

**SURREY COUNTY COUNCIL****CABINET**

**DATE:** 25 APRIL 2023

**REPORT OF CABINET MEMBER:** NATALIE BRAMHALL, CABINET MEMBER FOR PROPERTY AND WASTE  
KEVIN DEANUS, CABINET MEMBER FOR HIGHWAYS AND COMMUNITY RESILIENCE

**LEAD OFFICER:** LEIGH WHITEHOUSE, DEPUTY CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR FOR RESOURCES

**SUBJECT:** GODSTONE DEPOT - REDEVELOPMENT

**ORGANISATION STRATEGY PRIORITY AREA:** GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/ ENABLING A GREENER FUTURE

<b>Purpose of the Report:</b>
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This report seeks Cabinet approval to redevelop Godstone Depot to ensure that Surrey County Council's (the Council) Highways and Transport Service has fit for purpose, year-round facilities with a long-term operational lifespan to deliver its critical service maintaining Surrey's roads for safer travel across the county for residents, businesses and visitors.

This report proposes redeveloping the current site at Oxted Road, Godstone RH9 8BP to design and construct new working, operational and storage areas, replace the vehicle weighbridge and improving the current vehicle routing through the site.

Approving the investment and the proposal recommended in this report will allow the Council's Highways and Transport Service to improve and enhance its critical service and fulfil its statutory duty to maintain Surrey's highways.

<b>Recommendations:</b>
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It is recommended that Cabinet:

1. Approves capital funding from the pipeline to redevelop the Godstone Depot site to design and construct a new working and operational facilities on the existing site. The capital funding required to develop the new facilities is commercially sensitive at this time and is set out in the Part 2 report.
2. Approves procurement of appropriate supply chain partners to deliver the design, build and fit out of the new structures in accordance with the Council's Procurement and Contract Standing Orders.
3. Notes that, regarding the procurement of supply chain partners, the Executive Director for Resources and the Director of Land and Property are authorised to award such contracts, up to +5% of the budgetary tolerance level.

## Reason for Recommendations:

It is essential to redevelop Godstone Depot in order to:

- Enable the Service to improve and enhance its critical front-line function, supporting the county's economy by enabling safer travel for Surrey's road users.
- Provide fit for purpose, long-term facilities for the Highways and Transport Service and its partners to deliver its critical services and statutory duties to maintain the county's roads, including gritting during winter weather.
- Improve the working, operational and health and safety environments for Highways and partner staff based at Godstone Depot.

## Executive Summary:

### Background

1. Eight Highways sites provide county-wide services, including winter maintenance (gritting and snow clearance), highways repairs and maintenance, materials and vehicle storage, and provide accommodation for staff and contractors. Godstone Depot is strategically critical to the Highways Service for road gritting during winter weather as well as providing highway maintenance needs for the east of the county.
2. Following a review of the Council's depot estate, the preferred option for Godstone Depot is "site optimisation," retaining its operational uses. The existing facilities are outdated and require substantial maintenance to keep them operational and do not allow the site to operate to its full potential. Redevelopment will result in revenue savings along with providing fit for purpose facilities.

**Figure 1: Exterior and interior images of the existing facilities**



**Site office**



**Site workshop**



**Staff working and welfare environments**

### Options considered

3. Two main options were considered to address and mitigate the issues the current buildings pose to Highways and Transport and the service it provides:

Option	Description
<b>A</b>	<b>Do nothing</b> <ul style="list-style-type: none"> <li>• Negative impact on the Service's operations</li> <li>• Does not meet Service current or future needs</li> <li>• Continued increasingly expensive maintenance costs</li> </ul>
<b>B</b>	<b>Redevelop the site</b> <ul style="list-style-type: none"> <li>• Rationalise site lay-out and provide new fit for purpose office and operational facilities</li> <li>• Addresses and meets the Service's current and long-term requirements</li> </ul>

4. The recommended option is Option B which meets the Highways and Transport Service requirements to maintain Surrey's highways and improve the working and operational environments for Highways staff based at Godstone Depot and is within the Capital pipeline allocation for Highways Depots in the Medium Term Financial Strategy (MTFS).

### Site redevelopment

5. The recommended proposal, as per Option B, is to build a new fit for purpose office space area and operational space area consisting of PPE storage, welfare and mess facilities. The existing buildings will be demolished, the vehicle route through the site will be enhanced to address health and safety site issues and operational efficiency. The car parking lay-out will be reconfigured for fifty-five staff parking bays of which 20% will be EV charging spaces. Additional works include a new vehicle weighbridge to replace the existing degrading facility and the relocation of the existing above-ground fuel tanks.
6. The recommended proposal will deliver the following critical operational outcomes:
- Fit for purpose buildings with a long-term operational lifespan.
  - Support the Highways and Transport Service to secure the right facilities in the right locations to deliver its services.
  - Support the depot's ability to be operationally compliant in its current location, thereby enabling the Service to maintain the highway network and pre-treatment of roads during winter weather/icy conditions within the agreed response times.
  - A new vehicle weighbridge which is essential for the loading of gritter lorries.
7. The construction period is expected to be one year (April 2024 – March 2025) during which time the Highways Service will continue to operate from the site to ensure continuity of service. The new office building will be constructed before the existing one is demolished to facilitate this.
8. Replacing the existing buildings also presents an opportunity to significantly reduce the Council's carbon footprint as the new buildings will be more energy efficient, which in turn will also result in a more affordable solution over their long-term economic life.

### Consultation:

9. The following have been consulted and had input into this proposal:

- Highways and Transport senior management and staff, including operational staff who work out of Godstone Depot.
- Executive Directors within Surrey County Council.
- The Cabinet Member for Highways and Community Resilience.
- The Cabinet Member for Property and Waste.
- Surrey County Council officers within the Land and Property, Finance and Legal teams.

10. A public consultation will be undertaken as part of the planning application to raise awareness of the proposal and give the community the opportunity to comment on the proposal.

#### **Risk Management and Implications:**

11. Key risks associated with this scheme have been identified and are being actively managed, as outlined below.

	<b>Risk description</b>	<b>Mitigation action/strategy</b>
1.	Planning permission: any restrictive draft planning conditions	<ul style="list-style-type: none"> <li>• Pre-application engagement with the Reg 3 team.</li> <li>• Monitoring responses.</li> <li>• Regular Case Officer Liaison.</li> </ul>
2.	Cost increases: Inflation and market cost increases	<ul style="list-style-type: none"> <li>• Early procurement of contractor in single stage D&amp;B to ensure supply chain savings are captured.</li> <li>• Engagement with Cost Manager throughout the design development.</li> <li>• Cost reviews and reports produced on a regular basis.</li> <li>• Close liaison with Service and Design team to ensure proposal delivers fit for purpose facilities to budget.</li> </ul>
3.	Delay to project: Delays to timescales from approval, planning or construction will impact costs, and/or re-tendering of contracts	<ul style="list-style-type: none"> <li>• Cost estimates include provision for inflation but any delays to the project will result in significant cost increases.</li> <li>• Soft market testing carried out to establish appetite to tender for contract.</li> </ul>
4.	Site constraints: Size, geometry, access issues, existing utilities capacities	<ul style="list-style-type: none"> <li>• Considered engagement with Service throughout the design development period.</li> <li>• Design team to understand necessary restrictions and rights across adjacent lands.</li> <li>• Transport and Access assessments to include Construction Management Strategy.</li> <li>• Necessary surveys to identify utilities capacities on site have been procured, work started to determine future utilities requirements.</li> </ul>
5.	Service continuity: During construction period	<ul style="list-style-type: none"> <li>• The demolition/rebuild programme will be staggered to ensure staff are able to continue working out of the site during the construction period.</li> </ul>
6.	Net zero carbon target	<ul style="list-style-type: none"> <li>• Designs and construction have factored in opportunities to deliver the site at the least carbon impact and enable minimal operational carbon footprint going forwards.</li> <li>• Undertake sustainability workshops to explore opportunities available to reduce carbon emissions.</li> </ul>

	<b>Risk description</b>	<b>Mitigation action/strategy</b>
7.	Reputational	<ul style="list-style-type: none"> <li>• A robust public engagement campaign is planned, including engaging with local ward councillors, to inform residents of the plans and give them an opportunity to respond, via the planning application process.</li> </ul>

#### **Financial and Value for Money Implications:**

12. Replacing the existing old and outdated buildings at Godstone Depot with new, modern and fit for purpose buildings expected to save on high future maintenance and running costs. The building will be designed to be more energy efficient, so contributing to the Council's net zero ambitions. The recommended proposal will provide long-term facilities for the Highways Service and its partners to deliver the critical services and statutory requirements of maintaining Surrey's roads and gritting the highways during winter weather, which in turn will contribute to towards improving road safety for residents, businesses and visitors to the county.
13. The capital investment to deliver is allocated within the MTFS and is commercially sensitive at this time; this information is set out in the Part 2 report.

#### **Section 151 Officer Commentary:**

14. 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.
15. The recommendation to transfer from Property capital pipeline to budget is provided for in the current MTFS. The cost of installing solar panels at this site was not reflected in the original Greener Futures capital pipeline, which will now need to be reviewed. The installation cost of solar panels is generally expected to be repaid through energy savings, although the payback period will be influenced by a number of factors including the size and cost of the array, and future energy values. As such, the Section 151 Officer supports the recommendations of this report.

#### **Legal Implications – Monitoring Officer:**

16. This paper seeks approval to redevelop Godstone Depot to enable the Council to meet its statutory duties in relation to highway maintenance by providing a fit for purpose service. The Council as owner of the site wishes to undertake extensive works to achieve site optimisation through the demolition of existing buildings and building of a new office and operational space.

17. The Council has extensive powers under legislation to enable the proposals to proceed. These powers include provisions under Section 2(1) of the Local Authorities (Land) Act 1963, which provides that a local authority may, for the benefit or improvement of its area, erect, extend, alter, or re-erect any building and construct or carry out works on land. In redeveloping the site, the Council should ensure that legal advice is sought at the appropriate stages to ensure that legal obligations are met.
18. To facilitate the proposals, set out in this paper, approval is also sought for capital funding. Cabinet is under fiduciary duties to residents in relation to spending of public monies. Accordingly, Cabinet Members will want to satisfy themselves that the proposals represent an appropriate use of the Council's resources.
19. At the point that the Council is ready to proceed with the procurement cycle Legal will assist and advise on the appropriate steps to ensure compliance with the procurement regulations and to prepare robust contracts to protect the Council's interests.

Equalities and Diversity:
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20. A People Impact Assessment has been completed by Highways and Transport officers (Annex 1) in place of an Equality Impact Assessment, which is not required.

Other Implications:
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21. 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:
Corporate Parenting/ Looked After Children	No direct implications arising from this report.
Safeguarding responsibilities for vulnerable children and adults	No direct implications arising from this report.
Environmental sustainability	The development will be designed and built 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, flood risk and sustainable transport/ accessibility.
Compliance against net zero emissions target and future climate compatibility/resilience	Consistent with the Council's net zero target, the building will be designed with the ambition 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

Area assessed:	Direct Implications:
	Agenda within the budget allowance for the project and will design solutions to address the Green Agenda, e.g., Sustainability, and the Application of Sustainable Drainage Systems (SuDs); opportunities for rainwater harvesting; irrigation solutions; biodiversity net gain, landscape boundary treatments etc.
Public Health	No direct implications arising from this report.

### What Happens Next:

22. Should Cabinet approve the report's proposal, the high-level timescales are as set out below:

Key milestones	Timescale
Planning decision	Dec 2023
Tender process	Jun 2023 – Aug 2023
Award contract to construction partner(s)	Dec 2023
Construction period	Apr 2024 – Mar 2025

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### Consulted:

Highways and Transport senior management and staff

Cabinet Member for Property and Waste

Cabinet Member for Highways and Community Resilience

Ward councillor for Godstone

Director for Land and Property, Surrey County Council

Assistant Director, Capital Projects, Land and Property, Surrey County Council

Assistant Director, Property Strategy and Management, Land and Property, Surrey County Council

Legal, Finance, and Greener Futures teams, Surrey County Council

### Annexes:

Annex 1: People Impact Assessment

Part 2 report

**Sources/background papers:**

None

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