

Leatherhead Southern Gateway

Mole Valley District Council

Full Business Case

**Purpose**

***"Successful project delivery starts with a good business case"***



## 1. Executive Summary

This project is part of the Growth Deal 2, East Surrey intensification LGF bid which includes Leatherhead Gateway, Epsom Plan E Quadrant, Oxted Gasholder and Rose & Young Caterham.

The public face of Leatherhead as presented by this important street is poor. There have been repeated calls to improve it. Surfaces and landscaping relate to a scheme completed over 30 years ago. The public realm is tired and cluttered with ad hoc interventions.

However, there are a number of positive signs:

- The establishment of the SEP endorsed wider Transform Leatherhead project designed to look comprehensively at the town centre and what is necessary to regenerate it.
- The moves by the predominant Church Street landowner, Hague Investments Ltd, to reconfigure commercial units and extend in order to accommodate a new food store for Waitrose.
- The signing of a new lease to enable The Leatherhead Theatre fronting Church Street to continue as an entertainment venue.

The Church Street Gateway retail intensification project has been endorsed by the Transform Leatherhead stakeholder reference groups as an early commitment by the public and private sectors to work in partnership and invest in the regeneration of Leatherhead. The project will deliver quality retail floor space, additional jobs, an anchor to increase footfall in this part of the town centre and supports a healthy mix of commercial floor space and a more welcoming and attractive public realm to set a standard for future schemes.

As such, the gateway project fulfils a number of the key objectives of the SEP: new jobs, new commercial floor space and resultant increase in GVA. In respect of Leatherhead itself, the project seeks to reverse the decline in the town's retail and leisure offer and poor standards of public realm described in the SEP.

The proposed project delivery route is one that will deliver a comprehensive public realm enhancement for the Church Street gateway incorporating features that are of practical importance for the operation of the proposed food store.

Funding is available to undertake the option described if the LGF can contribute £262,500 to the committed contributions coming from Mole Valley District Council, Surrey County Council, Hague Investments and Waitrose.

The project will be delivered as two interrelated projects: the new food store with related car parking and highway works being one major element and the public realm enhancements to complement the new store and provide a better environment in which to showcase the town.

Risks are considered to be manageable, with the most significant surrounding the coordination of the parallel private sector and public sector schemes and the delivery to the timetable. There is a willingness on the part of all the partners to make the project a success, to support one another and deliver their contribution to the gateway enhancement. The project is recognised as being mutually beneficial. This minimises risk and ensures that the resources will be mobilised to overcome any problems that do arise.

The programme will mean a new food store and related infrastructure open in the summer of 2016 and public realm works completed before the end of the year.

To deliver this project the partnership requires £262,500 from the LGF specifically to ensure that the public realm works can be delivered to a high standard and set a standard for quality to be taken forward by the masterplan for Leatherhead under the Transform Leatherhead banner.

## 2. Strategic Case

### 2.1 Business need – the problem that needs to be addressed

The site that is subject to the current LGF bid is a section of Church Street from the junction with The Crescent to High Street. The bid seeks to demonstrate an early commitment to investing in Leatherhead town centre, demonstrate a commitment on the part of various agencies, public and private, including the LEP, to partnership working and set a standard for the quality of the public realm. All these elements have emerged as a strong set of themes during extensive consultations held over the summer of 2015.

Church Street lies at right angles to High Street. The two streets together form the semi-pedestrianised town centre and most of the core of the principal shopping frontages. In the Church Street section there is a mix of retail outlets and restaurants, with residential flats above. The Leatherhead Theatre (Formerly Thorndike Theatre) is also in this section of Church Street, an important but struggling public building listed Grade II. The Leatherhead museum is also located in this area. On back land behind the main frontage is a public car park. Part of the street provides on-street general and disabled parking.

Church Street lies within the Leatherhead Conservation Area. The Leatherhead Conservation Area Appraisal and Management Plan published by Mole Valley District Council in 2010 described the character of Church Street as being an important approach to the town from the south.

The section of Church Street that is central to this business case is dominated by mid-20<sup>th</sup> Century 3 and 4 storey blocks on both sides of the road where it is proposed to enhance the public realm. Most of these properties are owned by one property company, Hague Investments. They have taken a proactive role in managing commercial tenants on the ground floors. They have introduced more restaurants in order to assist the night-time economy and they have been creative with the use of reduced or rent free periods in order to keep units trading.

Even with this proactive management, Church Street still lacked an anchor tenant that would attract foot-flow to the town. Waitrose expressed interest in Leatherhead but were initially put-off by a lack of suitable sites and the poor quality public realm. The combination of Hague Investments seeking and receiving planning permission to convert three adjoining units plus a new rear extension to create a suitable retail unit and the prospect of improvements to the public realm, has secured Waitrose as a new tenant. This development, which also involves a reconfiguration of the public car park, is due to open in August 2016 and has the potential greatly to increase footfall (see Appendix 2 for store plans).

This new development requires front of shop servicing which, in turn, requires alterations to the public realm under a Section 278 agreement with the County Council. At the same time, the District Council has embarked a major reassessment of the future of Leatherhead town centre under the banner of 'Transform Leatherhead' (A SEP endorsed project). The Council has developer contributions to spend on immediate improvements and, in consultation with local representatives and the Transform Leatherhead Community Reference Group, it was agreed that Church Street represented the best short-term opportunity for the available investment, linking with Hague Investments and the emerging Transform Leatherhead study.

The layout and material of the public realm dates back to the last major scheme in the early 1980s. Incorporated within this part of the scheme were two raised planters and a gateway, with a barrier between the semi-pedestrianised High Street end and the more conventionally laid out carriageway end. The symmetry of this scheme will be lost when the S278 highway works are implemented. Soft landscaping will also be affected. Therefore, this is the correct time in which to redesign the whole of this section of the street.

It is generally agreed by local people and Council Members that the quality of the street has suffered in a number of ways. The street trees have outgrown their locations and some damage has

occurred from tree roots. Over the years new street furniture and other signs and equipment have been introduced in an ad hoc fashion, contributing to street clutter. Surfaces have deteriorated and the original lighting is difficult to maintain and not efficient by modern standards. Businesses at this end of the town, including the Leatherhead Theatre, have struggled. Despite the presence of the theatre, the museum and the existing businesses, there is little sense of destination or civic pride associate with this part of the town centre. As a gateway into the commercial centre from the south, Church Street is disappointing. Visibility into the High Street is restricted by the high planters and the trees and the eye is drawn to discordant features such as the unattractive vehicular barrier and complex signage. Opportunities to use the street for events are limited by the amount of street furniture.

Church Street provides an early opportunity to set a standard for public realm enhancement at the outset of Transform Leatherhead. The consultation associated with the Transform Leatherhead project produced some key findings: the desire to have a better shopping offer was perhaps the most significant and there was strong support for The Leatherhead Theatre. The draft vision for the town centre includes the following:

*'high quality, people friendly streets and space will combine to link the riverside, railway station, business and residential areas and the wider Mole Valley into the heart of the town centre.'*

As a gateway into the town centre, Church Street had a role in fulfilling this vision.

Several of the Transform Leatherhead objectives as currently drafted, either directly or indirectly, reflect the desire to improve the townscape and deliver high quality public realm. The spatial principles as currently outlined identify Church Street as a key arrival point and gateway within the retail and leisure quarter of the town centre (see Appendix 1). The report on consultation identifies Church Street as one of the key places where public spaces could be enhanced or created. Of the five ideas for improving the town centre spaces, one states:

*'Revitalising and celebrating Church Street as a place for arts and leisure and as the southern gateway to the heart of the town centre.'*

The report of consultation states that Church Street is an early opportunity for public realm improvements and suggests a series of design principles that could be followed:

- *existing planters and trees removed to increase visibility to the Theatre from High Street*
- *signature lighting and informal seating*
- *signage rationalised to remove clutter*
- *new high quality stone paving to unify space*
- *Theatre entrance highlighted*
- *car parking accommodated within new shared surface space*
- *additional parking*
- *new slim street trees*

So far as the Coast to Capital SEP is concerned, Leatherhead lies within the East Surrey M25 Strategic Corridor which is identified as one of the LEP's spatial priorities. In Appendix 5 of the SEP the steady decline in the retail and leisure offer of Leatherhead is stated, together with the decline also in the standards of the public realm. There is concern that potential inward investment will be put off by the poor quality town centre. It is this decline that the current project for Church Street seeks to address and begin the process of transforming the town into a local destination.

Specifically referring to Leatherhead, the SEP states that the aim for the town is to:

*'redevelop and regenerate the commercial areas of the town centre'.*

The SEP recognises the importance of place and creating the right conditions for enterprise. It states, in relation to the visitor economy in particular, that a quality environment is necessary to attract and retain visitors and encourage them to spend. Leatherhead has the potential to be a local destination town. It lies on the edge of the Surrey Hills Area of Outstanding Natural Beauty with walking, cycling and riding links from the town centre. In response to the Transform Leatherhead consultation the riverside area, which acts as a corridor to the Surrey Hills, was considered to be the town's best feature and its historic buildings its second best feature. There are significant visitor attractions within a short journey of the town centre: Polesden Lacey and Denbies wine estate, for example. A world-class golf course, hotel and associated facilities are currently under construction at Cherkley Court, on the edge of the town. Leatherhead has cultural associations; for example Jane Austen's book 'Emma' was set in and around Leatherhead. With the theatre, museum, restaurants, natural and built environment, Leatherhead has the potential to attract visitors, but it has to offer a townscape appropriate to this role.

The intention behind the public realm enhancements in Church Street is to contribute to and lead on the wider regeneration of the town centre, to improve its physical environment, attract new private sector investment and jobs and underpin both planned and intended investment in the commercial vitality of the town.

Key design proposals for the public realm are as follows (Appendix 4):

- widening the eastern footway width by up to 2.7 metres to encourage the use of the space for outdoor seating outside two restaurants thus adding interest, activity and vibrancy to the street.
- Widening the western footway by up to 0.7 metres to encourage the use of outdoor space adjacent to two additional eating establishments.
- Provision of 15 on-street parking spaces (a net loss of 2 spaces more than compensated by the increased capacity of the pay-and-display parking to the rear of Waitrose.
- Enhanced surfaces in natural stone.
- Introduction of new street trees.
- Rationalisation of street furniture.

Not undertaking the project at this stage would result in:

- missing out on the opportunity to link the new food store development and associated highway works with the wider street enhancements for Church Street;
- a failure to put down a marker in terms of the ability to deliver a project early on in the Transform Leatherhead initiative and, as a consequence, damage public expectations;
- a lost opportunity in terms of setting out a standard for the quality of the public realm that can be achieved and the standards to which the town should aspire;
- a lost opportunity in terms of working with the private sector to deliver business and environmental gains;

## **2.2 The Project/Programme**

### **2.2.1 Description**

The project will involve designing and implementing a major upgrade of the public realm for a section of Church Street running from the junction with The Crescent to High Street, Leatherhead. The designs will cover the whole gamut of public realm elements: street surfaces, lighting, signage, street furniture and soft landscaping. It will provide arrangements for the servicing of a new food store on the street frontage, part of the economic regeneration of Church Street

### **2.2.2 Objectives**

- Provide an early impetus for the regeneration of Leatherhead through the Transform Leatherhead project, flagging up an immediate commitment of partners to invest in the future of the town;
- Provide a high standard for the treatment of the public realm that can be replicated in other parts of the town;
- Enhance the public realm to provide an improved and welcoming 'gateway' to the town centre from the south;
- Provide an environment in which business in this part of the town centre will thrive, footfall will increase and a good mix of leisure and retail uses will be supported;
- Provide an enhanced setting to the Theatre and integrate it better into the fabric and activity of the town centre, making it a regional destination;
- Encourage additional jobs in retailing, part-time, full-time and management trainees.
- Provide a public realm that is less cluttered and where spaces can be used flexibly for a variety of activities and respond to changing demands and circumstances.

### **2.2.3 Outputs**

The following outputs will be realised:

- Bringing a nationally recognised key retail brand to Leatherhead
- Additional retail floor space of 3,530 sq ft (328 sq metres)
- 60 full time/part time jobs including management trainees
- No new residential units but 1,421 sq. ft. of additional space for residents
- 22 additional car parking spaces (including 2 disabled spaces)
- Private sector financial investment in excess of £2m
- Public sector investment of £300,000

### **2.2.4 Key Strategic Benefits**

- Supports the concept of a sustainable town centre by providing increased choice of food shopping to the community encompassing Fetcham, Ashted, Bookham and Leatherhead;
- Levers investment and supports the improvement of business premises within the M25 Strategic Corridor;
- Builds competitive advantage by widening the appeal of Leatherhead town centre;

- Supports the objective within the M25 Strategic Corridor of redeveloping and regenerating the commercial areas of the town centre of Leatherhead;
- Encourages the aim of making Leatherhead a local destination both in terms of improving the retail offer within the town and attracting and retaining visitors who could make linked trips from adjacent attractions within the Surrey Hills AONB.
- Assists in reversing the decline in the retail and leisure offer in Leatherhead by providing improved shopping within a more attractive environment.

### **2.2.5 Key Stakeholders and their roles and responsibilities**

- Mole Valley District Council – the Council is responsible for managing the Transform Leatherhead master planning and associated consultation with the assistance of its consultants. The Council is also the planning authority and is working with Hague Investments on the proposal for the new food store in Church Street. MVDC is contributing funds towards the Church Street project and working with the County Council to deliver a Section 278 agreement with Hague Investments and the design of the wider enhancements for this street. MVDC will be responsible for managing the new car parking in Church Street. The Council will take responsibility for consultation and communications with the various stakeholders and will manage the administration associated with the Coast 2 Capital Local Growth funding.
- Surrey County Council – is responsible for agreeing the public realm works associated with the new food store. SCC will provide funding for the wider enhancements within Church Street. It will employ WS Atkins to undertake the design of these enhancements in consultation with the District Council. The County Council will be responsible for managing the construction contract, signing off works associated with the S278 agreement and undertaking safety audits and traffic regulation orders. SCC will also be responsible for future maintenance of the public realm.
- Hague Investments Limited – the company owns many of the buildings fronting the relevant section of Church Street, including The Leatherhead Theatre and 14-22 Church Street where the new food store will be located. Hague will be responsible with its design team and nominated contractor for delivering the development for occupation by Waitrose and constructing those parts of the public realm improvements that are subject to the S278 agreement. Since the company owns other buildings on both sides of Church Street it has a stake in the outcome of the design proposals overall and will, therefore, have opportunities to influence any proposals.
- Waitrose - this company will be the occupier of the new food store at 14-22 Church Street. It will be responsible for fitting out the store, signage and store operation, including deliveries. It is also responsible for information required to discharge planning conditions. The company will be a stakeholder in the design process for the public realm.
- Leatherhead and District Chamber of Trade and Commerce – the Chamber is the organisation that supports local businesses and promotes the town as a business and commercial centre. It also manages the street market that operates two days a week in High Street and the lower part of Church Street. The Chamber is a representative in the discussions with Hague Investments design team, alongside MVDC and SCC. The Chamber will represent the business community during the development of the design ideas for Church Street.
- Leatherhead Town Centre Management – Town Centre Management lies within MVDC, promoting the town centre and encouraging the regeneration of Leatherhead through business support of various kinds. TCM also organises events that use the streets within the town, including Church Street. This includes continental markets that take space on the

streets. TCM is a consultee on the development of plans for Church Street and High Street in particular.

- The Leatherhead Theatre – the theatre is important to the social and economic well-being of Leatherhead. It is an independent theatre that receives no regular outside grants. It has recently renewed its lease and is now in a position to think ahead and market itself proactively in future years. The Theatre would like to be more visible on Church Street and, perhaps, be in a position to run a café outside its doors or run theatrical events or tasters on the street. It will want to influence the design of the street, particularly the section immediately outside its doors. The theatre would like to look at creative ways of making its presence more obvious in the street, for example, through lighting or the addition of an entrance canopy to extend its frontage into the street.
- Church Street Businesses – those directly impacted by the proposals for Church Street will be important stakeholders with responsibility for communicating their views on proposals as they come forward.
- Transform Leatherhead Community and Members' Reference Groups – these two consultation groups, one consisting of local representatives and the other of political representatives, were established as part of the wider Transform Leatherhead agenda. They have already proved to be helpful forums within which to discuss and agree proposals for Church Street. Their role will be to comment on the Church Street project and guide officers prior to finalising the scheme.

### **2.2.6 Strategic Options for Delivery**

This project is focussed on public realm enhancements in a specific area of Leatherhead at the southern gateway to the town. The site itself lies in a strategic position, but the options are related to the details of design and are not strategic. The Transform Leatherhead project, which is running in parallel, will look at strategic options when it is concluded later in 2016.

### **2.2.7 Risks of Strategic Options**

Whilst not a strategic risk as such, there is a danger that Transform Leatherhead may come to conclusions that are different from those currently drafted for Church Street. However, the designs for Church Street will allow for different transport solutions and street functions and thus enable it to adapt to future change. Given the community support already demonstrated both before and during the Transform Leatherhead consultation for public realm improvements in this part of the town, it is hardly conceivable that a different vision for Church Street would emerge. Any residual risk is considered to be worth taking because of the perceived need to demonstrate an early commitment to the regeneration of the town, the fact that changes will need to take place anyway to accommodate the development of the food store and the opportunity to set high standards for place-making. Early indications from the Masterplan options consultation indicate a high-degree of alignment between this project and the wider Transform Leatherhead project.

### **2.2.8 Constraints**

The timetable that Hague Investments Limited is working to is very tight. Consequently the street enhancements will probably follow as a second phase of work. The street itself is one where there are a number of sometimes competing uses and users. There is a desire to enhance the experience for pedestrians, creating pleasurable spaces where visitors will want to linger, whilst at the same time not wishing to reduce the amount of short term, on-street parking. The need to service the new food store from the front will result in large delivery vehicles accessing the area; designs will need to accommodate this safely. Under the street there is a complex web of services that will make it more difficult to establish street trees or include features that require space beneath the surface.



Funding would be a constraint if the additional funding from the Local Growth Fund is not forthcoming. The additional funding is required to ensure that the standard of materials and finishes is high, robust and easily maintained.

**2.2.9 Initial Affordability Assessment**

Budget costs are as follows:

- Private sector funding to provide new food store, reconfigure car park and make adjustments to residential accommodation (£2,000,000)
- Section 278 works to the public realm to accommodate deliveries to the new store (£29,000)
- Design and construction costs associated with the public realm, including lighting, street furniture, soft and hard landscaping, signage, design and legal costs (£500,000)

Total Costs: £2,619,500

Sources of Funding:

- Hague Investments/Waitrose £2,029,000
- Mole Valley District Council £313,000
- Surrey County Council £15,000
- Total £2,357,000

Shortfall to be met from Local Growth funding £262,500

**2.2.10 Long term sustainability**

Longer term costs associated with the maintenance of buildings will be met by Hague Investments and Waitrose. Costs of maintaining the investment in the public realm will be met by the County Council from its revenue budgets.

**3. Economic Case and Option Appraisal**

This is a small project where a decision has been made with the local community to focus resources in Church Street. Options are, therefore, limited. The decision to proceed with this project is also based on an opportunity to deliver a project with a significant private sector partner.

**Long-listed Options**

In view of the limited scale of the project no distinction is drawn between short and long term objectives.

Option	Strategic fit	achievability	acceptability
Option1: Undertake minimum works to Church Street amounting to S278	This does not meet strategic objectives and would deliver a utilitarian scheme	Achievable as a requirement of the planning permission for the food store.	Would be seen as a lost opportunity in that only a partial scheme would be implemented. Would be

works only	designed simply to accommodate service vehicles.		seen as a compromise solution and expectations would not be realised
Option 2: Undertake comprehensive scheme for the High Street of Church Street, integrating S278 works	This is the preferred scheme and fulfils the strategic objectives indicated in Section 2.1 of this document.	Achievable in that funding is available and link with private sector development is strong.	There is community and business support for investment in Church Street.
Option 3: retain available funding until Transform Leatherhead has come to conclusions	Good strategic fit but some funding would be time expired.	Some funding would be lost, although other funding may come forward as a result of other private and/or public sector funding	May seem sensible to some but others may feel that improvements are needed in the short term
Option 4: invest available funds in other key locations in Leatherhead such as High Street	Could deliver strategic fit, but not to the same extent as Option 2 and much greater danger of being undone by conclusions of Transform Leatherhead	Acceptable to most stakeholders	High Street scheme would divide opinion and would be seen to be premature.

### 3.1 Short listed options

Option 2 (above) is seen to be the only realistic option. It delivers short-term objectives as part of Transform Leatherhead. A scheme is possible that does not pre-empt conclusions arising out of Transform Leatherhead. The site is identified in the work on Transform Leatherhead as forming a key gateway into the town and where there are opportunities to tackle issues associated with physical and economic decline. It supports the private sector investment from Hague Investments and Waitrose, underpinning the wider SEP supported Transform Leatherhead project.

### 3.2 Cost benefit analysis

#### 3.2.1 Affordability

Local Growth Funding allocated to this project is £262,500.

Other sources of funding are set out in section 2.2.9 of this business case. The food store will be delivered by Hague Investments for a capital sum just in excess of £2m. This includes the necessary extension of floor space to the rear of the property, re-accommodating existing businesses to provide three co-joined units, re-accommodating residential occupiers, reconfiguring the car parking and public realm (Section 278 agreement). The developer is committed to this project and is well advanced in discharging pre-commencement planning conditions associated with the planning permission. Waitrose will be responsible for the fitting out of the store.

Public sector funding will be focussed on the public realm, with possible additional funding being allocated towards improvements to The Leatherhead Theatre entrance (lighting and canopy). Funding will come from Mole Valley District Council (£313,500) and Surrey County Council (£15,000).

Option Costs:

Option 1 – this option involves the building of the food store at a cost of £2m and the S278 highway works for £29,000. This figure is subject to negotiation with the County Council and the figure

quoted in this bid is the developers estimate of costs. All the costs would be met by the private sector. Some minor reductions to highway and maintenance budgets might be expected as a result of the replacement of existing surfaces with new paving and the loss of soft landscaping. Costs are supplied by the developer. This is seen as a compromise and partial project with very limited impact in terms of public realm improvements to complement the private sector investment. It could damage our reputation with an important property owner in the town and there could also be reputational damage within the community.

Option 2 – the costs of this, preferred, option is set out above as £2,619,500 and it includes the private sector investment. Some reduction in highway maintenance would be expected in the short term as a result of the renewal of infrastructure and its simplification. In the longer term too, a simplified scheme should reduce the annual cost of maintenance. Costs are based on initial design ideas produced by Broadway Malyan (Appendix 1) and costs provided by the developer. Budget costs for the public realm improvements have been prepared by WS Atkins. This is seen as the most comprehensive partnership opportunity to deliver a cost-effective scheme to meet strategic objectives in the short term.

Option 3 – this would not involve any expenditure in the short term as no specific scheme is identified. There is a reputational risk associated with a failure to meet expectations.

Option 4 – with this option there would be public sector funding of between £50,000 and £100,000. There would be no link with private sector funding. The investment would be likely to reduce highway maintenance costs in the short term. Impact would be limited but this would depend on the precise site chosen for enhancement. The risk is that investment would be overtaken by later recommendations arising from Transform Leatherhead.

**Risk**

1	Risk	Full design and build costs will not be know until tenders are received
2	Type of risk	Operational
3	Ownership and responsibility	Surrey County Council/Mole Valley District Council
4	Effects	Redesign would be necessary
5	Causes	Inevitable uncertainty about construction costs
6	Controls	Discussions taken place with designer suggest that funding will be sufficient to achieve standards required. In the event of increased costs, elements could be omitted and introduced at a later stage. Designers aware of budget.
7	Assurance	This control is considered appropriate/adequate.
8	Likelihood	Low
9	Impact	Low: designers experienced in estimating
10	Overall (current) assessment	Low
11	Original (inherent) assessment	Low
12	Mitigation recommendations	Risk will be managed by designers and client and an understanding of the constraints.

1	Risk	Timetable for the delivery of the developer’s works and public realm works may not align.
2	Type of risk	Operational/Reputational
3	Ownership and responsibility	Hague Investments/Waitrose/Local Authorities
4	Effects	Reputational and additional costs
5	Causes	Differing timetables and contractual rules
6	Controls	Developer may implement S278 works in advance of main

		enhancements. This could be an interim scheme with full scheme to following later in the year.
7	Assurance	This control is considered appropriate/adequate.
8	Likelihood	High
9	Impact	Medium
10	Overall (current) assessment	High
11	Original (inherent) score	High
12	Mitigation recommendations	Management and communications of the process will reduce impact but likely lengthening of implementation phase.

1	Risk	Costs may overrun due to constraints such as moving services
2	Type of risk	Operational
3	Ownership and responsibility	Surrey County Council/Mole Valley District Council
4	Effects	Impact on design or cost overrun
5	Causes	Lack of knowledge of site
6	Controls	Adequate survey data collected during design process and precautionary approach taken.
7	Assurance	This control is considered appropriate/adequate.
8	Likelihood	Possible
9	Impact	Medium: could impact on design and result in sub-optimal solutions
10	Overall (current) assessment	Low
11	Original (inherent) assessment	Medium
12	Mitigation recommendations	Close working relationship between highway authority and designers

1	Risk	There may be public opposition to the project
2	Type of risk	Reputational
3	Ownership and responsibility	Mole Valley District Council
4	Effects	Delays and increased design costs
5	Causes	Poor communications/consultation
6	Controls	Public and political commitment is in place to support the project. Stakeholder group in place and communications in place. Scheme will avoid controversial issues such as reduced parking. Good communications as project proceeds.
7	Assurance	This control is considered appropriate/adequate.
8	Likelihood	Possible
9	Impact	Medium: could delay project
10	Overall (current) assessment	Low
11	Original (inherent) assessment	Medium
12	Mitigation recommendations	Use existing stakeholder groups and links with local representatives

1	Risk	Project may be overtaken by conclusions arising from Transform Leatherhead
2	Type of risk	Operational
3	Ownership and responsibility	Mole Valley District Council/Surrey County Council
4	Effects	Scheme would be made wholly or partially redundant in

		the medium to longer term
5	Causes	Decision to proceed with early regeneration project prior to full reporting on Transform Leatherhead
6	Controls	Design of the scheme can accommodate any emerging alternatives for Church Street with no or very superficial alteration of the agreed scheme
7	Assurance	This control is considered appropriate/adequate.
8	Likelihood	Possible
9	Impact	Low: any alterations to the scheme would be relatively superficial
10	Overall (current) assessment	Low
11	Original (inherent) assessment	Medium
12	Mitigation recommendations	Careful control over design, creating a flexible space that can accommodate change..

1	Risk	Slippage in timetable
2	Type of risk	Operational
3	Ownership and responsibility	Mole Valley District Council/Surrey County Council
4	Effects	Potential loss of funding and reputation
5	Causes	Failure to agree details of scheme or resource issues or delays in design or availability of contractor
6	Controls	Designers are aware of local issues and scheme should allow for a range of uses and opinions. Design capacity is being bought in and resources allocated. Lead time sufficient for SCC contractor to programme work.
7	Assurance	The control is considered appropriate/adequate
8	Likelihood	Low
9	Impact	High
10	Overall (current) assessment	Low
11	Original (inherent) assessment	Low
12	Mitigation recommendations	Close liaison with all parties and careful programming

### 3.3 Key Findings

- the project is straightforward in that it is confined to a specific area of Leatherhead and will not fundamentally change the function and operation of the street. Overall costs from the developer associated with the development of the food store and associated accommodation works (car park and highway works) are considered to be reasonably firm as the design works are well advanced and planning permission has been granted. Design work for the public realm are conceptual at this stage but it is possible to be confident that a scheme can be delivered for the budget available assuming, of course, that the Local Growth funding application is successful.
- as above, it is considered that the budget is sufficient to deliver the quality of scheme that will set standards for future regeneration projects.

### 3.4 Recommendations and preferred option

Having regard to the comments in this document, Option 2 is considered to be the preferred approach in that it meets strategic objectives, is in line with the emerging Transform Leatherhead agenda and is affordable.

## 4. Delivery

### 4.1 Project management arrangements

The construction of the food store (including car park reconfiguration and Section 278 highway works) will be managed by the developer’s design team with a dedicated project manager. Fitting out the store will be managed by Waitrose. The public realm enhancements will be managed by the County Council and their contractor, Keir. Overall co-ordination of the project will be undertaken by Mole Valley District Council. Regular team meetings are already established with the developer and their project team. Similarly, for public realm works, a project team has met already, including the design team, and this team will be managed to meet on a regular basis if the LGF funding is agreed.

### 4.2 Procurement Strategy

Procurement on the developer’s side has been a matter for them. Their design team and planning consultants have been working on this project for almost a year. The wider enhancements of the public realm will be procured under Surrey County Council’s contract standing orders. They will use their term designers WS Atkins and term contractor Keir. Opportunities for the County Council to have some input into the procurement of materials for works undertaken by Hague Investments within the public realm are being explored.

### 4.3 Implementation Timescales

As far as the food store is concerned, design work is largely completed and planning permission was issued in October 2015. The developer is undertaking work to discharge pre-start planning conditions with a view to starting work on site early in 2016. Works to part of the car park, also being undertaken by the developer and granted consent under a previous planning permission, are currently underway. Section 278 works to the public highway are scheduled for February/March 2016. Completion of construction works to the new store will be in July 2016, followed by a 4-week fit out and opening by end of August 2016.

On the wider enhancements to the public realm in Church Street, preliminary design work has begun. An agreed design is scheduled for March 2016. Contract set up and material ordering is planned for the spring/early summer of 2016, with construction in the September-November period.

### 4.4 Contract Management Approach

## 5. Financial Case - the cost to the public purse, and budgeting

### 5.1 Budget Profile: public realm only

#### Funding of Project costs\*\*

	yr 1*	yr 2	yr 3	yr 4	yr 5	yr 6	yr 7	yr 8	y
Capital Resource									
Total £'M	£20,000	£590,500							
Funding obtained	Private/MVDC	MVDC,LGF and SCC							

\* Year 1 is current financial year 2015/16

\*\*Refers to public realm costs only and not the food store costs or S278 works

We are asking for £262,500 of LGF funding in year 2 to add to the £328,000 of local authority funding.

Food store development costs £2m

Total costs: £2,619,500

## **5.2 Budget Arrangements**

Funding for Highway works and letting of contract will be handled by the County Council with the District Council transferring its financial contribution to the County prior to the scheme starting. A similar arrangement was agreed for another street enhancement scheme in Dorking last year.

## **6. Management Case**

### **6.1 Project Dependencies**

### **6.2 Project/Programme Governance, Organisation Structure and Roles**

- Planning approval for Church Street food store (achieved)
- Agreement signed between Hague Investments and Waitrose (achieved)
- Sign off of pre-commencement planning conditions and S278 works (early January/February)
- Approval of LGF funding (January 2016)
- On site start to works associated with new food store (January 2016)
- Consultation on designs (February 2016)
- First stage public realm works under S278 (March 2016)
- Completion of design works for Church Street gateway (March 2016)
- Executive approval (March 2016)
- Completion of store (July 2016)
- Fit out of store by Waitrose (August 2016)
- Public works contractor mobilisation and materials ordering (May-August 2016)
- Gateway street works (August-November)

### **6.3 Communications and Stakeholder Management**

### **6.4 Project/Programme Reporting**

### **6.5 Key Issues for Implementation**

- Completion of phase 2 car parking by developer
- Completion of S278 highway works by developer
- Completion of buildings works by developer
- Completion of store fitting out and signage by Waitrose
- LGF funding
- Completion of Gateway Street Enhancements

Each stage is dependant on the completion of the preceding stage and could potentially delay the subsequent stage. However, there should be sufficient flexibility to retime certain elements within the overall timetable. The limiting factor is the end date – street works will need to be completed by the end of November 2016 to avoid disrupting Christmas trading. Although not ideal, if necessary, street works could be suspended over the Christmas period and resumed in January. More precise programming will be established when the scheme has been designed.

### **6.6 Risk Management Strategy**

- Successful coordination of S278 and Gateway highway works
- Managing consultation and expectations and retaining support of stakeholders
- Keeping to budget
- Ensuring buildability of scheme having regard to constraints such as undergrounded services
- Reducing disruption to trade
- Keeping to timetable

It is not considered that these risks are any greater for this project than they would be for any town centre public realm scheme. The extend of the works is relatively focussed

### **6.7 Project/Programme Evaluation**

Footfall counts will be undertaken to provide baseline figures prior to construction. Follow up footfall counts can be undertaken for comparison. Stakeholder satisfaction surveys will be possible and feedback will be monitored and reported to the Transform Leatherhead reference groups.