

Executive Report

Ward(s) affected: Friary & St Nicholas and Holy Trinity

Report of Joint Strategic Director of Place, Dawn Hudd

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Shaping Guildford's Future (formerly Guildford Economic Regeneration Programme Master Plan Strategy)

Executive Summary

The Council agreed in July 2019 to bring forward a sustainable and ambitious town centre masterplan to show how a strong vision can achieve more than piecemeal and uncoordinated development.

Over the past three years, the Council has undertaken work to develop the masterplan, with the aim of breathing new life into the town by opening up the riverside, reducing congestion, improving alternative, sustainable and affordable transportation, as well as making the centre a more attractive place to live, work and visit.

The purpose of this report is to seek endorsement of Shaping Guildford's Future Stage 2 outputs and approve the progression of the programme to Stage 3, with associated capital budget and delegations to enable this.

Recommendations to Executive

1. To endorse the Stage 2 Shaping Guildford's Future report and approve proceeding to Stage 3.
2. To approve the transfer of £3.070 million from the provisional to the approved capital programme to enable the Council to deliver Stage 3 of the programme.
3. To authorise the Joint Strategic Director of Place, in consultation with the Lead Councillor for Regeneration, to finalise Heads of Terms, Memorandums of Understanding, Terms of Reference, negotiate, sign and complete legal agreements relating to the Shaping Guildford's Future programme.
4. To authorise the Joint Strategic Director of Place, in Consultation with the Lead Councillor for Regeneration, to enter into contracts and legal agreements connected with the Shaping Guildford's Future project as may be necessary at reasonable costs within the approved budget.

Reason(s) for Recommendation:

This recommendation will support the delivery of the Council's Corporate Plan (2021-2025) priorities, by delivering a proactive strategy to address the economic and physical constraints facing the town.

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

No.

1.0 Purpose of Report

- 1.1 The purpose of the report is to:
- Seek endorsement of the Stage 2 report of the Shaping Guildford's Future (SGF) Masterplan Strategy (Appendix 1).
 - Seek approval to proceed to Stage 3 with a £3.070 million budget, as per the existing provisional capital programme.

2.0 Strategic Priorities

- 2.1 The recommendations in this report relate to the following priorities in the Council's Corporate Plan 2021-2025:
- Revive Guildford town centre to unlock its full potential.
 - Provide and facilitate housing that people can afford.
 - Create employment opportunities through regeneration.
 - Work with partners to make travel more sustainable and reduce congestion.
 - Make every effort to protect and enhance our biodiversity and natural environment.

3.0 Background

- 3.1 In July 2019 the Council made the following resolution: "That the process for bringing forward, within the term of this Council, a sustainable Town Centre Master Plan Development Plan Document be commenced immediately, and the Director of Planning and Regeneration be authorised to engage external master-planning consultancy advice to assist in this process".
- 3.2 Following the approval of budget allocations by Full Council in February 2020, the Executive agreed to the setting up of a Master Plan Board and appointment of a specialist advisor to brief and scope the appointment of an external professional team to contribute to the delivery of a proactive strategy for the comprehensive regeneration of Guildford town centre. Endorsement was given to the Strategy and organisational plan.
- 3.3 The approved Strategy sets out a timetable for taking forward a deliverable Economic Regeneration Programme for Guildford incorporating three stages with Executive sign-off and approval at each gateway as shown in Table 1 below:

Stage 1 (December 2020 - May 2021)	Preparation of detailed scope & briefs. Procurement of Consultant team. High Level Strategic Appraisal including constraint analysis.
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	Planning Strategy
Stage 2 (June 2021 – July 2022)	Development of concept Master Plan Stakeholder consultation Data collection Preparation of Strategic Outline Case Preparation of Grant applications.
Stage 3 (September 2022 – December 2023)	Grant Funding Award Application Collect Evidence Base for Planning Policy Progress Area Action Plan Progress agreements with Surrey County Council Progress E.A partnership Progress agreements with property and statutory stakeholders

Table 1: Gateway stages

- 3.4 Shaping Guildford's Future covers the issues and opportunities for regeneration along the river corridor through the town centre, but it does not currently include Guildford's historic core within the established town centre.
- 3.5 The Executive endorsed the Stage 1 Report at its meeting on 25 May 2021 and approved the budget of £1.1 million to fund Stage 2 fees and surveys.

4.0 Stage 2 progress to date

- 4.1 A holistic constraints informed Concept Masterplan has been developed by the project team. This is validated by infrastructure strategies, land ownerships and information such as current traffic data, climate crisis, flood targets, place making agenda, retail downturn and economic resilience.
- 4.2 The Council's procurement team advised on the most appropriate routes to market for the re-procurement of the external professional team to ensure compliance and value for money. Table 2 below shows the appointed professional team:

Discipline	Appointed Company
Master Planner	Leonard Design Architects
Development Advisor	Jones Lang LaSalle (JLL)
Planning Consultant	Carter Jonas
Flood Consultant	Arup
Strategic Transport	Markides
Project Manager	Gleeds
Highways Engineer	Arup
Infrastructure Consultant	Aecom
Cost Consultant	Gardiner & Theobald
Legal Advisors	Trowers & Hamblins
Communications	Forty Shillings
Sustainability	Aecom

Table 2: External professional team

- 4.3 There has been extensive public and councillor engagement regarding the objectives for the regeneration initiative and the concept Masterplan as it has developed, taking in to account the various themes that emerged through this engagement. The Spatial Masterplan from Stage 1 has developed into a number of potential development zones supported by a range of infrastructure initiatives that address the issue of defence against flood and achieving a people orientated movement environment in the town centre.
- 4.4 The proposed delivery model for regeneration is based on the understanding that grant support, in addition to the anticipated capital receipts secured from development zones, will be required to fund the required infrastructure transformation. To enable the project to move to a stage of realisation, it is necessary for the Council to take the lead role with its public sector partners (e.g., Environment Agency and Surrey County Council) so the regeneration can progress to a position where the private developer / investor market can be engaged to fund and deliver the mix of uses desired.
- 4.5 Planning advice in support of the development of the Concept Masterplan has been provided and a draft Planning Strategy based on an Area Action Plan approach has been formulated subject to an analysis of a new evidence base. The evidence base will be procured in the Autumn, subject to Executive's approval to progress to Stage 3.
- 4.6 As part of the Stage 2 works transport data collection studies have been undertaken that have enabled initial modelling solutions to be developed for a range of modal shift interventions and traffic reduction measures which collectively will aim to reduce the impact of the car in the heart of the town centre. It is proposed that, when implemented, these measures will enable the downgrading of highway capacity requirements and allow pedestrian, cycle and bus to become the prominent movement mode in a cleaner, less polluted and safer environment. Recognising the importance of transportation to the Masterplan, engagement sessions have been held with Surrey County Council and National Highways. The strategic approach being proposed for sustainable transportation in Guildford is compatible and consistent with both organisations' plans for future transport. Advice on bridge capacity and options has been sought.
- 4.7 Key to enabling most of the riverside development zones is the progression of a solution that enables the defence of development against flood, and strategies for building safely in flood zones. During Stage 2 the project has agreed a potential alignment for flood defence and a set of strategies relating to hard and soft landscaping that have in-principle been agreed with the Environment Agency (EA). The EA has also undertaken studies in respect of the provision of compensation storage required to mitigate a flood defence system. This has established that potential sites of a suitable size to perform this function are available upstream from Guildford. A legal agreement incorporating the collaboration and funding of the next stage of study work has been developed and will be entered into with the Environment Agency imminently.
- 4.8 Identification of other infrastructure and related capacity issues has been undertaken, together with desktop assessment of land based environmental issues. The work developing the understanding of utilities infrastructure during

this stage includes engagement with UKPN. This has established that little capacity remains in the existing network for new development and that substantial grid reinforcement will be required to enable planned development in the town to come forward. UKPN operate on a first come first served basis hence over the coming years the timing of developments already with or seeking planning consent are likely to suffer a high cost in contribution to a new Primary Grid installation in the town. Potable water will similarly require upgrading to suit new developments due to shortage of current capacity.

- 4.9 The demographic and demand-led economic statistics established at Stage 1 have been updated to inform the range and extent of uses within the Concept Masterplan. This is included at Appendix 2.

5.0 **Proposed scope of SGF Stage 3**

- 5.1 The work proposed under Stage 3 of Shaping Guildford's Future programme is as follows:

- Procure and progress evidence base studies to evaluate extent of, and support for, an Area Action Plan (AAP).
- Pending the outcomes of the above, progress the development and adoption of an AAP in consultation.
- Development of Masterplan to support an AAP, Landowner and Infrastructure Agreements.
- Development of flood defence solutions with Environment Agency (EA) to EA Outline Business Case stage.
- Further development of regional modelling and negotiation for in principle agreements with Highways England and Surrey County Council.
- Progress of agreements for purchase or relocation with principal landowning stakeholders.
- Preparation of a Sustainability Strategy for stakeholder consultation to support Masterplan and AAP.
- Preparation and development of cost plans, procurement strategy and phasing programme, economic and financial assessment to prepare Outline Business Case and to report on ongoing financial status.
- Development of an Outline Business Case (HMT5) as the basis for grant applications.
- Sourcing, application and securing of grant to bridge established programme shortfall to deliver critical infrastructure.
- Seek partners to deliver zones or projects.

A high-level programme is attached at Appendix 3, indicating the timeline for the delivery of the Stage 3 works outlined above.

5.2 The deliverables for Stage 3 of the Shaping Guildford's Future Programme are summarised in Table 3 below:

Shaping Guildford's Future Stage 3 Deliverables			
	Deliverables	Governance Output	Target Milestone
1	Completion of Strategic Outline Case (SoC)	For review and sign off by CMB/Informal Executive	Dec-22
2	Delivery of Evidence base studies for AAP	For review by Planning Policy team and decision to proceed with AAP	Mar-23
3	Completion of Highway Network Modelling by SCC	To inform Economic Model of OBC	May-23
4	Issue of Masterplan Study Report - Placemaking, Landscaping and related Design/Infrastructure Principles	For Agreement in Principle with SCC Place/Infrastructure teams and for evaluation into OBC	Apr-23
5	Issue of Strategic Transport update Report - Principles and Strategies as agreed with SCC	For evaluation in OBC	Jul-23
6	Issue of Masterplan Update (OBC freeze)	For evaluation in OBC	Jul-23
7	Completion of Outline Business Case (OBC)	For review and sign off by CMB/Informal Executive	Aug-23
8	Issue Report on potential sources for Grant support and make funding applications as applicable	Agreement with CMB on Grant Funding	Jul-23
9	Complete conditional in principal Land Agreements with Public Stakeholders. Courts Service, Police, National Trust	Establishment of site Deliverability for OBC	Jun-23
10	Complete conditional in principal Land Agreements with Legal and General, Odeon, Royal Mail and other land interest parties	Establishment of site Deliverability for OBC	Jun-23
11	Completion of AAP Reg 18 Documentation (by Planning Policy Team)	To enable Reg 18 Consultation	Sep-23
12	Completion of Environment Agency (EA) detail design and Outline Business Case for Flood Defences	To enable EA decision on Funding for Flood Defences	Dec-23

Table 3: SGF Deliverables

6.0 Consultations

- 6.1 As part of Stage 2 of the masterplan, an extensive engagement process has been conducted in line with a “Community and Engagement Strategy” prepared and implemented by the Council’s advisors, Forty Shillings. The programme of activity included the development of a specific website for Shaping Guildford’s Future (www.shapingguildford.co.uk) and associated video content to outline the ambition and objectives of the project, three webinars, two focus groups, collation of online and posted feedback forms and a telephone survey. An Executive Summary Report is attached as Appendix 4.
- 6.2 The project team have given presentations to the National Trust, Network Rail, National Highways and Surrey County Council to appraise them of the emerging proposals. In addition, a presentation to Surrey Council Council’s political leadership and Directors was made in September by Officers and members of the project team.
- 6.3 A series of infrastructure and delivery workshops have been delivered to Councillors by Officers and the professional team. In addition, updates on the progress of Stage 2 have been provided to Councillors at the quarterly Shaping Guildford’s Future Programme Board and the Major Projects Portfolio Board.
- 6.4 The Lead Councillor for Regeneration and Programme Board have been consulted throughout Stages 1 and 2 and support the recommendations detailed in this report and the proposed approach.

7.0 Financial Implications

- 7.1 Full Council, on 5 February 2020, approved a £500,000 budget for the 2020-21 financial year to undertake and procure a delivery-led Masterplan for the town centre, and in addition, £250,000 for expenditure in 2021/22 and 2022/23 financial years. This was for delivering Stage 1 and Stage 2.
- 7.2 At its meeting on 10 February 2021, Full Council approved a £1.249m bid for additional SGF funding for further Stage 2 works – now completed.
- 7.3 At its meeting on 9 February 2022, Full Council provisionally approved a bid of £3.070 million to progress Stage 3. This increases the budget of the three phases of the project to £5.069 million.
- 7.4 The spend on the project across the various Stages is summarised in Table 4:

	Approved/ Provisional budget (£)	Revised Spend Profile (£)	Actual /Forecast (£)	Variance (£)
Stage 1	500,000	420,000	568,000	148,000
Stage 2	1,499,000	1,579,000	1,791,000	212,000
Stage 3	3,070,000	3,070,000	3,070,000	
TOTAL	5,069,000	5,069,000	2,359,000	360,000
	5,069,000	5,069,000	5,429,000	360,000

Table 4: SGF financial breakdown

- 7.5 The overspend in 2020/21 and 2021/22 relates to staff time and project management costs that were unbudgeted. This cost has been funded from underspend in the Corporate Programmes budget for agency and general consultancy costs which is the General Fund revenue account.
- 7.6 The Council has secured £480,000 from Surrey County Council's Empty Homes Fund to cover GBC's contribution to the Flood Alleviation Scheme modelling work being commissioned and coordinated by the Environment Agency, and £80,000 to develop a sustainability strategy. This funding is available in 2022/23 and 2023/24, although has not yet been drawn down. It relates to works included within the £3.07m Stage 3 budget. This means that the net cost to the Council reduces by £480,000 to £2.590m.
- 7.7 In order to progress the project to Stage 3, it is now requested that the sum held within the provisional capital programme of £3.070 million, is transferred into the approved capital programme. The budget estimate for Stage 3 is attached at Appendix 5. Officers will seek to identify any further grant funding opportunities that arise either locally or nationally to support the delivery of the masterplan.

8.0 Legal Implications

- 8.1 The Council's internal legal officers have been instructed in relation to the procurement of consultancy services to ensure compliance with the Council's legal duties including the Public Contracts Regulations 2015 and the Council's Procurement Procedure Rules, and to enter into associated contracts.
- 8.2 Legal review and advice will be required in relation to any Memorandums of Understanding between the Council and third parties, and Infrastructure and Funding Agreements to ensure the Council is appropriately protected. This will need to consider Subsidy Control (formerly State Aid).
- 8.3 Trowers and Hamlins have been appointed as an external legal advisor to the Council, providing specific advice on property and Title matters across the three Stages of the programme. This will include advice on resolution of certain land ownership constraints and Compulsory Purchase.
- 8.4 Specialist legal advice will be needed in relation to the impact of the masterplan on the Council's adopted Local Plan. This will either be provided by in-house solicitors or procured from external legal advisors, using existing Planning Policy budget.
- 8.5 At a later stage, separate 'handling arrangements' will need to be established to ensure the appropriate separation of roles between the Council as 'master developer' and the Council as the Local Planning Authority.

9.0 Human Resource Implications

- 9.1 The Shaping Guildford's Future programme is currently being managed day-to-day by a development consultant. There is a need to recruit a Development Manager to support with the progression of Stage 3 activities, including evidence base gathering to support a potential AAP, and land and property matters. An allowance has been made within the proposed budget to cover the cost of the resources required to deliver the recommendations detailed within this report.
- 9.2 Should the Council progress with an Area Action Plan, the Planning policy team will resource this workstream through existing staffing.

10.0 Equality and Diversity Implications

- 10.1 The Council has a statutory duty under section 149 of the Equality Act 2010 which provides that a public authority must, in exercise of its functions, have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 10.2 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. However, Equalities Impact Assessments will be completed for specific future phases of the project as appropriate.

11.0 Climate Change/Sustainability Implications

- 11.1 The Council formally declared a climate emergency in July 2019 and set a goal for the borough to reach net zero emissions by 2030. The environmental impact of the masterplan through factors such as air quality, energy use, flood/climate resilience and carbon emissions will be considered throughout the programme of work.
- 11.2 The Town Centre Air Quality Management Area (AQMA) was declared on 21 October 2021. The AQMA covers much of the Shaping Guildford's Future highways network and any impacts from redevelopment of changes to the highway network will be carefully assessed to ensure that it assists in the reduction of NO² in the AQMA.
- 11.3 The delivery of sustainable solutions is expected to be driven by development partners at a zone level. The scope of Stage 3 specifically includes the development of a sustainability strategy that can act as a framework to ensure that all projects play their part in delivery against a common set of sustainability objectives and desired outcomes for the Borough and for town centre regeneration.

12.0 Summary of Options

- 12.1 OPTION 1: The Council could decide not to endorse the programme and cease work, thereby delaying the delivery of a strategy to support the economic regeneration of Guildford town centre which requires flooding remediation currently blighting major sites. However, it is likely that without such a strategy, sites will remain undeveloped or development will come forward in an uncoordinated manner and fail to address the substantial existing constraints, and deliver the overarching objectives and greater benefits achievable through a masterplan approach. If the project is abandoned, there would be £2.1m “sunk costs” to be written off.
- 12.2 OPTION 2: The Council could decide to commit the secured SCC grant funding to progress with the Environment Agency Flood Alleviation Scheme feasibility work only. However, without the progression of the wider masterplan work, sites will remain undeveloped and it would be challenging for the Council to apply for additional grant funding to complement EA funding to support the delivery of the FAS. The broader development potential associated with the flood alleviation work would also not be realised.
- 12.3 OPTION 3: The Council could decide to progress with the recommendations outlined in this report, endorsing Stage 2 of the masterplan and progressing with Stage 3. This will enable the delivery of the regeneration programme for Guildford’s town centre and help in achieving the objectives identified in the Council’s Corporate Plan 2021- 2025. It will support Council’s the intentions to develop the relevant planning policy to enable delivery of the masterplan, advance a flooding solution with the EA, develop a deliverable solution to overcome the existing transportation constraints and place the authority in a good position to be able to bid for grant funding when the opportunity to do so arises. Option 3 is the recommended course of action.

13.0 Conclusion

- 13.1 This programme has major benefits for Guildford’s community, businesses and environment by developing a pro-active regeneration strategy to address the economic challenges and physical constraints facing the town, including the retail downturn and the impact of the Covid-19 pandemic.
- 13.2 It is therefore proposed that the Executive approve the recommendations outlined in this report to enable the Shaping Guildford’s Future programme to progress to Stage 3.

14.0 Background Papers

- 14.1 23 July 2019 Full Council Notice of Motion – CO29: Town Centre Master Planning
- 14.2 24 March 2020 Executive Committee Report: Town Centre Master Plan
- 14.3 21 July 2020 Executive Committee Report: Guildford Economic Regeneration Programme Master Plan Strategy

14.4 25 May 2021 Executive Committee Report: Guildford Economic Regeneration Programme Master Plan Strategy

15.0 **Appendices**

Appendix 1 – SGF Masterplan Stage 2 Report

Appendix 2 – Competitive Position Report – Update report

Appendix 3 – Roadmap

Appendix 4 – Communication and engagement - Executive summary report

Appendix 5 – Stage 3 Budget

Appendix 6 – Stage 3 Deliverables – to follow

Please ensure the following service areas have signed off your report. Please complete this box and do not delete.

Service	Sign off date
<i>Finance / S.151 Officer</i>	
<i>Legal / Governance</i>	<i>22.08.2022</i>
<i>HR</i>	<i>22.08.2022</i>
<i>Equalities</i>	<i>22.08.2022</i>
<i>Lead Councillor</i>	<i>Currently being reviewed</i>
<i>CMT</i>	<i>24.08.2022</i>
<i>Executive Liaison</i>	
<i>Committee Services</i>	