

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

6TH SEPTEMBER 2022

Title:

Brightwells Yard, Farnham – update

Confidential and Commercially Sensitive

Portfolio Holder: Cllr Andy MacLeod, Portfolio Holder for Brightwells

Head of Service: Kelvin Mills, Head of Commercial Services

Key decision: Yes

Note pursuant to Section 100B(5) of the Local Government Act 1972

The Annexes to this report contain exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, namely:

Paragraph 3

Information relating to the financial business affairs of any particular person (including the authority holding that information).

1. Purpose and summary

To approve a Deed of Easement, between Waverley Borough Council, Crest Nicholson and BTR Farnham Limited.

Approve updates to the Head Lease Plan to reflect 'as built' position, in relation to the Brightwells Yard, Farnham scheme.

2. Recommendation

It is recommended that the Executive:

- approves the grant of the proposed Deed of Easement between the Council, Crest and BTR Farnham Ltd, as set out in Annexe 1 and that the Strategic Director is delegated to be able to agree easements on similar terms for those individual properties that request it and Thames Valley Metropolitan Housing.
- approves the updates to the Head Lease Plan as set out in Annexe 2.

3. Reason for the recommendation

To enable the development to progress towards practical completion (in accordance with the Development Agreement) as residential units are sold and commercial leases signed.

4. Background

4.1 Brightwells Yard is a Joint Venture development with Crest Nicholson to regenerate land at East Street. Developing 239 homes (72 or 30% shared ownership with Metropolitan Thames Valley Housing), 25 commercial units, a 6-screen cinema, a multi-storey car park and landscaped public green space.

4.2 Waverley Borough Council entered into a Head Lease with Surrey County Council in February 2018 for 150 years beginning on 25 December 2017 which followed the Council first entering into a Development Agreement with Crest Nicholson in 2003. That Agreement having been subsequently varied on a number of occasions – most recently in February 2018.

4.3 There is then an Internal Underlease from Surrey County Council to Crest Nicholson for the 150 years less 3 days beginning on 25 December 2017.

5. Relationship to the Corporate Strategy and Service Plan

The Brightwells development supports the strategic priority:

- *a strong, resilient local economy, supporting local businesses and employment*
- *housing to buy and to rent, for those at all income levels*

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

The Project Manager at Waverley works closely on all aspects of the Brightwells Development. A Senior Planning Officer also works closely on the scheme to enable planning decisions to be made swiftly.

Changes to legal documents will be overseen by the Borough Solicitor in consultation with the Head of Service and external legal support (paid for by Crest).

6.2 Risk management

A Risk Register is kept up to date and reviewed by the Project Manager and Officer Working Group on a regular basis. Risk and mitigation is discussed in detail at Programme Board meetings.

6.3 Legal

This report has been drafted with external legal support from Sharpe Pritchard. Options considered and legal implications are set out within the body of the report and its Annexes.

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.

6.5 Climate emergency declaration

The residential units at Brightwells Yd will not have gas heating installed, and solar panels have been utilised in the development.

The changes proposed by OakTree who are purchasing the units include upgrades to products to improve longevity and energy efficiency.

7. Other options considered

The options for alternative legal solutions are set out in the report. If the Council does not agree to a flexible solution to the changes required to the various lease arrangements agreed in 2018, this is likely to affect the success of the Brightwells scheme.

8. Governance journey

Executive on 6 September.

Annexes:

Annexe 1 – Detail regarding the Easement

Annexe 2 – Head Lease changes

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: Georgina Parke,
Head of Finance: Peter Vickers,
Strategic Director: Graeme Clark,
Portfolio Holder: Cllr Andy MacLeod