



COUNCIL MEETING

WEDNESDAY, 28 JULY 2021

ORDER PAPER

ORDER PAPER (Pages 1 - 32)

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WEBCASTING NOTICE

This meeting will be recorded for subsequent broadcast on the Council's website in accordance with the Council's capacity in performing a task in the public interest and in line with the Openness of Local Government Bodies Regulations 2014.

The whole of the meeting will be recorded, except where there are confidential or exempt items, and the footage will be on the website for six months.

If you have any queries regarding webcasting of meetings, please contact Committee Services.

I would like to welcome everyone to this evening's meeting of the Council.

I should be grateful if you would ensure that your mobile phones and other hand-held devices are switched to silent during the meeting. If the fire alarm sounds during the course of the meeting - we are not expecting it to go off - please leave the Council Chamber immediately and proceed calmly to the assembly point in Millmead on the paved area adjacent to the river as you exit the site.

This Order Paper sets out details of those members of the public who have given advance notice of their wish to ask a question or address the Council in respect of any business on tonight's agenda. It also sets out details of any questions submitted by councillors together with any motions and amendments to be proposed by councillors in respect of the business on the agenda.

Unless a member of the public has given notice of their wish to ask a question or address the Council under Item 6 (Public Participation), they will not be permitted to speak. Those who have given notice may address the Council for a maximum of three minutes. Speakers may not engage in any further debate once they have finished their speech.

Councillor Marsha Moseley
The Mayor of Guildford

Time limits on speeches at full Council meetings:	
Public speaker:	3 minutes
Response to public speaker:	3 minutes
Questions from councillors:	3 minutes
Response to questions from councillors:	3 minutes
Proposer of a motion:	10 minutes
Seconder of a motion:	5 minutes
Other councillors speaking during the debate on a motion:	5 minutes
Proposer of a motion's right of reply at the end of the debate on the motion:	10 minutes
Proposer of an amendment:	5 minutes
Seconder of an amendment:	5 minutes
Other councillors speaking during the debate on an amendment:	5 minutes
Proposer of a motion's right of reply at the end of the debate on an amendment:	5 minutes
Proposer of an amendment's right of reply at the end of the debate on an amendment:	5 minutes

1 APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2 DISCLOSURES OF INTEREST

To receive and note any disclosable pecuniary interests from councillors. In accordance with the local Code of Conduct, a councillor is required to disclose at the meeting any disclosable pecuniary interest (DPI) that they may have in respect of any matter for consideration on this agenda. Any councillor with a DPI must not participate in any discussion or vote regarding that matter and they must also withdraw from the meeting immediately before consideration of the matter.

If that DPI has not been registered, the councillor must notify the Monitoring Officer of the details of the DPI within 28 days of the date of the meeting.

Councillors are further invited to disclose any non-pecuniary interest which may be relevant to any matter on this agenda, in the interests of transparency, and to confirm that it will not affect their objectivity in relation to that matter.

3 MINUTES (Pages 5 – 20 of the Council agenda)

To confirm the minutes of the Annual Meeting of the Council held on 19 May 2021 and the extraordinary meeting held on 6 July 2021.

4. MAYOR'S COMMUNICATIONS

To receive any communications or announcements from the Mayor.

5. LEADER'S COMMUNICATIONS

The Leader to comment on the following matters:

- Covid update
- Keep Britain Tidy's Love Parks Week
- Farmers' Market
- New online Housing Register
- Executive portfolio responsibilities: To clarify that air quality matters are the responsibility of the Lead Councillor for Climate Change

Councillors shall have the opportunity of asking questions of the Leader in respect of his communications.

6. PUBLIC PARTICIPATION

No questions or requests to speak have been received from the public.

7. QUESTIONS FROM COUNCILLORS

- (a) **Councillor Ramsey Nagaty** to ask the Leader of the Council, Councillor Joss Bigmore, the following question:

“Following the press release issued by the Council on 17 May 2021, which stated that ‘We have started to review the Guildford Local Plan and the evidence behind it’, may I please ask the Leader of the Council:

- (1) *To provide an update on progress with the review, and in particular progress with the appointment of a top level experienced independent Planning Expert or Barrister, who will take a fresh view and approach to this review, and to assist objectively and advise the best ways forward; and*
- (2) *To put in place a working group to progress the review urgently.”*

The Leader’s response is as follows:

- “(1) *Officers have undertaken initial work reflecting the steps to be followed in order to review the Local Plan. This is based on published Planning Advisory Service guidance. I have agreed with our Strategic Services Director that this work should be expanded to incorporate a ‘roadmap’ reflecting the appropriate route to not only review the Local Plan, but also update the Plan’s Evidence Base. In parallel, the process of reviewing the Local Plan transport evidence base, as part of the wider review process, is being progressed with Surrey County Council and Highways England. Independent expertise will be drawn on as and when necessary during the process.*
- (2) *Councillors Jan Harwood, John Rigg, and Tim Anderson have been providing input to this process. I will take under consideration whether to invite a formal working group to consider the ‘roadmap’ when it is delivered in the week commencing 6 September”.*

Councillor Joss Bigmore
Leader of the Council

- (b) **Councillor Ramsey Nagaty** to ask the Deputy Leader and Lead Councillor for Climate Change, Councillor Jan Harwood, the question set below. (Councillor Harwood’s response to each element of the question is set out in **red type** below.)

“There is considerable concern from residents of Shalford regarding progress with managing the Air Quality Management Area (AQMA) in Shalford. Could the Lead Councillor for Environment kindly confirm:

- (1) *what actions have been taken to address the air quality issues so far?*
“The Council understands the residents’ concerns about air quality within the AQMA in Shalford and wants to work with local residents, ward councillors, Surrey County Council and the Parish Council in achieving compliance with air quality limits. This is a really challenging issue to solve as the predominant source of emissions is domestic cars as they drive along the main road through the village.

The Council has an Air Quality Action Plan for Shalford which details the actions the Council is planning on taking to address the AQMA. A number of measures and initiatives, which will improve air quality, or raise awareness, are already being implemented in the Guildford area. These are not focussed specifically in Shalford but assist in reducing emissions more generally and increasing awareness of air quality, travel choice and choice of vehicle. These include easitGUILDFORD and an Electric Vehicle charging network pilot study.

Officers have started some early discussions on some of the Shalford specific measures such as improvements to cycle paths plus bus and train improvements and hope to make more progress this year. These are really challenging measures and will require support from partners to deliver improvements.”

- (2) *what impact has this had on the air quality within the AQMA?*
“The impact is unknown at this stage particularly as air quality at this time is not representative of normal traffic patterns”.
- (3) *what actions will be taken going forward in light of the current pollution levels recorded as may be adjusted for the reduced traffic during the Pandemic?*
“The reduction in traffic during the height of the pandemic was reflected in our air quality monitoring across the Borough and therefore monitoring data during this period alone will not be used to make any key decisions about air quality. More recent results suggest traffic levels are starting to increase in parallel with the easing of restrictions”.
- (4) *when will the monitoring information to date, and any plans covering both Shalford and the wider Guildford area, be published for residents to see?*
“Our air quality monitoring results for the whole Borough are published on the Council’s website. Please note that this is the raw data, and a valid bias factor must be applied for interpretation purposes.
<https://www.guildford.gov.uk/article/19807/Find-out-how-we-monitor-air-quality-and-pollution>
The ‘Annual Status Report’ submitted to DEFRA reviews the previous year’s air quality monitoring and follow up actions. Once approved by DEFRA this year’s report will be available on the Council’s website”.

- (c) **Councillor Paul Spooner** to ask the Lead Councillor for Resources, Councillor Tim Anderson, the question set below. (Councillor Anderson’s response to each element of the question is set out in **red type** below.)

“The Council acquired Liongate in 2013 following the financial crisis and during a period when investment in property still enabled significant return on investment for rental properties, as demonstrated by the significant rental income obtained over the period the Council retained ownership of the property.

However, the Council disposed of this asset in 2020 at a significant loss on the apparent basis that the Executive were informed that a conversion to residential could not be obtained, and the property was sold through private treaty (not public auction as claimed by the Leader) on an unconditional basis, without overage or any other clause to enable best value to be obtained should a new owner be successful in obtaining planning permission from the Local Planning Authority (GBC). In a very short period after disposal the new owners were able to obtain not one but two planning permissions for residential conversion and this has left the Council with a substantial loss to the residents of Guildford and no opportunity to use the site for affordable rent or social rent for the many residents who could have benefitted from retention and investment in the site, and a significant increase in book value for the Council Tax-payers of the Borough.

I ask that the Executive launch an urgent and thorough independent investigation into how this occurred. The decisions made are difficult to understand on so many levels and we need to understand what went wrong that resulted in a £3m loss between purchase and sale value and the lost opportunity for much needed Council housing.

In particular, I would like to ask the Lead Councillor for Resources:

- 1. Why was this property disposed of and not regenerated by the Council for much needed housing? Permitted Development rights would show that residential use would be readily obtained (as it was)?*

“In September 2018, pre-empting the tenant actioning their break, the Council commissioned Lambert Smith Hampton (LSH) to prepare an Options Appraisal for Liongate on the potential future uses of the site.

The report reviewed the relative merits of each option and provided a high-level range values for each and their view on demand/risk factors. To inform this a site survey, Flood Risk assessment and pre-planning advice were also commissioned.

- *Refurbishment by GBC for continued office use - **£4.0 - £5.0 million***
- *Sale for residential with prior approval for PD - **£8.5 - £9.5 million***
- *Sale for residential use - **£7.0 - £8.0 million***
- *Sale for retirement living/care home – Extra Care: **£8.5- £9.5 million**, Retirement: **£7.5- £8.5 million***
- *Sale/pre-let as a hotel - **£5.0 - £5.5 million***
- *Sale for retail use - **£5.0 - £5.5 million***
- *Sale for self-storage use - **£4.0 - £5.0 million***

The option to redevelop the site for housing internally was discussed with the Director of Community Services but dismissed due to the complexities of the site and the lack of in-house expertise.”

2. *On what basis was the property considered for use by the Council (if at all)?*

“See above. In addition, the Council did consider relocating its operations to the site and releasing Millmead, but it was agreed that the site was unsuitable”.

3. *Why wasn't a Permitted Development Planning Certificate put in place before the property was offered in the market, with the clear added value if that had happened?*

“In September 2018, pre-empting the tenant actioning their break, the Council commissioned LSH to prepare an Options Appraisal for Liongate on the potential future uses of the site.

The report reviewed the relative merits of each option and provided a high-level range values for each and their view on demand/risk factors. To inform this a site survey, Flood Risk assessment and pre-planning advice were commissioned. The flood risk assessor was in dialogue with the EA to produce their report. However, the EA was not very forthcoming with information.

The pre-planning advice stated:

“Sale for residential with prior approval for Permitted Development. The building is located within flood zone 3b. Residential uses fall within 'more vulnerable' as identified in the Flood Risk Vulnerability Classification of the NPPG. In Flood Zone 3b residential development should not be permitted. As such there is an in-principle objection. Any prior approval application would need to be accompanied by a site-specific flood risk assessment. We would consult the Environment Agency on any prior approval application. However, I must advise it is unlikely that prior approval would be granted, given the identified flood risk and 'more vulnerable' use.”

After commissioning a new and more involved flood risk assessment (using a different Assessor who had had success at Stoke Mill and a good dialogue with the EA) we received further advice from planning including the following statement from Planning dated 17 October 2019:

“As discussed, I’m not aware the LPA has considered any office to resi PD prior approvals in flood zone 3 so we don’t have a lot of precedents to draw on. What I can say is that we have strongly resisted resi and student schemes in flood zone 3 where these have been subject to applications for planning permission. I think it would be hard for a scheme to pass the sequential and exception tests for resi on this site if planning permission was sought, but this will be something that needs to be considered and demonstrated by the applicant.”

Given the issues around planning and to take advantage of any interest, it was decided not to try to obtain prior approval but perform a full marketing campaign on an ‘any offer’ basis and asked potential purchaser to rely on the advice given in the new FRA (attached as Appendix 1 to this Order Paper) which stated that:

“Based on the modelling the site is concluded to be outside the Functional Floodplain (i.e. the 1 in 20-year event). As such the policy within Guildford Borough Council’s Local Plan that states that development within Flood Zone 3b should not increase the existing vulnerability classification does not apply. A proposed change of use application in this location can therefore be considered acceptable provided suitable flood resilience and resistant approaches be included within the scheme.”

This enabled the Council to obtain the full value for the site without the risk and cost of applying for PD approval and it being rejected which would have significantly reduced the value of the site”.

4. *Who authorised the property being sold at a £3m loss? I am not aware of any similar property that was valued in 2013 and then again in 2020 that ‘achieved’ such a loss in property value?*

“The matter was approved by the Executive on 29 November 2019 - minute EX65.

*The property was recorded in accounts as being sold for £10,820,000 (£10,170,000 + £700,000- £50,000 deposit). £108,463 of costs (legal, marketing, security, dilaps surveys) was deducted. This made a total capital receipt in accounts of **£10,711,536.93**. £850k was written out to I&E on disposal – investment properties hit I&E each year - both upward and downward.*

For information, valuation history is:

2013-14 purchase £13m

2014-15 £13.865m

2015-16 £14m

2016-17 £14.35m

2017-18 £14.42m

2018-19 £13m

2019-20 £12.15m

The void also led to a loss of rental of £980,000pa. Whilst the property remained vacant there was empty premises business rates liability of £125,000, meaning that the budgeted income shortfall was £1.105m per annum. There were also escalating costs around utilities and security.

Please also see best consideration letter from agent (attached as Appendix 2 to this Order Paper).”

5. *Why was the Council apparently so concerned by EA speculation that flood risk would make Residential conversion impossible given residential permission was so readily given by the same Council as LPA?*

“Pre-application advice highlighted that the site is located within Flood Zone 3b which carries significant constraints in terms of planning policies and flood risk concern. Consent was sought through the Prior Approval route and therefore only specific matters could be considered. The first two Prior Approval applications (19/W/00109 and 19/W/00110) were both refused on these grounds carrying objections from the Environment Agency. Therefore, this would highlight that the initial concerns were valid.

The following application, 20/W/00021, included a significant amount of additional information in respect of this matter and changes to the scheme as result the Environment Agency raised no objection to this application and as a result the Prior Approval application was approved.”

6. *Why didn't the Council write in an overage clause?*

“The purchaser was buying the site for residential conversion and was, in their view, paying a price based on the assumption they would obtain prior approval for that use. The next highest (i.e. lower) residential bid was in fact conditional on getting prior approval.

An overage clause is generally included in a commercial property/land sale contract and is used by the selling party for them to receive additional funds after the sale has been completed and an agreed 'trigger event' has taken place. The Council did request an overage payment but as the price already was a full price based on the assumption that they would obtain planning, an overage clause was unacceptable to the bidder”.

Given this Council's decision to hold independent enquiries on small matters such as Burchatts Farm Barn, this certainly justifies a formal and extensive investigation and report to the Council Tax payers in Guildford.”

“In this case, I believe an independent investigation is unnecessary. Previous investigations were seen to be necessary to uncover information to better understand the circumstances which led to a particular situation and the decision-making process. This time we are in possession of many committee meeting papers which were presented and minutes documenting conclusions. Additionally, we have reports from consultants on a wide range of options which were analysed and considered before decisions were made. The response to the six parts of the question above is comprehensive and has provided an opportunity to present an accurate picture which corrects assertions made in a political leaflet. Lastly, I do not question the original decision to acquire Liongate, but others may well do.”

8. LOCAL GOVERNMENT COLLABORATION (Pages 21 - 66 of the Council agenda)

Employment Committee – 22 July 2021

At its meeting on 22 July, the Employment Committee agreed to commend the proposed role profile (job description) in respect of the appointment of a Joint Chief Executive (Appendix 2 to the Council report) and also the proposed terms of reference and composition of the Joint Appointments Committee for approval by the Council (Appendix 4 to the Council report).

Exempt Appendix 1: Draft Heads of Terms for the Inter Authority Agreement

Since the publication of the agenda on 20 July, a revised version of the draft Heads of Terms for the proposed Inter Authority Agreement has been drafted, a copy of which was circulated to all councillors on 22 July.

Exempt Appendix 2: Draft Job Description for new joint chief executive

Following a councillor's enquiry as to whether the job description/person specification needs to include proficiency in working with IT systems and also concerns regarding equalities, Jennifer McNeil from South East Employers has responded by agreeing that *"the new Joint Chief Executive will need to be proficient in IT and systems that are used in local authorities in particular. Whilst this might be implied in some of the areas on the role description, I agree that it would be clearer if digital skills and IT proficiency were specifically referenced in the person specification. This is particularly relevant given the new ways of working that we are all facing and growing reliance on digital technology. I suggest adding another line in the person specification under the heading 'Experience':*

Strong level of digital literacy and proficiency, including traditional office software suites (e.g. M/S Office packages) and modern ways of working (e.g. video conferencing, remote working); a proven track record of embracing digital approaches and new ways of working to meet organisational needs. (listed as 'E' Essential)"

It is suggested that this is dealt with by way of an alteration of the motion (see below)

With regard to equalities issues, Jennifer McNeil advises that, *"at this stage we will be obliged to ensure fair practices are followed under employment legislation with potential for redundancies / redeployment etc. of existing staff. However, until the consultation process has been commenced and finalised, we do not yet know what expressions of interest we will receive for this new post, nor whether this will remain an internal appointment, or if it will be advertised more widely. Should it go more widely, then areas of diversity would need to be taken into account"*.

Exempt Appendix 3: Human Resources Advice from South East Employers

The respective job descriptions for both Guildford and Waverley Heads of Paid Service and the Salary Benchmarking data for 2019-20 were omitted in error as attachments to the Human Resources report submitted by Jennifer McNeil. Copies of these documents were circulated to all councillors on 23 July.

Jennifer McNeil will also be present to answer any questions from councillors in respect of the proposed job description for the Joint Chief Executive, or the HR advice.

The motion:

The Leader of the Council, Councillor Joss Bigmore to propose, and the Deputy Leader of the Council, Councillor Jan Harwood to second the adoption of the following motion:

- “(1) To note the revised early draft of the Heads of Terms of the Inter Authority Agreement contained in Appendix 1 to the report submitted to the Council, and that significant further work is necessary to clarify the detail required to agree the Heads of Terms, and that a further report will be submitted to the Council to agree the final Heads of Terms.
- (2) To approve the draft job description, subject to consultation, in respect of the appointment of a Joint Chief Executive as set out in Appendix 2 to the report; and to agree the following as recommended by South East Employers in their paper outlining human resources issues, as set out in Appendix 3:

- (a) That the title of the new role be Joint Chief Executive (rather than Joint Managing Director).
 - (b) That the employing authority should be the existing employer if an internal candidate is appointed.
 - (c) That the salary for the new Joint Chief Executive post be a spot salary of £150,000 p.a. including all allowances, duties, and statutory responsibilities with the exception of election duties.
 - (d) That the new Joint Chief Executive post is ring-fenced for recruitment from the internal pool of affected employees in the first instance and that if no internal appointment is made then the role shall be advertised externally.
 - (e) That, subject to final approval by the Joint Appointments Committee the terms and conditions of employment for an internal appointment will be the existing terms and conditions of the employing authority.
- (3) To approve the establishment of a Joint Appointments Committee and its proposed composition and terms of reference, as set out in Appendix 4.
 - (4) Subject to paragraph (3) above, to confirm the following appointments to the Joint Appointments Committee:
 - The Leader of the Council, Councillor Joss Bigmore
 - The Deputy Leader of the Council, Councillor Jan Harwood
 - Councillor Paul Spooner
 - (5) To agree that redundancy and any settlement costs incurred as a result of moving to a Joint Chief Executive shall be shared equally between the Councils and that any pension strain costs (if applicable) will remain the responsibility of the employing authority of the affected officer. It is noted that the cost sharing arrangement for the remainder of the collaboration project will form part of the Inter Authority Agreement.
 - (6) To agree that the costs referred to in paragraph (5) above be funded from General Fund reserves.

Reason:

To approve the initial documents and governance required to progress the collaboration with Waverley Borough Council.”

Alteration of Motion:

Under Council Procedure Rule 15 (o), Councillor Joss Bigmore, as the mover of the original motion, has indicated that, with the consent of his seconder and of the meeting, he wishes to alter his motion in accordance with the proposed alteration below. The Mayor will put the proposed alteration to a vote without debate. If approved, Councillor Bigmore’s motion, as altered, will become the substantive motion for debate to which amendments may subsequently be moved.

Alteration:

Insert the following in the first line of paragraph (2) of the motion after “*subject to consultation*”:

“...and to the inclusion of the following additional line in the person specification under the heading ‘Experience’:

‘Strong level of digital literacy and proficiency, including traditional office software suites (e.g. M/S Office packages) and modern ways of working (e.g. video conferencing, remote working); a proven track record of embracing digital

approaches and new ways of working to meet organisational needs. (listed as 'E' Essential)''

The motion, as altered, would read as follows:

- “(1) To note the revised early draft of the Heads of Terms of the Inter Authority Agreement contained in Appendix 1 to the report submitted to the Council, and that significant further work is necessary to clarify the detail required to agree the Heads of Terms, and that a further report will be submitted to the Council to agree the final Heads of Terms.
- (2) To approve the draft job description, subject to consultation and to the inclusion of the following additional line in the person specification under the heading ‘Experience’:

‘Strong level of digital literacy and proficiency, including traditional office software suites (e.g. M/S Office packages) and modern ways of working (e.g. video conferencing, remote working); a proven track record of embracing digital approaches and new ways of working to meet organisational needs. (listed as ‘E’ Essential)’

in respect of the appointment of a Joint Chief Executive as set out in Appendix 2 to the report; and to agree the following as recommended by South East Employers in their paper outlining human resources issues, as set out in Appendix 3:

- (a) That the title of the new role be Joint Chief Executive (rather than Joint Managing Director).
- (b) That the employing authority should be the existing employer if an internal candidate is appointed.
- (c) That the salary for the new Joint Chief Executive post be a spot salary of £150,000 p.a. including all allowances, duties, and statutory responsibilities with the exception of election duties.
- (d) That the new Joint Chief Executive post is ring-fenced for recruitment from the internal pool of affected employees in the first instance and that if no internal appointment is made then the role shall be advertised externally.
- (e) That, subject to final approval by the Joint Appointments Committee the terms and conditions of employment for an internal appointment will be the existing terms and conditions of the employing authority.
- (3) To approve the establishment of a Joint Appointments Committee and its proposed composition and terms of reference, as set out in Appendix 4.
- (4) Subject to paragraph (3) above, to confirm the following appointments to the Joint Appointments Committee:
- The Leader of the Council, Councillor Joss Bigmore
 - The Deputy Leader of the Council, Councillor Jan Harwood
 - Councillor Paul Spooner
- (5) To agree that redundancy and any settlement costs incurred as a result of moving to a Joint Chief Executive shall be shared equally between the Councils and that any pension strain costs (if applicable) will remain the responsibility of the employing authority of the affected officer. It is noted that the cost sharing arrangement for the remainder of the collaboration project will form part of the Inter Authority Agreement.
- (6) To agree that the costs referred to in paragraph (5) above be funded from General Fund reserves.

Comments:

Councillor Nigel Manning

**9. PERIODIC ELECTORAL REVIEW OF GUILDFORD BOROUGH COUNCIL –
WARDING PATTERNS SUBMISSION** (Pages 67 - 104 of the Council agenda)

The Chairman of the Electoral Review Working Group, Councillor Tony Rooth to propose, and Councillor Liz Hogger to second, the adoption of the following motion:

“That the Warding Patterns Submission, attached at Appendix 1 to the report submitted to the Council, be approved, and presented to the Local Government Boundary Commission for England, together with the accompanying maps at Appendix 2.

Reason:

To respond to the LGBCE’s invitation to make a Warding Patterns submission as part of the periodic electoral review of Guildford Borough Council”.

Alteration of Motion:

Under Council Procedure Rule 15 (o), Councillor Tony Rooth, as the mover of the original motion, has indicated that, with the consent of his seconder and of the meeting, he wishes to alter his motion in accordance with the proposed alteration below. The Mayor will put the proposed alteration to a vote without debate. If approved, Councillor Rooth’s motion, as altered, will become the substantive motion for debate to which amendments may subsequently be moved.

Alteration:

Insert the following as paragraph (2) of the motion:

“(2) That a Working Group be formed to consider and make long term recommendations (beyond 2026) regarding the suitable redrawing of borough and parish ward boundaries including the possible creation of new parish councils, taking account of implementation of new housing development on Local Plan Strategic Sites, and that such recommendations be used as follows:

- (a) to consider in respect of borough ward boundaries, seat allocations, and associated arrangements whether to request a further electoral review by the Local Government Boundary Commission for England, and*
- (b) to consider whether the Council should conduct a community governance review of relevant parished areas with a view to identifying appropriate revisions to existing parish boundaries and possible creation of new parish councils.”*

The motion, as altered, would read as follows:

- “(1) That the Warding Patterns Submission, attached at Appendix 1 to the report submitted to the Council, be approved, and presented to the Local Government Boundary Commission for England, together with the accompanying maps at Appendix 2.*
- (2) That a Working Group be formed to consider and make long term recommendations (beyond 2026) regarding the suitable redrawing of borough and parish ward boundaries including the possible creation of new parish councils, taking account of implementation of new housing development on Local Plan Strategic Sites, and that such recommendations be used as follows:*

- (a) to consider in respect of borough ward boundaries, seat allocations, and associated arrangements whether to request a further electoral review by the Local Government Boundary Commission for England, and
- (b) to consider whether the Council should conduct a community governance review of relevant parished areas with a view to identifying appropriate revisions to existing parish boundaries and possible creation of new parish councils.

Reasons:

- (1) To respond to the LGBCE's invitation to make a Warding Patterns submission as part of the periodic electoral review of Guildford Borough Council.
- (2) To ensure the Council is able to respond appropriately to changing circumstances beyond 2026"

Comments:

None

10. OVERVIEW & SCRUTINY ANNUAL REPORT 2020-21

(Pages 105 – 118 of the Council agenda)

The Chairman of the Overview & Scrutiny Committee, Councillor Paul Spooner to propose, and Councillor Deborah Seabrook to second, the adoption of the following motion:

- “(1) That the report be commended as the annual report of the Overview and Scrutiny Committee.
- (2) That the current rules relating to call in or urgency provisions remain unchanged.

Reasons:

- Article 8.2(d) of the Council's Constitution requires the Council's Overview and Scrutiny Committee to report annually to Full Council on the work undertaken during the year, its future work programme, and amended working methods if appropriate.
- Overview and Scrutiny Procedure Rule 16(i), requires the operation of the provisions relating to call-in and urgency to be monitored annually and a report submitted to Full Council with proposals for review if necessary.”

Comments:

None

11. APPOINTMENT OF HONORARY ALDERMEN (Pages 119 - 122 of the Council agenda)

The Mayor, Councillor Marsha Moseley to propose, and Councillor Julia McShane to second, the adoption of the following motion:

“That a special meeting of the Council be convened on Thursday 2 December 2021 at 7pm at the Guildhall, High Street, Guildford for the purpose of conferring title of Honorary Alderman on:

Vas Kapsalis
 Tony Phillips
 Keith Taylor
 Jenny Wicks
 David Wright

Reason:

To recognise formally the eminent service to the Council of former councillors”.

Comments:

None

12. MINUTES OF THE EXECUTIVE/EXECUTIVE DECISIONS

(Pages 123 - 136 of the Council agenda)

To receive and note the minutes of the meeting of the Executive held on 20 April 2021, together with the respective statements of executive decisions taken by the Leader on 25 May, by the Deputy Leader in the absence of the Leader on 22 June, and by the Leader on 6 July 2021, which are attached to the Council agenda.

Comments:

None

13. COMMON SEAL

To order the Common Seal.

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Liongate House, Ladymead, Guildford

Flood Risk Assessment

*For Borough Housing, Guildford Borough
Council*

Date: 15 October 2019

Doc ref: 13600-HYD-XX-XX-RP-FR-0001

DOCUMENT CONTROL SHEET

Issued by	Hydrock Consultants Limited Over Court Barns Over Lane Almondsbury Bristol BS32 4DF	Tel: 01454 619533 Fax: 01454 614125 www.hydrock.com
Client	Borough Housing, Guildford Borough Council	
Project name	Liongate House, Ladymead, Guildford	
Title	Flood Risk Assessment	
Doc ref	13600-HYD-XX-XX-RP-FR-0001	
Project no.	C-13600	
Status	S2 - For Information	
Date	15/10/2019	

Document Production Record		
Issue Number	P01	Name
Prepared by	Simon Mirams MCIWEM, C.WEM, CSci	
Checked by	David Lloyd BSc, PhD	
Approved by	David Lloyd BSc, PhD	

Document Revision Record			
Issue Number	Status	Date	Revision Details
P01	S2	15/10/2019	Draft- For Comment

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1. INTRODUCTION

This report has been prepared by Hydrock Consultants Limited (Hydrock) on behalf of our client Borough Housing, Guildford Borough Council in support of an application to Surrey County Council for the proposed change of use from existing offices to residential use under permitted development.

Local Planning Authorities are advised by the Government's National Planning Policy Framework (NPPF) to consult the Environment Agency (EA) and Lead Local Flood Authority (LLFA) on development proposals in areas at risk of flooding. For a development of this nature the EA and LLFA normally require a Flood Risk Assessment to be submitted in support of such an application.

Whilst recognising that the application is being promoted under permitted development this report has been prepared to satisfy any concerns the EA and LLFA would have in connection with the development of this site and addresses Section C of the Exception Test, as defined within NPPF, through:

- Providing an assessment of whether the proposed development is likely to be affected by flooding; and,
- Detailing any measures necessary to mitigate any flood risks identified, to ensure that the proposed change of use and future occupants would be safe, and that flood risk would not be increased elsewhere.

The report considers the requirements for undertaking a FRA as stipulated in the Technical Guidance of NPPF. Only those requirements that are appropriate to a development of this nature have been considered in the compilation of this report.

This report has been prepared in accordance with current EA policy.

2. SITE INFORMATION

2.1 Location and Setting

The site is located towards the northern limit of Guildford and is bordered to the immediate south by the A25, to the east by Woking Road and by the A3 to the north. The A3 is separated from the site by a vegetated corridor in which there is secondary channel of the River Wey. The main River Wey channel is around 150m to the north of the site and 100m beyond the A3 road. The site is located within a predominantly developed area with existing commercial development to the west and east. To the south is Guildford Fire Station with residential development beyond.

The site is occupied by the Liongate Building which is currently used as an office building. The building itself is raised above the immediate ground level with undercroft parking being at lower levels. The building is also served by an internal access road and areas of car parking beyond the undercroft areas.

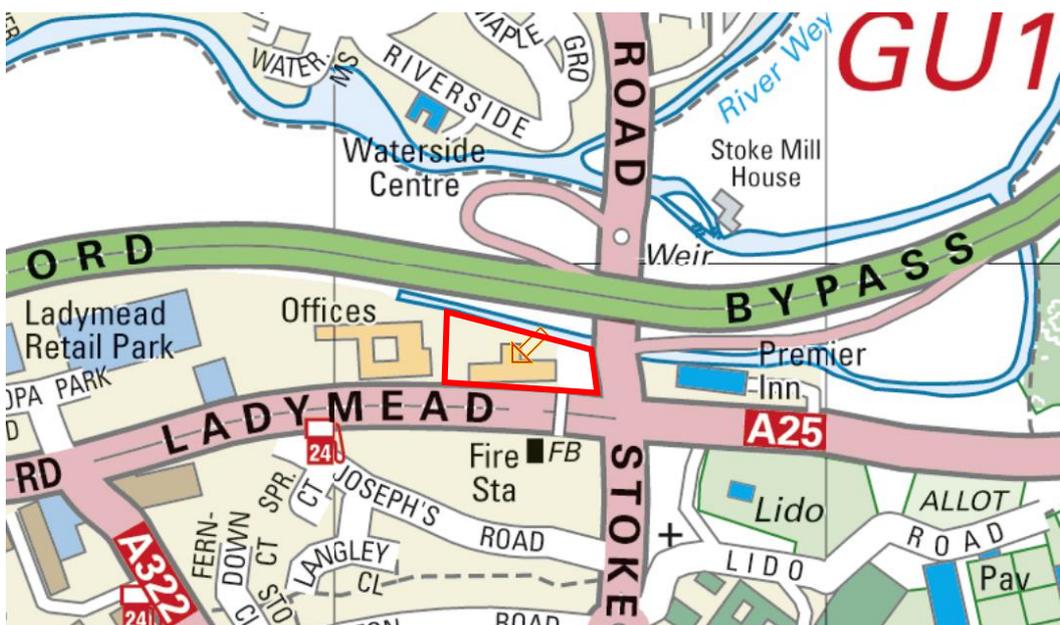
In respect to surface water drainage the site is almost entirely hardstanding.

A summary of the site referencing information is provided in table 1 and a site location plan is shown in figure 1.

Table 1: Site Referencing Information

Site Referencing Information	
Site Address	Liongate House, Ladymeade, Guildford, GU1 1AT
Grid Reference	SU996508
X (Easting), Y (Northing)	499679, 150898

Figure 1: Site Location (with approximate site boundary)



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2.2 Proposed Development

The proposals are for the conversion of the existing building to residential use.

A site layout plan is included with the application.

3. ASSESSMENT OF FLOOD RISK

3.1 Flood Zone Mapping

The site is currently shown by the EA’s Flood Zone Mapping, included in Appendix B, to be within Flood Zone 3 which comprises land having a greater than 1 in 100 annual probability of river flooding (>1%) in any year.

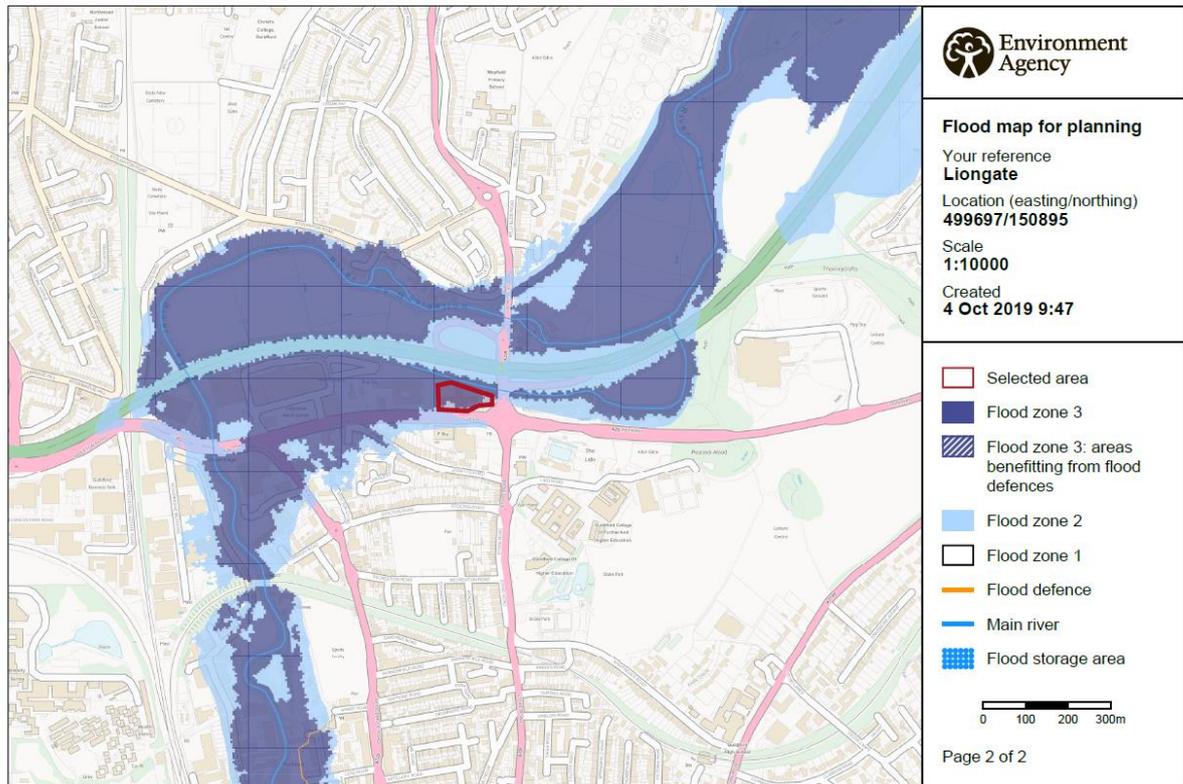


Figure 2: EA Flood Map for Planning

3.2 Fluvial Flooding

The EA have provided the modelled outputs from the River Wey (Lower) model that was undertaken in 2009. The results include the modelled grid depth data to allow a more accurate assessment of predicted flood depths through the site whilst making an allowance for floodplain flow routing (2D results).

The predicted depths through the site were reviewed and confirm that the site is predicted as being at risk during the 1 in 20year, the 1 in 100 year and 1 in 100 year plus climate change events. Based on the provided information (which is to a large resolution) the predicted depths during these events are 0.2-0.3m for the 1 in 20year and maximum depths of 0.3- 0.4m within the northern section of the site (not shown to impact the existing building) and around 0.6-0.7m deep within the centre of the site for the 1 in 100year and existing 1 in 100year plus climate change allowances. The climate change allowance used to determine these levels is a 20% increase in flows. The rest of the site has also been shown to be at risk during these events but with shallower depths.

The flood risk information provided by the EA also showed that the northern limit of the site is currently classified as being impacted during the 1 in 20year event and therefore is predicted as being within

Flood Zone 3b: Functional Floodplain. The area of the site within this flood zone is existing car parking. The building and access routes are shown as being outside Flood Zone 3B.

Following discussions with the EA, the current hydraulic model for the River Wey have been provided. This modelling doesn't include Navigational Channel which is considered to provide a potentially significant additional flow route in the area. It has been agreed with the EA that additional modelling to quantify the impact of including the Navigational Channel on flood risk, flow routes, and mechanisms is appropriate. The modelling works to include the Navigational Channel are discussed in Section 4.0

Measures to address flood risk are discussed in section 5.4.

The information provided by the EA has confirmed that the River Wey Navigation Channel is not tidally influenced at the location of the site. The site is therefore not considered at risk from tidal flooding.

3.3 Surface Water Flooding

The EA's Flood Risk from Surface Water mapping, as shown in Figure 3 below, shows the majority of the northern section of the site as being at 'low' risk of surface water flooding with depths of over 900mm being predicted.

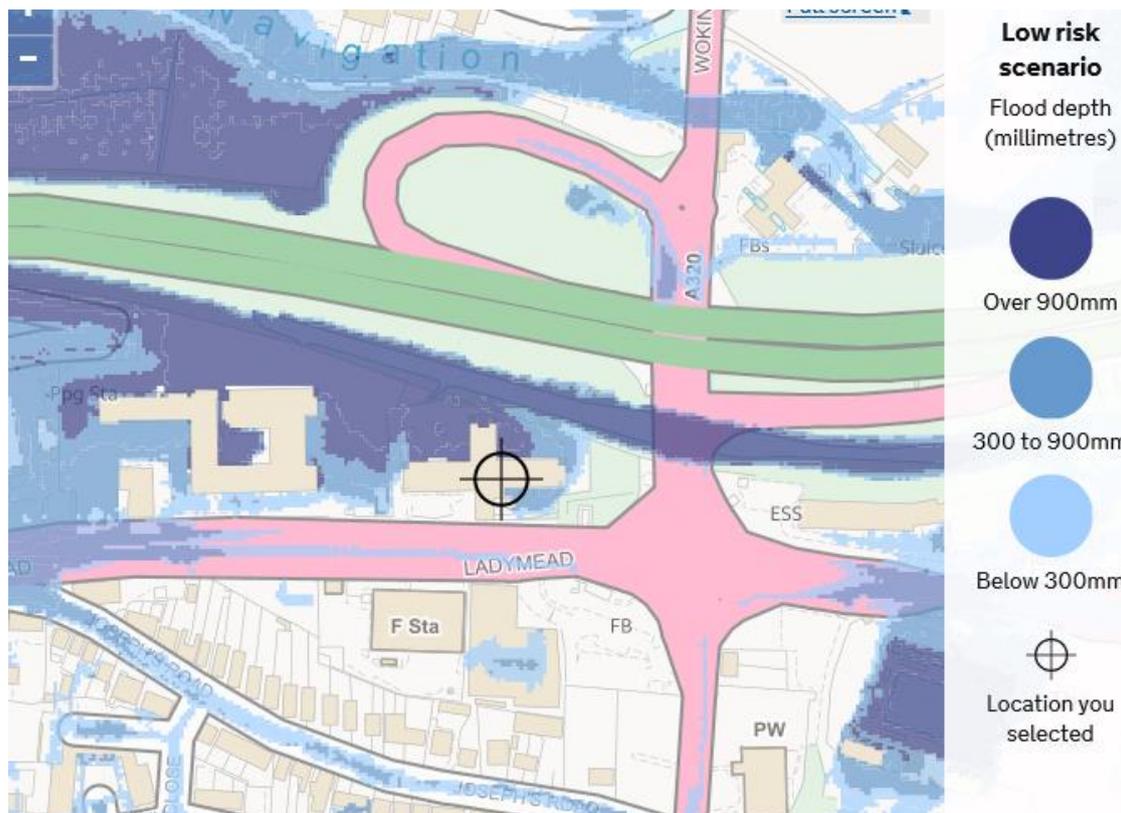


Figure 3: EA Flood Map from Surface Water

This area forms part of a wider area flow route with any generated overland flows being directed in an easterly direction towards the River Wey channel that runs along the northern site boundary. These flows are prevented from entering the main River Wey channel by the A3 road embankment

Whilst the majority of the site is shown as being at 'low' risk of surface water flooding the building, the southern limit of the site, and its access are shown as being at 'very low' risk. As such, this area of increased risk is considered as being representative of locally low points within the site and is not expected to impact on the building itself.

This would be considered a residual risk and therefore the site is concluded as being at risk from this source.

3.4 Groundwater Flooding

Given the proximity of the site to the River Wey it is expected that groundwater levels will be closely related to the 'normal' river level. As such, and given the observed site levels, the site is considered to be at low risk of groundwater flooding.

3.5 Infrastructure Failure Flooding

Given the existing use of the site there is expected to be an engineered sewerage system in the area. As such there is potential for the existing combined sewer network to become overwhelmed. However, no records of such incidences have been included within the SFRA for this area.

The site is therefore concluded to be at low risk from flooding as a result of sewer failure.

A review of the EA's Flooding from Reservoirs map indicates that the site is not within the maximum extent of flooding in the event of a failure of any artificial source.

The site is therefore concluded to be at negligible risk of flooding from artificial sources.

4. HYDRAULIC MODELLING

4.1 Introduction

As part of a permitted development planning application, a review has been undertaken of the modelling information supplied by the Environment Agency (EA). This showed that the northern section of the site is within an area currently categorised as Flood Zone 3b. The modelling predicts out-of-bank flows at this location for the modelled 1 in 20-year event (used to represent the ‘functional floodplain’).

Following discussions with EA, they have provided the hydraulic modelling files for the River Wey. Review of this modelling confirmed that the Navigational Channel that provides a potentially significant additional flow route has not been included in the modelling. By not including this channel the low routes and flooding mechanisms within the vicinity of the site are unlikely to be fully represented, and therefore will not reliably reflect actual site-specific fluvial flood risk.

The Navigational channel bifurcates from the River Wey around 80m upstream of the Woking Road bridge crossing upstream limit of the site. The Navigational Channel runs almost parallel to the River Wey, under Woking Road via a culvert, before flowing back into the River Wey via a lock system some 900m downstream of the site.

To investigate the impact the inclusion this Navigation Channel may have on modelled flood levels, and specifically in relation to an assessment of whether the proposed change of use is outside Flood Zone 3b, the original modelling has been augmented to include the Navigational Channel with modelling specifically addressing the 1 in 20-year event.

4.2 Inclusion of Navigational Channel

Given that the modelling provided by the EA is approved as being fit-for-purpose (and used to inform the current Flood Zone Mapping) changes to the model were strictly limited to those necessary to include the Navigational Channel. As such, the supplied model data relating to the hydrology and all modelled data for both the 1D and 2D elements (cross sections, structures, etc.) remain the same as those supplied, with alterations restricted purely to the locations between the junctions between the Navigation Channel and the River Wey.

A detailed survey has been undertaken along the Navigational Channel and included details of six cross sections and two structures. To model the Navigational Channel 11 sections were used augmenting the surveyed sections to include interpolates (to improve numerical stability) and ‘dummy’ units for the downstream faces of structures and junctions to follow the standard recommended approach. Given that these were to be included within a linked 1D-2D model, the survey focussed on levels between the top of banks only with floodplain levels being informed by the wide area LiDAR Data supplied by the EA (and upon which the wider area modelling was originally based).

The structures surveyed were the existing culvert under Woking Road and the existing lock gate at the downstream limit of the Navigational Channel. There are no other structures along this Navigation Channel.

The survey showed that the Woking Road culvert has a steep and sudden drop in bed level at the downstream face. As such, and to increase model stability, a spill unit was used to represent the drop-in bed elevation with ‘dummy’ cross sections from the nearest surveyed cross sections used to represent

channel dimensions at both the upstream and downstream faces. This approach was considered the most representative of conditions whilst suitably representing the flow process through this structure and improving numerical stability.

For the lock gate at the downstream limit of the Navigational Channel a conservative approach has been adopted. It is assumed that the Lock is shut. The channel bed levels at the point of the structure have been increased to the surveyed crest level of the weir gate to represent a 'worst case' control on water levels. Whilst several options were available for the modelling of this structure, the approach adopted is considered as having the greatest chance of conservatively representing upstream flood levels.

A copy of the structures surveyed, along with all of the surveyed cross sections, is included in the Appendices.

The 2D model was, as with the 1D elements, changed as little as possible from the already approved model. The Navigation Channel and cross sections have been included using the same methodology as that used within the supplied modelling but using a new version of the:

'2d_bc_ISISLink_NoMCS_split_HYD_Polyline', and, '2d_bc_ISISLink_NoMCS_split_HYD_Polygon' files.

These files have been used to represent the watercourse domain and also to provide the link between 1D and 2D Domains (via the use of CN lines). The Polygon layer, as with for the rest of the River Wey model, was broken at the location of structures with road/deck levels being informed by LiDAR levels.

The only other input layer amended from the original model was that with the ISIS Node Locations. This layer was updated to include the cross sections that have been surveyed, and interpolated, to represent the Navigational Channel. Once updated this layer was saved as '1d_1xd_ISISNodes_Split - Copy 1d_1xd_ISISNodes_Split - Copy Point'.

The changes made are referenced within the relevant 1D (DAT, IEF, IIC) and 2D (TRD, TCF, TGC, TBC) elements. This was then re-run as a linked model. The run parameters used within the IEF (MAXIT etc.) for the new Navigational Channel model matched those used within the original models. This was to ensure any comparison of the resultant new modelling to that of the original modelling could be undertaken. This comparison has allowed determination of the impact the inclusion of the Navigational Channel on flood extents and depths both at the site and in the wider area.

4.3 Results

The modelled results for both scenarios (original model and the new model that includes the Navigational Channel) have been compared for the 1 in 20 year event used to represent the limit of the functional floodplain. The comparison confirms that a significant volume of flow (around 14% during normal flows) is directed down the Navigational Channel.

Furthermore, the predicted flood extents for the new model with the Navigational channel included are noticeably reduced along the right bank of the River Wey in the location of the site. In addition, the resultant extents and depths of flooding within the area of land between the Navigational Channel and the main River Wey channel are also shown to increase.

Whilst noticeable differences in flood depths and extents around the Navigational Channel are predicted by including more realistic representation of the actual hydraulic environment in the location of junction between the channels, the results also confirm that the impact of this additional channel is

relatively localised with little, if any, impact to flood extents shown a short distance both upstream and downstream of the channel split/ confluence.

In relation to the site, the modelled 1 in 20 year event which now includes the Navigational Channel confirms that, whilst peak flood levels reach an elevation above that of the lowest surveyed site levels (taken from topographical survey as this is considered more accurate and representative than the wider area LiDAR Data), the predicted depths (and extent) of flooding within the site are marginally reduced from those provided by the EA using the original modelling.

Following the approval by the EA of the 1 in 20 year modelling, the EA have requested that the model be run for the 1 in 100 year event to determine the impact of the inclusion of the Navigational Channel on the existing Flood Zone 3.

Based on the modelled results, the existing building and access points (both vehicular onto the A25 and pedestrian into the building) are concluded to be outside the Functional Floodplain (i.e. the 1 in 20 year event). As such the policy within Guildford Borough Council's Local Plan that states that development within Flood Zone 3b should not increase the existing vulnerability classification would not apply. A proposed change of use application in this location can therefore be considered acceptable provided suitable flood resilience and resistant approaches be included within the scheme. That said, it is noted that the northern section of the site and open car parking areas (i.e. not the undercroft) would be within Flood Zone 3b. However, there are no proposed changes to the use of these areas and they are to remain as car parking.

The 1 in 100 year modelling has been run and this confirms that whilst the site would remain as being predominantly within Flood Zone 3 and at high risk, the predicted levels have reduced from those provided by the EA with predicted flood levels being a maximum of 29.723m AOD.

5. NPPF REQUIREMENTS

5.1 Flood Risk to the site

Whilst an Exception Test is not required under the permitted development rights application, the following section details those measures recommended to mitigate any identified flood risks, to ensure that the proposed change of use and future occupants will be safe, and that flood risk will not be increased elsewhere, akin to the requirements of the second section of the Exception Test.

As discussed in section 3.2 the main risk from flooding is the potential inundation of the car park areas behind the existing building during design flood events. Following assessment of the predicted flooding depths, it is recommended that all habitable rooms be set no lower than 30.323m AOD to ensure all habitable rooms are set with a 600mm freeboard above the 1 in 100 year event. The provided topographical survey confirms that floor levels are set at 30.57m AOD and therefore are suitably raised above the current flood levels.

As car parking areas are predicted to be at risk during design events, it is recommended that a Flood Evacuation and Management Plan be prepared for the site which should be managed by the site Management Company and disseminated to all future occupants of the site.

5.1.1 *Resistance and Resilience Measures*

Owing to the raised nature of the existing ground floor level, no particular measures are considered necessary as all residential uses will be suitably raised.

5.1.2 *Safe Access and Egress*

Access to the site will be via Ladymead Road on the southern site boundary which is confirmed to be at low risk of flooding, based on the EA's Flood Zone and Flood Risk from Surface Water mapping.

As such, a safe / dry access and egress is considered to be possible to and from the site.

5.1.3 *Flood Risk within Catchment*

The proposed development will not increase flood risk within the catchment through a loss of floodplain storage as no external changes in levels are proposed.

5.1.4 *Surface Water Drainage Strategy*

As the amount of hardstanding within the site is not changing, the volume or rate of surface water generated from the site is not expected to increase.

6. CONCLUSIONS

This report has considered the flood risk posed to the proposal site from a variety of sources of flooding, as defined by the NPPF.

The report has confirmed that the existing building is located within Flood Zone 3 but outside of the functional floodplain. The only areas shown to be within the Functional Floodplain are along the northern boundary which is an existing area of car parking. The area of car parking to the north is also shown as being at an increased risk from surface water. The southern section of the site (including the existing building) is at low risk from fluvial and surface water risks. The entirety of the site is also shown as being at low risk from sewer, and groundwater flooding and is not considered at risk from flooding from artificial sources.

The proposed change of use is 'more vulnerable' but as the minimum floor levels for residential use are to be raised to a level that is at or above the maximum predicted depth for the 1 in 100 year climate adjusted flood level, such use is considered appropriate in the proposed location under NPPF criteria.

The proposed development will, where possible, implement measures to 'wet proof' the building access areas to improve existing flood resilience. This should include locating vulnerable services above the design flood depth – ideally 500mm above the predicted 1 in 100year flood level of 29.723m AOD to ensure a flood resilient approach has been adopted. Given the currently floor levels this is achieved (floor level is at 30.57m AOD). This will be in addition to the site preparing a Flood Evacuation Plan and signing up to the EA's Early Warning Scheme.

Provided a suitable flood management plan is in place the proposed change of use is considered to be acceptable from a flood risk perspective and to provide a viable future for the building.

Based on the modelling the site is concluded to be outside the Functional Floodplain (i.e. the 1 in 20-year event). As such the policy within Guildford Borough Council's Local Plan that states that development within Flood Zone 3b should not increase the existing vulnerability classification does not apply. A proposed change of use application in this location can therefore be considered acceptable provided suitable flood resilience and resistant approaches be included within the scheme.

Hydrock Consultants Limited

17th December 2019

T +44 (0)1483 538181

Melissa M Bromham
Investment Property Manager
Guildford Borough Council
Millmead House
Millmead
Guildford
GU2 4BB

www.lsh.co.uk
Lambert Smith Hampton
2 Bell Court
Leapale Lane
Guildford
Surrey
GU1 4LY

Ref: PD/ph

Dear Melissa

Liongate, Ladymead, Guildford, Surrey GU1 1AT

As requested please see set out below a summary of the activities undertaken prior to and during the marketing of the freehold interest of above property.

The aim of the process was to undertake sufficient due diligence to enable a wide scale marketing campaign that was backed up with a comprehensive package of data, which would enable informed bids from interested parties.

Interest and bids were encouraged from different use types to establish open market values for these alternative uses and the bidding process employed developed the competitive tension to deliver best consideration.



Background

Liongate is a late 1980's office building situated on Ladymead and adjacent to the Stoke Intersection, which is the main access point from the A3 into Guildford. It comprises some 43,000 sq. ft. (Net Internal) of offices, mainly on three floors on a site of approximately 1.36 acres.

The property was leased to Honeywell UOP at a rental of £980,000 per annum and was subject to a tenant break clause in September 2019 which was exercised as the property was much larger than the business needed. Honeywell moved the Guildford operation into surplus space it had in Bracknell.

Liongate is very prominently positioned alongside the A3 and Ladymead at the Stoke intersection, which is the main vehicular access into central Guildford. However, this location is not convenient for office based staff as there is virtually no local amenity and it is poorly positioned for public transport, being more than one mile from Guildford mainline station.

The building is very heavily partitioned to create private offices and meeting rooms and the current layout would not suit a contemporary office occupier. There is undercroft and surface parking for 126 cars.

Liongate is now looking very dated and on inspection feels like a property of its time and not one which the modern business user would be inspired by. Also, as the property is now thirty years old, both M&E plant and finishes will be reaching life expiry and the building would require substantial investment before being capable of new occupation for office use.

Furthermore, the office market is undergoing significant structural change and the demand for large HQ office buildings such as Liongate is diminishing. The departure of major corporate occupiers from Guildford including Honeywell, Sanofi and Ericsson is a clear demonstration of this new environment.

Demand is now generally for smaller space areas in well located buildings with good access to amenity and transport links.

Planning

There are two key planning related factors which impact on the potential for alternative uses for the Liongate building/site and therefore the value which can be achieved for the property.

Firstly, the site is predominantly within Flood Zone 3B where 'more vulnerable' developments are generally not permitted by the EA. New residential development would be classified as 'more vulnerable' would not be permitted within Flood Zone 3B.

Also, in the newly adopted Local Plan the site is designated as a Strategic Employment Site. The site would therefore need to be actively marketed for a period of two years for offices, retail, warehousing and/or other suitable employment generating use, without success, before alternative non employment uses might be considered by the planning authority.

Pre-Marketing

To achieve best value in the sales process it is advisable to go to market with a comprehensive package of information regarding the property so there area as few unknowns as possible. This then means that the prospective purchasers are armed with sufficient information to make deliverable bids and that a transaction is less likely to be de-railed during the legal process by previously unknown information.

The due diligence included collating and commissioning the following:

- Topographic Survey
- Full measured survey of the building and production of detailed CAD plans
- Flood Risk Scoping Report
- Flood risk Assessment
- Photography including aerial

- Utilities Survey
- Title Report
- EPC
- Asbestos Report

Marketing

The marketing campaign was designed to widely expose this development opportunity to market and was based a combination of internet promotion and direct contact with potential purchasers.

The marketing timeline was planned to tie in with the exit from the property by Honeywell and was as follows:

September 2019 - For Sale board erected, particulars produced and released to investors/developers. Property details live on the LSH website and other key property web sites – Rightmove, Zoopla, Co-Star, EGi, Realla etc.

October 2019 - Registering interesting from 65 parties, granting access to the data room to 39 interested parties, accompanying viewings of the property with 18 interested parties (viewings taking place between 3rd October and 11th November).

November 2019 – Invite bids from interested parties by Thursday 14th November 2019. Twelve bids received. Review and clarify bids and invite best and final bids for the five highest bidders by Monday 25th November 2019.

Bids Received

The Bid Summary Schedule, dated 17th November, is attached and sets out details of the initial bids received.

These bids ranged from £5.0 million for a subject to planning bid from Lok'nStore for self-storage use to £11.1 million for a subject to planning bid from Signature Senior Lifestyle for a 93 bed new build care home.

The bids were presented Investment Property Fund Management Group (IPFMG) and it was agreed that only unconditional bids should be perused as there were very significant planning risks around the delivery of subject to planning offers. Particularly the Strategic Employment Site designation and also that the property is situated in Flood Zone 3B.

The time it might take to secure a planning consent, was also a factor when the proposed use is not compliant with Local Plan and the cost implications of this when business rates exposure alone is circa £500,000 per annum for GBC.

A revised bid request letter was submitted to Signature, Equinox, OCEA, Shaviram and BSD seeking unconditional offers that were not subject to third party debt. Responses were as follows:

Signature - declined to submit a revised bid and said that their £11.1 million bid needed to be conditional on planning.

Equinox – Resubmitted their original £10.7 million bid which was still subject to bank finance. This party had not viewed the property and in seeking clarification to their bid, they submitted a development appraisal that showed a reliance on gaining planning consent for a substantial additional amount of floor space on the site.

OCEA – Increased their bid from £9.51 million to £9.62 million and dropped the requirement to dis-apply the VAT.

BSD – Increased their bid from £9.5 million to £10.1 million and provided evidence of cash reserves to fund the purchase.

Shaviram – Increased their bid from £9.0 million to £10.00 million but conditional on environmental and building surveys.

It was agreed that we should exclude Signature's planning conditional bid as planning for the proposed use was unlikely to be achieved. Even if it was, any potential price advantage would be wiped out by the holding costs during the time it would take to secure the planning.

The Equinox bid was dismissed as being unreliable and unlikely to be delivered as they have not viewed the property, despite claiming to have done so and was still subject to raising bank debt. The development appraisal showing the requirement for more floor space to support the bid level was also of major concern.

The OCEA bid was a well-researched and a clean unconditional bid from a credible buyer but now somewhat off the pace.

Shaviram had increased their bid but were not able to demonstrate any significant level of due diligence and the conditionality of the surveys was a concern.

BSD had delivered the highest unconditional bid were a cash buyer and had inspected the property on three occasions with their professional team. It was therefore agreed that they were the preferred bidder.

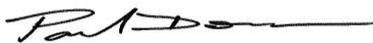
Solicitors were instructed accordingly and it is expected that the sale will exchange this week.

Best Consideration

LSH has undertaken a comprehensive marketing process and we have received bids for a variety of use types from both conditional and unconditional buyers. This has shown how different sectors value the property.

We are confident that the transparent and competitive bidding process has secured best consideration for the property and that the price of £10.1 million is a very good result for GBC and in excess of our original expectations for the property.

Yours sincerely



Paul Dowson

Director

DL +44 (0)1483 446703

E pdowson@lsh.co.uk