

Petition to: Preserve and Protect Norbury Sawmill and Workshop

The Petition

"We the undersigned petition Surrey County Council to Preserve & Protect Norbury Park Sawmill & Workshop".

We would like Surrey County Council to continue their historic support of the countries last remaining Sawmill & Workshop. Which will help maintain the heritage and traditional techniques employed and taught in this ethical enterprise. Hand built wood items are the last 100% sustainable products available for anyone to buy and use. This threatened enterprise receives whole English Native felled trees and produces the finished bench/table/signpost for millions across the country to enjoy. Their products are demanded & treasured by The Royal Parks and the Wildlife trusts, in the knowledge that they have used English trees for products used by all, ethically sourced and hand built locally. It is also a trusted & safe environment for work experience for vulnerable young people (apprenticeships) and wounded service personnel, they also "employ" an army of unpaid elderly volunteers. The Council have continually agreed and encouraged the sustainable, ethical and community led old school techniques and business model used here, but within the last month they have executed a complete 180 direction change giving the personnel only 6 weeks notice to cease.

Submitted by Mr Anthony Bainbridge

Response:

1. Norbury Park Sawmill is a business run by Surrey Wildlife Trust operating commercially for profit in a competitive market-place. Although the sawmill provides some social value, the request to continue to fund the sawmill is one which asks the Council to effectively subsidise a commercial venture. It is not the role of a local authority to provide funds to subsidise the ongoing performance of one particular commercial business.
2. The sawmill was established to service the needs of the Council whilst restoring the Basingstoke Canal using timber from Norbury Park, where the mill is located. This project has been completed, and there is very little timber now remaining in the park that can be extracted for wood products and services. In an attempt to create a successful business, timber has been imported from elsewhere (in the UK) for processing at the sawmill which is then used in the carpentry workshop. However, there is no longer a need for timber to be brought on site specifically to be milled at this location, which is surrounded by highly protected landscapes, particularly when other sawmills in Surrey also provide this service.
3. The workshop at the sawmill site incorporates traditional crafts and skills, but their products are not completely 'hand-built' (unless they are small items by volunteers). They are 'hand-finished' after employing machinery to carry out the majority of the work. This traditional technique is also practised by other carpenters locally.
4. One apprentice is currently supported by the sawmill business. Apprenticeships can be hard to find as these crafts are often carried out by sole traders. Our soft market testing indicates there is an opportunity to support more than one small wood-based business on the site which will strengthen our ability to support a more comprehensive apprentice programme in the same location.

5. The Council was not able to discuss possible closure publicly in advance of announcing the closure date, so as not to compromise in any way the business's reputation, current orders or its future investment potential. However, assessment of the current viability of the sawmill has been carefully considered over the last 12 months (since Surrey Wildlife Trust indicated they would not be continuing to run the business), and the decision to close the operation has not been taken lightly.
6. In the last nine years, the sawmill has made an average loss of £13,500 per annum.
7. Over the last four financial years, the Sawmill has made cumulative losses of £18,500. In addition, however, during this period the business has not been charged any rent by SCC for occupation of the Sawmill site, which is estimated to be £10,000 per year in its current condition. Also, Surrey Wildlife Trust have provided further subsidies in the form of buying stock and new equipment. If these additional costs were included, losses would be even greater.
8. Despite an increase in turnover this year, the sawmill is still not forecast to make a profit.
9. The company Norbury Park Wood Products Ltd, which hosts the business, has made profits over the equivalent period, but Surrey Wildlife Trust has confirmed these were generated from other income streams. The Sawmill is one part of Norbury Park Wood Products Ltd and its business unit within this entity makes a loss.
10. In considering the future potential of the sawmill, the latest trading data was used to forecast a five-year Business Plan, produced by the current management team. This was reviewed by an independent business consultant from *Let's Do Business*, a business management consultancy commissioned by the Council. The review estimated continued losses over the next 5 years.
11. The Sawmill Business Plan and associated financial forecasts also did not incorporate any rent payments to Surrey County Council for occupation of the site, financing costs such as hired purchase for equipment or sufficient management, or overhead costs.
12. In addition to the concerns over profit margins used for the Business Plan forecast, our independent financial analysis identified the following key risks:
 - Concerns over the sawmill's ability to deliver on the revenue growth targets assumed
 - Concerns as to whether the production capacity would be sufficient or was capable of being grown to required levels if such growth was achieved
 - Concerns as to whether the sawmill would be able to finance investment in equipment and stock, and any losses
 - Potential price increases for raw materials - due to Brexit and Covid, we have already seen a 10% increase in the cost of timber this year.
13. Further, taking on the sawmill, even for a short period of time, has a significant contractual cost to the Council. At an estimated £280,000 capital investment, it is equivalent to half the annual capital budget for managing all the Council's natural assets. This investment relates to purchase of stock from SWT and basic site investment in utilities and amenities.

14. However, although the current financial position was a consideration in the decision for SCC not to take on the sawmill, it was not the only factor. Other considerations included further investment needed in the site, planning considerations, fit with the role of a local authority and SCC corporate objectives, resources needed to manage it, and additional staff needed to develop the business.
15. More positively, the Council has been approached by a number of entities who would like to consider operating wood-based businesses at the site. These offers will be considered as part of plans for the future of the sawmill.
16. SCC are keen to support the development of a woodland and rural industry hub that supports traditional techniques, training and volunteering. The Council has already introduced opportunities for the Youth Offending Teams to work at Norbury Park learning woodland craft skills, and research carried out so far shows there is reason to be extremely positive about the benefits the site can continue to provide for business and residents. We expect to consult on proposals at the end of May.

Mrs Natalie Bramhall
Cabinet Member for Environment and Climate Change
30 March 2021

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