

WAVERLEY BOROUGH COUNCIL

COUNCIL

19 JULY 2022

Title:

The Burys Development Project

Portfolio Holder: Cllr Mark Merryweather, Portfolio Holder for Finance, Assets and Commercial Services

Head of Service: Kelvin Mills, Head of Commercial Services

Key decision: Yes

Access: Public

1. Purpose and summary

- 1.1 Obtain approval to progress to the next governance stage of the Central Godalming Regeneration Project. This project was formerly known as The Burys Development Project¹ but it has been renamed to reflect the size and multi-site nature of the scheme and its strategic importance to central Godalming and town centre housing.
- 1.2 Authorise funds to progress the project through to planning pre-application stage and assessments of detailed viability and delivery options.

2. Recommendation

That the Executive recommends to Council that:

- i. The change of the name of the Burys Development Project to the Central Godalming Regeneration Project be noted.
 - ii. A supplementary estimate of £164,000 be approved to progress the project to the next phase (3), including preliminary public engagement, to be funded from the Property Investment reserve.
 - iii. It be noted that phase 3 of the scheme will progress to a formal planning pre-application submission that, subject to the outcome of the engagement process, may include the following elements:
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- A residential scheme and public car parking at Crown Court Car Park to bring much needed housing into the centre of Godalming
- A retrofit of The Burys for office working space to reflect new ways of working, and increased car parking provision at The Burys site to allow for loss of car parking at Crown Court Car Park
- A residential and/or car parking scheme at the Wharf Car Park on Woolsack Way

3. Reason for the recommendation

3.1 The project offers an opportunity for regeneration of three Council owned sites within the Central Godalming area. The project proposes to bring underutilised elements of the sites forward to generate much needed town centre housing, improve the access of the Council offices at Bridge Street and ensure the office space is utilised to the maximum in a period of hybrid working. These elements will in turn benefit the town centre and bring footfall to local businesses, therefore bringing forward an opportunity for all three sites to be part of a regeneration project and thus the new name for the project.

3.2 To respond to the Phase 2 findings that demonstrates that viable schemes are possible on the nominated 3 sites whilst understanding that more detail is required to move them forward.

3.3 The Council offices at the Burys in Godalming are unfit for purpose: they have been expensive to heat and maintain, due to the building's low energy efficiency, for many years and they are excess to the Council's post-Covid requirements. Absent this project, Waverley will have to spend a significant amount of scarce revenue funding to operate, repair and maintain the current building over the coming years. It is an extremely inefficient building in layout and energy use accounting for 10% of Waverley buildings carbon output, and work is required to rectify this to meet our Climate Emergency objectives. The current layout does not allow for the decreased numbers of staff working in the building due to the implementation of hybrid working and the new Agile Working Policy.

3.4 Phase 3 will allow the Council to fully understand the potential for the delivery of much needed housing in Godalming and to engage with the local economy in Godalming.

3.5 By completing the pre-application stage, it will give the Council an understanding of whether the project deliverables can be met and to help to understand in detail any future planning risks, whilst bringing forward solutions to mitigate those risks.

4. Background

4.1 Prior to 2019, the Council had been exploring the sale of Borough land in central Godalming to finance new Council facilities. In January 2020 the Executive gave authority to progress an Options Appraisal for the Council instead to self-develop the three sites in Godalming. Procurement and project processes were set up. Progress was made and reported at the October 2021 Executive (Phase 1). Phase 1 established principles for the development and identified 14 concepts (with 97 permutations) which were assessed against critical success factors. This meeting also gave a decision to move forward with the highest scoring options in Phase 2.

4.2 Phase 2: This Phase concludes a clear solution to each of the three sites based on an assessment of the critical success factors and the overall objectives of the project.

4.4 The Phase 2 findings were shared with the Executive in January 2022 and a summary of the Phase 2 report was presented to Waverley members and shared by email on 2nd February 2022. A presentation was also made to Godalming Town Council on 10th March 2022.

4.5 The engagement with WBC and GTC Members gave good feedback on the proposals and clarified some of the risks that the highest scoring options bring to achieving our objectives.

4.6 Further testing of Critical Success Factors was also made from January-May, including especially car parking provision (a Phase 1 CSF) given both (i) the wide range in conceptual outcomes and (ii) the emerging needs of stakeholders in the post-Covid era.

4.6 Phase 3

Continuing to Phase 3 of this project will:

- start formal engagement with stakeholders and the public regarding emerging principles of the Godalming Regeneration Project
- look to address the identified risks and challenges
- submit a pre-application to the Head of Planning and assess the risks and mitigations because of the feedback
- get the Council to a point where a proposed scheme can go forward for tender to work up to a full planning application (subject to Council sign off).

It will achieve this by:

1. Establishing a base line position:

- Commissioning detailed survey work on the Burys building to understand the structure and energy efficiency of the building
- Commissioning topographical and arboriculture surveys across the 3 sites to understand ecological and ground base position
- Survey the existing biodiversity on the sites to understand implications for improving biodiversity by 20%.

2. Engaging with the public in an informal engagement of emerging principles and asking for initial feedback by:

- New web page to be created with a short survey
- Boards available for viewing at The Burys site in Godalming
- Engagement event with members of the public
- Direct engagement with the Chambers of Commerce

3. Completing design to a detail that enables the Council to submit a formal Pre-Application to the Planning Authority.

This will concentrate on one design on each site that brings some detail and clarity, looking to bring forward solutions on questions such as:

- How many car park spaces can be achieved on the Burys site (and are acceptable from a Planning point of view) whilst retaining it as an office space
- How many car park spaces can be retained at Crown Court for the public whilst developing a residential scheme?
- Is it possible to retrofit the Burys in such a way that will enable a carbon efficient running for the future, by appointment of a consultant to ensure that energy efficiency is at the heart of the architectural solution?
- Understand from a highways point of view whether any of the solutions bring any challenges
- Understand with housing colleagues and Portfolio Holder what mix of tenancy works best for the housing proposed (and is acceptable from a Planning and overall project viability point of view)
- Outline plans that show how to deliver Biodiversity Net Gain across the sites, with the aim of achieving +20%.

4. Understanding the financial viability of the project and propose suitable models of delivery to de-risk the viability:

- Clearly outline the strategy for the three sites, demonstrating the overall viability (at no cost to the Council) and how they interlink with each other
- Set out a phasing strategy for the 3 sites, including costs and methods of delivery
- Understand the revenue implications of the changes proposed.

5. Investigating solutions to risks of not achieving project objectives

Setting up a Sub-working group to understand the requirements in more detail of the current tenants at the Burys. The sub-group will:

- Establish the base use of tenants and democratic spaces including the Council Chamber and Borough Hall
- Meet with paying tenants to understand their requirements in the future (including car park spaces)
- Liaise with the Where Work Happens team to understand the overall office space requirements needed for Waverley Borough Council as the council embarks on Agile Working
- Understand what approx. number of desks and associated spaces (including car park spaces) are required for WBC, looking at best practice and feedback from current work set up at the Burys.
- Make recommendations and feedback to the wider project team, especially in reflection of consolidation of space requirements and efficiencies

Proposed Project timeline

The Central Godalming Regeneration Project - timeline																	
Jun-22	2022												2023				
					Purdah - Godalming by-election - 23rd June												Purdah Election
	Jan	Feb	March	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan '23	Feb '23	Mar-23	Apr-23	May-23
Committees			Exec briefing (8th) O&S Policy (22nd)		Exec briefing update (24th and 31st)	Executive Briefing (7th) O&S Informal briefing (15th) O&S Resources Committee (20th)	Executive 5th Council 19th				Exec (29th)	Council (13th)			Exec briefing update	O&S	
Engagement & Consultation		All member briefing	Engagement with GTC (10th)			Engagement with Godalming Town Council 30th	Stakeholder and Public Engagement			Potential formal consultation ahead of pre-app				Formal consultation			
Activity	Phase 2 sign off [not approved]			Phase 2 b - interim report to look at car parking solutions Prepare tender documentation for Phase 3		Review proposals / some engagement / O&S	Phase 2b sign off Phase 3 approval requested Tender for Phase 3	Tender and appoint Design Team	Phase 3a - designs worked up for pre-app. Proposals for delivery strategy worked up		Seek Council commitment to submission of full planning app and Method of delivery for each site		4-5 month design process to get to submission of a formal planning application - consideration to delivery method on each site required here as to exact timelines*				
Gateways and approvals							£164,000 - Full Council (phase 3)	Project Board Authority				£1,020,000 (approx.) - Full Council	Project Board Authority				
													* estimated and subject to the method of delivery				

5. Relationship to the Corporate Strategy and Service Plan

5.1 This project supports many of the Council's aspirations contained within the [Corporate Strategy 2020-25](#). The project promotes a financially sound Waverley, with infrastructure and services fit for the future. A development scheme supports the Medium-Term Financial Plan through efficiency savings and the Climate Emergency Action Plan by committing to reduce carbon emissions significantly of the current Burys building.

5.2 This project also aims to deliver 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 and the potential to deliver a mixed development scheme.

5.3 This project will deliver on the following priorities:

- Supporting a strong, resilient local economy
- Taking action on Climate Emergency and protecting the environment
- Good quality housing for all income levels and age groups
- Effective strategic planning and development management to meet the needs of our communities
- Open, democratic, and participative governance.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

Funding for the further options appraisal was agreed by Executive at its meeting on 07 January 2020 and 5th October 2021. Commissioning of this work has been undertaken in accordance with the Council's Contract Procedure Rules.

The next stage of the project, Phase 3 (engagement and planning Pre-Application) is expected to cost approximately £164,000. This can be met from the Property Investment Reserve. Project Management staff are in place to complete the project.

A procurement exercise in accordance with the Council's Contract Procedure Rules will take place before progressing to the next phase.

6.2 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.

A risk register is in place and is being monitored by the Project Manager and Project Board. The Project Sponsor and Project Manager received informal feedback from the Audit Committee on the risk management framework in place on the project in December 2021 and comments have been taken on board.

6.3 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. Any external legal support costs have been budgeted for within the project costs. However, there are no direct legal implications arising from this report.

6.4 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.

An Equality Impact Assessment will be completed as part of phase 3 as the clarity from each site comes forward.

6.5 Climate emergency declaration

The project will seek to achieve a development that supports the new environmental and sustainability objectives arising from the [Climate Change and Sustainability Strategy 2020-2030](#) and [Carbon Neutrality Action Plan 2020-2030](#).

The critical success factors for assessing the schemes include the declared Climate Emergency and it has an allocated weighting of 20%. The options looked at so far score highly in this area, due to the retrofit option of the Burys building rather than a demolition and new build.

The Burys building currently accounts for approx. 10% of Waverly carbon from our buildings and any proposal to retrofit the Burys building will bring forward a scheme that will reduce this significantly. Phase 3 will start to understand how a retrofit option could benefit the energy solution for the Burys and build standards for any residential.

A commitment to explore the possibility of Biodiversity Net Gain of 20% on each site will be explored through phase 3.

7. Consultation and engagement

7.1 This development project continues to interface with the Where Work Happens project under Business Transformation to ensure it incorporates office accommodation requirements identified under that project and maintains an office presence in Godalming.

7.2 Engagement with Godalming Town Council on 30th June and with the wider public from July 2022. This will share the story of the development and bring forward emerging options into the public domain for feedback.

8. Other options considered

- 8.1 The Phase 2 checkpoint report discusses whether other options should be considered in relation to changing or stopping the project.
- 8.2 Doing nothing is not considered an option due to the inefficiencies and cost impacts that the existing Burys building has on the Waverley budget and the declaration to move to carbon net zero.

9. Governance journey

- 9.1 This report has been to Resources O&S on 20 June, Executive on 5th July 2022 then Council on 19 July.
- 9.2 An O&S Detailed Briefing session on the project took place on 15th June 2022.

Annexes:

None

Background Papers

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

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Legal Services: 31 May 2022
Head of Finance:
Strategic Director: 14 June 2022
Portfolio Holder: 14 June 2022