

Executive Trustee and Shareholder Committee Report

Ward(s) affected: Holy Trinity

Report of Director of Strategic Services

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Structural Repairs to Foxenden Tunnels

Executive Summary

Foxenden Tunnels is a large World War II air raid shelter located beneath Allen House Grounds and accessed from the lowest level of the adjacent York Road multi-storey car park.

The tunnels are in a very poor condition. They've been sealed up for several years, which has caused substantial moisture build up and consequently, the original structural steelwork has deteriorated to the point of concern for safety.

A capital budget of £110k for repairs was approved in 2019 but following specification and tendering of the required works, was found to be inadequate. As a result of the repair work being more complicated than originally envisaged and the impact of the Covid-19 pandemic, the cost to implement all of the work is now likely to be in excess of £300k.

An approximate assessment of the likely rental income that the asset could generate has determined that the outlay that would be required on repairs is not justified at this time.

A number of alternative options have been considered. The first was to undertake only the bare minimum of work required to keep the structure safe, but this does not present a significant saving nor would enable it to be used in a meaningful way. The second was to do nothing, which has been assessed as presenting minimal risk whilst only incurring a minimal outlay to undertake regular inspections.

The structure is a local curiosity but not considered to be of historical significance in the national context. It is not formally recognised as either a Listed Building or Scheduled Ancient Monument. It is not, therefore, subject to the statutory obligations to repair that come with those classifications.

Recommendation to Committee

That the Committee approves the recommendation to mothball the asset whilst undertaking annual inspections to ensure its continuing safety, and to review the position in five years' time.

Reason(s) for Recommendation:

The recommendation is based on a financial analysis of the cost of repairs, the likely rental income and potential loss of income from parking to provide safe access to support a commercial letting.

Is the report (or part of it) exempt from publication?

No

1. Purpose of Report

- 1.1 To seek approval for a course of action that will see Foxenden Tunnels formally mothballed in the face of rising repair costs.

2. Strategic Priorities

- 2.1 The proposal contained within this report is not specifically associated with any strategic priority. It is, instead, offered as a pragmatic solution to an asset maintenance issue that is facing significant costs.

3. Background

3.1 Introduction

Foxenden Tunnels is a large World War II air raid shelter located beneath Allen House Grounds and accessed from the lowest level of the adjacent York Road multi-storey car park.

The structure has been closed for some years following concerns being raised about its' safety and a capital bid was made in 2019 to fund repairs.

That work was specified and tenders obtained, but the costs far exceeded what was originally envisaged.

Following discussion with CMT in 2020, further information was requested with regards to a business case to assess the likely value of any letting and the consequences of not doing any repairs and effectively abandoning the asset.

3.2 Current Position

The tunnels are in a very poor condition. They've been sealed up for several years and consequently, moisture levels have increased enormously. This, in turn, has resulted in significant decay to a series of steel beams that support the tunnel junctions and any timber within the tunnels has completely rotted away.

In 2019, a capital bid was submitted and approved to carry out repairs for the sum of £110k. One of the prime causes of the structural deterioration is lack of ventilation and the proposed repair scheme included installing a mechanical ventilation system to address this. The rest of the works comprise replacing all of the steel beams with new galvanised equivalents, installation of some emergency lighting and new steel doors (which have already been completed).

Of the original budget, approximately £40k has currently been either committed or spent, with around £70k remaining. However, we received tenders in early 2020 for the outstanding work, which are in the region of £240k. The difference is attributable to the work being much more complicated than originally envisaged, requiring a number of very specialist contractors and techniques. Along with design fees, various specialist testing works (lead paint, air quality, Radon gas) and the fact that the scheme was designed before the impact of Covid-19 means that the total cost to implement all of the work will now likely be in excess of £300k.

During the most recent period of lockdown, the tunnels (and York Road car park generally), have been subjected to repeated and sustained acts of vandalism. Access has been gained to the tunnels on two occasions and the recently replaced doors have been damaged beyond repair. They have currently been welded shut to prevent further access and heavier duty replacements have been ordered. The police have been informed but at the time of writing no arrests have been made.

3.3 Planning Status

The structure is a local curiosity but not considered to be of historical significance in the national context. As such, whilst it is locally listed by our planning team, it is not formally recognised as either a Listed Building or Scheduled Ancient Monument. It is not, therefore, subject to the statutory obligations to repair that come with those classifications.

3.4 Revenue Earning Potential

In the past, the tunnels were periodically opened to limited numbers of visitors by the Heritage team and the work described above would enable this sort of activity again. However, the site is never going to be a tourist attraction in the conventional sense due to both its location and physical limitations on access. The latter completely precludes access to wheelchair users, for example. As such, there is very limited potential to generate any meaningful income from this activity.

Assessing the potential for leasing the asset to a third party for commercial purposes is proving to be problematic, partly due to its unique nature but also partly due to restrictive covenants to its usage as a result of it being directly beneath Allan House Grounds. As a consequence of the former, numerous agents have declined to provide a valuation. A very approximate calculation based on the useable floor area yields an estimated income of around £11k p.a. but the restrictive covenants impose some significant barriers to agreeing

favourable lease terms. Additionally, there are potentially substantial costs associated with the loss of parking spaces that would be necessary to provide safe access. Appendix 1 contains a more detailed summary of these issues, but officers have concluded that the asset is very unlikely to generate sufficient income to justify the outlay on repairs and loss of income from parking. The only way to establish its likely value more accurately is to conduct a marketing exercise. This, however, runs the risk of reputational damage to the Council if it were then decided not to proceed and will, in itself, incur additional costs.

3.5 Works Costs and Consequences

Since this issue was first discussed with CMT, officers have now obtained a detailed geological report on the condition of the tunnels, specifically to address the question of what would be the consequences of not undertaking any repair work at all. The conclusion of that exercise is that the tunnels are generally considered to be in good condition and are not at risk of significant collapse in the short term. However, it was not possible to state with any certainty for how long that assessment would remain valid, and it was recommended that they be re-inspected at least annually if no work is to be undertaken at this time.

During the design phase for the proposed works, it was discovered that there is a small risk of exposure to Radon gas in the tunnels, which is mildly radioactive. It is not an immediate concern as it only poses a health risk over very long periods of exposure, but if the tunnels were to be put to a more permanent use then it is recommended that a monitoring system is installed. However, the standard mitigation for Radon gas is ventilation, which is part of the proposals anyway and so the risk is very low.

Given all of the above, the options on how we could proceed are as follows:

1. Increase the budget available to approximately £300k (an additional £190k over that already allocated) and undertake all of the work as originally envisaged. This would make the structure accessible for small scale visits as before and open the possibility of some limited commercial use.
2. Install only the ventilation and lighting equipment and undertake some temporary propping, which would still require an additional budget of £120k over that already allocated. This would prevent further significant deterioration and defer the need to spend more until a later date. However, this option effectively only saves the cost of the steelwork repairs as the site setup requirements are a significant portion of the overall project cost. It may enable some limited use in terms of small-scale visits but would not enable any other use or access. There will be a degree of ongoing maintenance required to the ventilation system and the cost of any permanent repairs will increase over time.
3. Do nothing and allow the structure to continue to deteriorate. As described above, whilst this is a low-risk option engineers have recommended that we undertake an annual geological inspection to confirm the structure's

continued stability. There will be an ongoing revenue cost of approximately £6.5k p.a. for the inspection itself.

On the basis of our financial assessment and technical advice from engineers, officers recommend that Option 3 is the best course of action.

4. Consultations

- 4.1 The proposals contained within this report were considered by CMT on 13th July 2021. CMT agreed to support Option 3 with the addition of a five year review on the need or desire to undertake any remedial works.

5. Key Risks

- 5.1 The only risk of any consequence of proceeding with the recommended option is that the tunnels do, at some point, suffer a significant failure and collapse. The advice that we have received from geological engineers is that this is unlikely in the short term. Furthermore, they advise that even if a collapse were to occur, it would not be detrimental to the surroundings, either York Road car park or Allen House grounds above.

The potential for collapse is to be mitigated by regular inspection.

6. Financial Implications

- 6.1 If the recommended option were agreed then the remaining portion of the already approved capital budget can be released as it will no longer be required.

The recommendation for an annual inspection by engineers will attract a revenue cost of approximately £6.5k p.a., rising with inflation. Officers have assessed that this can be funded from the existing General Fund asset maintenance budget

7. Legal Implications

- 7.1 No legal implications apply.

8. Human Resource Implications

- 8.1 No relevant HR implications.

9. Equality and Diversity Implications

- 9.1 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

10. Climate Change/Sustainability Implications

- 10.1 There are no relevant climate change/sustainability implications

11. Executive Advisory Board comments

The proposals were then considered by the Executive/Management Liaison Group on 1st September 2021. The Liaison Group reluctantly felt that under the current financial circumstances it would be better to go with the recommendations of the report.

12. Summary of Options

12.1 There are three options, as follows:

1. Increase the existing budget by a further £190k to enable the repair work as originally envisaged to be undertaken.
2. Increase the existing budget by a further £120k to enable the bare minimum repair work to be implemented but without the potential for further use.
3. Do not undertake any further work and return what remains of the existing approved budget. Implement an annual inspection regime to warn of any significant issues but to otherwise mothball the asset.

Given the anticipated low rental yield and the potentially high cost of providing safe access, officers recommend that Option 3 is the best course of action.

13. Conclusion

13.1 Foxenden Tunnels are proving to be an expensive asset to maintain with only very limited scope to generate a return on any investment. They are a local curiosity but are difficult to put to any practical use. Given the lack of any planning imperative to maintain them, the anticipated low rental yield, and the potentially high cost of providing safe access, officers recommend that they be mothballed for the foreseeable future.

This course of action is to be tempered by an annual inspection by engineers to warn of any significant changes to the structure that we may need to be aware of. In addition, the asset is to be reviewed five years to assess whether circumstances have changed sufficiently to warrant a different course of action.

14. Background Papers

None.

15. Appendices

Appendix 1 describes the barriers to commercial uses that result from its location beneath Allen House Grounds and the associated restrictive covenants.