

WOKING BOROUGH COUNCIL

WOKING BOROUGH COUNCIL
(SHEERWATER REGENERATION)
COMPULSORY PURCHASE ORDER 2020

DELIVERY STATEMENT

OF

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1. INTRODUCTION

- 1.1 My name is Mark Rolt and I am the Chief Executive Officer for the ThamesWey Group. I have held this role for 6 years, having previously been a non-executive Director of most of the group companies.
- 1.2 I have an undergraduate honours degree in Biological Sciences (Birmingham), a post-graduate diploma in Environmental Health (Middlesex) and a Masters in Business Administration (Kingston). I am responsible for the whole group activity and staff but have a specific focus on the commercial expansion of the group and environmentally sustainable residential development.
- 1.3 I am the senior officer at ThamesWey Group responsible for the operational delivery of the Sheerwater Regeneration Scheme (“the **Scheme**”), and I have led or been closely involved in it for approximately 10 years as was involved prior to appointment as Chief Executive Officer.
- 1.4 This has entailed working with the Council on interpreting the political and social ambitions of the redevelopment into planning and delivery plans. I have also appointed the client-side delivery team of consultants and have run the commercial tenders for all the contractors involved in the Scheme delivery.
- 1.5 My evidence will address the role of the ThamesWey Group, delivery of the Scheme to date, and future delivery of phases unlocked by the Order.

2. THE ROLE OF THAMESWEY GROUP COMPANIES

- 2.1 Delivery of the Scheme will be undertaken by companies within the Thameswey Group of Companies, a group of companies which is wholly owned by the Council as delivery and investment vehicles. The Council is the sole shareholder of Thameswey Limited (the Parent Company of the Thameswey Group of Companies), who in turn is the sole shareholder of the two group companies set out below.
- 2.2 The Council therefore has a controlling influence over these Companies with representation on the Board of Directors (with both Councillors and officers sitting in Board positions) and as the ultimate shareholder. The two Thameswey companies involved in the Scheme are Thameswey Developments Limited (“**TDL**”) and Thameswey Housing Limited (“**THL**”).
- 2.3 TDL is incorporated as a development and delivery vehicle and has a good track record of delivering both commercial and residential developments, while THL is established in connection with the ownership and management of housing stock, currently managing a substantial amount of residential property.
- 2.4 Given the nature of the two companies and the purposes for which they have been incorporated, the Council is proposing that, in order to effectively deliver the Scheme, it is appropriate for the Order Land to be transferred to THL, whilst the physical delivery of the Scheme is carried out by TDL.
- 2.5 THL will transfer the Order Land (or relevant parts of it) to TDL as and when required for the delivery of the Scheme. TDL will be responsible for the development of the Order Land and delivery of the Scheme. THL will acquire the affordable housing units upon the Order Land once completed.
- 2.6 ThamesWey is funded to deliver the Scheme from approved borrowing issued by the Council. This funding has been agreed with the Section 151 Officer at WBC via an economic

model which covers the entire Scheme construction phase with loans to TDL and a further 50 year holding period where the newly constructed property is held by THL. A full cash flow model has been built for the construction phase by the appointed cost managers and actual expenditure is compared to this every month.

- 2.7 This is further input into the whole scheme economic model to ensure the economic assumptions remain robust. Funding is drawn down from the Council only on a need basis based around contractor invoices which are certified monthly by the appointed scheme cost managers and employers agents.
- 2.8 The public benefits of working with THL and TDL are that any profit from the Scheme can be retained and reinvested within the Scheme and the Council's administrative area as a whole.

3. DELIVERY OF THE SCHEME TO DATE

- 3.1 As set out in the evidence of Peter Bryant and Joanne Hollingdale, the Planning Permission has secured detailed planning consent for the majority of the Scheme and outline planning consent for the Scheme as a whole.
- 3.2 The Scheme is being delivered in phases according to the Phasing Plan (**CDA16**). The phasing plan divides the Scheme into colours (with the exception of the Leisure Phase which is self-explanatory) to avoid a perception of a linear programme which numbered phases would elicit.
- 3.3 While each phase has been designed to be self-contained with regard to utilities and drainage they are designed to produce a wholistic garden suburb centred around a new park with recreation facilities which links all areas of the Scheme.
- 3.4 The majority of the scheme has already been granted detailed planning consent with only the last phases in outline to allow future adaption to reflect market and social conditions at the time. The Scheme has been broadly divided into a medium rise area to the south of the central park containing apartments, maisonettes and town houses with community and retail facilities (mainly phases Purple, Red, Yellow, Blue and Orange) plus a low-rise area to the north of the central park.
- 3.5 The Scheme has already commenced with the delivery of the Leisure Phase and Purple residential apartments. The next phase to commence is Red which is also medium-rise apartments but with the addition of commercial units on the ground floor and the Scheme's energy centre.
- 3.6 By commencing Purple and Red phases first the Scheme will provide a broad spread of residential units (apartments, specialist accommodation, town houses, mews houses and maisonettes) of both open market and affordable tenures as well as commercial units at the start of the scheme. All residential property is tenure blind so no units will give an external visual indication as to if they are open market or affordable.
- 3.7 This approach to phasing will enable existing residents from across the wider scheme to relocate to new property facilitating future phases. The Yellow phase will commence shortly after to provide new community facilities and develop the new 'hub' of the Scheme. By taking this approach to the phases the new facilities for the community will be in place before any existing facilities are demolished and, subject to the successful order, allow the Scheme to roll out across the development area.

- 3.8 The first stage of the Scheme has been commenced; construction work began on 22 July 2019, with preliminary works to create the Leisure Centre, swimming pool and associated sports facilities. These works have been completed to shell stage and were handed to the Council in March 2021 for fit-out.
- 3.9 The construction of the first phase of residential development in the Purple Phase, comprising 92 new dwellings, is on site and is due to be completed in June 2021.
- 3.10 In addition to the construction of the Leisure Centre phase and the first residential phase (Purple) work has begun on delivery of the second residential phase (Red) via demolition of the existing buildings, which also includes commercial retail space and the new Energy Centre which will power the medium rise phases of the Scheme.
- 3.11 Contracts have also been let for two further phases of residential and community infrastructure (Phases Yellow and Copper) which are due to start on site in late July 2021 subject to the discharge of appropriate pre-commencement planning conditions.
- 3.12 The proof of Peter Bryant also discusses the works that have been completed to re-provision open space from the Order Land to land at Hoe Valley School Egley Road, with athletics track and football pitches.

4. DELIVERY OF THE REMAINDER OF THE SCHEME

- 4.1 TDL will be responsible for obtaining reserved matters for the remainder of the Scheme at the appropriate time in accordance with the Phasing Plan (**CDA16**).
- 4.2 There are proposed to be five further reserved matters applications which will enable delivery of the latter phases of the Scheme. However, given the detail required by the conditions imposed on the Hybrid Application 2018/0337 and the level of detail submitted and approved within the reserved matters areas, it is proposed that these will be made and discharged by the appointed phase contractor as part of their design commission and normal planning condition discharge (as was the case in the earlier phases). Appropriate time has been built into the programme for this.
- 4.3 The programme for delivery of the phases within the Scheme is set out within the Phasing Plan. The Phasing Plan provides for a total demolition and re-building programme over 76 months from commencement of development and has been designed to deliver the Scheme in a thought-out and efficient manner.
- 4.4 The Phasing Plan also sets out how the various elements of the Scheme will come forward and when these will be provided within the overall context of the Scheme's delivery.
- 4.5 The phased programme has been designed with 5 priorities in mind:
 - (a) Minimising disruption for residents. The phased design seeks to maximise the opportunity for residents within the Order land to buy or move into a new property within the Sheerwater area before their property is required for demolition in connection with the Scheme. The phasing also seeks to ensure that, as far as possible, existing properties and buildings are not demolished until re-provision is complete.
 - (b) Preserving continuity of service for community facilities. The design ensures that the new community facilities being delivered by the Scheme are open and available for use before any existing community facilities are closed for demolition.

- (c) Delivering effective sustainable drainage systems (SUDs) across the Scheme as a whole. Each phase has been modelled in detail with drainage and flooding in mind to ensure that no phase adversely affects any other, nor the wider Sheerwater area.
 - (d) Maintaining open space and green space provision and accessibility. The design ensures that the new open space, green space and leisure space within the Scheme is re-provided before any existing open space, green space and leisure space is removed.
 - (e) Preserving the wider property market viability. The design takes account of local market conditions and the potential for the Scheme to saturate the local housing market.
- 4.6 The affordable housing delivered as part of the Scheme will be owned by THL and managed by them from completion. The Council, TDL and THL are committed to transforming the Sheerwater area through the delivery of the Scheme and the Council will be a principle funder in the Scheme's delivery. The delivery of the Scheme has been designed on a phased basis, in order to secure appropriate and timely delivery. The benefit of using TDL and THL to deliver the Scheme are that:
- The Council will retain any development profit within the Borough of Woking;
 - The Council will control profit levels to ensure rents for affordable homes remain affordable; and
 - TDL can enter into commercial arrangements if it is advantageous to the progress of the Scheme, retaining some advantages of private sector involvement while ensuring control is retained by the Council.

5. CONCLUSIONS

- 5.1 As explained in this Statement, implementation of the Scheme will be the responsibility of the Council and its wholly owned companies, THL and TDL. The benefits of this delivery mechanism are that:
- (a) The Council will control the delivery of the Scheme as Director and ultimate shareholder of each of the companies, in addition to having rights of approval in respect of the annual business plans produced by each of the companies;
 - (b) The Council will retain any development profit within the Borough of Woking;
 - (c) The Council will control profit levels to ensure rents for affordable homes remain affordable; and,
 - (d) TDL can enter into commercial arrangements if it is advantageous to the progress of the Scheme, retaining some advantages of private sector involvement while maintaining a degree of control by the Council.
- 5.2 The Scheme has all necessary resources in place and I have every expectation that delivery of development at Sheerwater will come forward should the CPO be confirmed.