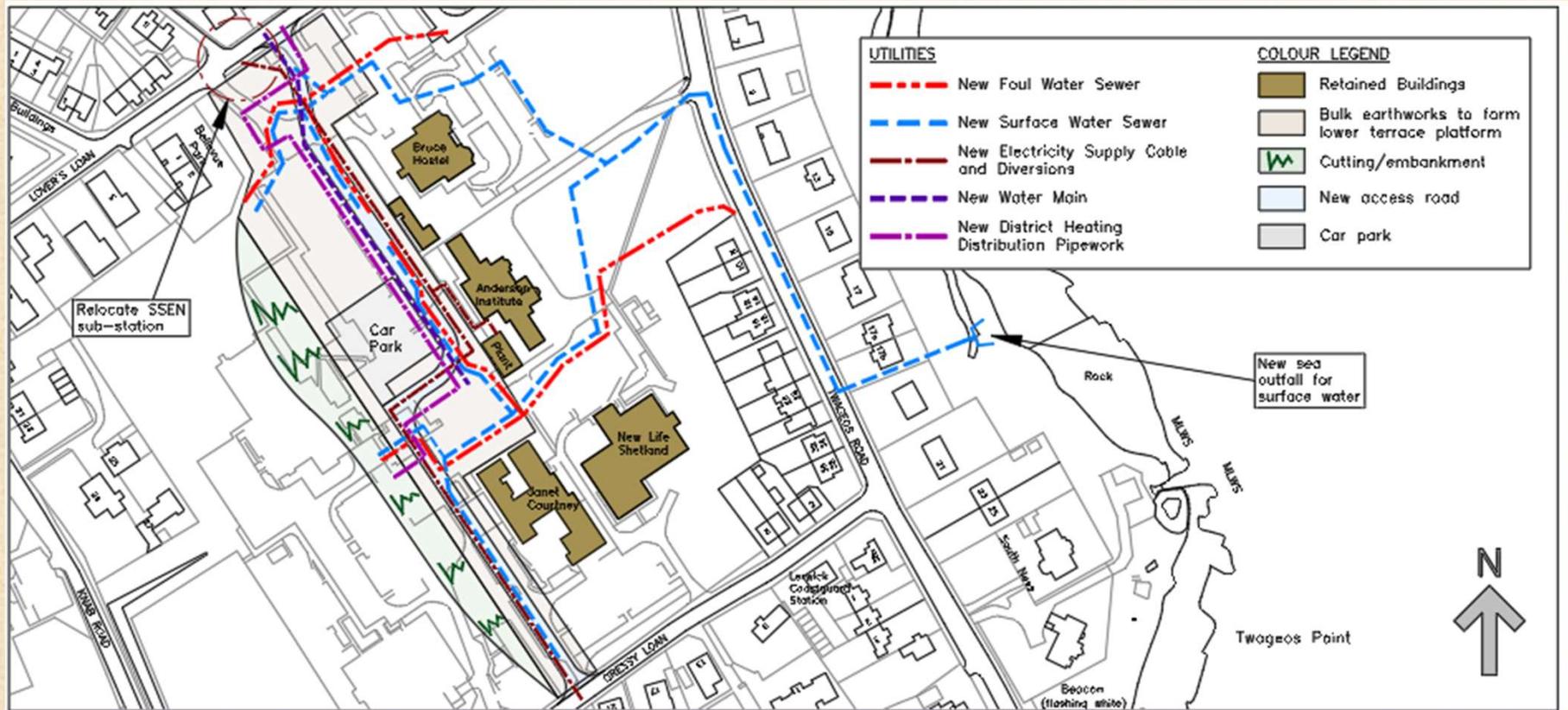




# Infrastructure and Public Realm

- Initial Estimate for full infrastructure package circa £22m
- Proposal at this stage is for significantly reduced scope
  - Surface water drainage, including outfall
  - Foul drainage, including legacy issues
  - Water mains
  - Diversion of electricity cables
  - New access road, incorporating car park
- Estimated cost is £4.7m, including fees and recharges

# Infrastructure and Public Realm

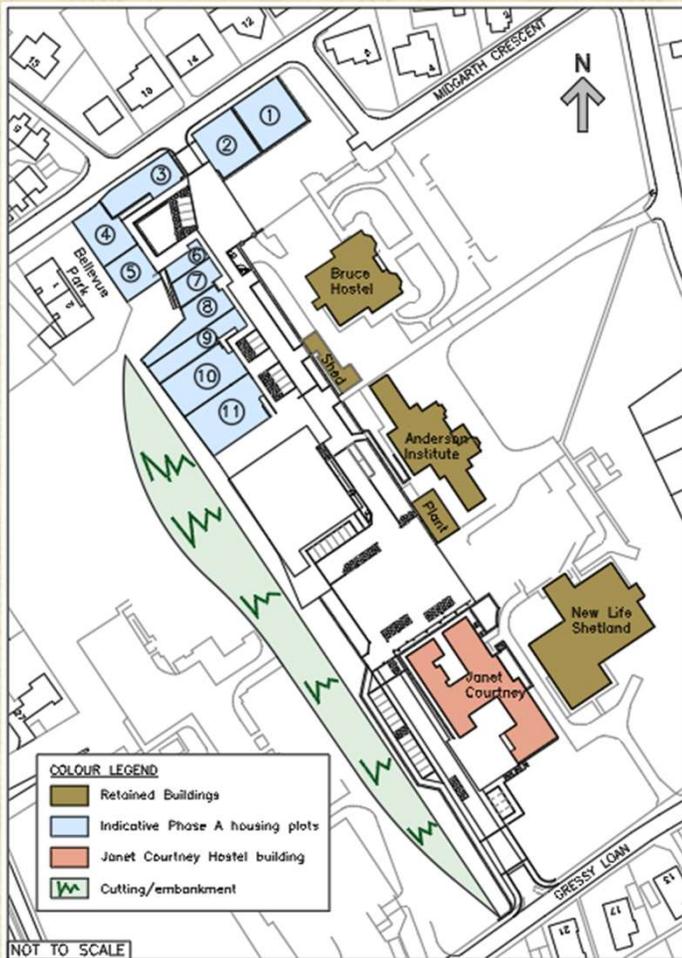


# Housing



- Knab is integral part of Strategic Housing Investment Plan
- Conversion of Janet Courtney to circa 19 flats
- First phase of new build housing – circa 13 units
- Net increase of 3 properties
- Commitment at this stage is for design costs only

# Housing Phase A



- Originally, Phase A comprised a total of 29 properties. With the incorporation of the Janet Courtney Hostel as housing (see future slides), this reduces Phase A to 13 properties
- Janet Courtney Hostel proposal adds 19 properties resulting in a total of 32 properties (net gain of 3 properties)
- Identified on the plan are 11 house plots (2 plots to be allocated and utilised as flats)
  - Concentrated to north end of site away from Janet Courtney Hostel
  - Considered attractive sites with potential to accommodate a range of tenures
  - Mostly large plots with substantial gardens
- Benefits of Reduced Phase A
  - Additional car parking provision in centre of site
  - Removes two house plots on Gressy Loan (difficult sloping site)
  - Removes two site accesses from Gressy Loan (house plots plus car park)

# Housing Phase A

Proposed works comprise:

- Appoint a multi-discipline design team comprising (but not limited to):
  - Architect
  - Passivhaus Designer
  - Civil & Structural Engineer
  - M&E Engineer
  - Lead Consultant
  - Planning Consultant
  - Cost Consultant (potential separate appointment)
- Full design of Passivhaus “standard” housing designs for Phase A Housing. This achieves “on the shelf” designs of all house types for future phases (consented designs, reduced fees, time saving, etc.)
- Public consultation
- Full acquisition of consents for Housing Phase A
- Production of tender documents
- Gateway at Tender Stage as future permission is required to proceed to tender and ultimately appoint a contractor



# Janet Courtney Hostel



- The JCH proposal is the conversion of a Category B listed building, previously earmarked for student accommodation. Due to changes within UHI that are likely to affect their operating model in Shetland, UHI will need to reconsider options for student accommodation. With this in mind, the proposal to utilise the Janet Courtney Hostel for housing provision has been identified.
- It is a stand-alone facility already connected to existing services and served by an existing access road and is not dependent on other Knab Redevelopment works. The building is currently being stripped of asbestos by utilising the onsite demolitions contractor, thereby reducing the risk moving forward
- The proposal is to convert the JCH into nineteen properties in a combination of one, two and three bedroomed properties sympathetic to the art-deco listed status of the building
- The building is Category B listed which means that it is of national importance and listed building consent is required to undertake works to the property
  - The listing covers the whole building including the interior. It also include structures within its curtilage, in this case the terrace is specifically included in the listing
- **Benefits of the Janet Courtney Proposal**
  - Building has been vacant since 2017
  - Utilises an existing Council asset that would otherwise require substantial repair works (£300K for new flat roof covering within next 2-3 years) together with ongoing liability for repairs and rates
  - No “new” buildings on site by utilising existing structure
  - Ideally suited for conversion to flats given previous use

# Janet Courtney Hostel - Existing Images External Façade



# Janet Courtney Hostel - Existing Images External Façade



# Janet Courtney Hostel



Proposed works comprise:

- Appoint a multi-discipline design team comprising (but not limited to)
  - Architect
  - Civil & Structural Engineer
  - M&E Engineer
  - Lead Consultant
  - Planning / Listed Building Consultant
  - Cost Consultant (potential separate appointment)
- Full design of flatted development to provide modern, energy efficient properties in full compliance with listed status of building
- Public consultation
- Full acquisition of consents
- Production of tender documents
- Gateway at Tender Stage as future permission is required to proceed to tender and ultimately appoint a contractor

# Tenure Mix and Household Composition



- The tenure of the units will be confirmed following financial modelling of the options available to the Council. Presently, it is considered this will be a mix of Social Rent, Mid-Market Rent and New Scheme Shared Equity although all available options will be considered. The Council also reserves the right to consider the sale of serviced plots to private individuals.
- The Council has engaged Scottish Futures Trust (SFT) to assist with the financial modelling aspect of this element and work is ongoing to facilitate this
- In terms of the composition of the properties (one, two, three bed etc.) this will be informed by the Housing Needs Demand and Analysis updated for the current demand in this area (applicable to this and all future phases)
- A final decision of the mix of properties for both Phase A and the JCH will be made taking both the financial modelling and demand into account

# Repurposing of Retained Buildings



- Anderson Educational Institute
  - Creative Hub, subject to pilot project
- Former Science Block
  - Community Asset Transfer completed 25 July 2023
- Janet Courtney Building
  - Circa 19 flats for affordable housing
- Bruce Hostel
  - Disposal

# Islands Growth Deal



- Full Business Case for programme now drafted – For submission 1<sup>st</sup> March 2024 to enable the first tranche of funding to be drawn down over the next two financial years
- Total value up to £9.6m

# Financial Implications



Element	Cost
Infrastructure fees and supervision	£0.420m
Housing design fees	£0.985m
Internal SIC costs	£0.400m
Contingency	£0.200m
Infrastructure works	£3.880m
<b>TOTAL</b>	<b>£5.885m <sup>(1)</sup></b>

<sup>(1)</sup> External funding applied for which, if approved, will reduce this figure

# Conclusion



- Approval of the recommendations in this report will move the programme to the point where:
  - Enabling infrastructure is constructed
  - Initial phase of housing development is fully designed and ready to tender
  - Core infrastructure ensures readiness to implement future housing phases
  - Full Business Case can be submitted to Scottish Government for approval
  - Subject to prioritisation of Asset Investment Plan 2024-29 in March 2024