

Executive Report

Ward(s) affected: Friary and St Nicolas

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North Street Development Site, Guildford.

Executive Summary

Since July 2019 the Council has been in negotiations with St Edward to agree terms for the sale of its land within the North Street development site to facilitate the construction of a residential led mixed-use scheme that will include provision of a refurbished bus interchange and the pedestrianisation of North Street.

The Executive meeting on 26 October 2021 agreed,

To authorise the Strategic Services Director, in consultation with the lead Councillor for Regeneration, to establish a working group consisting of stakeholders, Councillors and officers to make recommendations to the Executive in respect of the design of the refurbished bus interchange (including the associated access and public realm improvements) and the proposed pedestrianisation of North Street.

The working group was established, membership of the group, the process that has been followed and the recommendation is detailed below.

Agreement of a high-level specification for the refurbished bus interchange and the pedestrianisation of North Street is required to enable the exchange of the sale contract for the sale of the Council's land and the redevelopment of the North Street site to proceed. The terms of the sale contract require the agreement of a detailed specification for both sets of works, taking into account planning requirements, prior to the planning application being submitted. The contract also allows for additions to the contract, at the Council's expense, prior to the detailed specification being concluded.

Further, officers request that £150,000 is moved from the provisional capital programme (Scheme ED38(p)) to the approved capital programme (Scheme ED27) to fund the ongoing work on the North Street Project. An indicative break-down of expenditure is included in section 8 of the report (financial implications).

Recommendation to Executive

1. To agree the working group's recommendation for the design and high-level specification for the refurbished bus interchange.
2. To agree the working group's recommendation for the design and high-level specification for the proposed pedestrianisation of North Street.
3. To move £150,000 from the 2022-23 provisional capital programme to the approved capital programme to fund the ongoing work on the North Street Project.

Reason for Recommendation:

To maintain progress with the North Street development project.

Is the report (or part of it) exempt from publication? No.

1. Purpose of Report

The purpose of this Report is to:

- a) Update the Executive on the formation of the working group and the process that has been followed.
- b) Present the working group's recommendation in respect of the refurbished bus interchange.
- c) Present the working group's recommendation in respect of the proposed pedestrianisation of North Street.

2. Strategic Priorities

The relevant strategic priorities of the Council in connection with proposals for facilitating the redevelopment of the Site are set out in the reports to the Executive in February 2020 and September 2020.

3. Background

- 3.1 In November 2021 the Strategic Services Director, in consultation with the Lead Councillor for Regeneration, established a working group consisting of stakeholders, councillors and officers to make recommendations in respect of the refurbished bus interchange and proposed pedestrianisation of North Street.
- 3.2 The Terms of Reference (TOR) for the group are attached in Appendix 1.
- 3.3 The group consists of the following members:

Cllr John Rigg. (Chairman) Responsible for Regeneration and Major Projects.
Cllr Angela Goodwin. Friary and St Nicolas Ward. Leader of the Equality Group.
Cllr John Redpath. Holy Trinity Ward (adjacent ward).
Cllr Tony Rooth Pilgrims Ward.
Amanda Masters. CEO Experience Guildford.
Vicky Hickson. Friary Centre Manager on behalf of M&G.
Edward Hodgeson. Stagecoach. Managing Director SE.
Paul Millin. Surrey County Council.
Andrew Stokes. Surrey County Council.
David Ligertwood. Surrey County Council.
Abi Solway. Surrey County Council.
Darren Burgess. GBC. Asset Management.
Andrew Tyldesley. GBC Town Centre Development Lead.
Jack Nicholson. St Edward. Developer.
Robert Packham. St Edward. Developer
Rob Vince. Stagecoach.
(Note that at various meetings substitutions took place)

3.4 In accordance with the TOR the group met on three occasions being 29 November, 16 December and 19 January.

3.5 The group received presentations from architects, Scott Brownrigg, landscape architects Murdoch Wickham and St Edward, the developer. St Edward also presented cost plans from Aecom.

3.6 Scott Brownrigg and Aecom, are appointed by St Edward by have agreed to provide a duty of care to the Council on the advice that has been given.

4. The working groups recommendations.

4.1 In respect of the refurbished bus station the working group recommends the design and high-level specification set out in appendices 3 and 4.

4.2 In respect of the proposed North Street pedestrianisation the working group recommends the design and high-level specification set out in appendices 5 and 6.

4.3 In each case the working group has working within the budgets to be provided by the developer. The budget has been a constraint on the ambitions of the group.

4.4 The group was drawn from a cross section of stakeholders who often had different priorities.

4.5 At the end of the process the pedestrianisation proposal was estimated to cost substantially more than anticipated/budget. This was due to the proposed taxi rank and roadway re-arrangements that were found to come with a much higher cost than anticipated and were £500k over budget. Therefore, this work is not included in the high-level specification. Once a budget has been allocated or an alternative solution has been found, the contract allows the Council to add this into the detailed specification, possibly at its own cost. Alternative solutions include allowing taxis to use North Street or relocating the taxi rank.

4.6 The estimated cost of pedestrianisation is higher than expected and the estimated cost for the refurbished bus station is lower than the expected. Therefore, there will be a re-allocation of budget. The budget for the refurbished bus interchange will be £4.0m (£4.2m) and for the pedestrianisation of North Street £885k (£685,000).

5. **Options**

5.1 Accept the working groups recommendations. This will fulfil the Councils agreement to agree a high-level specification for the works before a conditional contract is exchanged with the developer.

5.2 Delay a decision on these matters subject to further design, specification and costing work. This will cause the target date for the exchange of contracts to be missed and potentially lead to the failure of the agreement.

5.3 Seek a higher quality design and specification. This would require the Council to make a budget available for the additional/higher specification works. This will cause the target date for the exchange of contracts to be missed and potentially lead to the failure of the agreement.

6. **Consultations**

6.1 This site sits under the North Street Programme Board reporting to the Major Projects Portfolio Board (MPPB). Members has been kept updated on the progress of the working group.

6.2 Councillor John Rigg, Chairman of the North Street Programme Board and the MPPB and the Lead Councillor for Regeneration with overall responsibility for Corporate Programmes supports the recommendations detailed above.

6.3 Dawn Hudd, Director of Strategic Services and a member of the North Street Programme Board has been consulted and supports the recommendations detailed above.

7. **Key Risks**

7.1 The Local Planning authority (LPA) refuses planning consent for the proposed refurbishment and/or pedestrianisation or imposes conditions that are too onerous making the scheme unviable or are an additional cost that exceeds budget and would have to be met by the Council. It is anticipated that the pre-application planning process and appropriate liaison between the Council and LPA can be used to mitigate this risk.

7.2 Surrey County Council, the highways authority, could refuse their consent for the proposed alterations to the highways that will be required to implement the proposed scheme. SCC could also impose conditions that make the proposed scheme unviable. The developer will undertake detailed consultation with SCC prior to

making a planning application to mitigate the risk of refusal or unacceptable conditions.

- 7.3 Unable to agree specifications for the bus interchange and other works, that are acceptable to the Council within an agreed budget. The Council would have the ability to either transfer budgets between different elements of the project or to top up budgets from its own funds if desired.
- 7.4 If St Edward does not purchase the Council's land the current bus station will need to be maintained and repaired (it is currently in a poor state of repair and there are health and safety and compliance liabilities). Some form of refurbishment will be necessary in the medium term, regardless of whether the redevelopment takes place, to help the Council achieve its aims of modal shift and environmental improvement.

8. **Financial Implications.**

- 8.1 If the Council agrees to the proposed high-level specifications it is anticipated that the developer will cover the total cost of works. Therefore, there will be not be a requirement for the Council to make any financial contribution.
- 8.2 Cost will become the developers risk once the detailed design and specification is agreed between exchange of contracts and the submission of the planning application (approx. two months). The Council may be exposed to financial risk of exceeding the budget during this process. However, it should be possible to engineer the design and specification to ensure this does not occur.
- 8.3 At its meeting in March 2021 the Council approved an on-going revenue budget of £10,000 per annum for the repairs and maintenance of the bus station and a one-off cost of £70,000 for urgent repaid to the existing bus station. The £10,000 per annum has been included within the budget proposals for 2022-23 and the medium-term financial plan for 2023-24 to 2025-26 which was approved by the Council on 9 February 2022. Redevelopment of the bus station should provide a modern fit for purpose station that will be easier to maintain within the budget in the long-term. Consideration of whether the new bus station can be leased to an operator on a full repairing and insuring lease will be undertaken following redevelopment.
- 8.4 It is requested by officers that £150,000 is moved from the provisional capital programme (Scheme ED38(p)) to the approved capital programme (Scheme ED27). An indicative break-down of expenditure is:

Year 2022-2023	Item	Estimated Expenditure
Solicitors, Architects cost consultant, Transport consultants etc	Agree Bus Interchange and Pedestrianisation spec, bus Co, taxi and market stall arrangements	£49,000

Consultant PM		£96,000
Staff		£ 5,000

9. **Legal Implications**

Note that Contract and Procurement implications were dealt with in the 26 October 2021 Executive Report.

The approved design will form part of the specification given to St Edwards for the bus station refurbishment. St Edwards will be required to submit a planning application to seek permission from the Council as the Local Planning Authority to carry out the works.

10. **Human Resource Implications**

Human Resources does not see any impact over and above the resource requirements identified in the 26 October report. The Council is reliant on its internal specialists alongside external advisers and a budget has been put in place to cover the cost of these resources.

11. **Equality and Diversity Implications**

Note that Equality and Diversity Implications were dealt with in the 26 October 2021 Executive Report (attached in Background papers).

12. **Climate Change/Sustainability Implications**

12.1 Climate Change and Sustainability implications were reported in the Sept 2020 Executive Report. The position has not changed.

13. **Conclusion**

13.1 The recommendations in this report provide the Council with a route to facilitate a refurbished bus interchange that is in line with the Council's Corporate Plan priorities. It will also offer the benefit of the pedestrianisation of North Street.

13.2 When considering the likely acceptability of St Edward's future proposals for the overall site, the bus interchange, North Street pedestrianisation and the likely development impacts, the Council will have the benefit of protection by the planning process. It has been made clear to St Edward that any decision on the part of the Council to sell its interest in the Site should not be seen as a predetermination or commitment on the part of the Council, in its capacity as LPA, to approve a subsequent planning application for the proposed development. St Edward will need to address all relevant national and local planning policies. It will also need to respond to consultation and local sensitivities.

14. **Background Papers**

None.

15. **Appendices.**

Appendix 1: Working Group TOR.

Appendix 2: St Edward's working group presentation used to inform the high-level specification.

Appendix 3: Design Specification

Appendix 4: Cost plan for the refurbished bus interchange.

Appendix 5: Design Specification

Appendix 6: Cost plan for the proposed pedestrianisation of North Street.