

Notice of Member Questions (Procedure Rule 12) – Council 16 July 2024

1. Question from Councillor Austin

69 High Street Godalming - two years after WBC acquired this vacant building the retail tenant Loungers has recently signed an agreement for lease.

Therefore, please confirm:

1. Expected date of occupation of the retail tenant which is we understand expected to be not before June 2025, so over 3 years after the building was acquired by WBC?
2. Strength of covenant of the tenant - does it have a parent company guarantor to cover the rent in the event the tenant does not trade well?
3. Please confirm expected date of occupation for residential occupiers for the residential scheme for which a planning application has just been submitted, two years after the WBC acquired the building?

Response:

The Council purchased 69 High Street to develop much needed housing in central Godalming, whilst offering the opportunity to bring regeneration to the high street by providing a smaller, more suitable unit for a commercial tenant.

On completion of the purchase the Council has worked to follow good project processes and governance requirements that adhere to our Asset Investment strategy.

Firstly, a design team were appointed to assess the option of delivering the scheme that the previous owner had planning permission for, and then to look at options to see how that scheme could be improved and how to maximise residential properties on the site further.

In August last year an options appraisal and outline Business Case was brought to full council that included an option to bring forward 10 homes on the site with a commercial unit that would cater for the interested tenant Loungers.

The Business Case set out the objectives of the project, and brought forward a comprehensive financial case setting out how the development would be funded, and how the project would be delivered and the procedures required for a planning application and procurement of a design team and subsequently a contractor to complete the works.

The scheme has now been submitted to the Local Planning Authority for determination and the procurement process is underway for a contractor to complete the demolition works and build out the commercial unit. The likely occupation by the tenant is summer 2025.

As you can see from this summary, the work completed to get to this stage has been in line with our Contract Procedure Rules and our planning processes.

Loungers PLC are the tenant with whom the Agreement for Lease has been signed with. Due diligence was completed when entering into the lease agreement, the details of which are commercially sensitive.

A planning application for the residential part at the rear of the site has not yet been submitted. As outlined in the Council decision to proceed with 69 High Street, a full business case will need to be brought forward for the housing development proposals – it is anticipated this will be at the end of summer/ early autumn.

Work has been underway designing the residential scheme so that it is of sufficient quality and suitability for the site, and it is anticipated a full planning application will come forward in the new year.