

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

28 JULY 2020

Title:

Prpoerty Matter- The Burys Development Project
Project Initiation Document (PID)

Portfolio Holder: Cllr Mark Merryweather, Portfolio Holder for Finance

Head of Service: Peter Vickers, Head of Finance

Key decision: No

Access: Public

1. Purpose and summary

To seek approval of the Project Initial Document (PID) for The Burys Development Project to enable the Options Appraisal report agreed at Executive on 7 January 2020 to be commissioned.

2. Recommendation

It is recommended that the Executive approves the PID for the Burys Development Project.

3. Reason for the recommendation

- 3.1. A project for the Burys site was first considered in 2018 when external agents were commissioned to undertake a Strategy and Options Evaluation of office accommodation for the Council. The report concluded that a development on the site was financially viable and a significant return could be generated as well as making major improvements to the customer experience.
- 3.2. The Burys site is a Council owned asset and, as such, the development of the site has been put under the remit of the Property Investment Advisory Board to ensure best use of Council assets. The PID has, therefore, been developed with reference to the Property Investment Strategy adopted by Council in February 2020 reflecting the need to maximise value for money and generate revenue income from Council owned assets.
- 3.3. A report to the Executive on the 7 January 2020 requested approval of up to £40,000 from the Property Investment Reserve for the completion of an options appraisal to assess the investment opportunities of the Waverley owned key sites in Godalming. To progress this options appraisal it is appropriate that a development PID be put to the Executive for approval prior to commissioning the work.

4. Relationship to the Corporate Strategy and Service Plan

4.1 This project supports many of the Council's aspirations in the Corporate Strategy through:

- promoting a financially sound Waverley, with infrastructure and services fit for the future. A development scheme will support the Medium Term Financial Plan through efficiency savings and income generation.
- making a positive contribution to Godalming by enhancing the key sites as a place for work, leisure and to live
- being sympathetic to the surrounding area, the conservation area and nearby listed buildings supporting the surrounding environment
- delivering housing including social housing
- the potential to deliver a mixed development scheme including leisure facilities

5. Implications of decision

5.1 Resource (Finance, procurement, staffing, IT)

Funding for the further options appraisal has already been agreed by Executive at its meeting on 7 January 2020. This will be met from the Property Investment Reserve.

This will be commissioned in accordance with the Council's Contract Procedure Rules. Staff resource will be spent on drafting tender documents and assessing the returns.

5.2 Risk management

Risk will be assessed in line with the Council's Risk Management Framework and Risk Appetite Statement and in accordance with the Property Investment Strategy's requirements with regard to risk. This includes ensuring comprehensive due diligence is undertaken in all projects and the use of external agents to give expert and independent opinion. The commissioning of a further report is part of the due diligence.

A significant project will result from the option appraisal report. A detailed risk register will be developed as part of phase 2 of the project.

5.3 Legal

Legal advice support will be required throughout the project, as part of the project team, including in respect of the current legal title position of the site and any proposals for its development. However, there are no legal implications arising directly from this report and the PID.

5.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

5.5 Climate emergency declaration

The project will seek to achieve a development that supports the Climate Change Emergency declared in 2019 as stated in the Project Definition in the PID.

This project is being undertaken under the remit of the Property Investment Advisory Board with reference to the Property Investment Strategy which has a commitment to honouring the Council's Climate Change Emergency.

6. Consultation and engagement

- 6.1 This development project will interface with the office accommodation project under Business Transformation to ensure it incorporates office accommodation requirements identified under that project and maintains an office presence in Godalming.

7. Other options considered

- 7.1 If no action is taken to achieve the outcomes of this project:
- The potential of the key sites is not being fulfilled
 - The council offices will incur increasing costs of maintenance
 - The need for flexible working arrangements will not be achieved
 - Efficiency savings and income generation will not be achieved to support the Medium Term Financial Plan

8. Governance journey

- 8.1 The PID for the Burys development project is brought to the Executive following the recommendation of the Property Investment Advisory Board at its meeting of the 1 July 2020.

Annexes:

Annexe 1 – Project initiation document for the Burys Development Project

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

CONTACT OFFICER:

Name: Vicki Basley
Position: Corporate Asset Manager
Telephone: 0148 3523250
Email: victoria.basley@waverley.gov.uk

Agreed and signed off by:
Legal Services: 15/7/20
Head of Finance: 07/7/20
Strategic Director: date
Portfolio Holder: 01/07/20