

SURREY COUNTY COUNCIL**CABINET****DATE: 26 JULY 2022****REPORT OF CABINET MEMBER: NATALIE BRAMHALL, CABINET MEMBER FOR PROPERTY AND WASTE****LEAD OFFICER: LEIGH WHITEHOUSE, DEPUTY CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR OF RESOURCES****SUBJECT: SUNBURY HUB****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/TACKLING HEALTH INEQUALITY/ENABLING A GREENER FUTURE/EMPOWERING COMMUNITIES****Purpose of the Report:**

This report seeks Cabinet approval to redevelop the former Sunbury Fire Station with a new integrated five-storey, multi-service hub. The aim is to bring together key local services into a vibrant community facility which will provide residents with space to connect, socialise, learn and access to essential public services in one building, in their local area.

Situated in the heart of Sunbury and accessible by public transport, the hub will provide a modern, multi-purpose facility for Surrey County Council (the Council) services, public sector partners and commercial enterprises, with internal space designed to be flexible and adaptable allowing for change to meet future needs. The building will also include 12 self-contained Supported Independent Living apartments.

The concept aligns to the Council's ambition of [No One Left Behind](#) and the [Community Vision for Surrey in 2030](#) by creating a hub which supports the community, improves accessibility and the quality of services to residents, and provides opportunities for economic growth. Consolidating Council services into one building also makes for more efficient use of Council-owned assets, and the hub will be designed to be net zero carbon, in the line with the Council's Greener Futures Agenda.

Recommendations:

It is recommended that Cabinet:

1. Approves the allocation of capital funding from the pipeline to the capital programme for the development of the detailed design and construction of Sunbury Hub. The funding required is commercially sensitive and is set out in the Part 2 report.
2. Approves procurement of an appropriate construction contractor partner for the delivery of all associated services required in accordance with the Council's Procurement and Contract Standing Orders.
3. Agrees that, regarding the procurement of the construction contractor, the Executive Director of Resources and the Director of Land and Property are authorised to award such contracts, within the +/-5% budgetary tolerance level.

Reason for Recommendations:

Approving the recommendations in this report will:

- a. Regenerate a vacant Council-owned site.
- b. Accelerate much-needed investment in Sunbury to support regeneration.
- c. Deliver a multi-purpose building that improves service delivery and the community experience.
- d. Optimise use of Council-owned assets and release other assets for Service re-use or disposal, in line with the Council's Asset and Place Strategy.
- e. Support the Adult Social Care (ASC) transformation programme ambition to reduce the number of people with a learning disability and/or autism in residential care by 40-50% by 2025, and ensure these residents are supported in-county.
- f. Provide modern space and enable digital solutions for Services.
- g. Produce benefits which link to all of the Council's strategic priority areas.
- h. Specifically reduce carbon emissions by using innovative technologies and smart build in the project's design.
- i. Support the delivery of the Council's Agile Office Estate programme.
- j. Create commercial opportunities where appropriate.
- k. Offer tangible social value to residents.

Executive Summary:

Sunbury Hub – the proposal

1. The five-storey building will have a total floor space of 4,424 sqm Gross Internal Area (GIA), excluding the external terraces. Council services, public sector partners and office space will be accommodated on the first three levels. The fourth and fifth levels will be dedicated to Supported Independent Living (SIL), providing self-contained apartments for residents with care and support needs. For concept designs see Annex 1.
2. The site is located on the A308 at the centre of Sunbury Common, surrounded by residential, commercial and retail properties and easily accessible by local transport. The grounds will include 35 car parking places (three bays will be wheelchair accessible), an electric vehicle charging point and secure cycle storage.
3. Opportunities to consolidate services from surrounding facilities provide potential use of approximately 80% of the total floor area. Any remaining space will be leased prior to the building opening. Priority will be given to complementary services and/or activities with Spelthorne Borough Council, and voluntary and community-based organisations. Private sector commercial opportunities which will positively influence the area's economic health will also be explored and considered.
4. Proposed occupancy is commercially sensitive at this time and is set out in the Part 2 report.

Options considered

5. The following options were considered:

Option	Outline description
A	<p data-bbox="331 197 1426 264">Do nothing, retaining the Council’s existing asset base and dispose of the former Sunbury Fire Station site.</p> <ul data-bbox="331 309 1426 656" style="list-style-type: none"> • Capital receipt from the sale of the fire station is estimated at £1.25m - £1.5m, based on rates as of May 2022, site size (0.75 acres) and the 50% affordable housing requirement as per UK Government policy. • Will not deliver much-needed SIL accommodation, continuing to put pressure on local health and social care systems. • Existing Council assets have a limited life and no longer adequately fulfil Service requirements, negatively impacting the offer to residents. • Maintenance backlog and associated repair costs will continue to increase. • Risk of losing any opportunity to release land for residential or commercial development.
B	<p data-bbox="331 656 1426 757">Redevelop the former Sunbury Fire Station site to build Sunbury Hub, dispose of related single-use assets, and commercially lease space where surplus to Service need.</p> <ul data-bbox="331 801 1426 1001" style="list-style-type: none"> • Delivers 12 new SIL accommodation units. • Co-locating services into one building will be more convenient and user-friendly for residents. • Contributes to mitigating the Council’s carbon emissions across its estate. • Makes best use of the Council’s existing assets. • Reduces spend on backlog and future maintenance.

6. **The recommended option is Option B** to better serve residents, fulfil Council Service needs and optimise Council assets, for improved social, economic and service improvements, aligning to all four of the Council’s strategic priorities. Option B also presents opportunities to enhance the quality of services provided to residents, significantly reduce the Council’s carbon footprint in Sunbury and is a more affordable solution over the long-term economic life of the new building.

Supported Independent Living

7. Incorporating 12 self-contained SIL apartments in the hub’s design supports the Council’s Adult Social Care strategy, approved by Cabinet in July 2019, to accommodate residents with care and support needs (including complex needs arising from physical and/or learning disabilities, autism, brain injury or mental health needs), and helps reduce the reliance on, and high costs associated with, residential and nursing care.
8. Six of the units are designated for residents with a learning disability and/or autism, the remaining six units will provide accommodation for residents with mental health needs. Communal and outdoor space required for residents with care and support needs is also factored into the design.
9. As some of Surrey’s more vulnerable residents will be accommodated in the SIL apartments, the Council will partner with Spelthorne Borough Council and the Surrey Police Neighbourhood Team on measures to improve safety in the local area, including how the hub’s facilities and services can be utilised.
10. Outline design specifications for the SIL accommodation are set out in Annex 2.

Regeneration and economic growth opportunity

11. Sunbury-on-Thames has a population of 30,375, the sixth highest in Surrey. Sunbury Common is ranked 21st out of 193 wards in Surrey for deprivation¹ and is in the lowest quartile against key socio-economic indicators.
12. A community hub presents opportunities to regenerate the area, community, and increase the potential for commercial enterprise and job creation through private sector involvement.
13. The Council's Economy and Growth team has undertaken an Economic Impact Assessment of Sunbury to estimate the gross and net economic impact of building Sunbury Hub, in terms on jobs and Gross Value Added (GVA) at a local and regional level. The Assessment also shows that the construction impacts over a 12-month period will support 79 net jobs per annum which delivers a single year GVA benefit of £7.5m for the Surrey economy.

Optimising the Council's estate

14. The proposed scheme meets the Council's commitment to optimise its estate, as set out in the "[Asset and Place Strategy](#)", and aligns to the government's national initiative for public service delivery, the [One Public Estate](#) (OPE) programme.
15. Sunbury has a number of public services which operate out of separate properties. The public services delivered or commissioned by the Council are housed in single-use freehold buildings and all are in need of maintenance. Co-locating some or all of the Council-run services will release the existing assets for disposal.

Delivering on carbon net zero ambitions across the Council's estate

16. The Council-owned properties delivering public services in Sunbury currently generate 2,557 tonnes of carbon emissions every year from use of gas and electricity.
17. The new building's design and specification will conform to the London Energy Transformative Initiative (LETI) guidelines, reducing the Council's annual carbon emissions by 70-80%, compared to the existing Council-owned properties, through the following measures:
 - a. Energy Demand Reduction: High-efficient fabric insulation for walls, roof, triple glazing windows, energy efficient lighting specification and controls.
 - b. Low carbon heating source: Air source heat pumps for space heating, cooling and domestic hot water.
 - c. Renewable energy: Solar photovoltaic system to generate electricity on site (59,563 kWh/year), 39.5% of the site's annual regulated energy needs.

Consultation:

18. The Cabinet Members for Property and Waste, Adults and Health, Education and Learning, and Communities have been consulted; consultation with Cabinet Members will continue during the project's development.

¹ Index of Multiple Deprivation 2019

19. Spelthorne BC senior officers for Regeneration, Independent Living, Neighbouring Services and Community Wellbeing have been consulted with general support for the hub elements. Consultation will continue including measures to improve safety in the area, in liaison with Surrey Police.
20. Council officers within Adult Social Care, Children, Families and Learning, Customer and Communities, and Land and Property will continue to collaborate on the design and proposals, as will the Council's Greener Futures and Economy and Growth teams.
21. Consultation which has taken place to date on the Council's SIL programme is outlined in the Cabinet report "[Supported Independent Living Programme – Batch 1 Development](#)". A recent round of engagement on plans and designs for future SIL developments received positive feedback from a broad range of stakeholders, including people who use Council services and their families and carers, providers and key partners.
22. Engagement with key local stakeholders is planned as part of the next development phase, including a public consultation prior to submitting the planning application. This will include people who access the existing services and partner organisations, residents and local Members.

Risk Management and Implications:
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23. Project specific risks identified at this time and mitigating actions are set out in the table below.

Risk description	Mitigating actions/strategy
1. Budget: cost of delivery exceeds budget	<ul style="list-style-type: none"> • A detailed cost estimate has been undertaken with the Cost Consultants to enable the Council to predict the construction cost of the community hubs. • The building cost estimate has a design and construction risk allowance of approximately 15% to allow for the early stage of the design process and the unknown impact Covid-19 may have on construction costs. • A detailed Development Cost appraisal has been undertaken including the above noted construction cost, professional fees, surveys and investigations, fixed furniture and equipment, temporary decant facilities, Council resource capitalisation costs and a 5% contingency for unforeseen issues. • Consideration will be given to building contract procurement methods which allow for early involvement of the building contractor and/or specialist suppliers. This will include input pre-construction where project cost, programme and design quality can be reviewed to provide a higher level of cost and programme predictability.
2. Delays to/onerous constraints associated with Planning Approval	<ul style="list-style-type: none"> • Planning Consultant has been appointed and a planning strategy has been agreed. • Pre-planning application process has started, and the Planning Consultant is preparing the application for submission to the County Planning Authority. • A public consultation and engagement campaign has been planned as part of the planning application.

Risk description	Mitigating actions/strategy
	<ul style="list-style-type: none"> • A Transport Consultant has been appointed to advise on parking and access for the scheme.
3. Procurement and supply chain issues	<ul style="list-style-type: none"> • Procurement Strategy is currently being reviewed with the Council's Procurement team, looking at established frameworks, using robust Invitation to Tender assessment and evaluation criteria to secure appropriately skilled contractors with relevant experience.
4. Site constraints: ecology, levels, soil contaminants, asbestos, existing services, tree root protection zones	<ul style="list-style-type: none"> • Extensive series of due diligence site surveys and investigations since June 2021 have been undertaken in parallel with early designs and cost planning to confirm the sites are suitable for development and represent value for money, culminating in borehole investigations in 2022. • Surveys have been carried out to sustainably manage the local ecology in accordance with the natural environment of the local community. • Tree Surveys have been undertaken with no mitigation required.
5. Legal Risk to Development	<ul style="list-style-type: none"> • Report on title has been undertaken to ensure that any restrictive covenants do not prohibit or significantly inhibit the development of the site. • Public consultation is planned with users of the existing services.
6. Reputational: communications/ approvals	<ul style="list-style-type: none"> • Clear and precise project plans including key dates and deliverables will be communicated regularly with partners, Cabinet Members, Council Services and residents.
7. Risk to vulnerable individuals living in this location	<ul style="list-style-type: none"> • Council officers continue to support the ongoing work to secure the engagement and support of all partners in the development of Sunbury Hub and Supported Independent Living accommodation, including Spelthorne Borough Council and Surrey Police. • Support the ongoing work, led by the Empowering Communities Programme, to help to develop an inclusive community in Sunbury Cross and create a more inclusive programme.

Financial and Value for Money Implications:

24. This report proposes moving services from a number of existing old and run-down properties into a modern, fit for purpose, new building. This will generate capital receipts, save on high future costs of maintaining current buildings, and provide a facility which contributes to meeting the Council's net zero ambitions. It will also improve residents' experience and enhance the area and community.
25. The capital investment and financial modelling to deliver the new building and SIL elements is commercially sensitive and is set out in the Part 2 report. The Part 2 also shows that the cost of the proposal is less than refurbishing and running the existing buildings.
26. Additional revenue costs of running the new building can be partially offset by income anticipated from letting out available space not required by services and, more significantly, by backlog maintenance costs avoided in relation to the existing assets.

27. The Corporate Capital Asset programme allocation has the borrowing costs factored into the corporate interest payable budget as part of the Medium Term Financial Plan and therefore borrowing costs associated with this element of the capital investment can be contained within existing budgets.
28. The SIL elements generate an income stream from tenants and service efficiencies which offset the additional cost of running the building and the associated borrowing costs for the capital construction costs.

Section 151 Officer Commentary:

29. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our 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 recommendations of this report.

Legal Implications – Monitoring Officer:

31. Legal Services will advise and provide such assistance as required in relation to the procurement of a construction contractor to ensure the Council complies with The Public Contracts Regulations 2015, as amended, and the Procurement and Contract Standing Orders.

Equalities and Diversity:

32. An Equality Impact Assessment (EIA) is required for this project and will be completed alongside engagement with residents and people who use those services.
33. For the SIL accommodation elements of the project, the EIA completed as part of the Transformation of Accommodation Cabinet report (November 2020) remains applicable to this report. See [Annex 3](#).

Other Implications:

34. The potential implications for the following Council priorities and policy areas have been considered.

Area assessed:	Direct Implications:
Corporate Parenting/ Looked After Children	No implications arising from this report.
Safeguarding responsibilities for vulnerable children and adults	The development is expected to help deliver the Council's responsibilities to safeguard vulnerable adults by providing appropriate accommodation to meet their needs.
Environmental sustainability	By targeting BREEAM Excellent and adopting LETI principles, the development will be designed and built

Area assessed:	Direct Implications:
	to a high sustainability standard in relation to the council's commitments on net zero emissions, waste minimisation, supporting biodiversity and 'urban greening,' resilience to future heat stress and flood risk and sustainable transport/ accessibility. See further details in Environmental Sustainability Appraisal.
Compliance against net-zero emissions target and future climate compatibility/ resilience	Consistent with the Council's net zero target, the building will be designed to be operationally net-zero carbon and be future-proofed to be adapted and resilient to the impacts of climate change. The key features of an operationally net-zero building include high thermal efficiency, a low carbon heating system and maximising the generation and use of on-site renewable energy. Materials and construction emissions will be reduced where feasible. The next design stages will address the Green Agenda within the budget allowance for the project and will design solutions to address the Green Agenda, e.g., Sustainability Application of Sustainable Drainage Systems (SuDs); opportunities for rainwater harvesting; irrigation solutions; biodiversity net gain, landscape boundary treatments etc.
Public Health	No implications arising from this report.

What Happens Next:

35. Should Cabinet approve the report's proposal, the high-level timescales are as set out below, subject to occupancy confirmation:

Key milestones	Start	Complete
Pre-application and Public Consultation	Sep 2022	Oct 2022
Planning Application	Sep 2022	Jan 2023
Procurement of contractor	Nov 2022	Mar 2023
Technical Design	Jan 2022	Jun 2022
Construction	Jun 2023	Jun 2025
Practical Completion and Handover	Jul 2025	Jul 2025

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Consulted:

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Simon Montgomery, Senior Programme Manager Accommodation with Care and Support, Adult Social Care, Surrey CC

Heather Morgan, Group Head Regeneration and Growth, Spelthorne BC

Deborah Ashman, Group Head Community Wellbeing, Spelthorne BC

Jackie Taylor, Group Head Neighbourhood Services, Spelthorne BC

Stephen Mortimer-Cleevely, Strategic Lead Independent, Living Spelthorne BC

Annexes:

Annex 1: Concept design

Annex 2: SIL accommodation – outline design specifications

Annex 3: [SIL Equalities Impact Assessment](#)

Part 2 report

Sources/background papers:

Socio-economic analysis, Surrey towns (Sunbury-on-Thames)

Economic Impact Assessment

Environmental Sustainability Appraisal

[Community Vision for Surrey in 2030](#)

[Surrey County Council Organisational Strategy 2021 to 2026](#)

[Asset and Place Strategy](#)

Cabinet report, 16 July 2019, Item no. 129/19: [Adult Social Care Accommodation with Care and Support Strategy for Extra Care Housing for Older People and Independent Living Schemes for adults with a learning disability and/or autism](#)

Cabinet report, 24 November 2020, Item no. 187/20: [Transformation of Accommodation based Care and Support for Working Age Adults: Delivering Supported Living Options](#)

Cabinet report, 29 June 2021, Item no. 127/21: [Supported Independent Living – Feasibility Study](#)

Cabinet report, 30 November 2021, Item no. 218/21: [Transformation Of Accommodation With Care And Support For Working Age Adults: Modernising And Transforming Accommodation With Support For People With Mental Health Needs](#)

Cabinet report, 26 April 2022, Item no. 77/22: [Supported Independent Living Programme – Batch 1 Development](#)

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