

SURREY COUNTY COUNCIL**CABINET****DATE:** 23 FEBRUARY 2021

12

REPORT OF: MR TIM OLIVER, LEADER OF THE COUNCIL**LEAD OFFICER:** PATRICIA BARRY – DIRECTOR OF LAND AND PROPERTY**SUBJECT:** WOODHATCH MASTERPLAN**ORGANISATION STRATEGY** Enabling A Greener Future, Tackling Health Inequality, Empowering Communities**PRIORITY AREA:****SUMMARY OF ISSUE:**

In April 2020, Cabinet approved the proposal to acquire and develop the former Canon Headquarters site in Woodhatch, Reigate for the purposes of corporate and service needs.

The site is designed to enable the delivery of the outcomes of the Asset & Place Strategy, service strategies and transformation projects. These corporate projects will enable successful delivery of the Council's Community Vision for Surrey in 2030 and delivery of the objectives set out in the Council's Organisational Strategy 2020-2025.

Projects within this programme are designed to work in partnership across services and partners; improving service delivery; resident access to services; enhancing the Council's service offer and aiding asset utilisation.

The principles of One Public Estate (OPE) are already being established with the delivery of Woodhatch Place as Surrey County Council's new Civic Heart, following the closure of County Hall for corporate operational use on 31 December 2020.

Through feasibility revenue funding, a design team (including planning, architectural, engineering and communications consultants) has been engaged to develop the initial masterplan feasibility through to planning.

This paper seeks approval for capital programme funding for the appointment of consultants and a preferred contractor for preconstruction services to complete the Woodhatch masterplan feasibility study and develop the scheme up to submission of planning for the following identified service needs and development of the site infrastructure, external works, ecology and sustainability:

- New Junior School – replacement for Reigate Priory School
- Delivery of circa 58 Extra Care Housing units within the grounds
- Delivery of 46+ Key Worker housing accommodation units

The masterplan presents an opportunity to create a flagship sustainable development supporting the Greener Futures Agenda by delivering a programme of improvement projects, all within a site that is visually and ecologically rich and which will be enhanced both on and off site to support the wellbeing of the wider community that it serves.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Approves £2.025m of capital funding from existing pipeline allocations to complete the Woodhatch masterplan feasibility study and develop the scheme up to submission of the planning application.
2. Approves £500,000 of capital funding from existing pipeline allocations for preconstruction services from a preferred contractor to provide cost, buildability, logistics and programming advice for the development as a whole and to inform the feasibility study.
3. In addition, approves the use of £300,000 from the Feasibility Fund to progress feasibility work for key worker housing and explore opportunities for further services provision.
4. Agrees that requests to release further pipeline capital funding to enable critical early works orders, are proposed through the monthly budget monitoring reports to Cabinet for approval. Further approval(s) will be required for subsequent stages of the design and main contract works. This will require additional capital programme funds and will be brought to Cabinet for approval.

REASON FOR RECOMMENDATIONS:

By approving this recommendation Surrey County Council (SCC) will;

- Reduce its future maintenance liability and replace the existing Reigate Priory School site, which is no longer fit for purpose, with a brand new 600-place junior school.
- Make an essential contribution towards the Council's strategic objective to expand affordable Extra Care Housing provision by 2030.
- Support the 2020-2025 Reigate and Banstead Housing Delivery Strategy to secure the delivery of homes that can be afforded by local people and which provide a wider choice of tenure, type and size of housing.

DETAILS:

Business Case

1. The Woodhatch masterplan seeks to align with the place and economic growth principles of the Surrey County Council's Asset and Place Strategy to enhance and utilise the assets the Council owns. The feasibility proposals will explore the opportunity to revitalise public spaces, enhance community involvement and re-use buildings and land for reinvestment and growth.
2. This paper follows on from the business cases set out in the following Cabinet papers;
 - **Extra Care Housing - Adult Social Care's (ASC) Accommodation with Care and Support Strategy for delivering Extra Care Housing for older persons and Independent Living schemes for adults with a learning disability and/or autism, July 2019.**
 - **Reigate Priory Junior School - April 2020 'Acquisition of an office property in Reigate' Cabinet report.**

and should be read in conjunction with the Extra Care Housing Programme paper, which is also being submitted to the February 2021 Cabinet meeting.

Relocation of Reigate Priory Junior School

3. SCC has a statutory duty, under sections 13 and 14 of the Education Act 1996, to promote high standards of education and fair access to education, including securing enough school places. To fulfil this duty, it is imperative to ensure the sustainability of Reigate Priory Junior School.
4. The masterplan feasibility will develop the design of the new replacement school, with dedicated sports facilities, located approximately 1 mile away from the existing school, all within a site that is visually and ecologically rich and will be enhanced both on and off site to support the wellbeing of the wider community that it serves.
5. The relocation of Reigate Priory Junior School supports the Council's Community Vision for 2030 by securing the future of this outstanding education facility within the local community.

Extra Care Housing

6. ASC have identified that Reigate is an area of need for affordable extra care provision. This is in line with the Cabinet paper approved in July 2019 for the Accommodation with Care Support Strategy for Older People and Independent Living Schemes for Adults. This paper sets out the strategic need for SCC to expand affordable extra care provision by 2030.
7. Following consultation with SCC, ASC established that Supported Independent Living was not suitable for the Woodhatch site due to existing local provision.
8. The site is determined suitable for Extra Care Housing (ECH) and has been identified in the current Extra Care Housing – Capital Delivery paper as one of eight sites proposed to support the Council's Community Vision for 2030, by allowing people to live independently.
9. The development of Extra Care Housing across SCC will represent a substantial contribution towards the Council's strategic objective to expand affordable Extra Care Housing provision by 2030. This is in line with a previous statement made in the Cabinet Paper on 27 October 2020.

Key Working Housing

10. The April 2020 Cabinet paper for the Reigate site acquisition identified potential future development options to support revenue income or additional capital receipts in the form of:
 - additional service needs supporting Dementia Care accommodation
 - Supported Independent Living accommodation
 - open market housing
 - intermediate housing tenures
11. Further to the decision that the Woodhatch site would be unsuitable for Supported Independent Living accommodation, this presents an opportunity to explore the delivery of Key Worker housing.

12. The Reigate and Banstead 2020-2025 Housing Delivery Strategy sets out the factors contributing to the borough's considerable housing challenge, including house purchase affordability.
13. The masterplan feasibility for the Woodhatch site enables SCC to explore this opportunity in line with Reigate and Banstead Borough Council's (RBBC) objective to utilise Council assets to deliver additional affordable housing within the borough.
14. The Woodhatch site falls within an urban area of Reigate. The delivery of Key Worker housing on the site aligns with the borough's Core Strategy as an 'urban areas first' strategy.
15. The masterplan feasibility will develop the design of the masterplan proposals sufficiently to submit planning applications for the development and inform cost and programme. Further approvals will need to be sought for these stages.
16. Pre-application engagement, stakeholder group, member and community consultation will be carried out to develop the site proposals ahead of planning submission.

IMPLICATIONS OF NOT UNDERTAKING THE PROJECT AND ALTERNATIVE OPTIONS CONSIDERED

Refer to options table on next page.

	Options					
	1		2		3	
	Do nothing		Acquire new assets / sites for delivery of the proposed accommodation		Deliver all proposed accommodation at Woodhatch (Recommended)	
Project	Pros	Cons	Pros	Cons	Pros	Cons
School Page 137		Unable to meet service need	Previous site searches carried out within a 2-mile radius identified Woodhatch as the leading solution deliverable within a reasonable timescale, subject to planning and delivery risks		Opportunity to deliver freehold assets and release existing leasehold maintenance obligations	Public consultation requirements
		Unable to satisfy statutory duty under sections 13 and 14 of the Education Act 1996			Deliver the Asset and Place Strategy	Maintaining Woodhatch Civic Heart services during construction
		Significant maintenance liabilities / financial burden			Deliver on the Council's Community Vision 2030	Potential for planning challenges for Extra Care and Key Worker Housing
Extra Care Housing	Not an option - does not align with the Surrey Vision for ASC		Potential additional flexibility to acquire a site in an equally suitable or preferred location	Lost opportunity to deliver the asset and place strategy and potentially provide co-location of services and maximise asset value	Capital Delivery Team resourced to deliver the programme	
			Opportunity for alternative development/uses at Woodhatch e.g. other service provision, office car park extension, ecological habitat enhancement and tree planting	Significant capital investment required to acquire the accommodation and increase number of assets and therefore	Delivers Green agenda through reduced carbon emissions with new construction methodology	

	Options					
	1		2		3	
	Do nothing		Acquire new assets / sites for delivery of the proposed accommodation		Deliver all proposed accommodation at Woodhatch (Recommended)	
Project	Pros	Cons	Pros	Cons	Pros	Cons
Page 138				running/maintenance costs		
				Abortive work for the site identification exercise carried out to inform the Extra Care Housing Cabinet Paper approved on 28 October 2020	Reduces energy poverty by providing accommodation in energy efficient buildings	
Key Worker Housing	Opportunity for alternative development/uses at Woodhatch e.g. other service provision, office car park extension, ecological habitat enhancement and tree planting	Site remains in its natural state and managed by the landscaping team. Due to its levels and make up, the northern parcel of the site does not lend itself to recreational use other than a perimeter walking trail which requires maintenance to re-establish the route	Opportunity for alternative development/uses at Woodhatch e.g. other service provision, office car park extension, ecological habitat enhancement and tree planting	Significant capital investment required to acquire the accommodation and increase number of assets and therefore running/maintenance costs	Delivery timescales	

	Options					
	1		2		3	
	Do nothing		Acquire new assets / sites for delivery of the proposed accommodation		Deliver all proposed accommodation at Woodhatch (Recommended)	
Project	Pros	Cons	Pros	Cons	Pros	Cons
		Missed opportunity to support RBBC affordable housing delivery target and generate new revenue stream		Site remains in its natural state and managed by the landscaping team. Due to its levels and make up, the northern parcel of the site does not lend itself to recreational use other than a perimeter walking trail which requires maintenance to re-establish the route		

CONSULTATION:

17. The consultation for this proposal builds on the previous discussions and papers that have been prepared during the lifespans of the school and Extra Care Housing programme, as outlined in the respective April 2020 and July 2019 Cabinet reports.
18. Relevant teams within Land and Property, Children's, Families and Learning and Adult Social Care directorates have been consulted and had input into the development proposals. Representatives from each of the relevant teams will continue to have input into the identified projects and subsequent phasing of the works.
19. Initial pre-application engagement was carried out with SCC Reg 3 Planners in November 2020.
20. The Department for Education was re-consulted on proposals to address the school location in December 2020.
21. Once the masterplan layout is finalised, SCC will re-commence engagement with necessary parties, including those set out in the agreed governance structure.
22. In the case of the school and Extra Care Housing developments, key staff will be consulted on scheme and design implications as each project develops through the detailed design stage ahead of contract award.
23. The initial masterplan proposals have been shared with the Corporate Leadership Team (CLT), Cllr Mel Few, Cllr Sinead Mooney, Cllr Mary Lewis, Rachael Wardell – Executive Director for Children, Families & Learning, and Liz Mills - Director for Education, Learning & Culture.
24. Formal consultation will be completed in the next stage of the masterplan's development as necessary and following approval to proceed.

RISK MANAGEMENT AND IMPLICATIONS:

25. The below table summarises the key masterplan project risks at this stage.

Key Risks and Mitigation Summary			
	Risk Description	RAG	Mitigation Action/Strategy
1	Site constraints – Ecology, Tree Preservation Orders (TPOs), levels, abnormalities restrict scheme proposals and / or impact costs.		<ul style="list-style-type: none"> Initial surveys undertaken to establish ecology impacts. Further site surveys / investigations ongoing. Project Management and Cost Consultant to be appointed to manage overall masterplan development.
2	Protected Species (bats, badgers and slow worms) identified on site. Design, programme and cost impact.		<ul style="list-style-type: none"> Ecology reports and sensitivities analysis undertaken to identify next steps to mitigate development impacts on both species and habitats, both on and off site. Masterplan layout proposals adjusted as a result.
3	Failure to obtain Planning approval – Impacts of site designations (Urban Open Space policy, locally designated Historic Park and		<ul style="list-style-type: none"> Planning, Heritage and Landscape consultants form part of the existing professional design team appointments for the masterplan feasibility, to undertake

Key Risks and Mitigation Summary			
	Risk Description	RAG	Mitigation Action/Strategy
	Garden, locally listed lodge) on design.		<p>the necessary assessments and inform the overall design which is sympathetic and mitigates any potential harm to heritage assets.</p> <ul style="list-style-type: none"> • Early discussions and involvement of SCC Reg3 & RBBC Planning officers commenced Nov-Dec 2020. • Service-led statements of need being developed for each use. • Communications consultant appointed to manage stakeholder and community planning engagement process.
4	Procurement		<ul style="list-style-type: none"> • Via established frameworks, using robust Invitation to Tender (ITT) assessment and evaluation criteria to secure appropriately skilled consultants/contractors with relevant experience.
5	Programme		<ul style="list-style-type: none"> • Enabling works proposed (site clearance, spoil removal, services and haul roads) to de-risk delays to start on site. • Timely management of deliverables and client approvals to maintain critical path. • Project Management and Cost Consultant to be appointed to manage overall masterplan development and site coordination.
6	Reputational – Communications and approvals		Clear and precise project plan include key dates and deliverables communicated regularly with partners, members and services. Communications consultant appointed to develop communication strategy.
7	Change in laws/governance e.g. health and safety, Brexit, elections		Project team and stakeholders to keep up to date on all legal matters and forward plan.
8	Lack of defined service strategies and service requirements		Client Account Managers working with services and partners to define strategies, service needs and project brief.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

26. The cost of the proposed feasibility works is estimated at £3.0m and are detailed in the Part 2 paper as part of the stage 2 Cabinet approval.
27. Orders for essential services and execution of construction works may be required during the feasibility period to maintain the programme, maximise value for money and carry out enabling works. It is proposed that requests to release further pipeline capital funding to enable such works, are included in the monthly budget monitoring reports to Cabinet for approval. These potential costs are for construction related activities and will be subject to Cabinet approval, following a recommendation to the Capital Programme Panel and the identification of an appropriate source of funding.

SUMMARY OF BENEFITS

28. The masterplan development will enable SCC to:

- School – Provide a brand new 600 place junior school, with dedicated sports facilities, to replace an existing site no longer fit for purpose.
- Extra Care Housing – Achieve the Council's objective of 'better outcomes for residents by tackling health inequality' through developing service needs accommodation in line with existing approved strategies, whilst reducing revenue expenditure on care homes places.
- Key Worker Housing – Deliver additional affordable housing or intermediate housing tenures to support revenue income and improved quality housing stock at affordable rents for residents.
- Generally – Create a flagship sustainable development through buildings that are fit for purpose, environmentally sustainable, energy efficient and incorporate renewables to support the Council's Climate Change Strategy to achieve the goal of net zero carbon by 2050. All within a site that is visually and ecologically rich and will be enhanced both on and off site to support the wellbeing of the wider community that it serves.

SECTION 151 OFFICER COMMENTARY

29. Although significant progress has been made over the last 12 months to improve the Council's financial position, the medium-term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected in the medium term, the working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
30. As such, the Section 151 Officer supports the proposal to fund the investment required to complete the feasibility study and design stages to achieve planning and progress the intentions for the Woodhatch site supported by Cabinet in April 2020. These proposals enable efficiencies which are built into the Medium-Term Financial Strategy.
31. Further approvals will be sought to transfer existing pipeline allocations into the Capital Programme to enable project delivery, once more detailed costing and financial modelling has been undertaken, based on the outcomes of these further feasibility and design stages.
32. Any costs which become abortive as a result of schemes not progressing to delivery, will need to be funded from revenue resources.

LEGAL IMPLICATIONS – MONITORING OFFICER

33. This paper seeks approval for Capital Programme funding for the appointment of consultants to complete the Woodhatch masterplan feasibility study and to develop the scheme up to the stage of submitting planning application(s).
34. The Council has the power to pursue the proposals set out in this paper, namely the relocation of Reigate Priory Junior School, provision for Extra Care Housing and Key Worker Housing at the site. At this stage there are no legal implications to advise on. However, as detailed plans are formulated in respect of each of the proposals it will be necessary to consider any legal implications further.

35. Cabinet is under fiduciary duties to local residents in utilising public monies. In considering this paper and the recommendations for approval, Cabinet Members will want to satisfy themselves that it represents an appropriate use of the Council's resources and that adequate safeguards have been included.

EQUALITIES AND DIVERSITY

36. It is anticipated that Woodhatch master planning will have a positive effect on Surrey residents, through improved delivery of services. In particular, it is expected to have a positive impact on people with the protected characteristics of disability and age, as it is increasing the provision of services for these people in this geographical area.

37. An Equality Impact Assessment was carried out as part of the Accommodation with Care and Support Strategy paper in June 2019. The following beneficial impacts were identified:

- Flexible care and support services that are self-sustaining and value for money
- Improved experience and outcomes for the individual
- Individuals will be able to live with specialist care and support near their families and networks in Surrey
- Reduce fuel poverty by providing suitable accommodation.

38. Woodhatch master planning is expected to mainly impact on the South East geographical area of Surrey. As the plans for the site are developed, it is anticipated that this will be in consultation with any effected groups in order to remove barriers identified by the EIA or better advance equality.

OTHER IMPLICATIONS:

39. The potential implications for the following Council priorities and policy areas have been considered. Where the impact is potentially significant, a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report
Corporate Parenting/Looked After Children	No significant implications arising from this report
Environmental sustainability	Set out below
Public Health	No significant implications arising from this report

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

40. An Environmental Sustainability Assessment (ESA) is required, as the subject matter requires a Cabinet decision and the primary subject matter relates to property development proposals.

41. Protected Species – bats, badgers and slow worms identified on site. Ecology reports and sensitivities analysis have been undertaken to identify next steps to mitigate development impacts on both species and habitats, both on and off site.
42. Urban Open Space policy and locally-designated Historic Park and Garden – Planning, Heritage and Landscape consultants form part of the professional design team appointments proposed as part of the masterplan feasibility to undertake the necessary assessments and inform the overall design and mitigate any potential harm on heritage assets.
43. The ambition for the site is to create a flagship sustainable development supporting the Greener Futures Agenda, which seeks to address key issues such as fuel poverty. Initial engagement with Ecology and Arboricultural colleagues has commenced. This will be developed as part of the feasibility design and planning submission.

WHAT HAPPENS NEXT:

44. Should Cabinet approve this business case the next steps will be:
 - Feasibility Study, Service Sign Off / stakeholder consultations and preparation of planning applications (January 21 – June 21)
 - Planning applications:
 - i. Enabling works (July 21 – August 21)
 - ii. Hybrid (July 21 – November 21)
 - Building contractor tender to market and award (February 21 – May 21)
 - Commence enabling works; pending planning approval (May 22)
 - Main Contract Commencement (August 22)
 - Anticipated operational building end user / resident occupation:
 - i. School (September 23)
 - ii. Extra Care (December 23)
 - iii. Key Worker (December 23)

Anticipated future decisions - Delivery

- Cabinet approval – Capital delivery (December 21)

Contact Officers:

Anthony Wybrow, Assistant Director for Capital Delivery – 07929 824862
 Pasqualina Puglisi, Contract Manager - 07815 987 424

Consulted:

Adult Social Care- Peter Walsh, John Woodroffe
 Education - Philip Roche, Lisa Way
 Legal Services – Kate Patel

Annexes:

Annex 1 – Indicative Programme

Part 2 Report

Sources/background papers:

- Report to Cabinet: Acquisition of an office property in Reigate, April 2020
- Report to Cabinet: Adult Social Care's (ASC) Accommodation with Care and Support Strategy for delivering Extra Care Housing for older persons and Independent Living schemes for adults with a learning disability and/or autism, July 2019
- RBBC Housing Delivery Strategy 2020 – 2025
- RBBC Local Plan and Development Management Plan 2019.

This page is intentionally left blank